The Temagami Community Foundation

Financial Statements

For the year ended December 31, 2025

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For the year ended December 31, 2025

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Independent Auditor's Report

To the Board of Directors of The Temagami Community Foundation

Opinion

We have audited the financial statements of The Temagami Community Foundation (the Foundation), which comprise the statement of financial position as at December 31, 2025, the statements of operations and 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 the Foundation as at December 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit Foundations.

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 Foundation 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 the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

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 Foundation'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 Foundation'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 Foundation 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

North Bay, Ontario
June 1, 2026

The Temagami Community Foundation
Statement of Financial Position

December 31		2025		2024
Assets				
Current				
Cash and cash equivalents	$	84,365	$	76,673
Investments (Note 2)		369,186		299,869
Prepaid expenses		472		472
		454,023		377,014
Restricted investments (Note 2)		821,862		786,160
	$	1,275,885	$	1,163,174
Liabilities and Net Assets				
Current				
Accounts payable and accrued liabilities (Note 3)	$	12,684	$	17,802
Net Assets				
Restricted (Note 5)		821,862		786,160
Unrestricted		441,339		359,212
		1,263,201		1,145,372
	$	1,275,885	$	1,163,174

Commitments (Note 6)

On behalf of the Board:

Signed by:
Sarah-Jane Pearce
F314DE32A00C4A0... Director

Signed by:
Will Goodman
753A0E2C8A66442... Director

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

The Temagami Community Foundation
Statement of Operations and Changes in Net Assets

For the year ended December 31

	Restricted 2025	Restricted 2024	Unrestricted 2025	Unrestricted 2024	Total 2025	Total 2024
Revenues						
Lottery (Note 9)	$ -	$ -	$ -	$ 231,850	$ -	$ 231,850
Fundraising and other	-	-	71,300	44,481	71,300	44,481
Donations	31,513	9,070	29,130	-	60,643	9,070
Investment income:						
Gains on investments	19,788	16,542	66,590	43,645	86,378	60,187
Interest and dividends	33,653	34,826	-	-	33,653	34,826
Government grants	-	-	10,661	5,198	10,661	5,198
Book sales	-	-	18,702	-	18,702	-
	84,954	60,438	196,383	325,174	281,337	385,612
Expenses						
Administration (Note 7)	-	-	33,700	31,485	33,700	31,485
Salaries and benefits	-	-	34,227	20,242	34,227	20,242
Fundraising and other	-	-	29,892	5,990	29,892	5,990
Book publication costs	-	-	18,833	-	18,833	-
Investment management fees	14,989	13,867	-	-	14,989	13,867
Lottery (Note 9)	-	-	90	188,137	90	188,137
Administration fees	4,433	4,317	(4,433)	(4,317)	-	-
	19,422	18,184	112,309	241,537	131,731	259,721
Excess of revenues over expenses before other items	65,532	42,254	84,074	83,637	149,606	125,891
Charitable disbursements (Note 4)	16,800	10,500	14,977	59,258	31,777	69,758
Excess of revenues over expenses for the year	48,732	31,754	69,097	24,379	117,829	56,133
Net Assets, beginning of year	786,160	767,139	359,212	322,100	1,145,372	1,089,239
Inter-fund transfers (Note 5)	(13,030)	(12,733)	13,030	12,733	-	-
Net Assets, end of year	$ 821,862	$ 786,160	$ 441,339	$ 359,212	$ 1,263,201	$ 1,145,372

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

The Temagami Community Foundation
Statement of Cash Flows

For the year ended December 31	2025	2024
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses	$ 117,829	$ 56,133
Gains on disposal of investments	(86,378)	(60,187)
Changes in non-cash working capital balances:		
Accounts receivable	-	2,758
Accounts payable and accrued liabilities	(5,118)	8,227
	26,333	6,931
Investing activities		
Purchase of investments	(142,457)	(1,938)
Purchase of restricted investments	(35,702)	(19,021)
Proceeds on sale of investments	159,518	-
	(18,641)	(20,959)
Increase (decrease) in cash and cash equivalents during the year	7,692	(14,028)
Cash and cash equivalents, beginning of year	76,673	90,701
Cash and cash equivalents, end of year	$ 84,365	$ 76,673

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

1. Significant Accounting Policies

Nature and Purpose of Foundation

The Temagami Community Foundation (the "Foundation") is a public foundation created to promote the well-being of members of the Temagami community by supporting cultural, artistic and educational activities; responsible stewardship of the natural heritage; sustainable community economic development and other charitable projects. The Foundation is incorporated without share capital under the laws of the Canada Corporations Act and is exempt from income taxes under Section 149.1 of the Income Tax Act. The Foundation is a Restricted Charity.

Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit Foundations.

Fund Accounting

The Operating Fund comprises unrestricted resources available for immediate purposes at the discretion of the Board.

The Externally Restricted Fund comprises amounts that are restricted by the donor to be expended for a specified purpose.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank balances and investments with a maturity of ninety days or less from the date of acquisition.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market are reported at fair value, with any unrealized gains and losses reported in operations, other than financial instruments related to restricted funds. In addition, all bonds and guaranteed investment certificates have been designated to be in the fair value category, with gains and losses relating to the restricted funds recorded directly in the restricted fund. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

December 31, 2025

1. Significant Accounting Policies (continued)

Capital Assets	Capital assets are charged to operations when acquired.
Revenue Recognition	The Foundation follows the restricted fund method of accounting for contributions. Externally restricted contributions and gains (losses) on the sale of the investments are recorded as revenue in the Externally Restricted Fund. Unrestricted contributions are recognized as revenue in the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as revenue of the applicable Endowment Fund in the current period. Restricted investment income is recognized as revenue in the applicable restricted fund. Restricted investment income that must be maintained as an endowment is recognized in the applicable restricted fund. Unrestricted investment income is recognized as revenue when earned in the operating fund. Pledges to donate funds are not included in revenue until the funds are received.
Contributed Materials and Services	The work of the Foundation is dependent on the voluntary services of many members and others. Since these services are not normally purchased by the Foundation and because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements. If the fair value of contributed materials can be reasonably determined these are recorded as donations of the current period.
Use of Estimates	The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit Foundations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. These estimates are periodically reviewed and, as adjustments become necessary, they are reported in the statement of operations in the year in which they become known.

2. Investments

	2025	2024
Cash (ii)	$ 127,875	$ 61,597
Equities (i)	683,549	527,462
Fixed income (ii)	379,624	337,738
Guaranteed Investment Certificates (iii)	-	159,232
	$ 1,191,048	$ 1,086,029

Of the above noted totals $821,862 (2024 - $786,160) are presented as restricted investments and $369,186 (2024 - $299,869) are presented as unrestricted on the statement of financial position.

(i) All of the investments in equities are held with Scotia McLeod investments and are comprised of public company shares.

(ii) All of the investments in fixed income instruments are held with Scotia McLeod and are comprised of cash balances on hand as well as guaranteed investment certificates with short-term renewal periods of typically one year or less.

(iii) GIC held with Scotiabank in prior year with an interest rate of 5.50% that matured on January 14, 2025.

3. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities is $873 (2024 - $1,215) in government remittances payable (receivable).

December 31, 2025

4. Charitable Disbursements

The following charitable disbursements were made in the fiscal year:

	2025	2024
Legion Branch 408	$ 9,000	$ -
Robb Warren Hindson Memorial Bursary (i)	6,000	6,500
Laura McKenzie Learning Centre	5,000	-
Municipality of Temagami - Temagami Curls	4,577	2,500
Kim Renaud Scholarship	2,000	2,000
Tracy Gauvreau Scholarship	2,000	2,000
Temagami Chamber of Commerce	1,800	-
Municipality of Temagami - Parks & Rec	1,400	15,373
Living Temagami - Arts & Culture	-	9,935
Municipality of Temagami - Roots & Wings	-	8,000
Municipality of Temagami - Medical Centre	-	6,000
Temagami Legion Branch 408	-	4,500
Municipality of Temagami - Fire Department	-	3,300
Friends of Temagami	-	2,500
Nipissing Region Curatorial Collective	-	2,500
Temagami Public School	-	2,500
Chamber of Commerce	-	2,150
	$ 31,777	$ 69,758

