

THE WORLD ORPHAN FUND, INC.

FINANCIAL STATEMENTS

December 31, 2024 and 2023

CONTENTS

Independent Auditor's Report	1
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	6
Statements of Cash Flows	7
Notes to Financial Statements	8

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of The World Orphan Fund, Inc., which comprise the statements of financial position as of December 31, 2024 and 2023 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The World Orphan Fund, Inc. as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. 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 relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The World Orphan Fund, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes

our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 World Orphan Fund, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The World Orphan Fund, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Wegner CPAs, LLP
Madison, Wisconsin
August 29, 2025

THE WORLD ORPHAN FUND, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash	\$ 712,043	\$ 906,900
Unconditional promises to give	100,000	300,000
Investments	15,246	29,506
Building	150,000	-
Organization costs, net of \$3,162 and \$2,937 of accumulated amortization	213	438
Total assets	<u>\$ 977,502</u>	<u>\$ 1,236,844</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Grants payable	\$ -	\$ 225,000
NET ASSETS		
Without donor restrictions	414,481	15,768
With donor restrictions	563,021	996,076
Total net assets	<u>977,502</u>	<u>1,011,844</u>
Total liabilities and net assets	<u>\$ 977,502</u>	<u>\$ 1,236,844</u>

See accompanying notes.

THE WORLD ORPHAN FUND, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Contributions	\$ 2,816,493	\$ 455,861	\$ 3,272,354
In-kind contributions	37,764	-	37,764
Investment return	25,849	-	25,849
Total revenue	2,880,106	455,861	3,335,967
EXPENSES			
Program services	3,352,553	-	3,352,553
Management and general	17,702	-	17,702
Fundraising	54	-	54
Total expenses	3,370,309	-	3,370,309
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of purpose restrictions	888,916	(888,916)	-
Change in net assets	398,713	(433,055)	(34,342)
Net assets at beginning of year	15,768	996,076	1,011,844
Net assets at end of year	<u>\$ 414,481</u>	<u>\$ 563,021</u>	<u>\$ 977,502</u>

See accompanying notes.

THE WORLD ORPHAN FUND, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Contributions	\$ 2,952,709	\$ 996,076	\$ 3,948,785
In-kind contributions	28,758	-	28,758
Investment return	17,537	-	17,537
Total revenue	2,999,004	996,076	3,995,080
EXPENSES			
Program services	3,742,776	-	3,742,776
Management and general	17,523	-	17,523
Total expenses	3,760,299	-	3,760,299
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of time restrictions	100,000	(100,000)	-
Satisfaction of purpose restrictions	232,548	(232,548)	-
Change in net assets	(428,747)	663,528	234,781
Net assets at beginning of year	444,515	332,548	777,063
Net assets at end of year	\$ 15,768	\$ 996,076	\$ 1,011,844

See accompanying notes.

THE WORLD ORPHAN FUND, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2024 and 2023

	2024			
	Program Services	Management and General	Fundraising	Total
Grant expense	\$ 3,297,299	\$ -	\$ -	\$ 3,297,299
Meetings and conferences	46,285	-	-	46,285
Office expenses	8,517	5,327	-	13,844
Professional services	-	12,375	-	12,375
Amortization	225	-	-	225
Website expense	227	-	-	227
Advertising	-	-	54	54
	<u>\$ 3,352,553</u>	<u>\$ 17,702</u>	<u>\$ 54</u>	<u>\$ 3,370,309</u>
Total expenses	<u>\$ 3,352,553</u>	<u>\$ 17,702</u>	<u>\$ 54</u>	<u>\$ 3,370,309</u>
	2023			
	Program Services	Management and General		Total
Grant expense	\$ 3,705,542	\$ -		\$ 3,705,542
Meetings and conferences	28,467	-		28,467
Office expenses	8,413	4,037		12,450
Professional services	-	13,486		13,486
Amortization	225	-		225
Website expense	129	-		129
	<u>\$ 3,742,776</u>	<u>\$ 17,523</u>		<u>\$ 3,760,299</u>
Total expenses	<u>\$ 3,742,776</u>	<u>\$ 17,523</u>		<u>\$ 3,760,299</u>

See accompanying notes.

THE WORLD ORPHAN FUND, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (34,342)	\$ 234,781
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Amortization	225	225
Forgiveness of note receivable	-	21,000
Donated stock	(40,155)	(15,662)
Unrealized gain on investments	(2,655)	(11,485)
(Increase) decrease in assets		
Unconditional promises to give	200,000	(200,000)
Increase (decrease) in liabilities		
Grants payable	(225,000)	225,000
Net cash flows from operating activities	(101,927)	253,859
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sale of investments	57,070	26,576
Purchase of building	(150,000)	-
Net cash flows from investing activities	(92,930)	26,576
Net change in cash	(194,857)	280,435
Cash at beginning of year	906,900	626,465
Cash at end of year	\$ 712,043	\$ 906,900
SUPPLEMENTAL DISCLOSURES		
Noncash investment and financing transactions		
Donated stock	\$ 40,155	\$ 15,662

See accompanying notes.

