

Calgary Jewish Federation

Financial Statements
August 31, 2021



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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, 2021, 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, 2021, 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 1, 2021

Calgary Jewish Federation

Statement of Financial Position

As at August 31

	2021 \$	2020 \$
Assets		
Current assets		
Cash and cash equivalents	1,657,880	1,335,192
Restricted cash (note 2b)	14,197	37,526
Accounts receivable (note 7)	260,482	179,780
Loan to related party (note 10c)	250,000	250,000
Prepaid expenses	22,680	48,264
	<u>2,205,239</u>	<u>1,850,762</u>
Investments (State of Israel Bonds)	428,101	413,101
Property and equipment (note 3)	<u>66,241</u>	<u>82,693</u>
	<u>2,699,581</u>	<u>2,346,556</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	293,549	193,997
Deferred revenue (note 4)	1,228,205	1,196,706
	<u>1,521,754</u>	<u>1,390,703</u>
Deferred contributions (note 5)	<u>568,251</u>	<u>570,601</u>
	<u>2,090,005</u>	<u>1,961,304</u>
Net assets		
Unrestricted	357,880	133,556
Internally restricted (note 12)	151,696	151,696
Endowment contribution (note 6)	100,000	100,000
	<u>609,576</u>	<u>385,252</u>
	<u>2,699,581</u>	<u>2,346,556</u>

Approved on behalf of the Directors:

DocuSigned by:

Jordan Balaban (Co-President)

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Director

DocuSigned by:

Daniel Bassin (Treasurer)

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Director

Calgary Jewish Federation

Statement of Operations

For the years ended August 31

	2021	2020
	\$	\$
Revenue		
Annual campaign donations	2,812,057	2,597,097
Program revenue (schedule A)	150,582	148,478
Campaign event fees	55,209	46,193
Grants, donations and other fundraising (note 9)	49,435	106,230
Life and Legacy revenue	33,480	8,064
Investment income and foreign exchange differences - net	-	15,420
Amortization of deferred contribution property and equipment	2,350	2,350
	<hr/> 3,103,113	<hr/> 2,923,832
Expenses		
Agency funding (note 8)	1,762,728	1,711,756
Salaries and benefits (note 13)	554,167	607,174
Community program direct service costs (note 10; schedule A)	366,391	347,134
Administration (note 10)	208,359	207,077
Campaign event costs	44,695	34,678
Life and Legacy direct costs	34,585	30,289
Campus development project costs	-	17,484
Investment income and foreign exchange differences - net	11,341	-
Amortization of property and equipment	19,578	18,208
	<hr/> 3,001,844	<hr/> 2,973,800
Excess (deficiency) of revenue over expenses before extraordinary items	101,269	(49,968)
Extraordinary item		
– Federal wage subsidy (CEWS)	<hr/> 123,055	<hr/> 144,170
Excess of revenue over expenses	<hr/> 224,324	<hr/> 94,202

Calgary Jewish Federation

Statement of Changes in Net Assets

For the years ended August 31

2021	Total	Unrestricted	Internally Restricted	Endowment
Opening balance	385,252	133,556	151,696	100,000
Excess of revenue over expenses	224,324	224,324	-	-
Closing balance	<u>609,576</u>	<u>357,880</u>	<u>151,696</u>	<u>100,000</u>

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>

Calgary Jewish Federation

Statement of Cash Flows

For the years ended August 31

	2021 \$	2020 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses	224,324	94,202
Item not affecting cash		
Amortization of property and equipment	19,578	18,208
Amortization of property and equipment deferred contribution	(2,350)	(2,350)
Usage of grant from deferred contributions	-	(17,484)
Change in fair value of investments	-	939
Net change in non-cash working capital	75,932	241,546
	<hr/> 317,484	<hr/> 335,061
Investing activities		
Changes in restricted cash	23,329	38,295
Property and equipment	(3,125)	(18,120)
Changes in long-term investments	(15,000)	(21,717)
	<hr/> 5,204	<hr/> (1,542)
Financing activities		
Deferred capital contribution	-	12,072
	<hr/> -	<hr/> 12,072
Increase in cash and equivalents	322,688	345,591
Cash and equivalents – Beginning of year	<hr/> 1,335,192	<hr/> 989,601
Cash and equivalents – End of year	<hr/> 1,657,880	<hr/> 1,335,192

Calgary Jewish Federation

Notes to Financial Statements

August 31, 2021

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. 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, 2021

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 December 1, 2021 and December 1, 2029 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, 2021

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

	2021		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Computer software	75,364	34,542	40,822
Computer hardware	20,835	12,607	8,228
Equipment and furniture	5,980	3,140	2,840
Interest in Mikveh	27,878	13,527	14,351
	<u>130,057</u>	<u>63,816</u>	<u>66,241</u>

