



**WORLD FEDERALIST MOVEMENT/
INSTITUTE FOR GLOBAL POLICY, INC.**

**FINANCIAL STATEMENTS
TOGETHER WITH AUDITOR'S REPORT**

**AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2019 AND 2018**

**WORLD FEDERALIST MOVEMENT/
INSTITUTE FOR GLOBAL POLICY, INC.
INDEX TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2019 AND 2018**

	<u>Page(s)</u>
Independent Auditor's Report	1 - 2
Statements of Financial Position	3
Statements of Activities and Changes In Net Assets	4
Statement of Functional Expenses For The Year Ended December 31, 2019	5
Statement of Functional Expenses For The Year Ended December 31, 2018	6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 15



CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
World Federalist Movement/Institute For Global Policy, Inc.:

We have audited the accompanying financial statements of the World Federalist Movement/Institute For Global Policy, Inc. (the "Organization", a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

NawrockiSmith

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the World Federalist Movement/Institute For Global Policy, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Melville, New York
September 14, 2020

Nawrocki Smith LLP

**WORLD FEDERALIST MOVEMENT/
INSTITUTE FOR GLOBAL POLICY, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019 AND 2018**

ASSETS	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 579,631	\$ 773,891
Restricted cash	25,000	25,000
Grants receivable, net of allowance for doubtful accounts of \$0 and \$161,424, respectively	962,901	1,577,330
Other receivables	2,732	18,852
Prepaid expenses	18,090	16,420
Fixed assets, net of accumulated depreciation of \$14,173 and \$12,283, respectively	2,579	4,469
Security deposits	<u>75,316</u>	<u>76,781</u>
Total assets	<u>\$ 1,666,249</u>	<u>\$ 2,492,743</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	<u>\$ 39,419</u>	<u>\$ 41,551</u>
Total liabilities	<u>39,419</u>	<u>41,551</u>
NET ASSETS:		
Without donor restrictions:		
Board designated for operational allowance	-	229,205
Undesignated	<u>(415,852)</u>	<u>174,178</u>
Total net assets without donor restrictions	<u>(415,852)</u>	<u>403,383</u>
With donor restrictions	<u>2,042,682</u>	<u>2,047,809</u>
Total net assets	<u>1,626,830</u>	<u>2,451,192</u>
Total liabilities and net assets	<u>\$ 1,666,249</u>	<u>\$ 2,492,743</u>

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

**WORLD FEDERALIST MOVEMENT/
INSTITUTE FOR GLOBAL POLICY, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES:						
Grants and contributions	\$ 127,261	\$ 1,490,188	\$ 1,617,449	\$ 61,815	\$ 2,706,880	\$ 2,768,695
Member organization fees	48,119	-	48,119	55,068	-	55,068
Interest and dividends	-	326	326	-	1,026	1,026
Other income	40,752	-	40,752	412	-	412
Conference income	-	-	-	6,153	-	6,153
Total revenues	216,132	1,490,514	1,706,646	123,448	2,707,906	2,831,354
EXPENSES:						
Program services	2,199,024	-	2,199,024	2,464,695	-	2,464,695
Supporting services:						
Administration	186,577	-	186,577	206,458	-	206,458
Fundraising	145,407	-	145,407	115,704	-	115,704
Total expenses	2,531,008	-	2,531,008	2,786,857	-	2,786,857
Excess (deficiency) of revenues over (under) expenses	(2,314,876)	1,490,514	(824,362)	(2,663,409)	2,707,906	44,497
NET ASSETS RELEASED FROM RESTRICTIONS	1,495,641	(1,495,641)	-	2,702,515	(2,702,515)	-
Change in net assets	(819,235)	(5,127)	(824,362)	39,106	5,391	44,497
NET ASSETS, BEGINNING OF YEAR	403,383	2,047,809	2,451,192	364,277	2,042,418	2,406,695
NET ASSETS, END OF YEAR	\$ (415,852)	\$ 2,042,682	\$ 1,626,830	\$ 403,383	\$ 2,047,809	\$ 2,451,192

