

WFM-IGP ANNUAL REPORT

2022

WORLD
FEDERALIST
MOVEMENT



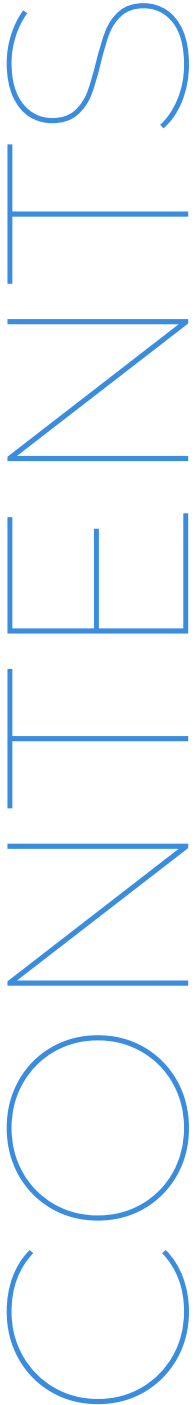
INSTITUTE
FOR GLOBAL
POLICY

ABOUT WFM-IGP

Founded in 1947, the World Federalist Movement-Institute for Global Policy (WFM-IGP) is a nonprofit, nonpartisan organization. It is registered as a 501(c)(3) organization in the USA, and a Stichting in the Netherlands.

Our vision is a just, free, and peaceful world, where humanity and nature flourish in harmony. Our mission is to create more effective, transparent, and accountable global governance leading to democratic world federation.

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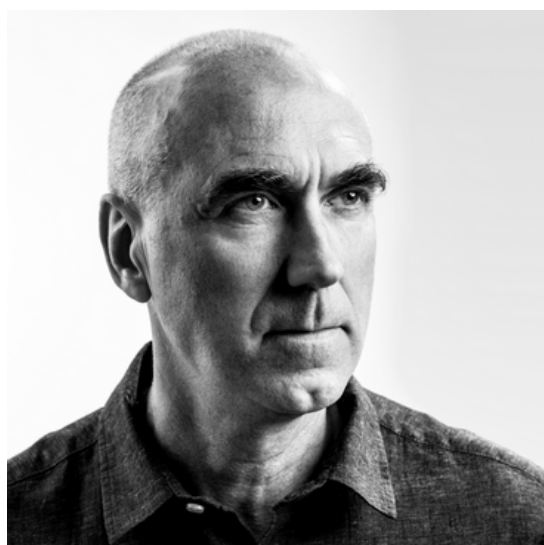
KEY MESSAGE FROM OUR LEADERSHIP

EXECUTIVE COMMITTEE CHAIR

2022 was a year of renewal for WFM. After the retirement of long-standing WFM Executive Director Bill Pace in 2018, the core projects of the 'Coalition for the International Criminal Court' and the 'International Coalition for Responsibility to Protect' completed their transition to new host organizations. At the end of 2021, the WFM Congress elected a fresh Executive Committee to establish the direction for WFM going forwards. An early step was the appointment of a new consultant Executive Director, Amy Oloo, a young international lawyer with experience in project management and human rights advocacy, based in Nairobi, Kenya.

The new leadership team conducted a wide-ranging Theory of Change process in consultation with all Member and Associate Organizations. The results were completely aligned with the founding document of WFM, the Montreux Declaration of 1947. The renewed vision, mission and values may be found in the 'About us' section of the website, as well as the 'highlights' section of this report. In essence we re-affirmed that our long-term goal is democratic world federation, that we pursue multiple paths and incremental improvements of global governance towards this goal; and that this diversity of approaches is a strength, providing flexibility and resilience in an unpredictable world. In 2023, WFM will update its Strategic Plan to reflect this Theory of Change.

That a 2022 Theory of Change aligns with a 1947 Declaration indicates the enduring rationale for our proposals. The deepening global 'polycrisis' is generating increasing popular and political demand for change. We have the plan and we have the catalyst. It is an exciting time to be a world federalist.



John Vlasto

Executive Committee Chair,
World Federalist Movement-
Institute for Global Policy

KEY MESSAGE FROM OUR LEADERSHIP

EXECUTIVE DIRECTOR

In February 2022, the world watched helplessly as Russia launched a full scale invasion of Ukraine, contravening core international law principles, and evading accountability by way of its privileged status as a permanent member of the UN Security Council.

