

**JEWISH FEDERATION OF GREATER VANCOUVER**

Vancouver, BC

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**FINANCIAL STATEMENTS**

March 31, 2021

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Jewish Federation of Greater Vancouver:

### **Report on the Audit of the Financial Statements**

#### Opinion

We have audited the financial statements of Jewish Federation of Greater Vancouver (the "Federation"), which comprise the statement of financial position as at March 31, 2021, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Federation as at March 31, 2021, 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 report. We are independent of the Federation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Federation'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 Federation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Federation'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 these 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 Federation'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 Federation'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 Federation 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.

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

## Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

*Baker Tilly WM LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.  
June 18, 2021

**JEWISH FEDERATION OF GREATER VANCOUVER**

STATEMENT OF FINANCIAL POSITION

March 31, 2021

	General Fund \$	Foundation Fund \$	2021 Total \$	2020 Total \$
<b>ASSETS</b>				
Cash	11,094,411	1,590,541	12,684,952	6,902,517
Pooled investments (Note 2)	-	69,212,459	69,212,459	59,004,985
State of Israel bonds	-	435,138	435,138	495,069
Pledges receivable (Note 3)	3,678,771	-	3,678,771	2,204,733
Other receivables (Note 4)	763,528	615,008	1,378,536	1,240,974
Inter-fund advances (Note 5)	(1,014,381)	1,014,381	-	-
Prepaid expenses	51,599	-	51,599	162,778
Property and equipment (Note 6)	362,903	-	362,903	352,734
	<b>14,936,831</b>	<b>72,867,527</b>	<b>87,804,358</b>	<b>70,363,790</b>
<b>LIABILITIES</b>				
Payables and accruals (Note 7)	4,572,596	432,801	5,005,397	4,801,041
Grants and allocations payable (Note 8)	2,209,660	-	2,209,660	2,753,723
Due to other charitable entities (Note 9)	538,944	1,993,106	2,532,050	1,884,146
Deferred revenue (Note 10)	3,182,924	-	3,182,924	1,214,678
	<b>10,504,124</b>	<b>2,425,907</b>	<b>12,930,031</b>	<b>10,653,588</b>
<b>NET ASSETS</b>				
Externally restricted (Note 11)	-	65,168,156	65,168,156	53,127,379
Board designated (Note 1)	2,921,498	-	2,921,498	2,920,294
Unrestricted (Note 11)	1,511,209	5,273,464	6,784,673	3,662,529
	<b>4,432,707</b>	<b>70,441,620</b>	<b>74,874,327</b>	<b>59,710,202</b>
	<b>14,936,831</b>	<b>72,867,527</b>	<b>87,804,358</b>	<b>70,363,790</b>

*Impact of COVID-19 Pandemic (Note 18)*

Approved by Directors:



Alex Cristall, Board Chair



Rick Kohn, Treasurer

**JEWISH FEDERATION OF GREATER VANCOUVER****STATEMENT OF OPERATIONS**

For the year ended March 31, 2021

	<b>General Fund \$</b>	<b>Foundation Fund \$</b>	<b>2021 Total \$</b>	<b>2020 Total \$</b>
<b>Revenues</b>				
Pledges				
Annual Campaign	<b>7,770,669</b>	-	<b>7,770,669</b>	7,289,602
Annual Campaign Plus	<b>799,979</b>	-	<b>799,979</b>	972,165
	<b>8,570,648</b>	-	<b>8,570,648</b>	8,261,767
Miscellaneous donations, grants and other income (Note 12)	<b>3,690,739</b>	<b>1,599,686</b>	<b>5,290,425</b>	3,919,873
Contributions	-	<b>2,861,296</b>	<b>2,861,296</b>	1,230,627
	<b>12,261,387</b>	<b>4,460,982</b>	<b>16,722,369</b>	13,412,267
<b>Investment income (loss), net (Note 14)</b>	<b>47,620</b>	<b>13,515,804</b>	<b>13,563,424</b>	(3,642,086)
<b>Expenditures</b>				
Operating	<b>684,566</b>	<b>292,563</b>	<b>977,129</b>	899,830
Fundraising	<b>1,605,092</b>	<b>438,848</b>	<b>2,043,940</b>	2,072,993
	<b>2,289,658</b>	<b>731,411</b>	<b>3,021,069</b>	2,972,823
<b>Excess of revenues over expenditures before grants and allocations</b>	<b>10,019,349</b>	<b>17,245,375</b>	<b>27,264,724</b>	6,797,358
<b>Grants and Allocations</b>	<b>7,911,099</b>	<b>4,189,500</b>	<b>12,100,599</b>	14,937,560
<b>Excess (deficiency) of revenues over expenditures and allocations</b>	<b>2,108,250</b>	<b>13,055,875</b>	<b>15,164,125</b>	(8,140,202)

