

JEWISH COMMUNITY CENTRE
Financial Statements
Year Ended August 31, 2017

JEWISH COMMUNITY CENTRE

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Year Ended August 31, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Members of Jewish Community Centre

We have audited the accompanying financial statements of Jewish Community Centre, 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.

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Independent Auditor's Report to the Members of Jewish Community Centre *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Jewish Community Centre 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

JEWISH COMMUNITY CENTRE

Statement of Financial Position

August 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash - general (Note 5)	\$ 57,734	\$ 19,218
Cash and term deposits - restricted (Note 5)	5,324,118	5,238,144
Accounts receivable	1,715	70,748
Prepaid expenses	12,443	11,973
Accrued interest receivable - restricted	46,226	41,204
	<u>5,442,236</u>	<u>5,381,287</u>
PROPERTY AND EQUIPMENT (Note 6)	7,280	10,245
	<u>7,280</u>	<u>10,245</u>
TOTAL ASSETS	\$ 5,449,516	\$ 5,391,532
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 5,776	\$ 7,818
Due to related parties - restricted (Note 7)	100,922	100,970
Maccabi fund	11,369	10,611
	<u>118,067</u>	<u>119,399</u>
TOTAL LIABILITIES	118,067	119,399
NET ASSETS		
Unrestricted fund	54,747	85,453
Restricted fund	5,269,422	5,176,435
Capital asset fund	7,280	10,245
	<u>5,331,449</u>	<u>5,272,133</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 5,449,516	\$ 5,391,532

JEWISH COMMUNITY CENTRE
Statement of Revenues and Expenditures
For the Year Ended August 31, 2017

	2017	2016
REVENUES	\$ 82,749	\$ 150,348
EXPENSES		
Building expenses (Schedule 1)	143,524	145,372
Youth programs	22,672	44,736
Administration	5,463	6,916
	171,659	197,024
DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS	(88,910)	(46,676)
OTHER INCOME		
Interest income	86,012	79,615
OPERATING INCOME (LOSS)	(2,898)	32,939
FUNDED BY ALLOCATION FROM RELATED ORGANIZATION	62,214	94,940
EXCESS OF REVENUES OVER EXPENSES	\$ 59,316	\$ 127,879

JEWISH COMMUNITY CENTRE

Statement of Changes in Net Assets

Year Ended August 31, 2017

	Unrestricted Fund	Restricted Fund	Capital Asset Fund	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 85,453	\$ 5,176,435	\$ 10,245	\$ 5,272,133	\$ 5,144,254
Excess of revenues over expenses	(30,706)	92,987	(2,965)	59,316	127,879
NET ASSETS - END OF YEAR	\$ 54,747	\$ 5,269,422	\$ 7,280	\$ 5,331,449	\$ 5,272,133

JEWISH COMMUNITY CENTRE

Statement of Cash Flow Year Ended August 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 59,316	\$ 127,879
Item not affecting cash:		
Amortization of property and equipment	2,966	3,974
	<u>62,282</u>	<u>131,853</u>
Changes in non-cash working capital:		
Accounts receivable	69,033	(69,911)
Accounts payable	(2,043)	1,794
Prepaid expenses	(470)	(96)
Accrued interest receivable	(5,022)	(20,063)
Maccabi fund	758	3,462
	<u>62,256</u>	<u>(84,814)</u>
Cash flow from operating activities	<u>124,538</u>	<u>47,039</u>
INVESTING ACTIVITY		
Purchase of property and equipment	-	(1,850)
FINANCING ACTIVITY		
Advances to related parties	(48)	(152)
INCREASE IN CASH FLOW	<u>124,490</u>	<u>45,037</u>
Cash - beginning of year	<u>5,257,362</u>	<u>5,212,325</u>
CASH - END OF YEAR	<u>5,381,852</u>	<u>5,257,362</u>
CASH FLOW SUPPLEMENTARY INFORMATION		
Interest received	\$ (86,012)	\$ (79,615)
CASH CONSISTS OF:		
Cash	\$ 57,734	\$ 19,218
Cash and term deposits - restricted	<u>5,324,118</u>	<u>5,238,144</u>
	<u>\$ 5,381,852</u>	<u>\$ 5,257,362</u>

See notes to financial statements

JEWISH COMMUNITY CENTRE
Schedule of Building Revenues and Expenditures (Schedule 1)
Year Ended August 31, 2017

