
**VANCITY COMMUNITY FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

INDEPENDENT AUDITORS' REPORT

To the Members of Vancity Community Foundation

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Vancity Community Foundation (the "Foundation"), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of changes in fund balances, operations and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Foundation as at December 31, 2022, and the consolidated results of its operations and 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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Foundation in accordance with ethical requirements that are relevant to our audit of the consolidated 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.

Emphasis of Matter

We draw attention to Note 19 to the financial statements which indicate that the 2021 financial statements presented for comparative purposes have been restated. Our conclusion is not modified with respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Schedule 1 to Schedule 3, other than the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

INDEPENDENT AUDITORS' REPORT

- 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 auditors' report to the related disclosures in the consolidated 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 Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting policies applied in preparing and presenting the consolidated 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, except as described in Note 19.

Manning Elliott LLP

Chartered Professional Accountants

Vancouver, British Columbia

June 1, 2023

VANCITY COMMUNITY FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	2022	2021 <i>Restated</i> <i>(Note 19)</i>
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 3,919,966	\$ 5,307,693
Accounts receivable	604,932	196,220
Interest receivable	75,863	13,690
Grants receivable	22,157	7,985
GST receivable	12,854	38,287
Investment in carbon offsets <i>(Note 3)</i>	65,650	65,650
Investments <i>(Note 5)</i>	2,010,082	-
Restricted investments <i>(Note 5)</i>	6,594,439	5,888,271
Prepaid expenses	134,401	72,789
Current portion of prepaid lease <i>(Note 6)</i>	132,060	132,060
Current portion of loans receivable <i>(Note 7)</i>	10,010,538	1,594,320
	23,582,942	13,316,965
RESTRICTED CASH <i>(Note 4)</i>	7,300,414	8,423,566
INVESTMENTS <i>(Note 5)</i>	375,000	325,000
RESTRICTED INVESTMENTS <i>(Note 5)</i>	49,160,637	56,847,962
PREPAID LEASE <i>(Note 6)</i>	1,694,720	1,826,780
LOANS RECEIVABLE <i>(Note 7)</i>	11,844,631	19,522,927
CAPITAL ASSETS <i>(Note 8)</i>	308,889	568,580
	\$ 94,267,233	\$100,831,780

**VANCITY COMMUNITY FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022**

	2022	2021 Restated (Note 19)
LIABILITIES		
CURRENT		
Demand loan (Note 9)	\$ 1,138,161	\$ 881,467
Accounts payable and accrued liabilities	1,070,244	1,107,807
Government remittances payable	11,858	34,889
Security deposits	132,863	117,767
Deferred rent	67,586	37,373
Grants payable (Note 10)	1,737,563	1,322,526
Notes payable (Note 11)	6,235,000	4,125,000
Current portion of deferred contributions (Note 12)	109,198	848,353
	10,502,473	8,475,182
DEFERRED CONTRIBUTIONS (Note 12)	94,593	58,107
	10,597,066	8,533,289
COMMITMENTS (Note 6)		
FUND BALANCES		
UNRESTRICTED	23,814,712	23,464,811
RESTRICTED - PROGRAMS	9,127,694	11,408,693
RESTRICTED - DONOR ADVISED	58,049,200	64,675,100
RESTRICTED - MAIN STREET	(7,033,945)	(6,688,252)
RESTRICTED - 312 MAIN STREET - CITY OF VANCOUVER	(287,494)	(561,861)
	83,670,167	92,298,491
	\$ 94,267,233	\$100,831,780

Approved on behalf of the Board



Director



Director

VANCITY COMMUNITY FOUNDATION
CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Unrestricted	Restricted - Programs	Restricted - Donor Advised	Restricted - Main Street Project	Restricted - 312 Main Street City of Vancouver	2022
RESTATED FUND BALANCES, BEGINNING OF YEAR	\$ 23,464,811	\$ 11,408,693	\$ 64,675,100	\$ (6,688,252)	\$ (561,861)	\$ 92,298,491
(Deficiency) excess of revenue over disbursements for the year	(1,087,844)	(1,777,113)	(5,689,166)	(348,568)	274,367	(8,628,324)
Interfund transfers (Note 14)	1,437,745	(503,886)	(936,734)	2,875	-	-
FUND BALANCES, END OF YEAR	\$ 23,814,712	\$ 9,127,694	\$ 58,049,200	\$ (7,033,945)	\$ (287,494)	\$ 83,670,167

	Unrestricted	Restricted - Programs	Restricted - Donor Advised	Restricted - Main Street Project	Restricted - 312 Main Street City of Vancouver	2021 Restated (Note 19)
FUND BALANCES, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	\$ 8,250,930	\$ 17,622,628	\$ 60,883,398	\$ (6,146,448)	\$ (633,455)	\$ 79,977,053
Retrospective restatement (Note 19)	16,174,712	(7,519,252)	-	-	-	8,655,460
RESTATED FUND BALANCES, BEGINNING OF YEAR	24,425,642	10,103,376	60,883,398	(6,146,448)	(633,455)	88,632,513
Excess (deficiency) of revenue over disbursements for the year (Note 19)	272,589	(739,885)	4,602,234	(540,554)	71,594	3,665,978
Interfund transfers (Notes 14 & 19)	(1,233,420)	2,045,202	(810,532)	(1,250)	-	-
RESTATED FUND BALANCES, END OF YEAR	\$ 23,464,811	\$ 11,408,693	\$ 64,675,100	\$ (6,688,252)	\$ (561,861)	\$ 92,298,491

