

BRIDGES SOCIAL DEVELOPMENT
Financial Statements
Year Ended December 31, 2018

BRIDGES SOCIAL DEVELOPMENT
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Year Ended December 31, 2018

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CREMERS & ELLIOTT

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Bridges Social Development

Opinion

We have audited the financial statements of Bridges Social Development (the Organization), which comprise the statement of financial position as at December 31, 2018, and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2018, and the results of its operations and its cash flow 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 those 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 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 relating 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.

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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.

Calgary, Alberta
March 27, 2019


Cremers & Co. Chartered Accountants LLP


BRIDGES SOCIAL DEVELOPMENT

Statement of Financial Position

December 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 370,316	\$ 402,333
Term deposits	2,000	2,000
Accounts receivable	38,573	15,003
Goods and services tax recoverable	323	567
Prepaid expenses	600	600
	<u>411,812</u>	<u>420,503</u>
DUE FROM SHAREHOLDERS	<u>10</u>	<u>8</u>
	<u>\$ 411,822</u>	<u>\$ 420,511</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 9,833	\$ 9,560
Payroll remittances payable	7,411	7,502
Deferred contributions (Note 4)	13,588	21,122
	<u>30,832</u>	<u>38,184</u>
NET ASSETS		
Share capital (Note 5)	10	8
Unrestricted net assets	<u>380,980</u>	<u>382,319</u>
	<u>380,990</u>	<u>382,327</u>
	<u>\$ 411,822</u>	<u>\$ 420,511</u>

ON BEHALF OF THE BOARD



Director



Director

CREMERS & ELLIOTT
 CHARTERED ACCOUNTANTS

See notes to financial statements

BRIDGES SOCIAL DEVELOPMENT
Statement of Revenues and Expenditures
Year Ended December 31, 2018

	2018	2017
REVENUES		
Donations - charity and foundations	\$ 230,776	\$ 308,682
Mentorship	123,511	86,348
Donations - corporate	83,863	9,470
Donations - government	5,317	94,171
Other	172	8,651
	<u>443,639</u>	<u>507,322</u>
EXPENDITURES		
Youth programs		
Salaries and wages	199,484	185,141
Direct expenses	41,702	62,868
	<u>241,186</u>	<u>248,009</u>
Meaningful futures program		
Salaries and wages	31,576	54,523
Direct expenses and administrative allocation	7,088	8,199
	<u>38,664</u>	<u>62,722</u>
Mentorship program		
Salaries and wages	97,021	91,452
Direct expenses and administrative allocation	26,490	34,287
	<u>123,511</u>	<u>125,739</u>
Nakoda youth council		
Direct expenses and administrative allocation	1,101	46,432
	<u>1,101</u>	<u>46,432</u>
Napi film collective		
Direct expenses and administrative allocation	6,644	-
	<u>6,644</u>	<u>-</u>
General and administrative		
Office supplies and administration	33,872	25,647
	<u>33,872</u>	<u>25,647</u>
	<u>444,978</u>	<u>508,549</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>\$ (1,339)</u>	<u>\$ (1,227)</u>

BRIDGES SOCIAL DEVELOPMENT
Statement of Changes in Net Assets
Year Ended December 31, 2018

	2018	2017
UNRESTRICTED NET ASSETS - BEGINNING OF YEAR	\$ 382,319	\$ 383,546
Deficiency of revenues over expenditures	<u>(1,339)</u>	<u>(1,227)</u>
UNRESTRICTED NET ASSETS - END OF YEAR	<u>\$ 380,980</u>	<u>\$ 382,319</u>

BRIDGES SOCIAL DEVELOPMENT**Statement of Cash Flow****Year Ended December 31, 2018**