THE WORLD ORPHAN FUND, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The World Orphan Fund, Inc. (the Fund) was formed in 2011 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. All contributions are directed to providing food, shelter, medical assistance, education and a loving environment to orphaned children. The Fund is primarily supported by contributions.

Investments

The Fund reports investments in equity securities with readily determinable fair values at their fair values in the statement of financial position. Realized and unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of financial position.

Building

The building is carried at cost or, if donated, at the estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The cost of repairs and maintenance are charged against operations as incurred. There was no accumulated depreciation on the building as it was not placed into service until 2025.

Promises to Give

Unconditional promises to give are recognized as revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Income Tax Status

The Fund is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Fund's federal exempt organization returns are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

THE WORLD ORPHAN FUND, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Services and Materials

Donated materials are recorded at their estimated fair values in the period received. Donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their estimated fair values in the period received.

Expense Allocation

The costs of providing the various program and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. The following program services and supporting activities are included in the accompanying financial statements:

Program Services—The Fund supports funding for clean water, food, medical care, physical, speech and sensory therapy for disabled and delayed children, college tuition, transition support programs, farm equipment, educational materials, caregiver’s and therapeutic equipment for special needs children and vocational training for orphaned children around the world.

Management and General—Activities relate to the overall direction of the Fund and include the functions necessary to ensure proper administrative functioning of the Fund, manage the financial and budgetary responsibilities, and perform other administrative functions.

Fundraising—Fundraising activities relate to soliciting contributions.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

Date of Management’s Review

Management has evaluated subsequent events through August 29, 2025, the date which the financial statements were available to be issued.

NOTE 2 – CONCENTRATIONS

The Fund maintains cash balances in one financial institution located in Wisconsin. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2024 and 2023, the Fund’s uninsured cash balance was approximately \$461,000 and \$655,000, respectively.

During the years ended December 31, 2024 and 2023, approximately 69% and 45%, respectively, of total revenue was derived from one donor.

THE WORLD ORPHAN FUND, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 3 – UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at December 31, 2024 and 2023 are expected to be collected within one year.

NOTE 4 – NOTE RECEIVABLE

In 2022, the Fund issued a \$26,000 loan to one of the ministries that it supports. This was a zero percent interest loan and the Fund received a \$5,000 payment on the loan during 2022. The remaining balance on the loan of \$21,000 was forgiven in 2023.

NOTE 5 – INVESTMENTS

At December 31, 2024 and 2023, investments consist solely of equity mutual funds.

Fair values of equity mutual funds are based on quoted net asset values of the shares as reported by the funds. The mutual funds held by the Fund are open-end mutual funds registered with the U.S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at that price.

NOTE 6 – NET ASSETS

Net assets with donor restrictions are restricted for the following purposes or periods:

	2024	2023
Travel fund	\$ 4,400	\$ -
Ever Scholarship	-	1,785
Nuru Orphanage	7,794	5,904
Walker Center	127,948	95,000
Widows Homes	-	2,200
Ukraine Orphans	322,879	891,187
Subsequent period activities	100,000	-
Net assets with donor restrictions	\$ 563,021	\$ 996,076

NOTE 7 – IN-KIND CONTRIBUTIONS

The fair value of donated travel, website, supplies, and other expenses received during the years ended December 31, 2024 and 2023 was \$37,764 and \$28,758, respectively. Donated goods are valued and reported at the estimated fair value in the financial statements based on prices paid by the donor. For the years ended December 31, 2024 and 2023, all donated goods were used for programmatic purposes. In-kind contributions did not have donor-imposed restrictions.

THE WORLD ORPHAN FUND, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 8 – LIQUIDITY AND AVAILABILITY

The following reflects the Fund’s financial assets as of December 31, 2024 **and 2023**, reduced by amounts not available for general expenditures within one year because of donor-imposed restrictions. The financial assets available for general expenditure within one year of the statement of financial position date includes the following:

	2024	2023
Cash	\$ 712,043	\$ 906,900
Unconditional promises to give	100,000	300,000
Investments	15,246	29,506
 Total financial assets	 827,289	 1,236,406
 Less those unavailable for general expenditure within one year, due to:		
Purpose restrictions	(463,021)	(996,076)
 Financial assets available to meet cash needs for general expenditures within one year	 \$ 364,268	 \$ 240,330

As part of the Fund’s liquidity management, it has a policy to structure its financial assets to be available for its general expenditures as they come due.