WORLD'S CHILDREN

Financial Statements

For the Year Ended December 31, 2025

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Dougall Conradie LLC
Certified Public Accountants

Geoffrey Dougall, CPA
Heather Jackson, CPA
Richard Winkel, CPA

Members of AICPA & OSCPA

Independent Accountants' Review Report

To the Board of Directors
World's Children
Sisters, Oregon

We have reviewed the accompanying financial statements of World's Children, which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year 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 organization 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.

Dougall Conradie LLC

March 19, 2026

PO Box 400, Beaverton, OR 97075 • 971 249 9920 • www.cpanw.com

WORLD'S CHILDREN

STATEMENT OF FINANCIAL POSITION

December 31, 2025

		2025
ASSETS		
Current assets:		
Cash and cash equivalents	$	386,051
Investments		668,713
Other assets		2,990
Total current assets		1,057,754
Right-of-use lease asset		25,378
Office equipment, net of accumulated depreciation		1,758
Total assets	$	1,084,890
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accrued payroll	$	5,824
Current portion of lease liability		15,187
Total current liabilities		21,011
Lease liability, net of current portion		10,656
Total liabilities		31,667
NET ASSETS		
With donor restrictions		759,812
Without donor restrictions		293,411
Total net assets		1,053,223
Total liabilities and net assets	$	1,084,890

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WORLD'S CHILDREN

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended December 31, 2025

	Without Restrictions	With Restrictions	2025 Total
Revenues:			
Grants and contributions	$ 280,399	$ 512,428	$ 792,827
Investment income	9,867	43,074	52,941
Other income	2,760	-	2,760
Net assets released from restriction	680,387	(680,387)	-
Total revenues	973,413	(124,885)	848,528
Expenditures:			
Program services	716,572	-	716,572
General and administration	52,236	-	52,236
Fundraising	23,500	-	23,500
Total expenditures	792,308	-	792,308
Change in net assets	181,105	(124,885)	56,220
Net assets, beginning of year	112,306	884,697	997,003
Net assets, end of year	$ 293,411	$ 759,812	$ 1,053,223

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WORLD'S CHILDREN

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2025

	2025			
	Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 150,782	$ 33,147	$ 14,913	$ 198,842
Payroll taxes and benefits	33,918	7,456	3,355	44,729
Contract labor	23,450	-	-	23,450
Grants and scholarships	415,180	-	-	415,180
Program expenses	40,317	-	-	40,317
Professional services	11,058	2,430	1,093	14,581
Occupancy	12,973	2,852	1,283	17,108
Telephone	1,721	378	170	2,269
Insurance	1,904	419	188	2,511
Office supplies	3,043	669	301	4,013
Postage and delivery	2,013	443	199	2,655
Printing and stationery	6,634	1,458	656	8,748
Bank services	7,771	1,708	769	10,248
Dues and subscriptions	4,068	894	402	5,364
Travel	880	193	86	1,159
Depreciation	860	189	85	1,134
Total expenses	$ 716,572	$ 52,236	$ 23,500	$ 792,308

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WORLD'S CHILDREN

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2025

	2025
Cash flows from operating activities:	
Cash received from grants and contributions	$ 764,004
Cash received from interest	3,082
Cash paid to employees and suppliers	(393,763)
Cash paid for grants	(415,180)
Net cash used in operating activities	(41,857)
Cash flows from investing activities:	
Cash paid for purchase of investments	(5,000)
Proceeds from sale of investments	48,971
Cash paid for equipment	(822)
Net cash provided by investing activities	43,149
Net change in cash and cash equivalents	1,292
Cash and cash equivalents, beginning of year	384,759
Cash and cash equivalents, end of year	$ 386,051

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NOTE A – ORGANIZATION

World's Children ("the Organization") is a nonprofit organization founded to provide humanitarian assistance to people living in poverty around the world. Because children are often helpless victims of poverty and disaster, World's Children focuses on helping orphans and vulnerable children. The Organization is funded through grants and contributions.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies applied in the preparation of the accompanying financial statements follows.

Basis of Presentation

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

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization '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 Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby 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 statements of activities.

Cash and Cash Equivalents

Cash and cash equivalents include accounts with financial institutions covered by the Federal Deposit Insurance Corporation (FDIC) of $250,000. For purposes of the statement of cash flows, the Organization considers all short-term investments purchased with an original maturity of three months or less to be cash equivalents.

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Organization cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments are reflected on the statement of financial position at fair value with changes in unrealized gains and losses resulting from changes in fair value reflected in the statement of activities. Interest income is reported as earned.

Grants and Contributions

Grants and 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 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 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.

Contributions of property and equipment without donor stipulations concerning the use of such long-lived assets are reported as unrestricted revenues. Contributions of services that create or enhance nonfinancial assets or 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 fair value in the period received.

Office Equipment

Office equipment is recorded at purchase cost. Acquisitions, renovations and repairs which increase the value of assets and have an estimated useful life in excess of one year are capitalized. All expenditures for repairs and maintenance which do not appreciably extend the useful life or increase the value of the assets are expensed in the period in which the cost is incurred. Contributed property is recorded at its fair market value on the date of contribution.

The Organization depreciates furnishings and equipment over its estimated useful life using the straight-line method for financial reporting purposes, which is generally between 5 and 7 years.

Advertising Costs

Advertising is expensed as incurred.

Use of Estimates

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization received a tax determination letter indicating that it qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under section 509(a)(1). Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

The Organization's federal and state information returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitations on those returns. In general, the federal and state information returns have a three year statute of limitations.

