

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

FINANCIAL STATEMENTS

DECEMBER 31, 2017

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

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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, 2017 and 2016, 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, 2017 and 2016, 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 Malawi, ILAC, USAID Dominican Republic, JTIP Haiti, DRL Morocco and Pakistan on pages 12-17 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
September 26, 2018

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
ASSETS		
Cash and cash equivalents	\$ 583,921	\$ 530,562
Accounts receivable	82,471	18,684
Prepaid expenses	2,691	2,767
Investments, at fair value	15,034	12,932
Property and equipment, net	280	115,890
Security deposits	<u>28,900</u>	<u>22,900</u>
Total assets	<u>\$ 713,297</u>	<u>\$ 703,735</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 63,862	\$ 39,717
Accrued salaries and related benefits	10,114	8,430
Refundable advances	30,091	192,739
Deferred conference revenue	213,897	1,575
Deferred rent and lease incentives	<u>-</u>	<u>125,906</u>
Total liabilities	<u>317,964</u>	<u>368,367</u>
NET ASSETS		
Unrestricted	236,202	335,368
Temporarily restricted	<u>159,131</u>	<u>-</u>
Total net assets	<u>395,333</u>	<u>335,368</u>
Total liabilities and net assets	<u>\$ 713,297</u>	<u>\$ 703,735</u>

See accompanying notes to financial statements.

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT						
Membership dues	\$ 125,170	\$ -	\$ 125,170	\$ 111,240	\$ -	\$ 111,240
Individual and corporate donations	10,833	-	10,833	25,402	-	25,402
Board donations	21,782	-	21,782	24,800	-	24,800
2016 Biennial conference net proceeds	-	-	-	164,487	-	164,487
Government grants	-	719,861	719,861	-	546,189	546,189
Other grants and contracts	63,608	377,440	441,048	11,365	443,914	455,279
In-kind donations	15,323	-	15,323	230,084	-	230,084
Investment income, net	2,479	-	2,479	2,086	-	2,086
Other income	1,026	-	1,026	23,029	-	23,029
Net assets released from restriction	938,170	(938,170)	-	990,103	(990,103)	-
Total support and revenue	<u>1,178,391</u>	<u>159,131</u>	<u>1,337,522</u>	<u>1,582,596</u>	<u>-</u>	<u>1,582,596</u>
EXPENSES						
Program services	986,808	-	986,808	1,261,370	-	1,261,370
Supporting services						
Management and general	165,786	-	165,786	103,644	-	103,644
Development services	124,963	-	124,963	118,293	-	118,293
Total expenses	<u>1,277,557</u>	<u>-</u>	<u>1,277,557</u>	<u>1,483,307</u>	<u>-</u>	<u>1,483,307</u>
CHANGE IN NET ASSETS	(99,166)	159,131	59,965	99,289	-	99,289
NET ASSETS						
Beginning of year	<u>335,368</u>	<u>-</u>	<u>335,368</u>	<u>236,079</u>	<u>-</u>	<u>236,079</u>
End of year	<u>\$ 236,202</u>	<u>\$ 159,131</u>	<u>\$ 395,333</u>	<u>\$ 335,368</u>	<u>\$ -</u>	<u>\$ 335,368</u>

See accompanying notes to financial statements.

