CARMAN AREA FOUNDATION INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2025

CARMAN AREA FOUNDATION INC.

DECEMBER 31, 2025

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NAKONECHNY & POWER
CHARTERED PROFESSIONAL ACCOUNTANTS LTD.

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, 2025 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, 2025 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 4, 2026

Nakonechny & Power

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CARMAN AREA FOUNDATION INC.

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025

(with prior year's figures for comparison)

ASSETS

CURRENT	**2025**	**2024**
Cash	$ 271,964	$ 234,510
GST receivable	446	988
Other receivable	3,254	-
	275,664	235,498
ACCESS CREDIT UNION SHARES	15	15
INVESTMENTS (note 2)	4,168,361	3,788,009
	$ 4,444,040	$ 4,023,522

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	$ 9,521	$ 9,077
NET ASSETS		
Endowment Fund (note 1)	4,343,989	3,930,903
Operating Fund	90,530	79,703
Restricted Fund (note 3)	-	3,839
	4,434,519	4,014,445
	$ 4,444,040	$ 4,023,522

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, 2025

(with prior year's figures for comparison)

	Endowment Fund	Operating Fund	Restricted Fund	2025 Total	2024 Total
REVENUE					
Endowment contributions (note 4, 5 & 10)	$ 98,077	$ -	$ -	$ 98,077	$ 87,878
Fundraising - gala evening	81,895	-	-	81,895	81,041
Grants unused or returned	3,902	-	-	3,902	2,270
Interest income	1,435	-	-	1,435	2,182
TWF interest and dividends *	111,468	-	-	111,468	98,071
TWF realized gains	282,190	-	-	282,190	92,540
TWF unrealized gains	115,185	-	-	115,185	281,687
CAF Admin Fund grant **	-	3,065	-	3,065	1,400
Community Foundations of Canada grant	-	-	-	-	1,000
Fundraising - golf tournament	-	6,750	-	6,750	8,180
Gifts in Kind (note 6)	-	1,201	-	1,201	1,201
TWF affiliate fund grant	-	-	-	-	2,782
TWF operating grant	-	4,033	-	4,033	3,700
TWF threshold grant	-	-	-	-	8,000
	694,152	15,049	-	709,201	671,932

* TWF - The Winnipeg Foundation
** CAF - Carman Area Foundation Inc.

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, 2025

(with prior year's figures for comparison)

	Endowment Fund	Operating Fund	Restricted Fund	2025 Total	2024 Total
EXPENSES					
Gala evening expenses	13,978	2,159	-	16,137	17,726
Grants paid (note 8)	193,317	-	-	193,317	156,155
Grants paid out from unused/returned (note 8)	-	-	-	-	1,870
TWF administration fees	21,382	-	-	21,382	19,364
TWF investment fees	16,886	-	-	16,886	14,389
Accounting and legal	-	5,506	-	5,506	5,333
Community awareness	-	-	-	-	162
Conference	-	-	-	-	195
Endow Manitoba - administrator	-	13,496	-	13,496	12,753
Golf tournament expenses (note 10)	-	2,969	-	2,969	3,896
Insurance	-	1,201	-	1,201	1,201
Membership	-	1,630	-	1,630	1,469
Office	-	16,603	-	16,603	17,391
	245,563	43,564	-	289,127	251,904
EXCESS REVENUES (EXPENSES)	448,589	(28,515)	-	420,074	420,028
Transfers between funds					
Admin fee allocation (note 7)	(39,342)	39,342	-	-	-
Allocation of Restricted Fund (note 3)	3,839	-	(3,839)	-	-
NET ASSETS - BEGINNING OF YEAR	3,930,903	79,703	3,839	4,014,445	3,594,417
NET ASSETS - END OF YEAR	$ 4,343,989	$ 90,530	$ -	$ 4,434,519	$ 4,014,445

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, 2025

(with prior year's figures for comparison)

