

**THE SUNSHINE FOUNDATION OF CANADA**  
***(Operating as Shine Foundation)***  
**Financial Statements**  
**Year Ended December 31, 2025**

**THE SUNSHINE FOUNDATION OF CANADA**  
***(Operating as Shine Foundation)***  
**Index to Financial Statements**  
**Year Ended December 31, 2025**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of The Sunshine Foundation of Canada operating as Shine Foundation

### *Qualified Opinion*

We have audited the financial statements of The Sunshine Foundation of Canada, operating as Shine Foundation, (the Foundation), which comprise the statement of financial position as at December 31, 2025, and the statements of changes in fund balances, operations 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 possible 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 Foundation as at December 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *Basis for Qualified Opinion*

In common with many charitable organizations, the Foundation derives revenue from donations and fundraising activities, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets. Our audit opinion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this limitation of 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 Foundation in accordance with 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 audit 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 ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

(continues)

*Jeremy A. Giles CPA, CA      Lissa Savage CPA, CA, CPA (Illinois)*

*Mark Snyders CPA, CA      Dillon O'Henly CPA, CA*

*James B. MacNeill FCPA, FCA, CFP (Counsel)      Robert F. Edmundson CPA, CA (Retired)*

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**INDEPENDENT AUDITOR'S REPORT (continued)**

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

London, Ontario  
June 12, 2026

*MacNeill Edmundson*  
PROFESSIONAL CORPORATION  
CHARTERED PROFESSIONAL ACCOUNTANTS  
Authorized to practise public accounting by the  
Chartered Professional Accountants of Ontario

**THE SUNSHINE FOUNDATION OF CANADA**  
**(Operating as Shine Foundation)**  
**Statement of Financial Position**  
**December 31, 2025**

|                                          | 2025                       | 2024                       |
|------------------------------------------|----------------------------|----------------------------|
| <b>ASSETS</b>                            |                            |                            |
| <b>CURRENT</b>                           |                            |                            |
| Cash                                     | \$ 386,231                 | \$ 323,894                 |
| Term deposits (Note 3)                   | 5,166                      | 5,000                      |
| Donations receivable                     | 72,247                     | 74,738                     |
| Harmonized sales tax recoverable         | 15,861                     | 19,264                     |
| Prepaid expenses                         | 49,013                     | 28,213                     |
|                                          | <u>528,518</u>             | 451,109                    |
| CAPITAL ASSETS (Note 4)                  | 16,458                     | 20,035                     |
| LONG TERM INVESTMENTS (Note 3)           | <u>2,751,281</u>           | 2,874,692                  |
|                                          | <u><b>\$ 3,296,257</b></u> | <u><b>\$ 3,345,836</b></u> |
| <b>LIABILITIES AND NET ASSETS</b>        |                            |                            |
| <b>CURRENT</b>                           |                            |                            |
| Accounts payable and accrued liabilities | \$ 10,010                  | \$ 58,459                  |
| Wages payable                            | 22,571                     | 31,364                     |
| Deferred revenue                         | 100,383                    | 485                        |
|                                          | <u>132,964</u>             | 90,308                     |
| <b>NET ASSETS</b>                        |                            |                            |
| Operating fund                           | 183,671                    | 234,516                    |
| Endowment fund                           | <u>2,979,622</u>           | 3,021,012                  |
|                                          | <u><b>3,163,293</b></u>    | 3,255,528                  |
|                                          | <u><b>\$ 3,296,257</b></u> | <u><b>\$ 3,345,836</b></u> |

**ON BEHALF OF THE BOARD**

Signed by: James Cassidy Director  
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 DocuSigned by: [Signature] Director  
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**THE SUNSHINE FOUNDATION OF CANADA**  
**(Operating as Shine Foundation)**  
**Statement of Changes in Fund Balances**  
**Year Ended December 31, 2025**

|                                             | Operating<br>Fund | Endowment<br>Fund   | 2025                | 2024                |
|---------------------------------------------|-------------------|---------------------|---------------------|---------------------|
| <b>NET ASSETS - BEGINNING OF YEAR</b>       | \$ 234,516        | \$ 3,021,012        | <b>\$ 3,255,528</b> | \$ 3,971,604        |
| DEFICIENCY OF REVENUES OVER<br>EXPENDITURES | (359,917)         | 267,682             | <b>(92,235)</b>     | (716,076)           |
| INTERFUND TRANSFER                          | 309,072           | (309,072)           | -                   | -                   |
| <b>NET ASSETS - END OF YEAR</b>             | <b>\$ 183,671</b> | <b>\$ 2,979,622</b> | <b>\$ 3,163,293</b> | <b>\$ 3,255,528</b> |

