World Orphans

(a nonprofit California corporation)
Colorado Springs, Colorado

Financial Statements

December 31, 2023 and 2022

World Orphans

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Independent Auditor's Report

To the Board of Directors
World Orphans
Colorado Springs, Colorado

Opinion

I have audited the accompanying financial statements of World Orphans (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flow for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of World Orphans as of December 31, 2023, 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. The financial statements of World Orphans as of December 31, 2022 were audited by other auditors whose report dated April 6, 2023 expressed an unmodified opinion on those statements.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section in my report. I am required to be independent of World Orphans and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 World Orphans' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

My objective is 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 my 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, I:

- 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 World Orphans' 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about World Orphans' ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Mountain West Advisors, LLC

Certified Public Accountant

Highlands Ranch, Colorado
May 8, 2024

World Orphans

Statements of Financial Position

December 31		2023		2022
ASSETS				
Current Assets				
Cash and cash equivalents	**$**	**626,999**	$	1,217,861
Investments		**499,000**		-
Accounts receivable		**6,655**		6,993
Pledge receivables, net		**14,158**		17,074
Inventory		**26,261**		22,263
Prepaid expenses		**21,705**		10,351
Total current assets		**1,194,778**		1,274,542
Property and Equipment				
Furniture and equipment		**21,760**		19,529
Website		**24,272**		24,272
		46,032		43,801
Less accumulated depreciation		**(26,701)**		(20,498)
		19,331		23,303
Other Assets				
Right-of-use asset		**6,673**		19,766
Total assets	**$**	**1,220,782**	$	1,317,611
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable	**$**	**10,890**	$	4,041
Accrued compensation and benefits		**9,647**		10,763
Operating lease obligations		**6,550**		19,397
Total current liabilities		**27,087**		34,201
Net Assets				
Without donor restrictions		**459,791**		511,629
With donor restrictions		**733,904**		771,781
Total net assets		**1,193,695**		1,283,410
Total liabilities and net assets	**$**	**1,220,782**	$	1,317,611

World Orphans

Statement of Activities

Year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support and Revenue			
Operating Support			
Grants and contributions	$ 495,122	$ 1,835,175	$ 2,330,297
Donations from special events	567,628	-	567,628
Special events expenses	(72,447)	-	(72,447)
In-kind donations	20,000	-	20,000
Net assets released from restrictions			
Satisfaction of purpose restrictions	1,855,978	(1,855,978)	-
Experation of time restrictions	17,074	(17,074)	-
Total operating support	2,883,355	(37,877)	2,845,478
Operating Revenue			
Merchandise loss, net of costs of goods sold totaling $71,498 for 2023	(3,442)	-	(3,442)
Total operating revenue	(3,442)	-	(3,442)
Total operating support and revenue	2,879,913	(37,877)	2,842,036
Operating Expenses			
Program services	2,578,445	-	2,578,445
Supporting services			
General and administrative	241,365	-	241,365
Fundraising	145,603	-	145,603
Total operating expenses	2,965,413	-	2,965,413
Total operating support and revenue in deficit of operating expenses	(85,500)	(37,877)	(123,377)
Other Changes			
Unrealized gain on investments	1,620	-	1,620
Interest and dividends	32,042	-	32,042
Total other changes	33,662	-	33,662
Change in Net Assets	(51,838)	(37,877)	(89,715)
Net Assets, Beginning of Year	511,629	771,781	1,283,410
Net Assets, End of Year	$ 459,791	$ 733,904	$ 1,193,695

