



NATIONAL COUNCIL OF JUVENILE AND FAMILY COURT JUDGES AND AFFILIATES

Consolidated Financial Statements

*For the Year Ended September 30, 2024
(With Summarized Financial Information for the Year Ended September 30, 2023)*



**and
Report Thereon**



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

For the Year Ended September 30, 2024



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

**TABLE OF CONTENTS
For the Year Ended September 30, 2024**

| | <i>Page</i> |
|---|--------------------|
| Independent Auditors' Report..... | 1-3 |
| Consolidated Financial Statements | |
| Consolidated Statement of Financial Position | 4 |
| Consolidated Statement of Activities | 5 |
| Consolidated Statement of Functional Expenses | 6 |
| Consolidated Statement of Cash Flows..... | 7 |
| Notes to Consolidated Financial Statements | 8-21 |
| 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 <i>Government Auditing Standards</i> | 22-23 |
| Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance | 24-26 |
| Schedule of Expenditures of Federal Awards..... | 27-29 |
| Notes to Schedule of Expenditures of Federal Awards | 30 |
| Schedule of Findings and Questioned Costs..... | 31-32 |

Independent Auditors' Report

The Board of Directors
National Council of Juvenile and Family Court Judges and Affiliates
Reno, NV

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of the National Council of Juvenile and Family Court Judges and Affiliates (the "Organization"), which comprise the consolidated statement of financial position as of September 30, 2024, 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 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of September 30, 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information such as the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Matter

Report on Summarized Comparative Information

The financial statements of the National Council of Juvenile and Family Court Judges and Affiliates as of and for the year ended September 30, 2023, were audited by Marcum LLP, whose report dated April 16, 2024, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2025, 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.

CBIZ CPAs P.C.

Washington, DC
March 26, 2025

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

September 30, 2024

(With Summarized Financial Information as of September 30, 2023)

| | <u>2024</u> | <u>2023</u> |
|---|----------------------------|----------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 2,065,970 | \$ 2,750,494 |
| Grants receivable, net | 1,399,845 | 971,158 |
| Accounts receivable, net | 150,381 | 60,625 |
| Prepaid expenses and other assets | 106,853 | 178,762 |
| Investments | 3,544,744 | 2,937,206 |
| Operating right of use assets | 986,825 | 1,492,949 |
| Property and equipment, net | <u>28,845</u> | <u>59,041</u> |
| TOTAL ASSETS | <u><u>\$ 8,283,463</u></u> | <u><u>\$ 8,450,235</u></u> |
| LIABILITIES AND NET ASSETS | | |
| Liabilities | | |
| Accounts payable | \$ 528,457 | \$ 281,654 |
| Accrued payroll and employee benefits | 632,576 | 614,330 |
| Refundable advances | 250,328 | 433,600 |
| Contract liabilities | 183,419 | 297,424 |
| Operating lease liabilities | <u>987,341</u> | <u>1,503,292</u> |
| TOTAL LIABILITIES | <u>2,582,121</u> | <u>3,130,300</u> |
| Net Assets | | |
| Without donor restrictions | 3,070,936 | 3,064,473 |
| With donor restrictions | <u>2,630,406</u> | <u>2,255,462</u> |
| TOTAL NET ASSETS | <u>5,701,342</u> | <u>5,319,935</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u><u>\$ 8,283,463</u></u> | <u><u>\$ 8,450,235</u></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, 2024
(With Summarized Financial Information for the Year Ended September 30, 2023)

