



WORLD FEDERALIST ASSOCIATION
(dba Citizens for Global Solutions Education Fund)
CITIZENS FOR GLOBAL SOLUTIONS, INC.
AND
WFA ENDOWMENT FUND

CONSOLIDATED FINANCIAL STATEMENTS
WITH CONSOLIDATING INFORMATION

September 30, 2019

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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 financial statements of World Federalist Association, which comprise the consolidated statement of assets, liabilities, and net assets – modified cash basis as of September 30, 2019, and the related consolidated statements of revenue and expenses – modified cash basis and consolidated statement of functional expenses – modified cash basis for the year 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 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 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 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 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

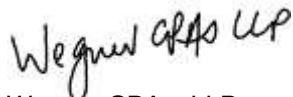
Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The 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.

Consolidating Information

The consolidating 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 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 financial statements. The consolidating information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the consolidating information. We have not audited the consolidating 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, flowing style.

Wegner CPAs, LLP
Alexandria, Virginia
June 9, 2020

WORLD FEDERALIST ASSOCIATION
CONSOLIDATED STATEMENT OF ASSETS, LIABILITIES
AND NET ASSETS - MODIFIED CASH BASIS
September 30, 2019

ASSETS	
Cash	\$ 91,340
Investments	<u>1,799,126</u>
Total assets	<u><u>\$ 1,890,466</u></u>
LIABILITIES	
	\$ -
NET ASSETS	
Without donor restrictions	160,561
With donor restrictions	<u>1,729,905</u>
Total net assets	<u>1,890,466</u>
Total liabilities and net assets	<u><u>\$ 1,890,466</u></u>

See accompanying notes and independent accountant's review report.

WORLD FEDERALIST ASSOCIATION
CONSOLIDATED STATEMENT OF REVENUE AND EXPENSES - MODIFIED CASH BASIS
Year Ended September 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 97,946	\$ 70,000	\$ 167,946
Investment return, net	9,280	233,249	242,529
Miscellaneous	3,922	-	3,922
Total support and revenue	111,148	303,249	414,397
EXPENSES			
Program services	34,875	-	34,875
Management and general	71,294	-	71,294
Fundraising	15,979	-	15,979
Total expenses	122,148	-	122,148
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of purpose restrictions	45,981	(45,981)	-
Change in net assets	34,981	257,268	292,249
Net assets at beginning of year	125,580	1,472,637	1,598,217
Net assets at end of year	<u>\$ 160,561</u>	<u>\$ 1,729,905</u>	<u>\$ 1,890,466</u>

See accompanying notes and independent accountant's review report.

WORLD FEDERALIST ASSOCIATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
Year Ended September 30, 2019

	Program Services	Management and General	Fundraising	Total Expenses
Personnel	\$ 9,036	\$ 3,215	\$ -	\$ 12,251
Professional fees	14,108	40,900	12,190	67,198
Office expenses	1,576	7,447	-	9,023
Insurance	-	3,158	-	3,158
Occupancy	5,515	12,868	-	18,383
Information technology	-	1,463	3,789	5,252
Travel	683	1,685	-	2,368
Miscellaneous	-	558	-	558
Dues and subscriptions	3,957	-	-	3,957
Total expenses	\$ 34,875	\$ 71,294	\$ 15,979	\$ 122,148

See accompanying notes and independent accountant's review report.

WORLD FEDERALIST ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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.

Principles of Consolidation

The consolidated financial statements include the financial statements of the World Federalist Association (WFA), Citizens for Global Solutions, Inc., (CGSI) and World Federalist Association Endowment Fund (WFA Endowment Fund), which are related through common management as well as WFA having an economic interest in WFA Endowment Fund and controls WFA Endowment Fund through a majority voting interest in its governing body. 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 consolidated 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 consolidated statement of revenue and expenses – modified cash basis.

Investment securities, in general, are exposed to various risks, such as interest rates, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the consolidated statement of assets, liabilities, and net assets – modified cash basis.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, which is allocated on the basis of estimates of time and effort.

