

BIG BROTHERS BIG SISTERS OF WINNIPEG INC.

FINANCIAL STATEMENTS

MARCH 31, 2022

INDEPENDENT AUDITOR'S REPORT

To the Directors of Big Brothers Big Sisters of Winnipeg Inc.:

Opinion

We have audited the financial statements of Big Brothers Big Sisters of Winnipeg Inc. (the Organization), which comprise the statement of financial position as at March 31, 2022, and the statement of operations, statement of changes in net assets and statement of cash flows the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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 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 the 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.

Other information

Management is responsible for the other information. The other information comprises the annual report which does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 controls.
- 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.

Scarrow & Donald LLP

Chartered Professional Accountants

June 28, 2022

Winnipeg, Canada

BIG BROTHERS BIG SISTERS OF WINNIPEG INC.

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31

	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets:		
Cash	\$ 513,513	\$ 486,613
Accounts receivable (Note 3)	30,941	43,844
Inventory	5,248	5,965
Prepaid expenses	31,038	29,156
	<u>580,740</u>	<u>565,578</u>
Capital assets (Note 4)	<u>1,895,852</u>	<u>1,959,684</u>
	<u>\$ 2,476,592</u>	<u>\$ 2,525,262</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 50,502	\$ 56,178
Government remittances payable	126	-
Lines of credit (Note 5)	166,442	183,799
Current portion of mortgage payable (Note 6)	39,611	874,943
	<u>256,681</u>	<u>1,114,920</u>
Deferred contributions - capital assets (Note 7)	707,983	749,540
Deferred contributions - programs (Note 8)	192,645	215,602
Mortgage payable (Note 6)	797,196	-
	<u>1,954,505</u>	<u>2,080,062</u>
NET ASSETS		
Unappropriated fund:		
Invested in capital assets	184,620	151,402
Appropriated fund:		
Future operations	337,467	293,798
	<u>522,087</u>	<u>445,200</u>
	<u>\$ 2,476,592</u>	<u>\$ 2,525,262</u>

APPROVED BY THE BOARD:

Director

M. L. S.

Director

BIG BROTHERS BIG SISTERS OF WINNIPEG INC.

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31

	<u>2022</u>	<u>2021</u>
Revenue:		
United Way of Winnipeg	\$ 299,503	\$ 287,898
Manitoba Family Services and Housing (Note 13)	257,053	204,773
Government of Manitoba - Justice	30,000	30,000
Foundation contributions	160,582	18,231
Other contributions, donations and fundraising	162,087	82,682
Interest	460	505
COVID-19 (Note 14)	52,436	257,516
Big Smiles	271,116	214,036
Amortization of deferred revenue - capital assets	45,581	42,545
	<u>1,278,818</u>	<u>1,138,186</u>
Expenses:		
Advertising and promotion	9,957	9,494
Amortization of capital assets	74,485	74,568
Bank charges and interest	2,929	2,178
Big Smiles	69,696	77,472
Big Smiles - wages and benefits	154,870	108,212
Board expenses	100	483
Caseworkers	3,136	561
Computer and technology	18,421	8,655
Criminal records checks	372	-
Dues, fees and memberships	18,351	18,805
Employee benefits	62,472	49,806
Equipment rental	7,306	6,822
Fundraising	17,469	2,576
Insurance	40,991	37,326
Interest - long-term	37,899	39,520
Meetings and travel	1,086	617
Newsletter	686	245
Office	5,282	4,949
Postage	2,244	3,725
Premises cleaning, parking and utilities	23,211	21,610
Professional fees	34,793	12,839
Property taxes	10,950	10,794
Recreation	15,049	10,368
Recruitment	3,881	5,094
Salaries	566,615	524,435
Staff development	5,603	2,508
Telephone	4,106	4,540
Vehicle	3,527	3,408
Volunteer recognition	6,444	1,561
	<u>1,201,931</u>	<u>1,043,171</u>
Difference between revenue and expenses before		
gain on disposal of capital assets	76,887	95,015
Loss on disposal of capital assets	-	(5,516)
Difference between revenue and expenses	<u>\$ 76,887</u>	<u>\$ 89,499</u>

BIG BROTHERS BIG SISTERS OF WINNIPEG INC.

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31

	<u>Unappropriated Fund</u>		<u>Appropriated</u>	2022	2021
	<u>Unrestricted</u>	<u>Invested in capital assets</u>	<u>Fund Future operations</u>		
				<u>Total</u>	<u>Total</u>
Net assets, beginning of year	\$ -	\$ 151,402	\$ 293,798	\$ 445,200	\$ 355,701
Purchases of capital assets	(10,653)	10,653	-	-	-
Repayment on mortgage	(38,136)	38,136	-	-	-
Change in lines of credit	(17,357)	17,357	-	-	-
Deferred contributions received	4,024	(4,024)	-	-	-
Difference between revenue and expenses	105,791	(28,904)	-	76,887	89,499
Interfund transfer (Note 10)	(43,669)	-	43,669	-	-
Net assets, end of year	<u>\$ -</u>	<u>\$ 184,620</u>	<u>\$ 337,467</u>	<u>\$ 522,087</u>	<u>\$ 445,200</u>

BIG BROTHERS BIG SISTERS OF WINNIPEG INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31

	<u>2022</u>	<u>2021</u>
Cash flow from operating activities:		
Difference between revenue and expenses	\$ 76,887	\$ 89,499
Items not affecting cash -		
Amortization of deferred contributions - capital assets (Note 7)	(45,581)	(42,545)
Amortization of deferred contributions - programs (Note 8)	(90,354)	(19,068)
Amortization of capital assets	74,485	74,568
Canada Emergency Business Account loan forgiveness	-	(10,000)
Loss on disposal of capital assets	-	5,516
Receipt of deferred contributions - capital assets (Note 7)	4,024	46,513
Receipt of deferred contributions - programs (Note 8)	67,397	178,281
	<u>86,858</u>	<u>322,764</u>
Change in non-cash operating working capital items (Note 11)	6,188	(8,531)
	<u>93,046</u>	<u>314,233</u>
Cash flow from investing activities:		
Purchase of capital assets	(10,653)	(39,038)
Proceeds from Canada Emergency Business Account	-	40,000
Repayment of Canada Emergency Business Account	-	(30,000)
	<u>(10,653)</u>	<u>(29,038)</u>
Cash flow from financing activities:		
Mortgage repayments	(38,136)	(18,672)
Change in lines of credit	(17,357)	(8,749)
	<u>(55,493)</u>	<u>(27,421)</u>
Change in cash	26,900	257,774
Cash, beginning of year	486,613	228,839
Cash, end of year	<u>\$ 513,513</u>	<u>\$ 486,613</u>

