

**LAKE WINNIPEG FOUNDATION INC.**

**Financial Statements**

**For the Year Ended December 31, 2020**

**LAKE WINNIPEG FOUNDATION INC.**  
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**For the Year Ended December 31, 2020**

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## INDEPENDENT AUDIT REPORT

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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, 2020 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, 2020 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

Ashern, MB 204.768.2346  
Birtle, MB 204.842.5301  
Notre-Dame-de-Lourdes, MB 204.248.2557  
Steinbach, MB 204.326.6871

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Winnipeg, MB (St. Norbert) 204.269.7460

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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.

Talbot and Associates  
Chartered Professional Accountants

Winnipeg, Manitoba  
April 20, 2021

|                           |              |                             |              |
|---------------------------|--------------|-----------------------------|--------------|
| Ashern, MB                | 204.768.2346 | Stonewall, MB               | 204.467.5566 |
| Birtle, MB                | 204.842.5301 | Winnipeg, MB (St. Boniface) | 204.987.4875 |
| Notre-Dame-de-Lourdes, MB | 204.248.2557 | Winnipeg, MB (St. Norbert)  | 204.269.7460 |
| Steinbach, MB             | 204.326.6871 |                             |              |

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**LAKE WINNIPEG FOUNDATION INC.****Statement of Financial Position****December 31, 2020**

|   | <b>2020</b>       | <b>2019</b>       |
|---|-------------------|-------------------|
| <b>ASSETS</b>   |                   |                   |
| CURRENT   |                   |                   |
| Cash and short-term investments                           | \$ 593,495        | \$ 378,833        |
| Accounts receivable                                       | 36,188            | -                 |
| Due from government agencies                              | 3,514             | 4,228             |
| Prepaid expenses  | 4,031             | 4,177             |
|   | <u>637,228</u>    | <u>387,238</u>    |
| TANGIBLE CAPITAL ASSETS (Note 3)                          | <u>60,320</u>     | <u>15,436</u>     |
|   | <u>\$ 697,548</u> | <u>\$ 402,674</u> |
| <b>LIABILITIES</b>  |                   |                   |
| CURRENT   |                   |                   |
| Accounts payable and accrued liabilities                  | \$ 67,062         | \$ 13,160         |
| Wages payable   | 33,426            | 24,464            |
| Deferred grant revenue                                    | 363,692           | 191,831           |
|   | <u>464,180</u>    | <u>229,455</u>    |
| DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 4) | <u>46,643</u>     | <u>-</u>          |
|   | <u>510,823</u>    | <u>229,455</u>    |
| <b>NET ASSETS</b>   | <u>186,725</u>    | <u>173,219</u>    |
|   | <u>\$ 697,548</u> | <u>\$ 402,674</u> |

**Approved on Behalf of the Board:**

Signed in original \_\_\_\_\_,

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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, 2020**

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|   | <b>2020</b>       | <b>2019</b>       |
|---|-------------------|-------------------|
| <b>NET ASSETS - BEGINNING OF YEAR</b>   | <b>\$ 173,219</b> | \$ 156,990        |
| EXCESS OF REVENUES OVER EXPENSES        | <b>13,506</b>     | 36,229            |
| CONTRIBUTION TO ENDOWMENT FUND (NOTE 7) | -                 | (20,000)          |
| <b>NET ASSETS - END OF YEAR</b>         | <b>\$ 186,725</b> | <b>\$ 173,219</b> |

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

**LAKE WINNIPEG FOUNDATION INC.****Statement of Operations****For the Year Ended December 31, 2020**

|  | <b>2020</b>      | <b>2019</b>      |
|--|------------------|------------------|
| <b>REVENUE</b>                                       |                  |                  |
| Grants   | \$ 685,227       | \$ 727,079       |
| Events - Based Fundraising                           | 88,039           | 73,091           |
| Donations and memberships                            | 43,462           | 72,516           |
| Government of Canada - Canada Emergency Wage Subsidy | 8,892            | -                |
| Other revenue  | 5,183            | -                |
| Interest income                                      | 3,155            | 6,403            |
| Other income   | 2,637            | 2,754            |
|  | <b>836,595</b>   | <b>881,843</b>   |
| <b>EXPENSES</b>                                      |                  |                  |
| Amortization of tangible assets                      | 10,287           | 4,542            |
| Audit fees   | 4,044            | 3,388            |
| Conference and travel                                | 11,407           | 27,881           |
| Consulting   | 3,909            | 4,598            |
| External granting                                    | 10,643           | 8,869            |
| Fundraising  | 24,625           | 23,262           |
| Insurance  | 3,100            | 2,298            |
| Meetings and conventions                             | 2,957            | 6,405            |
| Office expenses                                      | 26,776           | 24,089           |
| Program expenses                                     | 152,401          | 225,629          |
| Rent   | 30,012           | 26,073           |
| Service charges                                      | 5,231            | 3,235            |
| Telephone  | 2,861            | 2,486            |
| Training expense                                     | 3,633            | 9,898            |
| Wages and benefits                                   | 531,203          | 472,961          |
|  | <b>823,089</b>   | <b>845,614</b>   |
| <b>EXCESS OF REVENUES OVER EXPENSES</b>              | <b>\$ 13,506</b> | <b>\$ 36,229</b> |

