

Orphans in Need USA, Inc.
Financial Statements
December 31, 2024

Orphans in Need USA, Inc.

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Kelly & Company LLC
Certified Public Accountants
1934 Old Gallows Road
Tysons Corner, VA 22182

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Orphans in Need USA, Inc.
McLean, Virginia

Opinion

We have audited the accompanying financial statements of Orphans in Need USA, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Orphans in Need USA, Inc. as of December 31, 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Orphans in Need USA, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Orphans in Need USA, 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 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 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, 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 Orphan in Need USA, 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 Orphan in Need USA, 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.

Kelly and Company, LLC

Tysons Corner, Virginia
September 11, 2025

Orphans in Need USA, Inc.
Statement of Financial Position
As of December 31, 2024

Assets

Current assets

Cash & cash equivalents	\$ 2,132,722
Pledges receivable	124,812
Investments	<u>2,504</u>
Total current assets	<u>2,260,038</u>

Total Assets \$ 2,260,038

Liabilities and Net Assets

Current liabilities

Accounts payable & accrued liabilities	<u>\$ 354,902</u>
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Total liabilities 354,902

Net Assets

Without donor restrictions	134,316
With donor restrictions	<u>1,770,820</u>
Total net assets	<u>1,905,136</u>

Total Liabilities & Net Assets \$ 2,260,038

Orphans in Need USA, Inc.
Statement of Activities and Changes in Net Assets
For the year ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Direct public support	\$ 6,414,479	\$ 1,997,208	\$ 8,411,687
Net assets released from restrictions			
Satisfaction of program restrictions	<u>1,363,733</u>	<u>(1,363,733)</u>	<u>-</u>
Total revenue	<u>7,778,212</u>	<u>633,475</u>	<u>8,411,687</u>
Expenses			
Education program	1,713	-	1,713
Emergency program	536,291	-	536,291
Food aid program	109,851	-	109,851
Health care program	6,201,780	-	6,201,780
Orphan and widows program	597,051	-	597,051
Qurbani program	50,077	-	50,077
Religious program	68,751	-	68,751
Management and general	118,373	-	118,373
Fundraising expense	<u>65,966</u>	<u>-</u>	<u>65,966</u>
Total expenses	<u>7,749,853</u>	<u>-</u>	<u>7,749,853</u>
Change in net assets	<u>28,359</u>	<u>633,475</u>	<u>661,834</u>
Net assets beginning of year	<u>105,957</u>	<u>1,137,345</u>	<u>1,243,302</u>
Net assets end of year	<u>\$ 134,316</u>	<u>\$ 1,770,820</u>	<u>\$ 1,905,136</u>

Orphans in Need USA, Inc.
Statement of Functional Expenses
For the year ended December 31, 2024

	Education	Emergency	Food Aid	Health Care	Orphan and Widows	Qurbani
Gifts in kind	\$ -	\$ -	\$ -	\$ 6,201,780	\$ -	\$ -
Grants & contributions		377,666			321,279	21,638
Advertising & marketing	607	56,195	38,902		94,379	10,068
Wages & taxes	336	31,023	21,477		52,103	5,558
Consultant fees	252	23,273	16,112		39,086	4,170
Handling & shipping	232	21,409	14,822		45,006	3,836
Merchant & CC fees	114	10,508	7,275		18,174	1,883
Employees benefit	75	6,973	4,828		11,707	1,250
Lease	42	3,866	2,677		6,493	693
Audit fee	26	2,396	1,659		4,024	429
Software website & technology	16	1,438	995		2,414	258
Supplies & equipment	3	359	257		554	69
Subscriptions & dues	3	300	215		462	57
Payroll processing fees	2	284	203		437	54
Insurance	2	265	190		408	51
Bank service charge	2	191	135		302	36
Telephone & telecommunications	1	112	80		172	21
Other expenses		33	24		51	6
	<u>\$ 1,713</u>	<u>\$ 536,291</u>	<u>\$ 109,851</u>	<u>\$ 6,201,780</u>	<u>\$ 597,051</u>	<u>\$ 50,077</u>

Orphans in Need USA, Inc.
Statement of Functional Expenses - continued
For the year ended December 31, 2024

	Religious	Total Program services	Management and general	Fundraising Expense	Total
Gifts in kind	\$ -	\$ 6,201,780	\$ -	\$ -	\$ 6,201,780
Grants & contributions	26,818	747,401			747,401
Advertising & marketing	14,617	214,768		65,966	280,734
Wages & taxes	8,069	118,566	36,416		154,982
Consultant fees	6,053	88,946	27,319		116,265
Handling & shipping	5,568	90,873	25,132		116,005
Merchant & CC fees	2,733	40,687	12,250		52,937
Employees benefit	1,826	26,659	8,148		34,807
Lease	1,006	14,777	4,538		19,315
Audit fee	623	9,157	2,813		11,970
Software website & technology	374	5,495	1,688		7,183
Supplies & equipment	228	1,470			1,470
Subscriptions & dues	190	1,227			1,227
Payroll processing fees	180	1,160			1,160
Insurance	168	1,084			1,084
Bank service charge	99	765	69		834
Telephone & telecommunications	71	457			457
Other expenses	128	242			242
	<u>\$ 68,751</u>	<u>\$ 7,565,514</u>	<u>\$ 118,373</u>	<u>\$ 65,966</u>	<u>\$ 7,749,853</u>

Orphans in Need USA, Inc.
Statement of Cash Flows
For the year ended December 31, 2024

Cash flows from operating activities	
Change in net assets	\$ 661,834
Adjustment to reconcile change in net assets to net cash provided by operating activities	
Pledges receivable	(55,243)
Investments	(1,412)
Accounts payable & accrued liabilities	(64,887)
Net cash provided by operating activities	<u>540,292</u>
Net increase in cash	<u>540,292</u>
Cash at beginning of year	<u>1,592,430</u>
Cash at end of year	<u><u>\$ 2,132,722</u></u>
Supplemental financial information:	
Interest paid during year	\$ -
Income taxes paid	\$ -

Note 1. Organization and nature of activities

Orphans in Need USA, Inc. (“the Organization”) was launched in 2021 as U.S based 501(c3) charity, inspired by the Orphans in Need UK family (“OIN”). The OIN family has grown to 14 countries, and we are dedicated to providing long-term, consistent support to orphan children and their families in need. Our teams are here to ensure the children in our care will grow and develop in their confidence over time.

