

Surrey Foundation

**Financial Statements
For the year ended April 30, 2007**

Surrey Foundation
Financial Statements
For the year ended April 30, 2007

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Auditors' Report

To the Directors of Surrey Foundation

We have audited the statement of financial position of Surrey Foundation as at April 30, 2007 and the statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the Foundation's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Foundation derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to revenues, assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations as referred to above, these financial statements present fairly, in all material respects, the financial position of the Foundation as at April 30, 2007 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Society Act of British Columbia, we report that in our opinion these principles have been applied on a basis consistent with that of the preceding year.

BDO Dunwoody LLP

Chartered Accountants

Langley, British Columbia
September 25, 2007

Surrey Foundation
Statement of Financial Position

April 30

2007

2006

Assets

Current

Cash	\$ 360,918	\$ 32,132
Interest and other receivables	28,155	30,343
Prepaid expenses	1,814	1,235

<u>390,887</u>	63,710
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Marketable securities and term deposits

(cost = \$1,150,406, 2006 = \$527,617))	1,247,838	566,837
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Funds on deposit with the Vancouver

Foundation (cost = \$110,000, 2006 = 110,000) (Note 2)	106,523	102,360
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Funds on deposit with Phillips, Hager

& North (cost = \$154,000, 2006 = 154,000)	203,438	183,566
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<u>\$ 1,948,686</u>	<u>\$ 916,473</u>
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Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$ 7,820	\$ 7,060
Grants payable	76,015	45,000

<u>83,835</u>	52,060
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Net assets

Restricted for endowment purposes (Note 1)	1,739,315	749,288
Unrestricted	125,536	115,125

<u>1,864,851</u>	864,413
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<u>\$ 1,948,686</u>	<u>\$ 916,473</u>
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Approved by the Directors:

_____ Director

_____ Director

Surrey Foundation
Statement of Changes in Net Assets

For the year ended April 30

2007

2006

	Restricted for Endowment Purposes	Unrestricted	Total	Total
Balance, beginning of year	\$ 749,288	\$ 115,125	\$ 864,413	\$ 748,523
Excess of revenue over expenses	-	65,116	65,116	63,868
Endowment contributions, net (Note 1)	935,322	-	935,322	52,022
Endowment grants (Note 1)	(65,157)	65,157	-	-
Endowment fund interest (Note 1)	119,862	(119,862)	-	-
Balance, end of year	\$ 1,739,315	\$ 125,536	\$ 1,864,851	\$ 864,413

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Surrey Foundation
Statement of Operations

For the year ended April 30	2007	2006
Revenue		
Donations and other	\$ 32,940	\$ 14,955
Investment income	37,759	17,121
Grants	30,000	28,000
Fund raising	106,922	89,335
Unrealized gains on investments	82,247	61,146
	<hr/> 289,868	210,557
General and Administrative Expenses		
Administration	52,090	31,283
Facilities	1,336	11,038
Fund raising	42,159	52,481
Grants	122,097	45,000
Professional fees	7,070	6,887
	<hr/> 224,752	146,689
Excess of revenue over expenses	\$ 65,116	\$ 63,868

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Surrey Foundation
Summary of Significant Accounting Policies

April 30, 2007

Nature of Organization

Surrey Foundation (the "Foundation") was incorporated on May 24, 1994 under the Society Act of British Columbia and is a federally registered charitable foundation. The Foundation holds and administers private resources entrusted to it for the common good of its constituents; the donors, the charitable sector and the community. The income from funds donated and bequeathed to its perpetual endowment is used to provide for charitable purposes.

Revenue Recognition

The Foundation 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 direct increases in net assets.

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

Donations of assets are recorded at fair market value. The economic benefit of donated services are recognized at fair market value.

Fundraising revenues are recognized when received.

Net Assets

(i) Restricted for endowment purposes

Net assets restricted for endowment purposes include donations received by the Foundation which are to be held in perpetuity. The income from this fund may be restricted or unrestricted depending on the donor's wishes.

(ii) Unrestricted

Unrestricted net assets include unrestricted donations or investment revenue which can be used at the discretion of the Board of Directors.

Investments and Funds on Deposit

The Foundation's marketable securities and funds on deposit are stated at fair market value.

Financial Instruments

Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks arising from its financial instruments. The fair values of these financial instruments approximate their carrying values unless otherwise noted.

