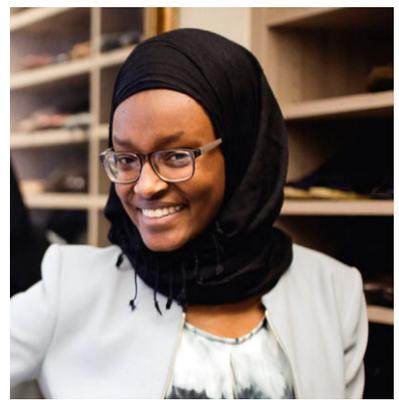
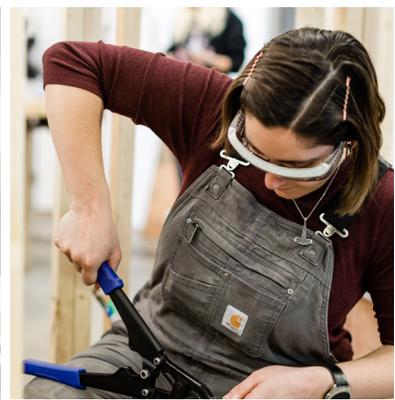


2022 PROSPERA FOUNDATION REPORT



Report from the Board of Directors

The Prospera Foundation (the Foundation) is one of the largest credit union foundations in Canada with more than \$9.1 million in assets and is committed to supporting local charities that help make our communities stronger and more inclusive. Established in 1992, the Foundation has contributed more than \$5.8 million in charitable grants to local organizations across Prospera's trade areas, from Metro Vancouver to the Fraser Valley and into the Okanagan.

In 2022, the Foundation was committed to supporting programs and organizations aligned with our three giving areas: local business, preventative health and education. More than \$554,000 was invested in a variety of programs that support families and youth facing financial barriers, and funding was also distributed to charitable organizations that invested in their business and infrastructure to help increase their reach and impact across our local communities.

Each year, the Foundation selects charitable partners that are aligned to Prospera's purpose to help build vibrant, healthy communities, thriving local enterprises and financially empowered people. The Foundation also seeks to partner with organizations that support diversity, equity and inclusion to ensure all individuals across our local communities have equal access to programs and the support they need.

2022 proved to be another challenging year across our communities as the need for programs and family services continued to rise. With support from the Foundation, 10 registered charitable organizations received funding to continue offering valuable resources to families and individuals in need.



How we help

30 years

of supporting
local communities

\$5.8 million

in charitable grants
since 1992

\$554,000

in grants to 10 community
partners throughout 2022

9,800+

members of our community
received program support
in 2022



2022 Grant Partners

The Foundation's key giving area include:



Local Business



Education



Health



Archway Community Services

Enterprise Resource Planning System



Dress for Success Kelowna

Professional Women's Group program



JA British Columbia

World of Choices program (WOC)



Mamas for Mamas, Okanagan

Mental Health and Wellness program



Special Olympics BC

Sports & Health program



Canucks Autism Network

Youth and Adult program (YAA)



HeadHeartHand Foundation

Youth Incubator program



HeartHeadHand Foundation



KCR Community Resources

Volunteers 4 All program



Okanagan College Foundation

Step into Steel Toes Employment Ready program (SISTERS)



University of the Fraser Valley

The Student Wellness Centre



Evidence shows students in need of support often feel most comfortable speaking with a peer first, and this can make all the difference in whether a student seeks out help during challenging times or not. Prospera's contribution to enhancing UFV's Student Wellness peer programs will ensure UFV students have increased access to robust peer led mental health programs, including Connection Groups, one/one individual peer support, and increased mental health education, awareness, and understanding through the Student Wellness Centre.

Robbyn Bennett
Counselling & Student Wellness Director
University of the Fraser River



2022 community partners

The following local charities were selected to receive grants in 2022, based on their alignment with Prospera's purpose and community investment strategy. Since our merger in 2020, we have ensured there is equitable distribution of grants across our local communities and newly identified giving areas. We're pleased to share the amazing impact these local charities have had throughout the year.



