



Financial Statements of

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

And Independent Auditor's Report thereon

Year ended December 31, 2023



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INDEPENDENT AUDITOR'S 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 Education Endowment Fund (the "Entity"), which comprise the statement of financial position as at December 31, 2023, 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, 2023, 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 "*Auditor's Responsibilities for the Audit of the Financial Statements*" section of our auditor's 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.

Auditor's 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 auditor's 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 auditor's 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 auditor's 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.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard.

KPMG LLP

Chartered Professional Accountants

Winnipeg, Canada

May 6, 2024

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

December 31, 2023, with comparative information for 2022

	2023	2022
Assets		
Current assets:		
Cash	\$ 499,914	\$ 268,308
Accounts receivable	13,141	395
Interest and dividends receivable	690	1,688
	<u>513,745</u>	<u>270,391</u>
Investments (schedule):		
Bonds and Guaranteed Investment Certificates	58,372	58,387
Equity investments	4,899,860	4,621,633
	<u>4,958,232</u>	<u>4,680,020</u>
	<u>\$ 5,471,977</u>	<u>\$ 4,950,411</u>
Liabilities and Surplus		
Current liabilities:		
Accounts payable	\$ 14,643	\$ 14,498
Due to related parties (note 2)	6,164	–
	<u>20,807</u>	<u>14,498</u>
Deferred revenue	355,066	150,836
Specific purpose funds	614,564	575,431
Surplus:		
Unappropriated surplus	18,876	–
Contributed surplus	1,000,000	1,000,000
Appropriated surplus	3,462,664	3,209,646
	<u>4,481,540</u>	<u>4,209,646</u>
	<u>\$ 5,471,977</u>	<u>\$ 4,950,411</u>

See accompanying notes to financial statements.

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

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Donations	\$ 1,475,890	\$ 892,438
Dividends	481,093	193,616
Gain on sale of investments	2,921	–
	<u>1,959,904</u>	<u>1,086,054</u>
Expenditures:		
Program	1,447,595	869,999
Playground equipment, multi-cultural enrichment and other	182,428	117,956
General	52,200	43,738
Unrealized decrease in fair value of investments	5,787	408,922
Realized loss on investments	–	6,127
	<u>1,688,010</u>	<u>1,446,742</u>
Excess (deficiency) of revenue over expenditures	271,894	(360,688)
Unappropriated surplus, beginning of year	–	173,208
Transfer from (to) appropriated surplus	(253,018)	187,480
Unappropriated surplus, end of year	<u>\$ 18,876</u>	<u>\$ –</u>

See accompanying notes to financial statements.

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

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Appropriated surplus, beginning of year	\$ 3,209,646	\$ 3,397,126
Transfer (from) to appropriated surplus	253,018	(187,480)
Appropriated surplus, end of year	\$ 3,462,664	\$ 3,209,646

See accompanying notes to financial statements.

