

CAMPBELL, SAUNDERS & CO.

THE OBAKKI FOUNDATION  
FINANCIAL STATEMENTS  
APRIL 30, 2017

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# CAMPBELL, SAUNDERS & CO.

Chartered Professional Accountants

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## INDEPENDENT AUDITORS' REPORT

To: The Members of  
The Obakki Foundation

We have audited the accompanying financial statements of **The Obakki Foundation**, which comprise the statement of financial position as at April 30, 2017 and the statements of revenue and expenses, changes in net assets and cash flows the year then ended, and 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.

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

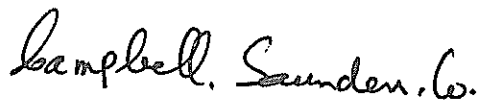
### **Basis for Qualified Opinion**

In common with many charitable organizations, The Obakki Foundation derives revenue from fundraising activities and donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of The Obakki Foundation and we were not able to determine whether any adjustments might be necessary to recorded contributions, the excess of revenues over expenses, and cash flows from operations for the years ended April 30, 2017 and net assets as at April 30, 2016.

INDEPENDENT AUDITORS' REPORT

**Qualified Opinion**

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the matters referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of The Obakki Foundation as at April 30, 2017 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit-organizations. As required by the Society Act of British Columbia we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.





CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.  
October 11, 2017

THE OBAKKI FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
AS AT APRIL 30, 2017

	2017	2016
<b>ASSETS</b>		
Cash	\$ 1,752	\$ 2,796
Accounts receivable	10,003	60
Prepaid expenses	2,149	1,161
Advances receivable	5,380	5,380
GST receivable	<u>350</u>	<u>250</u>
	<u>\$19,634</u>	<u>\$ 9,647</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 6,000	\$ 6,000
Advances payable (Note 3)	<u>-</u>	<u>5,510</u>
	<u>6,000</u>	<u>11,510</u>
<b>NET ASSETS</b>	<u>16,634</u>	<u>(1,863)</u>
	<u>\$19,634</u>	<u>\$ 9,647</u>

APPROVED BY THE DIRECTORS:

 J. Wick Director  
 T. Resman  
 \_\_\_\_\_ Director

THE OBAKKI FOUNDATION  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED APRIL 30, 2017

	2017	2016
BALANCE - BEGINNING OF YEAR	\$ (1,863)	\$ 3,695
Excess of (expenses over revenue) revenue over expenses	<u>15,497</u>	<u>(5,558)</u>
BALANCE - END OF YEAR	<u>\$13,634</u>	<u>\$ (1,863)</u>

THE OBAKKI FOUNDATION  
 STATEMENT OF REVENUE AND EXPENSES  
 FOR THE YEAR ENDED APRIL 30, 2017

	2017	2016
<b>REVENUE</b>		
Donations (Note 3)	<u>\$166,312</u>	<u>\$234,136</u>
<b>EXPENSES</b>		
Accounting	6,150	6,150
Advertising and promotion	3,000	4,100
Bank charges	516	401
Donations (Note 3)	132,410	216,824
Insurance	7,599	6,814
Projects	120	4,365
Travel	<u>1,020</u>	<u>1,040</u>
	<u>150,815</u>	<u>239,694</u>
<b>EXCESS OF (EXPENSES OVER REVENUE)</b>		
<b>REVENUE OVER EXPENSES</b>	<u>\$ 15,497</u>	<u>\$ (5,558)</u>

THE OBAKKI FOUNDATION  
STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED APRIL 30, 2017

	2017	2016
<b>OPERATIONS</b>		
Excess of (expenses over revenue) revenue over expenses	\$15,497	\$(5,558)
Changes in other operating accounts		
Accounts receivable	(9,943)	5,836
Prepaid expenses	(988)	49
Advances payable	(5,510)	(37)
Government remittances payable	<u>(100)</u>	<u>(250)</u>
<b>CHANGE IN CASH DURING THE YEAR</b>	(1,044)	40
Cash - beginning of year	<u>2,796</u>	<u>2,756</u>
<b>CASH - END OF YEAR</b>	<u>\$ 1,752</u>	<u>\$ 2,796</u>



THE OBAKKI FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2017

NOTE 1 - NATURE OF OPERATIONS

The Obakki Foundation is a non-for-profit charitable organization whose mission statement is using creativity as the medium for change and facilitate humanitarian efforts. The current focus of the Foundation is partnering with like minded organizations to provide clean water and educational supplies to the people of Africa. The Foundation receives significant support from directors and Companies controlled by its directors.

All administrative expenses are paid for by the donations given by the directors and companies controlled by directors. Any surpluses from the donations over and above these administrative expenses are used in the general projects. All other donations received are used 100% towards projects.

The Foundation was incorporated on June 16, 2009 under the Society Act of British Columbia and is a registered charitable foundation under the Canadian Income Tax Act.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash

Cash is comprised of operating cash.

Financial Instruments

The Foundation initially measures its financial assets and financial liabilities at fair value. The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and GST receivable.

Financial liabilities measured at amortized cost include accounts payable and advances from directors.

Use of Estimates

The preparation of financial statements in accordance with accounting standards for private enterprises 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 date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

THE OBAKKI FOUNDATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED APRIL 30, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Significant estimates included in these financial statements include but are not limited to recoverability of valuation of useful lives intangible assets and completeness accounts payable and accrued liabilities.

Foreign Currency Translation

Foreign currency accounts are translated into Canadian dollars as follow:

At the transaction date, each asset, liability, revenue and expense is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year end date, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in income in the current period.

Volunteer Services

The work of the Foundation is dependent on the efforts of many volunteers. Because these services are not normally purchased by the Foundation and because of the difficulty of determining their fair value, donated services are not recognized in these financial statements.

NOTE 3 - RELATED PARTY TRANSACTIONS

Transaction with related parties comprise the following:

	2017	2016
Liabilities		
Due to Obakki Designs	<u>\$ -</u>	<u>\$ 5,510</u>
Revenue		
Donations received from directors and companies controlled by directors	<u>\$ 63,079</u>	<u>\$147,928</u>
Expenses		
Donations made to The Obakki Foundation USA	<u>\$132,409</u>	<u>\$216,824</u>

THE OBAKKI FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2017

NOTE 3 - RELATED PARTY TRANSACTIONS (Cont'd)

The advances from directors are unsecured, non-interest bearing and have no fixed terms of repayment.

The Obakki Foundation and The Obakki Foundation USA have common management, identical aims and objectives and coordinate their action plans.

Obakki Designs and Obakki Foundation share common board and management. Obakki Designs facilitates fundraising on behalf of Obakki Foundation by retailing specific items and donating the proceeds to Obakki Foundation's objectives.

The above transactions were carried out in the normal course of operations and are recorded at the exchange value.

NOTE 4 - FINANCIAL INSTRUMENTS RISK

Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Financial instruments that potentially subject the Foundation to significant concentrations of currency risk consist of cash.

Liquidity Risk

Liquidity risk is the risk that the Foundation will not be able to meet its obligations as they fall due. The Foundation maintains adequate levels of working capital to ensure all its obligations can be met when they fall due.