Orphans in Need USA, Inc. is a partner of the Global Orphans in Need brand which, supports and cares for over 30,000 orphans and their families in 14 countries — including Somalia, Mali, Pakistan, Bangladesh, Sierra Leone and Sri Lanka. Our teams are working in the areas worst affected by poverty, offering regular food parcels, funding access to education, essential medical care, and supportive and caring homes for orphans through our Orphans Village project and Global Orphan Care.

As one of the first charities in the world dedicated to caring for orphans and providing child sponsorship, our work has made a difference to young lives that may have been lost.

The organization work with some of the poorest countries in the world and provide for the innocent lives caught up in conflicts that bring war and fear to their hometowns.

Note 2. Summary of significant accounting policies

Basis of accounting and presentation: Financial statement presentation follows the recommendation of the Financial Accounting Standards Board (FASB) in its Statement of Financial Accounting Standards (FASB ASC 958) Financial Statements of Nonprofit Organizations. Under FASB ASC 958, the Organization is required to present net assets and revenues, expenses, gains, and losses classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes there in are classified and reported as follows:

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 which are 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.

Basis of accounting: The accompanying financial statements have been prepared on the accrual method of accounting.

Cash and cash equivalents: All highly liquid investments, excluding amounts included in investments, with a maturity of less than 90 days at the date of acquisition are considered cash equivalents.

Note 2. Summary of significant accounting policies – continued

Pledges receivable: Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are 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.

The Organization uses the allowance method to determine uncollectible pledges receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. No allowance of receivable has been recognized as of December 31, 2024.

Contributions: Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

Contributed Services: The Organization receives a substantial amount of services donated by its members in carrying out the center's ministry. These services are not reflected in the financial statements of the organization, because they do not meet the criteria for recognition under ASC 958-10, "Not-for-Profit Entities."

Use of estimates: The Organization prepares its financial statements in conformity with accounting principles general accepted in the United States of America, which requires management to make estimates and assumptions that affect certain reported amounts and disclosures.

Income taxes: The Organization is exempt from income taxes as a non-profit organization under section 501(c)(3) of the Internal Revenue Code, except for unrelated business income taxes.

Investments

Investments in equity securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions 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. See note 5 for additional information.

Concentration of credit risk: The Organization maintains its cash in bank accounts which at times, may exceed federally insured limits. The Organization had not experiences any losses in such accounts and management believes it is not exposed to any significant credit risk on its cash balances.

Functional allocation of expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Orphans in Need USA, Inc.
Notes to Financial Statements

Note 2. Summary of significant accounting policies – continued

Cost Allocation: The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Management has allocated the expenses on a reasonable & consistent basis.

Note 3. Net asset with donor restrictions

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

Subject to expenditure for specified purposes:

Emergency program	\$ 845,734
Religious program	181,476
Orphan and widows program	400,889
Food Aid program	258,727
Qurbani program	73,692
Education program	10,192
Livelihood	110
	<u>\$ 1,770,820</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors.

Purpose restrictions accomplished:

Emergency program	\$ 536,290
Orphan and widows program	597,051
Religious program	68,751
Food Aid program	109,851
Qurbani program	50,077
Education program	1,713
Total restrictions released	<u>\$ 1,363,733</u>

Orphans in Need USA, Inc.
Notes to Financial Statements

Note 4. Availability and liquidity

The following represents the Organization's financial assets at December 31, 2024:

Financial assets at year end:

Cash & cash equivalents	\$ 2,132,722
Pledge receivable	124,812
Investments	<u>2,504</u>
Total financial assets	<u>2,260,038</u>

Less those unavailable for general expenditures within one year due to

Donor-imposed restrictions for program purposes	(1,770,820)
Donor-imposed restrictions for payment of grant payable	<u>(354,902)</u>

Financial assets available to meet general

expenditures over the next twelve months	<u>\$ 134,316</u>
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Note 5. Fair value measurement

Investments are carried at fair value, and realized and unrealized gains and losses are reflected within investment return, net, in the statement of activities.

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at December 31, 2024, are as follows:

Description	Fair value	Active Quote Price (Level 1)
Short-term investments		
Equity securities	<u>\$ 2,504</u>	<u>\$ 2,504</u>

Note 6. In-Kind Donations

The organization recognized contributed non-financial assets within its revenue. For the years ended December 31, 2024 contributed nonfinancial assets recognized within the statement of activities include pharmaceuticals valued at \$6,202,780 using the Federal Lower Limit based on the weighted average of the most recently reported monthly Average Manufacturer Prices that approximate wholesale prices in the United States.

Note 7. Subsequent events

The management of the Organization has analyzed subsequent events through September 11, 2025, the date on which the financial statements were available to be issued. No events have occurred since the balance sheet date that would have a material impact on the financial statements.