

---

# Financial statements of Indspire

March 31, 2019

---

---

Independent Auditor's Report	1-2
Statement of financial position	3
Statement of operations and changes in fund balance – operating fund	4
Statement of operations and changes in fund balance – restricted funds	5-8
Statement of cash flows	9
Notes to the financial statements	10-16

---

# Independent Auditor's Report

To the Board of Directors of  
Indspire

## Opinion

We have audited the financial statements of Indspire, which comprise the statement of financial position as at March 31, 2019, and the statements of operations and changes in fund balances for the operating and restricted funds, and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Indspire as at March 31, 2019, 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.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Indspire 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 audit 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 Indspire'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 Indspire or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Indspire'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 GAAS 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 GAAS, 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 Indspire'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 Indspire'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 Indspire 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.

*Deloitte LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
June 27, 2019

# Indspire


## Statement of financial position

As at March 31, 2019

	Notes	2019 \$	2018 \$
<b>Assets</b>			
Current assets			
Cash and cash equivalents		2,012,002	887,630
Accounts receivable		2,924,711	3,430,235
Prepaid expenses		118,445	13,785
		<b>5,055,158</b>	4,331,650
Investments	5	30,269,155	29,718,803
Capital assets	6	44,272	94,061
		<b>35,368,585</b>	34,144,514
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	4	5,143,099	4,857,063
Deferred contributions	7	1,350,892	1,700,950
		<b>6,493,991</b>	6,558,013
Commitments	8		
<b>Fund balances</b>			
Operating fund		562,136	562,022
Externally restricted		1,200,130	710,808
Restricted		27,112,328	26,313,671
		<b>28,874,594</b>	27,586,501
		<b>35,368,585</b>	34,144,514

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

On behalf of the Board



, Board Member



, Board Member

**Indspire****Statement of operations and changes in fund balance – operating fund**

Year ended March 31, 2019

	Notes	2019 \$	2018 \$
<b>Revenue</b>			
Education		<b>18,321,090</b>	16,514,371
Indspire Awards		<b>3,861,271</b>	3,780,693
Indspire Institute (K-12)		<b>3,135,948</b>	3,328,208
Soaring Youth Career Conferences		<b>1,081,484</b>	798,018
		<b>26,399,793</b>	24,421,290
<b>Expenditures</b>			
Education		<b>2,721,620</b>	2,595,459
Indspire Awards		<b>3,800,995</b>	3,714,032
Indspire Institute (K-12)		<b>3,078,778</b>	3,267,733
Soaring Youth Career Conferences		<b>1,014,103</b>	734,424
		<b>10,615,496</b>	10,311,648
Excess of revenue over expenditures before awards and scholarships		<b>15,784,297</b>	14,109,642
Awards and scholarships	9	<b>15,556,731</b>	13,898,046
Excess of revenue over expenditures before unrealized loss on investments		<b>227,566</b>	211,596
Unrealized loss on investments		<b>(227,452)</b>	(52,755)
Excess of revenue over expenditures for the year		<b>114</b>	158,841
Operating fund balance, beginning of year		<b>562,022</b>	403,181
<b>Operating fund balance, end of year</b>		<b>562,136</b>	562,022

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

## Indspire

### Statement of operations and changes in fund balance – restricted funds

Year ended March 31, 2019

		Aboriginal Veterans Scholarships	Diana Fowler LeBlanc Aboriginal Social Work Scholarships	Desser Music Scholarships	Royal Bank Awards in Memory of Beth Hamilton Bell	Ontario Aboriginal Partnerships Recognition Awards	Robert L. Jamieson Awards	Government of Canada Post- Secondary Scholarships	George Blondin Aboriginal Scholarship Awards
	Notes	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>									
Investment income	5	120,435	73,750	5,852	14,174	11,973	5,417	2,043,686	3,191
Donations		2,130	—	—	—	—	28,526	—	—
		<b>122,565</b>	<b>73,750</b>	<b>5,852</b>	<b>14,174</b>	<b>11,973</b>	<b>33,943</b>	<b>2,043,686</b>	<b>3,191</b>
<b>Expenditures</b>									
Awards and scholarships	9	30,787	18,346	11,200	3,651	6,000	—	555,920	—
Excess of revenue over expenditures (expenditures over revenue)		91,778	55,404	(5,348)	10,523	5,973	33,943	1,487,766	3,191
Unrealized loss on investments		(65,793)	(40,297)	(3,520)	(8,367)	(6,767)	(2,236)	(1,024,220)	(1,744)
Excess of revenue over expenditures (expenditures over revenue) for the year		25,985	15,107	(8,868)	2,156	(794)	31,707	463,546	1,447
Fund balances, beginning of year		1,197,660	730,165	57,760	131,982	118,833	116,730	22,740,532	21,270
<b>Fund balances, end of year</b>		<b>1,223,645</b>	<b>745,272</b>	<b>48,892</b>	<b>134,138</b>	<b>118,039</b>	<b>148,437</b>	<b>23,204,078</b>	<b>22,717</b>
<b>Comprised of</b>									
Endowed		1,174,336	716,190	37,692	129,086	112,039	148,437	22,317,550	20,577
Non-endowed		49,309	29,082	11,200	5,052	6,000	—	886,528	2,140
		<b>1,223,645</b>	<b>745,272</b>	<b>48,892</b>	<b>134,138</b>	<b>118,039</b>	<b>148,437</b>	<b>23,204,078</b>	<b>22,717</b>