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, 2020**

|  | <b>2020</b>       | <b>2019</b>       |
|--|-------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                   |                   |                   |
| Excess of revenues over expenses for the year                  | \$ 13,506         | \$ 36,229         |
| Items not affecting cash:                                      |                   |                   |
| Amortization of tangible assets                                | 10,287            | 4,542             |
| Amortization of deferred contributions                         | (5,183)           | -                 |
| Changes in non-cash working capital:                           |                   |                   |
| Accounts receivable  | (36,188)          | -                 |
| Due from government agencies                                   | 714               | (1,532)           |
| Prepaid expenses   | 146               | (308)             |
| Accounts payable and accrued liabilities                       | 53,902            | 7,267             |
| Wages payable  | 8,962             | 12,901            |
| Deferred grant revenue   | 171,861           | 63,781            |
|  | <u>218,007</u>    | <u>122,880</u>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                   |                   |                   |
| Payments to acquire tangible capital assets                    | (55,171)          | (8,294)           |
| Contributed capital to Endowment fund                          | -                 | (20,000)          |
|  | <u>(55,171)</u>   | <u>(28,294)</u>   |
| <b>NET CASH USED BY INVESTING ACTIVITIES</b>                   | <u>(55,171)</u>   | <u>(28,294)</u>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                   |                   |                   |
| Contributions received   | 51,826            | -                 |
|  | <u>51,826</u>     | <u>-</u>          |
| <b>INCREASE IN CASH FLOW</b>                                   | <u>214,662</u>    | <u>94,586</u>     |
| <b>CASH AND SHORT TERM INVESTMENTS - beginning of the year</b> | <u>378,833</u>    | <u>284,247</u>    |
| <b>CASH AND SHORT TERM INVESTMENTS - end of the year</b>       | <u>\$ 593,495</u> | <u>\$ 378,833</u> |

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, 2020

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### 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.

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### 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. Depreciation 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.

**LAKE WINNIPEG FOUNDATION INC.**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2020**

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**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), we make 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 we believe 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, 2020**

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**3. TANGIBLE CAPITAL ASSETS**

|                      | <b>Cost</b>       | <b>Accum.<br/>Amort.</b> | <b>2020<br/>Net Book<br/>Value</b> | <b>2019<br/>Net Book<br/>Value</b> |
|----------------------|-------------------|--------------------------|------------------------------------|------------------------------------|
| Website and software | \$ 30,306         | \$ 30,306                | \$ -                               | \$ -                               |
| Equipment            | 88,288            | 27,968                   | 60,320                             | 15,436                             |
|                      | <b>\$ 118,594</b> | <b>\$ 58,274</b>         | <b>\$ 60,320</b>                   | <b>\$ 15,436</b>                   |

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**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.

|                            | <b>2020</b>      | <b>2019</b> |
|----------------------------|------------------|-------------|
| Grant received             | \$ 51,826        | \$ -        |
| Less : reported to revenue | (5,183)          | -           |
|                            | <b>\$ 46,643</b> | <b>\$ -</b> |

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**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.

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## LAKE WINNIPEG FOUNDATION INC.

### Notes to the Financial Statements

For the Year Ended December 31, 2020

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#### 6. 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.

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#### 7. 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, 2020 was \$45,033 (2019 - \$41,478).

|   | 2020             | 2019             |
|---|------------------|------------------|
| <b>Contributed capital at the beginning of the year</b> | <b>\$ 40,414</b> | <b>\$ -</b>      |
| Lake Winnipeg Foundation                                | -                | 20,000           |
| The Winnipeg Foundation                                 | -                | 15,000           |
| Individuals   | <b>2,434</b>     | 5,414            |
| <b>Contributed capital at the end of the year</b>       | <b>\$ 42,848</b> | <b>\$ 40,414</b> |

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#### 8. COVID-19

In March 2020, The World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place have multiple impacts on local, provincial, national and global economics.

The overall effect (if any) of these events on the organization and its operations is too uncertain to be estimated at this time. The impacts will be accounted for when they are known and may be assessed.

Management expects a potential decline in individual donation revenues, event-based fundraising revenues, or other revenues as a result of this situation, but are not able to reasonably forecast the amount of the decline at this time.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance. Management agrees that they may require disclosure in the future financial statements but would not affect the amounts recognized in the December 31, 2020 financial statements.

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