BIG BROTHERS BIG SISTERS OF WINNIPEG INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

1. Nature of operations:

Big Brothers Big Sisters of Winnipeg Inc. (the Organization) was incorporated under the laws of Manitoba as a corporation without share capital. The Organization's mission is to provide children with mentors for friendship, support, and guidance. The Organization is a registered charity and is exempt from income tax under paragraph 149(1)(f) of the Income Tax Act.

2. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. An assumption underlying the preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations is that the Organization will continue for the foreseeable future and will be able to realize its assets and discharge liabilities in the normal course of operations.

The financial statements include the following significant accounting policies:

a) Accounting estimates-

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period.

Accounting estimates are included in financial statements to approximate the effect of past transactions or events, or to approximate the present status of an asset or liability. It is possible that changes in future economic conditions could require changes in the recognized amounts for accounting estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the period in which they became known.

Significant areas of estimation by management include the impairment of non-financial assets, the useful lives of capital assets and the fair value of financial instruments.

Management bases their judgments, estimates and assumptions on factors they believe to be reasonable in the circumstances, but which may be inherently uncertain and unpredictable.

b) Financial instruments-

Financial instruments are measured at fair value on initial recognition adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Transaction costs related to financial instruments that will be measured subsequently at fair value are recognized in difference between revenue and expenses for the period incurred.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

2. Significant accounting policies (continued):

b) Financial instruments (continued)-

In subsequent periods, investments in equity instruments that are quoted in an active market and certain derivative contracts are measured at fair value without any adjustment for transaction costs that may incur on sale or other disposal. The Organization may elect to measure any financial instrument at fair value when the asset or liability is first recognized or for equity instruments previously measured at fair value when the equity instrument ceases to be quoted in an active market. Other investments in equity instruments are measured at cost less any reduction for impairments. All other financial instruments are measured at amortized cost. Amortized cost is the amount at which the financial instrument is measured at initial recognition less principal repayments, plus or minus the cumulative effect of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

The Organization measures all its financial instruments measured at amortized cost.

The Organization assesses impairment of all its financial assets, except those classified at fair value. Management considers whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. Impairment is measured as the difference between the asset's carrying value and its fair value. Impairment is included in difference between revenue and expenses.

c) Revenue recognition-

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income on restricted contributions is recognized as revenue in the year in which the related expenses are incurred.

Revenue from Big Smiles, fundraising and other programs is recognized upon the delivery of goods and services and when collection can be reasonably assured.

d) Contributed services-

Contributed materials and services that would otherwise be paid for by the Organization are recorded at fair value at the date of contribution.

Volunteers contribute time to assist the Organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

e) Inventory-

Inventory is valued at the lower of cost and net realizable value and carried at the average cost of collection and storage of donated items. The cost of inventories comprise the purchase price, non-recoverable taxes, transport and handling costs directly attributable to the acquisition of inventories, net of any discounts or other rebates.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

2. Significant accounting policies (continued):

f) Capital assets-

Capital assets are recorded at cost and amortized over their estimated useful lives, except for contributed assets which are recorded at fair market value at the time of the contribution plus all costs directly attributable to the acquisition. This requires estimation of the useful life of the asset and its salvage and residual value. When a capital asset is impaired, the excess of its net carrying amount over the asset's fair value or replacement cost is recognized as an expense. As is true for all accounting estimates, it is possible that changes in future conditions could require changes in the recognized amounts for accounting estimates.

Capital assets are amortized on straight-line basis at the following rates:

Building	40 years
Computer equipment	2 years
Office furniture and equipment	3 - 5 years
Signage	5 years
Vehicle	5 years
Video	2 years

g) Net assets-

Net assets are reported by the Organization through an Unappropriated Fund and an Appropriated Fund. The Unappropriated Fund accounts for the Organization's program delivery and administrative activities and represents unrestricted net assets used for the day-to-day operations of the Organization and funds invested in capital assets. The Appropriated Fund represents internally restricted funds to be used to support future operating expenses and for capital purposes. The internally restricted amount is not available for other purposes without the approval of the Board of Directors.

3. Accounts receivable:

Accounts receivable includes receivables of \$nil (2021 - \$4,997) for the Canada Emergency Wage Subsidy and Temporary Wage Subsidy related to salaries and wages during the year ended March 31, 2022.

4. Capital assets:

	<u>2022</u>		<u>2021</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Cost</u>	<u>Accumulated amortization</u>
Land	\$ 428,000	\$ -	\$ 428,000	\$ -
Building	1,632,311	199,377	1,632,311	158,569
Computer equipment	54,757	46,438	45,369	40,233
Office furniture and equipment	125,020	117,328	123,755	105,345
Signage	15,582	4,675	15,582	1,558
Vehicle	16,000	8,000	16,000	4,800
Video	18,344	18,344	18,344	9,172
	<u>\$ 2,290,014</u>	<u>\$ 394,162</u>	<u>\$ 2,279,361</u>	<u>\$ 319,677</u>
Net book value	<u>\$ 1,895,852</u>		<u>\$ 1,959,684</u>	

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

5. Lines of credit:

The Organization has a line of credit for operations in the amount of \$50,000 (2021 - \$50,000) of which \$nil was drawn at year end (2021 - \$nil). The line of credit bears interest at prime plus 1.55% (2021 - prime plus 1.55%) and is secured by a general security agreement. The operating line of credit is renewed on an annual basis at the discretion of the lender.

