

Calgary Jewish Federation

Financial Statements
August 31, 2017



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Independent Auditor's Report

To the Directors of Calgary Jewish Federation

We have audited the accompanying financial statements of Calgary Jewish Federation, which comprise the statement of financial position as at August 31, 2017 and the statements of operations and changes in net assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Calgary Jewish Federation as at August 31, 2017 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.

BDO Canada LLP

Chartered Professional Accountants

Calgary, Alberta
November 20, 2017

Calgary Jewish Federation
Statement of Financial Position
As at August 31

	2017 \$	2016 \$
Assets		
Current assets		
Cash and cash equivalents	1,156,779	587,616
Restricted cash (note 2b)	772	43,076
Accounts receivable (note 7)	33,101	150,909
Prepaid expenses	27,333	12,770
	<u>1,217,985</u>	<u>794,371</u>
Investments (State of Israel Bonds)	367,094	349,356
Property and equipment (note 3)	70,968	10,631
	<u>1,656,047</u>	<u>1,154,358</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	88,751	55,194
Deferred revenue (note 4)	744,423	247,224
	<u>833,174</u>	<u>302,418</u>
Deferred contributions (note 5)	123,771	123,762
	<u>956,945</u>	<u>426,180</u>
Net assets		
Unrestricted	319,116	323,192
Internally restricted (note 12)	279,986	304,986
Endowment contribution (note 6)	100,000	100,000
	<u>699,102</u>	<u>728,178</u>
	<u>1,656,047</u>	<u>1,154,358</u>

Approved on behalf of the Directors:



Director



Director

Calgary Jewish Federation
Statement of Operations and Changes in Net Assets
For the years ended August 31

	2017	2016
	\$	\$
Revenue		
Annual campaign donations	2,706,197	2,849,627
Program revenue (schedule A)	244,044	195,444
Event fees	11,520	22,884
Grants, donations and other fundraising	318,976	304,367
Investment income and foreign exchange differences - net	-	7,296
Amortization of deferred contribution property and equipment	1,371	-
	<hr/>	<hr/>
	3,282,108	3,379,618
Expenses		
Agency funding (note 8)	1,810,079	1,893,151
Salaries and benefits (note 13)	729,329	635,874
Community program direct service costs (note 9; schedule A)	515,676	483,889
Administration (note 9)	195,414	199,129
Campaign direct costs (note 9)	52,538	89,497
Investment income and foreign exchange differences - net	3,752	-
Amortization of property and equipment	4,396	-
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	3,311,184	3,301,540
Excess (deficiency) of revenue over expenses	(29,076)	78,078
Net assets – Beginning of year	628,178	550,100
Endowment contribution (note 6)	100,000	100,000
	<hr/>	<hr/>
Net assets – End of year	<u>699,102</u>	<u>728,178</u>

Calgary Jewish Federation

Statement of Cash Flows

For the years ended August 31

	2017 \$	2016 \$
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenses	(29,076)	78,078
Item not affecting cash		
Amortization of property and equipment	4,396	-
Amortization of property and equipment deferred contribution	(1,371)	-
Net change in non-cash working capital	634,001	82,085
	<u>607,950</u>	<u>160,163</u>
Investing activities		
Changes in restricted cash	42,304	7,662
Property and equipment	(64,733)	(10,631)
Changes in long-term investments	(17,738)	(25,586)
	<u>(40,167)</u>	<u>(28,555)</u>
Financing activities		
Deferred capital contribution	1,380	23,500
	<u>1,380</u>	<u>23,500</u>
Increase (decrease) in cash and equivalents	569,163	155,108
Cash and equivalents – Beginning of year	<u>587,616</u>	<u>432,508</u>
Cash and equivalents – End of year	<u>1,156,779</u>	<u>587,616</u>

Calgary Jewish Federation

Notes to Financial Statements

August 31, 2017

1 Purpose of the organization

The Calgary Jewish Federation (the "Federation") was formed on December 11, 2009 under the Societies Act of Alberta as a registered charitable public foundation. As a registered charitable foundation under Section 149 (1) of the Income Tax Act, the Federation is exempt from income taxes.

