
Financial statements of Indspire

March 31, 2020

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 (the "Organization"), which comprise the statement of financial position as at March 31, 2020, and the statements of operations and changes in fund balances for the operating and restricted funds, 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 Organization as at March 31, 2020, 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. 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 Organization 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.

Other Matter

The financial statements of the Organization for the year ended March 31, 2019 were audited by another auditor who expressed an unmodified opinion on those statements on June 27, 2019.

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

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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.

Cambridge, Ontario

June 26, 2020

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Indspire
Statement of financial position

As at March 31, 2020

	Notes	2020 \$	2019 \$
Assets			
Current Assets			
Cash and cash equivalents		4,299,224	2,012,002
Accounts receivable		4,126,826	2,924,711
Prepaid expenses		116,398	118,445
		8,542,448	5,055,158
Investments	5	26,906,908	30,269,155
Capital assets	6	131,101	44,272
		35,580,457	35,368,585
Liabilities and Fund Balances			
Liabilities			
Accounts payable and accrued liabilities	4	6,357,886	5,143,099
Deferred contributions	7	3,465,933	1,350,892
		9,823,819	6,493,991
Commitments	8		
Fund balances			
Operating fund		562,073	562,136
Externally restricted		52,470	1,200,130
Restricted		25,142,095	27,112,328
		25,756,638	28,874,594
		35,580,457	35,368,585

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

On behalf of the Board

Paul Tsapras

_____, Board Member

Phil Huber

_____, Board Member

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

Year ended March 31, 2020

	Notes	2020 \$	2019 \$
Revenue			
Education		19,832,821	18,321,090
Indspire Awards		3,873,479	3,861,271
Student Success		2,762,624	3,135,948
Soaring Youth Career Conferences		1,060,606	1,081,484
		27,529,530	26,399,793
Expenditures			
Education		3,079,891	2,721,620
Indspire Awards		3,806,284	3,800,995
Student Success		2,717,850	3,078,778
Soaring Youth Career Conferences		1,041,031	1,014,103
		10,645,056	10,615,496
Excess of revenue over expenditures before awards and scholarships		16,884,474	15,784,297
Awards and scholarships	9	16,711,218	15,556,731
Excess of revenue over expenditures before unrealized loss on investments		173,256	227,566
Unrealized loss on investments		(173,319)	(227,452)
Excess of revenue over expenditures (expenditures over revenue) for the year		(63)	114
Operating fund balance, beginning of year		562,136	562,022
Operating fund balance, end of year		562,073	562,136

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

Indspire

Statement of operations and changes in fund balances - restricted funds

Year ended March 31, 2020

	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 \$	Roberta L. Jamieson Film and Media Arts Bursary \$	Government of Canada Post- Secondary Scholarships \$	George Blondin Aboriginal Scholarships Awards \$	Koskie Minsky LLP Scholarships Award \$
Revenue										
Investment income	(508)	323	615	628	564	(4,310)	-	(145,157)	(55)	(50)
Donations	2,718	-	200	-	-	9,625	-	-	-	-
Transfer	-	-	-	-	-	(28,000)	28,000	-	-	-
	2,210	323	815	628	564	(22,685)	28,000	(145,157)	(55)	(50)
Expenditures										
Awards and scholarships (note 9)	49,309	29,082	11,200	5,052	6,000	-	5,600	886,528	2,140	2,675
Excess of revenue over expenditures (expenditures over revenue)	(47,099)	(28,759)	(10,385)	(4,424)	(5,436)	(22,685)	22,400	(1,031,685)	(2,195)	(2,725)
Fund balances, beginning of year	1,223,645	745,272	48,892	134,138	118,039	148,437	-	23,204,078	22,717	22,212
Unrealized loss on investments	(101,818)	(62,291)	(3,843)	(11,604)	(9,933)	(9,559)	-	(1,743,029)	(1,706)	(1,645)
Fund balances, end of year	1,074,728	654,222	34,664	118,110	102,670	116,193	22,400	20,429,364	18,816	17,842
Comprised of										
Endowed	1,074,728	654,222	23,464	118,110	100,000	116,193	16,800	20,429,364	18,816	17,842
Non-endowed	-	-	11,200	-	2,670	-	5,600	-	-	-
	1,074,728	654,222	34,664	118,110	102,670	116,193	22,400	20,429,364	18,816	17,842

