# Sources Community Resources Foundation

## Financial Statements

*For the year ended March 31, 2025*

# Independent Auditor's Report

To the Board of Sources Community Resources Foundation:

**Report on the Audit of the ]Financial Statements**

**Opinion**

We have audited the financial statements of Sources Community Resources Foundation (the "Foundation"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2025, 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.

**Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

As required by the Society Act of British Columbia, we report that, in our opinion, these standards have been applied on a basis consistent with that of the previous year.

Surrey, British Columbia

MNP LLP

June 26, 2025

Chartered Professional Accountants

# Sources Community Resources Foundation
## Statement of Financial Position
*As at March 31, 2025*

| | **2025** | *2024* |
|---|---|---|
| **Assets** | | |
| **Current** | | |
| Cash and cash equivalents *(Note 3)* | **1,463,305** | 788,377 |
| Accounts receivable | **4,315** | 199,878 |
| Marketable securities *(Note 4)* | **5,816,146** | 6,011,288 |
| Restricted cash *(Note 5)* | **93,044** | 93,044 |
| Prepaid expenses and deposits | **16,895** | 8,355 |
| | **7,393,705** | 7,100,942 |

| | **2025** | *2024* |
|---|---|---|
| **Liabilities** | | |
| **Current** | | |
| Accounts payable and accruals | **35,534** | 3,505 |
| Deferred contributions *(Note 5)* | **93,044** | 93,044 |
| Deferred revenue *(Note 6)* | **71,182** | 72,650 |
| | **199,760** | 169,199 |

**Subsequent event** *(Note 11)*

| | **2025** | *2024* |
|---|---|---|
| **Net Assets** | | |
| Unrestricted *(Note 7)* | **7,193,945** | 6,931,743 |
| | **7,393,705** | 7,100,942 |

**Approved on behalf of the Board**

e-Signed by Marlyn Graziano
2025-06-26 12:05:09:09 PDT
**Board Member**

e-Signed by Mike Braun
2025-06-28 14:14:36:36 PDT
**Treasurer**

*The accompanying notes are an integral part of these financial statements*

# Sources Community Resources Foundation
## Statement of Operations and Changes in Net Assets
*For the year ended March 31, 2025*

| | ***2025*** | *2024* |
|---|---|---|
| **Revenue** | | |
| Donations *(Note 8), (Note 9)* | **717,834** | 947,995 |
| Fundraising | **398,177** | 308,416 |
| | **1,116,011** | 1,256,411 |
| **Expenses** | | |
| Office | **77,466** | 71,845 |
| Fundraising events | **170,683** | 119,475 |
| Professional fees | **9,305** | 4,000 |
| | **257,454** | 195,320 |
| **Excess of revenue over expenses before other items** | **858,557** | 1,061,091 |
| **Other items** | | |
| Interest and dividend income | **157,755** | 172,752 |
| Gain on disposal of marketable securities | **10,864** | 71,300 |
| Unrealized gain on marketable securities | **118,192** | 777,730 |
| Charitable donations *(Note 9)* | **(883,166)** | (553,392) |
| | **(596,355)** | 468,390 |
| **Excess of revenue over expenses** | **262,202** | 1,529,481 |
| **Net assets, beginning of year** | **6,931,743** | 5,402,262 |
| **Net assets, end of year** | **7,193,945** | 6,931,743 |

*The accompanying notes are an integral part of these financial statements*

# Sources Community Resources Foundation
## Statement of Cash Flows
*For the year ended March 31, 2025*

| | ***2025*** | *2024* |
|---|---|---|
| **Cash provided by (used for) the following activities** | | |
| **Operating activities** | | |
| Excess of revenue over expenses | **262,202** | 1,529,481 |
| Unrealized gain on marketable securities | **(118,192)** | (777,730) |
| Gain on disposal of marketable securities | **(10,864)** | (71,300) |
| | **133,146** | 680,451 |
| Changes in working capital accounts | | |
| Accounts receivable | **195,563** | (198,872) |
| Prepaid expenses and deposits | **(8,540)** | (8,355) |
| Accounts payable and accruals | **32,029** | (14,293) |
| Deferred revenue | **(1,468)** | 32,650 |
| | **350,730** | 491,581 |
| **Investing activities** | | |
| Purchase of marketable securities | **(3,335,983)** | (2,855,413) |
| Proceeds on disposal of marketable securities | **3,660,181** | 2,534,167 |
| | **324,198** | (321,246) |
| **Increase in cash resources** | **674,928** | 170,335 |
| **Cash resources, beginning of year** | **881,421** | 711,086 |
| **Cash resources, end of year** | **1,556,349** | 881,421 |
| **Cash resources are composed of:** | | |
| Cash | **1,463,305** | 788,377 |
| Restricted cash | **93,044** | 93,044 |
| | **1,556,349** | 881,421 |

*The accompanying notes are an integral part of these financial statements*

## 1. Incorporation and nature of the Foundation

Sources Community Resources Foundation (the "Foundation") was incorporated under the authority of the Society Act of British Columbia and is a registered charity and thus is exempt from income taxes under the Income Tax Act ("the Act").

