



THE UNIVERSITY OF WINNIPEG FOUNDATION INC.

AUDITED

**FINANCIAL STATEMENTS
AND RELATED SCHEDULES**

FOR THE FISCAL ENDED MARCH 31, 2021

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Independent auditor's report

Board of Directors of The University of Winnipeg Foundation Inc.

Opinion

We have audited the consolidated financial statements of The University of Winnipeg Foundation Inc. ("the Foundation"), which comprise the consolidated statement of financial position as at March 31, 2021 and the consolidated statements of operations, change in fund balances, consolidated statement of remeasurements gains and losses, and consolidated cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the financial position of The University of Winnipeg Foundation Inc. as at March 31, 2021, and its results of operations, its change in fund balances, its statement of remeasurements gains and losses, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 Consolidated Financial Statements* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 these consolidated 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 consolidated 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 Foundation'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 Foundation'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 consolidated 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 Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Foundation and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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.

Winnipeg, Canada
July 6, 2021

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Chartered Professional Accountants

THE UNIVERSITY OF WINNIPEG FOUNDATION INC.

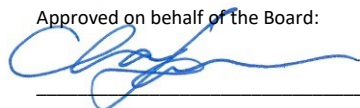
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2021, with comparative figures for March 31, 2020

	-----RESTRICTED FUNDS-----								
	Foundation Operating Fund	Unrestricted Fund	Building and Program Fund	Endowment Fund Reserve	Endowment Fund	Investment in Capital Assets	March 31, 2021 Total	March 31, 2020 Total (note 14)	
ASSETS									
Current Assets									
Cash (note 4)	\$ 371,424	\$ 440	\$ 120,322	\$ 189,461	\$ -	\$ -	\$ 681,647	\$ 2,770,433	
Short term investments (note 5)	140,435	-	-	-	-	-	140,435	139,733	
Accounts receivable	3,457	-	-	449,418	-	-	452,875	457,799	
Due from other funds	167,393	-	164,714	-	-	-	332,107	197,001	
Due from the University of Winnipeg (note 12)	-	-	-	-	923,975	-	923,975	674,868	
Prepaid expenses	897	-	-	-	-	-	897	861	
	683,606	440	285,036	638,879	923,975	-	2,531,936	4,240,695	
Insurance policies (note 6)	-	-	-	1,217,889	-	-	1,217,889	1,207,534	
Capital assets (note 7)	-	-	-	-	-	249,031	249,031	237,454	
Long term investments (note 8)	1,210,330	-	495,885	19,799,141	56,092,014	-	77,597,370	64,805,812	
	\$ 1,893,936	\$ 440	\$ 780,921	\$ 21,655,909	\$ 57,015,989	\$ 249,031	\$ 81,596,226	\$ 70,491,495	
LIABILITIES									
Current Liabilities									
Accounts payable and accrued liabilities	\$ 301,947	\$ -	\$ -	\$ 33,786	\$ -	\$ -	\$ 335,733	\$ 356,207	
Due to other funds	-	358	3,391	328,358	-	-	332,107	197,001	
Due to the University of Winnipeg (note 12)	22,182	82	207,227	-	-	-	229,491	165,919	
	324,129	440	210,618	362,144	-	-	897,331	719,127	
Due to other charities (note 6)	-	-	-	369,831	-	-	369,831	365,278	
	324,129	440	210,618	731,975	-	-	1,267,162	1,084,405	
FUND BALANCES									
Foundation Operating Fund	1,569,807	-	-	-	-	-	1,569,807	1,517,754	
Unrestricted Fund	-	-	-	-	-	-	-	197,437	
Building and Program Fund	-	-	570,303	-	-	-	570,303	762,993	
Endowment Fund Reserve (note 10)	-	-	-	16,426,703	-	-	16,426,703	17,540,313	
Endowment Fund (note 9)	-	-	-	-	57,015,989	-	57,015,989	54,736,052	
Investment in Capital Assets	-	-	-	-	-	249,031	249,031	237,454	
	1,569,807	-	570,303	16,426,703	57,015,989	249,031	75,831,833	74,992,003	
Accumulated remeasurement gains/(losses) (page 5)	-	-	-	4,497,231	-	-	4,497,231	(5,584,913)	
	\$ 1,893,936	\$ 440	\$ 780,921	\$ 21,655,909	\$ 57,015,989	\$ 249,031	\$ 81,596,226	\$ 70,491,495	

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:



Director



Director

THE UNIVERSITY OF WINNIPEG FOUNDATION INC.

CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

The fiscal year ended March 31, 2021, with comparative figures for March 31, 2020

	-----RESTRICTED FUNDS-----							
	Foundation Operating Fund	Unrestricted Fund	Building and Program Fund	Endowment Fund Reserve	Endowment Fund	Investment in Capital Assets	2021	2020 (note 14)
SOURCES OF FUNDS								
Transfers from the University of Winnipeg (note 12)	\$ -	\$ -	\$ -	\$ -	\$ 1,584,796	\$ -	\$ 1,584,796	\$ 647,439
Investment Income	17,281	9	7,779	2,456,284	-	-	2,481,353	3,417,438
Net realized gain/(loss)	-	-	-	(226,942)	-	-	(226,942)	102,914
University of Winnipeg funding (note 12)	180,000	-	-	-	-	-	180,000	180,000
Annual donations	-	2,828	1,823,235	-	718,537	-	2,544,600	3,563,970
	<u>197,281</u>	<u>2,837</u>	<u>1,831,014</u>	<u>2,229,342</u>	<u>2,303,333</u>	<u>-</u>	<u>6,563,807</u>	<u>7,911,761</u>
USE OF FUNDS								
Endowment								
Gift to the University of Winnipeg (note 12)	-	-	-	2,240,535	-	-	2,240,535	2,134,533
Gifts to other charities - insurance policies (note 6)	-	-	-	4,553	-	-	4,553	4,553
Gifts to other charities	-	-	-	-	-	-	-	2,500
Administration expense	-	-	-	234,540	-	-	234,540	226,731
Life insurance expense/(recovery)	-	-	28,367	(236)	-	-	28,131	12,403
Operations (Schedule 1)	1,256,924	-	-	-	-	-	1,256,924	1,285,934
Restricted Fund expenses	-	12	511	14,315	-	-	14,838	10,011
Amortization of Capital Assets	-	-	-	-	-	48,801	48,801	26,922
Donations gifted to the University (note 12)	-	707	1,894,948	-	-	-	1,895,655	2,404,220
	<u>1,256,924</u>	<u>719</u>	<u>1,923,826</u>	<u>2,493,707</u>	<u>-</u>	<u>48,801</u>	<u>5,723,977</u>	<u>6,107,807</u>
INCREASE (DECREASE) IN FUNDS	(1,059,643)	2,118	(92,812)	(264,365)	2,303,333	(48,801)	839,830	1,803,954
FUNDS TRANSFERS (note 2 i)								
To Operating from Building & Program	29,123	-	(29,123)	-	-	-	-	-
To Operating from Unrestricted	12,137	(12,137)	-	-	-	-	-	-
To Operating from Endowment	30,403	-	-	-	(30,403)	-	-	-
From Building & Program to Endowment Reserve	-	-	(258,173)	258,173	-	-	-	-
From Endowment to Building & Program	-	-	-	-	-	-	-	-
From Endowment Reserve to Operating	1,100,411	-	-	(1,100,411)	-	-	-	-
From Endowment Reserve to Endowment	-	-	-	(7,007)	7,007	-	-	-
From Operating to Capital Assets	(60,378)	-	-	-	-	60,378	-	-
From Unrestricted to Building & Program	-	(187,418)	187,418	-	-	-	-	-
From Unrestricted to Endowment	-	-	-	-	-	-	-	-
TOTAL FUND TRANSFERS	1,111,696	(199,555)	(99,878)	(849,245)	(23,396)	60,378	-	-
FUND BALANCES, Beginning of Period	1,517,754	197,437	762,993	17,540,313	54,736,052	237,454	74,992,003	73,188,049
FUND BALANCES, End of Period	1,569,807	-	570,303	16,426,703	57,015,989	249,031	75,831,833	74,992,003

The accompanying notes are an integral part of these financial statements

THE UNIVERSITY OF WINNIPEG FOUNDATION INC.
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES

Year ended March 31, 2021, with comparative figures for the year ended March 31, 2020

