



Sonnenberg & Company, CPAs

A Professional Corporation

5190 Governor Drive, Suite 201, San Diego, California 92122

Phone: (858) 457-5252 • (800) 464-4HOA • Fax: (858) 457-2211 • (800) 303-4FAX



Leonard C. Sonnenberg, CPA

**Swedish Women's Educational
Association International, Inc.
Audited Financial Statements
December 31, 2008**

Contents

	Page No.
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6 – 9
SUPPLEMENTARY INFORMATION	
Schedule of Changes in Net Assets	10



Sonnenberg & Company, CPAs

A Professional Corporation

5190 Governor Drive, Suite 201, San Diego, California 92122

Phone: (858) 457-5252 • (800) 464-4HOA • Fax: (858) 457-2211 • (800) 303-4FAX



Leonard C. Sonnenberg, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Swedish Women's Educational Association International, Inc.

We have audited the accompanying statement of financial position of Swedish Women's Educational Association International, Inc. ("SWEA", a California nonprofit organization), as of December 31, 2008, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of SWEA's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from SWEA's December 31, 2007 financial statements and, in our report dated March 14, 2008 we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with U. S. generally accepted auditing standards. 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 SWEA as of December 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with U. S. generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph taken as a whole. The accompanying supplementary information is presented for purpose of additional analysis and is not a required part of the above financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements referred to above and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

April 13, 2009


Sonnenberg & Company, CPAs

SWEDISH WOMEN'S EDUCATIONAL ASSOCIATION INTERNATIONAL, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2008
(With comparative totals at December 31, 2007)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2008</u>	<u>2007</u>
Assets				
Cash and cash equivalents	\$ 183,762	\$ 7,500	\$ 191,262	\$ 227,119
Accounts receivable			-	19,420
Investments		480,136	480,136	684,226
Inventories	720		720	4,713
Equipment and property	24,157		24,157	24,157
Less: accumulated depreciation	<u>(23,280)</u>		<u>(23,280)</u>	<u>(21,698)</u>
Total assets	<u>\$ 185,359</u>	<u>\$ 487,636</u>	<u>\$ 672,995</u>	<u>\$ 937,937</u>
Liabilities and net assets				
Liabilities				
Accounts payable	\$ 5,116	\$	\$ 5,116	\$ 39,123
Accrued liabilities	7,680		7,680	12,001
Deferred revenue	<u>11,580</u>		<u>11,580</u>	<u>6,550</u>
Total liabilities	<u>24,376</u>	<u>-</u>	<u>24,376</u>	<u>57,674</u>
Net Assets				
Unrestricted - undesignated	131,445		131,445	140,834
Unrestricted - board designated	29,538		29,538	30,393
Temporarily restricted		<u>487,636</u>	<u>487,636</u>	<u>709,036</u>
Total net assets	<u>160,983</u>	<u>487,636</u>	<u>648,619</u>	<u>880,263</u>
Total liabilities and net assets	<u>\$ 185,359</u>	<u>\$ 487,636</u>	<u>\$ 672,995</u>	<u>\$ 937,937</u>

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

SWEDISH WOMEN'S EDUCATIONAL ASSOCIATION INTERNATIONAL, INC.

STATEMENT OF ACTIVITIES

For the year ended December 31, 2008

(With comparative totals for the year ended December 31, 2007)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2008</u>	<u>2007</u>
Revenue and support				
Membership dues and fees	\$ 163,431	\$	\$ 163,431	\$ 163,963
Advertising	62,105		62,105	57,640
Contributions	10,000	11,690	21,690	48,026
Interest and dividends	1,394	37,408	38,802	53,489
Miscellaneous income	416		416	1,515
Realized investment (loss)		(2,083)	(2,083)	-
Foreign currency exchange gain (loss)	(9,214)		(9,214)	2,226
Net assets released from restriction:	34,825	(34,825)	-	-
Total revenue and support	<u>262,957</u>	<u>12,190</u>	<u>275,147</u>	<u>326,859</u>
Expenses				
Program expenses	209,013		209,013	218,327
Management and general	64,188		64,188	67,419
Total expenses	<u>273,201</u>		<u>273,201</u>	<u>285,746</u>
Revenue over (under) Expenses	(10,244)	12,190	1,946	41,113
Unrealized investment (loss)		(233,590)	(233,590)	(514)
Change in net assets	(10,244)	(221,400)	(231,644)	40,599
Net assets, beginning of year	<u>171,227</u>	<u>709,036</u>	<u>880,263</u>	<u>839,664</u>
Net assets, end of year	<u>\$ 160,983</u>	<u>\$ 487,636</u>	<u>\$ 648,619</u>	<u>\$ 880,263</u>

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

SWEDISH WOMEN'S EDUCATIONAL ASSOCIATION INTERNATIONAL, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2008

(With comparative totals for the year ended December 31, 2007)

