



NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES AND AFFILIATES

Consolidated Financial Statements

For the Year Ended September 30, 2020

(With Summarized Financial Information for the Year Ended September 30, 2019)



**and
Report Thereon**



**Reports Required in Accordance with
the Uniform Guidance**

For the Year Ended September 30, 2020



**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
National Council of Juvenile and Family Court Judges
and Affiliates

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the National Council of Juvenile and Family Court Judges and Affiliates (collectively referred to as the Organization), which comprise the consolidated statement of financial position as of September 30, 2020, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 2020 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the National Council of Juvenile and Family Court Judges and Affiliates as of September 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Report on Summarized Financial Information

We have previously audited the Organization's 2019 consolidated financial statements, and we expressed an unmodified opinion on those audited consolidated financial statements in our report dated April 17, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2019, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2021, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Marcum LLP

Washington, DC
April 8, 2021

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

September 30, 2020

(With Summarized Financial Information as of September 30, 2019)

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 3,660,575	\$ 958,313
Grants and accounts receivable, net	549,554	1,204,142
Prepaid expenses and other assets	64,469	74,210
Investments	2,679,034	2,630,516
Note receivable, net	780,771	1,143,238
Property and equipment, net	155,334	190,167
Cash surrender value of life insurance policies	-	21,717
	<u>\$ 7,889,737</u>	<u>\$ 6,222,303</u>
TOTAL ASSETS		
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 215,685	\$ 479,630
Accrued payroll and employee benefits	622,594	572,362
Line of credit	-	60,000
Refundable advances	595,138	240,461
Contract liabilities	393,959	195,027
Note payable	1,266,200	-
	<u>3,093,576</u>	<u>1,547,480</u>
TOTAL LIABILITIES		
Net Assets		
Without donor restrictions	2,435,745	2,102,533
With donor restrictions	2,360,416	2,572,290
	<u>4,796,161</u>	<u>4,674,823</u>
TOTAL NET ASSETS		
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,889,737</u>	<u>\$ 6,222,303</u>

The accompanying notes are an integral part of these consolidated financial statements.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2020

(With Summarized Financial Information for the Year Ended September 30, 2019)

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
REVENUE AND SUPPORT				
Federal and state grants and contracts	\$ 8,689,811	\$ -	\$ 8,689,811	\$ 9,688,684
Foundation grants and contracts	236,785	-	236,785	365,052
Other grants and contributions	167,212	16,359	183,571	189,855
Fee for service contracts	283,969	-	283,969	304,478
Registration fees	169,770	-	169,770	632,288
Dues and subscriptions (memberships)	303,123	-	303,123	262,708
Investment income, net	30,560	13,191	43,751	188,971
Other revenue and gains	96,596	-	96,596	200,652
Net assets released from restrictions:				
Satisfaction of program restrictions	241,424	(241,424)	-	-
	10,219,250	(211,874)	10,007,376	11,832,688
TOTAL REVENUE AND SUPPORT				
EXPENSES				
Program Services:				
Family Violence and Domestic Relations	3,641,372	-	3,641,372	4,594,522
Juvenile and Family Law	2,468,783	-	2,468,783	2,899,938
National Center for Juvenile Justice	1,238,898	-	1,238,898	1,413,781
	7,349,053	-	7,349,053	8,908,241
Total Program Services				
Supporting Services:				
Management and general	2,373,670	-	2,373,670	2,313,415
Fundraising and grant proposals	163,315	-	163,315	162,465
	2,536,985	-	2,536,985	2,475,880
Total Supporting Services				
TOTAL EXPENSES	9,886,038	-	9,886,038	11,384,121
CHANGE IN NET ASSETS	333,212	(211,874)	121,338	448,567
NET ASSETS, BEGINNING OF YEAR	2,102,533	2,572,290	4,674,823	4,226,256
NET ASSETS, END OF YEAR	\$ 2,435,745	\$ 2,360,416	\$ 4,796,161	\$ 4,674,823

The accompanying notes are an integral part of these consolidated financial statements.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2020
(With Summarized Financial Information for the Year Ended September 30, 2019)**

	Program Services				Supporting Services			2020 Total	2019 Total
	Family Violence and Domestic Relations	Juvenile and Family Law	National Center for Juvenile Justice	Total Program Services	Management and General	Fundraising and Grant Proposals	Total Supporting Services		
Personnel	\$ 2,435,534	\$ 1,725,548	\$ 1,005,081	\$ 5,166,163	\$ 1,537,248	\$ 146,956	\$ 1,684,204	\$ 6,850,367	\$ 7,049,547
Supplies and operating	444,633	262,283	174,896	881,812	497,413	12,990	510,403	1,392,215	1,557,786
Contractual	452,287	309,226	46,778	808,291	163,274	2,801	166,075	974,366	1,642,589
Subrecipients	179,965	66,631	-	246,596	-	-	-	246,596	356,500
Travel	88,469	85,520	7,431	181,420	22,254	-	22,254	203,674	548,913
Other Council activities	695	474	239	1,408	135,878	-	135,878	137,286	127,360
Equipment lease and maintenance	18,330	11,393	3,605	33,328	12,447	568	13,015	46,343	57,815
Depreciation	21,459	7,708	868	30,035	4,798	-	4,798	34,833	38,105
Interest	-	-	-	-	358	-	358	358	5,506
TOTAL EXPENSES	\$ 3,641,372	\$ 2,468,783	\$ 1,238,898	\$ 7,349,053	\$ 2,373,670	\$ 163,315	\$ 2,536,985	\$ 9,886,038	\$ 11,384,121

