

**Sunshine Coast Foundation**  
**(Formerly Sunshine Coast Community Foundation)**

**Financial Statements**

**(Unaudited)**

**December 31, 2022**

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**Sunshine Coast Foundation**  
**(Formerly Sunshine Coast Community Foundation)**  
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**(Unaudited)**

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## Independent Practitioner's Review Engagement Report

To the Members of Sunshine Coast Foundation

We have reviewed the accompanying financial statements of Sunshine Coast Foundation (Formerly Sunshine Coast Community Foundation), which comprise the statement of financial position as at December 31, 2022, and the statement of operations, statement of fund balances and statement of 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 Sunshine Coast Foundation as at December 31, 2022, 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.

### *Other Matter*

As required by the Societies 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.

*Crowe MacKay LLP*

Sechelt, British Columbia  
May 29, 2023

Chartered Professional Accountants

**Sunshine Coast Foundation**  
**(Formerly Sunshine Coast Community Foundation)**  
**Statement of Operations**

**(Unaudited)**

<b>For the year ended December 31</b>	<b>Operating Fund</b>	<b>Endowment Fund</b>	<b>2022</b>	<b>2021</b>
<b>Revenue</b>				
Contributions (Note 10)	\$ 14,261	\$ 955,768	\$ 970,029	\$ 2,492,627
Investment income (Notes 5 & 10)	8,750	242,891	251,641	319,259
Grants	6,321	35,782	42,103	204,511
	<b>29,332</b>	<b>1,234,441</b>	<b>1,263,773</b>	<b>3,016,397</b>
<b>Expenses</b>				
Administration fees	-	29,341	29,341	19,642
Advertising and promotion	9,726	-	9,726	18,226
Amortization	445	-	445	889
Conferences	626	-	626	6,106
Consultants and contractors	22,831	-	22,831	21,024
Fund development	572	-	572	1,980
Grants	5,000	316,062	321,062	484,900
Insurance	2,285	-	2,285	2,323
Interest and bank charges (Note 10)	256	603	859	3,235
Meetings	2,827	-	2,827	441
Memberships	14,624	-	14,624	10,809
Office	2,191	-	2,191	2,387
Professional fees	14,675	-	14,675	6,554
Telephone	946	-	946	1,005
Travel	2,383	-	2,383	2,816
Vital signs	5,369	-	5,369	5,587
Wages and benefits	111,897	-	111,897	91,125
	<b>196,653</b>	<b>346,006</b>	<b>542,659</b>	<b>679,049</b>
	<b>(167,321)</b>	<b>888,435</b>	<b>721,114</b>	<b>2,337,348</b>
<b>Realized gain (loss) on sale of investments (Note 5)</b>	-	(29,651)	(29,651)	393,378
<b>Fair value change to investments (Note 5)</b>	-	(1,457,231)	(1,457,231)	51,179
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (167,321)</b>	<b>\$ (598,447)</b>	<b>\$ (765,768)</b>	<b>\$ 2,781,905</b>

**Sunshine Coast Foundation**  
 (Formerly Sunshine Coast Community Foundation)  
 Statement of Fund Balances

(Unaudited)

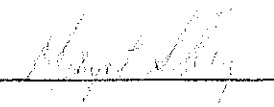
For the year ended December 31	Operating Fund	Endowment Fund	2022	2021
Fund Balances, beginning of year	\$ 182,192	\$ 9,440,617	\$ 9,622,809	\$ 6,840,904
Excess (deficiency) of revenues over expenses	(167,321)	(598,447)	(765,768)	2,781,905
Interfund transfers (Note 9)	161,712	(161,712)	-	-
<b>Balance, ending of year</b>	<b>\$ 176,583</b>	<b>\$ 8,680,458</b>	<b>\$ 8,857,041</b>	<b>\$ 9,622,809</b>

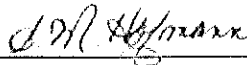
**Sunshine Coast Foundation**  
 (Formerly Sunshine Coast Community Foundation)  
 Statement of Financial Position

(Unaudited)

