

LAKE WINNIPEG FOUNDATION INC.

Financial Statements

For the Year Ended December 31, 2023

LAKE WINNIPEG FOUNDATION INC.
Index to Financial Statements
For the Year Ended December 31, 2023

INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 10



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
LAKE WINNIPEG FOUNDATION INC.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of LAKE WINNIPEG FOUNDATION INC., which comprise the statement of financial position as at December 31, 2023 and the statements of operations, changes in net assets and cash flows 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 LAKE WINNIPEG FOUNDATION INC. as at December 31, 2023 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 Entity 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 ASNPO, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Entity'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 Entity'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 Entity'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 Entity 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.

Winnipeg, Manitoba
April 03, 2024

Talbot and Associates
Chartered Professional Accountants

LAKE WINNIPEG FOUNDATION INC.
Statement of Financial Position
December 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash and short-term investments	\$ 621,375	\$ 612,126
Accounts receivable	42,238	19,664
Due from government agencies	6,989	5,717
Prepaid expenses	5,996	9,631
	<u>676,598</u>	647,138
TANGIBLE CAPITAL ASSETS (Note 3)	<u>108,324</u>	114,067
	<u>\$ 784,922</u>	<u>\$ 761,205</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 15,397	\$ 19,582
Wages payable	36,820	33,193
Deferred grant revenue	428,466	410,125
	<u>480,683</u>	462,900
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 4)	<u>20,040</u>	32,203
	<u>500,723</u>	495,103
NET ASSETS	<u>284,199</u>	266,102
	<u>\$ 784,922</u>	<u>\$ 761,205</u>

Approved on Behalf of the Board:

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

LAKE WINNIPEG FOUNDATION INC.
Statement of Net Assets
For the Year Ended December 31, 2023

	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 266,102	\$ 221,897
EXCESS OF REVENUES OVER EXPENSES	<u>18,097</u>	<u>44,205</u>
NET ASSETS - END OF YEAR	<u>\$ 284,199</u>	<u>\$ 266,102</u>

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

LAKE WINNIPEG FOUNDATION INC.
Statement of Operations
For the Year Ended December 31, 2023

	2023	2022
REVENUE		
Grants	\$ 432,274	\$ 436,411
Event-Based Fundraising	223,921	179,690
Unrestricted operating funds	206,533	134,846
Donations and memberships	76,122	79,124
Other revenue	12,163	12,163
Interest income	9,702	5,339
	960,715	847,573
EXPENSES		
Amortization of tangible assets	36,785	28,310
Audit fees	4,600	4,377
Communications	37,192	25,291
Conference and travel	26,984	7,933
External granting	-	5,300
Fundraising	48,296	31,149
Insurance	5,242	4,709
Meetings and conventions	5,792	2,038
Office	32,484	29,600
Program	110,224	89,716
Rent	43,494	26,791
Service charges	7,939	7,459
Telephone	5,125	2,043
Training	18,019	8,172
Wages and benefits	560,442	530,480
	942,618	803,368
EXCESS OF REVENUES OVER EXPENSES	\$ 18,097	\$ 44,205

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

LAKE WINNIPEG FOUNDATION INC.
Statement of Cash Flows
For the Year Ended December 31, 2023

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess of revenues over expenses for the year	\$ 18,097	\$ 44,205
Items not affecting cash:		
Amortization of tangible assets	36,785	28,310
Amortization of deferred contributions	(12,163)	(12,163)
Changes in non-cash working capital:		
Accounts receivable	(22,574)	268
Due from government agencies	(1,271)	(2,369)
Prepaid expenses	3,635	(4,643)
Accounts payable and accrued liabilities	(4,185)	(8,205)
Wages payable	3,627	2,688
Deferred grant revenue	18,341	42,110
	40,292	90,201
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments to acquire tangible capital assets	(31,043)	(57,633)
INCREASE (DECREASE) IN CASH FLOW	9,249	32,568
CASH AND SHORT TERM INVESTMENTS - beginning of the year	612,126	579,558
CASH AND SHORT TERM INVESTMENTS - end of the year	\$ 621,375	\$ 612,126

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

LAKE WINNIPEG FOUNDATION INC.
Notes to the Financial Statements
For the Year Ended December 31, 2023