| | Without Donor Restrictions | With Donor Restrictions | 2024 Total | 2023 Total |
|--|-------------------------------|----------------------------|---------------------|---------------------|
| REVENUE AND SUPPORT | | | | |
| Federal and state grants and contracts | \$ 11,125,261 | \$ - | \$ 11,125,261 | \$ 9,762,793 |
| Foundation grants and contracts | 524,631 | - | 524,631 | 677,162 |
| Registration fees | 805,345 | - | 805,345 | 763,487 |
| Fee for service contracts | 467,836 | - | 467,836 | 260,373 |
| Dues and subscriptions (memberships) | 267,327 | - | 267,327 | 215,922 |
| Other grants and contributions | 80,505 | 34,052 | 114,557 | 193,480 |
| Other revenue and gains | 101,433 | - | 101,433 | 92,613 |
| Investment income, net | 243,379 | 446,659 | 690,038 | 219,108 |
| Net assets released from restrictions: | | | | |
| Satisfaction of program restrictions | 105,767 | (105,767) | - | - |
| TOTAL REVENUE AND SUPPORT | 13,721,484 | 374,944 | 14,096,428 | 12,184,938 |
| EXPENSES | | | | |
| Program Services: | | | | |
| Family Violence and Domestic Relations | 3,482,804 | - | 3,482,804 | 3,209,109 |
| Juvenile and Family Law | 5,260,000 | - | 5,260,000 | 4,326,461 |
| National Center for Juvenile Justice | 1,534,936 | - | 1,534,936 | 1,495,680 |
| Total Program Services | 10,277,740 | - | 10,277,740 | 9,031,250 |
| Supporting Services: | | | | |
| Management and general | 3,324,564 | - | 3,324,564 | 3,103,019 |
| Fundraising and grant proposals | 112,717 | - | 112,717 | 184,023 |
| Total Supporting Services | 3,437,281 | - | 3,437,281 | 3,287,042 |
| TOTAL EXPENSES | 13,715,021 | - | 13,715,021 | 12,318,292 |
| CHANGE IN NET ASSETS | 6,463 | 374,944 | 381,407 | (133,354) |
| NET ASSETS, BEGINNING OF YEAR | 3,064,473 | 2,255,462 | 5,319,935 | 5,453,289 |
| NET ASSETS, END OF YEAR | \$ 3,070,936 | \$ 2,630,406 | \$ 5,701,342 | \$ 5,319,935 |

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, 2024
(With Summarized Financial Information for the Year Ended September 30, 2023)

| | Program Services | | | | Supporting Services | | | | |
|---------------------------------|---|-------------------------------|---|------------------------------|---------------------------|---------------------------------------|---------------------------------|----------------------|----------------------|
| | 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 | 2024 Total | 2023 Total |
| Personnel | \$ 1,795,063 | \$ 2,652,411 | \$ 1,097,489 | \$ 5,544,963 | \$ 2,104,048 | \$ 99,978 | \$ 2,204,026 | \$ 7,748,989 | \$ 7,078,379 |
| Supplies and operating | 857,666 | 781,648 | 235,056 | 1,874,370 | 751,010 | 10,728 | 761,738 | 2,636,108 | 2,261,053 |
| Contractual | 539,070 | 1,192,685 | 160,973 | 1,892,728 | 163,833 | 1,312 | 165,145 | 2,057,873 | 1,854,146 |
| Travel | 120,456 | 371,180 | 32,052 | 523,688 | 56,835 | - | 56,835 | 580,523 | 503,876 |
| Subrecipients | 146,909 | 229,706 | - | 376,615 | - | - | - | 376,615 | 331,656 |
| Other council activities | 2,417 | 3,659 | 1,070 | 7,146 | 220,304 | - | 220,304 | 227,450 | 209,912 |
| Equipment lease and maintenance | 13,705 | 17,332 | 4,970 | 36,007 | 20,822 | 438 | 21,260 | 57,267 | 47,723 |
| Depreciation | 7,518 | 11,379 | 3,326 | 22,223 | 7,712 | 261 | 7,973 | 30,196 | 31,547 |
| TOTAL EXPENSES | \$ 3,482,804 | \$ 5,260,000 | \$ 1,534,936 | \$ 10,277,740 | \$ 3,324,564 | \$ 112,717 | \$ 3,437,281 | \$ 13,715,021 | \$ 12,318,292 |

