

JEWISH FEDERATION OF GREATER VANCOUVER

Vancouver, B.C.

FINANCIAL STATEMENTS

March 31, 2019

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, 2019, and the statements of operations, statements of changes in net assets and statements 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, 2019, 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 11, 2019

JEWISH FEDERATION OF GREATER VANCOUVER

STATEMENT OF FINANCIAL POSITION

March 31, 2019

	General Fund \$	Foundation Fund \$	2019 Total \$	2018 Total \$
ASSETS				
Cash	8,049,440	1,118,363	9,167,803	11,017,675
Pooled investments	-	62,814,807	62,814,807	57,821,199
State of Israel Bonds	-	495,069	495,069	498,472
Pledges receivable (Note 2)	2,302,363	-	2,302,363	2,267,616
Other receivables (Note 3)	781,253	608,285	1,389,538	1,733,856
Interfund advances (Note 4)	273,458	(273,458)	-	-
Prepaid expenses	230,274	-	230,274	90,059
Property and equipment (Note 5)	344,762	-	344,762	345,833
	11,981,550	64,763,066	76,744,616	73,774,710
LIABILITIES				
Payables and accruals	2,648,983	-	2,648,983	3,037,932
Grants and allocations payable	2,667,201	-	2,667,201	2,623,833
Due to other charitable entities (Note 6)	1,367,750	701,033	2,068,783	1,962,653
Deferred revenue (Note 7)	1,508,995	250	1,509,245	3,230,467
	8,192,929	701,283	8,894,212	10,854,885
NET ASSETS				
Board designated (Note 8)	2,481,010	-	2,481,010	2,053,273
Externally restricted (Note 9)	-	58,973,690	58,973,690	54,569,285
Unrestricted (Note 9)	1,307,611	5,088,093	6,395,704	6,297,267
	3,788,621	64,061,783	67,850,404	62,919,825
	11,981,550	64,763,066	76,744,616	73,774,710

Approved by Directors:

JEWISH FEDERATION OF GREATER VANCOUVER

STATEMENT OF OPERATIONS

For the year ended March 31, 2019

	General Fund \$	Foundation Fund \$	2019 Total \$	2018 Total \$
Revenues				
Pledges				
Annual Campaign	7,589,766	-	7,589,766	7,469,011
Annual Campaign Plus	980,186	-	980,186	901,351
	8,569,952	-	8,569,952	8,370,362
Miscellaneous donations, grants and other income (Note 11)	3,936,640	-	3,936,640	3,043,333
Contributions	-	4,017,580	4,017,580	8,798,215
	12,506,592	4,017,580	16,524,172	20,211,910
Investment income, net (Note 13)	143,052	3,577,677	3,720,729	2,497,574
Expenditures				
Operating, Schedule 1	238,660	253,633	492,293	539,192
Fundraising, Schedule 2	1,693,301	380,449	2,073,750	1,716,145
	1,931,961	634,082	2,566,043	2,255,337
Excess of revenues over expenditures before allocations	10,717,683	6,961,175	17,678,858	20,454,147
Allocations, Schedule 3	10,783,152	1,965,127	12,748,279	11,769,543
Excess (deficiency) of revenues over expenditures and allocations	(65,469)	4,996,048	4,930,579	8,684,604

JEWISH FEDERATION OF GREATER VANCOUVER

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2019

	General Fund \$	Board Designated Funds \$	Foundation Fund \$	2019 \$	2018 \$
Net assets, beginning	1,412,395	2,053,273	59,454,157	62,919,825	54,235,221
Excess (deficiency) of revenues over expenditures and allocations	(65,469)	-	4,996,048	4,930,579	8,684,604
Interfund transfers and disbursements (Notes 4, 8 and 9)	(39,315)	427,737	(388,422)	-	-
Net assets, ending	1,307,611	2,481,010	64,061,783	67,850,404	62,919,825