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

**WORLD FEDERALIST MOVEMENT/
INSTITUTE FOR GLOBAL POLICY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Program Services				Supporting Services		Totals
	CICC	ICRtoP	IDG	Totals	Administration	Fundraising	
Salaries and employee benefits	\$ 621,464	\$ 51,286	\$ 13,666	\$ 686,416	\$ 55,686	\$ 137,901	\$ 880,003
Regional coordination	619,991	31,008	-	650,999	37,315	-	688,314
Conferences, meetings and travel	209,288	58,214	1,015	268,517	27,409	-	295,926
Rent	206,039	24,021	-	230,060	32,922	-	262,982
Consultants	124,098	22,170	61,750	208,018	6,412	7,506	221,936
Printing and publications	24,161	1,500	-	25,661	9,775	-	35,436
Telephone	25,397	2,885	-	28,282	2,776	-	31,058
Miscellaneous	25,702	559	1,117	27,378	559	-	27,937
Computing and websites	21,018	2,443	163	23,624	2,085	-	25,709
Professional fees	15,448	3,100	-	18,548	4,457	-	23,005
Insurance	10,127	1,306	-	11,433	1,213	-	12,646
Bank and membership fees	10,511	228	457	11,196	228	-	11,424
Office equipment and supplies	4,379	241	512	5,132	5,479	-	10,611
Postage and couriers	1,701	207	-	1,908	223	-	2,131
Depreciation	1,738	38	76	1,852	38	-	1,890
Total	\$ 1,921,062	\$ 199,206	\$ 78,756	\$ 2,199,024	\$ 186,577	\$ 145,407	\$ 2,531,008

The accompanying notes to financial statements
are an integral part of this statement.

**WORLD FEDERALIST MOVEMENT/
INSTITUTE FOR GLOBAL POLICY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Program Services				Supporting Services		Totals
	CICC	ICRtoP	IDG	Totals	Administration	Fundraising	
Salaries and employee benefits	\$ 605,146	\$ 76,993	\$ 21,609	\$ 703,748	\$ 64,082	\$ 108,204	\$ 876,034
Regional coordination	521,187	116,373	11,000	648,560	21,173	-	669,733
Conferences, meetings and travel	299,224	53,895	4,879	357,998	52,571	-	410,569
Consultants	123,535	46,450	187,065	357,050	8,500	7,500	373,050
Rent	176,553	15,402	-	191,955	17,111	-	209,066
Computing and websites	52,230	5,597	50	57,877	5,552	-	63,429
Printing and publications	48,575	1,253	43	49,871	7,775	-	57,646
Professional fees	32,059	7,189	615	39,863	2,824	-	42,687
Telephone	15,161	1,294	1,097	17,552	1,338	-	18,890
Bank and membership fees	8,211	1,100	210	9,521	5,450	-	14,971
Miscellaneous	127	-	12,241	12,368	702	-	13,070
Bad debt expense	-	-	-	-	12,924	-	12,924
Insurance	9,991	1,249	-	11,240	1,249	-	12,489
Office equipment and supplies	4,342	323	607	5,272	2,673	-	7,945
Depreciation	961	120	-	1,081	2,336	-	3,417
Postage and couriers	688	51	-	739	198	-	937
Total	\$ 1,897,990	\$ 327,289	\$ 239,416	\$ 2,464,695	\$ 206,458	\$ 115,704	\$ 2,786,857

The accompanying notes to financial statements
are an integral part of this statement.

**WORLD FEDERALIST MOVEMENT/
INSTITUTE FOR GLOBAL POLICY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (824,362)	\$ 44,497
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	1,890	3,417
Decrease in grants receivable	614,429	116,749
(Increase) decrease in other receivables	16,120	(18,852)
(Increase) decrease in prepaid expenses	(1,670)	46,166
(Increase) decrease in security deposits	1,465	(1,465)
Increase (decrease) in accounts payable and accrued expenses	(2,132)	21,378
Net cash (used) provided by operating activities	(194,260)	211,890
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	-	(5,670)
Net cash used by investing activities	-	(5,670)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(194,260)	206,220
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	773,891	567,671
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 579,631	\$ 773,891

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

**WORLD FEDERALIST MOVEMENT/
INSTITUTE FOR GLOBAL POLICY, INC.
NOTES TO FINANCIAL STATEMENTS**

(1) Nature of activities:

The World Federalist Movement/Institute for Global Policy, Inc. (the "Organization") is a not-for-profit organization formed in 1995 under the laws of New York State. The Organization is based in New York City near the United Nations (the "UN") headquarters, and is supported primarily by donor contributions and grants. The Organization is a legal entity of the World Federalist Movement, a coalition of peace movements formed in 1947 to promote the federalist principles of constitutional democratic rule of law as the basis of relations between nations, as the framework for the international legal order, in the governance of the UN, and in the UN Charter goal to "save future generations from the scourge of war." The Organization undertakes research and education into issues concerned with history, promotion and development of international democracy and the rule of law and the strengthening of the legal order with a special focus on the United Nations. The Institute for Global Policy also serves as the Secretariat of the NGO Working Group on the Security Council. The following programs and supporting services are included in the accompanying financial statements:

Coalition for the International Criminal Court ("CICC")

Works with nongovernmental organizations ("NGO's"), governments, international and regional organizations and the United Nations Secretariat to support the fair and effective functioning of the International Criminal Court ("ICC"); promotes global awareness of the Rome Statute of the ICC; facilitates the effective participation of civil society in inter-governmental negotiations; monitors and supports the full effective functioning of the ICC; and strengthens regional human rights networks.

International Coalition for the Responsibility to Protect ("ICRtoP")

Works to promote earlier and more effective international responses to genocide and mass atrocities; to increase awareness of the responsibility to protect; to mobilize NGO's to demand responsibility to protect responses to emerging crises; and to build capacity of governments, regional organizations, and the UN system to ensure fulfillment of the responsibility to protect.

International Democratic Governance ("IDG")

Promotes greater transparency and accountability in international decision-making processes. Supports a stronger, more inclusive and effective United Nations, better global governance of environmental issues, as well as strengthened global economic governance. The IDG program produces news and analysis on these issues and manages civil society campaigns in support of widely-shared goals about better global solutions to pressing global problems, including the work of the Peacebuilding Commission ("PBC"), for 1 for 7 Billion Campaign on the selection of the UN Secretary General focusing on conflict prevention, disarmament (including nuclear disarmament), peacebuilding and the protection of civilians in the Sudan and Syria.

**WORLD FEDERALIST MOVEMENT/
INSTITUTE FOR GLOBAL POLICY, INC.
NOTES TO FINANCIAL STATEMENTS**

Administration

Includes the functions necessary to maintain an equitable employment program; ensures an adequate working environment; provides coordination and articulation of the Organization's program strategy; secures proper administrative functioning of the Board of Directors; and manages the financial and budgetary responsibilities of the Organization.

Fundraising

Provides the structure necessary to encourage and secure financial support from individuals, foundations and governments.

(2) Summary of significant accounting policies:

Basis of accounting and financial statement presentation

The accompanying financial statements are presented under the accrual basis of accounting in accordance with U.S. generally accepted accounting principles and include the accounts of the Organization's programs, administration and fundraising. U.S. generally accepted accounting principles require the Organization's financial statements to distinguish net assets and changes in net assets between those with and without donor restrictions. The Organization's net assets consist of the following:

Without donor restrictions - net assets of the Organization which have not been restricted by an outside donor or by law and are therefore available for use in carrying out the operations of the Organization.

With donor restrictions - net assets subject to donor-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.

As required by U.S. generally accepted accounting principles, the Organization has also presented Statements of Cash Flows for the years ended December 31, 2019 and 2018.

Cash and cash equivalents

All highly liquid investments purchased with an original maturity of three months or less are considered to be cash equivalents for financial statement purposes.

Restricted cash

Restricted cash as of December 31, 2019 and 2018 relates to donor restricted funds of \$25,000 for each of the years.

Fixed assets

Fixed assets are stated at cost or current fair value for donated items. The cost of fixed assets purchased in excess of \$1,000 is capitalized. Maintenance and repairs are expensed as incurred. Depreciation is provided using the straight-line method over the estimated useful lives of the assets (generally periods of three to ten years).

**WORLD FEDERALIST MOVEMENT/
INSTITUTE FOR GLOBAL POLICY, INC.
NOTES TO FINANCIAL STATEMENTS**

Foreign currency translation

Certain contributions and grants are derived from foreign sources. Such amounts are translated at the exchange rate in effect at the date the donation is received.

Revenue recognition -

Effective January 1, 2019, the Organization adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). The new guidance requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Organization applied the modified retrospective method of adoption, which resulted in no adjustment to net assets as of January 1, 2019.

Effective January 1, 2019, the Organization adopted FASB ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). The new guidance clarifies and improves guidance on whether a transfer of assets is a contribution or an exchange and whether a contribution is conditional. The Organization applied the modified retrospective method of adoption, which resulted in no adjustment to net assets as of January 1, 2019.