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, 2024
(With Summarized Financial Information for the Year Ended September 30, 2023)

| | <u>2024</u> | <u>2023</u> |
|---|----------------------------|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 381,407 | \$ (133,354) |
| Adjustments to reconcile change in net assets to net cash used in operating activities: | | |
| Depreciation | 30,196 | 31,547 |
| Amortization of right of use assets | 506,124 | 466,104 |
| Net realized and unrealized gains on investments | (558,758) | (108,938) |
| Changes in assets and liabilities: | | |
| Grants receivable | (428,687) | (208,290) |
| Accounts receivable | (89,756) | 42,327 |
| Prepaid expenses and other assets | 71,909 | (16,912) |
| Accounts payable | 246,803 | 41,754 |
| Accrued payroll and employee benefits | 18,246 | 18,593 |
| Refundable advances | (183,272) | (141,646) |
| Contract liabilities | (114,005) | 142,426 |
| Operating lease liabilities | (515,951) | (455,761) |
| NET CASH USED IN OPERATING ACTIVITIES | <u>(635,744)</u> | <u>(322,150)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of investments | (1,657,576) | (1,009,408) |
| Proceeds from sales of investments | <u>1,640,450</u> | <u>896,583</u> |
| NET CASH USED IN INVESTING ACTIVITIES | <u>(17,126)</u> | <u>(112,825)</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (652,870) | (434,975) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>2,910,927</u> | <u>3,345,902</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u><u>\$ 2,258,057</u></u> | <u><u>\$ 2,910,927</u></u> |
| CASH REPORTED ON THE STATEMENT OF FINANCIAL POSITION | | |
| Cash and cash equivalents | \$ 2,065,970 | \$ 2,750,494 |
| Cash and cash equivalents held in investments | <u>192,087</u> | <u>160,433</u> |
| TOTAL CASH AND CASH EQUIVALENTS | <u><u>\$ 2,258,057</u></u> | <u><u>\$ 2,910,927</u></u> |

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, 2024**

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 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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2024**

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

Grants Receivable

Grants receivable are recognized at net realizable value. The Organization uses the allowance method to record potentially uncollectible accounts receivable. The allowance is based on historical collection experience and a review of the current status of the grants receivable. A provision for doubtful accounts is made when collection of the full amount is no longer probable. As of September 30, 2024, all grants receivable are due within one year and deemed fully collectible by management.

Accounts Receivable

Accounts receivable consists of amounts due from the fee for service contracts, conference registrations, and Organization's membership dues and are recorded at net realizable value. At each statement of financial position date, the Organization recognizes an expected allowance for credit losses. In addition, also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated based on a pooled basis where similar risk characteristics exist. The Organization utilized the loss rate methodology to determine historical credit losses. The loss rate method estimate is derived from a review of the Organization's historical write-offs as a percentage of average accounts receivable. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant. The Organization believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the customers portfolio have remained constant since the Organization's inception. The Organization writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the entity's accounting policy election. As of September 30, 2024, all amounts are due within one year and are considered fully collectible by management. No allowance for credit losses was recognized as of September 30, 2024.

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. Investment income, including realized and unrealized gains and losses on investments, interest and dividends, is shown net of investment fees of \$34,866 paid to the investment advisor.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2024**

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

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, 2024, only the Organization's investments, as described in Note 3 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 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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2024**

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

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

Registration fees and the related costs for conferences and meetings are recognized at the point in time at 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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2024**

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

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.

Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13 Financial Instruments – Credit Losses – (Topic 326). This ASU replaces the current incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to assess credit loss estimates. The guidance applies to loans, accounts receivable, trade receivables and other financial assets measured at amortized cost, loan commitments, debt securities and beneficial interests in securitized financial assets, but the effect on the Organization is limited to accounts receivable. The Organization adopted the standard using a modified retrospective approach, which did not affect the opening balance of net assets. The accounting pronouncement had no significant impact on the Organization aside from enhanced disclosures.

