

Sunshine Coast Community Services Society

Financial Statements

March 31, 2026

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Financial Statements

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Independent Auditors' Report

To the Members of Sunshine Coast Community Services Society

Report on the 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, 2026, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2026, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for 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 not able to determine whether any adjustments might be necessary to fundraising revenue, excess (deficiency) of revenues over expenses, and cash flows from operations for the years ended March 31, 2026 and 2025, current assets as at March 31, 2026 and 2025, and net assets as at April 1 and March 31 for both the 2026 and 2025 years. Our audit opinion on the financial statements for the year ended March 31, 2025 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 Auditors' 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.

Independent Auditors' Report (continued)

Auditors' 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 auditors' 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 will 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 auditors' 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 auditors' 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.

Vancouver, Canada
September 23, 2026

Crowe MacKay LLP
Chartered Professional Accountants

Sunshine Coast Community Services Society

Statement of Operations

For the year ended March 31,	2026	2025
Revenues		
Provincial grants	\$ 6,036,768	\$ 6,242,950
Donations	849,284	772,086
Grants - other	736,262	713,784
Interest income	333,278	412,208
Other revenues	217,587	201,447
Local government	183,797	168,047
Federal grants	128,419	159,222
Rental income	67,571	57,385
Amortization of deferred capital funding	37,500	-
	8,590,466	8,727,129
Expenses		
Salaries and related benefits (notes 16 and 17)	6,100,548	5,872,938
Program expenses	838,606	1,033,752
Computer expense	293,643	249,749
Consulting	284,000	349,675
Rent, security and janitorial	269,317	154,158
Amortization	125,366	121,163
Audit and legal	115,718	46,943
Repairs and maintenance	113,327	177,932
Utilities	106,330	115,764
Telephone and internet	84,799	84,270
Mortgage and lease interest	81,363	38,593
Staff, volunteer and board development	79,273	109,441
Travel	74,218	75,758
Insurance	65,836	69,830
Office and general	47,954	86,112
Advertising and promotion	43,520	30,639
Bank charges and interest	15,090	14,408
Subscriptions, permits and licenses	12,773	14,344
	8,751,681	8,645,469
Excess (deficiency) of revenues over expenses before other items	(161,215)	81,660
Other income		
Gain on sale of tangible capital assets (note 7)	-	909,896
Gain on sale of marketable securities	8,842	-
	8,842	909,896
Excess (deficiency) of revenues over expenses	\$ (152,373)	\$ 991,556

Sunshine Coast Community Services Society

Statement of Changes in Net Assets

For the year ended March 31,	Operating fund	Capital fund	Reserve fund	Total 2026	Total 2025
Balance, beginning of year	\$ -	\$ 2,163,971	\$ 1,724,912	\$ 3,888,883	\$ 2,897,333
Excess (deficiency) of revenues over expenses	16,856	(169,229)	-	(152,373)	991,550
Interfund transfers	(16,856)	-	16,856	-	
Balance, end of year	\$ -	\$ 1,994,742	\$ 1,741,768	\$ 3,736,510	\$ 3,888,883

See accompanying notes

Sunshine Coast Community Services Society

Statement of Financial Position

As at March 31, 2026	2026	2025
Assets		
Current		
Cash	\$ 1,382,455	\$ 2,080,936
Marketable securities	10,805	107,313
Accounts receivable (note 3)	117,504	1,289,921
Prepaid expenses	86,796	5,913
Term deposit (note 4)	7,268,844	7,268,844
Restricted cash (note 5)	260,828	323,432
	9,127,232	11,076,359
Tangible capital assets (note 6)	3,756,719	1,839,174
Property under development (note 7)	5,514,514	1,503,547
Deposits	146,395	146,450
	\$18,544,860	\$14,565,530
Liabilities		
Current		
Accounts payable and accrued liabilities (note 9)	\$ 1,609,992	\$ 2,362,310
Deferred operating contributions (note 10)	2,676,441	2,409,923
Current portion of long-term debt (note 11)	86,254	48,847
Current portion of obligation under capital lease (note 12)	98,620	22,252
	4,471,307	4,843,332
Long-term debt (note 11)	1,925,024	533,661
Obligation under capital lease (note 12)	-	98,620
Deferred capital contributions (note 13)	8,412,019	5,201,034
	14,808,350	10,676,647
Net assets		
Operating fund (Schedule 1)	-	-
Capital fund (Schedule 2)	1,994,742	2,163,971
Reserve fund (Schedule 3, note 14)	1,741,768	1,724,912
	3,736,510	3,888,883
	\$18,544,860	\$14,565,530

Lease commitments (note 15)

Approved on behalf of the Board:

Patricia York

Director

Linda J. J. J.

