

**WORLD FEDERATION OF
UNITED NATIONS ASSOCIATIONS**

**FINANCIAL STATEMENTS
YEAR ENDING
DECEMBER 31, 2015**

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
FINANCIAL STATEMENTS
Year ending December 31, 2015

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	1-1A
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FINANCIAL STATEMENTS

Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to Financial Statements	5-12

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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, 2015, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position World Federation of United Nations Associations as of December 31, 2015, 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 blue ink, appearing to read "Wayne P. Naegele", with a long horizontal flourish extending to the right.

Wayne P. Naegele, CPA
New York, New York
July 26, 2016

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
STATEMENT OF FINANCIAL POSITION
December 31, 2015

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 355,903
Accounts receivable, net of \$0 allowance for uncollectible accounts	354,699
Advance	61,298
Inventory	13,650
Prepaid expenses	165,033
Prepaid insurance	84,888
TOTAL CURRENT ASSETS	<u>1,035,471</u>

OTHER ASSETS

Fixed assets, net of \$63,339 of accumulated depreciation as of December 31, 2015	<u>22,261</u>
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TOTAL ASSETS	<u><u>\$ 1,057,732</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 149,222
403(b) contributions payable	36,290
TOTAL CURRENT LIABILITIES	<u>185,512</u>

NET ASSETS

Unrestricted net assets	322,815
Temporarily restricted net assets	549,405
TOTAL NET ASSETS	<u>872,220</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,057,732</u></u>
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WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
STATEMENT OF ACTIVITIES
Year ending December 31, 2015

	Unrestricted	Temporarily Restricted	Total
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Contributions and grants	\$ 413,879	\$ 577,507	\$ 991,386
Insurance refund	-	-	-
Interest income	71	-	71
Kiosk sales, net of cost of sales	66,208	-	66,208
Membership dues	94,564	-	94,564
Less uncollectible membership dues	(12,500)	-	(12,500)
Program income	1,164,309	-	1,164,309
Other income	9,701	-	9,701
Refund credit	12,314	-	12,314
Net assets released from restrictions:			
Satisfaction of purpose restrictions	383,448	(383,448)	-
	<u>2,131,994</u>	<u>194,059</u>	<u>2,326,053</u>
TOTAL REVENUES AND RECLASSIFICATIONS			
EXPENSES			
Program services	1,987,038	-	1,987,038
Management and general	191,139	-	191,139
Fundraising	268,933	-	268,933
	<u>2,447,110</u>	<u>-</u>	<u>2,447,110</u>
TOTAL EXPENSES			
INCREASE (DECREASE) IN NET ASSETS	(315,116)	194,059	(121,057)
Unrealized foreign currency translation adjustment	(17,402)	-	(17,402)
	<u>(332,518)</u>	<u>194,059</u>	<u>(138,459)</u>
CHANGE IN NET ASSETS			
NET ASSETS, BEGINNING OF YEAR	655,333	355,346	1,010,679
	<u>655,333</u>	<u>355,346</u>	<u>1,010,679</u>
NET ASSETS, END OF YEAR	\$ 322,815	\$ 549,405	\$ 872,220
	<u>\$ 322,815</u>	<u>\$ 549,405</u>	<u>\$ 872,220</u>

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
STATEMENT OF CASH FLOWS
Year ending December 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (138,459)
Adjustments to reconcile net assets to net cash provided by (used in) operating activities:	
Depreciation and amortization	11,720
Changes in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	90,379
Advance	92,434
Inventory	(13,650)
Prepaid expenses	(126,853)
Prepaid insurance	1,313
Security deposit	19,914
Increase (decrease) in:	
Accounts payable	122,738
403(b) contributions payable	11,195
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NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	70,731
CASH FLOWS FROM INVESTING ACTIVITIES	
Payments for fixed assets	(6,675)
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NET INCREASE IN CASH	64,056
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	291,847
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CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 355,903
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WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

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 by 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

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

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.

WFUNA Youth Camp: Korea: This program adds practical and concrete value to the study programs of youth in Korea and prepares them for their potential careers in international affairs. It helps to raise awareness of the objectives and related challenges of the United Nations by providing a two-week camp that teaches middle school and secondary school students about the United Nations and international relations in a creative and interactive setting. The Camp

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 1 - NATURE OF ORGANIZATION – continued

aims to foster global leaders by training youth with simulative education tools such as Model UN and debate, and will guide participants to apply these skillsets to build a better understanding of the United Nations system and global issues. WFUNA provides youth participants with the adequate knowledge, skills, and tools to engage in discussions on new challenges and opportunities and equips them to design projects advancing the debate on a sustainable development agenda.

