

SurreyCares Community Foundation
Financial Statements
For the year ended December 31, 2023

SurreyCares Community Foundation
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For the year ended December 31, 2023

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To the Board of SurreyCares Community Foundation:

Report on the Financial Statements

We have reviewed the accompanying financial statements of SurreyCares Community Foundation (the "Foundation") which comprise the statement of financial position as at December 31, 2023, and the statements of operations and changes in fund balances 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 Foundation, 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 SurreyCares Community Foundation as at December 31, 2023, 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Surrey, British Columbia

October 22, 2024



Chartered Professional Accountants

SurreyCares Community Foundation

Statement of Financial Position

As at December 31, 2023

	<i>Operating Fund</i>	<i>Restricted Fund</i>	2023	<i>2022</i>
Assets				
Current				
Cash	54,792	-	54,792	336,491
	54,792	-	54,792	336,491
Investments - at fair value <i>(Note 3)</i>	12,632	8,771,429	8,784,061	8,243,440
Restricted cash	201,221	295,812	497,033	2,435,864
	268,645	9,067,241	9,335,886	11,015,795
Liabilities				
Current				
Accounts payable and accruals <i>(Note 4)</i>	20,811	8,981	29,792	21,412
Deferred contributions <i>(Note 5)</i>	100,510	-	100,510	291,205
	121,321	8,981	130,302	312,617
Fund balances				
Unrestricted	147,324	-	147,324	40,616
Retained returns from investments <i>(Note 6)</i>	-	871,351	871,351	119,593
Contributed principal <i>(Note 6)</i>	-	8,186,909	8,186,909	10,542,969
	147,324	9,058,260	9,205,584	10,703,178
	268,645	9,067,241	9,335,886	11,015,795

Approved on behalf of the Board of Directors

e-Signed by Sonia Parmar
2024-10-22 12:30:29:29 PDT
 Director

e-Signed by John Lawson
2024-10-24 13:51:29:29 PDT
 Director

The accompanying notes are an integral part of these financial statements

SurreyCares Community Foundation

Statement of Operations and Changes in Fund Balances

For the year ended December 31, 2023

	<i>Community Fund</i>	<i>Endowment Capital Fund</i>	2023	<i>2022</i>
Revenue				
Administrative grant revenue	186,851	-	186,851	4,471
Donations	20,005	-	20,005	115
Endowment contributions	-	43,684	43,684	84,350
Flow-through contributions	-	5,000	5,000	45,300
Grant revenue	-	144,909	144,909	2,322,033
Interest income	37,356	239,147	276,503	231,922
Other revenue	39,046	-	39,046	62,740
Realized gain on investments	-	77,644	77,644	109,431
Unrealized gain (loss) on investments	-	699,709	699,709	(1,225,023)
	283,258	1,210,093	1,493,351	1,635,339
Expenses				
Canada Healthy Communities Initiative expenses	-	972	972	42,988
Emergency Community Support Fund Honorarium	-	23,645	23,645	4,471
Endowment grants	-	333,844	333,844	361,366
Investment management fees	-	50,429	50,429	46,176
Office and miscellaneous	94,412	-	94,412	104,841
Salaries and benefits	199,962	-	199,962	154,525
Grant distributions	-	2,287,681	2,287,681	-
	294,374	2,696,571	2,990,945	714,367
Excess (deficiency) of revenue over expenses	(11,116)	(1,486,478)	(1,497,594)	920,972
Fund balances, beginning of year	40,616	10,662,562	10,703,178	9,782,206
Administration fee (Note 7)	141,251	(141,251)	-	-
Interfund transfer	(23,427)	23,427	-	-
Fund balances, end of year	147,324	9,058,260	9,205,584	10,703,178