**VANCITY COMMUNITY FOUNDATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Unrestricted	Restricted - Programs	Restricted - Donor Advised	Restricted - 312 Main Street Project	Restricted - 312 Main Street City of Vancouver	2022	2021 Restated (Note 19)
REVENUE							
Community development lending interest	\$ 445,039	\$ -	\$ -	\$ -	\$ -	\$ 445,039	\$ 367,745
Contributions	2,862,826	21,745,368	4,587,209	136,398	2,252	29,334,053	36,810,875
Investment income (Note 13)	33,345	53,975	1,078,934	-	5,208	1,171,462	5,805,742
Cost recovery and program income	145,910	1,992,647	-	-	-	2,138,557	1,552,575
Property and program management income (Note 6)	-	-	-	100,041	-	100,041	106,043
Rental and operating income	-	-	-	852,762	1,325,630	2,178,392	1,795,106
Unrealized change in market value of investments	-	-	(7,381,881)	-	-	(7,381,881)	(1,039,112)
	3,487,120	23,791,990	(1,715,738)	1,089,201	1,333,090	27,985,663	45,398,974
ADMINISTRATIVE AND PROGRAM EXPENSES							
312 Main Street project (Note 6)	-	-	-	89,993	132,060	222,053	195,229
Amortization of capital assets	57,638	-	-	221,313	-	278,951	278,584
Bad debts (Note 7)	-	-	-	543	236	779	117,502
Board governance	6,495	-	-	-	-	6,495	58,263
Building	-	-	-	128,616	724,445	853,061	777,608
Charitable programs	986,486	177,982	-	2,489	-	1,166,957	749,096
Honoraria	160	14,378	300	1,200	-	16,038	24,941
Insurance	8,745	-	-	-	63,387	72,132	70,904
Interest and bank charges	262,251	-	-	61,903	3,084	327,238	179,227
Investment management fees	-	-	177,823	-	-	177,823	195,661
Marketing	23,038	59	-	-	-	23,097	36,659
Meetings	4,093	2,872	-	905	-	7,870	2,353
Memberships	15,843	700	-	1,028	-	17,571	23,832
Miscellaneous	7,324	66	-	-	-	7,390	6,334
Professional fees	299,493	213,100	-	9,557	-	522,150	743,974
Publications	2,896	3,150	-	-	-	6,046	14,457
Rent (Note 6)	3,679	33,210	-	434,646	-	471,535	423,592
Salaries and related benefits (Note 15)	1,527,153	1,442,219	-	426,147	65,066	3,460,585	3,075,926
Special events	16,203	-	-	1,446	-	17,649	3,163
Staff development and training	18,719	24,917	-	5,765	-	49,401	22,264
Supplies and office equipment	2,246	505	-	27,434	5,486	35,671	39,269
Travel and accommodation	9,774	15,273	-	14	-	25,061	11,831
Utilities	5,839	3,720	-	12,725	61,480	83,764	179,866
Website and IT	94,202	87,016	-	12,045	3,479	196,742	197,629
	3,352,277	2,019,167	178,123	1,437,769	1,058,723	8,046,059	7,428,164
NET REVENUE BEFORE GRANT DISBURSEMENTS	134,843	21,772,823	(1,893,861)	(348,568)	274,367	19,939,604	37,970,810
GRANT DISBURSEMENTS	(1,222,687)	(23,549,936)	(3,795,305)	-	-	(28,567,928)	(34,304,832)
(DEFICIENCY) EXCESS OF REVENUE OVER DISBURSEMENTS FOR THE YEAR	\$ (1,087,844)	\$ (1,777,113)	\$ (5,689,166)	\$ (348,568)	\$ 274,367	\$ (8,628,324)	\$ 3,665,978

VANCITY COMMUNITY FOUNDATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021 <i>Restated</i> <i>(Note 19)</i>
OPERATING ACTIVITIES		
(Deficiency) excess of revenue over disbursements for the year	\$ (8,628,324)	\$ 3,665,978
Items not affecting cash:		
Amortization of capital assets	278,951	278,584
Amortization of prepaid lease	132,060	132,060
Gain on sale of carbon offsets	-	(41,091)
Unrealized change in market value of investments	7,381,881	1,039,112
	(835,432)	5,074,643
Changes in non-cash working capital:		
Accounts receivable	(408,712)	(28,779)
Interest receivable	(62,173)	(3,089)
Grants receivable	(14,172)	39,229
GST receivable	25,433	(19,243)
Prepaid expenses	(61,612)	(25,917)
Accounts payable and accrued liabilities	(37,563)	602,299
Government remittances payable	(23,031)	21,222
Security deposits	15,096	20,620
Deferred rent	30,213	(22,784)
Grants payable	415,037	(2,674,576)
Deferred contributions	(702,669)	(739,824)
	(824,153)	(2,830,842)
	(1,659,585)	2,243,801
INVESTING ACTIVITIES		
Advances of loans receivable	(737,923)	(3,636,197)
Purchase of capital assets	(19,259)	(81,350)
Re-investment in investments and restricted investments, net	(2,460,806)	(3,469,656)
Proceeds from sale of carbon offsets	-	67,106
Increase in restricted cash	1,123,152	3,932,730
	(2,094,836)	(3,187,367)
FINANCING ACTIVITIES		
Proceeds from issuance of notes payable	2,110,000	2,625,000
Demand loan, net	256,694	(63,341)
	2,366,694	2,561,659
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(1,387,727)	1,618,093
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	5,307,693	3,689,600
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,919,966	\$ 5,307,693

VANCITY COMMUNITY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

1. PURPOSE OF THE FOUNDATION

The Vancity Community Foundation Group (the "Foundation") consists of the Vancity Community Foundation (the "VCF") and Greater Vancouver Community Assistance Foundation (the "GVCAF").