The Advanced Training Program at the United Nations: This program is an educational training experience that partners WFUNA with universities and educational institutions and promotes the effective participation of youth in the UN's work. WFUNA holds training programs for one week in both Geneva and New York for their educational partners, who are offered a Memorandum of Understanding to ensure their participation in the program. Activities include, but are not limited to, briefings from UN officials, workshops, educational activities, simulations, social and networking events, tours, and student exchanges. Issue areas explored include peace and security, sustainable development, human rights, the environment, and humanitarian affairs. WFUNA offers a less-intensive "Training Program at the United Nations" for high school students covering similar subject matter.

Mission Possible: This program is a year-long global citizenship program for high school students that takes the goals, principles, and experience of the United Nations to develop students' knowledge, competencies, and attitudes. Throughout the program, students learn global 21st-century skills and engage in project-based learning to develop and implement projects related to pertinent global issues, achieving lasting change in their local communities.

UNA Youth Human Rights Training: So, You Want To Be The Next High Commissioner?: The World Federation of United Nations Associations, in partnership with UNAs, has dramatically increased efforts to strengthen its youth network and build the capacity of United Nations Youth Associations to develop and implement projects. WFUNA wishes to draw the attention of young leaders to human rights by developing a deeper understanding of human rights issues, an increased knowledge of available human rights instruments and implementing mechanisms, and capacity to develop and carry out human rights education and awareness activities.

WFUNA International Model United Nations (WIMUN): Determined to promote the values of the United Nations and provide education to young people within the UN framework, WFUNA plans to host an annual international Model UN conference. This method has proven to be one of the most successful instruments for engaging and educating youth in the work of the United Nations. This will equip youth participants in the dialogue taking place in their governments, civil society, and at the UN, and give them a core set of skills that are fundamental to becoming effective social activists, responsible leaders, and creative visionaries.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting generally accepted in the United States of America. Accordingly, 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 rather than paid.

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Financial Statement 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. The Organization has no permanently restricted net assets as of December 31, 2015.

Functional Allocation of Expenses

The costs of providing program, management and general, and fundraising services have been summarized on a functional 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 services other than program services.

Management and General Services include all management and administrative functions, such as oversight, business management, general recordkeeping, budgeting, and financing, but exclude direct conduct of program services and fundraising services.

Fundraising Services include solicitation of contributions from individuals, organizations, and others, maintaining donor mailing lists, and distributing fundraising materials.

Use of 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.

Accounts Receivable

Accounts receivable consist of membership dues that have not been received by the Organization and grant receivables. Management has determined that any amounts due the Organization for the year ending December 31, 2015 are deemed collectible. Accounts receivable as of December 31, 2015 was \$354,699.

Inventory

Inventory of merchandise purchased for resale is stated at average cost.

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fixed Assets

Fixed assets are capitalized at cost. It is management's policy to capitalize expenditures for these items of \$500 or more. 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.

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.

Income Taxes

The Organization was formed as a not-for-profit organization 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 is 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, 2015, 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.

In general, the Organization's tax returns remain open for federal and state tax examinations up to three years after the date of filing.

NOTE 3 - FIXED ASSETS AND INTANGIBLE ASSETS

As of December 31, 2015, fixed assets are as follows:

Equipment	\$	61,881
Furniture and fixtures		20,719
Leasehold improvements		3,000
		<u>85,600</u>
Less accumulated depreciation		<u>(63,339)</u>
Total	\$	<u>22,261</u>

Depreciation expense for the year ending December 31, 2015 amounted to \$11,720.

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

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, 2015. 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 in New York. Therefore, \$0 has been charged as rent for the year ending December 31, 2015 and no amount is due for rent as of December 31, 2015.

On December 1, 2013, the Organization signed a one-year lease for office space in Seoul, Korea. The lease can be terminated at any time by the lessor if the rent is not paid for two consecutive months. The lease was terminated on November 30, 2015 at which time the security deposit had been released. Rent expense for the year ending December 31, 2015 amounted to \$19,932.

