



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung
benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-0047

2009Open to Public
Inspection**A** For the 2009 calendar year, or tax year beginning , and ending**B** Check if applicable☒ Address change☐ Name change☐ Initial return☐ Termination☐ Amended return☐ Application pendingPlease
use IRS
label or
print or
type.
See
Specific
Instruc-
tions**C** Name of organization**FRIENDS OF THE ORPHANS**

Doing Business As

Number and street (or P O box if mail is not delivered to street address)

134 N. LASALLE STREET

Room/suite

500

City or town, state or country, and ZIP + 4

CHICAGO**IL 60602-1036****F** Name and address of principal officer**Sharon Saxelby, President/CEO****134 N LaSalle Street #500****Chicago****IL 60602-1036****D** Employer identification number**65-1229309****E** Telephone number**312-386-7499****G** Gross receipts \$ **20,445,232****H(a)** Is this a group return for

affiliates?

☐ Yes☒ No**H(b)** Are all affiliates
included?☐ Yes☐ No

If "No," attach a list. (see instructions)

I Tax-exempt status ☒ 501(c) (**3**) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527**J** Website: ▶ **friendsoftheorphans.org****H(c)** Group exemption number ▶**K** Type of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L** Year of formation **2004****M** State of legal domicile **IL****Part I Summary**

Activities & Governance	1 Briefly describe the organization's mission or most significant activities:		
	Friends of the Orphans is dedicated to raising and transforming the lives of orphaned, abandoned and disadvantaged children in nine Latin America and Caribbean countries through its support of Nuestros Pequenos Hermanos.		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	16
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	16
	5 Total number of employees (Part V, line 2a)	5	*
	6 Total number of volunteers (estimate if necessary)	6	585
Revenue	7a Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0
	b Net unrelated business taxable income from Form 990-B, line 34	7b	0
	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	9,745,945	18,648,899
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	214,482	-62,679
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8e, 9c, 10c, and 11e)		
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	9,960,427	18,586,220
	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	6,926,355	15,557,157
	14 Benefits paid to or for members (Part IX, column (A), line 4)		
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	2,052,986	2,417,298
Expenses	16a Professional fundraising fees (Part IX, column (A), line 11e)		38,650
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 1,633,662		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	1,422,188	1,387,114
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	10,401,529	19,400,219
	19 Revenue less expenses. Subtract line 18 from line 12	-441,102	-813,999
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	7,541,541	6,827,673
	22 Net assets or fund balances Subtract line 21 from line 20	1,213,678	1,125,576
		6,327,863	5,702,097

Part II Signature BlockSign
Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Signature of officer

Date

Type or print name and title

Paid
Preparer's
Use OnlyPreparer's
signature

Date

Check if
self-
employed ☐Preparer's identifying number
(see instructions)
P00296563Firm's name (or yours
if self-employed),
address, and ZIP + 4**Osher & Associates, CPA's**
11 E Hubbard Suite #3A
Chicago, IL 60611

EIN ▶

36-4333530

Phone

no ▶ **312-236-8590**

May the IRS discuss this return with the preparer shown above? (see instructions)

☐ Yes ☐ No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

DAA

* See explanation Part V 48 employees

Form 990 (2009)

617 23

SCANNED JUL 21 2010

Form 990 (2009) **FRIENDS OF THE ORPHANS**

65-1229309

Page **2****Part III Statement of Program Service Accomplishments****1** Briefly describe the organization's mission:

See Schedule O

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 16,959,382 including grants of \$ 15,557,157) (Revenue \$)
Friends of the Orphans is dedicated to the mission of raising and transforming the lives of orphaned, abandoned and disadvantaged children in nine Latin America and Caribbean countries through support of Nuestros Pequeños Hermanos and increasing public awareness of their plight.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services. (Describe in Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ▶ 16,959,382Form **990** (2009)