*The accompanying notes are an integral part of these financial statements.*

**JEWISH FEDERATION OF GREATER VANCOUVER**

## STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2021

	<b>General Fund \$</b>	<b>Board Designated Funds \$</b>	<b>Foundation Fund \$</b>	<b>2021 Total \$</b>	<b>2020 Total \$</b>
<b>Net assets (deficiency), beginning</b>	<b>(1,179,087)</b>	<b>2,920,294</b>	<b>57,968,995</b>	<b>59,710,202</b>	67,850,404
Excess (deficiency) of revenues over expenditures, and grants and allocations	<b>2,108,250</b>	-	<b>13,055,875</b>	<b>15,164,125</b>	(8,140,202)
Inter-fund advances and transfers (Notes 5)	<b>582,046</b>	<b>1,204</b>	<b>(583,250)</b>	-	-
Excess (deficiency) after inter-fund transfers	<b>2,690,296</b>	<b>1,204</b>	<b>12,472,625</b>	<b>15,164,125</b>	(8,140,202)
<b>Net assets, ending (Notes 11)</b>	<b>1,511,209</b>	<b>2,921,498</b>	<b>70,441,620</b>	<b>74,874,327</b>	59,710,202

*The accompanying notes are an integral part of these financial statements.*

**JEWISH FEDERATION OF GREATER VANCOUVER**

## STATEMENT OF CASH FLOWS

For the year ended March 31, 2021

	2021	2020
	\$	\$
<b>Cash flows related to operating activities</b>		
Excess (deficiency) of revenues over expenditures, grants and allocations	15,164,125	(8,140,202)
Adjustments for items not affecting cash:		
Amortization	52,062	49,476
Loss (gain) on sale of investments	204,972	(21,243)
Unrealized loss (gain) in value of investments	(10,893,604)	6,491,399
	<u>4,527,555</u>	<u>(1,620,570)</u>
Changes in non-cash working capital:		
Pledges receivable	(1,474,038)	97,630
Other receivables	(137,561)	148,564
Prepaid expenses	111,179	67,496
Payables and accruals	204,356	2,152,058
Grants and allocations payable	(544,063)	86,522
Due to other charitable entities	647,904	(184,637)
Deferred revenue	1,968,246	(294,567)
	<u>5,303,578</u>	<u>452,496</u>
<b>Cash flows related to investing activities</b>		
Purchase of pooled investments	(9,412,260)	(29,537,462)
Proceeds on sale of pooled investments	9,893,418	26,877,128
Purchase of State of Israel bonds	(165,000)	(5,000)
Proceeds on redemption of State of Israel bonds	224,931	5,000
Purchase of property and equipment	(62,232)	(57,448)
	<u>478,857</u>	<u>(2,717,782)</u>
<b>Increase (decrease) in cash</b>	<b>5,782,435</b>	<b>(2,265,286)</b>
Cash, beginning	6,902,517	9,167,803
<b>Cash, ending</b>	<b>12,684,952</b>	<b>6,902,517</b>

*The accompanying notes are an integral part of these financial statements.*

## JEWISH FEDERATION OF GREATER VANCOUVER

### NOTES

For the year ended March 31, 2021

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

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#### Note 1 Significant Accounting Policies