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

Year ended December 31, 2023

	Balance, beginning of year	Gain/Loss on MV	Donations	Investment income	Scholarship expenditure	Balance, end of year
Ainslie Rimmer Award	\$ -	\$ -	\$ 100	\$ -	\$ (100)	\$ -
ARG John Danko Award	-	-	200	-	(200)	-
B Steinthorson Law Enforcement	205	-	-	11	-	216
Cash for Kids-Variou Schools	1,179	-	-	62	-	1,241
CGC Award of Merit Scholar	11,313	-	3,336	600	(3,900)	11,349
CHL Art Bryant Memorial Scholarship	7,223	-	-	355	(750)	6,828
CHL Bill Scott Athletic Award	6,952	-	-	349	(500)	6,801
CHL Brian David Schellenberg	75,055	-	5,239	4,042	(6,000)	78,336
CHL Nariman Ayed Music Award	2,583	-	-	120	(500)	2,203
CHL-50th Anniversary Alumni	438	-	-	15	(250)	203
CHL-B Sokalski-H Hood Nominee	2,687	-	-	126	(475)	2,338
CHL-Bulldog Football Alumni	7,976	-	-	127	(6,817)	1,286
CHL-F J Smith Scholarship	421	-	-	22	-	443
CHL-Golden Rule Citizen/Com Ser	4,519	-	-	221	(500)	4,240
CHL-Karkota Fighting Spirit	3,425	-	-	173	(200)	3,398
CHL-Kiwanis Award	276	-	-	14	-	290
CHL-M A Truczka Memorial French	964	-	-	51	-	1,015
CHL-Principal Scholarship Award	1,537	-	-	68	(400)	1,205
CHL-Sir Winston Churchill Award	96	-	-	5	-	101
CHL-W J Madder Scholarship	13,993	-	-	726	(250)	14,469
Clara Hughes Olympic Award	277	-	223	-	(500)	-
Dr. Davinder Jassal Scholarship	-	-	2,000	-	(2,000)	-
GBL Alumni Book Award	4,767	-	-	250	-	5,017
GBL Dhuq'mar Award	-	-	2,000	-	(2,000)	-
GBL Dr. C.T. Ethans Memorial Sc	3,092	-	-	146	(500)	2,738
GBL Our Stories of Hope Project	2,298	-	16,786	499	(9,060)	10,523
GBL Peter Pura Memorial Prize	-	-	1,000	-	(1,000)	-
GBL The Captain Barry Leipsic	1,975	-	11,000	142	(10,000)	3,117
GPK Dora & Albert Diamond Sch.	13,355	-	-	669	(1,000)	13,024
GPK Eddie Badescu Inclusion	2,284	-	-	104	(500)	1,888
GPK Excellence Scholarship	429	-	-	13	(300)	142
GPK Irv Sera Scholarship Fund	108	-	-	6	-	114
Hard of Hearing Fund	562	-	-	29.00	-	591.00
HJM Bridge Music Outreach Pgm	69,010	-	55,985	4,271	(27,640)	101,626
HJM Falcon Service & Leadership Award (Abundance/Huynh)	728	-	-	16	(700)	44
HJM Soudarat Kousonsavath Scholarship	1,053	-	500	57	(500)	1,110
IBK Isaac Brock Alumni Award	1,303	-	-	68	(25)	1,346
INW Pets and People Award	-	-	1,700	-	(1,700)	-
Jack Smyth Scholarship Fund	5,392	-	-	220	(2,000)	3,612
Judith Dueck New CDN Scholar	20,304	69	-	1,079	(600)	20,852
KEL Alice Osborne Memorial	3,526	-	-	169	(500)	3,195
KEL Elizabeth Schacter Memorial	990	-	584	52	(250)	1,376
KEL-Grant Hermanson Award	4,454	-	-	218	(500)	4,172

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

Year ended December 31, 2023

	Balance, beginning of year	Gain/Loss on MV	Donations	Investment income	Scholarship expenditure	Balance, end of year
KPC Keewatin Prairie Rick Drost Memorial Scholarship	\$ 2,948	\$ -	\$ -	\$ 154	\$ (100)	\$ 3,002
KPC Keewatin Prairie Yae Yamashita Book Award	2,002	-	-	105	(100)	2,007
Leslie Snell Memorial Fund	32,755	-	-	1,703	(500)	33,958
LSK Lord Selkirk Award	510	-	-	27	-	537
LUX Margaret Cundall and Nancy Adkins Literacy Fund for Luxton :	-	-	16,836	181	-	17,017
NIJ Niji Mahkwa Grade 8 Award	1,467	-	-	71	(200)	1,338
NSP Bernadette Agpalza Mem. Schlr.	-	-	500	-	(500)	-
NSP Point Douglas Citizenship	-	-	2,600	34	(2,300)	334
NSP Rob Altemeyer Achievement	5,434	-	-	246	(1,250)	4,430
Platinum Jets Award	1,530	-	3,000	67	(4,500)	97
SIS Rygiel Sisler Scholar.	3,278	-	-	164	(250)	3,192
SIS Sisler C. Vivier Schlr	7,683	-	-	166	(7,500)	349
SIS The Debbie Yeboah Books and Ball	-	-	500	-	(500)	-
SIS The Lorne Richards Physics	248	-	2	-	(250)	-
STJ Capt. Curtis Cyr Memorial Bursary	501	-	492	7	(1,000)	-
STJ Class of '77 Scholarship	3,235	-	1,500	203	(1,000)	3,938
STJ Frances Brown Atwell Award	6,252	-	-	312	(800)	5,764
STJ George Bates Resiliency Award	1,025	-	2,000	70	(2,000)	1,095
STJ John Loxley-Pollock Schlr	9,333	-	3,139	460	(2,000)	10,932
STJ Murray Leslie Firman & Joan Julia Firman Scholarship	1,028	-	-	50	(200)	878
STJ Safiniuk Athletic Scholarship	29,000	-	-	1,481	(2,000)	28,481
STJ Scarfe Memorial Scholarship	1,732	-	-	81	(500)	1,313
STJ Sharon and Sid Wolchok	2,446	-	-	57	(2,000)	503
STJ Teplitsky-Marantz Memorial	4,251	-	-	213	(500)	3,964
STJ-Anne Ross Scholarship	3,043	-	1,000	144	(2,000)	2,187
STJ-Theresa Barbara Konyk Schlr	13,940	-	-	691	(2,000)	12,631
Todd Memorial Scholarship	90,781	-	-	4,604	(5,000)	90,385
TVH Manuel Sousa Award for Excellence in Photography	11,579	-	36	592	(400)	11,807
Webster (WELL) Scholarship Fund	5,423	-	-	285	-	5,708
William Grulkey Scholarship	7,686	-	2,183	473	(1,200)	9,142
Wpg Hawkeyes FBall-SIS	21,764	(171)	-	1,217	(1,000)	21,810
Wpg Hawkeyes FBall-STJ DMCI TVH	25,800	86	(16)	1,395	-	27,265
You Drug Mart	2,008	-	-	43	(2,000)	51
	\$ 575,431	\$ (16)	\$ 134,425	\$ 30,391	\$ (125,667)	\$ 614,564

