

Jewish Federation of Winnipeg Inc.
Financial Statements
August 31, 2015



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Independent Auditors' Report

To the Directors of
Jewish Federation of Winnipeg Inc.

We have audited the accompanying financial statements of Jewish Federation of Winnipeg Inc., which comprise the statements of financial position as at August 31, 2015, and the statements of revenue, expenditures and allocations, changes in fund balances, and cash flows 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.

Auditors' 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 Organization'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 Organization'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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Jewish Federation of Winnipeg Inc. as at August 31, 2015 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.

Independent Auditors' Report - continued

Other Matters

The budget information contained in these financial statements was prepared by management and is provided as additional information. We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information.

Winnipeg, Canada
November 25, 2015



Chartered Accountants

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

Year Ended August 31	Budget	2015	2014 (Note 19)
Campaign Revenue			
Regular Campaign (Note 11)	\$5,880,000	\$5,611,609	\$5,752,048
Bad debts	<u>7,500</u>	<u>-</u>	<u>12,846</u>
	5,872,500	5,611,609	5,739,202
Financial resource development operating expenditures (Page 15)			
	<u>609,244</u>	<u>549,644</u>	<u>612,168</u>
	<u>5,263,256</u>	<u>5,061,965</u>	<u>5,127,034</u>
Other revenue			
Endowment fund (Note 12)	75,000	75,043	66,029
Vaa'd Ha'ir of Winnipeg Inc., recoveries (Note 17)	45,000	45,000	45,000
Interest and other	<u>55,000</u>	<u>86,444</u>	<u>86,873</u>
	<u>175,000</u>	<u>206,487</u>	<u>197,902</u>
Revenue before allocations	<u>5,438,256</u>	<u>5,268,452</u>	<u>5,324,936</u>
Allocations			
Beneficiary agencies (Note 14)	2,927,750	2,658,550	2,757,800
Designated	1,019,537	1,039,786	1,015,358
Jewish Federations of Canada - UIA	525,000	525,000	608,000
Federation operating expenditures (net of recoveries) (Page 16)	<u>965,969</u>	<u>982,346</u>	<u>908,388</u>
	<u>5,438,256</u>	<u>5,205,682</u>	<u>5,289,546</u>
Excess of revenue over expenditures and allocations before other items	-	62,770	35,390
Other items			
Write off of Jewish Federations of Canada - UIA advances (Note 6)	-	260,730	-
Special funding (Note 18)	<u>-</u>	<u>45,000</u>	<u>40,208</u>
Deficit of revenue over expenditures and allocations	<u>\$ -</u>	<u>\$ (242,960)</u>	<u>\$ (4,818)</u>

See accompanying notes to the financial statements.



Jewish Federation of Winnipeg Inc.
Statement of Financial Position

August 31	2015	2014
Assets		
Current		
Cash	\$ 599,301	\$ -
Short-term investments (Note 3)	816,510	1,506,675
Pledges receivable (Note 4)	831,001	693,498
Receivables (Note 5)	107,616	81,925
Prepaid expenses	58,164	24,981
Current portion of advances to Jewish Federations of Canada - UIA (Note 6)	-	65,200
Current portion of note receivable (Note 17)	<u>45,000</u>	<u>45,000</u>
	2,457,592	2,417,279
Advances		
Jewish Federations of Canada - UIA (Note 6)	-	195,530
National Council of Jewish Women of Canada Winnipeg Section Inc. (Note 7)	110,000	80,000
Note receivable, Vaa'd Ha'ir of Winnipeg Inc. (Note 17)	61,484	106,484
Capital assets (Note 8)	173,272	11,326
Investments (Note 3)	<u>1,091,981</u>	<u>1,194,273</u>
	<u>\$3,894,329</u>	<u>\$4,004,892</u>

See accompanying notes to the financial statements.



