

**CARMAN AREA FOUNDATION INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

# CARMAN AREA FOUNDATION INC.

DECEMBER 31, 2024

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**Independent practitioners' review engagement report**

To the Directors of  
Carman Area Foundation Inc.

We have reviewed the accompanying financial statements of Carman Area Foundation Inc. that comprise the statement of financial position as at December 31, 2024 and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

*Practitioners' Responsibility*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Carman Area Foundation Inc. as at December 31, 2024 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

June 2, 2025



# CARMAN AREA FOUNDATION INC.

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

(with prior year's figures for comparison)

### ASSETS

<b>CURRENT</b>	<b><u>2024</u></b>	<b><u>2023</u></b>
Cash	\$ 234,510	\$ 214,721
Investments (note 1)	-	8,373
GST receivable	<u>988</u>	<u>344</u>
	235,498	223,438
<b>ACCESS CREDIT UNION SHARES</b>	15	15
<b>INVESTMENTS, NON-CURRENT (note 1)</b>	<u>3,788,009</u>	<u>3,376,004</u>
	<u><b>\$ 4,023,522</b></u>	<u><b>\$ 3,599,457</b></u>

### LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ <u>9,077</u>	\$ <u>5,040</u>
<b>NET ASSETS</b>		
Endowment Fund		
Endowment Fund (note 2)	3,930,903	3,402,431
Held for trading Fund (note 3)	<u>-</u>	<u>114,969</u>
	3,930,903	3,517,400
Operating Fund	79,703	67,423
Restricted Fund	<u>3,839</u>	<u>9,594</u>
	<u>4,014,445</u>	<u>3,594,417</u>
	<u><b>\$ 4,023,522</b></u>	<u><b>\$ 3,599,457</b></u>

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

# CARMAN AREA FOUNDATION INC.

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

### FOR THE YEAR ENDED DECEMBER 31, 2024

(with prior year's figures for comparison)

	<u>Endowment Fund</u>	<u>Operating Fund</u>	<u>Held for Trading Fund</u>	<u>Restricted Fund</u>	<u>2024 Total</u>	<u>2023 Total</u>
<b>REVENUE</b>						
Dividend income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33
Endowment contributions (note 4)	87,878	-	-	-	87,878	181,151
Fundraising - gala evening	81,041	-	-	-	81,041	76,717
Interest income	2,182	-	-	-	2,182	5,603
TWF (The Winnipeg Foundation)						
interest and dividends	98,071	-	-	-	98,071	90,741
TWF realized gains	92,540	-	-	-	92,540	78,814
TWF unrealized gains	281,687	-	-	-	281,687	140,628
CAF Admin Fund grant	-	1,400	-	-	1,400	-
Community Foundations of Canada grant	-	1,000	-	-	1,000	10,000
Fundraising - golf tournament	-	8,180	-	-	8,180	8,250
Gifts in Kind (note 5)	-	1,201	-	-	1,201	1,282
TWF affiliate fund grant	-	2,782	-	-	2,782	2,538
TWF operating grant	-	3,700	-	-	3,700	2,000
TWF threshold grant	-	8,000	-	-	8,000	7,000
Grants unused or returned	-	-	-	2,270	2,270	-
	<u>643,399</u>	<u>26,263</u>	<u>-</u>	<u>2,270</u>	<u>671,932</u>	<u>604,757</u>

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

# CARMAN AREA FOUNDATION INC.

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

### FOR THE YEAR ENDED DECEMBER 31, 2024

(with prior year's figures for comparison)

