

EDMONTON JEWISH COMMUNITY CHARITABLE FOUNDATION

Financial Statements

Year Ended August 31, 2017

EDMONTON JEWISH COMMUNITY CHARITABLE FOUNDATION

Index to Financial Statements

Year Ended August 31, 2017

| | Page |
|---|--------|
| INDEPENDENT AUDITOR'S REPORT | 1 - 2 |
| FINANCIAL STATEMENTS | |
| Statement of Financial Position | 3 |
| Statement of Revenues and Expenditures | 4 |
| Statement of Changes in Net Assets | 5 |
| Statement of Cash Flow | 6 |
| Schedule of Donations Disbursed (<i>Schedule 1</i>) | 7 |
| Notes to Financial Statements | 8 - 10 |

INDEPENDENT AUDITOR'S REPORT

To the Members of Edmonton Jewish Community Charitable Foundation

We have audited the accompanying financial statements of Edmonton Jewish Community Charitable Foundation, which comprise the statement of financial position as at August 31, 2017 and the statements of revenues and expenditures, changes in net assets and cash flow 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.

(continues)

Independent Auditor's Report to the Members of Edmonton Jewish Community Charitable Foundation
(continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Edmonton Jewish Community Charitable Foundation as at August 31, 2017 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Edmonton, Alberta
February 12, 2018

Rutwind Brar LLP
Rutwind Brar LLP
Chartered Professional Accountants

EDMONTON JEWISH COMMUNITY CHARITABLE FOUNDATION

Statement of Financial Position

August 31, 2017

| | 2017 | 2016 |
|-----------------------------------|---------------------|-------------------|
| ASSETS | | |
| CURRENT | | |
| Cash (Note 3) | \$ 36,804 | \$ 46,280 |
| Due from related organizations | 132 | - |
| | <u>36,936</u> | <u>46,280</u> |
| LIFE INSURANCE (Note 6) | 49,589 | 46,164 |
| INVESTMENTS (Note 4) | <u>944,377</u> | <u>899,719</u> |
| | <u>\$ 1,030,902</u> | <u>\$ 992,163</u> |
| LIABILITIES AND NET ASSETS | | |
| CURRENT | | |
| Accounts payable | \$ 4,550 | \$ 4,700 |
| NET ASSETS | <u>1,026,352</u> | <u>987,463</u> |
| | <u>\$ 1,030,902</u> | <u>\$ 992,163</u> |

See notes to financial statements

EDMONTON JEWISH COMMUNITY CHARITABLE FOUNDATION

Statement of Revenues and Expenditures

Year Ended August 31, 2017

| | 2017 | 2016 |
|---|------------------|------------------|
| REVENUES | | |
| Investment income | \$ 130,735 | \$ 30,002 |
| Donations | <u>27,286</u> | <u>46,071</u> |
| | <u>158,021</u> | <u>76,073</u> |
| EXPENSES | | |
| Donations disbursed (Schedule 1) | 27,675 | 28,682 |
| Management fees | 10,868 | 9,856 |
| Professional fees | 4,436 | 4,825 |
| Office | 1,191 | 1,574 |
| Advertising and promotion | 175 | 746 |
| Bank charges | <u>146</u> | <u>148</u> |
| | <u>44,491</u> | <u>45,831</u> |
| EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS | 113,530 | 30,242 |
| OTHER INCOME | | |
| Write-down of marketable securities (Note 4) | <u>(74,641)</u> | <u>55,890</u> |
| EXCESS OF REVENUES OVER EXPENSES | \$ 38,889 | \$ 86,132 |

EDMONTON JEWISH COMMUNITY CHARITABLE FOUNDATION

Statement of Changes in Net Assets

Year Ended August 31, 2017

| | Restricted Fund | 2017 | 2016 |
|---------------------------------------|--------------------|---------------------|------------|
| NET ASSETS - BEGINNING OF YEAR | \$ 987,463 | \$ 987,463 | \$ 901,331 |
| EXCESS OF REVENUES OVER EXPENSES | 38,889 | 38,889 | 86,132 |
| NET ASSETS - END OF YEAR | \$ 1,026,352 | \$ 1,026,352 | \$ 987,463 |

