Audit Financial Statements of The Winnipeg Foundation September 30, 2024

Deloitte.

Deloitte LLP
360 Main Street
Suite 2300
Winnipeg MB R3C 3Z3
Canada

Tel: 204-942-0051
Fax: 204-947-9390
www.deloitte.ca

Independent Auditor's Report

To the Board of Directors of The Winnipeg Foundation

Opinion

We have audited the non-consolidated financial statements of The Winnipeg Foundation (the "Foundation"), which comprise the non-consolidated statement of financial position as at September 30, 2024, and the non-consolidated statements of operations and changes in fund balances and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Winnipeg Foundation as at September 30, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 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 ASNPO, 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 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 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 GAAS 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 financial statements.

As part of an audit in accordance with Canadian GAAS, 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 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 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 financial statements, including the disclosures, and whether the 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 to express an opinion on the non-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.

Deloitte LLP

Chartered Professional Accountants
December 19, 2024
Winnipeg, Manitoba

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THE WINNIPEG FOUNDATION
Non-Consolidated Statement of Financial Position
As at September 30, 2024
In thousands of dollars

		2024		2023
ASSETS				
Cash and cash equivalents	**$**	**21,016**	$	12,003
Restricted cash		**14,773**		20,267
Investments (Note 8(d))		**1,931,467**		1,616,881
Investment in Appleton Holdings Ltd. (Note 3)		**435,830**		-
Accounts receivable		**46**		125
Other assets (Note 4)		**8,915**		4,325
	$	**2,412,047**	$	1,653,601
LIABILITIES				
Accounts payable	**$**	**1,758**	$	1,210
Grant commitments		**52,591**		58,216
Agency managed funds (Note 6(a))		**108,127**		95,044
Manitoba community foundation managed funds (Note 6(b))		**146,877**		115,194
		309,353		269,664
Commitments (Note 9)				
FUND BALANCES				
Restricted		**1,274,958**		1,057,578
Discretionary		**803,439**		315,026
Operating		**24,297**		11,333
		2,102,694		1,383,937
	$	**2,412,047**	$	1,653,601

APPROVED BY THE BOARD

.... Director

.... Director

THE WINNIPEG FOUNDATION

Non-Consolidated Statement of Operations and Changes in Fund Balances

For the Year ended September 30, 2024

In thousands of dollars

	2024				2023
	Restricted	**Discretionary**	**Operating**	**Total**	Total
REVENUE					
Gifts	$ **68,347**	$ **5,936**	$ **10**	$ **74,293**	$ 31,307
Gifts for immediate granting	**10,622**	**355**	**-**	**10,977**	7,536
Gift of shares in Appleton Holdings Ltd. (Note 3)	**-**	**438,540**	**-**	**438,540**	-
Investment income	**33,137**	**9,463**	**3,468**	**46,068**	43,196
Realized gains on investments	**26,259**	**6,987**	**1,892**	**35,138**	37,640
Net change in unrealized gains on investments	**148,689**	**41,914**	**11,155**	**201,758**	41,694
Share of income from Appleton Holdings Ltd. (Note 3)	**-**	**8,540**	**-**	**8,540**	-
Investment (fee) recovery	**(4,500)**	**(1,301)**	**6,702**	**901**	835
Administrative (fee) recovery	**(4,277)**	**(2,383)**	**7,765**	**1,105**	1,246
	278,277	**508,051**	**30,992**	**817,320**	163,454
EXPENDITURES					
Grants approved	**60,886**	**19,275**	**-**	**80,161**	70,591
Investment operations (Note 10)	**-**	**-**	**6,776**	**6,776**	6,286
Administration (Note 10)	**-**	**-**	**11,626**	**11,626**	9,778
	60,886	**19,275**	**18,402**	**98,563**	86,655
EXCESS OF REVENUE OVER EXPENDITURES	**217,391**	**488,776**	**12,590**	**718,757**	76,799
FUND BALANCE, BEGINNING OF YEAR	**1,057,578**	**315,026**	**11,333**	**1,383,937**	1,307,138
TRANSFERS (Note 11)	**(11)**	**(363)**	**374**	**-**	-
FUND BALANCE, END OF YEAR	$ **1,274,958**	$ **803,439**	$ **24,297**	$ **2,102,694**	$ 1,383,937

