

WESTSHORE COMMUNITY FOUNDATION INC.

GIMLI, MANITOBA

DECEMBER 31, 2010

Anthony J. Reid
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Independent Auditors' Report

To the Directors of;
Westshore Community Foundation Inc.

I have audited the accompanying financial statements of Westshore Community Foundation Inc., which comprise the balance sheet as at December 31, 2010 and the statements of revenue and expenditure, changes in net assets and cash flows 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 generally accepted accounting principles 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.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Opinion

In my opinion these financial statements present fairly, in all material respects, the financial position of Westshore Community Foundation Inc. as at December 31, 2010 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for not for profit organizations.

June 27, 2011
Winnipeg, Manitoba



Chartered Accountant

WESTSHORE COMMUNITY FOUNDATION INC.

BALANCE SHEET

	December 31	
	2010	2009
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and short term investments	51,480	41,185
Accounts receivable	1,209	2,156
	<u>52,689</u>	<u>43,341</u>
INVESTMENTS (note 3)	<u>982,373</u>	<u>882,380</u>
	<u>1,035,062</u>	<u>925,721</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accruals	2,500	2,500
Future Contributions (note 5)	11,500	9,800
	<u>14,000</u>	<u>12,300</u>
NET ASSETS		
UNRESTRICTED NET ASSETS	17,144	18,659
RESTRICTED FUNDS (note 4)	<u>1,003,918</u>	<u>894,762</u>
	<u>1,021,062</u>	<u>913,421</u>
	<u>1,035,062</u>	<u>925,721</u>

Approved on Behalf of the Board

Director

Director

WESTSHORE COMMUNITY FOUNDATION INC.
STATEMENT OF REVENUE AND EXPENDITURE

	Year Ended December 31	
	2010	2009
	\$	\$
REVENUE		
Grants	2,431	2,861
Fundraising	6,800	7,400
Donations	2,300	1,500
	<u>11,531</u>	<u>11,761</u>
EXPENDITURE		
Advertising and promotion	951	2,004
Accounting and legal	2,527	3,068
Dues and memberships	350	350
Events expense	1,833	1,696
Fundraising	287	100
Meetings	133	561
Office and supplies	1,965	360
	<u>8,046</u>	<u>8,139</u>
EXCESS OF REVENUE OVER EXPENDITURE	<u>3,485</u>	<u>3,622</u>

WESTSHORE COMMUNITY FOUNDATION INC.**STATEMENT OF CHANGES IN NET ASSETS**

	Year Ended December 31			
	Consolidated	Unrestricted	2010	2009
	Restricted	Net Assets	Total	Total
	Funds			
	\$	\$	\$	\$
NET ASSETS				
Balance, beginning of year	894,762	18,659	913,421	765,270
Excess of revenue over expenditure	5,000	(1,515)	3,485	3,622
Contributions received	63,885	-	63,885	58,494
Net realized capital gains (losses)	8,860	-	8,860	(2,297)
Net change in unrealized gains (losses)	41,141	-	41,141	80,791
Investment income	29,866	-	29,866	28,163
Administration fees paid	(6,282)	-	(6,282)	(5,422)
Grants paid	<u>(33,314)</u>	<u>-</u>	<u>(33,314)</u>	<u>(15,200)</u>
Balance, end of year	<u>1,003,918</u>	<u>17,144</u>	<u>1,021,062</u>	<u>913,421</u>

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

	Year Ended December 31	
	2010	2009
	\$	\$
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES		
OPERATING		
Excess of revenue over expenditure for the year	3,485	3,622
Net changes in non-cash working capital affecting operations <i>(note 6)</i>	<u>2,647</u>	<u>(8,866)</u>
	<u>6,132</u>	<u>(5,244)</u>
FINANCING		
Donations and income earned on endowment fund	<u>104,156</u>	<u>233,604</u>
INVESTING		
Purchase of investments	<u>(99,993)</u>	<u>(230,615)</u>
INCREASE (DECREASE) IN CASH RESOURCES	10,295	(2,255)
CASH RESOURCES, BEGINNING OF YEAR	<u>41,185</u>	<u>43,440</u>
CASH RESOURCES, END OF YEAR	<u><u>51,480</u></u>	<u><u>41,185</u></u>

WESTSHORE COMMUNITY FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2010

1. PURPOSE OF ORGANIZATION

The organization was incorporated without share capital on May 6, 1997 under the Manitoba Corporations Act. The corporation operates exclusively for charitable purposes by supporting and advancing activities for communities located on the western shore of Lake Winnipeg. The Foundation is a not-for-profit organization and a registered charity under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Outlined below are those policies considered particularly significant for the organization.

a) REVENUE RECOGNITION

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

b) CONTRIBUTED MATERIALS AND SERVICES

Contributed materials and services are recognized in the financial statements when their fair value can be reasonably determined and they are used in the normal course of the organization's operations and would otherwise have been purchased.

c) MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditure during the reporting period. Actual results could differ from those estimates.

WESTSHORE COMMUNITY FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2010

d) **ENDOWMENT FUNDS (NOTE 4)**

The Endowment Fund includes contributions from donors' and unused flow through donations and grants. The organization uses income derived from endowment investments, to provide grants as determined by the Board, to recipients located on the western shores of Lake Winnipeg,

The Verna Palmer Memorial Fund was created in 2005, with interest earned on contributions designated to two chosen charities.

The Scholarship and Bursary Fund was created in 2006 to provide grants to local students for post-secondary education.