Archway Community Services

archway.ca

Archway Community Services has provided a wide range of vital services in Abbotsford and the surrounding area for almost 50 years. With granting received through the Foundation, Archway was able to invest in their business infrastructure to create efficiencies across various administrative functions and streamline their program delivery using a new CRM platform. As a result of the upgrades, more than 350 hours of their finance team's time has now been freed up to better support program supervisors in budget development and financial management. Additionally, 54 program supervisors now have real-time, continuous access to their financial data, which enables them to be more effective when making budgetary decisions.



Canuck Autism Network

canucksautism.ca

Canuck Autism Network (CAN) provides programs for individuals on the autism spectrum and their families, while promoting acceptance and inclusion through community and training initiatives across BC and beyond. Through the Youth and Adult program, individuals gained access to programs and skills that helped them move through adolescence and into adulthood to become contributing members within their local communities. In 2022, CAN provided more than 2,000 program spaces to youth and adults.





I can't say enough about how grateful I am that such a youth program exists. My son is seven years old and has never been interested in team sports. Now he is eager to play basketball and play on a local soccer team. Wanting to be a part of a team and the confidence CAN has given him is just so important. I am so pleased.

Canuck Autism Network parent



As the need for our services continues to grow in our communities, we are grateful for the funding provided by the Prospera Foundation. This gift will allow us to expand on the content and programming for our Professional Women's Group, which is geared to help women gain the knowledge, skills and support to excel in their new workplaces and careers.

Lori Stevenson, Executive Director, Dress for Success Kelowna



Dress for Success Kelowna

dfskelowna.org

Dress For Success empowers women to achieve economic independence by providing a network of career support, professional attire and the development tools to help them prosper. The Kelowna chapter started in 2020 and has since seen needs increase exponentially over the last two years to support women adversely affected by the pandemic. With the funds from our Foundation, up to 80 women will be able to join the Professional Women's Group, a three-month career and self-development program to help them find sustainable and rewarding employment, while supporting their personal well-being.



HeadHeartHand Foundation

3hfoundation.ca

HeadHeartHand (3H) Foundation was established in 2020 and received charitable status in 2022. As a newly launched charity, their focus is to deliver holistic education across our communities. The 3H Foundation supports various programs, including Black youth entrepreneurship, youth mentorship, holistic youth empowerment and volunteerism. With support from the Foundation, 3H Foundation successfully completed their first Youth Mentorship program with 56 mentors and mentees, as well as launched their Black Youth Entrepreneurship program with 47 youth and a focus on financial literacy. Their goal is to help more than 5,000 youths, teenagers, seniors and other community members annually.



Thank you to the Prospera Foundation for your passion and dedication to support our community initiatives. As a Black-led organization with big dreams for our community, we are excited about our partnership and the various impacts our programs are having on youth empowerment, youth mental health, support system for immigrant families, building relationship and enhancing community collaborations.

Adebola Ige, President and Founder
HeadHeartHand Foundation





JA British Columbia

jabc.ca

JA British Columbia (JABC) connects with thousands of young people each year to deliver hands-on, immersive education in work readiness, financial literacy and entrepreneurship. The Foundation's partnership supports JABC's World of Choices program, a monthly series of in-class and virtual events that feature high-opportunity career fields in BC. Students are given the opportunity to explore different career paths and refine their career goals by reflecting on their personal interests and strengths. During the 2021-2022 school year, the Foundation supported the delivery of 108 World of Choices programs across its trade areas.



We are very grateful for Prospera's continued support of our Economics for Success and the Foundation's support of the World of Choices program. With their renewed commitment, even more BC youth will have the opportunity to build important financial literacy and work readiness skills that will benefit them for their lifetime.

Sheila Biggers
President and CEO, JABC



Thanks to the support of Prospera Foundation, the Volunteers4All program has benefitted diverse people facing barriers to employment and social connection to the community.

