

Sunshine Coast Foundation
(Formerly Sunshine Coast Community Foundation)

Financial Statements

(Unaudited)

December 31, 2023

Sunshine Coast Foundation
(Formerly Sunshine Coast Community Foundation)
Table of Contents

(Unaudited)

December 31, 2023

	Page
Independent Practitioners' Review Engagement Report	2
Statement of Operations	3
Statement of Fund Balances	4
Statement of Financial Position	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 20



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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, 2023, 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, 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.

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, 2024

Chartered Professional Accountants

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

(Unaudited)

For the year ended December 31	Operating Fund	Endowment Fund	2023	2022
Revenue				
Contributions (Note 11)	\$ 81,154	\$ 661,445	\$ 742,599	\$ 970,029
Investment income (Notes 6 & 11)	19,043	285,162	304,205	251,641
Grants	7,636	176,318	183,954	42,103
	107,833	1,122,925	1,230,758	1,263,773
Expenses				
Advertising and promotion	16,942	-	16,942	9,726
Amortization	236	-	236	445
Contractors	9,125	-	9,125	22,831
Education and training	5,619	-	5,619	1,613
Fund development	-	-	-	572
Grant ceremony	6,734	-	6,734	-
Grants	-	369,174	369,174	321,062
Insurance	3,503	-	3,503	2,285
Interest and bank charges (Note 11)	695	571	1,266	859
Investment management fees	-	41,092	41,092	38,533
Licences, memberships and dues	18,457	-	18,457	14,624
Meetings	434	-	434	2,827
Office supplies	1,073	-	1,073	2,190
Professional and consultant fees	14,902	-	14,902	14,675
Telephone	1,149	-	1,149	946
Travel	1,656	-	1,656	1,397
Vital signs	692	-	692	5,369
Wages and benefits	142,954	-	142,954	111,897
	224,171	410,837	635,008	551,851
	(116,338)	712,088	595,750	711,922
Realized gain (loss) on sale of investments (Note 6)	-	5,071	5,071	(29,651)
Fair value change to investments (Note 6)	-	762,209	762,209	(1,448,039)
Excess (deficiency) of revenue over expenses	\$ (116,338)	\$ 1,479,368	\$ 1,363,030	\$ (765,768)

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

(Unaudited)

For the year ended December 31	Operating Fund	Endowment Fund	2023	2022
Fund Balances, beginning of year	\$ 176,583	\$ 8,680,458	\$ 8,857,041	\$ 9,622,809
Excess (deficiency) of revenues over expenses	(116,338)	1,479,368	1,363,030	(765,768)
Interfund transfers (Note 10)	139,960	(139,960)	-	-
Balance, ending of year	\$ 200,205	\$ 10,019,866	\$ 10,220,071	\$ 8,857,041

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

(Unaudited)

December 31	Operating Fund	Endowment Fund	2023	2022
Assets				
Current				
Cash	\$ 4,225	\$ 310,478	\$ 314,703	\$ 622,838
Accounts receivable	-	-	-	4,000
Term deposit (Note 3)	46,182	-	46,182	-
Restricted term deposit (Note 4)	28,522	-	28,522	71,846
Prepaid expenses	8,827	-	8,827	8,052
Goods and services tax receivable	1,116	115	1,231	912
	88,872	310,593	399,465	707,648
Restricted cash (Note 5)	83,616	-	83,616	33,616
Investments (Note 6)	50,000	9,726,559	9,776,559	8,156,831
Tangible capital assets (Note 7)	455	-	455	691
	\$ 222,943	\$ 10,037,152	\$ 10,260,095	\$ 8,898,786

Liabilities**Current**

Accounts payable and accrued liabilities	\$ 12,334	\$ -	\$ 12,334	\$ 12,556
Payroll remittances	10,404	-	10,404	7,165
Grants payable	-	17,286	17,286	22,024
	22,738	17,286	40,024	41,745

Fund balances

Internally restricted (Notes 8 & 9)	112,138	1,123,109	1,235,247	1,147,807
Externally restricted (Note 9)	-	8,896,757	8,896,757	7,638,113
Invested in tangible capital assets	455	-	455	691
Unrestricted	87,612	-	87,612	70,430
	200,205	10,019,866	10,220,071	8,857,041
	\$ 222,943	\$ 10,037,152	\$ 10,260,095	\$ 8,898,786

Approved on behalf of the board

Director DocuSigned by:
Doug Allan

Director DocuSigned by:
Chad Price

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

(Unaudited)

