

**FRIENDS OF THE ORPHANS, CANADA**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

(Unaudited - See Notice to Reader)

**FRIENDS OF THE ORPHANS, CANADA**

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**YEAR ENDED DECEMBER 31, 2020**

(Unaudited - See Notice to Reader)

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**NOTICE TO READER**

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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, 2020 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.



Guelph, Ontario  
February 23, 2021

Chartered Professional Accountants  
Licensed Public Accountants

**FRIENDS OF THE ORPHANS, CANADA**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2020**  
(Unaudited - See Notice to Reader)

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 282,352	\$ 514,619
Short term investments	0	25,000
Accounts receivable	0	556
Prepaid expenses	<u>21,708</u>	<u>26,171</u>
	304,060	566,346
<b>CAPITAL ASSETS</b> (note 4)	<u>5,640</u>	<u>8,383</u>
	<u>\$ 309,700</u>	<u>\$ 574,729</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 6,368	\$ 892
Unremitted funds - general	<u>28,192</u>	<u>146,072</u>
	<u>34,560</u>	<u>146,964</u>
<b>LONG TERM DEBT</b>	<u>30,000</u>	<u>0</u>
<b>NET ASSETS</b>		
<b>RESTRICTED - SPECIAL PROJECTS</b> (page 6)	<u>117,293</u>	<u>527,606</u>
<b>UNRESTRICTED</b> (page 5)	<u>127,847</u>	<u>(99,841)</u>
	<u>\$ 309,700</u>	<u>\$ 574,729</u>

**FRIENDS OF THE ORPHANS, CANADA**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
(Unaudited - See Notice to Reader)

	<b>2020</b>	<b>2019</b>
<b>REVENUE</b>		
Unspecified donations	\$ 278,157	\$ 102,913
Specified donations	202,192	213,812
Interest and other	25,605	12,372
In memoriams	<u>2,580</u>	<u>11,798</u>
	<u>508,534</u>	<u>340,895</u>
<b>EXPENSES</b>		
Funds transferred to aid children	202,192	213,812
General and office	56,410	75,952
Promotion	15,505	12,362
Professional fees	3,607	5,324
Amortization	2,743	9,192
Transportation and travel	<u>389</u>	<u>622</u>
	<u>280,846</u>	<u>317,264</u>
<b>REVENUE OVER EXPENDITURES for the year</b>	227,688	23,631
<b>NET DEFICIT, beginning of year</b>	<u>(99,841)</u>	<u>(123,472)</u>
<b>NET ASSETS (DEFICIT), end of year</b>	<u>\$ 127,847</u>	<u>\$ (99,841)</u>

**FRIENDS OF THE ORPHANS, CANADA**  
**STATEMENT OF RESTRICTED FUNDS - SPECIAL PROJECTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

(Unaudited - See Notice to Reader)

	<b>2020</b>	<b>2019</b>
<b>REVENUE</b>		
Fundraising	\$ 63,983	\$ 144,965
Donations	<u>48,461</u>	<u>223,283</u>
	<u>112,444</u>	<u>368,248</u>
<b>EXPENDITURES</b>		
Humanitarian aid	484,157	340,645
Travel and accommodation	38,590	84,405
Fundraising costs	<u>10</u>	<u>43,443</u>
	<u>522,757</u>	<u>468,493</u>
<b>EXPENDITURES OVER REVENUE for the year</b>	(410,313)	(100,245)
<b>NET ASSETS, beginning of year</b>	<u>527,606</u>	<u>627,851</u>
<b>NET ASSETS, end of year</b>	<u>\$ 117,293</u>	<u>\$ 527,606</u>

**FRIENDS OF THE ORPHANS, CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

(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**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net 2020</b>	<b>Net 2019</b>
Office equipment	\$ 14,649	\$ 10,025	\$ 4,624	\$ 5,780
Computer	4,030	3,014	1,016	1,451
Leasehold improvements	<u>60,902</u>	<u>60,902</u>	<u>0</u>	<u>1,152</u>
	<u>\$ 79,581</u>	<u>\$ 73,941</u>	<u>\$ 5,640</u>	<u>\$ 8,383</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.