

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATION

Financial Statements
Year Ended October 31, 2022
and Auditor's Report

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Little Footprints, Big Steps International Development Organization (the "Organization"), which comprise the statement of financial position as at October 31, 2022, the statement of operations and changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at October 31, 2022 and its financial performance and 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, we are not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended October 31, 2022, current assets as at October 31, 2022 and net assets as at October 31, 2022. Our audit opinion on the financial statements for the year ended October 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's 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 qualified audit opinion.

Report on Other Legal and Regulatory Requirements

As required by the Canada Not-for-Profit Corporation Act, we report that, in our opinion, the generally accepted accounting principles in the Canadian accounting standards for not-for-profit organizations have been applied on a consistent basis for the year ended October 31, 2022.

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

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 auditor's 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.

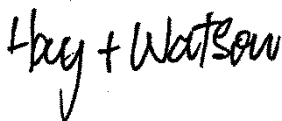
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 auditor's 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 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.

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.

Comparative Information

The comparative information was obtained from financial statements which were not audited.



Chartered Professional Accountants
Vancouver, B.C.
March 9, 2023

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATION

Statement of Financial Position October 31, 2022

ASSETS	2022	2021 (Unaudited)
Current		
Cash	\$ 263,055	\$ 733,860
Restricted cash (Note 9)	261,636	210,142
Short term investments (Note 4)	223,312	197,245
Accounts receivable	-	684
Advances receivable	8,902	10,402
Prepaid expenses	19,291	73,191
	776,196	1,225,524
Advances receivable	-	3,297
Capital assets (Note 5)	555,904	350,841
	\$ 1,332,100	\$ 1,579,662
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 18,380	\$ 11,975
Business Start-Up Program grants payable (Note 6)	-	1,470
	18,380	13,445
Deferred contribution (Note 7)	165,017	290,580
Deferred capital contributions (Note 7)	204,411	428,062
	387,808	732,087
NET ASSETS		
Capital Expenditure Reserve (Note 9)	176,636	125,142
Reserve for Emergency Response (Note 9)	40,000	40,000
Reserve for Land/Building Project (Note 9)	45,000	45,000
Unrestricted Net Assets	682,656	637,433
	944,292	847,575
	\$ 1,332,100	\$ 1,579,662

Operations (Note 1)

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

APPROVED BY THE BOARD

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LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATION

Statement of Operations Year ended October 31, 2022

	2022	2021 (Unaudited)
RECEIPTS		
Donations	\$ 499,359	\$ 518,373
Program donations recognized (Note 7)	305,003	-
Capital donations recognized (Note 7)	223,651	4,492
Fundraising events	333	4,462
Investment income (Note 4)	1,494	181
Other in-kind donations (Note 8)	5,000	-
Other contributions	-	23,399
	1,034,840	550,907
EXPENDITURES		
Amortization	3,789	-
Bank charges and interest	7,207	17,992
Communications	11,443	3,088
Fundraising expense	2,340	3,919
Office expense	17,883	16,037
Professional fees	36,356	30,082
Program expenses (Schedules 1 to 5)	741,904	477,785
Travel	677	2,739
Insurance	1,024	1,024
Salaries and benefits	119,971	85,530
	942,594	638,197
Excess (Deficiency) of Receipts over Expenditures Before the Undernoted	92,246	(87,290)
Foreign exchange gains	(29,901)	(467)
Realized gains on sale of donated goods	-	(3,297)
Unrealized losses (gains) on short term investments (Note 4)	25,429	(1,196)
Excess (Deficiency) of Receipts over Expenditures	\$ 96,718	\$ (92,250)

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

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATION

Statement of Changes in Net Assets Year Ended October 31, 2022

	Capital Expenditure Reserve (Note 9)	Reserve for Emergency Response (Note 9)	Reserve for Land/Building Project (Note 9)	Unrestricted (Note 9)	Total
October 31, 2020 (unaudited)	\$ 124,961	\$ 40,000	\$ 45,000	\$ 729,864	\$ 939,825
Deficiency of Receipts over Expenditures	-	-	-	(92,250)	(92,250)
Internally Imposed Restrictions	181	-	-	(181)	-
October 31, 2021	125,142	40,000	45,000	637,433	847,575
Excess of Receipts over Expenditures	-	-	-	96,718	96,718
Internally Imposed Restrictions	51,495	-	-	(51,495)	-
October 31, 2022	\$ 176,636	\$ 40,000	\$ 45,000	\$ 682,656	\$ 944,292