The VCF was incorporated in 1989 under the Society Act of British Columbia and transitioned to the Societies Act of British Columbia in 2018. The VCF is a registered charity under the Income Tax Act (Canada) and is accordingly exempt from income taxes. The purpose of the VCF is to fund, facilitate, promote and carry out activities and programs which are beneficial to the community. In addition to the traditional grant-making activity of community foundations, the VCF is also engaged in community development lending which may be funded from restricted contributions.

The GVCAF was incorporated in 1993 under the Society Act of British Columbia and transitioned to the Societies Act of British Columbia in 2018. The GVCAF is a not-for-profit organization under the Income Tax Act (Canada) and is accordingly exempt from income taxes. The purpose of the GVCAF is to carry out innovative activities and provide support for initiatives which benefit the community. The members of the GVCAF are the directors of the VCF.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") under Part III of the CPA Canada Handbook - Accounting and include the accounts of the VCF and the GVCAF. Financial statements prepared in accordance with ASNPO are also in accordance with Canadian generally accepted accounting principles ("GAAP").

All inter-company balances and transactions have been eliminated upon consolidation. These consolidated financial statements have, in management's opinion, been prepared within reasonable limits of materiality using the significant accounting policies noted below:

(a) Basis of presentation

The Foundation presents its consolidated financial statements using fund accounting. The purpose of each fund is explained as follows:

(i) Unrestricted Fund

This fund contains all funds not externally or internally restricted and includes restricted contributions for which there is no corresponding restricted fund.

(ii) Restricted - Programs

This fund was formerly known as the Restricted - Flow Through Fund, and contained externally restricted donations related to GVCAF. During 2022, management renamed and restructured this restricted fund. As of December 31, 2022, the fund contains funds externally restricted by donors and funders for various programs including the Rent Bank and Reaching Home projects, the Loan Loss Reserves, and funds to be allocated to GVCAF. See Note 19 for further details on this restatement. Funds are restricted regarding timing and use of those funds, primarily for use within the current period.

VANCITY COMMUNITY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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

(a) Basis of presentation (*continued*)

(iii) Restricted - Donor Advised Fund

This fund contains funds externally restricted through specific deeds established with donors, and primarily to be held as long-term funding including some specific provisions for capital encroachment based on parameters as established in the deed.

(iv) Restricted - 312 Main Street Project

This fund contains funds externally restricted by the City of Vancouver as well as the revenue and expenses relating to the use and operation of the second floor of 312 Main Street (Note 6). It also includes construction costs that were not reimbursed by the City of Vancouver and capital assets related to the 312 Main Street Project.

(v) Restricted - 312 Main Street City of Vancouver

This fund contains revenue and expenses relating to the property management of 312 Main Street, on behalf of the City of Vancouver, excluding the operations of the second floor (Note 6).

(b) Revenue recognition

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

Unrestricted contributions

Unrestricted contributions are recognized as revenue of the Unrestricted Fund in the year received or receivable if the amount receivable can be reasonably estimated and collection is reasonably assured.

Restricted contributions

Programs, Donor Advised and 312 Main Street Project fund contributions are recognized as revenue of their respective funds once the amount receivable can be reasonably estimated and collection is reasonably assured.

Restricted contributions for which there is no corresponding restricted fund presented are recognized in the Unrestricted Fund in accordance with the deferral method of accounting for contributions. Deferred contributions represent externally restricted grants and donations received in the current period that are related to a subsequent period.

Investment income

Net investment income that is not externally restricted is recognized as it is earned in the Unrestricted Fund. Externally restricted net investment income is recognized as it is earned in the restricted fund in which it relates, or if there is no appropriate restricted fund, in the appropriate deferred contribution balance or Unrestricted Fund depending on the nature of the restriction.

Rental income

Rental income from operating leases or licenses are recognized on a straight-line basis over the term of the agreement.

VANCITY COMMUNITY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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

(c) Financial instruments

Measurement

The Foundation's financial instruments consist of cash and cash equivalents, accounts receivable, interest receivable, grants receivable, restricted cash, investments, restricted investments, loans receivable, demand loan, accounts payable, grants payable and notes payable. The Foundation initially measures all of its financial assets and liabilities at fair value. The Foundation subsequently measures all of its financial assets and liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. The Foundation also measures its investment in fixed income securities at fair value. Changes in fair value of equity instruments and fixed income securities carried at fair value are recognized in the consolidated statement of operations.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down that is determined is recognized in the consolidated statement of operations. A previously recognized impairment loss may be reversed to the extent of any improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the consolidated statement of operations in the period in which it is determined.

Transaction costs

Transaction costs that are directly attributable to the origination, issuance or assumption of a financial instrument that is subsequently measured at amortized cost are assigned to those financial instruments. All other transaction costs are recognized in the consolidated statement of operations in the period incurred.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, money market investments with original maturities of three months or less and which are readily convertible into cash.

(e) Restricted cash

Restricted cash represents externally restricted funding specific to future programs described in Note 4. Restrictions on this cash prevents its use for current purposes and is therefore classified as long-term.

VANCITY COMMUNITY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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

(f) Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized using the straight-line method and the following useful lives:

Furniture and fixtures	5 years
Leasehold improvements	Term of the lease

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

The Foundation's policy is to record a write-down to a capital asset's fair value or replacement cost when conditions indicate that a capital asset is impaired. Such conditions include when the capital asset no longer contributes to the Foundation's ability to provide goods and services or when the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount. Write-downs are recognized as an expense in the consolidated statement of operations and are not reversed.