The Federation is the community's central funding, planning and coordinating body. The Federation proudly funds vital programs and services through the annual United Jewish Appeal ("UJA") Campaign and allocates resources according to a strategic plan based on Jewish communal needs and priorities. The Federation offers programming as approved by the Canada Revenue Agency. The Federation operations include the Kashrut program, the community Mikveh program and the Hillel programs at the two Calgary Universities. The programs conducted by the Federation have specific emphasis on leadership development, outreach and Holocaust education.

2 Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). These financial statements have, in management's opinion, been properly prepared within the framework of the accounting policies summarized as follows:

a) Revenue recognition

Calgary Jewish Federation follows the deferral method of accounting. Restricted contributions for operating purposes are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for the purchase of property and equipment are deferred and recognized as revenue on the same basis that the related assets are amortized. Unrestricted contributions are recognized as revenue when received.

Investment income is recorded when earned. Donations are recorded upon receipt and pledges are not recognized. Revenue from fees for programs and event fees are recognized when services are provided.

b) Restricted cash

Restricted cash represents funds which can only be used for eligible expenses as determined by the Alberta Gaming And Liquor Commission, being proceeds from a casino.

c) Property and equipment

Purchased property and equipment are recorded at cost. Contributed property and equipment are recorded at fair value at the date of the contribution. Amortization is recorded on a straight-line basis as follows:

Asset category	
Computer software	3 - 10 years

Calgary Jewish Federation

Notes to Financial Statements

August 31, 2017

d) Contributed materials and services

Donated materials and services are recorded in the financial statements at market value when fair market value can be reasonably estimated and the materials and services would otherwise have been purchased. Volunteers contribute time to assist the Federation in carrying out its services and delivery of its activities. Due to the difficulty of determining their fair value, contributed services are not recorded in the financial statements.

e) Controlled organizations

Federation accounts for not-for-profit organizations, over which it exercises control, by providing disclosure of key information for those organizations (Note 10).

f) Investments

Investments consist of government bonds. The investments will mature between December 1, 2017 and Dec 1, 2026 and bear interest at rates from 2.12% - 3.66%.

g) Financial instruments

The Federation initially measures its financial assets and liabilities at fair value. Subsequently, financial instruments are recorded at cost or amortized cost with the exception of equities traded in an active market, which are recorded at fair value, and any financial instruments designated as being recorded at fair value. The financial assets subsequently measured at amortized cost include cash, cash equivalents, restricted cash and accounts receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities. Investments are designated as being measured at fair value.

Financial instruments, except those recorded at fair value, are tested for impairment when changes in circumstances indicate that the asset could be impaired.

h) Foreign currency transactions

Monetary assets and liabilities of the Federation which are denominated in foreign currencies are translated at year-end exchange rates. Revenue and expenses are translated at the rates of exchange in effect at their transaction dates. The resulting gains or losses are included in operations.

i) Use of estimates

The preparation of financial statements in conformity with ASNPO 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 expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant.

Calgary Jewish Federation

Notes to Financial Statements

August 31, 2017

3 Property and equipment

	2017		
	Cost \$	Accumulated amortization \$	Net book value \$
Computer software	75,364	(4,396)	70,968

4 Deferred revenue

	2017 \$	2016 \$
Steven Blitz Estate deferred revenue	600,862	81,500
Leadership development project	42,937	46,549
Deferred UJA pledges	12,500	15,505
Deferred afterschool / IBP bursary fund	38,030	25,699
Deferred IBP revenue endowment	7,624	6,404
Deferred Casino funding	772	43,076
Deferred Lion of Judah project funds	18,189	11,430
Deferred Holocaust, Outreach and Tikkun Olam	14,646	12,783
Deferred fund for Donna Lee and miscellaneous	8,863	4,278
	<u>744,423</u>	<u>247,224</u>