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017				2016			
	Program Services	Management and General	Development	Total	Program Services	Management and General	Development	Total
Salaries	\$ 346,778	\$ 106,004	\$ 79,903	\$ 532,685	\$ 389,138	\$ 60,576	\$ 69,137	\$ 518,851
Fringe benefits and payroll taxes	53,952	16,492	12,431	82,875	67,430	10,496	11,980	89,906
Office rent	51,366	15,702	11,835	78,903	67,473	10,503	11,988	89,964
Office expenses	10,092	3,085	2,325	15,502	13,280	689	787	14,756
Postage	314	96	72	482	518	80	92	690
Printing	2,915	891	672	4,478	2,318	361	411	3,090
Travel and per diem	170,020	7,168	5,403	182,591	201,284	4,947	5,647	211,878
Information technology	8,636	2,640	1,990	13,266	2,377	2,220	2,533	7,130
Insurance	4,045	1,236	932	6,213	5,704	666	760	7,130
Conferences and workshops	22,961	-	-	22,961	4,115	641	731	5,487
Contract services	291,298	9,687	7,302	308,287	186,206	6,035	6,887	199,128
Education campaign	-	-	-	-	34,598	-	-	34,598
Monitoring and evaluation	-	-	-	-	15,532	-	-	15,532
Other expenses	8,890	2,718	2,048	13,656	12,185	1,896	2,165	16,246
In-kind services	15,323	-	-	15,323	230,084	-	-	230,084
Depreciation	218	67	50	335	29,128	4,534	5,175	38,837
	<u>218</u>	<u>67</u>	<u>50</u>	<u>335</u>	<u>29,128</u>	<u>4,534</u>	<u>5,175</u>	<u>38,837</u>
Total expenses	<u>\$ 986,808</u>	<u>\$ 165,786</u>	<u>\$ 124,963</u>	<u>\$ 1,277,557</u>	<u>\$ 1,261,370</u>	<u>\$ 103,644</u>	<u>\$ 118,293</u>	<u>\$ 1,483,307</u>

See accompanying notes to financial statements.

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 59,965	\$ 99,289
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Net unrealized gains on investments	(1,437)	(1,360)
Depreciation and amortization	337	38,837
Loss of disposal property	115,273	-
Changes in assets and liabilities		
(Increase) decrease in:		
Accounts receivable	(63,787)	82,905
Prepaid expenses	76	(2,700)
Security deposits	(6,000)	-
Increase (decrease) in:		
Accounts payable and accrued expenses	24,145	1,451
Accrued salaries and related benefits	1,684	792
Deferred membership dues	212,322	(1,575)
Refundable advances	(162,648)	(237,868)
Deferred rent and lease incentives	(125,906)	(28,691)
Net cash provided by (used for) operating activities	54,024	(48,920)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(665)	(523)
NET CHANGE IN CASH AND CASH EQUIVALENTS	53,359	(49,443)
CASH AND CASH EQUIVALENTS		
Beginning of year	530,562	580,005
End of year	\$ 583,921	\$ 530,562

See accompanying notes to financial statements.

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

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, 2017, donations of approximately \$1,400 for services and \$14,000 for travel expenses were recognized as in-kind. 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.

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 2017 and 2016, all temporarily restricted revenue was purpose-restricted. \$938,170 amounts were released from the restriction during 2017, all amounts were released from restriction during 2016; consequently, there were \$159,131 restricted net asset as of December 31, 2017 and no temporarily restricted net assets as of December 31, 2016.

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, 2017 and 2016, 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, 2017, the statute of limitations for tax years 2014 through 2016 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, 2017 and 2016, 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; and

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, 2017 and 2016 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.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2017 and 2016.

NOTE 4. INVESTMENTS (CONTINUED)

	December 31, 2017			
		Quoted Market Prices for Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
	Balances	(Level 1)	(Level 2)	(Level 3)
Cash	\$ 58	\$ 58	\$ -	\$ -
Equities	7,406	7,406	-	-
Mutual funds	7,570	7,570	-	-
	<u>\$ 15,034</u>	<u>\$ 15,034</u>	<u>\$ -</u>	<u>\$ -</u>

	December 31, 2016			
		Quoted Market Prices for Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
	Balances	(Level 1)	(Level 2)	(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>

Investment income for the years ended December 31, 2017 and 2016 was as follows:

	2017	2016
Interest and dividends	\$ 1,042	\$ 726
Net appreciation in fair value of investments	1,437	1,360
	<u>\$ 2,479</u>	<u>\$ 2,086</u>

NOTE 5. OPERATING LEASE

IAWJ entered into a lease for office space commencing September 1, 2014 that as per the agreement expires December 31, 2019. This lease was terminated during 2017. IAWJ entered into a license lease agreement that commence on October 16, 2017 and terminates on September 30, 2019 with the option to extend the term of the agreement for one additional year. The agreement requires a monthly license fee in the amount of \$6,000.

The previous lease and incentives provided by the agreement were recognized on a straight-line basis in the financial statements. Total rent expense for the year ended December 31, 2017 was \$78,903. Total rent expense for the year ended December 31, 2016 was \$69,431 net of sublease income to one tenant for seven months during 2016 of \$20,533.

