

**LITTLE SISTERS FUND, INC.**

**Financial Statements and  
Independent Auditors' Report**

**December 31, 2019 and 2018**

# Little Sisters Fund, Inc.

---

## CONTENTS

	<u>Page</u>
<i>INDEPENDENT AUDITORS' REPORT</i>	2-3
<i>FINANCIAL STATEMENTS:</i>	
<i>Statements of financial position</i>	4
<i>Statements of activities and changes in net assets</i>	5-6
<i>Statements of functional expenses</i>	7-8
<i>Statements of cash flows</i>	9
<i>NOTES TO FINANCIAL STATEMENTS</i>	10-19

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Little Sisters Fund, Inc.  
Ketchum, Idaho

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Little Sisters Fund, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### *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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Little Sisters Fund, Inc., as of December 31, 2019 and 2018, 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.

Northwest CPA Group PLLC

Tri-Cities, Washington  
July 30, 2020

## Little Sisters Fund, Inc. Statements of Financial Position

	December 31,	
	2019	2018
<b>ASSETS</b>		
<i>CURRENT ASSETS:</i>		
Cash and cash equivalents	\$ 424,849	\$ 213,029
Investments	1,390,105	1,141,321
Contributions receivable, <i>current</i>	34,900	-
Education advances, <i>current</i>	29,300	26,175
Other receivables	2,499	2,600
Total current assets	1,881,653	1,383,125
<i>PROPERTY AND EQUIPMENT:</i>		
Equipment	2,063	2,063
Less accumulated depreciation	2,063	2,063
	-	-
<i>OTHER ASSETS:</i>		
Restricted certificates of deposit	450,000	450,000
Education advances, <i>noncurrent</i>	57,000	47,200
Contribution receivable, <i>noncurrent</i>	34,900	-
	541,900	497,200
	\$ 2,423,553	\$ 1,880,325
 <b>LIABILITIES AND NET ASSETS</b>		
<i>CURRENT LIABILITIES:</i>		
Payroll liabilities	\$ 2,165	\$ 1,916
<i>NET ASSETS:</i>		
Without donor restrictions	1,281,633	741,892
With donor restrictions	1,139,755	1,136,517
	2,421,388	1,878,409
	\$ 2,423,553	\$ 1,880,325

**Little Sisters Fund, Inc.**  
**Statement of Activities and Changes in Net Assets**  
**Year Ended December 31, 2019**

---

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<i>REVENUES AND SUPPORT:</i>			
Contributions	\$ 739,126	\$ 144,429	\$ 883,555
Net assets released from restrictions	141,191	(141,191)	-
	<u>880,317</u>	<u>3,238</u>	<u>883,555</u>
<i>EXPENSES:</i>			
Program services	546,641	-	546,641
Management and general	57,315	-	57,315
Fundraising	32,431	-	32,431
	<u>636,387</u>	<u>-</u>	<u>636,387</u>
<i>CHANGES IN NET ASSETS BEFORE OTHER INCOME</i>	243,930	3,238	247,168
<i>OTHER INCOME:</i>			
Investment income, net	<u>295,811</u>	<u>-</u>	<u>295,811</u>
<i>CHANGES IN NET ASSETS</i>	539,741	3,238	542,979
<i>NET ASSETS, BEGINNING OF YEAR</i>	<u>741,892</u>	<u>1,136,517</u>	<u>1,878,409</u>
<i>NET ASSETS, END OF YEAR</i>	<u>\$ 1,281,633</u>	<u>\$ 1,139,755</u>	<u>\$ 2,421,388</u>

