

Morden Area Foundation Inc.

Financial Statements

August 31, 2025

Morden Area Foundation Inc.

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of Directors
Morden Area Foundation Inc.

We have reviewed the accompanying financial statements of **Morden Area Foundation Inc.** which comprise the statement of financial position as at **August 31, 2025**, and the statements of operations, 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 Statement

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 intent 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 of 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 **Morden Area Foundation Inc.** as at **August 31, 2025**, 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.

K. J. Giesbrecht, CPA

Chartered Professional Accountant

December 12, 2025
Morden, MB

Morden Area Foundation Inc.

Statement of Financial Position

| August 31 | 2025 | 2024 |
|--|----------------------------|----------------------------|
| Assets | | |
| Current | | |
| Cash and cash equivalents | \$ 171,376 | \$ 118,842 |
| Goods and services tax receivable | <u>505</u> | <u>383</u> |
| | 171,881 | 119,225 |
| Investments (Note 4) | <u>7,288,116</u> | <u>6,416,963</u> |
| | <u>\$ 7,459,997</u> | <u>\$ 6,536,188</u> |
| Liabilities | | |
| Current | | |
| Payables and accruals | \$ 2,278 | \$ 2,680 |
| Grants payable | <u>112,971</u> | <u>86,729</u> |
| | 115,249 | 89,409 |
| Net Assets | | |
| Unrestricted | 56,632 | 29,816 |
| Restricted - for endowment purposes (Note 6) | <u>7,288,116</u> | <u>6,416,963</u> |
| | 7,344,748 | 6,446,779 |
| | <u>\$ 7,459,997</u> | <u>\$ 6,536,188</u> |

Approved on behalf of the Board:

Director

Director

Morden Area Foundation Inc.

Statement of Operations

For the year ended August 31

2025

2024

Revenue

| | | |
|-----------------------------|----------------|----------------|
| Investment income | \$ 341,194 | \$ 224,452 |
| Grant income | 16,130 | 23,273 |
| Flow through grants | 22,953 | - |
| Fundraising and sponsorship | 24,664 | 6,900 |
| | <u>404,941</u> | <u>254,625</u> |

Operating expenses

| | | |
|---------------------------|----------------|----------------|
| Administration and other | 20,199 | 20,778 |
| Advertising and promotion | 4,607 | 5,641 |
| Conference expenses | 266 | 5,075 |
| Fundraising | 13,953 | 5,310 |
| Grants awarded | 310,710 | 221,270 |
| Salaries and benefits | 16,038 | 15,174 |
| Subcontract | 12,352 | 11,806 |
| | <u>378,125</u> | <u>285,054</u> |

| | | |
|--|------------------|--------------------|
| Increase (decrease) in unrestricted net assets from operations | \$ <u>26,816</u> | \$ <u>(30,429)</u> |
|--|------------------|--------------------|

Morden Area Foundation Inc.
Statement of Changes in Net Assets

For the year ended August 31

| | Unrestricted | Restricted | 2025 | 2024 |
|--|--------------|--------------|--------------|--------------|
| Net assets, beginning of year | \$ 29,816 | \$ 6,416,963 | \$ 6,446,779 | \$ 4,210,940 |
| Increase (decrease) in unrestricted net assets from operations | 26,816 | - | 26,816 | (30,429) |
| Net change in endowment funds (Note 4) | - | 391,526 | 391,526 | 443,122 |
| Endowment donations received | - | 479,627 | 479,627 | 1,823,146 |
| Net assets, end of year | \$ 56,632 | \$ 7,288,116 | \$ 7,344,748 | \$ 6,446,779 |

Morden Area Foundation Inc.

