

Jewish Federation of Winnipeg Inc.
Financial Statements
August 31, 2021

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Independent Auditors' Report

To the Directors of
Jewish Federation of Winnipeg Inc.

Opinion

We have audited the accompanying financial statements of Jewish Federation of Winnipeg Inc. (the "Organization"), which comprise the statement of financial position as at August 31, 2021, and the statements of revenue, expenditures and allocations, changes in fund balances 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 financial statements present fairly, in all material respects, the financial position of the Organization as at August 31, 2021 and the results of its 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization 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.

Other Information

Management is responsible for the other information which comprises the Organization's annual report.

Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

The annual report is expected to be made available to us after the date of the auditors' report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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 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 entity or to cease operations, or has no realistic alternative but to do so.

Independent Auditors' Report - continued

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

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.



Winnipeg, Canada
November 24, 2021

Chartered Professional Accountants

Jewish Federation of Winnipeg Inc.
Statement of Revenue, Expenditures and Allocations

Year Ended August 31	Budget (unaudited)	2021	2020
Campaign revenue			
Campaign (Note 9)	\$5,616,500	\$6,268,757	\$5,714,635
Bad debts	<u>50,000</u>	<u>53,641</u>	<u>62,500</u>
	<u>5,566,500</u>	<u>6,215,116</u>	<u>5,652,135</u>
Other revenue			
Endowment fund (Note 10)	172,304	185,455	183,244
Bequests	-	-	585,000
COVID-19 relief (Note 8)	-	12,000	60,000
Investment and other income	60,000	71,640	85,720
Jewish Foundation of Manitoba grant	<u>-</u>	<u>21,662</u>	<u>-</u>
	<u>232,304</u>	<u>290,757</u>	<u>913,964</u>
Revenue before expenditures and allocations	<u>5,798,804</u>	<u>6,505,873</u>	<u>6,566,099</u>
Financial resource development operating expenditures (Page 13)	<u>184,420</u>	<u>204,483</u>	<u>182,685</u>
JFW Initiatives (Page 14)	<u>40,177</u>	<u>34,864</u>	<u>71,774</u>
Transfer to Jewish Foundation of Manitoba (Note 10)	<u>-</u>	<u>-</u>	<u>585,000</u>
Allocations			
Beneficiary agencies (Note 13)	2,765,000	3,078,000	2,935,000
Designated	1,035,000	1,316,849	1,060,045
Jewish Federations of Canada - UIA	500,000	505,000	625,000
COVID-19 relief (Note 8)	-	12,000	60,000
Federation operating expenditures (net of recoveries) (Page 15)	<u>1,302,762</u>	<u>1,028,626</u>	<u>909,875</u>
	<u>5,602,762</u>	<u>5,940,475</u>	<u>5,589,920</u>
Excess (deficiency) of revenue over expenditures and allocations before other item	(28,555)	326,051	136,720
Other item			
Unrealized gain on investments	<u>-</u>	<u>91,506</u>	<u>19,385</u>
Excess (deficiency) of revenue over expenditures and allocations	<u>\$ (28,555)</u>	<u>\$ 417,557</u>	<u>\$ 156,105</u>

See accompanying notes to the financial statements.

Jewish Federation of Winnipeg Inc.
Statement of Changes in Fund Balances

Year Ended August 31

2021

2020

	Operating Fund	Reserve Fund	Capital Asset Fund	Total	Total
Fund balance, beginning of year	\$ 162,633	\$ 611,891	\$ 132,860	\$ 907,384	\$ 751,279
Excess (deficiency) of revenue over expenditures and allocations	437,490	9,609	(29,542)	417,557	156,105
Transfer to Capital Asset Fund	(10,385)	-	10,385	-	-
Transfer to Reserve Fund (Note 12)	<u>(178,500)</u>	<u>178,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 411,238</u>	<u>\$ 800,000</u>	<u>\$ 113,703</u>	<u>\$1,324,941</u>	<u>\$ 907,384</u>

See accompanying notes to the financial statements.

Jewish Federation of Winnipeg Inc.
Statement of Financial Position

August 31

2021

2020

Assets

Current

Cash	\$ 156,135	\$ 612,135
Short-term investments (Note 3)	2,395,823	1,495,340
Campaign receivable (Note 4)	678,306	833,867
Receivables (Note 5)	399,082	355,059
Prepaid expenses	8,344	22,630

3,637,690 3,319,031

Capital assets (Note 6)

113,703 132,860

Investments (Note 3)

1,359,390 1,129,610

\$5,110,783 **\$4,581,501**

Liabilities

Current

Payables and accruals (Note 7)	\$ 132,871	\$ 223,987
Due to beneficiary agencies	3,003,000	2,840,000
Operation Ezra	3,517	70
Deferred revenue (Note 8)	224,121	184,119
Designated payable	422,333	425,941

3,785,842 3,674,117

Fund Balances

Operating Fund	411,238	162,633
Reserve Fund	800,000	611,891
Capital Asset Fund	113,703	132,860

1,324,941 907,384

\$5,110,783 **\$4,581,501**

Commitment (Note 14)

Approved by the Board



Director

Joel Lazar



Director

Ellie Siver

See accompanying notes to the financial statements.

