

FRIENDS OF THE ORPHANS, CANADA
FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

FRIENDS OF THE ORPHANS, CANADA
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YEAR ENDED DECEMBER 31, 2023

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COMPILATION ENGAGEMENT REPORT

To the Board of Directors of: Friends of the Orphans, Canada

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, 2023 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
March 18, 2024

Chartered Professional Accountants
Licensed Public Accountants

FRIENDS OF THE ORPHANS, CANADA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 203,881	\$ 267,731
Short term investments	20,000	50,000
Prepaid expenses	<u>26,754</u>	<u>27,684</u>
	250,635	345,415
CAPITAL ASSETS (note 3)	<u>3,476</u>	<u>4,543</u>
	<u>\$ 254,111</u>	<u>\$ 349,958</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 4,369	\$ 3,376
Unremitted funds - general	<u>97,418</u>	<u>92,416</u>
	<u>101,787</u>	<u>95,792</u>
NET ASSETS		
RESTRICTED - SPECIAL PROJECTS	837	46,033
UNRESTRICTED	<u>151,487</u>	<u>208,133</u>
	<u>152,324</u>	<u>254,166</u>
	<u>\$ 254,111</u>	<u>\$ 349,958</u>

FRIENDS OF THE ORPHANS, CANADA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
REVENUE		
Specified donations	\$ 180,638	\$ 242,728
Unspecified donations	58,727	103,964
In memoriams	8,740	4,290
Interest and other	<u>2,979</u>	<u>6,543</u>
	<u>251,084</u>	<u>357,525</u>
EXPENSES		
Funds transferred to aid children	179,435	192,728
General and office	115,856	104,250
Promotion	7,089	11,217
Professional fees	3,783	3,537
Amortization	1,067	1,144
Travel	<u>0</u>	<u>628</u>
	<u>307,230</u>	<u>313,504</u>
(EXPENDITURES OVER REVENUE) REVENUE OVER		
EXPENDITURES for the year	(56,146)	44,021
NET ASSETS, beginning of year	<u>207,633</u>	<u>163,612</u>
NET ASSETS, end of year	<u>\$ 151,487</u>	<u>\$ 207,633</u>

FRIENDS OF THE ORPHANS, CANADA
STATEMENT OF RESTRICTED FUNDS - SPECIAL PROJECTS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
REVENUE		
Donations	\$ <u>158,450</u>	\$ <u>133,194</u>
EXPENDITURES		
Humanitarian aid	149,810	95,984
Travel and accommodation	<u>54,336</u>	<u>67,223</u>
	<u>204,146</u>	<u>163,207</u>
EXPENDITURES OVER REVENUE for the year	(45,696)	(30,013)
NET ASSETS, beginning of year	<u>46,533</u>	<u>76,546</u>
NET ASSETS, end of year	<u>\$ 837</u>	<u>\$ 46,533</u>

FRIENDS OF THE ORPHANS, CANADA
NOTES TO THE FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

1. NATURE OF OPERATIONS

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, 2023, 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

	Cost	Accumulated Amortization	Net 2023	Net 2022
Office equipment	\$ 14,649	\$ 12,281	\$ 2,368	\$ 2,960
Computer	5,307	4,199	1,108	1,583
Leasehold improvements	<u>60,902</u>	<u>60,902</u>	<u>0</u>	<u>0</u>
	<u>\$ 80,858</u>	<u>\$ 77,382</u>	<u>\$ 3,476</u>	<u>\$ 4,543</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.