**Little Sisters Fund, Inc.**  
**Statement of Activities and Changes in Net Assets**  
**Year Ended December 31, 2018**

---

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<i>REVENUES AND SUPPORT:</i>			
Contributions	\$ 357,767	\$ 127,124	\$ 484,891
Net assets released from restrictions	<u>120,763</u>	<u>(120,763)</u>	<u>-</u>
	<u>405,749</u>	<u>6,361</u>	<u>412,110</u>
<i>EXPENSES:</i>			
Program services	562,043	-	562,043
Management and general	46,362	-	46,362
Fundraising	<u>28,138</u>	<u>-</u>	<u>28,138</u>
	<u>636,543</u>	<u>-</u>	<u>636,543</u>
<i>CHANGES IN NET ASSETS BEFORE OTHER EXPENSE</i>	(230,794)	6,361	(224,433)
<i>OTHER EXPENSE:</i>			
Investment loss, net	<u>(72,781)</u>	<u>-</u>	<u>(72,781)</u>
<i>CHANGES IN NET ASSETS</i>	(303,575)	6,361	(297,214)
<i>NET ASSETS, BEGINNING OF YEAR</i>	<u>972,686</u>	<u>1,130,156</u>	<u>2,102,842</u>
<i>NET ASSETS, END OF YEAR</i>	<u>\$ 741,892</u>	<u>\$ 1,136,517</u>	<u>\$ 1,878,409</u>

**Little Sisters Fund, Inc.**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2019**

---

	Program Services	Management and General	Fundraising	Total
Grants to other organizations and student scholarships	\$ 484,068	\$ -	\$ -	\$ 484,068
Payroll expenses	51,785	25,893	25,893	103,571
Professional services	-	16,563	-	16,563
Travel	5,003	2,501	2,501	10,005
Insurance	1,380	2,659	345	4,384
Telephone and communications	2,627	329	328	3,284
Office expenses	-	1,658	414	2,072
Contract labor	-	1,953	-	1,953
Supplies	-	1,108	9	1,117
Meals and entertainment	-	-	761	761
Donor appreciation	-	-	605	605
Miscellaneous	1,778	4,651	1,575	8,004
	<u>\$ 546,641</u>	<u>\$ 57,315</u>	<u>\$ 32,431</u>	<u>\$ 636,387</u>



**Little Sisters Fund, Inc.**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2018**

---

	Program Services	Management and General	Fundraising	Total
Grants to other organizations and student scholarships	\$ 508,214	\$ -	\$ -	\$ 508,214
Payroll expenses	47,408	23,704	23,704	94,816
Professional services	-	14,095	-	14,095
Travel	3,896	1,948	1,948	7,792
Insurance	768	2,305	192	3,265
Telephone and communications	1,757	219	220	2,196
Office expenses	-	1,098	274	1,372
Supplies	-	1,099	105	1,204
Meals and entertainment	-	-	1,271	1,271
Donor appreciation	-	-	116	116
Miscellaneous	-	1,894	308	2,202
	<u>\$ 562,043</u>	<u>\$ 46,362</u>	<u>\$ 28,138</u>	<u>\$ 636,543</u>

## Little Sisters Fund, Inc. Statements of Cash Flows

	Years Ended December 31,	
	2019	2018
<b><i>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</i></b>		
<b><i>CASH FLOWS FROM OPERATING ACTIVITIES:</i></b>		
Cash received from donors	\$ 812,929	\$ 467,479
Cash paid to other nonprofit organizations, suppliers, and employees	(649,063)	(644,046)
Interest and dividends received	41,400	38,888
Net cash provided by (used in) operating activities	205,266	(137,679)
<b><i>CASH FLOWS FROM INVESTING ACTIVITIES:</i></b>		
Purchases of investments	(98,362)	(1,278,431)
Proceeds from sale of investments	104,916	1,293,690
Purchases of certificates of deposit	(450,000)	(475,000)
Proceeds from redemption of certificates of deposit	450,000	475,000
Net cash provided by investing activities	6,554	15,259
<b><i>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</i></b>	211,820	(122,420)
<b><i>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</i></b>	213,029	335,449
<b><i>CASH AND CASH EQUIVALENTS, END OF YEAR</i></b>	\$ 424,849	\$ 213,029
<b><i>Reconciliation of Changes in Net Assets to Net Cash Provided by (Used in) Operating Activities:</i></b>		
Changes in net assets	\$ 542,979	\$ (297,214)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Realized (gain) loss on investments	598	(358,833)
Unrealized (gain) loss on investments	(255,009)	543,283
In-kind stock donation	(927)	(34,812)
Decrease (increase) in assets:		
Contributions receivable	(69,800)	20,000
Education advances	(12,925)	(6,750)
Other receivables	101	(2,600)
Increase (decrease) in liabilities:		
Payroll liabilities	249	(753)
Total adjustments	(337,713)	159,535
Net cash provided by (used in) operating activities	\$ 205,266	\$ (137,679)