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II		X
5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III	N/A	
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		X
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V	X	
11 Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	X	
<ul style="list-style-type: none"> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI. Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII. Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII. Did the organization report an amount for other assets related in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX. Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If "Yes," complete Schedule D, Part X 		
12 Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII.	X	
12A Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional.	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Part I		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I	X	
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	X	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		X
20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21 X	
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22	X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	23 X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25	24a	X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	N/A
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	N/A
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	N/A
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a	X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	25b	X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	26	X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III	27	X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)	28	
a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28a	X
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b	X
c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV	28c	X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29 X	
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31	X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32	X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I	33	X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	34	X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	35	X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36	X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	37	X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O.	38 X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	1a	24
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	N/A
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	*
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	2b	*
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a	X
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	N/A
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X
b	If "Yes," enter the name of the foreign country ► See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	4b	
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c	N/A
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	N/A
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	X
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g	N/A
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h	N/A
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	N/A
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	N/A
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	N/A
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	N/A
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	N/A
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders	11a	N/A
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	N/A
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	N/A
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	N/A

* Filed under FEIN of outsourced human resource company. 4f

yee W-2s

Form 990 (2009) **FRIENDS OF THE ORPHANS****65-1229309**Page **6**

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

	Yes	No
1a Enter the number of voting members of the governing body	16	
1b Enter the number of voting members that are independent	16	
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
5 Did the organization become aware during the year of a material diversion of the organization's assets?		X
6 Does the organization have members or stockholders?		X
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
7b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	X	
b Each committee with authority to act on behalf of the governing body?	X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Does the organization have local chapters, branches, or affiliates?	X	
b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	X	
11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	X	
11a Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	X	
13 Does the organization have a written whistleblower policy?	X	
14 Does the organization have a written document retention and destruction policy?	X	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	X	
b Other officers or key employees of the organization	X	
If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		
16b	N/A	

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► **AK, AL, AZ, AR, CA, CO, CT, DC, FL, GA, HI, IL, K, See O**

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
☒ Own website ☒ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► **Ruth Elbaum** **134 N LaSalle Street #500**
Chicago **IL 60602-1036 312-386-7499**

Form 990 (2009) **FRIENDS OF THE ORPHANS**

65-1229309

Page 7

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**Section A Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
 - List all of the organization's **current** key employees. See instructions for definition of "key employee."
 - List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
 - List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
 - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.
- List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Susan Hammel Joyce Director	10.00	X						0	0	0
Claire H. Topp, Esq Director	5.00	X						0	0	0
Fr. Phil Cleary Director	5.00	X						0	0	0
Brian Blue Director	5.00	X						0	0	0
John Cleveland Director	5.00	X						0	0	0
Michael Gibbs Director	5.00	X						0	0	0
Tina Wells Director	5.00	X						0	0	0
M. Virginia Perry Director	5.00	X						0	0	0
Kathleen Standing Director	5.00	X						0	0	0
James Vallez Director	5.00	X						0	0	0
Hernando Manrique Director	5.00	X						0	0	0
Fr. Rich Prendergast Director	5.00	X						0	0	0
Pilar Silverman Director	5.00	X						0	0	0
Alex Daniels Director	5.00	X						0	0	0
Ryan Egge Director	5.00	X						0	0	0
M Charles Swope Director	5.00	X						0	0	0
Sharon Saxelby Pres/CEO	40.00			X				148,611	0	7,542

DAA

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Ruth C. Elbaum CFO	40.00			X				87,171	0	6,141
Kim Romain Nat Dir Dvlpt	40.00				X			107,928	0	6,177
Jennifer Rayno-Jennifer Dir Gift Haiti	40.00				X			105,077	0	412
1b Total								448,787		20,272

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **3**

- 3** Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual
- 4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such person