The following are the significant revenue recognition accounting policies of The World Federalist Movement/Institute for Global Policy, Inc.:

Grants and contributions – Grants and contributions are recognized as income when received and are considered to be available for unrestricted use unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. Conditional contributions are accounted for as a liability or are not recognized as revenue initially, until the barriers to entitlement are overcome, at which point a transaction is recognized as unconditional and classified as either net assets with donor restrictions, or net assets without donor restrictions.

Functional expenses

Expenses are recognized when incurred. The Statements of Functional Expenses report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Direct program expenses are reported in their respective functional categories. The significant expenses that are allocated include: salaries and benefits which are allocated on the basis of estimates of time and effort. Rent is allocated on the basis of square footage and use, and all other expenses are allocated on a systematic and rational basis.

**WORLD FEDERALIST MOVEMENT/
INSTITUTE FOR GLOBAL POLICY, INC.
NOTES TO FINANCIAL STATEMENTS**

Liquidity considerations

Quantitative

As of December 31, 2019 and 2018, the Organization has \$1,563,354 and \$2,386,493, respectively, of financial assets available to meet cash needs for program and supporting services expenditures within one year of the Statement of Financial Position date. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for expenditures within the ensuing fiscal year.

Qualitative

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. The Organization has a goal to maintain financial assets, which consist of cash and cash equivalents, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$437,000.

Income taxes

The Organization qualifies as a tax-exempt nonprofit organization under Section 501(c)(3) of the Internal Revenue Code and applicable New York State tax laws. Accordingly, no provision for federal or state income taxes is required.

Uncertainty in income taxes

The Organization recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition. The Organization is no longer subject to examination by the applicable taxing jurisdictions for tax years prior to 2016.

The use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts of assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the period. Actual results may differ from those estimates.

(3) Grants receivable

Grants receivable as of December 31, 2019 and 2018 are comprised of the following:

	<u>2019</u>	<u>2018</u>
Government of Netherlands - PUF Alliance 2019	\$ 860,232	\$ 896,810
Government of Netherlands - CICC	102,669	107,806
European Commission	-	734,138
	<u>962,901</u>	<u>1,738,754</u>
Less: allowance for doubtful accounts	-	161,424
	<u>\$ 962,901</u>	<u>\$ 1,577,330</u>

**WORLD FEDERALIST MOVEMENT/
INSTITUTE FOR GLOBAL POLICY, INC.
NOTES TO FINANCIAL STATEMENTS**

(4) Fixed assets

Fixed assets as of December 31, 2019 and 2018 are comprised of the following:

	<u>2019</u>	<u>2018</u>
Leasehold improvements	\$ 11,082	\$ 11,082
Computers and equipment	<u>5,670</u>	<u>5,670</u>
	16,752	16,752
Less: accumulated depreciation	<u>14,173</u>	<u>12,283</u>
	<u><u>\$ 2,579</u></u>	<u><u>\$ 4,469</u></u>

Depreciation expense for the years ended December 31, 2019 and 2018 was \$1,890 and \$3,417, respectively.

(5) Net assets with donor restrictions

Purpose restricted net assets are available for or relate to the following purposes:

	<u>2019</u>	<u>2018</u>
Coalition for the International Criminal Court	\$ 1,840,998	\$ 1,859,218
ICRtoP	161,702	156,221
GPPAC	14,982	2,977
Pax	-	3,008
Workable World Trust	<u>-</u>	<u>1,385</u>
	<u><u>\$ 2,017,682</u></u>	<u><u>\$ 2,022,809</u></u>

During the years ended December 31, 2019 and 2018, net assets were released from restrictions by incurring expenses satisfying the restricted purposes as stipulated by the donors or release of time restrictions, as follows:

	<u>2019</u>	<u>2018</u>
Coalition for the International Criminal Court	\$ 1,297,556	\$ 2,135,777
ICRtoP	131,241	333,076
GPPAC	62,125	68,735
Pax	3,008	96,185
Workable World Trust	<u>1,385</u>	<u>67,716</u>
	<u><u>\$ 1,495,315</u></u>	<u><u>\$ 2,701,489</u></u>

**WORLD FEDERALIST MOVEMENT/
INSTITUTE FOR GLOBAL POLICY, INC.
NOTES TO FINANCIAL STATEMENTS**

The Organization's endowment consists of a individual donor restricted fund. The Betsy Dana Scholarship Fund represents a scholarship fund for a permanent annual internship to the Organization. This fund was established by the immediate family and friends of Betsy Dana to honor her memory and must maintain a minimum interest bearing cash balance of \$25,000. The excess over this amount represents fund income available for scholarship.