Ellen Boelcke, Executive Director
KCR Community Resources



KCR Community Resources

kcr.ca



KCR is a multi-service agency focused on strengthening communities in the Okanagan. Throughout the year, they offer programs and services focused on community giving, employment, family, adoption and immigration. With funding through the Foundation, KCR launched the Volunteers4All program to help over 30 diverse individuals facing multiple barriers find meaningful and secure employment and access training and resources. This year, KCR partnered with many non-profit organizations and connected more 630 individuals to local volunteer opportunities.



Thanks to you and your commitment to your community, we've reached more caregivers and youth than ever before, and we are just getting started. Thank you for being the change we need to see in the world.

Shannon Christensen,
 Founder and Chief Vision Officer
 Mamas for Mamas



Mamas For Mamas

mamasformamas.org

Mamas for Mamas is a non-profit community organization that provides mothers and caregivers in crisis with emergency and comprehensive mental wellness support. They welcome caregivers of any gender identity or expression. With support through the Foundation, their clinical team provided timely and evidence-based individual and group counselling to more than 3,450 community members in the Okanagan.



Prospera's generous gift has already had an incredible impact. Providing support for women accessing trades education increases diversity and inclusion, which benefits our entire community.

Helen Jackman, Executive Director, Okanagan College Foundation



Okanagan College Foundation

okanagan.bc.ca

Okanagan College Foundation raises funds to support the transformative power of education and create the best possible outcomes for students at Okanagan College. In 2022, the Okanagan College Foundation launched the SISTERS' Carpenter Foundation program, which facilitates skills training and employment assistance for 12 off-reserve Indigenous women who have experienced multiple barriers to education and employment in the Central Okanagan region. The funding from the Foundation helps cover additional certification costs, tools and protective equipment for the students.



Prospera Credit Union is truly committed to creating stronger, more inclusive communities and empowering athletes with intellectual disabilities. We're so grateful for Prospera's ongoing support, which makes a huge difference for the life-changing, year-round Special Olympics sport, youth and health programs in 55 communities throughout our province.

Dan Howe, President & CEO, Special Olympics BC



Special Olympics BC

specialolympics.ca

As a longtime Foundation partner, Special Olympics BC (SOBC) continues to enrich the lives of individuals with intellectual disabilities through sport. The last few years have been extremely challenging on athletes, with the COVID-19 global pandemic putting a hold on in-person training and programs. In 2022, SOBC started to rebuild many of their sport and health programs, providing more than 2,500 local athletes and 1,600 volunteers the opportunity to return to in-person training and competitions ahead of the 2023 Winter Games.



University of the Fraser Valley

ufv.ca

University of the Fraser Valley (UFV) is an accredited university with about 15,000 students per year. The Foundation supports UFV's Student Wellness Centre (SWC), a health and wellness program designed by students for students. The SWC offers one-one-one support sessions, drop-in meetings, wellness workshops, resources and events related to mental health, financial well-being, sexual health and diversity. Last year, the SCW helped more than 600 students and has become an integral part of UFV's support network for students.



About the Prospera Foundation

We're guided by a dedicated board of directors and senior executives from Prospera Credit Union and are a registered charity with Canada Revenue Agency. In December 1992, the Westminster Savings Foundation was incorporated under the former *BC Society Act*. In June 2017, it transitioned to the *BC Societies Act*. In 2021, it was legally renamed to the Prospera Foundation.

We're proud to have contributed more than \$5.8 million in financial support to local organizations since incorporation in 1992 and have more than \$9.1 million in assets as of December 31, 2022.