2. Grants Receivable

As of September 30, 2024, grants receivable are due within one year. No allowance was deemed necessary as of September 30, 2024, as management of the Organization considers all amounts to be fully collectible.

The Organization receives funding from the U.S. Government (direct and via 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 have to be met prior to revenue recognition. During the year ended September 30, 2024, the Organization had \$44,417,033 in active conditional awards; of which \$17,663,121 was recognized as the conditions were met in years prior to September 30, 2024, and \$11,430,900 was recognized during the year ended September 30, 2024. The remaining \$15,323,012 in conditional contributions is available for utilization in future years, with revenue recognized as the associated milestones or other conditions are completed or met.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2024**

3. Investments and Fair Value Measurement

The following table summarizes the Organization's investments measured at fair value on a recurring basis as of September 30, 2024, 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 | \$ 2,075,115 | \$ 2,075,115 | \$ - | \$ - |
| Fixed-income obligations: | | | | |
| Government agency issues | 558,542 | 558,542 | - | - |
| Corporate bonds – domestic | 330,555 | - | 330,555 | - |
| Corporate bonds – foreign | 4,979 | - | 4,979 | - |
| Mortgage-backed securities | 3,645 | - | 3,645 | - |
| Municipal bonds | 14,636 | - | 14,636 | - |
| Total Fixed-Income Obligations | 912,357 | 558,542 | 353,815 | - |
| Exchange-traded funds: | | | | |
| Equity | 50,474 | 50,474 | - | - |
| Fixed-income | 53,411 | 53,411 | - | - |
| Total Exchange-Traded Funds | 103,885 | 103,885 | - | - |
| Mutual funds: | | | | |
| Equity | 241,957 | 241,957 | - | - |
| Diversified | 19,343 | 19,343 | - | - |
| Total Mutual Funds | 261,300 | 261,300 | - | - |
| Subtotal Investments | 3,352,657 | \$ 2,998,842 | \$ 353,815 | \$ - |
| Cash and cash equivalents | 192,087 | | | |
| Total Investments | \$ 3,544,744 | | | |

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

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

Corporate bonds, mortgage-backed securities and municipal bonds – 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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2024**

4. Property and Equipment and Accumulated Depreciation

The Organization held the following property and equipment as of September 30, 2024:

| | |
|-----------------------------------|------------------|
| Furniture, fixtures and equipment | \$ 349,701 |
| Less: Accumulated depreciation | <u>(320,856)</u> |
| Property and Equipment, Net | <u>\$ 28,845</u> |

Depreciation expense totaled \$30,196 for the year ended September 30, 2024.

5. Contract Liabilities

The following table provides information about significant changes in the contract liabilities for the year ended September 30, 2024:

| | |
|---|-------------------|
| Contract liabilities – Events – registrations and exhibits, October 1, 2023 | \$ 1,590 |
| Events – registrations and exhibits revenue recognized | (805,345) |
| Collections of Events – registrations and exhibits revenue | 804,911 |
| Contract Liabilities – Events – Registrations and Exhibits, September 30, 2024 | <u>1,156</u> |
| Contract liabilities – Fee for service contracts, October 1, 2023 | 171,685 |
| Fee for service contracts revenue recognized | (467,836) |
| Collections of Fee for service contracts revenue | <u>328,315</u> |
| Contract Liabilities – Fee for Service Contracts, September 30, 2024 | <u>32,164</u> |
| Contract liabilities – Memberships, October 1, 2023 | 124,149 |
| Membership revenue recognized | (267,327) |
| Collections of Membership revenue | <u>293,277</u> |
| Contract Liabilities – Memberships, September 30, 2024 | <u>150,099</u> |
| Total Contract Liabilities as of September 30, 2024 | <u>\$ 183,419</u> |

6. Operating 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 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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2024**

6. Operating Leases (continued)

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 Organization has another office lease in Pittsburg, Pennsylvania that expires in February 2027. The lease agreement contains an escalation provision that increases the annual base rent after five years.

