

**Calgary Jewish
Federation**

Financial Statements
August 31, 2020



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Independent Auditor's Report

To the Board of Directors of Calgary Jewish Federation

Opinion

We have audited the financial statements of Calgary Jewish Federation (the "Federation"), which comprise the statement of financial position as at August 31, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Federation as at August 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Federation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Federation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Federation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Federation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Federation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Federation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Calgary, Alberta
December 3, 2020

Calgary Jewish Federation
Statement of Financial Position
As at August 31

	2020 \$	2019 \$
Assets		
Current assets		
Cash and cash equivalents	1,335,192	989,601
Restricted cash (note 2b)	37,526	75,821
Accounts receivable (note 8)	29,780	131,343
Loan to related party (note 11)	250,000	250,000
Prepaid expenses	198,264	72,457
	<u>1,850,762</u>	<u>1,519,222</u>
Investments (State of Israel Bonds)	413,101	392,323
	<u>82,693</u>	<u>82,781</u>
	<u>2,346,556</u>	<u>1,994,326</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 4)	193,997	216,678
Deferred revenue (note 5)	1,196,706	908,235
	<u>1,390,703</u>	<u>1,124,913</u>
Deferred contributions (note 6)	570,601	578,363
	<u>1,961,304</u>	<u>1,703,276</u>
Net assets		
Unrestricted	133,556	39,354
Internally restricted (note 13)	151,696	151,696
Endowment contribution (note 7)	100,000	100,000
	<u>385,252</u>	<u>291,050</u>
	<u>2,346,556</u>	<u>1,994,326</u>

Approved on behalf of the Directors:



 Director



 Director

Calgary Jewish Federation

Statement of Operations

For the years ended August 31

	2020 \$	2019 \$
Revenue		
Annual campaign donations	2,597,097	2,562,481
Program revenue (schedule A)	148,478	183,728
Event fees and Life and Legacy revenue	54,257	33,085
Grants, donations and other fundraising (note 10)	106,230	288,976
Investment income and foreign exchange differences - net	15,420	8,434
Amortization of deferred contribution property and equipment	2,350	2,350
	<u>2,923,832</u>	<u>3,079,054</u>
Expenses		
Agency funding (note 9)	1,711,756	1,749,527
Salaries and benefits (note 14)	607,174	601,411
Community program direct service costs (note 11; schedule A)	347,134	429,581
Administration (note 11)	207,077	205,707
Campaign and Life and Legacy direct costs (note 11)	64,967	55,176
Campus development project costs	17,484	98,798
Amortization of property and equipment	18,208	14,064
	<u>2,973,800</u>	<u>3,154,264</u>
Deficiency of revenue over expenses before extraordinary item	(49,968)	(75,210)
Extraordinary item		
- Federal wage subsidy (CEWS)	144,170	-
- Amalgamation donation (note 15)	-	(2,381,490)
	<u>144,170</u>	<u>(2,381,490)</u>
Excess/(Deficiency) of revenue over expenses	<u>94,202</u>	<u>(2,456,700)</u>

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

2020	Total	Unrestricted	Internally Restricted	Endowment
Opening balance	291,050	39,354	151,696	100,000
Excess of revenue over expenses	94,202	94,202	-	-
Closing balance	<u>385,252</u>	<u>133,556</u>	<u>151,696</u>	<u>100,000</u>
2019	Total	Unrestricted	Internally Restricted	Endowment
Opening balance	2,747,750	114,564	2,533,186	100,000
Deficiency of revenue over expenses	(2,456,700)	(75,210)	(2,381,490)	-
Closing balance	<u>291,050</u>	<u>39,354</u>	<u>151,696</u>	<u>100,000</u>

Calgary Jewish Federation

Statement of Cash Flows

For the years ended August 31

	2020 \$	2019 \$
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenses	94,202	(2,456,700)
Item not affecting cash		
Amortization of property and equipment	18,208	14,064
Amortization of property and equipment deferred contribution	(2,350)	(2,350)
Usage of grant from deferred contributions	(17,484)	(98,798)
Change in fair value of investments	939	(179)
Amalgamation donation (Note 15)	-	2,381,488
Net change in non-cash working capital	241,546	(112,951)
	<u>335,061</u>	<u>(275,426)</u>
Investing activities		
Changes in restricted cash	38,295	(52,829)
Property and equipment	(18,120)	(5,990)
Changes in long-term investments	(21,717)	-
	<u>(1,542)</u>	<u>(58,819)</u>
Financing activities		
Deferred capital contribution	12,072	206,000
	<u>12,072</u>	<u>206,000</u>
Increase (decrease) in cash and equivalents	345,591	(128,245)
Amalgamation cash and cash equivalents donated	-	(461,279)
Cash and equivalents – Beginning of year	<u>989,601</u>	<u>1,579,125</u>
Cash and equivalents – End of year	<u>1,335,192</u>	<u>989,601</u>

Calgary Jewish Federation

Notes to Financial Statements

August 31, 2020

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. On September 1st 2018, the Calgary Jewish Community Council (the "Council") amalgamated with the Federation (note 14). 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.

