

NATIONAL ASSOCIATION OF WOMEN JUDGES

FINANCIAL STATEMENTS

DECEMBER 31, 2009

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To the Board of Directors of
National Association of Women Judges

We have audited the accompanying statements of financial position of the National Association of Women Judges (NAWJ)(the Association) as of December 31, 2009 and 2008 and the related statements of activities and of cash flows for the years then ended. These financial statements are the responsibility of the Association's management. 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 an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the National Association of Women Judges internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the Association's management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the National Association of Women Judges as of December 31, 2009 and 2008, 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.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information on pages 10 and 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The additional information is the responsibility of NAWJ's management. The additional information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Calibre CPA Group, PLLC

Washington, DC
July 30, 2010

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NATIONAL ASSOCIATION OF WOMEN JUDGES

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2009 AND 2008

	2009	2008
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 117,149	86,643
Cash for Annual National Conference	35,480	10,281
Total Cash	152,629	96,924
Pledges receivable - short term	114,000	181,665
Other receivables	5,643	6,130
Inventory of publications	1,309	2,567
Prepaid expenses	21,963	14,558
Total current assets	295,544	301,844
FURNITURE AND EQUIPMENT, net of accumulated depreciation of \$19,242 and \$19,542, respectively	9,669	10,005
INVESTMENTS	649,780	537,445
PLEDGES RECEIVABLE - LONG TERM	17,333	110,000
SECURITY DEPOSITS	3,145	3,145
Total assets	<u>\$ 975,471</u>	<u>\$ 962,439</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 21,451	\$ 12,226
Deferred income	11,245	-
Total current liabilities	32,696	12,226
NET ASSETS		
Unrestricted	775,960	648,070
Temporarily restricted	156,337	291,665
Permanently restricted	10,478	10,478
Total net assets	942,775	950,213
Total liabilities and net assets	<u>\$ 975,471</u>	<u>\$ 962,439</u>

See accompanying notes to financial statements.

NATIONAL ASSOCIATION OF WOMEN JUDGES

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE				
Membership dues	\$ 198,600	\$ -	\$ -	\$ 198,600
Resource Board dues	27,000	-	-	27,000
Contributions and pledges	66,631	49,333	-	115,964
Meetings and conferences	260,103	-	-	260,103
Grant income	-	-	-	-
Investment income	18,465	-	-	18,465
Net appreciation in fair value of investments	118,953	-	-	118,953
Publication sales	1,650	-	-	1,650
Miscellaneous	42,704	-	-	42,704
Net assets released from restriction	184,661	(184,661)	-	-
Total revenue	918,767	(135,328)	-	783,439
EXPENSES				
Program services				
Meetings and conferences	415,001	-	-	415,001
Membership services	60,828	-	-	60,828
Other program activities	119,229	-	-	119,229
Total program services	595,058	-	-	595,058
Support services				
Management and general	151,220	-	-	151,220
Fund raising	44,599	-	-	44,599
Total support services	195,819	-	-	195,819
Total expenses	790,877	-	-	790,877
CHANGE IN NET ASSETS	127,890	(135,328)	-	(7,438)
NET ASSETS				
Beginning of year	648,070	291,665	10,478	950,213
End of year	\$ 775,960	\$ 156,337	\$ 10,478	\$ 942,775

See accompanying notes to financial statements.

