



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

**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

**AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021**

**WORLD FEDERALIST MOVEMENT/
INSTITUTE FOR GLOBAL POLICY, INC.
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AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

We have reviewed the accompanying financial statements of World Federalist Movement/Institute For Global Policy, Inc. (the "Organization," a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended and the related notes to the financials. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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 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.

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 accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

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 accounting principles generally accepted in the United States of America.

NawrockiSmith

Report on 2021 Financial Statements

The 2021 financial statements were audited by us and we expressed an unmodified opinion on them in our report dated July 22, 2022. We have not performed any auditing procedures since that date.

Hauppauge, New York
September 5, 2023

Nawrocki Smith LLP

**WORLD FEDERALIST MOVEMENT/
INSTITUTE FOR GLOBAL POLICY, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 168,648	\$ 342,987
Restricted cash	25,000	25,000
Contribution receivable	127,000	57,071
Prepaid expenses	2,440	5,257
Security deposits	<u>-</u>	<u>12,947</u>
Total assets	<u>\$ 323,088</u>	<u>\$ 443,262</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	<u>\$ 87,202</u>	<u>\$ 51,508</u>
Total liabilities	<u>87,202</u>	<u>51,508</u>
NET ASSETS:		
Without donor restrictions		
Board designated for operational allowance	150,000	150,000
Undesignated	<u>60,886</u>	<u>216,754</u>
Total net assets without donor restrictions	<u>210,886</u>	<u>366,754</u>
With donor restrictions	<u>25,000</u>	<u>25,000</u>
Total net assets	<u>235,886</u>	<u>391,754</u>
Total liabilities and net assets	<u>\$ 323,088</u>	<u>\$ 443,262</u>

See accompanying accountant's review report and accompanying notes
to the financial statements.

**WORLD FEDERALIST MOVEMENT/
INSTITUTE FOR GLOBAL POLICY, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES:						
Grants and contributions	\$ 135,723	\$ -	\$ 135,723	\$ 417,684	\$ -	\$ 417,684
Member organization fees	15,094	-	15,094	24,187	-	24,187
Interest and dividends	600	-	600	(216)	-	(216)
Other income	-	-	-	3,008	-	3,008
Foreign currency exchange loss	(24,830)	-	(24,830)	(44,316)	-	(44,316)
Total revenues	126,587	-	126,587	400,347	-	400,347
EXPENSES:						
Program services	27,554	-	27,554	234,452	-	234,452
Supporting services:						
Administration	208,301	-	208,301	678,068	-	678,068
Fundraising	46,600	-	46,600	44,195	-	44,195
Total expenses	282,455	-	282,455	956,715	-	956,715
Deficiency of revenues under expenses	(155,868)	-	(155,868)	(556,368)	-	(556,368)
NET ASSETS RELEASED FROM RESTRICTIONS	-	-	-	310,457	(310,457)	-
Change in net assets	(155,868)	-	(155,868)	(245,911)	(310,457)	(556,368)
NET ASSETS, BEGINNING OF YEAR	366,754	25,000	391,754	612,665	335,457	948,122
NET ASSETS, END OF YEAR	\$ 210,886	\$ 25,000	\$ 235,886	\$ 366,754	\$ 25,000	\$ 391,754

See accompanying accountant's review report and accompanying notes
to the financial statements.

**WORLD FEDERALIST MOVEMENT/
INSTITUTE FOR GLOBAL POLICY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Supporting Services			Total
	Program Services	Administration	Fundraising	
Professional fees	\$ 2,801	\$ 75,659	\$ 1,000	\$ 79,460
Consultants	11,600	20,400	45,600	77,600
Grant repayments	-	65,735	-	65,735
Miscellaneous	-	17,205	-	17,205
Conferences, meetings and travel	11,494	2,958	-	14,452
Computing and websites	1,659	10,829	-	12,488
Insurance	-	7,000	-	7,000
Salaries and employee benefits	-	3,300	-	3,300
Bank and membership fees	-	3,212	-	3,212
Office equipment and supplies	-	1,983	-	1,983
Postage	-	20	-	20
Total	\$ 27,554	\$ 208,301	\$ 46,600	\$ 282,455