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

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATION

Statement of Cash Flows Year Ended October 31, 2022

	2022	2021 (Unaudited)
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
General donation receipts	\$ 498,490	\$ 518,373
Fundraising receipts	333	4,462
Cash contributions received	76,834	290,580
Capital contributions received	(156,856)	414,282
Interest income received	-	181
Other cash received	5,000	24,734
Cash disbursed for operating expenditures	(797,763)	(692,062)
Net repayments from (advances to) employees	4,651	(13,699)
	(369,311)	147,750
CASH FLOWS (USED IN) FROM INVESTING ACTIVITIES		
Net purchase of capital assets	-	(7,170)
Proceeds from redemption of term deposit	-	72,945
Purchase of short-term investments	(50,000)	(198,440)
	(50,000)	(132,665)
(DECREASE) INCREASE IN CASH	(419,311)	414,186
CASH, Beginning of Year	944,002	529,816
CASH, End of Year	\$ 524,691	\$ 944,002
CASH COMPOSED OF:		
Cash	\$ 263,055	\$ 733,860
Restricted cash	261,636	210,142
	\$ 524,691	\$ 944,002

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

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATION

Notes to Financial Statements
October 31, 2022

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 started 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.

The Association is a charity registered under the provisions of the Income Tax Act and is exempt from income taxes in Canada.

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.

The comparative information in these financial statements was obtained from unaudited financial statements.

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 and provisions.

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

October 31, 2022

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.

- Restricted Contributions

The Restricted Contributions represent funds both externally and internally restricted for specific programs for which they have been raised. The usage of these funds is often stipulated by signed agreements between the Organization and contributing partners.

- Reserve for Emergency Response

The Reserve for Emergency Response 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.

- Reserve for Land/Building Project

The Reserve for Land/Building Project represents funds internally restricted for the development of the Organization's land and construction of the Organization's office. Use of these funds for this purpose requires the explicit approval by the Board of Directors.

- 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.

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATION

Notes to Financial Statements

October 31, 2022

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Financial Instruments

The Organization's financial assets consist of cash, restricted cash, restricted term deposits and mutual fund investments, 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 and provisions for grants, which are measured at amortized cost. At October 31, 2022, 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.

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATION

Notes to Financial Statements
October 31, 2022

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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
Security Wall	8%	Declining balance method

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.

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATION

Notes to Financial Statements
October 31, 2022

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

4. SHORT-TERM INVESTMENTS

The Organization invests its excess cash in a Mutual Fund portfolio held at TD Bank of Canada. The financial instruments are highly liquid, low-risk and are measured at fair value based on a market index, which is a level 1 fair value measurement. As of October 31, 2022, the 16,179 units (2021 – 12,654 units) held in this portfolio are measured at the fair value of \$223,312 (2021 - \$197,245) and have a book cost of \$250,097 (2021 - \$198,603).

During the year ended October 31, 2022, the portfolio earned dividend income of \$1,494 (2021 - \$nil), all of which has been reinvested.

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	2022 Net Book Value	2021 Net Book Value (unaudited)
Land	\$ 79,865	\$ -	\$ 79,865	\$ 79,865
Land improvements	230,942	-	230,942	230,942
Furniture and equipment	12,411	9,723	2,688	3,360
Security wall	220,506	3,789	216,717	-
Computer equipment	1,400	1,240	160	200
Automotive equipment	129,617	104,085	25,532	36,474
	\$ 674,741	\$ 118,837	\$ 555,904	\$ 350,841

Amortization of \$712 (2021 - \$602) and \$10,942 (2021 – \$14,847) are included in Safehouse program expenditures (Schedule 2) and Outreach program expenditures (Schedule 3), respectively.

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATION

Notes to Financial Statements October 31, 2022

6. BUSINESS START-UP PROGRAM

The Business Start-Up Program assists Haitian women start-up local businesses. Eligible participants will be advanced an initial capital amount with the commitment of repaying it at an agreed upon monthly amount. Upon full repayment of the initial capital advance, the Organization will provide the participant with a subsequent advance equal to the initial capital advance plus 30%. The likelihood of full repayment and the actual repayment term will vary from participant to participant. Upon successful repayment of all advances to participants, the Organization will provide the successful participant with a non-refundable grant equal to the amounts repaid by the participant. The Organization makes assessments of the likelihood of full repayment and records a provision for grants that it will likely payout to participants.

In October 2021, the Organization terminated the initial phase of this program and provided non-refundable grants to participants for amounts repaid up to the termination of the program. As at October 31, 2022, the Organization has written-off the prior year accrual of \$1,470 in non-refundable grants that it intends to payout to participants.

7. 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. The balances also include in-kind donations received that were used or to be used in program activities.

