

**NATIONAL ASSOCIATION OF WOMEN JUDGES**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2010**

**NATIONAL ASSOCIATION OF WOMEN JUDGES**

**FINANCIAL STATEMENTS**

DECEMBER 31, 2010

**CONTENTS**

	PAGE
Report of Independent Auditors	1
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	5
Notes to Financial Statements	6-9
Additional Information	
Schedules of Functional Expenses	10-11



CERTIFIED PUBLIC ACCOUNTANTS  
AND BUSINESS ADVISORS

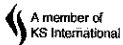
1850 K STREET NW  
SUITE 1050  
WASHINGTON, DC 20006

202.331.9880 PHONE  
202.331.9890 FAX

CIVIC OPERA BUILDING  
20 NORTH WACKER DRIVE  
SUITE 556  
CHICAGO, IL 60606

312.920.9400 PHONE  
312.920.9494 FAX

www.calibrecpa.com



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) as of December 31, 2010 and 2009 and the related statements of activities and of cash flows for the years then ended. These financial statements are the responsibility of the NAWJ'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 NAWJ's 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 NAWJ'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 NAWJ as of December 31, 2010 and 2009, 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  
September 29, 2011

**NATIONAL ASSOCIATION OF WOMEN JUDGES**

**STATEMENTS OF FINANCIAL POSITION**

DECEMBER 31, 2010 AND 2009

	2010	2009
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 117,378	\$ 152,629
Pledges receivable - short term	25,000	114,000
Other receivables	16,867	5,643
Inventory of publications	6,554	1,309
Prepaid expenses	27,543	21,963
Total current assets	193,342	295,544
FURNITURE AND EQUIPMENT, net of accumulated depreciation of \$21,247 and \$19,242, respectively	8,812	9,669
INVESTMENTS	623,285	649,780
PLEDGES RECEIVABLE - LONG TERM	7,667	17,333
SECURITY DEPOSITS	3,145	3,145
Total assets	\$ 836,251	\$ 975,471
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 25,290	\$ 21,451
Deferred income	25,275	11,245
Total current liabilities	50,565	32,696
<b>NET ASSETS</b>		
Unrestricted	742,541	775,960
Temporarily restricted	32,667	156,337
Permanently restricted	10,478	10,478
Total net assets	785,686	942,775
Total liabilities and net assets	\$ 836,251	\$ 975,471

See accompanying notes to financial statements.

NATIONAL ASSOCIATION OF WOMEN JUDGES

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUE</b>				
Membership dues	\$ 174,380	\$ -	\$ -	\$ 174,380
Contributions and pledges				
Landmark sponsor and Resource				
Board dues	69,517	15,333	-	84,850
Other contributions and pledges	86,210	-	-	86,210
Meetings and conferences	484,989	-	-	484,989
Investment income	16,994	-	-	16,994
Net appreciation in fair value of				
investments	38,934	-	-	38,934
Merchandise sales	5,147	-	-	5,147
Revenue from districts	28,247	-	-	28,247
Miscellaneous	724	-	-	724
Net assets released from restriction	139,003	(139,003)	-	-
Total revenue	1,044,145	(123,670)	-	920,475
<b>EXPENSES</b>				
Program services				
Meetings and conferences	618,217	-	-	618,217
Membership services	65,480	-	-	65,480
Other program activities	121,936	-	-	121,936
Total program services	805,633	-	-	805,633
Support services				
Management and general	208,182	-	-	208,182
Fund raising	63,749	-	-	63,749
Total support services	271,931	-	-	271,931
Total expenses	1,077,564	-	-	1,077,564
CHANGE IN NET ASSETS	(33,419)	(123,670)	-	(157,089)
<b>NET ASSETS</b>				
Beginning of year	775,960	156,337	10,478	942,775
End of year	\$ 742,541	\$ 32,667	\$ 10,478	\$ 785,686

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
<b>REVENUE</b>				
Membership dues	\$ 198,600	\$ -	\$ -	\$ 198,600
Contributions and pledges				
Landmark sponsor	55,668	24,333	-	80,001
Other contributions	37,963	25,000	-	62,963
Meetings and conferences	260,103	-	-	260,103
Investment income	18,465	-	-	18,465
Net appreciation in fair value of investments	118,953	-	-	118,953
Merchandise sales	1,650	-	-	1,650
Miscellaneous	42,704	-	-	42,704
Net assets released from restriction	<u>184,661</u>	<u>(184,661)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>918,767</u>	<u>(135,328)</u>	<u>-</u>	<u>783,439</u>
<b>EXPENSES</b>				
Program services				
Meetings and conferences	415,001	-	-	415,001
Membership services	60,828	-	-	60,828
Other program activities	<u>119,229</u>	<u>-</u>	<u>-</u>	<u>119,229</u>
Total program services	<u>595,058</u>	<u>-</u>	<u>-</u>	<u>595,058</u>
Support services				
Management and general	151,220	-	-	151,220
Fund raising	<u>44,599</u>	<u>-</u>	<u>-</u>	<u>44,599</u>
Total support services	<u>195,819</u>	<u>-</u>	<u>-</u>	<u>195,819</u>
Total expenses	<u>790,877</u>	<u>-</u>	<u>-</u>	<u>790,877</u>
<b>CHANGE IN NET ASSETS</b>	127,890	(135,328)	-	(7,438)
<b>NET ASSETS</b>				
Beginning of year	<u>648,070</u>	<u>291,665</u>	<u>10,478</u>	<u>950,213</u>
End of year	<u>\$ 775,960</u>	<u>\$ 156,337</u>	<u>\$ 10,478</u>	<u>\$ 942,775</u>

See accompanying notes to financial statements.

