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# INDEPENDENT AUDITORS' REPORT

To the Members of
**Faith's Orphans Fund**

## Opinion

We have audited the accompanying financial statements of **Faith's Orphans Fund** (the Organization), which comprise the statement of financial position as at February 28, 2026, and the statements of operations and 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 February 28, 2026, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## 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 Auditors' 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.

## 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 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.

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 going concern and using the going concern basis of accounting unless the Board of Directors 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.

## Auditors' 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 auditors' 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.

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 auditors' 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 auditors' 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.

Graham Matthew Professional Corporation

Cambridge, Ontario
August 28, 2026

Chartered Professional Accountants, authorized to practise public accounting by the Chartered Professional Accountants of Ontario

## STATEMENT OF OPERATIONS AND NET ASSETS
## YEAR ENDED FEBRUARY 28, 2026

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| **Donations (note 5)** | **389,284** | 518,874 |
| **Expenditures** | | |
| Interest and bank charges | **940** | 660 |
| Professional fees | **7,411** | 7,849 |
| Travel | **8,753** | 4,988 |
| Office supplies | **1,468** | 2,388 |
| Program expenses | **1,690** | 1,566 |
| Insurance | **909** | 1,059 |
| Donation disbursements | | |
| Camp fees | **20,634** | 18,392 |
| Project money | | 2,715 |
| School fees | **73,633** | 54,897 |
| Shipping fees | **9,086** | 24,528 |
| Trade school | **186,816** | 127,852 |
| Rural Ministry | **75,191** | 50,759 |
| Orphan support sent | | 146,349 |
| Well repairs and maintenance | **8,664** | 5,762 |
| | **395,195** | 449,764 |
| **Excess (deficiency) of revenue over expenditures before undernoted item** | **( 5,911)** | 69,110 |
| Loss on sale of donated shares | **( 116)** | ( 115) |
| **Excess (deficiency) of revenue over expenditures for year** | **( 6,027)** | 68,995 |
| Net assets, beginning of year | **276,224** | 207,229 |
| **Net assets, end of year** | **270,197** | 276,224 |

The explanatory financial notes form an integral part of these financial statements.

## STATEMENT OF FINANCIAL POSITION
## FEBRUARY 28, 2026

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| **ASSETS** | | |
| Cash | **258,509** | 296,400 |
| HST recoverable | **2,094** | 1,152 |
| Prepaid expenses | **13,094** | |
| | **273,697** | 297,552 |
| **LIABILITIES** | | |
| Accounts payable and accrued liabilities (note 3) | **3,500** | 21,328 |
| **NET ASSETS** | | |
| Net assets | **270,197** | 276,224 |
| | **273,697** | 297,552 |

**APPROVED BY THE BOARD:**

_____ Director

The explanatory financial notes form an integral part of these financial statements.

## STATEMENT OF CASH FLOWS
## YEAR ENDED FEBRUARY 28, 2026

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Excess (deficiency) of revenue over expenditures for year | **( 6,027)** | 68,995 |
| Net change in non-cash working capital balances relating to operations: | | |
| HST recoverable | **( 942)** | ( 1,152) |
| Prepaid expenses | **( 13,094)** | |
| Accounts payable and accrued liabilities | **( 17,828)** | 17,628 |
| | **( 37,891)** | 85,471 |
| **Net increase (decrease) in cash** | **( 37,891)** | 85,471 |
| Cash, beginning of year | **296,400** | 210,929 |
| **Cash, end of year** | **258,509** | 296,400 |

The explanatory financial notes form an integral part of these financial statements.

## EXPLANATORY FINANCIAL NOTES
## YEAR ENDED FEBRUARY 28, 2026

### 1. Nature of Organization

The objective of Faith's Orphans Fund is to meet the needs of orphaned children in Africa regardless of personal background, religion, health status or gender.

As Faith's Orphans Fund is a registered charity under the Income Tax Act, its income is not taxable and it is eligible to issue official income tax receipts for charitable donations.

### 2. Summary of Significant Accounting Policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

**(a) Revenue recognition**

Contributions are recorded using the deferral method under which restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

**(b) Financial instruments**

All financial assets and liabilities are recorded at amortized cost less any discovered impairment.

**(c) Contributed services and materials**

Donations of materials and services are not reflected in these financial statements because of the impracticality of the record keeping and valuation of them.

**(d) Use of estimates**

The preparation of these 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

### 3. Accounts Payable and Accrued Liabilities

There were no amounts payable with respect to government remittances as of the year end date.

## 4. Financial Instruments

The entity is exposed to various risks through its financial instruments. The following analysis provides a measure of the entity's risk exposure and concentrations at the year end date.

### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The entity is not exposed to significant liquidity risk.

### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The entity is not exposed to significant credit risk.

### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The entity is not exposed to significant market risk.

## 5. Related Party Transactions

During the year donation revenue of $25,000 ($25,000 in 2025) was received from entities who have directors in common with the Fund. In addition, the Fund received donations from directors in the amount of $23,300 ($15,250 in 2025).