The Organization has a line of credit for capital asset purchases in the amount of \$839,000 (2021 - \$839,000) of which \$166,442 (2021 - \$183,799) was drawn at year end. The line of credit bears interest at prime plus 0.40% (2021 - prime plus 0.40%) and is secured by a general security agreement. The operating line of credit is renewed on an annual basis at the discretion of the lender.

6. Mortgage:

	<u>2022</u>	<u>2021</u>
Mortgage on land and building, repayable in monthly instalments of \$5,887 representing principal and interest calculated at 3.79% due June 2023.	\$ 836,807	\$ 874,943
Less: Current portion of mortgage	<u>(39,611)</u>	<u>(874,943)</u>
	<u>\$ 797,196</u>	<u>\$ -</u>

The future principal payments are as follows:

2023	\$ 39,611
2024	<u>797,196</u>
	<u>\$ 836,807</u>

7. Deferred contributions - capital assets:

Deferred contributions - capital assets include the unamortized portions and the unspent amount of restricted contributions for the purchase of capital assets. The amortization of deferred contributions is recorded as revenue in the statement of operations over the useful life of the asset. Changes in the deferred contributions - capital assets balance are as follows:

	<u>2022</u>	<u>2021</u>
Beginning balance	\$ 749,540	\$ 745,572
Contributions for capital assets	4,024	46,513
Amortization	<u>(45,581)</u>	<u>(42,545)</u>
Ending balance	<u>\$ 707,983</u>	<u>\$ 749,540</u>

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

8. Deferred contributions - programs:

Changes in the deferred contributions - programs are as follows:

	<u>Find Your Dreams</u>	<u>Irene Waddell</u>	<u>Programs</u>	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 5,284	\$ 15,926	\$ 194,392	\$ 215,602	\$ 56,389
Contributions received	-	-	67,397	67,397	178,281
Amounts amortized to revenue	(200)	-	(90,154)	(90,354)	(19,068)
Balance, end of year	<u>\$ 5,084</u>	<u>\$ 15,926</u>	<u>\$ 171,635</u>	<u>\$ 192,645</u>	<u>\$ 215,602</u>

The Find Your Dreams contribution was from the Climb for Kids fund-raising campaign. All funds raised for the Find Your Dreams program are specifically designated for Aboriginal children and youth to provide meaningful learning, growth and skill development opportunities as identified by Aboriginal children and their families.

The continuing bequest by the niece of Irene Waddell designates that the funds be used to benefit the physical, mental, and spiritual well-being of girls, as well as for the recruitment of Big Sister volunteers. Income from the investments may be distributed at the discretion of the Board.

The contributions for programs are designated by the donors and funders for programs that will take place in the next fiscal year.

9. Lease commitments:

The Organization leases certain operational equipment under operating leases. Future annual minimum lease payments under these contracts are as follows:

2023	\$41,843
2024	41,843
2025	38,774
2026	38,160

10. Inter-fund transfers:

During the year, the Board of Directors authorized the transfer of \$43,669 (2021 - \$107,092) from the Unrestricted Fund to the Appropriated Fund - Future operations.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

11. Net change in non-cash working capital:

	<u>2022</u>	<u>2021</u>
Accounts receivable	\$ 12,903	\$ 25,640
Inventory	717	106
Prepaid expenses	(1,882)	(3,904)
Accounts payable	(5,676)	(30,282)
Government remittances payable	126	(91)
	<u>\$ 6,188</u>	<u>\$ (8,531)</u>

12. Risk management:

Management's risk management policies are typically performed as a part of the overall management of the Organization's operations. Management is aware of risks related to these objectives through direct personal involvement with employees and outside parties. In the normal course of its business, the Organization is exposed to a number of risks that can affect its operating performance. Management's close involvement in operations helps identify risks and variations from expectations. The Organization has not designated transactions as hedging transactions to manage risk. As a part of the overall operation of the Organization, management considers the avoidance of undue concentrations of risk. These risks include, and the actions taken to manage them, are as follows:

Liquidity risk-

Liquidity risk is the risk that the Organization cannot meet its financial obligations associated with financial liabilities in full. The Organization's main sources of liquidity are its operations and external contributions. The funds are primarily used to finance working capital and capital expenditure requirements and are adequate to meet the Organization's financial obligations associated with financial liabilities.

Interest rate risk-

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as interest rate cash flow risk, or on the fair value of other financial assets or liabilities, known as interest rate price risk. Investing in fixed rate marketable securities with longer durations and obtaining a fixed rate mortgage minimizes interest rate price risk. Obtaining lines of credit with variable interest rates minimizes cash flow risk.

Credit risk-

Credit risk arises from the possibility that debtors may be unable to fulfill their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. The Organization has credit policies to address credit risk on accounts receivable, which may include the analysis of the financial position of the debtor and review of credit limits. The Organization also may review credit history before establishing credit and reviews credit performance. An allowance for doubtful accounts or other impairment provisions are established based upon factors surrounding credit risk, historical trends and other information. No allowance for doubtful accounts has been recorded.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

13. Manitoba Family Services and Housing:

Manitoba Family Services and Housing (Family Services) requires a reconciliation of funding provided to the Organization.

	<u>2022</u>	<u>2021</u>
Deferred contribution - programs, beginning of year	\$ 22,753	\$ -
Funding received from Family Services during the year	234,300	227,526
Revenue recognized during the year	(257,053)	(204,773)
Deferred contribution - programs, end of year	<u>\$ -</u>	<u>\$ 22,753</u>
Expenses:		
Caseworkers	\$ 2,634	\$ -
Computer and technology	-	1,353
Criminal records checks	278	-
Employee benefits	15,572	19,839
Insurance	26,294	10,877
Meetings and travel	69	343
Recreation	589	-
Recruitment	241	-
Salaries	207,993	170,212
Staff development	846	1,845
Vehicle	-	304
Volunteer recognition	2,537	-
	<u>\$ 257,053</u>	<u>\$ 204,773</u>

14. COVID-19:

The outbreak of COVID-19 has resulted in governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, quarantine periods and social distancing, have caused an economic slowdown and material disruption in business. Subsequent to March 31, 2022, governments have continued to react with interventions intended to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial performance and financial position of the Organization in future periods.

