

THE MORRIS AREA FOUNDATION INC
Financial Statements
Year Ended December 31, 2020

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Year Ended December 31, 2020

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Pro Vue Business Group

CHARTERED PROFESSIONAL ACCOUNTANTS Inc / COMPTABLES PROFESSIONNELS AGRÉÉS Inc.

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of The Morris Area Foundation Inc

We have reviewed the accompanying financial statements of The Morris Area Foundation Inc (the foundation) that comprise the statement of financial position as at December 31, 2020, and the statements of revenues and expenditures, 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 (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.

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, 2020, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

St Pierre Jolys, Manitoba
May 5, 2021

Pro Vue Business Group CPA Inc
Chartered Professional Accountants

THE MORRIS AREA FOUNDATION INC
Statement of Revenues and Expenditures
Year Ended December 31, 2020

	Administration Fund 2020	MAF Endowment Fund 2020	YIP Restricted Fund 2020	Southern Health Restricted Fund 2020	Morris Health & Wellness Endowment Fund 2020	YIP Endowment Fund 2020	Total 2020	Total 2019
RECEIPTS								
Donations received	\$ -	\$ 81,567	\$ -	\$ -	\$ 41,050	\$ -	\$ 122,617	\$ 444,626
Contributions to administration from endowment funds	-	-	-	-	-	-	-	4,266
Investment earnings	-	10,332	18	4,465	414	105	15,334	14,923
Grants	13,503	-	-	-	-	-	13,503	-
Realized gains on investments	-	9,303	-	-	339	92	9,734	4,962
Net change in unrealized capital gain on endowment funds	-	15,202	-	-	53	152	15,407	20,217
	13,503	116,404	18	4,465	41,856	349	176,595	488,994
EXPENSES								
Administration fees	1,119	2,725	-	-	-	30	3,874	5,029
Advertising	1,269	-	-	-	-	-	1,269	1,120
Bank charges	-	-	6	-	-	-	6	4
Grants paid to qualified donees	9,923	-	1,301	136,104	-	-	147,328	9,800
Education and training	358	-	-	-	-	-	358	-
Professional fees	5,850	-	-	-	-	-	5,850	2,154
Stationary and supplies	518	-	-	-	-	-	518	1,158
	19,037	2,725	1,307	136,104	-	30	159,203	19,265
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENSES	\$ (5,534)	\$ 113,679	\$ (1,289)	\$ (131,639)	\$ 41,856	\$ 319	\$ 17,392	\$ 469,729

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, 2020

	Administration Fund	MAF Endowment Fund	YIP Restricted Fund	Southern Health Restricted Fund	Morris Health & Wellness Endowment Fund	YIP Endowment Fund	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 1,823	\$ 273,746	\$ 3,544	\$ 397,016	\$ -	\$ 2,641	\$ 678,770	\$ 209,041
Excess (deficiency) of receipts over expenses	(5,534)	113,679	(1,289)	(131,639)	41,856	319	17,392	469,729
Admin fee allocation	8,618	(3,268)	-	(5,312)	-	(38)	-	-
Granting allocation	6,876	(9,451)	2,575	-	-	-	-	-
Allocations to endowment fund	-	(227)	(1,060)	-	-	1,287	-	-
NET ASSETS - END OF YEAR	\$ 11,783	\$ 374,479	\$ 3,770	\$ 260,065	\$ 41,856	\$ 4,209	\$ 696,162	\$ 678,770

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

THE MORRIS AREA FOUNDATION INC
Statement of Financial Position
December 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 28,926	\$ 13,643
YIP fund	3,770	3,548
Southern Health Fund	260,065	397,016
Accounts receivable	500	44
	293,261	414,251
ENDOWMENT FUND HELD IN TRUST (Note 4)	420,544	276,317
ASSETS	\$ 713,805	\$ 690,568
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 5,095	\$ 2,000
Grants payable	12,548	9,798
TOTAL LIABILITIES	17,643	11,798
NET ASSETS		
Administration Fund	11,783	1,823
MAF Endowment Fund	374,479	273,746
YIP Restricted Fund	3,770	3,544
Southern Health Restricted Fund	260,065	397,016
Morris Health & Wellness Endowment Fund	41,856	-
YIP Endowment Fund	4,209	2,641
	696,162	678,770
TOTAL LIABILITIES AND NET ASSETS	\$ 713,805	\$ 690,568

ON BEHALF OF THE BOARD

Director

Director

THE MORRIS AREA FOUNDATION INC
Statement of Cash Flows
Year Ended December 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess of receipts over expenses	\$ 17,392	\$ 469,729
Changes in non-cash working capital:		
Accounts receivable	(456)	1,892
Accounts payable and accrued liabilities	3,096	301
Grants payable	2,750	3,998
	5,390	6,191
Cash flow from operating activities	22,782	475,920
INVESTING ACTIVITY		
Endowment fund held in trust	(144,227)	(73,247)
Cash flow used by investing activity	(144,227)	(73,247)
INCREASE (DECREASE) IN CASH FLOW	(121,445)	402,673
Cash - beginning of year	414,207	11,534
CASH - END OF YEAR	\$ 292,762	\$ 414,207
CASH CONSISTS OF:		
Cash	\$ 28,926	\$ 13,643
YIP fund	3,770	3,548
Southern Health Fund	260,066	397,016
	\$ 292,762	\$ 414,207

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

THE MORRIS AREA FOUNDATION INC
Notes to Financial Statements
Year Ended December 31, 2020
(Unaudited)

1. BASIS OF PRESENTATION

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

2. DESCRIPTION OF OPERATIONS

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

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).

Fund accounting

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

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

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

The Endowment has 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.

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.

Revenue recognition

Bequests and other donations are recorded when received. Unless a donor specified otherwise, donations received are generally considered contributions to the capital of the Foundation and are, therefore, reflected as revenue of the Endowment and restricted funds. If a donor specifies that the contribution is not to be retained permanently, it is recognized as revenue of the Administration Fund.

Investment income is recognized as revenue in the year it is realized.

Investments

The funds held in trust are recorded at year-end market values. Revenue includes interest, dividends, realized capital gains (losses), and the net change in unrealized capital gains (losses) for the year.

(continues)

THE MORRIS AREA FOUNDATION INC
Notes to Financial Statements
Year Ended December 31, 2020
(Unaudited)

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

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.

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.

4. ENDOWMENT FUNDS HELD IN TRUST

The Endowment Fund is held in a pooled trust fund by The Winnipeg Foundation. Income earned on the funds is reinvested within the fund. Annually, the fund is reduced by its allocation for granting plus its administration fees and actual investment management costs. Granting and administration fees are set by the Morris Area Foundation from time to time and for 2020 was 4% and 1% respectively (2019 - 4% and 1%). The Winnipeg Foundation charges the fund administrative and investment management fees that in 2020 totaled 0.95% (2019 0.95%) of the September 30th market value of the fund.

The budgeted asset allocation policy of the fund is 30% fixed income, 60% equity, and 10% real estate assets.

5. FINANCIAL INSTRUMENTS

The foundation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the foundation's risk exposure and concentration as of December 31, 2020.

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