	2017	2016
BUILDING REVENUES		
Rental revenue	\$ 56,535	\$ 57,408
Rental revenue in kind	22,500	22,500
Casino (net)	2,947	70,082
Donations	450	-
Other revenue	316	359
	<hr/>	<hr/>
TOTAL BUILDING REVENUES	\$ 82,748	\$ 150,349
BUILDING EXPENDITURES		
Rent and storage	\$ 91,997	\$ 91,321
Allocations to community organizations (Schedule 2)	22,500	22,500
Telephone	7,288	6,640
Janitorial	6,469	5,900
Insurance	6,280	6,184
Professional fees	5,720	7,475
Furniture and equipment - amortization expense	2,965	3,974
Repairs and maintenance - general	306	55
Building Committee	-	1,282
Conferences & Meetings	-	41
	<hr/>	<hr/>
TOTAL BUILDING EXPENDITURES	\$ 143,525	\$ 145,372

JEWISH COMMUNITY CENTRE

Schedule of Allocations to Community Organizations (Schedule 2)

Year Ended August 31, 2017

	2017	2016
Other Community Organizations	\$ 10,000	\$ 10,000
Hillel Jewish Students Association	5,000	5,000
Edmonton Jewish Community Charitable Foundation	5,000	5,000
Bnai Brith Youth Organization	2,500	10,000
	<u>\$ 22,500</u>	<u>\$ 30,000</u>

JEWISH COMMUNITY CENTRE

Notes to Financial Statements

Year Ended August 31, 2017

1. BASIS OF PRESENTATION

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

2. PURPOSE OF THE ORGANIZATION

Jewish Community Centre (the "Organization") is a not-for-profit organization incorporated provincially 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.

The Organization operates to provide administered and co-ordinated community programs, services and activities relating to cultural, educational and religious programs.

3. 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash balances are composed of both restricted and unrestricted funds. The funds classified as restricted are designated to the Casino program and the Building fund. Casino funds can only be spent on expenditures approved in accordance with the Casino licence. The Building funds are being held in highly liquid investment vehicles until such time as the Building Planning Committee decides on the future facility needs of the community.

Highly liquid investments with maturities of one year or less at date of purchase are classified as cash equivalents.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization. Property and equipment is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Computer equipment	55%	declining balance method
Furniture and fixtures	20%	declining balance method

The Organization regularly reviews its property and equipment to eliminate obsolete items. Government grants are treated as a reduction of property and equipment cost.

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

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

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.

Fund accounting

Jewish Community Centre 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 Capital Asset Fund reports the assets, liabilities, revenues, and expenses related to Jewish Community Centre's capital assets and building improvements campaign.

The Restricted Cash Fund reports the amounts that The Organization has retained for specific purposes.

Revenue recognition

Jewish Community Centre 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. Endowment contributions are recognized as direct increases in net assets.

Government grants

Government grants are recorded when there is a reasonable assurance that the Organization has complied with and will continue to comply with, all the necessary conditions to obtain the grants.

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.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments

The Organization's financial instruments consist of cash, term deposits, guaranteed investment certificates, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest, currency or credit risks arising from financial instruments. The fair values of these instruments approximate their carrying values.

JEWISH COMMUNITY CENTRE

Notes to Financial Statements

Year Ended August 31, 2017

5. CASH AND TERM DEPOSITS - RESTRICTED

	2017	2016
Restricted Funds - Casino	\$ 8,182	\$ 3,151
Restricted Funds - Building	5,315,936	5,234,993
	\$ 5,324,118	\$ 5,238,144

6. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Computer equipment	\$ 21,590	\$ 20,413	\$ 1,177	\$ 2,616
Furniture and fixtures	20,695	14,592	6,103	7,629
	\$ 42,285	\$ 35,005	\$ 7,280	\$ 10,245

7. RELATED PARTIES

The following is a summary of the Organization's related party transactions:

	2017	2016
<u>Related party transactions</u>		
Jewish Federation of Edmonton <i>(Nature of relationship)</i>		
Funded by allocations from related organizations	\$ 62,214	\$ 94,940
Rent	30,864	30,864
	\$ 93,078	\$ 125,804

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Due to related parties

Jewish Federation of Edmonton	\$ 100,922	\$ 100,970
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The Organization has an existing loan from Jewish Federation of Edmonton for the purchase of a GIC. As at August 31, 2017, the amount is still outstanding and will be paid back once the GIC matures.