	2021		2020
Accumulated remeasurement gains/(losses) beginning of year	(5,584,913)	\$	625,320
Net realized (gains)/losses on long term investments transferred to statement of operations	226,942		(102,914)
Unrealized gains/(losses) on long term investment	9,855,202		(6,107,319)
Remeasurement gains/(losses)	10,082,144		(6,210,233)
Accumulated remeasurement gains/(losses) - end of year	4,497,231	\$	(5,584,913)

The accompanying notes are an integral part of these financial statements

THE UNIVERSITY OF WINNIPEG FOUNDATION INC.**CONSOLIDATED STATEMENT OF CASH FLOWS**

Year ended March 31, 2021, with comparative figures for the year ended March 31, 2020

	2021	2020 (note 14)
OPERATING ACTIVITIES:		
Increase in Funds (page 4)	\$ 839,830	\$ 1,803,954
Items not involving a current outlay of cash		
Amortization	48,801	26,922
	<u>888,631</u>	<u>1,830,876</u>
Net change in non-cash working capital balances		
Accounts receivable	4,924	(93,231)
Prepaid expenses	(36)	538
Accounts payable and accrued liabilities	(20,474)	104,040
Due to other charities	4,553	4,553
Insurance policies	(10,355)	(25,546)
	<u>867,243</u>	<u>1,821,230</u>
Increase in funds from operations		
	<u>867,243</u>	<u>1,821,230</u>
CAPITAL ACTIVITIES:		
Purchase of capital assets	(60,378)	(207,587)
	<u>(60,378)</u>	<u>(207,587)</u>
INVESTING ACTIVITIES:		
Increase in short term investments, net	(702)	(2,228)
Purchase of long term investments at cost, net	(2,709,414)	(1,891,625)
	<u>(2,710,116)</u>	<u>(1,893,853)</u>
FINANCING ACTIVITIES:		
Due to (from) The University of Winnipeg	(185,535)	(417,505)
(DECREASE) INCREASE IN CASH	(2,088,786)	(697,715)
CASH, BEGINNING OF YEAR	2,770,433	3,468,148
CASH, END OF YEAR	\$ 681,647	\$ 2,770,433

The accompanying notes are an integral part of these financial statements

THE UNIVERSITY OF WINNIPEG FOUNDATION INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

1. AUTHORITY AND PURPOSE

The establishment of the University of Winnipeg Foundation Inc. (the Foundation) resulted from a desire and decision in 2002 by the Board of Regents of the University of Winnipeg (the University) to create an effective vehicle to provide a private funding source for the University.

The Foundation was incorporated on August 2, 2002 under Part XXII of the Corporations Act (Manitoba). The Foundation is a not-for-profit registered charitable organization and is designated as a Public Foundation, as defined under the Income Tax Act (Canada) and, as such, is exempt from income taxes and is registered to issue donation receipts for income tax purposes.

The Foundation's intended purpose is to act as a fundraising body for the benefit of the University. The Foundation receives funding and support from the University and exists for the sole purpose of supporting the University.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) for government not-for-profit organizations (GNFPOs), including the 4200 series of standards, as issued by the Public Sector Accounting Board.

b) Principles of Consolidation

The consolidated financial statements include the assets, liabilities and results of operations of The University of Winnipeg Foundation Inc. and its controlled entity, the University of Winnipeg Foundation USA, Inc.

In preparing the consolidated financial statements, all intra-group balances and transactions between the entities in the consolidated group have been eliminated.

c) Accounting Estimates and Assumptions

The preparation of the Foundation's financial statements in conformity with PSAS for GNFPOs requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the period in which they become known. Actual results could differ from these estimates.

d) Cash

Cash is comprised of cash on hand and deposits with banks.

e) Tangible Capital Assets

Capital assets are recorded at cost and amortized on a straight-line basis over their estimated useful lives. The half-year rule applies in the year of acquisition:

Computer equipment	5 years
Furniture and fixtures	10 years
Donor database	5 years

THE UNIVERSITY OF WINNIPEG FOUNDATION INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

f) Revenue Recognition

Unrestricted contributions, restricted contributions and pledge payments are recognized as a source of funds in the related fund in the year received. Contributions to be permanently endowed are recorded in the Endowment Fund. Investment income is recorded as it is earned in the Endowment Fund Reserve as it is not subject to externally imposed restrictions to be maintained permanently. The unrealized change in market value of the investments is recorded in the Consolidated Statement of Remeasurement Gains and Losses.

g) Financial Instruments

The Foundation classifies its financial instruments as either fair value or amortized cost.

