

**INTERNATIONAL ASSOCIATION OF WOMEN JUDGES**

FINANCIAL STATEMENTS

DECEMBER 31, 2013

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## REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of  
International Association of Women Judges

We have audited the accompanying statements of the International Association of Women Judges (IAWJ) which comprise the financial statements of financial position as of December 31, 2013 and 2012, 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 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, 2013, 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.

## **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of revenue and expenses and changes in net assets Funding Leadership and Opportunities for Women Grant on page 12 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 related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing 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 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  
June 10, 2014

**INTERNATIONAL ASSOCIATION OF WOMEN JUDGES**

**STATEMENTS OF FINANCIAL POSITION**

DECEMBER 31, 2013

	2013	2012
<b>ASSETS</b>		
<b>ASSETS</b>		
Cash and cash equivalents	\$ 885,971	\$ 684,103
Deposits and other receivables	16,932	27,805
Prepaid expenses	4,189	4,651
Investments, at fair value	11,092	7,617
Total assets	\$ 918,184	\$ 724,176
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 3,935	13,345
Accrued salaries and related benefits	13,847	75,601
Deferred Conference Fees	96,638	-
Refundable Advance	372,543	117,913
Total liabilities	486,963	206,859
<b>NET ASSETS</b>		
Unrestricted	412,041	221,631
Temporarily restricted	19,180	295,686
Total net assets	431,221	517,317
Total liabilities and net assets	\$ 918,184	\$ 724,176

See accompanying notes to financial statements.

**INTERNATIONAL ASSOCIATION OF WOMEN JUDGES**

**STATEMENTS OF ACTIVITIES**

YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013			2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND SUPPORT</b>						
Membership dues	\$ 99,633	\$ -	\$ 99,633	\$ 58,927	\$ -	\$ 58,927
Individual and corporate donations	23,420	-	23,420	16,222	-	16,222
Board donations	14,712	-	14,712	11,050	-	11,050
Special events	-	-	-	50,312	-	50,312
Government grants	-	699,507	699,507	-	711,270	711,270
Other grants and contracts	-	475,938	-	-	265,080	-
In-kind donations	151,367	-	151,367	120,000	-	120,000
Investment income, net	3,679	-	3,679	2,922	-	2,922
Other income	71,081	-	71,081	21,835	-	21,835
Net assets released from restriction	1,451,951	(1,451,951)	-	849,654	(849,654)	-
Total support and revenue	<u>1,815,843</u>	<u>(276,506)</u>	<u>1,063,399</u>	<u>1,130,922</u>	<u>126,696</u>	<u>992,538</u>
<b>EXPENSES</b>						
Program services	1,410,947	-	1,410,947	1,287,565	-	1,287,565
Support services						
Management and general	214,486	-	214,486	134,158	-	134,158
Total expenses	<u>1,625,433</u>	<u>-</u>	<u>1,625,433</u>	<u>1,421,723</u>	<u>-</u>	<u>1,421,723</u>
<b>CHANGE IN NET ASSETS</b>	190,410	(276,506)	(562,034)	(290,801)	126,696	(429,185)
<b>NET ASSETS</b>						
Beginning of year	<u>221,631</u>	<u>295,686</u>	<u>517,317</u>	<u>512,432</u>	<u>168,990</u>	<u>681,422</u>
End of year	<u>\$ 412,041</u>	<u>\$ 19,180</u>	<u>\$ (44,717)</u>	<u>\$ 221,631</u>	<u>\$ 295,686</u>	<u>\$ 252,237</u>

See accompanying notes to financial statements.

**INTERNATIONAL ASSOCIATION OF WOMEN JUDGES**

**STATEMENTS OF FUNCTIONAL EXPENSES**

YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013			2012		
	Program Services	Management and General	Total	Program Services	Management and General	Total
Salaries	\$ 399,835	\$ 135,336	\$ 535,171	\$ 393,285	\$ 70,603	\$ 463,888
Fringe benefits	81,387	27,129	108,516	72,786	8,252	81,038
Office rent	101,357	29,786	131,143	109,629	12,693	122,322
Office supplies	16,623	3,515	20,138	35,430	404	35,834
Postage	410	48	458	1,211	340	1,551
Printing	6,968	1,102	8,070	19,819	6,308	26,127
Travel and per diem	217,398	6,044	223,442	205,446	30,744	236,190
Professional fees	243,057	7,092	250,149	176,612	958	177,570
Information technology	20,018	3,503	23,521	22,472	3,215	25,687
Insurance	3,087	825	3,912	3,824	641	4,465
Conferences and workshops	117,872	-	117,872	24,798	-	24,798
Education campaign	26,198	-	26,198	83,246	-	83,246
Monitoring and evaluation	-	-	-	10,000	-	10,000
Toolkit	19,747	-	19,747	253	-	253
Other expenses	5,623	106	5,729	8,754	-	8,754
In-kind services	<u>151,367</u>	<u>-</u>	<u>151,367</u>	<u>120,000</u>	<u>-</u>	<u>120,000</u>
Total expenses	<u>\$ 1,410,947</u>	<u>\$ 214,486</u>	<u>\$ 1,625,433</u>	<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**

