



**Citizens for
Global Solutions**

World Federalist Association and Affiliates
(dba Citizens for Global Solutions Education Fund)

Consolidated Audited Financial Statements,
Supplemental Information and Independent Auditor's Report

September 30, 2024



Chavan & Associates, LLP

Certified Public Accountants
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World Federalist Association and Affiliates

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September 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
World Federalist Association and Affiliates
(dba Citizens for Global Solutions Education Fund)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of World Federalist Association and Affiliates d/b/a Citizens for Global Solutions Education Fund and its related affiliates, Citizens for Global Solutions, Inc. (CGSI), and WFA Endowment Fund, (collectively, the Organization) which comprise the statement of financial position as of September 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of September 30, 2024 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the



Organization's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating schedules of financial position and activities are presented for purposes of additional analysis and are not required part of the consolidated financial statements. Such information is the responsibility of management and



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was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating schedules of financial position and activities are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

C & A LLP

September 7, 2025
Morgan Hill, California

Consolidated financial statements

World Federalist Association and Affiliates
Consolidated Statement of Financial Position
September 30, 2024

ASSETS

Cash and cash equivalents	\$ 18,433
Investments	<u>3,353,286</u>

Total Assets	<u><u>\$ 3,371,719</u></u>
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LIABILITIES

Accounts payable	<u>\$ 17,025</u>
Total Liabilities	<u>17,025</u>

NET ASSETS

Without donor restrictions:	
Undesignated	<u>429,791</u>
Total without donor restrictions	<u>429,791</u>

With donor restrictions:	
Endowment	2,776,252
Purpose restrictions	<u>148,651</u>
Total net assets with donor restrictions	<u>2,924,903</u>
Total Net Assets	<u>3,354,694</u>

Total Liabilities and Net Assets	<u><u>\$ 3,371,719</u></u>
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The accompanying notes are an integral part of these financial statements.

World Federalist Association and AffiliatesConsolidated Statement of Activities
For the Year Ended September 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions and grants	\$ 88,160	\$ 47	\$ 88,207
Net investment return	13,846	687,763	701,609
Other revenue	24,073	-	24,073
Net assets released from restrictions:			
Satisfaction of program restrictions	105,906	(105,906)	-
 Total Revenue and Support	 231,985	 581,904	 813,889
 EXPENSES			
Program expenses	348,410	-	348,410
Management and general expenses	89,299	-	89,299
Fundraising	29,500	-	29,500
 Total Expenses	 467,209	 -	 467,209
 Change in Net Assets	 (235,224)	 581,904	 346,680
 Total Net Assets - Beginning	 665,015	 2,342,999	 3,008,014
 Total Net Assets - Ending	 \$ 429,791	 \$ 2,924,903	 \$ 3,354,694

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

World Federalist Association and Affiliates

Consolidated Statement of Functional Expenses

For the Year Ended September 30, 2024

	Program	Supporting Services		Total Expenses
		Management and General	Fundraising	
Salaries and benefits	\$ 107,491	\$ 19,909	\$ 10,771	\$ 138,171
Professional fees	188,611	34,619	18,729	241,959
Tech and comm	9,048	-	-	9,048
Occupancy	27,035	-	-	27,035
Office expenses	715	38	-	753
Dues and subscriptions	671	-	-	671
Licenses, taxes and fees	8,138	427	-	8,565
Printing and postage	6,701	351	-	7,052
Travel	-	21,304	-	21,304
Insurance	-	4,934	-	4,934
Other	-	7,717	-	7,717
Total expenses by function	<u>348,410</u>	<u>89,299</u>	<u>29,500</u>	<u>467,209</u>

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

World Federalist Association and Affiliates

Consolidated Statement of Cash Flows

For the Year Ended September 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 346,680
Adjustments to reconcile change in net assets to net cash provided by/used for operating activities:	
Realized and unrealized (gain) loss on investments	(701,609)
Changes in operating assets and liabilities:	
Accounts receivable, net	(17,500)
Prepaid expenses	(5,031)
Accounts payable	11,434
Net cash provided by (used for) operating activities	<u>(366,026)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Transfers from investments	<u>315,742</u>
Net cash provided by (used for) investing activities	<u>315,742</u>

Net change in cash and cash equivalents	(50,284)
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Cash and cash equivalents - beginning of year	<u>68,717</u>
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Cash and cash equivalents - end of year	<u><u>\$ 18,433</u></u>
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The accompanying notes are an integral part of these financial statements.

World Federalist Association and Affiliates

Notes to the Consolidated Financial Statements

For the Year Ended September 30, 2024

NOTE 1 - PRINCIPAL ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

World Federalists Association, doing business as Citizens for global Solutions Education Fund, (WFA) 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 problem facing humanity that no nation can solve alone. This requires effective democratic global institutions that will apply the rule of law which respecting the diversity and autonomy of national and local communities. The WFA is primarily funded through contributions.