These funds are invested in cash and fixed income securities.

See accompanying notes to financial statements.

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

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenditures	\$ 271,894	\$ (360,688)
Items not affecting cash:		
Reinvested stock dividends on equity investments	(481,093)	(193,616)
Unrealized gain on investments	5,802	415,790
Realized gain on investments	(2,921)	6,127
Increase (decrease) in deferred revenue	204,230	(63,867)
Increase in specific purpose funds	39,133	30,406
Change in non-cash working capital:		
Accounts receivable	(11,748)	30,934
Accounts payable	145	719
	<u>25,442</u>	<u>(134,195)</u>
Financing activities:		
Change in due to related parties	6,164	(13,012)
Investing activities:		
Purchase of Investment	-	(11,000)
Proceeds on maturity and sale of investment	200,000	200,000
	<u>200,000</u>	<u>189,000</u>
Increase in cash	231,606	41,793
Cash, beginning of year	268,308	226,515
Cash, end of year	<u>\$ 499,914</u>	<u>\$ 268,308</u>
Supplementary cash flow information:		
Interest received	\$ 12,711	\$ 5,314

See accompanying notes to financial statements.

THE WINNIPEG SCHOOL DIVISION CHILDREN'S HERITAGE EDUCATION ENDOWMENT FUND

Notes to Financial Statements

Year ended December 31, 2023

Fund description:

The Children's Heritage Education Endowment 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, 2023, an amount of \$67,524 (2022 - \$70,613) 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 EDUCATION ENDOWMENT FUND
Notes to Financial Statements (continued)

Year ended December 31, 2023

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 Pension Fund for Employees other than Teachers of \$6,164 as at December 31, 2023 (2022 - nil).

3. Financial instruments:

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.

THE WINNIPEG SCHOOL DIVISION CHILDREN'S HERITAGE EDUCATION ENDOWMENT FUND

Notes to Financial Statements (continued)

Year ended December 31, 2023

3. Financial instruments (continued):

(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.

(b) Liquidity:

100 percent (2022 - 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 2023 or 2022.

(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.

(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 \$489,986 (2022 - \$462,163).

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

Schedule - Investments

December 31, 2023, with comparative information for 2022

			2023	2022
	Interest rate	Par value	Fair value	Fair value
Fixed Investments:				
Bank of Montreal GIC:				
July 05, 2027	4.75%	\$ 11,000	\$ 11,000	\$ 11,000
Province of British Columbia Bonds:				
November 19, 2027	6.15%	15,000	16,346	16,517
June 18, 2029	5.70%	28,000	31,026	30,870
Total fixed investments		\$ 54,000	\$ 58,372	\$ 58,387

		2023	2022
	No. of units	Fair value	Fair value
Equity investments:			
Leith Wheeler Pooled	412,838.76	\$ 4,899,860	\$ 4,621,633