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

## Indspire

### Statement of operations and changes in fund balance – restricted funds (continued)

Year ended March 31, 2019

		Koskie Minsky LLP Scholarship Awards	The Canadian Bar Association of British Columbia's Aboriginal Scholarships	Michael McKinnon Justice Awards	Ontario Federation Indigenous of Friendship Centres Bursary Awards Program	Northwest Company/Ian Sutherland Scholarship Bursary Awards	Leonard G. Flett Bursaries in Business and Commerce	Linda Joyce Ganly Scholarships	Gowling WLG Legal Study Awards for Indigenous Women	Syncrude Indigenous Engineering Scholarships	Norma Panaro Dietz Bursaries	Total
	Notes	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>												
Investment income	5	3,120	36,513	5,094	20,445	19,416	2,390	33,141	3,515	10,178	20,344	2,432,634
Donations		—	250	—	601,238	—	—	—	—	125,000	100,000	857,144
		3,120	36,763	5,094	621,683	19,416	2,390	33,141	3,515	135,178	120,344	3,289,778
<b>Expenditures</b>												
Awards and scholarships	9	—	15,713	11,000	36,000	—	—	11,181	2,294	—	82,208	784,300
Excess of revenue over expenditures (expenditures over revenue)		3,120	21,050	(5,906)	585,683	19,416	2,390	21,960	1,221	135,178	38,136	2,505,478
Unrealized loss on investments		(1,705)	(19,896)	(3,842)	(1,923)	(10,611)	(1,306)	(14,396)	(1,262)	(3,148)	(6,466)	(1,217,499)
Excess of revenue over expenditures (expenditures over revenue) for the year		1,415	1,154	(9,748)	583,760	8,805	1,084	7,564	(41)	132,030	31,670	1,287,979
Fund balances, beginning of year		20,797	367,174	40,764	36,193	129,409	15,933	415,329	52,347	250,996	580,605	27,024,479
<b>Fund balances, end of year</b>		<b>22,212</b>	<b>368,328</b>	<b>31,016</b>	<b>619,953</b>	<b>138,214</b>	<b>17,017</b>	<b>422,893</b>	<b>52,306</b>	<b>383,026</b>	<b>612,275</b>	<b>28,312,458</b>
<b>Comprised of</b>												
Endowed		19,537	331,815	20,016	597,953	138,214	17,017	406,594	50,000	375,000	500,275	27,112,328
Non-endowed		2,675	36,513	11,000	22,000	—	—	16,299	2,306	8,026	112,000	1,200,130
		22,212	368,328	31,016	619,953	138,214	17,017	422,893	52,306	383,026	612,275	28,312,458