Cash, accounts receivable, inter-company balances and accounts payable:

These financial assets and liabilities are classified as amortized cost.

Short term and long term investments:

These financial assets are classified as fair value. All investments in funds have been designated to the fair value category. Unrealized gains and losses are recorded in the Statement of Remeasurement Gains and Losses.

Fair Value Measurement:

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

The Foundation has categorized its assets and liabilities that are carried at fair value into one of three fair value levels, as follows:

Level 1 - for instruments measured at unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - for instruments measured using significant observable inputs, either directly or indirectly, and

Level 3 - for instruments measured using inputs that are not based on observable market data or using valuations based on quoted prices for similar instruments and are significant to the fair value measurement.

Net realized gain (loss) on sale of investments:

The net realized gain (loss) on sale of investments is the difference between proceeds received and the average cost of investments sold.

Investment income:

Investment income, which is recorded on the accrual basis, includes interest income and dividends.

Transaction costs:

Transaction costs are the incremental costs directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. Actual transaction costs incurred are expensed and included in net realized gains or losses.

THE UNIVERSITY OF WINNIPEG FOUNDATION INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

h) Fund Accounting

The Foundation follows the restricted fund method of accounting for contributions. The Foundation maintains separate funds within its accounts and follows the principles of fund accounting to record the day-to-day transactions.

Restricted funds represent gifts from donors which have been or will be designated for a specific purpose, such as for a named scholarship fund. Investment income earned is reported in the fund it relates to and investment income on the Endowment Fund is recorded in the Endowment Fund Reserve. Expenses are recorded on the accrual basis of accounting.

The purpose of the funds are as follows:

- i) **The Operating Fund** reflects the administrative and overhead costs of undertaking the Foundation's activities. These costs are funded from an operating grant from the University; and administration fee charged on the Endowment Fund; unrestricted bequests; a portion of unrestricted donations received; a portion of interest earned on current and capital gifts; and an administration fee on certain current, capital and endowed gifts.
- ii) **The Unrestricted Fund** records the receipt of donations received in the year that are identified by the donor to go to the area of greatest need.
- iii) **The Building and Program Fund** records the receipt of all donations intended for the University's capital projects and for scholarships, bursaries, awards and other programs that are intended for disbursement upon receipt. The monies received for capital purposes are to be used over time for various University priorities as per donor direction. The current monies received for scholarship, bursaries, awards and other programs are gifted to the University in the month following receipt.
- iv) **The Endowment Reserve Fund** reports the investment income and expenses related to the endowment fund including the gift to the University. The investment income that is earned on the endowments has no externally imposed restrictions that require it to be maintained permanently.
- v) **The Endowment Fund** reports the receipt of funds established from gifts by donors and any applicable matching funds which are designated to remain under the Foundation's management in perpetuity for endowment purposes. In addition as part of the Endowment Agreement, any gifts received by the University from the Foundation that are not expended by the University in the fiscal year received or the following fiscal year, the University shall gift the amount back to the Foundation prior to the end of the subsequent fiscal year, in which event the amount returned shall be added back to the Endowment Fund to be maintained in perpetuity.
- vi) **Investment in Capital Assets** represents monies used to purchase capital assets utilized in the administration of the Foundation less accumulated amortization.

THE UNIVERSITY OF WINNIPEG FOUNDATION INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

i) Fund Transfers

The Foundation transfers monies from various funds to the Operating Fund to support its ongoing operations as follows:

- From the Unrestricted Fund, 75% of certain new current year unrestricted gifts and recovery of event expenses.
- From the Building and Program Fund, a 5% administration fee on receipt of certain new current and capital gifts.
- From the Endowment Fund, a 5% administration fee on receipt of certain endowed gifts.
- From the Endowment Fund Reserve, regarding the endowment administration fee.