	<u>Program Services</u>	<u>Management and General</u>	<u>Total Expenses</u>	
			2008	2007
Newsletter	\$ 75,567	\$	\$ 75,567	\$ 62,280
Salaries and related costs	27,829	27,829	55,658	60,260
Consulting	31,345		31,345	36,618
Annual meeting	24,957		24,957	27,046
Sigrid Paskell scholarship award	12,969		12,969	13,666
Professional fees		12,409	12,409	7,806
Literature scholarship award	10,994		10,994	10,942
Intercultural scholarship award	10,239		10,239	11,481
Travel-chapter visits and regional meetings	7,177		7,177	11,801
Internet Web site	4,976		4,976	2,175
Rent		4,080	4,080	4,080
Bank charges		3,736	3,736	3,625
Telephone and fax		3,250	3,250	3,941
Contributions and gifts		5,634	5,634	1,712
Bad debt expense			-	1,350
Insurance	1,874	404	2,278	2,275
Publicity		1,891	1,891	1,712
Depreciation		1,582	1,582	3,824
Database		1,290	1,290	2,580
Woman of the year	1,086		1,086	536
Office supplies		1,055	1,055	1,201
Postage and delivery		463	463	1,522
Repairs and maintenance		348	348	-
Printing		160	160	3,413
Dues and subscriptions		57	57	130
Travel fund expenses			-	7,750
Globala Nomader award			-	2,020
Total 2008 functional expenses	\$ 209,013	\$ 64,188	\$ 273,201	
Total 2007 functional expenses	\$ 218,327	\$ 67,419		\$ 285,746

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

SWEDISH WOMEN'S EDUCATIONAL ASSOCIATION INTERNATIONAL, INC.
STATEMENT OF CASH FLOWS
For the year ended December 31, 2008
(With comparative totals for the year ended December 31, 2007)

	2008	2007
Cash flows from operating activities:		
Change in net assets	\$ (231,644)	\$ 40,599
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized loss on investments	233,590	-
Depreciation	1,582	3,824
Changes in operating assets and liabilities:		
Decrease in accounts receivables	19,420	7,619
Decrease in prepaid expenses	-	15,724
Decrease in inventories	3,993	316
Increase (decrease) in accounts payable	(34,007)	5,171
Increase (decrease) in accrued liabilities	(4,321)	1,581
Increase in deferred revenue	5,030	6,550
Net cash provided (used) by operating activities	(6,357)	81,384
Cash flows from investing activities:		
Reinvestment of securities, net	(29,500)	6,531
Net cash provided (used) by investing activities	(29,500)	6,531
Net increase (decrease) in cash and cash equivalents	(35,857)	87,915
Cash and cash equivalents, beginning of year	227,119	139,204
Cash and cash equivalents, end of year	\$ 191,262	\$ 227,119

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

SWEDISH WOMEN'S EDUCATIONAL ASSOCIATION INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

Note 1. Organization and Nature of Activities

Swedish Women's Educational Association International, Inc. (SWEA) is an educational and charitable corporation, founded in Los Angeles in 1979, pursuant to the General Nonprofit Corporation Law of the State of California. SWEA has expanded into a worldwide organization with steadily growing membership. There are approximately 8,000 members in 78 local chapters in 34 countries. Chapters are established in North America, South America, Europe, Asia, South Africa, and Australia. SWEA is mainly supported by chapter affiliation fees.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

SWEA's financial statements have been prepared on the accrual basis of accounting.

Accounting

To ensure observance of certain constraints and restrictions placed on the use of resources, the financial statements of SWEA are prepared in accordance with Financial Accounting Standards Board ("FASB") Statement No. 117, *Financial Statements of Non-Profit Organizations*. FASB No. 117 requires that net assets and revenue, gains, expenses and losses be classified as unrestricted, temporarily restricted, and permanently restricted based upon the following criteria:

Unrestricted. These generally result from revenues generated by receiving unrestricted contributions, providing services, and receiving interest from investments less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Unrestricted Board Designated. These are comprised of resources that the Board of Directors has established as being designated for particular purposes. For purposes of complying with net assets accounting, this fund is included in unrestricted net assets at December 31, 2008.

Temporarily Restricted. SWEA reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from program or capital restrictions. SWEA had \$487,636 in temporarily restricted net assets at December 31, 2008.

SWEDISH WOMEN'S EDUCATIONAL ASSOCIATION INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

Note 2. Summary of Significant Accounting Policies, continued

Accounting, continued

Permanently Restricted. These net assets are restricted by donors who stipulate that resources are to be maintained permanently, but permit SWEA to expend all of the income (or other economic benefits) derived from the donated assets. SWEA had no permanently restricted net assets at December 31, 2008.

Income Taxes

SWEA is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

Cash and Cash Equivalents

SWEA has defined cash and cash equivalents as cash in banks and certificates of deposits with an original maturity of six months or less. SWEA holds 3%, approximately \$5,800, of its cash in accounts outside the United States.