December 31	Operating Fund	Endowment Fund	2022	2021
<b>Assets</b>				
<b>Current</b>				
Cash	\$ 31,292	\$ 591,546	\$ 622,838	\$ 651,888
Accounts receivable	-	4,000	4,000	-
Restricted term deposit (Note 3)	71,846	-	71,846	107,851
Prepaid expenses	8,052	-	8,052	6,832
Goods and services tax receivable	807	105	912	971
	<b>111,997</b>	<b>595,651</b>	<b>707,648</b>	<b>767,542</b>
Restricted cash (Note 4)	33,616	-	33,616	28,933
Investments (Note 5)	50,000	8,106,831	8,156,831	8,858,097
Tangible capital assets (Note 6)	691	-	691	1,136
	<b>\$ 196,304</b>	<b>\$ 8,702,482</b>	<b>\$ 8,898,786</b>	<b>\$ 9,655,708</b>
<b>Liabilities</b>				
<b>Current</b>				
Accounts payable and accrued liabilities	\$ 12,556	\$ -	\$ 12,556	\$ 5,871
Payroll remittances	7,165	-	7,165	6,145
Grants payable	-	22,024	22,024	20,883
	<b>19,721</b>	<b>22,024</b>	<b>41,745</b>	<b>32,899</b>
<b>Fund balances</b>				
Internally restricted (Notes 7 & 8)	105,462	1,042,345	1,147,807	1,462,922
Externally restricted (Note 8)	-	7,638,113	7,638,113	8,114,479
Invested in tangible capital assets	691	-	691	1,136
Unrestricted	70,430	-	70,430	44,272
	<b>176,583</b>	<b>8,680,458</b>	<b>8,857,041</b>	<b>9,622,809</b>
	<b>\$ 196,304</b>	<b>\$ 8,702,482</b>	<b>\$ 8,898,786</b>	<b>\$ 9,655,708</b>

Approved on behalf of the board

Director 

Director 

**Sunshine Coast Foundation**  
 (Formerly Sunshine Coast Community Foundation)  
 Statement of Cash Flows

(Unaudited)

For the year ended December 31	2022	2021
<b>Operating activities</b>		
Excess of revenue (deficiency) over expenses	\$ (765,768)	\$ 2,781,905
Items not affecting cash		
Amortization	445	889
Fair market value change to investments	1,457,231	(51,179)
	<b>1,457,676</b>	<b>(50,290)</b>
	<b>691,908</b>	<b>2,731,615</b>
<b>Change in non-cash working capital items</b>		
Accounts receivable	(4,000)	-
Restricted term deposit	36,005	(1,842)
Prepaid expenses	(1,219)	(1,649)
Accounts payable and accrued liabilities	6,682	(1,856)
Payroll remittances	1,020	4,575
Grants payable	1,142	6,881
Goods and services tax receivable	59	(233)
	<b>731,597</b>	<b>2,737,491</b>
<b>Investing activities</b>		
Variation in restricted cash	(4,682)	43,963
Net variation in investments	(745,965)	(2,568,720)
Investment in Coast Community Investment Co-op	(10,000)	-
	<b>(760,647)</b>	<b>(2,524,757)</b>
<b>Increase (decrease) in cash</b>	<b>(29,050)</b>	<b>212,734</b>
<b>Cash, beginning of year</b>	<b>651,888</b>	<b>439,154</b>
<b>Cash, end of year</b>	<b>\$ 622,838</b>	<b>\$ 651,888</b>
<b>In-Kind Donations</b>		
Donation of securities	<b>\$ 673,536</b>	<b>\$ 647,010</b>

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**Sunshine Coast Foundation**  
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**Notes to the Financial Statements**

**(Unaudited)**

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**1. Nature of operations**

Sunshine Coast Foundation (the "Foundation") was incorporated under the Society Act of BC as a non-profit organization on June 23, 2003 and has transitioned to the new Societies Act of BC, and is a registered charity under the Income Tax Act.

The Foundation changed its name from Sunshine Coast Community Foundation to Sunshine Coast Foundation on June 11, 2020.

The Foundation's purpose is to support charitable endeavours on the Sunshine Coast through endowment building, grant making and community leadership.

**2. Significant accounting policies**

These financial statements have been prepared in accordance with the Canadian Accounting Standards for Not-for-Profit Organizations.

**(a) Basis of accounting**

The Foundation follows fund accounting principles consisting of the following funds: The Operating Fund accounts for the Foundations operational and administrative programs. The Endowment Fund accounts for the externally restricted contributed principal, retained returns from the related investments, and granting programs. These investments are held as permanent endowments in separate funds.