Jewish Federation of Winnipeg Inc.
Statement of Cash Flows

Year Ended August 31

2021**2020**

Cash derived from (applied to)

Operating

Excess of revenue over expenditures and allocations	\$ 417,557	\$ 156,105
Amortization of capital assets	29,543	25,943
Unrealized gain on investments	<u>(91,506)</u>	<u>(19,385)</u>

355,594 162,663Change in non-cash operating assets and liabilities (Note 11) **237,549** 270,766**593,143** 433,429**Investing**

Purchase of investments	(1,658,697)	(291,977)
Proceeds on investments	619,939	454,886
Purchase of capital assets	<u>(10,385)</u>	<u>(14,880)</u>

1,049,143 148,029Net (decrease) increase in cash **(456,000)** 581,458Cash, beginning of year **612,135** 30,677Cash, end of year **\$ 156,135** \$ 612,135

See accompanying notes to the financial statements.

Jewish Federation of Winnipeg Inc.
Notes to the Financial Statements

August 31, 2021

1. Nature of operations

Jewish Federation of Winnipeg Inc. (the "Organization") is a non-profit organization incorporated under the laws of Manitoba. The Organization's mission is to act as the representative body of the Winnipeg Jewish Community, building and sustaining a strong, secure and connected community rooted in Jewish values. The Organization is a charitable organization and, as such, is exempt from tax under the Income Tax Act.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies used are detailed as follows:

a) Fund accounting

The Operating Fund accounts for the Organization's revenue, administrative and operating expenditures and allocations to beneficiaries.

The Reserve Fund accounts for cash and investments available to meet distribution needs not realized by the regular campaign upon approval by the board of directors.

The Capital Asset Fund reports the assets, liabilities, contributions and expenses related to the Organization's capital assets.

b) Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Designated campaign revenue is recognized in the year in which the related expenditures are incurred.

Undesignated campaign revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest and other revenue is recognized when earned.

Jewish Federation of Winnipeg Inc.
Notes to the Financial Statements
August 31, 2021

2. Significant accounting policies (continued)

c) Capital assets

Purchased property and equipment are recorded in the Capital Fund at cost. Contributed property and equipment are recorded in the Capital Fund at fair value at the date of contribution. Amortization is provided at rates designed to write off the assets over their estimated useful lives using the following annual rates:

Computer equipment	3 years	straight-line
Furniture and equipment	4 years	straight-line
Donor management system	10 years	straight-line

Artwork is not amortized.

In the year of acquisition, there is no provision for amortization.

Amortization expense is reported in the Capital Asset Fund.

d) Investments

Investments are comprised of fixed income and equity securities. Fixed income securities are initially recognized at fair value and subsequently measured at amortized cost. Equity securities are initially recognized and subsequently measured at fair value. Purchases and sales of investments are recognized, and derecognized, using settlement date accounting. Changes in fair value are included in the statement of financial activities. Cumulative changes are recognized in the statement of revenue, expenditures and allocations when gains and losses are realized through disposition.

e) Government assistance

Government assistance, by way of the Canada Emergency Wage Subsidy ("CEWS"), is recorded as an expense recovery when received or receivable if the amount to be received can be reasonably measured and collection is reasonably assured. During the year the Organization recognized CEWS amounts totaling \$204,446 (2020 - \$288,013).

f) Accounting estimates

The preparation of financial statements in accordance 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 amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

g) Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. Financial instruments are initially recorded at fair value. Financial instruments, except for equity investments, are subsequently reported at amortized cost.

Jewish Federation of Winnipeg Inc.
Notes to the Financial StatementsAugust 31, 2021

g) Financial instruments (continued)

It is management's opinion that the Organization is not exposed to significant currency, liquidity or market risks arising from its financial instruments. Exposure to credit risk, interest rate risk and other price risk is as follows:

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject the Organization to credit risk consist principally of pledges receivable, accounts receivable and advances. An allowance for doubtful accounts is established based upon factors surrounding credit risk of specific donors, historical trends and other information.

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Organization is exposed to interest rate risk due to its investments.

Other price risk refers to the adverse consequences of changes in market prices in the Organization's cash flows, financial position and revenue. This risk arises from equity securities which have similar characteristics or obey similar variations relating to economic or political conditions. The portfolio includes 90% (2020 - 88%) of fixed rate investments and 10% (2020 - 12%) of equity investments. The value of the Organization's assets is affected by changes in market prices.

