

**INTERNATIONAL ASSOCIATION OF WOMEN JUDGES**

FINANCIAL STATEMENTS

DECEMBER 31, 2014

**INTERNATIONAL ASSOCIATION OF WOMEN JUDGES**

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2014 AND 2013**

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## REPORT OF INDEPENDENT AUDITORS

Board of Directors  
International Association of Women Judges

We have audited the accompanying financial statements of the International Association of Women Judges (IAWJ or the Organization), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of the International Association of Women Judges as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

## **Other Matter**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The statements of revenue and expenses of the Funding Leadership and Opportunities for Women Grant, UNDEF Grant, and ILAC Grant on pages 12 through 14 are presented for purposes of additional analysis and are 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 audits of the financial statements and certain 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 financial statements as a whole.

*Calibre CPA Group, PLLC*

Bethesda, MD  
May 1, 2015

**INTERNATIONAL ASSOCIATION OF WOMEN JUDGES**

**STATEMENTS OF FINANCIAL POSITION**

DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
ASSETS		
Cash and cash equivalents	\$ 780,753	\$ 885,971
Accounts receivable	76,495	16,932
Prepaid expenses	4,283	4,189
Investments, at fair value	12,511	11,092
Leasehold improvements, net of accumulated depreciation	192,216	-
Security deposits	22,900	-
	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 1,089,158</u>	<u>\$ 918,184</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 13,502	\$ 3,935
Accrued salaries and related benefits	14,986	13,847
Deferred conference fees	-	96,638
Refundable advances	478,144	372,543
Deferred rent and lease incentives	180,506	-
Total liabilities	<u>687,138</u>	<u>486,963</u>
NET ASSETS		
Unrestricted	402,020	412,041
Temporarily restricted	-	19,180
Total net assets	<u>402,020</u>	<u>431,221</u>
	<u>                    </u>	<u>                    </u>
Total liabilities and net assets	<u>\$ 1,089,158</u>	<u>\$ 918,184</u>

See accompanying notes to financial statements.

# INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

## STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND SUPPORT</b>						
Membership dues	\$ 90,399	\$ -	\$ 90,399	\$ 99,633	\$ -	\$ 99,633
Individual and corporate donations	15,471	-	15,471	23,420	-	23,420
Board donations	15,345	-	15,345	14,712	-	14,712
Biennial conference - expense reimbursements and net proceeds from event	88,442	-	88,442	-	-	-
Government grants	-	914,059	914,059	-	699,507	699,507
Other grants and contracts	-	619,077	619,077	-	475,938	475,938
In-kind donations	218,687	-	218,687	151,367	-	151,367
Investment income, net	2,499	-	2,499	3,679	-	3,679
Other income	1,160	-	1,160	71,081	-	71,081
Net assets released from restriction	1,552,316	(1,552,316)	-	1,451,951	(1,451,951)	-
Total support and revenue	1,984,319	(19,180)	1,965,139	1,815,843	(276,506)	1,539,337
<b>EXPENSES</b>						
Program services	1,782,814	-	1,782,814	1,410,947	-	1,410,947
Support services						
Management and general	211,526	-	211,526	214,486	-	214,486
Total expenses	1,994,340	-	1,994,340	1,625,433	-	1,625,433
CHANGE IN NET ASSETS	(10,021)	(19,180)	(29,201)	190,410	(276,506)	(86,096)
<b>NET ASSETS</b>						
Beginning of year	412,041	19,180	431,221	221,631	295,686	517,317
End of year	\$ 402,020	\$ -	\$ 402,020	\$ 412,041	\$ 19,180	\$ 431,221

See accompanying notes to financial statements.

# INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

## STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014			2013		
	Program Services	Management and General	Total	Program Services	Management and General	Total
Salaries	\$ 343,381	\$ 134,372	\$ 477,753	\$ 399,835	\$ 135,336	\$ 535,171
Fringe benefits and payroll taxes	81,401	27,134	108,535	81,387	27,129	108,516
Office rent	85,007	30,357	115,364	101,357	29,786	131,143
Office supplies	42,666	3,428	46,094	16,623	3,515	20,138
Postage	615	180	795	410	48	458
Printing	12,113	1,669	13,782	6,968	1,102	8,070
Travel and per diem	236,255	2,897	239,152	217,398	6,044	223,442
Professional fees	314,556	3,887	318,443	213,057	7,092	220,149
Information technology	15,398	3,335	18,733	20,018	3,503	23,521
Insurance	3,229	1,407	4,636	3,087	825	3,912
Conferences and workshops	16,508	-	16,508	117,872	-	117,872
Education campaign	355,976	-	355,976	26,198	-	26,198
Monitoring and evaluation	28,336	-	28,336	30,000	-	30,000
Toolkit	400	-	400	19,747	-	19,747
Other expenses	18,675	(344)	18,331	5,623	106	5,729
In-kind services	218,687	-	218,687	151,367	-	151,367
Depreciation	9,611	3,204	12,815	-	-	-
	<u>\$ 1,782,814</u>	<u>\$ 211,526</u>	<u>\$ 1,994,340</u>	<u>\$ 1,410,947</u>	<u>\$ 214,486</u>	<u>\$ 1,625,433</u>
Total expenses						

See accompanying notes to financial statements.

**INTERNATIONAL ASSOCIATION OF WOMEN JUDGES**

**STATEMENTS OF CASH FLOWS**

YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (29,201)	\$ (86,096)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Net unrealized gains on investments	(1,232)	(2,643)
Depreciation and amortization	12,814	-
Changes in assets and liabilities		
(Increase) decrease in:		
Accounts receivable	(59,563)	10,873
Prepaid expenses	(94)	462
Security deposits	(22,900)	-
Increase (decrease) in:		
Accounts payable and accrued expenses	9,567	(9,410)
Accrued salaries and related benefits	1,139	(61,754)
Deferred conference fees	(96,638)	96,638
Refundable advance	105,601	254,630
Deferred rent and lease incentives	(1,689)	-
Net cash provided by (used for) operating activities	(82,196)	202,700
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(187)	(832)
Purchase of leasehold improvements	(22,835)	-
Net cash used by investing activities	(23,022)	(832)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(105,218)	201,868
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	885,971	684,103
End of year	\$ 780,753	\$ 885,971
<b>SUPPLEMENTAL DISCLOSURE:</b>		
Leasehold improvement costs paid by landlord	\$ 182,195	\$ -

See accompanying notes to financial statements.



# INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

### **NOTE 1. ORGANIZATION**

The International Association of Women Judges (IAWJ or the Organization) is a membership organization of more than 4,000 members in over 70 countries. IAWJ was incorporated on May 20, 2002 under the laws of the District of Columbia. IAWJ's primary purpose is to encourage the appointment of women judges at all levels of the judiciary and provide opportunities for networking and developing judicial leadership of women judges. Through pioneering judicial education programs and worldwide collaboration, IAWJ is working to advance human rights, eliminate discrimination on the basis of gender, and make courts accessible to all.

### **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Cash Equivalents** - IAWJ considers all certificates of deposit held in the investment portfolio to be cash equivalents.

**Accounts Receivable** - Accounts receivable consists primarily of membership, and grants receivable. No allowance has been recorded as IAWJ believes the balance is fully collectible.

**In-kind Donations** - In-kind donations are recorded at fair value on the date of contribution. Contributed services are recognized as revenue and expenses if such services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. During the year ended December 31, 2014, donations of approximately \$175,000 for services and \$44,000 for travel expenses were recognized as in-kind. During the year ended December 31, 2013, donations of approximately \$125,000 for services and \$26,000 for goods were recognized as in-kind.

**Leasehold Improvements** - Leasehold improvements are recorded at cost and depreciated over the related lease period. All expenditures for repairs and maintenance costs are charged to expense when incurred. Upon the retirement or disposal of assets, the cost and accumulated depreciation are removed from the respective accounts and the resulting gain or loss, if any, is included in revenue or expense in the accompanying statements of activities.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Classification of Net Assets** - The net assets of IAWJ are reported as follows:

- Unrestricted net assets represent the portion of expendable funds that are available for support of the IAWJ's operations.
- Temporarily restricted net assets represent amounts restricted by donors for a specific purpose or for use in a specific time period. As of December 31, 2013, net assets in the amount of \$19,180 were purpose-restricted. The entire amount was released from restriction during 2014; consequently, there were no temporarily restricted net assets as of December 31, 2014.

