

Financial Statements of

**JEWISH COMMUNITY FOUNDATION
OF GREATER VANCOUVER**

And Independent Auditors' Report thereon

Year ended March 31, 2022



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INDEPENDENT AUDITORS' REPORT

To the Governors of Jewish Community Foundation of Greater Vancouver

Opinion

We have audited the financial statements of the Jewish Community Foundation of Greater Vancouver, a fund of the Jewish Federation of Greater Vancouver (the "Fund"), which comprise:

- the statement of financial position as at March 31, 2022
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2022, 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Fund 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.

Emphasis of Matter – Basis of Preparation

We draw attention to Note 1(a) to the financial statements which describes the basis of preparation used in these financial statements and the purpose of the financial statements.

Our opinion is not modified in respect of this matter.

Other Matter – Comparative Information

The financial statements for the year ended March 31, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 18, 2021.

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 Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund'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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants

Vancouver, Canada
June 13, 2022

JEWISH COMMUNITY FOUNDATION OF GREATER VANCOUVER

Statement of Financial Position

March 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash	\$ 1,360,274	\$ 1,590,541
Other receivables (note 3)	613,929	615,008
Inter-fund receivable (note 4)	1,576,350	1,014,381
	<u>3,550,553</u>	<u>3,219,930</u>
Non-current assets:		
Investments, at fair value (note 2)	73,784,660	69,212,459
State of Israeli bonds, at amortized cost	435,138	435,138
	<u>74,219,798</u>	<u>69,647,597</u>
	<u>\$ 77,770,351</u>	<u>\$ 72,867,527</u>

Liabilities and Net Assets

Current liabilities:		
Payables and accruals	\$ 369,451	\$ 432,801
Due to other charitable entities (note 5)	1,507,209	1,993,106
	<u>1,876,660</u>	<u>2,425,907</u>
Net assets:		
Externally restricted	70,681,362	65,168,156
Unrestricted	5,212,329	5,273,464
	<u>75,893,691</u>	<u>70,441,620</u>
	<u>\$ 77,770,351</u>	<u>\$ 72,867,527</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:



Diane Switzer, Chair



Marcie Flom, Executive Director

JEWISH COMMUNITY FOUNDATION OF GREATER VANCOUVER

Statement of Operations and Changes in Net Assets

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

	2022			2021		
	Unrestricted Funds	Restricted Funds	Total	Unrestricted Fund	Restricted Funds	Total
Revenue:						
Contributions (note 6)	\$ 3,972	\$ 5,759,492	\$ 5,763,464	\$ 14,773	\$ 2,846,523	\$ 2,861,296
Flow-through donations (note 6)	-	395,454	395,454	-	1,599,686	1,599,686
	3,972	6,154,946	6,158,918	14,773	4,446,209	4,460,982
Investment income						
Interest income	22,499	-	22,499	22,144	-	22,144
Dividend income	272,315	3,944,784	4,217,099	217,298	2,960,342	3,177,640
Portfolio management fees	(22,640)	(360,223)	(382,863)	(24,817)	(347,795)	(372,612)
Realized gain (loss) on sale of investments	24,318	323,609	347,927	(15,447)	(189,525)	(204,972)
Change in unrealized gain (loss) in value of investments	(26,717)	(628,219)	(654,936)	793,501	10,100,103	10,893,604
	269,775	3,279,951	3,549,726	992,679	12,523,125	13,515,804
Total revenues	273,747	9,434,897	9,708,644	1,007,452	16,969,334	17,976,786
Expenditures:						
Administration and fundraising	46,144	589,653	635,797	42,580	525,132	567,712
Distributions to external parties	280,734	2,535,665	2,816,399	280,000	3,909,500	4,189,500
Distributions to the Federation General Fund (note 7)	-	804,377	804,377	-	746,949	746,949
	326,878	3,929,695	4,256,573	322,580	5,181,581	5,504,161
Excess (deficiency) of revenues over expenses	(53,131)	5,505,202	5,452,071	684,872	11,787,753	12,472,625
Inter-fund transfer (note 5)	(8,004)	8,004	-	(253,024)	253,024	-
Net assets, beginning of year	5,273,464	65,168,156	70,441,620	4,841,616	53,127,379	57,968,995
Net assets, end of year	\$ 5,212,329	\$ 70,681,362	\$ 75,893,691	\$ 5,273,464	\$ 65,168,156	\$ 70,441,620

See accompanying notes to financial statements.

