



Compiled Financial Information

Tikva Housing Society

August 31, 2023

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Compilation Engagement Report

To the Members of
Tikva Housing Society

On the basis of information provided by Management, we have compiled the statement of financial position of Tikva Housing Society as at August 31, 2023, the statements of operations and changes in net assets for the year then ended, and Note 2, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Vancouver, Canada
December 6, 2023



Chartered Professional Accountants

Tikva Housing Society

Statement of Operations

Year ended August 31

| | 2023 | 2022 |
|--|------------------|------------------|
| Revenues | | |
| Rent | \$ 684,379 | \$ 462,897 |
| Donations | 423,708 | 415,233 |
| Grants | 178,286 | 148,865 |
| Other items | 82,000 | 42,505 |
| Interest income | <u>69,742</u> | <u>8,126</u> |
| | <u>1,438,115</u> | <u>1,077,626</u> |
| Expenditures | | |
| Administration expenses (Schedule 1) | 641,093 | 378,933 |
| Rent subsidy (Schedule 1) | 165,888 | 136,959 |
| Building operating expenses (Schedule 1) | 489,393 | 401,887 |
| Financing expenses (Schedule 1) | 10,674 | 11,459 |
| Fundraising expenses (Schedule 1) | 1,725 | 3,292 |
| Amortization of property and equipment | <u>115,208</u> | <u>57,229</u> |
| | <u>1,423,981</u> | <u>989,759</u> |
| Excess of revenues over expenditures | <u>\$ 14,134</u> | <u>\$ 87,867</u> |

Tikva Housing Society

Statement of Changes in Net Assets

Year ended August 31

| | Internally restricted | Unrestricted | Total 2023 | Total 2022 |
|---|--------------------------|----------------------|----------------------|---------------------|
| Balance, beginning of year | \$ 81,155 | \$ 2,370,114 | \$ 2,451,269 | \$ 2,363,402 |
| Excess of revenues over expenditures | 2,896 | 11,238 | 14,134 | 87,867 |
| Capital contributions | - | 8,202,367 | 8,202,367 | - |
| Transfer | <u>21,997</u> | <u>(21,997)</u> | <u>-</u> | <u>-</u> |
| Balance, end of year | <u>\$ 106,048</u> | <u>\$ 10,561,722</u> | <u>\$ 10,667,770</u> | <u>\$ 2,451,269</u> |

Tikva Housing Society

Statement of Financial Position

August 31

2023

2022

Assets

Current

| | | |
|---------------------------------|----------------------|---------------------|
| Cash | \$ 1,410,644 | \$ 1,051,850 |
| Accounts receivable | 36,380 | 9,577 |
| Prepaid expenses | 57,396 | 13,821 |
| GST/HST refundable | <u>21,915</u> | <u>14,075</u> |
| | 1,526,335 | 1,089,323 |
| Note receivable (Note 3) | 1,113,391 | 1,000,000 |
| Due from related party | 1,757 | 1,013 |
| Property and equipment (Note 4) | <u>12,936,239</u> | <u>3,287,004</u> |
| | <u>\$ 15,577,722</u> | <u>\$ 5,377,340</u> |

Liabilities

Current

| | | |
|---|------------------|------------------|
| Accounts payable | \$ 126,938 | \$ 216,833 |
| Deferred revenue | 965,454 | 242,794 |
| Deposits payable | 70,784 | 48,582 |
| Current portion of Scotia Mortgage (Note 5) | <u>24,526</u> | <u>23,898</u> |
| | 1,187,702 | 532,107 |
| Scotia Mortgage (Note 5) | 258,978 | 283,471 |
| Deferred capital contributions (Note 6) | <u>3,463,272</u> | <u>2,110,493</u> |
| | <u>4,909,952</u> | <u>2,926,071</u> |

Net assets

| | | |
|-----------------------|----------------------|---------------------|
| Internally restricted | 106,048 | 81,155 |
| Unrestricted | <u>10,561,722</u> | <u>2,370,114</u> |
| | <u>10,667,770</u> | <u>2,451,269</u> |
| | <u>\$ 15,577,722</u> | <u>\$ 5,377,340</u> |

On behalf of the Board

_____ Director

_____ Director

Tikva Housing Society

Notes to the Compiled Financial Information

August 31, 2023

1. Nature of operations

Tikva Housing Society (the "Society") is a not-for-profit society which provides access to affordable housing primarily to low and moderate income Jewish households in Metro Vancouver. Working with partner agencies such as Jewish Federation of Greater Vancouver ("JFGV") and Jewish Family Services ("JFS"), other non-profit agencies, and government organizations, Tikva facilitates the provision of outside support services and programs to assist vulnerable tenants.

