

**Women's International League
For Peace and Freedom**
U.S. Section

**Report on Audited Financial Statements
and Supplemental Information**

For the Years Ended December 31, 2008 and 2007



KellyTeti Associates LLP
Certified Public Accountants

**Women's International League
for Peace and Freedom
U.S. Section**

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KellyTeti Associates LLP • *Certified Public Accountants*

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Independent Auditors' Report

To the Officers, Directors and Sponsors
WOMEN'S INTERNATIONAL LEAGUE FOR
PEACE AND FREEDOM – U.S. SECTION
Boston, Massachusetts

We have audited the accompanying statements of financial position of WOMEN'S INTERNATIONAL LEAGUE FOR PEACE AND FREEDOM – U.S. SECTION as of December 31, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Board of Directors. 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 the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by 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 WOMEN'S INTERNATIONAL LEAGUE FOR PEACE AND FREEDOM – U.S. SECTION as of December 31, 2008 and 2007, 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 audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Statement of Functional Expenses for the U.S. Section for the year ended December 31, 2008 on page 18 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

KellyTeti Associates LLP

July 8, 2009

**Women's International League
for Peace and Freedom
U.S. Section**

Statements of Financial Position

<i>December 31,</i>	<i>2008</i>	<i>2007</i>
Assets		
Current Assets		
Cash and cash equivalents	\$ 42,883	\$ 20,333
Accounts receivable	0	900
Prepaid international assessment	0	19,000
Other prepaid expenses	3,579	14,007
Due from J.A.P.A.	91,837	28,470
Total Current Assets	138,299	82,710
 Investments	 17,965	 4,429
 Property and Equipment		
Furniture and equipment	79,420	79,420
Less: Accumulated depreciation	63,252	58,059
Total Property and Equipment	16,168	21,361
 Other Assets		
Due from J.A.P.A.	98,963	56,942
Total Other Assets	98,963	56,942
 Total Assets	 \$ 271,395	 \$ 165,442

The accompanying notes and the independent Auditors'
report are an integral part of these financial statements

**Women's International League
for Peace and Freedom
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Statements of Financial Position

<i>December 31,</i>	<i>2008</i>	<i>2007</i>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 14,291	\$ 13,647
Accrued expense payable	9,635	6,272
Sales tax payable	0	19
Due to affiliate	0	5,000
Payroll, payroll taxes and other payables	894	20,306
Deferred dues income	16,458	25,584
Total Current Liabilities	<u>41,278</u>	<u>70,828</u>
Total Liabilities	<u>41,278</u>	<u>70,828</u>
Net Assets		
Unrestricted	226,117	90,614
Temporarily restricted	4,000	4,000
Total Net Assets	<u>230,117</u>	<u>94,614</u>
Total Liabilities and Net Assets	<u>\$ 271,395</u>	<u>\$ 165,442</u>

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**Women's International League
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Statements of Activities

<i>For the Years Ended December 31,</i>	<i>2008</i>	<i>2007</i>
Unrestricted Net Assets		
Revenues		
Contributions and grants	\$ 393,524	\$ 345,431
Bequest income	110,267	122,705
Dues income	41,939	73,664
Sales revenue	1,844	8,804
Royalties	1,849	2,413
Program services	919	1,206
Contributed legal services	47,900	7,974
Investment income	1,595	570
Realized gain (loss) on investments	0	6,134
Unrealized (loss) gain on investments	(2,436)	585
Other income	2,551	14,592
Total Revenues	599,952	584,078
Net assets released from restrictions	0	2,578
	599,952	586,656
Expenses		
Operating expenses	412,657	596,172
Cost of sales	697	8,838
Interest expense	1,095	879
Total Expenses	414,449	605,889
Operating Income (Loss)	185,503	(19,233)
Extraordinary Expense	50,000	0
Increase (Decrease) in Unrestricted Net Assets	135,503	(19,233)
Unrestricted Net Assets - Beginning of Year	90,614	109,847
Unrestricted Net Assets - End of Year	\$ 226,117	\$ 90,614

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**Women's International League
for Peace and Freedom
U.S. Section**

Statements of Activities

<i>For the Years Ended December 31,</i>	<i>2008</i>	<i>2007</i>
Temporarily Restricted Net Assets		
Grants and contributions	\$ 27,969	\$ 28,500
Net assets released from restrictions	<u>(27,969)</u>	<u>(31,078)</u>
Decrease in Temporarily Restricted Net Assets	0	(2,578)
Temporarily Restricted Net Assets - Beginning of Year	<u>4,000</u>	<u>6,578</u>
Temporarily Restricted Net Assets - End of Year	<u>4,000</u>	<u>4,000</u>
Total Net Assets - End of Year	<u>\$ 230,117</u>	<u>\$ 94,614</u>

