

CITIZENS FOR GLOBAL SOLUTIONS, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

CITIZENS FOR GLOBAL SOLUTIONS, INC.

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August 11, 2009

Board of Directors
Citizens for Global Solutions, Inc.
418 7th Street, S.E.
Washington, D.C. 20003

We have audited the accompanying statements of financial position of Citizens for Global Solutions, Inc. (a non-profit organization) as of September 30, 2008 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 Citizens for Global Solutions, Inc. as of September 30, 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.

To the Board of Directors of
Citizens for Global Solutions, Inc.
August 11, 2009
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Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses on page 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

ROMANO & MITCHELL, CHARTERED
Certified Public Accountants

CITIZENS FOR GLOBAL SOLUTIONS, INC.
Statement of Financial Position
September 30, 2008

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents		\$ 7,228
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PROPERTY AND EQUIPMENT

Computer Equipment	\$ 7,020	
Office Furniture and Equipment	<u>6,937</u>	

Total Property and Equipment	\$ 13,957	
Less: Accumulated Depreciation	<u>(13,957)</u>	

Net Property and Equipment		<u>-0-</u>
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TOTAL ASSETS		<u><u>\$ 7,228</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Due to Affiliate		\$ 180,552
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NET ASSETS

Unrestricted	\$ (177,752)	
Temporarily Restricted	<u>4,428</u>	

Total Net Assets		<u>(173,324)</u>
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TOTAL LIABILITIES AND NET ASSETS		<u><u>\$ 7,228</u></u>
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The accompanying notes are an integral part of these financial statements.

CITIZENS FOR GLOBAL SOLUTIONS, INC.
Statement of Activities
For the Year Ended September 30, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES AND SUPPORT			
Contributions	\$ 291,221	\$ 25,223	\$ 316,444
Grant Income	10,500	-0-	10,500
Membership Dues	61,422	-0-	61,422
Other Income	49,967	-0-	49,967
Net Assets Released from Restrictions	<u>46,210</u>	<u>(46,210)</u>	<u>-0-</u>
 Total Public Support and Revenues	 <u>\$ 459,320</u>	 <u>\$ (20,987)</u>	 <u>\$ 438,333</u>
EXPENSES			
Program Services	\$ 245,884	\$ -0-	\$ 245,884
Administrative and General	34,886		34,886
Fundraising	<u>54,377</u>	<u>-0-</u>	<u>54,377</u>
 Total Expenses	 <u>\$ 335,147</u>	 <u>\$ -0-</u>	 <u>\$ 335,147</u>
 Change in Net Assets	 \$ 124,173	 \$ (20,987)	 \$ 103,186
NET ASSETS, Beginning of Year	<u>(301,925)</u>	<u>25,415</u>	<u>(276,510)</u>
NET ASSETS, End of Year	<u><u>\$ (177,752)</u></u>	<u><u>\$ 4,428</u></u>	<u><u>\$ (173,324)</u></u>

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

CITIZENS FOR GLOBAL SOLUTIONS, INC.
Statement of Cash Flows
For the Year Ended September 30, 2008

CHANGE IN NET ASSETS		\$ 103,186
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation	\$ 159	
(Decrease) in Due to Affiliates	<u>(182,564)</u>	
Total Adjustments		<u>(182,405)</u>
NET CASH (USED) BY OPERATING ACTIVITIES		\$ (79,219)
CASH AND CASH EQUIVALENTS, Beginning of Year		<u>86,447</u>
CASH AND CASH EQUIVALENTS, End of Year		<u><u>\$ 7,228</u></u>
SUPPLEMENTAL DISCLOSURES		
Interest Paid		<u><u>\$ -0-</u></u>
Income Taxes Paid		<u><u>\$ -0-</u></u>

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

CITIZENS FOR GLOBAL SOLUTIONS, INC.
Notes to the Financial Statements
September 30, 2008

1. Organization

Citizens for Global Solutions, Inc. (the "Corporation"), formerly Campaign for UN Reform, Inc., was founded in 1983 and incorporated as a non-profit organization in the State of New Jersey. The Corporation is a grassroots membership organization whose purpose is to promote a future in which nations work together to abolish war, to protect our rights and freedoms, and to find solutions to problems facing humanity that no nation can achieve alone.