On December 1, 2015, the Organization signed a new lease agreement for office space in Seoul. The Organization was given a grant to be used for the rental expense of the office space covering the period December 1, 2015 through November 30, 2016. Monthly payments amount to \$5,819.53. The grant was approved for a five-year period with an annual disbursement equal to 12 months rent. Rent expense for the year ending December 31, 2015 amounted to \$5,819.53. The future minimum lease payments for 2016 amount to \$64,015.

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.

Accounts Receivable

Accounts receivable is stated at an amount management expects to collect from membership dues and government grants. Although the government grants are based on contractual obligations, membership dues are based on UNAs to pay the Organization based on the number of delegates under each UNA. Some UNAs have not paid for three years. In 2015, management has not established an allowance for collectible accounts for the membership dues and believes that they will be collected.

Foreign Currency

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.

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

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, 2015, the Organization did not make a matching contribution. The balance due to the Plan for employee deferrals as of December 31, 2015 amounted to \$36,290.

NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS

The following is a summary of the activity in the temporarily restricted net assets for the year ending December 31, 2015:

	Balance		Net Assets Released	Balance
	<u>January 01, 2015</u>	<u>Additions</u>	<u>From Restrictions</u>	<u>December 31, 2015</u>
Education	\$ 80,700	\$ 97,500	\$ (100,450)	\$ 77,750
Sustainable Development	30,000	360,000	(190,557)	199,443
Presidential Program	<u>244,646</u>	<u>120,007</u>	<u>(92,441)</u>	<u>272,212</u>
Total	<u>\$ 355,346</u>	<u>\$ 577,507</u>	<u>\$ (383,448)</u>	<u>\$ 549,405</u>

NOTE 9 - 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 were immaterial for the year ending December 31, 2015.

The financial position and results of operations of the Organization's foreign activities are measured using the local currency in Europe, Sweden, and Korea 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 loss amounting to \$17,402 for the year ending December 31, 2015.

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 10 - EXPENSES

Expenses, by natural classification, consist of the following:

	Program Services	Supporting Services			Grand Total
		Management and General	Fundraising	Total	
Advertising	\$ 5,355	\$ -	\$ 75	\$ 75	5,430
Accounting	686	20,750	-	20,750	21,436
Bank service charges	676	2,645	6	2,651	3,327
Business expenses	-	2,369	-	2,369	2,369
Consultants	12,070	-	-	-	12,070
Depreciation expense	-	11,720	-	11,720	11,720
Dues and subscriptions	222	695	1,752	2,447	2,669
Facilities and equipment	56,165	2,236	-	2,236	58,401
Payroll taxes and benefits	80,395	23,021	4,097	27,118	107,513
Foreign exchange loss	5,621	-	-	-	5,621
Insurance	41,766	35,123	6,581	41,704	83,470
Meetings and seminars	561,860	90	162,079	162,169	724,029
Miscellaneous	5	-	20	20	25
Office expenses	19,179	18,064	34,125	52,189	71,368
Payroll - New York	579,881	26,102	51,083	77,185	657,066
Payroll - Geneva	143,546	-	-	-	143,546
Payroll - Seoul	108,750	-	-	-	108,750
Payroll processing	-	87	-	87	87
Postage and delivery	5,997	1,254	306	1,560	7,557
Printing and reproduction	10,711	439	911	1,350	12,061
Professional fees	106,818	19,570	1,063	20,633	127,451
Representation costs	24,205	4,907	1,056	5,963	30,168
Telephone and internet	20,935	894	-	894	21,829
Travel	193,955	20,278	4,940	25,218	219,173
Website	8,240	895	839	1,734	9,974
Total functional expenses	<u>\$ 1,987,038</u>	<u>\$ 191,139</u>	<u>\$ 268,933</u>	<u>\$ 460,072</u>	<u>\$ 2,447,110</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.

NOTE 11 - DONATED SERVICES

The Organization received services from people who contribute their time. 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 fundraising events.

WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 12 - ADVANCE TO BOARD MEMBER

The Government of the Republic of South Korea contributed \$120,000 in 2013 to support the Organization's Strategic Framework. This amount has been earmarked for the purpose of supporting the WFUNA president and his office in carrying out his various activities. The Organization advanced funds to him which are kept in a bank account outside of the Organization. The total of the advance as of December 31, 2015 amounted to \$61,298.

NOTE 13 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through July 26, 2016, the date when the financial statements are available to be issued.