The accompanying notes are an integral part of these financial statements

SurreyCares Community Foundation

Statement of Cash Flows

For the year ended December 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	(1,497,594)	920,972
Unrealized (gain) loss on investments	(699,709)	1,225,023
Recognition of deferred contributions	(197,695)	(2,325,459)
	(2,394,998)	(179,464)
Changes in working capital accounts		
Accounts receivable	-	10,439
Accounts payable and accruals	8,380	923
Deferred contributions received	7,000	2,616,664
	(2,379,618)	2,448,562
Investing		
Net disposition (purchases) of investments and cash held as investments	159,088	(5,726)
Decrease (Increase) in restricted cash	1,938,831	(2,175,676)
	2,097,919	(2,181,402)
Increase (decrease) in cash resources	(281,699)	267,160
Cash resources, beginning of year	336,491	69,331
Cash resources, end of year	54,792	336,491

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

SurreyCares Community Foundation (the "Foundation") was incorporated under the Society Act of British Columbia as a registered not-for-profit organization on May 24, 1994. The Foundation is a registered charity and thus is exempt from income taxes under the Income Tax Act ("the Act"). In order to maintain its status as a registered not-for-profit organization under the Act, the Foundation must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

The Foundation's purpose is to receive and hold donated funds and other assets to be held in perpetuity on an endowment basis. The income from the endowment funds are distributed to worthy community charitable organizations that are qualified donees for income tax purposes pursuant to the nature and intention of the contributor and/or discretion of the Board of Directors.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for Not-for-Profit Organizations ("ASNPO") set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Fund accounting

In order to ensure observance of limitations and restrictions placed on the use of resources available, the Foundation follows the restricted fund method of accounting for contributions. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the contributors or the Foundation's Board of Directors. The following funds are maintained:

The Operating Fund is comprised of unrestricted resources available for the Foundation's general operating activities (including management and administration). The cost of these activities is reported in the expenses of the Operating Fund.

The Restricted Fund includes funds that are externally or internally restricted. These funds are generally required to be maintained by the Foundation on a permanent basis; however, the market value of certain endowed funds may be subject to complete or partial withdrawal according to the terms of the deed of gift. Restricted funds are comprised of resources that are to be used for granting as specified by the fund advisor or the donor. The Board exercises discretionary control over the investment of these funds through external investment fund managers. Income earned on these funds is reported in the Restricted Fund and is either retained in the Restricted Fund, internally transferred, or granted in the year.

Revenue recognition

Contributions are recognized as revenue in the Restricted Fund when they are received or receivable, provided the amounts are measurable and collection is reasonably assured.

Investment income earned on restricted funds is recognized as revenue in the Restricted Fund in accordance with the terms of the restricted contribution. Realized and unrealized gains and losses are recorded in the statement of operations. Interest on investments is recorded on an accrual basis. Dividends that have been declared are recorded as income on the date of record of the declaration.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed goods and services

The Foundation benefits from services and materials in the form of contributed services and materials. Contributed services and materials are recognized in the financial statements when their fair value can be reasonably determined and they are used in the normal course of the Foundation's operations and would otherwise have been purchased.

Restricted cash

Cash subject to restrictions that prevent its use for current purposes is included in restricted cash. Restricted cash held in the Foundation's investment accounts are classified as long-term in concurrence with the nature of the cash balances.

2. Significant accounting policies *(Continued from previous page)*

Endowment grants

Endowment grants are recorded when paid or payable by the Foundation.

Financial instruments

The Foundation recognizes financial instruments when the Foundation becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Foundation may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Foundation has made such an election during the year.

The Foundation subsequently measures investments in equity instruments quoted in an active market at fair value. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess (deficiency) of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Foundation assesses impairment of all its financial assets measured at cost or amortized cost. The Foundation groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments; etc. in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Foundation determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Foundation reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenues over expenses.

The Foundation reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess (deficiency) of revenues over expenses in the year the reversal occurs.

Measurement uncertainty (use of estimates)

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the period in which they become known.