JEWISH FEDERATION OF GREATER VANCOUVER

STATEMENT OF CASH FLOWS

For the year ended March 31, 2019

	2019	2018
	\$	\$
Cash flows related to operating activities		
Excess of revenues over expenditures and allocations	4,930,579	8,684,604
Adjustments for items not affecting cash:		
Amortization	36,027	38,318
Loss (Gain) on sale of investments	154,003	(4,786,903)
Unrealized loss (Gain) in value of investments	(326,337)	4,049,543
	<u>4,794,272</u>	<u>7,985,562</u>
Changes in non-cash working capital:		
Pledges receivable	(34,747)	(159,154)
Other receivables	344,318	(722,356)
Prepaid expenses and allocations	(140,215)	(7,944)
Mortgage receivable	-	428,084
Payables and accruals	(388,947)	900,312
Grants and allocations payable	43,368	(25,323)
Due to other charitable entities	106,130	845,081
Deferred revenue	(1,721,222)	2,150,479
	<u>3,002,957</u>	<u>11,394,741</u>
Cash flows related to investing activities		
Purchase of pooled investments	(32,752,081)	(19,720,907)
Proceeds on sale of pooled investments	27,930,805	10,631,874
Purchase of State of Israel bonds	(5,000)	(5,000)
Proceeds on redemption of State of Israel bonds	8,403	5,116
Purchase of property and equipment	(34,956)	(35,132)
	<u>(4,852,829)</u>	<u>(9,124,049)</u>
Net increase in cash	(1,849,872)	2,270,692
Cash, beginning	11,017,675	8,746,983
Cash, ending	9,167,803	11,017,675

JEWISH FEDERATION OF GREATER VANCOUVER

NOTES

For the year ended March 31, 2019

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*. 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.

Note 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:

Property and Equipment

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

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

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

Costs directly attributable to software under development are being capitalized until the software is substantially complete and ready for productive use, after which the costs will be amortized over its useful life.

Deferred Revenue

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

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 and internally and externally restricted net assets.
- (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.

JEWISH FEDERATION OF GREATER VANCOUVER

NOTES

For the year ended March 31, 2019

Note 1 Significant Accounting Policies (continued)

Revenue Recognition

Pledge revenue is recognized on a campaign year basis. Revenues for the year ended March 31, 2019 are referred to as the revenues for the 2018 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.

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. Interest, dividends, grants and other income are recognized as they are earned.

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.

Contributed Services and Materials

A number of volunteers contribute a significant amount of their time and services to the Federation each year. Because of the difficulty in determining fair value, these contributed services are not recognized in the financial statements. The Federation records the fair value of contributed materials at the time of receipt, where such fair value is determinable and the materials would otherwise have been purchased. The Federation did not receive any such contributed materials.

Financial Instruments

Measurement of financial instruments

The Society measures its financial assets and financial liabilities at fair value at the acquisition date, except for financial assets and financial liabilities acquired in related party transactions. Transaction costs related to the acquisition of financial instruments subsequently measured at fair value are recognized in excess of revenues over expenditures 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.

The Society subsequently measures all of its financial assets and financial liabilities at amortized cost, except for pooled investments, which are subsequently measured at fair value. Changes in fair value are recognized in excess of revenues over expenditures and allocations.

JEWISH FEDERATION OF GREATER VANCOUVER

NOTES

For the year ended March 31, 2019

Note 1 Significant Accounting Policies (continued)

Impairment

Financial assets measured at amortized cost are assessed for indications of impairment at the end of each reporting period. When impairment is identified, the amount of the write-down is recognized as an impairment loss in excess of revenues over expenditures and allocations. Previously recognized impairment losses are reversed when the extent of the impairment decreases, provided that the adjusted carrying amount is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenues over expenditures and allocations.

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 and expenditures during the reporting period. Actual results could differ from those estimates.

Significant areas requiring the use of management estimates relate to the collectability of pledges receivable and other receivables.

