

Financial Statements of

**JEWISH COMMUNITY FOUNDATION
OF GREATER VANCOUVER**

And Independent Auditor's Report thereon

Year ended March 31, 2024



KPMG LLP

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INDEPENDENT AUDITOR'S 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, 2024
- 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, 2024, 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 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.

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.

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 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 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 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.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
June 26, 2024

JEWISH COMMUNITY FOUNDATION OF GREATER VANCOUVER

Statement of Financial Position

March 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash	\$ 7,105,560	\$ 520,990
Other receivables and assets (note 3)	151,425	148,750
	<u>7,256,985</u>	<u>669,740</u>
Non-current assets:		
Investments, at fair value (note 2)	95,366,202	85,443,120
Other assets (note 3(a))	505,305	505,305
State of Israel bonds, at amortized cost	436,960	435,456
	<u>96,308,467</u>	<u>86,383,881</u>
	<u>\$ 103,565,452</u>	<u>\$ 87,053,621</u>

Liabilities and Net Assets

Current liabilities:		
Payables and accruals	\$ 432,529	\$ 494,146
Due to other charitable entities (note 4)	7,839,381	4,069,965
Interfund balance with Federation General Fund (note 5)	4,865,359	2,347,684
	<u>13,137,269</u>	<u>6,911,795</u>
Net assets:		
Externally restricted (note 8)	84,726,142	74,744,649
Unrestricted	5,702,041	5,397,177
	<u>90,428,183</u>	<u>80,141,826</u>
	<u>\$ 103,565,452</u>	<u>\$ 87,053,621</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:



Marcie Flom, Executive Director



Shannon Gorski, Board Chair

JEWISH COMMUNITY FOUNDATION OF GREATER VANCOUVER

Statement of Operations and Changes in Net Assets

Year ended March 31, 2024, with comparative information for 2023

	2024			2023		
	Unrestricted Funds	Restricted Funds	Total	Unrestricted Fund	Restricted Funds	Total
Revenue:						
Contributions (note 6)	\$ 1,430	\$ 6,176,838	\$ 6,178,268	\$ 217,431	\$ 9,472,879	\$ 9,690,310
Flow-through donations (note 6)	-	4,977,791	4,977,791	-	3,334,502	3,334,502
	1,430	11,154,629	11,156,059	217,431	12,807,381	13,024,812
Investment income						
Interest income	58,879	-	58,879	87,202	-	87,202
Dividend income	181,287	3,631,517	3,812,804	66,749	2,400,932	2,467,681
Portfolio management fees	(31,696)	(478,061)	(509,757)	(24,217)	(367,156)	(391,373)
Realized gain (loss) on sale of investments	50,472	767,631	818,103	(6,998)	(396,687)	(403,685)
Fair value adjustment on investments	368,672	5,495,400	5,864,072	(227,569)	(2,375,351)	(2,602,920)
Allocation to Federation General Fund (note 5(a))	-	(365,816)	(365,816)	-	(222,838)	(222,838)
	627,614	9,050,671	9,678,285	(104,833)	(961,100)	(1,065,933)
Total revenues	629,044	20,205,300	20,834,344	112,598	11,846,281	11,958,879
Expenses:						
Administration and fundraising	48,703	673,844	722,547	57,817	615,204	673,021
Distributions to external parties	-	7,835,030	7,835,030	-	5,990,491	5,990,491
Distributions to Federation General Fund (note 7)	140,000	1,850,410	1,990,410	-	1,047,232	1,047,232
	188,703	10,359,284	10,547,987	57,817	7,652,927	7,710,744
Excess of revenues over expenses	440,341	9,846,016	10,286,357	54,781	4,193,354	4,248,135
Inter-fund transfer	(135,477)	135,477	-	130,067	(130,067)	-
Net assets, beginning of year	5,397,177	74,744,649	80,141,826	5,212,329	70,681,362	75,893,691
Net assets, end of year	\$ 5,702,041	\$ 84,726,142	\$ 90,428,183	\$ 5,397,177	\$ 74,744,649	\$ 80,141,826

See accompanying notes to financial statements.