NATIONAL ASSOCIATION OF WOMEN JUDGES

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE				
Membership dues	\$ 204,949	\$ -	\$ -	\$ 204,949
Resource Board dues	39,196	-	-	39,196
Contributions	168,441	198,331	-	366,772
Meetings and conferences	558,218	-	-	558,218
Investment income	16,530	-	-	16,530
Net appreciation in fair value of investments	(171,594)	-	-	(171,594)
Publication sales	5,090	-	-	5,090
Miscellaneous	27,201	-	-	27,201
Net assets released from restriction	179,997	(179,997)	-	-
Total revenue	<u>1,028,028</u>	<u>18,334</u>	<u>-</u>	<u>1,046,362</u>
EXPENSES				
Program services				
Meetings and conferences	655,995	-	-	655,995
Membership services	90,488	-	-	90,488
Other program activities	115,421	-	-	115,421
Total program services	<u>861,904</u>	<u>-</u>	<u>-</u>	<u>861,904</u>
Support services				
Management and general	200,752	-	-	200,752
Fund raising	41,078	-	-	41,078
Total support services	<u>241,830</u>	<u>-</u>	<u>-</u>	<u>241,830</u>
Total expenses	<u>1,103,734</u>	<u>-</u>	<u>-</u>	<u>1,103,734</u>
CHANGE IN NET ASSETS	(75,706)	18,334	-	(57,372)
NET ASSETS				
Beginning of year	<u>723,776</u>	<u>273,331</u>	<u>10,478</u>	<u>1,007,585</u>
End of year	<u>\$ 648,070</u>	<u>\$ 291,665</u>	<u>\$ 10,478</u>	<u>\$ 950,213</u>

See accompanying notes to financial statements.

NATIONAL ASSOCIATION OF WOMEN JUDGES

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (7,438)	\$ (57,372)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation	1,872	1,803
Loss on disposal of fixed assets	-	28
Net change in fair value of investments	(118,953)	171,594
Change in assets and liabilities		
Increase in pledges receivable	160,332	(46,664)
Decrease in other receivables	487	21,834
(Increase) decrease in inventory of publications	1,258	18
Decrease (increase) in prepaid expenses	(7,405)	(304)
(Decrease) increase in accounts payable	9,225	(226,402)
Decrease in deferred income	11,245	(10,000)
Total adjustments	<u>58,061</u>	<u>(88,093)</u>
Net cash provided by (used for) operating activities	<u>50,623</u>	<u>(145,465)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of investments	(823,424)	335,196
Proceeds from sale of investments	830,042	(318,902)
Purchases of property and equipment	<u>(1,536)</u>	<u>(2,551)</u>
Net cash provided by investing activities	<u>5,082</u>	<u>13,743</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	55,705	(131,722)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>96,924</u>	<u>228,646</u>
End of year	<u>\$ 152,629</u>	<u>\$ 96,924</u>

See accompanying notes to financial statements.

NATIONAL ASSOCIATION OF WOMEN JUDGES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

NOTE 1. NATURE OF ORGANIZATION AND TAX STATUS

The National Association of Women Judges (NAWJ) is a not-for-profit organization whose primary goal is attaining parity for women throughout the law and the judiciary system. NAWJ's primary activities include promoting the appointment of women to state and federal courts, studies to document gender bias in the judicial system, educational programs on topics such as child custody and visitation, spousal support, family violence, reproductive technology and bioethics. In addition NAWJ provides leadership training for judges and judicial educators.

NAWJ qualifies under Section 501(c)(3) of the Internal Revenue Code and is classified as an organization which is not a private foundation. Therefore, NAWJ is generally not subject to tax under present income tax laws; however, any unrelated business income may be subject to Federal and state income taxes.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting - The financial statements have been prepared on the accrual basis of accounting.

District and Chapters - For purposes of electing district directors to its Board, the NAWJ corporate structure is organized into 14 state districts. These state districts and authorized local chapters also assist in carrying out NAWJ's purposes by organizing or sponsoring local educational and other events. These branches' finances and financial activities are consolidated with and made a part of NAWJ's financial statements.

Net Assets - In accordance with generally accepted accounting principles, NAWJ is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Classification of net assets into classes is based on existence or absence of donor-imposed restrictions. Additional information concerning these three classes of net assets is presented in Notes 3 and 4.

Furniture and Equipment - NAWJ records the acquisition of furniture and equipment at cost.

Depreciation - Depreciation of furniture and equipment is computed on the straight-line method at rates calculated to prorate the cost of the assets over their estimated useful lives of five to ten years.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents - For the purposes of the statement of cash flows, cash is considered to include amounts available for immediate withdrawal from bank accounts and highly-liquid cash investments such as money market accounts.

Investments - Investments are recorded at fair value as determined based on the quoted market price on the last day of the year.

