

The Jewish Foundation of Greater Toronto

Financial Statements
June 30, 2022



Independent auditor's report

To the Directors of The Jewish Foundation of Greater Toronto

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Jewish Foundation of Greater Toronto (the Organization) as at June 30, 2022 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

What we have audited

The Organization's financial statements comprise:

- the statement of financial position as at June 30, 2022;
- the statement of revenue and expenditures and changes in fund balances for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

PricewaterhouseCoopers LLP
200 Apple Mill Road, Vaughan, Ontario, Canada L4K 0J8
T: +1 905 326 6800, F: +1 905 326 5339

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Ontario
November 24, 2022

The Jewish Foundation of Greater Toronto


Statement of Financial Position

As at June 30, 2022

(in thousands of dollars)

			2022	2021
	Endowment and Restricted Funds \$	General Funds \$	Total \$	Total \$
Assets				
Current assets				
Cash and cash equivalents	22,392	47	22,439	26,888
Marketable securities	5,207	11	5,218	4,726
Due from related party (note 3)	42	-	42	-
Amounts receivable and sundry assets (note 4)	248	1	249	2,374
Investments (notes 3 and 6)	63,916	-	63,916	52,279
	91,805	59	91,864	86,267
Amounts receivable and sundry assets (note 4)	8,441	-	8,441	8,024
Investments (note 5)	548,533	1,277	549,810	565,351
	648,779	1,336	650,115	659,642
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities (note 5)	1,191	3	1,194	210
Funds invested on behalf of other parties (notes 3 and 6)	63,916	-	63,916	52,279
	65,107	3	65,110	52,489
Fund Balances	583,672	1,333	585,005	607,153
	648,779	1,336	650,115	659,642

Approved by the Board of Directors

DocuSigned by:

 FE4A2F341A79428...

Director

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

The Jewish Foundation of Greater Toronto
Statement of Revenue and Expenditures and Changes in Fund Balances
For the year ended June 30, 2022

(in thousands of dollars)

	2022		2021	
	Endowment and Restricted Funds \$	General Funds \$	Total \$	Total \$
Revenues				
Contributions (note 3)	60,320	2	60,322	118,067
Investment income	12,294	24	12,318	9,062
	<u>72,614</u>	<u>26</u>	<u>72,640</u>	<u>127,129</u>
Expenditures				
Grants (note 3)	52,197	-	52,197	39,902
Administrative fees	1,836	10	1,846	1,481
Investment counsel and custodial fees	4,649	9	4,658	3,779
	<u>58,682</u>	<u>19</u>	<u>58,701</u>	<u>45,162</u>
Excess of revenues over expenditures before undernoted item	13,932	7	13,939	81,967
Fair value change in investments	<u>(35,995)</u>	<u>(92)</u>	<u>(36,087)</u>	<u>71,614</u>
Excess of (expenditures over revenues) revenues over expenditures for the year	(22,063)	(85)	(22,148)	153,581
Fund balances – Beginning of year	606,087	1,066	607,153	453,572
Inter-fund transfer (note 9)	<u>(352)</u>	<u>352</u>	<u>-</u>	<u>-</u>
Fund balances – End of year	<u>583,672</u>	<u>1,333</u>	<u>585,005</u>	<u>607,153</u>

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

The Jewish Foundation of Greater Toronto

Statement of Cash Flows

For the year ended June 30, 2022

(in thousands of dollars)