SurreyCares Community Foundation

Notes to the Financial Statements

For the year ended December 31, 2023

2. Significant accounting policies *(Continued from previous page)*

Foreign currency translation

These financial statements have been presented in Canadian dollars, the principal currency of the Foundation's operations. Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and monetary liabilities reflect the exchange rates at the statement of financial position date. Gains and losses on translation or settlement are included in the determination of excess of revenues over expenses for the current period.

3. Investments

	2023	2022
Market Value		
Canadian pooled equity funds	2,671,381	2,585,233
United States pooled equity funds	2,455,148	2,183,708
Foreign pooled equity funds	1,272,554	1,016,483
Short term securities	918,644	1,017,962
Fixed Income - Short term, medium term and long term	1,335,126	1,315,491
Vancouver Foundation Agency Fund	131,208	124,563
	8,784,061	8,243,440
Cost		
Canadian pooled equity funds	2,401,641	2,477,972
United States pooled equity funds	1,615,309	1,683,004
Foreign pooled equity funds	959,524	842,129
Short term securities	901,663	1,020,481
Fixed Income - Short term, medium term and long term	1,458,512	1,489,238
Vancouver Foundation Agency Fund	110,000	110,000
	7,446,649	7,622,824

Not included in the market value of investments is \$12,632 of investments related to the Community Fund.

4. Accounts payable and accruals

Included in accounts payable and accruals at December 31, 2023 are \$5,086 (2022 - \$nil) of remittances payable to various government agencies.

5. Deferred contributions

Deferred contributions consist of amounts received from contributors who have restricted their use for various specific programs. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	2023	2022
Balance, beginning of year	291,205	-
Amount received during the year	7,000	2,616,664
Less: Amount recognized as revenue during the year	(197,695)	(2,325,459)
	100,510	291,205

SurreyCares Community Foundation
Notes to the Financial Statements
For the year ended December 31, 2023

5. Deferred contributions *(Continued from previous page)*

Included in amount recognized as revenue during the year is \$186,851 (2023 - \$nil) of administrative grant revenue, \$nil (2023 - \$2,322,033) of grant revenue and \$10,844 (2023 - \$3,426) of other revenue.

In fiscal 2022, a Community Services Recovery Fund (CSRF) grant was received in the amount of \$2,287,681 and was included in grant revenue. During fiscal 2023, the full amount has been distributed to grant participants, and has been included in grant distributions.

6. Restricted fund

Endowment contributions, comprised of cash and portfolio investments, are comprised of contributions from the following contributors:

	2023	2022
Arts Council of Surrey Fund	32,155	32,155
Beirne Opportunity Fund	7,569	6,271
CIBC Wood Gundy Children's Miracle Fund	15,158	15,158
Coast Capital Savings Youth Fund	33,860	33,860
Community Relief Funds	85,489	2,373,170
Darts Hill Garden Park Community Fund	4,451,588	4,451,588
Doug Hooser Heritage Fund	22,121	22,121
Food for Everyone Fund	12,083	6,120
Friends of Surrey Museum Endowment Fund	981,136	981,136
Surrey Community Health Fund	31,109	30,959
Indigenous Surrey Student Bursary Fund	18,828	11,411
Jim Bennett Trust Fund	-	67,491
John & Drew Hartree Memorial Fund	2,330	2,214
Jordan Powell Legacy Fund	30,903	27,542
Keery Park Fund	12,763	16,253
Kinsmen Lodge Capital Fund	1,088,478	1,023,302
Lionel Courchene Park Legacy Endowment Fund	2,832	12,000
Manjit Panghali Memorial Fund	54,562	54,420
Seniors Fund	1,676	1,454
Seventy-Times Seven Times Fund	15,333	14,420
Sher Vancouver Endowment Fund	10,030	10,030
Sommer Francis Financial Group Endowment Fund	18,769	13,325
SRS Vocational Rehabilitation Fund	585,511	585,511
Surrey Art Gallery Association Endowment Fund	65,053	65,053
Surrey City Orchestra Society Endowment Fund	23,428	21,945
Surrey Community Smart and Caring Fund	163,394	162,134
Surrey Education Fund	59,623	59,623
Surrey Foundation Directors & Friends Fund	6,094	6,094
Surrey Foundation Operating Fund	109,900	106,900
Surrey German School Endowment Fund	12,142	12,142
Surrey Metro Savings Community Fund	87,898	87,898
Surrey Minor Softball Endowment Fund	17,476	16,690
Surrey Public Library Legacy Fund	84,314	80,169
Surrey Sports Museum Fund	22,383	10,296
Surrey YMCA Endowment Fund	6,826	6,503
Surrey Youth Fund	70,494	70,494
Uniti Fund	46,587	44,259
Women's Equity Fund	982	948
	8,290,877	10,543,059

