

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATION

Financial Statements (Unaudited)
Year Ended October 31, 2019
and Review Engagement Report

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of Little Footprints, Big Steps International Development Organization

We have reviewed the accompanying financial statements of Little Footprints, Big Steps International Development Organization (the "Organization") that comprise the statement of financial position as at October 31, 2019, and the statements of operations, changes in net assets and cash flows for 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

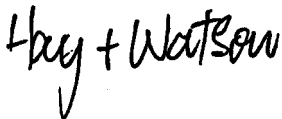
The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many non-profit organizations, the Organization receives donations, the completeness of which is not susceptible to satisfactory review procedures. Accordingly, our review of these receipts was limited to the amounts included in the records of the Organization, and we were not able to determine whether any adjustments might be necessary to receipts, excess of receipts over expenditures and cash flows from operations for the year ended October 31, 2019, and current assets and net assets as at October 31, 2019.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of the Organization as at October 31, 2019 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.



Chartered Professional Accountants
Vancouver, B.C.
April 17, 2020

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATION

Statement of Financial Position (Unaudited) October 31, 2019

	2019	2018
ASSETS		
Current		
Cash	\$ 328,921	\$ 217,897
Restricted cash (Note 7)	127,017	75,672
Restricted term deposits (Note 7)	72,366	122,281
Accounts receivable	2,452	1,278
Prepaid expenses	28,571	18,345
	559,327	435,473
Capital assets (Note 4)	306,229	134,215
	\$ 865,556	\$ 569,688
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 19,594	\$ 11,240
Deferred capital contributions (Note 5)	24,393	30,562
	43,987	41,802
NET ASSETS		
Capital Expenditure Reserve (Note 7)	124,382	122,954
Reserve for Emergency Response (Note 7)	40,000	40,000
Reserve for Land/Building Project (Note 7)	35,000	35,000
Unrestricted Net Assets	622,187	329,932
	821,569	527,886
	\$ 865,556	\$ 569,688

Operations (Note 1)

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

APPROVED BY THE BOARD

Director

Director

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATION

Statement of Operations (Unaudited) Year ended October 31, 2018

	2019	2018
RECEIPTS		
Donations	\$ 718,351	\$ 539,784
Fundraising events	11,295	8,722
Capital donations recognized (Note 5)	9,169	9,291
Interest income	1,429	1,034
	740,244	558,831
EXPENDITURES		
Bank charges and interest	6,703	5,299
Communications	7,501	1,123
Fundraising expense	1,017	1,776
Office expense	9,052	10,463
Professional fees	7,936	7,921
Program expenses (Schedules 1 to 3)	376,565	604,242
Travel	300	3,127
Salaries and benefits	34,537	44,017
	443,611	677,968
Excess (Deficiency) of Receipts over Expenditures Before Exchange Gains (Losses)	296,633	(119,137)
Exchange gains(losses)	(2,950)	(29,304)
Excess (Deficiency) of Receipts over Expenditures	\$ 293,683	\$ (148,441)

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

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATION

Statement of Changes in Net Assets (Unaudited)

Year Ended October 31, 2019

	Capital Expenditure Reserve (Note 7)	Reserve for Emergency Response (Note 7)	Reserve for Land/Building Project (Note 7)	Unrestricted	Total
October 31, 2017	\$ 121,920	\$ 40,000	\$ -	\$ 514,407	\$ 676,327
Deficiency of Receipts over Expenditures	-	-	-	(148,441)	(148,441)
Internally Imposed Restrictions	1,034	-	35,000	(36,034)	-
October 31, 2018	122,954	40,000	35,000	329,932	527,886
Excess of Receipts over Expenditures	-	-	-	293,683	293,683
Internally Imposed Restrictions	1,428	-	-	(1,428)	-
October 31, 2019	\$ 124,382	\$ 40,000	\$ 35,000	\$ 622,187	\$ 821,569

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

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATION

Statement of Cash Flows (Unaudited)