WORLD FEDERALIST ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax Status

World Federalist Association is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, WFA 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. World Federalist Association Endowment Fund is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Date of Management's Review

Management has evaluated subsequent events through June 9, 2020, the date which the financial statements were available to be issued.

NOTE 2—INVESTMENTS

Investments consist of the following:

Money market funds	\$ 2,201
Fixed income mutual funds	126,490
Equity mutual funds	2,565
Exchange traded funds	<u>1,667,870</u>
Investments	<u><u>\$ 1,799,126</u></u>

NOTE 3—NET ASSETS

Net assets with donor restrictions consist of the following:

Subject to expenditure for specified purpose:	
Executive director salary	\$ 59,019
Subject to WFA's spending policy and appropriation	
Endowment earnings to be used on operations	389,244
Endowment principal to be retained in perpetuity	<u>1,281,642</u>
Net assets with donor restrictions	<u><u>\$ 1,729,905</u></u>

NOTE 4—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 October. Rent expense for the year ended September 30, 2019 was \$14,300. Future minimum payments on the Organization's office lease for the year ending September 30, 2020 is \$14,560.

WORLD FEDERALIST ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2019

NOTE 5—FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis are as follows:

	Assets at Fair Value as of September 30, 2019	
	Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)
Fixed income mutual funds	\$ 126,490	\$ 126,490
Equity mutual funds	2,565	2,565
Exchange traded funds	1,667,870	1,667,870
	<u>\$ 1,796,925</u>	<u>\$ 1,796,925</u>

Fair values for fixed income mutual funds, equity mutual funds, and exchange traded funds are determined by reference to quoted market prices and other relevant information generated by market transactions.

NOTE 6—ENDOWMENT

The Organization's endowment fund is held by WFA Endowment Fund. WFA Endowment Fund's endowment is a donor-restricted fund established to support general operations of WFA. The Trustees of WFA Endowment Fund has enacted Uniform Prudent Management of Institutional Funds Act (UPMIFA) as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, WFA Endowment Fund considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the discretion of the applicable donor gift instrument. WFA Endowment Fund has interpreted UPMIFA to not permit spending from underwater funds.

In accordance with UPMIFA, WFA Endowment Fund considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of WFA Endowment Fund and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of WFA Endowment Fund, and (7) the WFA Endowment Fund's investment policies.

WORLD FEDERALIST ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2019

NOTE 6—ENDOWMENT (continued)

Investment Return Objectives, Risk Parameters, and Strategies. WFA Endowment Fund has adopted investment and spending policies for endowment assets that are directed toward long-term performance and total return, rather than specific income goals. Endowment assets include those assets of donor-restricted funds that WFA Endowment Fund must hold in perpetuity. Under this policy, as approved by the Trustees, the endowment assets are invested in a manner that is intended to provide for growth of capital and produce returns to fund operations, while assuming a moderate level of investment risk. To satisfy its long-term rate-of-return objectives, WFA Endowment Fund relies on a total return strategy in which investment returns are achieved through both realized and unrealized gains/loss and interest and dividends. WFA Endowment Fund targets a diversified asset allocation that places a greater emphasis on fixed income investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy: Absent explicit donor stipulations, WFA Endowment Fund has a policy of allowing for appropriation for distribution each year, subject to Trustee approval. This amount may vary annually depending upon the need to cover WFA expenses. Over time, the WFA Endowment Fund expects its endowment assets to maintain sufficient cash reserves to provide liquidity and to meet needs without loss of capital value of assets. Any undistributed income in excess of amounts required to satisfy the spending rule shall be accumulated and added to the principal. In establishing this policy, WFA Endowment Fund expects to achieve the objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return. WFA Endowment Fund has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations.

Underwater Endowment Funds. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires WFA Endowment Fund to retain as a fund of perpetual duration. At September 30, 2019, there are no donor-restricted endowment funds with deficiencies.

Endowment net asset composition by type of fund is as follows:

Donor-restricted endowment funds:	
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 1,281,642
Accumulated investment gains	389,244
	<u>\$ 1,670,886</u>

Changes in endowment net assets are as follows.

