



THE UNIVERSITY OF WINNIPEG FOUNDATION INC.

**FINANCIAL STATEMENTS
AND RELATED SCHEDULES**

FOR THE FISCAL YEAR ENDED MARCH 31, 2023

TABLE OF CONTENTS

Auditor's Report	1 - 2
Consolidated Statement of Financial Position	3
Consolidated Statement of Operations and Change in Fund Balances	4
Consolidated Statement of Remeasurement Gains and Losses	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7 - 14
Schedule 1 - Operations	15

To the 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. and its subsidiary (the "Foundation"), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations and changes in fund balances, remeasurement gains and losses and cash flows 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 consolidated financial position of the Foundation as at March 31, 2023, and the results of its consolidated operations, its consolidated remeasurement gains and losses and its consolidated 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.

Other Matter

The consolidated financial statement for the year ended March 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on June 21, 2022.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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 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.

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, Manitoba

June 14, 2023

MNP LLP

Chartered Professional Accountants

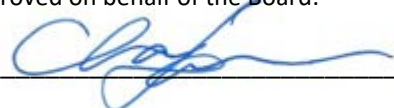
THE UNIVERSITY OF WINNIPEG FOUNDATION INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2023, with comparative figures for March 31, 2022

	-----RESTRICTED FUNDS-----						March 31, 2023	March 31, 2022
	Foundation Operating Fund	Unrestricted Fund	Building and Program Fund	Endowment Fund Reserve	Endowment Fund	Investment in Capital Assets	Total	Total
ASSETS								
Current Assets								
Cash (note 4)	\$ 227,771	\$ 360	\$ 488,199	\$ 219,064	\$ -	\$ -	\$ 935,394	\$ 886,940
Short term investments (note 5)	137,827	-	-	-	-	-	137,827	142,220
Accounts receivable	84,668	-	-	565,708	-	-	650,376	472,114
Due from other funds	270,621	-	136,263	-	-	-	406,884	407,526
Due from the University of Winnipeg (note 12)	-	-	-	-	201,012	-	201,012	18,506
Prepaid expenses	13,952	-	-	-	-	-	13,952	986
	<u>734,839</u>	<u>360</u>	<u>624,462</u>	<u>784,772</u>	<u>201,012</u>	<u>-</u>	<u>2,345,445</u>	<u>1,928,292</u>
Insurance policies (note 6)	-	-	-	1,237,367	-	-	1,237,367	1,227,025
Capital assets (note 7)	-	-	-	-	-	167,560	167,560	191,616
Long term investments (note 8)	1,210,330	-	495,885	20,168,659	60,550,369	-	82,425,243	82,851,809
	<u>\$ 1,945,169</u>	<u>\$ 360</u>	<u>\$ 1,120,347</u>	<u>\$ 22,190,798</u>	<u>\$ 60,751,381</u>	<u>\$ 167,560</u>	<u>\$ 86,175,615</u>	<u>\$ 86,198,742</u>
LIABILITIES								
Current Liabilities								
Accounts payable and accrued liabilities	\$ 419,305	\$ -	\$ -	\$ 54,893	\$ -	\$ -	\$ 474,198	\$ 396,704
Due to other funds	-	351	-	406,533	-	-	406,884	407,526
Due to the University of Winnipeg (note 12)	636	9	125,085	-	-	-	125,730	309,803
	<u>419,941</u>	<u>360</u>	<u>125,085</u>	<u>461,426</u>	<u>-</u>	<u>-</u>	<u>1,006,812</u>	<u>1,114,033</u>
Due to other charities (note 6)	-	-	-	378,937	-	-	378,937	374,384
	<u>419,941</u>	<u>360</u>	<u>125,085</u>	<u>840,363</u>	<u>-</u>	<u>-</u>	<u>1,385,749</u>	<u>1,488,417</u>
FUND BALANCES								
Foundation Operating Fund	1,525,228	-	-	-	-	-	1,525,228	1,466,533
Unrestricted Fund	-	-	-	-	-	-	-	-
Building and Program Fund	-	-	995,262	-	-	-	995,262	786,783
Endowment Fund Reserve (note 10)	-	-	-	20,914,092	-	-	20,914,092	19,620,487
Endowment Fund (note 9)	-	-	-	-	60,751,381	-	60,751,381	58,634,115
Investment in Capital Assets	-	-	-	-	-	167,560	167,560	191,616
	<u>1,525,228</u>	<u>-</u>	<u>995,262</u>	<u>20,914,092</u>	<u>60,751,381</u>	<u>167,560</u>	<u>84,353,523</u>	<u>80,699,534</u>
Accumulated remeasurement gains/(losses)	-	-	-	436,343	-	-	436,343	4,010,791
	<u>\$ 1,945,169</u>	<u>\$ 360</u>	<u>\$ 1,120,347</u>	<u>\$ 22,190,798</u>	<u>\$ 60,751,381</u>	<u>\$ 167,560</u>	<u>\$ 86,175,615</u>	<u>\$ 86,198,742</u>

