

EDMONTON JEWISH COMMUNITY CHARITABLE FOUNDATION
Financial Statements
Year Ended August 31, 2020

EDMONTON JEWISH COMMUNITY CHARITABLE FOUNDATION

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Year Ended August 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Members of Edmonton Jewish Community Charitable Foundation

Opinion

We have audited the financial statements of Edmonton Jewish Community Charitable Foundation (the Organization), which comprise the statement of financial position as at August 31, 2020, and the statements of revenues and expenditures, 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 Organization as at August 31, 2020, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 Organization in accordance with 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 the financial statements in accordance with ASNPO, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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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 Organization'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 Organization'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 Organization 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.

Edmonton, Alberta
November 29, 2020

Rutwind Brar LLP
Rutwind Brar LLP
Chartered Professional Accountants

EDMONTON JEWISH COMMUNITY CHARITABLE FOUNDATION

Statement of Financial Position

August 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash (Note 3)	\$ 3,976	\$ 28,077
Term deposits (Note 5)	70,000	-
Interest receivable	244	-
	<u>74,220</u>	<u>28,077</u>
LIFE INSURANCE (Note 8)	60,852	56,929
INVESTMENTS (Note 6)	<u>1,379,172</u>	<u>1,334,116</u>
	<u>\$ 1,514,244</u>	<u>\$ 1,419,122</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 4,517	\$ 4,100
NET ASSETS	<u>1,509,727</u>	<u>1,415,022</u>
	<u>\$ 1,514,244</u>	<u>\$ 1,419,122</u>

EDMONTON JEWISH COMMUNITY CHARITABLE FOUNDATION

Statement of Revenues and Expenditures

Year Ended August 31, 2020

	2020	2019
REVENUES		
Donations	\$ 91,032	\$ 288,341
Investment income	51,661	49,254
	<u>142,693</u>	<u>337,595</u>
EXPENSES		
Donations disbursed (Schedule 1)	36,700	39,959
Management fees	14,479	13,313
Professional fees	4,271	3,915
Office	966	932
Advertising and promotion	500	-
Bank charges	(7)	151
	<u>56,909</u>	<u>58,270</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	85,784	279,325
OTHER INCOME		
Change in market value of securities	8,921	36,913
EXCESS OF REVENUES OVER EXPENSES	\$ 94,705	\$ 316,238

EDMONTON JEWISH COMMUNITY CHARITABLE FOUNDATION

Statement of Changes in Net Assets

Year Ended August 31, 2020

	Restricted Fund	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 1,415,022	\$ 1,415,022	\$ 1,098,784
EXCESS OF REVENUES OVER EXPENSES	94,705	94,705	316,238
NET ASSETS - END OF YEAR	\$ 1,509,727	\$ 1,509,727	\$ 1,415,022

EDMONTON JEWISH COMMUNITY CHARITABLE FOUNDATION

Statement of Cash Flows Year Ended August 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 94,705	\$ 316,238
Item not affecting cash:		
Change in market value of securities	(8,921)	(36,913)
	85,784	279,325
Changes in non-cash working capital:		
Due from related organizations	-	1,125
Interest receivable	(244)	-
Accounts payable	417	(375)
	173	750
Cash flow from operating activities	85,957	280,075
INVESTING ACTIVITIES		
Life Insurance	(3,923)	(3,874)
Investments	(36,135)	(287,284)
Purchase of term deposits	(70,000)	-
	(110,058)	(291,158)
Cash flow used by investing activities	(110,058)	(291,158)
DECREASE IN CASH FLOW	(24,101)	(11,083)
Cash - beginning of year	28,077	39,160
CASH - END OF YEAR	\$ 3,976	\$ 28,077
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	\$ 26,964	\$ 21,932
CASH CONSISTS OF:		
Cash	\$ 3,976	\$ 28,077

EDMONTON JEWISH COMMUNITY CHARITABLE FOUNDATION

Schedule of Donations Disbursed (Schedule 1)

Year Ended August 31, 2020

	UNDESIGNATED FUNDS	DESIGNATED FUNDS	TOTAL
Jewish Federation of Edmonton	\$ 2,000	\$ 9,358	\$ 11,358
Camp BB - Riback	7,000	-	7,000
Jewish Senior Citizen's Centre	3,855	770	4,625
Jewish Family Services	1,500	1,491	2,991
Chabad Lubavitch	1,000	1,491	2,491
JAHSENA	2,458	-	2,458
Jewish Community Centre - Maccabi	2,000	382	2,382
Our Parents' Home	1,500	-	1,500
B'nai Brith Youth Organization	1,000	304	1,304
Beth Shalom (The Sussman Fund)	-	416	416
Jewish Community Centre - General	-	175	175
	<u>\$ 22,313</u>	<u>\$ 14,387</u>	<u>\$ 36,700</u>

