

THE WINKLER COMMUNITY FOUNDATION INC.

Financial Statements

Year Ended December 31, 2021

(Unaudited)

THE WINKLER COMMUNITY FOUNDATION INC.

Index to Financial Statements

Year Ended December 31, 2021

(Unaudited)

	Page
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Cash Flow	5
Notes to Financial Statements	6 - 11
Schedule of Changes in Net Assets <i>(Schedule 1)</i>	12 - 13

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of The Winkler Community Foundation Inc.

We have reviewed the accompanying financial statements of The Winkler Community Foundation Inc. which comprise the statement of financial position as at December 31, 2021 and the statements of operations, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Practitioner's Responsibility

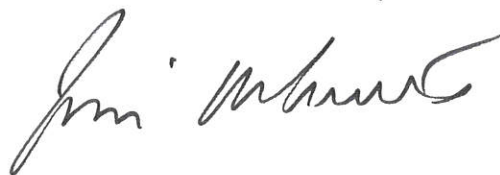
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of The Winkler Community Foundation Inc. as at December 31, 2021, 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.



Winkler, Manitoba
April 8, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS

THE WINKLER COMMUNITY FOUNDATION INC.

Statement of Financial Position

December 31, 2021

(Unaudited)

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 371,425	\$ 389,572
Accounts receivable	6,818	338
Prepaid expenses	19,942	17,580
	398,185	407,490
LONG TERM INVESTMENTS (Note 2)	5,340,616	4,864,386
	\$ 5,738,801	\$ 5,271,876
LIABILITIES		
CURRENT		
Accounts payable	\$ 3,885	\$ 6,466
Deferred contributions (Note 3)	914	136,680
	4,799	143,146
NET ASSETS		
Endowment (Page 4)	5,589,890	5,003,263
Unrestricted (Page 4)	144,112	125,467
	5,734,002	5,128,730
	\$ 5,738,801	\$ 5,271,876

APPROVED BY THE BOARD

 Director

 Director

See notes to financial statements

Jim M. Smith Chartered Professional Accountants Inc.

THE WINKLER COMMUNITY FOUNDATION INC.

Statement of Operations

Year Ended December 31, 2021

(Unaudited)

	2021	2020
REVENUE		
Administrative donations and grants	\$ 19,222	\$ 23,392
Flow through grants	186,202	101,173
Investment income (Note 4)	545,755	426,458
Investment income - unrestricted	1,041	1,689
	752,220	552,712
EXPENDITURES		
Administration	11,725	13,228
Conferences	163	121
Equipment	1,741	795
Flow through grants	186,202	101,173
Grants - endowment	165,731	178,421
Grants - unrestricted	1,580	-
Memberships	1,570	1,346
Pay it forward	375	567
Salaries and wages	32,951	30,880
Vital signs	-	72
	402,038	326,603
EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR	\$ 350,182	\$ 226,109

THE WINKLER COMMUNITY FOUNDATION INC.

Statement of Changes in Net Assets

Year Ended December 31, 2021

(Unaudited)

	2021 Endowment	2021 Unrestricted	2021 Total	2020 Endowment	2020 Unrestricted	2020 Total
Net assets, beginning of year	\$ 5,003,262	\$ 125,467	\$ 5,128,729	\$ 4,659,286	\$ 100,977	\$ 4,760,263
Excess of revenue over expenditures for the year	-	350,182	350,182	-	226,109	226,109
Donations received	255,091	-	255,091	142,357	-	142,357
Investment income earned	545,755	(545,755)	-	426,457	(426,457)	-
Administrative recovery charge	(48,397)	48,397	-	(44,858)	44,858	-
Grants	(165,731)	165,731	-	(178,421)	178,421	-
Fund specific costs	(90)	90	-	(1,559)	1,559	-
NET ASSETS - END OF YEAR	\$ 5,589,890	\$ 144,112	\$ 5,734,002	\$ 5,003,262	\$ 125,467	\$ 5,128,729

See notes to financial statements

Jim M. Smith Chartered Professional Accountants Inc.

THE WINKLER COMMUNITY FOUNDATION INC.