	Yes	No
3		X
4	X	
5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **0**

Form 990 (2009) **FRIENDS OF THE ORPHANS**

65-1229309

Page 9

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c	1,050,158			
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	17,598,741			
	g Noncash contributions included in lines 1a-1f	\$	9,996,767			
	h Total. Add lines 1a-1f		18,648,899			
Program Service Revenue	Busn. Code					
	2a					
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f					
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		130,504			130,504
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	(i) Real					
	(ii) Personal					
	6a Gross Rents					
	b Less rental exps					
	c Rental inc. or (loss)					
	d Net rental income or (loss)					
	7a Gross amount from sales of assets	(i) Securities	(ii) Other			
	other than inventory	1,483,142				
	b Less cost or other basis & sales exps	1,676,325				
	c Gain or (loss)	-193,183				
	d Net gain or (loss)		-193,183	-193,183		
	8a Gross income from fundraising events (not including \$ 1,050,158 of contributions reported on line 1c) See Part IV, line 18	a	182,687			
	b Less: direct expenses	b	182,687			
	c Net income or (loss) from fundraising events					
	9a Gross income from gaming activities. See Part IV, line 19	a				
b Less: direct expenses	b					
c Net income or (loss) from gaming activities						
10a Gross sales of inventory, less returns and allowances	a					
b Less: cost of goods sold	b					
c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Busn. Code				
11a						
b						
c						
d All other revenue						
e Total. Add lines 11a-11d						
12 Total Revenue. See instructions.		18,586,220	-193,183	0	130,504	

Form 990 (2009)

Form 990 (2009) **FRIENDS OF THE ORPHANS**

65-1229309

Page 10

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	15,557,157	15,557,157		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	249,465	64,861	84,818	99,786
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	1,854,533	734,111	357,843	762,579
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	7,460	2,835	1,567	3,058
9 Other employee benefits	155,518	59,644	31,837	64,037
10 Payroll taxes	150,322	57,122	31,568	61,632
11 Fees for services (non-employees):				
a Management				
b Legal	6,163		6,163	
c Accounting	34,163		34,163	
d Lobbying				
e Professional fundraising services See Part IV, line 17	38,650			38,650
f Investment management fees	23,513		23,513	
g Other	151,446	64,890	21,112	65,444
12 Advertising and promotion	4,522			4,522
13 Office expenses	276,935	89,875	85,945	101,115
14 Information technology	27,201	10,336	5,712	11,153
15 Royalties				
16 Occupancy	258,453	98,212	54,275	105,966
17 Travel	138,461	89,016	22,999	26,446
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	72,485	27,544	15,222	29,719
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	46,551	17,689	9,775	19,087
23 Insurance	20,156	7,660	4,232	8,264
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a Program Education & Mktg	202,126	47,191		154,935
b Licenses and Fees	45,910	15,261	9,075	21,574
c Event Supplies	45,260			45,260
d Miscellaneous	19,313	11,249	2,731	5,333
e Repairs & Maintenance	10,237	3,890	2,150	4,197
f All other expenses	4,219	839	2,475	905
25 Total functional expenses. Add lines 1 through 24	19,400,219	16,959,382	807,175	1,633,662
26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Form 990 (2009) **FRIENDS OF THE ORPHANS**

65-1229309

Page 11

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest bearing	368,346	1	1,006,707
	2 Savings and temporary cash investments	3,110,140	2	1,053,899
	3 Pledges and grants receivable, net	448,079	3	1,043,998
	4 Accounts receivable, net	39,087	4	57,681
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net	34,414	7	22,730
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	41,013	9	26,601
	10a Land, buildings, and equipment, cost or other basis. Complete Part VI of Schedule D	10a 387,367		
	b Less: accumulated depreciation	10b 222,079	10c	165,288
	11 Investments—publicly traded securities	2,386,383	11	2,558,452
	12 Investments—other securities. See Part IV, line 11	730,732	12	770,723
	13 Investments—program-related. See Part IV, line 11		13	
	14 Intangible assets	108,820	14	87,056
	15 Other assets. See Part IV, line 11	25,553	15	34,538
16 Total assets. Add lines 1 through 15 (must equal line 34)	7,541,541	16	6,827,673	
Liabilities	17 Accounts payable and accrued expenses	331,763	17	262,007
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D	881,915	25	863,569
	26 Total liabilities. Add lines 17 through 25	1,213,678	26	1,125,576
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	3,442,020	27	2,113,959
	28 Temporarily restricted net assets	448,079	28	1,125,374
	29 Permanently restricted net assets	2,437,764	29	2,462,764
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	6,327,863	33	5,702,097
	34 Total liabilities and net assets/fund balances	7,541,541	34	6,827,673

Form 990 (2009)

Form 990 (2009) **FRIENDS OF THE ORPHANS**

65-1229309

Page **12****Part XI Financial Statements and Reporting**

- 1** Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other _____
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.