Jewish Federation of Winnipeg Inc.
Statement of Financial Position

August 31

2015

2014
(Note 19)

Liabilities

Current

Bank indebtedness	\$ -	\$ 2,453
Payables and accruals (Note 9)	186,619	122,487
Due to beneficiary agencies	2,568,550	2,653,800
Deferred revenue (Note 10)	384,019	55,263
Designated allocations payable	63,070	190,858
Current portion of deferred recoveries (Note 17)	45,000	45,000

3,247,258 3,069,861

Deferred recoveries

Vaa'd Ha'ir of Winnipeg Inc. (Note 17)	61,484	106,484
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3,308,742 3,176,345

Fund Balances

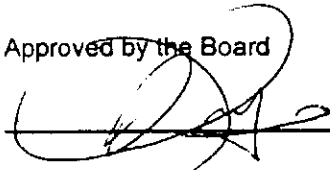
Operating Fund	(114,176)	-
Reserve Fund	526,491	817,221
Capital Asset Fund	173,272	11,326

585,587 828,547

\$3,894,329 \$4,004,892

Commitment (Note 15)

Approved by the Board



Director



Director

See accompanying notes to the financial statements.

Jewish Federation of Winnipeg Inc.
Statement of Cash Flows

Year Ended August 31

2015

2014

(Note 19)

Cash derived from (applied to)

Operating

Deficit of revenue over expenditures and allocations	\$ (242,960)	\$ (4,818)
Amortization of capital assets	<u>11,326</u>	<u>11,340</u>
	(231,634)	6,522
Change in non-cash operating assets and liabilities (Note 13)	<u>(16,527)</u>	<u>(42,347)</u>
	<u>(248,161)</u>	<u>(35,825)</u>

Investing

Purchase of investments	(500,000)	(860,000)
Proceeds on investments	1,286,917	848,526
Amortization of bond premiums	5,540	(4,077)
Purchase of capital assets	(173,272)	-
Advances to National Council of Jewish Women of Canada Winnipeg Section Inc.	(30,000)	(30,000)
Write off of advances to Jewish Federations of Canada - UIA (Note 6)	260,730	-
Repayment to Jewish Federations of Canada - UIA	<u>-</u>	<u>65,200</u>
	<u>849,915</u>	<u>19,649</u>

Net increase (decrease) in cash	601,754	(16,176)
(Bank indebtedness) cash, beginning of year	<u>(2,453)</u>	<u>13,723</u>
Cash (bank indebtedness), end of year	<u>\$ 599,301</u>	<u>\$ (2,453)</u>

See accompanying notes to the financial statements.



Jewish Federation of Winnipeg Inc.
Notes to the Financial Statements
August 31, 2015

1. Nature of operations

Jewish Federation of Winnipeg Inc. (the Organization) is a non-profit organization incorporated under the laws of Manitoba and was established as the representative body for Winnipeg Jewry in order to foster and maintain a strong and united Jewish community. 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 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 pledge revenue is recognized in the year in which the related expenditures are incurred.

Undesignated pledge 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, 2015

2. Significant accounting policies (continued)

c) Capital assets

Capital assets are recorded at cost. Amortization is provided at rates designed to write off the assets over their estimated useful lives as follows:

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

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 securities. These investments are initially recognized at fair value and subsequently measured at amortized cost. Transaction costs that are directly attributable to the acquisition of these investments are recognized on the statement of operations in the period incurred.

e) 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.

f) Financial instruments

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

Jewish Federation of Winnipeg Inc.
Notes to the Financial Statements
 August 31, 2015

3. Investments

	2015		2014	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Fixed income	\$1,908,491	\$1,932,869	\$2,700,948	\$2,744,542
Less: current portion	<u>816,510</u>	<u>810,950</u>	<u>1,506,675</u>	<u>1,509,350</u>
Investments	<u>\$1,091,981</u>	<u>\$1,121,919</u>	<u>\$1,194,273</u>	<u>\$1,235,192</u>
Allocated:				
Unrestricted	\$ 565,490		\$ 377,050	
Reserve Fund	<u>526,491</u>		<u>817,223</u>	
	<u>\$1,091,981</u>		<u>\$1,194,273</u>	

Total investment income received in 2015 on fixed income investments was \$86,444 at an average rate of 3.75% (2014 - \$86,873 at an average rate of 3.23%).

