

**Project Orbis International Inc.
(Orbis Canada)**

Financial Statements
December 31, 2021



Independent auditor's report

To the Board of Directors of Project Orbis International Inc. (Orbis Canada)

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Project Orbis International Inc. (Orbis Canada) (the Corporation) as at December 31, 2021 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

What we have audited

The Corporation's financial statements comprise:

- the statement of financial position as at December 31, 2021;
- the statement of operations and changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
June 27, 2022

Project Orbis International Inc. (Orbis Canada)

Statement of Financial Position

As at December 31, 2021

	2021 \$	2020 \$
Assets		
Current assets		
Cash and cash equivalents	479,677	305,257
Accounts receivable and prepaid expenses	373,113	13,121
HST receivable	13,126	11,537
Investments (note 3)	315,052	398,641
	<u>1,180,968</u>	<u>728,556</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 4)	136,572	127,450
Deferred revenue (note 5)	298,461	224,327
	<u>435,033</u>	<u>351,777</u>
Net Assets (note 6)	<u>745,935</u>	<u>376,779</u>
	<u>1,180,968</u>	<u>728,556</u>
Commitments (note 7)		

Approved by the Board of Directors

_____ Director _____ Director

The accompanying notes are an integral part of these financial statements.

Project Orbis International Inc. (Orbis Canada)

Statement of Operations and Changes in Net Assets

For the year ended December 31, 2021

	2021 \$	2020 \$
Revenue		
Donations and fundraising	1,684,881	876,711
Government contributions (note 11)	82,404	128,547
Interest and dividend income	16,430	18,696
Other income	6,485	-
Change in fair value of investments	(57,605)	25,335
	<u>1,732,595</u>	<u>1,049,289</u>
Expenses		
Contributions to mandate activities (note 8)	550,968	245,850
Fundraising (note 8)	640,182	648,700
Administration (note 9)	172,289	139,343
	<u>1,363,439</u>	<u>1,033,893</u>
Net revenue for the year	369,156	15,396
Net assets – Beginning of year	<u>376,779</u>	<u>361,383</u>
Net assets – End of year	<u>745,935</u>	<u>376,779</u>

The accompanying notes are an integral part of these financial statements.

Project Orbis International Inc. (Orbis Canada)

Statement of Cash Flows

For the year ended December 31, 2021

	2021 \$	2020 \$
Cash provided by (used in)		
Operating activities		
Net revenue for the year	369,156	15,396
Changes in non-cash working capital items		
Accounts receivable and prepaid expenses	(359,992)	6,051
HST receivable	(1,589)	14,775
Accounts payable and accrued liabilities	9,122	(611,529)
Deferred revenue	74,134	15,739
	90,831	(559,568)
Investing activities		
Net change in investments	83,589	(77,561)
Change in cash and cash equivalents during the year	174,420	(637,129)
Cash and cash equivalents – Beginning of year	305,257	942,386
Cash and cash equivalents – End of year	479,677	305,257

The accompanying notes are an integral part of these financial statements.

Project Orbis International Inc. (Orbis Canada)

Notes to Financial Statements

December 31, 2021

1 Incorporation

Project Orbis International Inc. (Orbis Canada) (the Corporation) is a not-for-profit, non-governmental organization focused on the prevention and treatment of avoidable blindness. Orbis Canada transforms lives by delivering the skills, resources and knowledge needed to deliver accessible quality eye care. Working in collaboration with local partners, including hospitals, universities, government agencies and ministries of health, the Corporation provides hands-on ophthalmology training, strengthens healthcare infrastructure and advocates for the prioritization of eye health on public health agendas.

The Corporation, which is a registered charity, is incorporated under the Canada Not-for-Profit Corporations Act, and is exempt from income taxes under subsection 149(1)(f) of the Income Tax Act (Canada).

2 Summary of significant accounting policies

The financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO) and include the following significant accounting policies.

Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

Investments in a money market account are considered cash equivalents as they are short-term, highly liquid investments that are not subject to significant changes in value.

