

**WORLD FEDERATION OF
UNITED NATIONS ASSOCIATIONS**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDING
DECEMBER 31, 2011**

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
FINANCIAL STATEMENTS
For the year ending December 31, 2011

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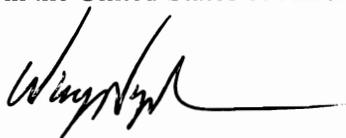
INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
World Federation of United Nations Associations

We have audited the accompanying statement of financial position of World Federation of United Nations Associations (a nonprofit organization) as of December 31, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of World Federation of United Nations Associations as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Wayne P. Naegele, CPA
New York, NY
July 30, 2012

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
STATEMENT OF FINANCIAL POSITION
As of December 31, 2011

	<u>December 31, 2011</u>
ASSETS	
CURRENT ASSETS	
Cash in bank	\$ 1,063,391
Membership dues receivable, net of \$0 allowance for uncollectible accounts	78,760
TOTAL CURRENT ASSETS	<u>1,142,151</u>
OTHER ASSETS	
Fixed assets, net of \$22,168 of accumulated depreciation as of December 31, 2011	24,926
Intangible assets, net of \$13,183 of accumulated amortization as of December 31, 2011	20,717
TOTAL OTHER ASSETS	<u>45,643</u>
TOTAL ASSETS	<u><u>\$ 1,187,794</u></u>
 LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 35,763
Deferred income	300,000
TOTAL CURRENT LIABILITIES	<u>335,763</u>
NET ASSETS	
Unrestricted net assets	826,706
Temporarily restricted net assets	25,325
TOTAL NET ASSETS	<u>852,031</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,187,794</u></u>

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
STATEMENT OF ACTIVITIES
For the year ending December 31, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES			
Contributions and grants	\$ 923,724	\$ 314,600	\$ 1,238,324
Interest income	1,272	-	1,272
Kiosk sales	16,981	-	16,981
Membership dues	99,132	-	99,132
Registration fees	6,497	-	6,497
Net assets released from restrictions:			
Satisfaction of purpose restrictions	289,275	(289,275)	-
TOTAL REVENUES AND RECLASSIFICATIONS	<u>1,336,881</u>	<u>25,325</u>	<u>1,362,206</u>
EXPENSES			
Program services	878,461	-	878,461
Management and general	68,962	-	68,962
Fundraising	111,554	-	111,554
TOTAL EXPENSES	<u>1,058,977</u>	<u>-</u>	<u>1,058,977</u>
INCREASE IN NET ASSETS	277,904	25,325	303,229
Unrealized foreign currency translation adjustment	(3,457)	-	(3,457)
INCREASE IN NET ASSETS	274,447	25,325	299,772
NET ASSETS, BEGINNING OF YEAR	<u>552,259</u>	<u>-</u>	<u>552,259</u>
NET ASSETS, END OF YEAR	<u>\$ 826,706</u>	<u>\$ 25,325</u>	<u>\$ 852,031</u>

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
STATEMENT OF CASH FLOWS
For the year ending December 31, 2011

	<u>For the year ending December 31, 2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 303,229
Adjustments to reconcile net assets to net cash provided by operating activities:	
Depreciation and amortization	17,636
Unrealized foreign currency translation adjustment	(3,457)
Changes in assets and liabilities:	
(Increase) decrease in:	
Membership dues receivable	(38,219)
Prepaid expenses	2,000
Increase (decrease) in:	
Accounts payable	(18,774)
Deferred income	85,400
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>347,815</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Payments for fixed assets	<u>(2,240)</u>
NET INCREASE (DECREASE) IN CASH	345,575
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>717,816</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 1,063,391</u></u>

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 1 – NATURE OF ORGANIZATION

The World Federation of United Nations Associations (“WFUNA” or “Organization”) is a global nonprofit organization working for a stronger and more effective United Nations. Established in 1946, WFUNA represents and coordinates a membership of over 100 United Nations Associations and its thousands of members.