**Revenue Recognition** - Membership dues are recognized as revenue in the membership period to which the dues relate. Accordingly, dues paid by members in advance of the membership period are reported as deferred membership dues in the accompanying statements of financial position.

Unrestricted grants and contributions are reported as revenue in the year in which payments are received and/or unconditional promises are made. Grants and contributions are reported as temporarily restricted support if they are received with donor or grantor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Funding received on grants accounted for as exchange transactions and for which revenue has not yet been earned is reflected as a refundable advance in the accompanying statements of financial position.

**Functional allocation of Expenses** - Certain expenses are classified between program services and management and general expenses based upon specific identification at the time of payment, or upon allocation in proportion to the programs and supporting services benefited.

**Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

**NOTE 3. INVESTMENTS**

As of December 31, 2014 and 2013, investments of IAWJ consist of amounts invested in mutual funds and common stocks, and are stated at fair value based on quoted market prices. Changes in fair value are included in investment income. The cost and fair value of IAWJ's investments as of December 31, 2014 are as follows:

	<u>Cost</u>	<u>Fair Value</u>
Cash	\$ 54	\$ 54
Equities	3,484	6,680
Equity mutual funds	<u>1,834</u>	<u>5,777</u>
	<u>\$ 5,372</u>	<u>\$ 12,511</u>

The cost and fair value of IAWJ's investments as of December 31, 2013 are as follows:

	<u>Cost</u>	<u>Fair Value</u>
Cash	\$ 45	\$ 45
Equities	3,306	5,835
Equity mutual funds	<u>1,834</u>	<u>5,212</u>
	<u>\$ 5,185</u>	<u>\$ 11,092</u>

IAWJ reports fair value measurements of financial assets and liabilities using a hierarchy for observable independent market inputs and unobservable market assumptions. Considerable judgments are required in interpreting market data used to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The three levels of the fair value hierarchy are described below:

Level 1 - Quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than Level 1 inputs that are directly or indirectly observable in the marketplace;

Level 3 - Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk such as bid/ask spread and liquidity discounts.

**NOTE 3. INVESTMENTS (CONTINUED)**

Fair values of assets and liabilities measured on a recurring basis at December 31, 2014 and 2013 are limited to investments. All of IAWJ's investments are in publicly-traded equities and mutual funds and, accordingly, their fair values are based on quoted market prices, which are considered Level 1 inputs.

Investment income for the years ended December 31, 2014 and 2013 was as follows:

	<u>2014</u>	<u>2013</u>
Interest and dividends	\$ 1,267	\$ 1,036
Net appreciation in fair value of investments	<u>1,232</u>	<u>2,643</u>
	<u>\$ 2,499</u>	<u>\$ 3,679</u>

**NOTE 4. OPERATING LEASE**

IAWJ entered into a new lease for office space commencing September 1, 2014 that expires December 31, 2019. The lease agreement requires a security deposit in the amount of \$22,728, provides for abatement of the monthly rent for each of the first four lease years, and also provided IAWJ with leasehold improvements funded by the landlord in the amount of \$182,195. The total rent due and lease incentives provided under the lease agreement are being recognized on a straight-line basis in the financial statements. Total rent expense for the years ended December 31, 2014 and 2013 was \$109,470 and \$119,143, respectively. Future minimum lease payments by calendar year are due as follows:

2015	\$ 111,238
2016	114,019
2017	116,870
2018	130,877
2019	<u>134,147</u>
	<u>\$ 607,151</u>

The total cost of leasehold improvement as of December 31, 2014 was \$205,030; accumulated depreciation was \$12,814, and the remaining book value was \$192,216.

