

# **Calgary Jewish Federation**

Financial Statements  
**August 31, 2013**



January 22, 2014

## **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, 2013 and the statements of operations and changes in net assets and cash flows for the year then ended, and the related notes, which comprise 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.

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



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, 2013 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.

*PricewaterhouseCoopers LLP*

**Chartered Accountants**

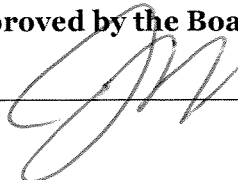
# Calgary Jewish Federation

## Statement of Financial Position

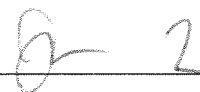
As at August 31, 2013

	2013 \$	2012 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash	270,739	268,449
Accounts receivable (note 4)	37,265	-
Short-term investments (note 2c)	200,000	300,866
Prepaid expenses	10,009	27,319
	<u>518,013</u>	<u>596,634</u>
<b>Investments</b> (note 2c)	<u>125,563</u>	<u>50,197</u>
	<u>643,576</u>	<u>646,831</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 5)	117,302	232,145
Deferred revenue	161,658	59,908
	<u>278,960</u>	<u>292,053</u>
<b>Deferred contributions</b> (note 3)	<u>50,000</u>	<u>50,000</u>
	<u>328,960</u>	<u>342,053</u>
<b>Net assets</b>		
Unrestricted	295,762	304,778
Internally restricted – Holocaust Education	18,854	-
	<u>314,616</u>	<u>304,778</u>
	<u>643,576</u>	<u>646,831</u>

Approved by the Board of Directors



Director



Director

# Calgary Jewish Federation

## Statement of Operations and Changes in Net Assets

For the year ended August 31, 2013

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	2013 \$	2012 \$
<b>Revenue</b>		
Annual campaign donations	2,969,871	2,849,404
Program revenue (Schedule A)	277,818	359,469
Event fees	27,213	16,308
Investment income	11,595	6,055
	<hr/> 3,286,497	<hr/> 3,231,236
<b>Expenses</b>		
Agency funding (note 6)	1,875,771	1,764,238
Salaries and benefits	624,427	604,864
Community program direct service costs (Schedule A)	480,603	565,954
Administration	159,950	153,975
Campaign direct costs	135,908	127,842
	<hr/> 3,276,659	<hr/> 3,216,873
<b>Excess of revenue over expenses</b>	9,838	14,363
<b>Net assets – Beginning of year</b>	<hr/> 304,778	<hr/> 290,415
<b>Net assets – End of year</b>	<hr/> <b>314,616</b>	<hr/> <b>304,778</b>

# Calgary Jewish Federation

## Statement of Cash Flows

For the year ended August 31, 2013

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	2013 \$	2012 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses	9,838	14,363
Item not affecting cash		
Net change in non-cash working capital	67,818	218,416
	<u>77,656</u>	<u>232,779</u>
<b>Investing activity</b>		
Net increase in investments	<u>(75,366)</u>	<u>(351,063)</u>
<b>Increase (decrease) in cash</b>	2,290	(118,284)
<b>Cash – Beginning of year</b>	<u>268,449</u>	<u>386,733</u>
<b>Cash – End of year</b>	<u>270,739</u>	<u>268,449</u>

# Calgary Jewish Federation

## Notes to Financial Statements

August 31, 2013

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### 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, Federation is exempt from income taxes, therefore no provision for income taxes is recorded in the financial statements.

The Federation is the community's central funding, planning and coordinating body. 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. Federation offers programming as approved by the Canada Revenue Agency. Federation operates 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 as set out in Part III of the Canadian Institute of Chartered Accountants ("CICA") Handbook.

These financial statements have, in management's opinion, been properly prepared as a going concern within the framework of the accounting policies summarized as follows:

#### a) Revenue recognition

Calgary Jewish Federation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Investment income is recorded when earned.

Revenue from annual fees for programs and event fees are recognized when services are provided.

#### b) 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.

# Calgary Jewish Federation

## Notes to Financial Statements

August 31, 2013

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### c) Investments

Investments consist of government bonds and guaranteed investment certificates. Investments that will mature within the next fiscal year are reported as short-term investments.

Long-term investments will mature between December 1, 2016 and Oct. 1, 2022.

### d) 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 is recorded at fair value, and any financial instruments designated to fair value. The financial assets subsequently measured at amortized cost include cash and accounts receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities. Investments are measured at fair value.

Financial instruments are tested for impairment when changes in circumstances indicate that the asset could be impaired.