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:



Director

Edward Sellers

Director

THE UNIVERSITY OF WINNIPEG FOUNDATION INC.
CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

Year ended March 31, 2023, with comparative figures for March 31, 2022

	-----RESTRICTED FUNDS-----							
	Foundation Operating Fund	Unrestricted Fund	Building and Program Fund	Endowment Fund Reserve	Endowment Fund	Investment in Capital Assets	March 31, 2023 Total	March 31, 2022 Total
SOURCES OF FUNDS								
Transfers from the University of Winnipeg (note 12)	\$ -	\$ -	\$ -	\$ -	\$ 219,044	\$ -	\$ 219,044	\$ 287,016
Investment income	927	13	24,636	5,026,477	-	-	5,052,053	6,334,130
Net realized gain	-	-	-	81,277	-	-	81,277	662,804
University of Winnipeg funding (note 12)	180,000	-	-	-	-	-	180,000	180,000
Annual donations	37,183	3,317	2,493,856	-	1,962,319	-	4,496,675	3,244,028
	<u>218,110</u>	<u>3,330</u>	<u>2,518,492</u>	<u>5,107,754</u>	<u>2,181,363</u>	<u>-</u>	<u>10,029,049</u>	<u>10,707,978</u>
USE OF FUNDS								
Endowment								
Gifts to the University of Winnipeg (note 12)	-	-	-	2,121,447	-	-	2,121,447	2,233,233
Gifts to other charities - insurance policies (note 6)	-	-	-	4,553	-	-	4,553	4,553
Administration expense	-	-	-	268,774	-	-	268,774	257,098
Life insurance expense	-	-	25,362	(224)	-	-	25,138	31,031
Operations (Schedule 1)	1,613,884	-	-	-	-	-	1,613,884	1,469,917
Fund expenses	-	49	550	11,219	-	-	11,818	16,246
Amortization of capital assets	-	-	-	-	-	75,659	75,659	67,321
Donations gifted to the University (note 12)	-	1,879	2,251,908	-	-	-	2,253,787	1,760,878
	<u>1,613,884</u>	<u>1,928</u>	<u>2,277,820</u>	<u>2,405,769</u>	<u>-</u>	<u>75,659</u>	<u>6,375,060</u>	<u>5,840,277</u>
INCREASE/(DECREASE) IN FUNDS	<u>(1,395,774)</u>	<u>1,402</u>	<u>240,672</u>	<u>2,701,985</u>	<u>2,181,363</u>	<u>(75,659)</u>	<u>3,653,989</u>	<u>4,867,701</u>
FUND TRANSFERS (note 2 i)								
To Operating from Building and Program	32,193	-	(32,193)	-	-	-	-	-
To Operating from Unrestricted	1,402	(1,402)	-	-	-	-	-	-
To Operating from Endowment	64,097	-	-	-	(64,097)	-	-	-
From Endowment Reserve to Operating	1,408,380	-	-	(1,408,380)	-	-	-	-
From Operating to Capital Assets	(51,603)	-	-	-	-	51,603	-	-
TOTAL FUND TRANSFERS	<u>1,454,469</u>	<u>(1,402)</u>	<u>(32,193)</u>	<u>(1,408,380)</u>	<u>(64,097)</u>	<u>51,603</u>	<u>-</u>	<u>-</u>
FUND BALANCES, Beginning of Year	<u>1,466,533</u>	<u>-</u>	<u>786,783</u>	<u>19,620,487</u>	<u>58,634,115</u>	<u>191,616</u>	<u>80,699,534</u>	<u>75,831,833</u>
FUND BALANCES, End of Year	<u>\$ 1,525,228</u>	<u>\$ -</u>	<u>\$ 995,262</u>	<u>\$ 20,914,092</u>	<u>\$ 60,751,381</u>	<u>\$ 167,560</u>	<u>\$ 84,353,523</u>	<u>\$ 80,699,534</u>

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, 2023, with comparative figures for the year ended March 31, 2022

	2023	2022
Accumulated remeasurement gains/(losses) - beginning of year	\$ 4,010,791	\$ 4,497,231
Net realized (gains)/losses on long term investments transferred to statement of operations	(81,277)	(662,804)
Unrealized gains/(losses) on long term investments	<u>(3,493,171)</u>	<u>176,364</u>
Remeasurement gains/(losses)	<u>(3,574,448)</u>	<u>(486,440)</u>
Accumulated remeasurement gains - end of year	\$ <u>436,343</u>	\$ <u>4,010,791</u>

