Sunshine Coast Community Services Society

Financial Statements

March 31, 2025

Sunshine Coast Community Services Society

Table of Contents

March 31, 2025

Crowe MacKay LLP
PO Box 1610
200 – 5710 Teredo Street
Sechelt, BC V0N 3A0
Main +1(604) 697-9271
Fax +1(604) 697-9250
www.crowemackay.ca

Independent Auditor's Report

To the Members of Sunshine Coast Community Services Society

Report on Audit of the Financial Statements

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

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion
In common with many not-for-profit organizations, the Society derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were unable to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2025 and March 31, 2024, current assets and net assets as at March 31, 2025 and March 31, 2024. Our audit opinion on the financial statements for the year ended March 31, 2024 was modified accordingly because of the possible effects of this limitation in scope.

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 Society 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 qualified 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

Crowe MacKay LLP
PO Box 1610
200 – 5710 Teredo Street
Sechelt, BC V0N 3A0
Main +1(604) 697-9271
Fax +1(604) 697-9250
www.crowemackay.ca

Independent Auditor's Report, continued

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 Society'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 Society'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 Society 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 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, Canada
July 10, 2025

Chartered Professional Accountants

Sunshine Coast Community Services Society

Statement of Operations

For the year ended March 31,	Operating Fund	Capital Fund	Reserve fund	2025	2024
Revenue					
Provincial grants	$ 4,711,554	$ -	$ -	$ 4,711,554	$ 4,024,225
Federal grants	109,137	50,085	-	159,222	150,415
Donations	772,086	-	-	772,086	614,560
Local government grants	168,047	-	-	168,047	194,509
Fees for service	-	-	-	-	12,252
Rental	60,775	-	-	60,775	53,954
BC Housing grants and subsidies	1,580,526	-	-	1,580,526	1,541,811
Interest income	412,208	-	-	412,208	384,383
Thrift store and other revenues	201,447	-	-	201,447	150,923
Grants from other charities and societies	713,784	-	-	713,784	602,366
	8,729,564	**50,085**	**-**	**8,779,649**	7,729,398
Expenditures					
Advertising and publicity	30,639	-	-	30,639	39,460
Amortization	-	121,163	-	121,163	110,409
Audit and legal	46,943	-	-	46,943	46,423
Bank charges and interest	14,408	-	-	14,408	9,831
Computer and IT costs	249,749	-	-	249,749	238,719
Consulting fees	310,402	-	-	310,402	155,146
Insurance	69,830	-	-	69,830	63,040
Maintenance	177,932	-	-	177,932	102,279
Mortgage and lease interest	3,154	35,439	-	38,593	39,599
Office expense	86,119	-	-	86,119	46,344
Program expense	1,009,507	-	-	1,009,507	803,475
Salaries and wages (Notes 18 & 19)	5,872,938	-	-	5,872,938	5,377,015
Staff, volunteer and board development	109,441	-	-	109,441	96,837
Subcontracts	63,517	-	-	63,517	59,896
Subscriptions and dues	14,344	-	-	14,344	13,354
Telephone and Internet	84,270	-	-	84,270	76,083
Travel and mileage	75,758	-	-	75,758	63,299
Utilities, rent and security	322,442	-	-	322,442	240,517
	8,541,393	**156,602**	**-**	**8,697,995**	7,581,726

Sunshine Coast Community Services Society

Statement of Operations

For the year ended March 31,	Operating Fund	Capital Fund	Reserve fund	2025	2024
Excess (deficiency) of revenues over expenditures	188,171	(106,517)	-	81,654	147,672
Gain on sale of tangible capital assets (Note 7)	-	909,896	-	909,896	-
Excess of revenues over expenditures	$ 188,171	$ 803,379	$ -	$ 991,550	$ 147,672

Sunshine Coast Community Services Society

Statement of Changes In Net Assets

For the year ended March 31,	Operating Fund	Capital Fund	Reserve fund	Total 2025	Total 2024
Balance, beginning of year	**$ -**	**$ 1,273,819**	**$ 1,623,514**	**$ 2,897,333**	$ 2,738,933
Excess of revenues over expenditures	**188,171**	**803,379**	**-**	**991,550**	147,672
Interfund transfers (Note 13)	**(188,171)**	**86,773**	**101,398**	**-**	-
Refund of prior year deficit (Note 14)	**-**	**-**	**-**	**-**	10,728
Balance, ending of year	**$ -**	**$ 2,163,971**	**$ 1,724,912**	**$ 3,888,883**	$ 2,897,333