The Organization also leases printing and copying equipment under noncancelable leases, which are considered operating leases. The Organization did not record an operating right-of-use asset and operating lease liability as of September 30, 2024 for its printing and copying equipment operating lease as the balances were not considered significant to the accompanying financial statements and there was no material difference in the related operating lease costs for the year then ended.

As of September 30, 2024, the future minimum lease payments under the operating lease agreements are as follows:

| <u>For the Year Ending September 30,</u> | |
|--|--------------------------|
| 2025 | \$ 571,218 |
| 2026 | 343,384 |
| 2027 | <u>74,175</u> |
| Total | 988,777 |
| Less: Present value discount | <u>(1,436)</u> |
| Lease Liability | <u><u>\$ 987,341</u></u> |

Total lease expense for these operating leases was \$627,001 for the year ended September 30, 2024, and is included in supplies and operating expenses on the consolidated statement of functional expenses.

Cash paid for all operating leases for the year ended September 30, 2024 totaled \$543,556.

Other information related to the operating leases as of September 30, 2024:

| | |
|---------------------------------------|-----------|
| Weighted average remaining lease term | 1.8 years |
| Weighted average discount rate | 3.9% |

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2024**

7. Net Assets With Donor Restrictions

As of September 30, 2024, net assets with donor restrictions were restricted for the following purposes or time periods:

| | |
|--|---------------------|
| Subject to expenditure for specified purpose: | |
| Scholarships | \$ 157,079 |
| Staff development | 62,205 |
| Other | <u>13,751</u> |
| Total Subject to Expenditure for Specified Purpose | 233,035 |
| Subject to occurrence of specified events/passage of time: | |
| Accumulated endowment earnings for general operations | <u>1,797,371</u> |
| To be held in perpetuity: | |
| General endowment | <u>600,000</u> |
| Total Net Assets With Donor Restrictions | <u>\$ 2,630,406</u> |

8. 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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2024**

8. Endowment (continued)

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 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, 2024. 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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2024**

8. Endowment (continued)

Funds with Deficiencies (continued)

Endowment net asset composition by fund type was as follows as of September 30, 2024:

| | <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>1,797,371</u> | <u>1,797,371</u> |
| Total Endowment Net Assets | <u>\$ -</u> | <u>\$ 2,397,371</u> | <u>\$ 2,397,371</u> |

Changes in endowment net assets were as follows for the year ended September 30, 2024:

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---|------------------------------------|---------------------|
| Endowment net assets, beginning of year | \$ - | \$ 2,048,983 | \$ 2,048,983 |
| Net investment return | - | 446,659 | 446,659 |
| Appropriations | <u>-</u> | <u>(98,271)</u> | <u>(98,271)</u> |
| Endowment Net Assets, End of Year | <u>\$ -</u> | <u>\$ 2,397,371</u> | <u>\$ 2,397,371</u> |

9. 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, 2024, were as follows:

| | |
|--|---------------------|
| Cash and cash equivalents | \$ 2,065,970 |
| Grants receivable | 1,399,845 |
| Accounts receivable | 150,381 |
| Investments | <u>3,544,744</u> |
| Total Financial Assets Available Within One Year | 7,160,940 |
| Less: | |
| Amounts unavailable for general expenditures within one-year due to donors' restrictions | <u>(2,630,406)</u> |
| Financial Assets Available to Meet General Expenditures Within One Year | <u>\$ 4,530,534</u> |

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2024**

9. Availability and Liquidity (continued)

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. The Organization can liquidate its investments anytime, and therefore the investments are available to meet current cash flow needs.

10. 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 \$170,948 to the Plan for the year ended September 30, 2024.

11. 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 by 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.