	2022 \$	2021 \$
Cash provided by (used in)		
Operating activities		
Excess of (expenditures over revenues) revenues over expenditures for the year	(22,148)	153,581
Items not involving cash		
Fair value change in investments	52,230	(71,614)
Reinvested investment income	(21,521)	(4,620)
	<hr/>	<hr/>
	8,561	77,347
Changes in non-cash components of working capital items		
Amounts receivable and sundry assets	1,708	(1,460)
Due from related party	(42)	-
Accounts payable and accrued liabilities	984	(418)
Funds invested on behalf of other parties	11,637	16,070
	<hr/>	<hr/>
	22,848	91,539
Investing activities		
Purchases of marketable securities	(11,683)	(416)
Purchases of investments	(63,363)	(102,043)
Proceeds from sale of marketable securities	11,650	-
Proceeds from sale of investments	36,099	11,114
	<hr/>	<hr/>
	(27,297)	(91,345)
Change in cash and cash equivalents during the year	<hr/>	<hr/>
	(4,449)	194
Cash and cash equivalents – Beginning of year	<hr/>	<hr/>
	26,888	26,694
Cash and cash equivalents – End of year	<hr/>	<hr/>
	22,439	26,888
Non-cash transaction		
Transfers to marketable securities from investments – net	459	303

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

The Jewish Foundation of Greater Toronto

Notes to Financial Statements

June 30, 2022

(in thousands of dollars)

1 Purpose of the Foundation

The Jewish Foundation of Greater Toronto (the Foundation) is a community foundation that makes charitable giving easy and rewarding, enabling individuals, families, advisors and organizations to fulfill their philanthropic goals and provide a positive impact on the community. The Foundation is incorporated under the laws of Canada.

2 Summary of significant accounting policies

Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), Part III of the Chartered Professional Accountants of Canada Handbook – Accounting, as issued by the Canadian Accounting Standards Board.

The significant accounting policies followed by the Foundation are as follows.

Revenue recognition policies

- Revenue recognition

The Foundation follows the restricted fund method of accounting for revenue. Revenue that is subject to internal and external restrictions is recognized in the appropriate fund when received or receivable. Externally restricted revenue for which no funds exist is deferred and recognized as the related expense occurs. Revenue that is not subject to internal and external restrictions is recognized in the General Funds when received.

The Foundation has been named the beneficiary in a number of wills. Bequests under these wills are recorded in the accounts of the Foundation when the funds are received.

- The Foundation maintains Endowment, Restricted and General Funds as follows:

- Endowment Funds

The Endowment Funds include those contributions that are established as permanent resources and preclude capital encroachment under any circumstances. Investment income is recognized when earned and is credited to the applicable fund. Included in the Endowment and Restricted Funds is \$58,714 (2021 – \$58,714) of original capital from endowed funds.

- Restricted Funds

The application of these funds is subject to the terms under which they were received: for specific purposes, field of interest or donor recommendation compatible with the Foundation's purposes.

The Jewish Foundation of Greater Toronto

Notes to Financial Statements

June 30, 2022

(in thousands of dollars)

- General Funds

The application of these funds is at the discretion of the Foundation for activities compatible with its purposes.

Allocation of expenses

The Foundation incurs administrative costs common to the activities in the Endowment, Restricted and General Funds. As these costs are paid outside the Foundation, to cover them administration fees are charged and allocated to individual funds based on the Foundation's Administration Fee Policy. The annual fee rate is tiered ranging from 0.25% to 1.5% based on the total market value of each applicable fund at the end of each fiscal quarter and charged in arrears at the end of the following fiscal quarter.

Investment counsel and custodial fees are allocated based on the average value of investments in each fund that is managed by investment managers. The methodology is reviewed by management each year and has been applied consistently.

Marketable securities

Marketable securities consist mainly of guaranteed investment certificates with initial maturities of 12 months or less.

Donated services

As is common with many charitable organizations, many services of the Foundation are voluntarily provided by the community. Since these services are not normally purchased by the Foundation and because of the difficulties in determining their fair value, the value of the donated services is not recognized in these financial statements.

Financial instruments

The Foundation initially measures its financial assets and financial liabilities at fair value, except related party transactions, which are measured at the exchange amount. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has elected to carry all of its investments at fair value.

Changes in the fair value of investments are recognized in the statement of revenues and expenditures and changes in fund balances and consist of realized and unrealized gains (losses) on financial instruments.

Financial assets are tested for impairment, as applicable, at the end of each reporting period when there are indicators the assets may be impaired.