(g) Verified emissions reductions

The GVCAF holds 7,331 tonnes (2021 - 7,331) of verified emissions reductions ("VERs") intended for sale. The VERs are captioned as investment in carbon offsets on the consolidated statement of financial position and are accounted for using the cost method.

(h) Loans receivable

The GVCAF provides support to certain organizations involved in planning community development projects by disbursing funds which may be accompanied by promissory notes with low interest. Repayment is only expected under certain conditions (generally to be refinanced through future loans for larger scale activities based on feasibility) and no additional penalties are assessed if the notes are not repaid. The GVCAF has recorded an allowance for impairment on these loans receivable (Note 7). Impairment losses are recorded as part of bad debt expense in the consolidated statement of operations.

(i) Contributed services and materials

The Foundation receives various contributed services during the year. Contributed services and materials are recognized only when their fair value can be reasonably estimated and when the services and materials are used in the normal course of the Foundation's operations and would otherwise have been purchased. As the fair market value of contributed services cannot be reasonably measured they are not recognized in these consolidated financial statements. No contributed materials were received or recognized during the year (2021 - none received or recognized).

(j) Non-monetary transactions

The Foundation recognizes non-monetary transactions in the form of property and program management fee revenue and rent expense related to the 312 Main Street Project. The transactions are measured at the fair market value of the services exchanged based on the agreements with the City of Vancouver.

VANCITY COMMUNITY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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

(k) Use of estimates

The preparation of consolidated financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities, revenue and expenses as at the end of or during the reporting period. Management believes that the estimates used are reasonable and prudent, however, actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the valuation of accounts receivable, grants receivable, investment in carbon offsets, loans receivable, the determination of the useful lives of capital assets used for determining amortization, the measurement of deferred contributions and the amounts recorded as accrued liabilities.

3. INVESTMENT IN CARBON OFFSETS

The GVCAF has entered into a brokerage agreement for the sale of VERs. Included in investment income of the Unrestricted Fund on the consolidated statement of operations is a \$Nil (2021 - \$41,091) gain from the sale of VERs during the year.

4. RESTRICTED CASH

Restricted cash consists of the following:

	2022	2021 <i>Restated</i> <i>(Note 19)</i>
Restricted Cash - Programs	\$ 5,022,823	\$ 5,621,296
Restricted Cash - Donor Advised	2,001,174	2,539,752
Restricted Cash - Main Street City of Vancouver	214,012	262,518
Restricted Cash - VCF Main Street Project	62,405	-
	\$ 7,300,414	\$ 8,423,566

VANCITY COMMUNITY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

5. INVESTMENTS

	2022		2021	
	Market Value	Cost	Market Value	Cost
Term deposits	\$ 8,604,521	\$ 8,604,521	\$ 6,138,271	\$ 6,138,271
Marketable equity securities	13,448	13,535	-	-
Mutual funds	47,994,265	45,354,065	55,376,451	45,439,311
Investments at fair value	56,612,234	53,972,121	61,514,722	51,577,582
Impact equity, at cost	1,527,924	1,527,924	1,546,511	1,546,511
	\$ 58,140,158	\$ 55,500,045	\$ 63,061,233	\$ 53,124,093

Included in investments are short-term investments of \$2,010,082 (2021 - \$Nil), short-term restricted investments of \$6,594,439 (2021 - \$5,888,271), long-term investments of \$375,000 (2021 - \$325,000) and long-term restricted investments of \$49,160,637 (2021 - \$56,847,962). All investments are ethically screened. The Foundation's investment policies require that no more than 10% shall be invested in equity issues of any one corporation, and must be diversified across at least seven of 11 GICS sectors; no more than 10% invested in the debt issues of any issuers, except guaranteed by the Government of Canada, or a Province of Canada having a credit rating of at least "A+" per DBRS or other major rating agency.

Impact equity consists of:

- (a) investment in a Private Equity Venture Capital Fund which invests in private companies achieving social or environmental impacts;
- (b) shares of an individual private business which represents a long-term ownership stake. There are options associated with the shares through which the benefit may either transfer to another local charitable organization (for the VCF owned shares) or to a group of employees (for the GVCAF owned shares);
- (c) investor units in a Limited Partnership which invests in mixed use real estate development to transform community.

These impact equity investments are carried at cost, not publicly traded, and fair market value is not readily determinable.

6. 312 MAIN STREET PROJECT

Overview of the project

During 2015, VCF entered into four agreements with the City of Vancouver (the "City"); a construction project management agreement to develop the 312 Main Street property into a Centre for Economic and Social Innovation (the "Centre"), a prepaid lease agreement to lease the 2nd floor of the Centre once construction is complete, a property management agreement, and a programming services agreement.

Construction project management agreement

Under the construction project management agreement, VCF is responsible for all aspects of the construction and the City retains ownership and control of the Centre. Accordingly, VCF is accounting for the funding it receives and disbursements made in relation to the project as the 312 Main Street Project restricted fund on its consolidated statement of operations.

VANCITY COMMUNITY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

6. 312 MAIN STREET PROJECT *(continued)*

Prepaid lease

The prepaid lease agreement has a term of 15 years commencing upon completion of construction. VCF has made capital contributions towards capital cost upgrades to the Centre and construction project management costs recorded on the consolidated statement of financial position as a prepaid lease. In 2018, VCF reached the maximum prepaid lease threshold of \$2,465,069 as stipulated in the prepaid lease agreement and accordingly no further amounts have been capitalized.