Citizens for Global Solutions, Inc. (CGSI) is a not-for-profit organization that aims to advance education and understanding about a federal government for the world and steps towards it. Such a world government would deal with global problems while national governments handle national concerns, much as in the U.S., the federal government undertakes national solutions while the states resolve state problems.

World Federalist Association Endowment Fund is a not-for-profit organization that manages an endowment fund intended to support WFA by providing operating funds and a source of emergency funds when needed.

Principles of Consolidation

The consolidated financial statements include the accounts of the WFA, CGSI, and WFA Endowment Fund (collectively, the Organization). These entities are related through common management. In addition, WFA has an economic interest and has a majority voting interest in the Board of Directors of CGSI. WFA's Board of Directors appoint the Trustees of the WFA Endowment Fund, and WFA has an economic interest in the WFA Endowment Fund. All significant intercompany balances and transactions have been eliminated in the consolidation.

Basis of Presentation and Accounting

The consolidated financial statements are presented using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP) for not-for-profit entities (FASB Topic 958, ASU 2016-14).

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition, as applicable.

Investments

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

World Federalist Association and Affiliates

Notes to the Consolidated Financial Statements

For the Year Ended September 30, 2024

Receivables and Credit Policies

Accounts receivable consist primarily of noninterest-bearing amounts due for program support services, grants, and promises to give. When applicable, management determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. As of September 30, 2024, there were no unrelated accounts receivable report by the Organization.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions

Net assets subject to donor-imposed (or certain grantor-imposed) restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue Recognition Accounted for in Accordance with ASC 605: Topic 958 Not for Profit Entities

Grants

Grants awarded by federal, state and local agencies, or passed through to the Organization from another donor that received similar grants, are generally considered nonreciprocal transactions restricted by the awarding agency for certain purposes. Revenue is recognized when qualified expenses are incurred and conditions under the grant agreement are met.

Contribution Revenue

Unconditional contributions are recognized upon notification of the award and are reported as support with donor restrictions if they are received with donor stipulations that limit the use of donated assets. Contributions with donor-imposed restrictions are reclassified to net assets without donor restrictions when those restrictions are met, only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and for the expiration of donor-imposed time restrictions. These reclassifications are reported on the accompanying statement of activities as net assets released from restrictions.

Contributions that are considered to be conditional contributions, that is, those with a measurable performance or other barrier and a right of return, are recognized as revenue once the conditions on which they depend have been met. Revenue recognized on contributions, but has not been received, is reflected as contributions receivable on the accompanying statement of financial position. Conversely, amounts received in advance of the conditions being met are recorded as refundable advances on the accompanying statement of financial position. The Organization had no refundable advances and no unrecognized conditional awards at September 30, 2024.

World Federalist Association and Affiliates

Notes to the Consolidated Financial Statements

For the Year Ended September 30, 2024

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. The Organization incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Organization also conducts a number of activities which benefit both its program objectives as well as supporting services. These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited based on the time and level of effort. Expenses allocated include salary and benefits, professional fees, occupancy, office expenses, licenses, taxes and fees, and printing and postage.

Income Taxes

WFA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). In addition, WFA qualifies for charitable deductions under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). CGSI is exempt from federal income tax under Section 501(c)(4) of the IRC. WFA Endowment Fund is exempt from federal income tax under Section 501(c)(3) of the IRC. These nonprofit organizations are exempt from federal taxes on income other than net unrelated business income. No provision for federal or state income taxes is required for the year ended September 30, 2024, as there was no taxable net unrelated business income.

The Organization follows the authoritative guidance relating to accounting for uncertainty in income taxes included in Accounting Standards Codification Topic 740-10, Income Taxes. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized on an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. It is the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expenses.

The Organization performed an evaluation of uncertain tax positions for the year ended September 30, 2024 and determined that there were no matters that would require recognition on the financial statements or that may have any effect on its tax-exempt status. The statute of limitations generally remains open for three tax years with the U.S. federal jurisdiction or the various states and local jurisdictions in which the Organization files tax returns.

Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Concentrations

For the year ended December 31, 2024, investment returns were 85% of the Organization's total revenue. Contributions were 70% of WFA's unconsolidated revenue, but only 11% of the Organization's total revenue.

World Federalist Association and Affiliates

Notes to the Consolidated Financial Statements

For the Year Ended September 30, 2024

Financial Instruments and Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash deposits and investments. The Organization maintains cash deposits and investments with various financial institutions that exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and the Securities Investor Protection Corporation (SIPC). The Organization has not experienced any losses on its cash deposits and investments to date as it relates to FDIC or SIPC insurance limits. Management periodically assesses the financial condition of the institutions and believes that the risk of any loss is minimal.