5 Deferred contributions

Deferred contributions consist of unspent funds designated by the donor for capital projects. \$50,000 (2016 - \$50,000) has been set aside for the development of a program that encourages endowments and \$51,642 (2016 - \$50,262) for the development of a Jewish campus. During 2016, the Federation received \$23,500 from the Provincial Government towards new database software, which was implemented in 2017. This balance is \$22,129 at year-end.

6 Endowment contribution

During fiscal 2015, \$100,000 was contributed by a donor for the purpose of providing subsidies as part of the Integrated Bursary Program ("IBP"). The donor requested that the funds be invested in State of Israel Bonds. Income from the investment is to be paid out as needed, to IBP recipients as determined by the donor's eligibility criteria.

Calgary Jewish Federation

Notes to Financial Statements

August 31, 2017

7 Accounts receivable

Accounts receivable includes GST receivable of \$1,260 (2016 - \$2,465), trade receivables of \$17,103 (2016 - \$8,818) and an amount owing from the Calgary Jewish Community Council of \$14,738 (2016 - \$139,626).

8 Agency funding

The Federation funded agencies during the year as follows:

	2017 \$	2016 \$
United Israel Appeal of Canada – domestic & overseas	235,750	237,619
United Israel Appeal of Canada – Jewish Agency for Israel core	152,000	152,002
United Israel Appeal of Canada – Israel projects	15,230	33,606
Calgary Jewish Community Campus Corporation – programming	166,200	182,000
Calgary Jewish Community Campus Corporation – living room commitment	368,000	365,993
Calgary Jewish Community Campus Corporation – integrated bursary	43,848	48,648
Jewish Family Services – programming	262,300	270,000
Calgary Jewish Academy – programming	100,000	100,000
Calgary Jewish Academy - integrated bursary	258,728	250,328
Akiva Academy – programming	28,000	24,000
Akiva Academy – integrated bursary	131,600	135,448
Camp BB-Riback– integrated bursary	23,232	21,251
Calgary Kollel – programming	16,000	11,000
Other donor directed	9,191	61,256
	1,810,079	1,893,151

9 Related party transactions

The Federation obtained newspaper publishing services from a business co-owned by the Associate Executive Director in the amount of \$36,724 (2016 – \$34,169), which are reported in various expense line items.

These transactions are recorded at the exchange amount which is the agreed upon price between the transacting parties.

Calgary Jewish Federation

Notes to Financial Statements

August 31, 2017

10 Controlled Organization

The Federation effectively controls the resources of the Calgary Jewish Community Campus Corporation ("CJCCC"), by virtue of holding the majority of the Board of Director positions. The Calgary Jewish Centre ("JCC") was formed in 1983 under the Calgary Jewish Centre Act. The name changed to Calgary Jewish Centre Campus Corporation in the summer of 2017. CJCCC is a registered charity under the Income Tax Act and therefore is exempt from income taxes. The purpose of the CJCCC is to serve the recreational, fitness, social and cultural needs of both the Calgary Jewish community and the community at large. Continued operation of the CJCCC is dependent on the ongoing financial support of its members and the annual allocations from the Calgary Jewish Federation – United Jewish Appeal.

Except as noted elsewhere, the Federation was involved in the following transactions with the CJCCC:

- a) During the year, the Federation paid overhead recoveries of \$58,248 (2016 - \$57,492) to the CJCCC.
- b) The Federation allocated funding to the CJCCC as per note 8, for programming, the living room commitment and the integrated bursary program for memberships and summer camp.
- c) Included in the accounts payable and accrued liabilities balance is \$15,389 (2016 - \$7,570) owed to the CJCCC.

These transactions are in the normal course of operations and are recorded at the exchange amount, which is the agreed upon amount between the two parties.