**THE SUNSHINE FOUNDATION OF CANADA**  
**(Operating as Shine Foundation)**  
**Statement of Operations**  
**Year Ended December 31, 2025**

|                                                                 | 2025               | 2024                |
|-----------------------------------------------------------------|--------------------|---------------------|
| <b>REVENUES</b>                                                 |                    |                     |
| Donation revenue <i>(Note 7)</i>                                | \$ 1,752,547       | \$ 1,176,751        |
| Investment income                                               | 468                | 4,689               |
|                                                                 | <u>1,753,015</u>   | <u>1,181,440</u>    |
| <b>EXPENDITURES</b>                                             |                    |                     |
| National Programs <i>(Note 8)</i>                               | 1,322,686          | 1,252,997           |
| Philanthropy <i>(Note 8)</i>                                    | 516,055            | 722,341             |
| Operations <i>(Note 8)</i>                                      | 274,191            | 328,802             |
|                                                                 | <u>2,112,932</u>   | <u>2,304,140</u>    |
| <b>DEFICIENCY OF REVENUES OVER EXPENDITURES FROM OPERATIONS</b> | (359,917)          | (1,122,700)         |
| Investment income - Endowment Fund                              | <u>267,682</u>     | <u>406,624</u>      |
| <b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>                 | <u>\$ (92,235)</u> | <u>\$ (716,076)</u> |

**THE SUNSHINE FOUNDATION OF CANADA**  
**(Operating as Shine Foundation)**  
**Statement of Cash Flows**  
**Year Ended December 31, 2025**

|                                            | 2025              | 2024               |
|--------------------------------------------|-------------------|--------------------|
| <b>OPERATING ACTIVITIES</b>                |                   |                    |
| Deficiency of revenues over expenditures   | \$ (92,235)       | \$ (716,076)       |
| Items not affecting cash:                  |                   |                    |
| Amortization of capital assets             | 3,577             | 11,583             |
| Loss on disposal of capital assets         | -                 | 4,636              |
| Unrealized loss (gain) on investments, net | (124,085)         | (265,491)          |
| Foreign exchange                           | -                 | -                  |
| Gain on sale of investments                | (74,704)          | (134,137)          |
|                                            | <u>(287,447)</u>  | <u>(1,099,485)</u> |
| Changes in non-cash working capital:       |                   |                    |
| Donations receivable                       | 2,491             | (34,919)           |
| Harmonized sales tax recoverable           | 3,403             | 19,361             |
| Prepaid expenses                           | (20,800)          | 8,717              |
| Accounts payable and accrued liabilities   | (48,448)          | 43,511             |
| Wages payable                              | (8,793)           | 9,148              |
| Deferred revenue                           | 99,898            | 485                |
|                                            | <u>27,751</u>     | <u>46,303</u>      |
| Cash flow used by operating activities     | <u>(259,696)</u>  | <u>(1,053,182)</u> |
| <b>INVESTING ACTIVITIES</b>                |                   |                    |
| Purchase of capital assets                 | -                 | (8,770)            |
| Purchase of investments                    | (86,863)          | (289,627)          |
| Proceeds from disposal of investments      | 409,062           | 844,370            |
| Purchase of GICs                           | (5,166)           | (5,000)            |
| Proceeds on disposal of GICs               | 5,000             | 316,183            |
| Cash flow from investing activities        | <u>322,033</u>    | <u>857,156</u>     |
| <b>INCREASE (DECREASE) IN CASH</b>         | <b>62,337</b>     | <b>(196,026)</b>   |
| Cash - beginning of year                   | <u>323,894</u>    | <u>519,920</u>     |
| <b>CASH - END OF YEAR</b>                  | <b>\$ 386,231</b> | <b>\$ 323,894</b>  |

**THE SUNSHINE FOUNDATION OF CANADA**  
**(Operating as Shine Foundation)**  
**Notes to Financial Statements**  
**Year Ended December 31, 2025**

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**1. NATURE OF OPERATIONS**

The Sunshine Foundation of Canada (the "Foundation") is a not-for-profit organization incorporated under the Canada Not-for-Profit Corporations Act. As a registered charity the Foundation is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The Foundation operates to provide life-changing experiences (Shine Dreams) to young people living with severe physical disabilities.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFO).

Fund accounting

In order to ensure compliance with limitations and restrictions placed on the use of the resources available to The Sunshine Foundation of Canada, the accounts are maintained in accordance with the principles of fund accounting. Accordingly, resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund. Transfers between funds are made when it is considered appropriate and authorized by the Board of Directors.