World Orphans

Statement of Activities

Year ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support and Revenue			
Operating Support			
Grants and contributions	$ 573,433	$ 1,651,931	$ 2,225,364
Donations from special events	438,981	-	438,981
In-kind donations	20,000	-	20,000
Net assets released from restrictions			
Satisfaction of purpose restrictions	1,585,517	(1,585,517)	-
Experation of time restrictions	183,495	(183,495)	-
Total operating support	2,801,426	(117,081)	2,684,345
Operating Revenue			
Merchandise sales, net of costs of goods sold totaling $53,250 for 2022	10,250	-	10,250
Total operating revenue	10,250	-	10,250
Total operating support and revenue	2,811,676	(117,081)	2,694,595
Operating Expenses			
Program services	2,378,708	-	2,378,708
Supporting services			
General and administrative	206,905	-	206,905
Fundraising	159,495	-	159,495
Total operating expenses	2,745,108	-	2,745,108
Total operating support and revenue in excess (deficit) of operating expenses	66,568	(117,081)	(50,513)
Other Changes			
Unrealized gain on investments	1	-	1
Interest and dividends	113	-	113
Total other changes	114	-	114
Change in Net Assets	66,682	(117,081)	(50,399)
Net Assets, Beginning of Year	444,947	888,862	1,333,809
Net Assets, End of Year	$ 511,629	$ 771,781	$ 1,283,410

The accompanying Notes are an integral part of these financial statements

World Orphans

Statement of Functional Expenses

Year ended December 31, 2023

	Program Services	Supporting Services: General and Administrative	Supporting Services: Fundraising	Supporting Services: Total	Total Expenses
Salaries and wages	$ 920,142	$ 67,580	$ 117,656	$ 185,236	$ 1,105,378
Employee benefits	64,216	5,076	9,211	14,287	78,503
Payroll taxes	57,828	4,571	8,295	12,866	70,694
Total personnel costs	1,042,186	77,227	135,162	212,389	1,254,575
Grants	814,941	-	-	-	814,941
Travel	252,813	-	2,296	2,296	255,109
Contractors	170,626	-	-	-	170,626
Program expenses	143,753	-	-	-	143,753
Professional fees	4,099	56,115	-	56,115	60,214
Printing and postage	22,170	23,751	4,748	28,499	50,669
Bank and service charges	-	45,733	-	45,733	45,733
Occupancy	28,053	3,881	311	4,192	32,245
Dues and fees	31,201	7,287	452	7,739	38,940
Insurance	29,777	4,535	574	5,109	34,886
Office expenses	8,210	18,271	225	18,496	26,706
Advertising and promotion expenses	9,966	2,361	1,297	3,658	13,624
Professional development	12,150	-	-	-	12,150
Depreciation	4,528	1,551	124	1,675	6,203
Information technology	3,882	653	414	1,067	4,949
Miscellaneous expenses	90	-	-	-	90
Total expenses	$ 2,578,445	$ 241,365	$ 145,603	$ 386,968	$ 2,965,413

The accompanying Notes are an integral part of these financial statements

World Orphans

Statement of Functional Expenses

Year ended December 31, 2022

	Program Services	Supporting Services: General and Administrative	Supporting Services: Fundraising	Supporting Services: Total	Total Expenses
Salaries and wages	$ 896,984	$ 66,268	$ 116,218	$ 182,486	$ 1,079,470
Employee benefits	61,511	4,862	8,823	13,685	75,196
Payroll taxes	56,046	4,347	7,287	11,634	67,680
Total personnel costs	1,014,541	75,477	132,328	207,805	1,222,346
Grants	883,871	-	-	-	883,871
Travel	189,075	-	1,857	1,857	190,932
Contractors	110,862	-	-	-	110,862
Professional fees	-	79,783	-	79,783	79,783
Dues and fees	48,801	-	-	-	48,801
Printing and postage	47,132	-	-	-	47,132
Occupancy costs	28,016	4,056	325	4,381	32,397
Bank and service charges	-	38,478	-	38,478	38,478
Insurance	25,382	4,308	557	4,865	30,247
Advertising and promotion expenses	-	-	19,777	19,777	19,777
Professional development	13,290	-	-	-	13,290
Office expenses	7,252	3,504	4,547	8,051	15,303
Information technology	6,530	-	-	-	6,530
Depreciation	3,791	1,299	104	1,403	5,194
Miscellaneous expenses	165	-	-	-	165
Total expenses	$ 2,378,708	$ 206,905	$ 159,495	$ 366,400	$ 2,745,108