Director

See accompanying notes

Sunshine Coast Community Services Society

Statement of Cash Flows

For the year ended March 31,	2026	2025
Cash provided by (used for)		
Operating activities		
Excess (deficiency) of revenues over expenses	\$ (152,373)	\$ 991,556
Items not affecting cash		
Amortization	125,366	121,163
Gift in kind donations received	(25,318)	(190,810)
Gift in kind donations expensed	25,318	190,810
Amortization of deferred capital funding	(37,500)	-
Gain on sale of tangible capital assets	-	(909,896)
Gain on sale of marketable securities	(8,842)	-
Donated securities	(339,582)	(107,313)
	(412,931)	95,510
Change in non-cash working capital items		
Accounts receivable	(9,730)	54,636
Prepaid expenses	(80,883)	103,781
Accounts payable and accrued liabilities	213,282	10,052
Deferred operating contributions	266,518	(487,467)
	(23,744)	(223,488)
Financing activities		
Repayment of long-term debt	(71,230)	(46,640)
Proceeds of long-term debt	1,500,000	-
Repayment of obligation under capital lease	(22,252)	(21,730)
Deferred capital contributions received	3,248,485	1,046,380
Payment of development loan	-	(400,824)
	4,655,003	577,186
Investing activities		
Purchase of tangible capital assets	(2,042,910)	(18,403)
Proceeds on sale of tangible capital assets	-	1,180,542
Redevelopment costs	(3,794,421)	(461,091)
Deposits	55	(146,150)
Purchase of term deposits	-	(7,268,844)
Proceeds on sale of marketable securities	444,932	-
	(5,392,344)	(6,713,946)
Decrease in cash	(761,085)	(6,360,248)
Cash, beginning of year	2,404,368	8,764,616
Cash, end of year	\$ 1,643,283	\$ 2,404,368
Non-cash transactions		
PRHC repayment of development loan	\$ -	\$ 775,072
Redevelopment project accounts receivable	-	(1,182,147)
Redevelopment costs financed by accounts payable	647,646	1,613,247

Sunshine Coast Community Services Society

Notes to the Financial Statements

March 31, 2026

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

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Fund accounting

The Operating Fund reflects assets, liabilities, revenues and expenses relating to the general operations of the Society. The revenues, expenses and changes in net assets related to this fund are disclosed separately in Schedule 1 to the financial statements.

The Capital Fund reports the assets, liabilities, revenues and expenses related to the Society's tangible capital assets and capital expenditures. The revenues, expenses and changes in net assets related to this fund are disclosed separately in Schedule 2 to the financial statements.

The Reserve Fund reports the assets, liabilities, revenue and expenses related to the Society's internally restricted reserves. The revenues, expenses and changes in net assets related to this fund are disclosed separately in Schedule 3 to the financial statements.

(b) 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.

Sunshine Coast Community Services Society

Notes to the Financial Statements

March 31, 2026

2. Significant accounting policies (continued)

(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. 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 amortized cost include cash, restricted cash, accounts receivable, and term deposit.

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

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.

Sunshine Coast Community Services Society

Notes to the Financial Statements

March 31, 2026

2. Significant accounting policies (continued)

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.

(d) Tangible capital assets

Tangible capital assets are recorded at cost. The Society provides for amortization using the declining balance and straight-line methods at rates designed to amortize the cost of the assets over their estimated useful lives, as set out below.

Buildings	4%
Equipment	20%
Vehicles	30%
Leasehold improvements	10 years
Computer equipment	100%
Computer software	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

Leases that transfer substantially all the benefits and risks incidental to the ownership of property are recorded as capital leases. At the inception of a capital lease, an asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of the lease. Amortization is based upon the assets estimated useful life using the methods and rates described in note 2(d). All other leases are accounted for as operating leases and payments are expensed as incurred.