Amortization of prepaid lease

The Centre obtained partial occupancy permits of the building during 2018 through 2021 allowing the use of the basement and the first to the fourth floor. Accordingly, VCF has recognized amortization of the prepaid lease as follows:

	2022	2021
Prepaid lease, beginning of year	1,958,840	2,090,900
Amount recognized during the year in the consolidated statement of operations under rent expense	(132,060)	(132,060)
	1,826,780	1,958,840
Current portion of prepaid lease	(132,060)	(132,060)
Prepaid lease, end of year	1,694,720	1,826,780

Property management services and programming services agreements

Under the property management services agreement, VCF will serve as property manager of the Centre over a 15 year term commencing on the first day of the term of the 2nd floor lease (March 1, 2018), which includes property management and leasing duties. VCF is responsible for the operating and maintenance costs of the Centre as outlined in the property management services agreement.

Under the programming services agreement, VCF is responsible to provide the services as outlined in the programming services agreement over a 15 year term commencing on March 1, 2018.

In connection with the property management and programming services agreements described above, VCF recognized property and program management income totalling \$100,041 (2021 - \$106,043), on the consolidated statement of operations in the Restricted 312 Main Street VCF Fund, which is comprised of: property management fee revenue of \$49,788 (2021 - \$52,775) and program management fee revenue of \$50,253 (2021 - \$53,268). VCF also recognized matching rent expense in the same amount in the Restricted 312 Main Street City of Vancouver Fund.

Additional 312 Main Street project expenses

During 2022, VCF incurred development expenses of \$93,768 (2021 - \$144,519) related to the Centre, of which \$89,993 (2021 - \$63,169) is recognized in the consolidated statement of operations as an expense in the 312 Main Street Project restricted fund and \$3,775 (2021 - \$81,350) have been capitalized as leasehold improvements on the consolidated statement of financial position. The Centre was completed in 2021 and started generating an operating surplus by the end of 2021. However the third phase of the original agreement, which consisted of the main side of the fourth, fifth, and sixth floor of the building, are on hold with no current plans for completion. The total outstanding construction costs on this project are currently indeterminable.

VANCITY COMMUNITY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

7. LOANS RECEIVABLE

The loans receivable balance consists of:

	2022	2021
Community development lending	\$ 408,031	\$ 415,402
Program-related investment loans	90,000	340,000
GVCAF loans	21,457,138	20,711,845
GVCAF loans - allowance for impairment	(100,000)	(350,000)
	21,855,169	21,117,247
Less: current portion	(10,010,538)	(1,594,320)
	\$ 11,844,631	\$ 19,522,927

The program-related loans were made to registered charities to implement organizational changes and to develop new revenue generating programs. The loans were allocated from the Restricted - Donor Advised Fund.

The program-related investment loans receivable are due on demand, non-interest bearing, and have no specified terms of repayment. The GVCAF loans receivable are due on demand and interest bearing. Full repayment is due either on maturity, or on demand by the Foundation, as the registered charities increase their capacity to make payments. Included in bad debts on the consolidated statement of operations is \$Nil (2021 - \$116,727) in loans written off during the year.

The GVCAF loans receivable balance consists of pre-development funding loans and impact business loans. These loans are made to registered charities and other organizations in order to help fund housing and other developments, as well as businesses with similar goals to those of the Foundation.

8. CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Furniture and fixtures	\$ 1,345,405	\$ 1,132,920	\$ 212,485	\$ 465,249
Leasehold improvements	120,482	24,078	96,404	103,331
	\$ 1,465,887	\$ 1,156,998	\$ 308,889	\$ 568,580

VANCITY COMMUNITY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

9. DEMAND LOAN

On April 25, 2017, the Foundation obtained a \$2,000,000 operating demand loan from Vancouver City Savings Credit Union ("Vancity") for the purpose of assisting with tenant improvements to the 312 Main Street Project. The operating demand loan was obtained on a 12-month term with interest calculated and payable monthly at a rate of Vancity Prime plus 1%. The balance drawn at December 31, 2022 was \$1,138,161 (2021 - \$881,467).

The loan is secured by a general security agreement, constituting a first ranking interest in all property of VCF and GVCAF.

The agreement governing the operating demand loan is subject to a minimum debt service coverage ratio of 1.1. As at December 31, 2022, the Foundation was not in compliance with the covenant (2021 - in compliance with the covenant). Management has noted that the December 31, 2022 breach has since been rectified and the Foundation is compliant with its covenant as at March 31, 2023.

10. GRANTS PAYABLE

Grants payable mainly consist of flow-through grants to be paid out for the Reaching Home sub-projects.

	Opening balance	Grants received	Grants paid	Ending balance
Reaching Home Lu'ma	\$ 755,521	\$ 6,401,383	\$ (5,509,571)	\$ 1,647,333
Reaching Home COVID-19	465,542	3,549,673	(4,015,215)	-
Reaching Home Abbotsford	85,638	1,007,526	(1,003,043)	90,121
Other unrestricted grants payable	15,825	109	(15,825)	109
	\$ 1,322,526	\$ 10,958,691	\$ (10,543,654)	\$ 1,737,563

11. NOTES PAYABLE

	2022	2021
Promissory note due to Victoria Foundation, bearing interest at 3% per annum, unsecured and due on December 21, 2024 with option to renew. Repayment of the principal is expected through a single balloon payment, representing all principal and interest owing, before the maturity date. The note payable is also due on demand, at the request of the lender.	\$ 2,000,000	\$ 2,000,000
Promissory note due to anonymous donors, bearing interest at 5% per annum, unsecured and due on April 30, 2023 with option to renew. New terms have not yet been finalized as at the audit report date. Repayment of the principal is expected through a single balloon payment, representing all principal and interest owing, before the maturity date. The note payable is also due on demand, at the request of the lender.	1,710,000	-