(i) Charitable disbursements were made to the following recipients through the Robb Warren Hindson Memorial Bursary in 2025:

	2025	2024
Kiaya Mongrain	$ 2,000	$ 1,750
David Rojas Reid	2,000	1,000
Destiny Pender-Nietlispach	2,000	250
Rebecca Poirier	-	1,500
Quinton Nussey	-	1,250
Paige Prescott	-	750
	$ 6,000	$ 6,500

5. Externally Restricted Funds

Fund	2024 Balance, beginning of year	Donations	Investment income (i)	Adminis-tration fee	Grants Awarded	Inter-Fund Transfers	2025 Balance, end of year
Externally Restricted Long-term Funds:							
Council of 100	$ 325,758	$ 21,500	$ 16,288	$ -	$ -	$ (13,030)	$ 350,516
Kim Renaud	40,571	200	2,029	(406)	(2,000)	-	40,394
Laura McKenzie	52,141	-	2,607	(521)	(5,000)	-	49,227
Tracy Gauvreau	40,829	1,400	2,041	(408)	(2,000)	-	41,862
Art Camp Forever	124,286	4,300	6,214	(1,243)	-	-	133,557
Robb Warren Hindson	185,465	3,900	9,273	(1,855)	(6,000)	-	190,783
Externally Restricted Short-term Funds:							
Summer Art Camp	1,533	-	-	-	-	-	1,533
Reconciliation	4,602	213	-	-	(1,800)	-	3,015
St. Ursula's	5,975	-	-	-	-	-	5,975
Tom Saville	1,000	-	-	-	-	-	1,000
George Mathias	4,000	-	-	-	-	-	4,000
	$ 786,160	$ 31,513	$ 38,452	$ (4,433)	$ (16,800)	$ (13,030)	$ 821,862

(i) Net of investment management fees of $14,989.

Investment income is allocated to each externally restricted long-term fund at the rate of 5% per annum and to the Council of 100 Fund at the rate of 5% per annum as established by the Board. An administration fee of 1% of the value of the fund (minimum $100) is charged to each externally restricted long-term fund annually.

6. Commitments

The Foundation leases office space for a monthly amount of $300. The lease was effective December 1, 2023 and expired December 1, 2025 but has continued on a month to month basis.

7. Other Administration Expenses

	2025	2024
Legal and audit	$ 15,036	$ 15,176
Office and general	8,473	8,679
Promotion	3,471	212
Insurance	2,162	4,309
Board meetings and travel	1,842	126
Interest and bank charges	1,641	1,554
Telephone and internet	613	904
Memberships	462	525
	$ 33,700	$ 31,485

8. Financial Instrument Risk

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. The Foundation is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Foundation's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable from companies that operate in the same industry. The Foundation provides credit to its clients in the normal course of its operations. The Foundation is also exposed to credit risk arising from its notes receivable.

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 arising from the possibility that changes in interest rates will affect the value of fixed income denominated investments.

Market Risk

The Foundation is exposed to fluctuations in equity markets on its short-term investments.

There have been no changes to the Foundation's financial instrument risk exposures from the prior year.

9. Lottery

In the prior year the Foundation was licensed to operate a lottery in the Temagami region. The resulting revenues and expenses of the Lottery, which are included on the statement of operations in Lottery revenues and expenses, for the year ended December 31, 2024 were as follows:

Revenues	2025	2024
Ticket revenue	$ -	$ 210,350
Sponsorship revenue	-	21,500
	-	231,850
Expenses		
Prizes	-	137,243
Administration and payroll	-	22,014
Advertising	-	14,937
Office and other	90	12,257
License fee	-	1,505
Supplies	-	181
	90	188,137
Excess of revenues over expenses before charitable disbursements	$ (90)	$ 43,713

As part of the Lottery Agreement, it is required for the Foundation to maintain a letter of credit in the amount of $Nil (2024 - $150,500). During the year the Foundation maintained a supporting GIC in the amount of $Nil (2024 - $159,232) to satisfy this condition. This letter of credit expired in February 2025 and was not renewed as the Foundation did not hold a lottery in 2025.