The Organization also received government monies related to COVID-19 as follows:

	<u>2022</u>	<u>2021</u>
Canada Emergency Wage and Temporary Wage Subsidies	\$ 47,436	\$ 232,516
Canada Emergency Business Account loan forgiveness	-	10,000
Manitoba Bridge Grant	5,000	15,000
	<u>\$ 52,436</u>	<u>\$ 257,516</u>

June 28, 2022

Private and Confidential

Big Brothers Big Sisters of Winnipeg Inc.
532 Ellice Avenue
Winnipeg, Manitoba R3B 1Z2

Attention: Jane Marion

Thank you for selecting Scarrow & Donald, Chartered Professional Accountants LLP (the "Firm") as your auditors. This letter confirms and updates the terms of our continuing appointment to provide services for Big Brothers Big Sisters of Winnipeg Inc., (the "Organization"), and supersedes all previous letters to you on this matter.

Objective, scope and limitations

Our statutory function as auditor of the Organization is to report by expressing an opinion on The Organization's annual financial statements. We will conduct our audit in accordance with Canadian generally accepted auditing standards and will issue an audit report. Should we be unable to complete our audit for any reason, we may either issue a modification of opinion or decline to issue an opinion. Our audit report will be prepared in accordance with the form required by generally accepted auditing standards and may, depending on the circumstances include a Key Audit Matters paragraph(s), an Emphasis of Matter paragraph(s), an Other Matter paragraph(s) or other modification required in the circumstances.

The objectives of our audit 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.

We will conduct our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements. 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 entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial statements that we have identified during the audit.
- 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.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

One of the underlying principles of the profession is a duty of confidentiality about client affairs. Accordingly, except for information that is in or enters the public domain, we will not provide any third party with confidential information concerning the affairs of the Company without the Company's prior consent unless required to do so by legal authority or the CPA Manitoba Code of Professional Conduct.

Internal Control

The audit includes an examination of accounting systems, internal controls and related data to the extent we consider necessary. Our assessment of the accounting systems and internal controls will affect our consideration of the risks of material misstatement, and the design, nature, extent and timing of audit procedures. In well-organized accounting systems, management places reliance principally on maintaining adequate internal controls to prevent or detect misstatements. If, as a result of our work, we believe improvements in internal controls are important and practical, we will make appropriate recommendations. The objective of an audit is to obtain reasonable assurance that the financial statements are fairly presented. Financial statements make no assertions about internal control. Hence, a financial statement audit gives no assurance about the effectiveness of internal controls. Our consideration of internal controls in the audit will not be sufficient to allow us to give an opinion on the effectiveness of internal control.

Management acknowledges and understands that it maintains such internal control as determined necessary to enable management to prepare financial statements that are free from material misstatement, whether due to fraud or error. Internal control, no matter how effective, can provide an entity with only reasonable assurance about achieving the entity's financial reporting objectives due to the inherent limitations of internal control. An independent audit does not act as a substitute for the maintenance of internal control necessary for the preparation of financial statements by management.

Fraud

Because of the nature of fraud, including attempts at concealment through collusion and forgery, an audit designed and executed in accordance with generally accepted auditing standards may not detect fraud. While effective internal control reduces the likelihood that misstatements will occur and remain undetected, it does not eliminate that possibility, because, for instance of the possibility that controls may be overridden. For these reasons, we cannot guarantee that fraud, error and illegal acts, if present, will be detected when conducting an audit in accordance with generally accepted auditing standards.

Third Parties

A financial statement audit is not designed for the needs of third parties nor for specific transactions.

**Inspections, Investigations
and Confidentiality**

As part of the system of quality control for all accounting firms, firms are subject to routine practice inspections from CPA Manitoba and to routine inspections from bodies such as the Canadian Public Accountability Board. These inspections respect the confidentiality and privacy of information. The Organization consents to the Firm providing working papers requested for such inspections without further reference to, or permission from the Organization.

Certain bodies may have the right to conduct investigations of the Organization including services provided by the Firm. Because of the principle of confidentiality that governs our work and because our files may contain personal information, the Firm will use its best efforts to refuse access to both our files and any documents of the Organization. To the extent practicable and unless prohibited by law, the Firm will advise management and the audit committee of the Organization of any such request or order. The Organization will reimburse the Firm for its professional time and expenses, as well as the fees and expenses of its counsel, incurred in responding to such an investigation of the Organization.

If the Firm is asked or allowed by the Organization or required by government regulator, subpoena, or other legal process to produce its files or its staff as witnesses, The Organization will, so long as the Firm is not a party to the proceeding, reimburse the Firm for its time and expenses, as well as the fees and expenses of its counsel, incurred in responding to such a request or requirement.

Independence

We will communicate about the relationships that, in our professional judgment, may reasonably be thought to bear on our independence. We will confirm our independence to the Organization annually.

Communication

The objective of an audit is to obtain reasonable assurance that the financial statements are free of material misstatement. However, if we identify any of the following matters, they will be communicated to the appropriate level of management:

- misstatements, resulting from error, other than trivial errors;
- fraud or any information obtained that indicates that a fraud may exist;
- any evidence obtained that indicates that an illegal or possibly illegal act, other than one considered inconsequential, has occurred;

- weaknesses we consider significant in the design or implementation of internal control to prevent and detect fraud or error; and
- related party transactions identified by us that are not in the normal course of operations and that involve significant judgments made by management concerning measurement or disclosure.

The matters communicated will be those that we identify during our audit. Audits do not usually identify all matters that may be of interest to management in discharging its responsibilities. The type and significance of the matter to be communicated will determine the level of management to which the communication is directed.

