



Financial Statements of

**THE WINNIPEG SCHOOL DIVISION
CHILDREN'S HERITAGE FUND**

And Independent Auditors' Report thereon

Year ended December 31, 2021



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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of The Winnipeg School Division

Opinion

We have audited the financial statements of The Winnipeg School Division Children's Heritage Fund (the "Entity"), which comprise the statement of financial position as at December 31, 2021, the statements of revenue and expenditures and unappropriated surplus, appropriated surplus, specific purpose funds and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as December 31, 2021, and its results of 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 auditors' report.

We are independent of the Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Entity'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 the 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 the Entity'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 the Entity'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 the Entity 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.



- 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.

KPMG LLP

Chartered Professional Accountants

Winnipeg, Canada

May 19, 2022

THE WINNIPEG SCHOOL DIVISION
CHILDREN'S HERITAGE FUND
Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
Assets		
Current assets:		
Cash	\$ 226,515	\$ 318,375
Accounts receivable	30,329	82,595
Interest and dividends receivable	2,688	170
	<u>259,532</u>	<u>401,140</u>
Investments (schedule):		
Bonds and debentures	54,255	58,473
Equity investments	5,043,066	4,400,874
	<u>5,097,321</u>	<u>4,459,347</u>
	<u>\$ 5,356,853</u>	<u>\$ 4,860,487</u>
Liabilities and Surplus		
Current liabilities:		
Accounts payable	\$ 13,779	\$ 93,101
Due to related parties (note 2)	13,012	–
	<u>26,791</u>	<u>93,101</u>
Deferred revenue	214,703	107,276
Specific purpose funds	545,025	544,671
Surplus:		
Unappropriated surplus	173,208	142,553
Contributed surplus	1,000,000	1,000,000
Appropriated surplus	3,397,126	2,972,886
	<u>4,570,334</u>	<u>4,115,439</u>
	<u>\$ 5,356,853</u>	<u>\$ 4,860,487</u>

See accompanying notes to financial statements.

THE WINNIPEG SCHOOL DIVISION
CHILDREN'S HERITAGE FUND
Statement of Revenue and Expenditures and Unappropriated Surplus

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Interest	\$ –	\$ 3,349
Dividends	418,507	258,502
Realized gain on investments	–	123,263
Unrealized increase in fair value of investments	223,684	142,372
Donations	1,044,486	1,441,988
	<u>1,686,677</u>	<u>1,969,474</u>
Expenditures:		
General	38,061	29,280
Playground equipment, multi-cultural enrichment and other	173,952	99,842
Program	1,019,769	1,391,010
	<u>1,231,782</u>	<u>1,520,132</u>
Excess of revenue over expenditures	454,895	449,342
Unappropriated surplus, beginning of year	142,553	–
Transfer to appropriated surplus	(424,240)	(306,789)
Unappropriated surplus, end of year	<u>\$ 173,208</u>	<u>\$ 142,553</u>

See accompanying notes to financial statements.

THE WINNIPEG SCHOOL DIVISION
CHILDREN'S HERITAGE FUND
Statement of Appropriated Surplus

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Appropriated surplus, beginning of year	\$ 2,972,886	\$ 2,666,097
Transfer from appropriated surplus	424,240	306,789
Appropriated surplus, end of year	\$ 3,397,126	\$ 2,972,886

See accompanying notes to financial statements.

THE WINNIPEG SCHOOL DIVISION
CHILDREN'S HERITAGE FUND
Statement of Specific Purpose Funds