Meanwhile, at the November UN Climate Change Conference, we grew more weary as we witnessed, once again, fragmentation on the best way forward, as far as tackling climate change.

All this occurred on the heels of a global pandemic, which highlighted the blatant inequality in the global political order, as wealthier Western nations hoarded COVID-19 vaccines, to the detriment of their counterparts in the global south, who are still struggling with the post pandemic economic recovery.

If nothing else, these ordeals have underscored the need for effective global governance mechanisms for addressing acute transnational challenges. Having spent 2022 reflecting on its vision, mission, values and goals, as well as developing diverse projects to allow it to address key global governance issues, WFM-IGP remains uniquely positioned to offer much needed solutions to these worsening global crises. We look forward to implementing our global governance projects, and encourage you to join us in doing so.



Amy Oloo

Executive Director, World
Federalist Movement -
Institute for Global Policy

UPDATES

Executive Committee

In November of 2021, the organization's Executive Committee welcomed twelve new board members from across the globe, including Argentina, Canada, Greece, India, Italy, Japan, Kenya, the United Kingdom and the USA. The new Executive Committee reflects a balance of gender, youth, cultural and technical expertise; a factor which has been helpful in allowing the organization to move towards a more globally inclusive perspective.

Additionally, an Advisory Council, composed of representatives from the organization's membership, was established in the same year. The Advisory Council is invited to observe Executive Committee meetings, thereby enhancing transparency and communication between the Executive Committee and WFM-IGP's membership.

Secretariat

In March 2022, WFM-IGP welcomed a new consulting Executive Director, Amy Oloo, from Nairobi Kenya. Other consultants contracted in 2022 included: Luiz Bispo, Communications and Outreach (Australia); Tom Smit, IT Consultant, Think4IT, (Netherlands); Jeff Cook, Accounting, Chazin and Company (USA); and John Veerkamp, Website Consultant, MediaBlendNL (Netherlands).

Additionally, in May 2022, WFM-IGP entered an agreement with Lancaster University to exchange information on various policy issues, and to engage more youth in our work. As part of this agreement, Lancaster University assigned six students to support the current secretariat in various internship roles between November 2022 - June 2023.

Finally, in November 2022, WFM-IGP renewed its office hosting agreements with Citizens for Global Solutions in Washington DC, USA and WF Beweging Nederland in the Hague, Netherlands; however, since the COVID-19 pandemic, all consultants have continued to work remotely from around the globe.

Programs & Networks

In 2022, WFM-IGP served on the Steering Committee for the Coalition for the International Criminal Court (CICC), the International Coalition for the Responsibility to Protect (ICR2P), and the Global Pact for the Prevention of Armed Conflict (GPPAC), where it ensured that key global governance issues related to peace, atrocity prevention, as well as justice and accountability, were brought to the forefront of these network's agendas.

We also developed new programs to address emerging issues related to gender equality, peace and security, and environmental governance, all while maintaining its role in the campaign for a **United Nations Parliamentary Assembly** and the campaign for a **Latin American and Caribbean Court Against Transnational Organized Crime (COPLA)**. Fundraising is currently ongoing for these projects.

Some of these newly developed projects are highlighted below:

01

MOBILIZING AN EARTH GOVERNANCE ALLIANCE (MEGA)

This project seeks to address the root cause of global environmental challenges by creating effective and accountable global environmental governance, via concrete and credible reforms, driven by a diverse and resilient high-impact coalition made up of civil society actors, states, and experts. The Climate Governance Commission is a partner for this particular project.

02

COALITION 3+3

Coalition 3+3 seeks to use a top-down approach in establishing a Northeast Asia Nuclear-weapon-free zone (NEA-NWFZ), with a Three-plus-Three Arrangement.

03

BEIJING + 30

This particular project seeks to promote the Role of Women in Decision Making in Nigeria, Botswana and Ghana; by following up on the three countries' commitments to the Beijing Declaration, and Platform for Action as it approaches its 30th year. More specifically, the project seeks to increase the political participation of women in local and national governments, whereby the three countries are amongst the lowest performing in this area. FEMNET and GENCED Ghana are project partners for this initiative.