2022	Balance, beginning of year (unaudited)	Amounts received	Amount recognized as receipts	Balance, end of year
Automotive equipment	\$ 10,483	\$ -	\$ (3,145)	\$ 7,338
Earthquake Relief Funds	290,580	179,440	(305,003)	165,017
Land and building improvements	417,579	-	(220,506)	197,073
	\$ 718,642	\$ 179,440	\$ (525,181)	\$ 369,428
2021	Balance, beginning of year	Amounts received	Amount recognized as receipts	Balance, end of year
Automotive equipment	\$ 14,975	\$ -	\$ (4,492)	\$ 10,483
Earthquake Relief Funds	-	290,580	-	290,580
Land and building improvements	-	417,579	-	417,579
	\$ 14,975	\$ 708,159	\$ -	\$ 718,642

8. DONATIONS IN-KIND

The Organization received a one-time clothing donation with a book cost of \$35,648 during the year ended October 31, 2022. The items were auctioned off immediately for cash receipts of \$5,000, which is reported on the income statement as the most appropriate fair value of the donations in-kind at the time of receipt.

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATION

Notes to Financial Statements

October 31, 2022

9. 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, 2022 is \$176,636 (2021 - \$125,142). The Capital Expenditure Reserve funds are included in restricted cash 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, 2022 is \$40,000 (2021 - \$40,000). The Reserve for Emergency Response funds are included in restricted cash on the statement of financial position.

The Reserve for Land/Building Project 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, 2022 is \$45,000 (2021 - \$45,000). The Reserve for Land/Building Project funds are included in restricted cash on the statement of financial position.

10. 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, 2022, \$2,539 (2021 - \$301) of donations were received from board members of the Organization.

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

11. 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, 2022 are \$526,860 (2021 - \$900,807) and the associated credit risk is considered minimal. Cash held at a bank in Haiti as at October 31, 2022 is \$46,945 (2021 - \$39,634) and the associated credit risk is considered to be moderate to high.

As at October 31, 2022, the Organization has recorded \$1,550 (2021 - \$684) in donations receivable from various individuals and approximately \$7,352 in advances due from employees (2021 - \$13,699).

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATION

Notes to Financial Statements

October 31, 2022

11. FINANCIAL RISK MANAGEMENT (continued)

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 significant loss as a result of a decline in the fair value of these investments is limited as it holds only mutual funds with high liquidity as of October 31, 2022.

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, 2022, the Organization had US dollar denominated cash deposits of approximately US \$66,079 (2021 - US \$119,728).

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 12).

12. 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.

13. SUBSEQUENT EVENTS

An authorizing resolution was obtained from the members of the Board at the annual meeting of the Members of the Organization, held on November 17, 2022, to approve the transfer from provincial jurisdiction to federal jurisdiction, and to proceed with filing for continuance under the *Canada Not-for-Profit Corporation Act* (CNCA).

Confirmation authorizing the Organization's transfer of jurisdiction was granted by the Province of Ontario on December 13, 2022, pursuant to which the Organization continued itself as a federal not-for-profit corporation under the CNCA.

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATION

Schedule 1 – Education Program Expenditures

Year ended October 31, 2022

EXPENDITURES	2022	2021 unaudited
Supplies	\$ 16,690	\$ 19,092
Training	10,178	77
Tuition and tutors	61,956	65,926
Vocational	123	2,025
Transportation	4,191	127
	\$ 93,138	\$ 87,247

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATIONSchedule 2 – Safehouse Expenditures
Year ended October 31, 2022

	2022	2021 (unaudited)
EXPENDITURES		
Amortization	\$ 712	\$ 602
Food and water	21,628	21,990
Medical and dental	8,087	451
Recreational activities	1,508	752
Rent	8,973	16,211
Repairs and maintenance	11,725	2,648
Supplies	4,752	4,577
Utilities	9,615	2,871
Wages and benefits	66,520	44,908
Miscellaneous	25	316
	\$ 133,545	\$ 95,326

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATIONSchedule 3 – Outreach
Year ended October 31, 2022

	2022	2021 (unaudited)
EXPENDITURES		
Advocacy	\$ 7,524	\$ 307
Agriculture and livestock	2,182	1,607
Amortization	10,942	14,847
Business start-up	7,369	741
Communication	-	3,477
Community education	1,155	595
Clothing and supplies	2,082	5,088
Food	1,849	24,560
Housing	991	3,261
Medical and dental	6,284	20,514
Recreation	258	-
Transportation	30,682	45,619
Wages	128,189	103,344
	\$ 199,507	\$ 223,960

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATIONSchedule 4 – Earthquake Relief
Year ended October 31, 2022

	2022	2021 unaudited
EXPENDITURES		
Clothing	\$ -	\$ 35
Disaster Relief Assistance	129,391	-
Food/Water	5,257	7,920
Housing	138,331	55,271
Medical	3,974	-
Transportation	2,489	4,505
Wages	25,561	3,521
	\$ 305,003	\$ 71,252

LITTLE FOOTPRINTS, BIG STEPS INTERNATIONAL DEVELOPMENT ORGANIZATIONSchedule 5 – Special Advocacy
Year ended October 31, 2022

	2022	2021
EXPENDITURES		
Special Interventions	\$ 4,422	\$ -
Contributions	6,289	-
	\$ 10,711	\$ -