Due to the current administration's review and potential restructuring of federal funding priorities, there is uncertainty regarding the continuation and amount of future funding from federal sources. The Organization is actively monitoring policy developments and is exploring alternative funding sources to mitigate potential impacts.

Concentration of Revenue and Support

The Organization receives a substantial portion of its total federal and state grants and contracts, \$10,087,017 or approximately 91%, from the U.S. Department of Justice (both direct and pass-through awards).

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2024**

11. Concentrations and Contingencies (continued)

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, 2024, the balance held by the Organization in excess of the FDIC insured limit was \$250,000. 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.

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 2027. The agreements contain clauses whereby the Organization is liable for liquidated damages in the event of cancellation or lower-than-anticipated attendance. Management of the Organization does not believe that any significant losses will be incurred under these contracts. Accordingly, no potential liability has been reflected in the accompanying consolidated financial statements.

12. 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, 2024, 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, 2024, 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, 2024, tax returns remained open for certain years 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 process. It is the Organization's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in interest or income tax expense.

13. 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, 2023, from which the summarized information was derived.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended September 30, 2024**

14. Reclassification

Certain 2023 amounts have been reclassified to conform to the 2024 financial statement presentation. The reclassifications had no impact on the previously reported net assets.

15. Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 26, 2025, the date the consolidated financial statements were available to be issued. There are 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 in Accordance with Government Auditing Standards

To the Board of Directors of
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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the National Council of Juvenile and Family Court Judges and Affiliates (the "the Organization"), which comprise the statement of financial position as of September 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements (collectively referred to as the "financial statements"), and have issued our report thereon dated March 26, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the 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 opinions on the 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.

internal control.

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 Organization'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's 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 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CBIZ CPAs P.C.

Washington, DC
March 26, 2025

Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the National Council of Juvenile and Family Court Judges and Affiliates' (the "Organization") compliance with the types of compliance requirements identified as subject to audit 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, 2024. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Organization as of and for the year ended September 30, 2024, and have issued our report thereon dated March 26, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

CBIZ CPAs P.C.

Washington, DC
March 26, 2025

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2024**

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Assistance Listing Number | Pass-Through Entity Identifying Number | Passed Through to Subrecipients | Total Federal Expenditures |
|--|--|---|--|---------------------------------------|
| DEPARTMENT OF JUSTICE | | | | |
| OVW Technical Assistance Initiative | 16.526 | - | \$ 146,909 | \$ 3,204,043 |
| <i>Pass-through from Futures Without Violence</i> | | | | |
| OVW Technical Assistance Initiative | 16.526 | 15JOVW-22-GK-03995-MUMU | - | 162,968 |
| Total Assistance Listing No. 16.526 | | | 146,909 | 3,367,011 |
| Judicial Training on Child Maltreatment for Court Personnel Juvenile Justice Programs | 16.757 | - | 33,932 | 3,622,020 |
| Juvenile Justice and Delinquency Prevention | 16.540 | - | 125,354 | 436,590 |
| <i>Pass-through from Cal State L.S. University Auxiliary Services inc.</i> | | | | |
| Juvenile Justice and Delinquency Prevention | 16.540 | 15PNIJ-23-GG-02411-TITL | - | 41,338 |
| <i>Pass-through from State of Nevada – Division of Child and Family Services</i> | | | | |
| Juvenile Justice and Delinquency Prevention | 16.540 | 2019-JX-FX-0014 2020-JX-FX-0036 | - | 20,106 |
| <i>Passed through National Opinion Research Center</i> | | | | |
| Juvenile Justice and Delinquency Prevention | 16.540 | 15PNIJ-22-GG-03056-TITL | - | 13,515 |
| Total Assistance Listing No. 16.540 | | | 125,354 | 511,549 |
| <i>Pass-through from National Association of Drug Court Professionals</i> | | | | |
| Treatment Court Discretionary Grant Program | 16.585 | 2019-DC-BX-K014 15PJDP-22-GK-03564-DGCT | 2,257 | 477,936 |
| <i>Pass-through from the National Network to End Domestic Violence</i> | | | | |
| Crime Victim Assistance/Discretionary Grants | 16.582 | 15POVC-22-GK-01804-NONF | - | 2,359 |
| <i>Pass-through from PBS Learning Institute Inc.</i> | | | | |
| Second Chance Act Reentry Initiative | 16.812 | 15PJDP-22-GK-03285-SCAX | - | 82,375 |
| National Institute of Justice Research, Evaluation, and Development Project Grants | 16.560 | - | - | 1,171,937 |
| <i>Passed through The Urban Institute</i> | | | | |
| National Institute of Justice Research, Evaluation, and Development Project Grants | 16.560 | 15PNIJ-21-GG-03265-RESS | - | 2,263 |
| <i>Passed through CNA Corporation</i> | | | | |
| National Institute of Justice Research, Evaluation, and Development Project Grants | 16.560 | 15PNIJ-21-GG-03267-RESS | - | 32,913 |
| Total Assistance Listing No. 16.560 | | | - | 1,207,113 |
| <i>Pass-through from Institute for Intergovernmental Research</i> | | | | |
| Opioid Affected Youth Initiative | 16.842 | 15PJDP-21-GK-03630-JJOP | - | 3,470 |
| Services for Trafficking Victims | 16.320 | - | 68,163 | 488,675 |

