# Amistad Canada

Financial statements
December 31, 2023

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**Fuller Landau** LLP
151 Bloor Street West, 12th floor
Toronto, Ontario M5S 1S4
T 416-645-6500

Fuller Landau Audit Tax Advisory

# Independent auditors' report

## To the Board of Directors and Stakeholders of Amistad Canada

### Qualified opinion

We have audited the financial statements of **Amistad Canada**, which comprise the statement of financial position as at December 31, 2023, and the statement of changes in net assets, the statements of operations, and cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

Except as noted in the following paragraph, in our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for qualified opinion

In common with many not-for-profit organizations, the organization derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2023 and 2022, current assets and net assets as at December 31, 2023 and 2022. Our audit opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the organization to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Fuller Landau LLP

**Chartered Professional Accountants**
**Licensed Public Accountants**

Toronto, Ontario

February 26, 2024

# Amistad Canada
# Statement of financial position

| December 31 | 2023 | 2022 |
|---|---|---|
| **Assets** | | |
| **Current:** | | |
| Cash | **$ 159,464** | $ 199,378 |
| Marketable securities | **83,723** | 83,058 |
| Interest receivable | **1,680** | 530 |
| | **$ 244,867** | $ 282,966 |
| **Liability** | | |
| **Current:** | | |
| Accrued liabilities | **$ 6,738** | $ 6,168 |
| **Net assets** | | |
| Unrestricted | **36,949** | 36,580 |
| Restricted | **201,180** | 240,218 |
| | **238,129** | 276,798 |
| | **$ 244,867** | $ 282,966 |

*See accompanying notes to the financial statements*

Approved by the board:

_____, Treasurer

_____, President

# Amistad Canada
# Statement of changes in net assets

| For the year ended December 31 | 2023 | 2022 |
|---|---|---|
| **Unrestricted net assets** | | |
| **Balance, beginning of year** | **$ 36,580** | $ 29,937 |
| Allocation from restricted net assets | **369** | 6,643 |
| **Balance, end of year** | **$ 36,949** | $ 36,580 |
| **Restricted net assets** | | |
| **Balance, beginning of year** | **$ 240,218** | $ 250,293 |
| Deficiency of donations over expenditures | **(38,669)** | (3,432) |
| Allocation to unrestricted net assets | **(369)** | (6,643) |
| **Balance, end of year** | **$ 201,180** | $ 240,218 |

*See accompanying notes to the financial statements*

# Amistad Canada
# Statement of operations

| For the year ended December 31 | 2023 | 2022 |
|---|---|---|
| **Revenue:** | | |
| Donations received | **$ 510,026** | $ 453,676 |
| **Expenditures:** | | |
| **Project**: | | |
| Pro-Ninos Incapacitados | **132,222** | 130,055 |
| Un Nuevo Amenecer | **83,092** | 26,592 |
| EEE SMA | **73,142** | 44,340 |
| Jovenes Adelante | **65,428** | 65,529 |
| La Catalina Foundation | **48,103** | 49,710 |
| Opera San Miguel | **46,552** | 11,810 |
| Patronato Por Ninos | **28,682** | 56,986 |
| Feed the Hungry | **18,095** | 14,956 |
| Tepoz Rosa | **12,406** | 20,223 |
| Caminos de Agua | **11,762** | 398 |
| Mujeres En Cambio | **10,357** | 20,480 |
| Children's Art Foundation | **7,208** | 7,958 |
| S.O.M.E. | **5,527** | 9,791 |
| Don Diego Community | **4,771** | - |
| Biblioteca | **3,532** | 5,518 |
| Total project expenses | **550,879** | 464,346 |
| **Operating**: | | |
| Office and administration | **11,521** | 6,246 |
| Professional fees | **10,173** | 6,986 |
| Interest and bank charges | **86** | 26 |
| Expense recoveries | **(21,780)** | (13,258) |
| Total operating expenses | **-** | - |
| | **550,879** | 464,346 |
| **Deficiency of donations over expenditures from operations** | **(40,853)** | (10,670) |
| **Other income:** | | |
| Interest | **1,815** | 595 |
| Overhead recoveries | **369** | 6,643 |
| | **2,184** | 7,238 |
| **Deficiency of revenue over expenditures** | **$ (38,669)** | $ (3,432) |

*See accompanying notes to the financial statements*

# Amistad Canada
# Statement of cash flows

| For the year ended December 31 | 2023 | 2022 |
|---|---|---|
| **Cash was provided by (used for):** | | |
| **Operating activities:** | | |
| Deficiency of revenue over expenditures | **$ (38,669)** | $ (3,432) |
| Cash was provided by (used to finance) changes in the following working capital items: | | |
| Marketable securities | **(665)** | (249) |
| Interest receivable | **(1,150)** | (329) |
| Accrued liabilities | **570** | 1,783 |
| | **(1,245)** | 1,205 |
| **Change in cash position** | **(39,914)** | (2,227) |
| **Cash, beginning of year** | **199,378** | 201,605 |
| **Cash, end of year** | **$ 159,464** | $ 199,378 |

*See accompanying notes to the financial statements*

# Amistad Canada
# Notes to financial statements

**December 31, 2023**

## 1. Nature of operations

Amistad Canada (the "organization") is incorporated without share capital under the Canada Corporations Act. The organization is a Canadian registered charity that works to improve the lives of people in Mexico through better health, education, and social justice. Contributions that are generated through fundraising efforts are used to fund projects in Mexico that are run by their Mexican NGO partners.

## 2. Significant accounting policies

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

### Fund accounting

For financial reporting purposes, the accounts of Amistad have been classified into restricted and unrestricted funds. Amistad ensures that all funds received with a restricted purpose are expended for the purpose for which they were provided.

Unrestricted funds account for unrestricted resources available to cover the organization's operating expenses. The allocation from the restricted fund is calculated on a project by project basis as 5% of gross receipts of each project for the first $50,000, 3% for the next $50,000 and 1% thereafter.

Restricted funds account for resources that are to be used for specific charitable projects as specified by the donor.

### Revenue recognition

The organization follows the restricted fund method of accounting. Donations are recognized as revenue when received. All other revenues are recorded when amounts are known as collectible.

### Contributed services

Volunteers contribute a significant amount of time to the organization’s program and supporting services. Due to the difficulty of determining the fair value, contributed time is not recognized in the financial statements.

### Income taxes

The organization is a registered charity, and as such, is not subject to income taxes.

## 2. Significant accounting policies, continued

### Financial instruments

The organization initially measures its financial assets and liabilities at fair value, and subsequently at amortized cost except for marketable securities.

The organization's financial instruments consist of cash, marketable securities, interest receivable, and accrued liabilities.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment and the amount of the write-down is recognized in net income when incurred.

Marketable securities are measured at fair value on initial recognition and are measured at fair value subsequent to initial recognition.

Transaction costs related to financial assets and liabilities are expensed as they are incurred.

### Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. There is no account specifically affected by estimates in these financial statements.

## 3. Financial instruments

The organization is exposed to various financial risks through its transactions in financial instruments. The following provides a measure of the organization's risk exposure as at December 31, 2023.

### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of risk: currency risk, interest rate risk and other price risk. The organization is not exposed to any of these risks.