VANCITY COMMUNITY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

11. NOTES PAYABLE (*continued*)

	2022	2021
Promissory note due to Nancy Hawkins and Bill Bargeman, bearing interest at 1.5%, unsecured and due on September 30, 2024 with option to renew. Repayment of the principal is expected through a single balloon payment, representing all principal and interest owing, before the maturity date. The note payable is also due on demand, at the request of the lender.	500,000	500,000
Promissory note due to the North Family Foundation, bearing interest at 3% per annum, unsecured and due on November 4, 2023 with option to renew. Repayment of the principal is expected through a single balloon payment, representing all principal and interest owing, before the maturity date. The note payable is also due on demand, at the request of the lender.	500,000	500,000
Promissory note due to Nancy Hawkins and Bill Bargeman, bearing interest at 1.5%, unsecured and due on October 18, 2025 with option to renew. Repayment of the principal is expected through a single balloon payment, representing all principal and interest owing, before the maturity date. The note payable is also due on demand, at the request of the lender.	400,000	400,000
Promissory note due to Ann and Geoffrey Wheeler-Bartol, bearing interest at 3% per annum, unsecured and due on March 22, 2025 with option to renew. Repayment of the principal is expected through a single balloon payment, representing all principal and interest owing, before the maturity date. The note payable is also due on demand, at the request of the lender.	300,000	-
Promissory note due to Real Estate Foundation of British Columbia, bearing interest at 3% per annum, unsecured and due on October 13, 2026 with option to renew. Repayment of the principal is expected through a single balloon payment, representing all principal and interest owing, before the maturity date. The note payable is also due on demand, at the request of the lender.	250,000	250,000
Promissory note due to Delano-Stephens Investments Ltd., bearing interest at 3% per annum, unsecured and due on May 12, 2024 with option to renew. Repayment of the principal is expected through a single balloon payment, representing all principal and interest owing, before the maturity date. The note payable is also due on demand, at the request of the lender.	250,000	250,000
Promissory note due to Co-operators Community Fund, bearing interest at 3% per annum, unsecured and due on December 20, 2024 with option to renew. Repayment of the principal is expected through a single balloon payment, representing all principal and interest owing, before the maturity date. The note payable is also due on demand, at the request of the lender.	125,000	125,000

VANCITY COMMUNITY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

11. NOTES PAYABLE (*continued*)

	2022	2021
Promissory note due to Interior Savings Credit Union, non-interest bearing, unsecured and due on June 30, 2025 with option to renew. Repayment of the principal is expected through a single balloon payment, representing all principal and interest owing, before the maturity date. The note payable is also due on demand, at the request of the lender.	100,000	100,000
Promissory note due to Yvonne Marcus and Brian Marcus, bearing interest at 3% per annum, unsecured and due on March 7, 2025 with option to renew. Repayment of the principal is expected through a single balloon payment, representing all principal and interest owing, before the maturity date. The note payable is also due on demand, at the request of the lender.	100,000	-
	\$ 6,235,000	\$ 4,125,000

Principal repayment over the next three years are anticipated to be:

2023	\$ 2,210,000
2024	3,125,000
2025	900,000
	<u>\$ 6,235,000</u>

12. DEFERRED CONTRIBUTIONS

Deferred contributions represent grants and donations externally restricted for specific projects that occur in a subsequent period.

	2021 Restated (Note 19)	Contributions received	Amortized to revenue	2022
Welcome doors, 312 Main	\$ -	\$ 87,500	\$ -	\$ 87,500
Vancity furniture	100,000	-	(50,000)	50,000
Second floor office, 312 Main	61,738	-	(5,447)	56,291
312 Main street project	110,000	-	(110,000)	-
Equalizing opportunities	634,722	-	(634,722)	-
Living Wage program	-	10,000	-	10,000
Subtotal	906,460	97,500	(800,169)	203,791
Less: current portion	(848,353)	-	-	(109,198)
	\$ 58,107	-	-	\$ 94,593

VANCITY COMMUNITY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

13. INVESTMENT INCOME

	2022	2021
Capital gain	\$ 308,261	\$ 4,505,828
Dividend income	1,821	50,237
Interest earned, net	1,038,234	1,146,450
Foreign exchange (loss) gain	(176,854)	103,227
	\$ 1,171,462	\$ 5,805,742

14. INTERFUND TRANSFERS

Interfund transfers are enacted by resolutions passed by the Foundation's board of directors and presented in the consolidated statement of changes in fund balances.

The Unrestricted Fund transferred funds in the amount of \$96,528 (2021 - \$2,045,202) which relate to interest expense paid in the amount of \$96,528 (2021 - \$Nil) to the Restricted - Donor Advised Fund and funds earmarked for Loan Loss Reserves Program in the amount of \$Nil (2021 - \$2,045,202) to the Restricted - Programs Fund.

The Restricted - Programs Fund transferred funds to the Unrestricted Fund in the amount of \$503,886 (2021 - \$Nil) which relates to administrative fees.

The Restricted - Donor Advised Fund transferred funds in the amount of \$1,033,263 (2021 - \$810,532) which relate to administrative fees paid in the amount of \$713,372 (2021 - \$592,554) to the Unrestricted Fund, grants funding paid in the amount of \$309,891 (2021 - \$217,978) to the Unrestricted Fund and grants funding paid in the amount of \$10,000 (2021 - \$Nil) to the Restricted - Main Street Project Fund.

The Restricted - Main Street Project Fund transferred funds to the Unrestricted Fund in the amount of \$7,125 (2021 - \$1,250) which relates to administrative fees.