Note 2 Pledges Receivable

The pledges receivable include 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:

	2019	2018
	\$	\$
Unrestricted pledges receivable by campaign year		
Current and future years	1,551,583	1,202,200
Prior years	618,495	742,425
	<u>2,170,078</u>	<u>1,944,625</u>
Restricted pledges receivable		
Annual Campaign Plus current and future years	469,364	647,403
Annual Campaign Plus prior years	79,650	65,141
	<u>2,719,092</u>	<u>2,657,169</u>
Less: Allowance for uncollectible pledges	(416,729)	(389,553)
Total pledges receivable	<u>2,302,363</u>	<u>2,267,616</u>

Pledges receivable of \$1,775,929 (2018: \$1,411,209) were recognized in pledge revenue for the year.

JEWISH FEDERATION OF GREATER VANCOUVER

NOTES

For the year ended March 31, 2019

Note 3 Other Receivables

	2019 \$	2018 \$
Federation:		
Goods and services tax	25,164	11,032
Miscellaneous donations	698,868	638,340
Other	57,221	231,894
	<u>781,253</u>	<u>881,266</u>
Foundation:		
Goods and services tax	10,077	4,382
Assigned life insurance policies	598,208	848,208
Promissory note	256,138	256,138
	<u>864,423</u>	<u>1,108,728</u>
Less: Allowance	(256,138)	(256,138)
	<u>608,285</u>	<u>852,590</u>

Note 4 Interfund Advances and Transfers

Interfund advances includes \$107,786 transferred from the General Fund to the Foundation Fund for Foundation expenditures and \$496,208 transferred from the Foundation Fund to the General Fund for Federation pledges. Interfund advances are non-interest bearing and without specific terms of repayment.

Note 5 Property and Equipment

	Cost \$	Accumulated Amortization \$	2019 Net \$	2018 Net \$
Database software	290,907	67,868	223,039	242,434
Leasehold improvements	101,701	98,938	2,763	961
Computer equipment	110,836	92,005	18,831	18,298
Office equipment	81,656	72,266	9,390	9,223
Software under development	90,463	-	90,463	73,794
Computer software	10,587	10,311	276	1,123
	<u>686,150</u>	<u>341,388</u>	<u>344,762</u>	<u>345,833</u>

JEWISH FEDERATION OF GREATER VANCOUVER

NOTES

For the year ended March 31, 2019

Note 6 Due to Other Charitable Entities

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

Note 7 Deferred Revenue

	2018	Contributions	Revenue	2019
	\$	\$	Recognized	\$
			\$	
Annual Campaign	133,591	7,539,094	(7,589,766)	82,919
Annual Campaign Plus	459,000	783,186	(980,186)	262,000
Bring Back Hope	1,126,138	(23,000)	(866,700)	236,438
Other programs	1,511,738	457,954	(1,041,804)	927,888
	<u>3,230,467</u>	<u>8,757,234</u>	<u>(10,478,456)</u>	<u>1,509,245</u>

Note 8 Board Designated Net Assets

	2018	Transfers	Expenditures	2019
	\$	\$	\$	\$
Emergency Reserve Fund	323,500	(323,500)	-	-
Federation Administered Programs	1,206,796	2,100,426	(1,747,689)	1,559,533
Overseas Emergency Reserve Fund	160,097	(160,097)	-	-
Special Purpose Fund	12,848	67,152	-	80,000
Local Allocation Reserve Fund	350,032	75,000	-	425,032
Emergency and Disaster Fund	-	250,000	-	250,000
Partner/Agency Reserve Fund	-	166,445	-	166,445
	<u>2,053,273</u>	<u>2,175,426</u>	<u>(1,747,689)</u>	<u>2,481,010</u>

Board designated net assets have been restricted for specific purposes as follows:

The purpose of the Emergency Reserve Fund is to provide resources to respond to urgent and unanticipated needs in local communities.

During the year, transfers to the Federation Administered Programs exceeded expenditures by \$352,737 (2018: \$9,535). Federation Administered Programs are held by the Federation for use in specific program areas administered by the Federation.

The purpose of the Overseas Emergency Reserve Fund is to provide resources to respond to urgent and unanticipated needs in Israel and overseas communities.