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, 2020

	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 Bursary in Business and Commerce	Linda Joyce Ganly Scholarships	Gowlings WLG Legal Study Awards for Indigenous Women	Syncrude Indigenous Engineering Scholarships	Norma Panaro Dietz Bursaries	Hilary Pearson Bursaries for Female Indigenous Students	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue											
Investment income	2,210	(24)	(5,225)	(417)	(51)	(3,754)	(642)	(11,065)	(16,128)	(12,679)	(195,725)
Donations	-	-	23,128	-	-	-	-	125,000	56,930	224,846	442,447
Transfer	-	-	-	-	-	-	-	-	-	-	-
	2,210	(24)	17,903	(417)	(51)	(3,754)	(642)	113,935	40,802	212,167	246,722
Expenditures											
Awards and scholarships (note 9)	36,513	11,000	25,000	-	-	16,299	2,306	8,026	127,792	10,080	1,234,602
Excess of revenue over expenditures (expenditures over revenue)	(34,303)	(11,024)	(7,097)	(417)	(51)	(20,053)	(2,948)	105,909	(86,990)	202,087	(987,880)
Fund balances, beginning of year	368,328	31,016	619,953	138,214	17,017	422,893	52,306	383,026	612,275	-	28,312,458
Unrealized loss on investments	(30,359)	(2,002)	(27,458)	(10,906)	(1,343)	(31,695)	(3,475)	(24,165)	(32,022)	(21,160)	(2,130,013)
Fund balances, end of year	303,666	17,990	585,398	126,891	15,623	371,145	45,883	464,770	493,263	180,927	25,194,565
Comprised of											
Endowed	303,666	6,990	563,398	126,891	15,623	371,145	45,883	464,770	493,263	180,927	25,142,095
Non-endowed	-	11,000	22,000	-	-	-	-	-	-	-	52,470
	303,666	17,990	585,398	126,891	15,623	371,145	45,883	464,770	493,263	180,927	25,194,565

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, 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	Koskie Minsky LLP Scholarship Awards	The Canadian Bar Association of British Columbia's Aboriginal Scholarships
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue										
Investment income	120,435	73,750	5,852	14,174	11,973	5,417	2,043,686	3,191	3,120	36,513
Donations	2,130	-	-	-	-	28,526	-	-	-	250
	122,565	73,750	5,852	14,174	11,973	33,943	2,043,686	3,191	3,120	36,763
Expenditures										
Awards and scholarships (note 9)	30,787	18,346	11,200	3,651	6,000	-	555,920	-	-	15,713
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	3,120	21,050
Fund balances, beginning of year	1,197,660	730,165	57,760	131,982	118,833	116,730	22,740,532	21,270	20,797	367,174
Unrealized loss on investments	(65,793)	(40,297)	(3,520)	(8,367)	(6,767)	(2,236)	(1,024,220)	(1,744)	(1,705)	(19,896)
Fund balances, end of year	1,223,645	745,272	48,892	134,138	118,039	148,437	23,204,078	22,717	22,212	368,328
Comprised of										
Endowed	1,174,336	716,190	37,692	129,086	112,039	148,437	22,317,550	20,577	19,537	331,815
Non-endowed	49,309	29,082	11,200	5,052	6,000	-	886,528	2,140	2,675	36,513
	1,223,645	745,272	48,892	134,138	118,039	148,437	23,204,078	22,717	22,212	368,328

