

ORFUND FOUNDATION

Financial Statements

Year Ended December 31, 2020

(Unaudited - See Independent Practitioner's Review Engagement Report)

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of Orfund Foundation

We have reviewed the accompanying financial statements of Orfund Foundation (the Foundation) that comprise the balance sheet as at December 31, 2020, and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Practitioner's Responsibility for the Financial Statements

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Orfund Foundation as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Report on Other Legal and Regulatory Requirements

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

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Independent Practitioner's Review Engagement Report to the Directors of Orfund Foundation
(continued)

Vancouver, British Columbia
June 25, 2021

A handwritten signature in black ink, appearing to read "Adam Wong". The signature is written in a cursive, flowing style.

CHARTERED PROFESSIONAL ACCOUNTANTS

ORFUND FOUNDATION

Balance Sheet

As at December 31, 2020

(Unaudited - See Independent Practitioner's Review Engagement Report)

	2020	2019
ASSETS		
Cash	\$ 20,342	\$ 23,408
Accounts receivable	428	322
Website development costs	7,204	7,204
	\$ 27,974	\$ 30,934
LIABILITIES AND NET ASSETS		
Accounts payable and accrued liabilities	\$ 2,200	\$ 2,200
Net assets	25,774	28,734
	\$ 27,974	\$ 30,934

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

ORFUND FOUNDATION
Statement of Operations and Changes in Net Assets
Year Ended December 31, 2020

(Unaudited - See Independent Practitioner's Review Engagement Report)

	2020	2019
Revenues		
General donations	\$ 4,448	\$ 22,887
Non-monetary donations	3,769	3,195
Interest and other revenue	3	5
	8,220	26,087
Expenses		
Charitable giving	6,666	24,998
Interest and bank charges	286	216
Foreign exchange loss	554	1,222
Fundraising fees	11	416
Professional fees	3,663	3,093
	11,180	29,945
Deficiency of revenue over expenditures for the year	(2,960)	(3,858)
Net assets - beginning of year	28,734	32,592
Net assets - end of year	\$ 25,774	\$ 28,734

ORFUND FOUNDATION
Statement of Cash Flows
Year Ended December 31, 2020

(Unaudited - See Independent Practitioner's Review Engagement Report)

	2020	2019
OPERATING ACTIVITIES		
Deficiency of revenues over expenditures for the year	\$ (2,960)	\$ (3,858)
Change in non-cash working capital:		
Accounts receivable	(106)	14,899
INCREASE (DECREASE) IN CASH FLOW	(3,066)	11,041
Cash - beginning of year	23,408	12,367
CASH - END OF YEAR	\$ 20,342	\$ 23,408

ORFUND FOUNDATION
Notes to Financial Statements
Year Ended December 31, 2020

(Unaudited - See Independent Practitioner's 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 daycare 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, 2020, there were no restricted contributions.

Financial instruments

The Foundation's financial instruments consist of cash, accounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted. There has been no significant change in interest, currency or credit risk exposure since 2019.

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, 2020, there was no impairment in the value of the website costs.

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ORFUND FOUNDATION
Notes to Financial Statements
Year Ended December 31, 2020

(Unaudited - See Independent Practitioner's Review Engagement Report)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.