WFUNA’s mission is to work to build a better world by strengthening and improving the United Nations through the engagement of people who share a global mindset and support international cooperation – global citizens. WFUNA believes that a strong and effective United Nations can be a powerful force in meeting their common global challenges and opportunities. WFUNA believes that peoples’ involvement in all levels of local, national and global decision-making is essential in order to achieve the goals of the United Nations.

WFUNA’s mission is grounded by the following organizational values:

- **Impact:** The Organization values performance and results and sets itself accountable to / for high standards.
- **Respect:** The Organization listens to and learns from its constituents, partners, funders, and one another. The Organization values diverse perspectives and strives to incorporate them in its work.
- **Empowerment:** The Organization believes in the power of knowledge and in its capacity to mobilize human beings to create a better world.
- **Collaboration:** The Organization works as a team within the Organization and with its partners. The Organization shares ideas and tries to align its efforts with those of others who are dedicated to the goals of the United Nations.
- **Innovation:** The Organization seeks original approaches for achieving its goals, taking advantage of creative communication for its outreach.
- **Passion:** The Organization is committed to making a difference and strives for what can be; it does not settle for what is.

Within the context of the Global Citizen Campaign, WFUNA developed five long-term programs aimed at achieving objectives under the three pillars of the United Nations — Human Rights, Peace and Security, and Sustainable Development. These programs are structured to pursue the Organization’s mission through three sets of strategies relating to the United Nations main pillars:

- Education and awareness raising
- Policy development and advocacy
- Multilateral cooperation and development projects

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 1 – NATURE OF ORGANIZATION - continued

The programs aiming to achieve the Organization’s objectives are:

Go Beyond: Sustainable Development Program: WFUNA has developed a program aimed at finding innovative and collaborative solutions for climate change. WFUNA is launching Go Beyond, bringing together major international corporations, United Nations Associations, and global citizens and consumers. The Organization’s goal is to alter the consumption behavior of individuals toward a climate-responsible lifestyle.

YOUth Impact Africa: Development Program: According to the United Nations, current trends indicate that no African country will achieve its goals by the year 2015. The Organization’s current project to address the troubling status of Millennium Development Goals (“MDG”) is YOUth Impact Africa. The project aims to contribute to attaining MDGs in the region through youth-led community service projects. YOUth Impact Africa will raise awareness about MDGs, actively engage African youth with these issues, and empower them to become change agents themselves.

Responsibility to Protect: Peace and Security Program: WFUNA’s peace and security program will implement an advocacy movement for mobilizing public and political will for the Responsibility to Protect; a call toward a norm for the international community to ensure it never fails to act in the face of genocide or gross human rights abuses.

Civil Society Action on Human Rights: WFUNA’s human rights program will allow United Nations Associations to take an active part in UN mechanisms for monitoring human rights. Through training seminars, WFUNA will focus on capacity-building and democracy by providing the necessary tools for UNAs to monitor and check their government’s behavior and write reports to notify the UN system.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of financial statements

The financial statements have been prepared on the accrual basis of accounting.

Revenue and expenses

Revenue is recognized when earned and support when contributions are made or when there is an unconditional promise to give. Expenses are recorded when incurred.

Basis of presentation

Financial statement presentation follows the recommendations of the FASB ASC 958-205-55, Not-for-Profit Entities – Presentation of Financial Statements (formerly, SFAS No. 117, Financial Statements of Not-for-Profit organizations). Under the codification, the Organization is required to report information

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

regarding its financial position and activities according to three classes of net assets - unrestricted, temporarily restricted and permanently restricted net assets.

