

Non-Consolidated Financial Statements  
(Expressed in thousands of dollars)

## **VANCOUVER FOUNDATION**

And Independent Auditor's Report thereon

Year ended December 31, 2025



**KPMG LLP**

PO Box 10426 777 Dunsmuir Street  
Vancouver BC V7Y 1K3  
Canada  
Telephone 604 691 3000  
Fax 604 691 3031

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of Vancouver Foundation

### ***Opinion***

We have audited the non-consolidated financial statements of Vancouver Foundation (the "Foundation"), which comprise:

- the non-consolidated statement of financial position as at December 31, 2025
- the non-consolidated statement of operations and changes in fund balances for the year then ended
- the non-consolidated statement of changes in fund balances for the year then ended
- the non-consolidated statement of cash flows for the year then ended
- and notes to the non-consolidated 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 non-consolidated financial position of the Foundation as at December 31, 2025, and its non-consolidated results of operations and its non-consolidated cash flows for the year then ended in accordance with Canadian accounting standards for 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Foundation 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 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 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.

## ***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 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 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.
- 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.

*KPMG LLP*

Chartered Professional Accountants

Vancouver, Canada  
April 22, 2026

# VANCOUVER FOUNDATION

Non-Consolidated Statement of Financial Position  
(Expressed in thousands of dollars)

December 31, 2025, with comparative information for 2024

	2025			2024		
	Restricted	Operating	Total	Restricted	Operating	Total
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 91,650	\$ 7,273	\$ 98,923	\$ 70,412	\$ 3,519	\$ 73,931
Short term investments	-	-	-	12,750	-	12,750
Accounts receivable and prepaid expenses	709	407	1,116	412	746	1,158
	92,359	7,680	100,039	83,574	4,265	87,839
Investments (note 3)	1,712,469	4,622	1,717,091	1,641,083	4,599	1,645,682
Other assets (note 4)	2,884	-	2,884	2,664	-	2,664
Capital assets (note 5)	-	4,228	4,228	-	506	506
<b>Total assets</b>	<b>\$ 1,807,712</b>	<b>\$ 16,530</b>	<b>\$ 1,824,242</b>	<b>\$ 1,727,321</b>	<b>\$ 9,370</b>	<b>\$ 1,736,691</b>

## Liabilities and Fund Balances

Current liabilities:						
Accounts payable and accrued liabilities (note 11)	\$ 1,529	\$ 844	\$ 2,373	\$ 1,567	\$ 597	\$ 2,164
Grants payable (notes 16 and 17)	27,513	-	27,513	32,063	-	32,063
Deferred lease inducement	-	-	-	-	9	9
Interfund payable (receivable)	(283)	283	-	89	(89)	-
	28,759	1,127	29,886	33,719	517	34,236
Non-current grants payable (notes 16 and 17)	16,541	-	16,541	22,006	-	22,006
Fund balances:						
Contributed principal (notes 6(a) and 6(b))	1,132,548	-	1,132,548	1,110,194	-	1,110,194
Retained returns from investments (note 6(b))	629,864	11,175	641,039	561,402	8,347	569,749
Invested in capital assets	-	4,228	4,228	-	506	506
<b>Total fund balances</b>	<b>1,762,412</b>	<b>15,403</b>	<b>1,777,815</b>	<b>1,671,596</b>	<b>8,853</b>	<b>1,680,449</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,807,712</b>	<b>\$ 16,530</b>	<b>\$ 1,824,242</b>	<b>\$ 1,727,321</b>	<b>\$ 9,370</b>	<b>\$ 1,736,691</b>

Commitments (note 13)

See accompanying notes to the non-consolidated financial statements.

Approved on behalf of the Board:



Director



Director

# VANCOUVER FOUNDATION

Non-Consolidated Statement of Operations and Changes in Fund Balances  
(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

	2025			2024		
	Restricted	Operating	Total	Restricted	Operating	Total
<b>Revenue:</b>						
Contributions (notes 7, 12 and 16)	\$ 82,003	\$ -	\$ 82,003	\$ 74,636	\$ -	\$ 74,636
Investment and interest income (note 8)	172,623	1,877	174,500	210,548	3,178	213,726
	254,626	1,877	256,503	285,184	3,178	288,362
<b>Expenses:</b>						
Charitable activities:						
Charitable programming (notes 9 and 11)	6,241	-	6,241	5,988	-	5,988
Grants (note 16)	128,854	-	128,854	159,776	-	159,776
	135,095	-	135,095	165,764	-	165,764
Management and administration:						
Administration and other fund expenses (notes 10 and 11)	335	12,471	12,806	2,234	12,043	14,277
Investment management and custodian fees	11,236	-	11,236	11,195	-	11,195
	11,571	12,471	24,042	13,429	12,043	25,472
Excess (deficiency) of revenue over expenses	107,960	(10,594)	97,366	105,991	(8,865)	97,126
Fund balance, beginning of year	1,671,596	8,853	1,680,449	1,575,148	8,175	1,583,323
Interfund transfers:						
Administration fee	(9,657)	9,657	-	(8,962)	8,962	-
Other interfund transfers	(7,487)	7,487	-	(581)	581	-
	(17,144)	17,144	-	(9,543)	9,543	-
Fund balance, end of year	\$ 1,762,412	\$ 15,403	\$ 1,777,815	\$ 1,671,596	\$ 8,853	\$ 1,680,449

See accompanying notes to the non-consolidated financial statements.

