

Financial Statements of

**JEWISH FEDERATION OF  
GREATER VANCOUVER**

And Independent Auditor's Report thereon

Year ended March 31, 2023



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Jewish Federation of Greater Vancouver:

### Report on the Audit of Financial Statements

#### *Opinion*

We have audited the financial statements of Jewish Federation of Greater Vancouver (the "Entity"), which comprise:

- the statement of financial position as of March 31, 2023
- the statement of operations for the year then ended
- the statement of changes in net assts 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 Entity as at March 31, 2023, 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 Entity 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.

**DRAFT** - June 10, 2023

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

## ***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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 Entity'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 Entity'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 Entity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

### **Report on Other Legal and Regulatory Requirements**

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting 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 period.

Chartered Professional Accountants

Vancouver, Canada  
DATE

# JEWISH FEDERATION OF GREATER VANCOUVER

## Statement of Financial Position

March 31, 2023, with comparative information for 2022

	2023			2022		
	General Fund	Foundation Fund	Total	General Fund	Foundation Fund	Total
<b>Assets</b>						
Current assets:						
Cash	\$ 6,287,561	\$ 520,990	\$ 6,808,551	\$ 14,529,954	\$ 1,360,274	\$ 15,890,228
Pledges receivable (note 3)	2,673,314	-	2,673,314	1,908,472	-	1,908,472
Other receivables and assets (note 4)	827,384	148,750	976,134	116,636	613,929	730,565
Interfund balance (note 5)	2,347,684	(2,347,684)	-	(1,576,350)	1,576,350	-
Prepaid expenses	165,826	-	165,826	51,071	-	51,071
	12,301,769	(1,677,944)	10,623,825	15,029,783	3,550,553	18,580,336
Non-current assets:						
State of Israel bonds, at amortized cost	5,074	435,456	440,530	-	435,138	435,138
Pledges receivable and other assets (note 6)	658,500	505,305	1,163,805	-	-	-
Related party loan receivable (note 7)	450,000	-	450,000	-	-	-
Investments, at fair value (note 2)	-	85,443,120	85,443,120	-	73,784,660	73,784,660
Tangible capital assets (note 8)	59,046	-	59,046	310,407	-	310,407
Intangible assets (note 8)	225,751	-	225,751	-	-	-
	1,398,371	86,383,881	87,782,252	310,407	74,219,798	74,530,205
	\$ 13,700,140	\$ 84,705,937	\$ 98,406,077	\$ 15,340,190	\$ 77,770,351	\$ 93,110,541
<b>Liabilities and Net Assets</b>						
Current liabilities:						
Payables and accruals (note 9)	\$ 4,979,656	\$ 494,146	\$ 5,473,802	\$ 5,607,096	\$ 369,451	\$ 5,976,547
Grants and allocations payable (note 10)	2,142,566	-	2,142,566	2,209,660	-	2,209,660
Due to other charitable entities (note 11)	417,417	4,069,965	4,487,382	1,014,273	1,507,209	2,521,482
Deferred revenue (note 12)	2,961,029	-	2,961,029	3,325,216	-	3,325,216
	10,500,668	4,564,111	15,064,779	12,156,245	1,876,660	14,032,905
Net assets (deficiency):						
Externally restricted	-	74,744,649	74,744,649	-	70,681,362	70,681,362
Board designated	3,321,617	-	3,321,617	3,638,368	-	3,638,368
Unrestricted	(122,145)	5,397,177	5,275,032	(454,423)	5,212,329	4,757,906
	3,199,472	80,141,826	83,341,298	3,183,945	75,893,691	79,077,636
	\$ 13,700,140	\$ 84,705,937	\$ 98,406,077	\$ 15,340,190	\$ 77,770,351	\$ 93,110,541

See accompanying notes to financial statements.