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



## Indspire

### Statement of operations and changes in fund balances – restricted funds (continued)

Year ended March 31, 2018

	Notes	Aboriginal Veterans Scholarships	Diana Fowler LeBlanc Aboriginal Social Work Scholarships	Desser Music Scholarships	Royal Bank Awards in Memory of Beth Hamilton Bell	Citibank Canada Awards for Aboriginal Students	Ontario Aboriginal Partnerships Recognition Awards	Robert L. Jamieson Awards	Government of Canada Post-Secondary Scholarships	George Blondin Aboriginal Scholarship Awards
		\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>										
Investment income		79,267	47,776	5,218	7,286	—	8,031	2,076	1,280,941	700
Donations		1,305	—	—	—	—	—	76,969	—	—
		<b>80,572</b>	<b>47,776</b>	<b>5,218</b>	<b>7,286</b>	<b>—</b>	<b>8,031</b>	<b>79,045</b>	<b>1,280,941</b>	<b>700</b>
<b>Expenditures</b>										
Awards and scholarships	9	57,800	34,000	11,200	5,950	5,400	6,000	—	357,000	2,140
Excess of revenue over expenditures (expenditures over revenue)		22,772	13,776	(5,982)	1,336	(5,400)	2,031	79,045	923,941	(1,440)
Unrealized loss on investments		(43,417)	(25,825)	(3,417)	(3,171)	—	(4,338)	(315)	(605,757)	(80)
Excess of revenue over expenditures (expenditures over revenue) for the year		(20,645)	(12,049)	(9,399)	(1,835)	(5,400)	(2,307)	78,730	318,184	(1,520)
Fund balances, beginning of year		1,218,305	742,214	67,159	133,817	5,400	121,140	38,000	22,422,348	22,790
<b>Fund balances, end of year</b>		<b>1,197,660</b>	<b>730,165</b>	<b>57,760</b>	<b>131,982</b>	<b>—</b>	<b>118,833</b>	<b>116,730</b>	<b>22,740,532</b>	<b>21,270</b>
<b>Comprised of</b>										
Endowed		1,166,873	711,819	46,560	128,331	—	112,833	116,730	22,184,612	21,270
Non-endowed		30,787	18,346	11,200	3,651	—	6,000	—	555,920	—
		<b>1,197,660</b>	<b>730,165</b>	<b>57,760</b>	<b>131,982</b>	<b>—</b>	<b>118,833</b>	<b>116,730</b>	<b>22,740,532</b>	<b>21,270</b>

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

## Indspire

### Statement of operations and changes in fund balances – restricted funds (continued)

Year ended March 31, 2018

	Koskie Minsky LLP Scholarship Awards	The Canadian Bar Association of British Columbia's Aboriginal Scholarships	Michael McKinnon Justice Awards	Ontario Federation of Indigenous Friendship Centres Bursary Awards Program	Northwest Company/Ian Sutherland Scholarship Bursary Awards	Leonard G. Flett Bursaries in Business and Commerce	Linda Joyce Ganly Scholarships	Gowling WLG Legal Study Awards for Indigenous Women	Syncrude Indigenous Engineering Scholarships	Norma Panaro Dietz Bursaries	Total
Notes	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>											
Investment income	1,340	19,629	1,340	1,210	4,300	530	23,541	2,870	2,936	889	1,489,880
Donations	—	—	—	—	—	—	—	—	125,000	600,000	803,274
	1,340	19,629	1,340	1,210	4,300	530	23,541	2,870	127,936	600,889	2,293,154
<b>Expenditures</b>											
Awards and scholarships	2,675	18,000	11,000	10,000	—	—	18,700	4,000	—	20,284	564,149
Excess of revenue over expenditures (expenditures over revenue)	(1,335)	1,629	(9,660)	(8,790)	4,300	530	4,841	(1,130)	127,936	580,605	1,729,005
Unrealized (loss) gain on investments	(806)	(7,566)	(1,091)	(998)	1,270	160	(10,973)	(1,295)	(1,940)	—	(709,559)
Excess of revenue over expenditures (expenditures over revenue) for the year	(2,141)	(5,937)	(10,751)	(9,788)	5,570	690	(6,132)	(2,425)	125,996	580,605	1,019,446
Fund balances, beginning of year	22,938	373,111	51,515	45,981	123,839	15,243	421,461	54,772	125,000	—	26,005,033
<b>Fund balances, end of year</b>	<b>20,797</b>	<b>367,174</b>	<b>40,764</b>	<b>36,193</b>	<b>129,409</b>	<b>15,933</b>	<b>415,329</b>	<b>52,347</b>	<b>250,996</b>	<b>580,605</b>	<b>27,024,479</b>
<b>Comprised of</b>											
Endowed	20,797	351,461	29,764	26,193	129,409	15,933	404,148	50,053	250,996	545,889	26,313,671
Non-endowed	—	15,713	11,000	10,000	—	—	11,181	2,294	—	34,716	710,808
	20,797	367,174	40,764	36,193	129,409	15,933	415,329	52,347	250,996	580,605	27,024,479

