

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

FINANCIAL STATEMENTS

DECEMBER 31, 2012

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REPORT OF INDEPENDENT AUDITORS

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To the Board of Directors of
International Association of Women Judges

We have audited the accompanying statements of the International Association of Women Judges which comprise the financial statements of financial position as of December 31, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures of the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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, 2012, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Calibre CPA Group, PLLC

Bethesda, MD

May 23, 2013

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2012

ASSETS

ASSETS

Cash and cash equivalents	\$ 684,103
Deposits and other receivables	27,805
Prepaid expenses	4,651
Investments, at fair value	<u>7,617</u>
Total assets	<u>\$ 724,176</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenses	\$ 13,345
Accrued salaries and related benefits	75,601
Deferred grant revenue	<u>117,913</u>
Total liabilities	<u>206,859</u>

NET ASSETS

Unrestricted	221,631
Temporarily restricted	<u>295,686</u>
Total net assets	<u>517,317</u>

Total liabilities and net assets	<u>\$ 724,176</u>
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See accompanying notes to financial statements.

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2012

	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Membership dues	\$ 58,927	\$ -	\$ 58,927
Individual and corporate donations	16,222	-	16,222
Board Donations	11,050	-	11,050
Special events	50,312	-	50,312
Grants and contracts	-	976,350	976,350
In-kind donations	120,000	-	120,000
Investment income, net	2,922	-	2,922
Other income	21,835	-	21,835
Net assets released from restriction	<u>849,654</u>	<u>(849,654)</u>	<u>-</u>
Total support and revenue	<u>1,130,922</u>	<u>126,696</u>	<u>1,257,618</u>
EXPENSES			
Program services	1,287,565	-	1,287,565
Support services			
Management and general	<u>134,158</u>	<u>-</u>	<u>134,158</u>
Total expenses	<u>1,421,723</u>	<u>-</u>	<u>1,421,723</u>
CHANGE IN NET ASSETS	(290,801)	126,696	(164,105)
NET ASSETS			
Beginning of year	<u>512,432</u>	<u>168,990</u>	<u>681,422</u>
End of year	<u>\$ 221,631</u>	<u>\$ 295,686</u>	<u>\$ 517,317</u>

See accompanying notes to financial statements.

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2012

	Program Services	Management and General	Total
Salaries	\$ 393,285	\$ 70,603	\$ 463,888
Fringe benefits	72,786	8,252	81,038
Office rent	109,629	12,693	122,322
Office Supplies	35,430	404	35,834
Postage	1,211	340	1,551
Printing	19,819	6,308	26,127
Travel & Per Diem	205,446	30,744	236,190
Professional fees	176,612	958	177,570
Information technology	22,472	3,215	25,687
Insurance	3,824	641	4,465
Conferences & Workshops	24,798	-	24,798
Education campaign	83,246	-	83,246
Monitoring & Evaluation	10,000	-	10,000
Toolkit	253	-	253
Other Expenses	8,754	-	8,754
In-kind services	120,000	-	120,000
	<u>120,000</u>	<u>-</u>	<u>120,000</u>
Total expenses	<u>\$ 1,287,565</u>	<u>\$ 134,158</u>	<u>\$ 1,421,723</u>

See accompanying notes to financial statements.

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (164,105)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Net realized and unrealized gain on investments	(2,265)
Changes in assets and liabilities	
(Increase) decrease in:	
Accounts receivable	(19,123)
Prepaid expenses	(4,651)
Increase (decrease) in:	
Accounts payable and accrued expenses	13,345
Accrued salaries and related benefits	(19,181)
Deferred grant revenue	52,768
Deferred rent and lease incentive	<u>(2,702)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(145,914)
CASH AND CASH EQUIVALENTS	
Beginning of year	<u>830,017</u>
End of year	<u>\$ 684,103</u>

See accompanying notes to financial statements.

INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

NOTE 1. ORGANIZATION

The International Association of Women Judges (the Organization) is a membership organization of more than 4,000 members in over 100 countries. The organization incorporated on May 20, 2002 under the laws of the District of Columbia. The Organization's primary purpose is to encourage the appointment of women judges at all levels of the judiciary and provides opportunities for networking and developing judicial leadership of women judges. Through pioneering judicial education programs and worldwide collaboration, the Organization 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 - The Organization 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 and security deposits. No allowance has been recorded as the Organization 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, 2012, a donation of \$120,000 for services was recognized as in-kind.

Property and Equipment - Furniture, software, and equipment are stated at cost and are fully depreciated as of December 31, 2012. 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 eliminated from the respective accounts and the resulting gain or loss, if any, is included in revenue or expenses in the accompanying statements of activities.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- Unrestricted net assets represent the portion of expendable funds that are available for support of the Judges' operations.
- Temporarily restricted net assets are amounts restricted by donors for a specific purpose and consist of the following at December 31, 2012:

Program restricted:	
Foreign grants	\$ 22,916
Other	<u>272,770</u>
 Total	 <u>\$ 295,686</u>

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 statement of financial position.

Unrestricted grants and contributions are reported as revenue in the year 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 statement of activities as net assets released from restrictions. Funding received on grants from which revenue has not been earned is reflected as deferred grant revenue in the accompanying statement 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 based upon allocation to the program 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.

Subsequent Events Review - Subsequent events have been evaluated through May 23, 2013, 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.

NOTE 3. INVESTMENTS

As of December 31, 2012, investments of the Organization consist of mutual funds and are stated at fair value based on market prices. Changes in fair value are included in investment income. The cost and market value of the Organization's investments as of December 31, 2012 are as follows:

	<u>Cost</u>	<u>Market Value</u>
Mutual funds		
Equity	\$3,335	\$4,123
Fixed income	<u>324</u>	<u>3,494</u>
	<u>\$3,659</u>	<u>\$7,617</u>

The Organization presents the fair value disclosures under Financial Accounting Standards Board Accounting Standard Codification 820 (ASC 820). This standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of the fair value measurements. ASC 820 also establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability.

Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices for similar assets or liabilities, or inputs that are observable, either directly or indirectly, for substantially the full term through corroboration with observable market data. Level 2 includes investments valued at quoted prices adjusted for legal or contractual restrictions specific to the security.

Level 3 – Pricing inputs are unobservable for the asset or liability, that is, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability. Level 3 includes private portfolio investments that are supported by little or no market activity.

At December 31, 2012, investments were valued using Level 1 inputs.

Investment income for the year ended December 31, 2012 was as follows:

Interest and dividends	\$ 1,476
Net appreciation in fair value of investments	<u>1,446</u>
Total	<u>\$ 2,922</u>

NOTE 4. COMMITMENTS AND RISKS

Operating Lease

On July 17, 2009, the International Association of Women Judges entered into an operating lease for its current office space. Office rent expense for the year ended December 31, 2012, was \$122,322.

Future minimum lease payments required under this lease are as follows:

Year Ending December 31,	
2013	\$ 119,143
2014	<u>71,095</u>
Total	<u>\$ 190,238</u>

Uninsured Cash

The International Association of Women Judges maintains its cash with banks located in the United States. The cash balance is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. The International Association of Women Judges has cash balances, including money market accounts, on deposit with one bank at December 31, 2012 that exceed the balance insured by the FDIC by approximately \$18,000. The International Association of Women Judges has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk in cash and cash equivalents.

NOTE 5. INCOME TAXES

The International Association of Women Judges qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is not subject to income taxes except for income from its unrelated business activities. There is no provision for income taxes as the International Association of Women Judges had no unrelated business income for the year ended December 31, 2012.

In accordance with generally accepted accounting principles, the International Association of Women Judges has evaluated their tax position for the year ended December 31, 2012 and has determined that they qualify as a tax-exempt organization. As of December 31, 2012, the statute of limitations for tax years 2009 through 2011 remains open with Internal Revenue Service.