Other fund transfers include:

- From the Endowment Fund Reserve to Endowment Fund, regarding income allocation endowment.
- From the Building and Program Fund to Endowment Fund Reserve, regarding investment income.
- From the Operating Fund to Investment in Capital Assets Fund, regarding capital asset acquisitions.
- From the Unrestricted Fund to Building and Program Fund, regarding reallocated gifts.

3. INVESTMENT RISK MANAGEMENT

In accordance with Foundation's investment policy, the investment objective of the Foundation is to generate a consistent, positive, real rate of return on invested assets. Recognizing the need to achieve a balance between risk and return, investment risk is managed through a portfolio that is diversified across a number of distinct asset classes, as well as geographic region and investment style. The following sections describe the nature and extent of financial risk exposure and the related risk mitigation strategies.

Market Risk

The Foundation invests in publicly traded equities and fixed income instruments available on domestic and foreign exchanges. As these securities are affected by market changes and fluctuations, the Foundation is exposed to market risk as a result of price changes due to economic fluctuations in capital markets.

Credit Risk Management

Credit risk is the risk of potential loss to the Foundation if a counterparty to a financial instrument fails to discharge an obligation.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at March 31 was:

	2021	2020 (note 14)
Financial assets:		
Cash	\$ 681,647	\$ 2,770,433
Investments	\$ 140,435	139,733
Long term investments	\$ 77,597,370	64,805,812
Accounts receivable	\$ 452,875	457,799
Due from the University of Winnipeg	\$ 923,975	674,868
	<u>\$ 79,796,302</u>	<u>\$ 68,848,645</u>

THE UNIVERSITY OF WINNIPEG FOUNDATION INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

The Foundation manages the credit risk related to these items by maintaining its cash, investments and long term investments with highly rated financial institutions. Accounts Receivable are due from the government and investment sources where collection is considered very likely. Due from the University of Winnipeg are funds due where collection is considered very likely. Long term investments include fixed income securities. Credit exposure on fixed income securities arises from the possibility that the issuer of an instrument fails to meet its obligation to make interest payments and repay principal. To mitigate the risk of credit default, the minimum quality standard for individual bonds and debentures at time of purchase is BBB, as rated by an established bond rating service. To further mitigate this risk, bonds with a BBB rating are limited to a maximum of 15% (currently 1%) of an individual investment manager's portfolio. The balance of the portfolio should be invested in bonds with a minimum rating of A or higher.

Foreign Exchange Risk Management

The Foundation has certain investments denominated in foreign currencies, which exposes the Foundation to foreign currency risk. During this fiscal year the Foundation did not undertake hedging strategies for the currency risk of foreign investments. While currency fluctuations influenced short term returns, these fluctuations are not expected to affect the long term position of the investment portfolio. The Foundation has exposure to non-Canadian dollars, with foreign holdings of \$33,401,797 CAD (market value) or 43.0% of the portfolio (2020 - \$27,906,596 or 43.1%).

Interest Rate Management

The Foundation is exposed to interest rate risk to the extent that the fair value of a financial instrument fluctuates due to changes in market interest rates.

Fair Value Disclosure

The fair values of accounts receivable, accounts payable and accrued liabilities, and due to/from the University of Winnipeg approximate their carrying values due to their short term nature. The fair value of due to other charities is not determinable as it is based on underlying life insurance policies as discussed in Note 7.

Cash, short term investments and long term investments have been categorized based upon a fair value hierarchy. See note 2(g) for a discussion of the Foundation's policies regarding this hierarchy. The following tables present information about the Foundation's financial assets measured at their fair value. There have been no transfers between levels during the year.