THE WINNIPEG FOUNDATION
Non-Consolidated Statement of Cash Flows
For the Year ended September 30, 2024
In thousands of dollars

		2024		2023
OPERATING ACTIVITIES				
Excess of revenue over expenditures	**$**	**718,757**	$	76,799
Depreciation		**628**		401
Unrealized gains on investment		**(201,758)**		(41,694)
Gift of preferred shares in private company		**(4,695)**		-
Gift of shares in Appleton Holdings Ltd.		**(438,540)**		-
Share of income from Appleton Holdings Ltd.		**(8,540)**		-
		65,852		35,506
Changes in non-cash operating working capital items:				
Accounts receivable		**79**		10
Prepaid expenses		**67**		(85)
Accounts payable		**548**		(247)
Grant commitments		**(5,625)**		(26)
		60,921		35,158
MANAGED FUND TRANSACTION				
Increase in managed funds		**44,766**		8,378
INVESTING ACTIVITIES				
Decrease in restricted cash		**5,494**		542
Dividends received from Appleton Holdings Ltd.		**11,250**		-
Acquisition of capital assets		**(1,391)**		(340)
Net purchases of long term investments		**(112,632)**		(53,562)
Private company preferred shares redeemed		**605**		-
		(96,674)		(53,360)
NET INCREASE (DECREASE) IN CASH POSITION		**9,013**		(9,824)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		**12,003**		21,827
CASH AND CASH EQUIVALENTS, END OF YEAR	**$**	**21,016**	$	12,003

1. ORGANIZATION

The Winnipeg Foundation ("The Foundation") was established in 1921 to benefit the citizens of Winnipeg by supporting not-for-profit, charitable, educational, and cultural organizations. The capital held for investment is contributed to or placed with The Foundation for this purpose.

The Foundation is a registered charity and is classified as a public foundation for purposes of the Income Tax Act (Canada).

2. SIGNIFICANT ACCOUNTING POLICIES

The non-consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following significant accounting policies:

a) Externally and internally restricted funds

The Foundation maintains several funds within its assets as follows:

The Restricted and Discretionary funds consist primarily of endowment funds established from gifts by donors which are designated to remain under The Foundation's management in perpetuity. Such donations are invested proportionately in The Foundation's Consolidated Trust Fund so that each fund is adjusted monthly by its proportionate share of investment gains and losses.

The Restricted fund is comprised of funds which are used for specific purposes as specified by the donor and approved by the Board. The Discretionary fund is comprised of funds which are used for needs of the community at the discretion of the Board. The Operating Fund comprises the resources available for The Foundation's general operating activities.

b) Income and expense recognition

The Foundation uses the restricted fund method of accounting for gifts. Gifts are recognized as revenue when received. Expenses are recorded on the accrual basis of accounting.

Investment income as well as realized and changes in unrealized capital gains and losses are recorded on an accrual basis.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) *Income and expense recognition (continued)*

Pursuant to its Spending Policy, it is the long-term objective of The Foundation to make available for annual grant-making activities an amount of 4.5% of the average of the preceding 12 quarters' fair value of each fund in the Consolidated Trust Fund. The Foundation is required to monitor the spending rate against inflation to protect the purchasing power of the original gifts.