Calgary Jewish Federation

Notes to Financial Statements

August 31, 2020

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
Computer hardware	4 years
Equipment and furniture	5 – 10 years
Interest in Mikveh	10 – 25 years

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 November 1, 2020 and December 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.

Calgary Jewish Federation

Notes to Financial Statements

August 31, 2020

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.

3 Property and equipment

	2020		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Computer software	75,364	27,005	48,359
Computer hardware	17,710	7,188	10,522
Equipment and furniture	5,980	2,095	3,885
Interest in Mikveh	27,878	7,951	19,927
	<u>126,932</u>	<u>44,239</u>	<u>82,693</u>

	2019		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Computer software	75,364	19,469	55,895
Computer hardware	11,556	2,305	9,251
Equipment and furniture	5,980	1,047	4,933
Interest in Mikveh	15,878	3,176	12,702
	<u>108,778</u>	<u>25,997</u>	<u>82,781</u>

Calgary Jewish Federation

Notes to Financial Statements

August 31, 2020

4 Loan payable

In 2020, the Federation received a \$40,000 Canada Emergency Business Account (CEBA) loan to finance qualifying non-deferrable expenses during the COVID-19 pandemic. The loan is non-interest bearing with no scheduled payments until December 31, 2022. If \$30,000 of the loan has been repaid by that date, the remaining \$10,000 will be forgiven. If the \$30,000 in loan payments have not been made by December 31, 2022, the full outstanding balance will be converted to a 5% interest bearing loan to be repaid in monthly installments over a three year period ending December 31, 2025.

5 Deferred revenue

	2020	2019
	\$	\$
Steven Blitz Estate deferred revenue	800,522	671,198
Leadership development project	36,876	37,304
Deferred UJA pledges	96,254	7,500
Deferred afterschool / IBP bursary fund	12,830	12,830
Deferred IBP revenue endowment (note 6)	12,989	9,944
Deferred Casino funding	37,526	75,821
Deferred Lion of Judah project funds	26,451	23,620
Deferred Anne Frank Library fund	12,120	12,120
Deferred Holocaust and Outreach	91,720	32,144
Deferred miscellaneous funds	69,418	25,754
	<u>1,196,706</u>	<u>908,235</u>

6 Deferred contributions

Deferred contributions consist of unspent funds designated by the donor for capital projects. \$50,000 (2019 - \$50,000) has been set aside for the development of a program that encourages endowments and \$505,522 (2019 - \$510,934) 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 \$15,079 at year-end (2019 - \$17,429).

7 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

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August 31, 2020

8 Accounts receivable

Accounts receivable includes GST receivable of \$1,452 (2019 - \$3,331), miscellaneous receivables of \$28,330 (2019 - \$13,427) and an amount owing from the Calgary Jewish Community Campus Corporation ("CJCCC") of \$nil (2019 - \$114,585).

9 Agency funding

The Federation funded agencies during the year as follows:

	2020 \$	2019 \$
United Israel Appeal of Canada – domestic & overseas	202,345	220,830
United Israel Appeal of Canada – Jewish Agency for Israel core	140,600	152,000
United Israel Appeal of Canada – Israel projects	24,000	42,500
Calgary Jewish Community Campus Corporation – programming	132,960	132,960
Calgary Jewish Community Campus Corporation – living room commitment	400,000	373,500
Calgary Jewish Community Campus Corporation – integrated bursary	38,950	37,524
Jewish Family Services – programming	209,844	209,844
Calgary Jewish Academy – programming	80,000	80,000
Calgary Jewish Academy - integrated bursary	300,700	297,400
Akiva Academy – programming	22,400	22,400
Akiva Academy – integrated bursary	99,300	102,604
Camp BB-Riback– integrated bursary	45,855	47,710
Calgary Kollel – programming	12,800	12,800
Other donor directed	2,002	17,455
	<u>1,711,756</u>	<u>1,749,527</u>

10 Grants, donations and other fundraising

	2020 \$	2019 \$
Donations and deferred donations recognized	35,230	167,656
Provincial grant revenue recognition	17,484	98,798
Casino funds revenue recognition	53,516	22,522
	<u>106,230</u>	<u>288,976</u>

Calgary Jewish Federation

Notes to Financial Statements

August 31, 2020

11 Controlled organization

The Federation effectively controls the resources of the CJCCC, by virtue of holding the majority of the Board of Director positions. Formerly, the Calgary Jewish Centre ("JCC"), it was formed in 1983 under the Calgary Jewish Centre Act. 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.

