THE MORRIS AREA FOUNDATION INC.

FINANCIAL STATEMENTS

December 31, 2025

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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

We have reviewed the accompanying financial statements of The Morris Area Foundation Inc. that comprise the statement of financial position as at December 31, 2025, and the statements of operations, 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 not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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, 2025, and results of its operations and its cash flows for the period ended in accordance with Canadian accounting standards for not-for-profit organizations.

Gislason Targownik Peters

CHARTERED PROFESSIONAL ACCOUNTANTS LLP

Winkler, Manitoba
May 12, 2026

THE MORRIS AREA FOUNDATION INC.
Statement of Operations
For the year ended December 31, 2025

	OPERATING FUND	MAF ENDOWMENT FUND	SOUTHERN HEALTH RESTRICTED FUND	MORRIS HEALTH & WELLNESS ENDOWMENT FUND	YIP ENDOWMENT FUND	MIKE HESFORD MUSIC FUND	ADMINISTRATION ENDOWMENT FUND	THOMAS SILL FLOW THRU FUND	2025	2024
REVENUE										
Investment income	$ 1,001	$ 89,884	$ 2,156	$ 10,094	$ 1,085	$ 756	$ 2,041	$ -	$ 107,017	$ 97,000
Donations received	3,250	92,074	-	450	-	-	1,000	-	96,774	72,703
Grants	1,279	8,551	249	-	-	-	-	22,264	32,343	30,541
Administration fee	14,287	-	-	-	-	-	-	-	14,287	13,943
	19,817	190,509	2,405	10,544	1,085	756	3,041	22,264	250,421	214,187
OPERATING EXPENSES										
Administration fees	-	7,428	5,705	834	90	62	168	-	14,287	13,943
Advertising and promotion	2,326	-	-	-	-	-	-	-	2,326	1,546
Board developement	71	-	-	-	-	-	-	-	71	2,100
Grants paid to qualified donees	-	19,613	5,176	2,917	298	219	-	22,903	51,126	80,702
Interest and bank charges	23	-	3	-	-	-	-	-	26	20
Investment management fees	-	6,717	-	752	81	56	152	-	7,758	6,375
Memberships, licenses and fees	1,060	-	-	-	-	-	-	-	1,060	1,025
Office stationary and supplies	1,616	-	-	-	-	-	-	-	1,616	856
Professional fees	3,260	-	-	-	-	-	-	-	3,260	2,832
Rent	605	-	-	-	-	-	-	-	605	-
Salaries and wages	6,252	-	-	-	-	-	-	-	6,252	5,947
	15,213	33,758	10,884	4,503	469	337	320	22,903	88,387	115,346
EXCESS OF REVENUE OVER EXPENSES	$ 4,604	$ 156,751	$ (8,479)	$ 6,041	$ 616	$ 419	$ 2,721	$ (639)	$ 162,034	$ 98,841

THE MORRIS AREA FOUNDATION INC.
Statement of Changes in Net Assets
For the year ended December 31, 2025

	OPERATING FUND	MAF ENDOWMENT FUND	SOUTHERN HEALTH RESTRICTED FUND	MORRIS HEALTH & WELLNESS ENDOWMENT FUND	YIP ENDOWMENT FUND	MIKE HESFORD MUSIC FUND	ADMINISTRATION ENDOWMENT FUND	THOMAS SILL FLOW THRU FUND	2025	2024
NET ASSETS - Beginning	$ 28,930	$ 672,473	$ 154,848	$ 77,899	$ 8,362	$ 5,860	$ 15,480	$ -	$ 963,852	$ 865,011
Excess of revenue over expenses	4,604	156,751	(8,479)	6,041	616	419	2,721	(639)	162,034	98,841
Transfers	(3,644)	1,987	-	352	47	9	1,249	-	-	-
NET ASSETS - Ending	$ 29,890	$ 831,211	$ 146,369	$ 84,292	$ 9,025	$ 6,288	$ 19,450	$ (639)	$ 1,125,886	$ 963,852

THE MORRIS AREA FOUNDATION INC.
Statement of Financial Position
As at December 31, 2025

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash	**$ 101,384**	$ 82,764
Accounts receivable	**22,264**	22,903
Government remittances refundable	**684**	489
Prepaid expenses	**315**	630
	124,647	106,786
INVESTMENTS (Note 3)	**923,237**	757,343
RESTRICTED CASH (Note 4)	**146,370**	195,630
	$ 1,194,254	$ 1,059,759
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	**$ 68,368**	$ 95,907
NET ASSETS		
Operating fund	**29,890**	28,930
MAF endowment fund	**831,211**	672,473
Southern health restricted fund	**146,369**	154,848
Morris health & wellness endowment fund	**84,292**	77,899
YIP endowment fund	**9,025**	8,362
Mike Hesford music fund	**6,288**	5,860
Administration endowment fund	**19,450**	15,480
Thomas Sill flow thru fund	**(639)**	-
	1,125,886	963,852
	$ 1,194,254	$ 1,059,759

APPROVED ON BEHALF OF THE BOARD:

DocuSigned by: Midge Anderson 1D4E47BA842D436... Director

DocuSigned by: Curtis Evenson 287F5FB7154D485... Director

THE MORRIS AREA FOUNDATION INC.
Statement of Cash Flow
For the year ended December 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess of revenue over expenses	$ 162,034	$ 98,841
Net change in non-cash working capital balances	(26,780)	44,612
	135,254	143,453
INVESTING ACTIVITIES		
Endowments held in trust	(165,894)	(125,259)
(DECREASE) INCREASE IN CASH AND EQUIVALENTS	(30,640)	18,194
CASH AND EQUIVALENTS - Beginning	278,394	260,200
CASH AND EQUIVALENTS - Ending	$ 247,754	$ 278,394
CASH AND EQUIVALENTS REPRESENTED BY:		
Cash	$ 101,384	$ 82,764
Restricted cash	146,370	195,630
	$ 247,754	$ 278,394

1. PURPOSE OF THE ORGANIZATION

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 organization have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

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 organization is not exposed to significant credit, currency, interest rate, liquidity or market risks arising from these financial instruments, unless otherwise noted.

The organization 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.

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 it's 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 organization 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 (2024 - NIL) were recorded as an expense during the year.

Revenue recognition

The organization follows the restricted fund method of accounting for contributions. Unrestricted donations are recognized as revenue of the Operating 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.

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 organization'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

	2025	2024
Investment portfolio managed by The Winnipeg Foundation	**$ 923,237**	$ 757,343

4. RESTRICTED CASH

The restricted cash balance consists of restricted endowment funds.

	2025	2024
Southern Health Fund	**$ 146,370**	$ 195,630
	$ 146,370	$ 195,630

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Grants payable	**$ 65,300**	$ 93,306
Accrued liabilities	**3,067**	2,600
	$ 68,367	$ 95,906