See accompanying notes to this schedule.

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2024**

(continued)

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Assistance Listing Number | Pass-Through Entity Identifying Number | Passed Through to Subrecipients | Total Federal Expenditures |
|---|---------------------------------|---|---------------------------------------|-------------------------------|
| DEPARTMENT OF JUSTICE (CONTINUED) | | | | |
| <i>Pass-through from Nebraska Administrative Office of Courts and Probation</i> | | | | |
| Justice Reinvestment Initiative | 16.827 | 2020-ZB-BX-0007 | \$ - | \$ 3,266 |
| <i>Pass-through from Oregon Judicial Department</i> | | | | |
| Justice Reinvestment Initiative | 16.827 | 15PJDP-22-GG-03734-JRIX | - | 22,016 |
| Total Assistance Listing No. 16.827 | | | - | 25,282 |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | - | - | 249,595 |
| <i>Pass-through from The National Association of Criminal Defense Lawyers</i> | | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2019-YA-BX-K001 | - | 15,966 |
| Total Assistance Listing No. 16.738 | | | - | 265,561 |
| <i>Passed through Justice and Joy National Collaborative</i> | | | | |
| Girls in the Juvenile Justice System | 16.830 | 15PJDP-22-GK-04862-GJSX | - | 33,666 |
| Total Department of Justice | | | 376,615 | 10,087,017 |
| DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | |
| <i>Pass-through from American Bar Association</i> | | | | |
| Child Abuse and Neglect Discretionary Activities | 93.670 | 90CZ0030 | - | 155,405 |
| <i>Pass-through from Zero To Three</i> | | | | |
| Maternal and Child Health Federal Consolidated Programs | 93.110 | 2U2DMC32394-04-00 5U2DMC32394-05-00 5U2DMC32394-06-00 | - | 74,058 |
| <i>Pass-through from Spaulding for Children</i> | | | | |
| Adoption Opportunities | 93.652 | 90CO1142 90CO1142-02 90CO1142-03 | - | 28,435 |
| <i>Pass-through from Nevada Administrative Office of the Courts</i> | | | | |
| Elder Abuse Prevention Interventions Program | 93.747 | 90EJIG0022-01-00 | - | 161,894 |
| Total Department of Health and Human Services | | | - | 419,792 |
| CONGRESSIONAL APPROPRIATION | | | | |
| <i>Pass-through from the State Justice Institute</i> | | | | |
| Military Families in Juvenile and Family Court Initiative | N/A | SJI-23-P-040 | - | 29,548 |
| <i>Pass-through from the State Justice Institute</i> | | | | |
| Enhanced Juvenile Justice Guidelines Demonstration Sites Phases II and III | N/A | SJI-20-P-019 SJI-23-P-017 | - | 124,914 |
| <i>Pass-through from the State Justice Institute</i> | | | | |
| Addressing Homelessness for Youth Involved in the Juvenile and Family Justice System | N/A | SJI-24-P-023 | - | 2,889 |
| <i>Pass-through from the State Justice Institute</i> | | | | |
| Science for Judges: Independent E-learning Development Project | N/A | SJI-24-P-022 | - | 2,442 |