2a Were the organization's financial statements compiled or reviewed by an independent accountant?

b Were the organization's financial statements audited by an independent accountant?

c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?

If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.

d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both.

☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis

3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?

b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b	N/A	

Form **9**

Schedule A (Form 990 or 990-EZ) 2009 **FRIENDS OF THE ORPHANS**

65-1229309

Page 2

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	5,665,437	9,252,272	8,996,396	9,745,945	18,648,899	52,308,949
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	5,665,437	9,252,272	8,996,396	9,745,945	18,648,899	52,308,949
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						10,690,388
6 Public support. Subtract line 5 from line 4						41,618,561

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4	5,665,437	9,252,272	8,996,396	9,745,945	18,648,899	52,308,949
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	111,039	225,191	298,441	245,297	130,504	1,010,472
9 Net income from unrelated business activities, whether or not the business is regularly carried on					0	
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						53,319,421
12 Gross receipts from related activities, etc. (see instructions)					12	690,138
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ► <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	78.06 %
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	%
16a 33 1/3 % support test—2009. If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization ► <input checked="" type="checkbox"/>		
b 33 1/3 % support test—2008. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
17a 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
b 10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ► <input type="checkbox"/>		

Schedule A (Form 990 or 990-EZ) 2009

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	%

19a 33 1/3 % support tests—2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and stop here. The organization qualifies as a publicly supported organization ☐

b 33 1/3 % support tests—2008. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and stop here. The organization qualifies as a publicly supported organization ☐

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐

Part IV

Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Provide any other additional information. See instructions.

Schedule A (Form 990 or 990-EZ) 2009

**SCHEDULE D
(Form 990)**Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**▶ Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11, or 12.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2009Open to Public
Inspection

Name of the organization

Employer identification number

FRIENDS OF THE ORPHANS**65-1229309****Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <input type="checkbox"/> Yes <input type="checkbox"/> No		
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <input type="checkbox"/> Yes <input type="checkbox"/> No		

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e.g., recreation or pleasure) ☐ Preservation of an historically important land area

☐ Protection of natural habitat ☐ Preservation of certified historic structure

☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _ _ _ _ _

4 Number of states where property subject to conservation easement is located ▶ _ _ _ _ _

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _ _ _ _ _

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _ _ _ _ _

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items.

(i) Revenues included in Form 990, Part VIII, line 1

(ii) Assets included in Form 990, Part X

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items.

a Revenues included in Form 990, Part VIII, line 1

b Assets included in Form 990, Part X

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a** ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations

- d** ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table

c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	2,437,764	2,982,313			
b Contributions	25,000				
c Net investment earnings, gains, and losses		-523,215			
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses		21,334			
g End of year balance	2,462,764	2,437,764			

2 Provide the estimated percentage of the year end balance held as:

a Board designated or quasi-endowment ☐ %

b Permanent endowment ☒ 100.00 %

c Term endowment ☐ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

(i) unrelated organizations

(ii) related organizations

	Yes	No
3a(i)	X	
3a(ii)		X
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		264,867	222,079	42,788
e Other	122,500			122,500
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				165,288

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	18,586,220
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	19,400,219
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	-813,999
4	Net unrealized gains (losses) on investments	4	188,233
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net). Add lines 4 through 8	9	188,233
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	-625,766

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	18,790,739
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	188,233
b	Donated services and use of facilities	2b	16,286
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	204,519
3	Subtract line 2e from line 1	3	18,586,220
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	18,586,220

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	19,416,505
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	16,286
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	16,286
3	Subtract line 2e from line 1	3	19,400,219
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	19,400,219

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Part XIV - Supplemental Financial Information**Part V, Line 4 - Intended Uses for Endowment Funds**

The Arizona Irrevocable Endowment Trust Fund was established to generate income for the benefit of the Nuestros Pequeños Hermanos (NPH) orphanage in Cuernavaca, Mexico areas served by NPH Mexico or needy children in other areas of the world.