Approved on behalf of the Board:

\_\_\_\_\_  
Candace Kwinter, Board Chair

Director

\_\_\_\_\_  
Michael Fugman, Treasurer

Director

**DRAFT** - June 10, 2023

# JEWISH FEDERATION OF GREATER VANCOUVER

## Statement of Operations

Year ended March 31, 2023, with comparative information for 2022

	2023			2022		
	General Fund	Foundation Fund	Total	General Fund	Foundation Fund	Total
Revenues (note 14):						
Pledges:						
Annual Campaign	\$ 7,939,544	\$ -	\$ 7,939,544	\$ 7,833,054	\$ -	\$ 7,833,054
Annual Campaign Plus	1,499,516	-	1,499,516	907,066	-	907,066
	9,439,060	-	9,439,060	8,740,120	-	8,740,120
Miscellaneous donations, grants and other income (note 13)	5,017,631	3,334,502	8,352,133	4,985,996	395,454	5,381,450
Contributions	-	9,690,310	9,690,310	-	5,763,464	5,763,464
	14,456,691	13,024,812	27,481,503	13,726,116	6,158,918	19,885,034
Investment income, net (note 15)	459,429	(1,065,933)	(606,504)	64,630	3,549,726	3,614,356
Expenses:						
Operating	1,140,710	269,208	1,409,918	1,099,889	254,319	1,354,208
Fundraising	2,288,952	403,813	2,692,765	1,982,036	381,478	2,363,514
	3,429,662	673,021	4,102,683	3,081,925	635,797	3,717,722
Excess of revenues over expenses before grants and allocations	11,486,458	11,285,858	22,772,316	10,708,821	9,072,847	19,781,668
Grants and allocations	12,745,614	5,990,491	18,736,105	12,530,264	2,816,399	15,346,663
Jewish Community Hub costs (recovery) (note 16)	(227,451)	-	(227,451)	231,696	-	231,696
Excess (deficiency) of revenues over expenses	\$ (1,031,705)	\$ 5,295,367	\$ 4,263,662	\$ (2,053,139)	\$ 6,256,448	\$ 4,203,309

See accompanying notes to financial statements.

# JEWISH FEDERATION OF GREATER VANCOUVER

## Statement of Changes in Net Assets

Year ended March 31, 2023, with comparative information for 2022

	General Fund				
		Board			
	Unrestricted	Designated Fund	General Fund Total	Foundation Fund	Total
Net assets, March 31, 2021	\$ 1,511,209	\$ 2,921,498	\$ 4,432,707	\$ 70,441,620	\$ 74,874,327
Excess (deficiency) of revenues over expenses	(2,515,009)	461,870	(2,053,139)	6,256,448	4,203,309
Interfund transfers (note 5)	549,377	255,000	804,377	(804,377)	-
Net assets, March 31, 2022	(454,423)	3,638,368	3,183,945	75,893,691	79,077,636
Excess (deficiency) of revenues over expenses	(738,988)	(292,717)	(1,031,705)	5,295,367	4,263,662
Interfund transfers	1,071,266	(24,034)	1,047,232	(1,047,232)	-
Net assets, March 31, 2023	\$ (122,145)	\$ 3,321,617	\$ 3,199,472	\$ 80,141,826	\$ 83,341,298

See accompanying notes to financial statements.

# JEWISH FEDERATION OF GREATER VANCOUVER

## Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used) in:		
Operating activities:		
Excess of revenues over expenses	\$ 4,263,662	\$ 4,203,309
Adjustments for items not affecting cash:		
Amortization	65,242	65,847
Realized loss (gain) on investments	403,685	(347,927)
Change in unrealized loss on investments	2,602,920	654,936
	7,335,509	4,576,165
Changes in operating items:		
Pledges receivable	(764,842)	1,770,299
Other receivables and assets	(245,569)	647,971
Prepaid expenses	(114,755)	528
Long term pledges receivable and other assets	(1,163,805)	-
Long term related party loan receivable	(450,000)	-
Payables and accruals	(502,745)	971,150
Grants and allocations payable	(67,094)	-
Due to other charitable entities	1,965,900	(10,568)
Deferred revenue	(364,187)	142,292
Net cash provided by operating activities	5,628,412	8,097,837
Investing activities:		
Purchase of investments, including State of Israel bonds	(18,858,015)	(10,109,593)
Proceeds on sale of investments	4,187,558	5,230,383
Purchase of tangible capital assets	(39,632)	(13,351)
Net cash used in investing activities	(14,710,089)	(4,892,561)
Increase (decrease) in cash	(9,081,677)	3,205,276
Cash, beginning of year	15,890,228	12,684,952
Cash, end of year	\$ 6,808,551	\$ 15,890,228

See accompanying notes to financial statements.



# JEWISH FEDERATION OF GREATER VANCOUVER

Notes to Financial Statements

Year ended March 31, 2023

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The Jewish Federation of Greater Vancouver (the “Federation”) was incorporated under the laws of British Columbia and is a registered charity under the *Income Tax Act*, and as such, is exempt from income taxes. The Federation’s purpose is to serve as a primary source of funding for organizations, programs and services that have objectives specifically relevant to the Jewish community.