Surrey Foundation
Notes to Financial Statements

April 30, 2007

1. Net Assets Restricted For Endowment Purposes

Net assets restricted for endowment purposes are comprised of assets over which the Foundation exercises discretionary investment control within the guidelines established by the Board of Directors. The earnings from these assets are allocated to charitable purposes at the discretion of the Board of Directors except for earnings from designated endowment contributions which are allocated to the designated field of interest. During the year, net endowment contributions amounted to \$990,027 including investment income of \$119,862 allocated from the unrestricted fund and endowment grants of \$65,157 allocated to the unrestricted fund (2006 - \$59,276 including investment income of \$7,254 allocated from the unrestricted fund).

	2007	2006
Designated field of interest		
Contributions		
Dart Hill Garden Park Community Fund	\$ 32,137	\$ 100
Friends of the Surrey Museum	635,100	62,365
Jordan Powell Legacy Fund	132	490
Manjit Panghali Memorial	6,350	-
SRS Vocational Rehabilitation Fund	451,747	-
Surrey Community	25,000	-
Surrey Education Fund	4,319	3,205
Surrey Foundation Directors & Friends	1,500	1,825
Surrey Public Library Legacy Fund	3,950	1,000
Surrey YIP	10,087	-
	1,170,322	68,985
Flow through portion		
Dart Hill Garden Park Community Fund	(10,000)	-
Friends of the Surrey Museum	(199,100)	(20,667)
	(209,100)	(20,667)
Investment income	115,960	17,714
Administration fees	(900)	(174)
Grants	(63,252)	-
	1,013,030	65,858
Undesignated field of interest		
General	(25,000)	3,878
Investment income	3,902	(10,460)
Grants	(1,905)	-
	(23,003)	(6,582)
	\$ 990,027	\$ 59,276

Surrey Foundation
Notes to Financial Statements

April 30, 2007

1. Net Assets Restricted For Endowment Purposes (continued)

Endowments consist of the following:

	2007	2006
Coast Capital Youth	\$ 31,740	\$ 30,000
Darts Hill Garden	196,745	165,232
Doug Hooser Heritage	20,830	19,688
Friends of Surrey Museum	503,581	63,469
General	32,571	55,574
Health	26,450	25,000
Jordan Powell Legacy	15,742	14,749
Progressive Construction	31,740	30,000
SRS Vocational Rehabilitation Fund	461,535	-
Surrey Community	93,792	63,650
Surrey Education	13,450	8,636
Surrey Foundation Directors & Friends	3,449	1,825
Surrey Foundation Operating	86,799	82,040
Surrey Literacy	-	5,000
Surrey Metro Savings Community	82,772	78,234
Surrey Minor Softball	10,580	10,000
Surrey Public Library	33,267	22,691
Surrey YIP	10,160	-
Surrey YMCA	5,290	5,000
Surrey Youth	63,480	60,000
Manjit Panghali Memorial	6,350	-
Wood Gundy Children's Miracle	8,992	8,500
	\$ 1,739,315	\$ 749,288

During the year, \$25,000 was transferred from the General Fund to the Surrey Community Fund and \$5,000 was transferred from the Surrey Literacy Fund to the Surrey Public Library Fund.

April 30, 2007

2. Funds on Deposit with the Vancouver Foundation

The Foundation is a participant in the Vancouver Foundation's matching grant program which provides support for the establishment of new and emerging community foundations in British Columbia. As a result, the following funds are held permanently by the Vancouver Foundation as The Surrey Foundation Endowment Fund.

	<u>2007</u>	<u>2006</u>
Initial deposit	\$ 10,000	\$ 10,000
Matching grant program		
Deposit by the Foundation	50,000	50,000
Grant from the Vancouver Foundation	50,000	50,000
	<u>\$ 110,000</u>	<u>\$ 110,000</u>

These funds are invested by the Vancouver Foundation in accordance with the Vancouver Foundation Act. The income accrues to the Foundation net of the Vancouver Foundation's administration fee under the Vancouver Foundation Act, which is currently 0.45% of the capital of the fund.

3. Statement of Cash Flows

A statement of cash flows has not been included with these financial statements as the directors of the Foundation are of the opinion that its inclusion would not provide additional meaningful information.

4. Income Taxes

As a registered charity, the Foundation is exempt from paying income tax under Part 1 of the Income Tax Act.