Annual Report

The Organization will advise the Firm whether or not it plans to issue an annual report or some other such document that constitutes an annual report. Should the Organization choose to prepare an annual report or other such document in any form, the Organization will provide a draft copy of the document whether or not the document includes the financial statements and our audit report so we may discharge our professional responsibility to determine whether the financial statements and our report have been accurately reproduced and to read other information in the document and consider the information and consider, for instance, whether any of this information appears to be inconsistent with the financial statements. This also applies to all material which will be associated with financial statements, which, for greater certainty includes the annual Management Discussion and Analysis (MD&A). These procedures do not provide assurance about the accuracy or reliability of management's assertions about information which does not relate directly to the financial statements. Should we find that the statements have not been accurately reproduced or that there is inconsistent information, the Organization agrees to correct such information.

Information to Be Provided

Together, the Organization and the Firm will develop a schedule for the audit. The Firm will use all reasonable efforts to finish the audit on schedule and is not liable if factors beyond its control delay completion. The Organization and its staff will provide all information needed so the Firm can do the audit, which information will be true, accurate and not misleading. The Organization will draft financial statements, and these will be supported by a trial balance and other detailed working papers as required. The Organization will provide such work space and other assistance that the Firm may reasonably require. The Organization also has the responsibilities set out in the Appendix.

During the audit, the Firm may need access to information held by the Organization that is defined by law to be Personal Information. The Organization will give the Firm access to such information that the Firm deems necessary to complete the audit. The Firm will hold such information, and all other information it collects, in confidence and use the information only for the audit. The Organization indemnifies the Firm, its agents, partners and employees, for any claim, demand, debt, action, or liability to any third party, including legal costs and disbursements, arising out of or in respect of any breach of the Organization's obligations for Personal Information.

The Organization will provide the auditor with access to all information of which it is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters; additional information that the auditor may request for the purpose of the audit; and unrestricted access to persons within the entity from whom the auditor determines it necessary to obtain audit evidence.

Working Papers

All working papers and files, other materials, reports and work created, developed or performed by the Firm during the course of the engagement are the property of the Firm. Professional standards require that we prepare and retain documentation of the work we do. We retain this documentation for a period set by those standards, which is generally 10 years. The Organization should retain its own accounting records and should not depend that we have retained copies of documents. Further, our documentation focuses on recording the work we have done, and may not contain copies of accounting or other records.

Fees and Payment

Our fees are based on the time spent on an assignment. In addition to our fees, our bills will include out-of-pocket expenses such as travel, meals and accommodation, PST and GST and any other taxes which may be imposed in the future. We will send bills regularly as the assignment progresses. Our terms are 30 days. Overdue accounts will be charged interest at a rate of 1-1/2% per month or 18% per annum.

Our quoted fee is based on the following assumptions:

- The Organization will provide all audit schedules on the agreed dates and in the agreed format.
- There will be no significant delays in providing other information or assistance agreed.
- The audit will find few proposed adjustments.

And that, between the date of this letter and the date of our report, there will be:

- No changes to accounting or auditing standards requiring significant additional time.
- No significant changes in accounting policies or practices.
- No significant events or transactions that affect the extent of audit work.
- No significant changes to internal control.

Our fee estimate takes into account the agreed level of preparation and assistance as noted above. Our fee is based on the expectation that no significant errors are found and that errors found during the audit are promptly corrected. We will communicate with management should additional time be necessitated by the error identification and correction process or if the agreed assistance is not provided.

Tax Returns

We compile the Organization's income tax and information returns, as requested, from the information in the financial statements and from other information you supply. You will provide us with accurate and complete information necessary to compile such income tax returns, upon which we will rely. We will not audit, review or otherwise attempt to verify the accuracy or completeness of any information provided. We will compile the returns in accordance with what we believe to be the correct interpretation of the taxing acts. We cannot guarantee that the taxing authorities will not challenge the returns. Income tax will not necessarily be at the lowest possible amount. The responsibility for the accuracy of the information and completeness of the representations reflected in the returns remains with you. You will indemnify us against any losses we may suffer should the information you provide or tax filing positions taken be inaccurate.

Electronic Communications

Internet e-mail is an inherently non-secure and unreliable way of sending and receiving messages. You should understand this when using e-mail to communicate with us and take necessary steps to ensure we have received the message, which may include sending a follow-up paper copy or requesting acknowledgment of receipt. You consent to receiving e-mail including electronic communications that contain confidential information, and other forms of electronic communication from us. While we have taken steps to block viruses, the responsibility for ensuring that e-mail is virus-free rests with the recipient. Scarrow & Donald LLP reserves the right to read any e-mail entering or leaving its system from any source without notice.

Liability

It is agreed that no claim will be brought against Scarrow & Donald LLP or its partners, officers and employees, in contract, negligent misrepresentation or tort more than two years after the earlier of the date the services were completed or terminated under this engagement or for an amount greater than the amount of any professional liability insurance the firm may have available at the time the claim is made. Scarrow & Donald LLP and its partners, officers and employees, will not be liable for any consequential loss, injury or damages suffered by the Organization including but not limited to, loss of use, earnings and business interruption, or the unauthorized distribution of any confidential document or report prepared by or on behalf of Scarrow & Donald LLP for the Organization. The Organization will not assert any claim for damages against the Firm unless the Organization has concurrently or previously asserted a claim against all other persons who might reasonably be liable in relation to that claim. Any release, waiver or covenant to otherwise not sue or enforce any remedy known to law, given to another party will be deemed to apply in favour of Scarrow & Donald LLP. This letter documents that you acknowledge and accept these responsibilities as outlined.

Governing Law

The agreement shall be governed and construed in accordance with the laws of the Province of Manitoba and shall be deemed in all respects to be a Manitoba contract. It is agreed that the courts of the Province of Manitoba have jurisdiction over all matters arising from or by virtue of this agreement. All disputes shall be subject to the exclusive jurisdiction of the courts of the Province of Manitoba.