NAWJ reports fair value using 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 – quoted prices in active markets for identical investment

Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 – significant unobservable inputs (including Union Privilege's own assumption in determining the fair value of investments)

All of NAWJ's investments were measured at fair value using Level 1 inputs for 2009 and 2008.

Grant Income - Grant funds are reported as revenue when expended. Funds received in advance of being expended are reported as a liability on the statement of financial position until expended.

Dues Revenue - Membership and resource board dues revenues contain elements which are considered to be the equivalent of contributions. Accordingly, these dues are reported as revenue in the year received.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Reclassifications - Certain reclassifications have been made to the 2008 financial statements to conform to the 2009 presentation.

NOTE 3. UNRESTRICTED NET ASSETS

Unrestricted net assets are available to finance programs, membership activities and general operations of NAWJ. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of NAWJ, the environment in which it operates, and the purpose specified in its articles of incorporation. Voluntary resolutions by NAWJ's Directors to designate a portion of its unrestricted net assets for specified purposes do not result in restricted funds. Since designations are voluntary and may be reversed by the governing board at any time, designated net assets are included under the caption "unrestricted net assets".

NOTE 4. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporary Restrictions

At December 31, 2009 and 2008, temporarily restricted net assets were comprised of pledges receivable.

Temporarily restricted net assets result from gifts of cash and other assets with donor imposed restrictions as to (a) support of particular operating activities, (b) investment for a specified term, (c) use in a specified future period, or (d) acquisition of long-lived assets.

Permanent Restrictions

Permanently restricted net assets result from gifts of cash and other assets with the stipulation that they (a) be used for a specified purpose, be preserved, and not be sold, or (b) that they be invested in perpetuity to provide a permanent source of income. The latter result from gifts and bequests that create permanent endowment funds.

Permanently restricted assets (endowment funds) at December 31, 2009 and 2008 were restricted to investment in perpetuity, the income from which is to be used for unrestricted purposes.

The Board of Directors have interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of a donor-restricted fund, absent explicit donor stipulation to the contrary. As a result of this interpretation, NAWJ classifies as permanently restricted net assets (a) the original value of gifts donated to a permanent endowment, (b) the original value of subsequent gifts to a permanent endowment, and (c) accumulations to a permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of donor-restricted funds that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by NAWJ in a manner consistent with the standard of prudence prescribed by UPMIFA.

NOTE 5. LEASE COMMITMENT

As of August 1, 2006, NAWJ entered into a three year lease with Jonter LLC. At December 31, 2009, the future minimum rental payment for the office space is \$41,101 for 2010, \$42,746 for 2011, and \$25,507 for 2012.

Rental expense for the office space for the years ended December 31, 2009 and 2008 was \$39,780 and \$38,657, respectively.

NOTE 6. INVESTMENTS

The following is a summary of investments held:

	<u>December 31, 2009</u>		<u>December 31, 2008</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
U.S. Government and Government Agency obligation	\$ 223,542	\$ 234,625	\$ 247,652	\$ 258,463
Money market funds	21,108	21,108	24,906	24,906
Equity securities	<u>369,152</u>	<u>394,047</u>	<u>318,126</u>	<u>254,076</u>
	<u>\$ 613,802</u>	<u>\$ 649,780</u>	<u>\$ 590,684</u>	<u>\$ 537,445</u>

NOTE 7. CONTRIBUTED SERVICES

NAWJ received volunteer contributions for various activities and services of the organization for the year ended December 31, 2009 and 2008. The services contributed do not qualify as the type required to be recorded as in-kind contributions in the financial statements. Furthermore, the fair value of these services has not been determined and accordingly is not disclosed in these financial statements. NAWJ believes that these amounts are immaterial to the financial statements.

NOTE 8. PLEDGES RECEIVABLE

NAWJ receives pledges from various organizations. At December 31, 2009, pledges receivable amounted to \$131,333. Of this amount, \$114,000 is due to be received during 2010 and the remainder is due to be received in 2011 and 2012.