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 \$71,000 (2019 - \$70,000) 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 balance is \$12,807 (2019 - \$112,850 in accounts receivable) owed (to) from the CJCCC. At year-end, there is an amount receivable from the CJCCC of \$250,000, which was advanced towards capital expenditures. This loan is unsecured, does not bear interest and has no repayment terms.

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, 2020 and 2019 for the years then ended is as follows:

	2020 \$	2019 \$
Financial position		
Total assets	18,465,777	15,977,109
Total liabilities	6,424,118	3,992,070
Total net assets	<u>12,041,659</u>	<u>11,985,039</u>
Results of operations		
Total revenues	3,184,778	5,072,265
Total expenses	3,385,397	4,521,860
Extraordinary item	257,224	156,103
Excess of revenues over expenses	<u>56,605</u>	<u>706,508</u>
Cash flows		
Cash flow from operating activities	341,018	332,772
Cash flow from investing activities	(174,587)	(444,293)
Cash flow from financing activities	2,576,825	84,365
Increase (decrease) in cash and cash equivalents	<u>2,743,256</u>	<u>(27,156)</u>

Calgary Jewish Federation

Notes to Financial Statements

August 31, 2020

12 Commitments

The Federation has committed to allocate a total of \$1,380,000 to qualified local donees in fiscal 2021, from its UJA fundraising campaign to be held in the fall of 2020. In addition, funds to be paid to national and overseas donees through December 31, 2020 are \$120,667, with the remaining amount to August 31, 2021 to be determined at the December national board meeting.

13 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". As of year-end, this fund has 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.

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, (\$128,290 was used in the 2019 fiscal year to effect the amalgamation donation - note 13); \$25,000 towards a Technology Reserve to assist with the database replacement project in fiscal 2017 (this was utilized during the 2017 fiscal year); \$60,000 towards a Capacity Building Reserve.

Internally restricted net assets of \$2,253,200 were amalgamated into Federation in the 2019 fiscal year, and donated to the CJCCC (see note 14).

14 Charitable fundraising disclosures

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

	2020	2019
	\$	\$
Remuneration to employees whose principal duties involve fundraising	145,250	148,636

Calgary Jewish Federation

Notes to Financial Statements

August 31, 2020

15 Significant event

Effective September 1, 2018, the Federation amalgamated with the Council.

As this transaction was between related parties with no change in beneficial ownership in the combined entity, the financial statements were restated to reflect the financial position and results of operations as if the entities had been combined since their inception. Both organizations previously prepared financial statements in accordance with Canadian accounting standards for not-for-profit organizations.

The balances of the amalgamated entity were accounted for at the carrying value of the amalgamated organizations. The balances of the amalgamated organization as of September 1, 2018 were the following:

Current assets	1,897,954
Investments	486,384
Net capital assets	<u>1,916,824</u>
Total assets	<u>4,301,162</u>
Current liabilities	(182,895)
Deferred revenue	(897,006)
Deferred contributions	<u>(473,511)</u>
Total liabilities	<u>(1,553,412)</u>
Net assets - Unrestricted	(114,564)
Net assets - Internally restricted	(2,533,186)
Endowment Contribution for IBP	<u>(100,000)</u>
Net assets	<u>(2,747,750)</u>
Total liabilities and Net assets	<u>(4,301,162)</u>

16 Prior year figures

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

Calgary Jewish Federation

Notes to Financial Statements

August 31, 2020

17 COVID-19

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in worldwide emergency measures to combat the spread of the virus. These measures, which include self-quarantine periods, have caused disruption to businesses globally, and resulted in a significant economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time, including measures implemented by provincial and federal governments. It is not possible to reliably estimate the length or the effect of these developments, including the impact on the financial results of the Federation in future periods.

Calgary Jewish Federation

Program Operations

(unaudited)

For the years ended August 31

Schedule A

	2020			2019		
	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)	-	20,000	(20,000)
Community Mikveh program	5,706	24,942	(19,236)	4,403	17,057	(12,654)
Emerging Gen program	8,234	65,785	(57,551)	21,583	71,465	(49,882)
Holocaust public education program	34,639	41,236	(6,597)	28,884	74,152	(45,268)
Community outreach program	55,849	118,196	(62,347)	77,356	141,447	(64,091)
Community relations	44,050	76,975	(32,925)	51,502	105,460	(53,958)
	148,478	347,134	(198,656)	183,728	429,581	(245,853)