	2018	2017
OPERATING ACTIVITIES		
Deficiency of revenues over expenditures	\$ (1,339)	\$ (1,227)
Changes in non-cash working capital:		
Accounts receivable	(23,570)	(2,403)
Goods and services tax recoverable	244	(343)
Prepaid expenses	-	(92)
Accounts payable	273	2,541
Payroll remittances payable	(91)	(15,769)
Deferred contributions	(7,534)	(27,226)
	<u>(30,678)</u>	<u>(43,292)</u>
Cash flow used by operating activities	<u>(32,017)</u>	<u>(44,519)</u>
INVESTING ACTIVITY		
Purchase of term deposit	<u>-</u>	<u>(2,000)</u>
FINANCING ACTIVITY		
Advances to shareholders	<u>(2)</u>	<u>-</u>
DECREASE IN CASH FLOW	(32,019)	(46,519)
Cash - beginning of year	<u>402,333</u>	<u>448,852</u>
CASH - END OF YEAR	\$ 370,314	\$ 402,333

BRIDGES SOCIAL DEVELOPMENT

Notes to Financial Statements

Year Ended December 31, 2018

1. DESCRIPTION OF ORGANIZATION

Bridges Social Development (the Organization) is a not-for-profit private company incorporated under the Companies Act of the Province of Alberta. The objective of the Organization is to address problems facing young people, including lack of education and unemployment, by providing those in need of assistance, with: training programs to develop their leadership, life, entrepreneurial and technical skills; and mentoring and other support programs, to help them become engaged and productive members of the community.

The Organization is tax exempt for income tax purposes and has therefore made no provisions for income taxes in these financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 for general operations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The Organization recognizes earned revenue when all the following conditions are met:

- services are provided or products are delivered to customers
- there is clear evidence that an arrangement exists
- amounts are fixed or can be determined
- the ability to collect is reasonably assured.

Tangible capital assets

Expenditures made by the Organization to purchase tangible capital assets are expensed in accordance with relief provisions established for small organizations by Section 4433 of the CPA Canada Handbook.

Contributed materials and services

The operations of the Organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

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BRIDGES SOCIAL DEVELOPMENT

Notes to Financial Statements

Year Ended December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments policy

The Organization initially measures its financial assets and liabilities at fair value, with the exception of non-arm's length transactions that are measured at the exchange amount

In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date

The Organization recognizes its transaction costs as an expense in the period incurred for equity investments and all other financial instruments subsequently measured at fair value. Financial instruments that are subsequently measured at amortized cost are adjusted by the transaction costs and financing fees that are directly attributable to their organization, issuance or assumption.

Allocated expenses

Various programs of the Organization have been allocated a proportionate share of general administrative operating costs. These general costs contribute directly to the output of more than one program, and are therefore attributed on a reasonable and consistent basis to each program to which they apply.

3. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant risks arising from these financial instruments.

BRIDGES SOCIAL DEVELOPMENT

Notes to Financial Statements

Year Ended December 31, 2018

4. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent resources subject to externally imposed restrictions requiring that funds be used for specific programs. These contributions have been received and recognized as follows:

	2018	2017
Meaningful futures program		
Balance, beginning of year	\$ 1,278	\$ -
Contributions received during the year	24,613	64,000
Amounts recognized as revenue during the year	(25,891)	(62,722)
Balance, end of year	-	1,278
Mentorship program		
Balance, beginning of year	10,000	41,348
Contributions received during the year	115,000	55,000
Amounts recognized as revenue during the year	(123,511)	(86,348)
Balance, end of year	1,489	10,000
Nakoda youth council		
Balance, beginning of year	9,844	-
Contributions received during the year	-	56,276
Amounts recognized as revenue during the year	(1,101)	(46,432)
Balance, end of year	8,743	9,844
Napi film collective		
Balance, beginning of year	-	-
Contributions received during the year	10,000	-
Amounts recognized as revenue during the year	(6,644)	-
Balance, end of year	3,356	-
Grand total	\$ 13,588	\$ 21,122

5. SHARE CAPITAL

	2018	2017
Authorized:		
100 Common voting shares		
Issued:		
8 Common voting shares	\$ 10	\$ 8