

WESTSHORE COMMUNITY FOUNDATION INC.

GIMLI, MANITOBA

DECEMBER 31, 2020

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, 2020, 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, 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 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.

Reid & Miller

November 29, 2021
Winnipeg, Manitoba

Chartered Professional Accountants Inc.

WESTSHORE COMMUNITY FOUNDATION INC.

BALANCE SHEET

AS AT DECEMBER 31

	2020	2019
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	66,261	29,945
Accounts receivable	228	2,402
Restricted cash	164,433	113,470
Prepaid expenses	713	713
Current portion of investments (note 3)	30,000	30,000
	<u>261,635</u>	<u>176,530</u>
INVESTMENTS (note 3)	<u>4,349,057</u>	<u>2,450,945</u>
	<u><u>4,610,692</u></u>	<u><u>2,627,475</u></u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	3,777	3,400
Future grant commitments (note 6)	12,500	18,500
Deferred revenue	700	-
	<u>16,977</u>	<u>21,900</u>
NET ASSETS		
UNRESTRICTED NET ASSETS	50,225	41,166
RESTRICTED FUNDS (note 5)	<u>4,543,490</u>	<u>2,564,409</u>
	<u>4,593,715</u>	<u>2,605,575</u>
	<u><u>4,610,692</u></u>	<u><u>2,627,475</u></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	
	2020	2019
	\$	\$
REVENUE		
Grants	23,749	15,833
Grant from administrative endowment fund	6,176	1,991
Fundraising	-	38,831
Donations	1,475	1,000
Administration fees	24,039	13,279
	<u>55,439</u>	<u>70,934</u>
EXPENDITURE		
Advertising and promotion	4,593	4,448
Accounting and legal	3,907	3,636
Dues and memberships	760	891
Events expense	128	2,698
Fundraising	626	18,811
Meetings	-	2,777
Office and supplies	1,836	3,074
Salaries and benefits	9,248	8,976
Rent	8,533	8,307
Telephone and internet	1,749	1,676
	<u>31,380</u>	<u>55,294</u>
OPERATING INCOME	<u>24,059</u>	<u>15,640</u>
INTERFUND TRANSFERS		
Contributions to administration endowment funds	<u>(15,000)</u>	<u>(6,100)</u>
EXCESS OF REVENUE OVER EXPENDITURE	<u>9,059</u>	<u>9,540</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	2020 Total	2019 Total
	\$	\$	\$	\$
NET ASSETS				
Balance, beginning of year	2,564,409	41,166	2,605,575	2,248,364
Excess of revenue over expenditure	-	9,059	9,059	9,540
Contributions received	1,708,366	-	1,708,366	133,892
Net realized capital gains (losses)	116,091	-	116,091	48,288
Net change in unrealized gains (losses)	338,109	-	338,109	201,091
Investment income	118,695	-	118,695	97,417
Administration fees paid	(61,226)	-	(61,226)	(33,680)
Grants paid	<u>(240,954)</u>	<u>-</u>	<u>(240,954)</u>	<u>(99,337)</u>
Balance, end of year	<u>4,543,490</u>	<u>50,225</u>	<u>4,593,715</u>	<u>2,605,575</u>

The accompanying notes are an integral part of these financial statements

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

	Year Ended December 31	
	2020	2019
	\$	\$
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES		
OPERATING		
Excess of revenue over expenditure for the year	9,059	9,540
Items not affecting cash:		
Unrealized gain (losses) on disposal of investments	<u>(338,109)</u>	<u>(201,091)</u>
	(329,050)	(191,551)
Net changes in non-cash working capital affecting operations (<i>note 8</i>)	<u>(53,712)</u>	<u>(104,097)</u>
	<u>(382,762)</u>	<u>(295,648)</u>
FINANCING		
Donations and income earned on endowment fund	2,281,261	480,688
Endowment fund administration and disbursements paid	<u>(302,180)</u>	<u>(133,017)</u>
	1,979,081	347,671
INVESTING		
Purchase of investments	<u>(1,560,003)</u>	<u>(84,496)</u>
INCREASE (DECREASE) IN CASH RESOURCES	36,316	(32,473)
CASH RESOURCES, BEGINNING OF YEAR	<u>29,945</u>	<u>62,418</u>
CASH RESOURCES, END OF YEAR	<u><u>66,261</u></u>	<u><u>29,945</u></u>

The accompanying notes are an integral part of these financial statements

WESTSHORE COMMUNITY FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

1. PURPOSE OF ORGANIZATION

The Organization was incorporated without share capital on May 6, 1997 under the Manitoba Corporations Act. The Organization 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

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.

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

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.

b) MEASUREMENT UNCERTAINTY

When preparing financial statements according to Canadian accounting standards for not-for-profit organizations, the Organization makes estimates and assumptions relating to reported amounts of revenue and expenses, reported amounts of assets and liabilities and disclosure of contingent assets and liabilities.

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the Organization may undertake in the future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates were used when accounting for certain items, such as the useful lives of capital assets and impairment of long-lived assets

WESTSHORE COMMUNITY FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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) **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.

e) **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.

f) **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 statement of revenue and expenditure 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.