The Palliative Care Fund was created in 2007 and is a dedicated fund specifically designed to help finance palliative care in the Northeast Interlake.

The Donor Advised Fund was created in 2008, with interest earned on contributions designated to certain charities.

The Administration Fund was created in 2010, with interest earned on contributions designated to ongoing administrative costs.

e) **SCHOLARSHIP FUNDS (NOTE 4)**

During 2003, the Foundation created a separate designated Scholarship Fund within the Winnipeg Foundation, the purpose of which is for the capital to be invested in perpetuity to provide a return to be used for future scholarships to a graduating student going onto further education.

f) **FINANCIAL INSTRUMENTS**

Our financial instruments consist of marketable securities, receivables, and payables. Unless otherwise noted, it is our opinion that the organization is not exposed to significant interest, currency, or credit risks arising from these financial instruments. The fair value of the instruments approximates their carrying values, unless otherwise noted.

The organization is exposed to financial risk that arises from the fluctuation in interest rates.

WESTSHORE COMMUNITY FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2010

3. INVESTMENTS

Investments are carried at market value to comply with the new Financial Instruments Standards Section 3855 of the CICA Handbook.

	<u>2010</u>	<u>2009</u>
	\$	\$
The Winnipeg Foundation Endowment Funds	579,249	501,164
The Winnipeg Foundation Scholarship and Bursary Funds	293,124	261,216
Non-redeemable Guaranteed Investment Certificate bearing interest at 2.50%, matures November 10, 2012	20,000	30,000
Non-redeemable Guaranteed Investment Certificate bearing interest at 2.50%, matures May 10, 2013	30,000	30,000
Non-redeemable Guaranteed Investment Certificate bearing interest at 3.5%, matures June 3, 2011	20,000	20,000
Non-redeemable Guaranteed Investment Certificate bearing interest at 4.10% matures December 11, 2011	40,000	40,000
	<u>982,373</u>	<u>882,380</u>

Per agreement, the Winnipeg Foundation agreed to act as trustee on behalf of funds managed by the Westshore Community Foundation Inc. Funds contributed remain the property of Westshore Community Foundation Inc., and are used to purchase units in the Consolidated Trust Fund of the Winnipeg Foundation. The net income derived from Westshore Community Foundation Inc. portion of the Consolidated Trust Fund is paid quarterly.

The Winnipeg Foundation Inc. has developed an Asset Management Governance Plan and a Statement of Investment Policy and Guidelines, which maintains the purchasing power of the funds entrusted to the Foundation while achieving maximum returns consistent with prudent investment. The Foundation's investment policy applies to all investments held in the Foundation's Consolidated Trust Fund, as well as those held in Other Trust Funds. The investment policy includes restrictions regarding the minimum and maximum amount of equity holdings, the maximum amount of foreign equity holdings and a maximum to be invested in any one related group or industry.

The above policy reduces the interest rate, credit, and foreign currency risk to the Westshore Community Foundation Inc. Additional information regarding the potential risks involved can be found on the Winnipeg Foundation's Audited Financial Statements.

WESTSHORE COMMUNITY FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2010

4. RESTRICTED FUNDS

Changes in restricted funds for the year are as follows:

	Donor Advised Funds	Youth in Philanthropy	Administration Endowment	Palmer Endowment
Balance, beginning of year	50,170	9,030	-	12,356
Contributions received	31,040	1,500	250	135
Net realized capital gains (losses)	569	74	23	107
Net change in unrealized gains (losses)	2,632	343	105	491
Investment income	2,069	270	83	386
Administration fees paid	(406)	(53)	(16)	(76)
Grants paid	(445)	(2,500)	-	(419)
Income allocation	-	-	5,000	-
Balance, end of year	85,629	8,664	5,445	12,980

	Palliative Care Endowment	Community Fund	Scholarship and Bursary	2010	2009
				\$	\$
Balance, beginning of year	5,322	556,582	261,302	894,762	750,233
Contributions received	475	12,519	17,966	63,885	58,494
Net realized capital gains (losses)	48	5,008	3,031	8,860	(2,297)
Net change in unrealized gains (losses)	224	23,187	14,159	41,141	80,791
Investment income	176	18,247	8,635	29,866	28,163
Administration fees paid	(34)	(3,573)	(2,124)	(6,282)	(5,422)
Grants paid	-	(20,500)	(9,450)	(33,314)	(15,200)
Income allocation	-	-	-	5,000	-
Balance, end of year	6,211	591,470	293,519	1,003,918	894,762

WESTSHORE COMMUNITY FOUNDATION INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2010

5. FUTURE CONTRIBUTIONS

Changes in deferred contributions are as follows:

	<u>2010</u>	<u>2009</u>
	\$	\$
Riverton Transport & Heritage	2,000	-
Riverton Bifrost Parks and Recreation	-	800
Sigurbjorg School Advisory Council	-	3,000
Lake Winnipeg Conservation	5,000	5,000
RM of Gimli Skate Board Park	-	1,000
Heima Er Best Inc	2,000	-
Gateway Foundation	2,500	-
	<u>11,500</u>	<u>9,800</u>

6. CASH FLOW STATEMENT

	<u>2010</u>	<u>2009</u>
	\$	\$
Net changes in non-cash working capital affecting operations		
Accounts receivable	947	334
Future Contributions	1,700	(9,200)
	<u>2,647</u>	<u>(8,866)</u>

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