Investments

Investments are recorded at fair value. Changes in fair value are included in net revenue for the year.

Revenue recognition

The Corporation follows the deferral method of accounting for revenue.

Unrestricted amounts are recorded as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted amounts are deferred and recorded as revenue when the related expenses are incurred.

Project Orbis International Inc. (Orbis Canada)

Notes to Financial Statements

December 31, 2021

Allocated expenses

A portion of administration expenses (salaries and benefits) is allocated to contributions to mandate activities and fundraising expenses. These expenses are allocated based on estimates of time spent by the relevant administrative personnel on these areas.

3 Investments

	2021 \$	2020 \$
Cash and cash equivalents	425	12,429
Pooled fixed income funds	212,442	203,536
Pooled equity funds	67,283	52,972
Pooled alternatives and other funds	34,902	129,704
	<hr/>	<hr/>
	315,052	398,641

4 Related party balances and transactions

Included in accounts receivable and prepaid expenses is \$358,287 (2020 – nil) advanced to ORBIS International Inc. for future project expenses.

Included in accounts payable and accrued liabilities is \$84,312 (2020 – \$46,731) owing to ORBIS International Inc. for reimbursement of project expenses.

These balances are non-interest bearing and have no specified terms of collection or repayment. These transactions are recorded at the exchange amount, which is the amount established and agreed to by the related parties involved.

Also included in accounts payable and accrued liabilities are government remittances of nil (2020 – nil).

5 Deferred revenue

Deferred revenue – Beginning of year \$	Contributions received during the year \$	Revenue recognized during the year \$	Deferred revenue – End of year \$
224,327	412,707	338,573	298,461

Project Orbis International Inc. (Orbis Canada)

Notes to Financial Statements

December 31, 2021

6 Net assets

The Board of Directors has approved a policy for the Corporation to maintain net assets within a minimum range of \$132,000 to \$198,000. Net assets as at December 31, 2021 are \$745,935 (2020 – \$376,779).

7 Commitments

The Corporation rents office space, a hosted VoIP solution and a printer for which the future minimum lease payments are as follows:

	\$
2022	8,063
2023	5,016
2024	735

8 Allocation of expenses

Administration expenses (salaries and benefits) have been allocated as follows:

	2021 \$	2020 \$
Contributions to mandate activities	97,045	100,676
Fundraising	339,657	352,365
	<u>436,702</u>	<u>453,041</u>

9 Administration expenses

	2021 \$	2020 \$
Office administration	34,992	31,551
Legal and accounting	25,024	20,032
Rent and insurance	35,953	29,560
Payroll	48,522	50,338
Telecommunications	7,478	7,862
	<u>151,969</u>	<u>139,343</u>

Project Orbis International Inc. (Orbis Canada)

Notes to Financial Statements

December 31, 2021

10 Financial instruments

The Corporation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Corporation's risk exposure and concentrations. The Corporation does not use derivative financial instruments to manage its risks

Investment risk

Investment in financial instruments renders the Corporation subject to investment risks. Interest rate risk is the risk arising from fluctuations in interest rates and their degree of volatility. The Corporation's exposure to interest rate risk arises from its investments in segregated funds (note 3).

There is also the risk arising from the failure of a party to a financial instrument to discharge an obligation when it is due.

11 COVID-19 impact

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. Governments in the jurisdictions in which the Corporation operates declared states of emergency in response to the COVID-19 pandemic, which has led to significant volatility in local and global markets. Measures taken by the authorities to contain the virus have affected global and local economic activity. While the long-term impact of the pandemic on business operations remains uncertain, management is closely monitoring the economic development and potential impact (if any) that might result in business losses. As a result of the COVID-19 pandemic, many contributions to mandate activities were deferred.

During the year, management applied for assistance under Canada Emergency Wage Subsidy (CEWS) set up by the Government of Canada to assist local businesses during the COVID-19 pandemic. Contributions recognized under the CEWS amount to \$82,404 (2020 – \$128,547.).