The operations are organized into the following funds:

The Operating Fund accounts for the Foundation's Dream program delivery and administrative activities. Unrestricted donations are reported in the Operating Fund. Expenditures of the Operating Fund are financed primarily by donor contributions directed to general operations.

The Endowment Fund is externally restricted and was established, consistent with the mission of the Foundation, to provide life-changing Dream experiences to young people living with severe disabilities. The Endowment Fund reports amounts that are required to be maintained by the Foundation on a permanent basis. Investment income, which consists of interest, dividends, income distributions from pooled funds, and realized and unrealized gains or losses earned from investments, is reported in the Endowment Fund.

The Endowment Fund includes the County Heritage/Stevenson Hunt Endowment Fund, the Mio/Manz Sunshine Endowment Fund, and the Bill White Memorial Dream Endowment Fund. According to the agreements with these funds, a fixed percentage of the opening balance of the market value of invested assets is transferred to the Operating Fund at each year-end.

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**THE SUNSHINE FOUNDATION OF CANADA**  
**(Operating as Shine Foundation)**  
**Notes to Financial Statements**  
**Year Ended December 31, 2025**

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Donated capital assets are recorded at their estimated fair value at the date of the donation. Capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates:

|                        |          |
|------------------------|----------|
| Computer software      | 5 years  |
| Computer equipment     | 5 years  |
| Telephone              | 3 years  |
| Furniture and fixtures | 10 years |

The Foundation regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Revenue recognition

Donations are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment donations are recognized as direct increases in the Endowment Fund balance.

Donations designated by a donor for specific activities that will occur in a subsequent year are deferred. Deferred donations are recognized as revenue of the Operating Fund in the year in which expenditures are incurred for the designated activity.

Donations without designation are recognized as revenue of the Operating Fund in the year received.

Expenditures

The direct expenses related to the Foundation's activities are allocated to each function in the statement of operations. The Foundation also incurs general support expenses that are common to the administration of the Foundation and each of its functions. These expenses are allocated to functions as identified in note 8.

The allocated expenses include those related to personnel, facility resources, insurance, and amortization. These expenses are allocated proportionately based on personnel hours incurred.

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**THE SUNSHINE FOUNDATION OF CANADA**  
**(Operating as Shine Foundation)**  
**Notes to Financial Statements**  
**Year Ended December 31, 2025**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Investments

Equity investments consist of marketable securities. Fixed income investments consist of fixed income securities. All equity and fixed income investments quoted in an active market are recorded at market value.

Marketable securities and fixed income securities that are publicly traded are valued based on the latest bid prices. Transactions are recorded on a trade date basis, and transaction costs are expensed as incurred.

Investment income, which consists of dividends, interest income, and realized and unrealized gains and losses on cash and securities, is recorded as revenue in the statement of operations and changes in fund balances.

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Donated services and materials

Volunteers contribute many hours per year to assist the Foundation in carrying out its activities. Because of the difficulty in determining fair value, contributed services are not recognized in the financial statements. Contributed materials are recognized in the financial statements when the value can be reasonably estimated.

3. INVESTMENTS

Investments consist of the following:

|                                    | <u>2025</u>         | <u>2024</u>         |
|------------------------------------|---------------------|---------------------|
| <u>Short-term investments</u>      |                     |                     |
| Guaranteed investment certificates | \$ 5,166            | \$ 5,000            |
| <u>Long-term investments</u>       |                     |                     |
| Fixed income investments           | \$ 1,158,231        | \$ 1,216,744        |
| Equity investments                 | 1,593,050           | 1,657,948           |
|                                    | <u>\$ 2,751,281</u> | <u>\$ 2,874,692</u> |

**THE SUNSHINE FOUNDATION OF CANADA**  
**(Operating as Shine Foundation)**  
**Notes to Financial Statements**  
**Year Ended December 31, 2025**

3. INVESTMENTS *(continued)*

|                                                                                                                                                                                                                                                                                                           | <u>2025</u>       | <u>2024</u>       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| <u>Long-term investments</u>                                                                                                                                                                                                                                                                              |                   |                   |
| Guaranteed investment certificates mature June 2026 and earn interest at a rate of prime less 2.45%.                                                                                                                                                                                                      |                   |                   |
| The Foundation's fixed income investment comprises a fixed income fund in which the underlying investments have an average interest rate of 3.5% and an average maturity of 10.5 years. Investment management fees on any mutual or segregated funds are not separated from interest and dividend income. |                   |                   |
| Net investment income (loss) for the year ending December 31, 2025 consists of the following:                                                                                                                                                                                                             |                   |                   |
| Interest income                                                                                                                                                                                                                                                                                           | \$ 4,876          | \$ 3,598          |
| Dividend income                                                                                                                                                                                                                                                                                           | 81,848            | 30,127            |
| Realized gains                                                                                                                                                                                                                                                                                            | 74,704            | 126,641           |
| Unrealized gains                                                                                                                                                                                                                                                                                          | 124,085           | 265,491           |
| Investment managements fees                                                                                                                                                                                                                                                                               | <u>(17,831)</u>   | <u>(19,233)</u>   |
| Investment income - Endowment Fund                                                                                                                                                                                                                                                                        | <u>\$ 267,682</u> | <u>\$ 406,624</u> |