Sunshine Coast Community Services Society

Statement of Financial Position

As at March 31,	Operating Fund	Capital Fund	Reserve fund	Total 2025	Total 2024
Assets					
Current					
Cash (Note 3)	$ 2,080,936	$ -	$ -	$ 2,080,936	$ 1,939,685
Accounts receivable (Note 7)	107,774	1,182,147	-	1,289,921	162,410
Marketable securities	107,313	-	-	107,313	-
Term deposit (Note 4)	115,180	-	-	115,180	-
Prepaid expenses	5,915	-	-	5,915	109,701
Restricted cash (Note 5)	146,836	-	-	146,836	2,953,799
Restricted term deposit (Note 4)	2,319,496	-	-	2,319,496	-
Interfund balances (Note 13)	-	-	1,724,912	-	-
	4,883,450	**1,182,147**	**1,724,912**	**6,065,597**	5,165,595
Restricted cash (Note 5)	**176,596**	**-**	-	**176,596**	3,871,132
Restricted term deposit (Note 4)	**4,834,168**	**-**	-	**4,834,168**	-
Tangible capital assets (Note 6)	**-**	**1,839,174**	-	**1,839,174**	2,212,581
Property under development (Note 7)	**-**	**1,503,547**	-	**1,503,547**	1,336,343
Deposits	**450**	**146,000**	-	**146,450**	300
	$ 9,894,664	**$ 4,670,868**	**$ 1,724,912**	**$ 14,565,532**	$ 12,585,951

Sunshine Coast Community Services Society

Statement of Financial Position

As at March 31,	Operating Fund	Capital Fund	Reserve fund	Total 2025	Total 2024
Liabilities					
Current					
Accounts payable and accrued liabilities	$ 227,703	$ 1,613,247	$ -	$ 1,840,950	$ 240,098
Accrued wages and benefits (Note 8)	464,953	-	-	464,953	442,506
Deferred contributions (Notes 9 & 10)	2,466,332	-	-	2,466,332	2,953,799
Development loan (Note 7)	-	-	-	-	1,175,896
Current portion of long-term debt (Note 11)	-	48,847	-	48,847	629,148
Current portion of obligation under capital lease (Note 12)	-	22,252	-	22,252	21,730
Interfund balances (Note 13)	1,724,912	-	-	-	-
	4,883,900	**1,684,346**	-	**4,843,334**	5,463,177
Long-term debt (Note 11)	-	**533,661**	-	**533,661**	-
Obligation under capital lease (Note 12)	-	**98,620**	-	**98,620**	120,872
Deferred contributions (Notes 9 & 10)	**5,010,764**	**190,270**	-	**5,201,034**	4,104,569
	9,894,664	**2,506,897**	-	**10,676,649**	9,688,618
Net Assets					
Internally restricted (Note 15)	-	-	**1,724,912**	**1,724,912**	1,623,514
Invested in tangible capital assets	-	**2,163,971**	-	**2,163,971**	1,273,819
	-	**2,163,971**	**1,724,912**	**3,888,883**	2,897,333
	$ 9,894,664	**$ 4,670,868**	**$ 1,724,912**	**$ 14,565,532**	$ 12,585,951

Lease Commitment (Note 16)

Subsequent event (Note 17)