NOTE 5. OPERATING LEASE (CONTINUED)

The total cost of leasehold improvement as of December 31, 2017 and 2016, was \$-0- and \$205,030; accumulated depreciation was \$-0- and \$89,70, and the remaining book value was \$-0- and \$115,329, 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, 2017, 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, 2017 and 2016, 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 September 26, 2018, 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
MALAWI**

YEAR ENDED DECEMBER 31, 2017

REVENUE	
Grant revenue	<u>\$ 216,034</u>
EXPENSES	
Activity 2.1.1 Brochures and Pins	884
Activity 2.1.3 Public Outreach	2,664
Activity 2.2.3 Consultation	2,155
Activity 2.2.4 Initial Launch	18,177
Personnel	33,876
Indirect	4,080
Others	<u>526</u>
Total expenses	<u>62,362</u>
REVENUE OVER EXPENSES	153,672
REFUNDABLE ADVANCE	<u>-</u>
CASH - END OF YEAR	<u><u>\$ 153,672</u></u>

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

**SCHEDULE OF REVENUE AND EXPENSES
ILAC**

YEAR ENDED DECEMBER 31, 2017

REVENUE	
Grant revenue	\$ 161,406
Interest income	<u>124</u>
	<u>161,530</u>
EXPENSES	
Personnel	63,154
Travel	35,918
Contractual	33,206
Other direct costs	8,345
Unforeseen and indirect	<u>15,324</u>
Total expenses	<u>155,947</u>
REVENUE OVER EXPENSES	5,583
REFUNDABLE ADVANCE	<u>-</u>
CASH - END OF YEAR	<u><u>\$ 5,583</u></u>

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

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

YEAR ENDED DECEMBER 31, 2017

REVENUE	
Grant revenue	<u>\$ 130,446</u>
EXPENSES	
Salaries	27,156
Fringe benefits	5,518
Short term staff	50,075
Other direct costs	191
Travel and transportation	17,197
Indirect costs	22,776
Good and materials	1,117
Contractual	3,314
Other	<u>3,102</u>
Total expenses	<u>130,446</u>
REVENUE OVER EXPENSES	-
REFUNDABLE ADVANCES	<u>-</u>
CASH - END OF YEAR	<u><u>\$ -</u></u>

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

**SCHEDULE OF REVENUE AND EXPENSES
JTIP HAITI**

YEAR ENDED DECEMBER 31, 2017

REVENUE	
Grant revenue	\$ <u>222,139</u>
EXPENSES	
Personnel	78,919
Fringe benefits	14,529
Contractual	47,921
Travel	25,599
Other direct costs	23,254
Indirect costs	<u>31,917</u>
Total expenses	<u>222,139</u>
REVENUE OVER EXPENSES	-
REFUNDABLE ADVANCES	<u>-</u>
CASH - END OF YEAR	<u><u>\$ -</u></u>

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

**SCHEDULE OF REVENUE AND EXPENSES
DRL MOROCCO**

YEAR ENDED DECEMBER 31, 2017

REVENUE	
Grant revenue	\$ <u>227,207</u>
EXPENSES	
Personnel	51,825
Fringe benefits	11,060
Travel	23,568
Supplies	301
Contractual	94,860
Other	15,766
Indirect costs	<u>29,827</u>
Total expenses	<u>227,207</u>
REVENUE OVER EXPENSES	-
REFUNDABLE ADVANCES	<u>-</u>
CASH - END OF YEAR	<u><u>\$ -</u></u>

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

**SCHEDULE OF REVENUE AND EXPENSES
PAKISTAN**

YEAR ENDED DECEMBER 31, 2017

REVENUE	
Grant revenue	\$ <u>140,069</u>
EXPENSES	
Personnel	55,059
Fringe benefits	10,610
Contractual	1,925
Travel	28,034
Equipment	1,047
Office supplies	1,817
Other direct costs	17,575
Indirect costs	<u>24,002</u>
Total expenses	<u>140,069</u>
REVENUE OVER EXPENSES	-
REFUNDABLE ADVANCE	<u>30,091</u>
CASH - END OF YEAR	<u><u>\$ 30,091</u></u>