The Foundation receives all its capital from the credit union, and income earned on its capital helps fund grants to a variety of charitable organizations in our communities each year. Prospera Credit Union is a registered **Caring Company of Imagine Canada.**



For more information,
visit prospera.ca/foundation



Special Olympics BC



Financial Statements of Prospera Foundation

Year ended December 31, 2022

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Prospera Foundation

Opinion

We have audited the financial statements of Prospera Foundation (the Entity), which comprise:

- the statement of financial position as at December 31, 2022
- the statement of operations and fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at December 31, 2022 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards from not-for-profit organizations.

Basis for Opinion

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 auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

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 the 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 Entity'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 Entity'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 Entity 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.
- 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 (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.



Chartered Professional Accountants

Vancouver, Canada

Feb 27, 2023

Statement of financial position

Year ended December 31, 2022, with comparative information for 2021

	Note	2022	2021
Assets			
Current assets			
Cash and cash equivalents		\$ 322,475	\$ 339,981
Interest receivable		58,264	54,907
Dividends receivable		22,820	22,746
Short-term investments	4	10,269	293,402
		413,828	711,036
Investments			
Term deposits and fixed income investments	4	4,632,119	4,451,050
Preferred shares	4	4,101,300	5,637,791
		8,733,419	10,088,841
		9,147,247	10,799,877
Liabilities and Fund Balances			
Fund balances			
Non-restricted fund		\$ (855,003)	\$ 797,627
Restricted fund		10,002,250	10,002,250
		\$ 9,147,247	\$ 10,799,877

The accompanying notes form an integral part of these financial statements.

Approved on behalf of the board:

Rod Thomson
Chair

TJ Schmaltz
President

Statement of operations and fund balances

Year ended December 31, 2022, with comparative information for 2021

	Note	2022			2021		
		Non-restricted	Restricted	Total	Non-restricted	Restricted	Total
Revenues							
Interest		\$ 184,476	\$ -	\$ 184,476	\$ 218,876	\$ -	\$ 218,876
Dividends		253,490	-	253,490	249,511	-	249,511
Gain on sale of investments		-	-	-	13,413	-	13,413
Unrealized gains (losses) on investments		(1,536,491)	-	(1,536,491)	497,253	-	497,253
Donations		-	-	-	-	500,000	500,000
Expenditures							
Community grants	5	(554,105)	-	(554,105)	(417,445)	-	(417,445)
Surplus (deficiency) of revenues over expenditures		(1,652,630)	-	(1,652,630)	561,608	500,000	1,061,608
Fund balance, beginning of year		797,627	10,002,250	10,799,877	236,019	9,502,250	9,738,269
Fund balance, end of year		\$ (855,003)	\$ 10,002,250	\$ 9,147,247	\$ 797,627	\$ 10,002,250	\$ 10,799,877

The accompanying notes form an integral part of these financial statements.

Statement of cash flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in)		
Operating activities		
Surplus of (deficiency) over expenditures	\$ (1,652,630)	\$ 1,061,608
Items not affecting cash:		
Unrealized (gains) losses on investments	1,536,491	(497,253)
(Gain) loss on sale of investments	-	(13,413)
Changes in non-cash operating items:		
Premium amortization on fixed income investments	18,930	33,694
Interest receivable	(3,357)	2,963
Dividends receivable	(74)	(4,161)
Net cash from (used in) operating activities	(100,640)	583,438
Investing activities		
Purchase of preferred shares	-	(2,995,898)
Purchase of term deposits & fixed income investments	-	(919,706)
Sale of term deposits and fixed income investments	83,134	932,451
Sale of preferred shares	-	2,438,002
Net cash (used in) provided by investing activities	83,134	(545,151)
Increase (decrease) in cash and cash equivalents	(17,506)	38,287
Cash and cash equivalents, beginning of year	339,981	301,694
Cash and cash equivalents, end of year	\$ 322,475	\$ 339,981

The accompanying notes form an integral part of these financial statements.

