
**THE MORRIS AREA FOUNDATION
INC.
UNAUDITED FINANCIAL STATEMENTS
December 31, 2021**

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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, 2021, 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, 2021, and results of its operations and its cash flows for the period ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matters

The financial statements of The Morris Area Foundation Inc. for the year ended December 31, 2020 were reviewed by another practitioner.

Gislason Targownik Peters LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Winkler, Manitoba

The Morris and Area Foundation
Statement of Operations
For the year ended December 31, 2021

	ADMINISTRATION FUND	MAF ENDOWMENT FUND	YIP RESTRICTED FUND	SOUTHERN HEALTH RESTRICTED FUND	MORRIS HEALTH & WELLNESS ENDOWMENT FUND	YIP ENDOWMENT FUND	ADMINISTRATION ENDOWMENT FUND	2021	2020
Revenue									
Administrative fees	\$ 5,101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,101	\$ 3,349
Donations received	-	43,541	-	-	11,500	-	500	55,541	122,617
Grants	8,202	-	-	-	-	-	-	8,202	10,154
Investment income	144	46,105	14	1,881	5,961	505	41	54,651	40,475
	13,447	89,646	14	1,881	17,461	505	541	123,495	176,595
EXPENSES									
Administration fees	-	4,075	-	-	970	46	10	5,101	3,349
Advertising	1,140	-	-	-	-	-	-	1,140	1,269
Board development	181	-	-	-	-	-	-	181	-
Grants paid to qualified donees	-	11,000	1,575	32,087	-	-	-	44,662	147,328
Interest and bank charges	-	-	-	-	-	-	-	-	6
Investment management fees	-	3,855	-	-	731	43	6	4,635	-
Memberships, licenses and fees	525	-	-	-	-	-	-	525	525
Office and stationary	3,075	-	-	-	-	-	-	3,075	876
Professional fees	2,692	-	-	-	-	-	-	2,692	5,850
Salaries and wages	2,510	-	-	-	-	-	-	2,510	-
	10,123	18,930	1,575	32,087	1,701	89	16	64,521	159,203
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 3,324	\$ 70,716	\$ (1,561)	\$ (30,206)	\$ 15,760	\$ 416	\$ 525	\$ 58,974	\$ 17,392


The Morris and Area Foundation
Statement of Changes in Net Assets
For the year ended December 31, 2021

	ADMINISTRATION FUND	MAF ENDOWMENT FUND	YIP RESTRICTED FUND	SOUTHERN HEALTH RESTRICTED FUND	MORRIS HEALTH & WELLNESS ENDOWMENT FUND	YIP ENDOWMENT FUND	ADMINISTRATION ENDOWMENT FUND	2021	2020
NET ASSETS - Beginning	\$ 2,402	\$ 383,785	\$ 3,770	\$ 260,065	\$ 41,856	\$ 4,284	\$ -	\$ 696,162	\$ 678,770
Excess (Deficiency) of revenue over expenses	3,324	70,716	(1,561)	(30,206)	15,760	416	525	58,974	17,392
Transfers	2,065	900	575	(4,465)	-	(75)	1,000	-	-
NET ASSETS - Ending	\$ 7,791	\$ 455,401	\$ 2,784	\$ 225,394	\$ 57,616	\$ 4,625	\$ 1,525	\$ 755,136	\$ 696,162

THE MORRIS AREA FOUNDATION INC.
Unaudited Statement of Financial Position
As at December 31, 2021

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash	\$ 36,173	\$ 28,926
Accounts receivable	-	500
Government remittances refundable	145	-
	36,318	29,426
INVESTMENTS (Note 3)	504,816	420,544
RESTRICTED CASH (Note 4)	228,178	263,835
	\$ 769,312	\$ 713,805
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	\$ 14,176	\$ 17,643
NET ASSETS		
Administration fund	7,791	2,402
MAF endowment fund	455,401	383,785
YIP fund	2,784	3,770
Southern health restricted fund	225,394	260,065
Morris health & wellness endowment fund	57,616	41,856
YIP endowment fund	4,625	4,284
Administration endowment fund	1,525	-
	755,136	696,162
	\$ 769,312	\$ 713,805

APPROVED ON BEHALF OF THE BOARD:

DocuSigned by:

 32655F3EB8A9422... Director

DocuSigned by:

 75D6E408AC42495... Director

THE MORRIS AREA FOUNDATION INC.
Unaudited Statement of Cash Flow
For the year ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 58,974	\$ 17,392
Net change in non-cash working capital balances	(3,112)	5,389
	55,862	22,781
INVESTING ACTIVITIES		
Endowments held in trust	(84,272)	(144,227)
DECREASE IN CASH AND EQUIVALENTS	(28,410)	(121,446)
CASH AND EQUIVALENTS - Beginning	292,761	414,207
CASH AND EQUIVALENTS - Ending	\$ 264,351	\$ 292,761
CASH AND EQUIVALENTS REPRESENTED BY:		
Cash	\$ 36,173	\$ 28,926
Restricted cash	228,178	263,835
	\$ 264,351	\$ 292,761

THE MORRIS AREA FOUNDATION INC.
Notes to the Unaudited Financial Statements
For the year ended December 31, 2021

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 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.

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 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 \$1,679 (2020 - 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 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.

THE MORRIS AREA FOUNDATION INC.
Notes to the Unaudited Financial Statements
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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 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

	2021	2020
Investment portfolio managed by The Winnipeg Foundation	\$ 504,816	\$ 420,544

THE MORRIS AREA FOUNDATION INC.
Notes to the Unaudited Financial Statements
For the year ended December 31, 2021

4. RESTRICTED CASH

The restricted cash balance consists of restricted endowment funds.

	2021	2020
Southern Health Fund	\$ 225,394	\$ 260,065
YIP Fund	2,784	3,770
	\$ 228,178	\$ 263,835

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
Accounts payable	\$ 203	\$ 595
Grants payable	11,974	12,548
Accrued liabilities	2,000	4,500
	\$ 14,177	\$ 17,643