

Calgary Jewish Federation

Financial Statements
August 31, 2016



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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, 2016 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, 2016 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 17, 2016

Calgary Jewish Federation

Statement of Financial Position

As at August 31

	2016 \$	2015 \$
Assets		
Current assets		
Cash and cash equivalents	587,616	432,508
Restricted cash (note 2b)	43,076	50,738
Accounts receivable (note 6)	150,909	98,188
Prepaid expenses	12,770	150,390
	<hr/>	<hr/>
	794,371	731,824
Investments (State of Israel Bonds)	349,356	323,770
Computer Software	10,631	-
	<hr/>	<hr/>
	1,154,358	1,055,594
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	55,193	129,627
Deferred revenue (note 3)	247,224	175,604
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	302,417	305,231
Deferred contributions (note 4)	123,762	100,262
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	426,179	405,493
Net assets		
Unrestricted	323,192	429,934
Internally restricted (note 10)	304,987	120,167
Endowment contribution (note 5)	100,000	100,000
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	728,179	650,101
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	1,154,358	1,055,594

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

	2016 \$	2015 \$
Revenue		
Annual campaign donations	2,849,627	2,909,507
Program revenue (schedule A)	195,444	341,206
Event fees	22,884	18,216
Grants and donations	304,367	115,023
Investment income and foreign exchange differences	7,296	14,073
	<u>3,379,618</u>	<u>3,398,025</u>
Expenses		
Agency funding (note 7)	1,893,151	1,805,327
Salaries and benefits (note 11)	635,874	728,125
Community program direct service costs (note 8; schedule A)	483,889	539,824
Administration (note 8)	199,129	229,237
Campaign direct costs (note 8)	89,497	73,735
	<u>3,301,540</u>	<u>3,376,248</u>
Excess of revenue over expenses	78,078	21,777
Net assets – Beginning of year	550,101	528,324
Endowment contribution (note 5)	100,000	100,000
Net assets – End of year	<u>728,179</u>	<u>650,101</u>

Calgary Jewish Federation

Statement of Cash Flows

For the years ended August 31

	2016 \$	2015 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses	78,078	21,777
Item not affecting cash		
Net change in non-cash working capital	82,085	(100,207)
	<u>160,163</u>	<u>(78,430)</u>
Investing activities		
Changes in restricted cash	7,662	(47,860)
Computer software	(10,631)	-
Changes in long-term investments	(25,586)	(138,207)
	<u>(28,555)</u>	<u>(186,067)</u>
Financing activities		
Endowment contribution (note 5)	-	100,000
Deferred capital contribution	23,500	252
	<u>23,500</u>	<u>100,252</u>
Increase (decrease) in cash and equivalents	155,108	(164,245)
Cash and equivalents – Beginning of year	432,508	596,753
Cash and equivalents – End of year	<u>587,616</u>	<u>432,508</u>

Calgary Jewish Federation

Notes to Financial Statements

August 31, 2016

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, therefore no provision for income taxes is recorded in the financial statements.

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 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. 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) 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, 2016

d) Investments

Investments consist of government bonds. The investments will mature between December 1, 2016 and December 1, 2024 and bear interest at rates from 2.16% - 3.66%.

e) 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.

f) 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.

g) 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.

3 Deferred revenue

	2016	2015
	\$	\$
Steven Blitz Estate deferred revenue	81,500	-
Leadership development project	46,549	52,506
Deferred UJA pledges	15,505	18,005
Deferred afterschool bursary fund	25,699	26,299
Deferred IBP revenue	6,404	2,734
Deferred Casino funding	43,076	45,692
Deferred Lion of Judah project funds	11,430	13,520
Deferred Holocaust, PJ Library and Tikkun Olam	12,783	12,906
Deferred fund for Donna Lee	4,278	3,942
	<u>247,224</u>	<u>175,604</u>

Calgary Jewish Federation

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August 31, 2016

4 Deferred contributions

Deferred contributions consist of unspent funds designated by the donor for capital projects. \$50,000 (2015 - \$50,000) has been set aside for the development of a program that encourages endowments and \$50,262 (2015 - \$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 will be implemented in 2017.

5 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 annually to IBP recipients as determined by the donor's eligibility criteria.

6 Accounts receivable

Accounts receivable includes GST receivable of \$2,465 (2015 - \$1,841), trade receivables of \$8,818 (2015 - \$4,955) and an amount owing from the Calgary Jewish Community Council of \$139,626 (2015 - \$91,392), which has been received subsequent to year-end.

7 Agency funding

The Federation funded agencies during the year as follows:

	2016 \$	2015 \$
United Israel Appeal of Canada – domestic & overseas	237,619	209,234
United Israel Appeal of Canada – Jewish Agency for Israel core	152,002	190,127
United Israel Appeal of Canada – Israel projects	33,606	28,098
Calgary Jewish Centre – programming	182,000	213,000
Calgary Jewish Centre – living room commitment	365,993	282,997
Calgary Jewish Centre – integrated bursary	48,648	45,670
Jewish Family Services – programming	270,000	290,000
Calgary Jewish Academy – programming	100,000	286,039
Calgary Jewish Academy - integrated bursary	250,328	
Akiva Academy – programming	24,000	163,200
Akiva Academy – integrated bursary	135,448	
Camp BB-Riback– integrated bursary	21,251	25,980
Calgary Kollel – programming	11,000	11,000
Other donor directed	61,256	59,982
	<u>1,893,151</u>	<u>1,805,327</u>

Calgary Jewish Federation

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8 Related party transactions

The Federation obtained newspaper publishing services from a business co-owned by the Associate Executive Director in the amount of \$34,169 (2015 – \$39,732), 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.

9 Commitments

The Federation has committed to allocate a total of \$1,397,923 to qualified local donees in fiscal 2017, from its UJA fundraising campaign to be held in the fall of 2016. In addition, funds to be paid to National and Overseas donees through December 31, 2016 are \$129,430, with the remaining amount to August 31, 2017 to be determined at the December National Board meeting.

10 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 \$15,000 from this fund in the current year, to support the March of the Living program. As of year-end, this fund accumulated \$27,904.

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 (2015 - \$82,083).

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.

11 Charitable fundraising disclosures

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

	2016 \$	2015 \$
Remuneration to employees whose principal duties involve fundraising	124,467	117,377

12 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

	2016			2015		
	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	-	23,362	(23,362)	25,185	46,075	(20,890)
Community Mikveh program	4,195	23,585	(19,390)	7,029	22,375	(15,346)
Hillel program	39,456	67,879	(28,423)	35,084	64,507	(29,423)
Community Chaplain program	-	17,313	(17,313)	-	13,779	(13,779)
Asper Holocaust education program	17,689	12,870	4,819	189,383	181,591	7,792
Holocaust public education program	87,327	193,257	(105,930)	39,497	99,701	(60,204)
Community outreach program	46,777	140,413	(93,636)	44,828	107,213	(62,385)
Leadership development	-	5,210	(5,210)	200	4,583	(4,383)
	195,444	483,889	(288,445)	341,206	539,824	(198,618)