

**TIKVA HOUSING SOCIETY**  
**Compiled Financial Information**  
**Year Ended August 31, 2024**



DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

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## COMPILATION ENGAGEMENT REPORT

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To the Management 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, 2024, and the statements of changes in net assets and operations 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.

DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC  
November 28, 2024

### Vancouver

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604.687.4747

### Surrey

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Surrey, BC V4A 4N2  
604.531.1154

### Tri-Cities

700 - 2755 Lougheed Hwy  
Port Coquitlam, BC V3B 5Y9  
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### Victoria

320 - 730 View St.  
Victoria, BC V8W 3Y7  
250.800.4694

**TIKVA HOUSING SOCIETY**  
**Statement of Financial Position**  
**August 31, 2024**

	<b>2024</b>	<b>2023</b> <i>Restated</i>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 1,094,476	\$ 851,575
Term deposits	348,873	357,062
Accounts receivable	1,077	2,675
Interest receivable	14,159	15,309
Goods and services tax recoverable	11,995	21,915
Prepaid expenses	42,667	57,396
	1,513,247	1,305,932
<b>TERMS DEPOSITS</b>	<b>184,269</b>	<b>202,008</b>
<b>DUE FROM TIKVA RENTAL HOUSING SOCIETY</b>	<b>2,805</b>	<b>20,154</b>
<b>NOTES RECEIVABLE (Note 3)</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>INTEREST ON NOTE RECEIVABLE RECEIVABLE (Note 3)</b>	<b>195,484</b>	<b>113,391</b>
<b>PROPERTY AND EQUIPMENT (Note 4)</b>	<b>13,156,001</b>	<b>13,167,845</b>
	<b>\$ 16,051,806</b>	<b>\$ 15,809,330</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 178,611	\$ 126,938
Deferred revenue	826,083	852,063
Security deposits	72,708	70,784
Current portion of Scotia mortgage (Note 5)	25,411	24,526
	1,102,813	1,074,311
<b>DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 6)</b>	<b>3,210,485</b>	<b>3,196,071</b>
<b>SCOTIA MORTGAGE (Note 5)</b>	<b>233,567</b>	<b>258,978</b>
<b>FORGIVABLE LOAN (Note 7)</b>	<b>198,016</b>	<b>222,263</b>
	<b>4,744,881</b>	<b>4,751,623</b>
<b>NET ASSETS</b>		
Replacement reserve	143,381	106,048
Unrestricted	11,163,544	10,951,659
	11,306,925	11,057,707
	<b>\$ 16,051,806</b>	<b>\$ 15,809,330</b>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

See notes to financial information

**TIKVA HOUSING SOCIETY**  
**Statement of Changes in Net Assets**  
**Year Ended August 31, 2024**

	Replacement reserve	Unrestricted	<b>2024</b>	2023 <i>Restated</i>
<b>NET ASSETS - BEGINNING OF YEAR</b>				
As previously reported	\$ 106,048	\$ 10,561,722	<b>\$ 10,667,770</b>	\$ 10,966,676
Prior period adjustments	-	389,937	<b>389,937</b>	-
As restated	106,048	10,951,659	<b>11,057,707</b>	10,966,676
Excess of revenue over expenditures	4,813	242,105	<b>246,918</b>	91,031
Additions of capital contributions	-	2,300	<b>2,300</b>	-
Transfer to replacement reserve	32,520	(32,520)	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 143,381</b>	<b>\$ 11,163,544</b>	<b>\$ 11,306,925</b>	<b>\$ 11,057,707</b>

See notes to financial information

**TIKVA HOUSING SOCIETY**  
**Statement of Operations**  
**Year Ended August 31, 2024**

	2024	2023 <i>Restated</i>
<b>REVENUE</b>		
Rent	\$ 921,470	\$ 684,379
Donations	728,005	423,708
Grants	202,957	178,286
Interest income	149,514	139,309
Administration fees and other	45,627	82,000
Amortization of forgivable loan related to capital assets	7,330	7,330
	<u>2,054,903</u>	<u>1,515,012</u>
<b>EXPENDITURES</b>		
Administration expenses	814,986	641,094
Rent subsidy	205,358	165,888
Building operating expenses	625,471	489,392
Financing expenses	10,867	10,674
Fundraising expenses	2,369	1,725
Amortization	148,934	115,208
	<u>1,807,985</u>	<u>1,423,981</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<u>\$ 246,918</u>	<u>\$ 91,031</u>

See notes to financial information

**TIKVA HOUSING SOCIETY**  
**Notes to Compiled Financial Information**  
**Year Ended August 31, 2024**

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**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).

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**2. BASIS OF ACCOUNTING**

The basis of accounting applied in the preparation of the statement of financial position of Tikva Housing Society as at August 31, 2024, and the statements of changes in net assets and operations for the year then ended is the historical cost basis and reflects cash transactions with the addition of:

- Accounts receivable
  - Term deposits
  - Prepaid expenses
  - Accounts payable and accrued liabilities
  - Property and equipment is amortized over their useful lives
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**3. NOTE RECEIVABLE**

The note receivable of \$1,000,000 (2023 - \$1,000,000) from Vancouver Community Land Trust Foundation ("VCLTF") matures on February 28, 2031. Interest not yet received as at August 31, 2024 of \$195,484 (2023 - \$113,391) has been accrued. Management does not expect the amount to be collected until February 28, 2031.