The accompanying notes are an integral part of these consolidated financial statements.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2020
(With Summarized Financial Information for the Year Ended September 30, 2019)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 121,338	\$ 448,567
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	34,833	38,105
Allowance for bad debts	-	(81,788)
Amortization on notes receivable	(37,533)	(54,959)
Net realized and unrealized losses (gains) on investments	4,321	(137,759)
Changes in assets and liabilities:		
Grants and accounts receivable	676,305	254,142
Prepaid expenses and other assets	9,741	108,396
Accounts payable	(263,945)	40,874
Accrued payroll and employee benefits	50,232	(1,337)
Health insurance claims	-	(617,494)
Refundable advances	354,677	109,111
Contract liabilities	198,932	(6,740)
NET CASH PROVIDED BY OPERATIONS	1,148,901	99,118
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(662,795)	(712,449)
Proceeds from note receivable	400,000	400,000
Proceeds from sales of investments	727,142	702,798
NET CASH PROVIDED BY INVESTING ACTIVITIES	464,347	390,349
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on line of credit	(60,000)	(105,000)
Proceeds from note payable	1,266,200	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	1,206,200	(105,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,819,448	384,467
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,021,740	637,273
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 3,841,188	\$ 1,021,740
CASH REPORTED ON THE STATEMENT OF FINANCIAL POSITION		
Cash and cash equivalents	\$ 3,660,575	\$ 958,313
Cash and cash equivalents held in investments	180,613	63,427
TOTAL CASH AND CASH EQUIVALENTS	\$ 3,841,188	\$ 1,021,740
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ 358	\$ 5,506
Noncash investing activities:		
Liquidation of cash surrender value of life insurance	\$ 21,717	\$ -
Cash surrender value in accounts receivable	(21,717)	-
	\$ -	\$ -

The accompanying notes are an integral part of these consolidated financial statements.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2020**

1. Organization and Summary of Significant Accounting Policies

Organization

The National Council of Juvenile and Family Court Judges (the Council) is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the IRC), as a nonprofit charitable and educational organization. The Council is not a private foundation.

The charitable and educational purposes of the Council include: (a) improving the standards, practices and effectiveness of courts exercising jurisdiction over families and children; (b) informing or assisting those who deal with or affect these courts; (c) educating persons connected with these courts and other interested members of the public in developments and principles relating to such courts; and (d) engaging in educational and research activities in furtherance of the foregoing objectives.

The principal office of the Council is located in Reno, Nevada. The National Center for Juvenile Justice, the research division of the Council, is located in Pittsburgh, Pennsylvania.

The National Council of Juvenile and Family Court Judges Fund, Inc. (the Fund) is a tax-exempt organization under Section 501(c)(3) of the IRC that was organized to receive, manage and invest endowment funds and to apply the net income to support, benefit and assist the Council.

The National Juvenile Court Foundation, Inc. (the Foundation) is a tax-exempt organization under Sections 501(c)(3) and 509(a)(3) of the IRC that is organized, and at all times exclusively operated, to support the Council and to raise funds and accept dues, gifts, contributions, bequests and endowments in the furtherance of the charitable purposes of the Council.

Principles of Consolidation

The consolidated financial statements include the accounts of the Council, the Fund and the Foundation (collectively referred to as the Organization). The Council, the Fund and the Foundation have been consolidated due to the presence of effective control and economic interest. All significant intercompany balances and transactions have been eliminated in consolidation.

Basis of Accounting

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The consolidated financial statements are prepared using the accrual basis of accounting.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with initial maturities of three months or less. Cash and cash equivalents intended for investment purposes are included in investments in the accompanying consolidated statement of financial position. Cash overdrafts, whether caused by a timing difference or an actual bank overdraft, are shown as a liability in the accompanying consolidated statement of financial position.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2020**

1. Organization and Summary of Significant Accounting Policies (continued)

Grants and Accounts Receivable

Grants and accounts receivable are recognized at net realizable value. The Organization uses the allowance method to record potentially uncollectible accounts receivable.

Investments

Investments are recorded in the accompanying consolidated financial statements at their estimated fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Unrealized gains or losses are determined by a comparison of fair value at the beginning and end of the reporting period.

