

**WORLD FEDERATION OF
UNITED NATIONS ASSOCIATIONS**

**FINANCIAL STATEMENTS
YEAR ENDING
DECEMBER 31, 2012**

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
FINANCIAL STATEMENTS
Year ending December 31, 2012

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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 financial statements of World Federation of United Nations Associations (a nonprofit organization), which comprise the statement of financial position as of December 31, 2012, and the related statements of activities and cash flows for the year 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 audit. We conducted our audit 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 of 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.

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, 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read 'Wayne P. Naegele', with a long horizontal line extending to the right.

Wayne P. Naegele, CPA
New York, New York
May 8, 2013

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
STATEMENT OF FINANCIAL POSITION
December 31, 2012

	<u>December 31, 2012</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 794,654
Membership dues receivable, net of \$0 allowance for uncollectible accounts	98,763
TOTAL CURRENT ASSETS	<u>893,417</u>
OTHER ASSETS	
Fixed assets, net of \$29,634 of accumulated depreciation as of December 31, 2012	23,947
Intangible assets, net of \$24,483 of accumulated amortization as of December 31, 2012	9,417
TOTAL OTHER ASSETS	<u>33,364</u>
TOTAL ASSETS	<u><u>\$ 926,781</u></u>
 LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 3,000
403(b) contributions payable	9,600
Deferred income	24,123
TOTAL CURRENT LIABILITIES	<u>36,723</u>
NET ASSETS	
Unrestricted net assets	890,058
Temporarily restricted net assets	-
TOTAL NET ASSETS	<u>890,058</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 926,781</u></u>

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
STATEMENT OF ACTIVITIES
Year ending December 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES			
Contributions and grants	\$ 972,874	\$ 100,000	\$ 1,072,874
Interest income	1,424	-	1,424
Kiosk sales	22,013	-	22,013
Membership dues	99,900	-	99,900
Registration fees	29,401	-	29,401
Net assets released from restrictions:			
Satisfaction of purpose restrictions	125,325	(125,325)	-
	<u>1,250,937</u>	<u>(25,325)</u>	<u>1,225,612</u>
TOTAL REVENUES AND RECLASSIFICATIONS			
EXPENSES			
Program services	1,068,096	-	1,068,096
Management and general	96,619	-	96,619
Fundraising	54,557	-	54,557
	<u>1,219,272</u>	<u>-</u>	<u>1,219,272</u>
TOTAL EXPENSES			
INCREASE IN NET ASSETS	31,665	(25,325)	6,340
Unrealized foreign currency translation adjustment	31,687	-	31,687
	<u>31,687</u>	<u>-</u>	<u>31,687</u>
CHANGE IN NET ASSETS	63,352	(25,325)	38,027
NET ASSETS, BEGINNING OF YEAR	<u>826,706</u>	<u>25,325</u>	<u>852,031</u>
NET ASSETS, END OF YEAR	<u>\$ 890,058</u>	<u>\$ -</u>	<u>\$ 890,058</u>

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
STATEMENT OF CASH FLOWS
Year ending December 31, 2012

	<u>Year ending December 31, 2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 38,027
Adjustments to reconcile net assets to net cash provided by (used in) operating activities:	
Depreciation and amortization	18,766
Changes in assets and liabilities:	
(Increase) decrease in:	
Membership dues receivable	(20,003)
Increase (decrease) in:	
Accounts payable	(32,763)
403(b) contributions payable	9,600
Deferred income	(275,877)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(262,250)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Payments for fixed assets	<u>(6,487)</u>
NET DECREASE IN CASH	(268,737)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,063,391</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 794,654</u></u>

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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, 2012

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 towards 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 (“UNA”) to take an active part in United Nation’s 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 United Nation’s 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 is recognized 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. Under the codification, the Organization is required to report information regarding its financial position and activities according to three classes of net assets - unrestricted, temporarily restricted and permanently restricted net assets.

