

WORLD FEDERALIST ASSOCIATION
(dba Citizens for Global Solutions Education Fund)

COMBINED FINANCIAL STATEMENTS
WITH COMBINING INFORMATION

September 30, 2018 and 2017

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
World Federalist Association
Washington, D.C.

We have reviewed the accompanying combined financial statements of World Federalist Association, which comprise the combined statements of assets, liabilities, and net assets – modified cash basis as of September 30, 2018 and 2017, and the related combined statements of revenue and expenses – modified cash basis for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the combined financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the combined financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying combined financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the combined financial statements, which describes the basis of accounting. The combined financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

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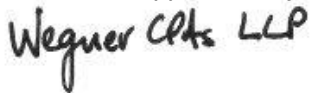
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Supplementary Information

The combining schedules of assets, liabilities, and net assets – modified cash basis and revenue and expenses – modified cash basis are presented for purposes of additional analysis and are not a required part of the combined financial statements. 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 combined financial statements. The supplementary information has been subjected to the review procedures applied in our review of the combined financial statements. We have not audited the supplementary information and do not express an opinion on such information.

A handwritten signature in black ink that reads "Wegner CPAs LLP". The signature is written in a cursive, slightly slanted style.

Wegner CPAs, LLP
Alexandria, Virginia
February 2, 2019

WORLD FEDERALIST ASSOCIATION
 COMBINED STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
 September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash	\$ 77,232	\$ 83,748
Investments	<u>48,348</u>	<u>17,116</u>
Total assets	<u>\$ 125,580</u>	<u>\$ 100,864</u>
LIABILITIES	\$ -	\$ -
NET ASSETS		
Unrestricted	<u>125,580</u>	<u>100,864</u>
Total liabilities and net assets	<u>\$ 125,580</u>	<u>\$ 100,864</u>

See accompanying notes and independent accountant's review report.

WORLD FEDERALIST ASSOCIATION
COMBINED STATEMENTS OF REVENUE AND EXPENSES - MODIFIED CASH BASIS
Years Ended September 30, 2018 and 2017

	2018	2017
REVENUE		
Contributions	\$ 244,958	\$ 189,205
Investment return	424	(15)
Miscellaneous	3,119	10,512
Total revenue	248,501	199,702
EXPENSES		
Personnel	3,856	3,192
Professional fees	72,424	62,550
Office expenses	7,789	7,562
Insurance	2,673	7,437
Occupancy	22,165	11,460
Information technology	21,284	13,044
Travel	584	1,344
Miscellaneous	3,653	95
Grants and assistance	69,500	58,500
Dues and subscriptions	4,357	1,700
Debt repayment	15,500	8,000
Total expenses	223,785	174,884
Change in net assets	24,716	24,818
Net assets - beginning of year	100,864	76,046
Net assets - end of year	\$ 125,580	\$ 100,864

See accompanying notes and independent accountant's review report.

WORLD FEDERALIST ASSOCIATION
NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2018 and 2017

World Federalist Association, doing business as Citizens for Global Solutions Education Fund, is a not-for-profit organization that works to promote a future in which nations work together to abolish war, protect rights and freedoms, and solve the problems facing humanity that no nation can solve alone. This requires effective democratic global institutions that will apply the rule of law while respecting the diversity and autonomy of national and local communities.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Combination

The combined financial statements include the financial statements of the World Federalist Association and Citizens for Global Solutions, Inc., which are related through common management. All material intra-entity transactions have been eliminated.

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Modifications to the cash basis of accounting include recording cash purchases of investments in marketable securities as assets and adjusting the investments' carrying amounts to fair value. Accordingly, revenue is recorded when received rather than when earned and expenses are recorded when paid rather than when the obligation is incurred.

Investments

The Organization reports investments in marketable equity securities with readily determinable fair values and all investments in debt securities at their fair values in the combined statements of assets, liabilities, and net assets – modified cash basis. Unrealized gains and losses are included in the change in net assets in the accompanying combined statements of revenue and expenses – modified cash basis.

Income Tax Status

Citizens for Global Solutions Education Fund is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). Citizens for Global Solutions, Inc. is exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code.