Approved on behalf of the board

__________ Director   __________ Director

See accompanying notes

Sunshine Coast Community Services Society

Statement of Cash Flows

For the year ended March 31	2025	2024
Operating activities		
Excess of revenues over expenditures	$ 991,550	$ 147,672
Adjustments for		
Amortization	121,163	110,409
Gift in kind donations received	190,810	17,221
Gift in kind donations expensed	(190,810)	(17,221)
Gain on sale of tangible capital asset	(909,896)	-
Donated securities	(107,313)	-
Total adjustments	(896,046)	110,409
	95,504	258,081
Change in non-cash working capital items		
Accounts receivable	54,636	50,554
Prepaid expenses	103,786	(59,711)
Accounts payable and accrued liabilities	(12,395)	21,690
Accrued wages and benefits	22,447	48,815
Deferred contributions	(487,467)	-
	(223,489)	319,429
Investing activities		
Purchase of tangible capital assets	(18,403)	(234,300)
Inlet development costs	(461,091)	(374,557)
Proceeds on sale of tangible capital assets	1,180,542	-
Purchase of term deposits	(7,268,844)	-
Deposits	(146,150)	-
	(6,713,946)	(608,857)
Financing activities		
Principal payments of long-term debt	(46,640)	(44,465)
Principal payments of obligation under capital lease	(21,730)	(21,220)
Development loan advances	-	253,147
Payment of development loan	(400,824)	-
Refund of prior year deficit	-	10,728
Deferred capital contributions	1,046,380	3,097,275
	577,186	3,295,465
Increase in cash	**(6,360,249)**	3,006,037
Cash, beginning of year	**8,764,617**	5,758,580
Cash, end of year	**$ 2,404,368**	$ 8,764,617
Cash consists of:		
Non-restricted	$ 2,080,936	$ 1,939,685
Restricted	323,432	6,824,932
	$ 2,404,368	$ 8,764,617
Non-cash transactions		
PRHC repayment of development loan	$ 775,072	$ -
Redevelopment project accounts receivable	(1,182,147)	-
Redevelopment project accounts payable	1,613,247	-
	$ 1,206,172	$ -

1. Nature of operations

Sunshine Coast Community Services Society (the "Society") delivers community based programs under contracts with the Federal, Provincial and Municipal governments and through grants and donations from individuals, businesses, clubs, societies and foundations. The Society is incorporated under the British Columbia Societies Act and is a registered charity under the Income Tax Act.

2. Significant accounting policies

The Society applies Canadian accounting standards for not-for-profit organizations.

(a) Fund accounting

The Operating Fund reflects assets, liabilities, revenues and expenditures relating to the general operations of the Society.

The Capital Fund reports the assets, liabilities, revenues and expenditures related to the Society's tangible capital assets and capital expenditures.

The Reserve Fund reports the assets, liabilities, revenue and expenditures related to the Society's internally restricted reserves.

(b) Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

(c) 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 Society is in the capacity of management, are initially measured at cost.

2. Significant accounting policies, continued

(c) **Financial instruments, continued**

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 Society in the transaction.

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

Subsequent measurement

The Society 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 cost or amortized cost include cash, restricted cash, accounts receivable, and term deposits.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, accrued wages and benefits, long-term debt and development loan.

Financial assets measured at fair value include marketable securities.

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.

2. Significant accounting policies, continued

(d) Tangible capital assets

Tangible capital assets are recorded at cost. The Society 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:

Buildings	Declining balance	4%
Equipment	Declining balance	20%
Vehicles	Declining balance	30%
Furniture and fixtures	Declining balance	20%
Leasehold improvements	Straight-line	10 years
Computer equipment	Declining balance	100%
Computer software	Declining balance	100%

Assets under development are recorded at cost including direct development costs, and overhead costs directly attributable to the development. Assets under development are not amortized until complete and put into use.

(e) Assets under capital lease

Assets under capital lease are recorded at cost. The Society provides for amortization using the straight-line method at rates designed to amortize the cost of the assets under capital lease over their estimated useful lives. The annual amortization rates are as follows:

Asset under capital lease	60 years Straight-line

(f) Impairment of long-lived assets

The Society tests 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.

(g) Capital lease obligations

Assets financed by obligations under capital lease are recorded at their value at the inception of the lease with the principal portion of the rental obligation recorded as a long-term liability. Amortization is recorded as outlined in note 12 and the interest portion of the lease payments is expensed as incurred.

2. Significant accounting policies, continued

(h) Intangible assets - cloud computing arrangements

The Society applies the simplification method to expenditures in a cloud computing arrangement that fall within the scope of AcG-20, Customer's Accounting for Cloud Computing Arrangements. Under this method, expenditures are treated as a supply of services and recognized as an expense when the foundation receives the service. Expenditures related to implementation activities are expensed as incurred.

(i) Revenue recognition

The Society follows the deferral method of accounting for contributions.

Restricted contributions for housing and non-housing activities such as provincial grants, restricted donations, federal grants, federal and provincial housing grants and grants from other charities and societies are deferred and recognized as revenue in a year in which the related expenses occur. Any balances determined to be repayable are repaid and reduce the deferred balance when the repayments are made.

