



Grant Thornton

Financial Statements

Project Orbis International Inc. (Orbis
Canada)

December 31, 2022

Contents

	Page
Independent Auditor's Report	1 – 2
Statement of Financial Position	3
Statement of Operations and Changes in Net Assets	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 – 9

Independent Auditor's Report

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

Opinion

We have audited the financial statements of Project Orbis International Inc. (Orbis Canada) (the "Organization"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2022, 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").

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 are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Organization were audited by another auditor for the year ended December 31, 2021, who expressed an unqualified opinion on those statements on June 27, 2022.

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

Management is responsible for the preparation and fair presentation of these 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.

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

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Mississauga, Canada
June 26, 2023

Chartered Professional Accountants
Licensed Public Accountants

Project Orbis International Inc. (Orbis Canada)

Statement of Financial Position

As at December 31

2022

2021

Assets

Current

Cash	\$ 749,927	\$ 479,677
Accounts receivable	16,560	7,198
HST receivable	14,866	13,126
Investments (Note 3)	331,317	315,052
Prepaid expenses	<u>334,506</u>	<u>365,915</u>
	<u>\$ 1,447,176</u>	<u>\$ 1,180,968</u>

Liabilities

Current

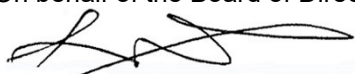
Accounts payable and accrued liabilities (Note 4)	\$ 134,977	\$ 136,572
Deferred contributions (Note 5)	<u>271,993</u>	<u>298,461</u>
	<u>406,970</u>	<u>435,033</u>

Net assets

<u>1,040,206</u>	<u>745,935</u>
<u>\$ 1,447,176</u>	<u>\$ 1,180,968</u>

Commitments (Note 6)

On behalf of the Board of Directors



Director

Dr. Simon Holland, Chair

See accompanying notes to the financial statements.

Project Orbis International Inc. (Orbis Canada)

Statement of Operations and Changes in Net Assets

Year ended December 31

2022

2021

Revenue		
Donations and fundraising	\$ 1,381,042	\$ 1,684,881
Interest and dividend income	18,936	16,430
Other income	515	6,485
Canada Emergency Wage Subsidy ("CEWS")	-	82,404
	<u>1,400,493</u>	<u>1,790,200</u>
Expenses		
Fundraising (Note 7)	497,388	494,615
Contributions to mandate activities (Note 7)	388,470	648,013
Administration (Note 7)	<u>185,397</u>	<u>220,811</u>
	<u>1,071,255</u>	<u>1,363,439</u>
Excess of revenue over expenses before other item	<u>329,238</u>	<u>426,761</u>
Unrealized losses on investments	(34,967)	(57,605)
Excess of revenue over expenses	294,271	369,156
Net assets, beginning of year	<u>745,935</u>	<u>376,779</u>
Net assets, end of year	<u>\$ 1,040,206</u>	<u>\$ 745,935</u>

See accompanying notes to the financial statements.

Project Orbis International Inc. (Orbis Canada)

Statement of Cash Flows

Year ended December 31

2022

2021

Cash flows provided by (used in)

Operating

Excess of revenue over expenses	\$ 294,271	\$ 369,156
Items not affecting cash		
Unrealized losses on investments	<u>34,967</u>	<u>57,605</u>
	329,238	426,761
Change in non-cash working capital items		
Accounts receivable	(9,362)	(1,705)
HST receivable	(1,740)	(1,589)
Prepaid expenses	31,409	(358,287)
Accounts payable and accrued liabilities	(1,595)	9,122
Deferred contributions	<u>(26,468)</u>	<u>74,134</u>
	<u>321,482</u>	<u>148,436</u>

Investing

Net change in investments	<u>(51,232)</u>	<u>25,984</u>
Increase in cash	270,250	174,420
Cash, beginning of year	<u>479,677</u>	<u>305,257</u>
Cash, end of year	<u>\$ 749,927</u>	<u>\$ 479,677</u>

See accompanying notes to the financial statements.

Project Orbis International Inc. (Orbis Canada)

Notes to the Financial Statements

December 31, 2022

1. Purpose

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

The Organization is a registered charity, 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.

Revenue recognition

The Organization follows the deferral method of accounting for externally restricted contributions. 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. Externally restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred.

Interest, dividend and other income are recognized as revenue as earned.

Financial instruments

The Organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument. The Organization's financial instruments are comprised of cash, accounts receivable, investments, and accounts payable.