JEWISH COMMUNITY FOUNDATION OF GREATER VANCOUVER

Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used) in:		
Operating activities:		
Excess of revenues over expenses	\$ 10,286,357	\$ 4,248,135
Adjustments for items not affecting cash:		
Realized loss (gain) on investments	(818,103)	403,685
Fair value adjustment on investments	(5,864,072)	2,602,920
Accrued interest on State of Israel bonds	(1,504)	(318)
	3,602,678	7,254,422
Changes in operating items:		
Other receivables and assets	(2,675)	465,179
Other asset	-	(505,305)
Payables and accruals	(61,617)	124,695
Due to other charitable entities	3,769,416	2,562,756
Interfund balance with Federation General Fund	2,517,675	3,924,034
Net cash provided by operating activities	9,825,477	13,825,781
Investing activities:		
Purchase of investments	(10,969,415)	(18,852,623)
Proceeds on sale of investments	7,728,508	4,187,558
Net cash used in investing activities	(3,240,907)	(14,665,065)
Increase (decrease) in cash	6,584,570	(839,284)
Cash, beginning of year	520,990	1,360,274
Cash, end of year	\$ 7,105,560	\$ 520,990

See accompanying notes to financial statements.

JEWISH COMMUNITY FOUNDATION OF GREATER VANCOUVER

Notes to Financial Statements

Year ended March 31, 2024

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

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 a fund of the Federation. Interfund balances and transactions between the Foundation and the other funds of the Federation have not been eliminated in these financial statements. The purpose of these financial statements is to provide information on the activities of the Foundation separate from the activities of the other funds of 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, 2024

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 fair value adjustment on investments, 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. Fair value adjustment on investments represents the change in the unrealized gains or losses of 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, 2024

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, when donors provide instructions for distributions, 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 named beneficiary for various life insurance policies for which the respective donors have agreed to pay the life insurance premiums on behalf of the Foundation. The life insurance policies are irrevocable. The Foundation records under other receivables and assets the realizable amount of a 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. Amounts not expected to be realized within the next fiscal year are recorded as non-current.

(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 value recognized in excess of revenues over expenses.

Transaction costs related to the acquisition of financial instruments subsequently measured at fair value are recognized in excess of revenues over expenses 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, 2024

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 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 expenses 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, 2023, the invested portfolio had a market value of \$95,366,202 (2023 - \$85,443,120), cost of \$92,744,771 (2023 - \$88,685,761), and unrealized gain of \$2,621,431 (2023 – unrealized loss of \$3,242,641).

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

	2024		2023	
Canadian equity	\$ 8,809,471	9.24%	\$ 8,154,674	9.55%
Canadian fixed income	26,519,635	27.81%	26,055,171	30.49%
Investments denominated in Canadian dollars	\$ 35,329,106	37.05%	\$ 34,209,845	40.04%
Global equity	\$ 29,566,311	31.00%	\$ 28,276,304	33.09%
Global real estate	3,551,717	3.72%	3,444,925	4.03%
Global infrastructure	4,016,548	4.21%	3,881,666	4.54%
Global credit	3,511,970	3.68%	3,195,944	3.74%
Private equity	19,390,550	20.33%	12,434,436	14.56%
Investments denominated in US dollars	\$ 60,037,096	62.95%	\$ 51,233,275	59.96%
Total investments	\$ 95,366,202	100.00%	\$ 85,443,120	100.00%

JEWISH COMMUNITY FOUNDATION OF GREATER VANCOUVER

Notes to Financial Statements

Year ended March 31, 2024

3. Other receivables and assets:

	2024	2023
GST rebate	\$ 5,548	\$ 4,619
Life insurance policies	630,305	630,305
Promissory note	256,138	256,138
Other	20,877	19,131
	912,868	910,193
Less: allowance on promissory note	(256,138)	(256,138)
	656,730	654,055
Less non-current portion of life insurance policies (a)	(505,305)	(505,305)
	\$ 151,425	\$ 148,750

(a) Represents life insurance policies that are not estimated to be realized within the next fiscal year.