Finally, the organization recently founded three [Transnational Working Groups](#) on: Artificial Intelligence, African Union - European Union relations, and a World Security Community. The transnational working groups are composed of the organization's members, who invite guest speakers from academia, as well as the international Affairs industry, and other relevant disciplines. The groups meet several times throughout the year, with a view to promoting discourse and policy formation around their thematic issues.

HIGHLIGHTS

Theory of change

In 2022 the newly elected Executive Committee of WFM-IGP initiated a membership-led Theory of Change process, to define a clear mandate from membership to management. The outcome, completely aligned with the 1947 Montreux Declaration (the foundational document of the World Federalist Movement), is as follows:

Vision

A just, free, and peaceful world, where humanity and nature flourish in harmony.

Mission

To create more effective, transparent, and accountable global governance leading to democratic world federation.

Values

In coming together to pursue our common vision and mission we value;

1

Integrity

We act with honesty and integrity in everything we do. We communicate openly and respectfully, both internally and externally.

2

Inclusion

We welcome all who share our vision, mission, and values, and celebrate the diversity of our global movement.

3

Working together

We are stronger and more effective working together, creatively combining our diverse skills, expertise, and perspectives.

4

Focus

We are united in unwavering focus on delivering our mission.

To Learn more about the long term goals of the organization, as determined by the theory of change process, click [here](#).

Montreux celebration event

On 8th December 2022, the WFM-IGP co-hosted an event to commemorate the 75th anniversary of the Montreux Declaration, alongside the Union of European Federalists (UEF). The hybrid event took place at the European Parliament in Brussels, Belgium, and online via zoom.

The event provided an opportune moment to reflect on the Montreux declaration, and the importance of World Federalism, in light of the Ukraine conflict and the climate crisis. The outcome of the meeting was the drafting of a joint declaration between WFM-IGP and UEF, whereby the two organizations agreed to work closely together, towards World Federalism.



Participants commemorating the 75th anniversary of the Montreux Declaration.



WFM-IGP's Executive Committee Chair, John Vlasto participating in a protest for climate democracy at COP27.

Individual giving program

In 2022, WFM-IGP also re-initiated its individual giving program. Our internal network, in addition to existing individual donors, were invited to participate in our end of year individual giving campaign, which ran between October and December.

We were pleased to see the renewal of support, which went towards the initiation of the MEGA project at COP27, and towards partial cost of our operations for the year.

We would like to thank everyone that joined or shared our fundraiser, and we look forward to engaging all of our stakeholders in our upcoming activities over the 2023 period.

FINANCIAL REPORT



NawrockiSmith

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of the World Federalist Movement/Institute For Global Policy, Inc., which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, functional expense and cash flows for the years then ended, and the related notes to the financial statements.

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, 2021 and 2020 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under these standards are further described in the Auditor Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the World Federalist Movement/Institute For Global Policy, Inc. and to meet other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Substantial Doubt about the Organization's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Organization will continue as a going concern. As discussed in Note 6 to the financial statements, the Organization has suffered recurring significant reductions in grant revenues and has stated that substantial doubt exists about the Organization's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding those matters are also described in Note 6. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

NawrockiSmith

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the World Federalist Movement/Institute For Global Policy, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 generally accepted auditing standards 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, including omissions, 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 World Federalist Movement/Institute For Global Policy, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the World Federalist Movement/Institute For Global Policy, Inc.'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.

Hauppauge, New York
July 22, 2022

Nawrocki Smith LLP

WORLD FEDERALIST MOVEMENT/ INSTITUTE FOR GLOBAL POLICY, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021 AND 2020

ASSETS	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 342,987	\$ 942,500
Restricted cash	25,000	25,000
Contribution and other	57,071	6,699
Prepaid expenses	5,257	15,972
Security deposits	<u>12,947</u>	<u>12,947</u>
Total assets	<u>\$ 443,262</u>	<u>\$ 1,003,118</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	<u>\$ 51,508</u>	<u>\$ 54,996</u>
Total liabilities	<u>51,508</u>	<u>54,996</u>
NET ASSETS:		
Without donor restrictions:		
Board designated for operational allowance	150,000	229,205
Undesignated	<u>216,754</u>	<u>383,460</u>
Total net assets without donor restrictions	<u>366,754</u>	<u>612,665</u>
With donor restrictions	<u>25,000</u>	<u>335,457</u>
Total net assets	<u>391,754</u>	<u>948,122</u>
Total liabilities and net assets	<u>\$ 443,262</u>	<u>\$ 1,003,118</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THESE STATEMENTS.