Building under capital lease (note 12)	60 years
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(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.

Sunshine Coast Community Services Society

Notes to the Financial Statements

March 31, 2026

2. Significant accounting policies (continued)

(g) Intangible assets

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 Society receives the service. Expenditures related to implementation activities are expensed as incurred.

(h) 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 the 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 services have been rendered.

Interest revenue is recognized on an accrual basis.

(i) Use of estimates

The preparation of the 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 dates of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the useful life of tangible capital assets. Actual results could differ from those estimates.

(j) Donated material and services

The Society relies on volunteer time and donated goods and services to achieve its purposes. Because of the difficulty of determining fair value, volunteer time is not recognized in these financial statements. The fair value of materials are determined based on third-party appraisals or other means.

Sunshine Coast Community Services Society

Notes to the Financial Statements

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3. Accounts receivable

	2026	2025
Accounts receivable	\$ 117,504	\$ 107,774
Development costs receivable	-	1,182,147
	\$ 117,504	\$ 1,289,921

4. Term deposit

The Society has a term deposit with principal of \$7,268,844 earning interest at 4.4% paid monthly. The deposit is redeemable at any time and matures on July 8, 2029.

5. Restricted cash

	2026	2025
Gaming grants	\$ 188,565	\$ 251,523
Legacy Housing replacement reserve	34,095	33,928
Transition Housing replacement reserve	35,483	35,309
Thyme 2nd Stage replacement reserve	2,685	2,672
	\$ 260,828	\$ 323,432

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

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 provisions per annum, plus interest earned. These funds, along with accumulated interest, must be held in a separate bank account and invested only in accounts or instruments covered under specific insurance.

Sunshine Coast Community Services Society

Notes to the Financial Statements

March 31, 2026

6. Tangible capital assets

	2026			2025
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 1,826,740	\$ -	\$ 1,826,740	\$ 633,580
Buildings	1,968,066	596,367	1,371,699	561,399
Equipment	603,668	452,050	151,618	189,522
Vehicles	61,185	35,702	25,483	36,405
Leasehold improvements	255,610	220,271	35,339	60,900
Computer equipment	37,464	37,464	-	-
Computer software	29,239	29,239	-	-
	4,781,972	1,371,093	3,410,879	1,481,806
Building under capital lease (note 12)	691,680	345,840	345,840	357,368
	\$ 5,473,652	\$ 1,716,933	\$ 3,756,719	\$ 1,839,174

Sunshine Coast Community Services Society

Notes to the Financial Statements

March 31, 2026

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"). In the prior 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 applied to the Society's costs for its 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.

Construction is currently underway and is expected to be completed by December 2026, with a potential extension to June 28, 2027, if needed. The total expected project costs are \$34,083,963, of which the Society's portion is \$10,943,590. As of March 31, 2026, the Society has incurred costs of \$5,514,514 (2025 - \$1,503,547) for the development and construction of the building complex.

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, 2026, the Society recorded income of \$Nil (2025 - \$Nil) from PRHC for the project management services performed to date.

8. Bank indebtedness

The Society has an authorized line of credit with a limit of \$38,900, bearing interest at prime plus 2.25%. As at March 31, 2026 a \$nil (2025 - \$nil) balance was drawn on the line of credit. The facility is payable on demand and is secured by the buildings owned by the Society.

9. Accounts payable and accrued liabilities

	2026	2025
Accounts payable and accrued liabilities	\$ 1,037,156	\$ 1,866,935
Salaries and benefits payable	389,579	464,953
Government remittances	183,257	30,422
	\$ 1,609,992	\$ 2,362,310

Sunshine Coast Community Services Society

Notes to the Financial Statements

March 31, 2026

10. Deferred operating contributions

Deferred operating contributions consist of grants and donations received from a variety of sources that are externally restricted for use for specific programs or purposes by the funder.

