

NATIONAL ASSOCIATION OF WOMEN JUDGES

FINANCIAL STATEMENTS

DECEMBER 31, 2019

HALEY & ASSOCIATES, LLC

**CERTIFIED PUBLIC ACCOUNTANTS
BELTSVILLE, MARYLAND 20705**

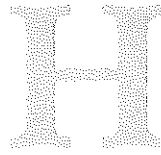


NATIONAL ASSOCIATION OF WOMEN JUDGES

FINANCIAL STATEMENTS

DECEMBER 31, 2019

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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, 2019 and 2018 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the organizations ability to continue as a going concern for the years ending of December 31, 2019 and 2018.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the National Association of Women Judges (a nonprofit Association) as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of National Association of Women Judges (a nonprofit Association) to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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
June 9, 2020

NATIONAL ASSOCIATION OF WOMEN JUDGES
STATEMENT OF FINANCIAL POSITION
December 31, 2019 and 2018

	2019	2018
ASSETS		
Cash and Cash Equivalents	\$ 364,905	\$ 310,107
Pledge Receivable -short term	-	3,500
Other Receivables	14,660	10,000
Inventory of Publications	2,039	-
Prepaid Expenses	6,822	13,726
Total Current Assets	388,426	337,333
Furniture and Equipment, net of accumulated depreciation of \$26,397 and \$26,060	1,504	-
Investments at Fair Value	386,572	403,667
Pledges Receivable - Long Term	-	-
Security Deposits	3,278	3,278
TOTAL ASSETS	\$ 779,780	\$ 744,278
 LIABILITIES AND NET ASSETS		
Accounts Payable and Accrued Expenses	\$ 84,253	\$ 98,808
Deferred Income	77,315	37,750
Total Liabilities	161,568	136,558
 NET ASSETS		
Net Assets, without Donor Restrictions	509,842	506,455
Net Assets with Donor Restrictions	108,370	101,265
Total Net Assets	618,212	607,720
 TOTAL LIABILITIES AND NET ASSETS	 \$ 779,780	 \$ 744,278

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

NATIONAL ASSOCIATION OF WOMEN JUDGES
STATEMENT OF ACTIVITIES
Years Ended December 31, 2019 and 2018

	2019			2018
	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	Total
SUPPORT & REVENUE				
Membership Dues	\$ 219,715		\$ 219,715	\$ 175,315
Contributions and Pledges				
Landmark sponsor and Resource Board dues	63,334		63,334	(14,922)
Other contributions and pledges	30,544		30,544	26,732
Meetings and Conference	446,208		446,208	441,172
Grant Income	61,500		61,500	49,000
Interest and Dividends	13,440		13,440	14,739
Net (depreciation) appreciation in fair value of Investments	68,866		68,866	(47,734)
District Support Revenue	61,750		61,750	36,113
Miscellaneous	7,773		7,773	3,186
Net Assets Released from Restrictions		7,105	7,105	58,129
TOTAL SUPPORT & REVENUE	973,130	7,105	980,235	741,730
EXPENSES				
Program Services				
Meetings and conferences	581,125		581,125	628,587
Membership services	78,573		78,573	57,811
Other program activities	122,985		122,985	103,098
Total program activities	782,683		782,683	789,496
Support Services				
Management and general	121,018		121,018	129,234
Fundraising	66,042		66,042	63,412
Total support services	187,060		187,060	192,646
TOTAL EXPENSES	969,743	-	969,743	982,142
NET INCOME (LOSS)	3,387	7,105	10,492	(240,412)
NET ASSETS				
Beginning of year	506,455	101,265	607,720	848,132
End of year	<u>\$ 509,842</u>	<u>\$ 108,370</u>	<u>\$ 618,212</u>	<u>\$ 607,720</u>

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

NATIONAL ASSOCIATION OF WOMEN JUDGES
STATEMENTS OF CASH FLOWS
As of DECEMBER 31, 2019 and 2018

	2019 Total	2018 Total
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 10,492	\$ (240,412)
Adjustments to reconcile changes in Net Assets:		
Depreciation	338	470
Net Changes in fair value of investments	(68,866)	47,734
Changes in assets and liabilities		
Pledges receivable	3,500	61,667
Pledges receivable - long term	-	26,671
Other receivables	(4,660)	(8,590)
Inventory of publications	(2,039)	864
Prepaid Expenses	6,904	3,808
Accounts payable and accrued expenses	(14,555)	36,882
Deferred Income	39,565	4,031
Total Adjustments	(39,814)	173,537
Net Cash provided by Operating Activities	(29,322)	(66,875)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments		
Proceeds from sale of investments	86,012	155,411
Purchase of property and equipment	(1,892)	
CASH FLOWS FROM FINANCING ACTIVITIES	84,120	155,411
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		
	54,798	88,536
Beginning of year	310,107	221,571
End of year	\$ 364,905	\$ 310,107

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

NATIONAL ASSOCIATION OF WOMEN JUDGES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

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, 2019 AND 2018

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 Association 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 Association 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, 2019 AND 2018

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 Association has determined there are no significant uncertain tax positions for the years ended December 31, 2019 and 2018. 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, 2015.