Notes to Financial Statements

Year ended December 31, 2022, with comparative information for 2021

1. Purpose of the foundation

Prospera Foundation (the foundation) was incorporated under the former *British Columbia Society Act* in December 1992 and transitioned to the new *Societies Act (British Columbia)* in 2017, to create a permanent source of funds to support various organizations and activities that work to improve the quality of life within the general trade area of Prospera Credit Union (the credit union). The foundation changed its name to Prospera Foundation, effective June 29, 2021. The foundation was formerly known as Westminster Savings Foundation.

The foundation is registered as a tax-exempt charity with Canada Revenue Agency under Paragraph 149(1)(f) of the *Income Tax Act*.

2. Significant accounting policies:

These financial statements are prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Canada Handbook.

a. Fund accounting

The foundation follows the restricted fund method of accounting for contributions.

- (i) **Restricted fund:** All funds to the foundation are donated by the credit union and are deemed to be permanent at the time of the donation. These funds are restricted for a minimum of a ten-year period, after which funds may be transferred to the unrestricted fund with Board of Directors (board) approval. The board exercises discretionary control over the investment of these restricted funds according to the foundation's Statement of Investment Policy as approved by the board.
- (ii) **Unrestricted fund:** Investment income earned is reported in the unrestricted fund. Unrestricted funds are available for the foundation's support of community organizations through community grants. The board may, under certain conditions, transfer funds from the restricted fund to the unrestricted fund as per note 2(a)(i).

b. Use of estimates

The preparation of the financial statements 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 date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

c. Financial instruments:

The foundation's financial instruments consist of cash and cash equivalents, interest and dividends receivable and investments.

(i) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and term deposits, which are highly liquid with original maturities of less than three months.

(ii) Investments:

Short-term investments: Short-term investments include term deposits with terms to maturity between three months and less than one year.

Long-term investments: Long-term investments include term deposits and fixed income investments with terms to maturity greater than one year and preferred shares with no specific maturity.

All financial instruments are initially measured at fair value and subsequently measured as follows:

Assets/liabilities	Measurement
Cash	Amortized cost
Preferred shares	Fair value
Term deposits	Amortized cost
Fixed income investments	Amortized cost
Interest receivable	Amortized cost
Dividends receivable	Amortized cost

Financial instruments subsequently measured at amortized cost are adjusted by transaction costs and financing costs incurred on acquisition, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the foundation expects to realize by exercising its right to any collateral.

If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

Realized and unrealized gains and losses for financial assets carried at fair value are classified as realized and unrealized gains and losses in the statement of operations.

d. Revenue recognition

Contributions to the restricted or unrestricted fund are recognized as revenue when they are received or receivable, provided the amounts are measurable and collection is reasonably assured.

Interest on investments is recorded on an accrual basis. Dividends that have been declared are recorded as income on the date of record set for the dividend. Fair value changes in investments is recognized separately and comprises realized and unrealized gains and losses on investments.

All investment and interest income earned on funds is recognized as revenue in the unrestricted fund.

e. Grants

Grants are recorded when paid by the foundation.

f. Donated services

The foundation benefits from donated services in the form of volunteer time for various committees and administration from the credit union. Due to the difficulty

of determining their fair value, donated services are not recognized in these financial statements.

g. Related party transactions

Related party transactions occur in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Details of related party transactions are disclosed in note 6.

3. Operations

The foundation is managed by a board that consists of members of the credit union's Board of Directors as well as senior managers of the credit union. The foundation intends to use the income generated from investments to provide support to community organizations. The board of the foundation has determined that grants will be allocated in the following categories: local business, preventative health and education.

4. Investments

The foundation has investments with the credit union and CIBC Wood Gundy. These include short-term investments, term deposits and fixed income investments, and preferred shares. The following are the weighted-average interest rates and maturity terms:

Maturity	Average rate	2022	2021
Short-term investments			
2022	1.65%	\$ -	\$ 293,402
2023	1.80%	10,269	-
Term deposits and fixed income investments			
2026	4.50%	200,000	-
2027	3.88%	1,394,786	1,397,285
2031	4.59%	3,037,333	3,053,765
		4,632,119	4,451,050
Preferred shares ¹	4.53%	4,101,300	5,637,791
		8,743,688	10,382,243

¹Preferred shares do not have a maturity date.

