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NORTHERN NEIGHBOURS  
FOUNDATION, INC.  
FINANCIAL STATEMENTS

JUNE 30, 2025

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# NORTHERN NEIGHBOURS FOUNDATION, INC.

## INDEX TO FINANCIAL STATEMENTS

JUNE 30, 2025

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AUDITOR'S REPORT

STATEMENT OF FINANCIAL POSITION.....STATEMENT 1

STATEMENT OF CHANGES IN FUND BALANCES .....STATEMENT 2

STATEMENT OF REVENUE AND EXPENDITURES .....STATEMENT 3

STATEMENT OF CASH FLOWS.....STATEMENT 4

NOTES TO FINANCIAL STATEMENTS

**INDEPENDENT AUDITOR'S REPORT**

To the Directors of Northern Neighbours Foundation, Inc.

**Opinion**

We have audited the accompanying financial statements of Northern Neighbours Foundation, Inc., which comprise the statement of financial position as at June 30, 2025, and the statements of changes in fund balances, revenue and expenditures 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 Northern Neighbours Foundation, Inc. as at June 30, 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 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 Northern Neighbours Foundation, Inc. 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 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 Northern Neighbours Foundation, Inc.'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 Northern Neighbours Foundation, Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Northern Neighbours Foundation, Inc.'s financial reporting process.

*(continued.....)*

### **Auditor's Responsibility 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 Northern Neighbours Foundation, Inc.'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 Northern Neighbours Foundation, Inc.'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 Northern Neighbours Foundation, Inc. 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.

*Baker Tilly HMA LLP*

Chartered Professional Accountants

Flin Flon, Manitoba  
January 11, 2026

# NORTHERN NEIGHBOURS FOUNDATION, INC.

STATEMENT 1

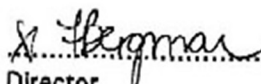
## STATEMENT OF FINANCIAL POSITION

JUNE 30

	Operating Fund	Capital Fund	2025	2024
<b>A S S E T S</b>				
CURRENT				
Cash	\$ 15,637	\$ 39,794	\$ 55,431	\$ 84,701
Investments (Note 3)		1,426,002	1,426,002	1,323,315
Due from Capital Fund	<u>8,186</u>	<u>-</u>	<u>8,186</u>	<u>8,186</u>
	<u>\$ 23,823</u>	<u>\$ 1,465,796</u>	<u>\$ 1,489,619</u>	<u>\$ 1,416,202</u>
<b>L I A B I L I T I E S</b>				
CURRENT				
Accounts payable and accrued liabilities (Note 4)	\$ 5,017	\$ -	\$ 5,017	\$ 5,248
Grant commitments		17,000	17,000	11,000
Due to Operating Fund	<u>-</u>	<u>8,186</u>	<u>8,186</u>	<u>8,186</u>
	<u>5,017</u>	<u>25,186</u>	<u>30,203</u>	<u>24,434</u>
<b>F U N D B A L A N C E S</b>				
OPERATING	18,806		18,806	15,354
RESTRICTED	<u>-</u>	<u>1,440,610</u>	<u>1,440,610</u>	<u>1,376,414</u>
	<u>18,806</u>	<u>1,440,610</u>	<u>1,459,416</u>	<u>1,391,768</u>
	<u>\$ 23,823</u>	<u>\$ 1,465,796</u>	<u>\$ 1,489,619</u>	<u>\$ 1,416,202</u>

Approved on behalf of the Board of Directors

  
.....  
Director

  
.....  
Director

# NORTHERN NEIGHBOURS FOUNDATION, INC.

STATEMENT 2

## STATEMENT OF CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30

	2 0 2 5	2 0 2 4
<b>OPERATING FUND</b>		
BALANCE, <i>beginning of year</i>	\$ 15,354	\$ 23,682
Excess of expenditures over revenue	( 8,048)	( 18,328)
Transfer from capital fund	<u>11,500</u>	<u>10,000</u>
BALANCE, <i>end of year</i>	\$ <u>18,806</u>	\$ <u>15,354</u>
<b>CAPITAL FUND</b>		
BALANCE, <i>beginning of year</i>	\$ 1,376,414	\$ 1,268,881
Excess of revenue over expenditures	75,696	117,533
Transfer to operating fund	<u>( 11,500)</u>	<u>( 10,000)</u>
BALANCE, <i>end of year</i>	\$ <u>1,440,610</u>	\$ <u>1,376,414</u>
<b>TOTAL FUND BALANCES</b>	\$ <u>1,459,416</u>	\$ <u>1,391,768</u>