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

**Indspire****Statement of cash flows**

Year ended March 31, 2019

	<b>2019</b>	2018
	\$	\$
<b>Operating activities</b>		
Excess of revenue over expenditures	<b>114</b>	158,841
Non-cash items		
Amortization	<b>49,789</b>	49,789
Unrealized loss on investments – operating fund	<b>227,452</b>	52,755
Unrealized loss on investments – restricted funds	<b>1,217,499</b>	709,559
Changes in non-cash working capital balances		
Accounts receivable	<b>505,524</b>	(218,351)
Prepaid expenses	<b>(104,660)</b>	71,614
Accounts payable and accrued liabilities	<b>286,036</b>	628,258
Deferred contributions	<b>(350,058)</b>	(267,245)
	<b>1,831,696</b>	1,185,220
<b>Investing activities</b>		
Increase in investments, net	<b>(1,995,303)</b>	(1,890,636)
Externally restricted endowments	<b>1,287,979</b>	1,019,446
	<b>(707,324)</b>	(871,190)
Change in cash and cash equivalents	<b>1,124,372</b>	314,030
Cash and cash equivalents, beginning of year	<b>887,630</b>	573,600
<b>Cash and cash equivalents, end of year</b>	<b>2,012,002</b>	887,630

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

## **1. Nature of activities**

Indspire is a national Indigenous registered charity that invests in the education of First Nations, Inuit and Métis people for the long-term benefit of these individuals, their families and communities, and Canada. With the support of its funding partners, Indspire disburses financial awards, delivers programs, and shares resources with the goal of closing the gap in Indigenous education. It provides resources to First Nations, Inuit and Métis students, educators, communities, and other stakeholders who are committed to improving educational success for Indigenous youth. In 2018-19, Indspire awarded over \$16.3 million through 5,553 bursaries and scholarships to Indigenous students, making it the largest funder of Indigenous education outside the Federal government. Each year, the organization presents the Indspire Awards, an awards celebration of the successes achieved by Indigenous people that is broadcast nationally.

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations ("ASNPOs").

## **2. Significant accounting policies**

### *(a) Fund accounting*

Indspire follows the restricted fund method of accounting for contributions. The investment assets are used to create and conserve a pool of capital from which Indspire can draw to meet the ongoing needs to provide financial assistance for post-secondary studies through awards and scholarships. Investment decisions are made with the principal objective of the preservation of the principal amount over the long term.

The Operating fund reports unrestricted resources to Indspire.

The Aboriginal Veterans Scholarships Fund is an externally restricted fund established in November 1996. The Government of Canada ("Canada") granted \$1,150,000 to Indspire to be held in a separate trust fund for the specific purpose of establishing the Aboriginal Veterans Scholarship Trust ("AVST") Fund. Scholarships are to be awarded to Indigenous students engaged in programs of study of two or more years in duration at the post-secondary level in accordance with Indspire's policies for the scholarship trust funds, as determined by its Board of Directors from time to time.

The Diana Fowler LeBlanc Aboriginal Social Work Scholarships Fund is an externally restricted fund established in 1998 through the efforts of Her Excellency, Mrs. Diana Fowler LeBlanc. The fund will enable Indigenous students to pursue post-secondary studies in all areas of social work at recognized universities and colleges across Canada.

The Desser Music Scholarships Fund is an externally restricted fund established in 2000. The fund will enable Indigenous students to pursue an undergraduate degree preferably in musical studies at recognized universities and colleges across Canada.

The Royal Bank Awards in Memory of Beth Hamilton Bell Fund is an externally restricted fund established in 1998 with an initial contribution of \$125,000. The fund is to be used to award scholarships to Indigenous students in accordance with the agreement and Indspire's policies.

The Citibank Canada Awards for Aboriginal Students Fund is an externally restricted fund established in 2007. The fund will enable Indigenous students to pursue post-secondary studies in Commerce and Business at recognized universities and colleges across Canada.

The Ontario Aboriginal Partnerships Recognition Awards Fund is an externally restricted fund established in 2000 with an initial contribution of \$100,000. The fund will enable Indigenous students to pursue post-secondary studies in Ontario in business, science and/or technology.

## **2. Significant accounting policies (continued)**

### *(a) Fund accounting (continued)*

The Robert L. Jamieson Awards Fund is an externally restricted fund established in 2006. The bursary will be distributed to Indigenous post-secondary students in music or fine arts with financial need.