4. Due to other charitable entities:

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

5. Interfund balance with Federation General Fund:

Interfund balance with Federation General Fund relates to the net amounts between the General Fund and the Foundation comprised of the following:

	2024	2023
Advance (a)	\$ 3,588,654	\$ 3,222,838
Other amount due to (from) (b)	1,276,705	(875,154)
	\$ 4,865,359	\$ 2,347,684

(a) During the year ended March 31, 2023, the Federation General Fund advanced \$3,000,000 to the Foundation for the purposes of earning an investment return. The terms of the advance are consistent with other funds managed by the Foundation such that a proportionate investment return less administrative fees would accrue to the advance. As of March 31, 2024, the advance balance of \$3,588,654 (2023 - \$3,222,838) includes an unrealized gain of \$408,075 (2023 - \$172,210) and realized investment income of \$180,579 (2023 - \$50,628) accrued to the advance. During the year ended March 31, 2024, the fair value adjustment of \$235,865 (2023 - \$172,210) and realized investment income of \$129,951 (2022 - \$50,628) is reflected as an aggregate allocation of investment income on the statement of operations and changes in net assets.

JEWISH COMMUNITY FOUNDATION OF GREATER VANCOUVER

Notes to Financial Statements

Year ended March 31, 2024

5. Interfund balance with Federation General Fund (continued):

(b) The remaining interfund balance of \$1,276,705 due to (2023 - \$875,154 due from) the Federation General Fund is non-interest bearing and without specific terms of repayment.

6. Contributions and flow-through donations:

Contributions and flow-through ("FT") donations by source are as follows:

	FT donations	Contributions	Total 2024	Total 2023
Foundations	\$ 1,396,801	\$ 158,600	\$ 1,555,401	\$ 1,324,167
Individuals	3,151,931	3,670,939	6,822,870	5,914,220
Corporations	354,059	1,250,000	1,604,059	5,338,574
Other not-for-profit organizations and charities	75,000	1,098,729	1,173,729	447,851
	\$ 4,977,791	\$ 6,178,268	\$ 11,156,059	\$ 13,024,812

7. Transactions with 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 expense in the financial statements of the Foundation as inter-entity transactions are not eliminated. During the year ended March 31, 2024, distributions from the Foundation to the Federation General Fund were \$1,850,410 (2023 - \$1,047,232).

These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the funds. These transactions are reported as an interfund transfer between Federation General Fund and Foundation in the financial statements of the Federation.

8. JWest restricted funds:

The Federation entered into a partnership with the Jewish Community Centre ("JCC") and King David High School ("KDHS") under a memorandum of understanding ("MOU") in 2021 for the construction and development of a Jewish community hub ("JWest") by redeveloping the existing JCC property to accommodate a new JCC building, a new KDHS building, accommodate other Jewish agencies and construct a residential hub. Included in externally restricted net assets as at March 31, 2024 is \$5,375,614 (2023 - 2,367,141) restricted for future use in the JWest project.

JEWISH COMMUNITY FOUNDATION OF GREATER VANCOUVER

Notes to Financial Statements

Year ended March 31, 2024

9. Financial risks:

Items that meet the definition of a financial instrument include cash, investments, State of Israel bonds, certain other receivables, and payables and accruals.

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 2023.

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 cash, investments and other receivables. All cash is held with one Canadian chartered bank. The Foundation has a concentration of credit risk as all investments are held by one investment firm and custodian. 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, 2024, investment balances are comprised of 62.95% (2023 – 59.96%) of investments denominated in US dollars.

(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 investments which bear interest at fixed and variable rates, and the State of Israel bonds, which bear interest at fixed rates.

JEWISH COMMUNITY FOUNDATION OF GREATER VANCOUVER

Notes to Financial Statements

Year ended March 31, 2024

9. Financial risks (continued):

(b) Market risk (continued):

(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 investments.

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