JEWISH COMMUNITY FOUNDATION OF GREATER VANCOUVER

Statement of Cash Flows

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

	2022	2021
Cash provided by (used) in:		
Operating activities:		
Excess of revenues over expenditures and distributions	\$ 5,452,071	\$ 12,472,625
Adjustments for items not affecting cash:		
Realized loss (gain) on investments	(347,927)	204,972
Change in unrealized loss (gain) on investments	654,936	(10,893,604)
	5,759,080	1,783,993
Changes in non-cash operating working capital:		
Other receivables	1,079	(5,126)
Inter-fund receivable	(561,969)	(1,014,381)
Payables and accruals	(63,350)	279,803
Deferred revenue	-	-
Due to other charitable entities	(485,897)	974,802
Inter-fund payables - Federation general fund	-	(1,349,955)
Net cash provided by operating activities	4,648,943	669,136
Investing activities:		
Purchase of investments	(10,109,593)	(9,412,260)
Proceeds on sale of investments	5,230,383	9,893,418
Purchase of State of Israel bonds	-	(165,000)
Proceeds on redemption of State of Israel bonds	-	224,931
Net cash provided by (used in) investing activities	(4,879,210)	541,089
Increase (decrease) in cash	(230,267)	1,210,225
Cash, beginning of year	1,590,541	380,316
Cash, end of year	\$ 1,360,274	\$ 1,590,541

See accompanying notes to financial statements.

JEWISH COMMUNITY FOUNDATION OF GREATER VANCOUVER

Notes to Financial Statements

Year ended March 31, 2022

The purpose of the Foundation is to serve as a community endowment program to the Jewish Community and to invest and distribute funds in furtherance of the Federation's charitable purposes. The Jewish Community Foundation of Greater Vancouver (the "Foundation") is a separate fund of the Jewish Federation of Greater Vancouver (the "Federation"). Oversight of the Foundation is provided by the Foundation Governors, a standing committee of the Federation's Board of Directors.

The Federation is a society incorporated under the laws of British Columbia and is a registered charity under the *Income Tax Act* of Canada. It serves as a primary source of funding for organizations, programs and services that have objectives specifically relevant to the Jewish community.

1. Significant accounting policies:

(a) Basis of preparation:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Foundation is not a legal entity; it is the fund of the Federation. Inter-fund balances and transactions between the Foundation and the General Fund of the Federation have not been eliminated. The purpose of these financial statements is to provide information on the activities of the Foundation separate from the Federation.

(b) Fund accounting:

In order to ensure observance of the limitations and restrictions placed on the use of resources available, these financial statements are prepared in accordance with fund accounting principles. Under this method, the Foundation's funds have been classified into restricted funds and unrestricted funds:

- (i) Unrestricted funds comprise of funds that are not subject to any restrictions or specific conditions imposed by a donor and are available for general use by the Foundation to achieve its charitable purposes. Income from these funds is distributed through the grant program of the Foundation in response to the emerging and changing needs of the community. Grants are awarded each year through a rigorous adjudication process administered by a standing committee of the Governors of the Foundation.
- (ii) Restricted funds comprise of funds that are subject to restrictions or specific conditions as imposed by a donor or group of donors and are not available for general use by the Foundation to achieve its charitable purposes except as advised by the donor or fund holder. Distributions from restricted funds are approved by the Governors of the Foundation on an annual basis.

Restricted funds include Designated funds, Organizational funds and Donor-Advised funds. Designated funds are funds established by donors to support charitable organizations and areas of interest that are important to them. Organizational funds are funds established by charitable organizations to provide them with long-term stable funding to support their charitable mission.

JEWISH COMMUNITY FOUNDATION OF GREATER VANCOUVER

Notes to Financial Statements

Year ended March 31, 2022

1. Significant accounting policies (continued):

(b) Fund accounting (continued):

Donor-Advised funds are funds established by donors which provide them with the opportunity to structure their charitable giving to suit their funding priorities. Donors or their chosen advisors may suggest charities that will benefit from distributions from the funds.