Year Ended October 31, 2019

	2019	2018
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Cash received – donations	\$ 719,529	\$ 539,353
Cash received – fundraising events	11,295	8,722
Cash received - interest	1,429	1,034
Cash disbursed for operating expenditures	(427,800)	(667,458)
Advance repayment from (to) employee	648	(648)
	305,101	(118,997)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Purchase of capital assets	(192,647)	(41,521)
Proceed from disposal of capital asset	-	32,188
Net redemption (purchase) of term deposits	49,915	(1,034)
	(142,732)	(10,367)
INCREASE (DECREASE) IN CASH	162,369	(129,364)
CASH, Beginning of Year	293,569	422,933
CASH, End of Year	\$ 455,938	\$ 293,569
CASH COMPOSED OF:		
Cash	\$ 328,921	\$ 217,897
Restricted cash	127,017	75,672
	\$ 455,938	\$ 293,569

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

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATION

Notes to Financial Statements (Unaudited)

October 31, 2019

1. OPERATIONS

Little Footprints, Big Steps International Development Organization (the "Organization") is a registered not-for-profit charitable organization incorporated in 2011 under the Province of Ontario's Corporation Act and subject to the Charities Accounting Act. The Organization was organized for the purposes of child protection, well-being and development toward self-sufficiency, family re-unification, community development and advocacy of child rights in Haiti.

2. BASIS OF PRESENTATION AND MEASUREMENT

Accounting Standards for Not-for-Profit Organizations

The Organization's financial statements are prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations ("ASNPO"). These financial statements are also prepared on a historical cost basis and are presented in Canadian dollars.

3. SIGNIFICANT ACCOUNTING POLICIES

Accounting Estimates and Judgments

The preparation of these financial statements requires management to make estimates, judgments and to form assumptions that affect the reported amounts and other disclosures in these financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of these assumptions form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates, judgments and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods.

Critical accounting estimates are estimates, judgments and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical estimates used in the preparation of these financial statements include, among others, the recoverability of accounts receivable and capital assets, and estimation of accrued liabilities.

Critical accounting judgments are used in applying the Organization's accounting policies that are complex or involve subjective judgments or assessments. Critical accounting judgments used by the Organization include the expected economic lives of and the estimated future operating results and future net cash flows from the Organization's assets.

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATION

Notes to Financial Statements (Unaudited)

October 31, 2019

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting

The Organization receives funding for specific purposes or the Board of Directors may decide to allocate or designate funds to be used for specific purposes. Funding or reserves included in these financial statements are:

- Capital Expenditure Reserve

The Capital Expenditure Reserve represents funds internally restricted for capital expenditures by the Board of Directors. Use of these funds for these purposes requires the explicit approval of the Board of Directors.

- Reserve for Emergency Response

The Reserve for Emergency Response (formerly Hurricane Relief Reserve) represents funds internally restricted for emergency response activities by the Board of Directors. Use of these funds for this purpose requires the explicit approval by the Board of Directors. The reserve was originally set up for hurricane relief efforts.

- Unrestricted Fund

The Unrestricted Fund represents the funds available to the Organization for its program delivery, development and administrative activities.

Revenue Recognition

The Organization follows the deferral method of accounting for contributions, which include grants, sponsorships and donations. Under this method, restricted contributions and grants are deferred and recognized as receipts when the related expenses are incurred. Restricted contributions received for the purchase of capital assets are deferred and recognized as contributions over the useful lives of assets which are acquired with these contributions. Unrestricted contributions and grants are recognized as received or receivable if the amount to be received is reasonably estimable and collection is reasonably assured.

In-kind donations of materials and services are recognized at fair value at the date of contribution, if the fair value can be reasonably estimated, when the materials and services are used in the normal course of the Organization's operations and would have otherwise have been purchased.

Investment income is recognized on an accrual basis.

Cash

Cash includes unrestricted cash on hand and balances with financial institutions.

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATION

Notes to Financial Statements (Unaudited)

October 31, 2019

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments

The Organization's financial assets consist of cash, restricted cash and restricted term deposits, all of which are measured at fair value, and accounts receivable, which is measured at amortized cost. The Organization's financial liabilities consist of accounts payable and accrued liabilities, which are measured at amortized cost. At October 31, 2019, the recorded amounts of the Organization's financial instruments approximate fair value.

Transaction costs directly attributable to the acquisition or issue of a financial asset or financial liability measured at amortized cost are added to the carrying amount of the financial asset or financial liability and are amortized to operations using the effective interest rate method.

At the end of each reporting period, the Organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. When there is an indication of impairment, the Organization determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset.

