

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

Financial Statements

and

Independent Auditors' Report

December 31, 2015

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Ingle & Associates LLC
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Women's International League for Peace and Freedom, US Section
Boston, Massachusetts

We have audited the accompanying statement of financial position of Women's International League for Peace and Freedom, US Section (a non-profit organization) as of December 31, 2015, and the related statements of activities and cash flows for the year then ended and the related notes to the financial statements.

Management 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on my audits. We conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 and fair presentation 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 includes 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. Our responsibility is to express an opinion on these financial statements based on our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the Women's International League for Peace and Freedom, US Section as of December 31, 2015, and the results of its activities, 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.

Ingle & Associates LLC

Ingle & Associates, LLC.
January 12, 2017

Women's International League for Peace and Freedom, US Section

Statement of Financial Position

December 31, 2015

Assets

Current Assets:

Cash, including restricted cash of \$12,733	\$ 127,000
Contributions receivable	55,793
Prepaid expenses	15,689
Deposits	<u>1,478</u>

Total Current Assets 199,960

Property and equipment, net of accumulated depreciation 20,979

Investments, at fair market value 95,576

Total Assets \$ 316,515

Liabilities and Net Assets

Current Liabilities:

Accounts payable	\$ 869
Accrued expenses	685
Deferred revenue	-
Notes payable	<u>12,000</u>

Total Current Liabilities 13,554

Net Assets:

Unrestricted	290,228
Temporarily restricted	<u>12,733</u>

Total Net Assets 302,961

Total Liabilities and Net Assets \$ 316,515

See accompanying notes to financial statements
and independent auditor's report.

Women's International League for Peace and Freedom, US Section .

Statement of Activities
Year ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and Support:			
Contributions and grants	\$ 367,566	\$ 4,711	\$ 372,277
Membership dues	22,088	-	22,088
Program service revenue	13,491	-	13,491
Bequest income	11,319	-	11,319
Investment income	2,291	-	2,291
Unrealized loss on investments	(3,322)	-	(3,322)
Net assets released from restrictions	14,754	(14,754)	-
	<hr/>	<hr/>	<hr/>
Total Revenues and Support	428,187	(10,043)	418,144
	<hr/>	<hr/>	<hr/>
Expenses:			
Program services	206,184	-	206,184
Management and general	187,505	-	187,505
Fundraising	18,785	-	18,785
	<hr/>	<hr/>	<hr/>
Total Expenses	412,474	-	412,474
	<hr/>	<hr/>	<hr/>
Change in Net Assets	15,713	(10,043)	5,670
Net Assets, beginning of year	274,515	22,776	297,291
	<hr/>	<hr/>	<hr/>
Net Assets, end of year	\$ 290,228	\$ 12,733	\$ 302,961
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to financial statements
and independent auditor's report.

Women's International League for Peace and Freedom, US Section

Statement of Cash Flows
Year ended December 31, 2015

Cash Flows from Operating Activities:	
Change in net assets	\$ 5,670
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation expense	3,932
Unrealized loss on investments	3,322
Non-cash contributions	(21,543)
Changes in assets and liabilities:	
Contributions receivable	2,406
Prepaid expenses	(5,715)
Accounts payable	(18,097)
Accrued expenses	(7,615)
Deferred revenue	<u>8,758</u>
Net Cash Used By Operating Activities	<u>(28,882)</u>
Cash Flows from Investing Activities:	
Purchase of equipment	(19,469)
Certificate of deposit maturing	50,067
Reinvested investment income	<u>(330)</u>
Net Cash Provided By Investing Activities	<u>30,268</u>
Net Increase in Cash	1,386
Cash, beginning of year	<u>125,614</u>
Cash, end of year	<u><u>\$ 127,000</u></u>

See accompanying notes to financial statements
and independent auditor's report.