(c) Revenue recognition:

The Foundation follows the restricted fund method of accounting for contributions. The Foundation receives contributions in the form of cash contributions, assignments of life insurance policies and legacy bequests.

Contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and ultimate collection is reasonably assured. The Foundation generally records and recognizes contributions on a cash basis; the Foundation does not record pledges receivable as ultimate collection of pledges to the Foundation is not reasonably assured.

Unrestricted contributions are recognized in the Unrestricted Fund. If an appropriate restricted fund exists, externally restricted contributions are recognized as revenue in that restricted fund in the period the amounts are received or receivable, provided collection is reasonably assured. If an appropriate restricted fund does not exist, the externally restricted contributions for future expenses and specific purposes are recorded as deferred revenue in the unrestricted fund and recognized as revenue in the period the related expense is incurred, or the restrictions are met.

Investment income consists of realized gains (losses) and change in unrealized gains and losses, interest income and dividends. Realized gains and losses on the sale of investments are recognized in the period in which the related investments are sold. Unrealized gains and losses in the value of investments represent the change in the fair value of the investments. Interest income is recognized on an effective interest rate basis determined by the amount invested and the applicable interest rate. Dividends are recognized when the right to receive payment is established.

(d) Contributed services and materials:

A substantial number of volunteers contribute a significant amount of their time to the Foundation each year. Because of the difficulty in determining their fair value, these contributed services are not recognized in the financial statements.

Contributed materials which are used in the normal course of the Foundation's operations and would otherwise have been purchased are recorded at their fair value, at the date of contribution, if fair value can be reasonably estimated.

JEWISH COMMUNITY FOUNDATION OF GREATER VANCOUVER

Notes to Financial Statements

Year ended March 31, 2022

1. Significant accounting policies (continued):

(e) Cash:

Cash includes balances held at Canadian financial institutions for the purpose of meeting short-term cash commitments.

(f) Distributions:

Distributions are recorded as an expense when paid or become payable by the Foundation, typically when the Foundation Governors approve distributions for payment or when the Foundation has been invoiced for such distribution as part of its commitment to support the Jewish community.

(g) Other receivables:

(i) The Foundation is the owner and beneficiary of donated life insurance policies. The life insurance policies are irrevocable. The Foundation records under other receivables the realizable amount of the life insurance policy in excess of the cash surrender value but not exceeding the face value of the policy when the receipt of the proceeds can be estimated, and collection is reasonably assured. Otherwise, the policy is measured at its cash surrender value.

(ii) As the Federation is a registered charity, the Federation is allowed to claim 50% goods and service tax ("GST") rebate instead of the regular GST input tax credit. The Foundation classifies and records 50% of all GST paid as a rebate receivable from the government under other receivables.

(h) Financial instruments:

(i) Measurement of financial instruments

The Foundation measures its financial assets and financial liabilities at fair value at the acquisition date. Equity instruments that are quoted in an active market are subsequently measured at fair value. 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 at fair value with changes in fair values recognized in excess (deficiency) of revenues over expenses.

Transaction costs related to the acquisition of financial instruments subsequently measured at fair value are recognized in excess (deficiency) of revenues over expenditures and distributions when incurred. The carrying amounts of financial instruments not subsequently measured at fair value are adjusted by the amount of transaction costs directly attributable to the acquisition of the instrument.

JEWISH COMMUNITY FOUNDATION OF GREATER VANCOUVER

Notes to Financial Statements

Year ended March 31, 2022

1. Significant accounting policies (continued):

(h) Financial instruments (continued):

(ii) Impairment:

Financial assets measured at cost or amortized cost are assessed for indications of impairment at the end of each reporting period if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected future cash flows, the amount that could be realized from selling the financial asset or the amount that could be realized by exercising its right to any collateral. If the 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.

(i) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2. Investments:

The Foundation invests in pooled funds in accordance with the Statement of Investment Policy which is approved by the Governors of the Foundation and the Board of Directors of the Federation. As at March 31, 2022, the invested portfolio had a market value of \$73,784,660 (2021 - \$69,212,459), cost of \$74,424,831 (2021 - \$69,433,781), and unrealized loss of \$654,936 (2021 - \$221,322).