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, 2019

	Michael McKinnon Justice Awards \$	Ontario Federation Of Indigenous Friendship Centres Bursary Awards Program \$	Northwest Company/Ian Sutherland Scholarship Bursary Awards \$	Leonard G. Flett Bursary in Business and Commerce \$	Linda Joyce Ganly Scholarships \$	Gowlings WLG Legal Study Awards for Indigenous Women \$	Syncrude Indigenous Engineering Scholarships \$	Norma Panaro Dietz Bursaries \$	Total \$
Revenue									
Investment Income	5,094	20,445	19,416	2,390	33,141	3,515	10,178	20,344	2,432,634
Donations	-	601,238	-	-	-	-	125,000	100,000	857,144
	5,094	621,683	19,416	2,390	33,141	3,515	135,178	120,344	3,289,778
Expenditures									
Awards and scholarships (note 9)	11,000	36,000	-	-	11,181	2,294	-	82,208	784,300
Excess of revenue over expenditures (expenditures over revenue)	(5,906)	585,683	19,416	2,390	21,960	1,221	135,178	38,136	2,505,478
Fund balances, beginning of year	40,764	36,193	129,409	15,933	415,329	52,347	250,996	580,605	27,024,479
Unrealized loss on investments	(3,842)	(1,923)	(10,611)	(1,306)	(14,396)	(1,262)	(3,148)	(6,466)	(1,217,499)
Fund balances, end of year	31,016	619,953	138,214	17,017	422,893	52,306	383,026	612,275	28,312,458
Comprised of									
Endowed	20,016	597,953	138,214	17,017	406,594	50,000	375,000	500,275	27,112,328
Non-endowed	11,000	22,000	-	-	16,299	2,306	8,026	112,000	1,200,130
	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 cash flows

Year ended March 31, 2020

	2020	2019
	\$	\$
Operating activities		
Excess of revenue over expenditures (expenditures over revenue)	(63)	114
Non-cash items		
Amortization	175,372	49,789
Unrealized loss on investments - operating fund	173,319	227,452
Unrealized loss on investments - restricted funds	2,130,013	1,217,499
Changes in non-cash working capital balances		
Accounts receivable	(1,202,115)	505,524
Prepaid expenses	2,047	(104,660)
Accounts payable and accrued liabilities	1,214,787	286,036
Deferred contributions	2,115,041	(350,058)
	4,608,401	1,831,696
Investing activities		
Decrease (increase) in investments, net	1,058,915	(1,995,303)
Externally restricted endowments	(3,117,893)	1,287,979
Purchase of capital assets	(262,201)	-
	(2,321,179)	(707,324)
Change in cash and cash equivalents	2,287,222	1,124,372
Cash and cash equivalents, beginning of year	2,012,002	887,630
Cash and cash equivalents, end of year	4,299,224	2,012,002

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 2019-20, Indspire awarded over \$17.7 million through 5,125 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 broadcasted nationally. Indspire is exempt from both Federal and Provincial incomes taxes.

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 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 Award Funds 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 Roberta L. Jamieson Film and Media Arts Bursary is an externally restricted fund established on October 20, 2019. One bursary will be distributed annually to one Indigenous student enrolled in the Film or Media Arts fields of studies.

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 North West 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 Bursary Awards Fund consists of three funds that are externally restricted fund 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 Bursary 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.

2. Significant accounting policies (continued)*(a) Fund accounting (continued)*

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.

The Gowlings 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.

The Hilary Pearson Bursaries for Female Indigenous Students fund is an externally restricted fund established on June 6, 2019. This bursary will be distributed annually to female Indigenous student(s) who are attending post-secondary institutions (i.e. college, university, technical college, or apprenticeship program) with demonstrated financial need for contribution to education costs.

(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 unrestricted 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.

2. Significant accounting policies (continued)

(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.

(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 the 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. Information technology is amortized on the straight-line basis over three years.