### e) 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.

### f) 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 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.

## 3 Deferred contributions

Deferred contributions consist of unspent funds designated by the donor for the development of an Endowment program.

## 4 Accounts receivable

Accounts receivable includes GST receivable of \$1,855, trade receivables of \$11,116 and an amount owing from the Calgary Jewish Community Council of \$24,294.



# Calgary Jewish Federation

## Notes to Financial Statements

August 31, 2013

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### 5 Government remittances

Government remittances consist of amounts (such as sales taxes and payroll withholding taxes) required to be paid to government authorities and are recognized when the amounts become due. In respect of government remittances, \$1,000 (2012 – \$1,000) is included within accounts payable and accrued liabilities.

### 6 Agency funding

The Federation funded agencies during the year as follows:

	2013 \$	2012 \$
United Israel Appeal of Canada – domestic & overseas	216,551	216,484
United Israel Appeal of Canada – Jewish Agency for Israel core	196,333	186,000
United Israel Appeal of Canada – Israel projects	56,584	13,024
Calgary Jewish Centre – programming	211,500	206,559
Calgary Jewish Centre – living room commitment	303,000	312,000
Calgary Jewish Centre – capital improvements project	-	40,000
Calgary Jewish Centre – integrated bursary project	18,131	20,632
Jewish Family Services	330,000	290,000
Jewish Family Services – housing project	-	32,950
Calgary Jewish Academy	258,916	178,990
Akiva Academy	165,681	133,861
Camp BB-Riback	9,380	37,090
Calgary Kollel	25,000	25,000
Other donor directed	84,695	71,648
	<u>1,875,771</u>	<u>1,764,238</u>

### 7 Related party transactions

The Federation obtained certain newspaper publishing services from a business co-owned by the Associate Executive Director in the amount of \$41,601 (2012 – \$39,438), which are reported with administration expenses. Included in the accounts payable balances at August 31, 2013 is \$nil (2012 – \$2,408) to the publishing business.

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, 2013

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The Federation is exposed to the following risks:

**a) 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 Centre is exposed to credit risk arising from its accounts receivable, as there is a risk that the counterparty to the transaction will not pay. The risk is somewhat mitigated as the Centre's receivables comprise amounts due from the government and a related entity. There is also a credit risk related to cash as all cash is held with one Chartered Bank.

**b) Interest 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 Federation is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the amount of interest received on its cash and investments.

**c) Foreign exchange risk**

Foreign exchange 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 Federation is exposed to foreign exchange risk arising from the possibility that changes in foreign exchange rates will affect the fair value of its foreign currency denominated cash and investments.

**d) Market risk**

There is a risk that changes in market prices affect the value of the Federation holdings of financial instruments. The Federation is exposed to fluctuations in market prices of bonds. The financial instruments are professionally managed by two major Canadian financial institutions. These risks are mitigated by the Federation's investment policies, which prescribe the asset mix of investments, including the amount of foreign content and credit rating of bond issuers.

**e) Liquidity risk**

Liquidity risk is the risk that the Centre would encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Centre would not have sufficient funds to settle a transaction on the due date, would be forced to sell financial assets at a value which is less than what they are worth, or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities. The Centre mitigates this risk by preparing and monitoring budgets.

## 8 Commitments

The Federation has committed to allocate a total of \$1,713,044 to local and national qualified donees in fiscal 2014, from its UJA fundraising campaign to be held in the fall of 2013.

# Calgary Jewish Federation

Notes to Financial Statements

August 31, 2013

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## 9 Charitable fundraising disclosures

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

	\$
Remuneration to employees whose principal duties involve fundraising	113,700

# Calgary Jewish Federation

Program Operations

(unaudited)

For the year ended August 31, 2013

Schedule A

	2013			2012		
	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	23,686	44,302	(20,616)	23,955	48,475	(24,520)
Hillel program	4,281	26,020	(21,739)	3,447	22,293	(18,846)
Community Mikveh program	7,467	16,113	(8,646)	2,708	10,957	(8,249)
Community Chaplain program	-	25,119	(25,119)	1,436	23,073	(21,637)
Asper Holocaust education program	187,848	168,994	18,854	138,054	127,628	10,426
Holocaust public education program	23,500	49,648	(26,148)	147,022	219,046	(72,024)
Community outreach program	31,036	137,312	(106,276)	42,847	107,410	(64,563)
Leadership development	-	13,095	(13,095)	-	7,072	(7,072)
	<u>277,818</u>	<u>480,603</u>	<u>(202,785)</u>	<u>359,469</u>	<u>565,954</u>	<u>(206,485)</u>