NOTE 4. CONCENTRATIONS

The Association 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, 2019 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, 2019, and 2018, 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, 2019 AND 2018

NOTE 5. NET ASSETS WITH DONOR RESTRICTIONS (Contd.)

Fund	2019	2018
Restricted Undesignated	(8,948)	(8,948)
Color of Justice	745	158
Women Moving Forward	14,969	12,851
Judges Scholarships	-	-
Informed Voter Project	41,520	43,926
Women in Prison	(321)	3,172
Other Scholarships	15,000	15,000
Storybook	43,180	33,630
NAWJ History Book	1,475	1,475
Other	750	-
Restricted	<u>108,371</u>	<u>101,265</u>
Unrestricted	<u>509,842</u>	<u>506,455</u>

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, 2019 and 2018 were \$35,187 and \$49,096, respectively. The minimum future payments for fiscal year ending December 31, 2019 is \$212,878.

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.

NATIONAL ASSOCIATION OF WOMEN JUDGES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 7. INVESTMENTS (Contd.)

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, 2019 and 2018 are as follows:

Description	12/31/2019	Quoted Market Price for Assets (level 1)	Significant Other Observable Inputs (level 2)	Significant Unobservab le Inputs (level 3)
Money Market Funds	\$ 12,635	\$ 12,635	\$ -	\$ -
Fixed Income Securities	145,499	-	145,499	-
US Equities	138,831	138,831		
International Equities	89,607		89,607	-
	<u>\$ 386,572</u>	<u>\$ 151,466</u>	<u>\$ 235,106</u>	<u>\$ -</u>

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>

For the year ended December 31, 2019 and 2018, the investment income, including interest income consists of the following:

NATIONAL ASSOCIATION OF WOMEN JUDGES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 7. INVESTMENTS (Contd.)

	2019	2018
Dividends and interest	\$ 13,440	\$ 14,739
Net realized (loss) gain	19,468	29,280
Net unrealized gain	49,398	(77,014)
	<u>\$ 82,306</u>	<u>\$ (32,995)</u>

NOTE 8. CONTRIBUTED SERVICES

The Association received volunteer contributions for various activities and services of the organization for the years ended December 31, 2019 and 2018. 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, 2019, the amount of pledges was \$-0- and \$3,500 at December 31, 2018.

NOTE 10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 9, 2020, 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.

Prior to the issuance of the audit report the nation was impacted by the COVID-19 virus which has caused shutdowns and major impact on the financial markets. The economic impact could result in revenue decline to the organization it is too early to determine what lasting financial impact it will have upon the Organization. Management is exploring remedial action in generating support while mitigating expenses through cost saving measures.

NATIONAL ASSOCIATION OF WOMEN JUDGES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

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, 2019 and 2018.

	<u>2019</u>	<u>2018</u>
Total Assets at End of Year	\$ 779,780	\$ 744,278
Less nonfinancial assets:	1,504	0
Total financial assets at the end of year	<hr/> 778,376	<hr/> 744,278
Financial Assets available to meet general expenditures coming due in the next year	<hr/> \$ 778,376	<hr/> \$ 744,278

NATIONAL ASSOCIATION OF WOMEN JUDGES
 SCHEDULE OF FUNCTIONAL EXPENSES
 Years Ended December 31, 2019 and 2018

EXPENSES:	Program Services						2018 Total
	Meetings and Conferences	Membership Services	Other Program Activities	Program Services	Management and General	Fund Raising	
	\$	\$	\$	\$	\$	\$	
Salaries	96,339		23,690	120,029	6,317	31,587	159,188
Payroll taxes and employee benefits	24,022		5,907	29,929	1,575	7,876	27,872
Total payroll costs	120,361		29,597	149,958	7,893	39,463	187,060
Annual meeting facilities and meals	208,866			208,866			208,866
Consultants and professional fees	31,159	34,621		65,780	107,325		173,106
Copying and printing, design	5,119	15,846	1,219	22,184	488	1,706	24,378
Credit card processing fees	16,352		4,021	20,373	1,072	5,361	26,807
Depreciation				-	338		338
District allotment and expenses			56,407	56,407			56,407
Insurance	6,393		1,572	7,965	419	2,096	10,480
Investment fees	2,736		673	3,409	179	897	4,486
Meetings and conferences	103,242			103,242			103,242
Membership dues		28,106		28,106			28,106
Miscellaneous	901		222	1,123	59	296	1,478
Office	8,907		2,190	11,098	584	2,920	14,602
Postage	2,269		558	2,827	149	744	3,720
Project expenses			13,958	13,958			13,958
Rent	21,464		5,278	26,742	1,407	7,037	35,187
Computer information technology	13,354		3,284	16,637	876	4,378	21,891
Telephone	3,486		857	4,344	229	1,143	5,715
Travel	36,514			36,514			36,514
Contributions, gifts and scholarship			3,150	3,150	-	-	3,150
Total Expenses	\$ 581,125	\$ 78,573	\$ 122,985	\$ 782,683	\$ 121,018	\$ 66,042	\$ 982,142

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