Endowment net assets at beginning of year	\$ 1,472,637
Investment return, net	233,249
Appropriations	(35,000)
Endowment net assets at end of year	<u>\$ 1,670,886</u>

WORLD FEDERALIST ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2019

NOTE 7—LIQUIDITY AND AVAILABILITY

The following table reflects the Organization's financial assets as of the date of the consolidated statement of assets, liabilities, and net assets – modified cash basis reduced by amounts not available for expenditures within one year of the date of the consolidated statement of assets, liabilities, and net assets – modified cash basis because of donor-imposed restrictions:

Financial assets at year-end	\$ 1,890,466
Less those unavailable for general expenditure within one year, due to:	
Restricted by donor with purpose restrictions	(448,263)
Donor-restricted to maintain as an endowment	<u>(1,281,642)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 160,561</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 8—SUBSEQUENT EVENT

The Organization's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption and effect on the Organization is uncertain; however, it may result in a material adverse impact on the Organization's financial position, activities, and cash flows. Possible effects may include, but are not limited to, disruption to the Organization's donors and revenue, absenteeism in the Organization's workforce, unavailability of programs, and a decline in value assets held by the Organization.

WORLD FEDERALIST ASSOCIATION
CONSOLIDATING SCHEDULE OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
September 30, 2019

	Citizens for Global Solutions, Inc.	World Federalist Association	WFA Endowment Fund	Eliminations	Consolidated Total
ASSETS					
Cash	\$ 5,100	\$ 86,240	\$ -	\$ -	\$ 91,340
Investments	-	128,240	1,670,886	-	1,799,126
Total assets	<u>\$ 5,100</u>	<u>\$ 214,480</u>	<u>\$ 1,670,886</u>	<u>\$ -</u>	<u>\$ 1,890,466</u>
LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ -
NET ASSETS					
Without donor restrictions	5,100	155,461	-	-	160,561
With donor restrictions	-	59,019	1,670,886	-	1,729,905
Total net assets	<u>5,100</u>	<u>214,480</u>	<u>1,670,886</u>	<u>-</u>	<u>1,890,466</u>
Total liabilities and net assets	<u>\$ 5,100</u>	<u>\$ 214,480</u>	<u>\$ 1,670,886</u>	<u>\$ -</u>	<u>\$ 1,890,466</u>

WORLD FEDERALIST ASSOCIATION
CONSOLIDATING SCHEDULE OF REVENUE AND EXPENSES - MODIFIED CASH BASIS
Year Ended September 30, 2019

	Citizens for Global Solutions, Inc.	World Federalist Association	WFA Endowment Fund	Eliminations	Total
SUPPORT AND REVENUE					
Contributions	\$ 15,425	\$ 200,007	\$ -	\$ (47,486)	\$ 167,946
Investment return, net	-	9,280	233,249	-	242,529
Miscellaneous	-	3,922	-	-	3,922
Total support and revenue	15,425	213,209	233,249	(47,486)	414,397
EXPENSES					
Personnel	-	12,251	-	-	12,251
Professional fees	1,090	66,108	-	-	67,198
Office expenses	6,014	3,009	-	-	9,023
Insurance	-	3,158	-	-	3,158
Occupancy	-	18,383	-	-	18,383
Information technology	-	5,252	-	-	5,252
Travel	-	2,368	-	-	2,368
Miscellaneous	-	558	-	-	558
Grants and assistance	12,486	-	35,000	(47,486)	-
Dues and subscriptions	-	3,957	-	-	3,957
Total expenses	19,590	115,044	35,000	(47,486)	122,148
Change in net assets	(4,165)	98,165	198,249	-	292,249
Net assets at beginning of year	9,265	116,315	1,472,637	-	1,598,217
Net assets at end of year	<u>\$ 5,100</u>	<u>\$ 214,480</u>	<u>\$ 1,670,886</u>	<u>\$ -</u>	<u>\$ 1,890,466</u>