When the Organization identifies a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it reduces the carrying amount of the asset to the higher of:

- The present value of the cash flows expected to be generated by holding the asset, discounted using a current market rate of interest appropriate to that asset; and
- The amount that could be realized by selling the asset at the date of the statement of financial position.

Any impairment of the financial asset is charged to operations in the period in which the impairment is identified. When the extent of impairment of a previously impaired financial asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the adjusted carrying amount of the financial asset is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized. The amount of the reversal is recognized in operations in the period the reversal occurs.

Capital Assets

Capital assets are recorded at cost and are amortized over their estimated useful lives at the following annual rates and methods:

Furniture and Equipment	20%	Declining balance method
Automotive equipment	30%	Declining balance method

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATION

Notes to Financial Statements (Unaudited)
October 31, 2019

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of Long-Lived Assets

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of the capital asset may not be recoverable. Impairment is assessed by comparing the carrying amount of the capital asset with the total of the undiscounted cash flows expected from its use and disposition. If the capital asset is identified to be impaired, the impairment loss to be recognized is measured as the amount by which the carrying amount of the capital asset exceeds its fair value, generally determined on a discounted cash flow basis. Any impairment results in a write-down of the capital asset and charge to operations during the year. An impairment is not reversed if the fair value of the related capital asset subsequently increases.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

Deferred Contributions

Deferred contributions include restricted contributions received for specific uses for which the related expenditures have not been incurred.

Foreign Currency Transactions

Monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars using year-end exchange rates. Receipts and expenses denominated in foreign currencies are translated to Canadian dollars throughout the year at the prevailing exchange rate on the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars at historical exchange rates in effect on the dates of initial transactions. Exchange gains and losses are recorded in the statement of operations.

Income Taxes

The Organization, as a non-profit organization, is not subject to Federal or Provincial income taxes.

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATION

Notes to Financial Statements (Unaudited)
October 31, 2019

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	2018 Net Book Value	2018 Net Book Value
Land	\$ 79,865	\$ -	\$ 79,865	\$ 79,865
Land improvements	156,292	-	156,292	5,566
Furniture and equipment	10,106	8,096	2,010	2,512
Computer equipment	1,400	1,088	312	390
Automotive equipment	127,410	59,660	67,750	45,882
	\$ 375,073	\$ 68,844	\$ 306,229	\$ 134,215

Amortization of \$580 (2018 - \$725) and \$20,053 (2018 – \$11,959) are included in Safehouse program expenditures (Schedule 2) and Outreach program expenditures (Schedule 3), respectively.

5. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital donations represent capital donations received, which have been used for the acquisition of capital assets. They are recognized as contributions over the useful lives of the assets acquired.

2019	Balance, beginning of year	Amounts received	Amount recognized as receipts	Balance, end of year
Automotive equipment	\$ 30,562	\$ -	\$ (9,169)	\$ 21,393
Land and building improvements	-	68,437	(65,437)	3,000
	\$ 30,562	\$ 68,437	\$ (74,606)	\$ 24,393

2018	Balance, beginning of year	Amounts received	Amount recognized as receipts	Balance, end of year
Automotive equipment	\$ 39,853	\$ -	\$ (9,291)	\$ 30,562

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATION

Notes to Financial Statements (Unaudited)
October 31, 2019

6. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent contributions which are externally restricted to specific programs. During the year ended October 31, 2019, the Organization did not receive contributions restricted for programs.

2018	Balance, beginning of year	Amounts received	Amount recognized as receipts	Balance, end of year
Hurricane relief	\$ -	\$ 60,990	\$ (60,990)	\$ -
Health outreach workshops	-	2,000	(2,000)	-
	\$ -	\$ 62,990	\$ (62,990)	\$ -

7. RESERVE FUNDS

The Capital Expenditure Reserve was established in 2014 by the Board of Directors to fund capital expenditures. The balance of the fund as at October 31, 2019 is \$124,382 (2018 - \$122,954). The Capital Expenditure Reserve funds are included in restricted cash and restricted term deposits on the statement of financial position.

The Hurricane Relief Reserve was established in 2016 by the Board of Directors to fund relief efforts for Hurricane Matthew, which affected Haiti in October 2016. This reserve was converted to the Reserve for Emergency Response during the year ended October 31, 2017 and will be used for future emergency response activities. The balance of the fund as at October 31, 2019 is \$40,000 (2018 - \$40,000). The Reserve for Emergency Response funds are included in restricted cash on the statement of financial position.