# VANCOUVER FOUNDATION

Non-Consolidated Statement of Changes in Fund Balances  
(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

	2025				2024			
	Contributed principal	Retained returns from investments	Invested in capital assets	Total	Contributed principal	Retained returns from investments	Invested in capital assets	Total
Fund balances, beginning of year	\$ 1,110,194	\$ 569,749	\$ 506	\$ 1,680,449	\$ 1,061,082	\$ 521,447	\$ 794	\$ 1,583,323
Excess (deficiency) of revenue over expenses	49,640	47,978	(252)	97,366	48,438	49,035	(347)	97,126
Invested in capital assets	-	(3,974)	3,974	-	-	(59)	59	-
Transfers from contributed principal to retained returns from investments	(32,040)	32,040	-	-	(8,172)	8,172	-	-
Recapitalized income	4,754	(4,754)	-	-	8,846	(8,846)	-	-
Fund balances, end of year	\$ 1,132,548	\$ 641,039	\$ 4,228	\$ 1,777,815	\$ 1,110,194	\$ 569,749	\$ 506	\$ 1,680,449

See accompanying notes to the non-consolidated financial statements.

# VANCOUVER FOUNDATION

Non-Consolidated Statement of Cash Flows  
(Expressed in thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 97,366	\$ 97,126
Items not affecting cash:		
Unrealized gain on investments	(23,309)	(124,066)
Unrealized gain on other assets	(220)	(138)
Realized gain on investments	(81,292)	(28,594)
Amortization	252	347
Amortization of deferred lease inducement	(9)	(34)
	(7,212)	(55,359)
Changes in non-cash operating working capital:		
Accounts receivable and prepaid expenses	42	375
Accounts payable and accrued liabilities	209	(233)
Grants payable	(10,015)	28,494
	(16,976)	(26,723)
Investing activities:		
Capital asset additions	(3,974)	(59)
Net sale (purchase) of investments	33,192	(9,243)
Sale of short-term investments	12,750	4,250
	41,968	(5,052)
Increase (decrease) in cash and cash equivalents	24,992	(31,775)
Cash and cash equivalents, beginning of year	73,931	105,706
Cash and cash equivalents, end of year	\$ 98,923	\$ 73,931

See accompanying notes to the non-consolidated financial statements.

# VANCOUVER FOUNDATION

Notes to Non-Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2025

---

## 1. Organization:

Vancouver Foundation (the "Foundation") was established in 1943 and incorporated through an Act of the Provincial Legislature in 1950. From time-to-time revisions to the Act are made. A fulsome revision of the Act received royal assent on May 16, 2024. The Foundation is dedicated to creating healthy, vibrant, equitable and inclusive communities across British Columbia with a focus on supporting meaningful and lasting improvements.

The Foundation is a registered charity and is classified as a public foundation under the *Income Tax Act* (Canada). As such, it may issue tax deductible receipts for qualifying charitable donations. The Foundation is exempt from income taxes.

## 2. Significant accounting policies:

These non-consolidated financial statements of the Foundation have been prepared by management on a non-consolidated basis in accordance with Canadian accounting standards for not-for-profit organizations. Details of controlled entities that have not been consolidated are provided in notes 2(h) and 12.

### (a) Fund accounting:

The Foundation follows the restricted fund method of accounting for contributions to comply with the limitations and restrictions placed on the Foundation's resources by donors. Accordingly, resources are classified for accounting and financial reporting purposes into funds. These funds are maintained in accordance with either the objectives specified by the donors or with directives issued by the Board of Directors (the "Board"). Certain interfund transfers may be necessary to ensure the appropriate allocation to the respective funds. Transfers between the funds are recorded in the Non-Consolidated Statement of Operations and Changes in Fund Balances.

For financial reporting purposes, the accounts have been classified into the following funds:

### (i) Restricted Fund:

The Restricted Fund includes funds that are externally or internally restricted. Contributions to these funds are to be used for charitable activities as specified by the fund advisor or the donor. These funds are generally required to be maintained by the Foundation on a permanent basis, as endowed funds. However, certain endowed funds, considered transferable funds, may be subject to complete or partial redemption according to the terms of the deed of gift (note 2(l)). In the absence of any direction by the donor, the Foundation can determine whether to endow the funds or use them for charitable activities with a more flexible timeline. The Board exercises discretionary control over the investment of these funds through external investment fund managers. Income earned on these funds is reported in the Restricted Fund and is either retained in the Restricted Fund, internally transferred, or granted in the year.

# VANCOUVER FOUNDATION

Notes to Non-Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2025

---

## 2. Significant accounting policies (continued):

### (a) Fund accounting (continued):

#### (i) Operating Fund:

The Operating Fund is comprised of unrestricted resources available for the Foundation's general operating activities (including management and administration). The cost of these activities is reported in the expenses of the Operating Fund.

### (b) Financial instruments:

The Foundation's financial instruments consist of cash and cash equivalents, short-term investments, accounts receivable, investments, accounts payable and accrued liabilities, and grants payable.

#### (i) Cash and short-term investments:

Cash and cash equivalents include balances held at Canadian financial institutions and for the purpose of meeting short-term cash commitments, generally with maturity dates within 3-months from date of purchase.