	2025	2024
OPERATING ACTIVITIES:		
Excess revenue	$ 420,074	$ 420,028
Adjustments:		
Contributions made directly to TWF (note 4)	(15,425)	(29,371)
TWF net investment income	(470,575)	(438,545)
TWF annual admin fees received for subsequent year	42,762	38,728
	(23,164)	(9,160)
Net changes in non-cash working capital items:		
Other receivable	(3,254)	-
GST receivable	542	(644)
Accounts payable	444	4,037
	(25,432)	(5,767)
INVESTING ACTIVITIES:		
TWF granting allocation received for subsequent year	178,153	148,850
Proceeds from other investments	-	8,373
Transfers to TWF	(115,267)	(131,667)
	62,886	25,556
INCREASE IN CASH AND CASH EQUIVALENTS	37,454	19,789
CASH AND CASH EQUIVALENTS, beginning of year	234,510	214,721
CASH AND CASH EQUIVALENTS, end of year	$ 271,964	$ 234,510
REPRESENTED BY:		
Access Credit Union chequing	$ 242,097	$ 35,213
Access Credit Union platinum savings	24,833	196,398
Access Credit Union Linear Grain chequing	5,034	2,899
	$ 271,964	$ 234,510

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

CARMAN AREA FOUNDATION INC.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DECEMBER 31, 2025

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 Carman Area Foundation Inc. have been classified into funds. Carman Area Foundation Inc. ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which the were provided.

Endowment fund

This fund was established to receive and hold contributions in perpetuity, with the principal invested to generate ongoing revenue. The revenue earned is used to provide grants to a variety of charitable organizations for the benefit of local communities. 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 Carman Area Foundation Inc.. This fund is unrestricted.

Restricted fund

In prior years, this fund was used to hold restricted funds which were typically grants approved by the board and allocated from the endowment fund but not yet paid out to the grant recipients. The restricted fund has been distributed to each applicable endowment fund in the current 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, 2025

Financial Instruments

Carman Area Foundation Inc. initially measures its financial assets and financial liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

Carman Area Foundation Inc. subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for TWF investments, which are measured at fair value. Changes in fair value of these financial instruments are included in the Statement of Operations.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances with banks, and short-term deposits with a maturity of three months or less.

Investments

Investments held at TWF are measured at fair market value.

Revenue Recognition

Carman Area Foundation Inc. uses the restricted fund method of accounting for contributions. Under this method, all endowment contributions are recognized as revenue in the endowment fund.

Donations, fundraising and gifts in kind are recognized in the applicable fund when received.

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.

Investment income is recognized as revenue in the endowment fund in the year based on market values.

Gifts in Kind/Contributed services

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.

CARMAN AREA FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2025

1. ENDOWMENT FUNDS 2025

	Opening balance	Admin expense	Grants allocated (note 9)	Contri-butions	Investment income	Spendable funds (note 9)	Ending balance
Community Endowment Fund	$ 2,055,102	$ (20,552)	$ (89,700)	$ 82,449	$ 247,703	$ 3,794	$ 2,278,796
Mason's - Boyne Lodge Fund	17,324	(173)	(770)	-	2,001	-	18,382
Mason's - Carman Memorial Hospital	17,470	(175)	(775)	-	2,018	-	18,538
Mason's - Carman Collegiate Fund	17,612	(176)	(785)	-	2,034	-	18,685
Mason's - Carman Elementary Fund	17,045	(170)	(760)	-	1,969	-	18,084
Carman Kinsmen Pool Fund	31,584	(316)	(1,410)	-	3,648	-	33,506
Sperling Community Fund	245,006	(2,450)	(10,740)	15,997	30,278	-	278,091
Linear Grain Fund	165,540	(1,684)	(7,535)	1,968	19,340	5,034	182,663
Theatre Fund	6,649	(66)	(295)	-	768	-	7,056
Roland Community Fund	159,404	(1,594)	(7,020)	4,564	18,981	-	174,335
Health and Wellness Fund	152,560	(1,526)	(6,780)	1,162	17,767	-	163,183
Library Fund	82,973	(830)	(3,380)	1,568	9,815	-	90,146
Preston-Kitching Fund	84,952	(850)	(3,715)	506	9,884	-	90,777
RM of Grey Fund	385,462	(3,855)	(16,725)	14,391	46,341	-	425,614
Lions Club Fund	13,912	(139)	(620)	-	1,607	-	14,760
Boyne Lodge Fund	71,892	(719)	(3,200)	-	8,305	-	76,278
Carman Hospital Fund	108,103	(1,081)	(4,780)	2,205	12,762	-	117,209
Arts Manitoba Fund	17,970	(180)	(800)	322	2,115	-	19,427
Winston Simpson Memorial Fund	22,236	(222)	(990)	-	2,569	-	23,593
Golf & Curling Club Fund	25,222	(252)	(1,125)	1,478	3,094	-	28,417
Carman Collegiate YIP Fund	18,202	(182)	(750)	-	2,110	-	19,380
Carman Handi-Van Fund	26,244	(262)	(1,125)	2,596	3,354	-	30,807
Dane Nicolajsen Fund	107,174	(1,072)	(4,145)	968	12,576	-	115,501
D.R. McClement Memorial Fund	11,424	(118)	(510)	-	1,319	-	12,115
CAF Administration Fund	69,841	(698)	(3,065)	-	8,074	-	74,152
Carman Wellness Connections Fund	-	-	-	12,916	1,578	-	14,494
Total	$ 3,930,903	$ (39,342)	$ (171,500)	$ 143,090	$ 472,010	$ 8,828	$ 4,343,989

