

**ORFUND FOUNDATION**

**Financial Statements**

**Year Ended December 31, 2021**

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

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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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, 2021, and the statements of operations and retained earnings 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 private enterprises (ASPE), 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*

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, 2021, and the results of its operations and its cash flows for the year then ended in accordance with ASPE.

**ORFUND FOUNDATION**

**Balance Sheet**

**As at December 31, 2021**

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

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash	\$ 3,602	\$ 20,342
Investments	26,045	-
Accounts receivable	540	428
Website development costs	7,204	7,204
	<b>\$ 37,391</b>	<b>\$ 27,974</b>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued liabilities	\$ 2,200	\$ 2,200
Net assets	<b>35,191</b>	<b>25,774</b>
	<b>\$ 37,391</b>	<b>\$ 27,974</b>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_  
*Director*

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*Director*

**ORFUND FOUNDATION**  
**Statement of Operations and Retained Earnings**  
**Year Ended December 31, 2021**

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

	2021	2020
<b>Revenues</b>		
General donations	\$ 5,169	\$ 4,448
Non-monetary donations (Note 4)	29,273	3,769
Gain on sale of investments	13	-
Interest and other revenue	-	3
	<b>34,455</b>	<b>8,220</b>
<b>Expenses</b>		
Charitable giving	19,989	6,666
Foreign exchange loss	864	554
Fundraising fees	25	11
Interest and bank charges	16	286
Professional fees	4,144	3,663
	<b>25,038</b>	<b>11,180</b>
<b>Excess (deficiency) of revenue over expenditures for the year</b>	<b>9,417</b>	<b>(2,960)</b>
Net assets - beginning of year	25,774	28,734
<b>Net assets - end of year</b>	<b>\$ 35,191</b>	<b>\$ 25,774</b>

**ORFUND FOUNDATION**  
**Statement of Cash Flows**  
**Year Ended December 31, 2021**

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

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenditures for the year	\$ 9,417	\$ (2,960)
Changes in non-cash working capital:		
Investments	(26,045)	-
Accounts receivable	(112)	(106)
	<b>(26,157)</b>	<b>(106)</b>
<b>DECREASE IN CASH FLOW</b>	<b>(16,740)</b>	<b>(3,066)</b>
Cash - beginning of year	<b>20,342</b>	23,408
<b>CASH - END OF YEAR</b>	<b>\$ 3,602</b>	<b>\$ 20,342</b>

**ORFUND FOUNDATION**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

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

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**1. BASIS OF PRESENTATION**

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

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**2. 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).

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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, 2021, there were no restricted contributions.

**Financial instruments**

The Foundation's financial instruments consist of cash, accounts receivable, investments, 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 2020.

**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, 2021, 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, 2021**

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

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**3. 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.

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**4. RELATED PARTY TRANSACTIONS**

The Foundation received marketable securities with a fair market value of \$25,016 (2020 - \$nil) and \$3,907 (2020 - \$3,269) in paid services from a director of the foundation. The securities were subsequently sold for proceeds of \$25,016. The exchange amount for these transactions was at fair market value which was established and agreed upon by the related parties.

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