

The World Orphan Fund, Inc.

Financial Statements and
Accountant's Review Report

December 31, 2020 & 2019

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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, 2020 and 2019, and the related statements of activities, functional expenses 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.

We are required to be independent of The World Orphan Fund Inc and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

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
October 18, 2021

The World Orphan Fund, Inc.

Statements of Financial Position
December 31, 2020 & 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 199,459	\$ 317,430
Accrued interest receivable	-	434
Marketable securities	15,998	10,770
Total Current Assets	<u>215,457</u>	<u>328,634</u>
OTHER ASSETS		
Organization costs	3,376	3,376
Less accumulated amortization	(2,262)	(2,038)
Net Other Assets	<u>1,114</u>	<u>1,338</u>
TOTAL ASSETS	<u>\$ 216,571</u>	<u>\$ 329,972</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accrued expenses	\$ -	\$ -
TOTAL LIABILITES	<u>-</u>	<u>-</u>
NET ASSETS		
Without donor restrictions	\$ 216,571	\$ 329,972
With donor restrictions	-	-
Total Net Assets	<u>216,571</u>	<u>329,972</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 216,571</u>	<u>\$ 329,972</u>

See accompanying notes and independent accountant's review report

The World Orphan Fund, Inc.

Statements of Activities
Years Ended December 31, 2020 & 2019

	2020	2019
	<u> </u>	<u> </u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
SUPPORT AND REVENUE		
Contributions received	\$ 364,212	\$ 363,393
In-kind contributions received	12,475	27,898
Investment return	4,729	(27,476)
Interest income	3,311	6,169
Dividend income	372	449
Realized gain on securities	-	38,023
	<u> </u>	<u> </u>
Total revenues	385,099	408,456
EXPENSES		
Program services	495,491	606,789
Management and general	2,964	2,960
Fundraising	45	10,315
	<u> </u>	<u> </u>
Total expenses	498,500	620,064
Net assets released from restrictions	-	-
	<u> </u>	<u> </u>
Change in net assets from operations	\$ (113,401)	\$ (211,608)
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions received	-	-
Restrictions satisfied by payments	-	-
	<u> </u>	<u> </u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	-	-
CHANGE IN NET ASSETS	\$ (113,401)	\$ (211,608)
NET ASSETS AS OF BEGINNING OF YEAR	<u>329,972</u>	<u>541,580</u>
NET ASSETS AS OF END OF YEAR	<u>\$ 216,571</u>	<u>\$ 329,972</u>

See accompanying notes and independent accountant's review report

The World Orphan Fund, Inc.

Statements of Functional Expenses
Years Ended December 31, 2020 & 2019

	2020			Total
	Program Services	Management and General	Fundraising	
Grants	\$477,042	-	-	477,042
Travel	9,833	-	-	9,833
Bank fees	5,482	-	-	5,482
Accounting fees	-	2,964	-	2,964
Supplies	882	-	-	882
Gala expenses	-	-	45	45
Website	553	-	-	553
Meals	307	-	-	307
Postage	1,167	-	-	1,167
Amortization	225	-	-	225
Miscellaneous	-	-	-	-
Total Expenses	\$495,491	\$2,964	\$45	498,500

	2019			Total
	Program Services	Management and General	Fundraising	
Grants	\$570,140	-	-	\$570,140
Travel	23,914	-	-	23,914
Bank fees	7,248	-	-	7,248
Accounting fees	-	2,960	-	2,960
Supplies	2,292	-	-	2,292
Gala expenses	-	-	10,315	10,315
Website	540	-	-	540
Meals	830	-	-	830
Postage	1,546	-	-	1,546
Amortization	225	-	-	225
Miscellaneous	54	-	-	54
Total Expenses	\$606,789	\$2,960	\$10,315	\$620,064

See accompanying notes and independent accountant's review report

The World Orphan Fund, Inc.

Statements of Cash Flows
Years Ended December 31, 2020 & 2019

	2020	2019
	<u> </u>	<u> </u>
OPERATING ACTIVITIES		
Change in net assets	\$(113,401)	\$(211,608)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Amortization	225	225
Unrealized (gain) loss on investments	(5,229)	(10,198)
Increase in accrued interest receivable	434	(434)
Increase (decr) in accrued expenses	-	(5,360)
	<u>(4,570)</u>	<u>(15,767)</u>
Net cash provided by operating activities	<u>(117,971)</u>	<u>(227,375)</u>
Cash flows from investing activities		
Collection on receivable from nonprofit foundation	-	-
Receipt of stock donation	-	(10,152)
Proceeds from sales of investments	-	56,175
Net cash used by investing activities	<u>-</u>	<u>46,023</u>
Cash flows from financing activities		
Net cash used by financing activities	<u>-</u>	<u>-</u>
Increase (decrease) in cash & cash equivalents	(117,971)	(181,352)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>317,430</u>	<u>498,782</u>
CASH & CASH EQUIVALENTS AT END OF YEAR	<u>\$ 199,459</u>	<u>\$ 317,430</u>

See accompanying notes and independent accountant's review report

The World Orphan Fund, Inc.

Notes to Financial Statements
Years Ended December 31, 2020 & 2019

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) Basis of presentation

The financial statements of The World Orphan Fund, Inc. have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require The World Orphan Fund, Inc. to report information regarding its financial position and activities to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expenses for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of The World Orphan Fund, Inc.'s management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of The World Orphan Fund, Inc. or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

B) 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.

The World Orphan Fund, Inc.

Notes to Financial Statements
Years Ended December 31, 2020 & 2019

Note 1 - Summary of Significant Accounting Policies (continued)

C) 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, 2020, 2019, 2018 and 2017.

D) Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in the net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in the net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed marketable securities, property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

E) 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, 2020 & 2019

Note 1 - Summary of Significant Accounting Policies (continued)

F) 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 - Concentrations of Credit Risk

The organization maintains cash balances in one financial institution located in Wisconsin. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2019, the organizations uninsured cash balance was and \$66,474.

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 \$36,950 or 9.81% and \$50,047 or 12.79% of the total contributions for the year ended December 31, 2020 and 2019, respectively.

Note 5 - Fair Value Measurements

The organization reports certain marketable securities at fair value in the financial statements. Fair value is the price that would be received from selling an asset at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique.

All marketable securities comprise stock with readily determinable fair values based on daily published information.

Below are the values at December 31, 2020 and 2019:

Marketable Securities	<u>2020</u>	<u>2019</u>
Equity securities	\$15,998	\$10,770

Note 6 - Subsequent Events

Management has evaluated subsequent events through November 5, 2021, the date on which the financial statements were available to be issued.