

OBAT CANADA

Financial Statements

December 31, 2024

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, 2024, 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, 2024, 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, 2024 and 2023, current assets as at December 31, 2024 and 2023, and net assets as at January 1 and December 31 for both the 2024 and 2023 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.

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
Brossard, Quebec
June 25, 2025

OBAT CANADA
Statement of Financial Position
December 31, 2024

	2024	2023
Assets		
Current assets		
Cash	\$ 235,391	\$ 136,228
Accounts Receivable	8,241	-
Investments	323,164	300,000
Prepaid Expenses	-	71,545
Total Assets	566,796	507,773
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	2,831	2,486
Deferred revenue (Note 3)	95,462	68,655
Total Current Liabilities	98,293	71,141
Fund Balances		
Unrestricted	468,503	436,632
	468,503	436,632
Total Net Assets	\$ 566,796	\$ 507,773

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, 2024

	2024	2023
REVENUE		
Donations	\$ 1,176,984	\$ 1,313,176
Investment Revenue	23,164	-
Total Revenue	1,200,148	1,313,176
PROGRAM EXPENSES (See Schedule 1)		
Health	437,442	433,769
Education	251,891	354,223
Basic Needs	369,707	374,418
Clean Water	89,086	159,860
	1,148,126	1,322,270
ADMINISTRATIVE EXPENSES (See Schedule 1)		
Bank & Payment Processing Fees	16,780	20,668
Administration	3,371	5,819
	20,151	26,487
Total Operating Expenses	1,168,277	1,348,757
(Deficiency) excess of revenues over expenses for the year	\$ 31,871	\$ (35,581)

See accompanying notes to the financial statements

OBAT CANADA
Statement of Cash Flows
For the year ended December 31, 2024

	2024	2023
Cash flows from operating activities		
(Deficiency) excess of revenues over expenses for the year	\$ 31,871	\$ (35,581)
Changes in non-cash working capital items		
Increase in Accounts receivable	(8,241)	-
Increase in Investments	(23,164)	(300,000)
Decrease (Increase) in Prepaid expenses	71,545	(47,668)
Increase (Decrease) in Accounts payable and accrued liabilities	345	(22,812)
Increase (Decrease) Increase in deferred revenue liabilities	26,807	(78,559)
	67,292	(449,039)
(Decrease) Increase in cash	99,163	(484,620)
Cash - Beginning of the year	136,228	620,848
Cash - End of year	\$ 235,391	\$ 136,228

See accompanying notes to the financial statements

OBAT CANADA
Statement of Fund Balances
For the year ended December 31, 2024

	Restricted Funds					
	Administrative Fund	Health Fund	Education Fund	Basic Needs Fund	Clean Water & Sanitation Fund	Total 2024
Balance, beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenses for the year	10,933	(177,815)	(239,383)	51,248	(23,428)	(378,445)
Deferral of revenue	(10,933)	(15,156)	-	(69,373)	-	(95,462)
Transfer from unrestricted fund	-	192,971	239,383	18,125	23,428	473,907
Balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	Unrestricted General Fund	Restricted Funds	Total 2024	Total 2023
Balance, beginning of year	\$ 436,632	\$ -	\$ 436,632	\$ 472,213
Excess (deficiency) of revenues over expenses for the year	505,778	(378,445)	127,333	33,076
Deferral of revenue	-	(95,462)	(95,462)	(68,657)
Transfer (from) to un(restricted) fund	(473,907)	473,907	-	-
Increase to fund balance in the year	31,871	-	31,871	(35,581)
Balance, end of year	<u>\$ 468,503</u>	<u>\$ -</u>	<u>\$ 468,503</u>	<u>\$ 436,632</u>

See accompanying notes to the financial statements

OBAT CANADA**Schedule of Programs****For the year ended December 31, 2024**

	\$ 2024	\$ 2023
Health		
Eyesight Restoration - Bangladesh	23,900	18,069
Eyesight Restoration - Pakistan	148,824	136,927
Eyesight Restoration - Rohingya	59,520	59,520
Maternal Care - Rangpur	-	-
Maternal Care - Bangladesh	14,229	23,991
Medical Clinic - Rohingya	137,338	132,723
Medical Clinic - Bangladesh	53,631	62,539
	437,442	433,769
Education		
General Education	-	3,735
Arabic School - Bangladesh	2,862	1,596
Back to School - Bangladesh	53,713	53,725
Deaf Reach Student Sponsorship - Pakistan	-	5,000
Elementary School - Bangladesh	-	12,295
Elementary Schools - Pakistan	88,029	64,000
High School - Bangladesh	-	22,304
High School - Pakistan	48,424	14,400
IT Center - Bangladesh	-	3,071
Learning Centers - Rohingya	43,528	120,074
Preschools - Bangladesh	-	2,663
Sewing Centers - Bangladesh	-	3,293
Tutorial Centers - Bangladesh	15,335	23,067
Tutorial Centers - Pakistan	-	25,000
	251,891	354,223
Basic Needs		
Blanket Distribution - Bangladesh	2,648	2,967
Blanket Distribution - India	-	5,015
Emergency Relief - Pakistan	-	15,000
Family Sponsorship - Bangladesh	52,871	34,663
Food Basket Distribution - Bangladesh	30,736	29,023
Food Basket Distribution - India	10,015	15,015
Food Basket Distribution - Pakistan	9,957	15,149
Local Programs - Canada	53,630	32,200
Meat Distribution - Bangladesh	28,053	17,771

OBAT CANADA**Schedule of Programs****For the year ended December 31, 2024**

	\$	\$
	2024	2023
Basic Needs		
Meat Distribution - India	-	10,015
Meat Distribution - Pakistan	11,795	11,959
Meat Distribution - Rohingya	-	8,934
Orphan Sponsorship - Bangladesh	86,839	81,595
Orphan Sponsorship - Rohingya	83,163	95,112
	369,707	374,418
Clean Water & Sanitation		
Wells & Sanitation - Bangladesh	64,086	63,869
Wells & Sanitation - India	-	88,592
Wells & Sanitation - Pakistan	25,000	7,399
	89,086	159,860
Banking		
Bank & Payment Processing Fees	16,780	20,668
	16,780	20,668
Administrative Expenses		
Website Development & Hosting	422	1,334
Office & Miscellaneous	262	796
Professional Fees	2,240	2,310
	3,371	5,819

OBAT CANADA
Notes to the Financial Statements
For the year ended December 31, 2024

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.

OBAT CANADA
Notes to the Financial Statements
For the year ended December 31, 2024

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.

OBAT CANADA
Notes to the Financial Statements
For the year ended December 31, 2024

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.

OBAT CANADA
Notes to the Financial Statements
For the year ended December 31, 2024

3. Deferred Revenue

	2024	2023
	\$	\$
Balance, beginning of year	68,656	147,214
Deferred revenue recognized in the year	(68,656)	(147,214)
Donations received during the year	1,226,954	1,234,618
Donations recognized as revenue in the year	(1,131,492)	(1,165,962)
Balance, ending of year	95,462	68,656

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

	2024	2023
Administrative Fund	10,933	7,905
Health Fund	15,156	-
Basic Needs Fund	69,373	50,724
Clean Water & Sanitation Fund	-	10,027
	95,462	68,656