See accompanying accountant's review report and accompanying notes
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**WORLD FEDERALIST MOVEMENT/
INSTITUTE FOR GLOBAL POLICY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
	<u>IDG</u>	<u>Administration</u>	<u>Fundraising</u>	
Salaries and employee benefits	\$ 109,284	\$ 329,140	\$ -	\$ 438,424
Consultants	13,815	122,162	22,575	158,552
Professional fees	40,583	102,293	-	142,876
Rent	-	54,928	-	54,928
Regional coordination	53,756	-	-	53,756
Computing and websites	5,312	30,431	9,109	44,852
Office equipment and supplies	3,615	12,760	-	16,375
Printing and publications	7,346	2,190	2,208	11,744
Miscellaneous	-	1,080	8,339	9,419
Insurance	-	8,324	-	8,324
Bank and membership fees	-	7,278	-	7,278
Conferences, meetings and travel	-	5,049	1,223	6,272
Telephone	741	1,481	741	2,963
Postage and couriers	-	952	-	952
Total	\$ 234,452	\$ 678,068	\$ 44,195	\$ 956,715

See accompanying accountant's review report and accompanying notes
to the financial statements.

**WORLD FEDERALIST MOVEMENT/
INSTITUTE FOR GLOBAL POLICY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (155,868)	\$ (556,368)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Increase in contribution receivable	(69,929)	(50,372)
Decrease in prepaid expenses	2,817	10,715
Decrease in security deposits	12,947	-
Increase (decrease) in accounts payable and accrued expenses	<u>35,694</u>	<u>(3,488)</u>
Net cash used in operating activities	<u>(174,339)</u>	<u>(599,513)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	(174,339)	(599,513)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR	<u>367,987</u>	<u>967,500</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	<u>\$ 193,648</u>	<u>\$ 367,987</u>
COMPONENTS OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH ON THE STATEMENTS OF FINANCIAL POSITION:		
Cash and cash equivalents	\$ 168,648	\$ 342,987
Restricted cash	<u>25,000</u>	<u>25,000</u>
Total cash, cash equivalents and restricted cash	<u>\$ 193,648</u>	<u>\$ 367,987</u>

See accompanying accountant's review report and accompanying notes
to the financial statements.

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

(1) Nature of activities:

World Federalist Movement/Institute for Global Policy, Inc. (the "Organization") is a not-for-profit membership organization incorporated in 1995 pursuant to New York State Not-For-Profit Organization law. The purpose of the Organization is 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:

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.

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:

The accompanying financial statements include the assets, liabilities, revenues and expenses of the Organization, which are presented under the accrual basis of accounting. The following is a summary of significant accounting policies followed by the Organization:

Basis of accounting and financial statement presentation -

The accompanying financial statements include the accounts of the Organization's programs, administration and fundraising. The Organization presents its financial statements in accordance with U.S. generally accepted accounting principles, which 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:

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

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, 2022 and 2021.

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, 2022 and 2021 relates to donor restricted funds of \$25,000 for each of the years.

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 -

The Organization compiles with and accounts for its revenues in accordance with FASB ASC 958, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* and ASC 606, *Revenue from Contracts with Customers*.

The following are the significant revenue recognition accounting policies of the Organization:

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.

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

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. All expenses are allocated on a systematic and rational basis.

Liquidity considerations -

Quantitative

As of December 31, 2022, the Organization has \$295,648 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 \$102,000.

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 2019.

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 reported period. Actual results may differ from those estimates.

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

(3) Net assets with donor restrictions

During the years ended December 31, 2022 and 2021, 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>2022</u>	<u>2021</u>
Coalition for the International Criminal Court	\$ -	\$ 199,676
ICRtoP	-	92,417
GPPAC	-	14,982
Pax	-	3,382
	<u>\$ -</u>	<u>\$ 310,457</u>

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, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Endowment net assets, beginning of year	\$ 25,000	\$ 25,000
Net interest income	600	216
Appropriated for expenditures	<u>(600)</u>	<u>(216)</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, 2022 and 2021.

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

(4) Commitments and contingencies:

Concentrations of credit risk -

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

Consulting agreements -

The Organization has consulting agreements with individuals whom provide program and supporting services. The Organization incurred \$77,600 and \$158,552 under these arrangements for the years ended December 31, 2022 and 2021, 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 due to the COVID-19 pandemic, during the years ended December 31, 2021, certain programs have been terminated leading to disallowances, which forced the Organization to refund the funds received. For the years ended December 31, 2022 and 2021 the Organization refunded \$65,736 and \$201,724, respectively.

(5) Subsequent events

The Organization has evaluated subsequent events through September 5, 2023, which is the date the financial statements were available to be issued, noting no additional matters requiring consideration.