Functional allocation of expenses

The costs of providing program, management and general, and fundraising activities have been summarized on a function basis in the Statement of Activities. Direct expenses are charged based on specific identification and indirect expenses have been allocated based on the level of effort in the following functional expenses defined:

- Program services are the activities that result in goods and services being distributed to beneficiaries pursuant to the Organization's mission. Supporting services are all activities other than program services.
- Management and general services include all management and administrative functions, such as oversight, business management, general recordkeeping, budgeting, financing, but exclude direct conduct of program services and fund-raising services.
- Fund-raising services include solicitation of contributions from individuals, organizations, and others, maintaining donor mailing lists, and distributing fund-raising materials.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies, if any, at the date of the financial statements, and the revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

For the purposes of reporting cash flows, cash and cash equivalents includes cash on hand, demand deposits, money market funds and investments in certificates of deposits and commercial paper with original maturities of three months or less.

Membership dues receivable

Membership dues receivable consist of membership dues that have not been received by the Organization. Management has determined that any amounts due the Organization for the year ending 2011 are deemed collectible. Dues receivable as of December 31, 2011 was \$78,760. The Organization has determined that \$0 of dues to be uncollectible as of December 31, 2011.

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Property and equipment and intangible assets

Property and equipment are capitalized at cost. It is management's policy to capitalize expenditures for these items in excess of \$500. Amounts less than \$500 are expensed. Expenditures for additions, replacements and improvements are capitalized, while expenditures for normal maintenance and repairs are charged to expense as incurred. Property and equipment are depreciated over their useful lives of five years using the straight-line method.

Intangible assets are stated at cost, net of accumulated amortization utilizing the straight-line method.

Long-lived assets held and used by the Organization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the event that the facts and circumstances indicate that the cost of long-lived assets may be impaired, an evaluation of recoverability would be performed.

Donated services

There are no amounts reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs and fund-raising events.

Income taxes

The Organization was formed as a not-for-profit corporation organized under the provisions of New York State law. The Organization is exempt from federal, state and local income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service and the State of New York. Management has analyzed the tax positions taken by the Organization and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) disclosure in the financial statements.

The Organization's Form 990, Return of Organization Exempt from Income Tax for the years 2008, 2009, 2010 and 2011 is subject to examination by the Internal Revenue Service generally for up to three years after they are filed.

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 3 – FIXED ASSETS AND INTANGIBLE ASSETS

As of December 31, 2011, fixed assets are as follows:

Equipment	\$	30,316
Furniture and fixtures		13,778
Leasehold improvements		<u>3,000</u>
		47,094
Less accumulated depreciation		<u>(22,168)</u>
Total	\$	<u><u>24,926</u></u>

As of December 31, 2011, intangible assets are as follows:

Website development and visual identity	\$	33,900
Less accumulated amortization		<u>(13,183)</u>
Total	\$	<u><u>20,717</u></u>

Depreciation and amortization expense for the year ending December 31, 2011 amounted to \$6,336 and \$11,300, respectively.

NOTE 4 – FAIR VALUE MEASUREMENTS

In accordance with the requirements of FASB ASC 820-10 (formally SFAS No. 157, “Fair Value Measurements,”) the Organization must disclose the fair value of its financial instruments as of December 31, 2011. The Organization’s financial instruments are included in current assets and current liabilities. The recorded values of the current assets and current liabilities approximate their fair values based on their short-term nature.

NOTE 5 – COMMITMENTS

The Organization has been released of its commitment to pay rent for its office space. Therefore, \$0 has been charged as rent for the year ending December 31, 2011 and no amount is due for rent as of December 31, 2011.

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 6 – CONCENTRATION OF RISK

Cash

As of December 31, 2011, the Organization, from time to time, had cash on deposit with financial institutions in excess of federally insured amounts. Management assesses the bank situations annually and does not see any risk.

The Organization maintains bank accounts in various foreign currencies in order to support its mission throughout the world. The Organization's operations could be subject to various political, economic, and other risks and uncertainties inherent in the market in which the Organization operates. Among other risks, the Organization's mission to support program services may be subject to the risks of restrictions on transfer of funds, foreign exchange restrictions, and political conditions and governmental regulations.