Fair Value Measurement

In accordance with the accounting standards for fair value measurement for those assets and liabilities that are measured at fair value on a recurring basis, the Organization has categorized its applicable financial instruments into a required fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Applicable financial assets and liabilities are categorized on the basis of the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Organization has the ability to access.

Level 2 – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

As of September 30, 2020, only the Organization's investments, as described in Note 5 of these consolidated financial statements, were measured at fair value on a recurring basis.

Property and Equipment and Related Depreciation

Property and equipment with an expected useful life greater than a year and cost exceeding \$5,000 are capitalized and carried at cost. Depreciation is recorded using the straight-line method in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives, with no salvage value. Furniture and equipment have estimated useful lives of three to 10 years. Maintenance and repairs are expensed as incurred. Significant

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2020**

1. Organization and Summary of Significant Accounting Policies (continued)

Property and Equipment and Related Depreciation (continued)

renewals and betterments are capitalized. At the time assets are retired, or otherwise disposed of, the property and related accumulated depreciation accounts are relieved of the applicable amounts and any gain or loss is credited or charged to income.

Classification of Net Assets

Net assets without donor restrictions represent the portion of expendable funds that are available for any purpose in performing the primary objectives of the Organization at the discretion of the Organization's management and the Board of Directors (the Board). Net assets with donor restrictions represent funds that are specifically restricted by donors for use in various programs and/or for a specific period of time. These donor restrictions can be temporary in nature in that they will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Support and Revenue Recognition

Grants, contracts and contributions received by the Organization are considered conditional if the agreement provides both a barrier that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred asset or a right of release of the promisor's obligation to transfer assets. Conditional contributions received with these donor-imposed conditions are recognized as revenue when the conditions have been met. Amounts received in advance of conditions being met are recorded as refundable advances in the accompanying consolidated statement of financial position.

Unconditional grants and contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as revenue and support with donor restrictions. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the accompanying consolidated statement of activities as net assets released from restrictions. If a restriction is fulfilled in the accounting period in which the contribution is received, the Organization reports the support as without donor restrictions. Revenue recognized on unconditional grants and contributions that has been committed to the Organization, but has not been received, is reflected as grants and accounts receivable in the accompanying consolidated statement of financial position.

The Organization has several fee for services contracts with states and other organizations, containing various performance obligations. Revenue is allocated to the performance obligations and recognized at the point in time in which the related performance obligation is satisfied. Revenue recognized on these contracts for which payments have not been received is reflected as grants and accounts receivable in the accompanying consolidated statement of financial position.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2020**

1. Organization and Summary of Significant Accounting Policies (continued)

Support and Revenue Recognition (continued)

Registration fees and the related costs for conferences and meetings are recognized at the point in time in which the conferences or meetings are held. Accordingly, registration and exhibit fees received in advance of the conferences or meetings are recorded as contract liabilities, and expenses paid in advance of the conferences or meetings are recorded as prepaid expenses in the accompanying consolidated statement of financial position.

Dues and subscriptions are recognized ratably over a one year period from the membership or subscription date. Membership renewals are billed two months in advance of the membership period lapsing. Accordingly, dues or subscriptions paid by members in advance of the membership period are reported as contract liabilities in the accompanying consolidated statement of financial position. Amounts for membership revenue recognized and not yet received are included in grants and accounts receivable in the accompanying statement of financial position.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the accompanying consolidated statement of functional expenses. Personnel costs have been allocated based on employee timesheets to determine direct charges. Shared costs such as occupancy, supplies and depreciation have been allocated based on direct charges or estimates determined by management to be equitable.

Estimates

The preparation of consolidated financial statements in conformity with GAAP requires the use of estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New Accounting Pronouncement

In May 2014, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which requires an entity to recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expect to be entitled in exchange for those goods and services. The Organization adopted ASU 2014-09 and related amendments on October 1, 2019, using the modified retrospective method and elected to apply the standard only to program service contracts that were not completed as of that date. The adoption of the standard did not impact the Organization's results of operations or change in net assets.

In November 2016, FASB issued ASU 2016-08, *Statement of Cash Flows (Topic 230)*. The update required that the statement of cash flows present the change in all cash and cash equivalents, including restricted cash and cash equivalents. The amendments in the update do not provide a definition of restricted cash or restricted cash equivalents. The Organization adopted the update and, as a result, cash and cash equivalents of \$180,613 held within investments as of September 30, 2020, have been included in the consolidated statement of cash flows and the presentation of purchases and sales of investments no longer includes the impact on increases or decreases in cash and cash equivalents held within investments.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2020**

1. Organization and Summary of Significant Accounting Policies (continued)

New Accounting Pronouncement (continued)

In June 2018, FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958)*, to clarify and improve the scope and the accounting guidance for contributions received and contributions made. ASU 2018-08 assists entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions, subject to other guidance, and determining whether a contribution is conditional. The Organization adopted ASU 2018-08 on October 1 2019, using the modified prospective basis and the adoption of the standard did not result in a material change to the financial statements or the timing of revenue recognition for the Organization's grants and contributions.