The Organization invests funds in a professionally managed portfolio of marketable securities. Such investments are exposed to market and credit risks. Therefore, the Organization's investments may be subject to significant fluctuations in fair value. As a result, the investment balances reported on the accompanying financial statements may not be reflective of the portfolio's value during subsequent periods.

As of September 30, 2024 the carrying amount of the Organization's total cash in banks was \$18,433 and the bank balance of the Organization's accounts with banks was \$18,563, which was fully insured by the Federal Depository Insurance Corporation (FDIC) coverage. FDIC covers up to \$250,000 per bank for each entity.

Subsequent Events

Management has evaluated all subsequent events from the statement of financial position date of September 30, 2024, through the date the consolidated financial statements were available to be issued. The consolidated financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management has determined that there are no non-recognized subsequent events that require additional disclosure.

Recent Accounting Pronouncements

In February 2016, FASB issued Accounting Standards Update (ASU) 2016-02, Leases (ASU 2016-02). ASU 2016-02 requires a lessee to recognize a lease asset representing its right to use the underlying asset for the lease term, and a lease liability for the payments to be made to lessor, on its balance sheet for all operating leases greater than 12 months. This ASU did not have a significant impact on the Organization's consolidated financial statements.

World Federalist Association and Affiliates

Notes to the Consolidated Financial Statements

For the Year Ended September 30, 2024

NOTE 2 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 18,433
Investments	3,353,286
Less:	
Net assets with donor restrictions	(148,651)
Endowment	(2,781,908)
Accounts payable	(17,025)
Total	<u>\$ 424,135</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. Endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use when appropriated by the board of directors. Donor-restricted endowment funds are not available for general expenditure.

NOTE 3 – INVESTMENTS RISK FACTORS

Liquidity risk

Liquidity risk represents the risk that the Organization may not be able to rapidly adjust the size of its portfolio holdings in times of high volatility and financial stress at a reasonable price. If the Organization were compelled to dispose of an illiquid investment at an inopportune time, the result may be a sale at a substantial discount to fair value. The Organization utilizes brokers to invest in mutual funds that hold short and long-term stocks and bonds. Under adverse market or economic conditions, the secondary market for certain of these alternative investments could further contract. As a result, the Organization could find it more difficult to sell these securities or may only be able to sell these securities at amounts lower than if such securities were more widely traded.

Currency and foreign exchange risk

The Organization did not hold investments denominated in currencies other than the U.S. dollar.

Interest rate and credit risk

The Organization's investment portfolio is subject to interest rate and credit risks for certain securities whose valuation would be impacted by changes in interest rates. The portfolio is also subject to the risk of the issuer of the security becoming unable to pay interest or repay principal when it is due.

Market price risk

The value of securities held by the Organization may decline in response to certain economic events, including those events impacting entities whose securities are owned and included in the investment portfolio. Events impacting valuation may include (but are not limited to) economic changes, market fluctuations, regulatory changes, global and political instability, and currency, interest rate, and commodity price fluctuations. The Organization attempts to manage this risk through diversification, ongoing due diligence of fund managers, and monitoring of relevant economic conditions.

Concentration risk

Investments were managed by a broker and were classified as summarized in Note 4.

World Federalist Association and Affiliates

Notes to the Consolidated Financial Statements

For the Year Ended September 30, 2024

NOTE 4 - FAIR VALUE MEASUREMENTS AND DISCLOSURES

The Organization reports certain assets at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1

Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3

Unobservable inputs for the asset or liability. In these situations, the Organization develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization's assessment of the quality, risk, or liquidity profile of the asset or liability. The Organization invests securities that are traded in the financial markets. Those securities are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions.

Management is required to make certain estimates in the preparation of the consolidated financial statements. Among those significant estimates is the valuation of investments without readily determinable fair values, if applicable. The Organization did not have investments without readily determinable fair values as of September 30, 2024.

World Federalist Association and Affiliates

Notes to the Consolidated Financial Statements

For the Year Ended September 30, 2024

The following table presents assets and liabilities measured at fair value on a recurring basis as of September 30, 2024:

Description	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Un-observable Inputs (Level 3)
Investments:				
Schwab Equities	\$ 714,994	\$ 714,994	\$ -	\$ -
Schwab Exchange Traded Funds	2,623,662	2,623,662	-	-
Schwab cash and bank sweep at cost	14,630	14,630	-	-
Total investments	<u>\$ 3,353,286</u>	<u>\$ 3,353,286</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 5 - ENDOWMENT

The Organization's endowment fund is held by WFA Endowment Fund, which is a donor-restricted fund established to support general operations of WFA. The Trustees of WFA Endowment Fund have enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) which requires 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 purpose 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.

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 the 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 risks. 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/losses 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.