# NORTHERN NEIGHBOURS FOUNDATION, INC.

STATEMENT 3

## STATEMENT OF REVENUE AND EXPENDITURES

YEAR ENDED JUNE 30

	Operating Fund	Capital Fund	2 0 2 5	2 0 2 4
<b>REVENUE</b>				
Donations and gifts	\$ 13,880	\$ 197,139	\$ 211,019	\$ 189,714
Investment income <i>(Note 6)</i>		154,144	154,144	116,147
Administration	<u>15,537</u>	<u>-</u>	<u>15,537</u>	<u>1,000</u>
	<u>29,417</u>	<u>351,283</u>	<u>380,700</u>	<u>306,861</u>
<b>EXPENDITURES</b>				
Administration charges		14,037	14,037	12,317
Advertising	800		800	394
Bank charges	46	50	96	47
Grants paid		261,500	261,500	176,011
Insurance	844		844	
Travel and workshops	7,318		7,318	2,956
Memberships	3,161		3,161	1,497
Office	437		437	720
Professional fees	6,004		6,004	7,464
Rent	880		880	
Salaries	15,178		15,178	6,057
Telephone/website	202		202	193
Tuition	<u>2,595</u>	<u>-</u>	<u>2,595</u>	<u>-</u>
	<u>37,465</u>	<u>275,587</u>	<u>313,052</u>	<u>207,656</u>
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	\$ <u>(8,048)</u>	\$ <u>75,696</u>	\$ <u>67,648</u>	\$ <u>99,205</u>

# NORTHERN NEIGHBOURS FOUNDATION, INC.

STATEMENT 4

## STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30

	2025	2024
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Donations and gifts received	\$ 211,019	\$ 189,714
Interest and other investment income received	154,144	116,147
Cash paid to suppliers and employees	( 51,783)	( 29,948)
Grants paid	( 255,500)	( 195,673)
Other cash received	<u>15,537</u>	<u>1,000</u>
	<u>73,417</u>	<u>81,240</u>
<i>INVESTING ACTIVITY</i>		
Net increase in investments	( <u>102,687</u> )	( <u>67,388</u> )
NET INCREASE (DECREASE) IN CASH DURING YEAR	( 29,270)	13,852
CASH, <i>beginning of year</i>	<u>84,701</u>	<u>70,849</u>
CASH, <i>end of year</i>	<u>\$ 55,431</u>	<u>\$ 84,701</u>

# NORTHERN NEIGHBOURS FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

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### 1. NATURE OF ORGANIZATION

The foundation was incorporated November 10, 1994 as a community foundation whereby Capital Fund Donations are held in perpetuity, with the interest from these funds being donated for community endeavours in Flin Flon, Creighton, Denare Beach, Cranberry Portage, Snow Lake and Sherridon.

The Foundation is a registered charity and is classified as a public foundation for purposes of the Income Tax Act (Canada).

### 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

#### *BASIS OF PRESENTATION*

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The following describes the more significant accounting policies:

#### *CAPITAL ASSETS*

Capital assets are expensed at the time of acquisition. Capital assets held include furniture and computer equipment. During the year capital assets valued at NIL (2024 - NIL) were expensed

#### *INCOME TAXES*

The Northern Neighbours Foundation Inc. qualifies as a public foundation under the Income Tax Act and as such is exempt from the payment of income taxes.

#### *REVENUE RECOGNITION*

##### (a) Fund accounting

The Operating Fund accounts for the Foundation's service delivery and administrative activities. This fund reports unrestricted resources available for immediate use and internally restricted fund balances which represent funds that have been restricted for specific purposes by the Board.

The Capital Fund reports resources that are to be used for charitable purposes in the community and surrounding areas. The Foundation is restricted in the types of grants that can be made according to its agreement with the Foundations from which funds are received. Investment income earned on resources of this fund is reported depending on the nature of any restrictions imposed by contributors of funds for endowment.

##### (b) Revenue recognition

The Foundation follows the restricted fund method whereby externally restricted contributions (donations and gifts) are recognized in the fund corresponding to the purpose for which they were contributed. Restricted contributions for which no corresponding restricted fund is presented must be recognized in the Operating Fund using the deferral method. Unrestricted contributions are recognized as revenues in the Operating Fund. Endowment contributions are recognized as income of the specific fund for which they pertain. The Operating Fund levies an administration recovery against the capital fund.

**NOTES TO FINANCIAL STATEMENTS**JUNE 30, 2025

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**2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)***

Investment income in the Capital Fund includes dividend and interest income, realized investment gains and losses on sales of investments measured at amortized cost, and unrealized gains and losses on investments measured at fair value. Investment transactions are recognized on the transaction date and resulting revenue is recognized on an accrual basis. Interest income is recognized on a time proportion basis, while dividend income is recognized on the declaration date. Gains on investments are recognized when they arise. Investment income is reported net of administration fees levied by the investment custodian.

