

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

Financial Statements  
**December 31, 2016**



April 25, 2017

## **Independent Auditor's Report**

### **To the Board of Directors of Project ORBIS International Inc. (ORBIS Canada)**

We have audited the accompanying financial statements of Project ORBIS International Inc. (ORBIS Canada), which comprise the statement of financial position as at December 31, 2016 and the statements of operations and changes in net assets and cash flows for the year then ended, and the related notes, which comprise 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, 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.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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*PricewaterhouseCoopers LLP*  
99 Bank Street, Suite 800, Ottawa, Ontario, Canada K1P 1E4  
T: +1 613 237 3702, F: +1 613 237 3963



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

**Basis for qualified opinion**

In common with many not-for-profit organizations, ORBIS Canada derives revenues from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of ORBIS Canada. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, net revenue and cash flows from operations for the years ended December 31, 2016 and 2015, current assets as at December 31, 2016 and 2015 and net assets as at the beginning and end of the years ended December 31, 2016 and 2015. Our audit opinion on the financial statements for the year ended December 31, 2015 was modified accordingly because of the possible effects of this limitation in scope.

**Qualified opinion**

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of ORBIS Canada as at December 31, 2016 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.

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants, Licensed Public Accountants**

# Project ORBIS International Inc. (ORBIS Canada)

## Statement of Financial Position

As at December 31, 2016

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	2016 \$	2015 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	859,911	1,110,678
Accounts receivable and prepaid expenses	57,294	24,583
HST receivable	10,147	13,323
	<hr/>	<hr/>
	927,352	1,148,584
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 3)	60,447	460,231
Deferred revenue	221,948	176,191
	<hr/>	<hr/>
	282,395	636,422
<b>Net assets</b>	<hr/>	<hr/>
	644,957	512,162
<b>Commitments</b> (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, 2016

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	2016 \$	2015 \$
<b>Revenue</b>		
Donations and fundraising	1,134,519	810,372
Interest	177	321
Other income	1,347	-
	<hr/> 1,136,043	<hr/> 810,693
<b>Expense</b>		
Contributions to mandate activities	653,377	470,380
Fundraising	252,320	237,522
Administration (note 4)	97,551	99,103
	<hr/> 1,003,248	<hr/> 807,005
<b>Net revenue for the year</b>	132,795	3,688
<b>Net assets - Beginning of year</b>	<hr/> 512,162	<hr/> 508,474
<b>Net assets - End of year</b>	<hr/> <hr/> 644,957	<hr/> <hr/> 512,162

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, 2016

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	2016 \$	2015 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net revenue for the year	132,795	3,688
Net change in non-cash working capital items -		
Accounts receivable and prepaid expenses	(32,711)	(8,982)
HST receivable	3,176	(1,259)
Accounts payable and accrued liabilities	(399,784)	(421,710)
Deferred revenue	45,757	20,000
	<hr/>	<hr/>
<b>Net change in cash for the year</b>	(250,767)	(408,263)
<b>Cash and cash equivalents - Beginning of year</b>	<hr/> 1,110,678	<hr/> 1,518,941
<b>Cash and cash equivalents - End of year</b>	<hr/> 859,911	<hr/> 1,110,678

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

# **Project ORBIS International Inc. (ORBIS Canada)**

## Notes to Financial Statements

December 31, 2016

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### **1 Incorporation**

The purpose of Project ORBIS International Inc. (ORBIS Canada) (“the Corporation”) is to reduce world blindness through the exchange of professional skills and education. 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*.

### **2 Significant accounting policies**

#### **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 affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expense during the reporting periods. Actual results could differ from these estimates.

#### **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.

#### **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.

#### **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 Accounts payable and accrued liabilities**

Included in accounts payable and accrued liabilities is \$36,993 (2015 - \$440,054) owing to Project ORBIS International Inc. for reimbursement of project expenses. This payable is non-interest bearing and has no specified terms of repayment.

Government remittances of \$nil (2015 - \$nil) are included in accounts payable and accrued liabilities.

# Project ORBIS International Inc. (ORBIS Canada)

## Notes to Financial Statements

December 31, 2016

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### 4 Administration expense

	2016	2015
	\$	\$
Office administration	32,444	39,214
Legal and accounting	13,869	12,459
Rent and insurance	27,572	28,517
Payroll	20,448	15,163
Telecommunications	3,218	3,750
	<hr/>	<hr/>
	97,551	99,103
	<hr/>	<hr/>

### 5 Net assets

The Board of Directors has approved a policy for the Corporation to maintain net assets within a range of \$132,000 to \$198,000. Net assets at December 31, 2016, are \$644,957 (2015 - \$512,162).

### 6 Allocation of expenses

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

	2016	2015
	\$	\$
Contributions to mandate activities	40,897	30,326
Fundraising	143,139	106,142
	<hr/>	<hr/>
	184,036	136,468
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### 7 Commitments

ORBIS Canada rents office space for which the future minimum annual lease payments are as follows.

	\$
Year ending December 31, 2017	27,581
2018	22,984