Tikva Housing Society, established under the Societies Act of British Columbia, is a registered charity per paragraph 149(1)(f) of the Income Tax Act (Registration # 84256 2613 RR0001).

2. Basis of accounting

The preparation of the statement of financial position of Tikva Housing Society as at August 31, 2023 and the statements of operations and changes in net assets for the year then ended is on the cash basis of accounting with the addition of the following:

- (a) accounts receivable are accrued as at the reporting date.
 - (b) accounts payable and accrued liabilities are accrued as at the reporting date.
 - (c) unrestricted contributions are recognized as revenue when received. Contributions that are restricted by third parties are recognized as revenue when the related expenses have been incurred. When the related expenses have not yet been incurred, contributions that are restricted by third parties are recorded as deferred revenue.
 - (d) property and equipment are recorded at historical cost and are amortized over their useful lives
-

3. Note receivable

The note receivable from Vancouver Community Land Trust Foundation ("VCLTF") matures on February 28, 2031. Interest not yet received of \$113,391 has been accrued as at August 31, 2023.

Tikva Housing Society

Notes to the Compiled Financial Information

August 31, 2023

| 4. Property and equipment | | | <u>2023</u> | <u>2022</u> |
|-----------------------------------|-----------------------------|-------------------------------------|-----------------------------|----------------------------|
| | <u>Cost</u> | <u>Accumulated Amortization</u> | <u>Net Book Value</u> | <u>Net Book Value</u> |
| Land | \$ 9,076,895 | \$ - | \$ 9,076,895 | \$ 882,528 |
| Buildings | 4,178,598 | 728,323 | 3,450,275 | 2,129,161 |
| Equipment | 24,525 | 15,442 | 9,083 | 164 |
| Leasehold improvements | 137,637 | 38,179 | 99,458 | - |
| New Roof - Dany Guincher | 17,500 | 17,105 | 395 | 2,145 |
| Furniture | 7,585 | 4,258 | 3,327 | 3,121 |
| Building improvements in progress | <u>288,806</u> | <u>-</u> | <u>288,806</u> | <u>269,885</u> |
| | 13,731,546 | 803,307 | 12,928,239 | 3,287,004 |
| Artwork | <u>8,000</u> | <u>-</u> | <u>8,000</u> | <u>-</u> |
| | <u>\$ 13,739,546</u> | <u>\$ 803,307</u> | <u>\$ 12,936,239</u> | <u>\$ 3,287,004</u> |
| Land consists of: | | | | |
| Land - Dany Guincher | \$ 882,528 | \$ - | \$ 882,528 | \$ 882,528 |
| Land - ALRR | <u>8,194,367</u> | <u>-</u> | <u>8,194,367</u> | <u>-</u> |
| | <u>\$ 9,076,895</u> | <u>\$ -</u> | <u>\$ 9,076,895</u> | <u>\$ 882,528</u> |
| Buildings consists of: | | | | |
| Buildings - Dany Guincher | \$ 1,199,257 | \$ 547,702 | \$ 651,555 | \$ 678,702 |
| Buildings - Diamond Residences | 1,585,298 | 161,260 | 1,424,038 | 1,450,459 |
| Building - ALRR | <u>1,394,043</u> | <u>19,361</u> | <u>1,374,682</u> | <u>-</u> |
| | <u>\$ 4,178,598</u> | <u>\$ 728,323</u> | <u>\$ 3,450,275</u> | <u>\$ 2,129,161</u> |

In fiscal 2017, the Society entered into an agreement for land and building for the Diamond Residences in Richmond. The land is leased under a 60-year lease agreement which expires in July 2077. The purchase was financed with capital contributions (Note 6).

In fiscal 2023, the Society purchased land and building, Al and Lola Roadburg Residences ("ALRR"), located at 1990 West 41st Avenue, Vancouver for Jewish households in need. The project is funded by a capital contribution from the Al Roadburg Foundation (Note 6). The building is estimated to have a useful life of 30 years and is amortized on a straight-line basis. The portion of the capital contribution used to buy the building is recorded as a deferred capital contribution and is recognized into revenue on the same basis as the amortization of the building. The land is not amortized and is recognized as a direct increase in net assets.

In fiscal 2023, the Society received a donation of artwork, with a fair market value of \$8,000. The artwork is not amortized and is recognized as a direct increase in net assets.