Short-term investments include guaranteed investment certificates held at cost with maturity dates within the next fiscal year.

#### (ii) Investments:

Investments include treasury bills and notes held for re-investments, common shares, convertible securities, bonds, debentures, mortgages, real estate, private equity, private debt and may also include other investment vehicles such as derivative financial instruments. Investments are held in segregated accounts and in pooled funds. Public market investments such as equities and bonds are recorded at their fair values determined, on a trade date basis, on the last trading day of the fiscal period. Private market investments such as real estate funds and private equity are recorded at their fair values based on the most recent valuation by the investment manager using accepted industry valuation methods. Private debt is measured at cost.

For financial instruments carried at cost, the Foundation recognizes an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. 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.

Financial assets purchased and sold, where the contract requires the asset to be delivered within an established time frame, are recognized on a trade-date basis. Transaction costs are expensed as incurred.

For all other financial instruments which are carried at amortized cost, the fair value approximates the carrying value in these financial statements.

# VANCOUVER FOUNDATION

Notes to Non-Consolidated Financial Statements  
(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2025

---

## 2. Significant accounting policies (continued):

### (b) Financial instruments (continued):

#### (iii) Transaction costs:

Transaction costs related to financial instruments measured at fair value are expensed as incurred. Transaction costs related to financial instruments measured at amortized cost are capitalized and amortized over the expected life of the instrument.

For all other financial instruments carried at amortized cost, the fair value approximates the carrying value in the financial statements.

### (c) Other assets:

Other assets include the estimated cash surrender value of life insurance policies.

### (d) Capital assets:

Capital assets are recorded at cost. Assets in use are amortized over their estimated useful lives on a straight-line basis. Management has estimated the useful lives to be:

Asset	Rate
Computer and office equipment	3-years
Office furniture	10-years
Leasehold improvements	Over the term of the lease
Website costs	5-years

### (e) Deferred lease inducement:

Deferred lease inducement includes amounts received as part of the Foundation's lease agreement related to leasehold improvements. Amortization of the deferred lease inducement is recognized over the lease term on a straight-line basis against the related lease expense.

### (f) Interfund payable (receivable):

Interfund payable (receivable) includes balances related to interest and administration fees that are transferred between the Restricted Fund and the Operating Fund. The interfund payable (receivable) balance is settled on a quarterly basis.

### (g) Employee future benefits:

The Foundation is a participating employer in a multi-employer, defined benefit pension plan. The Foundation accounts for the pension plan as a defined contribution plan as insufficient information is available to identify the Foundation's share of the underlying pension assets and liabilities. Accordingly, contributions to the plan are expensed as incurred.

# VANCOUVER FOUNDATION

Notes to Non-Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2025

---

## 2. Significant accounting policies (continued):

(h) Controlled entities:

(i) British Columbia Unclaimed Property Society:

The British Columbia Unclaimed Property Society (the "Society") is incorporated under the *Societies Act* (British Columbia). The purpose of the Society is to act as the administrator under the *Unclaimed Property Act* (British Columbia) and to make grants to the Foundation to support its charitable purposes. The Foundation is the sole member of the Society and is able to control the election of directors and the admission of new members to the Society.

The financial statements of the Society are not consolidated in the Foundation's financial statements. Summary financial statements of the Society are included in note 12.

(ii) Friends of Vancouver Foundation:

On May 11, 2009, Friends of Vancouver Foundation ("Friends") was incorporated as a non-profit organization in the State of Washington to operate exclusively for the benefit of or to carry out the purposes of Vancouver Foundation, to facilitate United States dollar contributions from donors and to issue United States tax receipts. Friends is classified as a Section 501(c)(3) public charity under the Internal Revenue Code of the United States. Friends is controlled by the Foundation through its ability to appoint the Board of Directors.

The financial statements of Friends are not consolidated in the financial statements of the Foundation. The Foundation received contributions of \$4,946 from Friends during 2025 (2024 - \$4,714). Summary financial statements of Friends have not been included in these notes as there are no material assets and liabilities held by Friends.

(i) Revenue recognition:

Contributions are recognized as revenue in the Restricted Fund when they are received or receivable, provided the amounts are measurable and collection is reasonably assured.

In the normal course of operations, the Foundation receives notification of pending estate gifts. Estate gifts, including bequests, are recorded upon receipt of the donated assets. Bequests in a form other than cash or marketable securities are recorded at fair value at the time of receipt.

Interest on investments is recorded on an accrual basis. Dividends that have been declared are recorded as income on the date of record set for the dividend.

Investment and interest income earned on restricted funds is recognized as revenue in the Restricted Fund in accordance with the terms of the restricted contribution (note 2(a)). Investment and interest income earned on operating funds is recognized as revenue in the Operating Fund.

# VANCOUVER FOUNDATION

Notes to Non-Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2025

---

## 2. Significant accounting policies (continued):

(i) Revenue recognition (continued):

Realized and unrealized capital gains and losses are recorded in the Non-Consolidated Statement of Operations (note 8).

(j) Grants:

Grants are recorded when paid or in the year approved by the Foundation.

(k) Interfund transfers:

Interfund transfers for administrative fees reflect costs recovered from the Restricted Funds by way of a cost recovery based on the market value of each fund. Other interfund transfers include transfers of investment income and surplus related to operations.