## 1. Significant accounting policies:

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

### (a) Fund accounting:

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. These financial statements include the undernoted funds, which are segregated for purposes of carrying on specific activities:

- (i) The General Fund accounts for the Federation’s general fundraising, program delivery, granting and administrative activities. This fund reports unrestricted net assets and restricted assets in the Board Designated Fund. The Board Designated Fund relates to the part of the General Fund that the Board has restricted for the use of its programs and also for the future and long-term stability of the Federation in meeting emergencies and supporting Jewish agencies in times of crisis. Board Designated Funds include both unrestricted funds that have been transferred by the Board and externally restricted contributions.
- (ii) The Jewish Community Foundation of Greater Vancouver Fund (the “Foundation Fund”) reports externally restricted net assets and unrestricted investment income, which are used to meet the long-term needs of the Jewish community. Oversight of the Foundation Fund is provided by the Foundation Fund Governors, a standing committee of the Federation’s Board of Directors. In general, investment income earned on resources of the Foundation Fund is available for distribution, depending on the nature of any restrictions imposed by contributors of these funds. Income from these funds is distributed through the grant program of the Foundation Fund 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 Fund.

# JEWISH FEDERATION OF GREATER VANCOUVER

Notes to Financial Statements

Year ended March 31, 2023

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## 1. Significant accounting policies (continued):

### (b) Revenue recognition:

The Federation follows the restricted fund method of accounting for contributions. Contributions include annual campaign revenue, donations, grants and contributions.

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. Amounts receivable are recorded as pledges receivable.

Unrestricted contributions are recognized in the General Fund. If an appropriate restricted fund exists, externally restricted contributions are recognized as revenue in that restricted fund (Board Designated Fund or Foundation 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.

Campaign revenue is recognized on a campaign year basis. Revenue recognized for the year ended March 31, 2023 refers to the 2022 campaign year. Pledges received for future campaign years are deferred and recognized as revenue in the campaign years to which the pledges relate.

Annual Campaign contributions can be unrestricted or externally restricted. Annual Campaign Plus and Supplemental contributions typically include an externally restricted portion.

The Federation also receives contributions that are not related to the Annual Campaign. These are classified as Miscellaneous donations and grants. As ultimate collectability on pledges outside of the Annual Campaign is typically not reasonably assured, these contributions are recognized as revenue when cash is received.

The Foundation Fund receives contributions in the form of cash contributions, assignments of life insurance policies and legacy bequests. The Foundation Fund records and recognizes contributions on a cash basis; the Foundation Fund does not record pledges receivable as ultimate collection of pledges to the Foundation Fund is not reasonably assured.

Gifts of stock contributions are sold immediately for cash upon receipt and are recorded as revenue based on the net cash proceeds received from the Federation's designated stockbroker.

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.

# JEWISH FEDERATION OF GREATER VANCOUVER

Notes to Financial Statements

Year ended March 31, 2023

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## 1. Significant accounting policies (continued):

### (c) Cash:

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

### (d) Grants and allocations:

Grants and allocations are recorded as an expense when the Federation Board approves the grants and allocations for disbursement, when donor instruction is received, or when the Federation has been invoiced for such grants and allocations as part of its commitment to support the Jewish community.

### (e) Other receivables and assets:

(i) The Federation is the owner and named beneficiary for various irrevocable life insurance policies for which the respective donors have agreed to pay the premiums on behalf of the Federation. The Federation records 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 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 Federation records 50% of all GST paid as a rebate receivable from the government under other receivables.

### (f) Deferred revenue:

Donations received by the Federation where donors have not provided guidance of the intent of the donation are considered externally restricted and are recorded as deferred revenue until guidance is received from the donor. Donations meant for future campaign years as instructed by the donor are also recorded as deferred revenue.

### (g) Tangible capital assets and intangible assets:

Tangible capital assets and intangible assets are carried at cost less accumulated amortization. When an asset no longer contributes to the Federation's ability to provide services, or the value of future economic benefits or service potential associated with the asset is less than its net carrying amount, the excess of its carrying amount over its fair value or replacement cost will be recognized as an expense in the Statement of Operations.