The difference between the inflation protected target and the fair value is monitored, and if this excess deteriorates or improves on an average three-year basis, the spending rate will be adjusted. The Foundation's Spending Policy range is 3.5% to 5.5%. Any adjustment to grant making will not be greater than 0.2% in any given year, and any adjustment to the inflation protected target will not be greater than 4.0% in any given year. For 2024, the spending rate for all funds was 4.6% (2023 – 4.8%) except for Agency Funds which had a spending rate of 5.0% (2023 – 4.8%). In 2025, this rate will be 4.4% for all funds except for Agency Funds which will maintain a spending rate of 5.0%. It is the standard policy of The Foundation to apply an annual administrative recovery charge as per its Fee Policy and actual investment costs.

c) *Cash and cash equivalents*

Cash and cash equivalents are made up of cash on hand and short-term deposits with a term to maturity of 90 days or less at the date of purchase. Cash and cash equivalents held for investing rather than liquidity purposes are classified as investments.

d) *Restricted cash*

Restricted cash represents funds which are being held for a charitable organization in accordance with their fund agreement.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Capital assets

The Foundation records its capital assets at their historical cost. Depreciation is provided on a straight-line basis using the following rates:

Furniture & equipment	10%
Computers & peripherals	20%
Leasehold Improvements	Term of Lease
Website	20%
Trademark	10%

f) Controlled not-for-profit organizations

The Foundation is the beneficial owner of certain other registered charities and not for profit organizations. The Foundation has the ability to appoint these organizations' boards of directors. The accounts of these controlled organizations have not been consolidated with the accounts of The Foundation in these financial statements. Instead, the Foundation discloses financial information about these controlled organizations in Notes 12 and 13.

g) Controlled profit-oriented enterprise

The Foundation accounts for its ownership in its controlled profit-oriented enterprise using the equity method. Disclosure around the financial information of the controlled, non-consolidated enterprise is included in Note 3.

h) Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when The Foundation becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost, except for investments which The Foundation has chosen to measure at fair value. The fair value of The Foundation's investments in marketable securities quoted in an active market include bonds, debentures, preferred shares and common shares, which are based on the year end published close prices. The fair value of mortgages, real estate and infrastructure investments is determined by the respective investment manager.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Financial instruments (continued)

Purchases and sales of investments are recorded at the trade date and transaction costs are expensed as incurred and recorded in the non-consolidated Statement of Operations and Changes in Fund Balances. Changes in unrealized gains and losses are recognized in the non-consolidated Statement of Operations and Changes in Fund Balances.

With respect to financial assets measured at cost or amortized cost, The Foundation recognizes an impairment loss, if any, in excess of revenue over expenses when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in excess of revenue over expenses in the period the reversal occurs.

i) Bequests and other donations

Bequests and other donations are recorded when received.

j) Grant commitments

Grant commitments are recorded in the year approved.

k) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates in effect at the non-consolidated Statement of Financial Position date and non-monetary assets and liabilities are translated at the exchange rate prevailing when the asset was acquired. Revenues and expenses are translated into Canadian dollars at the exchange rates in effect on the date of the transaction, except for amortization, which is translated at historical rates. Exchange gains and losses on translation of foreign currencies are reflected in the non-consolidated Statement of Operations and Changes in Fund Balances.

In thousands of dollars

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of receipts and disbursements during the reporting period. Key components of the financial statements requiring management to make significant estimates include the valuation of investments, and the valuation of the common shares in Appleton Holdings Ltd. Actual results could differ from these estimates.

3. INVESTMENT IN APPLETON HOLDINGS LTD.

On February 1, 2024, the Board of Directors of the Foundation accepted a gift from the estate of Miriam Bergen, which contained 100% of the outstanding and issued common shares of Appleton Holdings Ltd. ("AHL"). AHL is incorporated under the laws of Manitoba and its principal business activities include investments in revenue producing properties and property management services.