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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.
- Fundraising services include solicitation of contributions from individuals, organizations, and others, maintaining donor mailing lists, and distributing fundraising 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 December 31, 2012 are deemed collectible. Membership dues receivable as of December 31, 2012 was \$98,763.

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fixed assets and intangible assets

Fixed assets 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. Fixed assets are depreciated over their useful lives of between five and thirty-nine 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, 2012, 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 2009, 2010, 2011 and 2012 is subject to examination by the Internal Revenue Service for generally up to three years after they are filed.

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 3 – FIXED ASSETS AND INTANGIBLE ASSETS

As of December 31, 2012, fixed assets are as follows:

Equipment	\$	36,803
Furniture and fixtures		13,778
Leasehold improvements		<u>3,000</u>
		53,581
Less accumulated depreciation		<u>(29,634)</u>
Total	\$	<u><u>23,947</u></u>

As of December 31, 2012, intangible assets are as follows:

Website development and visual identity	\$	33,900
Less accumulated amortization		<u>(24,483)</u>
Total	\$	<u><u>9,417</u></u>

Depreciation and amortization expense for the year ending December 31, 2012 amounted to \$7,466 and \$11,300, respectively.

NOTE 4 – FAIR VALUE MEASUREMENTS

In accordance with the requirements of FASB ASC 820-10, the Organization must disclose the fair value of its financial instruments as of December 31, 2012. 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, 2012 and no amount is due for rent as of December 31, 2012.

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 6 – CONCENTRATION OF RISK

Cash and cash equivalents

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 evaluates the financial strength and stability of the financial institutions and it believes it is not exposed to any significant credit risk on cash and cash equivalents.

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

On January 1, 2011, the Organization entered into a tax deferred 403(b) retirement plan (the "Plan"). 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, 2012, the Organization's matching contribution amounted to \$7,200. The balance due to the Plan as of December 31, 2012 amounted to \$9,600.

NOTE 8 – FOREIGN CURRENCY TRANSACTIONS

The Organization's functional currency for operations 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 \$0 for the year ending December 31, 2012.

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 the change in net assets. Unrealized foreign currency translation adjustments resulted in a gain amounting to \$31,687 for the year ending December 31, 2012.

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 9 - EXPENSES

Expenses, by natural classification consist of the following:

	Program Services	Supporting Services			Grand Total
		Management and General	Fundraising	Total	
Accounting	\$ 14,223	\$ -	\$ -	\$ -	\$ 14,223
Amortization expense	-	11,300	-	11,300	11,300
Bank service charges	1,242	1,800	-	1,800	3,042
Depreciation expense	-	7,466	-	7,466	7,466
Dues and subscriptions	1,271	741	2,595	3,336	4,607
Payroll taxes and benefits	80,284	8,469	4,081	12,550	92,834
403(b) expense	7,200	-	-	-	7,200
Insurance	41,906	3,049	2,991	6,040	47,946
Meetings and seminars	125,526	2,653	3,471	6,124	131,650
Miscellaneous	56	-	11	11	67
Office expenses	97,840	7,260	6,246	13,506	111,346
Payroll - New York	351,164	26,831	17,336	44,167	395,331
Payroll - Geneva	138,463	-	-	-	138,463
Payroll processing	-	155	-	155	155
Postage and delivery	1,562	1,493	892	2,385	3,947
Printing and reproduction	20,332	2,325	1,853	4,178	24,510
Professional fees	53,340	8,516	7,417	15,933	69,273
Representation costs	23,259	1,084	3,802	4,886	28,145
Telephone and internet	5,602	8,581	92	8,673	14,275
Travel	103,268	4,405	3,171	7,576	110,844
Website	1,558	491	599	1,090	2,648
Total functional expenses	<u>\$ 1,068,096</u>	<u>\$ 96,619</u>	<u>\$ 54,557</u>	<u>\$ 151,176</u>	<u>\$ 1,219,272</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
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NOTE 10 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 8, 2013, the date when the financial statements are available to be issued.