2. Grants and Accounts Receivable

Grants and accounts receivable consisted of the following as of September 30, 2020:

Federal grants receivable	\$ 343,707
Fee for service contracts	112,699
Membership receivables	37,294
Other receivables	29,665
Foundation grants receivables	<u>26,189</u>
Total Grants and Accounts Receivable, Net	<u>\$ 549,554</u>

All amounts are due within one year. No allowance was deemed necessary as of September 30, 2020, as management of the Organization considers all amounts fully collectible.

The Organization receives funding from the U.S. Government (direct and pass-through entities) along with other public and private sectors, the amounts of which are conditional contributions as certain milestones and/or the occurrence of other conditions are to be met prior to revenue recognition. During the year ended September 30, 2020, the Organization had \$41,527,024 in active conditional awards; of which \$14,423,810 was recognized as the conditions were met in years prior to September 30, 2020, and \$8,678,559 was recognized during the year ended September 30, 2020. The remaining \$18,424,655 in conditional contributions is available for utilization in years 2021-2022, with revenue recognized as the associated milestones or other conditions are completed or met.

3. Note Receivable

During the year ended September 30, 2016, the Organization and the Organization's former landlord agreed that the Organization would vacate its former office space. As part of this arrangement, the Organization received a note of \$3,100,000, which is being paid to the Organization in annual payments of \$400,000 through January 2022. The interest on the note was imputed using a 3.5% annual interest rate which represented the borrowing rate on the Organization's line of credit at the time the note was signed. During the year ended September 30, 2020, the Organization recognized \$37,533 in imputed interest income, which is included in other revenue and gains in the accompanying consolidated statement of activities.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2020**

3. Note Receivable (continued)

Future minimum note receivable payments are due to the Organization as follows:

For the Year Ending <u>September 30,</u>		
2021	\$	400,000
2022		<u>400,000</u>
Total Note Receivable		800,000
Less: Amount Representing Interest		<u>(19,229)</u>
Note Receivable, Net	\$	<u><u>780,771</u></u>

4. Investments

Investments are stated at fair value and consisted of the following as of September 30, 2020:

Common stocks	\$	1,148,196
Fixed-income obligations		925,296
Exchange traded funds		231,460
Mutual funds		193,469
Cash and cash equivalents		<u>180,613</u>
Total Investments	\$	<u><u>2,679,034</u></u>

5. Fair Value Measurement

The following table summarizes the Organization's assets measured at fair value on a recurring basis as of September 30, 2020, aggregated by the fair value hierarchy level with which those measurements were made:

	Total Fair Value	Level 1	Level 2	Level 3
Investments:				
Common Stocks	<u>\$ 1,148,196</u>	<u>\$ 1,148,196</u>	<u>\$ -</u>	<u>\$ -</u>
Fixed-income obligations:				
Corporate bonds – domestic	305,540	-	305,540	-
Government agency issues	496,338	496,338	-	-
Corporate bonds – foreign	80,274	-	80,274	-
Mortgage-backed securities	27,913	-	27,913	-
Municipal bonds	<u>15,231</u>	<u>-</u>	<u>15,231</u>	<u>-</u>
Total Fixed-Income Obligations	<u>925,296</u>	<u>496,338</u>	<u>428,958</u>	<u>-</u>

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2020**

5. Fair Value Measurement (continued)

	Total Fair Value	Level 1	Level 2	Level 3
Investments (continued):				
Exchange-traded funds:				
Equity	\$ 154,272	\$ 154,272	\$ -	\$ -
Fixed-income	<u>77,188</u>	<u>77,188</u>	<u>-</u>	<u>-</u>
Total Exchange-Traded Funds	<u>231,460</u>	<u>231,460</u>	<u>-</u>	<u>-</u>
Mutual funds:				
Equity	175,200	175,200	-	-
Diversified	<u>18,269</u>	<u>18,269</u>	<u>-</u>	<u>-</u>
Total Mutual Funds	<u>193,469</u>	<u>193,469</u>	<u>-</u>	<u>-</u>
Cash equivalents	<u>180,613</u>	<u>180,613</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$ 2,679,034</u>	<u>\$ 2,250,076</u>	<u>\$ 428,958</u>	<u>\$ -</u>

The Organization used the following methods and significant assumptions to estimate fair value for assets recorded at fair value:

Government agency issues, mutual funds, exchange-traded funds, common stocks, and cash equivalents – Valued at the closing price reported in the active market in which the individual securities are traded.