**Little Sisters Fund, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**

---

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

*Organization:*

Little Sisters Fund, Inc. (the Organization), was organized to provide and promote education, alleviate poverty, and foster family stability and cultural preservation in Nepal and throughout the world. The Organization currently provides long-term scholarships for economically disadvantaged girls in Nepal primarily through relationships with non-governmental organizations (NGOs) in Nepal. The Organization has working relationships with these NGOs but does not have a formal agreement with them or exercise control over them.

*Summary of Significant Accounting Policies:*

*Basis of presentation* – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

*Cash and cash equivalents* – The Organization considers all highly liquid investments with initial maturities of three months or less to be cash equivalents. Cash without donor restrictions held in money market accounts at Fidelity Investments was \$79,819 and \$59,866 on December 31, 2019 and 2018, respectively.

*Contributions receivable* – The Organization has received unconditional promises for future cash payments. The present value of these estimated future cash flows is recorded as contributions receivable and contribution revenue. The Organization periodically evaluates the balances in contributions receivable and any amounts significantly past due to determine whether there are any uncollectible amounts. No allowance was deemed necessary at December 31, 2019 or 2018.

*Property and equipment* – Property and equipment are stated at cost or, if donated, at their approximate fair value at the date of donation. The Organization capitalizes all property and equipment in excess of \$1,000. Depreciation is determined using the straight-line method over the assets' estimated useful lives of three years.

*Restricted certificates of deposit* – The Organization holds certificates of deposit at cost, which approximate fair value. Restricted certificates of deposit represent contributions that have been designated by a donor for long-term purposes. For the year ending December 31, 2019, the restricted certificates of deposit bear interest ranging from 1.85% to 2.75% and mature at various dates from April 2020 to September 2020.

**Little Sisters Fund, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**

---

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued):**

*Summary of Significant Accounting Policies (continued):*

*Investments* – The Organization records investments in marketable securities with readily determinable market values at their fair value in the statements of financial position. Investment securities consist of a highly diversified portfolio of stocks, mutual funds, and exchange traded equity and fixed income funds. Net investment income or loss is reported in the statements of activities and changes in net assets and consists of interest and dividend income, realized and unrealized gains and losses, and investment expenses. 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. Investments are initially recorded at cost if purchased or, if donated, are recorded at the fair market value at the date of the gift. The investments in marketable securities are subject to market risk.

*Net assets* – Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and net asset changes 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 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. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, 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. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and when the assets are subsequently placed in service.

*Financial instruments* – At December 31, 2019 and 2018, the Organization’s financial instruments approximated fair value.

*Contributions* – Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

**Little Sisters Fund, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**

---

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

*Summary of Significant Accounting Policies (continued):*

*In-kind contributions* – Donated goods are recorded at their estimated fair value when received. Contributions of services are recognized if the services received create or enhance nonfinancial assets, require specialized skills, are provided by individuals possessing these skills, and would typically need to be purchased if not donated. Gifts of property and equipment and gifts of cash to be used to acquire property and equipment are reported as restricted support and reclassified to net assets without donor restrictions when placed into service.

*Allocation of expenses* – Costs of providing program and supporting services have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among program services and supporting services based on estimates of the employee’s time incurred and usage of resources.

The expenses that are allocated include the following:

Expense	Method of Allocation
Grants to other organizations and student scholarships	100% program
Payroll expenses	Time and effort
Professional services	100% administrative
Travel	Time and effort
Telephone and communications	Usage, time, and effort
Insurance	Square footage, time, and effort
Office expenses	Time and effort
Supplies	Time and effort
Meals and entertainment	Time and effort
Donor appreciation	100% fundraising
Miscellaneous	Time and effort

*Income taxes* – Under the provisions of Section 501(c)(3) of the Internal Revenue Code, the Organization is exempt from federal income taxes, except for net income from unrelated business activities. For the years ended December 31, 2019 and 2018, the Organization had no unrelated business activities subject to federal income tax. Management evaluated the Organization’s tax positions and concluded that the Organization had taken no uncertain tax positions that would require adjustments to the financial statements.

