

ORFUND FOUNDATION

Financial Statements

Year Ended December 31, 2023

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

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Orfund Foundation

We have reviewed the accompanying financial statements of Orfund Foundation (the Foundation) that comprise the statement of financial position as at December 31, 2023, and the statements of revenues and expenditures, 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

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, 2023, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Vancouver, British Columbia
June 28, 2024



Chartered Professional Accountants

ORFUND FOUNDATION
Statement of Financial Position
December 31, 2023

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

	2023	2022
ASSETS		
Current		
Cash	\$ 6,117	\$ 638
Investments	15,900	-
Due from government authorities	754	649
	22,771	1,287
Website development costs	7,204	7,204
	\$ 29,975	\$ 8,491
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	\$ 2,200	\$ 2,200
Net assets	27,775	6,291
	\$ 29,975	\$ 8,491

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

See notes to financial statements

ORFUND FOUNDATION
Statement of Revenues and Expenditures
Year Ended December 31, 2023

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

	2023	2022
Revenues		
Contributions	\$ 40,511	\$ 4,107
Gain on sale of investments	220	14
	40,731	4,121
Expenditures		
Advertising and promotion	-	491
Bank charges and service fees	227	23
Charitable giving	14,610	28,177
Foreign exchange loss	848	1,022
Professional fees	3,562	3,308
	19,247	33,021
Excess (deficiency) of revenues over expenditures	\$ 21,484	\$ (28,900)

See notes to financial statements

ORFUND FOUNDATION
Statement of Changes in Net Assets
Year Ended December 31, 2023

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

	2023	2022
Net assets - beginning of year	\$ 6,291	\$ 35,191
Excess (deficiency) of revenues over expenditures	21,484	(28,900)
Net assets - end of year	\$ 27,775	\$ 6,291

See notes to financial statements

ORFUND FOUNDATION
Statement of Cash Flows
Year Ended December 31, 2023

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

	2023	2022
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ 21,484	\$ (28,900)
Change in non-cash working capital:		
Due from government authorities	(105)	(108)
Cash flow from (used by) operating activities	21,379	(29,008)
INVESTING ACTIVITY		
Change in investments	(15,900)	26,044
INCREASE (DECREASE) IN CASH FLOW	5,479	(2,964)
Cash - beginning of year	638	3,602
CASH - END OF YEAR	\$ 6,117	\$ 638

See notes to financial statements

ORFUND FOUNDATION
Notes to Financial Statements
Year Ended December 31, 2023

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

1. BASIS OF PRESENTATION

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

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 registered charity and, is exempt from income taxes under the Income Tax Act (Canada).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash

The Foundation's policy is to present bank balances and funds held in trust by a law firm in Botswana under cash.

Revenue recognition

Orfund Foundation follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets. There were no restricted contributions received in 2023 and 2022.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned. There was no restricted investment income earned in 2023 and 2022.

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, 2023, there was no impairment in the value of the Website costs.

(continues)

ORFUND FOUNDATION
Notes to Financial Statements
Year Ended December 31, 2023

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Financial instruments are recorded at fair value when acquired. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition and sale of financial instruments are expensed when incurred.

Financial instruments subsequently measured at fair value include investments.

Financial instruments subsequently measured at amortized cost include cash and accounts payable and accrued liabilities.

Foreign currency translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenditures have been translated at the average rates of exchange during the year, except for amortization, which has been translated at the same rate as the related assets.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

The Foundation holds approximately 55,600 (2022 - 2,600) of cash in Pula currency and approximately \$12,000 (2022 - \$nil) of cash and investments in U.S. dollars.

Contributed services

The operations of the Foundation depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

4. FINANCIAL INSTRUMENTS

The Foundation's financial instruments consist of cash, 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 2022.

ORFUND FOUNDATION
Notes to Financial Statements
Year Ended December 31, 2023

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

5. RELATED PARTY TRANSACTIONS AND ECONOMIC DEPENDENCE

The Foundation received contributions of \$40,511 (2022 - \$3,907) from a director of the Foundation.

All these transactions were carried out in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration agreed upon by the parties and is determined based on the costs incurred.

The Foundation received 99% (2022 - 100%) of its contributions from a director. The Foundation's sustainability depends on such continued funding.