(l) Transfers from contributed principal to retained returns:

Contributed principal is the contribution to an endowed fund while retained returns includes investment income earned on contributed principal.

Transfers from contributed principal to retained returns consist of the full or partial redemption of a transferable fund (note 6(b)). These transfers are made at the recommendation of fund advisors or as determined by the Foundation. The maximum total annual transfer is 3% of the market value of the Foundation's primary investment portfolios.

(m) Donated services:

The Foundation relies on the time and expertise donated by many volunteers. The value of this donated service has not been reflected in these financial statements.

(n) Foreign currency translation:

Monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars at the exchange rates in effect at the Non-Consolidated Statement of Financial Position date. Revenue and expenses denominated in foreign currencies are translated to Canadian dollars at the exchange rates in effect on the date of the transaction. Exchange gains and losses on translation of foreign currencies are reflected in the Non-Consolidated Statement of Operations within investment income.

(o) Related party transactions:

Related party transactions are 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 12.

# VANCOUVER FOUNDATION

Notes to Non-Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2025

## 2. Significant accounting policies (continued):

(p) Cloud computing arrangements:

The Foundation applies the simplified approach for cloud computing arrangements whereby supply of services expenditures in the arrangement are expensed as incurred. Any related subscription or licensing fees paid in advance are recorded as prepaids and expensed over the coverage period. These expenses are recorded in the Non-Consolidated Statement of Operations within administration and other fund expenses.

(q) Management estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Management believes that the estimates utilized in preparing these non-consolidated financial statements, primarily related to Level 3 investments, are reasonable; however, actual results could differ from these estimates.

## 3. Investments:

The Foundation's investments are exposed to changing market conditions. The Foundation manages the market risk associated with these changing conditions by establishing and monitoring asset allocation strategies and by diversifying investments within the various asset classes, investment managers, geographies, and investment styles. Investment managers operate within a mandate that establishes the investment approach, investment restrictions and the benchmark applicable to that mandate. Investments in foreign equities, fixed income, real estate, infrastructure and pooled funds which employ foreign currency derivative instruments are exposed to currency risk due to fluctuations in foreign exchange rates.

The Foundation's investment managers may utilize derivative financial instruments in the management of its foreign currency and market exposure. Details of significant terms and conditions and exposures to credit and market risks on investments are disclosed in note 14. Investments held as at December 31 are comprised of the following:

<b>2025</b>	Restricted	Operating	Total
Common shares and convertible securities	\$ 1,254,093	\$ -	\$ 1,254,093
Bonds and debentures	255,926	3,671	259,597
Mortgages and real estate	123,253	239	123,492
Infrastructure	23,243	-	23,243
Treasury bills and notes held for-investments	52,966	712	53,678
Private assets	2,988	-	2,988
	<b>\$ 1,712,469</b>	<b>\$ 4,622</b>	<b>\$ 1,717,091</b>

# VANCOUVER FOUNDATION

Notes to Non-Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2025

### 3. Investments (continued):

2024	Restricted	Operating	Total
Common shares and convertible securities	\$ 1,169,619	\$ -	\$ 1,169,619
Bonds and debentures	257,276	4,193	261,469
Mortgages and real estate	207,456	139	207,595
Treasury bills and notes held for re-investments	3,960	267	4,227
Private assets	2,772	-	2,772
	\$ 1,641,083	\$ 4,599	\$ 1,645,682

(a) Common shares and convertible securities:

The Foundation manages equity market risk by allocating the equities component of the investment portfolio across a number of investment managers and geographies, with differing investment styles and mandates. Equities are valued using published market quotations.

The Foundation is also invested in two multi-strategy funds structured to provide absolute returns not highly correlated to the performance of the public equity and Canadian bond markets. These funds are broadly diversified and may invest in a range of investment vehicles including derivative financial instruments. The net asset values of multi-strategy investments are measured at fair value using underlying market valuations.

(b) Bonds and debentures:

The Foundation is invested in a pooled bond fund. The pooled bond fund invests predominantly in Canadian federal, provincial, municipal and corporate bonds with a minimum B (low) credit rating at time of purchase. The pooled bond fund also has an allocation to sub-pooled funds that invest in non-Canadian developed and emerging market debt, high yield debt which can be rated CCC at time of purchase, and Canadian commercial mortgages. Bonds are valued using published market quotations. Mortgages are valued by an independent third party using an industry accepted valuation process. Mortgages held within the pooled bond fund are classified as part of bonds and debentures.

(c) Mortgages and real estate:

The direct mortgages are secured by real estate, were made at commercial rates and are valued at fair value as determined by the mortgage investment managers. All mortgages relate to properties located in Canada.

Pooled real estate funds are valued quarterly by the real estate investment managers using a combination of internal and external appraisals to establish current market values.

d) Infrastructure:

The Foundation is invested in an infrastructure fund. The infrastructure fund invests in digital and connectivity, transportation and logistics, water and waste and energy transition projects primarily in the United States, Australia and New Zealand. The investments within the fund are independently valued at least once in a 12-month period and at least once in each 3-month period if the investment comprises more than 10% of the fund.