	Balance, beginning of year	Received	Recognized	Balance, end of year
Deferred operating grants	\$ 1,071,390	\$ 3,336,546	\$ (2,971,766)	\$ 1,436,170
Restricted donations	1,338,533	555,483	(653,745)	1,240,271
	\$ 2,409,923	\$ 3,892,029	\$ (3,625,511)	\$ 2,676,441

11. Long-term debt

	2026	2025
RBC mortgage, bearing interest at 4.55% per annum, repayable in blended monthly instalments of \$8,380, secured by the land and building. Matures July 2028 with amortization period through July 2050.	\$ 1,477,932	\$ -
SCCU mortgage, bearing interest at 6.10% per annum, repayable in blended monthly instalments of \$6,910, secured by the land and building. Matures July 2027 with amortization period through May 2034.	533,346	582,508
	2,011,278	582,508
Less current portion	86,254	48,847
	\$ 1,925,024	\$ 533,661

Estimated principal repayments, assuming mortgages are renewed under similar terms, are as follows:

2027	\$ 86,254
2028	90,680
2029	95,354
2030	100,292
2031	109,005
Subsequent years	1,529,693
	\$ 2,011,278

Sunshine Coast Community Services Society

Notes to the Financial Statements

March 31, 2026

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 annual interest of 2.39%. The lease financing was renewed for a four year term effective May 1, 2026 at a rate of 4.38% per annum with blended monthly payments of \$2,157.

13. Deferred capital contributions

Deferred capital contributions consist of capital grants and donations received for the purposes of the purchase of the Foundry building and the co-development of the mixed-use building with PRHC (refer to note 7). For the year ended March 31, 2026, \$37,500 (2025 - \$nil) of deferred capital funding was recognized in income related to the purchase of the Foundry building, which was completed in July 2025 and has an estimated useful life of 30 years.

	Balance, beginning of year	Received	Recognized	Balance, end of year
Deferred capital grants	\$ 2,756,109	\$ 2,474,709	\$ (37,500)	\$ 5,193,318
Deferred donations	2,444,925	773,776	-	3,218,701
	\$ 5,201,034	\$ 3,248,485	\$ (37,500)	\$ 8,412,019

As at March 31, 2026, of the deferred capital contributions recorded, \$5,514,514 (2025 - \$1,503,547) has been spent on the redevelopment project and \$542,911 (2025 - \$nil) has been spent on the Foundry. At March 31, 2026, deferred capital recorded was for the following uses:

	2026	2025
Redevelopment project	\$ 6,472,179	\$ 3,645,262
Foundry building	1,879,691	1,503,096
Replacement reserve	60,149	52,676
	\$ 8,412,019	\$ 5,201,034

14. Internally restricted reserve fund

	2026	2025
Operating reserve	\$ 1,110,711	\$ 1,093,855
Capital reserve	621,057	621,057
Designated reserve	10,000	10,000
	\$ 1,741,768	\$ 1,724,912

Sunshine Coast Community Services Society

Notes to the Financial Statements

March 31, 2026

15. Lease commitments

The Society is party to a lease agreement for premises at 102 - 983 Gibsons Way which was renewed on January 1, 2026, and expires on December 31, 2028, under which the Society is required to make annual minimum lease payments of \$32,213 plus a share of common area costs.

The Society is party to a lease agreement from premises at 5561 Wharf Ave. which commenced on July 1, 2024 and expires on June 30, 2027, under which the Society is required to make annual minimum lease payments of \$72,000 plus a share of common area costs.

The Society is party to a premises lease agreement which commenced on October 1, 2025 and expires on September 30, 2030, under which the Society is required to make annual lease payments of \$15,480.

16. Pension plan

The Society and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee 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.

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, 2024 reported a surplus of \$2,675 million in basic pension benefits. The next valuation for the Municipal Pension Plan will be as at December 31, 2027, with results available in the fall of 2028.

As at December 31, 2024, the Plan had approximately 262,729 active members and 133,487 retired members. Active members include approximately 63 contributors from the Society.

The Society and its employees contributed \$567,262 to the Plan in the year ended March 31, 2026 (2025 - \$560,191).

17. Remuneration

The British Columbia Societies Act requires disclosure of remuneration for employees receiving more than \$75,000. During the year the Society had 12 (2025 - 8) employees with total remuneration over \$75,000, for a total of \$1,170,445 (2025 - \$762,367).

18. 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.

