OBAT CANADA

Financial Statements
December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Directors of OBAT CANADA

Qualified Opinion

I have audited the accompanying financial statements of OBAT CANADA ("the organization"), which comprise the statement of financial position as at December 31, 2023, and the statement of operations, statement of fund balances and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2023, 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.

Basis for Qualified Opinion

In common with many not for profit organizations, the organization derives revenue from donations and fundraising activities, 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 the organization. Therefore, I was not able to determine whether any adjustments might be necessary to donations and fundraising events revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2023 and 2022 , current assets as at December 31, 2023 and 2022 , and net assets as at January 1 and December 31 for both the 2023 and 2022 years.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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 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 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.

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Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

Faisal Shahabuddin, CPA auditor CA
Brossard, Quebec
August 12, 2024

OBAT CANADA
Statement of Financial Position
December 31, 2023

		2023		2022
Assets				
Current assets				
Cash	**$**	**136,228**	$	620,848
Investments		**300,000**		-
Prepaid Expenses		**71,545**		23,877
Total Assets		**507,773**		644,725
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities		**2,486**		25,298
Deferred revenue (Note 3)		**68,655**		147,214
Total Current Liabilities		**71,141**		172,512
Fund Balances				
Unrestricted		**436,632**		472,213
		436,632		472,213
Total Net Assets	**$**	**507,773**	$	644,725

On behalf of the Board of Directors

________________ Director ___________________ Director

See accompanying notes to the financial statements

OBAT CANADA
Statement of Operations
For the year ended December 31, 2023

	2023	2022
REVENUE		
Donations	**$ 1,313,176**	$ 1,149,208
Total Revenue	**1,313,176**	1,149,208
PROGRAM EXPENSES (See Schedule 1)		
Health	**433,769**	367,018
Education	**354,223**	181,644
Basic Needs	**374,418**	298,568
Clean Water	**159,860**	120,940
	1,322,270	968,170
ADMINISTRATIVE EXPENSES (See Schedule 1)		
Bank & Payment Processing Fees	**20,668**	19,333
Administration	**5,819**	2,671
	26,487	22,004
Total Operating Expenses	**1,348,757**	990,174
(Deficiency) excess of revenues over expenses for the year	**$ (35,581)**	$ 159,034

See accompanying notes to the financial statements

OBAT CANADA
Statement of Cash Flows
For the year ended December 31, 2023

	2023	2022
Cash flows from operating activities		
(Deficiency) excess of revenues over expenses for the year	**$ (35,581)**	$ 159,034
Changes in non-cash working capital items		
Increase in Investments	**(300,000)**	-
Increase in Prepaid expenses	**(47,668)**	(23,877)
(Decrease) in Accounts payable and accrued liabilities	**(22,812)**	(68,444)
(Decrease) Increase in deferred revenue liabilities	**(78,559)**	56,037
	(449,039)	(36,284)
(Decrease) Increase in cash	**(484,620)**	122,750
Cash - Beginning of the year	**620,848**	498,098
Cash - End of year	**$ 136,228**	$ 620,848

See accompanying notes to the financial statements

OBAT CANADA
Statement of Fund Balances
For the year ended December 31, 2023

	Restricted Funds					
	Administrative Fund	**Health Fund**	**Education Fund**	**Basic Needs Fund**	**Clean Water & Sanitation Fund**	**Total 2023**
Balance, beginning of year	$ -	$ -	$ -	$ -	$ -	**$ -**
Excess (deficiency) of revenues over expenses for the year	7,905	(254,847)	(325,051)	13,488	10,028	(548,477)
Deferral of revenue	(7,905)	-	-	(50,724)	(10,028)	(68,657)
Transfer to unrestricted fund	-	254,847	325,051	37,236	-	617,134
Balance, end of year	$ -	$ -	$ -	$ -	$ -	$ -

	Unrestricted General Fund	**Restricted Funds**	**Total 2023**	Total 2022
Balance, beginning of year	$ 472,213	$ -	**$ 472,213**	$ 313,179
Excess (deficiency) of revenues over expenses for the year	581,553	(548,477)	**33,076**	306,248
Deferral of revenue	-	(68,657)	**(68,657)**	(147,214)
Transfer (from) to un(restricted) fund	(617,134)	617,134	-	-
Increase to fund balance in the year	(35,581)	-	**(35,581)**	159,034
Balance, end of year	$ 436,632	$ -	**$ 436,632**	$ 472,213