WORLD FEDERALIST MOVEMENT/ INSTITUTE FOR GLOBAL POLICY, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES:						
Grants and contributions	\$ 417,684	\$ -	\$ 417,684	\$ 3,920	\$ 749,913	\$ 753,833
Member organization fees	24,187	-	24,187	7,626	-	7,626
Interest and dividends	(216)	-	(216)	-	3,018	3,018
Other income	3,008	-	3,008	52,761	-	52,761
Foreign currency exchange loss	\$ (44,316)	-	(44,316)	\$ -	-	-
Total revenues	400,347	-	400,347	64,307	752,931	817,238
EXPENSES:						
Program services	234,452	-	234,452	1,242,039	-	1,242,039
Supporting services:						
Administration	678,068	-	678,068	102,124	-	102,124
Fundraising	44,195	-	44,195	151,783	-	151,783
Total expenses	956,715	-	956,715	1,495,946	-	1,495,946
Excess (deficiency) of revenues over (under) expenses	(556,368)	-	(556,368)	(1,431,639)	752,931	(678,708)
NET ASSETS RELEASED FROM RESTRICTIONS	310,457	(310,457)	-	594,559	(594,559)	-
Change in net assets	(245,911)	(310,457)	(556,368)	(837,080)	158,372	(678,708)
NET ASSETS, BEGINNING OF YEAR	612,665	335,457	948,122	1,449,745	177,085	1,626,830
NET ASSETS, END OF YEAR	\$ 366,754	\$ 25,000	\$ 391,754	\$ 612,665	\$ 335,457	\$ 948,122

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
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WORLD FEDERALIST MOVEMENT/ INSTITUTE FOR GLOBAL POLICY, INC.
 STATEMENTS OF FINANCIAL POSITION
 AS OF DECEMBER 31, 2021 AND 2020

	Program Services	Supporting Services		Totals
	IDG	Administration	Fundraising	
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

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
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WORLD FEDERALIST MOVEMENT/ INSTITUTE FOR GLOBAL POLICY, INC.
 STATEMENTS OF FINANCIAL POSITION
 AS OF DECEMBER 31, 2021 AND 2020

	Program Services			Totals	Supporting Services		Totals
	CICC	ICRtoP	IDG		Administration	Fundraising	
Salaries and employee benefits	\$ 419,288	\$ 139,184	\$ 74	\$ 558,546	\$ 35,535	\$ 121,963	\$ 716,044
Rent	181,355	19,229	-	200,584	16,190	-	216,774
Consultants	79,952	32,192	60,996	173,140	714	29,820	203,674
Professional fees	102,974	6,302	-	109,276	8,055	-	117,331
Regional coordination	5,738	72,730	-	78,468	-	-	78,468
Computing and websites	21,508	7,854	531	29,893	28,458	-	58,351
Miscellaneous	7,416	15,787	5,761	28,964	-	-	28,964
Telephone	17,186	1,339	-	18,525	2,958	-	21,483
Insurance	13,651	1,773	-	15,424	1,620	-	17,044
Printing and publications	10,685	1,490	-	12,175	1,614	-	13,789
Conferences, meetings and travel	6,569	958	633	8,160	4,040	-	12,200
Bank and membership fees	5,507	814	46	6,367	2,796	-	9,163
Office equipment and supplies	1,027	159	169	1,355	144	-	1,499
Postage and couriers	993	169	-	1,162	-	-	1,162
Total	\$ 873,849	\$ 299,980	\$ 68,210	\$ 1,242,039	\$ 102,124	\$ 151,783	\$ 1,495,946

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
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WORLD FEDERALIST MOVEMENT/ INSTITUTE FOR GLOBAL POLICY, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (556,368)	\$ (678,708)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Loss on disposal of fixed assets	-	2,579
Decrease in grants receivable	-	962,901
Increase in contribution and other receivables	(50,372)	(3,967)
Decrease in prepaid expenses	10,715	2,118
Decrease in security deposits	-	62,369
Increase (decrease) in accounts payable and accrued expenses	(3,488)	15,577
Net cash (used) provided by operating activities	(599,513)	362,869
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	(599,513)	362,869
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR	967,500	604,631
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	\$ 367,987	\$ 967,500
SUPPLEMENTAL CASH FLOW INFORMATION:		
Retirement of fully depreciated fixed assets	\$ -	\$ 16,752
COMPONENTS OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH ON THE STATEMENTS OF FINANCIAL POSITION:		
Cash and cash equivalents	\$ 342,987	\$ 942,500
Restricted cash	25,000	25,000
Total cash, cash equivalents and restricted cash	\$ 367,987	\$ 967,500

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:**

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:

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, 2021 and 2020.