The donor established the Proctor Trust to generate income for the

Part XIV Supplemental Information (continued)

Organization's program services.

SCHEDULE G
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Supplemental Information Regarding**
Fundraising or Gaming ActivitiesComplete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2009Open To Public
Inspection

Name of the organization

FRIENDS OF THE ORPHANS

Employer identification number

65-1229309**Part I****Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17.
Form 990-EZ filers are not required to complete this part.**1** Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a ☐ Mail solicitations
b ☐ Internet and email solicitations
c ☒ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?☒ Yes ☐ No**b** If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
IPM Advancement LLC	FR & Strgy		X		28,376	-28,376
SD&A Teleservices	Phn Cmpgn		X	6,794	10,274	-3,480
Total				6,794	38,650	-31,856

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

Schedule G (Form 990 or 990-EZ) 2009

FRIENDS OF THE ORPHANS

65-1229309

Page 2

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events
		Gala Event (event type)	Regional Dinner (event type)	2 (total number)	(add col (a) through col (c))
Revenue	1 Gross receipts	603,438	518,418	110,989	1,232,845
	2 Less: Chantable contributions	484,083	471,699	94,376	1,050,158
	3 Gross revenue (line 1 minus line 2)	119,355	46,719	16,613	182,687
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs	22,971	12,331	8,425	43,727
	7 Food and beverages	79,919	32,698	8,188	120,805
	8 Entertainment	7,003	1,630		8,633
	9 Other direct expenses	9,522	0	0	9,522
	10 Direct expense summary. Add lines 4 through 9 in column (d)				182,687
	11 Net income summary. Combine line 3, column (d), and line 10				

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	<input type="checkbox"/> Yes % <input type="checkbox"/> No	<input type="checkbox"/> Yes % <input type="checkbox"/> No	<input type="checkbox"/> Yes % <input type="checkbox"/> No	
	7 Direct expense summary. Add lines 2 through 5 in column (d)				
	8 Net gaming income summary. Combine line 1, column d, and line 7				

9 Enter the state(s) in which the organization operates gaming activities.

a Is the organization licensed to operate gaming activities in each of these states?

b If "No," Explain:

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?

b If "Yes," Explain:

11 Does the organization operate gaming activities with nonmembers?

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer chantable gaming?

	Yes	No
9a		
10a		
11		
12		

13 Indicate the percentage of gaming activity operated in:**a** The organization's facility**b** An outside facility**14** Provide the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶

Address ▶

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue?**b** If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ and the amount of gaming revenue retained by the third party ▶ \$**c** If "Yes," enter name and address of the third party:

Name ▶

Address ▶

16 Gaming manager information

Name ▶

Gaming manager compensation ▶ \$

Description of services provided ▶

☐ Director/officer☐ Employee☐ Independent contractor**17** Mandatory distributions:**a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?**b** Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$

Yes No

13a %

13b %

15a

17a

Schedule I (Form 990) 2009

SCHEDULE J
(Form 990)Department of the Treasury
Internal Revenue Service

Name of the organization

Compensation Information
For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees▶ Complete if the organization answered "Yes" to Form 990,
Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009Open To Public
InspectionEmployer identification number
65-1229309**Part I** **Questions Regarding Compensation****1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?**3** Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply

- | | |
|--|---|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment? **4a** ☐ Yes ☒ No
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? **4b** ☐ Yes ☒ No
- c** Participate in, or receive payment from, an equity-based compensation arrangement? **4c** ☐ Yes ☒ No
- If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5–9.**5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization? **5a** ☐ Yes ☒ No
- b** Any related organization? **5b** ☐ Yes ☒ No
- If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization? **6a** ☐ Yes ☒ No
- b** Any related organization? **6b** ☐ Yes ☒ No
- If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2009

