

NATIONAL ASSOCIATION OF WOMEN JUDGES

FINANCIAL STATEMENTS

DECEMBER 31, 2018

HALEY & ASSOCIATES, LLC

**CERTIFIED PUBLIC ACCOUNTANTS
BELTSVILLE, MARYLAND 20705**

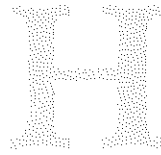


NATIONAL ASSOCIATION OF WOMEN JUDGES

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DECEMBER 31, 2018

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HALEY & ASSOCIATES, LLC
Certified Public Accountants

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of
National Association of Women Judges

We have audited the accompanying financial statements of National Association of Women Judges (a nonprofit Association), which comprise the statement of financial position as of December 31, 2018 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. The December 31, 2017 audit was audited by other auditors who issued an unqualified opinion dated May 21, 2018. Our audit responsibility does not extend to periods prior to January 1, 2018.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 the 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 amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks 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 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 involves 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 National Association of Women Judges as of March 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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.



Haley & Associates, LLC
Beltsville, MD
August 5, 2019

NATIONAL ASSOCIATION OF WOMEN JUDGES
STATEMENT OF FINANCIAL POSITION
December 31, 2018 and 2017

	2018	2017
ASSETS		
Cash and Cash Equivalents	\$ 310,107	\$ 221,571
Pledge Receivable -short term	3,500	65,167
Other Receivables	10,000	1,410
Inventory of Publications	-	864
Prepaid Expenses	13,726	17,534
Total Current Assets	337,333	306,546
Furniture and Equipment, net of accumulated depreciation of \$26,060 and \$25,589	-	470
Investments at Fair Value	403,667	606,812
Pledges Receivable - Long Term	-	26,671
Security Deposits	3,278	3,278
TOTAL ASSETS	\$ 744,278	\$ 943,777
 LIABILITIES AND NET ASSETS		
Accounts Payable and Accrued Expenses	\$ 98,808	\$ 61,926
Deferred Income	37,750	33,719
Total Liabilities	136,558	95,645
 NET ASSETS		
Net Assets, without Donor Restrictions	345,723	644,264
Net Assets with Donor Restrictions	261,997	203,868
Total Net Assets	607,720	848,132
 TOTAL LIABILITIES AND NET ASSETS	\$ 744,278	\$ 943,777

The accompanying notes are an integral part of these financial statements.

NATIONAL ASSOCIATION OF WOMEN JUDGES
STATEMENT OF ACTIVITIES
Years Ended December 31, 2018 and 2017

	2018		2017
	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
SUPPORT & REVENUE			
Membership Dues	\$ 175,315		\$ 175,315
Contributions and Pledges			
Landmark sponsor and Resource Board dues	(14,922)		(14,922)
Other contributions and pledges	26,732		26,732
Meetings and Conference	441,172		441,172
Grant Income	49,000		49,000
Investment Income	14,739		14,739
Net (depreciation) appreciation in fair value of Investments	(47,734)		(47,734)
Revenue from districts	36,113		36,113
Miscellaneous	3,186		3,186
Net Assets Released from Restrictions		58,129	58,129
TOTAL SUPPORT & REVENUE	683,601	58,129	741,730
EXPENSES			
Program Services			
Meetings and conferences	628,587		628,587
Membership services	57,811		57,811
Other program activities	103,098		103,098
Total program activities	789,496		789,496
Support Services			
Management and general	129,234		129,234
Fundraising	63,412		63,412
Total support services	192,646		192,646
TOTAL EXPENSES	982,142	982,142	970,426
NET INCOME (LOSS)	(298,541)	58,129	(240,412)
NET ASSETS			
Beginning of year	644,264	203,868	848,132
End of year	\$ 345,723	\$ 261,997	\$ 607,720
	\$ 345,723	\$ 261,997	\$ 607,720

The accompanying notes are an integral part of these financial statements.

NATIONAL ASSOCIATION OF WOMEN JUDGES
STATEMENTS OF CASH FLOWS
As of DECEMBER 31, 2018 and 2017

	2018	2017
	Total	Total
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (240,412)	\$ (48,401)
Adjustments to reconcile changes in Net Assets:		
Depreciation	470	94
Net Changes in fair value of investments	47,734	(82,964)
Changes in assets and liabilities		
Pledges receivable	61,667	(56,834)
Pledges receivable - long term	26,671	-
Other receivables	(8,590)	(1,410)
Inventory of publications	864	1,215
Prepaid Expenses	3,808	3,460
Accounts payable and accrued expenses	36,882	(42,968)
Deferred Income	4,031	23,719
Total Adjustments	173,537	(155,688)
Net Cash provided by Operating Activities	(66,875)	(204,089)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments		(358,519)
Proceeds from sale of investments	155,411	494,707
Purchase of property and equipment		(564)
	155,411	135,624
CASH FLOWS FROM FINANCING ACTIVITIES		
	155,411	135,624
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		
	88,536	(68,465)
Beginning of year	221,571	290,036
End of year	\$ 310,107	\$ 221,571

The accompanying notes are an integral part of these financial statements.