Statement of Cash Flow

Year Ended December 31, 2021

(Unaudited)

	2021	2020
OPERATING ACTIVITIES		
Excess of revenue over expenditures for the year	\$ 350,182	\$ 226,109
Item not affecting cash:		
Unrealized loss (gain) on investments	(137,308)	(185,811)
	212,874	40,298
Changes in non-cash working capital:		
Accounts receivable	(6,480)	6,001
Accounts payable	(2,581)	(804)
Deferred contributions	(135,766)	52,915
Prepaid expenses	(2,362)	(998)
	(147,189)	57,114
Cash flow from operating activities	65,685	97,412
INVESTING ACTIVITIES		
Decrease (increase) in long term investments	(338,922)	(126,569)
FINANCING ACTIVITY		
Donations to endowment funds	255,090	142,357
INCREASE (DECREASE) IN CASH FLOW	(18,147)	113,200
Cash - beginning of year	389,572	276,372
CASH - END OF YEAR	\$ 371,425	\$ 389,572

THE WINKLER COMMUNITY FOUNDATION INC.

Notes to Financial Statements

Year Ended December 31, 2021

(Unaudited)

The Winkler Community Foundation Inc. was established in 1988 to benefit the citizens of Winkler and the surrounding area by supporting non-profit charitable, educational and cultural organizations. The Winkler Community Foundation Inc. is a registered charity and is classified as a public foundation and is exempt from income taxes under Section 149 of the Income Tax Act.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Capital assets

The Foundation has adopted a policy whereby capital assets costing \$2,000 or more will be included in the statement of financial position at cost and amortized over their expected useful life. Capital assets costing less than \$2,000 will be expensed in the year of purchase.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities, bonds and derivatives traded in an active market are reported at fair value, with any unrealized gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial instruments are tested for impairment when changes indicate the instrument(s) could be impaired. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

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THE WINKLER COMMUNITY FOUNDATION INC.

Notes to Financial Statements

Year Ended December 31, 2021

(Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

The Winkler Community Foundation Inc. follows the deferral method of accounting for contributions.

Revenue and expenditures related to program delivery and administrative activities are reported in the Unrestricted Fund. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue of the Unrestricted Fund when received. Investment income is recognized according to the terms of the underlying instrument.

Endowment contributions are recognized as a direct increase in the balance of the applicable Endowment Fund. Investment income earned on the assets in the Endowment Funds or restricted funds is reported in the applicable endowment fund or restricted fund, depending on the nature of any restrictions imposed by contributors of the funds.

Endowment funds

The Katie Cares Fund was created in 2013 to support the work of the Katie Cares charity as directed by the Katie Cares Board of Directors.

The Gateway Resources Fund was created in 2013 to support programs and services provided by Gateway Resources Inc. or any successor organization in the Morden/Winkler and surrounding area as they provide enhanced services to people with intellectual disabilities.

The Scholarship Fund was created in 2013 to provide post-secondary scholarships to students in the Garden Valley School Division.

The MAP Fund was created in 2017 to support charitable activities or charitable organizations whose activities are within the objectives of The Winkler Community Foundation Inc. This fund has been established as a donor advised fund in which the donor will advise on distributions from the fund.

The Mend the Gap Fund was created in 2018 to support initiatives, programs and services that alleviate poverty through innovative approaches impacting families and making a difference by mending the gap in the community of Winkler. Fund holder directs the disbursement of the funds.

The Community Fund was established by the Board of Directors to create an ongoing source of income for granting funds to qualifying charities.

The 2014 Power Smart Manitoba Winter Games Legacy Fund was created in 2014 for the promotion and enhancement of sports leadership and / or sports development in the Winkler and RM of Stanley areas.

The Kalansky Fund was created in 2015 to support charitable activities or charitable organizations whose activities are within the objectives of The Winkler Community Foundation Inc. This fund has been established as a donor advised fund in which the donor will advise on distributions from the fund.

The Gordon Wiebe Scholarship Fund was created in 2015 to assist young people from the local area in financing their post secondary educations.

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THE WINKLER COMMUNITY FOUNDATION INC.

Notes to Financial Statements

Year Ended December 31, 2021

(Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Darlene Peters Health Fund was created in 2016 to provide grants for health related projects/organizations.

The Youth in Philanthropy Fund was established to support local high school and elementary school students in learning about philanthropy, community needs and community foundations and granting funds to qualifying charities.

The Dr. C.W. Wiebe Fund was created in 2006 to fund capital purchases to benefit medical facilities.

The Winkler Fire and Rescue Fund was created in 2009 to support the work of the Winkler Fire Department through fire rescue education, training, scholarships and equipment.

Winkler Heritage Museum Fund preserves and exhibits local history. This fund was created in 2019 to capitalize on the Manitoba Heritage Trust Program, which aims to attract public and private funding and provide long-term sustainable revenue for heritage organizations.