1. PURPOSE OF THE ORGANIZATION

The Organization is a not-for-profit community service organization dedicated to providing support and encouragement for research and education regarding the biological health of the waters and shorelines of Lake Winnipeg, Canada. The Foundation is a registered charity under the Income Tax Act. Lake Winnipeg Foundation was incorporated on May 18, 2005 under the Canada Corporations Act.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

The financial statements of the Organization have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

b. Cash and short-term investments

The Organization considers short-term investments purchased with a maturity of three months or less to be cash equivalents. Because of the short-term maturity of these investments, their carrying amount approximates fair value.

c. Inventories

Inventory of promotional materials are not inventoried and are reported as an expense in the period they are purchased.

d. Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization. Amortization is provided using the straight-line method over the estimated useful lives as follows:

Equipment	5 years
Website and software	5 years

The Organization regularly reviews its tangible capital assets to eliminate obsolete items.

The amortization of the tangible capital assets is calculated half of the above mentioned rates for the year of purchase and no amortization is recorded in the year of disposal.

2. Significant Accounting Policies

e. Revenue recognition

The Organization uses the deferral method of accounting for contributions under which restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred.

Restricted contributions for the purchase of tangible capital asset that will be amortized have been deferred and will be recognized as revenue on the same basis as the amortization expense related to the acquired tangible assets.

The Organization recognizes government funding, grants and donations in the period in which it is received unless it is otherwise stated by the funder.

The Organization recognizes fundraising in the period in which the activity occurs.

Interest revenue is recognized when it is earned.

f. Use of estimates

When preparing financial statements according to Canadian accounting standards for not-for-profit organizations (ASNPO), the Organization makes estimates and assumptions relating to:

- Reported amounts of revenue and expenses
- Reported amounts of assets and liabilities
- Disclosure of contingent assets and liabilities

Management's assumptions on a number of factors including historical experience, current events, actions that the company may undertake in the future, and other assumptions that management believes are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates when accounting for certain items such as useful lives of capital assets, impairment of long-lived assets, allowance for doubtful accounts, and provision for slow-moving inventories.

g. Financial instruments

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

Financial assets subsequently measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable, and accrued liabilities.

LAKE WINNIPEG FOUNDATION INC.
Notes to the Financial Statements
For the Year Ended December 31, 2023

3. TANGIBLE CAPITAL ASSETS

	Cost	Accum. Amort.	2023 Net Book Value	2022 Net Book Value
Website and software	\$ 53,251	\$ 18,969	\$ 34,282	\$ 31,953
Equipment	168,511	94,469	74,042	82,114
	\$ 221,762	\$ 113,438	\$ 108,324	\$ 114,067

4. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

The deferred contributions related to capital assets are grants received specifically for the purchase of equipment. The grants are reported as deferred revenue and amortized and reported as revenue at the same rate the equipment is amortized.

	2023	2022
Opening balance	\$ 32,203	\$ 44,366
Less : reported to revenue	(12,163)	(12,163)
Ending balance	\$ 20,040	\$ 32,203

5. FINANCIAL INSTRUMENTS

The Organization's financial instruments consist of cash and short-term investments, prepaid expenses, accounts payable and accrued liabilities, and due to government agencies. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values.

Interest rate risk

The Organization is exposed to interest rate risk with respect to the investment in the Endowment fund. Changes in interest rates can affect the fair value of investments and the cash flows related to interest income.

LAKE WINNIPEG FOUNDATION INC.
Notes to the Financial Statements
For the Year Ended December 31, 2023

6. COMPARATIVE FIGURES

Some figures have been reclassified to conform to the current year's presentation.

7. CONTRIBUTED SERVICES

The Organization would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Because of the difficulty in compiling these hours, contributed services are not recognized in the financial statements.

8. ENDOWMENT FUND

Lake Winnipeg Foundation Inc. has established a permanent endowment fund, administered by the Winnipeg Foundation. The Winnipeg Foundation receives all contributions to the endowment fund directly, and invests them in accordance with its own investment guidelines. Lake Winnipeg Foundation Inc. will receive distributions from the Winnipeg Foundation on an annual basis, as determined by the Winnipeg Foundation in accordance with the terms of the agreement. The market value of the fund at its most recent valuation at December 31, 2023 was \$208,142 (2022 - \$180,920).

	2023	2022
Contributed capital at the beginning of the year	\$ 199,303	\$ 184,704
The Winnipeg Foundation	929	6,212
Individual contributions	560	-
Capitalized income	8,263	8,387
Contributed capital at the end of the year	\$ 209,055	\$ 199,303