The Corporation's political action committee, Global Solutions PAC, works to elect federal candidates who support building effective democratic global institutions that will apply the rule of law while respecting the diversity and autonomy of national and local communities. Global Solutions PAC raises funds for candidates who share these goals, who are engaged in competitive races, who champion the Corporation's policy goals on the Hill, and who lead important committees in Congress. Global Solutions PAC is not affiliated with any political party and only accepts contributions from the Corporation's members.

Membership dues are not mandatory, and therefore recognized as revenue when received. However, membership dues are required to be paid in order to participate in Global Solutions PAC.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Corporation and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Corporation and/or the passage of time. When a 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.

CITIZENS FOR GLOBAL SOLUTIONS, INC.
Notes to the Financial Statements (Continued)
September 30, 2008

2. Summary of Significant Accounting Policies (Continued)

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Corporation. Generally, the donors of these assets permit the Corporation to use all or part of the income earned on any related investments for general or specific purposes.

Cash and Cash Equivalents

The Corporation considers all cash and short term investments with original maturities of three months or less to be cash and cash equivalents. Cash and cash equivalents are stated at cost which approximates the market value.

Contributions

Contributions are reported in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. Contributions are recognized when the donor makes a pledge to give that is, in substance, an unconditional promise. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the nature of donor restrictions. Restricted contributions are reported as increases in restricted net assets. When the restrictions are met the amount is shown as a reclassification of restricted net assets to unrestricted net assets. If a donor's restriction is met in the same period that the revenue is recognized, the contribution is reported as an increase in unrestricted net assets. Restrictions on gift of land, building, or equipment or contributions restricted for the purchase of those assets expire when the asset is placed in service, unless otherwise stipulated by the donor.

Concentration of Credit Risk

Cash

The Corporation periodically maintains cash in excess of federal insurable amount at institutions which are covered under the Federal Deposit Insurance Corporation (FDIC). Management monitors cash balances on a regular basis to maximize the FDIC insurance coverage available to the Corporation. As of September 30, 2008, the Corporation had no cash balances in excess of the maximum FDIC coverage.

CITIZENS FOR GLOBAL SOLUTIONS, INC.
Notes to the Financial Statements (Continued)
September 30, 2008

2. Summary of Significant Accounting Policies (Continued)

Fixed Assets

Fixed asset additions exceeding \$1,000 are carried at cost. Depreciation of fixed assets is provided using the straight-line method over the estimated useful lives of the assets.

Maintenance, repairs and renewals which neither materially add to the value of the property nor appreciably prolong its useful life are charged to expense as incurred. Gains or losses on dispositions of fixed assets are included in income.

Depreciation expense for the year ended September 30, 2008 was \$159.

Income Taxes

The companies are tax-exempt organizations under Section 501(c)(4) of the Internal Revenue Code; therefore, no provision for Federal income taxes has been made to the accompanying financial statements.

Use of Estimates

The Corporation uses estimates and assumptions in preparing financial statements in accordance with U.S. generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses. Actual results could vary from estimates made by management.

Functional Allocations of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the accompanying supplementary schedule of program services, administrative and general, and fundraising expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Grants

The Corporation receives grants from various organizations. It recognizes income from these grants as revenue and support only to the extent that expenditures have been made for the purposes specified by the grant agreements.

CITIZENS FOR GLOBAL SOLUTIONS, INC.
Notes to the Financial Statements (Continued)
September 30, 2008

3. Related Party Transactions

The Corporation is related to World Federalist Association d.b.a. Citizens for Global Solutions Education Fund (the "Education Fund") and World Federalist Association Endowment Fund Trust through common management. For informational purposes, the organizations present combined financial statements in addition to separate company financial statements.