The accompanying Notes are an integral part of these financial statements

World Orphans

Statements of Cash Flows

Increase (Decrease) in Cash and Cash Equivalents

Years ended December 31	2023	2022
Cash Flows From Operating Activities		
Change in net assets	**$ (89,715)**	$ (50,399)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	**6,203**	5,194
Non cash lease expense	**246**	(369)
Increase (decrease) from changes in assets and liabilities		
Pledges receivable	**2,916**	-
Accounts receivable	**338**	58,047
Inventory	**(3,998)**	2,852
Prepaid expenses	**(11,354)**	1,268
Accounts payable	**6,849**	(6,947)
Accrued compenstation and benefits	**(1,116)**	-
Net cash provided (used) by operating activities	**(89,631)**	9,646
Cash Flows From Investing Activities		
Purchases of property and equipment	**(2,231)**	(7,061)
Net purchases of investments	**(499,000)**	-
Net cash used by investing activities	**(501,231)**	(7,061)
Net Increase (Decrease) in Cash and Cash Equivalents	**(590,862)**	2,585
Cash and Cash Equivalents, Beginning of Year	**1,217,861**	1,215,276
Cash and Cash Equivalents, End of Year	**$ 626,999**	$ 1,217,861
Supplemental Information		
Right-of-us asset	**$ -**	$ 31,913

Note 1 – Nature of Organization and Significant Accounting Policies

Nature of Operations. World Orphans' ("the Organization") vision is to empower the church to care for orphans - until they all have homes. We equip, inspire, and mobilize the church to care for orphans and vulnerable children. Churches engaged. Children restored. Communities transformed by the Gospel of Christ. In order to help further its mission, the Organization works with three international nonprofits that are not consolidated on the financial statements. The Organization's primary source of support and revenue is contributions.

Basis of Accounting. The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents. Cash and cash equivalents consists of checking and savings accounts held at financial institutions. For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents.

Investments. The Organization's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Organization's management determines the valuation policies utilizing information provided by the investment advisors and custodians. *See Fair Value Measurements.*

Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Fair Value Measurements. The Organization reports using fair value measurements, which requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Fair Value Measurements (continued).

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

Certificates of Deposit. The Organization values certificates of deposit at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer. Early withdrawal charges may apply in the event the instruments are liquidated prior to their scheduled maturity date.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statements of financial position.

Pledges Receivable. Pledges receivable are recognized only when the conditions on which they depend are substantially met and the pledges become unconditional. Pledges receivable are stated net of allowances for uncollectible accounts. Management provides for probable uncollectible accounts through a provision for bad debt expenses and an adjustment to the allowance account based on its assessment of the current status of individual amounts. Balances still outstanding after management has used reasonable collection efforts are written off through a reduction to the allowance account and a corresponding reduction to pledges receivable. Management believes that all pledges receivable are fully collectible at December 31, 2023. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Accounts Receivable. Accounts receivable are stated net of allowances for uncollectible accounts. At the time accounts receivable are originated, the Organization considers an allowance for doubtful accounts based on the creditworthiness of the customer. The allowance is continually reviewed and adjusted to maintain the allowance at a level considered adequate to cover future uncollectible amounts. The allowance is management's best estimate of uncollectible amounts and is determined based on historical performance that is tracked by the Organization on an ongoing basis. Management believes that all accounts receivable are fully collectible at December 31, 2023 and 2022.

Inventory. Inventory consists of clothing, bags, and other accessories. Inventory is stated at the lower of cost or net realizable value, using the first-in, first-out method. Management reviewed inventory and determined that no allowance for obsolescence is necessary.

Property and Equipment. It is the Organization's policy to capitalize property and equipment at cost for purchases over $1,000, while repair and maintenance items are charged to expense. Donations of property and equipment are capitalized at their estimated fair value at the date of gift. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Property and equipment is depreciated using the straight-line method over the estimated useful lives of the assets, which is generally three to seven years for furniture and equipment and website. Depreciation expense for the years ended December 31, 2023 and 2022 was $6,203 and $5,194, respectively.