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, 2023, with comparative figures for the year ended March 31, 2022

	2023	2022
OPERATING ACTIVITIES:		
Increase in Funds	\$ 3,653,989	\$ 4,867,701
Items not involving a current outlay of cash		
Amortization	<u>75,659</u>	<u>67,321</u>
	<u>3,729,648</u>	<u>4,935,022</u>
Net change in non-cash working capital balances		
Accounts receivable	(178,262)	(19,239)
Prepaid expenses	(12,966)	(89)
Accounts payable and accrued liabilities	77,494	60,971
Due to other charities	4,553	4,553
Insurance policies	<u>(10,342)</u>	<u>(9,136)</u>
	<u>3,610,125</u>	<u>4,972,082</u>
CAPITAL ACTIVITIES:		
Purchase of capital assets	<u>(51,603)</u>	<u>(9,906)</u>
INVESTING ACTIVITIES:		
Decrease/(increase) in short term investments, net	4,393	(1,785)
Purchase of long term investments at cost, net	<u>(3,147,882)</u>	<u>(5,740,879)</u>
	<u>(3,143,489)</u>	<u>(5,742,664)</u>
FINANCING ACTIVITIES:		
Due to (from) The University of Winnipeg	<u>(366,579)</u>	<u>985,781</u>
INCREASE IN CASH	<u>48,454</u>	<u>205,293</u>
CASH, BEGINNING OF YEAR	<u>886,940</u>	<u>681,647</u>
CASH, END OF YEAR	<u>\$ 935,394</u>	<u>\$ 886,940</u>

The accompanying notes are an integral part of these financial statements

THE UNIVERSITY OF WINNIPEG FOUNDATION INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2023

1. AUTHORITY AND PURPOSE

The establishment of the University of Winnipeg Foundation Inc. (Foundation) resulted from a desire and decision in 2002 by the Board of Regents of the University of Winnipeg (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 transaction 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
Donor database	5 years
Furniture and fixtures	10 years

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. When the Foundation has expenses and revenues related to donations, acting as a principal in the transactions involved, it recognizes the expenses and the revenues on a gross basis. When the Foundation is not acting as a principal in the transactions, it has earned the equivalent of a commission or fee, or received the equivalent of a contribution, it will recognize only the net amount received.

g) Financial Instruments

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

Cash, accounts receivable, inter-company balances, due from other funds, due from the University of Winnipeg and accounts payable and accrued liabilities:

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 Consolidated 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, including 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 THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2023

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 Funds 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 Fund Reserve** 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 THE CONSOLIDATED FINANCIAL STATEMENTS
 March 31, 2023

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.
- 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 Operating Fund to Investment in Capital Assets Fund, regarding capital asset acquisitions.

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 change 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:

	2023	2022
Financial assets:		
Cash	\$ 935,394	\$ 886,940
Short term investments	137,827	142,220
Long term investments	82,425,243	82,851,809
Accounts receivable	650,376	472,114
Due from the University of Winnipeg	<u>201,012</u>	<u>18,506</u>
	<u>\$ 84,349,852</u>	<u>\$ 84,371,589</u>

The Foundation manages the credit risk related to these items by maintaining its cash, short term 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% (March 31, 2023 1%) of an individual manager's portfolio. The balance of the portfolio should be invested in bonds with a minimum rating of A or higher.

THE UNIVERSITY OF WINNIPEG FOUNDATION INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

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. The Foundation has exposure to non-Canadian dollars, with foreign holdings of \$32,951,317 CAD (market value) or 40.0% of the portfolio (2022 - \$33,021,689 CAD or 39.8%).

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 6.

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, 2023

	Level 1	Level 2	Level 3	Total
Cash	\$ 935,394	\$ -	\$ -	\$ 935,394
Short term investments	137,827	-	-	137,827
Long term investments	<u>56,316,718</u>	<u>26,108,525</u>	-	<u>82,425,243</u>
	<u>57,389,939</u>	<u>26,108,525</u>	-	<u>83,498,464</u>

Investments at Fair Value as at March 31, 2022

	Level 1	Level 2	Level 3	Total
Cash	886,940	-	-	886,940
Short term investments	142,220	-	-	142,220
Long term investments	<u>59,515,855</u>	<u>23,335,954</u>	-	<u>82,851,809</u>
	<u>60,545,015</u>	<u>23,335,954</u>	-	<u>83,880,969</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.

