

Calgary Jewish Federation

**Financial Statements
August 31, 2014**



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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, 2014 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 audits 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, 2014 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.

Other Matters

The financial statements of Calgary Jewish Federation for the year ended August 31, 2013, were audited by another auditor who expressed an unmodified opinion on those statements on January 22, 2014.

BDO Canada LLP

Chartered Accountants

Calgary, Alberta
January 23, 2015

Calgary Jewish Federation


Statement of Financial Position

As at August 31, 2014

	2014 \$	2013 \$
Assets		
Current assets		
Cash	47,399	270,739
Accounts receivable (Note 5)	111,697	37,265
Short-term investments	552,232	200,000
Prepaid expenses	112,879	10,009
	<u>824,207</u>	<u>518,013</u>
Investments (State of Israel Bonds)	185,563	125,563
	<u>1,009,770</u>	<u>643,576</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	141,829	117,302
Deferred revenue (Note 3)	239,607	161,658
	<u>381,436</u>	<u>278,960</u>
Deferred contributions (Note 4)	100,010	50,000
	<u>481,446</u>	<u>328,960</u>
Net assets		
Unrestricted	498,032	295,762
Internally restricted – Holocaust Education	30,292	18,854
	<u>528,324</u>	<u>314,616</u>
	<u>1,009,770</u>	<u>643,576</u>

Approved on behalf of the Directors:

 , Director

 , Director

Calgary Jewish Federation

Statement of Operations and Changes in Net Assets

As at August 31, 2014

	2014 \$	2013 \$
Revenue		
Annual campaign donations	3,216,674	2,969,871
Program revenue (Schedule A)	277,898	277,818
Event fees	27,494	27,213
Grants and donations	43,836	-
Investment income	11,866	11,595
	<u>3,577,768</u>	<u>3,286,497</u>
Expenses		
Agency funding (Note 7)	1,839,177	1,875,771
Salaries and benefits	683,531	624,427
Community program direct service costs (Schedule A)	478,416	480,603
Administration	271,346	178,049
Campaign direct costs	91,590	117,809
	<u>3,364,060</u>	<u>3,276,659</u>
Excess of revenue over expenses	213,708	9,838
Net assets – Beginning of year	<u>314,616</u>	<u>304,778</u>
Net assets – End of year	<u>528,324</u>	<u>314,616</u>

Calgary Jewish Federation

Statement of Cash Flows

As at August 31, 2014

	2014 \$	2013 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses	213,708	9,838
Item not affecting cash		
Net change in non-cash working capital	<u>(74,826)</u>	<u>(33,048)</u>
	<u>138,882</u>	<u>(23,210)</u>
Investing activity		
Changes in deferred contributions	50,010	-
Changes in short-term investments	(352,232)	100,866
Changes in long-term investments	<u>(60,000)</u>	<u>(75,366)</u>
Increase (decrease) in cash	(223,340)	2,290
Cash – Beginning of year	<u>270,739</u>	<u>268,449</u>
Cash – End of year	<u>47,399</u>	<u>270,739</u>

Calgary Jewish Federation

Notes to Financial Statements

As at August 31, 2014

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 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. 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 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.

c) Investments

Investments consist of government bonds, money market funds 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.

Calgary Jewish Federation

Notes to Financial Statements

As at August 31, 2014

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 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 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.

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 revenue

	2014	2013
	\$	\$
Leadership development project	51,978	51,560
Deferred UJA pledges	20,505	22,500
Deferred afterschool bursary fund	16,399	9,828
Deferred spirit grants	-	28,777
Deferred B'nai Brit funding – Nexgen program	25,000	-
Deferred Holocaust funding	30,720	-
Deferred Lion of Judah project funds	9,306	-
Deferred flood funds	82,083	46,325
Deferred fund for Donna Lee	3,616	2,668
	<u>239,607</u>	<u>161,658</u>

Calgary Jewish Federation

Notes to Financial Statements

As at August 31, 2014

4 Deferred contributions

Deferred contributions consist of unspent funds designated by the donor for capital projects. \$50,000 has been set aside for the development of a program that encourages Endowments and \$50,010 for the development of a Jewish campus.

5 Accounts Receivable

Accounts receivable includes GST receivable of \$1,322, trade receivables of \$5,582 and an amount owing from the Calgary Jewish Community Council of \$104,793, which has been received after year-end.

6 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, \$1,322 (2013 – \$1,855) is included within accounts receivable.

7 Agency funding

The Federation funded agencies during the year as follows:

	2014 \$	2013 \$
United Israel Appeal of Canada – domestic & overseas	210,755	216,551
United Israel Appeal of Canada – Jewish Agency for Israel core	186,000	196,333
United Israel Appeal of Canada – Israel projects	35,666	56,584
Calgary Jewish Centre – programming	180,000	211,500
Calgary Jewish Centre – living room commitment	303,000	303,000
Calgary Jewish Centre – integrated bursary project	31,273	18,131
Jewish Family Services	290,000	330,000
Calgary Jewish Academy	217,635	258,916
Akiva Academy	187,086	165,681
Camp BB-Riback	22,050	9,380
Calgary Kollel	10,000	25,000
Other donor directed	165,712	84,695
	<u>1,839,177</u>	<u>1,875,771</u>

Calgary Jewish Federation

Notes to Financial Statements

As at August 31, 2014

8 Related party transactions

The Federation obtained certain newspaper publishing services from a business co-owned by the Associate Executive Director in the amount of \$39,336 (2013 – \$41,601), which are reported with administration expenses. Included in the accounts payable balances at August 31, 2014 is \$nil (2013 – \$nil) to the publishing business.

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 \$1,361,064 to qualified local donees in fiscal 2015, from its UJA fundraising campaign to be held in the fall of 2014. In addition, funds to be paid to National and Overseas donees through December 31, 2014 are \$130,645, with the remaining amount to August 31, 2015 to be determined at the December National Board meeting.

10 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	117,377

11 Prior year figures

Prior year figures have been restated to conform to current year classifications.

Calgary Jewish Federation
Program Operations
For the year ended August 31, 2014

Schedule A

	2014			2013		
	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	29,960	48,227	(18,267)	23,686	44,302	(20,616)
Community Mikveh program	2,385	20,238	(17,853)	7,467	16,113	(8,646)
Hillel program	14,907	41,508	(26,601)	4,281	26,020	(21,739)
Community Chaplain program	-	14,554	(14,554)	-	25,119	(25,119)
Asper Holocaust education program	87,202	75,764	11,438	187,848	168,994	18,854
Holocaust public education program	99,563	158,558	(58,995)	23,500	49,648	(26,148)
Community outreach program	42,883	115,000	(72,117)	31,036	137,312	(106,276)
Leadership development	998	4,567	(3,569)	-	13,095	(13,095)
	<u>277,898</u>	<u>478,416</u>	<u>(200,518)</u>	<u>277,818</u>	<u>480,603</u>	<u>(202,785)</u>