Correction of Errors

The Organization acknowledges its responsibility for maintaining policies and procedures to assist in achieving its objective of ensuring, as far as practical, the orderly and efficient conduct of the entity's operations, including producing such accounting and other records necessary for the preparation of financial statements. The Organization has established and maintained policies and procedures directed at preventing and detecting misstatement (whether caused by fraud or error), subject to the usual requirement that internal control be cost effective. The Organization weighs the cost of implementing internal control against the relative likelihood of error and fraud occurring, and its effect on the financial statements and, in this context, has assessed that the likelihood of the financial statements being materially misstated (either by error or fraud) as minimal. The Organization will advise of any material errors which occur during the year, other than misstatements routinely identified and corrected during the year by the policies and procedures which The Organization has implemented and which are apparent in the books and records. The Organization will provide details of fraud or suspected fraud that may affect the entity, if any. The Organization will adjust all errors found during the audit process, excepting only those errors which are trivial, in the context that the cost and effort required to correct such trivial errors would be greater than the dollar value of the error, as this will help constrain audit costs as discussed above.

Other Services

We are very pleased to receive the appointment as auditors. The comments in this letter relate to our statutory duty as the Organization's auditors. At your request, we will provide advice on accounting, auditing, tax and other matters. We will be glad to discuss possible extension of our procedures, if you wish. It is agreed that you will not rely on advice given informally, for instance, verbally or by e-mail. If such matters are important to you, you will ask us to prepare a formal written opinion, estimate or calculation with a related specification of the reliance you may place on such statement.

Termination

With ten working days notice, the Firm may cancel this agreement, without prejudice to its other rights and recourse. The Firm will not be responsible for any action, claim, liability, loss, damage, cost or expenses arising out of, in connection with or resulting from such termination.

With ten working days notice, the Organization may terminate this agreement, without prejudice to its other rights and recourse. For such termination to be effective, payment of all fees and expenses for work undertaken till the date of notice is required, which will be invoiced promptly after the date of notice.

Other Provisions

If any of the provisions of this agreement are determined to be invalid or unenforceable, the remaining provisions shall remain in effect and be binding on the parties to the fullest extent permitted by law.

The failure of a party to insist upon strict performance, or to exercise any option herein, shall not act as a waiver of any right, promise or option, but the agreement shall continue to be in full force and effect. No waiver of any term or provision or of any breach or default shall be valid unless done in writing and signed by the party giving such waiver. No such waiver shall be a waiver of any other term or provision or any subsequent breach or default of the same or similar nature.

This agreement constitutes the entire agreement between The Organization and the Firm. Upon the termination of this agreement for any reason including normal expiration, the provisions of this agreement about indemnification survive the expiration and termination of this agreement in addition to any other provision that survives by operation of law or which by its nature is intended to survive. This agreement may not be modified, amended or superseded except by the Organization and the Firm in writing.

If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements and if the above terms are acceptable to you, please sign the copy of this letter in the space provided and return it to us. We appreciate the opportunity of continuing to be of service to your the Organization.

Yours very truly,

Scarrow & Donald LLP

Dwayne McFaddin, CPA, CA, CGA

The terms and services set out in the foregoing letter are in accordance with our requirements and understanding and are acceptable to us and are hereby agreed to.

Big Brothers Big Sisters of Winnipeg Inc.,



Jane Marion
Executive Director

APPENDIX

Management's responsibilities

Management is responsible for:

Financial statements

- (a) the preparation and fair presentation of the Organization's financial statements in accordance with Canadian accounting standards for not-for-profit organizations;

Completeness of information

- (b) providing us with and making available complete financial records and related data, and copies of all minutes of meetings of directors and committees of directors;
- (c) providing us with information relating to any known or probable instances of non-compliance with legislative or regulatory requirements, including financial reporting requirements;
- (d) providing us with information relating to any illegal or possibly illegal acts, and all facts related thereto;
- (e) providing us with information regarding all related parties and related party transactions; and in particular, the Organization will provide a list of:
- entities that control or have significant influence over the Organization;
 - entities that the Organization controls or has significant influence over;
 - entities under common control;
 - all other related parties; and
 - transactions between and amounts due to and from the Organization and the entities above during the year, including transactions for which no amount is recorded, and the measurement basis used as well as contractual obligations and contingencies.

The Organization will provide prompt notification of changes.

Fraud and error

- (f) the design and implementation of internal control to prevent and detect fraud and error;
- (g) an assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- (h) providing us with information relating to fraud or suspected fraud affecting the entity involving:
- (i) management;
 - (ii) employees who have significant roles in internal control; or
 - (iii) others, where the fraud could have a non-trivial effect on the financial statements;
- (i) providing us with information relating to any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others;
- (j) communicating its belief that the effects of any uncorrected financial statement misstatements aggregated during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole;

Recognition, measurement and disclosure

- (k) providing us with its assessment of the reasonableness of significant assumptions underlying fair value measurements and disclosures in the financial statements;
- (l) providing us with any plans or intentions that may affect the carrying value or classification of assets or liabilities;
- (m) providing us with information relating to the measurement and disclosure of transactions with related parties;
- (n) providing us with an assessment of all areas of measurement uncertainty known to management that are required to be disclosed;
- (o) providing us with information relating to claims and possible claims, whether or not they have been discussed with the Organization's legal counsel;
- (p) providing us with information relating to other liabilities and contingent gains or losses, including those associated with guarantees, whether written or oral, under which the Organization is contingently liable;
- (q) providing us with information on whether the Organization has satisfactory title to assets, liens or encumbrances on assets exist, or assets are pledged as collateral;
- (r) providing us with information relating to compliance with aspects of contractual agreements that may affect the financial statements;
- (s) providing us with information concerning subsequent events; and

Written confirmation of significant representations

- (t) providing us with written confirmation of significant representations provided to us during the engagement on matters that are:
 - (I) directly related to items that are material, either individually or in the aggregate, to the financial statements;
 - (ii) not directly related to items that are material to the financial statements but are significant, either individually or in the aggregate, to the engagement; and
 - (iii) relevant to management's judgments or estimates that are material, either individually or in the aggregate, to the financial statements.