**NATIONAL ASSOCIATION OF WOMEN JUDGES**

**STATEMENTS OF CASH FLOWS**

YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (157,089)	\$ (7,438)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation	2,004	1,872
Loss on disposal of fixed assets	-	-
Net change in fair value of investments	(38,934)	(118,953)
Change in assets and liabilities		
Pledges receivable	98,666	160,332
Other receivables	(11,224)	487
Inventory of publications	(5,245)	1,258
Prepaid expenses	(5,580)	(7,405)
Accounts payable	3,839	9,225
Deferred income	14,030	11,245
Total adjustments	57,556	58,061
 Net cash provided by (used for) operating activities	 (99,533)	 50,623
 <b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(762,605)	(823,424)
Proceeds from sale of investments	828,034	830,042
Purchases of property and equipment	(1,147)	(1,536)
Net cash provided by investing activities	64,282	5,082
 <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	 (35,251)	 55,705
 <b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	152,629	96,924
 End of year	 \$ 117,378	 \$ 152,629

See accompanying notes to financial statements.

# NATIONAL ASSOCIATION OF WOMEN JUDGES

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

### 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)**

**Dues and Contributions** - Membership dues are reported as revenue in the year received. Beginning in 2005, the former Resource Board “dues” program was combined within the Landmark Sponsorship Program that entitled each Landmark Sponsor to appoint a member to the NAWJ resource board. Landmark sponsorship pledges are reported in the year the pledge is received. No portion of the pledges is treated as dues.

**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 NAWJ’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 2010 and 2009.

**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.

### **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

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.

At December 31, 2010, temporarily restricted net assets were comprised of pledges receivable.

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

#### 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, 2010 and 2009 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. The lease was renewed and extended on August 22, 2009 for another three year term through July 31, 2012. At December 31, 2010, the future minimum rental payment for the office space is \$42,746 for 2011, and \$25,507 for 2012.

Rental expense for the office space for the years ended December 31, 2010 and 2009 was \$41,385 and \$39,780, respectively.

**NOTE 6. INVESTMENTS**

The following is a summary of investments held:

	<u>December 31, 2010</u>		<u>December 31, 2009</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
U.S. Government and Government Agency obligation	\$ 221,987	\$ 222,823	\$ 223,542	\$ 234,625
Money market funds	18,691	18,691	21,108	21,108
Common stocks	360,196	381,771	369,152	394,047
	<u>\$ 600,874</u>	<u>\$ 623,285</u>	<u>\$ 613,802</u>	<u>\$ 649,780</u>

**NOTE 7. CONTRIBUTED SERVICES**

NAWJ received volunteer contributions for various activities and services of the organization for the year ended December 31, 2010 and 2009. 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, 2010, pledges receivable amounted to \$32,667. Of this amount, \$25,000 is due to be received during 2011 and the remainder is due to be received in 2012 and 2013.

**NOTE 9. SUBSEQUENT EVENTS REVIEW**

Subsequent events have been evaluated through September 29, 2011, 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, 2010

	Program Services					Total	Fund Raising	Total
	Meetings and Conferences	Membership Services	Other Program Activities	Program Services	Management and General			
Salaries	\$ 162,520	\$ -	\$ 29,148	\$ 191,668	\$ 28,264	\$ 45,046	\$ 264,978	
Payroll taxes and employee benefits	23,712	-	4,253	27,965	4,124	6,572	38,661	
Total payroll costs	186,232	-	33,401	219,633	32,388	51,618	303,639	
Annual meeting facilities and meals	305,119	-	-	305,119	-	-	305,119	
Board of Directors expenses	11,778	-	-	11,778	-	-	11,778	
Consultants and professional fees	-	37,598	-	37,598	28,194	-	65,792	
Cost of inventory sold	-	-	-	-	1,128	-	1,128	
Copying and printing	1,000	5,585	10,970	17,555	919	2,713	21,187	
Credit card processing fees	-	8,313	-	8,313	2,745	-	11,058	
Depreciation	-	-	-	-	2,004	-	2,004	
District expenses	-	-	41,931	41,931	-	-	41,931	
Insurance	-	-	-	-	8,351	-	8,351	
Investment fees	-	-	-	-	9,112	-	9,112	
Meetings and conferences	79,869	4,467	-	84,336	25,948	-	110,284	
Contract termination fees	-	-	-	-	50,000	-	50,000	
Miscellaneous	-	-	22,082	22,082	15,458	1,236	38,776	
Office	1,098	5,571	-	6,669	12,314	-	18,983	
Postage	215	3,946	-	4,161	1,982	1,147	7,290	
Rent	25,383	-	4,552	29,935	4,414	7,035	41,384	
Computer information technology	-	-	-	-	3,316	-	3,316	
Temporary help	-	-	-	-	148	-	148	
Telephone	-	-	-	-	5,346	-	5,346	
Travel	7,523	-	-	7,523	4,415	-	11,938	
Scholarship	-	-	9,000	9,000	-	-	9,000	
	\$ 618,217	\$ 65,480	\$ 121,936	\$ 805,633	\$ 208,182	\$ 63,749	\$ 1,077,564	

NATIONAL ASSOCIATION OF WOMEN JUDGES

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2009

	Program Services				Total Program Services	Management and General	Fund Raising	Total
	Meetings and Conferences	Membership Services	Other Program Activities					
Salaries	\$ 142,698	-	\$ 29,800		\$ 172,498	\$ 29,001	\$ 33,705	\$ 235,204
Payroll taxes and employee benefits	17,458	-	3,646		21,104	3,548	4,124	28,776
Total payroll costs	160,156	-	33,446		193,602	32,549	37,829	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	1,070	6,661
Regional conferences	-	-	-		-	-	-	-
Rent	24,135	-	5,040		29,175	4,905	5,700	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	\$ 44,599	\$ 790,877