Tikva Housing Society

Notes to the Compiled Financial Information

August 31, 2023

| 5. Scotia Mortgage | <u>2023</u> | <u>2022</u> |
|---|--------------------------|-------------------|
| Scotia Mortgage, due June 1, 2033, interest bearing at 3.58%, with monthly payments of principal and interest of \$2,850. The loan is secured by a mortgage on land and buildings with a net book value of \$1,534,083. | \$ 283,504 | \$ 307,369 |
| Less current portion | <u>24,526</u> | <u>23,898</u> |
| Due beyond one year | <u>\$ 258,978</u> | <u>\$ 283,471</u> |
| Estimated principal repayments are as follows: | | |
| 2024 | \$ 24,526 | |
| 2025 | 25,411 | |
| 2026 | 26,329 | |
| 2027 | 27,280 | |
| 2028 | 28,266 | |
| Subsequent years | <u>151,692</u> | |
| | <u>\$ 283,504</u> | |

6. Deferred capital contributions

| | <u>Balance, beginning of year</u> | <u>Received</u> | <u>Recognized</u> | <u>Balance, end of year</u> |
|-----------------------------|---|----------------------------|---------------------------|---------------------------------|
| BC Housing retrofit project | \$ 275,444 | \$ 19,882 | \$ - | \$ 295,326 |
| Diamond Residences | 1,450,987 | - | (26,422) | 1,424,565 |
| Dany Guincher building | 384,062 | - | (15,362) | 368,700 |
| AI Roadburg Foundation | <u>-</u> | <u>1,394,043</u> | <u>(19,362)</u> | <u>1,374,681</u> |
| | <u>\$ 2,110,493</u> | <u>\$ 1,413,925</u> | <u>\$ (61,146)</u> | <u>\$ 3,463,272</u> |

In fiscal 2008, the Society entered into a forgivable loan agreement for \$765,000 relating to the purchase of the Dany Guincher land and building. This loan is forgivable starting on the 11th year at a rate of \$51,000 per year through to the end of the 25-year term. Under this Agreement, the Society must meet certain conditions for the duration of the term. If the conditions are not met, the Society would be liable to pay the unforgiven balance of \$459,000 at August 31, 2023 plus interest. The Society expects to meet these conditions and has therefore included \$368,700, the amount allocated as the contribution towards the purchase of the building, in deferred capital contributions. This is being amortized on the same basis and rate as the building.

In fiscal 2023, the Society received a restricted donation of \$10,000,000 for the purpose of purchasing a rental building. On March 29, 2023 the donation was used to purchase 1990 West 41st Avenue land and building in Vancouver. \$8,194,367 is allocated to the cost of the land and \$1,394,043 is allocated to the cost of the building (the building is a deferred capital contribution which is being amortized on the same basis and rate as the underlying asset). The remaining funds of \$411,590 from the donation are deferred and are expected to be used for upgrades and repairs of the building in the future.

Tikva Housing Society

Notes to the Compiled Financial Information

August 31, 2023

7. Disclosure required under the Societies Act

On November 28, 2016 the Societies Act of British Columbia came to force. Included in the new Act is a requirement to disclose the remuneration paid to all directors, the ten highest paid employees and all contractors who are paid at least \$75,000 annually.

During the year, the Society had one employee whose annual remuneration was higher than \$75,000 and one contractor under contract for services whose annual remuneration was \$75,000 (2022 - one contractor under contract for services whose annual remuneration was \$79,000).

Tikva Housing Society

Schedule to the Financial Information

Year ended August 31

| Schedule of expenditures | Schedule 1 | |
|--|--------------------------|--------------------------|
| | 2023 | 2022 |
| Administration expenses | | |
| Consulting fees | \$ 115,830 | \$ 80,660 |
| Insurance | 4,343 | 3,005 |
| Legal and professional | 31,504 | 22,533 |
| Meeting expense | 4,917 | 547 |
| Office | <u>484,499</u> | <u>272,188</u> |
| | <u>\$ 641,093</u> | <u>\$ 378,933</u> |
| Rent subsidy | | |
| Tikva Housing Rent Subsidy Program | <u>\$ 165,888</u> | <u>\$ 136,959</u> |
| Building operating expenses | | |
| Advertising, promotion | \$ 6,792 | \$ 7,162 |
| Janitorial | 12,222 | 8,095 |
| Lease expense | 221,232 | 170,086 |
| Management | 151,142 | 157,117 |
| Pest control | 300 | 100 |
| Property insurance | 16,008 | 10,406 |
| Property taxes | 21,337 | 1,835 |
| Repairs and maintenance | 41,406 | 34,445 |
| Utilities, telephone, security and fire safety | <u>18,954</u> | <u>12,641</u> |
| | <u>\$ 489,393</u> | <u>\$ 401,887</u> |
| Financing expenses | | |
| Bank charges | \$ 568 | \$ 638 |
| Mortgage interest | <u>10,106</u> | <u>10,821</u> |
| | <u>\$ 10,674</u> | <u>\$ 11,459</u> |
| Fundraising expenses | | |
| Donation administration fees | <u>\$ 1,725</u> | <u>\$ 3,292</u> |