Corporate bonds, municipal bonds and mortgage-backed securities – Valued based on current yields, the securities' terms and conditions, and market activity. Information used includes market sources, credit information, observed market movement and sector news.

6. Property and Equipment and Accumulated Depreciation

The Organization held the following property and equipment as of September 30, 2020:

Furniture, fixtures and equipment	\$ 380,941
Less: Accumulated depreciation	<u>(225,607)</u>
Property and Equipment, Net	<u>\$ 155,334</u>

Depreciation expense totaled \$34,833 for the year ended September 30, 2020.

7. Line of Credit

The Organization has an unsecured \$400,000 line of credit from a financial institution. The line of credit bears interest at the bank's prime rate (5% as of September 30, 2020). Borrowings under the line of credit are due upon demand, and the line is subject to automatic annual renewal. As of September 30, 2020, there was no outstanding on this line of credit. Interest expense incurred under the line of credit was \$358 for the year ended September 30, 2020.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2020**

8. Contract Liabilities

The following table provide information about significant changes in the contract liabilities for the year ended September 30, 2020:

Contract liabilities – Events – registrations and exhibits, October 1	\$ 540
Events – registrations and exhibits revenue recognized	(169,770)
Collections of Events – registrations and exhibits revenue	<u>415,348</u>
Contract Liabilities – Events – registrations and exhibits, September 30	<u>246,118</u>
Contract liabilities – Fee for service contracts, October 1	61,782
Fee for service contracts revenue recognized	(283,969)
Collections of Fee for service contracts revenue	<u>278,101</u>
Contract Liabilities – Fee for service contracts, September 30	<u>55,914</u>
Contract liabilities – Memberships, October 1	132,705
Membership revenue recognized	(303,123)
Collections of Membership revenue	<u>262,345</u>
Contract Liabilities – Memberships, September 30	<u>91,927</u>
Total Contract Liabilities	<u>\$ 393,959</u>

9. Note Payable

On May 2, 2020, the Organization entered into a Small Business Administration loan with its financial institution under the Paycheck Protection Program (PPP) for the amount of \$1,266,200. The loan will mature on May 2, 2025, with a fixed interest rate of 1% per annum. Monthly payments of principal and interest totaling \$27,196 will commence ten months after the end of the forgiveness covered period. The loan amount may be eligible for forgiveness pursuant to the PPP, which established minimum amounts of the loan to be used to cover payroll costs and the remainder can be used for mortgage interest, rent and utility costs over a specified period of time after the loan is made; and the number of employees and compensation levels are maintained.

10. Commitments

Leases

The Organization leases operating facilities under several leases, the last of which expires in February 2027. Certain of these leases include annual escalation clauses, as well as cancellation options, that allow the Organization to terminate the lease upon losing its federal

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2020**

10. Commitments (continued)

Leases (continued)

funding associated with the leased office space. As a result of these cancellation options, the Organization does not recognize rent increases on a straight-line basis over the term of the lease. In addition to annual rentals, several of the leases require the Organization to pay a pro-rata portion of the building operating expenses. The Organization also leases printing and copying equipment under noncancelable leases, which are considered operating leases.

In December 2015, the Organization entered into a 10 year lease agreement for its office space in Reno, Nevada, which began in March 2016. Monthly rent began at \$26,458, plus a prorated share of basic operating costs. The lease also contains an escalation clause for increases in annual rent.

The future minimum lease payments under these lease agreements are as follows:

For the Year Ending September 30,		
2021	\$	565,552
2022		579,202
2023		578,267
2024		571,002
2025		579,292
Thereafter		417,559
Total	\$	3,290,874

Total rent expense included in supplies and operating on the consolidated statement of functional expenses for these operating leases was \$563,161 for the year ended September 30, 2020.

11. Net Assets With Donor Restrictions

As of September 30, 2020, net assets with donor restrictions were restricted for the following purposes or time periods:

Subject to expenditure for specified purpose:

Scholarships	\$	123,532
Staff development		62,204
Other		20,185
Total Subject to Expenditure for Specified Purpose		205,921

Subject to occurrence of specified events/passage of time:

Accumulated endowment earnings		1,554,495
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**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2020**

11. Net Assets With Donor Restrictions (continued)

(continued)

To be held in perpetuity:

General endowment	\$ <u>600,000</u>
Total Net Assets With Donor Restrictions	\$ <u>2,360,416</u>

12. Endowment

The Organization's endowment consists of donor-restricted endowment funds. As required by GAAP, net assets associated with an endowment fund are classified based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Organization's Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment to be maintained in perpetuity; (b) the original value of subsequent gifts to the endowment to be maintained in perpetuity; and (c) accumulations to the endowment to be maintained in perpetuity made in accordance with the direction of the applicable gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as net assets with donor restrictions to be maintained in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The Fund's duration and preservation.
- The purposes of the Organization and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Organization.
- The investment policy of the Organization.