Management is responsible for the accurate reproduction of the financial statements and the auditor's report and for the consideration of other information in public documents that contain or incorporate by reference either full or summarized financial statements that we have audited.

June 28, 2022

Private and Confidential

Big Brothers Big Sisters of Winnipeg Inc.
532 Ellice Avenue
Winnipeg, Manitoba R3B 1Z2

Dear Board of Directors:

We confirm our independence with you annually. We confirm our independence to the audit committee or its equivalent in the context of the CPA Manitoba Code of Professional Conduct. Accordingly, we hereby confirm that we are independent with respect to the Company within the meaning of the CPA Manitoba Code of Professional Conduct as of the date of this letter and that we are not aware of any relationships between the Company and Scarrow & Donald LLP that, in our professional judgment, may reasonably be thought to bear on our independence which have occurred between the date of our last letter and the date of this letter. This confirmation is solely for the use of the Board of Directors, management, and others within the Company and should not be used for any other purposes.

We treat information we receive and collect in accordance with professional standards as confidential, as required by professional standards, and we only disclose or provide such information as directed by those standards. We maintain physical, electronic and procedural safeguards to protect those records which professional standards require that we retain.

Scarrow & Donald LLP is a registered Limited Liability Partnership ("LLP") established under the laws of the Province of Manitoba. This does not reduce or limit the liability of the Firm. All the Firm's assets and insurance protection remain at risk. The Firm's professional liability insurance exceeds the mandatory requirements established by the CPA Manitoba. All partners of the LLP are personally liable for their own actions and the actions of those they directly supervise or control. However, individual partners have a degree of limited liability as a partner is not individually liable, directly or indirectly by means of indemnification, contribution, assessment or otherwise, for debts, obligations or liabilities of the partnership or another partner that arise from the negligence, wrongful act or omission, malpractice or misconduct of another partner; or an employee, agent or representative of the partnership; occurring in the ordinary course of carrying on practice in a profession while the partnership is a Manitoba limited liability partnership.

Yours very truly,

Scarrow & Donald LLP

Dwayne McFaddin, CPA, CA, CGA
DGM/lc

BIG BROTHERS BIG SISTERS WINNIPEG INC.

June 28, 2022

Scarrow & Donald LLP
100 - Five Donald Street
Winnipeg, Manitoba R3L 2T4

Dear Scarrow & Donald LLP:

We confirm, to the best of our knowledge and belief, the following representations made to you during your examination of the financial statements for the year ended March 31, 2022 of Big Brothers Big Sisters of Winnipeg Inc. (the Organization) for the purpose of expressing an opinion whether the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flow of the Organization in accordance with Canadian accounting standards for not-for-profit organizations. The Organization acknowledges its responsibility for maintaining policies and procedures to assist in achieving its objective of ensuring, as far as practical, the orderly and efficient conduct of the entity's operations, including producing such accounting and other records necessary for the preparation of financial statements. The Organization has established and maintained policies and procedures directed at preventing and detecting misstatement (whether caused by fraud or error), subject to the usual requirement that internal control be cost effective. The Organization has weighed the cost of implementing internal control against the relative likelihood of error and fraud occurring, and its effect on the financial statements and, in this context, has assessed that the likelihood of the financial statements being materially misstated (either by error or fraud) as minimal. The Organization is not aware of any material errors which have occurred during the year, other than misstatements routinely identified and corrected during the year by the policies and procedures which The Organization has implemented and which are apparent in the books and records. The Organization has provided the details of actual, suspected or alleged fraud that has affected the entity, if any, and otherwise has no knowledge of any other actual, suspected or alleged fraud affecting the entity. The Organization has adjusted all errors found during the audit process, excepting only those errors which were trivial, in the context that the cost and effort to correct such trivial errors would be greater than the dollar value of the error.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the financial statements would influence the decision of a reasonable person relying on the financial statements.

- We acknowledge management's responsibility for the fair presentation of the financial statements. The financial statements and attached notes include all disclosures necessary for fair presentation of the financial position, results of operations and cash flow of the Organization in accordance with Canadian accounting standards for not-for-profit organizations and disclosure required by the laws and regulations to which the Organization is subject.
- The financial statements referred to above present fairly, in all material respects, the financial position of the Organization as at March 31, 2022 and 2021 and the results of its operations and cash flows for the periods then ended in accordance with Canadian accounting standards for not-for-profit organizations.
- We have informed you of all the documents that we expect to issue that may comprise other information that forms an annual report. We acknowledge management's responsibility for the financial statements and any other information to be consistent with one another and the other information to not contain any material misstatements. We will advise you of the expected timing of other information that we have not provided before the audit report date that management intends to prepare and issue, if any. As of the date of this letter no other information has been prepared.

- All financial and accounting records and related data have been made available to you as have all minutes of meetings of members, directors, and committees of directors or summaries of actions taken at recent meetings for which minutes have not yet been prepared. We are not aware of any accounts, transactions or material agreements not appropriately described and properly recorded in the financial and accounting records underlying the financial statements.
- We are not aware of any irregularities involving management or employees who have significant roles in the accounting systems or the systems of internal control or any irregularities involving other employees which could have a material effect on the financial statements nor are we aware of any inappropriate or unusual activity relating to the processing of journal entries and other adjustments and no unusual entries have been made since year-end and the date of this letter and none are contemplated. Journal entries and other adjustments are only made by those authorized to do so. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
- We believe that the measurement processes, including related assumptions and models, used by management in determining accounting estimates and the consistency in application of the processes are appropriate. The assumptions appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity, where relevant to the accounting estimates and disclosures. Disclosures related to accounting estimates are complete and appropriate and no subsequent event requires adjustment. We confirm the methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of Canadian accounting standards for not-for-profit organizations.
- We are not aware of any illegal or possibly illegal acts, the consequences of which should be considered for inclusion in the financial statements as a liability, contingency or commitment. There have been no communications from regulatory agencies concerning noncompliance with laws or regulations that could have a material effect on the financial statements. The Organization has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- The Organization has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- There are no material transactions that have not been properly reflected in the financial statements.
- The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged except as disclosed in the financial statements.
- The Organization has disclosed to you, and has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
- We are not aware of any significant events or conditions relevant to the going concern assumption and we have an adequate, though informal, process for determining whether there are material going concern uncertainties that should be disclosed in the financial statements. Further, we have disclosed to you all information relevant to our assessment of whether there

are material going concern uncertainties that should be disclosed in the financial statements. No specific disclosure of going concern matters has been provided, because to the best of our knowledge and belief, none is necessary.