Women's International League for Peace and Freedom, US Section

Statement of Functional Expenses
Year ended December 31, 2015

	<u>Program</u> <u>Services</u>	<u>Management</u> <u>and General</u>	<u>Fundraising</u>	<u>Total</u>
Staff costs	\$ 10,704	\$ 20,716	\$ 3,216	\$ 34,636
Events and initiatives	80,637	-	-	80,637
IT Services	39,376	-	-	39,376
International contribution	25,000	-	-	25,000
Branch and committee support	23,344	-	-	23,344
Governance expense	-	378	-	378
Organizational development consult	-	129,382	-	129,382
Legal and accounting	-	7,758	-	7,758
Travel	11,554	608	-	12,162
Publications	4,600	-	4,600	9,200
Printing	8,968	-	8,968	17,936
Postage	2,001	211	2,001	4,213
Office expense	-	2,135	-	2,135
Rent	-	9,936	-	9,936
Telephone	-	2,301	-	2,301
Insurance	-	2,905	-	2,905
Bank charges	-	7,243	-	7,243
Depreciation	-	3,932	-	3,932
Total	<u>\$ 206,184</u>	<u>\$ 187,505</u>	<u>\$ 18,785</u>	<u>\$ 412,474</u>

See accompanying notes to financial statements
and independent auditor's report.

Women's International League for Peace and Freedom – US Section

Notes to Financial Statements
Year ended December 31, 2015

A. The Organization and Significant Accounting Policies:

Organization -

The Women's International League for Peace and Freedom ("WILPF") works to achieve, through peaceful means, world disarmament, and full rights for women, racial, and economic justice, and an end to all forms of violence, and to establish those political, social, and psychological conditions which can assure peace and freedom, and justice for all. WILPF has international headquarters in Geneva, Switzerland and sections in 37 countries.

The Women's International League for Peace and Freedom, US Section, was organized in 1915 as a not-for profit organization. The US Section was incorporated under Pennsylvania law and is currently physically located in Boston, Massachusetts. In addition to international branch offices WILPF has various branch offices located all over the United States. These financial statements only include the results of operations of the Boston based WILPF - US Section headquarters and do not include any of the other United States based branches. Herein after WILPF – US Section is referred to as "the Organization."

Basis of Accounting -

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

Financial Statement Presentation -

The Organization reports information regarding its financial position and activities according to three classes of net assets (unrestricted, temporarily restricted, and permanently restricted) based upon the existence or absence of donor imposed restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as an increase in temporarily restricted net assets. Contributions requiring that the principal be invested in perpetuity and the income only be utilized for purposes specified by the donor are classified as permanently restricted net assets.

When a temporary 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." Temporarily restricted contributions are reported as unrestricted when the restrictions have been met in the same accounting period.

Notes to Financial Statements
Year ended December 31, 2015

A. The Organization and Significant Accounting Policies, continued:

Cash and Cash Equivalents -

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to cash and are so near maturity that fluctuations in interest rates lead to insignificant risk of changes in investment value. The Organization had no cash equivalents at December 31, 2015.

Investments -

The Organization carries investments in marketable securities at their fair value. Unrealized gains and losses are included in the change in net assets in the accompanying financial statements. GAAP establishes a fair value hierarchy that prioritizes the methodology used to measure fair value. The hierarchy consists of three broad levels: Level 1 inputs consists of unadjusted quoted prices in active markets for identical assets while

Level 3 inputs consisting of unobservable measurements have the lowest priority. All of the Organization's investments are based on Level 1 inputs.

Property and Equipment -

Property and equipment is carried at cost, except donated equipment is recorded at estimated fair value on the date the property is received. Equipment and furniture are depreciated over their estimated useful lives using the straight line-method.

Income Taxes -

The Organization is exempt from federal income taxes under Section 501(c)(4) of the United States Internal Revenue Code. Under this code section, not-for-profit organizations may inform the public on controversial subjects and attempt to influence legislation relevant to its program and, unlike 501(c)(3) organizations, they may also participate in political campaigns and elections, as long as their primary activity is the promotion of social welfare. Contributions to 501(c)(4) organizations are usually not deductible as charitable contributions for U.S. federal income tax purposes.

Management has reviewed the tax positions taken in previously filed information returns and as reflected in its financial statements, with regard to issues affecting its tax exempt status, unrelated business income, and related matters. It believes that in the event of an examination by taxing authorities, its positions would prevail based upon the technical merits of such positions.