Investments at Fair Value as at March 31, 2021					
	Level 1	Level 2	Level 3	Total	
Cash	\$ 681,647	\$ -	\$ -	\$ 681,647	
Short term investments	140,435	-	-	140,435	
Long term investments	56,381,478	21,215,892	-	77,597,370	
	<u>\$ 57,203,560</u>	<u>\$ 21,215,892</u>	<u>\$ -</u>	<u>\$ 78,419,452</u>	

Investments at Fair Value as at March 31, 2020					
	Level 1	Level 2	Level 3	Total	
Cash (note 14)	\$ 2,770,433	\$ -	\$ -	\$ 2,770,433	
Short term investments	139,733	-	-	139,733	
Long term investments	47,354,255	17,451,557	-	64,805,812	
	<u>\$ 50,264,421</u>	<u>\$ 17,451,557</u>	<u>\$ -</u>	<u>\$ 67,715,978</u>	

There has been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

THE UNIVERSITY OF WINNIPEG FOUNDATION INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

4. CASH AND CASH EQUIVALENTS

	2021	2020 <i>(note 14)</i>
Operating Fund - bank account	\$ 371,424	\$ 1,695,276
Restricted Funds - bank accounts	310,223	1,075,157
	<u>\$ 681,647</u>	<u>\$ 2,770,433</u>

5. SHORT TERM INVESTMENTS

The investments are valued at market value. These investments are managed by RBC Dominion Securities within the investment guidelines set forth by the Foundation's Investment Committee.

	2021	2020
Mutual Funds	\$ 140,435	\$ 139,733

6. INSURANCE POLICIES

The Foundation is the beneficiary of a number of life insurance policies, some of which provide for a cash surrender value.

One of the life insurance policies where the Foundation is named as beneficiary, includes a provision for a 45% distribution to three other charities. The liability for this distribution is recorded as due to other charities and the expense is recorded as gifts to other charities.

7. CAPITAL ASSETS

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 60,420	\$ 44,117	\$ 50,042	\$ 42,635
Donor database	289,737	71,059	239,737	27,200
Furniture and fixtures	32,160	18,110	32,160	14,650
	<u>382,317</u>	<u>\$ 133,286</u>	<u>321,939</u>	<u>\$ 84,485</u>
Less accumulated amortization	<u>(133,286)</u>		<u>(84,485)</u>	
Net book value	<u>\$ 249,031</u>		<u>\$ 237,454</u>	

THE UNIVERSITY OF WINNIPEG FOUNDATION INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

8. LONG TERM INVESTMENTS

The investments are valued at market value. These funds are managed by MFS Investment Management Canada and Jarislowsky Fraser Limited according to the investment guidelines set forth by the Foundation's Investment Committee.

	2021		2020	
	Cost	Market	Cost	Market
Cash	\$ 5,583	5,583	\$ 5,278	\$ 5,278
Canadian Pooled Fixed	21,356,733	21,210,308	18,142,923	17,446,279
Pooled Canadian Equities	22,277,915	22,979,762	24,018,274	19,447,659
Pooled Global Equities	30,497,280	33,401,717	29,158,708	27,906,596
	<u>\$ 74,137,511</u>	<u>77,597,370</u>	<u>\$ 71,325,183</u>	<u>\$ 64,805,812</u>

9. ENDOWMENT FUND

	2021	2020
Contributed capital:		
Balance, beginning of period	\$ 54,736,052	\$ 52,985,365
Current year endowments net of admin fees	688,134	1,130,107
Correction of income allocation	7,007	5,672
Transfers of Endowments from/(to) other funds net of admin fees	-	(32,531)
Endowments transferred from the University	1,584,796	647,439
Balance, end of period	<u>\$ 57,015,989</u>	<u>\$ 54,736,052</u>

10. ENDOWMENT FUND RESERVE

	2021	2020
Accumulated undistributed income (loss):		
Balance, beginning of period	\$ 17,540,313	\$ 17,608,238
Income earned	2,456,284	3,385,112
Realized gains/(losses)	(226,942)	102,914
Endowment administration fee	(1,100,411)	(1,175,115)
Endowment external charges	(248,855)	(236,420)
Life insurance expense	236	342
Gifts to other charities	(4,553)	(4,553)
Gifts to University of Winnipeg	(2,240,535)	(2,134,533)
Transfer from other funds	258,173	-
Correction of income allocation	(7,007)	(5,672)
Balance, end of period	<u>\$ 16,426,703</u>	<u>\$ 17,540,313</u>

In accordance with the Endowment Fund Agreement between the Foundation and the University, the Foundation has a commitment to provide the University with an annual gift based on the agreed percentage as established by the Foundation and the University between September and December each year. For 2020/21, the agreed percentage was 4.25% of each fund's contributed capital balance.

