

Financial Statements

**VANCOUVER PUBLIC
LIBRARY FOUNDATION**

And Independent Auditor's Report thereon

Year ended June 30, 2025



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Vancouver Public Library Foundation

Opinion

We have audited the financial statements of Vancouver Public Library Foundation (the "Foundation"), which comprise:

- the statement of financial position as at June 30, 2025
- the statement of operations and changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes and schedule 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 Foundation as at June 30, 2025, and its results of operations and its 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.



Vancouver Public Library Foundation
Page 3

- 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
October 7, 2025

VANCOUVER PUBLIC LIBRARY FOUNDATION

Statement of Financial Position

June 30, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash	\$ 297,702	\$ 261,400
Investments (note 3)	5,799,311	5,486,943
Accrued interest and other receivables	58,202	157,439
Due from Vancouver Public Library (note 7)	1,247	7,939
Prepaid expenses	9,459	11,568
	6,165,921	5,925,289
Tangible capital assets (note 4)	4,375	7,249
Investments held for endowment (note 3)	2,391,174	1,845,262
	\$ 8,561,470	\$ 7,777,800

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (notes 5 and 7)	\$ 50,376	\$ 207,041
Net assets:		
Unrestricted fund	1,378,569	1,696,621
Externally restricted fund	4,741,351	4,028,876
Endowment fund (note 6)	2,391,174	1,845,262
	8,511,094	7,570,759
	\$ 8,561,470	\$ 7,777,800

See accompanying notes and schedule to financial statements.

Approved on behalf of the Board:



Director



Director

VANCOUVER PUBLIC LIBRARY FOUNDATION

Statement of Operations and Changes in Net Assets

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

	Unrestricted Fund	Externally Restricted Fund	Endowment Fund	Total 2025	Total 2024
Revenue:					
Donations and grants (note 7)	\$ 930,213	\$ 953,251	\$ 78,369	\$ 1,961,833	\$ 1,571,779
Investment income (note 3)	250,748	52,874	-	303,622	319,385
Total revenue	1,180,961	1,006,125	78,369	2,265,455	1,891,164
Expenses:					
General and administrative (Schedule 1)	768,128	-	-	768,128	658,591
Excess of revenue over expenses before undernoted	412,833	1,006,125	78,369	1,497,327	1,232,573
Contributions to Vancouver Public Library (note 7)	590,000	131,295	-	721,295	581,666
Excess (deficiency) of revenue over expenses before change in fair value of investments	(177,167)	874,830	78,369	776,032	650,907
Change in fair value of investments	164,303	-	-	164,303	107,058
Excess (deficiency) of revenue over expenses	(12,864)	874,830	78,369	940,335	757,965
Net assets, beginning of year (note 2(a))	1,696,621	4,028,876	1,845,262	7,570,759	6,812,794
Interfund transfer (note 8)	(305,188)	(162,355)	467,543	-	-
Net assets, end of year	\$ 1,378,569	\$ 4,741,351	\$ 2,391,174	\$ 8,511,094	\$ 7,570,759

See accompanying notes and schedule to financial statements.

VANCOUVER PUBLIC LIBRARY FOUNDATION

Statement of Cash Flows

Year ended June 30, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 940,335	\$ 757,965
Items not involving cash:		
Change in fair value of investments	(164,303)	(107,058)
Change in accrued interest	83,098	123,131
Amortization of tangible capital assets	5,827	4,985
	864,957	779,023
Changes in non-cash operating working capital:		
Other receivable	16,139	(151,238)
Due from Vancouver Public Library	6,692	(873)
Prepaid expenses	2,109	184
Accounts payable and accrued liabilities	(156,665)	(139,193)
	733,232	487,903
Investing activities:		
Tangible capital assets additions	(2,953)	(2,970)
Purchase of investments	(8,165,079)	(5,065,211)
Proceeds from disposal or maturity of investments	7,471,102	3,936,068
	(696,930)	(1,132,113)
Increase (decrease) in cash	36,302	(644,210)
Cash, beginning of year	261,400	905,610
Cash, end of year	\$ 297,702	\$ 261,400

See accompanying notes and schedule to financial statements.

VANCOUVER PUBLIC LIBRARY FOUNDATION

Notes to Financial Statements

Year ended June 30, 2025

1. Nature of operations:

Vancouver Public Library Foundation (the "Foundation") exists to raise monies for capital projects, book acquisitions, equipment needs, and program development at the Vancouver Public Library (the "Library").

The Foundation is incorporated under the Canada *Not-For-Profit Corporations Act*. The Foundation is a registered charity under the *Income Tax Act* (Canada) and, accordingly, is not subject to income taxes.

2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Fund accounting and revenue recognition:

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

Unrestricted contributions are recognized as revenue of the unrestricted fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions and investment income are recognized as revenue of the externally restricted fund to which they relate. Endowment contributions are recognized as revenue of the endowment fund. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the donors or in accordance with directives issued by the Board of Directors (the "Board").