**(b) Financial instruments**

**(i) Measurement of financial instruments**

The Foundation initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

The Foundation subsequently measures its financial assets and financial liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, restricted cash, restricted term deposit and investments, other than mutual funds.

Financial liabilities measured at amortized cost include grants payable, accounts payable and accrued liabilities.

Financial assets measured at fair value include investments in mutual funds.



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**2. Significant accounting policies, continued**

**(ii) Impairment**

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of:

- ♦ the present value of the cash flows expected to be generated by the asset or group of assets;
- ♦ the amount that could be realized by selling the assets or group of assets;
- ♦ the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

**(c) Investments**

The Foundation invests in a combination of cash equivalent funds, publicly-traded common stocks, mutual funds, fixed-income securities, and alternative investments. Public market investments such as equities and bonds are recorded at their fair values determined, on a trade date basis, on the last business day of the fiscal period.

The Foundation's investment in private companies in which they do not hold a significant influence are accounted for using the cost method. If there is an other than temporary decline in value, these investments are written down to provide for the loss.

**(d) Tangible capital assets**

Tangible capital assets are recorded at cost. The Foundation provides for amortization using the following methods at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The annual amortization rates and methods are as follows:

Equipment	Declining balance	20%
Furniture and fixtures	Declining balance	20%
Computer equipment	Declining balance	55%
Computer software	Declining balance	100%

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**2. Significant accounting policies, continued**

**(e) Impairment of long-lived assets**

Long-lived assets, which comprise tangible capital assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

**(f) Revenue recognition**

Revenue consists of contributions, donations, grants, investment income and both unrealized and realized gains and losses on investments.

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

The Foundation follows the restricted fund method of accounting for contributions. Restricted contributions are either recognized as revenue of the related restricted fund or deferred until the related expenditures are made.

Interest on investments is recorded on an accrual basis. Dividends that have been declared are recorded as income on the date of record set for the dividend.

Investment and interest income earned on restricted funds is recognized as revenue in the Endowment Fund in accordance with the terms of the restricted contribution (note 2(a)). Investment and interest income earned on operating funds is recognized as revenue in the Operating Fund.

**(g) Contributed services**

Volunteers contributed time to assist the Foundation in carrying out its programs. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**(h) Measurement uncertainty**

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 disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

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**Sunshine Coast Foundation**  
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**(Unaudited)**

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**2. Significant accounting policies, continued**

**(i) Government assistance**

Government assistance toward current expenses, including salaries, is recognized as a reduction of the corresponding expenses at the time they are incurred, provided there is reasonable assurance that the Foundation has complied and will continue to comply with all the conditions of the government assistance.

**(j) Cash equivalents**

Cash equivalents consist of short term investments with an initial maturity of three months or less.

**3. Restricted term deposit**

	2022	2021
Internally restricted - Barron operating	\$ 10,849	\$ 50,144
Internally restricted - Smart and Caring Fund	60,997	57,707
	<b>\$ 71,846</b>	<b>\$ 107,851</b>

The term deposit totalling \$71,846 is a 5 year redeemable escalator at 4% and maturing on March 30, 2023, held with Sunshine Coast Credit Union.

**4. Restricted cash**

	2022	2021
Internally restricted cash	\$ 33,616	\$ 28,933

Restricted cash represents uninvested funds that are not available for current use. The internally restricted cash is made up of cash restricted for Smart and Caring fund and Barron matching fund.

**Sunshine Coast Foundation**  
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(Unaudited)

**5. Investments**

Operating Fund - carried at cost:

	2022	2021
50,000 Class A Common Voting Shares - 987152 BC Ltd. (8.33% ownership)	\$ 50,000	\$ 50,000
Endowment Fund:		
Equities (fair value)	\$ 4,339,456	\$ 4,922,540
Fixed Income (fair value)	3,757,375	3,885,557
100 membership shares - Coast Community Investment Co-Op - 5% ownership (cost)	10,000	-
	<b>8,106,831</b>	<b>8,808,097</b>
	<b>\$ 8,156,831</b>	<b>\$ 8,858,097</b>

Investment income comprises the following:

	Operating Fund	Endowment Fund	2022	2021
Dividend income	\$ -	\$ 113,837	\$ 113,837	\$ 84,826
Capital gains	-	120,400	120,400	225,351
Interest income	8,750	8,654	17,404	9,082
	<b>8,750</b>	<b>242,891</b>	<b>251,641</b>	<b>319,259</b>
Realized gain (loss) on sale of investments	-	(29,651)	(29,651)	393,378
Fair value change to investments	-	(1,457,231)	(1,457,231)	51,179
	<b>\$ 8,750</b>	<b>\$ (1,243,991)</b>	<b>\$ (1,235,241)</b>	<b>\$ 763,816</b>

**Sunshine Coast Foundation**  
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**6. Tangible capital assets**

	Cost	Accumulated amortization	2022 Net Book Value	2021 Net Book Value
Equipment	\$ 1,395	\$ 984	\$ 411	\$ 514
Computer equipment	3,211	2,931	280	622
	<u>\$ 4,606</u>	<u>\$ 3,915</u>	<u>\$ 691</u>	<u>\$ 1,136</u>

**7. Internally restricted funds**

The internally restricted funds of the Foundation represent operating funds that have been designated for specific purposes.

	2022	2021
Smart and Caring Account	\$ 59,779	\$ 59,384
Barron Operating	10,849	65,190
Barron Matching	34,834	12,210
	<u>\$ 105,462</u>	<u>\$ 136,784</u>

**Sunshine Coast Foundation**  
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**(Unaudited)**

**8. Restricted funds**

The Endowment Fund balances contain both internally and externally restricted amounts. The internally restricted funds of the Foundation represent unrestricted contributions which the Board of Directors have designated to fund specific projects. The externally restricted funds of the Foundation represent the permanent endowments and retained returns (deficiency) of those endowments.

	Contributed capital	Retained returns (deficiency)	2022	2021
<b>Internally restricted funds</b>				
Sunshine Coast Charities Temporary fund	\$ -	\$ -	\$ -	\$ 14,915
Sunshine Coast Emergency Relief Fund	200	(178)	22	2,552
Vera Elizabeth Barron Memorial	994,016	48,307	1,042,323	1,321,403
Less grants payable	-	-	-	(12,732)
<b>Total Internally restricted funds</b>	<b>994,216</b>	<b>48,129</b>	<b>1,042,345</b>	<b>1,326,138</b>
<b>Externally restricted funds</b>				
Barrie Willibee	19,292	6,118	25,410	29,842
Bate Foley End Homelessness	14,587	485	15,072	18,482
Baxter Baile Marine				
Conservation and Education	10,000	71	10,071	-
Bill & Joan Humphries	28,235	358	28,593	35,368
Bill & Trudene Longman	72,476	12,985	85,461	99,193
Blane & Henny Hagedorn	36,943	4,035	40,978	47,599
Canadian Federation of University Women	93,118	(269)	92,849	115,108
Chad & Erica Price Family	35,000	(686)	34,314	36,029
Coast Recital Society	54,729	(848)	53,881	60,572
Coast-Wide Food Bank	19,136	18,148	37,284	19,458
Community Legacy Fund	164,642	20,064	184,706	194,813
Crosby/Esson Family	78,286	17,785	96,071	118,868
Daniel Kingsbury Music for Youth Endowment	40,589	2,509	43,098	53,103
Dickey Family Endowment in Support of Sechelt Hospital	218,222	37,584	255,806	315,249
Doris Crowston	25,609	5,540	31,149	37,658
Ed and Gwen Hawkins Habitat for Humanity	20,000	142	20,142	-
Eleanor Theilke & David Cox Scholarship Fund	1,000	59	1,059	1,240
Endowment for Hungry Children on The Sunshine Coast	17,455	1,807	19,262	23,215