For the year ended December 31	2023	2022
Operating activities		
Excess of revenue (deficiency) over expenses	\$ 1,363,030	\$ (765,768)
Items not affecting cash		
Amortization	236	445
Fair market value change to investments	(762,209)	1,448,039
	(761,973)	1,448,484
	601,057	682,716
Change in non-cash working capital items		
Accounts receivable	4,000	(4,000)
Term deposit	(46,182)	-
Restricted term deposit	43,324	36,005
Prepaid expenses	(775)	(1,219)
Accounts payable and accrued liabilities	(222)	6,683
Payroll remittances	3,239	1,020
Grants payable	(4,738)	1,142
Goods and services tax receivable	(319)	59
	599,384	722,406
Investing activities		
Net variation in investments	(857,519)	(736,773)
Investment in Coast Community Investment Co-op	-	(10,000)
	(857,519)	(746,773)
Decrease in cash	(258,135)	(24,367)
Cash, beginning of year	656,454	680,821
Cash, end of year	\$ 398,319	\$ 656,454
Cash consists of:		
Cash	\$ 314,703	\$ 622,838
Restricted cash	83,616	33,616
	\$ 398,319	\$ 656,454
In-Kind Donations		
Donation of securities	\$ 20,240	\$ 673,536

Sunshine Coast Foundation
(Formerly Sunshine Coast Community Foundation)
Notes to the Financial Statements

(Unaudited)

December 31, 2023

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 maintains its accounts in accordance with the principles of fund accounting. The Foundation follows the restricted fund method of accounting in which restricted contributions made to funds other than the Operating Fund are recognized when the collectibility is assured. Restricted contributions to the Operating Fund are deferred and recognized when the related expenditures are made.

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.

Sunshine Coast Foundation
(Formerly Sunshine Coast Community Foundation)
Notes to the Financial Statements

December 31, 2023

(Unaudited)

2. Significant accounting policies, continued

(b) Financial instruments

Initial measurement

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

Financial assets or liabilities originated or exchanged in related party transactions except for those that involve parties whose sole relationship with the foundation is in the capacity of management, are initially measured at cost. The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If the instrument does, the cost is determined using the instruments undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise cost is determined using the consideration transferred or received by the foundation in the transaction.

Transactions, with parties whose sole relationship with the foundation is in the capacity of management, are accounted for as arm's length transactions.

Subsequent measurement

The foundation subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in debt instruments, equity instruments and forward exchange contracts that are quoted in an active market, which are measured at fair value without any adjustment for transaction costs. Changes in fair value are recognized in net income in the period in which they occur.

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

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

The foundation subsequently measures investments at fair value, without adjustment for transaction costs and with changes in fair value recognized in operations in the period in which they occur.

Sunshine Coast Foundation
(Formerly Sunshine Coast Community Foundation)
Notes to the Financial Statements

December 31, 2023

(Unaudited)

2. Significant accounting policies, continued

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in income in the period incurred. Transaction cost for financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at amortized cost are recognized in the original cost of the instrument and recognized in income over the life of the instrument using the straight-line method.

Impairment

At the end of each reporting period, management assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired. If there is an indication of impairment, management determines whether a significant adverse change has occurred in the expected timing or the amount of future cash flows from the asset, in which case the asset's carrying amount is reduced to the highest expected value that is recoverable by either holding the asset, selling the asset or by exercising the right to any collateral. The carrying amount of the asset is reduced directly or through the use of an allowance account and the amount of the reduction is recognized as an impairment loss in operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset, is recognized in operations.

(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%
Computer equipment	Declining balance	55%

Sunshine Coast Foundation
(Formerly Sunshine Coast Community Foundation)
Notes to the Financial Statements

December 31, 2023

(Unaudited)

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, in kind securities, investment income and both unrealized and realized gains and losses on investments.

Contributions, donations, grants and in kind securities are recognized as revenue in the appropriate 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 if no appropriate fund, 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 contribute 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.

Sunshine Coast Foundation
(Formerly Sunshine Coast Community Foundation)
Notes to the Financial Statements

December 31, 2023

(Unaudited)

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. Term deposit

	2023	2022
Term deposit - Operating Fund	\$ 46,182	\$ -

The term deposit is a 5 year redeemable escalator at 4% and matures on March 30, 2028, held with Sunshine Coast Credit Union.