**Little Sisters Fund, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**

---

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued):**

*Summary of Significant Accounting Policies (continued):*

*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 the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

*Reclassifications* – Certain prior year balances have been reclassified to conform to the current year presentation with no effect on previously reported changes in net assets.

*New accounting pronouncement* – In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Organization has implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with the implementation of ASU 2018-08.

**Little Sisters Fund, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**

---

**NOTE 2 – AVAILABILITY AND LIQUIDITY**

The Organization is substantially supported by donor contributions. Some donors restrict their contributions to be used in a particular manner or for future use, thus financial assets may not be available for general expenditures within one year. Management policy is to periodically perform a liquidity review to ensure sufficient resources are available to meet the needs of donors.

The following Organization’s financial assets available for general expenditure within one year of the statements of financial position date are as follows:

	December 31,	
	2019	2018
Cash and cash equivalents	\$ 424,849	\$ 213,029
Investments	1,390,105	1,141,321
Contributions receivable	69,800	-
Certificates of deposit	450,000	450,000
Education advances	86,300	73,375
Other receivables	2,499	2,600
	2,423,554	1,880,325
Less:		
Assets unavailable for use within one year due to contractual or donor-imposed restrictions, <i>time or purpose</i>	(689,755)	(686,517)
Restricted certificates of deposit	(450,000)	(450,000)
Education advances, <i>noncurrent</i>	(57,000)	(47,200)
Contributions receivable, <i>noncurrent</i>	(34,900)	-
Total financial assets available for general expenditures over the next 12 months	\$ 1,191,899	\$ 696,608

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization anticipates collecting sufficient revenue to cover general expenditures not covered by contractual or donor-restricted resources.

**Little Sisters Fund, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**

---

**NOTE 3 – CONTRIBUTIONS RECEIVABLE:**

The Organization’s contributions receivable consisted of unconditional promises to give and are due as follows:

	Years Ended December 31,	
	2019	2018
Amounts due:		
Less than one year	\$ 34,900	\$ -
One to five years	34,900	-
	\$ 69,800	\$ -

**NOTE 4 – EDUCATION ADVANCES:**

The Organization provides educational assistance to selected Nepalese girls attending United States universities. As part of the agreement, each student is required to reimburse the Organization \$4,000 per year of college attendance for a total reimbursement of \$16,000 after four years of education. Interest is not assessed on outstanding advances. Repayment from each student is expected as follows:

Sophomore year	\$ 2,500
Junior year	2,500
Senior year	3,000
Within two years of graduation	8,000

As of December 31, 2019, amounts advanced are expected to be reimbursed as follows:

Years Ending December 31,	Amounts
2020	\$ 29,300
2021	25,000
2022	8,000
2023	18,000
2024	-
2025	6,000
	\$ 86,300

Management periodically reviews the advances to determine whether an allowance is necessary based on collection experience and specific knowledge of student circumstances. Management considers all amounts fully collectible at December 31, 2019 and 2018. Therefore, no allowance for doubtful accounts has been recorded.



**Little Sisters Fund, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**

---

**NOTE 5 – INVESTMENTS:**

Assets and liabilities are recorded at fair value and disclosed using a three-level hierarchy. 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 sources while unobservable inputs reflect estimates about market data.

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

Level I – Quoted prices are available in active markets for identical investments as of the measurement date. The Organization does not adjust the quoted price for these investments.

Level II – Pricing inputs are observable for the investments, either directly or indirectly, as of the measurement date, but are not the same as those used in Level I. Fair value is determined through quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data.