Transfers between the funds are made when it is considered appropriate and authorized by the Board. To meet the objectives of financial reporting and stewardship over assets, certain interfund transfers are necessary to ensure the appropriate allocation of assets and liabilities to the respective funds. These interfund transfers are recorded in the statement of operations and changes in net assets.

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

(i) Unrestricted fund:

The unrestricted fund comprises of donations and grants that are not specifically designated by donors or funders, as well as investment income earned that is not externally restricted by donors for a specific purpose. All fundraising and administrative costs are charged to the unrestricted fund, regardless of which fund the resulting donations were directed to by donors.

Prior to fiscal 2025, the unrestricted fund also included the unrealized gain on investments held for endowment as the unrealized gain was not specifically restricted by donors. In fiscal 2025, the Foundation's Board of Directors ("Board") approved a new endowment policy which allocates investment income arising from investments held for endowment, including unrealized gains, to the endowment fund (note 8).

VANCOUVER PUBLIC LIBRARY FOUNDATION

Notes to Financial Statements (continued)

Year ended June 30, 2025

2. Significant accounting policies (continued):

(a) Fund accounting and revenue recognition (continued):

(ii) Externally restricted fund:

The externally restricted fund comprises funds for which the purposes have been specifically designated by donors.

Prior to fiscal 2025, the externally restricted fund also included the realized investment income on investments held for endowment. In fiscal 2025, the Board approved a new endowment policy which allocates investment income arising from investments held for endowment to the endowment fund (note 8).

(iii) Endowment fund:

The endowment fund comprises donations that are permanently maintained in accordance with donor wishes and recapitalized investment income relating to external donor endowments. Beginning in fiscal 2025, the endowment fund also includes all investment income on investments held for endowment pursuant to a new endowment policy approved by the Board (note 8).

(b) Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand and highly liquid investments readily redeemable with term to maturity within 90-days of acquisition. The Foundation did not hold any cash equivalents as of June 30, 2025 and 2024.

(c) Tangible capital assets:

Tangible capital assets additions are initially recorded at cost. Amortization is provided on a straight-line basis over the assets' estimated useful lives, with amortization taken in the year the assets are put into use, at the following rates:

Asset	Years
Office equipment	3 years

The Foundation reviews its tangible capital assets for impairment whenever events or changes in circumstances indicate that the asset no longer has or has reduced long-term service potential to the organization. If such condition exists, an impairment loss is measured at the amount by which the carrying amount of the asset exceeds its fair value or replacement cost.

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value with any changes being recorded through the statement of operations. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has elected to carry its investments except guaranteed investment certificates, at fair value.

VANCOUVER PUBLIC LIBRARY FOUNDATION

Notes to Financial Statements (continued)

Year ended June 30, 2025

2. Significant accounting policies (continued):

(d) Financial instruments (continued):

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets carried at cost or amortized cost are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. To the extent that impairment is determined, the carrying value of the instrument will be reduced. Impairment losses are reversed to the extent of any recovery in value, not exceeding the initial carrying value.

(e) Use of estimates:

The preparation of 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

3. Investments:

The Foundation manages its investments in accordance with its investment policy and procedures as approved by the Board of Directors. Investments are comprised of the following:

	2025	2024
Investments held at fair value:		
Money market fund	\$ 59,830	\$ 54,382
International equity fund	659,390	444,910
Canadian equity fund	454,643	317,827
Bond fund	1,466,622	1,590,086
	2,640,485	2,407,205
Investments held at amortized cost:		
Guaranteed investment certificates ("GICs") (a)	5,550,000	4,925,000
Total investments	\$ 8,190,485	\$ 7,332,205

(a) As at June 30, 2025, GICs have rates between 3.05% and 3.70% (2024 - 4.10% and 6.30%) and mature between August 25, 2025 and March 25, 2026 (2024 - August 24, 2024 and March 25, 2025).

VANCOUVER PUBLIC LIBRARY FOUNDATION

Notes to Financial Statements (continued)

Year ended June 30, 2025

3. Investments (continued):

Investments are classified into:

	2025	2024
Investments held for endowment	\$ 2,391,174	\$ 1,845,262
Other investments	5,799,311	5,486,943
	\$ 8,190,485	\$ 7,332,205

Investment income is comprised of the following:

	2025	2024
Interest	\$ 234,314	\$ 268,594
Dividends	73,269	65,287
Net realized gains	12,885	724
Investment manager fees	(16,846)	(15,220)
	\$ 303,622	\$ 319,385

4. Tangible capital assets:

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Office equipment	\$ 22,617	\$ 18,242	\$ 4,375	\$ 7,249

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$15,677 (2024 - \$12,816), for payroll related taxes.