The Organization has interpreted the New York Prudent Management of Institutional Funds Act ("NYPMIFA") as allowing it to appropriate for expenditure or accumulate so much of an endowment fund as is determined prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise in the gift instrument, the assets of a donor-restricted endowment fund shall be donor-restricted assets until appropriated by the Organization, which classifies the original value of gifts donated to the endowment as net assets with donor restriction in perpetuity. The remaining portion of a donor restricted endowment fund is classified as net assets with donor restrictions until appropriated for expenditure in a manner consistent with the standard of prudence prescribed by NYPMIFA. Management has interpreted state law to permit prudent spending from underwater endowments.

Changes in endowment net assets for the years ended December 31, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Endowment net assets, beginning of year	\$ 25,000	\$ 25,000
Net interest income	326	1,026
Appropriated for expenditures	<u>(326)</u>	<u>(1,026)</u>
Endowment net assets, end of year	<u>\$ 25,000</u>	<u>\$ 25,000</u>

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 applicable law requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2019 and 2018.

**WORLD FEDERALIST MOVEMENT/
INSTITUTE FOR GLOBAL POLICY, INC.
NOTES TO FINANCIAL STATEMENTS**

(6) Grants and contributions revenue

In 2019 and 2018, grants and contributions were provided by the following:

	<u>2019</u>	<u>2018</u>
Government of Netherlands - PUF Alliance	\$ 1,011,835	\$ 863,745
Government of Finland	176,160	170,925
Government of Netherlands - CICC	105,469	303,683
GPPAC	74,505	-
NORAD	57,216	-
Irish Aid	55,275	56,825
Government of Switzerland	50,346	45,460
Netherland Embassy	17,345	-
UK Embassy	14,607	-
Other grants	12,695	9,503
Government of Australia	11,169	72,730
Government of Liechtenstein	9,693	9,871
Minnesota Community	5,194	-
Joseph E. Schwartzbeber	5,000	-
The Community Foundation	5,000	-
CSW	4,690	-
The Connable Office	1,250	-
City of the Hague	-	7,982
European Commission	-	760,330
Government of Norway	-	176,086
Anonymous	-	100,010
Workable World Trust	-	79,915
Norwegian Development Agency	-	76,649
IKV-Pax Christi	-	34,981
	<u>\$ 1,617,449</u>	<u>\$ 2,768,695</u>

(7) Concentrations of credit risk

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. World Federalist Movement/Institute For Global Policy, Inc. has not experienced any losses in such accounts. Cash and cash equivalents in excess of federally insured limits at December 31, 2019 and 2018, totaled \$399,919 and \$278,282, respectively, based on actual bank balances. The primary difference between the book and bank account balances is outstanding checks. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

(8) Commitments:

Lease

The Organization has an operating lease for office space which expires on July 30, 2020. Rent expense for the years ended December 31, 2019 and 2018 was \$262,982 and \$209,066, respectively.

**WORLD FEDERALIST MOVEMENT/
INSTITUTE FOR GLOBAL POLICY, INC.
NOTES TO FINANCIAL STATEMENTS**

Consulting agreements

The Organization has consulting agreements with individuals whom provide program and supporting services. The Organization incurred \$221,936 and \$373,050 under these arrangements for the years ended December 31, 2019 and 2018, respectively.

Government contracts

The Organization receives a substantial portion of its funding from contracts and grants which are subject to audit by government agencies. Such audits may result in disallowances and a request for a return of funds. No significant disallowances occurred or are expected to occur in the future.

(9) Administration fee

Budget and expenditure reports for grant funders/donors of the CICC program typically include an administration fee. The fee is based on a small percentage of the overall CICC budget, reallocated to supplement WFM-IGP governance and organizational development, in order to further the complementary goals of WFM-IGP and the CICC to advance multilateral institutions and promote justice and peace. These represent interfund revenue and expense transfers, which are not reflected in the accompanying financial statements.

(10) Subsequent events

The Organization has evaluated subsequent events occurring after December 31, 2019 through the date of September 14, 2020 which is the date these financial statements were available to be issued. Based on this evaluation, the Organization has determined the following subsequent event has occurred, which requires disclosure in the financial statements:

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (“COVID-19”) as a pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 may impact various parts of its 2020 operations and financial results, including the receipt of grants and contributions and collections on outstanding grants receivable. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurring subsequent to year-end are still developing.