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**TIKVA HOUSING SOCIETY**  
**Notes to Compiled Financial Information**  
**Year Ended August 31, 2024**

**4. PROPERTY AND EQUIPMENT**

	Cost	Accumulated amortization	<b>2024 Net book value</b>	2023 Net book value
Land	\$ 9,076,895	\$ -	\$ 9,076,895	\$ 9,076,895
Buildings	4,212,264	593,047	<b>3,619,217</b>	3,681,881
Equipment	28,772	17,684	<b>11,088</b>	9,083
Leasehold improvements	147,051	87,481	<b>59,570</b>	99,458
New roof - Dany Guincher	17,500	17,500	-	395
Furniture	7,585	4,924	<b>2,661</b>	3,327
Building improvements in progress	376,270	-	<b>376,270</b>	288,806
Artwork	10,300	-	<b>10,300</b>	8,000
	<b>\$ 13,876,637</b>	<b>\$ 720,636</b>	<b>\$ 13,156,001</b>	<b>\$ 13,167,845</b>
	Cost	Accumulated amortization	<b>2024 Net book value</b>	2023 Net book value
Land - Dany Guincher	\$ 882,528	\$ -	\$ 882,528	\$ 882,528
Land - ALRR	8,194,367	-	<b>8,194,367</b>	8,194,367
	<b>9,076,895</b>	<b>-</b>	<b>9,076,895</b>	<b>9,076,895</b>
Buildings - Diamond Residences	1,585,298	187,682	<b>1,397,616</b>	1,424,038
Buildings - ALRR	1,427,710	69,197	<b>1,358,513</b>	1,374,681
Building - Dany Guincher	1,199,256	336,169	<b>863,087</b>	878,694
	<b>\$ 4,212,264</b>	<b>\$ 593,048</b>	<b>\$ 3,619,216</b>	<b>\$ 3,677,413</b>

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 was recognized as a direct increase in net assets.

In fiscal 2024, the Society received a donation of artwork, with a fair market value of \$2,300 (2023 - \$8,000). The artwork is not amortized and is recognized as a direct increase in net assets.

**TIKVA HOUSING SOCIETY**  
**Notes to Compiled Financial Information**  
**Year Ended August 31, 2024**

**5. SCOTIA MORTGAGE**

	<b>2024</b>	<b>2023</b>
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.	<b>\$ 258,978</b>	\$ 283,504
Amounts payable within one year	<b>(25,411)</b>	(24,526)
	<b>\$ 233,567</b>	\$ 258,978

Principal repayment terms are approximately:

2025	\$ 25,411
2026	26,329
2027	27,280
2028	28,266
2029	29,287
Thereafter	122,405
	<b>\$ 258,978</b>

**6. DEFERRED CAPITAL CONTRIBUTIONS**

	Balance, beginning of year	Received	Recognized	<b>Balance, end of year</b>
BC Housing retrofit project	\$ 295,326	\$ 70,388	\$ -	\$ <b>365,714</b>
Diamond Residences	1,424,565	-	(26,422)	<b>1,398,143</b>
Dany Guincher building	61,576	10,263	-	<b>71,839</b>
Al Roadburg Foundation	1,374,681	-	(46,468)	<b>1,328,213</b>
	<b>\$ 3,156,148</b>	<b>\$ 80,651</b>	<b>\$ (72,890)</b>	<b>\$ 3,163,909</b>

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 Compiled Financial Information**  
**Year Ended August 31, 2024**

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**7. FORGIVABLE LOAN**

	<u>2024</u>	<u>2023</u>
Balance at beginning of year	\$ 222,262	\$ 246,508
Amortized to revenue	(7,330)	(7,330)
Transferred to deferred contributions related to capital assets	<u>(16,916)</u>	<u>(16,916)</u>
Balance at end of year	<u>\$ 198,016</u>	<u>\$ 222,262</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 \$416,500 at August 31, 2024 (2023 - 467,500) plus interest. The Society expects to meet these conditions and has therefore included the amount of \$71,839 (2023 - \$61,576) 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.

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**TIKVA HOUSING SOCIETY**  
**Schedule of expenditures**  
**Year Ended August 31, 2024**

**(Schedule 1)**

	2024	2023
<b>Administration expenses</b>		
Consulting fees	\$ 23,516	\$ 115,830
Insurance	4,168	4,343
Legal and professional	24,148	31,504
Meeting expense	-	4,917
Office	763,154	484,499
	<u>814,986</u>	<u>641,093</u>
<b>Rent subsidy</b>		
Tikva Housing Rent Subsidy Program	<u>205,358</u>	<u>165,888</u>
<b>Building operating expenses</b>		
Advertising, promotion	-	6,792
Janitorial	17,405	12,222
Lease expense	260,084	221,232
Management	170,529	151,142
Pest control	1,395	300
Property insurance	26,926	16,008
Property taxes	19,804	21,337
Repairs and maintenance	85,780	41,406
Utilities, telephone, security and fire safety	43,548	18,954
	<u>625,471</u>	<u>489,393</u>
<b>Financing expenses</b>		
Bank charges	821	568
Mortgage interest	10,046	10,106
	<u>10,867</u>	<u>10,674</u>
<b>Fundraising expenses</b>		
Donation administration fees	<u>2,369</u>	<u>1,725</u>
<b>Amortization</b>		
Amortization of property and equipment	<u>148,934</u>	<u>115,208</u>
	<u>\$ 1,807,985</u>	<u>\$ 1,423,981</u>

See notes to financial information