4. Pledges receivable

	2015	2014
Pledges receivable	\$ 932,810	\$ 804,903
Allowance for doubtful accounts	<u>(101,809)</u>	<u>(111,405)</u>
	<u>\$ 831,001</u>	<u>\$ 693,498</u>

5. Receivables

	2015	2014
Accrued interest	\$ 67,514	\$ 55,000
Goods and services tax	8,838	5,860
Other	<u>31,264</u>	<u>21,065</u>
	<u>\$ 107,616</u>	<u>\$ 81,925</u>

Jewish Federation of Winnipeg Inc.
Notes to the Financial Statements
 August 31, 2015

6. Advances, Jewish Federations of Canada - UIA

Jewish Federation of Winnipeg Inc. has an advance receivable balance of \$Nil (2014 - \$260,730) from Jewish Federations of Canada - UIA.

During the year, the Organization decided to write off the full amount of the advances made in previous years. Payments made to Jewish Federations of Canada - UIA are booked each year based on allocations approved by the Board of Directors.

7. Advances, National Council of Jewish Women of Canada Winnipeg Section Inc.

By agreement with the National Council of Jewish Women of Canada Winnipeg Section Inc. (NCJWCWS) and the Gwen Selter Creative Living Centre (GSCLC), the Jewish Federation of Winnipeg Inc. (JFW) has agreed to advance \$2,500 per month for the duration of the lease at [REDACTED] GSCLC and NCJWCWS. The current lease expiry date is May 31, 2016. In consideration of the advance, and as security for repayment of the same, NCJWCWS shall grant to JFW a mortgage (the "Mortgage") which shall be used as a first mortgage against the title to the Premises. Upon sale of the Premises, NCJWCWS agrees to pay JFW the lessor of:

- i) The total amount of the Advance made by JFW to NCJWCWS to the date of closing of the said sale without interest or,
- ii) An amount equal to 30% of the net proceeds received from the sale of the premises.

Subsequent to year end, NCJWCWS reached an agreement with GSCLC to sell them the Premises. The advances from JFW will be repaid in the next fiscal year.

8. Capital assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2015 Net Book Value</u>	<u>2014 Net Book Value</u>
Computer equipment	\$ 2,743	\$ -	\$ 2,743	\$ -
Furniture and equipment	34,006	34,006	-	11,326
Donor management system	<u>170,529</u>	<u>-</u>	<u>170,529</u>	<u>-</u>
	<u>\$ 207,278</u>	<u>\$ 34,006</u>	<u>\$ 173,272</u>	<u>\$ 11,326</u>

Jewish Federation of Winnipeg Inc.
Notes to the Financial Statements
August 31, 2015

9. Payables and accruals

	<u>2015</u>	<u>2014</u> (Note 19)
Trade	\$ 152,707	\$ 79,568
I.L. Peretz Folk School Endowment	15,302	14,780
Holocaust Remembrance Committee	-	7,466
Other	<u>18,610</u>	<u>20,673</u>
	<u>\$ 186,619</u>	<u>\$ 122,487</u>

10. Deferred revenue

Deferred revenue consists of the following:

	<u>2015</u>	<u>2014</u>
Words and Deeds Leadership Award Dinner	\$ 264,207	\$ -
Missions to Israel	85,052	24,003
March of the Living	<u>34,760</u>	<u>31,260</u>
	<u>\$ 384,019</u>	<u>\$ 55,263</u>

11. Campaign revenue

Campaign revenue is pledged as follows:

	<u>Budget</u> <u>2015</u>	<u>Actual</u> <u>2015</u>	<u>Budget</u> <u>2014</u>	<u>Actual</u> <u>2014</u>
Undesignated	\$4,860,463	\$4,571,823	\$4,702,668	\$4,736,691
Designated	<u>1,019,537</u>	<u>1,039,786</u>	<u>1,013,832</u>	<u>1,015,357</u>
	<u>\$5,880,000</u>	<u>\$5,611,609</u>	<u>\$5,716,500</u>	<u>\$5,752,048</u>

12. 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 its operations. 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. The balance of the fund as at August 31, 2015 was \$3,718,205 (2014 - \$3,446,796).