Return Objectives and Risk Parameters

The Organization has adopted an investment policy for endowment assets that attempts to provide a predictable stream of funding to projects supported by its endowment, while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for donor-specified periods. Under this policy, as approved by the Board of Directors, the endowment

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2020**

12. Endowment (continued)

Return Objectives and Risk Parameters (continued)

assets are invested in a manner that is intended to produce results that exceed the price and yield results of a benchmark portfolio that consists of 55% of the S&P 500 Index and 45% of the Lehman Intermediate Government Credit Index, while assuming a moderate level of investment risk.

As permitted by UPMIFA, the Organization has delegated management and investment of the endowment funds to an external investment manager that must comply with the Organization's investment policy and report investment performance to the Board of Directors.

Strategies Employed for Achieving Objectives and Spending Policy

To satisfy its long-term rate of return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints. The Organization strives to be socially and fiscally responsible by committing to the fundamental principles of social responsibility and integrity by which companies that endorse the "Global Sullivan Principles" operate.

The Organization has a policy for distributing up to 7% each year of the endowment fund's average fair value over the prior 12 quarters through the fiscal year-end preceding the fiscal year in which the distribution is planned. In formulating this policy, the Organization is considering the long-term expected return on its endowment. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets, as well as to provide additional real growth through new gifts and investment return.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund for perpetual duration. There were no such deficiencies as of September 30, 2020. The Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. However, the Organization does not intend to appropriate from funds with deficiencies.

Endowment net asset composition by fund type was as follows as of September 30, 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds:			
Historical gift value	\$ -	\$ 600,000	\$ 600,000
Appreciation	<u>-</u>	<u>1,554,495</u>	<u>1,554,495</u>
Total Endowment Net Assets	<u>\$ -</u>	<u>\$ 2,154,495</u>	<u>\$ 2,154,495</u>

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2020**

12. Endowment (continued)

Changes in endowment net assets were as follows for the year ended September 30, 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 2,241,403	\$ 2,241,403
Net investment return	-	5,808	5,808
Appropriations	<u>-</u>	<u>(92,716)</u>	<u>(92,716)</u>
Endowment Net Assets, End of Year	<u>\$ -</u>	<u>\$ 2,154,495</u>	<u>\$ 2,154,495</u>

13. Availability and Liquidity

The Organization regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to preserve the principal and return on the investment of its funds. The Organization's financial assets available within one year of the consolidated statement of financial position date for general expenditures at September 30, 2020, were as follows:

Cash and cash equivalents	\$ 3,660,575
Grants and accounts receivable	549,554
Investments	2,679,034
Note receivable	<u>400,000</u>
Total Financial Assets Available Within One Year	7,289,163
Less:	
Amounts unavailable for general expenditures within one year due to donor restrictions	<u>(2,360,416)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 4,928,747</u>

The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, receivables, and investments, which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of the Organization throughout the year. This is done through monitoring and reviewing the Organization's cash flow needs on a regular basis. As a result, management is aware of the cyclical nature of the Organization's cash flow related to the Organization's various funding sources and is therefore able to ensure that there is cash available to meet current liquidity needs. As part of its liquidity plan, excess cash is invested in publicly traded investment vehicles, including mutual funds and equity securities, or to support organizational initiatives.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2020**

13. Availability and Liquidity (continued)

The Organization can liquidate its investments anytime, and therefore the investments are available to meet current cash flow needs. To help manage unanticipated liquidity needs, the Organization has a committed line of credit of \$400,000, all of which was unused and available to draw upon as of September 30, 2020.

14. Retirement Plan

The Organization sponsors a tax-sheltered annuity plan (the Plan) in accordance with Section 403(b) of the IRC, which permits employees to make tax-deferred investments through payroll deductions. For each plan participant who has completed one year of continuous full-time service, the Organization contributes to the Plan a percentage of each participant's salary. The maximum contribution level is currently 4%. Under the terms of the Plan, all contributions are immediately 100% vested with the employee. The Organization contributed \$171,889 to the Plan for the year ended September 30, 2020.

15. Concentrations and Contingencies

Compliance Audit

The Organization has received federal grants that are subject to review, audit and adjustment by various federal agencies for qualified expenses charged to the grants. Such audits could lead to requests for reimbursement to the federal agencies for any expenditures or claims disallowed under the terms of the agreements. The amount of expenditures which may be disallowed by the federal agencies cannot be determined at this time although the Organization expects such amounts, if any, to be insignificant.

Concentration of Revenue and Support

The Organization receives a substantial portion of its total federal and state grants and contracts, \$7,094,248 or approximately 82%, from the U.S. Department of Justice (both direct and pass-through awards).

