

WESTSHORE COMMUNITY FOUNDATION INC.

GIMLI, MANITOBA

DECEMBER 31, 2019

Independent Auditors' Report

To the Directors of;
Westshore Community Foundation Inc.

Opinion

We have audited the accompanying financial statements of Westshore Community Foundation Inc., which comprise the balance sheet as at December 31, 2019, and the statements of revenue and expenditure, 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 Westshore Community Foundation Inc. as at December 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. Our responsibilities under those standards are further described in the Auditors' 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.

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.

Auditors' 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 auditors' 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 Westshore Community Foundation Inc.'s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Westshore Community Foundation Inc.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause Westshore Community Foundation Inc. to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

June 29, 2020
Winnipeg, Manitoba



Chartered Professional Accountants Inc.

WESTSHORE COMMUNITY FOUNDATION INC.

BALANCE SHEET

AS AT DECEMBER 31

	2019	2018
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	29,945	62,418
Accounts receivable	2,402	5,084
Restricted cash	113,470	21,380
Prepaid expenses	713	713
Current portion of investments <i>(note 3)</i>	<u>30,000</u>	<u>30,000</u>
	<u>176,530</u>	<u>119,595</u>
INVESTMENTS <i>(note 3)</i>	<u>2,450,945</u>	<u>2,165,358</u>
	<u>2,627,475</u>	<u>2,284,953</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	3,400	4,046
Future grant commitments <i>(note 6)</i>	<u>18,500</u>	<u>32,543</u>
	<u>21,900</u>	<u>36,589</u>
NET ASSETS		
UNRESTRICTED NET ASSETS	41,166	31,626
RESTRICTED FUNDS <i>(note 5)</i>	<u>2,564,409</u>	<u>2,216,738</u>
	<u>2,605,575</u>	<u>2,248,364</u>
	<u>2,627,475</u>	<u>2,284,953</u>

Approved on Behalf of the Board

_____ Director

_____ Director

The accompanying notes are an integral part of these financial statements

WESTSHORE COMMUNITY FOUNDATION INC.
STATEMENT OF REVENUE AND EXPENDITURE

	Year Ended December 31	
	2019	2018
	\$	\$
REVENUE		
Grants	15,833	11,583
Grant from administrative endowment fund	1,991	1,602
Fundraising	38,831	32,155
Donations	1,000	1,210
Rental income	-	4,032
Administration fees	13,279	5,374
	<u>70,934</u>	<u>55,956</u>
EXPENDITURE		
Advertising and promotion	4,448	3,218
Accounting and legal	3,636	3,638
Dues and memberships	891	682
Events expense	2,698	3,206
Fundraising	18,811	13,622
Meetings	2,777	-
Office and supplies	3,074	3,029
Salaries and benefits	8,976	3,466
Rent	8,307	7,938
Telephone and internet	1,676	1,620
	<u>55,294</u>	<u>40,419</u>
OPERATING INCOME	<u>15,640</u>	<u>15,537</u>
INTERFUND TRANSFERS		
Contributions to administration endowment funds	<u>(6,100)</u>	<u>(7,000)</u>
EXCESS OF REVENUE OVER EXPENDITURE	<u>9,540</u>	<u>8,537</u>

The accompanying notes are an integral part of these financial statements

WESTSHORE COMMUNITY FOUNDATION INC.**STATEMENT OF CHANGES IN NET ASSETS**

	Year Ended December 31			
	Consolidated Restricted Funds	Unrestricted Net Assets	2019 Total	2018 Total
	\$	\$	\$	\$
NET ASSETS				
Balance, beginning of year	2,216,738	31,626	2,248,364	2,209,251
Excess of revenue over expenditure	-	9,540	9,540	8,537
Contributions received	133,892	-	133,892	177,910
Net realized capital gains (losses)	48,288	-	48,288	54,510
Net change in unrealized gains (losses)	201,091	-	201,091	(192,395)
Investment income	97,417	-	97,417	91,269
Administration fees paid	(33,680)	-	(33,680)	(23,815)
Grants paid	(99,337)	-	(99,337)	(76,903)
Balance, end of year	<u>2,564,409</u>	<u>41,166</u>	<u>2,605,575</u>	<u>2,248,364</u>

