

**Morden Area Foundation Inc.**

**Financial Statements**

August 31, 2024

**Morden Area Foundation Inc.**  
**Table of Contents**  
August 31, 2024

	<u>Page</u>
Review Engagement Report	1
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7



## 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, 2024**, 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, 2024**, 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 9, 2024  
Morden, MB



**Morden Area Foundation Inc.**  
**Statement of Financial Position**

August 31

**2024**

**2023**

**Assets**

**Current**

Cash and cash equivalents	<b>\$ 118,842</b>	\$ 124,627
Receivables	-	140
Goods and services tax receivable	<b>383</b>	341

	<b>119,225</b>	125,108
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Investments (Note 4)	<b>6,416,963</b>	4,120,695
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	<b>\$ 6,536,188</b>	<b>\$ 4,245,803</b>
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**Liabilities**

**Current**

Payables and accruals	<b>\$ 2,680</b>	\$ 2,000
Grants payable	<b>86,729</b>	32,863

	<b>89,409</b>	34,863
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**Net Assets**

Unrestricted	<b>29,816</b>	65,920
Restricted - for endowment purposes (Note 6)	<b>6,416,963</b>	4,145,020

	<b>6,446,779</b>	4,210,940
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	<b>\$ 6,536,188</b>	<b>\$ 4,245,803</b>
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Approved on behalf of the Board:

	_____ Director		_____ Director
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# Morden Area Foundation Inc.

## Statement of Operations

For the year ended August 31

	2024	2023
<b>Revenue</b>		
Investment income	\$ 224,452	\$ 215,938
Grant income	23,273	24,785
Fundraising and sponsorship	6,900	9,250
	<u>254,625</u>	<u>249,973</u>
<b>Operating expenses</b>		
Administration and other	20,778	23,261
Advertising and promotion	5,641	4,679
Conference expenses	5,075	4,865
Fundraising	5,310	5,720
Grants awarded	221,270	151,950
Salaries and benefits	15,174	-
Subcontract	11,806	15,725
	<u>285,054</u>	<u>206,200</u>
Increase (decrease) in unrestricted net assets from operations	<u>\$ (30,429)</u>	<u>\$ 43,773</u>



## Morden Area Foundation Inc.

### Statement of Changes in Net Assets

For the year ended August 31

	Unrestricted	Restricted	2024	2023
Net assets, beginning of year	\$ 65,920	\$ 4,145,020	<b>\$ 4,210,940</b>	\$ 3,937,137
Increase (decrease) in unrestricted net assets from operations	(30,429)	-	<b>(30,429)</b>	43,773
Transfer to unrestricted fund	24,325	(24,325)	-	-
Transfer to endowment fund	(30,000)	30,000	-	-
Net change in endowment funds (Note 4)	-	443,122	<b>443,122</b>	61,283
Endowment donations received	-	1,823,146	<b>1,823,146</b>	168,747
Net assets, end of year	<u>\$ 29,816</u>	<u>\$ 6,416,963</u>	<b><u>\$ 6,446,779</u></b>	<u>\$ 4,210,940</u>

# Morden Area Foundation Inc.

## Statement of Cash Flow

For the year ended August 31

	2024	2023
<b>Operating activities</b>		
Increase in unrestricted net assets from operations	\$ (30,429)	\$ 43,773
Non-cash items affecting operations:		
Net change in non-cash working capital	<u>54,644</u>	<u>13,319</u>
	<b>24,215</b>	57,092
<b>Investing activities</b>		
Net transfer to long-term investments	<u>(30,000)</u>	<u>(33,594)</u>
Increase (decrease) in cash and equivalents	<b>(5,785)</b>	23,498
Cash and cash equivalents, beginning of year	<u>124,627</u>	<u>101,129</u>
Cash and cash equivalents, end of year	<u><b>\$ 118,842</b></u>	<u><b>\$ 124,627</b></u>



# Morden Area Foundation Inc.

## Notes to the Financial Statements

August 31, 2024

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### 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.

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### 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 (2023: \$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.

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# Morden Area Foundation Inc.

## Notes to the Financial Statements

August 31, 2024

### 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>2024</u>	<u>2023</u>
Funds managed by The Winnipeg Foundation at market value (cost \$5,679,995; 2023: \$3,826,848)	<u>\$ 6,416,963</u>	<u>\$ 4,120,695</u>
Investment income		
Realized gains (loss)	\$ 110,766	\$ 103,084
Unrealized gains (loss)	446,913	95,282
Interest and dividends	147,164	112,159
Transfer to unrestricted net assets	(222,689)	(214,286)
Investment management fees	<u>(39,032)</u>	<u>(34,956)</u>
	<u>\$ 443,122</u>	<u>\$ 61,283</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, 2024

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### 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.

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# Morden Area Foundation Inc.

## Notes to the Financial Statements

August 31

2024

2023

### 6. Endowment Funds

General Community Fund	\$ 980,367	\$ 899,625
Arts Stabilization Manitoba Fund	15,061	13,844
Bill and Linda Fehr Scholarship Fund	13,954	13,062
Canadian Fossil Discovery Centre Development Fund	35,308	33,255
Canadian Fossil Discovery Centre Heritage Fund	86,498	80,121
Canadian Fossil Discovery Centre Museum Sustainability	1,685,760	1,567,022
Caring and Sharing Committee Fund	48,777	45,953
City of Morden Fund	93,299	83,000
Clark Elder Memorial Fund	37,727	35,470
Class of 72 Scholarship Fund	1,006	-
Diane McAndrew Scholarship Fund	8,997	8,469
Doug Cram Memorial Bursary Fund	19,660	17,942
Isaac and Dorothy Kroeker Memorial Fund	21,028	19,607
Jake Kenneth Warkentin Scholarship Fund	10,033	9,448
Joe and Annie Olafson Scholarship Fund	10,730	10,027
John and Isabel Reichert Scholarship Fund	26,644	24,983
Krueger Scholarship Fund	6,459	6,084
Lautenschlager Family Fund	16,190	14,151
Learn and Return Health Care Bursary	562,195	-
Linda Wilson Skateboard Park Fund	7,387	6,960
Loreena McKennitt Fund	3,140	2,958
Manitoba Baseball Hall of Fame Fund	118,795	109,019
Midge and Lorne Kyle Memorial Fund	11,322	10,399
Morden Activity Centre Fund	27,116	25,877
Morden Area Foundation Managed Fund	100,494	92,451
Morden Area Foundation Scholarship Fund	66,482	62,621
Morden Area Foundation Support Fund	390,037	334,259
Morden Corn & Apple Festival Fund	57,538	53,546
Morden Festival of Arts Scholarship Fund	8,827	8,268
Morden Masonic Lodge Scholarship Fund	19,795	18,646
Morden Student Council Bursary Fund	4,399	4,143
Pembina Threshermen's Museum Fund	27,116	25,877
Power of the Purse Fund	158,506	134,707
Recreation and Sport Fund	139,915	131,811
Royal Canadian Legion Branch #11 Fund	27,369	-
South Central Cancer Resource Fund	53,138	50,060
South Central Regional Library Fund	23,624	21,161
Thomas Sill Foundation Fund	1,311,169	-
United Way Fund	44,661	41,948
Victoria Rebekah Lodge Bursary Fund	3,146	2,963
William and Colleen Lyne Scholarship	115,557	108,625
Youth in Philanthropy Fund	17,737	16,658
	<u>\$ 6,416,963</u>	<u>\$ 4,145,020</u>