15. SALARIES AND RELATED BENEFITS

Salaries and benefits expense for the year includes twenty employees that each earned over \$75,000, for a total of \$2,273,937 (2021 - fourteen employees, for a total of \$1,551,536).

16. RELATED PARTY BALANCES AND TRANSACTIONS

Vancouver City Savings Credit Union

Certain of the Foundation's board of directors are appointed by the Foundation's members, who are members of Vancouver City Savings Credit Union's ("Vancity") board of directors. In 2022, Vancity provided 5.8% (2021 - 6.7%) of the Foundation's total revenue.

VANCITY COMMUNITY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

16. RELATED PARTY BALANCES AND TRANSACTIONS *(continued)*

The Foundation has available an operating demand loan facility of up to \$2,000,000 from Vancity (Note 9) of which the balance drawn at December 31, 2022 was \$1,138,161 (2021 - \$881,467).

In 2017, the Foundation entered into a Funding Agreement (the "Agreement") with Vancity. Under this Agreement, Vancity provided a \$4M contribution directly to the construction contractors of the 312 Main Street Project on behalf of the Foundation to be repaid in November 2018. The repayment of the loan has not yet occurred and as a result, the Foundation may be obligated to repay the \$4M contribution to Vancity.

The Foundation has balances due from and due to Vancity as follows: included in interest receivable is an amount of \$75,863 (2021 - \$13,690) due from Vancity and included in accounts payable is an amount of \$149,762 (2021 - \$149,597) due to Vancity.

	2022	2021
During the year, the Foundation paid Vancity for the following:		
Operating expenses	\$ 214,041	\$ 186,226
Interest payments	62,255	39,115
Write-off of loans included in bad debts	-	326,727
	\$ 276,296	\$ 552,068

The Foundation received contributions from Vancity which were allocated as follows:		
Restricted - Programs	\$ 53,975	\$ 2,584,760
Restricted - Donor Advised	31,416	-
Unrestricted - annual operating contribution	500,000	350,000
Unrestricted - programs	1,014,500	40,000
Unrestricted - other contributions	33,312	99,617
	\$ 1,633,203	\$ 3,074,377

Vancity Investment Management Ltd.

Vancity Investment Management Ltd. is a subsidiary of Vancity. The Foundation has an agency agreement with Vancity for the Foundation's investment portfolio management. Fees for these services are computed on the market value of the investments. During the year, the Foundation paid investment management fees to Vancity Investment Management Ltd. in the amount of \$146,440 (2021 - \$113,188). The Foundation also has a balance owing to Vancity Investment Management Ltd. in the amount of \$35,344 (2021 - \$39,201) which is included in accounts payable in the consolidated statement of financial position.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

VANCITY COMMUNITY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

17. FINANCIAL INSTRUMENTS RISKS

The Foundation's financial instruments are described in Note 2(c). In management's opinion, the Foundation is exposed to significant credit, liquidity, market, currency, interest rate or other price risks arising from its financial instruments, as explained in the following paragraphs. In addition, the Foundation is also exposed to material concentrations of risk as explained below and there has been no significant change in risk exposure, except as described below.

The carrying amount of financial assets measured at amortized cost is \$37,654,999 as at December 31, 2022 (2021 - \$39,317,058). The carrying amount of financial assets measured at fair value is \$56,612,234 as at December 31, 2022 (2021 - \$61,514,722).

Credit risk

Credit risk is the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Foundation is exposed to credit risk with respect to uncertainties as to timing and collectibility of accounts receivable, grants receivable, outstanding loans made for the purpose of community development and the outstanding GVCAF loans. Given the mandate of the Foundation, this credit risk is an inherent risk of operations. Credit risk is mitigated by maintaining regular loan loss reserves to cover write-offs of loans as needed.

Liquidity risk

Liquidity risk is the risk that the entity will not be able to meet a demand for cash or fund its obligations as they come due. The Foundation is exposed to liquidity risk on its demand loan, accounts payable, grants payable and notes payable. The Foundation mitigates liquidity risk by maintaining a significant cash balance and marketable securities which are easily convertible to cash if necessary. Additional cash requirements are met with the use of an available credit facility. This facility is structured as an operating demand loan secured by assets of the Foundation (Note 9).

Market risk

Market risk is the potential for financial loss to the Foundation from changes in the values of its financial instruments. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The investments of the Foundation are subject to normal market fluctuations and to the risk inherent in investment in capital markets.

The Foundation actively manages market risk through its investment policy that outlines the objectives, constraints and parameters related to its investment activities. The Investment, Finance and Audit Committee and management regularly review the Foundation's investments to ensure all activities adhere to the investment policy.

Currency risk

Currency risk is the risk that the value of the financial instruments denominated in non-Canadian currencies will fluctuate due to changes in foreign exchange rates. The Foundation is exposed to currency risk on its investment in USD and global equity securities valued at \$5,026 (USD \$3,711) (2021 - \$Nil (USD \$Nil)). The Foundation does not enter into hedge agreements as the total currency risk is within the allowable range of the Foundation's investment policy.

VANCITY COMMUNITY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

17. FINANCIAL INSTRUMENTS RISKS *(continued)*

Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises primarily from the Foundation's investment in interest bearing financial instruments. The value of fixed income securities will generally rise when interest rates fall and decrease when interest rates rise. Changes in interest rates may also affect the value of equity securities.

The Foundation has a floating rate revolving demand facility debt which is subject to interest rate cash flow risk, as the required cash flows to service the debt will fluctuate as a result of changes in the lender's prime rate. The interest rate on the revolving demand facility is disclosed in Note 9.

The Foundation also has fixed rate notes payable which are subject to interest rate cash flow risk if they are renewed. The interest rate on the notes payable is disclosed in Note 11.