**Sunshine Coast Foundation**  
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**8. Restricted funds, continued**

	Contributed capital	Retained returns (deficiency)	2022	2021
Endowment for Vulnerable Communities	69,279	(181)	<b>69,098</b>	77,576
Environmental Legacy	128,415	25,787	<b>154,202</b>	190,819
Errol Lipschitz and Judy Rother Fund for Food and Shelter	12,620	(586)	<b>12,034</b>	12,686
Fiedler Family	19,508	4,505	<b>24,013</b>	29,703
Frank and Muriel Daly	261,622	(21,846)	<b>239,776</b>	279,230
Gibsons Landing Fibre Arts Festival	54,793	12,854	<b>67,647</b>	83,703
Gibsons Public Art Gallery	15,481	109	<b>15,590</b>	19,348
Gibsons Seniors Fund	4,963	(407)	<b>4,556</b>	5,633
Glenda Mitchell Memorial	35,225	(3,696)	<b>31,529</b>	23,015
Gwen Bennett Endowment	98,859	26,533	<b>125,392</b>	121,187
Habitat for Humanity	13,000	(368)	<b>12,632</b>	15,669
Halfmoon Bay Heritage	19,904	1,395	<b>21,299</b>	23,669
Harmony Hall Fund	30,000	(922)	<b>29,078</b>	33,816
Hofmann Family Endowment	27,700	(1,566)	<b>26,134</b>	20,903
HSPP Employee	39,376	5,797	<b>45,173</b>	55,758
Iris Lowen Endowment for Sechelt Public Library	24,046	1,982	<b>26,028</b>	32,295
Jack & Sheila Carlson	63,238	4,826	<b>68,064</b>	79,851
Jean & Arthur Clarke	42,280	9,568	<b>51,848</b>	64,037
Jennifer Gray Memorial	131,525	(17,078)	<b>114,447</b>	119,068
John & Janey Talbot	5,980	1,307	<b>7,287</b>	9,008
John & Maria Manley Memorial	134,859	8,975	<b>143,834</b>	177,197
John Vance Legacy	6,090	1,440	<b>7,530</b>	9,318
Joop & Jessie Burgerjon	26,000	(241)	<b>25,759</b>	30,612
Kay Chapman Memorial Fund	10,000	(689)	<b>9,311</b>	10,949
Ken Moore Marine Rescue	21,750	494	<b>22,244</b>	27,483
Larry Ennis Legacy	26,375	526	<b>26,901</b>	33,230
Lynn Pakulak	211,644	71,476	<b>283,120</b>	346,904
Marie Steel Memorial	80,286	18,151	<b>98,437</b>	118,795
Marine Rescue Agency	17,052	1,834	<b>18,886</b>	22,204
McFarland Family	13,000	108	<b>13,108</b>	16,176
Michael and Eileen Poppel	586,604	(23,996)	<b>562,608</b>	525,126
Nelson Family	350,000	(43,251)	<b>306,749</b>	358,817
Nicholls Family Endowment	10,000	(941)	<b>9,059</b>	10,674
Pender Harbour and District Health Centre Society	266,955	35,262	<b>302,217</b>	373,643
R. Clayton	35,000	710	<b>35,710</b>	44,172
Robert Allen Memorial	15,800	(1,958)	<b>13,842</b>	12,348
Robert Johnston Family	35,262	(1,602)	<b>33,660</b>	41,659
Robertson/McDonald Family Education	19,512	3,442	<b>22,954</b>	28,390

**Sunshine Coast Foundation**  
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**8. Restricted funds, continued**

	Contributed capital	Retained returns (deficiency)	2022	2021
Robertson/McDonald Marine Conservation	14,500	(12)	14,488	15,871
Rotary Club of Gibsons	7,037	676	7,713	9,546
SCF Barron Operating	200,336	(6,822)	193,514	226,004
Schell Family Endowment for the benefit of the Festival of the Written Arts	10,199	1,202	11,401	12,756
Stewart Family	64,817	9,928	74,745	91,095
Sue Milne Memorial	12,500	1,552	14,052	16,558
Sunshine Coast Arts Council - Anne & Phillip Klein	6,308	46	6,354	7,886
Sunshine Coast Arts Council - Frances Wasserlin	7,307	(258)	7,049	8,318
Sunshine Coast Arts Council - Gillian Lowndes	30,207	241	30,448	37,777
Sunshine Coast Arts Council Music Award - Louise Baril	7,930	46	7,976	9,898
Sunshine Coast Botanical Garden Society	2,266,668	(144,721)	2,121,947	1,803,472
Sunshine Coast Community Services Society	15,837	8,094	23,931	28,116
Sunshine Coast Credit Union	122,613	29,028	151,641	187,672
Sunshine Coast Endowment for Visual Arts	18,230	3,264	21,494	23,728
Sunshine Coast Festival of the Written Arts Legacy of Literacy	351,318	63,788	415,106	487,305
Sunshine Coast Hospice	95,647	7,485	103,132	127,959
Sunshine Coast Telus Community Ambassadors	13,170	(377)	12,793	14,311
Sunshine Coast Youth in Sports	150,000	8,202	158,202	195,123
Terry & Sandy McBride Family	22,796	1,873	24,669	29,269
The Patricia Gray Fund for Animal Welfare	26,292	(2,713)	23,579	27,753
The Women in STEM Bursary	12,000	(1,813)	10,187	11,968
Youth Legacy	33,843	7,853	41,696	51,626
Zoe & Gaetan Royer Fund for Accessible Housing	5,000	34	5,034	-
<b>Total Externally restricted funds</b>	<b>\$ 7,407,877</b>	<b>\$ 230,236</b>	<b>\$ 7,638,113</b>	<b>\$ 8,114,479</b>