An independent valuation was performed on the common shares which determined the fair market value of the common shares at February 1, 2024 at $438,540. The fair market value of AHL was determined using an adjusted net book value method which uses the total shareholders' equity as at the date of the valuation and adjusting for any differences in assets or liabilities where their net book values differ from their fair market value. The majority of the adjustment from the net book value to the fair market value of the assets and liabilities was due to increases in the revenue producing properties held by AHL. The Foundation is expected to receive preferred shares in AHL and other residual assets of the estate in a subsequent year pending the completion of the estate administration including the receipt of the Clearance Certificate issued by the Canada Revenue Agency.

During the year, the Foundation received dividends of $11,250 from AHL.

A reconciliation of the investment in AHL is as follows:

	2024
Balance, beginning of year	$ -
Fair value of common shares donated	438,540
Share of income during the year	8,540
Dividends received during the year	(11,250)
Balance, end of year	$ 435,830

In thousands of dollars

3. APPLETON HOLDINGS LTD. (continued)

A summary of the financial statements of AHL prepared on a historical cost basis as at September 30, 2024 and for the period from February 1, 2024 to September 30, 2024 are as follows:

Consolidated Balance Sheet **As at September 30, 2024**		**2024**
Total Assets	**$**	**224,605**
Liabilities	**$**	**217,869**
Shareholder's Equity		**6,736**
Total Liabilities and Shareholder's Equity	**$**	**224,605**

Consolidated Statement of Earnings **Period from February 1, 2024 to September 30, 2024**		**2024**
Revenues	**$**	**49,580**
Expenses		**41,040**
Net Income	**$**	**8,540**

Consolidated Statement of Cash Flows **Period from February 1, 2024 to September 30, 2024**		**2024**
Cash flow from Operating Activities	**$**	**16,734**
Cash flow from Financing Activities		**(18,216)**
Cash flow from Investing Activities		**(3,193)**
Decrease in cash		**(4,675)**
Cash, beginning of period		**23,124**
Cash, end of period	**$**	**18,449**

4. OTHER ASSETS

		2024		2023
Preferred shares held in private company	**$**	**4,090**	$	-
Capital assets (Note 5)		**1,758**		995
Charitable remainder trusts		**1,678**		1,395
Cash surrender value of life insurance policies		**1,025**		896
Works of art		**346**		954
Prepaid expenses		**18**		85
	$	**8,915**	$	4,325

In thousands of dollars

4. OTHER ASSETS (continued)

During the year, The Foundation received $6,000 in redeemable preference shares of a private company which have a redemption schedule over a period of 11 years. The preference shares received were originally recorded at their fair value of the cashflows expected to be received over the redemption period. The Foundation is the owner and capital beneficiary of certain charitable remainder trusts, under which The Foundation will become entitled to the assets in the trust upon the death of the income beneficiaries. The charitable remainder trusts are carried at their estimated net present value, calculated as the current fair value of the trusts' assets discounted by the estimated time until which The Foundation is entitled to the trusts' assets.

5. CAPITAL ASSETS

	2024			2023
	Cost	**Accumulated Depreciation**	**Net Book Value**	Net Book Value
Computers & peripherals	**$ 3,965**	**$ 2,646**	**$ 1,319**	$ 462
Leasehold improvements	**1,603**	**1,267**	**336**	434
Furniture & equipment	**509**	**412**	**97**	74
Website	**172**	**168**	**4**	23
Trademark	**3**	**1**	**2**	2
	$ 6,252	**$ 4,494**	**$ 1,758**	$ 995

6. MANAGED FUNDS

Managed funds represent funds beneficially owned by other organizations, recorded in investments, for which the income and capital is designated for the benefit of those organizations. Certain organizations, which includes various Manitoba community foundations and other not-for-profit agencies, have placed their investment capital, including their endowment capital, with The Foundation to be managed as part of The Foundation's investment portfolio. This enables The Foundation to foster the growth and development of Manitoba's community foundations by providing support for their activities.

As at September 30, 2024, 54 (2023 – 54) community foundations and 22 (2023 – 23) agencies were working together with The Foundation in this manner. The capital beneficially owned by other organizations is included in The Foundation's managed funds.

