

**THE MORRIS AREA FOUNDATION INC**  
**Financial Statements**  
**Year Ended December 31, 2016**  
*(Unaudited)*



## **Pro Vue Business Group**

CHARTERED PROFESSIONAL ACCOUNTANTS Inc / COMPTABLES PROFESSIONNELS AGRÉÉS Inc.

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### **REVIEW ENGAGEMENT REPORT**

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To the Members of The Morris Area Foundation Inc

We have reviewed the statement of financial position of The Morris Area Foundation Inc as at December 31, 2016 and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the foundation.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

St Pierre Jolys, Manitoba  
April 25, 2017

Pro Vue Business Group CPA Inc  
Chartered Professional Accountants

**THE MORRIS AREA FOUNDATION INC**  
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**Year Ended December 31, 2016**  
*(Unaudited)*

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**THE MORRIS AREA FOUNDATION INC**

**Statement of Financial Position**

**December 31, 2016**

*(Unaudited)*

	2016	2015
<b>ASSETS</b>		
CURRENT		
Cash	\$ 13,726	\$ 2,652
THE WINNIPEG FOUNDATION <i>(Note 4)</i>	137,778	54,483
	\$ 151,504	\$ 57,135
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT		
Accounts payable	\$ 12,480	\$ 1,850
NET ASSETS		
Operating fund	1,246	802
Endowment fund	137,778	54,483
	139,024	55,285
	\$ 151,504	\$ 57,135

**ON BEHALF OF THE BOARD**

\_\_\_\_\_  
*Director*

\_\_\_\_\_  
*Director*

The attached notes are an integral part of this financial statement.

**THE MORRIS AREA FOUNDATION INC**  
**Statement of Revenues and Expenditures**  
**Year Ended December 31, 2016**

*(Unaudited)*

	2016	2015
<b>REVENUES</b>		
Donations received	\$ 92,605	\$ 50,242
Realized/unrealized gains on investments	3,655	374
Interest and dividends	3,212	531
Investment earnings on endowments	158	53
	<b>99,630</b>	<b>51,200</b>
<b>EXPENDITURES</b>		
Administration fees	2,031	149
Advertising	835	617
Bank charges	-	16
Grants paid to qualified donees	11,000	1,600
Postage, courier, telephone	-	765
Professional fees	1,645	1,250
Stationary and supplies	380	153
	<b>15,891</b>	<b>4,550</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ 83,739</b>	<b>\$ 46,650</b>

The attached notes are an integral part of this financial statement.

**THE MORRIS AREA FOUNDATION INC**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2016**  
*(Unaudited)*

	Operating Fund	Endowment Fund	2016	2015
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 802	\$ 54,483	\$ 55,285	\$ 8,635
Excess of revenues over expenditures	83,739	-	83,739	46,650
Transfer from endowment fund to operating	(83,295)	83,295	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 1,246	\$ 137,778	\$ 139,024	\$ 55,285

The attached notes are an integral part of this financial statement.

**THE MORRIS AREA FOUNDATION INC**

**Statement of Cash Flow**

**Year Ended December 31, 2016**

*(Unaudited)*

	2016	2015
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures	\$ 83,739	\$ 46,650
Change in non-cash working capital:		
Accounts payable	10,630	1,850
Cash flow from operating activities	94,369	48,500
<b>INVESTING ACTIVITY</b>		
The Winnipeg Foundation	(83,295)	(54,483)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	11,074	(5,983)
Cash - beginning of year	2,652	8,635
<b>CASH - END OF YEAR</b>	\$ 13,726	\$ 2,652

**THE MORRIS AREA FOUNDATION INC**

**Notes to Financial Statements**

**Year Ended December 31, 2016**

*(Unaudited)*

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**1. BASIS OF PRESENTATION**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

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**2. DESCRIPTION OF OPERATIONS**

The foundation is incorporated under The Corporations Act - Manitoba . The organization is a public foundation serving the area of Morris, Manitoba.

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Cash equivalents

Highly liquid investments with maturities of one year or less at date of purchase are classified as cash equivalents.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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**THE MORRIS AREA FOUNDATION INC**

**Notes to Financial Statements**

**Year Ended December 31, 2016**

*(Unaudited)*

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fund accounting

The Morris Area Foundation Inc follows the deferral method of accounting for contributions.

Revenues and expenses related to program delivery and administrative activities are reported in the Operating Fund.

Endowment contributions are reported in the Endowment Fund. Investment income earned on resources of the Endowment Fund is reported in the [Name of Fund] or Operating Fund depending on the nature of any restrictions imposed by contributors of funds for endowment.

Goods and Services Tax

Contributed materials and services are recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Revenue recognition

The Morris Area Foundation Inc follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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 revenue.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

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4. LONG TERM INVESTMENTS

**Endowment fund**

	<b>2016</b>	<b>2015</b>
The Winnipeg Foundation	<b>\$ 137,778</b>	<b>\$ 54,483</b>

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