

WESTSHORE COMMUNITY FOUNDATION INC.

GIMLI, MB

DECEMBER 31, 2023



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, 2023, 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, 2023, 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

July 3, 2024
Winnipeg, Manitoba

Chartered Professional Accountants Inc.

WESTSHORE COMMUNITY FOUNDATION INC.**BALANCE SHEET**

AS AT DECEMBER 31

	2023	2022
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	81,467	61,076
Accounts receivable	928	1,639
Restricted cash	354,369	543,738
Prepaid expenses	713	713
Current portion of investments (note 3)	30,030	-
	<u>467,507</u>	<u>607,166</u>
INVESTMENTS (note 3)	<u>5,417,013</u>	<u>4,860,059</u>
	<u><u>5,884,520</u></u>	<u><u>5,467,225</u></u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	6,514	6,472
Future grant commitments (note 6)	47,835	30,070
	<u>54,349</u>	<u>36,542</u>
NET ASSETS		
UNRESTRICTED NET ASSETS	76,596	56,956
RESTRICTED FUNDS (note 5)	<u>5,753,575</u>	<u>5,373,727</u>
	<u>5,830,171</u>	<u>5,430,683</u>
	<u><u>5,884,520</u></u>	<u><u>5,467,225</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	
	2023	2022
	\$	\$
REVENUE		
Grants and non receipted gifts	30,493	35,426
Grant from administrative endowment fund	13,303	5,582
Fundraising	42,752	31,698
Donations	-	696
CF administration fees	26,458	23,595
	<u>113,006</u>	<u>96,997</u>
EXPENDITURE		
Advertising and promotion	7,404	6,213
Bank and investment fees	-	403
Dues and memberships	1,690	1,458
Events	2,815	2,487
Fundraising	18,765	14,641
Meetings	5,814	3,549
Office supplies and sundry	2,679	10,287
Professional fees	5,185	7,884
Rent and insurance	9,497	9,220
Salaries and benefits	36,368	30,667
Telephone and internet	1,716	1,950
	<u>91,933</u>	<u>88,759</u>
OPERATING INCOME	<u>21,073</u>	<u>8,238</u>
OTHER ITEMS		
Realized loss on donated investments	-	(4,320)
Contributions to administration endowment funds	-	(21,700)
	<u>-</u>	<u>(26,020)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	<u>21,073</u>	<u>(17,782)</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	2023 Total	2022 Total
	\$	\$	\$	\$
NET ASSETS				
Balance, beginning of year	5,373,727	56,956	5,430,683	5,352,432
Excess (deficiency) of revenue over expenditure	-	21,073	21,073	(17,782)
Contributions received	366,424	-	366,424	556,153
Net realized capital gains (losses)	130,447	-	130,447	100,287
Net change in unrealized gains (losses)	232,248	-	232,248	(551,243)
Investment income	150,782	-	150,782	133,261
Administration fees paid	(73,423)	-	(73,423)	(66,888)
Interfund transfer	(206,158)	(1,433)	(207,591)	314,643
Grants paid	<u>(220,472)</u>	<u>-</u>	<u>(220,472)</u>	<u>(390,180)</u>
Balance, end of year	<u>5,753,575</u>	<u>76,596</u>	<u>5,830,171</u>	<u>5,430,683</u>

The accompanying notes are an integral part of these financial statements

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

	Year Ended December 31	
	2023	2022
	\$	\$
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES		
OPERATING		
Excess (deficiency) of revenue over expenditure for the year	21,073	(17,782)
Items not affecting cash:		
Unrealized gain (losses) on disposal of investments	(232,248)	551,243
	<u>(211,175)</u>	<u>533,461</u>
Net changes in non-cash working capital affecting operations (<i>note 8</i>)	18,515	(4,852)
	<u>(192,660)</u>	<u>528,609</u>
FINANCING		
Donations and income earned on endowment fund	518,638	687,981
Endowment fund administration and disbursements paid	(73,423)	(66,888)
	<u>445,215</u>	<u>621,093</u>
INVESTING		
Purchase of investments	(421,533)	-
Sale of investments	-	(856,844)
	<u>(421,533)</u>	<u>(856,844)</u>
INCREASE (DECREASE) IN CASH RESOURCES	(168,978)	292,858
CASH RESOURCES, BEGINNING OF YEAR	<u>604,814</u>	<u>311,956</u>
CASH RESOURCES, END OF YEAR	<u><u>435,836</u></u>	<u><u>604,814</u></u>
CASH RESOURCES IS REPRESENTED BY:		
Cash and cash equivalents	81,467	61,076
Restricted cash	<u>354,369</u>	<u>543,738</u>
	<u><u>435,836</u></u>	<u><u>604,814</u></u>

The accompanying notes are an integral part of these financial statements

WESTSHORE COMMUNITY FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

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) 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

b) 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.

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.

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.

WESTSHORE COMMUNITY FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

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**

Initial and subsequent measurement

The organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in income in the period incurred

Financial assets measured at amortized cost on a straight-line basis include cash, accounts receivable, and fixed income investments.