# JEWISH FEDERATION OF GREATER VANCOUVER

Notes to Financial Statements

Year ended March 31, 2023

## 1. Significant accounting policies (continued):

### (g) Tangible capital assets and intangible assets (continued):

Amortization is provided for annually on a straight-line basis and rates, as follows:

Asset	Rate
Tangible capital assets:	
Computer equipment	3 years
Office equipment	5 years
Computer software	3 years
Leasehold improvements	5 years
Intangible assets:	
Database software	15 years

### (h) Contributed services and materials:

A substantial number of volunteers contribute a significant amount of their time to the Federation 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 Federation'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.

### (i) Financial instruments:

#### (i) Measurement of financial instruments:

The Federation 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 Federation carries 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 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 FEDERATION OF GREATER VANCOUVER

Notes to Financial Statements

Year ended March 31, 2023

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## 1. Significant accounting policies (continued):

### (i) 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 Federation 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.

### (j) Use of estimates:

The preparation of the 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, expenditures, grants and allocations during the year. Items subject to such estimates and assumptions include the carrying amount of pledges receivable and other receivables. Actual results could differ from those estimates.

## 2. Investments, at fair value:

The Foundation Fund invests in pooled funds in accordance with the Statement of Investment Policy which is approved by the Governors of the Foundation Fund and the Board of Directors of the Federation. As at March 31, 2023, the invested portfolio had a fair value of \$85,443,120 (2022 - \$73,784,660), cost of \$88,685,761 (2022 - \$74,424,381), and unrealized loss of \$3,242,641 (2022 - \$639,721).

# JEWISH FEDERATION OF GREATER VANCOUVER

Notes to Financial Statements

Year ended March 31, 2023

## 2. Investments, at fair value (continued):

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

	2023		2022	
Canadian equity	\$ 8,154,674	9.55%	\$ 8,094,637	10.97%
Canadian fixed income	26,055,171	30.49%	26,059,981	35.32%
Investments denominated in Canadian dollars	\$ 34,209,845	40.04%	\$ 34,154,618	46.29%
Global equity	\$ 28,276,304	33.09%	\$ 25,609,138	34.71%
Global real estate	3,444,925	4.03%	5,500,542	7.45%
Global infrastructure	3,881,666	4.54%	5,545,704	7.52%
Global credit	3,195,944	3.74%	2,974,658	4.03%
Private equity	12,434,436	14.56%	-	0.00%
Investments denominated in US dollars	\$ 51,233,275	59.96%	\$ 39,630,042	53.71%
Total investments	\$ 85,443,120	100%	\$ 73,784,660	100.00%

## 3. Pledges receivable:

Pledges receivable includes pledges for unrestricted and restricted purposes. Restricted pledges are for the Annual Campaign Plus, through which donors may direct 75% of their first-time gift or of the increase over the prior year's gift to a specific agency or program. The unrestricted and restricted pledges receivable as at year-end are as follows:

	2023	2022
Unrestricted pledges receivable by campaign year:		
Current and next years	\$ 951,274	\$ 1,287,966
Prior years	804,069	749,616
	1,755,343	2,037,582
Restricted pledges receivable by campaign year:		
Annual Campaign Plus - current year	1,205,090	231,218
Annual Campaign Plus - prior years	60,387	69,916
	1,265,477	301,134
	3,020,820	2,338,716
Less: allowance for uncollectible pledges	(347,506)	(430,244)
Total pledges receivable	\$ 2,673,314	\$ 1,908,472

# JEWISH FEDERATION OF GREATER VANCOUVER

Notes to Financial Statements

Year ended March 31, 2023

## 4. Other receivables and assets:

	2023	2022
General Fund:		
GST rebate	\$ 16,063	\$ 15,917
Other (a)	811,321	100,719
<b>Total General Fund</b>	<b>\$ 827,384</b>	<b>\$ 116,636</b>
Foundation Fund:		
GST rebate	\$ 4,619	\$ 8,036
Life insurance policies	125,000	586,954
Promissory note	256,138	256,138
Other	19,131	18,939
	404,888	870,067
Less: allowance	(256,138)	(256,138)
<b>Total Foundation Fund</b>	<b>\$ 148,750</b>	<b>\$ 613,929</b>
<b>Total other receivables</b>	<b>\$ 976,134</b>	<b>\$ 730,565</b>

(a) Included in other receivable for the general fund is a loan provided by the Foundation of \$195,000. \$97,500 will be paid by September 30, 2023, and the remaining amount will be paid over 20-payments of \$4,875 per month beginning October 30, 2023 and ending May 30, 2025. The amount is unsecured and non-interest bearing.