4. Restricted term deposit

	2023	2022
Internally restricted - Barron-Hird	\$ 1,281	\$ 10,849
Internally restricted - Smart and Caring Fund	27,241	60,997
	\$ 28,522	\$ 71,846

The term deposit is a 5 year redeemable escalator at 4% and matures on March 30, 2028, held with Sunshine Coast Credit Union.

Sunshine Coast Foundation
 (Formerly Sunshine Coast Community Foundation)
 Notes to the Financial Statements

December 31, 2023

(Unaudited)

5. Restricted cash

	2023	2022
Barron Matching	\$ 33,616	\$ 33,616
Future operations, Libin gift	50,000	-
Total restricted cash	\$ 83,616	\$ 33,616

Restricted cash represents uninvested funds that are not available for current use. The internally restricted cash is made up of cash restricted for 2024 and 2025 operations and Barron matching fund.

6. Investments

Operating Fund - carried at cost:

	2023	2022
50,000 Class A Common Voting Shares - 987152 BC Ltd. (8.33% ownership)	\$ 50,000	\$ 50,000

Endowment Fund:

Equities (fair value)	\$ 5,638,478	\$ 4,339,456
Fixed Income (fair value)	4,078,081	3,757,375
100 membership shares - Coast Community Investment Co-Op - 5% ownership (cost)	10,000	10,000
	9,726,559	8,106,831
	\$ 9,776,559	\$ 8,156,831

Investment income comprises the following:

Sunshine Coast Foundation
(Formerly Sunshine Coast Community Foundation)
Notes to the Financial Statements

December 31, 2023

(Unaudited)

6. Investments , continued

	Operating Fund	Endowment Fund	2023	2022
Dividend income	\$ 4	\$ 167,371	\$ 167,375	\$ 113,837
Capital gains	-	101,119	101,119	120,400
Interest income	19,039	16,672	35,711	17,404
	19,043	285,162	304,205	251,641
Realized gain (loss) on sale of investments	-	5,071	5,071	(29,651)
Fair value change to investments	-	762,209	762,209	(1,457,231)
	\$ 19,043	\$ 1,052,442	\$ 1,071,485	\$ (1,235,241)

7. Tangible capital assets

	Cost	Accumulated amortization	2023 Net Book Value	2022 Net Book Value
Equipment	\$ 1,395	\$ 1,066	\$ 329	\$ 411
Computer equipment	3,211	3,085	126	280
	\$ 4,606	\$ 4,151	\$ 455	\$ 691

8. Internally restricted funds

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

	2023	2022
Smart and Caring Account	\$ 27,241	\$ 59,779
Barron-Hird	1,281	10,849
Barron Matching	33,616	34,834
Libin Gift	50,000	-
	\$ 112,138	\$ 105,462

Sunshine Coast Foundation
(Formerly Sunshine Coast Community Foundation)
Notes to the Financial Statements

December 31, 2023

(Unaudited)

9. 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)	2023	2022
Internally restricted funds				
Sunshine Coast Emergency Relief Fund	\$ -	\$ -	\$ -	\$ 22
Mary & Cecil Gordon / James & Phyllis Parker Family Fund	-	10,000	10,000	-
Vera Elizabeth Barron Memorial	994,016	119,093	1,113,109	1,042,323
Total Internally restricted funds	994,016	129,093	1,123,109	1,042,345
Externally restricted funds				
Barrie Wilbee	19,292	8,609	27,901	25,410
Bate Foley End Homelessness	14,687	1,697	16,383	15,072
Baxter Baile Marine Conservation and Education	10,750	1,041	11,791	10,071
Bev Shaw Literacy Fund	27,963	(16)	27,948	-
Bill & Joan Humphries	28,235	3,074	31,310	28,594
Bill & Trudene Longman	77,476	17,651	95,127	85,461
Blane & Henny Hagedorn	37,902	6,288	44,191	40,977
Canadian Federation of University Women	93,118	8,810	101,928	92,850
Chad & Erica Price Family	42,500	2,998	45,498	34,314
Coast Recital Society	64,879	5,255	70,133	53,881
Coast-Wide Food Bank	42,573	6,599	49,172	37,284
Community Legacy Fund	169,542	42,823	212,365	184,705
Crosby/Esson Family	78,286	22,541	100,827	96,071
Daniel Kingsbury Music for Youth Endowment	40,935	4,808	45,743	43,097
Dickey Family Endowment in Support of Sechelt Hospital	218,222	50,916	269,138	255,806
Doris Crowston	25,609	7,038	32,647	31,149
Ed and Gwen Hawkins Habitat for Humanity	22,523	2,107	24,630	20,142
Elaine Sanders	-	5,000	5,000	-
Eleanor Theilke & David Cox Scholarship Fund	1,000	160	1,160	1,059
Endowment for Hungry Children on The Sunshine Coast	17,780	2,803	20,582	19,262