Financial liabilities measured at amortized cost on a straight-line basis include, accounts payable and accrued liabilities reported as financial liabilities.

WESTSHORE COMMUNITY FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

3. INVESTMENTS

Investments are carried at market value.

	2023	2022
	\$	\$
WCFI - Managed Endowment Funds	2,517,887	2,236,374
WCFI - Scholarship and Bursary Funds	949,692	772,103
WCFI - NIHM Heritage Museum Funds	340,074	278,277
WCFI - NIHM Signature Museum	1,546,072	1,482,978
Non-redeemable Guaranteed Investment Certificate bearing interest at 4.70% matures November 2025	18,970	18,122
Non-redeemable Guaranteed Investment Certificate bearing interest at 4.90% matures November 2026	12,674	12,082
Guaranteed Investment Certificate bearing interest at 2.70% matured November 2023	-	30,093
Non-redeemable Guaranteed Investment Certificate bearing interest at 1.85% matures December 2024	30,030	30,030
Non-redeemable Guaranteed Investment Certificate bearing interest at 5.25% matures November 2026	6,035	-
Non-redeemable Guaranteed Investment Certificate bearing interest at 5.10% matures November 2027	18,111	-
Non-redeemable Guaranteed Investment Certificate bearing interest at 5.10% matures November 2028	6,034	-
Credit union shares	1,464	-
	<u>5,447,043</u>	<u>4,860,059</u>
Less: current portion	<u>30,030</u>	<u>-</u>
	<u><u>5,417,013</u></u>	<u><u>4,860,059</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 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, 2023

4. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis describes the organization's risk exposure.

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.

WESTSHORE COMMUNITY FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

5. RESTRICTED FUNDS

Changes in restricted funds for the year are as follows:

	Operating endowment funds	Agency funds	Designated funds	Donor advised funds	Field of interest funds
Balance, beginning of year	180,777	836,605	1,614,203	261,525	279,473
Contributions received		96,949	430	40,060	59,356
Net realized capital gains (losses)	4,584	22,235	40,423	6,885	7,267
Net change in unrealized gains (losses)	8,200	40,002	71,803	12,071	13,128
Investment income	5,258	25,914	46,337	8,094	8,588
Administration fees paid	(2,508)	(12,669)	(22,151)	(3,925)	(4,237)
Interfund transfer	(6,775)	6,129	(5,530)	(13,222)	(15,278)
Grants paid	(6,558)	(33,693)	(70,520)	(9,911)	(11,562)
Balance, end of year	182,978	981,472	1,674,995	301,577	336,735

	Scholarship funds	Undesignated funds	Flow thru funds	2023	2022
Balance, beginning of year	812,460	1,186,139	202,545	\$ 5,373,727	\$ 5,277,694
Contributions received	144,179	25,450	-	366,424	556,153
Net realized capital gains (losses)	22,697	26,356	-	130,447	100,287
Net change in unrealized gains (losses)	40,065	46,979	-	232,248	(551,243)
Investment income	26,376	30,215	-	150,782	133,261
Administration fees paid	(13,547)	(14,386)	-	(73,423)	(66,888)
Interfund transfer	4,151	(24,961)	(150,672)	(206,158)	314,643
Grants paid	(42,383)	(45,845)	-	(220,472)	(390,180)
Balance, end of year	993,998	1,229,947	51,873	5,753,575	5,373,727

WESTSHORE COMMUNITY FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

6. FUTURE GRANT COMMITMENTS

Changes in future contributions committed are as follows:

	<u>2023</u>	<u>2022</u>
	\$	\$
New Iceland Heritage Museum	8,000	8,000
Village of Dunnottar	3,800	4,560
Riverton Transportation and Heritage Centre	-	7,000
Interlake Eastern Health Foundation	-	1,650
Evergreen Basic Needs	-	5,000
Interlake Women's Resource Centre	-	1,140
St Michael's Church	-	900
Gimli Chamber of Commerce	-	1,820
Destination Brand Committee	7,000	-
Minerva Hall	7,000	-
Gimli Environmental Advisory Committee	2,500	-
Evergreen Foundation of Manitoba	7,498	-
Evergreen School Division	7,000	-
RM of St. Andrews	4,000	-
Riverton District Friendship drums	1,037	-
	<u>47,835</u>	<u>30,070</u>

7. COMMITMENTS

The Organization has an ongoing lease commitment for \$8,000 annually plus GST, payable in monthly instalments commencing November 1, 2018 with a 3% annual increase.

Rental payments for the next year are as follows:

2023-24 \$8,813

8. CASH FLOW STATEMENT

	<u>2023</u>	<u>2022</u>
	\$	\$
Net changes in non-cash working capital affecting operations		
Accounts receivable	711	(924)
Accounts payable and accrued liabilities	39	(17,951)
Future grant commitments	17,765	14,023
	<u>18,515</u>	<u>(4,852)</u>

R|M

REID & MILLER

CHARTERED PROFESSIONAL ACCOUNTANTS INC