The Reserve for Land/Building was established in 2018 by the Board of Directors to fund the development of the land and buildings. The balance of the fund as at October 31, 2019 is \$35,000 (2018 – \$35,000). The Reserve for Land/Building funds are included in restricted cash on the statement of financial position.

8. RELATED PARTY TRANSACTIONS

Related parties of the Organization are considered to be the board members and senior management of the Organization. During the year ended October 31, 2019, \$ 4,480 (2018 - \$4,460) of donations were received from board members of the Organization. As at October 31, 2019, accounts payable and accrued liabilities included \$1,235 (2018-\$nil) owing to a board member of the organization for expense reimbursements.

All related party transactions are in the normal course of operations and are measured at the exchange amount agreed to by the related parties.

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATION

Notes to Financial Statements (Unaudited)

October 31, 2019

9. FINANCIAL RISK MANAGEMENT

The Organization's financial instruments are exposed to certain financial risks, which include credit risk, interest rate risk, currency risk and liquidity risk.

Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist primarily of cash, term deposits and accounts receivable.

The Organization's cash and term deposits held at insured Canadian financial institutions as at October 31, 2019 are \$437,388 (2018 - \$285,450) and the associated credit risk is considered minimal. Cash held at a bank in Haiti as at October 31, 2019 is \$71,252 (2018 - \$121,005) and the associated credit risk is considered to be moderate to high.

As at October 31, 2019, the Organization has recorded \$2,452 (2018 - \$630) in donations receivable from various individuals and approximately \$nil due from an employee (2018 - \$648).

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The Organization is exposed from time to time to interest rate risk as a result of holding fixed rate term deposits of varying maturities. The risk that the Organization will realize a loss as a result of a decline in the fair value of these investments is limited as these investments are highly liquid securities with short-term maturities.

Currency risk

Currency risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in foreign exchange rates. The primary currency used by the Organization in Haiti is the US dollar and the Organization is exposed to currency risk to the extent that it has US dollar deposits at Canadian and Haitian financial institutions. As at October 31, 2019, the Organization had US dollar denominated cash deposits of approximately US \$90,430 (2018 - US \$106,217)

Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet its financial obligations as they fall due. Accounts payable and accrued liabilities are due within the current operating period. The Organization manages liquidity risk through the management of its capital structure (Note 10).

10. CAPITAL MANAGEMENT

The Organization defines its capital for capital management purposes as cash. The Organization's capital management objective is to maximize its cash flows from donations in order to maintain sufficient liquidity to fund its ongoing operating costs.

The Organization's primary sources of capital are donations, grants and receipts from fundraising events.

The Organization monitors and achieves its capital management objective, which is unchanged from prior years, through short- and long-term liquidity plans, to which it makes changes in light of changes in economic conditions.

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATIONSchedule 1 – Education Program Expenditures
Year ended October 31, 2019


	2019	2018
EXPENDITURES		
Supplies	\$ 14,710	\$ 22,573
Training	1,372	6,827
Tuition and tutors	43,398	57,810
Vocational	6,211	3,675
Transportation	1,014	235
	\$ 66,705	\$ 91,120

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATIONSchedule 2 – Safehouse Expenditures
Year ended October 31, 2019

	2019	2018
EXPENDITURES		
Amortization	\$ 580	\$ 725
Food and water	15,456	20,870
Medical and dental	236	160
Recreational activities	869	93
Rent	14,033	18,700
Repairs and maintenance	2,972	2,905
Supplies	2,446	4,768
Utilities	1,611	1,293
Wages and benefits	22,961	30,176
	\$ 61,164	\$ 79,690

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATIONSchedule 3 – Outreach
Year ended October 31, 2019

	2019	2018
EXPENDITURES		
Agriculture and livestock	\$ 2,216	\$ 23,904
Business start-up	10,642	13,794
Communication	1,787	4,556
Community education	4,273	7,809
Clothing and supplies	12,719	15,876
Food	19,528	32,065
Housing	16,060	44,345
Medical and dental	24,716	46,462
Transportation	34,985	63,070
Wages	101,717	161,229
Amortization	20,053	11,959
Loss on disposal of truck (Note 5)	-	8,363
	\$ 248,696	\$ 433,432

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Solange Miese