In thousands of dollars

6. MANAGED FUNDS (continued)

a) Agency managed funds

		2024		2023
Contributions	**$**	**1,267**	$	155
Investment income		**17,785**		8,185
Investment and administrative fees		**(726)**		(719)
Distributions		**(5,243)**		(8,750)
Change during the year		**13,083**		(1,129)
Balance, beginning of year		**95,044**		96,173
Balance, end of year	**$**	**108,127**	$	95,044

b) Manitoba community foundation managed funds

		2024		2023
Contributions	**$**	**16,082**	$	7,615
Investment income		**22,953**		9,089
Investment and administrative fees		**(1,109)**		(981)
Distributions		**(6,243)**		(6,216)
Change during the year		**31,683**		9,507
Balance, beginning of year		**115,194**		105,687
Balance, end of year	**$**	**146,877**	$	115,194

7. INVESTMENT POLICY

In accordance with The Foundation's mission to benefit the people of Winnipeg by supporting not-for-profit, charitable, educational, and cultural organizations, the Board of Directors developed an Asset Management Governance Plan and a Statement of Investment Beliefs, Policies and Guidelines, which endeavors to protect 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. The investment policy includes restrictions regarding the minimum and maximum amount of all holdings, the maximum amount of foreign equity holdings and the maximum to be invested in any one related group or industry.

8. RISK MANAGEMENT

The Foundation actively manages the risks that arise from its use of financial instruments, including liquidity, credit, and market risk. The Foundation adheres to an investment policy that outlines the objectives, constraints, and parameters related to its investing activities. This policy prescribes limits around the quality and concentration of investments held by The Foundation. Management regularly reviews The Foundation's investments to ensure all activities adhere to the investment policy. The Foundation may periodically enter into exchange rate contracts to manage foreign currency exposure but does not engage in other hedging transactions.

a) Liquidity Risk

Liquidity risk is the risk that The Foundation cannot meet a demand for cash or fund its obligations as they come due. A key liquidity requirement for The Foundation is grant commitments. Liquidity risk is managed by investing the majority of The Foundation's assets in investments that are traded in an active market and can be readily liquidated. In addition, The Foundation aims to retain sufficient cash positions to maintain liquidity. The majority of The Foundation's investments are considered readily realizable and liquid, therefore The Foundation's liquidity risk is considered minimal. The Foundation's contractual liabilities are all due within one year, with the exception of lease commitments as set out in Note 9.

b) Credit Risk

Credit risk is the potential for financial loss should a counterparty in a transaction fail to meet its obligations. The Foundation's investments in short term investments, bonds and debentures and mortgages are subject to credit risk. The maximum exposure to credit risk on these financial instruments is their carrying value. The investment policy of The Foundation mandates that at least 80% of the bond portfolio have a minimum credit rating of A; up to 20% of the bond portfolio can be invested in bonds with a BBB rating. The investment policy also mandates that short term investments have a minimum credit rating of R-1 when purchased. Guaranteed Investment Certificate deposits issued by Credit Unions of Manitoba are guaranteed by Deposit Guarantee Corporation of Manitoba. The Foundation monitors its credit risk management policies regularly to evaluate their effectiveness.

c) Market Risk

Market risk is the potential for financial loss to The Foundation from changes in the values of its financial instruments due to changes in interest rates, currency exchange rates or other price risk. The investments of The Foundation are subject to normal market fluctuations and to the risk inherent in investment in capital markets.

In thousands of dollars

8. RISK MANAGEMENT (continued)

c) *Market Risk (continued)*

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when The Foundation invests in interest-bearing financial instruments, and therefore The Foundation is exposed to interest rate risk on its bond portfolio. The Foundation also invests in mortgages secured by real estate which are subject to interest rate risk. The objective of The Foundation's investment policy is to manage its interest rate exposure.

