

FRIENDS OF THE ORPHANS, CANADA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(Unaudited - See Notice to Reader)

FRIENDS OF THE ORPHANS, CANADA

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YEAR ENDED DECEMBER 31, 2019

(Unaudited - See Notice to Reader)

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Chartered
Professional
Accountants

NOTICE TO READER

On the basis of information provided by management, we have compiled the statement of financial position of Friends of the Orphans, Canada as at December 31, 2019 and the statements of operations and restricted funds for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

A handwritten signature in black ink that reads 'RLB LLP'.

Guelph, Ontario
March 31, 2020

Chartered Professional Accountants
Licensed Public Accountants

FRIENDS OF THE ORPHANS, CANADA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

(Unaudited - See Notice to Reader)

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 514,619	\$ 380,841
Short term investments	25,000	100,314
Accounts receivable	556	19,331
Prepaid expenses	<u>26,171</u>	<u>22,816</u>
	566,346	523,302
CAPITAL ASSETS (note 4)	<u>8,383</u>	<u>16,650</u>
	<u>\$ 574,729</u>	<u>\$ 539,952</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 892	\$ 3,126
Unremitted funds - general	<u>146,072</u>	<u>32,447</u>
	<u>146,964</u>	<u>35,573</u>
NET ASSETS		
RESTRICTED - SPECIAL PROJECTS (page 6)	<u>527,606</u>	<u>627,851</u>
UNRESTRICTED (page 5)	<u>(99,841)</u>	<u>(123,472)</u>
	<u>\$ 574,729</u>	<u>\$ 539,952</u>

FRIENDS OF THE ORPHANS, CANADA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

(Unaudited - See Notice to Reader)

	2019	2018
REVENUE		
Specified donations	\$ 213,812	\$ 211,995
Unspecified donations	102,913	107,240
Interest and other	12,372	20,874
In memoriams	<u>11,798</u>	<u>17,655</u>
	<u>340,895</u>	<u>357,764</u>
EXPENSES		
Funds transferred to aid children	213,812	211,995
General and office	75,952	54,323
Promotion	12,362	15,209
Amortization	9,192	14,220
Professional fees	5,324	3,680
Transportation and travel	<u>622</u>	<u>1,225</u>
	<u>317,264</u>	<u>300,652</u>
REVENUE OVER EXPENDITURES for the year	23,631	57,112
NET DEFICIT, beginning of year	<u>(123,472)</u>	<u>(180,584)</u>
NET DEFICIT, end of year	<u>\$ (99,841)</u>	<u>\$ (123,472)</u>

FRIENDS OF THE ORPHANS, CANADA

STATEMENT OF RESTRICTED FUNDS - SPECIAL PROJECTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(Unaudited - See Notice to Reader)

	2019	2018
REVENUE		
Donations	\$ 223,283	\$ 520,744
Fundraising	<u>144,965</u>	<u>463,681</u>
	<u>368,248</u>	<u>984,425</u>
EXPENDITURES		
Humanitarian aid	340,645	627,131
Travel and accommodation	84,405	225,162
Fundraising costs	<u>43,443</u>	<u>35,040</u>
	<u>468,493</u>	<u>887,333</u>
(EXPENDITURES OVER REVENUE) REVENUE OVER EXPENDITURES for the year	(100,245)	97,092
NET ASSETS, beginning of year	<u>627,851</u>	<u>530,759</u>
NET ASSETS, end of year	<u>\$ 527,606</u>	<u>\$ 627,851</u>

FRIENDS OF THE ORPHANS, CANADA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

(Unaudited - See Notice to Reader)

1. GENERAL

Friends of the Orphans, Canada is a registered charitable organization and was incorporated by Letters Patent without share capital under the Canada Corporations Act and continued under the Canada Not-for-Profit Corporations Act. The organization's mandate is to solicit donations from the general public in order to provide financial aid to orphanages in Mexico, Central and South America.

2. ACCOUNTING POLICIES

a) REVENUE RECOGNITION

The organization follows the restricted fund method of accounting for contributions. Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

b) PLEDGES

Pledges are not recorded as revenue until collected.

c) DONATIONS

Donations in kind are recorded at their fair market value.

d) CAPITAL ASSETS

Amortization is taken on assets at the following rates:

Office equipment	- 20% declining balance basis
Computer	- 30% declining balance basis
Leasehold improvements	- 5 years straight line basis

Amortization is taken at 50% of the above rates in the year of addition.

3. INCOME TAX STATUS

The organization is a registered charity and is exempt from income taxes.

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2019	Net 2018
Office equipment	\$ 14,649	\$ 8,869	\$ 5,780	\$ 6,186
Computer	4,030	2,579	1,451	2,073
Leasehold improvements	<u>60,902</u>	<u>59,750</u>	<u>1,152</u>	<u>8,391</u>
	<u>\$ 79,581</u>	<u>\$ 71,198</u>	<u>\$ 8,383</u>	<u>\$ 16,650</u>

5. RESTRICTED FUNDS - SPECIAL PROJECTS

The Special Projects division of the organization is responsible for handling the receipt and expenditure of donations received which are designated for specific building programs in Mexico, Central and South America.