Level III – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire measurement in the hierarchy.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2019 and 2018:

*Mutual funds (Level I):* Valued at the daily closing price as reported by the mutual fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

**Little Sisters Fund, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**

---

**NOTE 5 – INVESTMENTS (continued):**

The following table sets forth, by level within the fair value hierarchy, the Organization’s assets at fair value measurements at December 31, 2019 and 2018:

	December 31, 2019	
	Fair Value	
	Level I	Cost
Mutual funds:		
Vanguard Intl Equity Index Fund Inc	\$ 933,815	\$ 873,865
Vanguard Index FDS Small Cap	236,037	216,966
Vanguard Scottsdale FDS Intermediate	186,313	173,119
iShares Trust Core S&P 500	33,940	28,958
	\$ 1,390,105	\$ 1,292,908
	December 31, 2018	
	Fair Value	
	Level I	Cost
Mutual funds:		
Vanguard Intl Equity Index Fund Inc	\$ 739,981	\$ 861,348
Vanguard Index FDS Small Cap	191,386	220,792
Vanguard Scottsdale FDS Intermediate	183,535	188,034
iShares Trust Core S&P 500	26,419	28,958
	\$ 1,141,321	\$ 1,299,132

There were no Level II or Level III investments at December 31, 2019 or 2018.

The components of net investment income are reflected below for one year ending:

	December 31,	
	2019	2018
Net unrealized gain (loss)	\$ 255,009	\$ (470,502)
Net realized gain (loss)	(598)	358,833
Dividends and interest	41,400	38,888
Total net investment income (loss)	\$ 295,811	\$ (72,781)

**Little Sisters Fund, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**

---

**NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS**

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

	December 31,	
	2019	2018
Subject to expenditure for specified purpose:		
Scholarships	\$ 279,477	\$ 332,961
Earthquake relief	20,701	38,901
General and professional higher education opportunity fund	319,777	314,655
	619,955	686,517
Subject to the passage of time:		
Contributions receivable	69,800	-
Endowment subject to investment policy:		
Restricted by donor for investment in fixed deposits	450,000	450,000
	\$ 1,139,755	\$ 1,136,517

**NOTE 7 – ENDOWMENT INVESTMENT AND SPENDING POLICIES:**

The Organization’s endowment consists of a donor-restricted fund established to provide continuing resources for the Organization’s mission. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The donor has stipulated that the endowment fund be invested solely in fixed deposits at financial institutions chosen by the board with investment income treated without donor restrictions and available to be expended to further the Organization’s nonprofit mission of providing long-term scholarships for economically disadvantaged girls in Asia. The Board of Directors considers the appropriation of endowment investment income to occur as earned and available for use. The endowment balance did not change during 2019.

*Interpretation of relevant law:*

Effective in 2007, the State of Idaho adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). In the absence of donor specific direction, UPMIFA establishes standards for endowment spending and preservation of the original gift. The Organization’s endowment consists of funds received with explicit donor stipulations. Therefore, the Organization has determined that UPMIFA is not applicable to their current endowment.

**Little Sisters Fund, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**

---

***NOTE 8 – CONCENTRATIONS:***

The Organization maintains its cash in bank deposit accounts with financial institutions. Cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation at various times during the year; management does not consider this to be a significant credit risk.

The Organization holds various types of investments that are not guaranteed and are subject to stock market fluctuations.

During the year ended December 31, 2019, two donors represented 34% of contribution revenue. During the year ended December 31, 2018, one donor represented 10% of contribution revenue. In addition, one donor represented 100% of pledges receivable as of December 31, 2019.

During the years ended December 31, 2019 and 2018, \$482,878 and \$496,817, respectively, was donated to one nonprofit organization within Nepal to provide scholarships for economically disadvantaged girls.

***NOTE 9 – NONCASH INVESTING ACTIVITIES:***

During the years ended December 31, 2019 and 2018, the Organization received non-cash donations of stock with the fair value on the date of donation of \$927 and \$34,812, respectively.

***NOTE 10 – SUBSEQUENT EVENTS:***

Subsequent to December 31, 2019, federal and state governments issued guidelines for businesses to limit working conditions due to the virus COVID-19. The impact of these guidelines is widespread, so it is difficult to predict the impact on the Organization, its donors or grantees. Management is doing everything in their control to limit the negative impact and disruption, but COVID-19 may affect the future recognition and measurement of assets, liabilities, and income of the Organization.

Subsequent events have been evaluated by management through July 30, 2020, which is the date the financial statements were available to be issued.