Part III

for any additional information

**SCHEDULE M
(Form 990)**Department of the Treasury
Internal Revenue Service

Name of the organization

Noncash Contributions

► Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
► Attach to Form 990

OMB No 1545-0047

2009**Open To Public
Inspection**Employer identification number
65-1229309**FRIENDS OF THE ORPHANS****Part I Types of Property**

	(a) Check if applicable	(b) Number of Contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies	X	5	9,764,944	FMV
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► (Clths/Food/Misc)	X	143	164,383	FMV
26 Other ► (Educ Sply/Books)	X	2	67,440	FMV
27 Other ► ()				
28 Other ► ()				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement

29

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1–28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?

b If "Yes," describe the arrangement in Part II.

31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?

b If "Yes," describe in Part II.

33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II.

	Yes	No
30a		X
31	X	
32a	X	

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) 2009

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Part I, Line 32b - Third Party Used to Process Noncash Contributions

Stockbroker processes and sells contributions of securities

SCHEDULE O
(Form 990)Department of the Treasury
Internal Revenue Service

Name of the organization

Supplemental Information to Form 990Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No 1545-0047

2009Open to Public
InspectionEmployer identification number
65-1229309**FRIENDS OF THE ORPHANS****Form 990 - Organization's Mission or Most Significant Activities**

Friends of the Orphans is dedicated to raising and transforming the lives of orphaned, abandoned and disadvantaged children in nine Latin America and Caribbean countries through its support of Nuestros Pequeños Hermanos. Everyday, Friends of the Orphans supports over 3,500 children in Bolivia, the Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, and Peru. At NPH, children are given a safe home, warm meals and an education. Most importantly, they are given unconditional love and support. Through the partnership with NPH, Friends of the Orphans has rescued and raised over 15,000 boys and girls.

Form 990, Part I, Line 6**Explanation of Volunteers and Types of Services and Benefits**

Friends has a designated Office Admin/Volunteer Coordinator position in every region. They keep a daily log of volunteers who work in the office. At the end of the year, they tally the number of volunteers and their hours and solicit other regional staff for their input on volunteer work. Volunteers provide assistance in office tasks, preparing mailings, translating letters for our child sponsorship program, general data entry, and office filing. In addition, we have volunteers who assist with our special events and other board committees. Friends also has a volunteer Board of Directors that provides governance.

Name of the organization

FRIENDS OF THE ORPHANS

Employer identification number

65-1229309

Form 990, Part VI, Line 10b - Policies and Procedures Governing Chapters

Policies and procedures are the same for all organization locations

Form 990, Part VI, Line 11A - Organization's Process to Review Form 990

The Audit Committee reviews the Form 990 per the Board of Directors' instruction. Subsequent to this review, the Form 990 is sent to the Board of Directors, and management and the Audit Committee respond to Board of Directors' questions and resolve all issues prior to filing.

Form 990, Part VI, Line 12c - Enforcement of Conflicts Policy

Conflict of Interest Disclosure Forms are completed by all Board members annually, and are reviewed and signed by the Board Chair. Conflict of Interest Disclosure Forms are also completed annually by management staff and reviewed and signed by the CEO. It is the continuing responsibility of the board, officers, and management employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures and update their annual disclosures.

At the beginning of every Board meeting, the Chair asks members to disclose whether they have any conflict of interest pertinent to the meeting agenda. If any are disclosed, the member is excused so that the Board can discuss and determine whether the conflict is material enough to preclude the Board member's participation in the discussion and/or vote.

Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

1. The conflicting interest is fully disclosed at the meeting, prior to the discussion.

Name of the organization

FRIENDS OF THE ORPHANS

Employer identification number

65-1229309

2. The person with the conflict of interest is excluded from the discussion and approval of such transaction;

3. A competitive bid or comparable valuation exists; and

4. The board or a duly constituted committee thereof has determined that the transaction is in best interest of the organization.