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

##### Fund Accounting

The Society follows the restricted fund method of accounting for revenues. 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 program delivery and administrative activities. This fund reports unrestricted, internally restricted (Board designated) and externally restricted net assets. The board designated fund relates to the part of the general fund that the Board has designated for use in future years to carry out its charitable activities.
- (ii) The Jewish Community Foundation of Greater Vancouver (the "Foundation") Fund reports externally restricted net assets, which are used to meet the long-term needs of the Jewish community. In general, investment income earned on resources of the Foundation is available for distribution, depending on the nature of any restrictions imposed by contributors of these funds.

##### Revenue Recognition

Pledge revenue is recognized on a campaign year basis. Revenues for the year ended March 31, 2021 are referred to as the revenues for the 2020 campaign year. Pledges receivable are recorded when a pledge is made, the amount can be reasonably estimated and collection is reasonably assured. Pledges received for future campaign years are deferred and recognized as revenue in the campaign years to which the pledges relate. Certain donors may remit amounts directly to the United Israel Appeal of Canada Inc. (the "UIAC") on behalf of the Federation. These amounts are recorded as revenue and corresponding allocations to UIAC on a campaign year basis.

Externally restricted contributions related to the Federation, including the Annual Campaign Plus giving program ("Annual Campaign Plus") pledges and miscellaneous donations, are recognized as revenue of the General Fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the General Fund when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

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 pooled investments. Investment income consists of interest income and dividends. Interest income is recognized on a time proportion basis determined by the amount invested and the applicable interest rate. Dividends are recognized when the right to receive payment is established. Grants and other income are recognized when they can be reasonably estimated and ultimate collection is reasonably assured.

The Foundation receives contributions in the form of long-term pledges, assignments of life insurance policies and bequest provisions. Pledges and life insurance policies are recognized when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured. Other Foundation contributions are recognized when received. Revenues may vary from year to year depending on bequests and contributions received.

# JEWISH FEDERATION OF GREATER VANCOUVER

## NOTES

For the year ended March 31, 2021

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### Note 1 Significant Accounting Policies (continued)

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#### Allocation of expenses

The Federation provides administration and support to fundraising and grants and allocations. Accordingly, salaries are allocated among these programs and services (Note 17). The allocation is determined on the basis of efforts incurred.

#### Deferred Revenue

Restricted donations, grants and pledges received which relate to programs and events to be carried out in subsequent fiscal years are recorded as deferred revenue.

#### Property and Equipment

Property and equipment are carried at cost less accumulated amortization. Amortization is provided for annually on the following basis:

Database software	-	15 years straight-line
Computer equipment	-	3 years straight-line
Office equipment	-	5 years straight-line
Computer software	-	3 years straight-line
Leasehold improvements	-	5 years straight-line

except in the year of acquisition, at which time amortization is provided for at one-half the annual rate.

#### 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.

#### Financial Instruments

##### *Measurement of financial instruments*

The Society 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 has elected to carry its cash and pooled investments at fair value with changes in fair values recognized in excess (deficiency) of revenues over expenditures, grants and allocations.

Transaction costs related to the acquisition of financial instruments subsequently measured at fair value are recognized in excess (deficiency) of revenues over expenditures, grants and allocations 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

For the year ended March 31, 2021

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### Note 1 Significant Accounting Policies (continued)

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#### *Impairment*

Financial assets measured at amortized cost are assessed for indications of impairment at the end of each reporting period if there are indicators of impairment. When impairment is identified, the amount of the write-down is recognized as an impairment loss in excess (deficiency) of revenues over expenditures, grants and allocations. If 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.

#### **Use of Estimates**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 reporting period.

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### Note 2 Pooled investments

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The Foundation's restricted and unrestricted fund balances are invested 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, 2021, the invested portfolio had a market value of \$69,212,459 (2020: \$59,004,985), cost of \$58,318,855 (2020: \$65,496,384), and unrealized gain of \$10,893,604 (2020: unrealized loss of \$6,491,399).