## 5. Interfund balance and transfers:

Interfund balance relates to the net amounts between the General Fund and the Foundation Fund.

During the year ended March 31, 2023, the General Fund advanced \$3,000,000 to the Foundation Fund for the purposes of earning an investment return. The terms of the advance are consistent with other funds managed by the Foundation Fund such that a proportionate investment return less administrative fees would accrue to the advance. As of March 31, 2023, there was an unrealized gain of \$172,210 and realized investment income of \$50,628 accrued to the advance.

The remaining interfund balance of \$875,154 (2022 - \$1,576,350) owing from the General Fund to the Foundation Fund is non-interest bearing and without specific terms of repayment.

During the year ended March 31, 2023, interfund transfers relate to \$1,047,232 (2022 - \$804,377) transferred from the Foundation Fund to the General Fund for Federation pledges.

# JEWISH FEDERATION OF GREATER VANCOUVER

Notes to Financial Statements

Year ended March 31, 2023

## 6. Long-term pledges receivable and other assets:

The General Fund amount represents annual campaign pledges for future campaign years and not expected to be received from donors within the next fiscal year.

The Foundation Fund amount represents life insurance policies that are not expected to be realized within the next fiscal year.

## 7. Long-term related party loan receivable:

The long term related party loan is a 5-year term loan to a member of management to acquire residential property. The loan is secured as a second mortgage against the property and it is interest bearing at the Canada Revenue Agency prescribed rate. The full amount of the loan is due at maturity. The transaction is measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## 8. Tangible capital assets and intangible assets:

	Cost	Accumulated amortization	Total 2023	Total 2022
Tangible capital assets:				
Computer equipment	\$ 247,432	\$ 199,877	\$ 47,555	\$ 43,243
Office equipment	102,361	91,052	11,309	14,670
Database software	-	-	-	252,127
Computer software	11,686	11,504	182	367
Leasehold improvements	101,701	101,701	-	-
	<b>\$ 463,180</b>	<b>\$ 404,134</b>	<b>\$ 59,046</b>	<b>\$ 310,407</b>
Intangible assets:				
Database software	\$ 395,633	\$ 169,882	\$ 225,751	\$ -

## 9. Payables and accruals:

	General Fund	Foundation Fund	Total 2023	Total 2022
Accounts payable (a)	\$ 4,186,774	\$ -	\$ 4,186,774	\$ 4,795,459
Accrued liabilities (b)	653,326	494,146	1,147,472	1,038,593
Vacation payable and others	139,556	-	139,556	142,495
	<b>\$ 4,979,656</b>	<b>\$ 494,146</b>	<b>\$ 5,473,802</b>	<b>\$ 5,976,547</b>



# JEWISH FEDERATION OF GREATER VANCOUVER

Notes to Financial Statements

Year ended March 31, 2023

## 9. Payables and accruals (continued):

(a) Accounts payable include \$4,069,957 (2022 - \$4,508,599) of outstanding invoices due to the Jewish Federations of Canada - UIA ("UIA"). This amount relates to restricted donor funded charitable projects performed on behalf of the Federation by UIA.

(b) Accrued liabilities include government remittances payable of \$18,544 (2022 - \$8,573) relating to amounts payable for payroll and employer health taxes.

## 10. Grants and allocations payable:

	2023	2022
Payable to Jewish Federation of Canada - UIA (a)	\$ 938,800	\$ 989,580
Payable to local Jewish agencies (b)	1,203,766	1,220,080
	<u>\$ 2,142,566</u>	<u>\$ 2,209,660</u>

(a) Relates to annual fair share commitments payable to Jewish Federations of Canada - UIA and her sister agencies, including American Jewish Joint Distribution Committee ("JDC"), Centre for Israel and Jewish Affairs (CIJA), and Jewish Agency for Israel ("JAFI").

(b) Relates to grants payable to local Jewish agencies from the proceeds of unrestricted Annual Campaign donations.

