

**WOMEN'S INTERNATIONAL LEAGUE  
FOR PEACE AND FREEDOM – US SECTION  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2009**

**WOMEN'S INTERNATIONAL LEAGUE  
FOR PEACE AND FREEDOM, US SECTION**

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December 31, 2009

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**AMZ**  
**ANDREW M. ZUROFF, C.P.A., P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

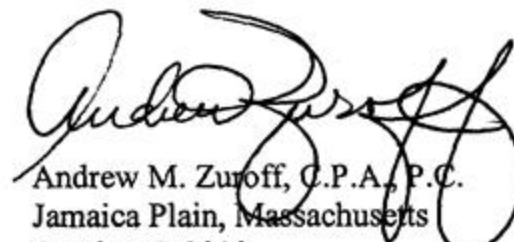
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To the Board of Trustees of  
Women's International League  
For Peace and Freedom – US Section

We have audited the accompanying statement of financial position of Women's International League for Peace and Freedom – US Section (a nonprofit organization) as of December 31, 2009, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 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 audit provides 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 – US Section as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

  
Andrew M. Zuroff, C.P.A., P.C.  
Jamaica Plain, Massachusetts  
October 4, 2010

**WOMEN'S INTERNATIONAL LEAGUE  
FOR PEACE & FREEDOM - US SECTION  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2009**

**ASSETS**

**CURRENT ASSETS:**

Cash and cash equivalents	\$	38,317
Contributions receivable		81,741
Accounts receivable		8,220
Prepaid expenses		2,775
Deposits		7,240
Due from affiliate		121,603

Total Current Assets		<u>259,896</u>
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**PROPERTY AND EQUIPMENT:**

Property and equipment, net (Note H)		<u>9,913</u>
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**OTHER ASSETS:**

Investments, at fair market value		22,463
Beneficial interest in perpetual trust		44,523

Total Other Assets		<u>66,986</u>
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<b>Total Assets</b>	<b>\$</b>	<b><u>336,795</u></b>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES:**

Accounts payable	\$	4,029
Accrued expenses		16,744
Deferred revenue		30,000

Total Current Liabilities		<u>50,773</u>
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**NET ASSETS:**

Unrestricted		201,444
Temporarily restricted (Note L)		40,055
Permanently restricted (Notes D, E)		44,523

Total Net Assets		<u>286,022</u>
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<b>Total Liabilities and Net Assets</b>	<b>\$</b>	<b><u>336,795</u></b>
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See accompanying notes to financial statements.

**WOMEN'S INTERNATIONAL LEAGUE  
FOR PEACE & FREEDOM, US SECTION  
STATEMENT OF ACTIVITIES  
DECEMBER 31, 2009**

	Unrestricted Funds	Temporarily Restricted Funds	Permanently Restricted Funds	Total
<b>SUPPORT AND REVENUE:</b>				
Contributions and grants	\$ 116,849	\$ 40,055		\$ 156,904
Bequest income	68,000			68,000
Membership Dues	44,062			44,062
Program service revenue	14,779			14,779
Sales	1,138			1,138
Contributed services	27,598			27,598
Investment return	4,905		8,487	13,392
Released from restriction	4,500	(4,000)	(500)	0
	<u>281,831</u>	<u>36,055</u>	<u>7,987</u>	<u>325,873</u>
<b>Total Support And Revenue</b>				
<b>EXPENSES:</b>				
Salaries	52,323			52,323
Professional fees	37,514			37,514
International Contribution	37,716			37,716
Events and initiatives	35,004			35,004
Printing	15,864			15,864
Grant Expense	15,153			15,153
Intern salaries	11,442			11,442
Conferences and travel	8,358			8,358
Rent	7,200			7,200
Payroll taxes	6,577			6,577
Office expense	5,822			5,822
Employee benefits	5,836			5,836
Telephone	5,448			5,448
Internet	5,372			5,372
Insurance	5,291			5,291
Fundraising	4,831			4,831
Depreciation	4,286			4,286
Postage	4,094			4,094
Bank charges	3,046			3,046
Maintenance	2,749			2,749
Payroll service fees	1,381			1,381
Utilities	676			676
Interest	499			499
Advertising	385			385
Taxes and licenses	290			290
Contributed Service Expense	27,598			27,598
	<u>304,755</u>	<u>-</u>	<u>-</u>	<u>304,755</u>
<b>Total Functional Expenses</b>				
<b>Net Operating Income</b>	<b>(22,924)</b>	<b>36,055</b>	<b>7,987</b>	<b>21,118</b>
Loss on disposal of assets	(1,749)	-	-	(1,749)
	<u>(1,749)</u>	<u>-</u>	<u>-</u>	<u>(1,749)</u>
<b>Increase (Decrease) in Net Assets</b>				
	<b>(24,673)</b>	<b>36,055</b>	<b>7,987</b>	<b>19,369</b>
Net Assets at Beginning of Year	226,117	4,000	36,536	266,653
	<u>226,117</u>	<u>4,000</u>	<u>36,536</u>	<u>266,653</u>
<b>Net Assets at End of Year</b>	<b>\$ 201,444</b>	<b>\$ 40,055</b>	<b>\$ 44,523</b>	<b>\$ 286,022</b>
	<u>\$ 201,444</u>	<u>\$ 40,055</u>	<u>\$ 44,523</u>	<u>\$ 286,022</u>

See accompanying notes to financial statements.