The accompanying notes are an integral part of these financial statements

WESTSHORE COMMUNITY FOUNDATION INC.**STATEMENT OF CASH FLOWS**

	Year Ended December 31	
	2019	2018
	\$	\$
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES		
OPERATING		
Excess of revenue over expenditure for the year	9,540	8,537
Items not affecting cash:		
Unrealized gain (losses) on disposal of investments	<u>(201,091)</u>	<u>192,395</u>
	(191,551)	200,932
Net changes in non-cash working capital affecting operations <i>(note 9)</i>	<u>(104,097)</u>	<u>16,571</u>
	(295,648)	217,503
FINANCING		
Donations and income earned on endowment fund	<u>347,671</u>	<u>30,576</u>
INVESTING		
Purchase of investments	<u>(84,496)</u>	<u>(209,534)</u>
INCREASE (DECREASE) IN CASH RESOURCES	(32,473)	38,545
CASH RESOURCES, BEGINNING OF YEAR	<u>62,418</u>	<u>23,873</u>
CASH RESOURCES, END OF YEAR	<u><u>29,945</u></u>	<u><u>62,418</u></u>

The accompanying notes are an integral part of these financial statements

WESTSHORE COMMUNITY FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

1. PURPOSE OF ORGANIZATION

The organization was incorporated without share capital on May 6, 1997 under the Manitoba Corporations Act. The corporation operates exclusively for charitable purposes by supporting and advancing activities for communities located on the western shore of Lake Winnipeg. The Foundation is a not-for-profit organization and a registered charity under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Accounting Standards for not-for-profit organizations. Outlined below are those policies considered particularly significant for the organization.

a) REVENUE RECOGNITION

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

The organization recognizes revenue from grants and donations when they are fixed or determinable and collection is reasonably assured.

The organization uses the deferral method of accounting for contributions under which restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred.

Endowment contributions are reported as direct increases in net assets. All other contributions are reported as revenue of the current period. Restricted contributions for the purchase of tangible capital assets that will be amortized have been deferred and will be recognized as revenue on the same basis as the amortization expense related to the acquired tangible capital assets.

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred.

Pledges are not recognized until collected, as the Organization cannot make a reasonable estimate of the amount that will be collected and collection is not reasonably assured.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

b) FINANCIAL INSTRUMENTS

Measurement of financial instruments

The organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statements of operations in the period incurred. Financial assets measured at amortized cost include cash, amounts receivable and fixed income investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities. Financial assets measured at fair value include equity instruments that are quoted in an active market.

The fair values of investments quoted in an active market are determined by reference to the latest closing transactional net asset value of each respective investment.

Impairment

At the end of each reporting period, the organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the organization, including but not limited to the following events: significant financial difficulty of the issuer; a breach of contract, such as a default or delinquency in interest or principal payments; or bankruptcy or other financial reorganization proceedings.

When there is an indication of impairment, the organization determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset.

c) CONTRIBUTED MATERIALS AND SERVICES

Contributed materials and services are recognized in the financial statements when their fair value can be reasonably determined and they are used in the normal course of the organization's operations and would otherwise have been purchased.

d) MEASUREMENT UNCERTAINTY

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued amounts are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.

WESTSHORE COMMUNITY FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

e) **ENDOWMENT FUNDS**

The Endowment Fund includes contributions from donors' and unused flow through donations and grants. The organization uses income derived from endowment investments, to provide grants as determined by the Board, to recipients located on the western shores of Lake Winnipeg. See Note 5.

f) **SCHOLARSHIP FUNDS**

During 2003, the Foundation created a separate designated Scholarship Fund within the Winnipeg Foundation, the purpose of which is for the capital to be invested in perpetuity to provide a return to be used for future scholarships to a graduating student going onto further education.

