

ORFUND FOUNDATION

Financial Statements

Year Ended December 31, 2016

(Unaudited - See Review Engagement Report)

REVIEW ENGAGEMENT REPORT

To the Directors of Orfund Foundation

We have reviewed the accompanying financial statements of Orfund Foundation, which comprise the balance sheet as at December 31, 2016 and the statements of operations and changes in net assets and cash flow for the year then ended and a summary of significant accounting policies and other explanatory information.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Vancouver, British Columbia
June 5, 2017



CHARTERED PROFESSIONAL ACCOUNTANTS

ORFUND FOUNDATION

Balance Sheet

As at December 31, 2016

(Unaudited - See Review Engagement Report)

	2016	2015
ASSETS		
Cash	\$ 58,214	\$ 122,160
Accounts receivable	353	218
Website development costs	7,204	7,204
	\$ 65,771	\$ 129,582
LIABILITIES AND NET ASSETS		
Accounts payable and accrued liabilities	\$ 2,200	\$ 2,201
Net assets	63,571	127,381
	\$ 65,771	\$ 129,582

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

See notes to financial statements
ADAMS & WONG

ORFUND FOUNDATION
Statement of Operations and Changes in Net Assets
Year Ended December 31, 2016

(Unaudited - See Review Engagement Report)

	2016	2015
Revenue		
General donations	\$ 21,881	\$ 41,749
Interest and other revenue	2	402
Non-monetary contributions	-	52,235
Gain on sale of investments	-	10,454
	21,883	104,840
Expenses		
Charitable giving	79,012	90,943
Foreign exchange loss (gain)	2,346	(4,370)
Interest and bank charges	231	231
Professional fees	4,104	5,703
Write-down of investments	-	1,191
	85,693	93,698
Excess (deficiency) of revenue over expenditures for the year	(63,810)	11,142
Net assets - beginning of year	127,381	116,239
Net assets - end of year	\$ 63,571	\$ 127,381

ORFUND FOUNDATION
Statement of Cash Flow
Year Ended December 31, 2016

(Unaudited - See Review Engagement Report)

	2016	2015
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures for the year	\$ (63,810)	\$ 11,142
Items not affecting cash:		
Write-down of investments	-	1,191
Non-monetary donations	-	(52,234)
Gain on sale of investments	-	(10,454)
	(63,810)	(50,355)
Changes in non-cash working capital:		
Accounts receivable	(135)	(153)
Accounts payable and accrued liabilities	(1)	(1)
	(136)	(154)
Cash flow used by operating activities	(63,946)	(50,509)
INVESTING ACTIVITY		
Proceeds on sale of investments	-	115,920
INCREASE (DECREASE) IN CASH FLOW	(63,946)	65,411
Cash - beginning of year	122,160	56,749
CASH - END OF YEAR	\$ 58,214	\$ 122,160

See notes to financial statements
ADAMS & WONG

ORFUND FOUNDATION
Notes to Financial Statements
Year Ended December 31, 2016

(Unaudited - See Review Engagement Report)

1. DESCRIPTION OF ORGANIZATION

Orfund Foundation (the "Foundation") is a Canadian federally registered charity formed on January 1, 2004, to provide relief and support to African AIDS orphans and vulnerable children. To fulfil this purpose, the Foundation assists with children's education by helping to establish and support community based daycares and pre-school centres, provide children with relief from poverty and illness by serving them daily meals and giving them access to medical services, clothing, blankets, books and toys, arrange for trauma counselling and other related counselling services for the children and their caregivers to help them cope with difficult circumstances of their lives, and help protect the welfare of the children by working with governments and other international aid organizations to strengthen child welfare, inheritance and property laws.

The Foundation's ultimate goal is to provide children with the necessary tools to realize their potential. Education is the primary means of achieving this so most of the Foundation's efforts are focused on providing pre-school education and supplementing the primary and secondary education of children.

The Foundation is a not-for-profit organization and, is exempt from income taxes under the Income Tax Act (Canada).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue recognition

The Foundation follows the deferral method of accounting for donations. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. General donations, unrestricted monetary and non-monetary contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. As of December 31, 2016 there were no restricted contributions.

Financial instruments

The Foundation measures its financial assets and financial liabilities at fair value.

Website development costs

Website development costs incurred in the Website application, infrastructure and graphic development stages are capitalized. Capitalized costs are tested for impairment annually. As of December 31, 2016, there was no impairment in the value of the Website costs.

Donated services

The value of services donated to the Foundation are not recorded in the financial statements due to the difficulty of determining their fair value.

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ORFUND FOUNDATION
Notes to Financial Statements
Year Ended December 31, 2016

(Unaudited - See Review Engagement Report)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the year end date. Revenues and expenditures are translated into Canadian dollars at the rate prevailing at the date of the transaction. Other exchange gains and losses are credited or charged to operations.

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 could affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from the estimates.

3. FINANCIAL INSTRUMENTS

The Foundation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Foundation's risk exposure and concentration as of December 31, 2016.

Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting financial obligations as they fall due. The majority of the Foundations assets are cash and therefore the Foundation's liquidity risk is considered minimal. The Foundation also aims to retain a sufficient cash position to manage liquidity.

Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Foundation is exposed to foreign currency exchange risk on cash. The Foundation holds relatively minor balances in cash in foreign currency therefore the currency risk related to these balances is not significant.