The Corporation shares office space and staff with the Education Fund. Under a cost-sharing agreement, salaries, related taxes and benefits, and occupancy expenses are allocated pro rata between the Corporation and the Education Fund based on the actual hours worked in conducting the activities of the respective entities. Such expenses allocated to the Corporation amounted to \$281,854 for the year ended September 30, 2008.

The Education Fund also acts as the agent for both entities in conducting direct mail fund raising activities. Funds were raised by the Education Fund on behalf of the Corporation and related expenses were allocated to the Corporation for the year ended September 30, 2008. Additionally, the Education Fund collected various incidental monies and incurred various incidental expenses on behalf of the Corporation during the current year.

At September 30, 2008, the Corporation had outstanding balances of \$180,552 due to the affiliates.

4. Temporarily Restrictions on Net Assets

The temporarily restricted net assets consist of unexpended cash of Global Solutions PAC which is purpose-restricted. The activities of Global Solutions PAC for the year ended September 30, 2008 are as follows:

Cash Available, Beginning of Year	\$ 25,415
Contributions Received	25,223
Political Contributions	(45,218)
Operating Expenses	<u>(992)</u>
Cash Available, End of Year	<u>\$ 4,428</u>

CITIZENS FOR GLOBAL SOLUTIONS, INC.
Notes to the Financial Statements (Continued)
September 30, 2008

5. Retirement Plan

The Education Fund maintains a tax deferred 403(b) retirement plan to provide retirement benefits for all eligible employees. Participants may contribute up to the lesser of \$15,000 or total eligible compensation per year. Matching employer contributions are based on a percentage of the participants eligible compensation. Additional discretionary contributions may be made with the approval of the Board of Directors. Total employer contributions allocated to the Corporation amounted to \$3,730 for the year ended September 30, 2008.

6. Joint Costs

The Corporation engaged in a direct mail campaign with total costs allocated as follows:

	<u>Program Services</u>	<u>General & Admin.</u>	<u>Fund Raising</u>	<u>Total</u>
Consultants	\$ 3,874	\$ 1,614	\$ 10,652	\$ 16,140
Printing and Publications	<u>4,183</u>	<u>-0-</u>	<u>-0-</u>	<u>4,183</u>
Total	<u>\$ 8,057</u>	<u>\$ 1,614</u>	<u>\$ 10,652</u>	<u>\$ 20,323</u>

SUPPLEMENTARY INFORMATION

Schedule 1

CITIZENS FOR GLOBAL SOLUTIONS, INC.
Schedule of Functional Expenses
For the Year Ended September 30, 2008

	<u>Program Services</u>	<u>Administrative and General</u>	<u>Fund Raising</u>	<u>Total</u>
Communications	\$ 5,108	\$ -0-	\$ -0-	\$ 5,108
Conferences and Meetings	6,352	794	794	7,940
Consulting Fees and Outside Services	11,623	4,845	31,963	48,431
Depreciation	-0-	159	-0-	159
Dues and Chapter Expenses	4,840	-0-	-0-	4,840
Insurance	-0-	3,164	-0-	3,164
Miscellaneous	2,277	1,139	1,139	4,555
Occupancy	14,669	6,287	5,239	26,195
Office Supplies & Expense	-0-	2,796	-0-	2,796
Political Contributions	45,218	-0-	-0-	45,218
Postage and Delivery	15,880	648	188	16,716
Printing and Publications	10,217	-0-	-0-	10,217
Salaries, Taxes and Benefits	120,436	15,054	15,054	150,544
Travel	1,348	-0-	-0-	1,348
Website Expense	7,916	-0-	-0-	7,916
	<u>\$ 245,884</u>	<u>\$ 34,886</u>	<u>\$ 54,377</u>	<u>\$ 335,147</u>

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