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

CARMAN AREA FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2025

2. INVESTMENTS

The investments consist of funds held at TWF. Carman Area Foundation Inc. has an affiliation agreement with TWF to manage all of its investments.

3. ALLOCATION OF RESTRICTED FUND

The Board of Directors resolved to allocate the $3,839 balance in the Restricted Fund to each applicable Endowment Fund on January 1, 2025. The allocation was done based on the composition of the restricted fund balance on December 31, 2024.

4. ENDOWMENT CONTRIBUTIONS

Included in endowment contributions are $15,425 (2024 - $29,371) of contributions that were made directly to TWF for the benefit of the Carman Area Foundation Inc..

5. THOMAS SILL FOUNDATION

In November 2012, the Carman Area Foundation Inc. and the Thomas Sill Foundation entered into a six year agreement in support of the Youth in Philanthropy program at Carman Collegiate. When it closed in 2023, the assets of the Thomas Sill Foundation were provided to TWF to create funds that would carry on Thomas Sill's legacy of giving. Each community foundation in Manitoba receives an annual grant to carry on Thomas Sill's philanthropic work. Included in contributions is $22,903 (2024 - $nil) from the Thomas Sill Manitoba Fund.

6. GIFTS IN KIND

During the year, a donor paid premiums in the amount of $1,201 (2024 - $1,201) towards a life insurance policy of which the Carman Area Foundation Inc. is the beneficiary. A donation receipt was issued to the donor for the amount of the premiums paid.

7. ADMIN FEE ALLOCATION

Carman Area Foundation Inc. 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, 2025, $39,342 (2024 - $31,315) was transferred from the endowment funds to the operating fund to cover administrative expenses. The allocation for each Endowment Fund is calculated as 1% (2024 - 1%) of the prior year Endowment Fund balance.

