

**THE WINKLER COMMUNITY FOUNDATION INC.**

**Financial Statements**

**Year Ended December 31, 2023**

**THE WINKLER COMMUNITY FOUNDATION INC.**  
**Index to Financial Statements**  
**Year Ended December 31, 2023**

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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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, 2023 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, 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.



Winkler, Manitoba  
April 8, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

**THE WINKLER COMMUNITY FOUNDATION INC.**

**Statement of Financial Position**

**December 31, 2023**

|                                       | 2023                | 2022         |
|---------------------------------------|---------------------|--------------|
| <b>ASSETS</b>                         |                     |              |
| <b>CURRENT</b>                        |                     |              |
| Cash                                  | \$ 641,219          | \$ 511,543   |
| Accounts receivable                   | 912                 | 461          |
| Prepaid expenses (Note 2)             | 19,799              | 17,878       |
|                                       | <b>661,930</b>      | 529,882      |
| <b>LONG TERM INVESTMENTS (Note 3)</b> | <b>5,299,173</b>    | 4,967,636    |
|                                       | <b>\$ 5,961,103</b> | \$ 5,497,518 |
| <b>LIABILITIES</b>                    |                     |              |
| <b>CURRENT</b>                        |                     |              |
| Accounts payable                      | \$ 8,037            | \$ 4,932     |
| Deferred contributions (Note 4)       | 118,417             | 83,696       |
| Unearned revenue                      | 4,062               | -            |
|                                       | <b>130,516</b>      | 88,628       |
| <b>NET ASSETS</b>                     |                     |              |
| Endowment (Page 4)                    | 5,607,936           | 5,249,341    |
| Unrestricted (Page 4)                 | 222,651             | 159,549      |
|                                       | <b>5,830,587</b>    | 5,408,890    |
|                                       | <b>\$ 5,961,103</b> | \$ 5,497,518 |

**APPROVED BY THE BOARD**

 Director

 Director

See accompanying notes to financial statements

THE WINKLER COMMUNITY FOUNDATION INC.

Statement of Operations

Year Ended December 31, 2023

|  | 2023              | 2022                |
|--|-------------------|---------------------|
| <b>REVENUE</b>   |                   |                     |
| Administrative donations and grants                                      | \$ 79,475         | \$ 18,113           |
| Flow through grants  | 142,353           | 24,555              |
| General fundraising  | 5,800             | 5,400               |
| Investment income (loss) (Note 5)  | 468,698           | (389,443)           |
| Investment income - unrestricted   | 8,880             | 2,263               |
|  | <b>705,206</b>    | <b>(339,112)</b>    |
| <b>EXPENDITURES</b>  |                   |                     |
| Administration   | 24,625            | 15,082              |
| Conferences  | 2,161             | -                   |
| Contract work  | 2,530             | -                   |
| Equipment  | 2,777             | 836                 |
| Flow through grants  | 142,353           | 24,555              |
| Fundraising  | 5,017             | 4,433               |
| Grants - endowment   | 221,559           | 182,848             |
| Memberships  | 1,844             | 1,698               |
| Office rent  | 2,460             | -                   |
| Pay it forward   | 1,447             | 450                 |
| Salaries and wages   | 43,154            | 40,592              |
|  | <b>449,927</b>    | <b>270,494</b>      |
| <b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES<br/>FOR THE YEAR</b> | <b>\$ 255,279</b> | <b>\$ (609,606)</b> |