Statement of Cash Flow

| For the year ended August 31 | 2025 | 2024 |
|---|-------------------|-------------------|
| Operating activities | | |
| Increase in unrestricted net assets from operations | \$ 26,816 | \$ (30,429) |
| Non-cash items affecting operations: | | |
| Net change in non-cash working capital | <u>25,718</u> | <u>54,644</u> |
| | 52,534 | 24,215 |
| Investing activities | | |
| Net transfer to long-term investments | <u>-</u> | <u>(30,000)</u> |
| Increase (decrease) in cash and equivalents | 52,534 | (5,785) |
| Cash and cash equivalents, beginning of year | <u>118,842</u> | <u>124,627</u> |
| Cash and cash equivalents, end of year | \$ 171,376 | \$ 118,842 |

Morden Area Foundation Inc.

Notes to the Financial Statements

August 31, 2025

1. Purpose of the organization

Morden Area Foundation Inc. is a philanthropic organization, organized and operated primarily as a permanent collection of endowments funds, the earnings of which are used for the long-term benefit of the community. The Foundation is a registered charity and is classified as a public foundation for the purposes of the Income Tax Act. The Foundation is exempt from income tax.

2. Summary of significant accounting policies

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

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.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and unrestricted balances with banks.

Contributed services

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.

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 in marketable securities quoted in an active market, which the Foundation measures at fair value. The Foundation's investments in marketable securities are comprised of bonds, preferred shares, and common shares. The fair value is based on published prices in an active market at yearend. Changes in unrealized gains and losses are reflected in the endowment fund.

Grant commitments

Grant commitments are recorded in the year approved. Multi-year plans to support community initiatives are subject to annual board approval of that respective year's grant amount.

Morden Area Foundation Inc.

Notes to the Financial Statements

August 31, 2025

2. Summary of significant accounting policies (continued)

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in restricted net assets. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Investment income is recognized as unrestricted revenue when earned.

Use of estimates

The preparation of the financial statements in the conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements, as well as reported amounts of revenues and expenses during the reporting period. These estimates are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates in future periods could be significant.

3. Investment policy

In accordance with the Foundation's mission to benefit the community by supporting not-for-profit, charitable, educational, and cultural organizations, the Board of Directors has developed an Investment Policy, 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 and includes restrictions regarding the maximum amount of equity holdings as well as the maximum and nature of bond investments.

| 4. Investments | <u>2025</u> | <u>2024</u> |
|---|----------------------------|----------------------------|
| Funds managed by The Winnipeg Foundation at market value (cost \$6,159,621; 2024: \$5,679,995) | <u>\$ 7,288,116</u> | <u>\$ 6,416,963</u> |
| Investment income | | |
| Realized gains (loss) | \$ 427,577 | \$ 110,766 |
| Unrealized gains (loss) | 188,877 | 446,913 |
| Interest and dividends | 179,413 | 147,164 |
| Transfer to unrestricted net assets | (338,824) | (222,689) |
| Investment management fees | <u>(65,517)</u> | <u>(39,032)</u> |
| | <u>\$ 391,526</u> | <u>\$ 443,122</u> |

Investment income (losses) earned on the investment portfolio managed by The Winnipeg Foundation are allocated to endowment funds on a proportionate basis to the opening net asset balance in each endowment fund.

Morden Area Foundation Inc.

Notes to the Financial Statements

August 31, 2025

5. 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. The policy prescribes limits around the quality and concentration of investments held by the Foundation. The Foundation's investments are regularly reviewed to ensure all activities adhere to the investment policy. The Foundation does not engage in hedging transactions.

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 Foundation's investments are considered readily realizable and liquid, therefore the Foundation's risk is considered minimal.

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 bonds 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 the bond portfolio have a minimum credit rating of A at the time of purchase. The Foundation monitors its credit risk management policies regularly to evaluate their effectiveness.

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 or equity prices. The investments of the Foundation are subjected to normal market fluctuations and to the risk inherent in investment in capital markets.

Morden Area Foundation Inc.