The Government of Canada Post-Secondary Scholarships Fund was created to provide perpetual annual financial support to Indspire's Education program. This fund has specific investment guidelines. The revenues generated through the investment of the grant are to be used by Indspire to provide bursaries and scholarships to Indigenous post-secondary students. The first allocation of \$12 million was received and invested by Indspire in December 2003. The first scholarships resulting from revenue generated by the endowment were disbursed in fiscal 2006. The second allocation of \$10 million was received and invested by Indspire in April 2007.

The George Blondin Aboriginal Scholarship Awards Fund is an externally restricted fund established on July 10, 2007 to provide scholarships and bursaries to Status Indians originating from the Northwest Territories who are enrolled in post-secondary education programs (college or university) across all disciplines and degrees.

The Koskie Minsky LLP Scholarship Awards Fund is an externally restricted fund established on November 28, 2007 to provide scholarships and bursaries to First Nations, Inuit and Métis individuals pursuing post-secondary studies in Law in Canada at a recognized Law School.

The Canadian Bar Association of British Columbia's Aboriginal Scholarships Fund was established on May 1, 2007 to provide scholarships to people of Indigenous descent to assist them to pursue first year studies at either the Faculty of Law of the University of British Columbia or the University of Victoria.

The Michael McKinnon Justice Awards Fund is an externally restricted fund established on July 24, 1997 to provide scholarships and bursaries to Indigenous students, who are enrolled or who will be enrolled, in post-secondary studies or training and development programs in the field of Justice.

The Ontario Federation of Indigenous Friendship Centres Bursaries and Scholarships Program Fund consists of three funds that are externally restricted and established on March 1, 2018. The Bill Messenger Scholarship will be distributed annually to urban Indigenous males who volunteer regularly in a Friendship Centre and are enrolled in an accredited post-secondary institution. The Strong Women's Scholarships will be distributed annually to Indigenous females with dependents living in an urban area in Ontario and are enrolled in an accredited post-secondary institution. The Akwe:go Longitudinal Study bursaries will be awarded to program study participants.

The Northwest Company/Ian Sutherland Scholarship Bursary Awards Fund is an externally restricted fund established on December 1, 2008 to provide bursaries and scholarships to Indigenous students who are enrolled in accredited college and university business administration or retail-related programs, with a preference to Finance and/or Retail students.

The Leonard G. Flett Bursaries in Business and Commerce Fund is an externally restricted fund established in 2010. It will be awarded annually to a deserving First Nations, Inuit or Métis student studying in the field of business and commerce. The funds continue to be accumulated until the terms and conditions have been finalized.

The Linda Joyce Ganly Scholarships Fund is an externally restricted fund established on March 31, 2012. This award will be distributed annually up to ten Indigenous post-secondary female students. First preference will be given to first year students who are studying the Aboriginal Arts.

## **2. Significant accounting policies (continued)**

### *(a) Fund accounting (continued)*

The Gowling WLG Legal Study Awards for Indigenous Women Fund is an externally restricted fund established on November 11, 2015. This award will be distributed to Indigenous women who are enrolled, or will be enrolled, in accredited, post-secondary legal studies or law school diploma or degree programs in Canada.

The Syncrude Indigenous Engineering Scholarships Fund is an externally restricted fund that was established on November 15, 2016. This award will be distributed to Indigenous students who are enrolled, or who will be enrolled, in accredited, post-secondary engineering programs in Canada.

The Norma Panaro Dietz Bursaries Fund is an externally restricted fund that was established on January 17, 2018. These bursaries will be distributed to Indigenous students who are enrolled, or who will be enrolled, in accredited, post-secondary programs in the field of visual arts in Canada.

### *(b) Revenue recognition*

Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

Restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recognized as direct increases in endowment net assets.

Contributions for endowments are recognized as revenue in the applicable restricted fund. Investment income earned on restricted resources is recognized as revenue of the applicable restricted fund.

Other investment income is recognized as revenue of the Operating fund.

### *(c) Cash and cash equivalents*

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than three months.

### *(d) Investments*

Investments are recorded at market value to adhere to the financial instruments standards adopted.

### *(e) Use of estimates*

The preparation of the financial statements in conformity with ASNPOs 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 date of the financial statements and the reported amounts of revenues and expenditures during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets and the allocation of expenses. Actual results could differ from those estimates.