VANCOUVER PUBLIC LIBRARY FOUNDATION

Notes to Financial Statements (continued)

Year ended June 30, 2025

6. Legacy Endowment Fund:

Donations received in the current year in the amount of \$78,369 (2024 - \$25,375) were specified by the donors as legacy endowment contributions. The Legacy Endowment Fund is comprised of the following:

	2025	2024
Endowment principal:		
Alan MacDougal Fund	\$ 52,525	\$ 52,525
Canada Poetry Fund	90,000	90,000
Cheryl Hughes	31,420	29,305
Derek Lukin Johnston Legacy Fund	29,041	29,041
Duncan Fund	238,813	237,756
Isabel Grace McTavich Children's Fund	34,100	34,100
Legacy Fund (a)	976,839	903,142
Outreach Endowment	4,720	4,720
Stanley & Elsie Cha Fund	32,650	31,150
Winifred and Thomas Craig Fund	50,923	50,923
Yosef Wosk Judaic Legacy Fund	5,000	5,000
Geoffrey Rex DesBrisay Fund	376,800	376,800
Ting Ting Jiang Memorial Fund	800	800
	1,923,631	1,845,262
Investment income on investments held for endowment (notes 2(a)(iii) and 8)	467,543	-
	\$ 2,391,174	\$ 1,845,262

(a) Included in the Legacy Fund is \$796,988 (2024 - \$796,988) that was internally restricted by the Board in prior years. The balance of \$179,851 (2024 - \$106,154) in the Legacy Fund relates to externally restricted endowment contributions received.

7. Related party transactions and balances:

During the year ended June 30, 2025, the Library, a party related through economic interest, transferred to the Foundation \$4,632 (2024 - \$8,041) in donations received by the Library on behalf of the Foundation. These amounts are included in donations and grants revenue in the statement of operations.

The amount due from the Library, as at June 30, 2025, of \$1,247 (2024 - \$7,939) relates to donations received by the Library on behalf of the Foundation to be provided to the Foundation.

During the year ended June 30, 2025, the Foundation distributed \$721,295 (2024 - \$581,666) to the Library. This amount is recorded as distribution for charitable purposes in the statement of operations. Of this amount, nil (2024 - \$161,324) is payable as of June 30, 2025, and is recorded in accounts payable and accrued liabilities in the statement of financial position.

VANCOUVER PUBLIC LIBRARY FOUNDATION

Notes to Financial Statements (continued)

Year ended June 30, 2025

7. Related party transactions and balances (continued):

During the year ended June 30, 2025, the Foundation paid nil (2024 - nil) to the Library for expenses incurred by the Library on behalf of the Foundation. Certain other administrative costs (including personnel costs and the use of furniture and equipment) of the Foundation are paid for by the Library and not charged to the Foundation, the total value of which is not determinable and is not reflected in these financial statements.

Transactions with the Library arise in the normal course of operations and are measured at the exchange amount.

8. Interfund transfer:

During the year ended June 30, 2025, an interfund transfer was recognized to transfer investment income arising from investments held for endowment from the unrestricted and externally restricted funds to the endowment fund further to a new Board approved endowment policy.

9. Financial instruments:

(a) Credit risk:

Credit risk is the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Foundation manages its credit risk on investments and cash balances by holding these financial assets at high credit quality Canadian financial institutions. Substantially all of the Foundation's cash and GICs are held with one Canadian chartered bank. All of the Foundation's investments are held with one custodian.

(b) Interest rate risk:

Interest rate risk is the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The Foundation is exposed to interest rate risk on its bond fund and GICs.

(c) Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation is exposed to currency risk through its investment in units of an international equity fund. The Foundation does not make significant purchases or receive significant donations denominated in foreign currencies.

VANCOUVER PUBLIC LIBRARY FOUNDATION

Notes to Financial Statements (continued)

Year ended June 30, 2025

9. Financial instruments (continued):

(d) Market price risk:

Market 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). The Foundation is exposed to market risk on its investments.

The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investment. The Foundation manages its investment portfolio to earn investment income and invests as approved by the Board. The risks associated with investments are managed through the Foundation's investment policy and controls.

The Foundation believes that it is not exposed to significant liquidity risk arising from its financial instruments.

There were no significant changes in risk exposure from the prior year.

VANCOUVER PUBLIC LIBRARY FOUNDATION

Schedules of General and Administrative Expenses

Schedule 1

Year ended June 30, 2025, with comparative information for 2024

	2025	2024
Salaries and benefits, net of government assistance	\$ 579,196	\$ 524,537
Dues and subscriptions	-	1,099
Event expenses	49,323	33,979
Insurance	3,814	3,853
Legal and professional fees	21,795	28,040
Other expenses	27,346	4,277
Promotional expenses	32,045	24,296
Software and processing fees	8,747	3,693
Fundraising software	13,627	15,552
Merchant fees	28,415	17,050
Staff training	3,820	2,215
	\$ 768,128	\$ 658,591