See accompanying notes to this schedule.

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2024**

| <i>(continued)</i> | | | | |
|--|---------------------------------|--|---------------------------------------|-------------------------------|
| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Assistance Listing Number | Pass-Through Entity Identifying Number | Passed Through to Subrecipients | Total Federal Expenditures |
| CONGRESSIONAL APPROPRIATION (CONTINUED) | | | | |
| <i>Pass-through from the State Justice Institute</i> Domestic Violence Award Project | N/A | SJI-22-P-030 | \$ - | \$ 61,890 |
| <i>Pass-through from the State Justice Institute</i> Enhancing State Court Efforts to Address Child Abuse and Neglect | N/A | SJI-23-P-019 | - | 96,910 |
| <i>Pass-through from the National Association of Women Judges</i> Podcast Series for Judges: Enhancing State Court Efforts to Address Child Abuse and Neglect | N/A | SJI-23-P-028 | - | 11,925 |
| <i>Pass-through from the National Assessment Center Association</i> Supporting Shared Assessment Center Outcomes and Measures | N/A | N/A | - | 21,452 |
| <i>Pass-through from Robert F. Kennedy Community Alliance (RFK Community Alliance), through its RFK National Resource Center for Juvenile Justice</i> Probation and Youth Justice System Review Project | N/A | SJI-23-P-041 | - | 4,372 |
| <i>Pass-through from Future Without Violence</i> Courts in the Era of #WeToo | N/A | SJI-20-P-023 | - | 416 |
| <i>Pass-through from National Association for Court Management</i> Courts in the Era of #WeToo | N/A | SJI-20-P-023 | - | 612 |
| <i>Pass-through from American University</i> National Judicial Network: Forum on Human Trafficking and Immigration in State Courts | N/A | N/A | - | 6,871 |
| <i>Pass-through from The Council of State Government Ltd.</i> State Justice Institute Courting Judicial Excellence | N/A | SJI-24-P-034 | - | 2,206 |
| <i>Pass-through from The Council of State Government Ltd.</i> Juvenile Court Judges 50-State Landscape Analysis | N/A | SJI-22-P-038 | - | 39,684 |
| Total Congressional Appropriation | | | - | 406,131 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | \$ 376,615 | \$ 10,912,940 |

See accompanying notes to this schedule.

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

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2024**

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, 2024. 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
AND AFFILIATES**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2024**

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of report the auditor issued on whether
the financial statements audited were
prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None Reported

Non-compliance material to financial
statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None Reported

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

Unmodified

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>Name of Federal Program or Cluster</u> | <u>Assistance Listing Number</u> |
|---|---|
| OVW Technical Assistance Initiative | 16.526 |
| National Institute of Justice Research, Evaluation, and Development Project Grants | 16.560 |

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

Auditee qualified as a low-risk auditee?

 X Yes _____ No

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2024**

(continued)

SECTION II – FINANCIAL STATEMENT FINDINGS

None required to be reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None required to be reported.

SECTION IV – SUMMARY OF PRIOR YEAR FINDINGS

Financial Statement Audit Findings

None required to be reported.

Major Federal Award Programs Audit Findings and Questioned Costs

None required to be reported.