# VANCOUVER FOUNDATION

Notes to Non-Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2025

### 3. Investments (continued):

(e) Treasury bills and notes held for re-investment:

The Foundation is invested in treasury bills and notes held prior to the settlement of the purchase of securities or received on completion of a sale of securities. Treasury bills and notes held for re-investment are measured at fair value using underlying market valuations.

(f) Private assets:

The Foundation is invested in private equity, private debt and private real asset funds through its impact investment portfolio only. These funds are generally structured as limited partnerships or in the form of a promissory note. Private equity and private real asset funds are valued using accepted industry valuation methods and private debt funds are measured at cost.

### 4. Other assets:

The Foundation is the owner and beneficiary of life insurance policies with face values totaling \$15,182 as at December 31, 2025 (2024 - \$15,232). The estimated cash surrender value of these life insurance policies is \$2,884 as at December 31, 2025 (2024 - \$2,664) and is recorded as an asset. The Foundation will record the realizable amount in excess of the cash surrender value when the receipt of the proceeds can be estimated and collection is reasonably assured. For the year ended December 31, 2025, the Foundation realized \$50 (2024 - \$1,251) in excess of the cash surrender value which has been included in investment and interest income.

### 5. Capital assets:

<b>2025</b>	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>
Computer and office equipment	\$ 802	\$ 678	\$ 124
Office furniture	217	181	36
Leasehold improvements	4,469	529	3,940
Tangible capital assets	5,488	1,388	4,100
Website costs	319	191	128
	<b>\$ 5,807</b>	<b>\$ 1,579</b>	<b>\$ 4,228</b>

# VANCOUVER FOUNDATION

Notes to Non-Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2025

## 5. Capital assets (continued):

2024	Cost	Accumulated amortization	Net book value
Computer and office equipment	\$ 768	\$ 528	\$ 240
Office furniture	217	174	43
Leasehold improvements	529	497	32
Tangible capital assets	1,514	1,199	315
Website costs	319	128	191
	\$ 1,833	\$ 1,327	\$ 506

Additions to capital assets for the year ended December 31, 2025 totaled \$3,974 (2024 - \$59). Amortization expense for the year ended December 31, 2025 totaled \$252 (2024 - \$347) and has been included in administration and other fund expenses. Included within leasehold improvements is \$3,940 of additions under construction. Construction in progress is amortized only when the asset is available for use.

## 6. Fund balances:

(a) Contributed principal:

	2025	2024
Endowed permanent funds	\$ 854,942	\$ 826,217
Endowed transferable funds (note 6(b))	277,606	283,977
	\$ 1,132,548	\$ 1,110,194

(b) Transferable funds:

Restricted funds consist primarily of endowed funds that are required to be maintained by the Foundation on a permanent basis (note 6(a)). However, certain endowed funds, considered transferable funds, may be subject to full or partial redemption in accordance with the deed of gift (note 2(l)).

As at December 31, 2025, the market value of the fund balances subject to potential redemption was \$368,750 (2024 - \$367,588). The market value of these transferable funds includes the contributed principal (note 6(a)) and the retained returns from investments.

In 2025, at the recommendation of fund advisors or as determined by the Foundation, the Foundation processed full or partial redemptions with a market value of \$39,131 (2024 - \$8,373).

# VANCOUVER FOUNDATION

Notes to Non-Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2025

## 6. Fund balances (continued):

(b) Transferable funds (continued):

In accordance with the significant accounting policy disclosed in note 2(l), the maximum total annual amount that can be redeemed is 3% of the market value of the Foundation's primary investment portfolios. As at December 31, 2025, this was \$50,284 (2024 - \$47,780).

## 7. Contributions:

A summary of contributions received from various sources at December 31, 2025, with comparative information for 2024 is as follows:

	2025	2024
Individuals	\$ 40,630	\$ 25,595
Organizations	39,131	48,388
Government	2,242	653
	<u>\$ 82,003</u>	<u>\$ 74,636</u>

## 8. Investment and interest income:

	2025	2024
Unrealized gain on investments	\$ 23,309	\$ 124,066
Unrealized gain on other assets	220	138
Realized gain on investments	81,292	28,594
Investment income	66,379	54,615
Interest income	3,134	4,888
Other income (note 4)	166	1,425
	<u>\$ 174,500</u>	<u>\$ 213,726</u>

## 9. Charitable programming:

	2025	2024
Compensation expenses (notes 10 and 11)	\$ 4,527	\$ 3,044
Programming expenses	1,714	2,944
	<u>\$ 6,241</u>	<u>\$ 5,988</u>

# VANCOUVER FOUNDATION

Notes to Non-Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2025

---

## 10. Administration and other fund expenses:

	2025	2024
Compensation expenses (note 11)	\$ 7,661	\$ 7,212
Operating expenses	4,000	4,035
Rent expense	810	796
Other fund expenses	335	2,234
	<hr/>	<hr/>
	\$ 12,806	\$ 14,277

Compensation expenses related to charitable activities are recorded in charitable programming expenses (note 9). Compensation expenses related to management and administration, including donor services, are recorded in administration and other fund expenses. For the year ended December 31, 2025, the Foundation recorded a total compensation expense of \$12,188 (2024 - \$10,256).

Other fund expenses include expenses directly related to an individual fund, such as life insurance premiums, consulting service fee (note 16), professional and accounting expenses.