NATIONAL ASSOCIATION OF WOMEN JUDGES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

NOTE 1. NATURE OF OPERATIONS

The National Association of Women Judges (the Association) is a not-for-profit organization whose primary goal is attaining parity for women through the law and the judiciary system. The Association'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, the Association provides leadership training for judges and judicial educators.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Accounting Pronouncement Adopted:

During the year ended December 31, 2018, the Organization adopted the provisions of Accounting Standards Update 2016-14, *Not-for-Profit Entities: Presentation of Financial Statements of Not-for-Profit Entities*. The Update amends the reporting model for not-for-profit organizations and enhances required disclosures. The major changes include: requiring the presentation of only two classes of net assets - those with donor restrictions and those without donor restrictions; requiring all not-for-profits to present an analysis of expenses by both function and nature in a single location, generally as a separate financial statement or by disclosure in the notes, and to provide additional information about the methods used to allocate costs across functional reporting categories; requiring disclosure of both quantitative and qualitative information about liquidity and the availability of financial resources; requiring the presentation of investment return net of all external and direct internal expenses; and related disclosures.

Method of Accounting - The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The financial statements have been prepared using the accrual basis of accounting.

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

NATIONAL ASSOCIATION OF WOMEN JUDGES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Net Assets - In accordance with U.S. generally accepted accounting principles, the Association is required to report information regarding its financial position and activities according to three classes of net assets:

Net assets without donor restrictions represent the portion of expendable funds that are available for support of the Association's operations.

Net Assets with donor restrictions represent amounts that are specifically restricted by donors for various programs or for future periods.

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

Dues, Contributions and Grants - Membership dues are reported as revenue in the year received. Landmark sponsorship pledges are reported in the year the pledge is received. No portion of the pledges are treated as dues. Contributions received or unconditionally promised are recorded in the year the unconditional promise is received from the donor. Grants and contributions are recorded as revenue in the year notification is received from the donor. Revenue is recognized as unrestricted support upon satisfaction or completion of programs in compliance with the donor-imposed restrictions. Amounts received prior to the satisfaction or completion of the programs are presented as net assets with Donor restrictions in the accompanying consolidated financial statements.

Cash and Cash Equivalents - The Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

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

Use of Estimates - The preparation of financial statements in conformity with the U.S. Generally Accepted Accounting Principles (GAAP) requires the Foundation to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

NATIONAL ASSOCIATION OF WOMEN JUDGES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Materials - Donations of materials are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions.

Functional Allocation of Expenses - The program services as presented on the statements of activities are described as funds used to provide support, educational and relationship building for the Association. The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 3. TAX STATUS

The Internal Revenue Service (“IRS”) has advised that the Association qualifies under Section 501(c)(3) of the Internal Revenue Code, and is therefore, not subject to tax under present income tax laws. ASC Topic 740, Income Taxes, addresses the accounting for uncertainty in income taxes recognized in an organization's financial statements and prescribes a threshold and measurement attribute for financial statement recognition regarding tax positions taken or expected to be taken on a tax return, including the entity's status as a tax-exempt entity. The Foundation has determined there are no significant uncertain tax positions for the years ended December 31, 2018 and 2017. While the Association's tax and other regulatory forms may be examined by tax authorities, such as the IRS, it is no longer subject to federal income tax examinations for any years earlier than its fiscal year ended December 31, 2014.

NOTE 4. CONCENTRATIONS

The Foundation maintains its cash balances in various financial institutions. Deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor. Cash balances on deposit with financial institutions at December 31, 2018 the balances did not exceed insured the FDIC limit. Management regularly monitors the financial institutions and its cash balances to minimize any potential risk.

NOTE 5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions result from gifts of cash and other assets with donor-imposed restrictions as to (a) support of operating activities, (b) investment for a specified term, (c) use in a specified future period, or (d) acquisition of long-lived assets. As of December 31, 2018, and 2017, net assets with donor restrictions were comprised of pledges receivable and purpose restricted funds.

NATIONAL ASSOCIATION OF WOMEN JUDGES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

NOTE 6. LEASE COMMITMENT

The Association has a lease agreement which expires March 31, 2025. Total expenses related to this agreement for the year ended December 31, 2018 and 2017 were \$49,096 and \$42,532 respectively. The minimum future payments for fiscal year ending December 31, 2018 is \$248,065.

NOTE 7. INVESTMENTS

The Organization has investments and has determined the fair value as prescribed through the Fair Value Measurements Topic of the FASC (formerly SFAS. No 157, *Fair Value Measurements*). The Association reports fair value using a three-level hierarchy for value measurements: Level 1 have a readily available market price. Level 2 Inputs are based on quoted prices for similar assets in an active market or quoted prices for identical or similar assets in markets that are not active. The level 2 inputs represent primarily U.S. Treasury securities and other government obligations, corporate obligations, and Certificates of Deposit, which are not exchange traded investments. Level 3 are investments that have market values based upon estimated market prices and appraisals as typical found in real estate trusts.

The following is a description of the valuation methodologies used for assets measured at fair value: Money market funds: Short term (generally less than three months), highly liquid investments those are convertible to known amounts of cash.