Currency Risk

Currency risk is the risk that the value of financial instruments denominated in currencies other than the functional currency of The Foundation, which is the Canadian dollar, will fluctuate due to changes in foreign exchange rates. The Foundation is exposed to currency risk on its foreign market preferred and common stock and its foreign market bonds and debentures, as the prices denominated in foreign currencies are converted to The Foundation's functional currency in determining fair value. The objective of The Foundation's investment policy is to manage currency risk by maintaining a geographically diversified portfolio. The most significant exposure to currency risk is $394,008 (20.4%) (2023 - $308,893 (19.1%)) of investments in US Dollars.

Summary of currency exposure is as follows:

	2024	2023
US Dollar	**$ 394,008**	$ 308,893
Euro	**82,197**	69,064
Japanese Yen	**44,890**	45,341
Hong Kong Dollar	**21,927**	16,225
Great Britain Pound	**21,139**	12,818
Taiwanese Dollar	**16,182**	9,661
South Korean Won	**13,890**	11,630
Chinese Yuan	**13,866**	12,130
Danish Krone	**12,139**	9,916
Swiss Franc	**10,875**	10,213
Other	**65,709**	41,825
Total	**$ 696,822**	$ 547,716

The other category consists of 19 other currencies exposures ranging from $1 to $8.1 million.

In thousands of dollars

8. RISK MANAGEMENT (continued)

c) Market Risk (continued)

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk through its investments in listed shares for which the value fluctuates with the quoted market price and through its investment in mortgages, real estate, and infrastructure. The objective of The Foundation's investment policy is to manage other price risk by maintaining a portfolio which is diversified across geographic and industry sectors. The performance of The Foundation's investments is monitored by measuring against a benchmark consisting of relative weightings of various stock exchanges.

d) Risk Concentrations

The risks discussed above exist where a significant portion of the portfolio is invested in securities which have similar characteristics or similar variations relating to economic or political conditions.

As at September 30, 2024 the investment portfolio includes the following concentrations:

	2024		2023	
	%	**Fair Value**	%	Fair Value
Cash and Short Term Investments				
Canada	**0.3%**	**$5,866**	0.3%	$ 5,014
International	**0.3%**	**5,472**	0.3%	4,161
Corporate – Canada (GIC's)	**0.1%**	**1,114**	0.1%	1,478
	0.7%	**12,452**	0.7%	10,653
Bonds and Debentures				
Corporate - Canada	**0.0%**	**905**	0.1%	1,818
Pooled Fund - Canada	**19.2%**	**370,861**	19.1%	309,559
	19.2%	**371,766**	19.2%	311,377
Mortgages				
Canadian Pooled Mortgage Fund	**9.0%**	**173,375**	10.1%	164,008

In thousands of dollars

8. RISK MANAGEMENT (continued)

d) Risk Concentrations (continued)

	2024		2023	
	%	**Fair Value**	%	Fair Value
Preferred and Common Stock				
Canada	**12.3%**	**238,027**	11.9%	193,097
Canadian Pooled Equity Fund	**12.5%**	**240,831**	12.1%	195,012
United States	**7.4%**	**144,014**	6.8%	109,805
United States Pooled Equity Funds	**12.7%**	**244,954**	12.1%	195,490
International	**15.7%**	**302,383**	14.7%	238,261
	60.6%	**1,170,209**	57.6%	931,665
Real Estate				
Canadian Pooled Real Estate Fund	**4.5%**	**88,343**	5.7%	91,541
Infrastructure				
Global Infrastructure	**6.0%**	**115,322**	6.7%	107,637
	100.0%	**$ 1,931,467**	100.0%	$ 1,616,881

9. COMMITMENTS

The Foundation has lease commitments for office space expiring April 30, 2027 for which the total lease minimum payments are $760.