Investments as at year-end are comprised of the following:

	2022		2021	
Canadian Equity pool	\$ 8,094,637	10.97%	\$ 8,321,518	12.02%
Canadian Fixed Income	26,059,981	35.32%	24,298,075	35.11%
Money Market Pool	-	0.00%	1,388,755	2.01%
Investments denominated in Canadian dollars	\$ 34,154,618	46.29%	\$ 34,008,348	49.14%
Global Equity pool	\$ 25,609,138	34.71%	\$ 23,455,474	33.89%
Global Real Estate pool	5,500,542	7.45%	4,105,571	5.93%
Global Infrastructure pool	5,545,704	7.52%	4,166,266	6.02%
Global Credit Pool	2,974,658	4.03%	3,476,800	5.02%
Investments denominated in US dollars	\$ 39,630,042	53.71%	\$ 35,204,111	50.86%
Total investments	\$ 73,784,660	100.00%	\$ 69,212,459	100.00%

JEWISH COMMUNITY FOUNDATION OF GREATER VANCOUVER

Notes to Financial Statements

Year ended March 31, 2022

3. Other receivables:

	2022	2021
GST rebate	\$ 8,036	\$ 8,486
Assigned life insurance policies	586,954	586,954
Promissory note	256,138	256,138
Other	18,939	19,568
	870,067	871,146
Less: allowance	(256,138)	(256,138)
	\$ 613,929	\$ 615,008

4. Inter-fund receivable:

The inter-fund receivable is due from the General Fund of the Federation. Amounts are non-interest bearing without specific terms of repayment.

5. Due to other charitable entities:

Due to other charitable entities represents funds that are specifically designated by donors to be forwarded to third-party tax-exempt organizations.

6. Contributions and flow-through donations:

Contributions and flow-through donations by source are as follows:

			2022	2021
	FT donations	Contributions	Total	Total
Foundations	\$ 150,011	\$ 1,045,700	\$ 1,195,711	\$ 392,186
Individuals	245,443	3,058,707	3,304,150	2,322,796
Corporations	-	1,413,000	1,413,000	1,632,066
Other not-for-profits and charities	-	246,057	246,057	113,934
	\$ 395,454	\$ 5,763,464	\$ 6,158,918	\$ 4,460,982

JEWISH COMMUNITY FOUNDATION OF GREATER VANCOUVER

Notes to Financial Statements

Year ended March 31, 2022

7. Distributions to the Federation General Fund:

Distributions are made by Foundation to the Federation General Fund to support special projects and the annual campaign. Distributions are reported as an expenditure in the financial statements of the Foundation as inter-entity transactions are not eliminated, and are reported as an interfund transfer between Federation General Fund and Foundation in the financial statements of the Federation within the Statement of Change in Net Assets.

8. Financial risks:

Items that meet the definition of a financial instrument include cash, pooled investments, State of Israel bonds, other receivables, inter-fund receivable and payables, payables and accruals, and amounts due to other charitable entities.

It is management's opinion that the Foundation is not exposed to significant liquidity risk arising from these financial instruments. There were also no changes to this risk evaluation from fiscal 2021.

The following is a summary of the significant financial instrument risks:

(a) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation is exposed to credit risk in respect of its pooled investments and assigned life insurance policies within other receivables. The Foundation has a concentration of credit risk as all pooled investments are held by one investment firm. The Foundation assesses, on a continuous basis, other receivables and provides for any amounts that are assessed as not collectible.

(b) 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 three types of risk: currency risk, interest rate risk and other price risk.

(i) 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 receives donations in foreign currency and also pays for services rendered to the Foundation in foreign currency; consequently, certain of its financial instruments are exposed to foreign currency fluctuations. As at March 31, 2022, pooled investment balances are comprised of 53.71% (2021 - 50.86%) of investments denominated in US dollars.

JEWISH COMMUNITY FOUNDATION OF GREATER VANCOUVER

Notes to Financial Statements

Year ended March 31, 2022

8. Financial risks (continued):

(b) Market risk (continued):

(ii) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The fair values of fixed rate financial instruments are subject to change since fair values fluctuate inversely with changes in market interest rates. The cash flows related to floating rate financial instruments change as market interest rates change. The Foundation is exposed to interest rate risk in respect of its pooled investments which bear interest at fixed and variable rates, and the State of Israel bonds, which bear interest at fixed rates.

(iii) 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 or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk in respect of its pooled investments.

There have been no changes to these risks from the prior year.