## 11. 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.

## 12. Deferred revenue:

	2023	2022
Deferred revenue, beginning of year	\$ 3,325,216	\$ 3,182,924
Amounts received during the year	2,739,470	3,955,806
Amounts recognized as revenue in the year	(3,103,657)	(3,813,514)
Deferred revenue, end of year	<u>\$ 2,961,029</u>	<u>\$ 3,325,216</u>

# JEWISH FEDERATION OF GREATER VANCOUVER

Notes to Financial Statements

Year ended March 31, 2023

## 13. Miscellaneous donations, grants and other income:

	2023	2022
Miscellaneous donations (a)	\$ 4,732,262	\$ 4,534,998
Event and other income	247,229	443,396
Grant income	38,140	7,602
	5,017,631	4,985,996
Flow-through donations	3,334,502	395,454
	\$ 8,352,133	\$ 5,381,450

(a) Miscellaneous donations consist primarily of supplemental, incremental and donor advised type of donations designated for specific purposes.

## 14. Contributions and donations by major source:

Revenue includes contributions and donations, as well as event and other income and grant income. Contributions and donations by major source are as follows.

	Annual Campaign	Annual Campaign Plus	Miscellaneous donations	Foundation contributions	Total 2023	Total 2022
Corporations	\$ 270,300	\$ -	\$ 200,839	\$ 5,338,574	\$ 5,809,713	\$ 2,305,141
Foundations	685,184	792,500	1,110,584	1,324,167	3,912,435	4,309,617
Individuals	6,968,007	699,016	3,405,819	5,914,220	16,987,062	12,544,308
Other not-for-profit organizations	16,053	8,000	15,020	447,851	486,924	274,970
	\$ 7,939,544	\$ 1,499,516	\$ 4,732,262	\$ 13,024,812	\$ 27,196,134	\$ 19,434,036

## 15. Investment income, net:

	General Fund	Foundation Fund	Total 2023	Total 2022
Interest income	\$ 236,591	\$ 87,202	\$ 323,793	\$ 87,129
Distribution income	-	2,467,681	2,467,681	4,217,099
Realized gain (loss) on sale of investments	-	(403,685)	(403,685)	347,927
Change in unrealized loss in value of investments	-	(2,602,920)	(2,602,920)	(654,936)
	236,591	(451,722)	(215,131)	3,997,219
Less portfolio management fees	-	(391,373)	(391,373)	(382,863)
Allocation between funds	222,838	(222,838)	-	-
	\$ 459,429	\$ (1,065,933)	\$ (606,504)	\$ 3,614,356

# JEWISH FEDERATION OF GREATER VANCOUVER

Notes to Financial Statements

Year ended March 31, 2023

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## 16. Jewish Community Hub costs (recovery):

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 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. JCC has confirmed that they will reimburse the Federation for costs incurred on the project up until March 31, 2023, and a receivable of \$489,002 has been recorded as at March 31, 2023. The project is funded through individual and corporate contributions as well as government subsidies.

## 17. Financial risks:

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

It is management's opinion that the Federation is not exposed to significant liquidity risk arising from these financial instruments and there were no changes to this risk evaluation from fiscal 2023.

The Federation has available a revolving demand facility of up to \$250,000 which bears interest at bank prime per annum. The facility is secured by a general security agreement. No amounts were outstanding under this facility as at March 31, 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 Federation is exposed to credit risk in respect of its cash, investments, pledges receivable and other receivables. All cash is held with one Canadian chartered bank. The Federation has a concentration of credit risk as all investments are held by one investment firm and custodian. The Federation assesses, on a continuous basis, pledges receivable and 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 Federation receives donations in foreign currency and also pays for services rendered to the Federation in foreign currency; consequently, certain of its financial instruments are exposed to foreign currency fluctuations. As at March 31, 2023, investments are comprised of 59.96% (2022 - 53.71%) of investments denominated in United States dollars.

# JEWISH FEDERATION OF GREATER VANCOUVER

Notes to Financial Statements

Year ended March 31, 2023

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## 17. Financial risks (continued):

### (b) Market risk (continued):

#### (ii) Interest 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 Federation is exposed to interest rate risk in respect of its investments which bear interest at fixed and variable rates, the State of Israel bonds which bear interest at fixed rates, and the long-term related party loan receivable which bears interest at the Canada Revenue Agency prescribed rate.

#### (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 Federation is exposed to other price risk in respect of its investments.

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

## 18. Remuneration of directors, employees and contractors:

In accordance with the Societies Act (British Columbia), the Federation is required to disclose the remuneration paid to directors during the year and the remuneration paid to the top 10 employees and contractors for service whose remuneration during the year was at least \$75,000. Included in expenditures is a total of \$1,705,134 paid to 10 employees (2022 - \$1,415,597 paid to 10 employees). No remuneration was paid to directors in the years ended March 31, 2023 and 2022.