Year ended December 31, 2021

	Balance, beginning of year	Reallocate prior year balance	Loss on investments	Donations	Investment income	Scholarship expenditure	Balance, end of year
B. Steinhorsen Law Enforcement Scholarship Fund	\$ 199	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ 200
Cash for Kids-Various Schools	1,143	-	-	-	8	-	1,151
CGC Award of Merit Scholar	6,984	-	-	5,453	64	4,851	7,650
CHE Cecil Rhodes Book Award	1,941	-	-	-	14	-	1,955
CHE Cecil Rhodes Scholarship	2,858	-	-	-	20	-	2,878
CHL Art Bryant Memorial Scholarship	-	-	-	1,600	2	-	1,602
CHL Bill Scott Athletic Award	7,237	-	-	-	52	-	7,289
CHL Brian David Schellenberg	80,799	-	-	4,829	570	12,000	74,198
CHL Nariman Ayed Music Award	506	-	-	3,000	11	500	3,017
CHL-50th Anniversary Alumni	425	-	-	-	3	-	428
CHL-B Sokalski-H Hood Nominee	2,606	-	-	-	19	-	2,625
CHL-Bulldog Football Alumni	1,868	-	-	-	13	-	1,881
CHL-F J Smith Scholarship	408	-	-	-	3	-	411
CHL-Golden Rule Citizen/Com Ser	4,877	-	-	-	35	250	4,662
CHL-Karkota Fighting Spirit	3,321	-	-	-	24	-	3,345
CHL-Kiwanis Award	267	-	-	-	2	-	269
CHL-M A Truczka Memorial French	935	-	-	-	7	-	942
CHL-Principal Scholarship Award	1,890	-	-	-	11	400	1,501
CHL-Sir Winston Churchill Award	588	-	-	-	4	500	92
CHL-W J Madder Scholarship	13,715	-	-	-	98	-	13,813
Clara Hughes Olympic Award	1,261	-	-	-	7	500	768
Dr. Davinder Jasal Scholarship	15	-	-	-	-	15	-
Emergent Biosolution Sch.	-	-	-	6,000	7	6,000	7
GBL Alumni Book Award	2,840	-	-	1,450	27	-	4,317
GBL Dr. C.T. Ethans Memorial Sc	3,990	-	-	-	27	500	3,517
GBL Our Stories of Hope Project	-	-	-	12,478	7	7,478	5,007
GBL The Captain Barry Leipsic	1,007	-	-	9,994	12	10,000	1,013
Gerald Finkle-Donations	2,706	-	-	-	5	2,711	-
GPK Dora & Albert Diamond Sch.	14,935	-	-	-	102	1,000	14,037
GPK Eddie Badescu Inclusion	3,208	-	-	-	21	500	2,729
GPK Excellence Scholarship	1,012	-	-	-	6	300	718
GPK Irv Sera Scholarship Fund	105	-	-	-	1	-	106
Hard of Hearing Fund	354	-	-	192	3	-	549
HJM Bridge Music Outreach Pgm	28,892	6,556	-	45,476	280	30,400	50,804
HJM Falcon Service & Leadership Award	-	707	-	700	4	700	711
HJM Soudarat Kousonsavath Scholarship	7,767	(7,263)	-	500	26	500	530
IBK Isaac Brock Alumni Award	1,463	-	-	-	10	200	1,273
Jack Smyth Scholarship Fund	9,200	-	-	-	58	2,000	7,258
Judith Dueck New CDN Scholar	23,501	-	1,233	-	848	1,000	22,116
KEL Alice Osborne Memorial	3,917	-	-	-	26	500	3,443
KEL Elizabeth Schacter Memorial	252	-	-	-	-	252	-
KEL-Grant Hermanson Award	4,817	-	-	-	32	500	4,349
Leslie Snell Memorial Fund	32,752	-	-	-	232	500	32,484