Fair Value of Financial Instruments

Due to the short-term nature of cash equivalents, prepaid expenses and other assets, accounts payable and accrued liabilities, their fair value approximates carrying value.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional expense basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that were allocated include the following:

Salaries, taxes and benefits	Time and effort
Occupancy	Square footage
Professional services	Time and effort
Office expenses	Time and effort
Insurance	Time and effort

Concentrations of Economic Risk

The Organization is dependent upon donations for much of its income, which can be affected by economic downturns. The Organization also operates and provides funding to various parts of the World, including certain key countries. If political unrest was to occur in any or all of these key countries the Organization's ongoing operations could be severely impacted in those affected areas.

NOTE C – AVAILABILITY AND LIQUIDITY

The Organization manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. The Organization's cash needs are expected to be met on a monthly basis from regular revenue sources. In general, the Organization maintains sufficient financial assets on hand to meet normal operating expenditures and to reserve for future needs.

NOTE C – AVAILABILITY AND LIQUIDITY (Continued)

The following represents the Organization's financial assets at December 31, 2025:

Financial assets at year end:		
Cash and cash equivalents	$	386,051
Investments		668,713
Total financial assets		1,054,764
Less amounts not available to be used within one year:		
Endowment restricted net assets		(509,301)
Financial assets available to meet general expenditures over the next twelve months	$	545,463

NOTE D – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following at December 31, 2025:

Petty Cash	$	30
Checking accounts		251,588
Money market and savings accounts		134,433
	$	386,051

NOTE E – OFFICE EQUIPMENT

Major classes of office furnishings and equipment consist of the following at December 31, 2025:

Office equipment	$	4,163
Less accumulated depreciation		(2,405)
	$	1,758

Depreciation expense was $1,134 for the year ended December 31, 2025.

NOTE F – INVESTMENTS

ASC 820, *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, maximizes the use of observable inputs, and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent resources while unobservable inputs reflect estimates about market data.

NOTE F – INVESTMENTS (Continued)

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level I: Observable inputs such as quoted prices in active markets for identical assets or liabilities.

Level II: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; these include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level III: Unobservable inputs in which there is little or no market data available, which require the reporting entity to develop its own assumptions.

The Organization invests in a stock and mutual fund portfolio and a money market account that qualify as Level I investments. Long-term investments, carried at fair value based on quoted prices in active markets (all Level 1) measurements at December 31, 2025 consist of the following:

	2025	
	Cost	Fair Value
Money market	$ 70,000	$ 70,000
Fixed income bonds	424,000	424,023
Exchange traded funds	150,648	174,690
Ending balance	$ 644,648	$ 668,713

The following table summarizes the change in investments for the year ended December 31, 2025:

	Total
Balance, December 31, 2024	$ 631,242
Interest and dividends	31,976
Gains and losses	17,882
Change in value	49,859
Deposits	5,000
Donations of stock	31,583
Distributions	(48,971)
Balance, December 31, 2025	$ 668,713

NOTE G – RESTRICTED ENDOWMENT INVESTMENTS

The Organization follows the guidance in FASB ASC 958-205 in accounting for its endowment investments. The standard provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization.

The Organization's endowment was established to provide funds for child sponsorship and scholarships. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions. All endowment investments are restricted as of December 31, 2025.

Changes in endowment net assets for the year ended December 31, 2025 are as follows:

Balance, December 31, 2024	$	461,227
Interest and dividends		25,191
Gains and losses		17,882
Investment income		43,074
Deposits		5,000
Balance, December 31, 2025	$	509,301

Investment Return Objectives, Risk Parameters and Strategies

The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation. All interest and dividends from the investments are available for use by the Organization.

NOTE H – RESTRICTIONS AND LIMITATIONS ON NET ASSET BALANCES

Net assets with donor restrictions were as follows at December 31, 2025:

Specific purpose		
Child sponsorship	$	250,511
Passage of time		
Endowment investment		509,301
	$	759,812

NOTE I – LEASES

The Organization leases office space for use in its programs under an operating lease agreement expiring July 31, 2027.

At December 31, 2025 the Organization had a right to use asset of $25,378 and a lease liability of $25,843 related to this operating lease. The lease has a remaining lease term of 20 months and a discount rate of 3.71% for the calculation of the present value of the lease asset and liability.

The operating lease liability matures as follows:

Year Ending December 31:	Amount
2026	$ 15,892
2027	10,804
Total lease payments	26,696
Less interest	(853)
Present value of lease liability	$ 25,843

Total rent expense under the terms of this operating lease was $15,739 for the year ended December 31, 2025. Cash paid for rent under the terms of the lease was $15,429.

NOTE J – RELATED PARTIES

During the year ended December 31, 2025, the Organization transferred funds totaling $39,720 to Cyberborn, a nonprofit organization managed by a member of the Board of Directors. These funds were provided to Cyberborn to be forwarded, as agent, to Balavikasitha Orphanage, a third-party beneficiary. The Board member did not receive any personal benefit from these transactions. The Organization has determined that Cyberborn acted solely as an intermediary in these transactions, and the full amount was intended for the benefit of the orphanage. Management has evaluated the nature of these transactions and concluded that they were conducted at arm's length and in accordance with the Organization's conflict of interest policy.

NOTE K – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through March 19, 2026, which is the date the financial statements were available to be issued, noting no events requiring recording or disclosure in the financial statements for the year ended December 31, 2025.