The Scholarship and Bursary Fund was created in 2006 to provide grants to local students for post-secondary education.

See Note 5.

WESTSHORE COMMUNITY FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

3. INVESTMENTS

Investments are carried at market value.

	2019	2018
	\$	\$
WCFI - Managed Endowment Funds	1,536,213	1,404,573
WCFI - Scholarship and Bursary Funds	333,698	313,858
WCFI - Carole Ann Clark Memorial Scholarship & Bursary Fund	71,846	67,574
WCFI - Larry & Helen Kristjanson Family Bursary Fund	144,273	135,694
WCFI - Alison Olson Memorial Scholarship & Bursary Fund	121,538	114,315
WCFI - Dr. Elaine Sigurdson Memorial Scholarship Fund	38,779	29,465
Non-redeemable Guaranteed Investment Certificate bearing interest at 2.70% matures October 2023	30,151	-
Non-redeemable Guaranteed Investment Certificate bearing interest at 2.50%, matures November 2022	30,107	30,086
Non-redeemable Guaranteed Investment Certificate bearing interest at 2.90% matures December 2021	30,048	30,045
Non-redeemable Guaranteed Investment Certificate bearing interest at 2.30% matures December 2020	30,038	30,036
WCFI - Tim & Del Arnason Scholarship Fund	25,753	23,550
WCFI - NIHM Heritage Museum Funds	88,501	16,162
	<u>2,480,945</u>	<u>2,195,358</u>
Less: current portion	<u>30,000</u>	<u>30,000</u>
	<u><u>2,450,945</u></u>	<u><u>2,165,358</u></u>

Per agreement, the Winnipeg Foundation agreed to act as trustee on behalf of funds managed by the Westshore Community Foundation Inc. Funds contributed remain the property of Westshore Community Foundation Inc., and are used to purchase units in the Consolidated Trust Fund of the Winnipeg Foundation. The net income derived from Westshore Community Foundation Inc. portion of the Consolidated Trust Fund is paid quarterly.

The Winnipeg Foundation Inc. has developed an Asset Management Governance Plan and a Statement of Investment Policy and Guidelines, which maintains the purchasing power of the funds entrusted to the Foundation while achieving maximum returns consistent with prudent investment. The Foundation's investment policy applies to all investments held in the Foundation's Consolidated Trust Fund, as well as those held in Other Trust Funds. The investment policy includes restrictions regarding the minimum and maximum amount of equity holdings, the maximum amount of foreign equity holdings and a maximum to be invested in any one related group or industry.

The above policy reduces the interest rate, credit, and foreign currency risk to the Westshore Community Foundation Inc. Additional information regarding the potential risks involved can be found on the Winnipeg Foundation's Audited Financial Statements.

WESTSHORE COMMUNITY FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

4. FINANCIAL INSTRUMENTS

The organization's financial instruments consist of marketable securities, contributions receivable, short-term indebtedness, payables, and long-term debt. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant credit, interest rate, liquidity, or market (other price) risks arising from these financial instruments. Market risks result from changes in interest rates, exchange rates of foreign currencies and market prices of financial instruments.

Credit risk

The organization's credit risk consists principally of cash and cash equivalents, short-term and other investments, and contributions receivable. The organization maintains cash and cash equivalents with reputable and major financial institutions. The investments include commercial papers and investments issued by high-credit quality corporations and financial institutions. Management considers the risk of non-performance of these instruments to be remote.

Interest rate risk

The Organization is exposed to interest rate risk with respect to the following financial instruments:

Cash and cash equivalents

Interest bearing investments

The Organization is exposed to interest rate risk with respect to the following financial instruments: cash and cash equivalents, and investments in interest bearing securities. Changes in interest rates can affect the fair value of investments and the cash flows related to interest income and expense.

Liquidity risk

The Organization is exposed to liquidity risk in meeting its obligations associated with financial liabilities, which is dependent on receipt of funds from contributors and continued support by financial institutions providing sufficient operating lending facilities.