	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>

Calgary Jewish Federation

Notes to Financial Statements

August 31, 2021

4 Deferred revenue

	2021 \$	2020 \$
Steven Blitz Estate deferred revenue	776,030	800,522
Leadership development project	40,626	36,876
Deferred UJA pledges	58,500	96,254
Deferred Covid Human Services grant	56,193	-
Deferred afterschool / IBP bursary fund	12,830	12,830
Deferred IBP revenue endowment (note 6)	42,474	12,989
Deferred Casino funding	14,197	37,526
Deferred Lion of Judah project funds	26,205	26,451
Deferred Anne Frank Library fund	12,120	12,120
Deferred Holocaust and Outreach	89,872	91,720
Deferred Hillel grants	39,384	-
Deferred miscellaneous funds	59,774	69,418
	<u>1,228,205</u>	<u>1,196,706</u>

5 Deferred contributions

Deferred contributions consist of unspent funds designated by the donor for capital projects. \$50,000 (2020 - \$50,000) has been set aside for the development of a program that encourages endowments and \$505,522 (2020 - \$505,522) 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 \$12,729 at year-end (2020 - \$15,079).

6 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.

7 Accounts receivable

Accounts receivable includes GST receivable of \$1,018 (2020 - \$1,452) and miscellaneous receivables of \$259,468 (2020 - \$178,330).

Calgary Jewish Federation

Notes to Financial Statements

August 31, 2021

8 Agency funding

The Federation funded agencies during the year as follows:

	2021 \$	2020 \$
United Israel Appeal of Canada – domestic & overseas	121,922	202,345
United Israel Appeal of Canada – Jewish Agency for Israel core	146,890	140,600
United Israel Appeal of Canada – Israel projects	71,668	24,000
Calgary Jewish Community Campus Corporation – programming	132,960	132,960
Calgary Jewish Community Campus Corporation – living room commitment	400,000	400,000
Calgary Jewish Community Campus Corporation – integrated bursary	13,672	38,950
Jewish Family Services – programming	209,840	209,844
Calgary Jewish Academy – programming	80,000	80,000
Calgary Jewish Academy - integrated bursary	309,210	300,700
Akiva Academy – programming	22,400	22,400
Akiva Academy – integrated bursary	90,794	99,300
Camp BB-Riback– integrated bursary	30,000	45,855
Calgary Kollel – programming	12,800	12,800
COVID resilience funds	117,976	-
Other donor directed	2,596	2,002
	<u>1,762,728</u>	<u>1,711,756</u>

9 Grants, donations and other fundraising

	2021 \$	2020 \$
Donations and deferred donations recognized	26,087	35,230
Provincial grant revenue recognition	-	17,484
Casino funds revenue recognition	23,348	53,516
	<u>49,435</u>	<u>106,230</u>

Calgary Jewish Federation

Notes to Financial Statements

August 31, 2021

10 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 \$72,000 (2020 - \$71,000) 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 \$17,461 (2020 - \$12,807) owed to 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, 2021 and 2020 for the years then ended is as follows:

	2021 \$	2020 \$
Financial position		
Total assets	18,250,222	18,465,777
Total liabilities	5,987,518	6,424,118
Total net assets	<u>12,262,704</u>	<u>12,041,659</u>
Results of operations		
Total revenues	3,132,508	3,184,778
Total expenses	3,437,356	3,385,397
Extraordinary items – insurance recoveries/ Canada Emergency Wage Subsidy	525,893	257,224
Excess of revenues over expenses	<u>221,045</u>	<u>56,605</u>
Cash flows		
Cash flow from operating activities	192,845	341,018
Cash flow from investing activities	(200,712)	(174,587)
Cash flow from financing activities	(185,504)	2,576,825
Increase (decrease) in cash and cash equivalents	<u>(193,371)</u>	<u>2,743,256</u>

Calgary Jewish Federation

Notes to Financial Statements

August 31, 2021

11 Commitments

The Federation has committed to allocate a total of \$1,308,000 to qualified local donees in fiscal 2022, from its UJA fundraising campaign to be held in the fall of 2021. In addition, funds to be paid to national and overseas donees through December 31, 2021 are \$122,333, with the remaining amount to August 31, 2022 to be determined at the December national board meeting.

12 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); \$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.

13 Charitable fundraising disclosures

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

	2021	2020
	\$	\$
Remuneration to employees whose principal duties involve fundraising	139,083	145,250

Calgary Jewish Federation

Notes to Financial Statements

August 31, 2021

14 Prior year figures

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

15 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**Schedule A**

Program Operations

(Unaudited)

For the years ended August 31

	2021			2020		
	Gross revenue	Direct costs	Net loss before administrative and other indirect costs	Gross revenue	Direct costs	Net loss before administrative and other indirect costs
	\$	\$	\$	\$	\$	\$
Kashrut program	-	10,000	(10,000)	-	20,000	(20,000)
Community Mikveh program	1,141	19,476	(18,335)	5,706	24,942	(19,236)
Emerging Gen program	30,211	72,190	(41,979)	8,234	65,785	(57,551)
Holocaust public education program	36,868	67,469	(30,601)	34,639	41,236	(6,597)
Community outreach program	74,378	151,959	(77,581)	55,849	118,196	(62,347)
Community relations	7,984	45,297	(37,313)	44,050	76,975	(32,925)
	150,582	366,391	(215,809)	148,478	347,134	(198,656)