Sunshine Coast Foundation
(Formerly Sunshine Coast Community Foundation)
Notes to the Financial Statements

December 31, 2023

(Unaudited)

9. Restricted funds, continued

	Contributed capital	Retained returns (deficiency)	2023	2022
Environmental Legacy	128,415	33,432	161,847	154,202
Errol Lipschitz and Judy Rother Fund for Food and Shelter	13,655	595	14,250	12,034
Fiedler Family	19,508	5,715	25,223	24,013
Frank and Muriel Daly	261,622	5,668	267,290	239,776
Gibsons Landing Fibre Arts Festival	54,793	16,213	71,006	67,648
Gibsons Public Art Gallery	15,481	1,633	17,114	15,590
Gibsons Seniors Fund	4,963	25	4,988	4,556
Glenda Mitchell Memorial	44,625	(562)	44,063	31,529
Gwen Bennett Endowment	101,859	37,881	139,739	125,391
Habitat for Humanity	13,000	867	13,867	12,632
Halfmoon Bay Heritage	21,298	2,659	23,957	21,299
Harmony Hall Fund	-	-	-	29,078
Hofmann Family Endowment	36,700	1,598	38,298	26,134
HSPF Employee	39,376	8,017	47,393	45,173
Iris Lowen Endowment for Sechelt Public Library	24,046	3,215	27,261	26,028
Jack & Sheila Carlson	65,738	8,252	73,990	68,065
Jean & Arthur Clarke	42,280	12,174	54,454	51,848
Jennifer Gray Memorial	132,525	(5,932)	126,593	114,446
John & Janey Talbot	5,980	1,673	7,653	7,286
John & Maria Manley Memorial	134,859	16,456	151,315	143,834
John Vance Legacy	6,090	1,819	7,909	7,530
Joop & Jessie Burgerjon	26,000	2,286	28,286	25,759
Kay Chapman Memorial Fund	10,000	198	10,198	9,311
Ken Moore Marine Rescue	22,250	2,613	24,863	22,244
Larry Ennis Legacy	26,475	3,081	29,556	26,901
Lynn Pakulak	212,846	87,377	300,223	283,121
Marie Steel Memorial	80,286	23,646	103,932	98,436
Marine Rescue Agency	17,052	3,687	20,739	18,886
Mary & Cecil Gordon - Seniors	127,000	8,806	135,806	-
Mary & Cecil Gordon - Nursing	50,000	3,467	53,467	-
McFarland Family	13,000	1,351	14,351	13,108
Michael and Eileen Poppel	586,604	31,864	618,468	562,607
Moyna Krusell Memorial	53,872	600	54,742	-
Nelson Family	500,000	(2,673)	497,327	306,749
Nicholls Family Endowment	10,000	(79)	9,921	9,059
Pender Harbour and District Health Centre Society	267,055	50,158	317,213	302,217
R. Clayton	35,000	4,102	39,102	35,710
Robert Allen Memorial	32,300	(322)	31,978	13,842
Robert Johnston Family	45,262	12,983	58,245	33,660

Sunshine Coast Foundation
(Formerly Sunshine Coast Community Foundation)
Notes to the Financial Statements

December 31, 2023

(Unaudited)