**Women's International League
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**Statements of Activities
- Schedule of Operating Expenses**

For the Years Ended December 31, *2008* *2007*

Operating Expenses		
Advertising and promotion	\$ 684	\$ 1,489
Bank charges and merchant fees	2,572	2,830
Books and publications	(286)	388
Coalition and membership dues	678	1,888
Computer services	5,181	2,764
Conferences, seminars and travel	43,660	47,638
Contributed services	47,900	7,974
Depreciation	5,193	4,118
Employee benefits	8,440	47,864
Equipment rental	17,772	9,309
Equipment repairs and maintenance	325	1,054
Insurance	8,572	6,454
Intern expense	0	783
International assessment	31,000	21,636
J.A.P.A. commission	0	20,284
Legal and accounting fees	12,710	6,300
Maintenance and repairs	1,629	5,377
Mini-Grants	3,172	0
Miscellaneous	1,930	6,329
Office supplies and expense	3,264	5,925
Payroll taxes	7,069	24,325
Postage and delivery	17,621	18,358
Printing	14,277	28,533
Professional and consulting fees	35,648	54,893
Promotional materials	0	16,997
Rent and utilities	10,848	20,295
Salaries	35,298	224,137
Severance	14,137	0
Special events	74,908	157
Telephone and communications	8,455	8,073
Total Operating Expenses	<u>\$ 412,657</u>	<u>\$ 596,172</u>

The accompanying notes and the independent Auditors' report are an integral part of these financial statements

**Women's International League
for Peace and Freedom
U.S. Section**

Statements of Cash Flows

<i>For the Years Ended December 31,</i>	<i>2008</i>	<i>2007</i>
Cash Flows from Operating Activities		
Increase (Decrease) in net assets	\$ 135,503	\$ (21,811)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities		
Depreciation expense	5,193	4,118
Unrealized (gain) loss on investments	2,436	(585)
Realized (gain) loss on investments	0	(6,134)
(Increase) Decrease in assets:		
Prepaid expenses	29,428	(22,585)
Inventory	0	22,619
Due from related party	(105,388)	(29,575)
Accounts receivable	900	(600)
Increase (Decrease) in liabilities:		
Accounts payable	644	4,798
Accrued expenses	3,363	1,248
Payroll taxes and other withholdings	(19,381)	11,089
Due to related party	(5,000)	5,000
Deferred dues income	(9,126)	(7,661)
Total Adjustments	(96,931)	(18,268)
Net Cash Provided (Used) by Operating Activities	38,572	(40,079)
Cash Flows from Investing Activities		
Redemption (Purchase) of investments	(16,144)	41,556
Proceeds from GNMA	122	326
Acquisition of fixed assets	0	(16,036)
Net Cash Provided (Used) by Investing Activities	(16,022)	25,846

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**Women's International League
for Peace and Freedom
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Statements of Cash Flows

<i>For the Years Ended December 31,</i>	<i>2008</i>	<i>2007</i>
Cash Flows from Financing Activities		
(Retirement) Proceeds of loan payable	\$ 0	(6,000)
Net Cash Provided (Used) by Financing Activities	0	(6,000)
Net Increase (Decrease) in Cash and Cash Equivalents	22,550	(20,233)
Cash and Cash Equivalents - Beginning of Year	20,333	40,566
Cash and Cash Equivalents - End of Year	\$ 42,883	\$ 20,333
Supplemental Disclosure:		
Interest paid	\$ 1,095	\$ 879

**Women's International League
for Peace and Freedom
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Notes to Financial Statements

Note A –

**Organization and Basis of
Presentation**

Organization

THE WOMEN'S INTERNATIONAL LEAGUE FOR PEACE AND FREEDOM (WILPF) was organized in 1915 as a not-for-profit organization. WILPF is incorporated under Pennsylvania law and is generally exempt from income tax under Internal Revenue Code Section 501(c)(4). The purpose of WILPF is to promote international peace through public education and legislation.

WILPF is the U.S. section of the Women's International League for Peace and Freedom with international headquarters located in Geneva, Switzerland.

Basis of Presentation

WILPF uses the accrual basis of accounting, recognizing revenue when it is earned and expenses in the period incurred without regard to the time of receipt or payment of cash. WILPF's accounting and reporting policies are in substantial compliance with the provisions of the American Institute of Certified Public Accountants Audit and Accounting Guide *Not-For-Profit Organizations*, prepared by the American Institute of Certified Public Accountants Not-For-Profit Organizations Committee.