Impairment of Long-Lived Assets. In the event that facts and circumstances indicate that equipment, or other assets, may be impaired, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying amount to determine if a write-down to market value would be necessary. No impairment losses were recorded during the year ended December 31, 2023.

Leases. The Organization determines if an arrangement is a lease at inception. Operating leases are included in right-of-use ("ROU") lease assets, current portion of lease obligations, and long term lease obligations on the Organization's statements of financial position. Finance leases are included in property and equipment lease assets, current portion of finance lease obligations, and long-term lease obligations on the Organization's statements of financial position. ROU lease assets represent the Organization's right to use an underlying asset for the lease term and lease obligations represent the Organization's obligation to make lease payments arising from the lease. Operating ROU lease assets and obligations are recognized at the commencement date based on the present value of lease payments over the lease term. As most of the Organization's leases do not provide an implicit rate, the Organization uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The ROU lease asset also includes any lease payments made and excludes lease incentives. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Basis of Net Asset Presentation. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Net Assets Without Donor Restrictions. Net assets resulting from revenues generated by receiving contributions that have no donor stipulations, providing services, and receiving interest and other income, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

Net Assets With Donor Restrictions. Net assets resulting from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose restriction is accomplished.

Grants and Contributions. Grants and contributions are recognized when the amounts are received. Donor-restricted amounts 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. Grants and contributions that are restricted by the grantor or donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the amounts are recognized.

Revenue Recognition

Revenue Recognition. Sales consist of sales of clothing, jewelry, and other accessories sold by World Orphans, and are recorded when earned which is when the resource is shipped to the customer.

Transaction Price. The transaction price of a contract is the amount of consideration to which the Organization expects to be entitled in exchange for transferring promised services or items provided to the individual.

Contract Balances. The following table provides information about the Organization's receivables from contracts with customers at December 31:

	2023	2022
Accounts receivable, beginning of year	**$ 6,993**	$ 7,830
Accounts receivable, end of year	**$ 6,655**	$ 6,993

Contributed Services. Contributed services are recognized if the services received satisfy the criteria for recognition. The contributions of services are recognized if services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Certain other volunteer services are not recorded in these financial statements as they do not meet the criteria for recognition. There was no contributed services for the years ended December 31, 2023 and 2022.

Functional Allocation of Expenses. Direct expenses have been allocated to the applicable program for which the expenses were incurred. Indirect expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

Advertising. The Organization expenses advertising costs as they are incurred. Advertising and marketing expense for the years ended December 31, 2023 and 2022 was $13,624 and $19,777, respectively.

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Income Taxes. World Orphans is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state laws. However, the Organization is subject to federal income tax on any unrelated business taxable income. In addition, the Organization is not classified as a private foundation within the meaning of Section 509(a) of the IRC.

Reclassifications. Certain amounts from the prior year financial statements have been reclassified to conform to the current year presentation without affecting net assets as of December 31, 2022.

Subsequent Events. The Organization evaluates events and transactions occurring subsequent to the date of the consolidated financial statements for matters requiring recognition or disclosure in the consolidated financial statements. The accompanying consolidated financial statements consider events through May 8, 2024, the date at which the consolidated financial statements were available for release.

Note 2 – New Accounting Pronouncement

On January 1, 2023, the Organization adopted ASU 2016-13 *Financial Instruments – Credit Losses (Topic 326)*. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (“CECL”) methodology. Under this guidance, the Organization is required to measure expected credit losses on financial assets measured at amortized cost, including accounts receivable, using a forward-looking approach. The Organization calculates the allowance for credit losses utilizing historical data, current economic conditions, and reasonable and supportable forecasts that affect the collectability of the receivables.

