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**THE MORRIS AREA FOUNDATION  
INC.  
UNAUDITED FINANCIAL STATEMENTS  
December 31, 2022**

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## **INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT**

To the shareholders of **The Morris Area Foundation Inc.**

We have reviewed the accompanying financial statements of The Morris Area Foundation Inc. that comprise the balance sheet as at December 31, 2022, and the statements of income, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, 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.

### **Practitioner's Responsibility**

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of The Morris Area Foundation Inc. as at December 31, 2022, and results of its operations and its cash flows for the period ended in accordance with Canadian accounting standards for private enterprises.

*Gislason Targownik Peters*

CHARTERED PROFESSIONAL ACCOUNTANTS LLP

Winkler, Manitoba  
April 12, 2023

**The Morris and Area Foundation**  
Statement of Operations  
For the year ended December 31, 2022

	ADMINISTRATION FUND	MAF ENDOWMENT FUND	YIP RESTRICTED FUND	SOUTHERN HEALTH RESTRICTED FUND	MORRIS HEALTH & WELLNESS ENDOWMENT FUND	YIP ENDOWMENT FUND	ADMINISTRATION ENDOWMENT FUND	2022	2021
Revenue									
Administrative fees	4,663	\$ -	\$ -	\$ -	\$ -	\$ -	(113)	4,550	5,101
Donations received	-	55,650	-	-	12,753	489	2,900	71,792	55,541
Grants	6,380	-	-	-	-	-	-	6,380	8,202
Investment income	132	(28,725)	-	71	(3,776)	(312)	(92)	(28,691)	54,651
	11,175	26,925	71	3,811	8,977	177	2,695	53,831	123,495
<b>EXPENSES</b>									
Administration fees	2,136	3,954	-	-	492	54	50	4,550	5,101
Advertising	1,000	-	-	-	-	-	-	2,136	1,140
Board development	-	-	-	-	-	-	-	1,000	181
Grants paid to qualified donees	-	12,407	4,320	-	2,093	-	-	18,820	44,662
Interest and bank charges	-	-	15	-	-	-	-	15	-
Investment management fees	-	3,662	-	-	462	49	40	4,233	4,635
Memberships, licenses and fees	525	-	-	-	-	-	-	525	525
Office and stationary	393	-	-	-	-	-	-	393	3,075
Professional fees	2,368	-	-	-	-	-	-	2,368	2,692
Salaries and wages	2,802	-	-	-	-	-	-	2,802	2,510
	9,224	20,043	4,335	0	3,047	103	90	36,842	64,521
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	\$ 1,951	\$ 6,882	\$ (4,264)	\$ 3,811	\$ 5,930	\$ 74	\$ 2,605	\$ 16,989	\$ 58,974

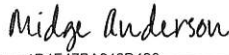
**The Morris and Area Foundation**  
Statement of Changes in Net Assets  
For the year ended December 31, 2022


	ADMINISTRATION FUND	MAF ENDOWMENT FUND	YIP RESTRICTED FUND	SOUTHERN HEALTH RESTRICTED FUND	MORRIS HEALTH & WELLNESS ENDOWMENT FUND	YIP ENDOWMENT FUND	ADMINISTRATION ENDOWMENT FUND	2022	2021
NET ASSETS - Beginning	\$ 7,791	\$ 455,401	\$ 2,784	\$ 225,394	\$ 57,616	\$ 4,625	\$ 1,525	\$ 755,136	\$ 696,162
Excess (Deficiency) of revenue over expenses	1,951	6,882	(4,264)	3,811	5,930	74	2,605	16,989	58,974
Transfers	(8,635)	1,112	6,958	(1,881)	(16)	889	1,573	-	-
NET ASSETS - Ending	\$ 1,107	\$ 463,395	\$ 5,478	\$ 227,324	\$ 63,530	\$ 5,588	\$ 5,703	\$ 772,125	\$ 755,136

**THE MORRIS AREA FOUNDATION INC.**  
**Unaudited Balance Sheet**  
**As at December 31, 2022**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 43,928	\$ 36,173
Government remittances refundable	221	145
	<b>44,149</b>	<b>36,318</b>
<b>INVESTMENTS (Note 3)</b>	<b>521,196</b>	<b>504,816</b>
<b>RESTRICTED CASH (Note 4)</b>	<b>232,800</b>	<b>228,178</b>
	<b>\$ 798,145</b>	<b>\$ 769,312</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 26,020	\$ 14,176
<b>SHAREHOLDERS' EQUITY</b>		
Administration fund	1,107	7,791
MAF endowment fund	463,395	455,401
YIP fund	5,478	2,784
Southern health restricted fund	227,324	225,394
Morris health & wellness endowment fund	63,530	57,616
YIP endowment fund	5,588	4,625
Administration endowment fund	5,703	1,525
	<b>772,125</b>	<b>755,136</b>
	<b>\$ 798,145</b>	<b>\$ 769,312</b>

**APPROVED ON BEHALF OF THE BOARD:**

DocuSigned by:  
  
 1D4E47BA842D436... Director

DocuSigned by:  
  