EDMONTON JEWISH COMMUNITY CHARITABLE FOUNDATION

Statement of Cash Flow Year Ended August 31, 2017

| | 2017 | 2016 |
|--|------------------|------------------|
| OPERATING ACTIVITIES | | |
| Excess of revenues over expenses | \$ 38,889 | \$ 86,132 |
| Item not affecting cash: | | |
| Write-down of marketable securities | 74,641 | (55,890) |
| | <u>113,530</u> | <u>30,242</u> |
| Changes in non-cash working capital: | | |
| Due from related organizations | (132) | - |
| Accounts payable | (150) | 151 |
| | <u>(282)</u> | <u>151</u> |
| Cash flow from operating activities | <u>113,248</u> | <u>30,393</u> |
| INVESTING ACTIVITIES | | |
| Life Insurance | (3,425) | (20,022) |
| Investments | (119,299) | (19,626) |
| Cash flow used by investing activities | <u>(122,724)</u> | <u>(39,648)</u> |
| DECREASE IN CASH FLOW | (9,476) | (9,255) |
| Cash - beginning of year | <u>46,280</u> | <u>55,535</u> |
| CASH - END OF YEAR | \$ 36,804 | \$ 46,280 |
| CASH CONSISTS OF: | | |
| Cash | <u>\$ 36,804</u> | <u>\$ 46,280</u> |

See notes to financial statements

EDMONTON JEWISH COMMUNITY CHARITABLE FOUNDATION

Schedule of Donations Disbursed (*Schedule 1*)

Year Ended August 31, 2017

| | UNDESIGNATED FUNDS | DESIGNATED FUNDS | TOTAL |
|---|-----------------------|---------------------|-----------|
| Jewish Senior Citizen's Centre | \$ 3,000 | \$ 808 | \$ 3,808 |
| Temple Beth Ora | 3,000 | - | 3,000 |
| Bnai Brith Youth Organization | 2,500 | 352 | 2,852 |
| Jewish Family Services | 1,000 | 1,681 | 2,681 |
| Jewish Community Centre - Maccabi | 2,000 | 441 | 2,441 |
| Chabad Lubavitch | 500 | 1,681 | 2,181 |
| Our Parents' Home | 2,000 | - | 2,000 |
| Talmud Torah Society | 1,850 | - | 1,850 |
| Beth Shalom Synagogue | 1,800 | - | 1,800 |
| Beth Israel Synagogue | 1,800 | - | 1,800 |
| Jewish Federation of Edmonton/Holocaust | - | 1,730 | 1,730 |
| JAHSENA | 825 | - | 825 |
| Jewish Federation of Edmonton/Hillel | - | 505 | 505 |
| Jewish Community Centre - General | - | 202 | 202 |
| | <hr/> | <hr/> | <hr/> |
| | \$ 20,275 | \$ 7,400 | \$ 27,675 |

EDMONTON JEWISH COMMUNITY CHARITABLE FOUNDATION

Notes to Financial Statements

Year Ended August 31, 2017

1. PURPOSE OF THE ORGANIZATION

Edmonton Jewish Community Charitable Foundation (The "Organization") is a not-for-profit organization incorporated under the Societies Act of Alberta. 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 (ASNFPO).

Cash

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

Fund accounting

Edmonton Jewish Community Charitable Foundation follows the deferral method of accounting for contributions.

Revenues and expenses related to program delivery and administrative activities are reported in the Unrestricted Fund.

The Restricted Fund relates to amounts that the Organization has retained for specific purposes.

(continues)

EDMONTON JEWISH COMMUNITY CHARITABLE FOUNDATION

Notes to Financial Statements

Year Ended August 31, 2017

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

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.

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 company 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.

EDMONTON JEWISH COMMUNITY CHARITABLE FOUNDATION

Notes to Financial Statements

Year Ended August 31, 2017

4. MARKETABLE SECURITIES

| | <u>2017</u> | <u>2016</u> |
|--|-------------------|-------------------|
| Scotia Trust Investments (<i>market value \$944,377</i>) | <u>\$ 869,178</u> | <u>\$ 749,907</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.

5. BEQUESTS

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

6. 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.

7. CONTINGENT LIABILITY, COMMITMENTS AND GUARANTEES

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