- There have been no events subsequent to the statement of financial position date up to the date of this letter that would require recognition or disclosure in the financial statements, such as planned or actual asset sales, plans to merge or reorganize, changes in the status of items that were accounted for on the basis of preliminary information, changes regarding risk areas or changes that may affect the appropriateness of accounting policies used. Further, there have been no events subsequent to the date of the comparative financial statements that would require adjustment of those financial statements and the related notes.
- There are no material losses (for example, from obsolete inventory or decreases in the carrying value of assets) that have not been properly included in the financial statements, and there have been no changes since year-end and the date of this letter that may indicate impairment of asset values.
- All liabilities we are aware of including those associated with employee future benefits, guarantees, whether written or oral, have been disclosed to you and are included in the financial statements at the date of the statement of financial position along with appropriate disclosure. There are no material unrecorded liabilities or contingent liabilities or claims or possible claims that have not been disclosed to you. We have no knowledge of any lawsuits, tax claims or pending litigation, nor do we have knowledge of any possible claims of any consequence or any other contingent liabilities of any nature.
- There are no significant commitments or contractual obligations nor any significant changes in such items since year-end and the date of this letter.
- Except as disclosed in the financial statements, there are no guarantees from, or assets pledged by, a member or other third party, as collateral for any of the Organization's liabilities.
- There is no need to accrue any asset retirement obligations either because there are no such obligations or because a reasonable estimate of the fair value of any such obligation cannot be made.
- All charges to capital asset accounts or other long-lived assets during the year represent actual additions and no expenditures of a capital nature were charged to the operations of the Organization during the year. The Organization has charged off all important capital asset items sold, destroyed, or abandoned or considered to be obsolete and of no further use. We have not become aware of any capital asset that are impaired.
- There are no material unrecorded assets or contingent assets such as claims relating to patent infringements or unfulfilled contracts whose value depends on satisfying conditions regarded as uncertain or derivative instruments.
- We believe that the significant assumptions used in arriving at the fair values of items measured and disclosed in the financial statements are reasonable and appropriate in the circumstances.
- The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.

- We have properly prepared and filed our GST, PST, Employee Deduction, Workers Compensation and other such returns and are not relying on you for the preparation or accuracy of such returns.
- There is no share capital reserved for options, warrants, conversions or other requirements nor have there been any change or proposed change in share capital or long-term debt since year-end and the date of this letter.
- We are satisfied with our insurance coverage and have recently reviewed this with our insurance provider.
- There are no related party transactions or related amounts receivable or payable that have not been properly measured or disclosed in the financial statements including guarantees, non-monetary transactions and transactions for no consideration.
- The financial statements properly disclose the description and extent of related party transactions, a description of the relationship with the related parties, the amounts due to or due from related parties, and if not otherwise apparent, the terms of settlement including guarantees, non-monetary transactions and transactions for no consideration.
- The Organization's continued existence is not economically dependent on another party.
- There are no liabilities or contingencies arising from environmental matters.
- No significant matters have arisen that would require a restatement of the comparative financial statements.


We acknowledge that your audit examination is planned and conducted primarily to enable you to express a professional opinion on the financial statements mentioned earlier. We understand that, while your work included an examination of the accounting system, internal controls and related data to the extent you considered necessary in the circumstances, it is not designed to identify, nor can it necessarily be expected to disclose defalcations, illegal acts and other irregularities.

We have approved any journal entries proposed by you, have advised you of the proper account classification for any transactions you have recorded (if any) and also have approved any changes proposed to our financial statements. The journal entries will be entered in the accounting records as at year end. We have created the source data and underlying assumptions for all accounting entries.

The services and terms set out in your engagement letter are agreed.

The Board of Directors approved the financial statements as of the date of this letter and this date will be recorded in the minutes of the Board.

Yours very truly,



Jane Marion
Executive Director



Stephen McMillan
Treasurer

BIG BROTHERS BIG SISTERS WINNIPEG INC.

June 28, 2022

Scarrow & Donald LLP
100 - Five Donald Street
Winnipeg, Manitoba R3L 2T4


Dear Scarrow & Donald LLP:

This is to confirm that the Audit Committee has no knowledge of any actual, suspected or alleged fraud affecting the entity nor is the Audit Committee aware of any inappropriate or unusual activity relating to the processing of journal entries and other adjustments for the year ended March 31, 2022 and to the date of this letter.

Yours very truly,



Mark Giesbrecht
Board Chair



Stephen McMillan
Treasurer



CHARTERED PROFESSIONAL ACCOUNTANTS

June 28, 2022

Private and Confidential

Big Brothers Big Sisters of Winnipeg Inc.
532 Ellice Avenue
Winnipeg, Manitoba R3B 1Z2

Dear Board of Directors:

Re: Audit of March 31, 2022 Financial Statements

The objective of an audit is to obtain reasonable assurance whether the financial statements are free of material misstatement. However, an audit is not specifically designed to identify all matters that may be of interest to management in discharging its responsibilities. In addition, an audit cannot be expected to disclose all material fraud, or errors and other irregularities, and it is not designed to express an opinion as to whether the systems of internal control established by management have been properly designed or have been operating effectively.

During the course of our audit of the financial statements for the year ended March 31, 2022, we did not identify any significant matters to bring to your attention.

We would like to express our appreciation for the co-operation and assistance given to us by the management and the board of the Organization throughout our audit process.

As always, should you have any concerns, or questions, please call me at 204-982-9823.

Yours very truly,

Scarrow & Donald LLP

Dwayne McFaddin, CPA, CA, CGA
DGM/lc