3. Investments

	2021		2020	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Fixed income	\$3,245,411	\$3,287,410	\$2,302,055	\$2,304,971
Equities	<u>372,436</u>	<u>467,803</u>	<u>299,966</u>	<u>319,979</u>
	<u>\$3,617,847</u>	<u>\$3,755,213</u>	<u>\$2,602,021</u>	<u>\$2,624,950</u>
Allocated:				
Unrestricted		\$2,955,213		\$2,013,059
Reserve Fund		<u>800,000</u>		<u>611,891</u>
		<u>\$3,755,213</u>		<u>\$2,624,950</u>

Total income received in 2021 on investments was \$43,409 at an average rate of 1.40% (2020 - \$58,154 at an average rate of 2.17%).

4. Campaign receivable

	<u>2021</u>	<u>2020</u>
Campaign receivable	\$ 681,922	\$ 885,432
Allowance for doubtful accounts	<u>(3,616)</u>	<u>(51,565)</u>
	<u>\$ 678,306</u>	<u>\$ 833,867</u>

Jewish Federation of Winnipeg Inc.
Notes to the Financial Statements

August 31, 2021

5. Receivables

	<u>2021</u>	<u>2020</u>
Accrued interest	\$ 194,144	\$ 202,540
Wage subsidy receivable	198,687	146,066
Goods and services tax	3,002	2,150
Other	<u>3,249</u>	<u>4,303</u>
	<u>\$ 399,082</u>	<u>\$ 355,059</u>

6. Capital assets

	<u>2021</u>	<u>2020</u>
	Accumulated Cost	Net Book Value
	Amortization	Net Book Value
Computer equipment	\$ 30,135	\$ 14,514
Furniture and equipment	35,275	1,269
Donor management system	218,696	87,920
Artwork	<u>10,000</u>	<u>10,000</u>
	<u>\$ 294,106</u>	<u>\$ 113,703</u>
	<u>\$ 180,403</u>	<u>\$ 132,860</u>

7. Payables and accruals

	<u>2021</u>	<u>2020</u>
Trade	\$ 107,060	\$ 208,468
I.L. Peretz Folk School Endowment	4,736	4,736
Other	<u>21,075</u>	<u>10,783</u>
	<u>\$ 132,871</u>	<u>\$ 223,987</u>

8. Deferred revenue

Deferred revenue consists of the following:

	<u>2021</u>	<u>2020</u>
March of the Living	\$ 138,634	\$ 119,253
Mission to Israel - Funds prepaid by participants	18,433	18,934
COVID-19 relief	<u>67,054</u>	<u>45,932</u>
	<u>\$ 224,121</u>	<u>\$ 184,119</u>

During the year, the Organization received contributions of \$33,122 (2020 - \$105,932) for COVID-19 relief. As at August 31, 2021, \$12,000 (2020 - \$60,000) had been distributed. The remaining contributions of \$67,054 are to be recognized as revenue in the period in which the contributions are distributed.

Jewish Federation of Winnipeg Inc.
Notes to the Financial Statements

August 31, 2021

9. Campaign revenue

Campaign revenue is pledged as follows:

	Budget 2021 (unaudited)	Actual 2021	Budget 2020 (unaudited)	Actual 2020
Undesignated	\$4,553,000	\$4,894,140	\$4,864,000	\$4,589,549
Designated	<u>1,063,500</u>	<u>1,374,617</u>	<u>1,094,850</u>	<u>1,125,086</u>
	<u>\$5,616,500</u>	<u>\$6,268,757</u>	<u>\$5,958,850</u>	<u>\$5,714,635</u>

10. Endowment

The Organization has established an endowment fund known as the Leave More Than Memories Endowment Fund to be administered by the Jewish Foundation of Manitoba Inc. Interest earned by this fund is paid annually to the Organization to support the Combined Jewish Appeal. The capital amount of the fund is to be retained by the Jewish Foundation of Manitoba Inc. and is not available for general operating purposes. During the year, the Organization made contributions of \$Nil (2020 - \$585,000) to the fund. The balance of the fund as at August 31, 2021 was \$5,819,454 (2020 - \$5,688,437).

11. Change in non-cash operating assets and liabilities

	<u>2021</u>	<u>2020</u>
Campaign receivable	\$ 155,561	\$ (44,382)
Receivables	(44,023)	(170,867)
Prepaid expenses	14,286	(6,854)
Payables and accruals	(91,116)	31,720
Operation Ezra	3,447	(18,787)
Deferred revenue	40,002	124,087
Due to beneficiary agencies	163,000	90,000
Designated allocations payable	<u>(3,608)</u>	<u>265,849</u>
	<u>\$ 237,549</u>	<u>\$ 270,766</u>

12. Interfund transfers

During the year, the board internally restricted \$178,500 (2020 - \$Nil) of operating surplus through a transfer from the Operating Fund to the Reserve Fund for the purpose of future expenditures. Of this amount, \$150,000 is to be used for COVID-19 relief.