EDMONTON JEWISH COMMUNITY CHARITABLE FOUNDATION

Notes to Financial Statements

Year Ended August 31, 2020

1. PURPOSE OF THE ORGANIZATION

Edmonton Jewish Community Charitable Foundation (the "Organization") is a not-for-profit organization incorporated provincially under the Companies Act of Alberta in 1966. As a registered charity the Organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

Its purpose is to advance Jewish education, religion, and provide health care (including research related thereto) within and to the benefit of the community of greater Edmonton and the State of Israel, award scholarships, prizes, bursaries and loans without charge of interest for educational purposes, relieve poverty generally within the Jewish community of greater Edmonton, support religious institutions within the greater Edmonton area, aid in the resettlement, integration and rescue of refugees, displaced persons and immigrants in Canada and in the State of Israel, build, maintain and support buildings, property and other facilities used for the purpose of Jewish education and religion.

2. FINANCIAL POSITION OF THE ORGANIZATION

The accompanying financial statements have been prepared on the going concern assumption that the Organization will be able to realize assets and discharge liabilities in the normal course of activities for the foreseeable future.

Continuation of operations at current levels is dependent upon the Organization maintaining successful fund-raising activities, securing additional funding from support agencies, and reducing or maintaining operating expenditures at current levels.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Cash

The Organization's policy is to disclose bank balances held with financial institutions.

Revenue recognition

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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Goods and Services Tax

Goods and service tax on materials and services are recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

Measurement uncertainty

When preparing financial statements according to ASNPO, management makes estimates and assumptions relating to:

- reported amounts of revenues and expenses
- reported amounts of assets and liabilities
- disclosure of contingent assets and liabilities.

Estimates are based on a number of factors including historical experience, current events and actions that the Organization may undertake in the future, and other assumptions that management believes are reasonable under the circumstances. By their nature, these estimates are subject to measurement uncertainty and actual results could differ. In particular, estimates are used in accounting for certain items such as accruals payable.

Financial instruments policy

The Organization's financial instruments consist of cash, term deposits, marketable securities, accounts receivable, accounts payable and accrued liabilities.

Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Organization is mainly exposed to price risk on its marketable securities.

Unless otherwise noted, it is management's opinion the Organization is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair values of these financial instruments approximate their carrying values.

4. DISBURSEMENT REQUIREMENT

In order to maintain its status as a registered charity under the Income Tax Act (Canada), the Organization is required to make qualifying disbursements of \$39,615 prior to August 31, 2021 (prior - \$34,200). The Organization is generally required to distribute a minimum of 3.5% of the previous year's average fair value of net assets.

EDMONTON JEWISH COMMUNITY CHARITABLE FOUNDATION

Notes to Financial Statements

Year Ended August 31, 2020

5. TERM DEPOSIT

	<u>2020</u>	<u>2019</u>
Term deposit bearing interest at 1.00%, payable on maturity, maturing on April 27, 2021	<u>\$ 70,000</u>	<u>\$ -</u>

6. MARKETABLE SECURITIES

	<u>2020</u>	<u>2019</u>
Scotia Trust Investments	<u>\$ 1,247,706</u>	<u>\$ 1,211,571</u>
	<u>1,247,706</u>	<u>1,211,571</u>
Unrealized market value differential	<u>131,466</u>	<u>122,545</u>
	<u>\$ 1,379,172</u>	<u>\$ 1,334,116</u>

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of net income. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of net income.

7. BEQUESTS

Certain bequests were received with the provision that the capital remain in perpetuity and only the investment income be available for allocation.

8. LIFE INSURANCE

Edmonton Jewish Community Charitable Foundation is the owner and beneficiary of life insurance policies valued at \$153,000 (prior year - \$153,000) gifted by individuals. The donors pay the annual policy premiums on the Organization's behalf.

9. CONTINGENT LIABILITY, COMMITMENTS AND GUARANTEES

The Organization has no contingent liabilities or commitments and has not provided any guarantees not otherwise stated.

10. SUBSEQUENT EVENTS

Subsequent to year end, 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, which are resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time, including measures implemented by governments and central banks. It is not possible to reliably estimate the length of effect of these developments, including the impact on the financial results of the Edmonton Jewish Community Charitable Foundation in future periods.