## **2. Significant accounting policies (continued)**

### *(f) Capital assets*

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Assets acquired under capital leases are amortized over the estimated life of the assets or over the lease term, as appropriate. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to Indspire's ability to provide services, its carrying amount is written down to its residual value.

Leasehold improvements are amortized on the straight-line basis over the term of the lease.

### *(g) Contributed services*

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services by volunteers are not recognized in the financial statements.

Other contributed services are reflected in the financial statements when such services would otherwise have been purchased and their value can be determined.

### *(h) Financial instruments*

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. Indspire has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, Indspire determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset and the amount Indspire expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### *(i) Allocation of expenses*

Indspire records a number of its expenses by program. The costs of each program include the costs of personnel, premises and other expenses that are directly related to providing the program.

Indspire allocates certain general support expenses by identifying the appropriate basis of allocating each expense (refer to the revenue and expense schedules by program for the details). Such allocations are reviewed by management on a regular basis.

### 3. Bank indebtedness

Indspire has an operating line of credit of \$750,000, increasing to \$1,000,000 for the period January 1 to April 30 annually, bearing interest at the prime rate. As security, Indspire has provided a general assignment of all assets. As at March 31, 2019, the amount drawn against the credit facility was nil (nil in 2018).

### 4. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$29,065 (\$31,889 in 2018), which includes payroll related taxes.

### 5. Investments

	<b>Cost</b>	<b>2019 Market</b>	<b>Cost</b>	<b>2018 Market</b>
	\$	\$	\$	\$
Cash held with investment manager	<b>1,718,345</b>	<b>1,718,345</b>	1,868,595	1,868,595
Exchange traded funds	<b>27,396,999</b>	<b>28,550,810</b>	25,251,440	27,850,208
	<b>29,115,344</b>	<b>30,269,155</b>	27,120,035	29,718,803

During the year, Indspire transferred its investment portfolio from CIBC Wood Gundy to TD Wealth, resulting in a realized gain of \$1,451,340, \$244,006 of which relates to the Operating fund and \$1,207,334 to the Restricted funds. These amounts are included in investment income on the Statements of operations and changes in fund balances.

### 6. Capital assets

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2019 Net book value</b>
	\$	\$	\$
Leasehold improvements	<b>215,729</b>	<b>171,457</b>	<b>44,272</b>

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2018 Net book value</b>
	\$	\$	\$
Leasehold improvements	215,729	121,668	94,061



## 7. Deferred contributions

Deferred contributions related to expenses of future periods represent unspent externally restricted grants and donations for specific programs.

	<b>2019</b>	2018
	<b>\$</b>	\$
Balance, beginning of year	<b>1,700,950</b>	1,968,195
Less: amount recognized as revenue in the year	<b>(1,487,904)</b>	(1,592,118)
Add: amount received related to future periods	<b>1,137,846</b>	1,324,873
Balance, end of year	<b>1,350,892</b>	1,700,950

## 8. Commitments

Indspire has leased office space and other equipment under operating leases. Future minimum lease payments, exclusive of maintenance and realty taxes under the leases, are as follows:

	\$
2020	153,929
2021	36,847
2022	6,816
2023	3,040
	<u>200,631</u>

## 9. Awards and scholarships

Awards and scholarships for the year ended March 31, 2019 amounted to \$16,330,519 (\$14,247,848 in 2018). These expenditures have been made through the Operating fund in the amount of \$15,556,731 (\$13,898,046 in 2018) and the Restricted funds in the amount of \$773,788 (\$349,802 in 2018). Awards and scholarships amounts presented on the statement of operations and changes in fund balance – restricted funds include administrative fees which are deducted prior to disbursement to the recipients.

## 10. Pension agreement

Indspire participates in a defined contribution pension plan with eligible employees. Indspire matches contributions up to a maximum of 9% of individual employee gross earnings. A financial institution administers the pension plan assets. During the year, Indspire incurred pension expenses totaling \$121,538 (\$111,181 in 2018).

## 11. Financial risks

### (a) Liquidity risk

Liquidity risk is the risk that Indspire will be unable to fulfill its obligations on a timely basis or at a reasonable cost. Indspire manages its liquidity risk by monitoring its operating requirements. Indspire prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2018.