11. AGREEMENTS WITH THE UNIVERSITY OF WINNIPEG

In 2002, the Board of Regents of the University of Winnipeg approved the formation of the Foundation. The Foundation supports the vision and the mission of the University. The establishment of the Foundation is based upon mutually binding agreements between the University and the Foundation. Endowment Fund agreements formalize management of the Endowment Fund including the annual income allocation to the University from the Endowment Fund and payment of an administration fee based on the Endowment Fund to the Foundation. The Coordination, Cooperation and Fund Agreement and the Occupancy and Support Agreement outline support services provided by the University to the Foundation and provide for an operating grant from the University to the Foundation. Details of resulting amounts are shown in the Related Parties Note 12.

THE UNIVERSITY OF WINNIPEG FOUNDATION INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

12. RELATED PARTY TRANSACTIONS

During the year ending March 31, 2021, the Foundation entered into the related party transactions with the University as listed below. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed upon by both parties.

	2021	2020
<u>Use of Funds</u>		
From the Foundation to the University:		
Occupancy & Support Agreement	\$ 180,000	\$ 180,000
Cost Sharing of Donor Database Assets	50,000	190,000
Gift to the University	2,240,535	2,134,533
Donations gifted to the University	1,895,655	2,404,220

Sources of Funds

From the University to the Foundation:		
Occupancy & Support Agreement - University of Winnipeg funding	180,000	180,000
Transfer of current gifts to be endowed	1,584,796	647,439

As disclosed in Note 11, the Foundation is contractually bound to the University based on mutually binding agreements. There are no set terms of repayment but balances are typically settled within the upcoming year. At the end of the year, the amounts due to and from the University are as follows:

Due to the University	\$ 229,491	\$ 165,919
Due from the University	\$ 923,975	\$ 674,868

13. IMPACTS OF COVID-19

The outbreak of a novel strain of coronavirus ("COVID-19") was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening.

During the year, Management and Development teams had been tasked with ensuring the Foundation continued to raise donations to support the Foundation's objective. As of the date these financial statements were completed, working remotely is continuing successfully and issues have been dealt with promptly and effectively. The Foundation has not received government assistance and has been able to continue operations remotely during the office closure due to the pandemic. In addition, the fair value of the Foundation's investments had recovered significantly from the prior year.

While governments and central banks have reacted with monetary and fiscal interventions designed to stabilize economic conditions, the duration and extent of the impact of the COVID-19 outbreak, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of the consequences of COVID-19, as well as the impact on the financial position and results of the Foundation for future periods.

14. COMPARATIVE FIGURES

Comparative figures have been adjusted to conform to changes in the current year.

THE UNIVERSITY OF WINNIPEG FOUNDATION INC.
OPERATIONS

Schedule 1

Year ended March 31, 2021, with comparative figures for the year ended March 31, 2020

The Foundation activities are identified in three separate segments including Core Operating expenses, Development expenses, and Campaign expenses. Core Operating Expenses include all administrative expenses relating to the CEO/President, Finance and other general expenses. Development expenses include expenses relating to fundraising activities and related staff. Campaign expenses include expenses related to the campaigns identified.

	2021	2020
Core operating expenses:		
Salaries & benefits	\$ 265,158	\$ 387,284
Contracted services	65,587	107,573
University of Winnipeg operating support (<i>note 12</i>)	180,000	180,000
Office & administration	102,333	39,076
Business meetings	59	634
Board expenses	4,950	7,701
Travel & development	4,482	23,905
Total core operating expenses	<u>622,569</u>	<u>746,173</u>
Development expenses:		
Donor stewardship	188,114	158,086
Planned giving	78,767	73,614
Leadership giving	173,149	138,174
Individual giving/Call centre	143,954	168,512
Total development expenses	<u>583,984</u>	<u>538,386</u>
Campaign expenses:		
Capital campaign	49,680	-
Campus campaign	691	1,375
Total campaign expenses	<u>50,371</u>	<u>1,375</u>
Total expenses	<u>\$ 1,256,924</u>	<u>\$ 1,285,934</u>