

**The World Orphan Fund, Inc.**

Financial Statements and  
Accountant's Review Report

December 31, 2016 & 2015

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Accountant's Review Report

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Independent Accountant's Review Report

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

We have reviewed the accompanying financial statements of The World Orphan Fund, Inc. (a Wisconsin nonprofit corporation), which comprise the statements of financial position as of December 31, 2016 & 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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'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.

**Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

**Accountant's Conclusion**

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 accordance with accounting principles generally accepted in the United States of America.

*Carol A. Valley, CPA, S.C.*

Columbus, Wisconsin  
June 27, 2017

The World Orphan Fund, Inc.

Statements of Financial Position  
December 31, 2016 & 2015

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash	\$ 275,028	\$ 290,339
Marketable securities	1,146	962
Current portion of receivable	24,000	-
Total Current Assets	<u>300,174</u>	<u>291,301</u>
OTHER ASSETS		
Organization costs	3,376	3,376
Less accumulated amortization	(1,362)	(1,137)
Receivable from nonprofit foundation	47,000	-
Less current portion of receivable	(24,000)	-
Net Other Assets	<u>25,014</u>	<u>2,239</u>
TOTAL ASSETS	<u>\$ 325,188</u>	<u>\$ 293,540</u>
LIABILITIES AND NET ASSETS		
NET ASSETS		
Restricted net assets	\$ -	\$ 650
Unrestricted net assets	325,188	292,890
Total Net Assets	<u>325,188</u>	<u>293,540</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 325,188</u>	<u>\$ 293,540</u>

See accompanying notes and independent accountant's review report

The World Orphan Fund, Inc.

Statements of Activities  
For the Years Ended December 31, 2016 & 2015

	2016	2015
	<u>          </u>	<u>          </u>
UNRESTRICTED NET ASSETS		
Unrestricted revenues		
Contributions received	\$ 357,003	\$ 352,533
In-kind contributions received	<u>36,293</u>	<u>35,826</u>
Total unrestricted revenues	393,296	388,359
PROGRAM EXPENSES		
Grants to other organizations	306,469	209,325
Awards and grants to individuals	15,018	28,723
Conference expense	3,029	1,598
Travel to orphanages	13,891	23,012
Cost of fundraising events (paid with in-kind contributions)	21,054	21,387
Advertising expense	299	521
Bank and credit card fees	6,404	2,709
Amortization expense	225	117
Website expense	<u>1,306</u>	<u>3,601</u>
Total Program Expenses	367,695	290,993
SUPPORTING SERVICES - MANAGEMENT AND GENERAL EXPENSES		
Accounting fees	2,980	4,690
Postage and mailing	635	841
Printing and copying	305	769
Office supplies	2,098	877
Miscellaneous expense	-	200
Total Supporting Services	<u>6,018</u>	<u>7,377</u>
Total Expenses	373,713	298,370
OTHER REVENUE AND (EXPENSES)		
Matching grant repayment	12,500	-
Dividend and interest income	31	15
Unrealized gain (loss) on marketable securities	<u>184</u>	<u>(61)</u>
Total other revenue and (expense)	12,715	(46)
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	<u>\$ 32,298</u>	<u>\$ 89,943</u>
TEMPORARILY RESTRICTED NET ASSETS		
Restricted Revenues		
Contributions received	-	650
Net assets released from restrictions		
Restrictions satisfied by payments	<u>(650)</u>	<u>(0)</u>
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	(650)	650
CHANGE IN NET ASSETS	\$ 31,648	\$ 90,593
NET ASSETS AS OF BEGINNING OF YEAR	<u>293,540</u>	<u>202,947</u>
NET ASSETS AS OF END OF YEAR	<u>\$ 325,188</u>	<u>\$ 293,540</u>

See accompanying notes and independent accountant's review report

The World Orphan Fund, Inc.

Statements of Cash Flows  
For the Years Ended December 31, 2016 & 2015

	<u>2016</u>	<u>2015</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 31,648	\$ 90,593
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Amortization	225	117
	<u>225</u>	<u>117</u>
Net cash provided by operating activities	<u>31,873</u>	<u>90,710</u>
Cash flows from investing activities		
Increase in receivables from other nonprofit - net of repayments	(47,000)	-
Net cash used by investing activities	<u>(47,000)</u>	<u>-</u>
Cash flows from financing activities		
Net cash used by financing activities	<u>-</u>	<u>-</u>
Increase (decrease) in cash & cash equivalents	(15,127)	90,710
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>291,301</u>	<u>200,591</u>
CASH & CASH EQUIVALENTS AT END OF YEAR	<u>\$ 276,174</u>	<u>\$ 291,301</u>

See accompanying notes and independent accountant's review report

The World Orphan Fund, Inc.

Notes to Financial Statements  
Years Ended December 31, 2016 & 2015

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.

The organization is subject to the regulations for exempt organizations in the U.S. federal jurisdiction and the Wisconsin Department of Financial Institutions state jurisdiction. The organization's open years include the years ended December 31, 2016, 2015, 2014 and 2013.

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, fundraising or administration expenses.

D) Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change of net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

**The World Orphan Fund, Inc.**

Notes to Financial Statements  
Years Ended December 31, 2016 & 2015

Note 1 - Summary of Significant Accounting Policies (continued)

E) Marketing Costs

The organization expenses marketing costs when incurred. Marketing expense was \$299 and \$521 in 2016 and 2015, respectively.

H) 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 - Receivable from Nonprofit Foundation

The organization advanced funds for the Urukundo Foundation to acquire land for a school in Rwanda. The amount of \$55,000 was loaned in June, 2016. The foundation is repaying \$2,000 per month.

Note 3 - 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 4 - 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 \$94,947 or 24.1% and \$96,696 or 24.9% of the total contributions for the year ended December 31, 2016 and 2015, respectively.

Note 5 - Subsequent Events

Management has evaluated subsequent events through August 18, 2017, the date on which the financial statements were available to be issued.