**STATEMENTS OF CASH FLOWS**

YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (562,034)	\$ (429,185)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Net realized and unrealized gain on investments	(2,643)	(2,265)
Changes in assets and liabilities		
(Increase) decrease in:		
Accounts receivable	10,873	(19,123)
Prepaid expenses	462	(4,651)
Increase (decrease) in:		
Accounts payable and accrued expenses	(9,410)	13,345
Accrued salaries and related benefits	(61,754)	(19,181)
Deferred conference fees	96,638	-
Refundable advance	254,630	52,768
Deferred rent and lease incentive	-	(2,702)
Net cash provided by (used for) operating activities	(273,238)	(410,994)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(832)	-
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	684,103	830,017
End of year	\$ 410,033	\$ 419,023

See accompanying notes to financial statements.



# INTERNATIONAL ASSOCIATION OF WOMEN JUDGES

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

### NOTE 1. ORGANIZATION

The International Association of Women Judges (IAWJ) is a membership organization of more than 4,000 members in over 100 countries. IAWJ 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 and security deposits. 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, 2013, donations of \$125,000 for services and \$26,000 for goods were recognized as in-kind. During the year ended December 31, 2012, donations of \$120,000 for services were recognized as in-kind.

**Property and Equipment** - Furniture, software, and equipment are stated at cost and are fully depreciated as of December 31, 2013 and 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.

**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.

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

- Temporarily restricted net assets are amounts restricted by donors for a specific purpose and consist of the following at December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Program restricted:		
Foreign grants	\$ -	\$ 22,916
Other	<u>139,580</u>	<u>272,770</u>
Total	<u>\$ 139,580</u>	<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.

**NOTE 3. INVESTMENTS**

As of December 31, 2013, investments of IAWJ 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 IAWJ's investments as of December 31, 2013 are as follows:

	<u>Cost</u>	<u>Market Value</u>
Cash	\$ 45	\$ 45
Mutual funds		
Equity	3,535	5,835
Fixed income	<u>357</u>	<u>5,212</u>
	<u>\$ 3,937</u>	<u>\$ 11,092</u>

**NOTE 3. INVESTMENTS (CONTINUED)**

The cost and market value of the IAWJ'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>

IAWJ presents the fair value disclosures under Financial Accounting Standards Board Accounting Standard Codification these standards clarify 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. The standards also establish 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, 2013 and 2012, investments were valued using Level 1 inputs.

**NOTE 3. INVESTMENTS (CONTINUED)**

Investment income for the year ended December 31, 2013 and 2012 was as follows:

	<u>2013</u>	<u>2012</u>
Interest and dividends	\$ 1,036	\$ 657
Net appreciation in fair value of investments	<u>2,643</u>	<u>2,265</u>
Total	<u>\$ 3,679</u>	<u>\$ 2,922</u>

**NOTE 4. COMMITMENTS AND RISKS**

**Operating Lease**

On July 17, 2009, IAWJ entered into an operating lease for its current office space. Office rent expense for the year ended December 31, 2013, was \$119,143

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

Year Ending December 31, 2014	<u>\$ 71,095</u>
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**Uninsured Cash**

IAWJ 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. IAWJ has cash balances, including money market accounts, on deposit with one bank at December 31, 2013 that exceed the balance insured by the FDIC by approximately \$240,988. IAWJ 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. 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 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 IAWJ had no unrelated business income for the year ended December 31, 2013. In accordance with generally accepted accounting principles, IAWJ has evaluated their tax position for the year ended December 31, 2013 and has determined that they qualify as a tax-exempt organization. As of December 31, 2013, the statute of limitations for tax years 2009 through 2011 remains open with Internal Revenue Service.

**NOTE 7. SUBSEQUENT EVENTS REVIEW**

Subsequent events have been evaluated through June 10, 2014, 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**

**STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS  
FUNDING LEADERSHIP AND OPPORTUNITIES FOR WOMEN GRANT**

YEAR ENDED DECEMBER 31, 2013

REVENUE

Grant Revenue	
Unrestricted	\$ 523,054
Temporarily Restricted	19,180
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Total revenue	542,234
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EXPENSES

Personnel	86,386
Consultation	200,473
Publications/ Documentation	33,050
Monitoring & Evaluation	30,000
Regional Conferences	159,678
Miscellaneous	13,467
	<hr/>
Total expenses	523,054
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REVENUE OVER EXPENSES \$ 19,180

NET ASSETS CONSISTED OF THE FOLLOWING

Cash and cash equivalents	<u>\$ 19,180</u>
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