## 11. Employee future benefits:

Effective October 1, 2020, the Foundation is a participating employer in the Colleges of Applied Arts and Technology Pension Plan (the "Plan"), which is a multi-employer jointly-sponsored defined benefit pension plan for eligible employees of participating employers. All full-time employees and any eligible part-time employees of the Foundation who opt to participate are members of the Plan. As of December 31, 2025, all of the Foundation's employees are members of the Plan.

The most recent actuarial valuation as at the valuation date January 1, 2025, indicated an actuarial surplus of \$6,141,000 (2024 - \$5,263,000) representing 24% (2024 - 24%) of the Plan's actuarial liability. This indicates that \$1.24 has been set aside for every dollar of pension earned by the Plan members. In accordance with the significant accounting policy disclosed in note 2(g), the Foundation does not recognize any share of the Plan's surplus or deficit.

The Foundation and participating employees make contributions to the Plan as set out per the terms of the Plan. Contributions to the Plan made during the year by the Foundation amounted to \$781 (2024 - \$669) and are included in the Non-Consolidated Statement of Operations under charitable programming expense (note 9) and administration and other fund expenses (note 10). As at December 31, 2025, included in accounts payable and accrued liabilities is \$56 (2024 - \$33) representing outstanding remittances.

# VANCOUVER FOUNDATION

Notes to Non-Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2025

## 12. British Columbia Unclaimed Property Society:

- (a) A summary of the audited financial statements of the British Columbia Unclaimed Property Society as at December 31, 2025, with comparative information for 2024 is as follows:

Statement of Financial Position	2025	2024
Cash and cash equivalents	\$ 30,407	\$ 25,101
Accounts receivable	17	12
Prepaid expenses	18	22
Investments	61,120	60,797
Capital assets	66	70
Intangible assets	441	282
	<u>\$ 92,069</u>	<u>\$ 86,284</u>
Accounts payable and accrued liabilities	\$ 259	\$ 265
Deferred revenue	1,043	578
Restricted funds	83,205	80,584
Unrestricted funds	7,562	4,857
Total fund balances	90,767	85,441
	<u>\$ 92,069</u>	<u>\$ 86,284</u>

  

Statement of Operations and Fund Balances	2025	2024
Receipts of unclaimed property	\$ 17,552	\$ 17,680
Investment income	4,854	5,622
Operating expenses (note 12(b))	(2,149)	(1,669)
Distributions to claimants	(3,785)	(2,696)
Transfers to Vancouver Foundation (note 12(c))	(11,146)	(9,528)
Excess of revenue over expenses	5,326	9,409
Fund balances, beginning of year	85,441	76,032
Fund balances, end of year	<u>\$ 90,767</u>	<u>\$ 85,441</u>

# VANCOUVER FOUNDATION

Notes to Non-Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2025

## 12. British Columbia Unclaimed Property Society (continued):

(a) (continued):

Statement of Cash Flows	2025	2024
Excess of revenue over expense	\$ 5,326	\$ 9,409
Items not affecting cash	(345)	(1,333)
Net changes in non-cash working capital balances	458	33
Cash flows from operating activities	5,439	8,109
Cash flows from investing activities	(133)	(11,209)
Increase (decrease) in cash and cash equivalents	5,306	(3,100)
Cash and cash equivalents, beginning of year	25,101	28,201
Cash and cash equivalents, end of year	\$ 30,407	\$ 25,101

(b) The Foundation subleases office space to the Society, in respect of which it charged the Society \$62 for the year ended December 31, 2024 (2024 - \$60).

In addition, in 2025, the Society paid management service fees of \$13 (2024 - \$13) to the Foundation for payroll processing and general management support.

(c) As provided for in the Administration Agreement, the Society is permitted to transfer funds to the Foundation for charitable purposes. In 2025, the Society transferred \$11,146 (2024 - \$9,528) to the Foundation included in contributions to the Restricted Fund.

The Society is committed, subject to the final approval from Board of Directors of the Society, to transfer an additional \$12,049 to the Foundation for its charitable purposes in 2026.

## 13. Commitments:

(a) The minimum future office lease payments to the end of the lease term which include basic annual rent and estimated operating costs are as follows:

2026	\$	643
2027		589
2028		589
2029		613
2030		621
Thereafter		6,919
	\$	9,974

# VANCOUVER FOUNDATION

Notes to Non-Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2025

---

## 13. Commitments (continued):

(a) (continued):

In 2025, the Foundation entered into a 15-year lease beginning April 2026 for new office space.

(b) The Foundation has entered into two contracts with vendors in 2024 totaling \$614 related to a charitable research project and systems implementation. The remaining commitment as at December 31, 2025, is \$100.

(c) The Foundation has unfunded private asset investment commitments of approximately \$1,492 (2024 - \$1,572). These amounts may be called on demand.

(d) Subsequent to the year ended December 31, 2025, the Foundation entered into a Memorandum of Understanding (MOU) with a third party, under which it has committed to provide grant funding of \$1,500,000 in 2026. The MOU further outlines the Foundation's intention to provide additional funding of up to \$1,500,000 in each of the 2027 and 2028 fiscal years, subject to certain conditions and approvals. The total potential commitment under this arrangement is up to \$4,500,000 over the 3-year period from 2026 to 2028. As of the reporting date, only the 2026 amount represents a firm commitment, with subsequent years contingent upon the terms outlined in the MOU.