Andrew M. Zuroff, C.P.A., P.C.

**WOMEN'S INTERNATIONAL LEAGUE  
FOR PEACE & FREEDOM - US SECTION  
STATEMENT OF CASH FLOWS  
DECEMBER 31, 2009**

**OPERATING ACTIVITIES:**

Change in net assets	\$ 19,369
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	4,286
Unrealized gain on investments	(22,869)
Realized loss on sale of investments	7,587
Loss on disposal of fixed assets	1,749
(Increase) Decrease in assets:	
Accounts receivable	(89,961)
Deposits	(7,240)
Prepaid expenses	804
Due from affiliate	69,197
Increase (Decrease) in liabilities	
Accounts payable	(10,262)
Accrued expenses	6,215
Deferred revenue	13,542
Net cash provided by operating activities	(7,583)

**INVESTING ACTIVITIES:**

Redemption of investments, net of purchases	2,797
Proceeds from sales of equipment	220
Net cash provided by investing activities	3,017

Net decrease in cash and cash equivalents (4,566)

Cash and cash equivalents - Beginning 42,883

**Cash and cash equivalents - Ending** **\$ 38,317**

Cash paid for interest \$ 499

See accompanying notes to financial statements.

Andrew M. Zuroff, C.P.A., P.C.

**WOMEN'S INTERNATIONAL LEAGUE  
FOR PEACE AND FREEDOM – US SECTION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

**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 works to achieve, through peaceful means, world disarmament, full rights for women, racial and economic justice, an end to all forms of violence, and to establish those political, social, and psychological conditions which can assure peace, freedom and justice for all.

WILPF is incorporated under Pennsylvania law and is generally exempt from income tax under Internal Revenue Code Section 501(c) (4). 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.

**Note B- Summary of Significant Accounting Policies**

This summary of significant accounting policies of WILPF is presented to assist in the understanding of 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.

**WOMEN'S INTERNATIONAL LEAGUE  
FOR PEACE AND FREEDOM – US SECTION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

**Note B- Summary of Significant Accounting Policies (Continued)**

**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, 2009.

**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.

**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.



**WOMEN'S INTERNATIONAL LEAGUE  
FOR PEACE AND FREEDOM – US SECTION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

**Note B- Summary of Significant Accounting Policies (Continued)**

**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 or cash and other assets as restricted support, if they are received with donor stipulations that limit the use of the donated assets, except when they are expended in the period received. When donations are expended according to donor stipulations, in the same period as they are received, they are reported as unrestricted contributions. Otherwise, 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.

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 \$27,598 during the year ended December 31, 2009.

WILPF has not received donated materials, which meet the criteria for recognition for the years ended December 31, 2009.

**Advertising**

WILPF expenses advertising costs as incurred. There were no expenditures for capitalizable costs during 2009.

**WOMEN'S INTERNATIONAL LEAGUE  
FOR PEACE AND FREEDOM – US SECTION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

**Note B- Summary of Significant Accounting Policies (Continued)**

**Classes of Net Assets**

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

- a) **Unrestricted Net Assets** are currently available at the discretion of the board for use in WILPF's operations and those resources invested in equipment.
- b) **Temporarily Restricted Net Assets** are stipulated by donors for specific operating purposes or for the acquisition of equipment. These amounts are recorded as temporarily restricted net assets until they are expended for their designated purposes
- c) **Permanently Restricted Net Assets** consist of contributions restricted by the donor into perpetuity. Donors may also temporarily restrict the revenue derived from permanently restricted net assets.

**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.

**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:

Securities Valuations at December 31, 2009			
<u>Marketable Securities</u>	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain (Loss)</u>
PAX World Balanced Fund	\$ 3,809	\$ 3,579	\$ (230)
PAX World Women's Fund	<u>16,127</u>	<u>18,884</u>	<u>2,757</u>
Total	<u>\$ 19,936</u>	<u>\$ 22,463</u>	<u>\$ 2,327</u>

**WOMEN'S INTERNATIONAL LEAGUE  
FOR PEACE AND FREEDOM – US SECTION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

**Note D- Beneficial Interest in Perpetual Trust**

WILPF received \$8,487 in investment income during the year ended December 31, 2009, from a trust held by an outside third party, for which WILPF became the sole beneficiary upon its merger with WILF's Chicago branch in 2006. The trust invests in marketable equity securities and is valued at the fair market value of the securities held. The trust is required to distribute \$500 annually. The balance as of December 31, 2009, was as follows:

<u>Beneficial Interest in Perpetual Trust</u>	<u>Cost</u>	<u>Market Value of Investments</u>	<u>Unrealized Loss</u>
Cash	\$ 1,089	\$ 1,089	-
Mutual Funds	<u>44,921</u>	<u>43,434</u>	<u>\$(1,487)</u>
Total	<u>\$ 46,010</u>	<u>\$ 44,523</u>	<u>\$(1,487)</u>

**Note E – Effects of Prior Period Adjustment**

The beneficial interest was not recorded in prior year statements. The balance of permanently restricted investments and net assets, as of December 31, 2008 was as follows:

<u>Beneficial Interest in Perpetual Trust</u>	<u>Cost</u>	<u>Market Value of Investments</u>	<u>Unrealized Loss</u>
Cash	\$ -	\$ -	\$ -
Mutual Funds	<u>56,517</u>	<u>36,536</u>	<u>(19,981)</u>
Total	<u>\$ 56,517</u>	<u>\$ 36,536</u>	<u>\$(19,981)</u>

The permanently restricted net investment loss for the year ended December 31, 2008 was \$(27,443). Five hundred dollars (\$500) was released from permanently restricted funds into unrestricted funds, for the year ended December 31, 2008.

**WOMEN'S INTERNATIONAL LEAGUE  
FOR PEACE AND FREEDOM – US SECTION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

**Note F - Fair Value Measurement**

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets, generally obtained from exchange or dealer markets
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the organization's own data.)

The following tables present the WILPF's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2009.

	Quoted Prices in Active Markets <u>(Level 1)</u>	Total Fair Value
Investments – Mutual Funds	\$ 22,463	\$ 22,463
Beneficial Interest – Perpetual Trust	<u>44,523</u>	<u>44,523</u>
Total Assets at Fair Market Value	\$ <u>66,986</u>	\$ <u>66,986</u>

**WOMEN'S INTERNATIONAL LEAGUE  
FOR PEACE AND FREEDOM – US SECTION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

**Note G – Investment Return**

Components of investment return for the year ended December 31, 2009 are as follows:

	<u>Unrestricted Investments</u>	<u>Permanently Restricted Beneficial Interest</u>
Interest and dividends	\$ 529	\$ 581
Unrealized gain	4,376	18,495
Realized gain	-	(7,587)
Investment expenses	<u>-</u>	<u>(3,000)</u>
Investment income	<u>\$ 4,905</u>	<u>\$ 8,487</u>
Total Investment income		<u>\$ 13,392</u>

**Note H- Property and Equipment**

Property and equipment are recorded at cost and consist of the following as of December 31, 2009:

Office equipment and furniture	\$ 24,260
Less: Accumulated depreciation	<u>(14,347)</u>
Property and equipment, net	<u>\$ 9,913</u>

**Note I- Related Party Transactions**

WILPF provides assessment contributions to the Women's International League for Peace and Freedom international headquarters. Contributions were \$37,716 for the year ended December 31, 2009.

WILPF receives support from the affiliated not-for-profit organization, Jane Addams Peace Association, Inc. (JAPA). JAPA was established as an IRS Sec 501 (c) (3) educational fund to support WILPF's mission. Contributions are received by JAPA from individuals and foundations that have designated that their funds be used for WILF's educational programs. Contributions received from JAPA during the years ended December 31, 2009 were \$98,013. Accounts receivable from JAPA, as of December 31, 2009, were \$121,603.

**WOMEN'S INTERNATIONAL LEAGUE  
FOR PEACE AND FREEDOM – US SECTION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

**Note J- Lease Commitments**

WILPF is committed to lease for office through May 31, 2010 for \$500 per month. Total rent expense was \$7,200. The following is a summary of future lease payments for the office lease.

2010	<u>\$2,500</u>
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**Note K- Accrued Compensated Absences**

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

**Note L- Temporarily Restricted Net Assets**

Temporarily restricted net assets of \$40,055 were available for Advancing Women as Peacemakers, at December 31, 2009.

**Note M- Concentration of Contributions**

WILPF received 30% of its support from JAPA, during 2009 (refer to Note I). A material decline in the amount of support received from JAPA would adversely affect WILPF's ability to continue its program.

**Note N – Subsequent Events**

In May 2009, the FASB issued Statement No. 165, "Subsequent Events" (FAS 165), to incorporate the accounting and disclosure requirements for subsequent events into US GAAP. FAS 165 introduces new terminology, defines a date through which management must evaluate subsequent events, and lists the circumstances under which an entity must recognize and disclose events or transactions occurring after the statement of financial position date.

WILPF evaluated its December 31, 2009 financial statements for subsequent events through October 4, 2010, the date the financial statements were available to be issued. The organization is not aware of any subsequent events which would require recognition or disclosure in the financial statements, except for the following:

In June of 2010, JAPA paid \$ 193,985 in contributions and reimbursements to WILPF, upon the sale of a building and improvements that were owned by JAPA and that had previously been the headquarters of WILPF.