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### Note 3 Pledges Receivable

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The pledges receivable includes pledges for unrestricted and restricted purposes. The 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 are as follows:

	2021 \$	2020 \$
<b>Unrestricted pledges receivable by campaign year</b>		
Current and future years	2,857,995	1,487,198
Prior years	<u>669,160</u>	<u>642,581</u>
	<b>3,527,155</b>	<b>2,129,779</b>
<b>Restricted pledges receivable</b>		
Annual Campaign Plus - current and future years	565,127	393,395
Annual Campaign Plus - prior years	<u>79,197</u>	<u>47,680</u>
	<b>4,171,479</b>	<b>2,570,854</b>
Less: Allowance for uncollectible pledges	<u>(492,708)</u>	<u>(366,121)</u>
Total pledges receivable	<b><u>3,678,771</u></b>	<b><u>2,204,733</u></b>

Pledges receivable of \$1,306,939 (2020: \$1,689,392) were recognized in pledge revenue for the year.

**JEWISH FEDERATION OF GREATER VANCOUVER**

## NOTES

For the year ended March 31, 2021

**Note 4 Other Receivables**

	2021 \$	2020 \$
<b>Federation</b>		
Goods and services tax	-	30,265
Donations	<b>602,010</b>	449,603
Other	<b>161,518</b>	151,224
	<u><b>763,528</b></u>	<u>631,092</u>
<b>Foundation</b>		
Goods and services tax	<b>8,486</b>	8,769
Assigned life insurance policies	<b>586,954</b>	586,954
Promissory note	<b>256,138</b>	256,138
Miscellaneous	<b>19,568</b>	14,159
	<u><b>871,146</b></u>	<u>866,020</u>
Less: Allowance	<u><b>(256,138)</b></u>	<u>(256,138)</u>
	<u><b>615,008</b></u>	<u>609,882</u>
	<u><b>1,378,536</b></u>	<u>1,240,974</u>

**Note 5 Inter-fund Advances and Transfers**

Inter-fund advances include \$583,250 transferred from the Foundation Fund to the General Fund for Federation pledges. Inter-fund advances are non-interest bearing and without specific terms of repayment.

**Note 6 Property and Equipment**

	Cost \$	Accumulated Amortization \$	2021 Net \$	2020 Net \$
Database software	<b>395,633</b>	<b>117,130</b>	<b>278,503</b>	304,880
Computer equipment	<b>199,718</b>	<b>133,320</b>	<b>66,398</b>	32,408
Office equipment	<b>97,091</b>	<b>79,822</b>	<b>17,269</b>	14,347
Computer software	<b>11,686</b>	<b>10,953</b>	<b>733</b>	1,099
Leasehold improvements	<b>101,701</b>	<b>101,701</b>	-	-
	<u><b>805,829</b></u>	<u><b>442,926</b></u>	<u><b>362,903</b></u>	<u>352,734</u>

## JEWISH FEDERATION OF GREATER VANCOUVER

### NOTES

For the year ended March 31, 2021

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#### Note 7 Payables and accruals

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Payables and accruals consist of accounts payable, accrued liabilities and vacation payable. Accounts payable include \$3,184,505 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>General Fund \$</b>	<b>Foundation Fund \$</b>	<b>2021 \$</b>	<b>2020 \$</b>
Accounts payable	<b>3,357,293</b>	-	<b>3,357,293</b>	3,091,041
Accrued liabilities	<b>1,051,481</b>	<b>432,801</b>	<b>1,484,282</b>	1,522,379
Vacation payable and other	<b>163,822</b>	-	<b>163,822</b>	187,621
	<b><u>4,572,596</u></b>	<b><u>432,801</u></b>	<b><u>5,005,397</u></b>	<b><u>4,801,041</u></b>

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#### Note 8 Grants and allocations payable

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Grants and allocations payable consist of the following:

Annual fair share commitments made by the Federation from annual campaign unrestricted donations towards the financial support of the operations of Jewish Federations of Canada - UIA and her sister agencies (JDC, CIJA and JAFI).