## 14. Financial risk management:

The Foundation invests its various funds according to an Investment Policy Statement approved by the Board. This Investment Policy Statement outlines the objectives, policies and processes relating to investment activities and applies to all investments of the Foundation. Investment Policy guidelines include the minimum and maximum amounts allocated to various approved asset classes. This diversification across these asset classes is designed to decrease the volatility of portfolio returns. The Investment Committee and management regularly review the Foundation's investments to ensure that all activities adhere to the Investment Policy Statement.

The Board has overall responsibility for the establishment and oversight of the Foundation's risk management framework, including risks related to financial management of assets. There have been no changes in the financial risk management framework since 2024.

# VANCOUVER FOUNDATION

Notes to Non-Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2025

---

## 14. Financial risk management (continued):

The Foundation has exposure to the following risks from its use of financial instruments:

(a) Credit risk:

Credit risk is the risk of financial loss to the Foundation if a counterparty to a financial instrument fails to meet its contractual obligations. The Foundation's investments in cash and cash equivalents, guaranteed investment certificates, bonds, debentures and mortgages are subject to credit risk. The maximum exposure to credit risk on these instruments is their carrying value.

The Investment Policy of the Foundation mandates that the maximum credit exposure to bonds rated "BBB" or below by Dominion Bond Rating Service ("DBRS") is 25% of the fixed income portfolio and securities rated CCC+ and below are limited to no more than 5% at time of purchase. Cash and short-term paper up to 1-year term maturity must have a DBRS credit rating of R-1.

The Foundation's credit exposures on its bonds and debentures held in its primary investment portfolios at December 31, 2025, with comparative information for 2024, is as follows:

Credit rating	Percentage of the market value	
	2025	2024
AAA	20.5%	23.0%
AA	28.5%	32.8%
A	17.8%	17.5%
BBB	19.2%	17.9%
Less than BBB	14.0%	8.8%

The Foundation is also exposed to credit and default risk through its investment in mortgages held in its primary investment portfolios with fair values totaling \$40,543 as at December 31, 2025 (2024 - \$38,435). The mortgage priority, loan-to-value ratio and concentration of the mortgage portfolio is regularly reviewed. Certain impact investments, especially those structured as a promissory note, loan or guaranteed investment certificates, also have exposure to credit and default risk.

# VANCOUVER FOUNDATION

Notes to Non-Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2025

---

## 14. Financial risk management (continued):

### (b) Liquidity risk:

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as they fall due. The majority of the Foundation's assets are investments traded in active markets that can be readily liquidated and therefore the Foundation's liquidity risk is considered minimal. In addition, the Foundation aims to retain a sufficient cash position to manage liquidity.

The Foundation's liquidity exposure of its primary investment portfolios at December 31, 2025, with comparative information for 2024, is as follows:

Liquidity	Percentage of the market value	
	2025	2024
Immediate liquidity (less than 1-month)	83.6%	79.4%
Moderate liquidity (1- to 6-months)	9.8%	14.7%
Illiquid (more than 6-months)	6.6%	5.9%

### (c) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the return.

#### (i) Currency risk:

Investments in foreign securities are exposed to currency risk due to fluctuations in foreign exchange rates.

The Foundation is exposed to currency risk on its foreign market common shares and convertible securities, its foreign market bonds and debentures, foreign real estate, foreign infrastructure fund and its pooled funds which employ foreign currency derivative instruments, as the prices denominated in foreign currencies are converted to Canadian dollars in determining fair value. The objective of the Foundation's investment policy is to control currency risk by maintaining a geographically diversified portfolio. The bond portfolio is managed by an investment manager who is restricted as to the unhedged foreign currency component of the foreign bond investments.

# VANCOUVER FOUNDATION

Notes to Non-Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2025

---

## 14. Financial risk management (continued):

(c) Market risk (continued):

(i) Currency risk (continued):

The Foundation's currency exposure of its primary investment portfolios at December 31, 2025, with comparative information for 2024, is as follows:

Currency	Percentage of the market value	
	2025	2024
Canadian Dollar	51.4%	49.0%
US Dollar	25.9%	28.3%
Euro	8.2%	8.2%
Japanese Yen	3.7%	4.4%
Pound Sterling	4.2%	3.7%
Other	6.6%	6.4%

From time-to-time, the Foundation's external investment fund managers may hold balances in cash and cash equivalents denominated in non-Canadian currencies. The currency risk related to these balances is not significant.

(ii) Interest rate risk:

Interest rate risk relates to the risk that changes in interest rates will affect the fair value or future cash flows of financial instruments held by the Foundation. The Foundation is invested in a number of fixed income instruments, individual bonds, pooled bond funds, private debt funds, as well as pooled mortgage funds.

Duration is the most common measure of the sensitivity of the price of a fixed income instrument to a change in interest rates. The Foundation's portfolio managers vary the duration of the fixed income holdings in their portfolios to anticipate changes in interest rate. At December 31, 2025, the average duration of Canadian fixed income held in the Foundation's primary investment portfolios was approximately 7-years (2024 - 7-years).

