

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

FINANCIAL STATEMENTS

DECEMBER 31, 2016

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

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REPORT OF INDEPENDENT AUDITORS

Board of Directors and Board of Managerial Trustees
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, 2016 and 2015, 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.

Auditors' 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 auditors' 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 auditors consider 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, 2016 and 2015, 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 Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of revenue and expenses of UNDEF, ILAC, USAID Dominican Republic, JTIP Haiti, and DRL Morocco on pages 13 – 17 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, 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 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
April 11, 2017

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
ASSETS		
Cash and cash equivalents	\$ 530,562	\$ 580,005
Accounts receivable	18,684	101,589
Prepaid expenses	2,767	67
Investments, at fair value	12,932	11,049
Property and equipment, net	115,890	154,727
Security deposits	<u>22,900</u>	<u>22,900</u>
Total assets	<u>\$ 703,735</u>	<u>\$ 870,337</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 39,717	\$ 38,266
Accrued salaries and related benefits	8,430	7,638
Refundable advances	194,314	432,182
Deferred membership dues	-	1,575
Deferred rent and lease incentives	<u>125,906</u>	<u>154,597</u>
Total liabilities	<u>368,367</u>	<u>634,258</u>
NET ASSETS		
Unrestricted	335,368	236,079
Temporarily restricted	<u>-</u>	<u>-</u>
Total net assets	<u>335,368</u>	<u>236,079</u>
Total liabilities and net assets	<u>\$ 703,735</u>	<u>\$ 870,337</u>

See accompanying notes to financial statements.

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT						
Membership dues	\$ 111,240	\$ -	\$ 111,240	\$ 131,072	\$ -	\$ 131,072
Individual and corporate donations	25,402	-	25,402	35,732	-	35,732
Board donations	24,800	-	24,800	23,750	-	23,750
2016 Biennial conference net proceeds	164,487	-	164,487	4,482	-	4,482
Government grants	-	546,189	546,189	-	85,908	85,908
Other grants and contracts	11,365	443,914	455,279	-	486,652	486,652
In-kind donations	230,084	-	230,084	124,216	-	124,216
Investment income (loss), net	2,086	-	2,086	(1,040)	-	(1,040)
Other income	23,029	-	23,029	-	-	-
Net assets released from restriction	<u>990,103</u>	<u>(990,103)</u>	<u>-</u>	<u>572,560</u>	<u>(572,560)</u>	<u>-</u>
Total support and revenue	<u>1,582,596</u>	<u>-</u>	<u>1,582,596</u>	<u>890,772</u>	<u>-</u>	<u>890,772</u>
EXPENSES						
Program services	1,268,732	-	1,268,732	892,536	-	892,536
Supporting services						
Management and general	<u>214,575</u>	<u>-</u>	<u>214,575</u>	<u>164,177</u>	<u>-</u>	<u>164,177</u>
Total expenses	<u>1,483,307</u>	<u>-</u>	<u>1,483,307</u>	<u>1,056,713</u>	<u>-</u>	<u>1,056,713</u>
CHANGE IN NET ASSETS	99,289	-	99,289	(165,941)	-	(165,941)
NET ASSETS						
Beginning of year	<u>236,079</u>	<u>-</u>	<u>236,079</u>	<u>402,020</u>	<u>-</u>	<u>402,020</u>
End of year	<u>\$ 335,368</u>	<u>\$ -</u>	<u>\$ 335,368</u>	<u>\$ 236,079</u>	<u>\$ -</u>	<u>\$ 236,079</u>

See accompanying notes to financial statements.