See accompanying notes to financial statements

**THE WINKLER COMMUNITY FOUNDATION INC.**

**Statement of Changes in Net Assets**

**Year Ended December 31, 2023**

|   | 2023<br>Endowment   | 2023<br>Unrestricted | 2023<br>Total       | 2022<br>Endowment   | 2022<br>Unrestricted | 2022<br>Total       |
|---|---------------------|----------------------|---------------------|---------------------|----------------------|---------------------|
| Net assets, beginning of year                                 | \$ 5,249,341        | \$ 159,549           | \$ 5,408,890        | \$ 5,589,890        | \$ 144,112           | \$ 5,734,002        |
| Excess (deficiency) of revenue over expenditures for the year | -                   | 255,279              | 255,279             | -                   | (609,606)            | (609,606)           |
| Donations received  | 166,418             | -                    | 166,418             | 284,494             | -                    | 284,494             |
| Investment income earned                                      | 468,865             | (468,865)            | -                   | (389,443)           | 389,443              | -                   |
| Administrative recovery charge                                | (52,572)            | 52,572               | -                   | (51,803)            | 51,803               | -                   |
| Grants  | (221,559)           | 221,559              | -                   | (182,848)           | 182,848              | -                   |
| Fund specific costs   | (2,557)             | 2,557                | -                   | (950)               | 950                  | -                   |
| <b>NET ASSETS - END OF YEAR</b>                               | <b>\$ 5,607,936</b> | <b>\$ 222,651</b>    | <b>\$ 5,830,587</b> | <b>\$ 5,249,340</b> | <b>\$ 159,550</b>    | <b>\$ 5,408,890</b> |

See notes to financial statements

**THE WINKLER COMMUNITY FOUNDATION INC.**

**Statement of Cash Flow**

**Year Ended December 31, 2023**

|   | 2023              | 2022              |
|---|-------------------|-------------------|
| <b>OPERATING ACTIVITIES</b>                                   |                   |                   |
| Excess (deficiency) of revenue over expenditures for the year | \$ 255,279        | \$ (609,606)      |
| Item not affecting cash:                                      |                   |                   |
| Unrealized loss (gain) on investments                         | (233,712)         | 586,910           |
|   | <b>21,567</b>     | <b>(22,696)</b>   |
| Changes in non-cash working capital:                          |                   |                   |
| Accounts receivable   | (451)             | 6,357             |
| Accounts payable  | 3,106             | 1,047             |
| Deferred contributions  | 34,721            | 82,782            |
| Prepaid expenses  | (1,921)           | 2,064             |
| Unearned revenue  | 4,062             | -                 |
|   | <b>39,517</b>     | <b>92,250</b>     |
| Cash flow from operating activities                           | <b>61,084</b>     | <b>69,554</b>     |
| <b>INVESTING ACTIVITIES</b>                                   |                   |                   |
| Decrease (increase) in long term investments                  | (97,826)          | (213,930)         |
| <b>FINANCING ACTIVITY</b>                                     |                   |                   |
| Donations to endowment funds                                  | 166,418           | 284,494           |
| <b>INCREASE IN CASH FLOW</b>                                  | <b>129,676</b>    | <b>140,118</b>    |
| Cash - beginning of year                                      | 511,543           | 371,425           |
| <b>CASH - END OF YEAR</b>                                     | <b>\$ 641,219</b> | <b>\$ 511,543</b> |

See accompanying notes to financial statements

# THE WINKLER COMMUNITY FOUNDATION INC.

## Notes to Financial Statements

Year Ended December 31, 2023

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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.

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### 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, 2023

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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 2012 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. The 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, 2023

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### 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 to 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 Frank & Vi Wiebe - 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.

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### 2. PREPAID EXPENSES

The balance in this account consists of 75% of the administration fees charged by the Winnipeg Foundation in September of each year. The fees relate to the twelve months running from October 1, 2023 through September 30, 2024. Also included in the account for 2023 is prepaid office rent.

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### 3. LONG TERM INVESTMENTS

|   | 2023                | 2022                |
|---|---------------------|---------------------|
| Access Credit Union shares  | \$ 5                | \$ 5                |
| Investment portfolio managed by The Winnipeg Foundation<br>at market value (cost \$5,150,172; 2022 - \$5,052,347) | 5,299,168           | 4,967,631           |
|   | <b>\$ 5,299,173</b> | <b>\$ 4,967,636</b> |

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**THE WINKLER COMMUNITY FOUNDATION INC.**