Notes to the Financial Statements

August 31

2025

2024

6. Endowment Funds

| | | |
|--|--------------|--------------|
| General Community Fund | \$ 1,106,707 | \$ 980,367 |
| Alzheimer Society of Manitoba Fund | 53,298 | - |
| Arts Stabilization Manitoba Fund | 16,237 | 15,061 |
| Bill and Linda Fehr Scholarship Fund | 14,797 | 13,954 |
| Canadian Fossil Discovery Centre Development Fund | 37,142 | 35,308 |
| Canadian Fossil Discovery Centre Heritage Fund | 91,534 | 86,498 |
| Canadian Fossil Discovery Centre Museum Sustainability | 1,797,553 | 1,685,760 |
| Caring and Sharing Committee Fund | 51,306 | 48,777 |
| City of Morden Fund | 103,807 | 93,299 |
| Clark Elder Memorial Fund | 40,881 | 37,727 |
| Class of 72 Scholarship Fund | 13,238 | 1,006 |
| Diane McAndrew Scholarship Fund | 9,491 | 8,997 |
| Doug Cram Memorial Bursary Fund | 21,251 | 19,660 |
| Fehr Family Fund | 62,802 | - |
| Isaac and Dorothy Kroeker Memorial Fund | 22,486 | 21,028 |
| Jake Kenneth Warkentin Scholarship Fund | 10,580 | 10,033 |
| Joe and Annie Olafson Scholarship Fund | 11,812 | 10,730 |
| John and Isabel Reichert Scholarship Fund | 28,093 | 26,644 |
| Krueger Scholarship Fund | 6,794 | 6,459 |
| Lautenschlager Family Fund | 18,169 | 16,190 |
| Learn and Return Health Care Bursary | 679,577 | 562,195 |
| Linda Wilson Skateboard Park Fund | 7,770 | 7,387 |
| Loreena McKennitt Fund | 3,303 | 3,140 |
| Manitoba Baseball Hall of Fame Fund | 125,954 | 118,795 |
| Midge and Lorne Kyle Memorial Fund | 12,467 | 11,322 |
| Morden Activity Centre Fund | 29,680 | 27,116 |
| Morden Area Foundation Managed Fund | 108,018 | 100,494 |
| Morden Area Foundation Scholarship Fund | 70,087 | 66,482 |
| Morden Area Foundation Support Fund | 416,763 | 390,037 |
| Morden Caring & Sharing (School Meals) | 53,298 | - |
| Morden Corn & Apple Festival Fund | 60,874 | 57,538 |
| Morden Festival of Arts Scholarship Fund | 9,357 | 8,827 |
| Morden Masonic Lodge Scholarship Fund | 20,824 | 19,795 |
| Morden Student Council Bursary Fund | 4,627 | 4,399 |
| Pembina Threshermen's Museum Fund | 28,522 | 27,116 |
| Pembina Valley Child Care Centre Fund | 53,298 | - |
| Power of the Purse Fund | 178,095 | 158,506 |
| Prairie Crossroads School Fund | 52,781 | - |
| Sub-total | \$ 5,433,273 | \$ 4,680,647 |

Morden Area Foundation Inc.
Notes to the Financial Statements

August 31

2025

2024

6. Endowment Funds (continued)

| | | |
|---|----------------------------|----------------------------|
| Sub-total previous page | <u>\$ 5,433,273</u> | <u>\$ 4,680,647</u> |
| Recreation and Sport Fund | 147,171 | 139,915 |
| Royal Canadian Legion Branch #11 Fund | 28,753 | 27,369 |
| South Central Cancer Resource Fund | 56,210 | 53,138 |
| South Central Regional Library Fund | 24,902 | 23,624 |
| St. Thomas Anglican Church Fund | 25,630 | - |
| Tio & Leanne Bellisario Excellence in Science Scholarship | 21,202 | - |
| Thomas Sill Foundation Fund | 1,359,876 | 1,311,169 |
| United Way Fund | 46,983 | 44,661 |
| Victoria Rebekah Lodge Bursary Fund | 3,309 | 3,146 |
| William and Colleen Lyne Scholarship | 122,055 | 115,557 |
| Youth in Philanthropy Fund | 18,752 | 17,737 |
| | <u>\$ 7,288,116</u> | <u>\$ 6,416,963</u> |