Women's International League for Peace and Freedom – US Section

Notes to Financial Statements
Year ended December 31, 2015

A. The Organization and Significant Accounting Policies, continued:

Revenue Recognition -

The Organization recognizes grants and contributions as revenue when they are received or unconditionally pledged. Revenue from membership dues is recognized over the applicable membership period.

Donated Goods and Services -

Donated services are recognized as contributions if the services require specialized skills which are provided by people who possess those skills. Materials should be recognized as contributions if the values can be reasonably estimated.

Use of Estimates -

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures 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.

B. Investments:

The Organization owns marketable securities which are recorded at fair market value based on the information provided by the publically traded mutual fund. The following tabulation summarizes the relationship between the cost and the market value of the investments at December 31, 2015:

	<u>Cost</u>	<u>FMV</u>	<u>Unrealized Gain</u>
PAX Global Women's Equity Fund	\$ <u>78,922</u>	\$ <u>95,576</u>	\$ <u>19,956</u>

C. Property and Equipment:

Property and equipment consists of the following at December 31, 2015:

Equipment	\$ 27,716
Furniture	<u>1,690</u>
	29,406
Less: Accumulated depreciation	<u>8,427</u>
	\$ <u>20,979</u>

Women's International League for Peace and Freedom – US Section

Notes to Financial Statements
Year ended December 31, 2015

D. Notes Payable:

The Organization entered into three non-interest bearing loans to help pay for legal and accounting fees associated with the separation of the Organization from Jane Addams Peace Association (JAPA), its former fiscal sponsor. As of December 31, 2015 a total of \$12,000 was due under these note agreements. The notes are due and payable to the lenders after repayment of the aforementioned legal and accounting fees and before any other disposition of that money.

E. Temporarily Restricted Net Assets:

Temporarily restricted net assets are those amounts with donor restrictions which have not yet been expended for their designated purpose or unconditional promises to give that have not yet been received. The following is a summary of temporarily restricted net assets at December 31, 2015:

Disarm committee fund	\$ 7,735
Mini-grants	3,872
Middle East committee fund	<u>1,126</u>
Total	<u>\$ 12,733</u>

E. Temporarily Restricted Net Assets, continued:

During the year ended December 31, 2015 there were releases from restriction for costs incurred in conjunction with the above programs totaling \$14,754.

F. Related Party Transactions:

The Organization received support from an affiliated not-for-profit organization, Jane Addams Peace Association, Inc. (JAPA) who was established as a 501(c)(3) educational fund to act as a conduit for contributions from individuals and foundations that have designated that their funds support the mission of the Organization. This relationship was terminated in 2013. Contributions received from JAPA during the year ended December 31, 2014 amounted to \$4,390. There is a dispute regarding funds collected by JAPA in previous years that were not released to WILPF. A receivable for these amounts has not been recorded because there is no certainty as to collection.

The Organization provides contributions to the Women's International League for Peace and Freedom international headquarters. Contributions were \$25,000 for the year ended December 31, 2015.

The Organization issues rebates to local WILPF branches when members sign up or renew their membership. Total rebates paid to local WILPF branches in 2015 amounted to \$300.

Women's International League for Peace and Freedom – US Section

Notes to Financial Statements
Year ended December 31, 2015

G. Fiscal Sponsor:

In August of 2013, the Organization entered into an agreement with Peace Development Fund (“PDF”) in which PDF agreed to act as a fiscal sponsor for the Organization. PDF is an independent 501(c)(3) organization that provides grants to a wide number of social causes. All grants and contributions received by PDF on behalf of the Organization are subject to a 7.5% administration fee. Total contributions and grants raised through PDF, net of fees for the year ended December 31, 2015 amounted to \$27,608.

H. Lease Commitments:

The Organization has a lease commitment for an office space in Boston, Massachusetts. Lease expense for the year ended December 31, 2015 was \$9,936.

I. Defined Contribution Plan:

The Organization has a 403(b) Plan in which all full time employees are eligible to participate. As per the Plan, the Organization contributes up to 3% of an employee's salary per year. During the year ended December 31, 2015, plan contributions totaled \$560.

J. Subsequent Events:

The Organization has evaluated all subsequent events through January 12, 2017 the date the financial statements were available to be issued and determined there were no events that required disclosure.