Financial assets and liabilities obtained in arm's length transactions are initially recorded at its fair value and subsequently at amortized cost, with the exception of investments, which is measured at fair value. Financial assets and liabilities obtained in related party transactions are initially measured at cost and subsequently measured at cost, less any impairment for financial assets.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revision or any possibility of impairment. Certain items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Management's estimates relate to the allowance for doubtful accounts, valuation of investments and certain accruals.

These estimates are reviewed periodically and adjustments are made to the excess of revenue over expenses as appropriate in the year they become known.

Project Orbis International Inc. (Orbis Canada)

Notes to the Financial Statements

December 31, 2022

2. Summary of significant accounting policies (continued)

Net assets

The Board of Directors has approved a policy for the Organization to maintain net assets within a minimum range of \$132,000 to \$198,000. Net assets as at December 31, 2022 are \$1,030,206 (2021 - \$745,935).

Allocated expenses

A portion of salaries and benefits is allocated to administration, 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

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ -	\$ 425
Pooled fixed income funds	219,410	212,442
Pooled equity funds	80,973	67,283
Pooled alternatives funds	<u>30,934</u>	<u>34,902</u>
	<u>\$ 331,317</u>	<u>\$ 315,052</u>

The Organization also holds an investment in an entity which has been placed in receivership on April 30, 2021. Accordingly, this investment has been recorded as \$Nil (2021 - \$Nil) until an amount has been confirmed to be recoverable.

4. Related party balances and transactions

The Organization is an affiliate of ORBIS International Inc. related by nature of having a common board member.

Included in prepaid expenses is \$328,875 (2021 - \$358,287) advanced to ORBIS International Inc. for future project expenses.

Included in accounts payable and accrued liabilities is \$55,440 (2021 - \$84,312) 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.

5. Deferred contributions

	<u>2021</u>	<u>Received</u>	<u>Recognized</u>	<u>2022</u>
Project contributions	\$ 298,461	\$ 230,980	\$ (257,448)	<u>\$ 271,993</u>

Project Orbis International Inc. (Orbis Canada)

Notes to the Financial Statements

December 31, 2022

6. Commitments

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

2023	\$	4,712
2024		735

7. Allocation of expenses

Salaries and benefits have been allocated as follows:

	<u>2022</u>	<u>2021</u>
Fundraising	\$ 258,065	\$ 339,657
Contributions to mandate activities	73,733	97,045
Administration	<u>36,867</u>	<u>48,522</u>
	<u>\$ 368,665</u>	<u>\$ 485,224</u>

8. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of the financial statements in assessing the extent of risk related to financial instruments.

Credit risk

Credit risk is the risk of financial loss occurring as a result of a counter party to a financial instrument failing to discharge an obligation or commitment that it has entered into with the Organization. The Organization's main credit risks relate to its accounts receivable.

The Organization reduces its exposure to credit risk by creating an allowance for doubtful accounts when appropriate. As at December 31, 2022, the allowance for doubtful accounts is \$Nil (2021 - \$Nil).

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in raising funds to meet commitments associated to its financial liabilities. The Organization is exposed to liquidity risk mainly in respect to its accounts payable.

The Organization manages its liquidity risk by forecasting cash flows from operations, investing and financing activities to ensure that it has sufficient funds available to meet current and foreseeable financial obligations.

Included in accounts payable and accrued liabilities are government remittances of \$Nil (2021 - \$Nil).

Project Orbis International Inc. (Orbis Canada)

Notes to the Financial Statements

December 31, 2022

8. Financial instruments (continued)

Other price risk

The Organization is exposed to other price risk on its investment in pooled funds quoted in an active market since changes in market prices could result in changes in the fair value of these instruments. The Organization manages its other price risk by ensuring that its investments are invested in accordance to its Investment Policy that ensures a diversified portfolio.

Interest rate risk

The Organization's earnings are exposed to interest rate risk that arises from fluctuations in interest rates and the degree of volatility of these rates, particularly in relation to its fixed income investments. The Organization manages its other price risk by ensuring that its investments are invested in accordance to its Investment Policy that ensures a diversified portfolio.

9. Comparative figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

During the year, the Organization noted that it had misclassified the allocation of salaries and benefits between expense groupings in fiscal 2021. As a result, fundraising expense was overstated while contributions to mandate activities expense and administration expense were understated in fiscal 2021. As a result of these findings, the comparative figures have been adjusted such that fundraising expense decreased by \$145,567 from \$640,182 to \$494,615, contributions to mandate activities expense increased by \$97,045 from \$550,968 to \$648,013 and administration expense increased by \$48,522 from \$172,289 to \$220,811.