WESTSHORE COMMUNITY FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

3. INVESTMENTS

Investments are carried at market value.

	2020	2019
	\$	\$
WCFI - Managed Endowment Funds	1,781,807	1,536,213
WCFI - Scholarship and Bursary Funds	350,489	333,698
WCFI - Carole Ann Clark Memorial Scholarship & Bursary Fund	75,154	71,846
WCFI - Larry & Helen Kristjanson Family Bursary Fund	150,918	144,273
WCFI - Alison Olson Memorial Scholarship & Bursary Fund	127,135	121,538
WCFI - Dr. Elaine Sigurdson Memorial Scholarship Fund	41,879	38,779
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	30,107
Non-redeemable Guaranteed Investment Certificate bearing interest at 1.85% matures December 2024	30,030	-
Non-redeemable Guaranteed Investment Certificate bearing interest at 2.90% matures December 2021	30,048	30,048
Non-redeemable Guaranteed Investment Certificate bearing interest at 2.30% matures December 2020	-	30,038
Guaranteed Investment Certificate bearing interest at 2.70% matures November 2023	30,093	-
WCFI - Tim & Del Arnason Scholarship Fund	27,509	25,753
WCFI - NIHM Heritage Museum Funds	113,204	88,501
WCFI - NIHM Signaure Museum	1,590,684	-
	<u>4,379,057</u>	<u>2,480,945</u>
Less: current portion	<u>30,000</u>	<u>30,000</u>
	<u><u>4,349,057</u></u>	<u><u>2,450,945</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.'s portion of the Consolidated Trust Fund is paid quarterly.

The Winnipeg Foundation 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

WESTSHORE COMMUNITY FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

Foundation Inc. Additional information regarding the potential risks involved can be found on The Winnipeg Foundation's Audited Financial Statements.

4. FINANCIAL INSTRUMENTS

The Organization's financial instruments consist of cash and cash equivalents, investments, accounts receivable, and accounts payables and accrued liabilities. 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 accounts 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 its 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. The Organization has developed an investment policy in order to minimize its interest rate risk.

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, 2020

5. RESTRICTED FUNDS

Changes in restricted funds for the year are as follows:

	Signature Museum NIHM Fund	Donor Advised Funds	Youth in Philanthropy	Administration Endowment	Heritage NIHM
Balance, beginning of year		571,645	13,856	70,277	89,774
Contributions received	1,400,000	137,718	-	16,000	18,362
Net realized capital gains (losses)	46,281	18,864	305	2,292	2,717
Net change in unrealized gains (losses)	236,385	27,966	412	3,556	4,526
Investment income	31,735	22,762	394	2,665	3,185
Administration fees paid	(26,538)	(9,338)	(154)	(1,124)	(1,285)
Grants paid	(28,000)	(23,135)	(2,750)	(6,176)	(1,270)
Balance, end of year	1,659,863	746,482	12,063	87,490	116,009

	Community Fund	Scholarship and Bursary	2020	2019
			\$	\$
Balance, beginning of year	1,053,746	765,111	2,564,409	2,216,738
Contributions received	134,786	1,500	1,708,366	133,892
Net realized capital gains (losses)	25,080	20,552	116,091	48,288
Net change in unrealized gains (losses)	35,452	29,812	338,109	201,091
Investment income	33,502	24,452	118,695	97,417
Administration fees paid	(12,544)	(10,243)	(61,226)	(33,680)
Grants paid	(152,500)	(27,123)	(240,954)	(99,337)
Balance, end of year	1,117,522	804,061	4,543,490	2,564,409

WESTSHORE COMMUNITY FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

6. FUTURE GRANT COMMITMENTS

Changes in future contributions committed are as follows:

	2020	2019
	\$	\$
Evergreen Library	-	2,000
Gimli Childrens Centre	-	2,500
Cornerstone Accessibility Equipment	-	2,000
Kinsmen Picnic Shelter Winnipeg Beach	-	3,000
Gimli Glider Museum Display	-	2,000
Gimli Chamber of Commerce tourism	-	4,000
Riverton District Friendship drums	-	1,000
Rotary Club of Gimli	2,000	-
Gimli Dog Park	2,000	-
Gimli New Horizon	1,000	-
Town of Winnipeg Beach	-	2,000
Undesignated	7,500	-
	<u>12,500</u>	<u>18,500</u>

7. COMMITMENTS

The Organization has a lease commitment for \$8,000 annually plus gst, payable in monthly instalments commencing November 1, 2018 and expiring October 31, 2021. 3% annual increase.

Rental payments for the next year are as follows:

2020-21 \$8,487

8. CASH FLOW STATEMENT

	2020	2019
	\$	\$
Net changes in non-cash working capital affecting operations		
Accounts receivable	2,174	2,682
Restricted cash	(50,963)	(92,090)
Accounts payable and accrued liabilities	377	(646)
Deferred revenue	700	-
Future grant commitments	(6,000)	(14,043)
	<u>(53,712)</u>	<u>(104,097)</u>

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REID & MILLER

CHARTERED PROFESSIONAL ACCOUNTANTS INC