9. Restricted funds, continued

	Contributed capital	Retained returns (deficiency)	2023	2022
Robertson/McDonald Family Education	19,512	4,594	24,106	22,954
Robertson/McDonald Marine Conservation	16,000	1,395	17,395	14,488
Rotary Club of Gibsons	7,037	1,062	8,099	7,713
SCF Barron Operating	202,036	6,395	208,431	193,514
Schell Family Endowment for the benefit of the Festival of the Written Arts	10,199	1,861	12,060	11,402
Sechelt Seniors Activity Center	16,100	859	16,959	-
Smith Family Fund for Vulnerable Communities	74,279	6,409	80,688	69,097
Stewart Family	65,817	13,748	79,565	74,745
Sue Milne Memorial	12,500	2,275	14,775	14,052
Sunshine Coast Arts Council - Anne & Phillip Klein	6,308	668	6,976	6,355
Sunshine Coast Arts Council - Frances Wasserlin	7,307	434	7,741	7,049
Sunshine Coast Arts Council - Gillian Lowndes	30,207	3,218	33,425	30,448
Sunshine Coast Arts Council Music Award - Louise Baril	7,930	825	8,755	7,976
Sunshine Coast Botanical Garden Society	2,266,968	99,361	2,366,329	2,121,947
Sunshine Coast Community Services Society	15,937	10,443	26,380	23,930
Sunshine Coast Credit Union	122,613	36,530	159,142	151,641
Sunshine Coast Endowment for Visual Arts	18,230	4,396	22,626	21,494
Sunshine Coast Festival of the Written Arts Legacy of Literacy	355,666	91,833	447,499	415,106
Sunshine Coast Hospice	95,647	12,373	108,020	103,132
Sunshine Coast Telus Community Ambassadors	14,398	864	15,262	12,793
Sunshine Coast Youth in Sports	150,000	17,995	167,995	158,202
Terry & Sandy McBride Family	24,796	3,122	27,918	24,670
The Patricia Gray Fund for Animal Welfare	26,292	(388)	25,904	23,579
The Women in STEM Bursary	12,000	(811)	11,189	10,187
YMCA Camp Elphinstone Development fund	50,000	582	50,582	-
Youth Legacy	33,843	9,929	43,772	41,698

Sunshine Coast Foundation
 (Formerly Sunshine Coast Community Foundation)
 Notes to the Financial Statements

December 31, 2023

(Unaudited)

9. **Restricted funds, continued**

	Contributed capital	Retained returns (deficiency)	2023	2022
Zoe & Gaetan Royer Fund for Accessible Housing	5,000	331	5,331	5,034
Total Externally restricted funds	\$ 7,981,709	\$ 915,048	\$ 8,896,757	\$ 7,638,113

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 \$10,782 in deficiencies (2022 - \$275,376).

10. **Interfund transfers**

	2023	2022
Cost recovery levy	\$ 137,078	\$ 136,062
Operating and matching account reallocation	2,882	25,650
	\$ 139,960	\$ 161,712

11. **Related party transactions**

During the year the Foundation received donations to endowments from certain directors totalling \$22,381 (2022 - \$16,042).

Additionally, the Foundation paid bank charges and interest expense of \$695 (2022 - \$256) to and received interest revenue of \$35,711 (2022- \$17,405) 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.

Sunshine Coast Foundation
(Formerly Sunshine Coast Community Foundation)
Notes to the Financial Statements

December 31, 2023

(Unaudited)

12. Agency Fund

The Foundation is the beneficiary of an agency fund endowment held by the Vancouver Foundation. As of December 31, 2023, the market value of the fund was \$157,983 (2022- \$148,867) and there were distributable earnings of \$7,858 (2022- \$7,636) which can be accessed in 2024 at the discretion of the Foundation. During the year, the Foundation received a grant of \$7,636 (2022- \$6,321) from the distributable earnings that were available at the time.

13. 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 decreased since prior year as the global financial markets have experienced a decline as the result of recovering from economic conditions. The Foundation manages this risk by using professional portfolio managers and maintaining a diversified portfolio.

In the opinion of management the Foundations exposure to credit risk is low.

(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 \$40,024 (2022 - \$41,745). The Foundation aims to retain a sufficient cash position to manage liquidity and to meet its obligations.

The Foundation's exposure to and management of liquidity risk has not changed from prior year.

In the opinion of management the Foundations exposure to liquidity risk is low.

Sunshine Coast Foundation
(Formerly Sunshine Coast Community Foundation)
Notes to the Financial Statements

December 31, 2023

(Unaudited)

(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 decreased since prior year as the global financial markets have experienced a decline as the result of and economic conditions. The Foundation manages this risk by using professional portfolio managers and maintaining a diversified portfolio.

In the opinion of management the Foundations exposure to market risk is low.

(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.

Interest rate risk has not changed from prior year.

In the opinion of management the Foundations exposure to interest rate risk is low.

(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.

Equity price risk has decreased since prior year due to the global financial markets experiencing a decline as a result of recovering from economic conditions. However, the outcomes of monetary and fiscal interventions designed to stabilize economic conditions are unknown creating uncertainty within the market. This decline in market conditions has been reflected within the endowment funds investments as the fair value has increased alongside the markets decline. The Foundation manages this risk by using professional portfolio managers and maintaining a diversified portfolio.

In the opinion of management the Foundations exposure to equity price risk is low.

Sunshine Coast Foundation
(Formerly Sunshine Coast Community Foundation)
Notes to the Financial Statements

December 31, 2023

(Unaudited)

14. 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.