**NOTE 5. CONTINGENCIES**

IAWJ receives revenue from U.S. Government funded grants, all of which are subject to audit by government agencies. The ultimate determination of amounts received is based upon allowable costs reported to and audited by the government. Until such audits have been completed and final settlement reached, there exists a contingency to refund any amounts received in excess of allowed costs.

**NOTE 6. INCOME TAXES**

IAWJ is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income, if any, generated by unrelated business activities. IAWJ is similarly exempt from District of Columbia franchise taxes and qualifies as a publicly-supported organization.

IAWJ accounts for income taxes in accordance with the Accounting Standards Codification (ASC) Topic *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. IAWJ performed an evaluation of uncertain tax positions for the years ended December 31, 2014 and 2013, and determined that there were no matters that would require recognition in the financial statements or that may have an effect on its tax-exempt status. As of December 31, 2014, the statute of limitations for tax years 2011 through 2013 remains open with the U.S. federal jurisdiction and the District of Columbia. It is IAWJ's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in unrelated business income tax expense.

**NOTE 7. CONCENTRATIONS**

IAWJ maintains its cash with banks located in the United States. Account balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per bank. As of December 31, 2014, amounts on deposit exceeded the FDIC insurance limit by approximately \$327,000. IAWJ has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash balances.

For the years ended December 31, 2014 and 2013, approximately 43% and 45%, respectively, of IAWJ's total support and revenue was provided under grants and similar agreements with the U.S. Government.

**NOTE 8. SUBSEQUENT EVENTS REVIEW**

Subsequent events have been evaluated through May 1, 2015, which is the date the financial statements were available to be issued. This review and evaluation revealed no new material event or transaction which would require an additional adjustment to or disclosure in the accompanying financial statements.

## **ADDITIONAL INFORMATION**

**International Association of Women Judges**  
**Schedule of Cash, Receipts, and Disbursements**  
**Funding Leadership and Opportunities for Women Grant**

Year Ended December 31, 2014

Cash - beginning of year	<u>\$ 92,801</u>
Receipts	
Grant receipts received	<u>353,405</u>
Disbursements	
Personnel	90,791
Consultation	26,855
Professional fees	14,959
Monitoring and evaluation	28,336
Regional conferences	354,152
Miscellaneous	<u>4,927</u>
Total disbursements	<u>520,020</u>
Disbursements over receipts	<u>(166,615)</u>
Excess disbursements over cash carryforward and receipts	<u>\$ (73,814)</u>

**INTERNATIONAL ASSOCIATION OF WOMEN JUDGES**

**SCHEDULE OF REVENUE AND EXPENSES  
UNDEF GRANT**

YEAR ENDED DECEMBER 31, 2014

	<u>Cash Activity</u>	<u>End of Year Accrual</u>
REVENUE		
Grant revenue	<u>\$ 56,000</u>	<u>\$ 8,680</u>
EXPENSES		
Salaries	18,004	-
Travel	3,832	-
Contractual services	15,235	-
Meeting and training	14,299	-
Advocacy	3,334	-
Project equipment	460	-
Miscellaneous	<u>9,516</u>	<u>-</u>
Total expenses	<u>64,680</u>	<u>-</u>
REVENUE OVER (EXPENSES)	<u><u>\$ (8,680)</u></u>	<u><u>\$ 8,680</u></u>



INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

SCHEDULE OF REVENUE AND EXPENSES  
ILAC GRANT

YEAR ENDED DECEMBER 31, 2014

	<u>Cash Activity</u>	<u>End of Year Accrual</u>
REVENUE		
Grant Revenue	\$ 96,745	\$ 5,599
Interest Income	<u>675</u>	<u>-</u>
	<u>97,420</u>	<u>5,599</u>
EXPENSES		
Personnel	62,913	-
Professional Fees	5,502	-
Travel	13,826	-
Education	1,118	-
Regional Conferences	1,938	-
Miscellaneous	<u>12,123</u>	<u>-</u>
Total expenses	<u>97,420</u>	<u>-</u>
REVENUE OVER (EXPENSES)	-	<u>\$ 5,599</u>
REFUNDABLE ADVANCE	<u>457,545</u>	
CASH - END OF YEAR	<u>\$ 457,545</u>	