The adoption of ASU 2016-13 did not have a material impact on the Organization's financial position, results of operations, or cash flows. However, it resulted in changes to the Organization's accounting policies, procedures, and internal controls related to the estimation and recording of credit losses on accounts receivable. The Organization estimates credit losses on accounts receivable using a provision matrix approach, which considers historical loss rates adjusted for current market conditions and other relevant factors. The provision matrix takes into account factors such as customer creditworthiness, payment history, aging of receivables, industry trends, and economic indicators. The Organization monitors its allowance for credit losses regularly and adjusts it as necessary to reflect changes in economic conditions and credit risk. Changes in the allowance for credit losses are recognized in the statement of comprehensive income as "Provision for credit losses."

As of December 31, 2023, there was no allowance for credit losses on accounts receivable. Management believes that all accounts receivable are fully collectible as of December 31, 2023.

Note 3 – Right-of-use Assets

Right-of-use assets consist of the following at December 31:

	2023	2022
Right-of-use asset under operating leases (office space)	$ 75,675	$ 75,675
Less accumulated amortization	(69,002)	(55,909)
Net right-of-use asset	$ 6,673	$ 19,766

Note 4 – Lease Commitments

Operating Leases. World Orphans leases office space under one noncancelable operating lease expiring in 2024.The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease term on the inception date of the lease. The lease requires monthly payments of $1,100. The discount rate on the lease is 2.61%. Total expense incurred under the operating lease for the year ended December 31, 2022 was $13,447.The weighted average discount rate at December 31, 2023 was 2.61%. The weighted average remaining lease term at December 31, 2023 was .47 years.

Future minimum lease payments are as follows at December 31, 2023:

Year ended December 31	
2024	$ 6,600

Note 5 – Net Assets with Donor Restrictions

The balances of net assets with donor restrictions are as follows:

	Jan 1, 2023 Balance	Additions	Releases	Dec 31, 2023 Balance
Purpose restrictions				
Staff support	$ 462,631	$ 856,378	$ 786,266	$ 532,743
Projects	265,806	832,238	932,252	165,792
Short-term mission trips	26,270	132,401	137,460	21,211
Time restrictions				
Pledges receivable, net	17,074	14,158	17,074	14,158
Total purpose restrictions	$ 771,781	$ 1,835,175	$ 1,873,052	$ 733,904

World Orphans

Notes to Financial Statements
December 31, 2023 and 2022

Note 5 – Net Assets with Donor Restrictions (continued)

The balances of net assets with donor restrictions are as follows:

	Jan 1, 2022 Balance	Additions	Releases	Dec 31, 2022 Balance
Purpose restrictions				
Staff support	**$ 499,738**	**$ -**	**$ 37,107**	**$ 462,631**
Projects	**278,478**	**265,806**	**278,478**	**265,806**
Short-term mission trips	**35,525**	**26,270**	**35,525**	**26,270**
Time restrictions				
Pledges receivable, net	**75,121**	**17,074**	**75,121**	**17,074**
Total purpose restrictions	**$ 888,862**	**$ 309,150**	**$ 426,231**	**$ 771,781**

Note 6 – Related Party Transactions

During the years ended December 31, 2023 and 2022, the Organization sent $201,000 and $208,100, respectively, to a nongovernmental affiliated organization in Iraq.

Contributions from board members totaled approximately $69,620 and $88,000, during the years ended December 31, 2023 and 2022, respectively.

Note 7 – Liquidity and Availability of Resources

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability; maintaining adequate liquid assets to fund near-term operating needs; and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. To achieve these principles, the Organization forecasts its future cash flows and monitors its liquidity monthly, and monitors its reserves annually. During the years ended December 31, 2023 and 2022 the level of liquidity and reserves was managed within these guiding principles.

Financial assets at December 31:	**2023**	2022
Cash and cash equivalents	**$ 626,999**	$ 1,217,861
Investments	**499,000**	-
Accounts receivable	**6,655**	6,993
Pledges receivable, net	**14,158**	17,074
Financial assets available to meet cash needs for general expenditures within one year	**$ 1,146,812**	$ 1,241,928