SurreyCares Community Foundation
Notes to the Financial Statements
For the year ended December 31, 2023

6. Restricted fund *(Continued from previous page)*

	2023	2022
Opening contributed principal	10,542,969	8,069,802
Receipt of contributed principal	42,184	2,497,041
Distributions of endowment grant principal	(2,307,123)	(85,045)
Transfer flowthrough grants to retained returns	119,081	61,171
Ending contributed principal	8,397,111	10,542,969

Retained returns on investments are comprised of inception to date returns on the endowment contributions and are internally restricted for distribution at the discretion of the board of directors and/or contributors.

Retained returns from investments are comprised of:

Opening retained returns on investments	119,593	1,628,658
Investment income and realized gains net of investment management fees	560,800	281,745
Disbursement of grants to qualified donees	(248,419)	(361,366)
Transfer of administration fees to operating fund	(141,251)	(143,250)
Accumulated changes in market value of investment	699,709	(1,225,023)
Transfer flowthrough grants from contributed principal	(119,081)	(61,171)
Ending retained returns on investments	871,351	119,593

7. Administration fee

During the year, the Foundation transferred \$141,250 (2022 - \$143,250) from the Restricted Fund to the Operating Fund for administration fees.

8. Employee compensation

The Societies Act (BC) requires that the Foundation disclose the total remuneration paid to the Directors, either in their capacity as a director or for performing another role, as well as the total number of employees or contractors with annual remuneration equal to or greater than \$75,000, and the aggregate remuneration of those employees/contractors.

During the year, one (2022 - one) employee received remuneration in excess of \$75,000 which resulted in expenditure of \$83,200 (2022 - \$78,123). No amounts were paid to Directors for acting in their noted capacity.

9. Financial instruments

The Foundation, as part of its operations, carries a number of financial instruments. It is management's opinion that the Foundation is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Foundation is exposed to interest rate price risk on its interest-bearing investments.

Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation's exposure to liquidity risk is dependent on purchasing commitments and obligations or raising funds to meet commitments and sustain operations. The majority of the Foundation's assets are investments that can be readily liquidated and therefore the Foundation's liquidity risk is considered minimal.

SurreyCares Community Foundation
Notes to the Financial Statements
For the year ended December 31, 2023

9. Financial instruments *(Continued from previous page)*

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation enters into transactions to purchase and sell pooled funds, in which the underlying investments are in publicly traded securities and corporate bonds, exposing the Foundation to price risk as these investments are subject to price changes in an open market due to a variety of reasons including changes in market rates of interest, general economic indicators and restrictions on credit markets.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation enters into transactions to invest in foreign-denominated investments for which the related underlying share prices are subject to exchange rate fluctuations. The Foundation is exposed to foreign current risk with regards to its investments in pooled equity funds, with foreign denominated pooled equity funds valued on December 31, 2023 as follows:

	<i>USD\$</i>	<i>CAD\$</i>
Investments	2,905,781	3,850,174

There have been no significant changes to these risks during the year.

10. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.