**Notes to Financial Statements**

**Year Ended December 31, 2023**

**4. DEFERRED CONTRIBUTIONS**

|  | 2023              | 2022             |
|--|-------------------|------------------|
| <u>Mend the Gap</u>  |                   |                  |
| Deferred contributions, beginning of year                      | \$ 80,983         | \$ -             |
| Add: donations received  | 79,568            | 92,556           |
| Less: amounts transferred to Mend the Gap Endowment            | (10,000)          | (10,000)         |
| Less: admin. fee charged on donations                          | (954)             | (1,252)          |
| Less: credit card fees   | -                 | (321)            |
| Less: donations to charitable organizations                    | (36,281)          | -                |
| <b>Deferred contributions, end of year</b>                     | <b>\$ 113,316</b> | <b>\$ 80,983</b> |
| <u>Falk Fehr Foundation</u>                                    |                   |                  |
| Deferred contributions, beginning of year                      | \$ 2,713          | \$ 914           |
| Add: donations received  | 26,950            | 25,717           |
| Less: amounts transferred to Falk Fehr Foundation<br>Endowment | (2,500)           | (1,555)          |
| Less: admin. fee charged on donations                          | (352)             | (363)            |
| Less: donations to charitable organizations                    | (21,710)          | (22,000)         |
| <b>Deferred contributions, end of year</b>                     | <b>\$ 5,101</b>   | <b>\$ 2,713</b>  |
| <b>Grand total</b>   | <b>\$ 118,417</b> | <b>\$ 83,696</b> |

**5. INVESTMENT INCOME (LOSS)**

|                            | 2023              | 2022                |
|----------------------------|-------------------|---------------------|
| Interest and dividends     | \$ 150,457        | \$ 138,145          |
| Realized gains (losses)    | 131,249           | 105,659             |
| Unrealized gains (losses)  | 233,712           | (586,910)           |
| Investment management fees | (46,720)          | (46,337)            |
|                            | <b>\$ 468,698</b> | <b>\$ (389,443)</b> |

**6. 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 unrestricted net assets.

**THE WINKLER COMMUNITY FOUNDATION INC.**

**Notes to Financial Statements**

**Year Ended December 31, 2023**

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7. LEASE COMMITMENT

Under the terms of a lease for office space, the Foundation is required to pay \$1,200 per month plus applicable taxes for the period November 1, 2023 through October 31, 2026.

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8. 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, 2023 and 2022 were as follows.

|                       | 2023                | 2022                |
|-----------------------|---------------------|---------------------|
| Cash                  | \$ 641,219          | \$ 511,543          |
| Accounts receivable   | 912                 | 461                 |
| Long term investments | 5,299,173           | 4,967,636           |
|                       | <b>\$ 5,941,304</b> | <b>\$ 5,479,640</b> |

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 3 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 34% of the investment portfolio was held in foreign currency as of December 31, 2023 (2022 - 30%) based upon audited financial statements for The Winnipeg Foundation.

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**THE WINKLER COMMUNITY FOUNDATION INC.**  
**Schedule of Changes in Net Assets**  
**Year Ended December 31, 2023**