4. CAPITAL ASSETS

|                        | Cost              | Accumulated<br>amortization | 2025<br>Net book<br>value | 2024<br>Net book<br>value |
|------------------------|-------------------|-----------------------------|---------------------------|---------------------------|
| Computer equipment     | \$ 205,004        | \$ 195,369                  | \$ 9,635                  | \$ 11,925                 |
| Computer software      | 34,680            | 34,680                      | -                         | 774                       |
| Telephone              | 1,848             | 739                         | 1,109                     | 1,232                     |
| Furniture and fixtures | 94,639            | 88,925                      | 5,714                     | 6,104                     |
|                        | <u>\$ 336,171</u> | <u>\$ 319,713</u>           | <u>\$ 16,458</u>          | <u>\$ 20,035</u>          |

**THE SUNSHINE FOUNDATION OF CANADA**  
**(Operating as Shine Foundation)**  
**Notes to Financial Statements**  
**Year Ended December 31, 2025**

5. OPERATING FUND AND ENDOWMENT FUND

|                                               | <u>2025</u>                | <u>2024</u>                |
|-----------------------------------------------|----------------------------|----------------------------|
| <b>Operating Fund</b>                         |                            |                            |
| Dream Program                                 | \$ 178,505                 | \$ 229,516                 |
| Reserve                                       | <u>5,166</u>               | <u>5,000</u>               |
|                                               | <b><u>\$ 183,671</u></b>   | <b><u>\$ 234,516</u></b>   |
| <b>Endowment Fund</b>                         |                            |                            |
| County Heritage/Stevenson Hunt Endowment Fund | \$ 1,963,216               | \$ 2,059,713               |
| Mio/Manz Sunshine Endowment Fund              | <u>803,446</u>             | <u>762,825</u>             |
| Bill White Memorial Dream Endowment Fund      | <u>212,960</u>             | <u>198,474</u>             |
|                                               | <b><u>\$ 2,979,622</u></b> | <b><u>\$ 3,021,012</u></b> |

**Operating Fund**

The Foundation's Dream Program for a particular year is funded by surpluses earned in prior years. During the annual budgeting process, the Foundation allocates a portion of the accumulated Operating Fund surplus to be spent on the Dream Program in the upcoming year.

The Reserve represents an amount that is internally restricted to provide funds to ensure operations continue uninterrupted in the event of unanticipated significant negative change in the Foundation's core revenue. The Foundation maintains a reserve that, together with the surplus allocated to the Dream Program, represents three to six months of the budgeted expenses for the upcoming fiscal year.

The Foundation's capital asset acquisitions are funded by surpluses earned in prior years. During the annual budgeting process, the Foundation allocates a portion of previous year's Operating Fund surplus to be spent on capital assets in the upcoming year.

The undesignated portion of the Operating Fund comprises of a surplus invested in capital assets and prepaid expenses, and investment income earned by the endowment funds in excess of the specified minimum capital level that has been transferred to the Operating Fund and will be used for life-changing Dream experiences fulfillment in future years after the income has been realized.

**Endowment Fund**

The three externally restricted endowment funds were established, consistent with the mission of the Foundation, to provide life-changing Shine Dreams to young people living with severe disabilities. Investment income, including unrealized gains and losses, is included in the Endowment Fund until it is transferred to the Operating Fund in accordance with the disbursement policy agreed upon with the third-party donor to be used for Shine Dream experiences fulfillment in a future year.

During the year ended December 31, 2025, \$309,073 of investment income earned by the Endowment Fund was transferred to the Operating Fund (2024 - \$350,000).

**THE SUNSHINE FOUNDATION OF CANADA**  
**(Operating as Shine Foundation)**  
**Notes to Financial Statements**  
**Year Ended December 31, 2025**

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**6. LEASE COMMITMENTS**

The Foundation has a long-term lease with respect to its office space. The office lease contains renewal options and provides for payment of utilities, property taxes and maintenance costs.

The Foundation moved in March 2026 and is currently negotiating the cancellation of its current lease.