Grant commitments payable to local Jewish Agencies arising from the annual granting exercise from the proceeds of unrestricted Annual Campaign donations.

	<b>2021 \$</b>	<b>2020 \$</b>
Payable to Jewish Federation of Canada - UIA	<b>989,580</b>	1,418,475
Payable to local Jewish Agencies	<b><u>1,220,080</u></b>	<u>1,335,248</u>
	<b><u>2,209,660</u></b>	<b><u>2,753,723</u></b>

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#### Note 9 Due to Other Charitable Entities

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The balance represents funds that are specifically designated to be forwarded to third party tax exempt organizations.

## JEWISH FEDERATION OF GREATER VANCOUVER

### NOTES

For the year ended March 31, 2021

#### Note 10 Deferred Revenue

Deferred revenue is comprised of campaign revenue restricted by donors for future years, as well as restricted donations received for specific purposes for which a restricted fund does not exist or for future events.

	2021	2020
	\$	\$
Deferred revenue beginning	1,214,678	1,509,245
Amounts received during the year	4,698,766	2,154,030
Amounts recognized as revenue in the year	<u>(2,730,520)</u>	<u>(2,448,597)</u>
Deferred revenue, ending	<u>3,182,924</u>	<u>1,214,678</u>

#### Note 11 Jewish Community Foundation of Greater Vancouver Fund - Net Assets

	Unrestricted	Restricted	2021	2020
	\$	\$	\$	\$
Net assets, beginning	4,841,616	53,127,379	57,968,995	64,061,783
Contributions	14,773	2,846,523	2,861,296	1,230,628
Flow-through donations	-	1,599,686	1,599,686	896,462
Investment income	992,679	12,523,125	13,515,804	(3,760,411)
Foundation administration fee	(42,580)	(525,132)	(567,712)	(563,217)
Foundation grants	(280,000)	(3,909,500)	(4,189,500)	(3,238,475)
Disbursements to the Federation	-	(746,949)	(746,949)	(657,775)
Inter-fund transfer	(253,024)	253,024	-	-
Net assets, ending	<u>5,273,464</u>	<u>65,168,156</u>	<u>70,441,620</u>	<u>57,968,995</u>

The Federation maintains the Foundation, the goal of which is to provide resources to meet the long-term needs of the Jewish community locally, nationally and internationally. The Foundation receives contributions in the form of cash contributions, gifts of securities, assignments of life insurance policies and legacy gifts.

#### Unrestricted funds

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.

#### Restricted funds

Restricted funds include Designated funds, Organizational funds and Donor-Advised funds. Distributions from restricted funds are approved by the Governors of the Foundation on an annual basis.

Designated funds are funds established by donors to support charitable organizations and areas of interest that are important to them.

## JEWISH FEDERATION OF GREATER VANCOUVER

### NOTES

For the year ended March 31, 2021

#### Note 11 Jewish Community Foundation of Greater Vancouver Fund - Net Assets (continued)

Organizational funds are funds established by charitable organizations to provide them with long-term stable funding to support their charitable mission.

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.

#### Note 12 Miscellaneous Donations, Grants and Other Income

	2021	2020
	\$	\$
Miscellaneous donations	3,158,709	2,119,026
Flow-through donations	1,599,686	896,462
Event and other income	494,125	815,282
Grant Income	37,905	89,103
	<u>5,290,425</u>	<u>3,919,873</u>

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

#### Note 13 Comparative figures

Certain 2020 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2021.

#### Note 14 Investment income

	General Fund	Foundation Fund	2021	2020
	\$	\$	\$	\$
Interest and dividends	47,620	3,199,784	3,247,404	3,163,095
Gain (loss) on sale of investments	-	(204,972)	(204,972)	21,243
Unrealized gain (loss) in value of investments	-	10,893,604	10,893,604	(6,491,399)
	<u>47,620</u>	<u>13,888,416</u>	<u>13,936,036</u>	<u>(3,307,061)</u>
Less portfolio management fees	-	(372,612)	(372,612)	(335,025)
	<u>47,620</u>	<u>13,515,804</u>	<u>13,563,424</u>	<u>(3,642,086)</u>

Investment income includes interest of \$739,293 (2020: \$854,721).