# VANCOUVER FOUNDATION

Notes to Non-Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2025

## 14. Financial risk management (continued):

(c) Market risk (continued):

(iii) Other price risks:

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. Equity price risk is the risk that the fair value of equity financial instruments will fluctuate due to changes in market prices. The Foundation is exposed to equity price risk on its investments in common shares and convertible securities. The objective of the Foundation's investment policy is to manage equity price risk by maintaining a portfolio which is diversified across geographic and industry sectors. The performance of the Foundation's investments is monitored by measuring against a benchmark consisting of relative weightings of various stock indices.

The Foundation's equity risk in its primary investment portfolios, excluding multi-strategy funds, at December 31, 2025, with comparative information for 2024, is diversified across the following geographies and industry sectors:

Geography	Percentage of the market value	
	2025	2024
Canada	38.1%	37.2%
United States of America	29.4%	28.9%
Europe	15.0%	16.0%
Japan	5.9%	7.1%
United Kingdom	7.0%	6.0%
Emerging market	4.1%	1.9%
Other	0.5%	2.9%

Sector	Percentage of the market value	
	2025	2024
Financials	17.2%	18.8%
Consumer	18.9%	17.6%
Industrials	17.9%	17.2%
Information technology	14.3%	17.2%
Health care	11.6%	11.9%
Materials	8.7%	7.0%
Communication services	6.5%	5.3%
Other	4.9%	5.0%

# VANCOUVER FOUNDATION

Notes to Non-Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2025

---

## 14. Financial risk management (continued):

(c) Market risk (continued):

(iv) Valuation risk:

Valuation risk is specific to appraisal-based assets such as real estate. The Foundation is exposed to valuation risk through its real estate investments in its primary investment portfolios with fair values totalling \$119,762 as at December 31, 2025 (2024 - \$168,584). Properties within these funds are regularly reviewed, at least once a year, by an approved appraiser and valuations are updated accordingly.

## 15. Endowment management:

The Foundation manages its funds in accordance with the *Vancouver Foundation Act* (the "Act").

The Foundation's long-term objective is to make available for granting a 5% distribution of the 3-year weighted average market value of its endowed funds. In order to make this amount available, the Foundation monitors a nominal stabilization ratio of market value divided by contributed principal for compliance with the Act. The nominal stabilization ratio must remain above 100% unless the Board approves an emergency encroachment on funds as stipulated in the Act.

The Foundation further monitors an indexed stabilization ratio of inflation protected contributed principal as compared to market value to guide its management of the endowment. The long-term goal of the Foundation is to achieve an indexed stabilization ratio of 100% or higher to preserve equity among current and future beneficiaries.

As stipulated in the Act, the Board may approve an emergency encroachment on funds. If enacted, the Foundation may make distributions of up to 7% of the contributed principal of the fund determined as of December 31 of the immediately preceding fiscal year. This allows the Foundation to continue to make funds available for granting should the market value decrease below contributed principal in the event of unforeseeable circumstances, as defined in the Act.

There has been no emergency encroachment on funds in 2025 or 2024.

## 16. COVID-19 Response and Recovery Funds:

In 2020, the Foundation partnered with Vancity, United Way of the Lower Mainland and Community Foundations of Canada to establish the Community Response Fund and Emergency Community Support Fund (collectively referred to as the "CRF") to support charities across British Columbia impacted by the COVID-19 pandemic. The CRF provided total support of \$20,034 through grants in 2020 and 2021.

In 2022, the Foundation partnered with the Government of BC, United Way BC and New Relationship Trust to establish the Recovery and Resiliency Fund ("R&R") to support organizations in the charitable and non-profit sector across British Columbia, disproportionately impacted by the COVID-19 pandemic, with recovery efforts and long-term planning.

# VANCOUVER FOUNDATION

Notes to Non-Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2025

## 16. COVID-19 Response and Recovery Funds (continued):

A summary of the R&R Fund activities is as follows:

	2025	2024
R&R Fund balance, beginning of year	\$ 32,834	\$ 76,169
Interest income	820	2,224
Grants paid	(17,174)	(42,969)
Grant refund to government	(3,578)	-
Administration fee expense	(600)	(600)
Consulting service fee	-	(1,990)
<b>R&amp;R Fund balance, before grants payable</b>	<b>\$ 12,302</b>	<b>\$ 32,834</b>
Grants payable:		
Current - payable within 12-months	\$ (11,844)	\$ (19,362)
Non-current - payable beyond 12-months	-	(9,655)
	<b>(11,844)</b>	<b>(29,017)</b>
<b>R&amp;R Fund balance, end of year</b>	<b>\$ 458</b>	<b>\$ 3,817</b>

## 17. Grants payable:

A summary of grants approved by the Foundation during the year and included in grants payable as at December 31, 2025, with comparative information from 2024 is as follows:

	2025	2024
Recovery & Resiliency grants (note 16)	\$ 11,844	\$ 19,362
Discretionary grants	15,669	12,701
<b>Current grants payable</b>	<b>\$ 27,513</b>	<b>\$ 32,063</b>
Recovery & Resiliency grants (note 16)	\$ -	\$ 9,655
Discretionary grants	16,541	12,351
<b>Non-current grants payable</b>	<b>\$ 16,541</b>	<b>\$ 22,006</b>

(a) Recovery & Resiliency grants include grants made by the Foundation as part of its COVID-19 Response & Recovery granting program (note 16).

(b) Discretionary grants include grants made by the Foundation as part of its annual community-inspired granting programs.