(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.

Indspire

Notes to the financial statements

March 31, 2020

2. Significant accounting policies (continued)

(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 plus 1.50%. As security, Indspire has provided a general assignment of all assets. As at March 31, 2020, the amount drawn against the credit facility was \$nil (\$nil in 2019).

4. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$19,993 (\$29,065 in 2019), which includes payroll related taxes.

5. Investments

	2020		2019	
	Cost	Market	Cost	Market
	\$	\$	\$	\$
Cash held with investment manager	1,885,005	1,885,005	1,718,345	1,718,345
Exchange traded funds	28,386,242	25,021,903	27,396,999	28,550,810
	30,271,247	26,906,908	29,115,344	30,269,155

6. Capital assets

	Cost	Accumulated amortization	2020 Net book value
	\$	\$	\$
Leasehold improvements	215,729	215,729	-
Information technology	262,201	131,100	131,101
	477,930	346,829	131,101

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

During 2020, amortization of \$175,372 (2019 - \$49,789) was recognized in the statement of operations.

7. Deferred contributions

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

	2020	2019
	\$	\$
Balance, beginning of year	1,350,892	1,700,950
Less: amount recognized as revenue in the year	(1,223,512)	(1,487,904)
Add: amount received related to future periods	3,338,553	1,137,846
Balance, end of year	3,465,933	1,350,892

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:

	\$
2021	165,575
2022	119,616
2023	21,840
	307,031

9. Awards and scholarships

Awards and scholarships for the year ended March 31, 2020 amounted to \$17,737,612 (\$16,330,519 in 2019). These expenditures have been made through the operating fund in the amount of \$16,711,218 (\$15,556,731 in 2019) and the restricted funds in the amount of \$1,026,394 (\$773,788 in 2019). Awards and scholarships amounts presented on the statement of operations and changes in fund balances – restricted fund 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 \$121,383 (\$121,538 in 2019).

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 2019.

(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 held 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 2019.

(c) Interest rate risk

Indspire is exposed to interest rate risk on its fixed interest rate financial instruments which are included in Note 5. There has been no change to the risk exposures from 2019.

12. COVID-19

The impact of COVID-19 in Canada and on the global economy has caused significant disruption to organizations. As the impacts of COVID-19 continue, there could be further impact on Indspire, its funders and donors. Management is actively monitoring the effect on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, Indspire is not able to fully estimate the effects of the COVID-19 outbreak on the results of its operations, financial condition, or liquidity at this time.

Supplementary information to
financial statements of
Indspire

March 31, 2020

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 – Student Success	4
Schedule 4 – Schedule of operations – Soaring Youth Career Conferences	5

Report on Supplementary Matters 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, 2020 (the “other reporting responsibility”). This other reporting responsibility relates to our audit of the financial statements of Indspire for the year ended March 31, 2020 on which we issued our report dated June 26, 2020. 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, 2020.

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

Cambridge, Ontario

June 26, 2020

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

MNP

Indspire
Schedule 1 – Schedule of operations – Education

Year ended March 31, 2020

	2020 \$	2019 \$
Revenue		
Government grants		
Indigenous Service Canada	8,192,005	8,659,651
Canadian Heritage	30,000	30,000
Health Canada	-	3,000,000
Employment and Social Development Canada	3,015,941	17,862
Justice Canada	115,000	115,000
Province of Alberta	100,000	200,000
Province of Ontario	1,372,857	250,000
Corporate sponsorships	6,182,426	5,222,483
Tickets and donations	625,226	549,785
Donated services and materials	-	68,574
Investment	11,951	44,961
Miscellaneous	187,415	162,774
	19,832,821	18,321,090
Expenditures		
Advertising	15,788	27,730
Donated services and materials	-	68,574
Insurance	10,031	9,457
Office and general	367,889	303,331
Professional fees	278,201	179,087
Public relations	207,484	201,067
Rent	131,278	114,365
Salaries and management fees	1,942,055	1,653,825
Telephone	34,189	28,079
Travel	92,976	136,105
	3,079,891	2,721,620
Excess of revenue over expenditures before awards and scholarships	16,752,930	15,599,470
Awards and scholarships	16,711,218	15,556,731
Excess of revenue over expenditures	41,712	42,739