See accompanying notes to the financial statements

OBAT CANADA
Schedule of Programs
For the year ended December 31, 2023

	$ 2023	$ 2022
Health		
Eyesight Restoration - Bangladesh	18,069	71,590
Eyesight Restoration - Pakistan	136,927	59,891
Eyesight Restoration - Rohingya	59,520	54,600
Maternal Care - Rangpur	-	-
Maternal Care - Bangladesh	23,991	41,389
Medical Clinic - Rohingya	132,723	87,160
Medical Clinic - Bangladesh	62,539	52,388
	433,769	**367,018**
Education		
General Education	3,735	-
Arabic School - Bangladesh	1,596	1,895
Back to School - Bangladesh	53,725	11,018
Deaf Reach Student Sponsorship - Pakistan	5,000	-
Elementary School - Bangladesh	12,295	6,692
Elementary Schools - Pakistan	64,000	62,500
High School - Bangladesh	22,304	11,415
High School - Pakistan	14,400	-
IT Center - Bangladesh	3,071	2,801
Learning Centers - Rohingya	120,074	52,320
Preschools - Bangladesh	2,663	5,681
Sewing Centers - Bangladesh	3,293	11,785
Tutorial Centers - Bangladesh	23,067	15,537
Tutorial Centers - Pakistan	25,000	-
	354,223	**181,644**
Basic Needs		
Blanket Distribution - Bangladesh	2,967	6,719
Blanket Distribution - India	5,015	-
Blanket Distribution - Pakistan	-	3,613
Emergency Relief - Bangladesh	-	20,243
Emergency Relief - Pakistan	15,000	10,682
Family Sponsorship - Bangladesh	34,663	11,999
Food Basket Distribution - Bangladesh	29,023	16,690
Food Basket Distribution - India	15,015	10,015
Food Basket Distribution - Pakistan	15,149	22,187
Local Programs - Canada	32,200	55,500
Meat Distribution - Bangladesh	17,771	27,325

OBAT CANADA
Schedule of Programs
For the year ended December 31, 2023

Meat Distribution - India	10,015	15,000
Meat Distribution - Pakistan	11,959	13,259
Meat Distribution - Rohingya	8,934	10,650
Orphan Sponsorship - Bangladesh	81,595	53,686
Orphan Sponsorship - Rohingya	95,112	21,000
	374,418	**298,568**
Clean Water & Sanitation		
Wells & Sanitation - Bangladesh	63,869	28,070
Wells & Sanitation - India	88,592	79,790
Wells & Sanitation - Pakistan	7,399	13,080
	159,860	**120,940**
Banking		
Bank & Payment Processing Fees	20,668	19,333
	20,668	**19,333**
Administrative Expenses		
Website Development & Hosting	1,334	516
Office & Miscellaneous	796	-
Professional Fees	2,310	1,500
Travel	1,379	-
Marketing & Promotion	-	655
	5,819	**2,671**

1. Purpose of the Organization

OBAT Canada is an international humanitarian organization raising and distributing funds to help relief victims in South Asia. The organization is incorporated under the Canada Corporations Act as a not-for-profit organization, is a registered charity and is exempt from income taxes under the Income Tax Act.

2. Significant Accounting Policies

Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles.

Fund Accounting

OBAT accounts are maintained in accordance with the principles of fund accounting. The unrestricted fund accounts represent unspent non-designated contributions accumulated over the life of the organization.

The Administrative Fund, Health Fund, Education, Basic Needs and Clean Water & Sanitation Funds are restricted based on the purpose of the donation received from the donor.

Revenue Recognition

The organization accounts for externally restricted contributions under the deferral method as follows. Unrestricted contributions are recorded as revenue when received. Externally restricted contributions are initially recorded as deferred contributions on the statement of financial position and recognized in revenue in the year in which the related expense is incurred.

Cash and cash equivalents

The entity's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity period of three months or less from the date of acquisition.

Foreign currency translation

Transactions in foreign currencies are expressed in Canadian dollar amounts. Monetary assets and liabilities denominated in foreign currency have been translated to Canadian dollars using the exchange rate in effect at the period-end date. Non-monetary items are translated to Canadian dollars using the rate in effect at the transaction date. Revenues and expenses in foreign currencies are reflected in Canadian dollars at the rate prevailing at the time of the transaction. Gains or losses resulting from these translation adjustments are included in income.

Transactions during the year in U.S. dollars and Bangladeshi Takas have been converted in the accounts to Canadian dollars at the exchange rate effective on the transaction date.

Financial Instruments

Initial and subsequent measurement

The company initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost,.

Financial assets measured at amortized cost includes cash and investments. Financial liabilities measured at amortized cost on a straight-line basis includes trade accounts payable.

Transaction costs

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in net income over the life of the instrument using the straight-line method.

Impairment

For financial assets measured at cost or amortized cost, the company determines whether there are indications of possible impairment. When there is an indication of impairment, and the company determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Donated Services

The work of the organization is dependent on the voluntary service of many individuals. Since these services are not normally purchased by the organization and because of the difficulty of determining their fair value, donated services are not recognized in these financial statements.

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.

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

3. Deferred Revenue

	2023	2022
	$	$
Balance, beginning of year	**147,214**	91,177
Deferred revenue recognized in the year	**(147,214)**	(91,177)
Donations received during the year	**1,234,618**	1,205,244
Donations recognized as revenue in the year	**(1,165,962)**	(1,058,030)
Balance, ending of year	**68,656**	147,214

The deferred revenue balance represents the unexpensed portion of donations for the various restricted funds. The balance consists of:

	2023	2022
Administrative Fund	**7,905**	3,352
Health Fund	**-**	61,235
Basic Needs Fund	**50,724**	33,095
Clean Water & Sanitation Fund	**10,027**	49,532
	68,656	147,214