8. GRANTS PAID

	2025	2024
Carman Area Foundation Inc. operating fund	$ 3,065	$ 1,400
Carman & Community Active Living Centre Inc.	4,100	5,000
Carman Community Seniors Resource Council	2,482	1,500
Carman & District Cheer Board	-	2,000
Carman Family Resource Centre Inc.	5,050	650
Carman Golf & Curling Club	5,000	1,020
Carman Handi-Van Corp.	1,125	1,000
Carman Wellness Connections Inc.	3,775	1,200
Child & Family Services Foundation	3,000	-
Dufferin Agricultural Society	1,800	3,000
Dufferin Historical Society	2,666	2,000
Elm Creek Stay & Play Inc.	10,000	1,000
Elm Creek Housing Corp.	-	3,075
Golden Prairie Arts Council	1,500	1,740
Historical Society of the RM of Roland Inc.	-	645
Katie Cares Inc.	1,500	1,200
PRSD	-	10,400
PRSD - Carman Collegiate	3,300	3,875
PRSD - Carman Elementary Parent Advisory Council	2,500	1,000
PRSD - Elm Creek School	2,500	-
RM of Dufferin - Pumpkin Creek Ski Club	8,120	-
RM of Grey - Elm Creek Canada Day Committee	2,000	3,000
RM of Grey - Elm Creek Missoula Youth Theatre	8,045	2,000
RM of Grey - Elm Creek Skating Rink	5,000	5,000
RM of Grey - Firefighters	-	10,000
RM of Grey - L.U.D. of Haywood	2,500	-
RM of Grey - St. Claude Friendship Centre	2,000	4,400
RM of Roland	1,750	3,500
RM of Roland - Roland Golf Course	1,500	-
RM of Roland - Roland Memory Garden	1,500	-
RM of Roland - Roland Pumpkin Fair	1,750	1,080
South Central Cancer Resource	-	870
Southern Health - Boyne Lodge	12,900	5,800
Southern Health - Carman Memorial Hospital	17,071	11,000
Southern Health - Carman Palliative Care	5,161	5,500
Sperling Community Club	7,129	10,000
TLC Centre Inc.	2,070	2,400

8. GRANTS PAID ctd.

	2025	2024
Town of Carman - Back on Cue	-	1,000
Town of Carman - Boyne Regional Library	7,000	3,200
Town of Carman - Boyne River Keepers	5,000	7,800
Town of Carman - Carman Community Pathway	2,323	-
Town of Carman - Carman Chamber of Commerce	2,800	-
Town of Carman - Carman Community Garden	1,650	3,500
Town of Carman - Carman Community Hall	4,600	1,000
Town of Carman - Carman Dufferin Fire Department	4,000	12,000
Town of Carman - Carman Minor Ball	7,000	7,000
Town of Carman - Carman Minor Hockey	-	1,000
Town of Carman - Carman Minor Soccer	-	4,000
Town of Carman - Carman Pool	1,700	3,055
Town of Carman - Community Christmas Day Dinner	870	1,140
Town of Carman - Communities in Bloom	5,500	2,420
Town of Carman - Kinette Club of Carman	5,000	-
Town of Carman - Midland Nursery School	955	-
Town of Carman - Recreation	6,060	955
Wee Care Child Care Center Inc.	3,000	2,500
Youth for Christ	4,000	1,200
Total grants paid	$ 193,317	$ 158,025

9. GRANTING ALLOCATION

Carman Area Foundation Inc. is required to distribute grants annually in accordance with the terms outlined in each endowment fund agreement. Annual grant allocations are approved by the Board of Directors in compliance with CRA requirements and are transferred to each endowment fund's spendable funds at the beginning of the year for distribution upon grant approval.

Due to the nature of the Linear Grain Fund, grants are not always fully disbursed within the same year as the allocation. Any undistributed portion of the annual allocation remains in the spendable funds until approved grants are paid.

In some cases, grant funds may be returned as a result of incomplete projects or project costs coming in under budget. Returned grant funds are credited back to the originating fund and noted as spendable funds which are made available for future grant distributions upon approval in the following year.

10. RELATED PARTY TRANSACTIONS

During the year, Carman Area Foundation Inc. entered into transactions with members of the Board of Directors and the Community Foundation Coordinator. Included in endowment contributions are donations in the amount of $7,235 (2024 - $6,896) from related parties. In addition, $300 (2024 - $nil) was paid out to related parties for prizes won at the mini golf tournament which is included in Golf tournament expenses. The transactions were made in the normal course of business and measured at the exchange amount, which is the consideration established and agreed to by the related parties. There were no amounts receivable or payable as a result of these transactions in 2025 or 2024.

11. FINANCIAL INSTRUMENTS

Risks and concentrations

The Carman Area Foundation Inc. is exposed to various risk through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the Carman Area Foundation Inc.'s risk exposure as at December 31, 2025.

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 Carman Area Foundation Inc. 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 Carman Area Foundation Inc. 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 Carman Area Foundation Inc. 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.

11. FINANCIAL INSTRUMENTS ctd.

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 Carman Area Foundation Inc. 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 form 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 Carman Area Foundation Inc. 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.