4. CASH AND CASH EQUIVALENTS

	2023	2022
Operating Fund - bank account	\$ 227,771	\$ 232,695
Restricted Funds - bank accounts	<u>707,623</u>	<u>654,245</u>
	<u>\$ 935,394</u>	<u>\$ 886,940</u>

THE UNIVERSITY OF WINNIPEG FOUNDATION INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 March 31, 2023

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.

	2023	2022
Mutual Funds	\$ 137,827	\$ 142,220

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

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	71,929	52,717	\$ 70,326	\$ 47,434
Donor database	339,737	201,194	289,736	132,896
Furniture and fixtures	<u>32,160</u>	<u>22,355</u>	<u>32,160</u>	<u>20,276</u>
	443,826	\$ 276,266	392,222	\$ 200,606
Less accumulated amortization	<u>(276,266)</u>		<u>(200,606)</u>	
	<u>\$ 167,560</u>		<u>\$ 191,616</u>	

8. LONG TERM INVESTMENTS

The investments are valued at fair 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.

	2023		2022	
	Cost	Market	Cost	Market
Cash	\$ 6,611	\$ 6,611	\$ 6,695	\$ 6,695
Canadian Pooled Fixed	28,818,698	26,101,914	25,030,927	23,329,259
Pooled Canadian Equities	24,014,163	23,365,401	24,006,574	26,494,167
Pooled Global Equities	30,186,801	32,951,317	30,834,195	33,021,688
	<u>\$ 83,026,273</u>	<u>\$ 82,425,243</u>	<u>\$ 79,878,391</u>	<u>\$ 82,851,809</u>

THE UNIVERSITY OF WINNIPEG FOUNDATION INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 March 31, 2023

9. ENDOWMENT FUND

	2023	2022
Contributed capital:		
Balance, beginning of year	\$ 58,634,115	\$ 57,015,989
Current year endowments net of admin fees	1,898,222	1,331,110
Endowments transferred from the University	<u>219,044</u>	<u>287,016</u>
Balance, end of year	<u>\$ 60,751,381</u>	<u>\$ 58,634,115</u>

10. ENDOWMENT FUND RESERVE

	2023	2022
Accumulated undistributed income (loss):		
Balance, beginning of year	\$ 19,620,487	\$ 16,426,703
Income earned	5,026,477	6,329,479
Realized gains	81,277	662,804
Endowment administration fees	(1,408,380)	(1,286,832)
Endowment external charges	(279,993)	(272,901)
Life insurance expense	224	(980)
Gifts to other charities	(4,553)	(4,553)
Gifts to University of Winnipeg	<u>(2,121,447)</u>	<u>(2,233,233)</u>
Balance, end of year	<u>\$ 20,914,092</u>	<u>19,620,487</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 2022/23, 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 THE CONSOLIDATED FINANCIAL STATEMENTS
 March 31, 2023

12. RELATED PARTY TRANSACTIONS

During the year ending March 31, 2023, 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.

	2023		2022
<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		-
Gift to the University	2,121,447		2,233,233
Donations gifted to the University	2,253,787		1,760,878
From the University to the Foundation:			
Occupancy & Support Agreement - University of Winnipeg Funding	180,000		180,000
Transfer of current gifts to be endowed	219,044		287,016

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	\$ 125,730	\$	309,803
Due from the University	\$ 201,012	\$	18,506

THE UNIVERSITY OF WINNIPEG FOUNDATION INC.**OPERATIONS****Schedule 1**

Year ended March 31, 2023, with comparative figures for the year ended March 31, 2022

The Foundation's 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.

	2023	2022
Core operating expenses:		
Board expenses	\$ 5,771	\$ 4,675
Business meetings	1,231	188
Contracted services	51,699	68,234
Office & administration	75,893	68,561
Salaries & benefits	483,404	419,427
Travel & development	11,321	9,630
University of Winnipeg operating support (<i>note 12</i>)	<u>180,000</u>	<u>180,000</u>
Total core operating expenses	<u>809,319</u>	<u>750,715</u>
Development expenses:		
Collegiate giving	94,266	58,865
Donor stewardship	365,964	273,525
Individual giving	77,667	139,880
Leadership giving	159,459	168,269
Planned giving	<u>80,653</u>	<u>76,144</u>
Total development expenses	<u>778,009</u>	<u>716,683</u>
Campaign expenses:		
Campus campaign	6,562	2,451
Capital campaign	<u>19,994</u>	<u>68</u>
Total campaign expenses	<u>26,556</u>	<u>2,519</u>
Total operating expenses	\$ <u>1,613,884</u>	\$ <u>1,469,917</u>