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016			2015		
	Program Services	Management and General	Total	Program Services	Management and General	Total
Salaries	\$ 389,138	\$ 129,713	\$ 518,851	\$ 303,440	\$ 101,146	\$ 404,586
Fringe benefits and payroll taxes	67,430	22,476	89,906	42,611	14,204	56,815
Office rent	67,473	22,491	89,964	66,436	22,145	88,581
Office expenses	13,280	1,476	14,756	1,128	125	1,253
Postage	518	172	690	459	153	612
Printing	2,318	772	3,090	2,193	731	2,924
Travel and per diem	201,284	10,594	211,878	171,121	9,006	180,127
Professional fees	195,945	10,313	206,258	75,711	3,985	79,696
Information technology	5,704	1,426	7,130	6,598	1,649	8,247
Insurance	4,115	1,372	5,487	3,677	1,225	4,902
Conferences and workshops	34,598	-	34,598	27,494	-	27,494
Education campaign	-	-	-	27,422	-	27,422
Monitoring and evaluation	15,532	-	15,532	10,605	-	10,605
Other expenses	12,185	4,061	16,246	550	183	733
In-kind services	230,084	-	230,084	124,217	-	124,217
Depreciation	<u>29,128</u>	<u>9,709</u>	<u>38,837</u>	<u>28,874</u>	<u>9,625</u>	<u>38,499</u>
Total expenses	<u>\$ 1,268,732</u>	<u>\$ 214,575</u>	<u>\$ 1,483,307</u>	<u>\$ 892,536</u>	<u>\$ 164,177</u>	<u>\$ 1,056,713</u>

See accompanying notes to financial statements.

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 99,289	\$ (165,941)
Adjustments to reconcile change in net assets to net cash used for operating activities		
Net unrealized (gains) losses on investments	(1,360)	1,713
Depreciation and amortization	38,837	38,499
Changes in assets and liabilities		
(Increase) decrease in:		
Accounts receivable	82,905	(25,094)
Prepaid expenses	(2,700)	4,216
Increase (decrease) in:		
Accounts payable and accrued expenses	1,451	24,764
Accrued salaries and related benefits	792	(7,348)
Deferred membership dues	(1,575)	1,575
Refundable advances	(237,868)	(45,962)
Deferred rent and lease incentives	<u>(28,691)</u>	<u>(25,909)</u>
Net cash used for operating activities	<u>(48,920)</u>	<u>(199,487)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(523)	(251)
Purchase of property and equipment	<u>-</u>	<u>(1,010)</u>
Net cash used for investing activities	<u>(523)</u>	<u>(1,261)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(49,443)	(200,748)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>580,005</u>	<u>780,753</u>
End of year	<u>\$ 530,562</u>	<u>\$ 580,005</u>
SUPPLEMENTAL DISCLOSURE:		
Leasehold improvement costs paid by landlord	<u>\$ -</u>	<u>\$ 182,195</u>

See accompanying notes to financial statements.

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

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 dues and grants receivable. No allowance has been recorded as IAWJ believes the balances are 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, 2016, donations of approximately \$229,000 for services and \$1,000 for travel expenses were recognized as in-kind. During the year ended December 31, 2015, donations of approximately \$112,000 for services and \$12,000 for travel expenses were recognized as in-kind.

Property and Equipment - Property and equipment are recorded at cost on the date of acquisition. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the assets, generally three to seven years. 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. During 2016 and 2015, all temporarily restricted revenue was purpose-restricted. All amounts were released from restriction during 2016 and 2015; consequently, there were no temporarily restricted net assets as of December 31, 2016 and 2015.

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. 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.

NOTE 3. INCOME TAXES (CONTINUED)

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, 2016 and 2015, 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, 2016, the statute of limitations for tax years 2013 through 2015 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 4. INVESTMENTS

As of December 31, 2016 and 2015, investments of IAWJ consist of amounts invested in mutual funds and equities, and are stated at fair value based on quoted market prices. Changes in fair value are included in investment income.

IAWJ reports fair value measurements of financial assets and liabilities using a hierarchy for observable independent market inputs and unobservable market assumptions. Considerable judgment is 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.

Fair values of assets and liabilities measured on a recurring basis at December 31, 2016 and 2015 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.

NOTE 4. INVESTMENTS (CONTINUED)

December 31, 2016

	Balances	Quoted Market Prices for Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 43	\$ 43	\$ -	\$ -
Equities	6,659	6,659	-	-
Mutual funds	6,230	6,230	-	-
	<u>\$ 12,932</u>	<u>\$ 12,932</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2015

	Balances	Quoted Market Prices for Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 50	\$ 50	\$ -	\$ -
Equities	5,419	5,419	-	-
Mutual funds	5,580	5,580	-	-
	<u>\$ 11,049</u>	<u>\$ 11,049</u>	<u>\$ -</u>	<u>\$ -</u>

Investment income for the years ended December 31, 2016 and 2015 was as follows:

	2016	2015
Interest and dividends	\$ 726	\$ 673
Net appreciation (depreciation) in fair value of investments	1,360	(1,713)
	<u>\$ 2,086</u>	<u>\$ (1,040)</u>

NOTE 5. OPERATING LEASE

IAWJ entered into a lease for office space commencing September 1, 2014 that expires December 31, 2019. The lease agreement requires a security deposit in the amount of \$22,900, provides for partial 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, 2016 and 2015, net of sublease income to one tenant for seven months during 2016 of \$20,533, was \$69,431 and \$88,581, respectively. Future minimum lease payments by calendar year are due as follows:

2017	\$ 116,870
2018	130,877
2019	<u>134,147</u>
	<u>\$ 381,894</u>

The total cost of leasehold improvement as of December 31, 2016 and 2015, was \$205,030; accumulated depreciation was \$89,701 and \$51,257, and the remaining book value was \$115,329 and \$153,773, respectively.

NOTE 6. 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 7. CONCENTRATIONS

IAWJ maintains its cash with banks located in the United States. Account balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. As of December 31, 2016, amounts on deposit did not exceed the FDIC insurance limit. 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, 2016 and 2015, approximately 35% and 10%, 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 April 11, 2017, 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 REVENUE AND EXPENSES
UNDEF**

YEAR ENDED DECEMBER 31, 2016

REVENUE	
Grant revenue	<u>\$ 32,261</u>
EXPENSES	
Personnel	4,032
Travel	1,699
Contractual services	3,015
Meetings and trainings	21,442
Miscellaneous	<u>2,073</u>
Total expenses	<u>32,261</u>
REVENUE OVER (EXPENSES)	-
REFUNDABLE ADVANCE	<u>-</u>
CASH - END OF YEAR	<u><u>\$ -</u></u>

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

**SCHEDULE OF REVENUE AND EXPENSES
ILAC**

YEAR ENDED DECEMBER 31, 2016

REVENUE	
Grant revenue	<u>\$ 405,956</u>
EXPENSES	
Personnel	139,459
Travel	112,753
Equipment and supplies	4,080
Contractual	85,447
Other direct costs	29,301
Unforeseen and indirect	<u>34,916</u>
Total expenses	<u>405,956</u>
REVENUE OVER (EXPENSES)	-
REFUNDABLE ADVANCE	<u>161,406</u>
CASH - END OF YEAR	<u><u>\$ 161,406</u></u>

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

**SCHEDULE OF REVENUE AND EXPENSES
USAID DOMINICAN REPUBLIC**

YEAR ENDED DECEMBER 31, 2016

REVENUE	
Grant revenue	<u>\$ 307,533</u>
EXPENSES	
Salaries	72,621
Fringe benefits	15,468
Short term staff	59,215
Other direct costs	40,406
Activity service delivery	19,327
Travel and transportation	43,258
Indirect costs	55,691
Other	<u>1,547</u>
Total expenses	<u>307,533</u>
REVENUE OVER (EXPENSES)	-
REFUNDABLE ADVANCE	<u>32,154</u>
CASH - END OF YEAR	<u>\$ 32,154</u>

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

**SCHEDULE OF REVENUE AND EXPENSES
JTIP HAITI**

YEAR ENDED DECEMBER 31, 2016

REVENUE	
Grant revenue	\$ <u>192,543</u>
EXPENSES	
Personnel	71,521
Fringe benefits	14,304
Contractual	30,642
Travel	17,013
Other direct costs	25,664
Indirect costs	<u>33,399</u>
Total expenses	<u>192,543</u>
REVENUE OVER (EXPENSES)	-
REFUNDABLE ADVANCE	<u>754</u>
CASH - END OF YEAR	<u><u>\$ 754</u></u>

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

**SCHEDULE OF REVENUE AND EXPENSES
DRL MOROCCO**

YEAR ENDED DECEMBER 31, 2016

REVENUE	
Grant revenue	\$ <u>51,810</u>
EXPENSES	
Personnel	21,127
Fringe benefits	4,859
Travel	4,831
Supplies	56
Contractual	4,010
Other	8,049
Indirect costs	<u>8,878</u>
Total expenses	<u>51,810</u>
REVENUE OVER (EXPENSES)	-
REFUNDABLE ADVANCE	<u>-</u>
CASH - END OF YEAR	<u><u>\$ -</u></u>