Restricted contributions for the purchase of capital assets are deferred and recorded into revenue at the same rate that the corresponding assets are amortized.

Unrestricted contributions such as donations and fundraising for projects are recognized as revenue when received or receivable as long as receipt is reasonably assured and the amount is determinable.

Thrift store, fee for service, rental and other revenues are recognized when collection is reasonably assured, amount is reliably measured and performance obligations have been satisfied.

Interest revenue is recognized on an accrual basis.

(j) 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 statement of financial position date and the reported amounts of revenues and expenditures during the year. Significant estimates include the useful life of tangible capital assets. Actual results could differ from those estimates.

(k) Contributed goods and services

Volunteers contribute time to assist the Society in carrying out its programs. The Society also receives donations in kind. Where the value of the goods and services cannot be readily determined, it is not recognized in revenue.

3. Credit facility

The Society has an authorized line of credit of $38,900 bearing interest at prime plus 2.25%, none of which was used at year end. This facility is payable on demand and is secured against the buildings of the Society.

4. Term deposit

The society has a term deposit with principal of $7,268,844 earning interest at 4.40% paid monthly. The deposit is redeemable at anytime and matures on July 8, 2029. The term deposit includes $115,180 that is unrestricted, $2,319,496 that is restricted for current purposes and $4,834,168 that is restricted for long-term purposes (Note 10).

5. Restricted cash

	2025	2024
Gaming grants	**$ 251,523**	$ 260,635
Other operational and capital contributions	**-**	6,492,857
Replacement reserves:		
Legacy Housing	**33,928**	33,707
Transition Housing	**35,309**	35,079
Thyme 2nd Stage	**2,672**	2,654
Restricted - current	**(146,836)**	(2,953,799)
Restricted - long term	**$ 176,596**	$ 3,871,132

Restricted cash represents amounts received for gaming grants, replacement reserves, and unspent externally restricted contributions (Note 10).

Gaming grants are restricted for specific purposes of the grants and therefore a separate bank account is maintained for these funds.

Under the terms of the agreements with BC Housing Management Corporation (BCHMC), the Replacement reserve accounts for Legacy Housing, Transition Housing and Thyme 2nd Stage are to be credited in the amount determined by the budget provision per annum, plus interest earned. These funds, along with the accumulated interest, must be held in a separate bank account and invested only in accounts or instruments under specific insurance.

6. Tangible capital assets

	Cost	Accumulated Amortization	2025 Net Book Value	2024 Net Book Value
Land	$ 633,580	$ -	$ 633,580	$ 818,580
Buildings	1,072,377	528,642	543,735	652,036
Equipment	438,045	279,065	158,980	178,024
Vehicles	61,185	24,780	36,405	52,007
Portable building	45,938	28,273	17,665	18,401
Furniture and fixtures	165,623	135,082	30,541	38,176
Leasehold improvements	255,610	194,710	60,900	86,461
Computer equipment	37,464	37,464	-	-
Computer software	29,239	29,239	-	-
	2,739,061	1,257,255	1,481,806	1,843,685
Building under capital lease (Note 12)	691,680	334,312	357,368	368,896
	$ 3,430,741	$ 1,591,567	$ 1,839,174	$ 2,212,581

7. Property under development

The Society is in the construction phase of a project that will bring a six-story building to the heart of Sechelt, offering 35 much-needed affordable housing units for women, including those with children. This initiative reflects the Society's deep commitment to supporting vulnerable populations and fostering inclusive, resilient communities on the Sunshine Coast.

The building's first two floors will feature purpose-built spaces designed to house a number of the Society's vital programs and services—including the local food bank—ensuring that residents and the broader community have access to essential supports in a welcoming and accessible environment. Together, the housing and community spaces will serve as a cornerstone for building a stronger, healthier Sunshine Coast.

This transformative project is made possible through a valued partnership with the Provincial Rental Housing Corporation (PRHC). Over the past year, the Society entered into key agreements with PRHC to initiate the construction of the new building complex. As part of this collaboration, the Society transferred a parcel of land and an existing building to PRHC to facilitate development. The funds received from the PRHC have been reinvested to the Society's costs for their share of the six-story building. Upon completion, ownership of the Society's program and service space along with the land will return to the Society for a nominal amount, while PRHC will retain ownership of the residential units—ensuring long-term affordability and sustainability for the residents.