**Note 15 Financial instruments**

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

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

**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 Society is exposed to credit risk in respect of its pooled investments, pledges receivable and other receivables. The Society has a concentration of credit risk as all pooled investments are held by one investment firm. The Society assesses, on a continuous basis, pledges receivable and other receivables and provides for any amounts that are assessed as not collectible.

**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.

**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 Society receives donations in foreign currency and also pays for services rendered to the Society in foreign currency; consequently, certain of its financial instruments are exposed to foreign currency fluctuations. As at March 31, 2021, pooled investment balances, presented in Canadian dollars, are comprised of 63.42% (2020: 49.88%) of investments denominated in US dollars.

**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 Society 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.

**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 Society is exposed to other price risk in respect of its pooled investments.

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**Note 16 Remuneration of Directors, Employees and Contractors**

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In accordance with the *Societies Act* (British Columbia), the Society is required to disclose the remuneration paid to directors during the year and the remuneration paid to all employees and contractors whose remuneration during the year was at least \$75,000. Included in expenditures is a total of \$1,447,359 paid to 10 employees (2020: \$1,321,232 paid to 8 employees). No remuneration was paid to directors in the years ended March 31, 2021 and 2020.

## JEWISH FEDERATION OF GREATER VANCOUVER

### NOTES

For the year ended March 31, 2021

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#### Note 17 Allocation of expenses

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Operating and Fundraising expenses reported on the statement of operations includes management and administrative salary expenses that have been allocated as follows:

	<b>General Fund</b>	<b>Foundation Fund</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2021</b>			
Operating	<b>186,814</b>	<b>180,870</b>	<b>367,684</b>
Fundraising	<b>506,897</b>	<b>271,305</b>	<b>778,202</b>
Grants & Allocations	<b>424,183</b>	<b>-</b>	<b>424,183</b>
	<b>1,117,894</b>	<b>452,175</b>	<b>1,570,069</b>
<b>2020</b>			
Operating	<b>144,966</b>	<b>146,084</b>	<b>291,050</b>
Fundraising	<b>411,444</b>	<b>219,126</b>	<b>630,570</b>
Grants & Allocations	<b>381,589</b>	<b>-</b>	<b>381,589</b>
	<b>937,999</b>	<b>365,210</b>	<b>1,303,209</b>

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#### Note 18 Impact of COVID 19 pandemic

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On March 11, 2020, the World Health Organization categorized COVID 19 as a pandemic. Management anticipates that the economic effects of the pandemic will be felt by the Society, the Jewish Community locally, nationally, and the world at large through measures introduced at all various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non essential municipal and private operations, imposition of quarantines and social distancing). In view of the above and the potential for a material impact on the Society's future operations and financial results, during fiscal 2020 and fiscal 2021 Management introduced mitigating actions such as freezing wages and new hires, cancelling physical contact events, implementing social distancing policies, advising staff to work remotely from home and initiating a COVID-19 Relief Campaign. During the year ended March 31, 2021, the Society disbursed \$603,099, presented as grants and allocations in the statement of operations, to local agencies to assist them in supporting the anticipated impacts COVID-19.

As at the previous year end, March 31, 2020, the fair value of the Foundation's pooled investments had dropped significantly, to \$59,004,985, as a reflection of the immediate market impacts of COVID-19. During fiscal 2021, the fair value of the Foundation's pooled investments recovered and the carrying amount at March 31, 2021 was \$69,212,459.

Management is overseeing the Society's gradual return to physical contact events, which are planned to commence in the fall of 2021. Management's strategy is expected to be in place until there is evidence that the effects of the COVID-19 pandemic no longer present a danger to public health nor to the economy.