Jewish Federation of Winnipeg Inc.
Notes to the Financial Statements
 August 31, 2015

13. Change in non-cash operating assets and liabilities

	<u>2015</u>	<u>2014</u>
Pledges receivable	\$ (137,503)	\$ 21,636
Receivables	(25,691)	12,863
Prepaid expenses	(33,183)	2,831
Payables and accruals	64,132	(72,584)
Deferred revenue	328,756	(21,036)
Due to beneficiary agencies	(85,250)	124,800
Designated allocations payable	<u>(127,788)</u>	<u>(110,857)</u>
	<u>\$ (16,527)</u>	<u>\$ (42,347)</u>

14. Allocations - beneficiary agencies

	<u>2015</u>	<u>2014</u> (Note 19)
Allocations committee	\$ 2,568,550	\$ 2,653,800
Indirect allocation of operating expenditures (Page 16)	<u>90,000</u>	<u>104,000</u>
	<u>\$ 2,658,550</u>	<u>\$ 2,757,800</u>

15. License fee

The Organization has signed an annual license agreement with the Asper Jewish Community Campus of Winnipeg Inc. which expires August 31, 2016. The annual license fee required to August 31, 2016 is estimated to be \$62,900.

16. 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 14).

17. Vaa'd Ha'ir of Winnipeg Inc. recoveries

The Vaa'd Ha'ir of Winnipeg Inc. assigned to the Organization the proceeds of sale in the amount of \$413,984. This amount is to be received in monthly installments of \$3,750 (\$45,000 per year).

Jewish Federation of Winnipeg Inc.
Notes to the Financial Statements

August 31, 2015

18. Special funding

During the year, the board of directors approved special funding for the following:

	<u>2015</u>	<u>2014</u>
Rady Centre - Folklorama and Yom Ha'Azmaut	\$ -	\$ 15,372
CEO Search Committee	-	24,836
Winnipeg Board of Jewish Education Inc.	<u>45,000</u>	<u>-</u>
	<u>\$ 45,000</u>	<u>\$ 40,208</u>

19. Comparative figures

Certain balances of the preceding year have been reclassified to conform with the current year's financial statement presentation.

Jewish Federation of Winnipeg Inc.
Schedule of Federation Operating Expenditures

Year Ended August 31	Budget	2015	2014 (Note 19)
Amortization	\$ 11,326	\$ 11,326	\$ 11,340
Bank charges	2,100	6,339	2,423
Community relations programming	43,000	33,974	31,180
Data processing and demographics	6,000	3,000	8,202
Employee benefits	57,078	61,452	54,528
Folklorama	-	2,594	7,000
Goods and services tax	9,092	8,489	7,756
Insurance	7,975	8,568	7,744
Leadership/Volunteer awards and meetings	2,500	10,548	6,983
License fee (Note 15)	39,790	39,780	38,675
Planning	6,000	2,960	1,717
President's discretionary fund	1,000	980	-
Printing, postage, stationery and office	32,753	17,436	13,286
Professional development	10,000	21,262	10,330
Professional fees	10,500	22,725	10,238
Publicity, marketing and communications	4,000	18,229	2,837
Salaries	510,866	473,546	518,636
Special events	-	15,231	-
Telephone	13,390	14,193	12,396
Travel	4,100	3,941	6,188
Jewish engagement initiatives			
Birthright	34,600	32,124	32,270
Centre for Jewish Engagement	85,610	86,594	72,715
Growing the Community	41,500	41,039	41,631
Partnership Together	54,000	73,390	54,095
JPEG/YAD	75,789	68,593	59,915
Hillel Winnipeg	65,000	71,686	57,377
March of the Living	20,000	5,933	19,992
Madrachim School	-	-	4,378
PJ Library	18,000	17,939	19,802
	<u>1,165,969</u>	<u>1,173,871</u>	<u>1,113,634</u>
Direct recoveries			
Centre for Israel and Jewish Affairs	<u>(110,000)</u>	<u>(101,525)</u>	<u>(101,246)</u>
Indirect recoveries (Note 16)			
Winnipeg Board of Jewish Education Inc.	<u>(90,000)</u>	<u>(90,000)</u>	<u>(104,000)</u>
	<u>\$ 965,969</u>	<u>\$ 982,346</u>	<u>\$ 908,388</u>

See accompanying notes to the financial statements.