	<u>Endowment Fund</u>	<u>Operating Fund</u>	<u>Held for Trading Fund</u>	<u>Restricted Fund</u>	<u>2024 Total</u>	<u>2023 Total</u>
<b>EXPENSES</b>						
Gala evening expenses	14,828	2,898	-	-	17,726	21,969
TWF administration fees	19,364	-	-	-	19,364	15,657
TWF investment fees	14,389	-	-	-	14,389	12,300
Grants paid (note 6)	143,200	-	-	12,955	156,155	135,010
Accounting and legal	-	5,333	-	-	5,333	4,928
Community awareness	-	162	-	-	162	-
Conference	-	195	-	-	195	1,587
Community Foundation Coordinator	-	12,753	-	-	12,753	11,698
Golf tournament expenses	-	3,896	-	-	3,896	3,767
Insurance	-	1,201	-	-	1,201	1,282
Membership	-	1,469	-	-	1,469	1,072
Office	-	17,391	-	-	17,391	24,106
Grants paid out from unused or returned	-	-	-	1,870	1,870	532
	<u>191,781</u>	<u>45,298</u>	<u>-</u>	<u>14,825</u>	<u>251,904</u>	<u>233,908</u>
<b>EXCESS REVENUES (EXPENSES)</b>	451,618	(19,035)	-	(12,555)	420,028	370,849
Transfers between funds						
Granting allocation (note 7)	(6,800)	-	-	6,800	-	-
Admin fee allocation (note 8)	(31,315)	31,315	-	-	-	-
Allocation of Held for Trading Fund (note 3)	114,969	-	(114,969)	-	-	-
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>3,402,431</u>	<u>67,423</u>	<u>114,969</u>	<u>9,594</u>	<u>3,594,417</u>	<u>3,223,568</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 3,930,903</u>	<u>\$ 79,703</u>	<u>\$ -</u>	<u>\$ 3,839</u>	<u>\$ 4,014,445</u>	<u>\$ 3,594,417</u>

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

# CARMAN AREA FOUNDATION INC.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2024

(with prior year's figures for comparison)

	<u>2024</u>	<u>2023</u>
<b>OPERATING ACTIVITIES:</b>		
Excess revenue	\$ 420,028	\$ 370,849
Adjustments:		
Contributions made directly to TWF (note 4)	(29,371)	(41,454)
TWF net investment income	(438,545)	(282,226)
TWF Annual admin fees received for subsequent year	<u>38,728</u>	<u>31,315</u>
	(9,160)	78,484
Net changes in non-cash working capital items:		
GST receivable	(644)	29
Accounts payable	<u>4,037</u>	<u>-</u>
	<u>(5,767)</u>	<u>78,513</u>
<b>INVESTING ACTIVITIES:</b>		
Granting allocation received from TWF	148,850	135,498
Proceeds from other investments	8,373	7,880
Transfers to TWF	<u>(131,667)</u>	<u>(288,053)</u>
	<u>25,556</u>	<u>(144,675)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	19,789	(66,162)
<b>CASH AND CASH EQUIVALENTS</b> , beginning of year	<u>214,721</u>	<u>280,883</u>
<b>CASH AND CASH EQUIVALENTS</b> , end of year	\$ <u>234,510</u>	\$ <u>214,721</u>
<b>REPRESENTED BY:</b>		
Access Credit Union chequing	\$ 35,213	\$ 180,596
Access Credit Union premium savings	196,398	25,071
Access Credit Union Linear Grain Fund	<u>2,899</u>	<u>9,054</u>
	\$ <u>234,510</u>	\$ <u>214,721</u>

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

# **CARMAN AREA FOUNDATION INC.**

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **DECEMBER 31, 2024**

#### **Nature of Operations**

The Carman Area Foundation Inc. is a community foundation incorporated under the Manitoba Corporations Act on April 15, 1998. The organization invests the contributions it receives in a perpetuity endowment fund and uses the income earned to make grants to charitable groups in the Rural Municipalities of Roland, Dufferin and Grey, the Town of Carman and the Sperling area.

The Carman Area Foundation Inc. is a registered charity under the Income Tax Act (Canada) and while registered is exempt from income taxes.

#### **Basis of Accounting**

Carman Area Foundation Inc. applies the Canadian accounting standards for not-for-profit organizations. These standards are part of Canadian generally accepted accounting principles.

#### **Fund Accounting**

For financial reporting purposes, the accounts of the foundation have been classified into funds. The Foundation ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided.

#### **Endowment fund**

This fund has the purpose of receiving contributions in perpetuity and investing the funds to generate revenue. The revenue earned is used to distribute grants to a variety of charitable groups for the benefit of the local communities. In prior years, this fund included the Held for Trading fund which was set up to hold the unrealized gains and losses on investments. The Held for Trading fund has been distributed to each endowment fund in the current year. This fund is externally restricted by the various fund agreements.