 287F5FB7154B485... Director

**THE MORRIS AREA FOUNDATION INC.**  
**Unaudited Statement of Cash Flow**  
**For the year ended December 31, 2022**

	<b>2022</b>	<b>2021</b>
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 16,989	\$ 58,974
Net change in non-cash working capital balances	11,768	(3,112)
	<b>28,757</b>	55,862
<b>INVESTING ACTIVITIES</b>		
Endowments held in trust	(16,380)	(84,272)
<b>INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	<b>12,377</b>	(28,410)
<b>CASH AND EQUIVALENTS - Beginning</b>	<b>264,351</b>	292,761
<b>CASH AND EQUIVALENTS - Ending</b>	<b>\$ 276,728</b>	\$ 264,351
<b>CASH AND EQUIVALENTS REPRESENTED BY:</b>		
Cash	\$ 43,928	\$ 36,173
Restricted cash	232,800	228,178
	<b>\$ 276,728</b>	<b>\$ 264,351</b>

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**THE MORRIS AREA FOUNDATION INC.**  
**Notes to the Unaudited Financial Statements**  
**For the year ended December 31, 2022**

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**1. NATURE OF OPERATIONS**

The organization is a public foundation serving the area of the Rural Municipality of Morris, including the Town of Morris.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

The financial statements of the company have been prepared in accordance with Canadian accounting standards for private enterprises.

**Financial instruments**

Financial assets and liabilities are initially measured at fair value. Subsequent measurement of financial assets and liabilities are at amortized cost unless otherwise noted. Financial assets and liabilities measured at amortized cost consist of cash, accounts receivable, and accounts payable.

It is management's opinion that the company is not exposed to significant credit, currency, interest rate, liquidity or market risks arising from these financial instruments, unless otherwise noted.

The company is exposed to the following significant risks:

**Credit risk**

The organization is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The organization does not hold directly any collateral as security for financial obligations of counterparts.

Credit risk associated with cash and long term investments is minimized by ensuring that the funds are invested with credit worthy financial institutions. The investment portfolio listed in note 3 is professionally managed by The Winnipeg Foundation. No single investment represents a material amount of the total portfolio.

**Currency risk**

Currency risk is the risk that the fair market value or future cash flows of a financial instrument will fluctuate because of changes in exchange rates. In respect to it's funds invested in trust with the Winnipeg Foundation, these balances are subject to gain or losses due to fluctuations in the currency.

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**THE MORRIS AREA FOUNDATION INC.**  
**Notes to the Unaudited Financial Statements**  
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**Interest rate risk**

Interest rate risk is the risk that the fair market value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk in respect to its funds invested in trust with the Winnipeg Foundation.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to the risk mainly in respect of its receipt of funds from its donors and other related sources and accounts payable. There has been no significant change in exposure to this risk from the prior year.

**Investments**

The company uses the fair value method to record investments traded on an active market. Unrealized gains and losses are reported in income.

**Capital assets**

Capital assets are recorded as an expense in the year of acquisition. Capital assets of NIL (2021 - \$1,679) were recorded as an expense during the year.

**Revenue recognition**

The company follows the restricted fund method of accounting for contributions. Unrestricted donations are recognized as revenue of the Administration fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue of the appropriate restricted fund. Investment income arising from investments recognized as revenue in the year it is realized

Restricted contributions for expenses of future periods and for which no corresponding restricted fund is presented are deferred and recognized as revenue in the Administration fund in the same period as the related expenses are recognized.



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**THE MORRIS AREA FOUNDATION INC.**  
**Notes to the Unaudited Financial Statements**  
**For the year ended December 31, 2022**

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**Fund accounting**

The Administration Fund's purpose is to receive revenue from donations, grants and fundraising intended to cover the operating expenses of the organization. This fund is unrestricted.

The YIP fund is an internally restricted fund to support youth.

The Southern Health Fund's purpose is to provide donations to Southern Health for improvements to the Morris General Hospital and the Red River Valley Lodge. This fund is externally restricted by an agreement.

The remaining endowment funds have the purpose of receiving contributions in perpetuity and investing the funds to generate revenue. The revenue earned is used to make grants to a variety of charitable groups for the benefit of the local community. This fund is externally restricted by the fund agreements.

**Contributed services and materials**

A substantial number of volunteers contribute a significant amount of their time each year. Due to the difficulty of determining the fair market value, contributed services are not recognized in the financial statements.

Contributed materials which are used in the normal course of the company's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

**3. INVESTMENTS**

	<b>2022</b>	<b>2021</b>
Investment portfolio managed by The Winnipeg Foundation	\$ 521,196	\$ 504,816

**4. RESTRICTED CASH**

The restricted cash balance consists of restricted endowment funds.

	<b>2022</b>	<b>2021</b>
Southern Health Fund	\$ 227,324	\$ 225,394
YIP Fund	5,476	2,784
	<b>\$ 232,800</b>	<b>\$ 228,178</b>

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**THE MORRIS AREA FOUNDATION INC.**  
**Notes to the Unaudited Financial Statements**  
**For the year ended December 31, 2022**

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**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2022</b>		<b>2021</b>
Accounts payable	\$ -	\$	203
Grants payable	<b>23,820</b>		11,974
Accrued liabilities	<b>2,200</b>		2,000
	<b>\$ 26,020</b>	<b>\$</b>	<b>14,177</b>

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