Date of Management's Review

Management has evaluated subsequent events through February 2, 2019, the date which the combined financial statements were available to be issued.

WORLD FEDERALIST ASSOCIATION
NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2018 and 2017

NOTE 2—INVESTMENTS

Investments consist of the following at September 30, 2018 and 2017:

	2018	2017
Money market funds	\$ 45,387	\$ 13,957
Equity funds	1,871	1,981
Corporate bonds	1,090	1,178
Investments	<u>\$ 48,348</u>	<u>\$ 17,116</u>

Investment return is summarized as follows for the years ended September 30, 2018 and 2017:

	2018	2017
Interest	\$ 153	\$ 105
Net realized and unrealized gain (loss)	<u>271</u>	<u>(120)</u>
Investment return	<u>\$ 424</u>	<u>\$ (15)</u>

NOTE 3—FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at September 30, 2018 and 2017 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity funds	\$ 1,871	\$ 1,871	\$ -	\$ -
Corporate bonds	<u>1,090</u>	<u>1,090</u>	<u>-</u>	<u>-</u>
September 30, 2018	<u>\$ 2,961</u>	<u>\$ 2,961</u>	<u>\$ -</u>	<u>\$ -</u>
Equity funds	\$ 1,981	\$ 1,981	\$ -	\$ -
Corporate bonds	<u>1,178</u>	<u>1,178</u>	<u>-</u>	<u>-</u>
September 30, 2017	<u>\$ 3,159</u>	<u>\$ 3,159</u>	<u>\$ -</u>	<u>\$ -</u>

Fair values for equity funds and corporate bonds are determined by reference to quoted market prices and other relevant information generated by market transactions.

WORLD FEDERALIST ASSOCIATION
NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2018 and 2017

NOTE 4—FUNCTIONAL CLASSIFICATION OF EXPENSES

Expenses by function for the years ended September 30, 2018 and 2017 were as follows:

	<u>2018</u>	<u>2017</u>
Program services	\$ 97,400	\$ 81,376
Supporting activities		
Management and general	111,029	81,982
Fundraising	<u>15,356</u>	<u>11,526</u>
Total expenses	<u>\$ 223,785</u>	<u>\$ 174,884</u>

NOTE 5—LEASE

In August 2017, the Organization entered into a lease for office space in Washington, D.C. that expires on July 31, 2020. The lease requires monthly payments of \$1,300, increasing 4% every August. Rent expense for the years ended September 30, 2018 and 2017 were \$16,900 and \$2,600, respectively. Future minimum payments on the Organization's office lease for the years ending September 30 are as follows:

2019	\$ 16,332
2020	<u>14,060</u>
	<u>\$ 30,392</u>

NOTE 6—RELATED PARTY TRANSACTIONS

The Organization is related to World Federalist Association Endowment Fund Trust (WFAEFT), a not-for-profit organization that provides support for the Organization's operations. The Organization has an economic interest in WFAEFT and controls WFAEFT through a majority voting interest in its governing body. The Organization granted out \$69,500 and \$58,500 to WFAEFT during the years ended September 30, 2018 and 2017.

NOTE 7—DUE TO WORKABLE WORLD TRUST

During the year ended September 30, 2016, the Organization received a \$30,000 grant from the Workable World Trust (WWT) restricted for use on the Global Town Hall. Due to the Organization not being able to carry out the purpose of the grant, the funds received are now being paid back to WWT. Amounts due to WWT at September 30, 2017 total \$22,000. Payments on the balance due to WWT totaled \$15,500 for the year ended September 30, 2018 and are included in debt repayment on the combined statement of revenue and expenses – modified cash basis. As of September 30, 2018, the amount due to WWT has been forgiven.

WORLD FEDERALIST ASSOCIATION
 COMBINING SCHEDULE OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
 September 30, 2018

	Citizens for Global Solutions, Inc.	World Federalist Association	Eliminations	Total
ASSETS				
Cash	\$ 9,265	\$ 67,967	\$ -	\$ 77,232
Investments	-	48,348	-	48,348
Total assets	<u>\$ 9,265</u>	<u>\$ 116,315</u>	<u>\$ -</u>	<u>\$ 125,580</u>
LIABILITIES	\$ -	\$ -	\$ -	\$ -
NET ASSETS				
Unrestricted	<u>9,265</u>	<u>116,315</u>	<u>-</u>	<u>125,580</u>
Total liabilities and net assets	<u>\$ 9,265</u>	<u>\$ 116,315</u>	<u>\$ -</u>	<u>\$ 125,580</u>

See independent accountant's review report.