|  | Endowment Funds     |  |                  |                               |                            |                            |                     |                            |                   |                        |                  |
|--|---------------------|--|------------------|-------------------------------|----------------------------|----------------------------|---------------------|----------------------------|-------------------|------------------------|------------------|
|  | Community Fund      | 2014 Power Smart MB Winter Games Legacy Fund | Kalansky Fund    | Gordon Wiebe Scholarship Fund | Darlene Peters Health Fund | Youth in Philanthropy Fund | Dr. C.W. Wiebe Fund | Winkler Fire & Rescue Fund | Katie Cares Fund  | Gateway Resources Fund | Scholarship Fund |
| Net assets, beginning of year \$                 | 967,333             | \$ 76,362                                    | \$ 19,821        | \$ 2,286,197                  | \$ 101,391                 | \$ 24,136                  | \$ 192,487          | \$ 20,077                  | \$ 104,581        | \$ 1,194,853           | \$ 5,497         |
| Excess (deficiency) of revenue over expenditures | -                   | -  | -                | -                             | -                          | -                          | -                   | -                          | -                 | -                      | -                |
| Donations received                               | 109,968             | -  | 1,300            | -                             | -                          | 1,253                      | -                   | -                          | 1,000             | 18,750                 | -                |
| Investment income (net of fees charged)          | 90,809              | 6,672  | 1,804            | 200,473                       | 8,860                      | 2,192                      | 16,819              | 1,758                      | 9,146             | 105,157                | 698              |
| Administrative recovery charge                   | (10,304)            | (738)  | (201)            | (22,763)                      | (980)                      | (240)                      | (1,860)             | (195)                      | (1,011)           | (11,506)               | (89)             |
| Grants   | (30,608)            | (3,779)                                      | (876)            | (101,250)                     | (5,014)                    | (1,061)                    | (9,525)             | (964)                      | (5,124)           | (55,272)               | (244)            |
| Fund specific costs                              | -                   | -  | -                | (2,557)                       | -                          | -                          | -                   | -                          | -                 | -                      | -                |
| <b>NET ASSETS - END OF YEAR</b>                  | <b>\$ 1,127,198</b> | <b>\$ 78,517</b>                             | <b>\$ 21,848</b> | <b>\$ 2,360,100</b>           | <b>\$ 104,257</b>          | <b>\$ 26,280</b>           | <b>\$ 197,921</b>   | <b>\$ 20,676</b>           | <b>\$ 108,592</b> | <b>\$ 1,251,982</b>    | <b>\$ 5,862</b>  |

**THE WINKLER COMMUNITY FOUNDATION INC.**  
**Schedule of Changes in Net Assets**  
**Year Ended December 31, 2023**

|  | ----- Endowment Funds ----- |                   |                  |                      |  |                    |                       | Unrestricted Fund | Total               | 2022 Total          |
|--|-----------------------------|-------------------|------------------|----------------------|--|--------------------|-----------------------|-------------------|---------------------|---------------------|
|  | MAP Fund                    | Mend the Gap Fund | Winkler Heritage | Falk Fehr Foundation | Frank & Vi Wiebe-Winkler Cheerboard Fund | Winkler Minor Ball | Total Endowment Funds |                   |                     |                     |
| Net assets, beginning of year \$                 | 55,722                      | \$ 59,083         | \$ 42,241        | \$ 11,184            | \$ 79,754                                | \$ 8,622           | \$ 5,249,341          | \$ 159,549        | \$ 5,408,890        | \$ 5,734,002        |
| Excess (deficiency) of revenue over expenditures | -                           | -                 | -                | -                    | -  | -                  | -                     | 255,279           | 255,279             | (609,606)           |
| Donations received                               | -                           | 13,800            | 175              | 2,700                | 16,472                                   | 1,000              | 166,418               | -                 | 166,418             | 284,494             |
| Investment income (net of fees charged)          | 4,991                       | 6,049             | 3,779            | 1,226                | 7,651                                    | 781                | 468,865               | (468,865)         | -                   | -                   |
| Administrative recovery charge                   | (548)                       | (695)             | 416              | (16)                 | (869)                                    | (140)              | (51,739)              | 51,739            | -                   | -                   |
| Grants   | (1,882)                     | (1,747)           | (1,412)          | (290)                | (2,088)                                  | (423)              | (221,559)             | 221,559           | -                   | -                   |
| Fund specific costs                              | -                           | -                 | -                | -                    | -  | -                  | (2,557)               | 2,557             | -                   | -                   |
| <b>NET ASSETS - END OF YEAR</b>                  | <b>\$ 58,283</b>            | <b>\$ 76,490</b>  | <b>\$ 45,199</b> | <b>\$ 14,804</b>     | <b>\$ 100,920</b>                        | <b>\$ 9,840</b>    | <b>\$ 5,608,769</b>   | <b>\$ 221,818</b> | <b>\$ 5,830,587</b> | <b>\$ 5,408,890</b> |