The Foundation's purpose is to provide for the enrichment of the quality of life in the community, through Sources Community Resources Society ("the Society"), by responding to the priorities of the Society, assessing and responding to emerging and changing community needs, providing an avenue for donors with varied interests and various levels of giving, and serving as a resource catalyst for charitable activities in the community.

## 2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations 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:

***Cash and cash equivalents***

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash

***Marketable securities***

Marketable securities with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. They consist of equities and bonds which are all traded in the public markets. Changes in fair value are recorded immediately in the excess of revenues over expenses.

***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.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned. Dividend income is recognized as revenue on the date the dividend is declared. Interest income is recognized using the effective interest method, which allocates interest income over the relevant period to reflect the time value of money and the effective yield on the financial asset.

***Contributed materials and services***

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Foundation's operations and would otherwise have been purchased. Contributed materials and services, with fair values that can not be reasonably estimated, are not recognized in the financial statements.

***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.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

This estimate is reviewed periodically and, as adjustments become necessary, are reported in excess of revenues and expenses in the periods in which they become known.

***Foreign currency translation***

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.

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

***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 with respect to its marketable securities.

The Foundation subsequently measures all other financial assets and liabilities at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of arm’s length financial instruments are added to the carrying amount of the financial instrument as incurred.

**Related party financial instruments**

The Foundation initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction (“related party financial instruments”) at cost on initial recognition.

When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenue over expenses.

**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 there are numerous assets affected by the same factors. Management considers whether there has been a breach in contract, such as a default or delinquency in interest or principal payments 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.

Any impairment, which is not considered temporary, is included in current year excess of revenue 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 of revenue over expenses in the year the reversal occurs.

## 3. Cash

Cash balances are held with banks and accrue interest at a rate of prime less 0.05%, being 4.9% (2024 - 5.2%).

## 4. Marketable securities

Included in marketable securities are investments in equities and bonds which have a total book value of $4,939,147 (2024 - $5,074,604).

| | ***2025*** | *2024* |
|---|---:|---:|
| Fixed income | **1,099,124** | 1,034,802 |
| Equity | **4,520,947** | 4,769,322 |
| Alternative investments | **196,075** | 207,164 |
| | **5,816,146** | 6,011,288 |

**5. Restricted cash and deferred contributions**

In 2017 the Foundation received $250,000 from Gateway Autism Foundation. The use of these funds is restricted to be used for operational shortfalls and specific investment needs. To date, $156,956 has been utilized leaving $93,044 (2024 - $93,044) as deferred contributions and restricted cash.

**6. Deferred revenue**

Deferred revenue consists of prepaid gala fees. Recognition of gala fees is deferred to the period in which the gala occurs. Changes in the deferred revenue balance are as follows:

| | ***2025*** | *2024* |
|---|---|---|
| Balance, beginning of year | **72,650** | 40,000 |
| Amount received during the year | **309,246** | 647,267 |
| Less: Amount recognized as revenue during the year | **(310,714)** | (614,617) |
| Balance, end of year | **71,182** | 72,650 |

**7. Unrestricted net assets**

Included in unrestricted net assets of the Foundation are amounts which have been internally designated to specific funds, as follows:

| | ***2025*** | *2024* |
|---|---|---|
| Poverty Relief | **645,571** | 667,914 |
| Families & Children | **634,818** | 654,572 |
| Community Support | **644,050** | 664,068 |
| Legacy Fund | **3,891,708** | 4,024,734 |
| Undesignated funds | **1,377,798** | 920,455 |
| | **7,193,945** | 6,931,743 |

**8. Contributed materials and services**

Included in revenue in the statement of operations and changes in net assets is $18,349 (2024 - $4,900) representing the estimated fair value of contributions of materials during the year.

**9. Related party transactions**

The Foundation is controlled by the Society as determined in the bylaws of the Foundation and by virtue of common management.

Included in charitable donations is $883,166 (2024 - $553,392) paid to the Society.

Included in donations is $Nil (2024 - $300,000) received from the Society.

Included in accounts receivable is $Nil (2024 - $198,699) due from the Society.

Included in accounts payable and accruals is $30,258 (2024 - Nil) due to the Society.

All of the above transactions and balances are in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**10. 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.

***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’s investments in publicly-traded securities and corporate bonds exposes 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.

***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 the collection of accounts receivable, and obligations or raising funds to sustain operations.

***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 purchase marketable securities denominated in foreign currencies for which the related revenues are subject to exchange rate fluctuations. The Foundation is exposed to foreign currency risk though its investments in foreign-denominated marketable securities in the amount of $2,698,853 (2024 - $2,584,087).

***Credit risk***

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation's main credit risk relates to its accounts receivable. The Foundation believes that there is minimal risk associated with the collection of these amounts.

**11. Subsequent event**

Subsequent to year end, the United States government announced new tariffs on imported goods. This has caused significant economic uncertainty and the effects on the Foundation are currently uncertain.