Market risk

The Organization is exposed to market risk as the investments in publicly traded securities are subject to fluctuations due to price changes on the market. The prices can also be affected by changes in interest rates and foreign currency exchange rates.

WESTSHORE COMMUNITY FOUNDATION INC.**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2019

5. RESTRICTED FUNDS

Changes in restricted funds for the year are as follows:

	Donor Advised Funds	Youth in Philanthropy	Administration Endowment	Heritage NIHM
Balance, beginning of year	510,569	12,265	58,329	16,163
Contributions received	9,921	-	6,100	69,102
Net realized capital gains (losses)	10,010	242	1,190	1,195
Net change in unrealized gains (losses)	42,328	1,021	5,030	2,319
Investment income	20,730	500	2,464	2,098
Administration fees paid	(7,113)	(172)	(845)	(926)
Grants paid	(14,800)	-	(1,991)	(177)
Balance, end of year	571,645	13,856	70,277	89,774

	Community Fund	Scholarship and Bursary	2019	2018
			\$	\$
Balance, beginning of year	932,231	687,181	2,216,738	2,186,162
Contributions received	41,062	7,707	133,892	177,910
Net realized capital gains (losses)	20,366	15,285	48,288	54,510
Net change in unrealized gains (losses)	85,888	64,505	201,091	(192,395)
Investment income	42,043	29,582	97,417	91,269
Administration fees paid	(14,495)	(10,129)	(33,680)	(23,815)
Grants paid	(53,349)	(29,020)	(99,337)	(76,903)
Balance, end of year	1,053,746	765,111	2,564,409	2,216,738

WESTSHORE COMMUNITY FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

6. FUTURE GRANT COMMITMENTS

Changes in future contributions committed are as follows:

	<u>2019</u>	<u>2018</u>
	\$	\$
LWRC Lake Ecology Field program	-	2,300
Evergreen Library	2,000	2,000
IWRC	-	7,100
Evergreen Band Boosters	-	1,500
GHS PAC Multi-Sport Court	-	5,107
Sandy Hook Community Club	-	5,000
Winnipeg Beach Community Club	-	4,000
Gimli Childrens Centre	2,500	-
Cornerstone Accessibility Equipment	2,000	-
Riverton & District Friendship Centre	-	2,300
Kinsmen Picnic Shelter Winnipeg Beach	3,000	-
Gimli Glider Museum Display	2,000	-
Gimli Chamber of Commerce tourism	4,000	-
Gimli Home Care Clinic	-	2,236
Riverton District Friendship drums	1,000	-
Gimli Humane Society	-	1,000
Town of Winnipeg Beach	2,000	-
	<u>18,500</u>	<u>32,543</u>

7. COMMITMENTS

The organization has a lease commitment for \$8,000 annually plus gst, payable in monthly instalments for the next three years. Commencing November 1, 2018 and expiring October 31, 2021. 3% annual increase.

2018-19 \$8,000

2019-20 \$8,240

2020-21 \$8,487

WESTSHORE COMMUNITY FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

8. SUBSEQUENT EVENTS

The Manitoba government declared a province-wide state of emergency under The Emergency Measures Act on March 20, 2020, to protect the health and safety of all Manitobans and reduce the spread of Covid-19.

As a result of Covid-19, financial markets and consequently investment portfolios have fallen due to market changes. As at the date of these financial statements; the full financial impact can not be determined due to the uncertain length of the closure.

9. CASH FLOW STATEMENT

	<u>2019</u>	<u>2018</u>
	\$	\$
Net changes in non-cash working capital affecting operations		
Accounts receivable	2,682	(4,671)
Restricted cash	(92,090)	9,377
Prepaid expenses	-	1,190
Accounts payable and accrued liabilities	(646)	946
Future contribution - awarded scholarships	-	(5,790)
Future grant commitments	(14,043)	15,519
	<u>(104,097)</u>	<u>16,571</u>

R|M

REID & MILLER

CHARTERED PROFESSIONAL ACCOUNTANTS INC