#### **Operating fund**

This fund's purpose is to receive revenue from donations, grants and fundraising intended to cover the operating expenses of the Foundation. This fund is unrestricted.

#### **Restricted fund**

This fund was set up to hold restricted funds which are typically grants approved by the board and allocated from the endowment fund but not paid out to the grant recipient in the fiscal year. This fund is externally restricted by the fund agreement with respect to the grant recipient.

#### **Use of estimates**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses.

There are no specific areas where estimates are used on an ongoing basis.

**CARMAN AREA FOUNDATION INC.**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**DECEMBER 31, 2024**

<b>Financial Instruments</b>	<p>The Foundation initially measures its financial assets and financial liabilities at fair value.</p> <p>Investments held at TWF are subsequently measured at fair value based on the market value at year end and realized and unrealized gains and losses are included in the Statement of Operation. All other financial instruments are subsequently measured at cost or amortized cost.</p>
<b>Cash and cash equivalents</b>	<p>Cash and cash equivalents consist of cash on hand, balances with banks, and short-term deposits with a maturity of three months or less.</p>
<b>Investments</b>	<p>Investments in debentures were held to maturity and were measured at cost. Investments held at TWF are measured at fair market value.</p>
<b>Revenue Recognition</b>	<p>The Foundation uses the restricted fund method of accounting for contributions. Under this method, all endowment contributions are recognized as revenue in the endowment fund.</p> <p>Donations, fundraising and gifts in kind are recognized in the applicable fund when received.</p> <p>Grants are recognized when confirmation is received that the organization has been successful in its application and has met any conditions required by the grantor.</p> <p>Investment income is recognized as revenue in the endowment fund in the year based on market values.</p>
<b>Gifts in Kind/Contributed services</b>	<p>Only contributed materials and services that can be reliably measured at fair value are included in the financial statements. Volunteers contribute a significant amount of time to assist the organization in carrying out its activities. However, those services cannot be readily valued and are therefore not recognized in the financial statements.</p>

# CARMAN AREA FOUNDATION INC.

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

### 1. INVESTMENTS

The investments consist of the following, which are stated at cost unless otherwise noted:

	<u>2024</u>	<u>2023</u>
Town of Carman debenture at a rate of 6.25% repayable over a twenty year term maturing December 1, 2024 (current portion - \$NIL; 2023 - \$8,373)	\$ -	\$ 8,373
Investments held at TWF stated at fair market value	<u>3,788,009</u>	<u>3,376,004</u>
	3,788,009	3,384,377
Less: Current Investments	<u>-</u>	<u>8,373</u>
Total Non-Current Investments	<u>\$ 3,788,009</u>	<u>\$ 3,376,004</u>

The Foundation has an affiliation agreement with TWF to manage all of the investments of the Foundation.