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, 2021 and 2020 relates to donor restricted funds of \$25,000 for each of the years.

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

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).

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 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 employee benefits and consultants which are allocated on the basis of estimates of time and effort. All other expenses are allocated on a systematic and rational basis.

Liquidity considerations

Quantitative

As of December 31, 2021, the Organization has \$400,058 of financial assets available to meet cash needs for program and supporting services expenditures within ten months 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.

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

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 \$167,000.

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 2018.

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) Net assets with donor restrictions

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

	<u>2021</u>	<u>2020</u>
Coalition for the International Criminal Court	\$ -	\$ 199,676
ICRtoP	-	92,417
GPPAC	-	14,982
Pax	-	3,382
	<u>\$ -</u>	<u>\$ 310,457</u>

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

During the years ended December 31, 2021 and 2020, 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:

	2021	2020
Coalition for the International Criminal Court	\$ 199,676	\$ 484,931
ICRtoP	92,417	94,534
GPPAC	14,982	-
Pax	3,382	-
WFM-IGP	-	15,094
	\$ 310,457	\$ 594,559

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, 2021 and 2020 are as follows:

	2021	2020
Endowment net assets, beginning of year	\$ 25,000	\$ 25,000
Net interest income	216	3,018
Appropriated for expenditures	(216)	(3,018)
Endowment net assets, end of year	\$ 25,000	\$ 25,000

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, 2021 and 2020.

WORLD FEDERALIST MOVEMENT/ INSTITUTE FOR GLOBAL POLICY, INC. NOTES
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(4) Grants and contributions revenue

In 2021 and 2020, grants and contributions were provided by the following:

	<u>2021</u>	<u>2020</u>
European Commission	\$ 177,444	\$ -
Netherland Enterprise Agency	140,537	-
Ministry of Social Affairs and Employment	123,999	-
Government of Netherlands	102,566	15,094
Other grants and Contributions	63,583	1,250
NORAD	5,956	140,545
SCHWAB	2,917	10,000
OneWorld	2,406	-
Government of Finland	-	176,505
Wellspring	-	150,009
Government of Liechtenstein	-	10,438
The Community Foundation	-	4,000
Irish Aid	-	2,065
Government of Switzerland	-	45,000
Federal Department of Foreign Affairs	-	5,920
Irish Aid	-	141,480
GPPAC	-	51,527
	<u>619,408</u>	<u>\$ 753,833</u>
Less: Grant refunds	<u>(201,724)</u>	<u>-</u>
	<u>\$ 417,684</u>	<u>\$ 753,833</u>

(5) 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, 2021 and 2020, totaled \$190,128 and \$807,740 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.

(6) Commitments:

Lease

The Organization had an operating lease for office space, which expired during 2020. Rent expense for the years ended December 31, 2021 and 2020 was \$54,928 and \$216,774, 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 \$158,552 and \$197,422 under these arrangements for the years ended December 31, 2021 and 2020, 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 for the year ended December 31, 2020. However, due to the COVID-19 pandemic, during the year ended December 31, 2021, certain programs have been terminated leading to disallowances, which forced the Organization to refund the funds received. For the year ended December 31, 2021, the Organization refunded \$201,724.

COVID-19

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 has impacted various parts of its 2021 operations and financial results. 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 are still occurring.

(7) Going Concern and Management's Plan

For the years ended December 31, 2019, 2020 and 2021, the Organization had reported operating losses of \$824,362, \$678,708 and \$556,368, respectively. Prompted by a steady further decline of the Net Assets position in 2021 due to challenging funding conditions exacerbated by the effects of the COVID-19 pandemic, in 2021 the Organization embarked on a thorough strategic reorientation concerning its key programs, coupled with a revision of its organizational structure. As a result of this reorientation the Organization took the decision to suspend its activities related to its key programs, notably CICC and ICRtoP, transferring these to other host organizations. Through this decision the Organization has been able to realize substantial, necessary cost cuts in terms of staff and operational costs, thus making way for a whole new programmatic agenda and organizational structure, aimed at an enhanced fulfilling of the Organization's mission. As of the date the financial statements are available to be issued, these matters are receiving ongoing consideration. However, in the opinion of management, substantial doubt about the ability to continue as a going concern exists and has not been alleviated.