5. Community grants

The following community grants were made during the year ended December 31:

	2022	2021
HeadHeartHand Foundation	\$ 100,000	\$ -
University of the Fraser Valley	77,000	-
Junior Achievement of BC	75,000	75,000
Archway Community Service	70,000	70,000
Dress for Success Vancouver	60,000	15,000
Special Olympics British Columbia Society	50,000	50,000
Kelowna Community Resources	37,445	37,445
Mamas for Mamas	35,000	-
Canucks Autism Network Society	30,000	20,000
Okanagan College Foundation	19,660	-
Children's Arts Umbrella Association	-	50,000
KidSport British Columbia	-	50,000
Maple Ridge and Pitt Meadows Arts Council	-	20,000
South Vancouver Family Place Society	-	10,000
The Art Starts in Schools Society	-	10,000
Central Okanagan Community Foodbank	-	5,000
Mission Hospice Society	-	5,000
	<u>\$ 554,105</u>	<u>\$ 417,445</u>

6. Related parties

The credit union is related to the foundation by virtue of its representation on the foundation's board. The credit union currently provides most personnel, facilities and administrative services necessary for the operation of the foundation.

Related party transactions as at December 31, 2022 and for the year then ended not separately disclosed in the financial statements include the following:

- The credit union maintains deposits on behalf of the foundation of \$212,840 (2021 - \$294,160).

- The credit union paid interest on these deposits of \$4,718 (2021 - \$5,148).

- The credit union donated nil to the foundation (2021 - \$500,000).

7. Financial risks

The foundation manages its investment portfolio to earn investment income and invests according to a board approved Statement of Investment Policy. Investments in financial institutions and corporate institutions are highly liquid and can be disposed of to settle commitments. Term deposits held are accessible when the term deposits mature. The investments are detailed in note 4.

Market risk is the risk that the fair value of an investment decreases due to changes in market conditions. The foundation is exposed to market risk on its investments in corporate bonds and preferred shares. This risk is mitigated by ensuring asset allocation targets are met and that investments are in compliance with all the investment criteria prescribed in the foundation's Investment Policy. The objective of market risk management is to monitor investments to identify market value fluctuations which indicate an investment is impaired.

Liquidity risk is the risk that the foundation will not be able to meet its financial obligations as they fall due. Since all the foundation's assets are held in investments that can be readily liquidated, the foundation's liquidity risk is considered minimal.

Credit risk is the risk of financial loss to the foundation when the credit quality of an investment deteriorates and the issuer of the financial instrument is unable to meet its contractual obligations. The foundation holds investments in corporate bonds, preferred shares and deposits, which potentially expose it to credit risk. The foundation does not consider there to be significant credit risk as its investments are held in large Canadian public entities with acceptable credit ratings. Credit risk is also considered low for deposit investments held with the credit union.

Interest rate risk is the risk that the foundation's investments will change in fair value due to future fluctuations in market interest rates. The foundation has an exposure to interest rate risk as a portion of its revenue is derived from interest on its fixed income investments. Management frequently reviews the interest rates to mitigate risk to the foundation.

The foundation is not involved in any hedging relationships and does not hold or use any derivative financial instruments for trading purposes.

Prospera Foundation Board of Directors

Art Van Pelt, *Director*

Catherine Roome, *Director*

Colin MacKinnon, *Director*

Eric Nadin, *Vice-Chair*

Gina Arsens, *Director*

Rita Virk¹, *Director*

Rod Thomson, *Chair*

Stacey Crawford, *Director*

T.J. Schmaltz, *President*

Bukkie Adewuyi, *Secretary-Treasurer*

Kirsten McElgunn, *Director*

¹Rita Virk: Last meeting was April 28, 2022



Prospera Foundation

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prospera.ca

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