The minimum annual base rent commitments under the lease agreement for the next three years are as follows:

2025	$ 294
2026	294
2027	172

10. ADMINISTRATION

The Board of Directors has established an objective that administration expenses excluding Manitoba community foundations net expenses and investment management costs are not to exceed 0.75% of the average fair value of assets for the year. Actual expenses incurred for the year amounted to 0.54% (2023 – 0.57%) of the average fair value of The Foundation's assets excluding assets related to Manitoba community foundations.

In thousands of dollars

10. ADMINISTRATION (continued)

The components of these expenses are as follows:

	2024		2023	
	Amount	**% of Average Fair Value of Assets**	Amount	% of Average Fair Value of Assets
Administration:				
Salaries and employee benefits	**$6,036**		$ 5,300	
Occupancy and technology costs	**2,149**		1,631	
Communications and donor relations	**370**		355	
Other program and administration	**1,757**		1,321	
Total net administration	**$10,312**	**0.54 %**	$ 8,607	0.57%
Investment Operations	**$6,776**	**0.37 %**	$ 6,286	0.39%

In addition to the administration costs noted above, Endow Manitoba, a program administered by The Foundation to support Manitoba community foundations, had operating costs of $1,314 (2023 – $1,171) which includes an internal allocation of $139 (2023 – $139) from administration expenses.

The Foundation maintains a defined contribution pension plan to which it contributes a percentage of employees' salaries. The total amount contributed to the plan by The Foundation and recognized as an expense for the year ended September 30, 2024 was $326 (2023 – $288).

11. TRANSFERS

Transfers consist of the following:

Year ended September 30, 2024

	Restricted	**Discretionary**	**Operating**
Fund type changes from Restricted	**$ (729)**	**$ 729**	**$ -**
Fund type changes from Discretionary	**457**	**(457)**	**-**
Grant Transfers	**261**	**(635)**	**374**
	$ (11)	**$ (363)**	**$ 374**

In thousands of dollars

11. TRANSFERS (continued)

Year ended September 30, 2023

	Restricted	Discretionary	Operating
Fund type changes from Restricted	$ (126)	$ 126	$ -
Fund type changes from Discretionary	50	(50)	-
Grant Transfers	(1,304)	1,148	156
	$ (1,380)	$ 1,224	$ 156

12. CAMP MANITOU

Camp Manitou (the "Camp") was founded in 1930 with the mission to provide an enriching experience for children and youth who would not otherwise have the opportunity or resources to do so. The Camp is incorporated under the Companies Act of the Province of Manitoba and is a registered charity under the Income Tax Act. The True North Youth Foundation (TNYF) entered into a 99 year lease and operating agreement effective September 1, 2019 which permits TNYF the ability to control the operations of the Camp. The Foundation is able to appoint the Board of Directors of the Camp and accounts for its interest in the Camp at cost.

	2024	2023
Revenues	**$ 21**	$ 20
Expenses	**21**	20
Excess of Revenue over Expenses	**$ -**	$ -
Assets	**$ 4,007**	$ 3,987
Liabilities	**21**	-
Net assets	**$ 3,986**	$ 3,987

13. THE WINNIPEG FOUNDATION (USA)

In 2007 The Foundation established a non-profit corporation in the United States for charitable purposes. The Winnipeg Foundation USA (the "Corporation") is registered in the State of Minnesota, and is exempt from federal income tax under section 501 (c) (3) of the Internal Revenue Code.

The Corporation is deemed a "Supporting Organization" for the sole purpose of supporting the charitable purpose of The Foundation under section 509 (a) (3) of the Internal Revenue Code. A Supporting Organization operates as a "public charity" under the IRS Code.

It is the policy of the Corporation to distribute all contributions received during the year to The Foundation. During 2024, the Corporation received contributions in the amount of $241 USD (2023 – $351 USD), which was fully distributed to The Foundation and allocated as endowment funds. Therefore, at September 30, 2024, the assets, liabilities, and net assets of corporation are nil.