Foreign Currency

The financial activities of the cash accounts held outside the United States are recorded and maintained in U.S. dollars. Contributions, chapter affiliation and advertising fees received and expenses paid in foreign currencies are recorded in U.S. dollars using the exchange rate applicable on the date of the transactions. The statement of financial position reflects the value of foreign currency accounts in U.S. dollars using the exchange rate as of December 30, 2008. The exchange differences are recorded in the statement of activities as foreign currency exchange gain or loss.

Investments

SWEA values its investments at fair value. Unrealized gains or losses (including investments bought, sold and held during the year) are reflected in the statement of activities as gain or loss on investments. Short-term highly liquid money market deposits that are not used for operations are treated as investments. These funds may fluctuate in value, are subject to market risk and are not insured by the Federal Deposit Insurance Corporation (FDIC).

Inventory

Inventory consists primarily of office stationery supplies. Inventories are valued at the lower of cost (using a method of approximating the average cost method) or market.

SWEDISH WOMEN'S EDUCATIONAL ASSOCIATION INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

Note 2. Summary of Significant Accounting Policies, continued

Property and Equipment

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to five hundred dollars and the useful life is greater than one year.

Depreciation expense for the year ended December 31, 2008, amounted to \$1,582

Donated Materials and Services

Donated services are recognized as contributions in accordance with FASB Statement No. 116, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by SWEA. Volunteers provide services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under FASB Statement No. 116 were not met.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amount assets, liabilities, revenues, and expenses as of the date and for the period presented.

Comparative Totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with SWEA's financial statements for the year ended December 31, 2007 from which the summarized information was derived.

Functional Allocation of Expenses

Costs of providing SWEA's programs and other activities have been presented in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

SWEDISH WOMEN'S EDUCATIONAL ASSOCIATION INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

Note 3. Investments

Investments at December 31, 2008, consist of the following:

Equity funds	\$228,480
Bond funds	238,735
Cash and money market funds	<u>12,921</u>
	<u>\$480,136</u>

Note 4. Net Asset Restrictions

Unrestricted-Board Designated

Unrestricted-Board Designated net assets at December 31, 2008 consist of the following:

Travel Fund	<u>\$ 29,538</u>
-------------	------------------

Temporarily Restricted

Temporarily restricted net assets at December 31, 2008 consist of the following:

Intercultural Fund	\$171,715
Sigrid Paskell Fund	155,349
Literature Scholarship Fund	153,072
2009 Annual Meeting	<u>7,500</u>
	<u>\$487,636</u>

These funds are restricted for future awards, scholarships and annual meeting expenses.

Note 5. SWEA Regional Entities

SWEA has seven regional entities that maintain separate accounting records. Total revenues and assets for those entities for the year ended December 31, 2008 were \$56,129 and \$84,305, respectively. These amounts are not included in SWEA's statements of activities and financial position for the year ended December 31, 2008.

SUPPLEMENTARY INFORMATION

SWEDISH WOMEN'S EDUCATIONAL ASSOCIATION INTERNATIONAL, INC.

**Supplementary Information
Schedule of Changes in Net Assets
For the year ended December 31, 2008**

<u>Unrestricted</u>	<u>1/1/2008</u>		<u>Additions</u>	<u>(Deletions)</u>	<u>12/31/2008</u>
	<u>Beginning</u>				<u>Ending</u>
Board Designated					
Travel Fund	\$ 27,538	\$ 2,000	\$ -	\$ -	\$ 29,538
Thai-Sweden Children Foundation	2,855	-	(2,855)	-	-
Total Board Designated	<u>30,393</u>	<u>2,000</u>	<u>(2,855)</u>	<u>29,538</u>	<u>29,538</u>
Undesignated	<u>140,834</u>	<u>260,957</u>	<u>(270,346)</u>	<u>131,445</u>	<u>131,445</u>
Total Unrestricted	<u>\$ 171,227</u>	<u>\$ 262,957</u>	<u>\$ (273,201)</u>	<u>\$ 160,983</u>	<u>\$ 160,983</u>
<u>Temporarily Restricted</u>					
Intercultural Fund	\$ 252,327	\$ 14,483	\$ (95,095)	\$ -	\$ 171,715
Sigrid Paskell Fund	230,227	14,694	(89,572)	-	155,349
Literature Scholarship Fund	226,482	11,786	(85,196)	-	153,072
2009 Annual Meeting	<u>-</u>	<u>7,500</u>	<u>-</u>	<u>7,500</u>	<u>7,500</u>
Total Temporarily Restricted	<u>\$ 709,036</u>	<u>\$ 48,463</u>	<u>\$ (269,863)</u>	<u>\$ 487,636</u>	<u>\$ 487,636</u>

See Independent Auditor's Report