**11. Financial risks (continued)**

*(b) Market risk*

Market risk is the potential for loss from changes in the value of financial instruments. The value of a financial instrument can be affected by changes in interest rates, foreign exchange rates, equity and commodity prices and credit spreads. Indspire is exposed to market risk in the investments as well as through non-trading activities. Market risk in investment activities is managed by the management of Indspire. Every investment transaction is guided by policy and regulatory limitations. There has been no change to the risk exposures from 2018.

*(c) Interest rate risk*

Indspire is exposed to interest rate risk on its fixed interest rate financial instruments. Further details about the fixed rate investments are included in Note 5. There has been no change to the risk exposures from 2018.

---

Supplementary information to  
financial statements of  
**Indspire**

March 31, 2019

---

---

Report on Supplementary Matter Arising from an Audit Engagement	1
Schedule 1 – Schedule of operations – Education	2
Schedule 2 – Schedule of operations – Indspire Awards	3
Schedule 3 – Schedule of operations – Indspire Institute (K-12)	4
Schedule 4 – Schedule of operations – Soaring Youth Career Conferences	5

---

## Report on Supplementary Matter Arising from an Audit Engagement

To the Board of Directors of  
Indspire

At the request of management of Indspire, we have been engaged to report on the attached Schedules 1 to 4 (the "supplementary matter") for the year ended March 31, 2019 (the "other reporting responsibility"). This other reporting responsibility relates to our audit of the financial statements of Indspire for the year ended March 31, 2019 on which we issued our unmodified independent auditor's report on June 27, 2019. Management has prepared the supplementary matter.

This report has been prepared in accordance with Canadian Standard on Related Services (CSRS) 4460, Reports on Supplementary Matters Arising from an Audit or a Review Engagement. Our responsibility is to report on the supplementary matter. This standard requires us to comply with ethical requirements and to plan and perform procedures to address the other reporting responsibility. The procedures were selected based on our professional judgment to enable us to form a basis for this report. The procedures vary in nature from, and are less in extent than, for those required when providing an audit opinion or a review conclusion. Users are cautioned that the procedures performed may not be suitable for their purposes.

Accordingly, we do not express an audit opinion or a review conclusion on the supplementary matter.

In response to the other reporting responsibility, we report that the supplementary matter was derived from the audited financial statements of Indspire for the year ended March 31, 2019.

This report is intended solely for use by Indspire and should not be used by other parties.

*Deloitte LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
June 27, 2019

**Indspire****Schedule 1 – Schedule of operations – Education**

Year ended March 31, 2019

	2019	2018
	\$	\$
<b>Revenue</b>		
Government grants		
Indigenous and Northern Affairs Canada	8,659,651	7,852,100
Health Canada	3,000,000	3,000,000
Province of Ontario	250,000	735,444
Province of Alberta	200,000	500,000
Justice Canada	115,000	115,000
Canadian Heritage	30,000	115,000
Human Resources & Skills Development	17,862	—
Corporate sponsorships	5,222,483	3,786,778
Tickets and donations	549,785	245,250
Donated services and materials	68,574	48,314
Investment	44,961	19,213
Miscellaneous	162,774	97,272
	<b>18,321,090</b>	<b>16,514,371</b>
<b>Expenditures</b>		
Advertising	27,730	40,469
Donated services and materials	68,574	48,314
Insurance	9,457	9,555
Office and general	303,331	183,669
Professional fees	179,087	231,377
Public relations	201,067	139,005
Rent	114,365	122,137
Salaries and management fees	1,653,825	1,624,807
Telephone	28,079	27,909
Travel	136,105	168,217
	<b>2,721,620</b>	<b>2,595,459</b>
Excess of revenue over expenditures before awards and scholarships	<b>15,599,470</b>	13,918,912
Awards and scholarships	<b>15,556,731</b>	13,898,046
<b>Excess of revenue over expenditures</b>	<b>42,739</b>	<b>20,866</b>