WORLD FEDERALIST ASSOCIATION
 COMBINING SCHEDULE OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
 September 30, 2017

	Citizens for Global Solutions, Inc.	World Federalist Association	Eliminations	Total
ASSETS				
Cash	\$ 18,645	\$ 65,103	\$ -	\$ 83,748
Investments	-	17,116	-	17,116
Total assets	<u>\$ 18,645</u>	<u>\$ 82,219</u>	<u>\$ -</u>	<u>\$ 100,864</u>
LIABILITIES	\$ -	\$ -	\$ -	\$ -
NET ASSETS				
Unrestricted	<u>18,645</u>	<u>82,219</u>	<u>-</u>	<u>100,864</u>
Total liabilities and net assets	<u>\$ 18,645</u>	<u>\$ 82,219</u>	<u>\$ -</u>	<u>\$ 100,864</u>

See independent accountant's review report.

WORLD FEDERALIST ASSOCIATION
COMBINING SCHEDULE OF REVENUE AND EXPENSES - MODIFIED CASH BASIS
Year Ended September 30, 2018

	Citizens for Global Solutions, Inc.	World Federalist Association	Eliminations	Total
REVENUE				
Contributions	\$ 142,241	\$ 102,717	\$ -	\$ 244,958
Investment return	-	424	-	424
Collection on amount due from affiliate	-	146,000	(146,000)	-
Miscellaneous	-	3,119	-	3,119
Total revenue	142,241	252,260	(146,000)	248,501
EXPENSES				
Personnel	-	3,856	-	3,856
Professional fees	3,367	69,057	-	72,424
Office expenses	-	7,789	-	7,789
Insurance	2,254	419	-	2,673
Occupancy	-	22,165	-	22,165
Information technology	-	21,284	-	21,284
Travel	-	584	-	584
Miscellaneous	-	3,653	-	3,653
Grants and assistance	-	69,500	-	69,500
Dues and subscriptions	-	4,357	-	4,357
Debt repayment	146,000	15,500	(146,000)	15,500
Total expenses	151,621	218,164	(146,000)	223,785
Change in net assets	(9,380)	34,096	-	24,716
Net assets - beginning of year	18,645	82,219	-	100,864
Net assets - end of year	<u>\$ 9,265</u>	<u>\$ 116,315</u>	<u>\$ -</u>	<u>\$ 125,580</u>

See independent accountant's review report.

WORLD FEDERALIST ASSOCIATION
COMBINING SCHEDULE OF REVENUE AND EXPENSES - MODIFIED CASH BASIS
Year Ended September 30, 2017

	Citizens for Global Solutions, Inc.	World Federalist Association	Eliminations	Total
REVENUE				
Contributions	\$ 105,528	\$ 83,677	\$ -	\$ 189,205
Investment return	2	(17)	-	(15)
Collection on amount due from affiliate	-	92,014	(92,014)	-
Miscellaneous	130	10,382	-	10,512
Total revenue	105,660	186,056	(92,014)	199,702
EXPENSES				
Personnel	-	3,192	-	3,192
Professional fees	3,875	58,675	-	62,550
Office expenses	331	7,231	-	7,562
Insurance	2,254	5,183	-	7,437
Occupancy	-	11,460	-	11,460
Information technology	-	13,044	-	13,044
Travel	100	1,244	-	1,344
Miscellaneous	-	95	-	95
Grants and assistance	-	58,500	-	58,500
Dues and subscriptions	92,014	1,700	(92,014)	1,700
Debt repayment	-	8,000	-	8,000
Total expenses	98,574	168,324	(92,014)	174,884
Change in net assets	7,086	17,732	-	24,818
Net assets - beginning of year	11,559	64,487	-	76,046
Net assets - end of year	<u>\$ 18,645</u>	<u>\$ 82,219</u>	<u>\$ -</u>	<u>\$ 100,864</u>

See independent accountant's review report.