The Falk Fehr Foundation is an organization with family and community values at its core. They believe in giving back where they received, so that those who receive will be able to do the same for the next generation. This fund was created in 2018 to support charitable activity in Winkler and the surrounding community. It is a fund holder directed fund.

The Winkler Cheerboard Fund was created in 2020 and supports the programs and services of the Winkler & District Christmas Cheerboard.

The Minor Ball Fund was created in 2021 to support the programs and services of Winkler Minor Ball. These funds may be used for equipment purchase; development and training of coaches, players and officials, and cover expenses towards higher level of competition and tournaments; and/or capital purchases.

Contributed services

The Foundation is thankful for the many hours contributed by volunteers which assist greatly in allowing it to fulfill its purpose. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

2. LONG TERM INVESTMENTS

	2021	2020
Access Credit Union shares	\$ 5	\$ 5
Investment portfolio managed by The Winnipeg Foundation at market value (cost \$4,838,417; 2020 - \$4,499,495)	5,340,611	4,864,381
	\$ 5,340,616	\$ 4,864,386

THE WINKLER COMMUNITY FOUNDATION INC.

Notes to Financial Statements

Year Ended December 31, 2021

(Unaudited)

3. DEFERRED CONTRIBUTIONS

	2021	2020
<u>Mend the Gap</u>		
Deferred contributions, beginning of year	\$ 121,013	\$ 78,765
Add: donations received	45,000	53,968
Less: amounts transferred to Mend the Gap Endowment	(10,000)	(10,925)
Less: admin. fee charged on donations	(525)	(795)
Less: donations to charitable organizations	(155,488)	-
Deferred contributions, end of year	-	121,013
<u>Minor Ball</u>		
Deferred contributions, beginning of year	7,000	5,000
Add: donations received	2,000	2,000
Less: amounts transferred to Minor Ball Endowment	(9,000)	-
Deferred contributions, end of year	-	7,000
<u>Falk Fehr Foundation</u>		
Deferred contributions, beginning of year	8,667	-
Add: donations received	25,470	8,667
Less: amounts transferred to Falk Fehr Foundation Endowment	(2,500)	-
Less: admin. fee charged on donations	(345)	-
Less: donations to charitable organizations	(30,379)	-
Deferred contributions, end of year	913	8,667
Grand total	\$ 913	\$ 136,680

4. INVESTMENT INCOME

	2021	2020
Interest and dividends	\$ 145,056	\$ 151,925
Realized gains (losses)	311,150	127,839
Unrealized gains (losses)	137,308	185,811
Investment management fees	(47,759)	(39,117)
	\$ 545,755	\$ 426,458

THE WINKLER COMMUNITY FOUNDATION INC.

Notes to Financial Statements

Year Ended December 31, 2021

(Unaudited)

5. ALLOCATION OF INVESTMENT INCOME

Investment income (losses) earned on the investment portfolio managed by The Winnipeg Foundation is allocated to endowment funds as per reports received from The Winnipeg Foundation. This method of allocating investment income (losses) approximates proportionate allocation based on the opening net asset balance in each endowment fund. All other investment income is allocated to endowment funds proportionately based on the opening net asset balance in each endowment fund.

6. UNCERTAINTY DUE TO THE COVID-19 PANDEMIC

The spread of the Covid-19 virus in 2020 and 2021 severely impacted many local economies throughout the world. In many countries, businesses and not-for-profit organizations were forced to cease or limit operations for significant periods of time. Measures taken to contain the spread of the virus have triggered disruptions to local economies and caused economic slowdowns.

The Covid-19 pandemic disrupted the Foundation's ability to hold fundraising and appreciation events during the year ended December 31, 2021.

It is not known how long the Covid-19 pandemic will last or how long measures taken to contain the spread of the virus will be in place. The potential financial impacts in the future on the Foundation resulting from the effects of the Covid-19 pandemic cannot be reasonably estimated.

THE WINKLER COMMUNITY FOUNDATION INC.

Notes to Financial Statements

Year Ended December 31, 2021

(Unaudited)

7. FINANCIAL RISKS AND UNCERTAINTIES

The Foundation relies on its Board to manage financial risk.

Credit risk

The Foundation is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Foundation does not hold directly any collateral as security for financial obligations of counterparties.

The maximum exposures that the Foundation had to credit risk as of December 31, 2020 and 2019 were as follows.