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**December 31, 2022**

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**(Unaudited)**

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**8. Restricted funds, continued**

**Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowed funds may fall below the level that the donor has contributed. As of year end there are \$275,376 in deficiencies (2021 - \$1,016).

**9. Interfund transfers**

	2022	2021
Cost recovery levy	\$ 136,062	\$ 102,348
Operating and matching account reallocation	25,650	(50,097)
	<b>\$ 161,712</b>	<b>\$ 52,251</b>

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**10. Related party transactions**

During the year the Foundation received donations to endowments from certain directors totalling \$16,042 (2021 - \$16,985).

Additionally, the Foundation paid bank charges and interest expense of \$256 (2021 - \$1,267) to and received interest revenue of \$17,405 (2021- \$9,082) from the Sunshine Coast Credit Union where a member of the Foundation's board of directors is also a board member for the Sunshine Coast Credit Union.

These transactions were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed by the related parties.

**11. Agency Fund**

The Foundation is the beneficiary of an agency fund endowment held by the Vancouver Foundation. As of December 31, 2022, the market value of the fund was \$148,867 (2021- \$167,242) and there were distributable earnings of \$7,636 (2021- \$6,321) which can be accessed in 2023 at the discretion of the Foundation. During the year, the Foundation received a grant of \$6,321 (2021- \$6,209) from the distributable earnings that were available at the time.

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**12. Financial instruments**

The Foundation is exposed to various financial risks through transactions in financial instruments. The following provides helpful information in assessing the extent of the Foundation's exposure to these risks.

(a) 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 investments in mutual funds, bonds and debentures are subject to credit risk. The maximum exposure to credit risk on these instruments is their carrying value. The Foundation reduces this risk by holding investments with more than one reputable investment broker.

Credit risk has increased since prior year as the global financial markets have experienced a significant decline as the result of COVID-19 and economic conditions. The Foundation manages this risk by using professional portfolio managers and maintaining a diversified portfolio.

(b) Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its grants payable, payroll remittances, accounts payable and accrued liabilities of \$41,745 (2021 - \$32,899). The Foundation aims to retain a sufficient cash position to manage liquidity and to meet its obligations and in the opinion of management the liquidity risk exposure to the foundation is low and not material.

The Foundation's exposure to and management of liquidity risk has not changed significantly.

(c) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. The financial instruments that expose the Foundation to market risks are cash and investments. The Foundation is invested in a number of fixed income instruments, individual bonds and pooled bond funds. The foundation limits the exposure to these risks by investing in a balanced portfolio, the make up of which is reviewed annually by the Foundation.

Market risk has increased since prior year as the global financial markets have experienced a significant decline as the result of COVID-19 and economic conditions. The Foundation manages this risk by using professional portfolio managers and maintaining a diversified portfolio.

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(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk through its investments. The Foundation manages this risk by using professional portfolio managers and maintaining a diversified portfolio.

(ii) Equity price risk

Equity price risk is the risk that the fair value of equity financial instruments will fluctuate due to changes in market prices. The Foundation is exposed to equity price risk on its investments in preferred and common stock. The objective of the Foundation's investment policy is to manage equity price risk by maintaining a portfolio which is diversified across geographic and industry sectors.

The global financial markets have experienced a significant decline as a result of COVID-19 and economic conditions. The outcomes of monetary and fiscal interventions designed to stabilize economic conditions are unknown creating more uncertainty within the market. This decline in market conditions has been reflected within the endowment funds investments as the fair value has decreased alongside the markets decline. The Foundation manages this risk by using professional portfolio managers and maintaining a diversified portfolio.

**13. Comparative figures**

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.