Pursuant to the agreements with PRHC, the BC Housing development loan of $1,175,896 was repaid in full with each party repaying their proportional share including the society's portion of $400,823.

Construction is currently underway and is expected to be completed by December 2026, with a potential extension to June 28, 2028, if needed. The total expected project costs is $34,083,963; of which the Society's portion is $10,943,590. As of March 31, 2025, the Society has incurred costs of $1,503,547 (2024 - $1,336,343) for the development and construction of the building complex. As of March 31, 2025 there is $1,182,147 (2024 - $NIL) included in accounts receiveable owing from PRHC pursuant to the agreements.

The Society is required to perform project management services related to the construction and has engaged other parties to provide additional expertise and support services for the construction management. As of March 31, 2025, the Society recorded income of $NIL (2024 - $NIL) from PRHC for the project management services performed to date.

8. Government remittances

Accrued wages and benefits include payroll remittances payable of $56,874 (2024 - $45,289), accounts receivable include GST receivable of $NIL (2024 - $11,942), and accounts payable and accrued liabilities include GST payable of $25,243 (2024 - $NIL) and PST payable of $5,179 (2024 - $4,628).

9. Deferred contributions

	2025	2024
Balance, beginning of the year	$ 7,058,368	$ 3,691,093
Amounts received during the year	4,479,324	4,746,020
Amounts recognized as revenue	(3,870,326)	(1,378,745)
Balance, end of the year	**7,667,366**	7,058,368
Less current operational contributions	**(2,466,332)**	(2,953,799)
Long term and capital contributions	**$ 5,201,034**	$ 4,104,569

10. Deferred contributions summary

The current portion of deferred contributions are restricted for various operating programs. The long-term deferred contributions are restricted for the Foundry program capital funding ($1,500,000, 2024 - $1,500,000) and the construction of the building project and other capital projects ($3,701,034, 2024 - $2,604,569). Included in this total is $190,270 of funds that are already spent and being amortized into income.

	2025	2024
BC Housing project surplus and replacement reserves	**$ 158,559**	**$ 115,655**
Capital Campaign	**3,167,463**	**2,059,827**
Foundry capital funding	**1,500,000**	**1,500,000**
Grants and other advances	**1,589,570**	**2,228,942**
Other restricted donations	**1,061,504**	**920,507**
Capital Grants	**190,270**	**233,437**
	$ 7,667,366	**$ 7,058,368**

11. Long-term debt

	2025	2024
Sunshine Coast Credit Union - 6.10% (2024 - 5.55%) mortgage, payable in monthly blended payments of $6,910, secured by land and buildings with a net carrying value of $1,008,759 (2024- $1,027,308).	**$ 582,508**	$ 629,148
Less current portion	**48,847**	629,148
Due beyond one year	**$ 553,661**	$ -

The mortgage amortized through to May 2034 is up for renewal July 30, 2027. Management intends to seek the renewal of the mortgage.

11. Long-term debt, continued

Anticipated principal re-payments, assuming the mortgage is renewed under similar terms are as follows:

2026	$	48,847
2027		51,911
2028		55,168
2029		58,628
Subsequent years		367,954
	$	582,508

12. Obligation under capital lease

The Society has entered into a 60 year lease held by BC Housing Management Corporation ("BCHMC") for the Thyme Housing Program on March 16, 1995. The lease has monthly payments of $2,074 and yearly interest of 2.39% maturing on May 1, 2026 at which point lease terms will be reviewed.

		2025		2024
Obligations under capital lease	**$**	**120,872**	$	142,602
Less current portion		**22,252**		21,730
Due beyond one year	**$**	**98,620**	$	120,872

Estimated principal re-payments are as follows:

2026	$	22,252
2027		76,368
	$	98,620

13. Interfund transfers and balances

		Operating Fund		**Capital Fund**		**Reserve Fund**
Mortgage payments	$	(46,640)	$	46,640	$	-
Capital lease payments		(21,730)		21,730		-
Tangible capital asset additions		(18,403)		18,403		-
Operational transfers		(101,398)		-		101,398
Interfund transfers	$	(188,171)	$	86,773	$	101,398

Interfund amounts receivable/payable bear no interest and are not governed by terms of repayment.