NOTE 7 – RETIREMENT PLAN

The Organization entered into a tax deferred 403(b) retirement plan. The Plan was effective January 1, 2011. The Plan covers all employees. Employees make voluntary contributions to the Plan based upon the limits established under the Internal Revenue Code. In addition, the Organization makes a discretionary matching contribution. For the year ending December 31, 2011, the Organization's matching contribution amounted to \$3,350. There is no balance due to the Plan as of December 31, 2011.

NOTE 8 – FOREIGN CURRENCY TRANSACTIONS

The Organization's functional currency for all operations worldwide is the U.S. dollar. Transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in the results of operations as incurred. Foreign currency transactions included in operations totaled \$258 for the year ending December 31, 2011.

The financial position and results of operations of the Organization's foreign activities are measured using the local currency in Sweden as the functional currency. Revenues and expenses of such operations have been translated into U.S. dollars at average exchange rates prevailing during the period. Assets and liabilities have been translated at the rates of exchange on the balance sheet date. The resulting translation gain and loss adjustments are recorded directly as a separate component prior to arriving at net assets. Unrealized foreign currency translation adjustments resulted in a gain amounting to \$3,457 for the year ending December 31, 2011.

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 9 - EXPENSES

Expenses, by natural classification consist of the following:

	PROGRAM SERVICES	SUPPORTING SERVICES			GRAND TOTAL
		MANAGEMENT AND GENERAL	FUND RAISING	TOTAL	
Advertising	\$ 349	\$ -	\$ -	\$ -	\$ 349
Accounting	13,690	-	-	-	13,690
Amortization expense	-	11,300	-	11,300	11,300
Bank service charges	-	2,161	-	2,161	2,161
Depreciation expense	-	6,336	-	6,336	6,336
Dues and subscriptions	102	1,335	1,657	2,992	3,094
Taxes and benefits	51,014	8,515	10,832	19,347	70,361
403B expense	3,350	-	-	-	3,350
Exchange gain (loss)	258	-	-	-	258
Insurance	31,062	-	-	-	31,062
Meetings and seminars	157,789	-	3,266	3,266	161,055
Office expenses	30,775	-	10,782	10,782	41,557
Payroll - New York	310,548	39,315	37,657	76,972	387,520
Payroll - Geneva	80,947	-	-	-	80,947
Payroll processing	1,039	-	-	-	1,039
Postage and delivery	1,789	-	24	24	1,813
Printing and reproduction	9,805	-	1,316	1,316	11,121
Professional fees	63,044	-	6,356	6,356	69,400
Scholarships expense	18,540	-	-	-	18,540
Representation costs	16,118	-	5,000	5,000	21,118
Telephone and internet	15,198	-	-	-	15,198
Travel	61,710	-	34,149	34,149	95,859
Website	11,334	-	515	515	11,849
Total expenses	<u>\$ 878,461</u>	<u>\$ 68,962</u>	<u>\$ 111,554</u>	<u>\$ 180,516</u>	<u>\$ 1,058,977</u>

The cost of providing the Organization's various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services and the supporting services benefited.

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 10 – PLEDGES

The Government of the Republic of Korea contributed \$400,000 in 2011 to support the Organization's Strategic Framework. The Korean government intends to make a contribution in the same amount for 2012, subject to the approval by the National Assembly of the Republic of Korea each year. Of the said annual contribution, \$100,000 was earmarked for the purpose of supporting the WFUNA president and his office in carrying out his various activities. The total \$100,000 was released from restrictions by December 31, 2011. The \$300,000 remainder was used as unrestricted revenue.

The Swedish Ministry for Foreign Affairs has granted a total contribution amounting to \$437,148, of which \$214,600 is temporarily restricted support for the Responsibility to Protect Programs through December 31, 2011. Unused funding was granted an extension for use through February 2012. As of December 31, 2011, \$25,325 remains temporarily restricted. As of December 31, 2011, the Organization does not have any obligation to repay the Ministry of Foreign Affairs.

NOTE 11 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through July 30, 2012, the date when the financial statements are available to be issued.