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

# CARMAN AREA FOUNDATION INC.

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

### 2. ENDOWMENT FUNDS 2024

	Opening balance	Admin expense	Grants allocated	Contri- butions	Investment income	Ending balance
General Fund	\$ 1,783,901	\$ (18,016)	\$ (80,500)	\$ 79,554	\$ 290,163	\$ 2,055,102
Mason's - Boyne Lodge Fund	15,715	(140)	(720)	-	2,469	17,324
Mason's - Carman Memorial Hospital	15,784	(139)	(720)	57	2,488	17,470
Mason's - Carman Collegiate Fund	15,960	(137)	(720)	-	2,509	17,612
Mason's - CES Fund	15,472	(137)	(720)	-	2,430	17,045
Carman Kinsmen Pool Fund	28,684	(282)	(1,320)	-	4,502	31,584
Sperling Community Fund	214,804	(1,896)	(9,500)	6,933	34,665	245,006
Linear Grain Fund	148,124	(1,334)	(6,800)	1,015	24,535	165,540
Theatre Fund	5,985	(59)	(260)	37	946	6,649
Roland Community Fund	141,159	(1,411)	(6,450)	3,506	22,600	159,404
Health and Wellness Fund	137,747	(1,212)	(6,400)	705	21,720	152,560
Boyne Regional Library Fund	61,956	(556)	(2,700)	12,928	11,345	82,973
Preston-Kitching Fund	74,131	(772)	(3,400)	2,957	12,036	84,952
RM of Grey Fund	330,941	(2,048)	(13,000)	15,268	54,301	385,462
Carman Lions Club Fund	12,640	(112)	(600)	-	1,984	13,912
Boyne Lodge Fund	65,228	(581)	(3,000)	-	10,245	71,892
Carman Memorial Hospital Fund	96,628	(878)	(3,800)	795	15,358	108,103
Arts Stabilization Manitoba Fund	16,218	(167)	(740)	100	2,559	17,970
Winston Simpson Memorial Fund	20,173	(181)	(925)	-	3,169	22,236
Carman Golf and Curling Club Fund	22,875	(228)	(1,020)	-	3,595	25,222
Carman Collegiate YIP Fund	13,868	(92)	(580)	2,500	2,506	18,202
Carman Handi-Van Fund	21,940	(188)	(1,000)	1,814	3,678	26,244
Dane Nicolajsen Fund	70,766	(643)	(3,250)	25,922	14,379	107,174
D.R. McClement Memorial Fund	10,377	(106)	(475)	-	1,628	11,424
CAF Administration Fund	61,355	-	(1,400)	-	9,886	69,841
Total	<u>\$ 3,402,431</u>	<u>\$ (31,315)</u>	<u>\$ (150,000)</u>	<u>\$ 154,091</u>	<u>\$ 555,696</u>	<u>\$ 3,930,903</u>

Included in the investment income is the allocation of the HFT Fund - see Note 3.

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

# CARMAN AREA FOUNDATION INC.

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

### 3. ALLOCATION OF HELD FOR TRADING FUND

The Board of Directors resolved to allocate the \$114,969 balance in the Held for Trading Fund to each Endowment Fund on January 1, 2024 prorated to each fund based on the fund balance on December 31, 2023.

### 4. ENDOWMENT CONTRIBUTIONS

Included in endowment contributions are \$29,371 (2023 - \$41,454) of contributions that were made directly to TWF for the benefit of the Carman Area Foundation Inc..

### 5. GIFTS IN KIND

During the year, a donor paid a premium in the amount of \$1,201 (2023 - \$1,282) towards a life insurance policy to which the Foundation is the beneficiary. A donation receipt was issued to the donor for the amount of the premiums paid.

### 6. GRANTS PAID

	<u>2024</u>	<u>2023</u>
Boyne Lodge Campus Charity	\$ 5,800	\$ -
Boyne Valley Hostel	-	6,550
Carman Area Foundation Inc. operating fund	1,400	-
Carman & Community Active Living Centre Inc.	5,000	3,500
Carman Wellness Connections Inc.	1,200	3,500
Carman Community Seniors Resource Council	1,500	2,067
Carman & District Cheer Board	2,000	-
Carman Dufferin Fire Department	12,000	-
Carman Family Resource Centre Inc.	650	1,300
Carman Golf & Curling Club	1,020	-
Carman Handi-Van Corp	1,000	910
Carman Memorial Hospital	11,000	5,400
Carman Palliative Care	5,500	8,000
Dufferin Agricultural Society	3,000	5,000
Dufferin Historical Society	2,000	2,250
Elm Creek 4H Activity Club	-	500
Elm Creek Stay & Play Inc.	1,000	2,500
Elm Creek Housing Corp.	3,075	3,500
Golden Prairie Arts Council	1,740	5,000
Historical Society of the RM of Roland Inc.	645	1,500
Katie Cares Inc.	1,200	-
PRSD	10,400	-
PRSD - Carman Collegiate	3,875	5,110
PRSD - Carman Elementary Parent Advisory Council	1,000	710
PRSD - Elm Creek School Parent Advisory Council	-	4,000