JEWISH FEDERATION OF GREATER VANCOUVER

NOTES

For the year ended March 31, 2019

Note 8 Board Designated Net Assets (continued)

The purpose of the Special Purpose Fund is to provide resources for extraordinary operating or capital needs of the Federation.

The purpose of the Local Allocation Reserve Fund is to provide a resource to address potential reduced campaigns in the future. During the year, \$75,000 (2018: \$75,000) was added to this fund from unused contingency funds budgeted by the Federation, and \$Nil (2018: \$145,000) was withdrawn to fund current year allocations.

The purpose of the Emergency and Disaster Fund is to provide resources to respond to domestic and international emergencies and disasters arising from natural or other causes, with an emphasis on supporting Jewish communities.

The purpose of the Partner/Agency Reserve Fund is to provide resources to address extraordinary and unanticipated circumstances facing the Federation's partners.

Note 9 Jewish Community Foundation of Greater Vancouver Fund - Net Assets

	Unrestricted \$	Designated \$	Organizational \$	Donor- Advised \$	Total \$
Net assets, beginning	4,884,872	25,707,689	13,128,945	15,732,651	59,454,157
Contributions	5,029	944,558	226,565	2,841,428	4,017,580
Investment income	257,663	1,549,691	766,627	1,003,696	3,577,677
Foundation administration fee	(39,759)	(230,597)	(109,980)	(145,962)	(526,298)
Foundation grants	(19,820)	(647,770)	(544,032)	(753,505)	(1,965,127)
Disbursements to the General and Board Designated Funds	108	(382,935)	-	(113,379)	(496,206)
Net assets, ending	5,088,093	26,940,636	13,468,125	18,564,929	64,061,783

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 has received commitments in the form of long-term pledges, assignments of life insurance policies and bequest provisions.

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 in the spring and fall of each year through a rigorous adjudication process administered by a standing committee of the Board of Governors.

JEWISH FEDERATION OF GREATER VANCOUVER

NOTES

For the year ended March 31, 2019

Note 9 Jewish Community Foundation of Greater Vancouver Fund - Net Assets (continued)

Designated funds

These funds direct income to the specific charitable organization named by the donor who established the fund.

Organizational funds

These funds are established and supported by various charitable organizations. The income earned on the capital provides the organizations with stable funding on a long term basis.

Donor-Advised funds

These funds provide donors with the opportunity to structure their charitable giving to suit their funding priorities. Donors or their chosen advisors may suggest charities which will benefit from distributions from their funds.

Note 10 Capital Management

The Society's capital consists of net assets of the General and Foundation Funds reported in the statement of financial position.

The Society's primary objectives when managing capital are two-fold:

- a) For cash, the objectives are to safeguard the sustainability of the organization, to provide sufficient capital to maintain operations and to manage risks.
- b) For pooled investments, the objectives are to invest the portfolio prudently, without exposing the Foundation funds to undue risk of loss or impairment and with a reasonable expectation of return or capital appreciation based on the nature of the investments.

The Society manages capital through the regular monitoring of the returns on investments, projections of donation revenues, and monthly financial results.

Contributions to the externally restricted Foundation funds are restricted for specific purposes by the donors.

The Society was in compliance with these restrictions as at and for the year ended March 31, 2019.

Note 11 Miscellaneous Donations, Grants and Other Income

	2019	2018
	\$	\$
Event and other income	133,743	366,248
Grant income	36,060	85,851
Miscellaneous donations	3,766,837	2,591,234
	<u>3,936,640</u>	<u>3,043,333</u>

JEWISH FEDERATION OF GREATER VANCOUVER

NOTES

For the year ended March 31, 2019

Note 12 Remuneration of Directors, Employees and Contractors

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 salaries and personnel related expenses is a total of \$1,090,470 paid to 7 employees (2018: \$861,789 paid to 5 employees). No remuneration was paid to directors in the years ended March 31, 2019 and 2018.

