

CHILDREN'S JOY FOUNDATION

FINANCIAL STATEMENTS

(Unaudited)

DECEMBER 31, 2019

[REDACTED]

CHILDREN'S JOY FOUNDATION

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members:

I have reviewed the balance sheet of Children's Joy Foundation as at December 31, 2019 and the statements of collections and disbursements and fund balance, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many charitable organizations, Children's Joy Foundation derives revenues from donations, including cash donations in fundraising activities. Accordingly, our verification of these revenues was limited to the amounts recorded in the books of the Foundation and we were not able to determine whether all cash collections are accurately recorded in the books. The effects on the financial statements have not been determined.

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT - continued

Qualified Conclusion

Based on my review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to my attention that causes me to believe that these financial statements do not present fairly, in all material respects, in accordance with Canadian generally accepted accounting standards for not-for-profit enterprises.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia) we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of preceeding year.

Surrey, BC

 [REDACTED]
Chartered Professional Accountant

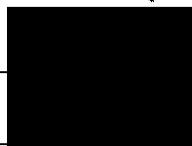
CHILDREN'S JOY FOUNDATION

BALANCE SHEET
(Unaudited)

DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
<u>Assets</u>		
Current		
Cash	\$ 65,400	\$ 55,528
Receivables - government remittances	3,009	-
Prepaid expenses	-	2,070
	<u>68,409</u>	<u>57,598</u>
Equipment	-	9,993
	<u>\$ 68,409</u>	<u>\$ 67,591</u>
<u>Liabilities</u>		
Current		
Payables and accruals	\$ -	\$ 433
Government remittances	6,491	7,034
Trade	<u>6,491</u>	<u>7,467</u>
Finance contract	-	14,692
	<u>6,491</u>	<u>22,159</u>
<u>Fund Balance</u>		
Balance	61,918	45,432
	<u>\$ 68,409</u>	<u>\$ 67,591</u>

ON BEHALF OF THE BOARD:



Director

Director

See accompanying notes to financial statements

CHILDREN'S JOY FOUNDATION

STATEMENT OF COLLECTIONS AND DISBURSEMENTS AND FUND BALANCE
(Unaudited)

YEAR ENDED DECEMBER 31, 2019

	2019	2018
Income		
Received donations	\$ 58,687	\$ 122,013
Non-receipted donations	72,979	142,785
Foreign exchange gain	-	592
Gain on disposal of assets	2,848	-
	<hr/> 134,514	<hr/> 265,390
Expenses		
Accounting and legal	12,888	17,018
Advertising and promotion	395	8,112
Contract for services	50,000	162,773
Depreciation	1,374	4,283
Grants awarded	15,095	13,314
Insurance, permits, and licenses	4,935	4,919
Interest and bank charges	3,465	30,973
Meals and entertainment	29	1,555
Office, postage, and sundry	2,951	11,023
Rent	11,472	27,666
Supplies	487	1,198
Telephone and utilities	2,379	4,285
Travel	-	8,811
Vehicle	2,159	2,510
Wages and benefits	<hr/> 10,399	<hr/> 19,227
	<hr/> 118,028	<hr/> 317,667
Excess (deficiency) of collections over disbursements	16,486	(52,277)
Fund balance, beginning of year	<hr/> 45,432	<hr/> 97,709
Fund balance, end of year	<hr/> \$ 61,918	<hr/> \$ 45,432

See accompanying notes to financial statements

CHILDREN'S JOY FOUNDATION

STATEMENT OF CASH FLOWS

(Unaudited)

YEAR ENDED DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
Operating activities		
Excess of collections over disbursements	\$ 16,486	\$ (52,277)
Item not affecting cash - depreciation	1,374	4,283
	<u>17,860</u>	<u>(47,994)</u>
Changes in non-cash working capital		
Government remittances	(3,442)	999
Prepaid expenses	2,070	(2,070)
Trade payables	(543)	(4,886)
	<u>15,945</u>	<u>(53,951)</u>
Financing activities		
Long term loan repayments	(14,692)	(4,300)
	<u>(14,692)</u>	<u>(4,300)</u>
Investing activities		
Proceeds from disposal of equipment	8,619	-
	<u>8,619</u>	<u>-</u>
Increase (decrease) in cash flows	9,872	(58,251)
Cash and equivalents, beginning of year	55,528	113,779
Cash and equivalents, end of year	\$ 65,400	\$ 55,528

See accompanying notes to financial statements

CHILDREN'S JOY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

YEAR ENDED DECEMBER 31, 2019

1. Description of organization

Children's Joy Foundation was established on January 21, 2013. It exists to support the charitable activities carried out in third world countries in Asia particularly in the Philippines. It also supports feeding program in the Surrey school district. It is a registered charity with the Canadian Revenue Agency.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian standards for not-for-profit enterprises. The significant policies are detailed as follows:

Financial instruments

Financial instruments comprise cash, receivables, and payables. Fair value is estimated to equal

Income and expense recognition

Donations are recognized as income when received.

Volunteers contribute significantly to assist the Foundation in achieving its goals. The value of donated services is not recorded in the financial statements.

Use of estimates

The preparation of financial statements necessarily involves the use of estimates and assumptions. Management believes its estimates to be appropriate; however, actual results could differ from these estimates.

CHILDREN'S JOY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

YEAR ENDED DECEMBER 31, 2019

3. Contract for Services

In January 2014, Children's Joy Foundation entered into a contract for services with Children's Joy Foundation, Inc., to operate its charitable services in the Philippines. Children's Joy Foundation, Inc. is a non-profit organization registered under the Corporate Code of the Philippines to establish orphanage centres for homeless children and extend residential care services for children and youth in the Philippines.

In 2019 Children's Joy Foundation, Inc. was retained to operate its residential care facility in Davao that houses and cares for 25 children. Costs incurred include food and nutrition, clothing and personal care, and medical and school supplies of these children, and utilities and other operating expenses of the facility. Estimated total cost is \$70,000.

The contract requires Children's Joy Foundation to reimburse costs for services performed totalling \$50,000 which is reported as contract for services in the Statement of Collections and Disbursements. No liabilities are recorded in the books for any amounts owing to complete this contract.

4. Subsequent Events

Subsequent to the year end, in January 2020, the World Health Organization declared the COVID-19 outbreak to be a public health emergency. This pandemic has caused an increase in economic uncertainty which may impact the Foundation's future operations. At the date of the independent practitioner's review engagement report, management has been unable to determine the impact of the COVID-19 pandemic on future funding and continues to move forward with their mandate and initiatives.