

**FRIENDS OF THE ORPHANS, CANADA**  
**FINANCIAL INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**FRIENDS OF THE ORPHANS, CANADA**  
**INDEX TO THE FINANCIAL INFORMATION**  
**YEAR ENDED DECEMBER 31, 2022**

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### COMPILATION ENGAGEMENT REPORT

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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, 2022 and the statements of operations and restricted funds - special projects for the year then ended, and the note to the financial statements, which describes the basis of accounting applied in the preparation of the compiled financial information (and, if applicable, other explanatory information) ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.



Guelph, Ontario  
February 23, 2023

Chartered Professional Accountants  
Licensed Public Accountants

**FRIENDS OF THE ORPHANS, CANADA**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2022**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 267,731	\$ 271,998
Short term investments	50,000	0
Prepaid expenses	<u>27,684</u>	<u>28,024</u>
	345,415	300,022
<b>CAPITAL ASSETS (note 3)</b>	<u>4,543</u>	<u>4,410</u>
	<u>\$ 349,958</u>	<u>\$ 304,432</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 3,376	\$ 1,273
Unremitted funds - general	<u>92,416</u>	<u>63,001</u>
	<u>95,792</u>	<u>64,274</u>
<b>NET ASSETS</b>		
<b>RESTRICTED - SPECIAL PROJECTS</b>	46,033	76,546
<b>UNRESTRICTED</b>	<u>208,133</u>	<u>163,612</u>
	<u>254,166</u>	<u>240,158</u>
	<u>\$ 349,958</u>	<u>\$ 304,432</u>

**FRIENDS OF THE ORPHANS, CANADA**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>2022</b>	<b>2021</b>
<b>REVENUE</b>		
Specified donations	\$ 243,228	\$ 212,187
Unspecified donations	103,964	117,531
Interest and other	6,543	9,743
In memoriams	<u>4,290</u>	<u>3,580</u>
	<u>358,025</u>	<u>343,041</u>
<b>EXPENSES</b>		
Funds transferred to aid children	192,728	210,887
General and office	104,250	80,401
Promotion	11,217	11,933
Professional fees	3,537	2,825
Amortization	1,144	1,230
Travel	<u>628</u>	<u>0</u>
	<u>313,504</u>	<u>307,276</u>
<b>REVENUE OVER EXPENDITURES for the year</b>	44,521	35,765
<b>NET ASSETS, beginning of year</b>	<u>163,612</u>	<u>127,847</u>
<b>NET ASSETS, end of year</b>	<u><u>\$ 208,133</u></u>	<u><u>\$ 163,612</u></u>

**FRIENDS OF THE ORPHANS, CANADA**  
**STATEMENT OF RESTRICTED FUNDS - SPECIAL PROJECTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>2022</b>	<b>2021</b>
<b>REVENUE</b>		
Donations	\$ 106,749	\$ 41,940
Fundraising	<u>25,945</u>	<u>37,933</u>
	<u>132,694</u>	<u>79,873</u>
<b>EXPENDITURES</b>		
Humanitarian aid	111,245	109,468
Travel and accommodation	<u>51,962</u>	<u>11,152</u>
	<u>163,207</u>	<u>120,620</u>
<b>EXPENDITURES OVER REVENUE for the year</b>	(30,513)	(40,747)
<b>NET ASSETS, beginning of year</b>	<u>76,546</u>	<u>117,293</u>
<b>NET ASSETS, end of year</b>	<u>\$ 46,033</u>	<u>\$ 76,546</u>

**FRIENDS OF THE ORPHANS, CANADA**  
**NOTES TO THE FINANCIAL INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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**1. NATURE OF BUSINESS**

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 corporation's mandate is to solicit donations from the general public in order to provide financial aid to orphanages in Mexico, Central and South America.

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

**2. BASIS OF ACCOUNTING**

The basis of accounting applied in the preparation of the statement of financial position of Friends of the Orphans, Canada as at December 31, 2022, and the statement of operation for the year then ended, is the historical cost basis and reflects cash transactions with the addition of:

- a) Investments are recorded at cost
- b) Prepaid expenses pertain to future periods.
- c) Capital assets are amortized on the basis of their estimated useful life using the following methods and rates:

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

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

- d) Accounts payable and accrued liabilities.
- e) The organization follows the restricted fund method of accounting for contributions. Unrestricted contributions related to general operations are recognized as revenue of the Unrestricted Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate Restricted Fund.
- f) Pledges are not recorded as revenue until collected.
- g) Donations in kind are recorded at their fair market value.

**3. CAPITAL ASSETS**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net 2022</b>	<b>Net 2021</b>
Office equipment	\$ 14,649	\$ 11,689	\$ 2,960	\$ 3,699
Computer	5,307	3,724	1,583	711
Leasehold improvements	<u>60,902</u>	<u>60,902</u>	<u>0</u>	<u>0</u>
	<u>\$ 80,858</u>	<u>\$ 76,315</u>	<u>\$ 4,543</u>	<u>\$ 4,410</u>

**4. 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.