**THE WINNIPEG SCHOOL DIVISION
CHILDREN'S HERITAGE FUND
Statement of Specific Purpose Funds (continued)**

Year ended December 31, 2021

	Balance, beginning of year	Reallocate prior year balance	Loss on investments	Donations	Investment income	Scholarship expenditure	Balance, end of year
NIJ Niji Mahkwa Grade 8 Award	\$ 1,622	\$ -	\$ -	\$ -	\$ 11	\$ 200	\$ 1,433
NSP Rob Altemeyer Achievement	7,750	-	-	-	50	1,250	6,550
SIS Rygiel Sisler Scholar.	3,675	-	-	-	25	250	3,450
SIS Sisler C. Vivier Schlr	20,897	-	-	6,450	125	12,500	14,972
SIS The Lorne Richards Physics	-	-	-	500	-	250	250
St J George Bates Resiliency Award	-	-	-	1,000	1	-	1,001
STJ Class of '77 Scholarship	3,634	-	-	-	25	500	3,159
STJ Frances Brown Atwell Award	6,460	-	-	-	45	400	6,105
STJ John Loxley-Pollock Schlr	2,483	-	-	5,132	20	1,000	6,635
STJ Murray Leslie Firman & Joan Julia Firman	1,096	-	-	-	8	100	1,004
STJ Safiniuk Athletic Scholarship	30,109	-	-	-	210	2,000	28,319
STJ Scarfe Memorial Scholarship	1,929	-	-	-	13	250	1,692
STJ Sharon and Sid Wolchok	4,362	-	-	-	26	2,000	2,388
STJ St. John's Memorial Schlr	302	-	-	(250)	2	-	54
STJ Teplitsky-Marantz Memorial	4,371	-	-	-	31	250	4,152
STJ-Anne Ross Scholarship	2,957	-	-	-	19	1,000	1,976
STJ-Anne Ross Scholarship	16	-	-	-	-	16	-
STJ-Theresa Barbara Konyk Schlr	14,511	-	-	-	101	1,000	13,612
STR Strathcona Art Award	5	-	-	50	-	-	55
Todd Memorial Scholarship	93,008	-	-	-	643	5,000	88,651
TVH Manuel Sousa Awd Excell. Photography	10,960	-	-	250	80	200	11,090
WAEC-APC Bursary Fund	-	-	-	100	1	-	101
Webster (WELL) Scholarship Fund	5,258	-	-	-	38	-	5,296
William Grulkey Scholarship	704	-	-	6,000	10	500	6,214
Wpg Hawkeyes FBall-SIS	24,282	-	1,450	-	1,085	-	23,917
Wpg Hawkeyes FBall-STJ DMCI TVH	27,719	-	1,535	-	1,120	-	27,304
	\$ 544,671	\$ -	\$ 4,218	\$ 110,904	\$ 6,391	\$ 112,723	\$ 545,025

These funds are invested in cash and fixed income securities.

See accompanying notes to financial statements.

THE WINNIPEG SCHOOL DIVISION
CHILDREN'S HERITAGE FUND
Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenditures	\$ 454,895	\$ 449,342
Items not affecting cash:		
Stock dividends on equity investments	(418,507)	(258,502)
Unrealized gain on investments	(219,467)	(145,547)
Realized gain on investments	–	(123,263)
Increase (decrease) in deferred revenue	107,427	(30,951)
Increase in specific purpose funds	354	40,991
Change in non-cash working capital:		
Accounts receivable	49,748	(76,529)
Accounts payable	(79,322)	83,452
	(104,872)	(61,007)
Financing activities:		
Change in due to related parties	13,012	(25,258)
Investing activities:		
Purchase of Investment	–	(4,000,000)
Proceeds on maturity and sale of investment	–	2,887,727
	–	(1,112,273)
Decrease in cash	(91,860)	(1,198,538)
Cash, beginning of year	318,375	1,516,913
Cash, end of year	\$ 226,515	\$ 318,375
Supplementary cash flow information:		
Interest received	\$ 1,417	\$ 3,349

See accompanying notes to financial statements.

THE WINNIPEG SCHOOL DIVISION CHILDREN'S HERITAGE FUND

Notes to Financial Statements

Year ended December 31, 2021

Fund description:

The Children's Heritage Fund (the "Fund") of The Winnipeg School Division (the "Division") was established in 1980 through By-Law No. 860 to further purchases of playground equipment, multi-cultural enrichment and other activities specified by a committee of the Division. The funding provided by the Division to establish this Fund is recorded as contributed surplus.

1. Significant accounting policies:

The financial statements of the Fund are prepared in accordance with the Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO) in Part III of the CPA Handbook.

(a) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Fund has elected to carry all investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expenses as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

(b) Appropriated surplus:

The Fund's policy is to restrict expenditures in the year to 5 percent of the average market value of Fund assets for the prior three years. This restriction does not however apply to unallocated monies carried forward from prior years and unspent monies related to previously approved projects. Gross revenue less donations for specific purposes earned which is in excess of the payout restriction for the following year, is transferred to appropriated surplus from unappropriated surplus. When a loss is incurred by the Fund, the gross loss less donations for specific purposes, plus the payout restriction for the following year, is transferred from the appropriated surplus to unappropriated surplus.