Transactions are recorded on a trade date basis and transaction costs are expensed as incurred.

The Jewish Foundation of Greater Toronto

Notes to Financial Statements

June 30, 2022

(in thousands of dollars)

It is management's opinion that the Foundation is not exposed to significant liquidity or credit risk arising from its financial instruments as the risk is mitigated by spreading the investment portfolio across multiple investment managers and the Foundation transacts with reputable entities.

Market risk arises due to fluctuations in fair values, currency rates and interest rates. The Foundation is exposed to market risk on its investments. The Foundation manages this risk through investing a portion of the portfolio in lower risk securities and through diversification of the overall investment portfolio.

The Foundation holds cash and cash equivalents and investments and receives and makes payments denominated in currencies other than Canadian dollars. Any net liability resulting from these transactions may be offset, in part, through the purchase of foreign currency exchange forward contracts.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the statement of financial position date. Other assets, liabilities and operating items have been translated at exchange rates prevailing at the respective transaction dates. Exchange gains and losses are included in the statement of revenues and expenditures and changes in fund balances as part of fair value change in investments.

Derivative financial instruments

In order to limit its exposure to foreign exchange rate changes and foreign exchange risk, the Foundation utilizes foreign currency exchange forward contracts. The Foundation does not designate these contracts for hedge accounting. Accordingly, these instruments are recorded at fair value and any unrealized gains and losses related to foreign currency exchange forward contracts are recognized in the statement of revenues and expenditures and changes in fund balances as part of fair value change in investments. Derivative financial instruments are subject to standard credit terms and conditions, financial controls, management and risk monitoring procedures.

Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenditures during the year and the disclosure of contingent assets and liabilities at the date of the financial statements. Significant items subject to such estimates and assumptions include the valuation of investments, amounts receivable and accruals. Actual results could differ from those estimates.

The Jewish Foundation of Greater Toronto

Notes to Financial Statements

June 30, 2022

(in thousands of dollars)

3 Related party transactions

The Foundation is related to the following incorporated entities controlled by UJA Federation of Greater Toronto:

- Joseph and Wolf Lebovic Jewish Community Campus
- Lipa Green Centre for Jewish Community Services
- Sherman Campus
- 750 Spadina Ave. Association
- Jewish Community Properties of Greater Toronto
- Prosserman Jewish Community Centre
- Schwartz/Reisman Centre
- 1867942 Ontario Inc. (Lebovic food services contract)
- Jewish Museum of Canada
- American Friends of United Jewish Appeal of Greater Toronto Inc.
- Greater Toronto Jewish Federation New Ventures
- United Jewish Appeal of Greater Toronto (UJAGT)
- The Ontario Jewish Archives Foundation

The transactions have been calculated at the exchange amount as determined on an arm's length basis.

During the year, the Foundation paid \$19,226 (2021 – \$13,523) in grants and withdrawals from funds to UJAGT and received \$4,542 (2021 – \$56,397) in contributions and deposits into funds from UJAGT.

At year-end, the Foundation had a receivable balance of \$42 from UJAGT (2021 – \$nil).

The Foundation has amounts invested on behalf of related parties as follows:

	2022	2021
	\$	\$
Joseph and Wolf Lebovic Jewish Community Campus	4,575	4,806
Sherman Campus	674	634
Lipa Green Centre for Jewish Community Services	922	277
UJAGT	784	-
	<hr/>	
	6,955	5,717
	<hr/>	

In 2021, the Foundation invested in a fund that employs one of the Board members. Total investment management fees paid to this investment manager during fiscal 2021 totalled \$100.