Disclosures of conflicts involving staff are made to the CEO (or if she or he is the one with the conflict, then to the board chair), who shall bring the matter to the attention of the board chair, (or if she or he is the one with the conflict, then to the board vice-chair) who shall bring these matters to the board or a duly constituted committee thereof.

The Board or a duly constituted committee thereof shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to Friends of the Orphans. The decision of the board or a duly constituted committee thereof on these matters will rest in their sole discretion, and their concern must be the welfare of Friends of the Orphans and the advancement of its purpose.

Form 990, Part VI, Line 15a - Compensation Process for Top Official
Independent BOD is responsible for approving compensation of CEO based on a recommendation by the Human Resource Committee (HR). HR collects comparative data annually to determine reasonableness. HR evaluates CEO compensation and develops CEO goals annually and evaluates performance annually and semiannually. BOD documents compensation approval in writing.

Form 990, Part VI, Line 15b - Compensation Process for Officers

Name of the organization

FRIENDS OF THE ORPHANS

Employer identification number

65-1229309

Same as compensation per Form 990, Part VI, line 15 a except CEO is responsible for recommending compensation package to HR.

Form 990, Part VI, Line 17 - Other States Where Copy of Return is Filed
Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota,
Mississippi, New Hampshire, New Jersey, New Mexico, New York,
North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania,
Rhode Island, South Carolina, Tennessee, Utah, Virginia, Washington,
West Virginia, Wisconsin

Form 990, Part VI, Line 19 - Governing Documents Disclosure Explanation
Process to Disclose Governing Documents to the Public
No documents available to the public

Sch G, Part I, Line 2b, Col (v) - Fundraising vs. Reimbursement Explanation
IPM Advancement LLC
fundraising

SD&A Teleservices
fundraising

Forms 990 / 990-PF	Other Notes and Loans Receivable	2009
For calendar year 2009, or tax year beginning _____, and ending _____		
Name FRIENDS OF THE ORPHANS		Employer Identification Number 65-1229309

Form 990, Part X, Line 7 - Additional Information

Name of borrower	Relationship to disqualified person
(1) Our Lady of Snows Catholic Church	None
(2) Shrine of St Joseph of the Mountains	None
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1) 20,000	09/23/06	12/31/25	Biannual \$500	0.000
(2) 54,717	08/01/07	06/30/17	\$300 Monthly	3.000
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1) None	Property settlement
(2) None	Property settlement
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year	Fair market value (990-PF only)
(1) NA	5,652	4,506	
(2) NA	28,762	18,224	
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
Totals	34,414	22,730	

Federal Statements**Form 990 - Federal General Footnote****Description**

Schedule I, Part I, Line 2 (Supplemental Information continued)

Each year, the NPH homes submit their budgets to the NPHI Finance Committee for recommendation and to the NPHI Board of Directors for review and approval. Friends is represented on the NPHI Board of Directors through the CEO who the Friends Board of Directors elected to serve. Upon approval by the NPHI Board of Directors, the budget is submitted to the Friends Board which reviews it and determines how much budget support it is able to commit for the upcoming year. Once the year begins, the budgets are monitored monthly by the NPHI Finance Committee of which the Friends CFO is a member. In addition, the Friends Board regularly reviews and approves out-of-budget special and capital project requests approved and monitored under the auspices of the NPHI Executive Committee. Upon approval, Friends may solicit, receive and send funds for these projects. Each year the homes submit independent audits which are received and reviewed by the Friends CFO and Treasurer. The NPHI CEO serves as a member of Friends Board of Directors and provides a report on the activities of NPHI at each quarterly meeting of the Friends Board of Directors.

Friends recruits, screens and places volunteers in the NPH homes for a minimum of one year of service. In addition, Friends staff escort donor and school trips to the Homes periodically throughout the year. In all cases, they are instructed to inform the Friends CEO of any unusual or disconcerting situations observed. Finally, many members of Friends of Board of Directors and staff attend the NPHI Annual meeting held at one of the NPHI homes and have an opportunity to see one of the homes and spend time with the children and staff at the home.