Jewish Federation of Winnipeg Inc.
Notes to the Financial Statements
August 31, 2021

13. Allocations - beneficiary agencies

	<u>2021</u>	<u>2020</u>
Allocations committee	\$3,003,000	\$2,840,000
Special allocation from Reserve Fund to agencies	-	5,000
Indirect allocation of operating expenditures (Page 15)	<u>75,000</u>	<u>90,000</u>
	<u>\$3,078,000</u>	<u>\$2,935,000</u>

14. License fee

The Organization has signed an annual license agreement with the Asper Jewish Community Campus of Winnipeg Inc. which expired August 31, 2017. A new lease agreement is being negotiated at the date of the audit report. The annual license fee required to August 31, 2022 is estimated to be \$67,463 (2021 - \$66,486).

15. Indirect recoveries

Certain salaries, related benefits and overhead expenses are incurred by the Organization on behalf of the Winnipeg Board of Jewish Education Inc. These expenses are treated as an indirect recovery of operating expenditures and are included as an additional allocation to beneficiary agencies (Note 13).

16. Life insurance policy

The Organization is the sole beneficiary of a life insurance policy in the amount of \$350,000.

17. COVID-19

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Organization to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Organization's business or results of operations at this time.

Jewish Federation of Winnipeg Inc.
Schedule of Financial Resource Development Operating Expenditures

Year Ended August 31	Budget (unaudited)	2021	2020
Campaign events	\$ 10,000	\$ 6,564	\$ 20,771
Credit card charges	45,000	43,570	40,713
Data processing	60,800	105,477	60,053
License fee (Note 14)	22,500	24,648	22,048
Meetings	1,000	506	764
Printing, postage, stationery and office	14,450	7,527	15,902
Publicity, marketing and communications	28,950	13,684	21,186
Telephone	1,020	1,565	420
Professional development	700	942	828
	<u>\$ 184,420</u>	<u>\$ 204,483</u>	<u>\$ 182,685</u>

See accompanying notes to the financial statements.

Jewish Federation of Winnipeg Inc.
Schedule of JFW Initiatives

Year Ended August 31	Budget (unaudited)	2021	2020
Revenues			
Designated	\$ 103,393	\$ 54,300	\$ 79,589
Direct recoveries			
Centre for Israel and Jewish Affairs	<u>45,000</u>	<u>34,892</u>	<u>29,190</u>
	<u>148,393</u>	<u>89,192</u>	<u>108,779</u>
Expenses			
Birthright	17,500	32,195	15,534
Public Affairs and Advocacy	18,960	3,622	6,632
Jewish Engagement	59,090	5,345	9,750
Grow Winnipeg	1,500	912	2,489
Partnership Together	-	-	27,654
YAD	500	150	2,352
Hillel Winnipeg	6,220	5,189	38,510
March of the Living	20,000	20,046	15,391
PJ Library	<u>64,800</u>	<u>56,597</u>	<u>62,241</u>
	<u>188,570</u>	<u>124,056</u>	<u>180,553</u>
	<u>\$ (40,177)</u>	<u>\$ (34,864)</u>	<u>\$ (71,774)</u>

See accompanying notes to the financial statements.

Jewish Federation of Winnipeg Inc.
Schedule of Federation Operating Expenditures

Year Ended August 31	Budget (unaudited)	2021	2020
Amortization	\$ 26,300	\$ 29,543	\$ 25,943
Bank charges	7,400	19,121	14,203
Community relations programming	-	22	13
Data processing and demographics	5,600	6,444	8,492
Employee benefits	108,894	127,632	120,521
Foreign exchange (gain) loss	-	(1,537)	12,997
Insurance	9,200	11,004	9,087
Leadership/Volunteer awards and meetings	14,000	3,344	(10,365)
License fee (Note 14)	45,000	45,432	44,095
Planning	5,050	1,769	5,811
President's discretionary fund	5,000	3,600	-
Printing, postage, stationery and office	12,900	10,178	12,314
Professional development	-	25	4,106
Professional fees	18,000	16,072	16,355
Publicity, marketing and communications	4,500	20,656	4,956
Salaries	1,032,958	1,008,346	1,009,355
Special events	3,000	2,655	3,125
Telephone	2,460	2,827	4,775
Travel	2,500	939	2,105
	<u>1,302,762</u>	<u>1,308,072</u>	<u>1,287,888</u>
Indirect recoveries (Note 15)			
Winnipeg Board of Jewish Education Inc.	-	(75,000)	(90,000)
Wage subsidy recovery (Note 2(e))	-	(204,446)	(288,013)
	<u>\$1,302,762</u>	<u>\$1,028,626</u>	<u>\$ 909,875</u>

See accompanying notes to the financial statements.