Fixed income securities: Valued using pricing models maximizing the use of observable inputs for similar securities.

Common stocks: Valued at the closing price reported on active market exchanges on which the individual stock of funds is traded. Fair values of assets measured on a recurring basis at December 31, 2018 and 2017 are as follows:

Description	12/31/2018	Quoted Market Price for Assets (level 1)	Significant Other Observable Inputs (level 2)	Significant Unobservable Inputs (level 3)
Money Market Funds	\$ 7,621	\$ 7,621	\$ -	\$ -
Fixed Income Securities	147,881	-	147,881	-
Common Stocks	248,165	248,165	-	-
	<u>\$ 403,667</u>	<u>\$ 255,786</u>	<u>\$ 147,881</u>	<u>\$ -</u>

NATIONAL ASSOCIATION OF WOMEN JUDGES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

Description	12/31/2017	Quoted Market Price for Assets (level 1)	Significant Other Observable Inputs (level 2)	Significant Unobservable Inputs (level 3)
Money Market Funds	\$ 17,870	\$ 17,870	\$ -	\$ -
Fixed Income Securities	221,016	-	221,016	-
Common Stocks	367,926	367,926	-	-
	<u>\$ 606,812</u>	<u>\$ 385,796</u>	<u>\$ 221,016</u>	<u>\$ -</u>

For the year ended December 31, 2018 and 2017, the investment income, including interest income consists of the following:

	2018	2017
Dividends and interest	\$ 14,739	\$ 16,775
Net realized (loss) gain	29,280	39,610
Net unrealized gain	(77,014)	43,354
	<u>\$ (32,995)</u>	<u>\$ 99,739</u>

NOTE 8. CONTRIBUTED SERVICES

The Association received volunteer contributions for various activities and services of the organization for the years ended December 31, 2018 and 2017. 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 no disclosed in these financial statements.

NOTE 9. PLEDGES RECEIVABLE

The Association receives pledges from various organization. At December 31, 2018 the amount of pledges was \$3,500 due in 2019.

NATIONAL ASSOCIATION OF WOMEN JUDGES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

NOTE 10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 5, 2019, which is the date the financial statements were available to be issued. This review and evaluation revealed no new material events or transactions which would require an additional adjustment to or disclosure in the accompanying financial statements.

NOTE 11 – LIQUIDITY AND FINANCIAL RESOURCES

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The following table represents the Organization’s financial assets available to meet cash needs for general expenditures within one year of December 31, 2018 and 2017.

	<u>2018</u>	<u>2017</u>
Total Assets at End of Year	\$ 744,278	\$ 943,777
Less nonfinancial assets:	0	407
Total financial assets at the end of year	<hr/> 744,278	<hr/> 943,307
Financial Assets available to meet general expenditures coming due in the next year	<hr/> <hr/> \$ 744,278	<hr/> <hr/> \$ 943,307

NATIONAL ASSOCIATION OF WOMEN JUDGES
 SCHEDULE OF FUNCTIONAL EXPENSES
 Year Ended December 31, 2018

	Program Services				Total	Management and General	Fund Raising	Total
	Meetings and Conferences	Membership Services	Other Program Activities	Program Services				
EXPENSES:								
Salaries	\$ 97,105	\$ -	\$ 23,878	\$ 120,983	\$ 6,367	\$ 31,838	\$ 159,188	
Payroll taxes and employee benefits	17,002	-	4,181	21,183	1,115	5,574	27,872	
Total payroll costs	114,107	-	28,059	142,166	7,482	37,412	187,060	
Annual meeting facilities and meals	200,005	-	-	200,005	-	-	200,005	
Board of Directors expenses								
Consultants and professional fees	33,000	35,290	-	68,290	111,350	-	179,640	
Copying and printing	924	2,795	227	3,946	60	303	4,309	
Credit card processing fees	15,862	-	3,901	19,763	1,040	5,201	26,003	
Depreciation	-	-	-	-	470	-	470	
District allotment and expenses	-	-	31,079	31,079	-	-	31,079	
Insurance	6,901	-	1,697	8,598	453	2,263	11,314	
Investment fees	3,767	-	926	4,693	247	1,235	6,175	
Meetings and conferences	184,163	-	-	184,163	-	-	184,163	
Membership dues	-	19,726	-	19,726	-	-	19,726	
Miscellaneous	-	-	-	-	4,734	-	4,734	
Office	5,418	-	1,332	6,750	354	1,777	8,881	
Postage	1,394	-	343	1,737	90	457	2,286	
Project expenses	-	-	23,277	23,277	-	-	23,277	
Rent	29,948	-	7,364	37,312	1,965	9,819	49,096	
Computer information technology	11,181	-	2,749	13,930	733	3,666	18,329	
Telephone	3,902	-	960	4,862	256	1,279	6,397	
Travel	18,015	-	-	18,015	-	-	18,015	
Contributions, gifts and scholarship	-	-	1,184	1,184	-	-	1,184	
Total Expenses	\$ 628,587	\$ 57,811	\$ 103,098	\$ 789,496	\$ 129,234	\$ 63,412	\$ 982,142	

The accompanying notes are an integral part of these financial statements.