Sunshine Coast Community Services Society

Notes to the Financial Statements

March 31, 2026

18. Financial instruments (continued)

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. The Society's exposure to liquidity risk relates to accounts payable and accrued liabilities, and long-term debt and arises from the possibility that the timing and amount of its cash inflows will not be sufficient to enable it to meet its financial obligations as they become due. 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.

The Society's borrowing arrangements are concentrated with two Canadian financial institutions.

(b) 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 Society's exposure to credit risk relates to accounts receivable and arises from the possibility that a debtor does not fulfil its obligations. The Society is exposed to credit risk in the event of non-performance by counterparties in connection with accounts receivable.

The Society has a concentration of credit risk as three (2025 - one) entities compose 63% (2025 - 92%) of the accounts receivable.

The Society is exposed concentration of credit risk to the extent that substantially all cash and restricted cash are held at two financial institutions. The financial institutions are major Canadian banks. The bank and deposits held by the financial institutions are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Society's cash is insured up to \$100,000 per account.

(c) 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 Society's interest-bearing financial instruments include fixed rate long-term debt and variable rate 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 Society does not employ derivative financial instruments to hedge its exposure to interest rate risk.

19. 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 excess of revenues over expenses or net assets.

Sunshine Coast Community Services Society

Schedule 1 – Operating fund

For the year ended March 31, 2026	2026	2025
Revenues		
Provincial grants	\$ 6,036,768	\$ 6,242,950
Donations	849,284	772,086
Grants - other	736,262	713,784
Interest income	333,278	412,208
Other revenues	217,587	201,447
Local government	183,797	168,047
Federal grants	128,419	109,137
Rental income	67,571	57,385
	8,552,966	8,677,044
Expenses		
Salaries and related benefits	6,100,548	5,872,944
Program expenses	838,606	1,033,752
Consulting	284,000	349,675
Computer expense	293,643	249,749
Rent, security and janitorial	269,317	154,158
Audit and legal	115,718	46,943
Repairs and maintenance	113,327	177,932
Utilities	106,330	115,764
Telephone and internet	84,799	84,270
Staff, volunteer and board development	79,273	109,441
Travel	74,218	75,758
Insurance	65,836	69,830
Office and general	47,954	86,112
Advertising and promotion	43,520	30,639
Bank charges and interest	15,090	14,408
Subscriptions, permits and licenses	12,773	14,344
Mortgage and lease interest	-	3,154
	8,544,952	8,488,873
Excess of revenues over expenses before other items	8,014	188,171
Gain on sale of marketable securities	8,842	-
Excess of revenues over expenses	\$ 16,856	\$ 188,171
Operating fund balance, beginning of year	-	-
Excess of revenues over expenses	16,856	188,171
Interfund transfers	(16,856)	(188,171)
Operating fund balance, end of year	\$ -	\$ -

Sunshine Coast Community Services Society

Schedule 2 – Capital fund

For the year ended March 31, 2026	2026	2025
Revenues		
Amortization of deferred capital funding	\$ 37,500	\$ -
Federal grants	-	50,085
	37,500	50,085
Expenses		
Amortization	125,366	121,163
Mortgage and lease interest	81,363	35,439
	206,729	156,602
Deficiency of revenues over expenses before other items	(169,229)	(106,517)
Gain on sale of tangible capital assets (note 7)	-	909,896
Excess (deficiency) of revenues over expenses	\$ (169,229)	\$ 803,379
Capital fund balance, beginning of year	\$ 2,163,971	\$ 1,273,819
Excess (deficiency) of revenues over expenses	(169,229)	803,379
Interfund transfers	-	86,773
Capital fund balance, end of year	\$ 1,994,742	\$ 2,163,971

Sunshine Coast Community Services Society**Schedule 3 – Reserve fund**

For the year ended March 31, 2026	2026		2025	
Revenues				
Interest allocated to reserves	\$	-	\$	-
		-		-
Expenses				
Reserve expenditures		-		-
		-		-
Excess of revenues over expenses before other items		-		-
Excess of revenues over expenses	\$	-	\$	-
Reserve fund balance, beginning of year	\$	1,724,912	\$	1,623,514
Excess of revenues over expenses		-		-
Interfund transfers		16,856		101,398
Reserve fund balance, end of year	\$	1,741,768	\$	1,724,912