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

# CARMAN AREA FOUNDATION INC.

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

### 6. GRANTS PAID ctd.

	<u>2024</u>	<u>2023</u>
PRSD - Roland School	-	4,250
PRSD - YIP Carman Collegiate	-	3,500
RM of Grey - Elm Creek Canada Day Committee	3,000	2,500
RM of Grey - Elm Creek Missoula Youth Theatre	2,000	-
RM of Grey - Elm Creek Skating Rink	5,000	2,800
RM of Grey - Firefighters	10,000	-
RM of Grey - St. Claude Friendship Centre	4,400	-
RM of Roland	3,500	2,093
RM of Roland - Roland Golf Course	-	1,500
RM of Roland - Roland Pumpkin Fair	1,080	1,270
South Central Cancer Resource	870	-
Sperling Community Club	10,000	8,605
TLC Centre Inc.	2,400	2,000
Town of Carman - Back on Cue	1,000	1,500
Town of Carman - Boyne Book it Fun Run	-	2,900
Town of Carman - Boyne Regional Library	3,200	5,000
Town of Carman - Boyne River Keepers	7,800	6,000
Town of Carman - Carman Community Pathway	-	225
Town of Carman - Carman Chamber of Commerce	-	1,000
Town of Carman - Carman Community Garden	3,500	-
Town of Carman - Carman Community Hall	1,000	-
Town of Carman - Carman Minor Ball	7,000	7,115
Town of Carman - Carman Minor Hockey	1,000	-
Town of Carman - Carman Minor Soccer	4,000	-
Town of Carman - Carman Pool	3,055	2,880
Town of Carman - Community Christmas Day Dinner	1,140	-
Town of Carman - Communities in Bloom	2,420	3,000
Town of Carman - Midland Nursery School	-	2,100
Town of Carman - Recreation	955	7,375
Wee Care Child Care Center Inc.	2,500	2,500
Youth for Christ	<u>1,200</u>	<u>3,600</u>
Total grants paid	<u>\$ 158,025</u>	<u>\$ 135,010</u>

### 7. GRANTING ALLOCATION

The Foundation is required to pay out grants annually as specified by each of the endowment fund agreements. Due to the nature of the fund, grants for the Linear Grain Fund are not always paid at the time of the allocation. Therefore, the amount of the allocation for the Linear Grain Fund as determined by the Board of Directors is transferred to the restricted fund. Grants for the Linear Grain Fund are then paid out of the restricted fund. Grants for all other funds are paid directly out of the endowment funds as determined by the Board of Directors.

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

# **CARMAN AREA FOUNDATION INC.**

## **NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

### **8. ADMIN FEE ALLOCATION**

The Foundation policy permits a transfer as set annually by the Board of Directors from the endowment fund to the operating fund to cover administrative expenses. On January 1, 2024, \$31,315 (2023 - \$28,844) was transferred from the endowment funds to the operating fund to cover administrative expenses. The allocation is calculated as 1% (2023 - 1%) of the market value of the investment asset at TWF on September 30th of the prior year and is calculated by TWF.

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

# CARMAN AREA FOUNDATION INC.

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

### 9. FINANCIAL INSTRUMENTS

#### Risks and concentrations

The Foundation is exposed to various risk through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the Foundation's risk exposure as at December 31, 2024.

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. There are no major areas where the Foundation is exposed to liquidity risk and there has been no change to the risk exposures from the prior year.

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. There are no major areas where the Foundation is exposed to credit risk and there has been no change to the risk exposures from the prior year.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

#### *Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation is exposed to currency risk on its foreign investments managed by TWF as the prices denominated in foreign currencies are converted to Canadian dollar in determining fair value. TWF's investment policy has an objective to manage currency risk by maintaining a geographically diversified portfolio. There have been no changes in currency risk from the prior year.

#### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk on its bond portfolios managed by TWF. The objective of TWF's investment policy is to manage its interest rate exposure. There have been no changes in interest rate risk from the prior year.

#### *Other price risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk on its investments in preferred and common stock managed by TWF. The objective of TWF's investment policy is to manage other price risk by maintaining a portfolio which is diversified across geographic and industry sectors. There have been no changes in other price risk from the prior year.

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