The Foundation mitigates interest rate risk by investing in fixed rate investments and by renegotiating its demand facility debt and notes payable as they become due.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation manages this risk through maintaining a diversified investment portfolio and regularly reviewing its investment structure and strategy.

Concentration of risk and economic dependence

The Foundation's contribution base is concentrated as 82.7% (2021 - 63.8%) of the Foundation's revenue is received from the top two contributors (2021 - two contributors). Of these contributions, \$4,130,287 (2021 - \$16,985,307) is funding received due to COVID-19. Most of these contributions are related to a specific program, such that if the contributions were lost, the expenses associated with the specific program would also be eliminated.

18. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. Such reclassification does not have an effect on the total assets, total liabilities, net assets or excess of revenue over disbursements for the year previously reported, other than described in the restatement in Note 19.

VANCITY COMMUNITY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

19. RETROSPECTIVE RESTATEMENT

During the year, the Foundation renamed and restructured its previously captioned Restricted Flow-Through fund to Restricted - Programs Fund as described in Note 2(a). This constitutes a change in accounting policy and was applied retrospectively in the consolidated financial statements. Based on the new structure of the Restricted - Program Fund and in accordance with the Foundation's revenue recognition policy disclosed in Note 2(b), a net amount of \$8,130,925 has been removed from the deferred contributions for the 2019 and 2021 fiscal year ends and a net amount of \$1,846,684 has been transferred from unrestricted cash to restricted cash for the 2020 and 2021 fiscal years in the consolidated statement of financial position.

In addition, the restatement resulted in a net increase to fund balances of \$8,655,460 which consist of the following restatements:

	Unrestricted	Restricted	Total
2021 FUND BALANCE BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	\$ 8,250,930	\$ 71,726,123	\$ 79,977,053
Reclassification of cumulative fund balances between restricted and unrestricted based on new understanding	16,174,712	(16,174,712)	-
Restatement of fiscal 2019 and 2020 deferred revenue now recognized as revenue under the Foundation's revenue recognition accounting policy	-	8,655,460	8,655,460
2021 FUND BALANCE BEGINNING OF YEAR, RESTATED	24,425,642	64,206,871	88,632,513
(Deficiency) excess of revenue over disbursements for the year before restatement	(1,362,511)	5,553,023	4,190,512
Restatement of 2021 deferred revenue now recognized as revenue under the Foundation's revenue recognition policy	-	(524,534)	(524,534)
Restatement of 2021 excess of revenue over disbursements between restricted and unrestricted funds based on new understanding	1,635,100	(1,635,100)	-
Restated interfund transfers	(1,233,420)	1,233,420	-
2021 FUND BALANCE END OF YEAR, RESTATED	\$ 23,464,811	\$ 68,833,680	\$ 92,298,491

VANCITY COMMUNITY FOUNDATION
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION
ACCELERATOR FUND
AS AT DECEMBER 31, 2022
UNAUDITED

SCHEDULE 1

	2022	2021
ASSETS		
CURRENT		
Cash Held in Bank	\$ 1,264,470	\$ 1,911,802
Term Deposits	2,010,082	-
Contributions Receivable	-	-
Interest Receivable, Term Deposits	16,356	-
Interest Receivable, AF Loans	866,073	655,909
	4,156,981	2,567,711
Loans Receivable, Accelerator Fund (<i>Note i</i>)	17,831,320	18,641,320
	\$ 21,988,301	\$ 21,209,031
LIABILITIES		
CURRENT		
Accrued Liabilities	\$ -	\$ -
Interest Payable to Investors	315,746	110,040
	8,309,273	7,909,273
LOANS PAYABLE, AF INVESTORS	8,625,019	8,019,313
	13,363,282	13,189,718
FUND BALANCE	13,363,282	13,189,718
LIABILITIES & FUND BALANCES	\$ 21,988,301	\$ 21,209,031

Note i - Summary of Loan Fund Activity

	Total	No of Loans
Loans outstanding, December 31, 2021	\$ 18,641,320	42
Loans Disbursed	3,575,000	8
Loans Repaid in full	(3,385,000)	(5)
Loans Repaid partially	(1,000,000)	(1)
Loans Written Off	-	0
Loans outstanding, December 31, 2022	\$ 17,831,320	45

VANCITY COMMUNITY FOUNDATION
NON-CONSOLIDATED STATEMENT OF OPERATIONS
ACCELERATOR FUND
FOR THE YEAR ENDED DECEMBER 31, 2022
UNAUDITED

SCHEDULE 2

	2022		2021
REVENUE			
Interest from Term Deposits	\$ 33,312	\$	-
Interest from Loans Receivable	345,958		341,613
	<hr/> 379,270		<hr/> 341,613
EXPENSES			
Interest on Investor Loans	205,706		106,498
Loan Loss Write-Offs	-		(200,000)
Bank Charges & Fees	-		19
	<hr/>		<hr/>
EXCESS OF REVENUE OVER EXPENSES	\$ 173,564	\$	435,096

VANCITY COMMUNITY FOUNDATION
NON-CONSOLIDATED STATEMENT CHANGES IN FUND BALANCES
ACCELERATOR FUND
FOR THE YEAR ENDED DECEMBER 31, 2022
UNAUDITED

SCHEDULE 3

	2022		2021
FUND BALANCE, BEGINNING OF YEAR	\$ 13,189,718	\$	12,799,488
Excess of revenue over expenses	173,564		435,096
Interfund transfer			(44,866)
FUND BALANCE, END OF YEAR	\$ 13,363,282	\$	13,189,718