(8) Subsequent events

The Organization has evaluated subsequent events through July 22, 2022, which is the date these financial statements were available to be issued, noting no matters which require disclosure.

EXECUTIVE COMMITTEE MEMBERS

Fernando Iglesias, Co- President - Argentina
Tadashi Inuzuka, Co - President- Japan
John Vlasto, Chair - UK
Donna Park, Congress Chair - USA
Nicola Vallinoto, 1st congress vice chair - Italy
Vijayam Raghunathan, 2nd Congress Vice Chair - India
Bente Nielsen, Treasurer - Denmark
Evan Freund, Assistant Treasurer - USA
Camila Lopez Badra, Membership and Outreach Committee Chair - Argentina
Nicolas Baird, Policy Review Chair - Canada
Nicolas Rowe, Credentials, Nominations and Statutes Committee Chair - USA
Daphne Gogou - Greece
Elizabeth Gamara - Japan
Hemachandra Basappa - India
Riccardo Moschetti - Italy
Amy Oloo, Executive Director (Ex-officio) - Kenya

CONSULTANTS

Amy Oloo, Consulting Executive Director - Kenya
Jeff Cook, Accounting Consultant (Chazin and Company) - USA
John Veerkamp, Website Consultant (Media Blend) - Netherlands
Luiz Bispo, Communications and Outreach Consultant - Australia
Tom Smit, IT Consultant (Think4IT) - Netherlands

NETWORKS

Coalition for the International Criminal Court - Steering Committee member
Coalition for the International Responsibility to Protect - Steering Committee member
Global Pact for the Prevention of Armed Conflict - Steering Committee member

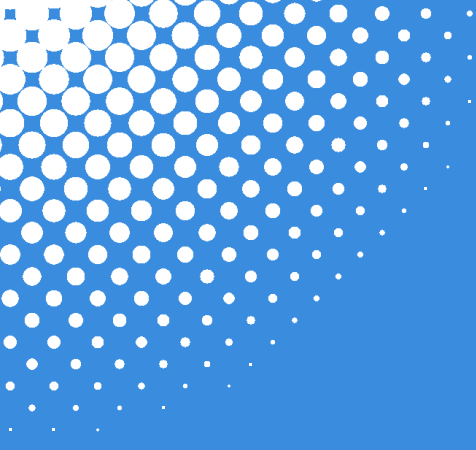
MEMBER ORGANIZATIONS

- Asian Youth Centre
- Citizens for Global Solutions
- Democracia Global
- Democracy Without Borders (DWB)
- Democracy Without Borders – Switzerland
- Federal Union
- FN Forbundet
- Individual Members of the International Member Organisation (IMO)
- South Asian Federalists
- MFE Italy
- WF Beweging Nederland
- WFM Canada
- WFM Japan

ASSOCIATED ORGANIZATIONS

- Advocates for Youth and Health Development
- African Federation Association – WFM Uganda
- * Atlas
- * Basel Peace Office
- Center for Development of International Law
- Citizen Development Network
- *Center for Peace and Global Governance
- Centre for United Nations Constitutional Research (CUNCR)
- City Montessori School of Lucknow
- *Democracy Today
- Democracy Without Borders
- Democratic World Federalists
- Japanese Parliamentary Committee for World Federalism
- JEF Europe
- * Justice Access Point
- One World – Movement for Global Democracy
- One World Trust
- * Stichting Mission Lanka
- * Rwizi-Network - Uganda
- * Tanzania Peace and Youth Development Centre (TPYDC)
- The Institute for Global Leadership
- * Universal Peace Federation
- Union of European Federalists
- * Union of European Federalists Greece
- Union of European Federalists – France
- Union of European Federalists – Spain
- Uniting for Peace
- WFM Asian Center
- World Citizens Association Australia
- * World Citizen Government (former World Service Authority)
- Young World Federalists (YWF)

* Provisionally approved organization; membership contingent on further approval by WFM-IGP's congress.



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