**Indspire****Schedule 2 – Schedule of operations – Indspire Awards**

Year ended March 31, 2019

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Government grants		
Canadian Heritage	<b>445,000</b>	416,000
Province of Alberta	<b>200,000</b>	25,000
Indigenous and Northern Affairs Canada	<b>113,000</b>	263,000
Government of Nunavut	<b>25,000</b>	25,000
Province of Manitoba	<b>—</b>	300,000
Corporate sponsorships	<b>1,090,000</b>	1,118,797
License fees earned	<b>600,000</b>	600,000
Tickets and other	<b>990,239</b>	790,574
Donated services and materials	<b>91,494</b>	84,493
Investment	<b>168,605</b>	68,848
Miscellaneous	<b>137,933</b>	88,981
	<b>3,861,271</b>	3,780,693
<b>Expenditures</b>		
Advertising	<b>65,948</b>	46,339
Airtime fees	<b>65,000</b>	65,000
Award citations	<b>42,876</b>	42,462
Donated services and materials	<b>26,494</b>	19,493
Facility rental	<b>77,047</b>	60,358
Insurance	<b>35,611</b>	29,309
Office and general	<b>116,939</b>	83,744
Postage and courier	<b>2,025</b>	3,462
Printing, design and program costs	<b>32,087</b>	62,048
Production costs	<b>1,728,150</b>	1,739,359
Professional fees	<b>102,478</b>	149,224
Public relations	<b>130,847</b>	76,653
Reception and catering	<b>210,954</b>	190,615
Rent	<b>44,187</b>	49,279
Salaries	<b>716,165</b>	740,327
Telephone	<b>19,982</b>	16,888
Travel	<b>384,205</b>	339,472
	<b>3,800,995</b>	3,714,032
<b>Excess of revenue over expenditures</b>	<b>60,276</b>	66,661

**Indspire****Schedule 3 – Schedule of operations – Indspire Institute (K-12)**

Year ended March 31, 2019

	<b>2019</b>	2018
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Government grants		
Indigenous and Northern Affairs Canada	<b>485,321</b>	906,900
Province of Alberta	<b>50,000</b>	—
Canadian Heritage	<b>—</b>	107,248
Other government offices	<b>3,250</b>	8,600
Corporate sponsorships	<b>1,744,458</b>	1,810,940
Tickets and donations	<b>610,736</b>	339,702
Donated services and materials	<b>42,079</b>	29,552
Investment	<b>131,137</b>	57,640
Miscellaneous	<b>68,967</b>	67,626
	<b>3,135,948</b>	3,328,208
<b>Expenditures</b>		
Delivery	<b>840,907</b>	1,292,622
Donated services and materials	<b>42,079</b>	29,552
Information services	<b>109,040</b>	31,286
Office and general	<b>71,432</b>	95,470
Postage and courier	<b>3,216</b>	5,248
Professional fees	<b>111,323</b>	132,073
Public relations	<b>215,928</b>	214,169
Rent	<b>70,179</b>	74,706
Salaries and management fees	<b>1,533,571</b>	1,316,399
Telephone	<b>17,230</b>	17,071
Travel	<b>63,873</b>	59,137
	<b>3,078,778</b>	3,267,733
<b>Excess of revenue over expenditures</b>	<b>57,170</b>	60,475



**Indspire****Schedule 4 – Schedule of operations – Soaring Youth Career Conferences**

Year ended March 31, 2019

	<b>2019</b>	2018
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Government grants		
Indigenous and Northern Affairs Canada	<b>54,000</b>	54,000
Province of Alberta	<b>50,000</b>	—
Canadian Heritage	<b>25,000</b>	69,000
Parks Canada	<b>2,500</b>	—
Other government offices	<b>58,500</b>	28,635
Corporate sponsorships	<b>595,487</b>	423,413
Tickets and donations	<b>186,486</b>	136,041
Donated services and materials	<b>18,702</b>	10,101
Investment	<b>29,974</b>	14,410
Miscellaneous	<b>60,835</b>	62,418
	<b>1,081,484</b>	798,018
<b>Expenditures</b>		
Advertising	<b>39,060</b>	31,816
Donated services and materials	<b>18,702</b>	10,101
Equipment rental	<b>32,363</b>	27,594
Hall rental	<b>85,771</b>	51,433
Honorariums	<b>63,296</b>	12,198
Hotel accommodations and meals	<b>105,241</b>	121,903
Information services	<b>49,435</b>	10,694
Office and general	<b>78,370</b>	56,200
Postage and courier	<b>1,429</b>	1,794
Printing design and program costs	<b>40,775</b>	50,868
Professional fees	<b>45,336</b>	45,145
Public relations	<b>3,162</b>	1,813
Rent	<b>31,191</b>	25,536
Salaries and management fees	<b>315,304</b>	237,442
Telephone	<b>7,658</b>	5,835
Travel	<b>97,010</b>	44,052
	<b>1,014,103</b>	734,424
<b>Excess of revenue over expenditures</b>	<b>67,381</b>	63,594