The CJCCC has not been consolidated into the Federation's financial statements, but their financial statements are available upon request. The financial summary of the CJCCC as at August 31, 2017 and 2016 for the years then ended is as follows:

	2017 \$	2016 \$
Financial position		
Total assets	4,660,652	3,633,291
Total liabilities	3,925,779	3,031,762
Total net assets	<u>734,873</u>	<u>601,529</u>
Results of operations		
Total revenues	4,209,932	4,309,895
Total expenses	4,385,793	4,286,468
Extraordinary item – flood recoveries	309,205	35,000
Excess of revenues over expenses	<u>133,344</u>	<u>58,427</u>
Cash flows		
Cash flow from operating activities	213,375	323,203
Cash flow from investing activities	(1,941,615)	(628,253)
Cash flow from financing activities	1,082,869	1,635,107
Increase (decrease) in cash and cash equivalents	<u>(645,371)</u>	<u>1,330,057</u>

Calgary Jewish Federation

Notes to Financial Statements

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11 Commitments

The Federation has committed to allocate a total of \$1,490,277 to qualified local donees in fiscal 2018, from its UJA fundraising campaign to be held in the fall of 2017. In addition, funds to be paid to National and Overseas donees through December 31, 2017 are \$128,317, with the remaining amount to August 31, 2018 to be determined at the December National Board meeting.

12 Internally restricted net assets

The Federation Board passed a motion in fiscal 2013 to create a reserve fund for surpluses from Asper or March of the Living, entitled: "Holocaust and Human Rights Education Program Reserve Fund". The Board approved usage of \$nil (2016 - \$15,000) from this fund, to support the 2016 March of the Living program. As of year-end, this fund accumulated \$27,903.

In fiscal 2015, due to low demand on the Calgary flood funds collected, the Board passed a motion to create a "Federation Fund for Emergencies" with the residual from the Calgary flood funds. The total in this fund at year-end is \$57,083 (2016 - \$57,083).

During fiscal 2016, the Federation received a donation of \$220,000 from the Estate of Steven Blitz. The Board passed a motion to internally restrict these funds as follows: \$135,000 towards an Operating Reserve, to serve as a "rainy day" fund; \$25,000 towards a Technology Reserve to assist with the database replacement project in fiscal 2017; \$60,000 towards a Capacity Building Reserve. The \$25,000 was utilized during the 2017 fiscal year.

13 Charitable fundraising disclosures

As required under Section 7(2) of the Charitable Fundraising Regulation, the following amounts are disclosed:

	2017 \$	2016 \$
Remuneration to employees whose principal duties involve fundraising	181,750	124,467

14 Prior year figures

Prior year figures have been restated to conform to current year classifications, with no impact on the prior year's excess of revenue over expenses.

Calgary Jewish Federation

Schedule A

Program Operations

(unaudited)

For the years ended August 31

	2017			2016		
	Gross revenue \$	Direct costs \$	Net revenue (loss) before administrative and other indirect costs \$	Gross revenue \$	Direct costs \$	Net revenue (loss) before administrative and other indirect costs \$
Kashrut program	-	20,000	(20,000)	-	23,362	(23,362)
Community Mikveh program	4,818	18,673	(13,855)	4,195	23,585	(19,390)
Hillel program	20,360	69,839	(49,479)	39,456	67,879	(28,423)
Community Chaplain program	-	12,670	(12,670)	-	17,313	(17,313)
Asper / Holocaust education program	70,657	70,031	626	17,689	12,870	4,819
Holocaust public education program	37,839	103,490	(65,651)	87,327	193,257	(105,930)
Community outreach program	107,588	209,525	(101,937)	46,777	140,413	(93,636)
Leadership development	2,782	11,448	(8,666)	-	5,210	(5,210)
	244,044	515,676	(271,632)	195,444	483,889	(288,445)