Total future minimum lease payments of the existing lease are as follows:

|      |                   |
|------|-------------------|
| 2026 | \$ 51,221         |
| 2027 | 51,377            |
|      | <u>\$ 102,598</u> |

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**7. DONATIONS**

In accordance with the disclosure requirements set out by the Alcohol and Gaming Commission of Ontario, the Operating Fund donations include gross gaming revenue from the following sources:

|                                  | <u>2025</u>       | <u>2024</u> |
|----------------------------------|-------------------|-------------|
| Break Open Tickets gross revenue | <b>\$ 143,290</b> | \$ 144,256  |
| Break Open Tickets net proceeds  | <b>48,923</b>     | 51,745      |

These net proceeds are used to fund the Dream Program in the Province of Ontario.

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**THE SUNSHINE FOUNDATION OF CANADA**  
**(Operating as Shine Foundation)**  
**Notes to Financial Statements**  
**Year Ended December 31, 2025**

8. ALLOCATION OF EXPENSES

General support and administration costs have been allocated and included in the following categories of expenditures:

|                                    | <b>2025</b>         | 2024         |
|------------------------------------|---------------------|--------------|
| <b>National Programs</b>           |                     |              |
| Dreams and Program Delivery        | \$ 771,646          | \$ 657,229   |
| Salaries, Wages, Professional Fees | 479,020             | 548,105      |
| Community Engagement               | 57,979              | 27,130       |
| Travel                             | 8,150               | 11,897       |
| Processing and Bank Charges        | 5,891               | 8,636        |
|                                    | <b>1,322,686</b>    | 1,252,997    |
| <b>Philanthropy</b>                |                     |              |
| Direct Costs                       | 312,426             | 207,615      |
| Salaries, Wages, Professional Fees | 182,476             | 488,532      |
| Community Engagement               | 14,141              | 11,543       |
| Processing and Bank Charges        | 5,890               | 8,073        |
| Travel                             | 1,122               | 6,578        |
|                                    | <b>516,055</b>      | 722,341      |
| <b>Operations</b>                  |                     |              |
| Salaries, Wages, Professional Fees | 216,295             | 207,836      |
| Direct Costs                       | 45,810              | 81,672       |
| Processing and Bank Charges        | 10,104              | 9,015        |
| Community Engagement               | 1,592               | 29,331       |
| Travel                             | 390                 | 948          |
|                                    | <b>274,191</b>      | 328,802      |
|                                    | <b>\$ 2,112,932</b> | \$ 2,304,140 |

9. FINANCIAL INSTRUMENTS

The Foundation is exposed to various risks through its financial instruments and has a comprehensive risk management framework in place to monitor, evaluate and manage these risks. The following analysis provides information about the Foundation's risk exposure and concentration. There has been no significant change to the nature or concentration of these risks from the prior year, unless otherwise noted.

(continues)

**THE SUNSHINE FOUNDATION OF CANADA**  
**(Operating as Shine Foundation)**  
**Notes to Financial Statements**  
**Year Ended December 31, 2025**

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9. FINANCIAL INSTRUMENTS (*continued*)

***Credit risk***

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Foundation is exposed to credit risk in connection with its donations receivable and fixed income investments. The maximum credit risk is limited to the balance of the accounts receivable and fixed income investments.

***Liquidity risk***

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its receipt of funds from its donors and other related sources, and accounts payable and accrued liabilities.

The Foundation mitigates this risk through budgeting processes and projecting its cash flow needs on a short term and long term basis, as well as having access to an operating line of credit (note 10).

***Currency risk***

Currency risk is the risk to the Foundation's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Foundation is exposed to foreign currency exchange risk on the following items held in U.S. dollars (as expressed in Canadian dollars):

|             | <b>2025</b> | <b>2024</b> |
|-------------|-------------|-------------|
| Cash        | \$ 138,274  | \$ 52,441   |
| Investments | 565,079     | 590,238     |

The Foundation does not use derivative instruments to reduce its exposure to foreign currency risk.

***Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Foundation is exposed to interest rate risk primarily through its fixed income investments and credit facilities.

***Other price risk***

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk through its investment in equity securities and pooled funds.

**THE SUNSHINE FOUNDATION OF CANADA**  
***(Operating as Shine Foundation)***  
**Notes to Financial Statements**  
**Year Ended December 31, 2025**

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10. CREDIT FACILITY

The Foundation has a credit facility with Royal Bank of Canada, which includes an approved operating line that can be drawn upon to a maximum of \$175,000, which bears interest at prime plus 1.40% and is secured by a General Security Agreement. At the statement of financial position date, the amount owing, which is due on demand, was \$nil (2024 - \$nil).

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