WILPF complies with Statement of Financial Accounting Standards (SFAS) No. 117 *Financial Statements for Not-for-Profit Organizations*, issued by the Financial Accounting Standards Board (FASB) for presentation of its financial statements. As such, the financial statements are presented on the basis of unrestricted, temporarily restricted, and permanently restricted net assets.

Notes to Financial Statements

Note B –

**Summary of Significant
Accounting Policies**

This summary of significant accounting policies of WILPF is presented to assist in understanding WILPF's financial statements. The financial statements and notes are representations of WILPF's management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles, with any exceptions noted, and have been consistently applied in the preparation of the financial statements.

Cash and Cash Equivalents

For financial statement purposes, WILPF considers all highly liquid investments with a maturity of three months or less deposited in commercial banks or with mutual fund managers to be cash equivalents. The Federal Deposit Insurance Corporation (FDIC) insures all of these accounts in aggregate to \$250,000. Funds in excess of \$250,000 are uninsured and at risk if the bank becomes insolvent. There were no funds in excess of \$250,000 for the year ended December 31, 2008.

Investments

WILPF complies with Statement of Financial Accounting Standards (SFAS) No. 124, *Accounting for Certain Investments Held by Not-For-Profit Organizations*, issued by the Financial Accounting Standards Board (FASB) for accounting reporting for investment in equity securities and all investments in debt securities. These investments are to be reported under one category at their fair market values in the Statement of Financial Position with any unrealized gains and losses reported in the Statement of Activities.

Notes to Financial Statements

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment

Property and equipment are capitalized at cost. Depreciation on property and equipment is computed using the straight-line method over the estimated useful life of the assets. Expenditures for major renewals and betterments that extend the useful life of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Revenue Recognition

WILPF complies with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. As such, contributions are recognized as revenue when they are received or unconditionally pledged.

WILPF reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Notes to Financial Statements

WILPF reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

WILPF is generally supported by dues, contributions, and program service revenue. Contributions are received by WILPF for its general support or for a specific project. General membership dues are amortized to revenues over the applicable membership period.

Donated Materials and Services

SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, requires that donated services be recognized as contributions if the services enhance non-financial assets, would typically need to be purchased and requires specialized skills which are provided by people who possess those skills. Materials should be recognized as contributions if the values can be reasonably estimated.

WILPF received contributed legal services valued at \$47,900 and \$7,974 during the years ended December 31, 2008 and 2007.

WILPF has not received donated materials, which meet the criteria for recognition for the years ended December 31, 2008 and 2007.

Notes to Financial Statements

Classes of Net Assets

The financial statements report amounts separately by class of net assets.

- a) **Unrestricted** amounts are those currently available at the discretion of the board for use in WILPF's operations and those resources invested in equipment.
- b) **Temporarily or permanently restricted** amounts are those, which are stipulated by donors for specific operating purposes or for the acquisition of equipment on a temporary or permanent basis.

At December 31, 2008 and 2007, WILPF had temporarily restricted net assets of \$4,000 and \$4,000, respectively.

Income Tax Status

WILPF is a not-for-profit organization and is generally exempt from federal income taxes under Section 501(c)(4) of the U.S. Internal Revenue Code. Accordingly, no provision has been made for federal or state income taxes.

Reclassifications

Certain accounts for the year ended December 31, 2007 have been reclassified for consistency with the December 31, 2008 presentation.

**Women's International League
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Notes to Financial Statements

Note C –

Investments

WILPF owns marketable securities and other investments, which are recorded at fair market value. The following tabulation summarizes the relationship between the cost and the market values of the investments:

	Cost	Market Value	Unrealized Gain (Loss)
<u>Securities Valuations at December 31, 2008</u>			
PAX World Balanced Fund	\$ 3,781	\$ 2,949	\$ (832)
PAX World Women's Fund	<u>16,034</u>	<u>15,016</u>	<u>(1,018)</u>
Total	<u>\$ 19,815</u>	<u>\$ 17,965</u>	<u>\$ (1,850)</u>
 <u>Securities Valuations at December 31, 2007</u>			
GNMA Mortgage Pool – 9.5% due 12/15/08	\$ 172	\$ 172	\$ 0
PAX World Balanced Fund	<u>3,672</u>	<u>4,257</u>	<u>585</u>
Total	<u>\$ 3,844</u>	<u>\$ 4,429</u>	<u>\$ 585</u>

Note D –

Related Party Transactions

WILPF provides assessment contributions to the Women's International League for Peace and Freedom international headquarters. Contributions were \$31,000 and \$21,636 for the years ended December 31, 2008 and 2007, respectively.