As at December 31, 2021, an amount of \$110,370 (2020 - \$96,974) has been carried-forward from projects approved for funding. There is a two year time limit for funds to be expended on approved projects.

**THE WINNIPEG SCHOOL DIVISION
CHILDREN'S HERITAGE FUND**
Notes to Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(c) Foreign currency translation:

The fair value of foreign currency denominated investments included in the statement of financial position is translated into Canadian dollars at year end rates of exchange. Gains and losses arising from translation are included in excess of revenue over expenditures.

Foreign currency denominated transactions are translated into Canadian dollars at the rates of exchange in effect on the dates of the related transactions.

(d) Deferred revenue:

Donations received for specific purposes are deferred and recorded as revenue at the time the applicable expenditure is made.

(e) Income taxes:

The Fund is a not-for-profit organization under the *Income Tax Act* and accordingly is exempt from income taxes, provided certain requirements of the *Income Tax Act* are met.

(f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

2. Related party transactions:

The Fund had a combined payable to the Division and Winnipeg School Division Schools of \$13,012 as at December 31, 2021 (2020 - nil).

3. Financial instruments:

Despite the uncertainty as to the outcome and ultimate effects of the pandemic, the Fund has fully maintained its valuation governance processes relying on its investment manager, Leith Wheeler, in providing their best estimate of the impact that the COVID-19 pandemic has had on the valuations of its investments as of the date of these financial statements.

THE WINNIPEG SCHOOL DIVISION
CHILDREN'S HERITAGE FUND
Notes to Financial Statements (continued)

Year ended December 31, 2021

3. Financial instruments (continued):

The Fund is monitoring developments relating to COVID-19 and continuing to assess through the performance reporting by the Fund's investment manager the ongoing impact on the Fund's investments.

(a) Fair value:

The fair value of accounts receivable, interest and dividends receivable, accounts payable and due to related parties approximates their carrying value due to their short-term to maturity.

The fair value of investments is disclosed in the attached schedule.

Due to the COVID-19 pandemic, financial markets experienced exceptional volatility in 2021. The Fund's exposure across all risk parameters including market, credit and liquidity remained within all risk limits set out in the Fund's Statement of Investment Policies and Procedures.

(b) Liquidity:

100 percent (2020 - 100 percent) of the Fund's investments are traded in public markets and are liquid. These include equity and fixed income securities.

(c) Credit risk:

The Fund's fixed income investments are primarily in Canadian-issued instruments. There were no significant concentrations of credit risk in the portfolio in either 2021 or 2020.

(d) Interest rate risk:

Interest rate risk is the risk that the market value of the Fund's investments will fluctuate due to changes in market interest rates. To properly manage the Fund's interest rate risk, appropriate guidelines on the weighting and duration for the bonds and other fixed income investments are set and monitored. The Fund's investments in fixed income securities is sensitive to interest rate movements.

**THE WINNIPEG SCHOOL DIVISION
CHILDREN'S HERITAGE FUND**
Notes to Financial Statements (continued)

Year ended December 31, 2021

3. Financial instruments (continued):

(e) Other price risk:

The Fund's investments in equities are sensitive to market fluctuations.

To properly manage the Fund's other price risk, appropriate guidelines on asset diversification to address specific security, geographic, sector and investment manager risks are set and monitored. A decline of 10 percent in equity values will impact the Fund's equity investments by an approximate loss of \$504,307 (2020 - \$440,087).

THE WINNIPEG SCHOOL DIVISION
CHILDREN'S HERITAGE FUND
Schedule - Investments

December 31, 2021, with comparative information for 2020

			2021	2020
	Interest rate	Par value	Fair value	Fair value
Bonds and debentures:				
<i>Provincial:</i>				
Province of British Columbia:				
November 19, 2027	6.15%	\$ 15,000	\$ 18,719	\$ 20,169
June 18, 2029	5.70%	28,000	35,536	38,304
Total bonds and debentures		\$ 43,000	\$ 54,255	\$ 58,473

		2021	2020
	No. of units	Fair value	Fair value
Equity investments:			
Leith Wheeler Pooled	388,669.330	\$ 5,043,066	\$ 4,400,874
Total equity investments		\$ 5,043,066	\$ 4,400,874