Concentration of Credit Risk

The Organization maintains its cash and cash equivalents with certain commercial financial institutions, which aggregate balance, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) insured limit of \$250,000 per depositor per institution. As of September 30, 2020, the balance held by the Organization in excess of the FDIC insured limit was approximately \$2,777,000. The Organization monitors the creditworthiness of its financial institutions and has not experienced, nor does it anticipate, any credit losses on its cash and cash equivalents.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2020**

15. Concentrations and Contingencies (continued)

Hotel Contracts

The Organization has entered into agreements with several hotels to provide conference facilities and room accommodations for its conferences and meetings through July 2021. The agreements contain clauses whereby the Organization is liable for liquidated damages in the event of cancellation or lower-than-anticipated attendance. As of September 30, 2020, the maximum possible amount of liquidated damages was approximately \$328,000.

Risks and Uncertainties

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses across the country for non-essential services. While the disruption is currently expected to be temporary, there is considerable uncertainty about the duration of closings. The Organization has been able to continue operations in a remote environment. At this point, the extent to which COVID-19 will continue impact the Organization's financial condition or results of operations is uncertain and being evaluated by management and the Board.

16. Income Taxes

The Organization is a nonprofit organization exempt from federal income taxes on income other than net unrelated business income under Section 501(c)(3) of the IRC. No provision for federal or state income taxes is required for the year ended September 30, 2020, as the Organization had no taxable net unrelated business income.

The Organization performed an evaluation of uncertainty in income taxes for the year ended September 30, 2020, and determined that there were no matters that would require recognition in the consolidated financial statements or that may have any effect on its tax-exempt status. As of September 30, 2020, there were years with tax returns that remained open with the U.S. federal jurisdiction or the various states and local jurisdictions in which the Organization files tax returns; however, there are currently no examinations pending or in progress. It is the Organization's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in income tax or interest expense.

17. Prior Year Summarized Comparative Information

The accompanying consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended September 30, 2019, from which the summarized information was derived.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2020**

18. Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 8, 2021, the date the consolidated financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the consolidated financial statements.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of the
National Council of Juvenile and Family Court Judges
and Affiliates

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of the National Council of Juvenile and Family Court Judges and Affiliates (collectively referred to as the Organization), which comprise the consolidated statement of financial position as of September 30, 2020, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 8, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

Washington, DC
April 8, 2021

**INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of the
National Council of Juvenile and Family Court Judges
and Affiliates

Report on Compliance for Each Major Federal Program

We have audited the National Council of Juvenile and Family Court Judges and Affiliates' (collectively referred to as the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2020. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Marcum LLP

Washington, DC
April 8, 2021

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
AND AFFILIATES**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2020**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
DEPARTMENT OF JUSTICE				
OVW Technical Assistance Initiative	16.526	-	\$ 110,694	\$ 2,673,911
<i>Pass-through from Center for Court Innovation</i>		2015-TA-AX-K023		
OVW Technical Assistance Initiative	16.526	2016-TA-AX-K013	-	94,839
<i>Pass-through from National Congress of American Indian Funds</i>				
OVW Technical Assistance Initiative	16.526	2019-TA-AX-K009	-	<u>5,777</u>
Total CFDA No. 16.526			<u>110,694</u>	<u>2,774,527</u>
Judicial Training on Child Maltreatment for Court Personnel Juvenile Justice Programs	16.757	-	<u>13,187</u>	<u>1,491,337</u>
Juvenile Justice and Delinquency Prevention Allocation to States	16.540	-	-	927,292
<i>Pass-through from State of Nevada Division of Child and Family Services</i>				
Juvenile Justice and Delinquency Prevention Allocation to States	16.540	2017-JF-FX-0048	-	<u>8,142</u>
Total CFDA No. 16.540			<u>-</u>	<u>935,434</u>
Drug Court Discretionary Grant Program	16.585	-	50,364	656,279
<i>Pass-through from National Association of Drug Court Professionals</i>				
Drug Court Discretionary Grant Program	16.585	2019-DC-BX-K014	<u>3,080</u>	<u>195,368</u>
Total CFDA No. 16.585			<u>53,444</u>	<u>851,647</u>
Crime Victim Assistance/Discretionary Grants	16.582	-	<u>20,066</u>	<u>581,372</u>
<i>Pass-through from Robert F. Kennedy Children's Action Corps</i>				
Second Chance Act Reentry Initiative	16.812	2018-CZ-BX-K002	-	33,709
<i>Pass-through from PBS Learning Institute Inc.</i>				
Second Chance Act Reentry Initiative	16.812	2018-CZ-BX-K001	-	<u>51,684</u>
Total CFDA No. 16.812			<u>-</u>	<u>85,393</u>

See accompanying notes to this schedule.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2020**

(continued)

