

LAKE WINNIPEG FOUNDATION
Financial Statements
For the Year Ended December 31, 2025

Lake Winnipeg Foundation
Index to Financial Statements
For the Year Ended December 31, 2025

INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 11



TALBOT
ASSOCIÉS • ASSOCIATES

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lake Winnipeg Foundation

Qualified Opinion

We have audited the accompanying financial statements of Lake Winnipeg Foundation, which comprise the statement of financial position as at December 31, 2025 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report the accompanying financial statements present fairly, in all material respects, the financial position of Lake Winnipeg Foundation as at December 31, 2025 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 Qualified Opinion

In common with many not-for-profit organization, the entity derives revenues from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the entity. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenues, excess of revenues over expenses, cash flows from operations, assets and net assets for the year ended December 31, 2025. Our audit opinion on the financial statements for the year ended December 31, 2025 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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.



TALBOT
ASSOCIÉS • ASSOCIATES

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.

Talbot and Associates
Chartered Professional Accountants

Winnipeg, Manitoba
March 27, 2026

Lake Winnipeg Foundation
Statement of Financial Position
December 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash and short-term investments	\$ 480,727	\$ 473,980
Accounts receivable	21,370	85,322
Due from government agencies	6,099	7,785
Prepaid expenses	6,655	6,389
	<u>514,851</u>	<u>573,476</u>
TANGIBLE CAPITAL ASSETS (Note 3)	<u>92,569</u>	<u>123,800</u>
	<u>\$ 607,420</u>	<u>\$ 697,276</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 30,253	\$ 26,186
Wages and accrued vacation payable	31,324	31,829
Deferred grant revenue	94,908	126,534
	<u>156,485</u>	<u>184,549</u>
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 4)	<u>9,632</u>	<u>19,108</u>
	<u>166,117</u>	<u>203,657</u>
NET ASSETS	<u>441,303</u>	<u>493,619</u>
	<u>\$ 607,420</u>	<u>\$ 697,276</u>

Approved on Behalf of the Board:

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

Lake Winnipeg Foundation
Statement of Changes in Net Assets
For the Year Ended December 31, 2025

	2025	2024
NET ASSETS - BEGINNING OF YEAR	\$ 493,619	\$ 284,199
CORRECTION (NOTE 7)	-	70,000
RESTATED	493,619	354,199
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(52,316)	139,420
NET ASSETS - END OF YEAR	\$ 441,303	\$ 493,619

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

Lake Winnipeg Foundation
Statement of Operations
For the Year Ended December 31, 2025

	2025	2024
REVENUE		
Grants	\$ 512,648	\$ 813,477
Event-Based Fundraising	310,501	220,579
Unrestricted operating funds	123,274	102,683
Donations and memberships	101,977	86,359
Amortization of deferred contributions	9,476	13,410
Interest income	5,428	12,172
Other revenue	1,439	3,461
	1,064,743	1,252,141
EXPENSES		
Advertising	6,043	9,690
Amortization of tangible capital assets	45,675	44,170
Audit fees	8,035	5,300
Communications	41,157	40,815
Conference and travel	33,013	43,399
Fundraising	45,564	53,819
Insurance	6,552	6,294
Meetings and conventions	1,216	2,060
Office	23,047	42,759
Program	85,651	74,884
Rent	49,699	48,622
Service charges	11,371	9,056
Telephone	5,622	6,436
Training	6,760	16,662
Wages and benefits	747,654	708,755
	1,117,059	1,112,721
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (52,316)	\$ 139,420

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

Lake Winnipeg Foundation
Statement of Cash Flows
For the Year Ended December 31, 2025

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess (deficiency) of revenues over expenses	\$ (52,316)	\$ 139,420
Items not affecting cash:		
Amortization of tangible assets	45,675	44,170
Amortization of deferred contributions	(9,476)	(13,410)
Changes in non-cash working capital:		
Accounts receivable	63,952	(43,084)
Due from government agencies	1,686	(797)
Prepaid expenses	(266)	(393)
Accounts payable and accrued liabilities	4,067	10,789
Wages and accrued vacation payable	(505)	(4,991)
Deferred grant revenue	(31,626)	(231,932)
	21,191	(100,228)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments to acquire tangible capital assets	(14,444)	(59,645)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions received	-	12,478
INCREASE (DECREASE) IN CASH FLOW	6,747	(147,395)
CASH AND SHORT TERM INVESTMENTS - beginning of the year	473,980	621,375
CASH AND SHORT TERM INVESTMENTS - end of the year	\$ 480,727	\$ 473,980

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

Lake Winnipeg Foundation
Notes to the Financial Statements
For the Year Ended December 31, 2025

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 (ASNPO).

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
Notes to the Financial Statements
For the Year Ended December 31, 2025

3. TANGIBLE CAPITAL ASSETS

	Cost	Accum. Amort.	2025 Net Book Value	2024 Net Book Value
Website and software	\$ 76,691	\$ 45,253	\$ 31,438	\$ 35,512
Equipment	210,662	149,531	61,131	88,288
	<u>\$ 287,353</u>	<u>\$ 194,784</u>	<u>\$ 92,569</u>	<u>\$ 123,800</u>

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.

	2025	2024
Opening balance	\$ 19,108	\$ 20,040
Additions	-	12,478
Less : reported to revenue	(9,476)	(13,410)
Ending balance	<u>\$ 9,632</u>	<u>\$ 19,108</u>

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
Notes to the Financial Statements
For the Year Ended December 31, 2025

6. 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, 2025 was \$233,630 (2024 - \$226,065).

	2025	2024
Contributed capital at the beginning of the year	\$ 210,228	\$ 209,055
Individual contributions	556	1,173
Contributed capital at the end of the year	\$ 210,784	\$ 210,228

7. CORRECTION

The Organization determined that some unrestricted grants were accounted for as deferred revenues in the previous year when they should have been recognized as revenue. As a result, the net assets balance as at January 1, 2024 was increased by \$70,000.

8. 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.

9. COMPARATIVE FIGURES

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

Lake Winnipeg Foundation
Notes to the Financial Statements
For the Year Ended December 31, 2025

10. LEASE COMMITMENT

The Organization has lease agreement to rent commercial space at the premises located at 62 Hargrave St, Winnipeg, Manitoba. The lease requires monthly rent payments of \$3,907. The lease is currently set to conclude on November 17, 2027.

Lease commitments for the next two years are as follows:

2026: \$46,879

2027: \$42,972

11. LAKE WINNIPEG INDIGENOUS COLLECTIVE

Since 2014, the Organization has operated various projects under the name of the Lake Winnipeg Indigenous Collective (LWIC). These projects have the goal of involving indigenous perspectives which were influential in leading the protection and sustainability of Lake Winnipeg as a source of life for all future generations.

In 2025, the LWIC officially incorporated as a not for profit organization with the goal to conduct all LWIC projects under its own name and governance structure. In the upcoming 2026 fiscal year, the Organization has begun the process of separating the LWIC projects from the Organization. It is expected that the transition will carryover several years. The Organization will continue to support LWIC projects until the LWIC can obtain its funding independently. As a result, the Organization anticipates a reduction in reporting the LWIC project revenue and its related expenses in the coming years.