14. Subsidy adjustment

BCHMC conducts an annual review of the financial statements for specific rental projects and may adjust an operating surplus or deficit. Prior years' funding adjustments are recognized in the fiscal year in which they are determined. During the year the Society received $NIL (2024 - $10,728) from BC Housing. At the date of the audit report BCHMC has not completed the assessment of the annual review for period ending March 31, 2024, results will be recorded once assessment has been completed.

15. Internally restricted funds

	April 1, 2024 balance	Transfers	Withdrawals	March 31, 2025 balance
Capital reserve	$ 621,057	$ -	$ -	$ 621,057
Designated reserve	10,000	-	-	10,000
Operating reserve	992,457	101,398	-	1,093,855
	$ 1,623,514	$ 101,398	$ -	$ 1,724,912

16. Lease commitments

The Society is party to lease agreement which was renewed on January 1, 2024, and expires on December 31, 2025, under which the Society is required to make annual lease payments of $30,250 plus a share of common area costs. At the end of the term the Society has the option to renew for up to an additional two years.

The Society is party to lease agreement which commenced on July 1, 2024 and expires on June 30, 2027, under which the Society is required to make annual lease payments of $70,000 plus a share of common area costs.

17. Subsequent event

Subsequent to year-end, the Society entered into an agreement to purchase a building located at 5640 Cowrie Avenue in Sechelt, British Columbia for $2 million. This acquisition is a strategic investment to support the expansion of the Foundry program, which provides integrated health and wellness services for youth and their families on the Sunshine Coast. The society intends to secure mortgage funding of $1.5 million related to the purchase and use existing deferred contributions (note 10) for the balance of the improvements required.

The new location will enable the Society to deliver Foundry services in a dedicated, accessible, and youth-friendly space, enhancing the program’s reach and impact in the community. The purchase reflects the Society’s ongoing commitment to addressing the mental health and wellness needs of local youth through sustainable, community-based infrastructure.

The transaction is expected to close on July 28, 2025 with renovations and service transition planning already underway.

18. Pension plan

The Society and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly-trusteed pension plan. The Plan's Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan including investment of the assets and administration of the benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 256,341 active members and approximately 128,903 retired members. Active members include approximately 70 contributors from the Society.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of plan funding. The most recent valuation as at December 31, 2021 indicates a surplus of $3,761 million in basic pension benefits. The next valuation for the Municipal Pension Plan will be as at December 31, 2024, with results available in the fall of 2025.

The Society and its employees contributed $560,191 to the Plan in the year ended March 31, 2025 (2024 - $496,534).

19. Remuneration

The British Columbia Societies Act requires disclosure of remuneration for employees receiving more than $75,000. During the year the Society had 8 (2024 - 9) employees with total remuneration over $75,000, for a total of $762,367 (2024 - $834,980).

20. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) 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 Society is exposed to market risk through its exposure to interest rate risk.

20. Financial instruments, continued

(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 organization's interest-bearing financial instruments include fixed rate long-term debt and term deposit and variable rate operating line of credit. The fair values of fixed rate financial instruments fluctuate as market rates of interest change. The cash flows resulting from variable rate financial instruments fluctuate as interest rates applicable to the instruments change. The organization does not employ derivative financial instruments to hedge its exposure to interest rate risk. In the opinion of management the interest rate risk exposure to the Society is low.

There have been no significant changes to the interest rate risk from the previous year.

(b) **Credit risk**

The Society is subject to credit risk in accounts receivable and grants receivable of $1,289,521 (2024 - $162,710). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Society reduces its exposure to credit risk by creating an allowance for bad debts when applicable. In the opinion of management the credit risk exposure to the Society is low and is not material.

The Society is exposed to credit risk to the extent that substantially all cash and restricted cash are held at one financial institution. The financial institution is a BC Credit union and as such, the deposits held by the Credit Union are 100% insured by the Credit Union Deposit Insurance Corporation of British Columbia.

There have been no significant changes to credit risk from the previous year.

(c) **Liquidity risk**

The Society is subject to liquidity risk in the accounts payable and accrued liabilities, accrued wages and benefits, and long-term debt of $2,857,988 (2024 - $2,630,251). Liquidity risk is the risk that the Society cannot repay its obligations when they become due to its creditors. The Society reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the Society is low.

There have been no significant changes to liquidity risk from the previous year.

21. Comparative amounts

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.