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

Year ended March 31, 2020

	2020	2019
	\$	\$
Revenue		
Government grants		
Indigenous Service Canada	179,000	113,000
Canadian Heritage	345,000	445,000
Province of Alberta	-	200,000
Province of Ontario	50,000	-
Government of Nunavut	25,000	25,000
Corporate sponsorships	1,164,000	1,090,000
License fees earned	650,000	600,000
Tickets and donation	1,329,683	990,239
Donated services and materials	65,000	91,494
Investment	22,469	168,605
Miscellaneous	43,327	137,933
	3,873,479	3,861,271
Expenditures		
Advertising	53,875	65,948
Airtime fees	65,000	65,000
Award citations	51,307	42,876
Donated services and materials	-	26,494
Facility rental	90,150	77,047
Insurance	44,558	35,611
Office and general	98,519	116,939
Postage and courier	1,525	2,025
Printing, design and program costs	36,298	32,087
Production costs	1,918,076	1,728,150
Professional fees	150,313	102,478
Public relations	79,769	130,847
Reception and catering	190,626	210,954
Rent	37,895	44,187
Salaries	623,751	716,165
Telephone	18,812	19,982
Travel	345,810	384,205
	3,806,284	3,800,995
Excess of revenue over expenditures	67,195	60,276

Indspire**Schedule 3 – Schedule of operations – Student Success**

Year ended March 31, 2020

	2020	2019
	\$	\$
Revenue		
Government grants		
Indigenous Service Canada	351,000	485,321
Employment and Social Development Canada	186,602	-
Province of Alberta	-	50,000
Other government offices	17,500	3,250
Corporate sponsorships	1,814,241	1,744,458
Tickets and donations	368,083	610,736
Donated services and materials	-	42,079
Investment	8,605	131,137
Miscellaneous	16,593	68,967
	2,762,624	3,135,948
Expenditures		
Delivery	901,127	840,907
Donated services and materials	-	42,079
Information services	96,944	109,040
Office and general	77,911	71,432
Postage and courier	2,613	3,216
Professional fees	147,515	111,323
Public relations	195,394	215,928
Rent	64,962	70,179
Salaries and management fees	1,172,956	1,533,571
Telephone	16,918	17,230
Travel	41,510	63,873
	2,717,850	3,078,778
Excess of revenue over expenditures	44,774	57,170

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

Year ended March 31, 2020

	2020 \$	2019 \$
Revenue		
Government grants		
Indigenous Service Canada	237,000	54,000
Canadian Heritage	25,000	25,000
Province of Alberta	-	50,000
Parks Canada	-	2,500
Other government offices	40,100	58,500
Corporate sponsorships	462,859	595,487
Tickets and donations	205,698	186,486
Donated services and materials	-	18,702
Investment	4,781	29,974
Miscellaneous	85,168	60,835
	1,060,606	1,081,484
Expenditures		
Advertising	32,762	39,060
Donated services and materials	-	18,702
Equipment rental	53,156	32,363
Hall rental	94,439	85,771
Honorariums	16,580	63,296
Hotel accommodations and meals	93,137	105,241
Information services	55,588	49,435
Office and general	99,476	78,370
Postage and courier	1,470	1,429
Printing design and program costs	29,086	40,775
Professional fees	77,287	45,336
Public relations	3,734	3,162
Rent	36,541	31,191
Salaries and management fees	393,724	315,304
Telephone	9,516	7,658
Travel	44,535	97,010
	1,041,031	1,014,103
Excess of revenue over expenditures	19,575	67,381