The Jewish Foundation of Greater Toronto

Notes to Financial Statements

June 30, 2022

(in thousands of dollars)

4 Amounts receivable and sundry assets

The long-term amounts receivable and sundry assets consist of the following:

	2022 \$	2021 \$
Loans – UJAGT	8,300	7,800
Other	141	224
	<hr/> 8,441	<hr/> 8,024

	2022 \$	2021 \$
Loans – UJAGT		
Loan 1	1,000	1,000
Loan 2	3,000	3,000
Loan 3	3,800	3,800
Loan 4	500	-
	<hr/> 8,300	<hr/> 7,800

In 2014, the Foundation loaned a total of \$5,000 to UJAGT with the understanding that the funds would in turn be loaned to Joseph and Wolf Lebovic Jewish Community Campus (JWLJCC). JWLJCC used the funds to pay down its debt. The remaining loan of \$4,000 is broken down into two tranches (Loans 1 and 2), as noted below.

In 2015, the Foundation loaned a further \$3,800 to UJAGT (Loan 3), which in turn loaned this amount to JWLJCC to fulfill a donor commitment.

In 2022, the Foundation loaned a total of \$500 to UJAGT (Loan 4) with the understanding that the funds would in turn be loaned to Camp Ramah as part of the Community Resilience Loan program.

All loans are unsecured and non-interest bearing.

Loan 1 is repayable immediately when JWLJCC collects sufficient unrestricted donations for its capital campaign.

Loans 2 and 3 are repayable the later of:

- i) receipt of funds by UJAGT from JWLJCC equal to any amount of the loan; and
- ii) on or before June 30, 2024 or such later date as may be determined by UJAGT, but in any event no later than June 30, 2029.

The Jewish Foundation of Greater Toronto

Notes to Financial Statements

June 30, 2022

(in thousands of dollars)

Repayments are not expected to commence before December 31, 2023 and will be repaid within ten years from the effective date of the agreement.

5 Investments

	2022 \$	2021 \$
Fixed income investments		
State of Israel bonds	11,911	10,561
Pooled funds	97,623	92,448
	<u>109,534</u>	<u>103,009</u>
Equity investments		
Domestic pooled funds	114,159	87,019
Foreign pooled funds	390,033	427,602
	<u>504,192</u>	<u>514,621</u>
	<u>613,726</u>	<u>617,630</u>

Foreign currency exchange forward contracts

The Foundation has some investments denominated in US dollars. In order to limit its exposure to exchange rate changes, the Foundation used foreign currency exchange forward contracts during the year. As at June 30, 2022, the following contracts were held:

Type	Currency \$	Amount \$	Average exchange rate
Forward contracts	US	<u>62,440</u>	1.2866

All contracts held as at June 30, 2022 will come due within one year. The fair value of the contracts is \$954 and is included in accounts payable and accrued liabilities (2021 – \$1,874 and was included in amounts receivable and sundry assets).

6 Funds invested on behalf of other parties

Funds invested on behalf of other parties represent their pro rata share of the investment assets of the Foundation and are recorded at the fair value of such investments. These funds may be withdrawn at any time. The deposits, withdrawals, and investment and administrative activity for these funds are not reflected in the statement of revenues and expenditures and changes in fund balances.

The Jewish Foundation of Greater Toronto

Notes to Financial Statements

June 30, 2022

(in thousands of dollars)

7 Insurance policies

The Foundation is the beneficiary under various life insurance policies with an aggregate face value of \$28,800 (2021 – \$23,314).

8 Impact of COVID-19

The COVID-19 pandemic continued to evolve during the year, with the outbreak of mutated viruses causing a significant increase in the number of cases. Measures taken by various governments to contain the virus have affected economic activity. The pandemic has resulted in increased volatility in the fair value of the Foundation's investments. The duration of the pandemic and its effects cannot be determined with certainty, nor the extent of the financial impact, which could be material, on the future financial statements.

9 Inter-fund transfer

Inter-fund transfer consists of a transfer from the Restricted Fund to the General Fund for special initiatives in support of the growth and development of the Foundation.

10 Commitments

The Foundation has outstanding commitments relating to limited partnerships and other private investments, which are expected to be drawn on over time. As at June 30, 2022, the undrawn committed amount is \$44,682 (2021 – \$68,639).