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
DEPARTMENT OF JUSTICE (CONTINUED)				
National Institute of Justice Research, Evaluation and Development Project Grants	16.560	-	\$ -	\$ 323,518
<i>Pass-through from Center for Court Innovation</i> OVW Research and Evaluation Program	16.026	2017-SI-AX-0006	-	14,116
<i>Pass-through from Institute for Intergovernmental Research</i> Comprehensive Opioid Abuse Site-Based Program	16.838	2017-AR-BX-K003	-	12,511
<i>Pass-through from National American Indian Court Judges Association</i> Tribal Court Assistance Program	16.608	2016-AC-BX-K004	-	11,947
Missing Children's Assistance	16.543	-	-	1,043
<i>Pass-through from the University of Oklahoma</i> Missing Children's Assistance	16.543	2016-MU-MU-K053	-	6,336
Total CFDA No. 16.543			-	7,379
<i>Pass-through from Research Triangle Institute:</i> Services for Trafficking Victims	16.320	2018-VT-BX-K002	-	3,354
<i>Pass-through from Urban Institute</i> Promoting Evidence Integration in Sex Offender Management Discretionary Grant Program	16.203	2017-AW-BX-K002	-	1,713
Total Department of Justice			197,391	7,094,248
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Family Violence Prevention and Services/Discretionary	93.592	-	49,205	973,806
<i>Pass-through from American Bar Association</i> Child Abuse and Neglect Discretionary Activities	93.670	90CZ0025	-	92,742
<i>Pass-through from Futures Without Violence</i> Child Abuse and Neglect Discretionary Activities	93.670	90CA1850	-	59,091
Total CFDA No. 93.670			-	151,833
<i>Pass-through from Zero To Three</i> Maternal and Child Health Federal Consolidated Programs	93.110	1U2DMC32394-01-00	-	64,655
<i>Pass-through from Regents of the University of Minnesota</i> Child Welfare Research Training or Demonstration	93.648	90CT7004	-	48,329
Total Department of Health and Human Services			49,205	1,238,623

See accompanying notes to this schedule.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2020**

(continued)

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
CONGRESSIONAL APPROPRIATION				
<i>Pass-through from the State Justice Institute Military Families in Juvenile and Family Court Initiative</i>	N/A	SJI-18-P-014	\$ -	\$ 58,512
<i>Pass-through from the State Justice Institute Opioids and Children in State Courts</i>	N/A	SJI-19-P-051	-	38,615
<i>Pass-through from the State Justice Institute Enhanced Juvenile Justice Guidelines Demonstration Sites Phases I and II</i>	N/A	SJI-19-P-053 SJI-20-P-019	-	16,438
<i>Pass-through from the State Justice Institute Proposal to Develop a National Bench Card Resource Center</i>	N/A	SJI-20-P-045	-	6,864
<i>Pass-through from the State Justice Institute Building a Replicable, Needs-Responsive Coaching Curriculum for Juvenile and Family Court Staff</i>	N/A	SJI-20-E-055	-	2,189
<i>Pass-through from the National Association for Court Management Courts in the Era of #Wetoo</i>	N/A	SJI-20-P-023	-	6,291
<i>Pass-through from the National Center of State Courts Justice in Domestic Relations</i>	N/A	SJI-17-P-252	-	29,708
<i>Pass-through from the National Juvenile Defender Center Judicial Role in Ensuring Fairness and Due Process Rights for Youth</i>	N/A	SJI-19-T-030	-	6,865
<i>Pass-through from Monroe County with National Center of State Courts Monroe County (Wisconsin) Detention TA</i>	N/A	N/A	-	13,177
Total Congressional Appropriation			-	178,659
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 246,596</u>	<u>\$ 8,511,530</u>

See accompanying notes to this schedule.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
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**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2020**

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of the Organization under programs of the federal government for the year ended September 30, 2020. The information on the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

2. Basis of Accounting

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The Organization has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2020**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Consolidated Financial Statements

Type of auditors’ report issued on whether consolidated financial statements audited were prepared in accordance with GAAP:

 X Unmodified Qualified
 Adverse Disclaimer

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None Reported

Noncompliance material to consolidated financial statements noted?

 Yes X No

Federal Awards

Type of auditors’ report issued on compliance for major federal programs:

 X Unmodified Qualified
 Adverse Disclaimer

Internal control over major federal programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None Reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR, 200 516(a)?

 Yes X No

Identification of Major Federal Programs:

<u>CFDA Numbers</u>	<u>Program Titles</u>
16.526	Special Domestic Violence Criminal Jurisdiction Comprehensive TA Project
16.582	Crime Victim Assistance/Discretionary Grants
16.585	Drug Court Discretionary Grant Program

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as a low-risk auditee? Yes X No

**NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES
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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2020**

(continued)

SECTION II – FINDINGS – CONSOLIDATED FINANCIAL STATEMENT AUDIT

None required to be reported.

**SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

None required to be reported.

SECTION IV – STATUS OF PRIOR YEAR FINDINGS

Consolidated Financial Statement Audit Findings

None required to be reported.

Major Federal Award Programs Audit Findings and Questioned Costs

None required to be reported.