WILPF receives support from the affiliated not-for-profit organization, Jane Addams Peace Association, Inc. (J.A.P.A.). J.A.P.A. was established as an IRC Sec 501 (c)(3) educational fund to support WILPF's mission. Contributions are received by J.A.P.A. from individuals and foundations that have designated WILPF as the intended recipient. Contributions received from J.A.P.A. during the years ended December 31, 2008 and 2007 were \$321,549 and \$228,658, respectively.

Notes to Financial Statements

Note E –

Lease Commitments

WILPF entered into a new nine (9) month lease for office space commencing November 1, 2008 for \$500 per month. Total rent expense was \$10,848 (\$24,689 less \$13,841 released from restricted net assets) and \$12,000 for the years ending December 31, 2008 and 2007, respectively. The following is a summary of future lease payments for the office lease.

2009	\$ <u>3,500</u>
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Note F –

Employee Benefit Plan

WILPF had a SIMPLE IRA retirement plan, which covered substantially all of its employees. Under the plan WILPF contributes 3% of each eligible employee's salary. WILPF contributions were \$-0- and \$3,667 for 2008 and 2007, respectively. This plan has been discontinued as of 12/31/2008.

Note G –

**Accrued Compensated
Absences**

WILPF has not recorded an accrual for compensated absences since the amount cannot be reasonably estimated.

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Notes to Financial Statements

Note H- Temporarily restricted net assets at December 31, 2008 and 2007 were available to be used in the subsequent years for the following purposes:

Temporarily Restricted Net Assets	<u>2008</u>	<u>2007</u>
UN Practicum Scholarship	\$ 4,000	\$ 0
Disarmament	<u>0</u>	<u>4,000</u>
	<u>\$ 4,000</u>	<u>\$ 4,000</u>

Note I- WILPF receives substantial support from J.A.P.A. (refer to Note D). A material decline in the amount of support received from J.A.P.A. would adversely affect WILPF's ability to continue its program.

**Concentration of
Substantial Contributor
Contributions**

Note J - During 2007 certain former WILPF employees brought an unfair labor practice complaint before the National Labor Relations Board (NLRB) against WILPF regarding their employment termination which was responded to by WILPF's Council. During July 2008 WILPF concluded the matter through a negotiated settlement with the NLRB resulting in a payment of \$50,000 and the dismissal of the complaint.

Extraordinary Expense

**Women's International League
for Peace and Freedom
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Supplemental Information

**Supplemental
Information**

for the Year Ended December 31, 2008

**Women's International League
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Statement of Functional Expenses

For the Year Ended December 31, 2008

	Program Services			Support Services		Total
	National Program	General Programs	Program Services	Management and Fund	General Raising	
Advertising and promotion	500	34	534		150	684
Bank charges & merchant fees			0		2,572	2,572
Books and publications		(286)	(286)			(286)
Coalition dues	78	600	678			678
Computer services			0		5,181	5,181
Conferences, seminars and travel	15,573	12,154	27,727		760	43,660
Contributed Services			0		47,900	47,900
Depreciation			0		5,193	5,193
Employee benefits	1,055	1,055	2,110		5,486	8,740
Equipment rentals			0		17,772	17,772
Equipment repairs and maintenances			0		325	325
Insurance			0		8,572	8,572
International pledge		1,000	1,000			3,000
Legal and accounting fees			0		12,710	12,710
Maintenance and repair			0		1,629	1,629
Mini-Grants	3,172		3,172			3,172
Miscellaneous	412	618	1,030		900	3,990
Office supplies and expense			0		3,170	3,264
Payroll taxes	884	884	1,768		4,594	7,069
Postage and delivery	9,198	88	9,286		7,454	17,621
Printing	10,708	885	11,593		171	14,278
Professional and consulting fees	7,560		7,560		28,088	35,648
Rent and utilities		8,136	8,136		2,712	10,848
Salaries	4,412	4,412	8,824		22,944	35,298
Sewerance			0		14,357	14,357
Special events	74,141	767	74,908			74,908
Telephone and communications	1,387	4,354	5,741		2,342	8,455
Totals	\$ 129,080	\$ 64,701	\$ 193,781		\$ 209,025	\$ 412,657

See independent Auditors' disclaimer of opinion on page 1