Note 13 Investment Income

	General Fund \$	Foundation Fund \$	2019 \$	2018 \$
Interest and dividends	143,052	3,674,412	3,817,464	2,034,388
Gain (loss) on sale of investments	-	(154,003)	(154,003)	4,786,903
Unrealized gain (loss) in value of investments	-	326,337	326,337	(4,049,543)
	<u>143,052</u>	<u>3,846,746</u>	<u>3,989,798</u>	<u>2,771,748</u>
Less: Portfolio management fees	-	(269,069)	(269,069)	(274,174)
	<u>143,052</u>	<u>3,577,677</u>	<u>3,720,729</u>	<u>2,497,574</u>

Investment income includes interest of \$600,846 (2018: \$910,422).

Note 14 Financial Instruments

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 due to other charitable entities.

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

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to liquidity risk in respect of its payables and accruals, grants and allocations payable and due to other charitable entities.

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.

JEWISH FEDERATION OF GREATER VANCOUVER

NOTES

For the year ended March 31, 2019

Note 14 Financial Instruments (continued)

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 undertakes transactions in foreign currencies and, consequently, certain of its financial instruments are exposed to foreign currency fluctuations. Financial instruments include the following amounts, presented in Canadian dollars, which are denominated in foreign currencies:

	2019 %	2018 %
Cash - USD	12.8	9.9
Pooled investments - USD	56.0	55.4
Pooled investments - Other	41.0	42.2

The amounts are translated at the following year end rates at March 31:

	2019 \$	2018 \$
USD	1.337	1.289
Other - Weighted Average	0.940	0.862

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.

JEWISH FEDERATION OF GREATER VANCOUVER

OPERATING EXPENDITURES

Schedule 1

For the year ended March 31, 2019

	General Fund \$	Foundation Fund \$	2019 Total \$	2018 Total \$
Accounting and audit	14,467	5,786	20,253	20,300
Amortization	36,027	-	36,027	38,318
Bank fees	6,052	5,536	11,588	10,129
Marketing and advertising	82	17,479	17,561	8,577
Office and miscellaneous	10,877	20,718	31,595	56,456
Programs and events	856	9,209	10,065	4,339
Provision for uncollectible pledges	36,000	-	36,000	21,466
Rent	5,465	7,105	12,570	12,986
Salaries and personnel related expenses (Note 12)	128,834	187,800	316,634	366,621
	238,660	253,633	492,293	539,192

FUNDRAISING EXPENDITURES

Schedule 2

For the year ended March 31, 2019

	General Fund \$	Foundation Fund \$	2019 Total \$	2018 Total \$
Accounting and audit	14,467	8,680	23,147	23,100
Bank and credit card fees	65,686	8,304	73,990	68,175
Broker fees	176,833	-	176,833	104,866
Marketing and advertising	103,178	26,218	129,396	111,392
Office and miscellaneous	110,185	31,077	141,262	119,914
Programs and events	247,376	13,813	261,189	185,574
Rent	55,707	10,657	66,364	64,003
Salaries and personnel related expenses (Note 12)	919,869	281,700	1,201,569	1,039,121
	1,693,301	380,449	2,073,750	1,716,145

JEWISH FEDERATION OF GREATER VANCOUVER

ALLOCATIONS

Schedule 3

For the year ended March 31, 2019

	General Fund \$	Foundation Fund \$	2019 Total \$	2018 Total \$
Local agencies and programs				
Annual Campaign	4,347,988	-	4,347,988	4,240,659
Annual Campaign Plus	446,468	-	446,468	159,691
Miscellaneous	735,669	-	735,669	275,487
Israel and overseas agencies and programs (UIAC)				
Annual Campaign	1,626,889	-	1,626,889	1,628,095
Annual Campaign Plus	108,889	-	108,889	224,725
Miscellaneous	1,316,274	-	1,316,274	1,476,634
National allocations	463,311	-	463,311	592,894
Expenditures for Federation administered programs	1,737,664	-	1,737,664	1,402,336
Foundation grants (Note 9)	-	1,965,127	1,965,127	1,769,022
	10,783,152	1,965,127	12,748,279	11,769,543