

The World Orphan Fund, Inc.

Financial Statements and
Accountant's Review Report

December 31, 2012

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Independent Accountant's Review Report

Board of Directors
The World Orphan Fund, Inc.
Randolph, Wisconsin

We have reviewed the accompanying statement of financial position of The World Orphan Fund, Inc. (a Wisconsin nonprofit corporation) as of December 31, 2012, and the related statement of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organizations management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management 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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Carol A. Valley, CPA, S.C.

Columbus, Wisconsin
December 17, 2013

The World Orphan Fund, Inc.

Statement of Financial Position
December 31, 2012

| | <u>2012</u> |
|----------------------------------|-------------------|
| ASSETS | |
| CURRENT ASSETS | |
| Cash | \$ 128,589 |
| Total Current Assets | <u>128,589</u> |
| Organization Costs | 3,376 |
| Less accumulated amortization | (517) |
| Net Property and Equipment | <u>2,859</u> |
| Prepaid expenses | - |
| TOTAL ASSETS | <u>\$ 131,448</u> |
| LIABILITIES AND NET ASSETS | |
| UNRESTRICTED NET ASSETS | \$ 131,448 |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 131,448</u> |

See accompanying notes and independent accountant's review report

The World Orphan Fund, Inc.

Statement of Activities
For the Year Ended December 31, 2012

| | 2012 |
|---|------------|
| REVENUE | |
| Cash contributions received | \$ 205,031 |
| In-kind contributions received | 30,875 |
| Total income | 235,906 |
| EXPENSES | |
| Grants to other organizations | 69,053 |
| Awards and grants | 750 |
| Supplies for orphanages | 776 |
| Travel to orphanages | 14,018 |
| Cost of fundraising events (paid with in-kind contributions) | 17,376 |
| Bank and credit card fees | 2,211 |
| Amortization expense | 252 |
| Accounting fees | 710 |
| Legal fees | 572 |
| Miscellaneous expense | 15 |
| Office expense | 95 |
| Website expense | 4,688 |
| Total expenses | 110,516 |
| CHANGE IN NET ASSETS | \$ 125,390 |
| UNRESTRICTED NET ASSETS AS OF BEGINNING OF YEAR | 6,058 |
| UNRESTRICTED NET ASSETS AS OF END OF YEAR | \$ 131,448 |

See accompanying notes and independent accountant's review report

The World Orphan Fund, Inc.

Statement of Cash Flows
For the Years Ended December 31, 2012

| | <u>2012</u> |
|---|--------------------------|
| OPERATING ACTIVITIES | |
| Change in net assets | \$ 125,390 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | |
| Amortization | 252 |
| | <u>252</u> |
| Net cash provided by operating activities | <u>125,642</u> |
| Cash flows from investing activities | |
| Net cash used by investing activities | <u>-</u> |
| Cash flows from financing activities | |
| Net cash used by financing activities | <u>-</u> |
| Increase (decrease) in cash | 125,642 |
| CASH AT BEGINNING OF YEAR | <u>2,947</u> |
| CASH AT END OF YEAR | <u><u>\$ 128,589</u></u> |

See accompanying notes and independent accountant's review report

The World Orphan Fund, Inc.

Notes to Financial Statements
Year Ended December 31, 2012

Note 1 - Summary of Significant Accounting Policies

The World Orphan Fund, Inc. was formed in 2010 for the purposes of supporting orphanages around the world and raising awareness of the need to support orphanages and creating a system to assist orphanages in accessing supplies and resources. A summary of the organization's significant accounting policies follows:

A) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

B) Income Taxes

The organization is a not-for-profit organization that is exempt from 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.

C) Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions. All cash contributions are dedicated to projects assisting orphan and orphanages. No cash contributions are used for organization overhead or administration expenses.

D) Cash and Cash Equivalents

For purposes of the statement of cash flow, the organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Note 2 - Occupancy Costs

The organization does not have any occupancy costs. The organization shares an office space with the company of the President of the organization and the costs cannot be segregated.

Note 3 - Related Party Transactions

The organization received contributions from board members and a board member's company in support of the organization. The actual contributions totaled \$44,401 or 18.8% of the total contributions for the year ended December 31, 2012.

Note 4 - Subsequent Events

Management has evaluated subsequent events through December 17, 2013, the date on which the financial statements were available to be issued.