NOTE 9. SUBSEQUENT EVENTS REVIEW

Subsequent events have been evaluated through July 30, 2010, 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

NATIONAL ASSOCIATION OF WOMEN JUDGES

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2009

	Program Services					Total
	Meetings and Conferences	Membership Services	Other Program Activities	Program Services	Management and General	
Salaries	\$ 142,698	\$ -	\$ 29,800	\$ 172,498	\$ 29,001	\$ 235,204
Payroll taxes and employee benefits	17,458	-	3,646	21,104	3,548	28,776
Total payroll costs	160,156	-	33,446	193,602	32,549	263,980
Annual meeting facilities and meals	166,376	-	-	166,376	-	166,376
Board of Directors expenses	9,896	-	-	9,896	-	9,896
Consultants and professional fees	-	33,501	-	33,501	24,789	58,290
Cost of inventory sold	-	-	-	-	808	808
Copying and printing	1,242	3,771	12,988	18,001	3,330	21,331
Credit card processing fees	-	2,955	-	2,955	799	3,754
Depreciation	-	-	-	-	1,872	1,872
District expenses	-	-	37,546	37,546	-	37,546
Insurance	-	-	-	-	7,778	7,778
Investment fees	-	-	-	-	7,950	7,950
Meetings and conferences	40,498	9,279	-	49,777	26,854	76,631
Miscellaneous	-	-	21,209	21,209	10,785	31,994
Office	662	8,559	-	9,221	14,625	23,846
Postage	440	2,763	-	3,203	2,388	6,661
Rent	24,135	-	5,040	29,175	4,905	39,780
Computer information technology	-	-	-	-	3,425	3,425
Temporary help	-	-	-	-	137	137
Telephone	1,925	-	-	1,925	5,854	7,779
Travel	9,671	-	-	9,671	2,372	12,043
Scholarship	-	-	9,000	9,000	-	9,000
	\$ 415,001	\$ 60,828	\$ 119,229	\$ 595,058	\$ 151,220	\$ 790,877

NATIONAL ASSOCIATION OF WOMEN JUDGES

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2008

	Program Services					Total	Fund Raising	Management and General	Total
	Meetings and Conferences	Membership Services	Other Program Activities	Program Services	Total				
Salaries	\$ 173,292	\$ -	\$ 29,027	\$ 202,319	\$ 32,537	\$ 29,027	\$ 263,883		
Payroll taxes and employee benefits	22,814	-	3,822	26,636	4,283	3,822	34,741		
Total payroll costs	196,106	-	32,849	228,955	36,820	32,849	298,624		
Annual meeting facilities and meals	214,473	-	-	214,473	-	-	214,473		
Board of Directors expenses	38,493	-	-	38,493	-	-	38,493		
Consultants and professional fees	-	26,473	-	26,473	24,998	-	51,471		
Cost of inventory sold	-	-	-	-	3,732	-	3,732		
Copying and printing	3,556	15,194	1,603	20,353	4,860	3,890	29,103		
Credit card processing fees	-	4,087	-	4,087	1,718	-	5,805		
Depreciation	-	-	-	-	1,803	-	1,803		
District expenses	-	-	30,416	30,416	-	-	30,416		
Insurance	-	-	-	-	7,848	-	7,848		
Investment fees	-	-	-	-	9,160	-	9,160		
Meetings and conferences	61,265	18,329	-	79,594	32,631	-	112,225		
Miscellaneous	-	-	31,274	31,274	13,223	-	44,497		
Office	123	19,808	-	19,931	21,042	-	40,973		
Postage	1,867	6,155	27	8,049	4,107	87	12,243		
Regional conferences	92,519	-	-	92,519	-	-	92,519		
Rent	25,386	-	4,252	29,638	4,767	4,252	38,657		
Computer information technology	-	-	-	-	13,127	-	13,127		
Temporary help	-	442	-	442	671	-	1,113		
Telephone	4,449	-	-	4,449	5,958	-	10,407		
Travel	17,758	-	-	17,758	14,287	-	32,045		
Scholarship	-	-	15,000	15,000	-	-	15,000		
	\$ 655,995	\$ 90,488	\$ 115,421	\$ 861,904	\$ 200,752	\$ 41,078	\$ 1,103,734		