	2021	2020
Cash	\$ 371,425	\$ 389,572
Accounts receivable	6,818	338
Long term investments	5,340,616	4,864,386
	\$ 5,718,859	\$ 5,254,296

Credit risk associated with cash and long term investments is minimized by ensuring that the funds are invested with credit worthy financial institutions. The investment portfolio listed in note 2 is professionally managed by The Winnipeg Foundation. No single investment represents a material amount of the total portfolio.

Liquidity risk

Liquidity risk is the risk that the Foundation will not be able to meet a demand for cash or fund its obligations as they become due. The Foundation meets its liquidity requirements by monitoring cash flows and cash balances throughout the year and holding assets that can readily be converted to cash.

Other price risk

The Foundation is exposed to other price risk on fixed interest rate investments managed by The Winnipeg Foundation. A rise in market interest rates will result in a decrease in the fair values of bonds and debentures.

Currency risk

The Foundation is exposed to currency risk on investments managed by The Winnipeg Foundation held in non-Canadian currency. It is likely that approximately 35% of the investment portfolio was held in foreign currency as of December 31, 2021 (2020 - 35%) based upon audited financial statements for The Winnipeg Foundation.

THE WINKLER COMMUNITY FOUNDATION INC.

Schedule of Changes in Net Assets

Year Ended December 31, 2021

(Unaudited)

	----- Endowment Funds -----										
	Katie Cares Fund	Gateway Resources Fund	Scholarship Fund	MAP Fund	Mend the Gap Fund	Community Fund	2014 Power Smart MB Winter Games Legacy Fund	Kalansky Fund	Gordon Wiebe Scholarship Fund	Darlene Peters Health Fund	Youth in Philanthropy Fund
Net assets, beginning of year \$	109,933	\$ 1,186,360	\$ 5,412	\$ 33,857	\$ 34,716	\$ 703,388	\$ 81,099	\$ 18,349	\$ 2,422,364	\$ 107,536	\$ 24,097
Excess of revenue over expenditures for the year	-	-	-	-	-	-	-	-	-	-	-
Donations received	-	23,650	100	12,000	14,500	115,965	-	1,300	2,815	-	435
Investment income (net of fees charged)	12,270	133,114	579	4,287	3,939	80,754	9,048	2,123	248,829	12,008	2,557
Administrative recovery charge	(1,125)	(11,857)	(53)	(362)	(327)	(6,767)	(830)	(190)	(22,789)	(1,101)	(231)
Grants	(4,045)	(38,671)	(179)	(961)	(971)	(22,184)	(3,019)	(791)	(81,420)	(3,910)	(641)
Fund specific costs	-	-	-	-	-	-	-	-	(90)	-	-
NET ASSETS - END OF YEAR	\$ 117,033	\$ 1,292,596	\$ 5,859	\$ 48,821	\$ 51,857	\$ 871,156	\$ 86,298	\$ 20,791	\$ 2,569,709	\$ 114,533	\$ 26,217

THE WINKLER COMMUNITY FOUNDATION INC.

Schedule of Changes in Net Assets

Year Ended December 31, 2021

(Unaudited)

	----- Endowment Funds -----									
	Dr. C.W. Wiebe Fund	Winkler Fire & Rescue Fund	Winkler Heritage	Falk Fehr Foundation	Winkler Cheerboard Fund	Winkler Minor Ball	Total Endowment Funds	Unrestricted Fund	Total	2020 Total
Net assets, beginning of year	\$ 204,434	\$ 20,853	\$ 18,986	\$ 4,060	\$ 27,818	\$ -	\$ 5,003,262	\$ 125,467	\$ 5,128,729	\$ 4,760,263
Excess of revenue over expenditures for the year	-	-	-	-	-	-	-	350,182	350,182	226,109
Donations received	-	350	24,116	3,875	46,985	9,000	255,091	-	255,091	142,357
Investment income (net of fees charged)	22,809	2,341	3,888	687	5,662	860	545,755	(545,755)	-	-
Administrative recovery charge	(2,093)	(207)	(171)	(50)	(207)	(37)	(48,397)	48,397	-	-
Grants	(7,614)	(711)	(332)	(147)	(135)	-	(165,731)	165,731	-	-
Fund specific costs	-	-	-	-	-	-	(90)	90	-	-
NET ASSETS - END OF YEAR	\$ 217,536	\$ 22,626	\$ 46,487	\$ 8,425	\$ 80,123	\$ 9,823	\$ 5,589,890	\$ 144,112	\$ 5,734,002	\$ 5,128,729