***CONTRIBUTED MATERIALS AND SERVICES***

Contributed materials and services are recorded at fair value when fair value can be reasonably estimated and when the materials and services are normally purchase by the Foundation and would be paid for if not donated.

Volunteers make a significant contribution to assist the Foundation in its operations and governance. Because of the difficulty in determining the fair value, these contributed services are not recognized in the financial statements.

***FINANCIAL INSTRUMENTS***

The Foundation initially measures its financial assets and financial liabilities originated or exchanged in arm's length transactions at fair value. Transaction costs related to financial assets that will be subsequently measured at fair value are recognized in the statement of operations in the year in which they are incurred.

Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the organization is in the capacity of management, are initially measured at cost. The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms.

The Foundation subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash.

Financial liabilities measured at amortized cost include accounts payable.

The Foundation's financial assets measured at fair value include investments.

***IMPAIRMENT***

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down, if any, is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2025**

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

*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 at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from management's best estimates as additional information becomes available in the future. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Significant estimates include the valuation of investments.

*GRANTS*

Grants to qualified recipients are reflected as an expense in the fiscal year in which the grants are approved and committed.

3. INVESTMENTS

	2 0 2 5	2 0 2 4
Winnipeg Foundation investment portfolio	\$ 1,425,066	\$ 1,322,410
CIBC Mutual Funds portfolio	<u>936</u>	<u>905</u>
	<u>\$ 1,426,002</u>	<u>\$ 1,323,315</u>

The investments reported above are carried at market value.

The Winnipeg Foundation invests using a balanced approach including cash and short term investments, equities (Canadian, United States and International), bonds and debentures, Canadian real estate, Canadian mortgages and global infrastructure.

4. ACCOUNTS PAYABLE

	2 0 2 5	2 0 2 4
Wages payable	\$ 17	\$ 248
Accrued expenses	<u>5,000</u>	<u>5,000</u>
	<u>\$ 5,017</u>	<u>\$ 5,248</u>

5. GRANT COMMITMENTS

	2 0 2 5	2 0 2 4
Hapnot - Youth Program Grant	\$ 2,000	\$ 2,000
Daneluik Bursaries	5,000	8,000
CADAC Bursaries		1,000
Winnipeg Foundation - Town of Snow Lake Grant	<u>10,000</u>	<u>-</u>
	<u>\$ 17,000</u>	<u>\$ 11,000</u>

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

## 6. INVESTMENT INCOME

	2 0 2 5	2 0 2 4
Interest and dividends	\$ 38,069	\$ 36,786
Realized gains	36,590	26,037
Unrealized gains	92,386	64,287
Fees paid	<u>( 12,901)</u>	<u>( 10,963)</u>
	<u>\$ 154,144</u>	<u>\$ 116,147</u>

## 7. RISK MANAGEMENT

The Foundation actively manages the risks that arise from its use of financial instruments including liquidity, credit and market risk. The Foundation adheres to an investment policy that outlines the objectives, constraints, and parameters relating to its investing activities. This policy prescribes limits on the quality and concentration of investments held by the Winnipeg Foundation who is investing funds on behalf of the Foundation.

Currency Risk

Currency risk refers to the risk that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Foundation is exposed to currency risk on its investment portfolio administered by the Winnipeg Foundation which holds geographically diverse investments.

Interest Rate Risk

Interest rate risk refers to the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Foundation is exposed to interest rate risk on its investment portfolio administered by the Winnipeg Foundation as well as on its bank balances. The Winnipeg Foundation's investment policy is to manage its interest rate exposure.

Other Price Risk

Other price risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Foundation is exposed to other price risk on its investment portfolio administered by the Winnipeg Foundation which holds investments in listed shares, mortgages, real estate and infrastructure.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss or if there is a concentration of transactions carried out with the same party. The Foundation is exposed to credit risk on its investment portfolio administered by the Winnipeg Foundation. The Winnipeg Foundation has a credit risk strategy which is acceptable to the Foundation to limit its exposure to credit risk.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting a demand for cash or fund its obligations as they come due or liquidate assets in a timely manner at a reasonable price. The Winnipeg Foundation retains sufficient cash positions to meet its grant obligations. The Northern Neighbours Foundation utilizes only those funds to determine its grants, therefore it has more than adequate current assets to cover its obligations, therefore liquidity risk is minimal.