World Federalist Association and Affiliates

Notes to the Consolidated Financial Statements

For the Year Ended September 30, 2024

Spending Policy

Absent explicit donor stipulations, WFA Endowment Fund has a policy of allowing for appropriation for distribution each year, subject to Trustee approval. The 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.

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, 2024, there are no donor-restricted endowment funds with deficiencies.

As of September 30, 2024, the Organization had the following endowment composition:

Beginning balance	\$ 2,194,348
Board designated distributions	(100,000)
Fees	(250)
Dividends & interest	61,450
Realized gains (losses)	61,954
Donations	47
Unrealized gains (losses)	564,359
Total Endowments	<u>\$ 2,781,908</u>

Changes in Endowment net assets for the year ended September 30, 2024 were as follows:

Original donor restricted contribution and amounts required to be maintained in perpetuity by donor	\$ 1,652,137
Accumulated investment gains (losses), net	2,066,466
Distributions appropriated for expenditure	(936,695)
Total Endowment Net Assets	<u>\$ 2,781,908</u>

World Federalist Association and Affiliates

Notes to the Consolidated Financial Statements

For the Year Ended September 30, 2024

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of September 30, 2024:

Net Assets with Donor Restrictions

Endowments:

Subject to WFA's spending policy and appropriation:

Endowment earnings available to be used on operations	\$ 1,124,115
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Endowment principal to be retained in perpetuity	1,652,137
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Subject to Expenditure for Specified Purpose:

Membership development	125,000
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St. Louis Chapter	23,651
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Total Net Assets with Donor Restrictions	<u>\$ 2,924,903</u>
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Supplementary Information

World Federalist Association and Affiliates
Consolidating Schedule of Financial Position
September 30, 2024

	WFA	CGSI	WFA Endowment Fund	Eliminating Entries	Consolidated
ASSETS					
Cash and cash equivalents	\$ 18,417	\$ 16	\$ -	\$ -	\$ 18,433
Investments	571,378	-	2,781,908	-	3,353,286
Related party receivable	5,656	41,782	-	(47,438)	-
	<u>595,451</u>	<u>41,798</u>	<u>2,781,908</u>	<u>(47,438)</u>	<u>3,371,719</u>
Total Assets	<u>\$ 595,451</u>	<u>\$ 41,798</u>	<u>\$ 2,781,908</u>	<u>\$ (47,438)</u>	<u>\$ 3,371,719</u>
LIABILITIES					
Accounts payable	\$ 17,025	\$ -	\$ -	\$ -	\$ 17,025
Related party payable	41,782	-	5,656	(47,438)	-
Total Liabilities	<u>58,807</u>	<u>-</u>	<u>5,656</u>	<u>(47,438)</u>	<u>17,025</u>
NET ASSETS					
Without donor restrictions:					
Undesignated	387,993	41,798	-	-	429,791
Total without donor restrictions	<u>387,993</u>	<u>41,798</u>	<u>-</u>	<u>-</u>	<u>429,791</u>
With donor restrictions:					
Endowment	-	-	2,776,252	-	2,776,252
Purpose restrictions	148,651	-	-	-	148,651
Total net assets with donor restrictions	<u>148,651</u>	<u>-</u>	<u>2,776,252</u>	<u>-</u>	<u>2,924,903</u>
Total Net Assets	<u>536,644</u>	<u>41,798</u>	<u>2,776,252</u>	<u>-</u>	<u>3,354,694</u>
Total Liabilities and Net Assets	<u>\$ 595,451</u>	<u>\$ 41,798</u>	<u>\$ 2,781,908</u>	<u>\$ (47,438)</u>	<u>\$ 3,371,719</u>

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

World Federalist Association and Affiliates

Consolidating Schedule of Activities
For the Year Ended September 30, 2024

	WFA	CGSI	WFA Endowment Fund	Eliminating Entries	Consolidated
REVENUE AND SUPPORT					
Contributions and grants	\$ 86,778	\$ 1,382	\$ 47	\$ -	\$ 88,207
Related party contributions	105,906	-	-	(105,906)	-
Net investment return	13,846	-	687,763	-	701,609
Other revenue	24,073	-	-	-	24,073
Total Revenue and Support	230,603	1,382	687,810	(105,906)	813,889
EXPENSES					
Program services	348,410	-	105,906	(105,906)	348,410
Management and general	87,489	1,810	-	-	89,299
Fundraising	29,500	-	-	-	29,500
Total Expenses	465,399	1,810	105,906	(105,906)	467,209
Change in Net Assets	(234,796)	(428)	581,904	-	346,680
Total Net Assets - Beginning	771,440	42,226	2,194,348	-	3,008,014
Total Net Assets - Ending	\$ 536,644	\$ 41,798	\$ 2,776,252	\$ -	\$ 3,354,694

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