



Financial Statements of

**JEWISH COMMUNITY  
FOUNDATION OF CALGARY**

Year ended June 30, 2009



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## **AUDITORS' REPORT TO THE DIRECTORS**

We have audited the statement of financial position of the Jewish Community Foundation of Calgary (the "Foundation") as at June 30, 2009 and the statement of operations and changes in Foundation funds and statement of cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at June 30, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*KPMG LLP*

Chartered Accountants

Calgary, Canada  
September 30, 2009

# JEWISH COMMUNITY FOUNDATION OF CALGARY

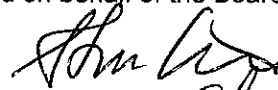
## Statement of Financial Position

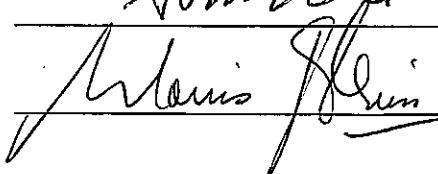
June 30, 2009, with comparative figures for 2008

	2009	2008
<b>Assets</b>		
Current assets:		
Cash	\$ 12,073	\$ 15,528
Accounts receivable	4,501	-
	<u>16,574</u>	<u>15,528</u>
Investments, at fair value (note 2)	3,598,950	3,949,799
Cash surrender value of life insurance (note 3)	77,916	70,484
	<u>\$ 3,693,440</u>	<u>\$ 4,035,811</u>
<b>Liabilities and Fund Balances</b>		
Current liabilities:		
Accounts payable	\$ 952	\$ -
Deferred flow-through grants (note 4)	89,294	151,240
	<u>90,246</u>	<u>151,240</u>
Managed funds (note 5)	1,446,901	1,429,213
	<u>1,537,147</u>	<u>1,580,453</u>
Foundation funds (note 6):		
Unrestricted	87,192	103,363
Restricted	1,326,266	1,505,358
Endowment	742,835	846,637
	<u>2,156,293</u>	<u>2,455,358</u>
	<u>\$ 3,693,440</u>	<u>\$ 4,035,811</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

# JEWISH COMMUNITY FOUNDATION OF CALGARY

## Statement of Operations and Changes in Foundation Funds

Year ended June 30, 2009, with comparative figures for 2008

	Unrestricted	Restricted	Endowment	Flow-through	2009	2008
<b>Revenue:</b>						
Contributions	\$ 3,404	\$ 68,633	\$ 7,458	\$ 160,953	\$ 240,448	\$ 571,823
Investment income	5,051	85,465	41,643	5,130	137,289	109,767
Realized capital gains	—	—	—	—	—	21,181
Other income	1,287	—	—	—	1,287	2,420
<b>Total revenue</b>	<b>9,742</b>	<b>154,098</b>	<b>49,101</b>	<b>166,083</b>	<b>379,024</b>	<b>705,191</b>
<b>Expenditures:</b>						
Grants	5,250	78,622	19,550	205,314	308,736	696,739
<b>Capital losses:</b>						
Realized	10,559	145,227	85,119	8,384	249,289	—
Change in unrealized	3,762	54,975	30,978	11,651	101,366	40,614
Investment fees	832	16,363	6,814	827	24,836	24,831
Marketing & advertising	948	12,027	1,964	349	15,288	12,934
Service costs	3,300	8,828	5,865	1,039	19,032	16,264
Audit & legal	1,262	6,280	2,613	465	10,620	8,858
Insurance premiums	—	10,868	—	—	10,868	10,868
<b>Total expenditures</b>	<b>25,913</b>	<b>333,190</b>	<b>152,903</b>	<b>228,029</b>	<b>740,035</b>	<b>811,108</b>
Excess (deficiency) of revenue over expenditures	(16,171)	(179,092)	(103,802)	(61,946)	(361,011)	(105,917)
Decrease in deferred flow-through grants (note 4)	—	—	—	61,946	61,946	230,270
<b>Change in the year</b>	<b>(16,171)</b>	<b>(179,092)</b>	<b>(103,802)</b>	<b>—</b>	<b>(299,065)</b>	<b>124,353</b>
Balance, beginning of year	103,363	1,505,358	846,637	—	2,455,358	2,331,005
<b>Balance, end of year</b>	<b>\$ 87,192</b>	<b>\$ 1,326,266</b>	<b>\$ 742,835</b>	<b>\$ —</b>	<b>\$ 2,156,293</b>	<b>\$ 2,455,358</b>

See accompanying notes to financial statements.

# JEWISH COMMUNITY FOUNDATION OF CALGARY

## Statement of Cash Flows

Year ended June 30, 2009, with comparative figures for 2008

	2009	2008
Cash provided from (used in):		
Operating Activities:		
Change in Foundation funds	\$ (361,011)	\$ (105,917)
Change in Managed funds (note 5)	17,688	362,727
Change in Foundation and Managed funds	(343,323)	256,810
Items not involving cash:		
Change in accounts payable and accounts receivable	(3,549)	(365)
Decrease (increase) in cash surrender value	(7,432)	(11,276)
Realized capital losses (gains)	249,289	(20,031)
Change in unrealized capital losses	101,366	37,441
	(3,649)	262,579
Investing Activities:		
Proceeds on disposition of investments	194	(255,605)
Increase (decrease) in cash	(3,455)	6,974
Cash, beginning of year	15,528	8,554
Cash, end of year	\$ 12,073	\$ 15,528

See accompanying notes to financial statements.

# JEWISH COMMUNITY FOUNDATION OF CALGARY

## Notes to Financial Statements

Year ended June 30, 2009

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### **Nature of operations:**

Jewish Community Foundation of Calgary (the "Foundation") was incorporated under the Societies Act of Alberta on January 25, 1990. The Foundation is a registered charity classified as a public foundation under the Income Tax Act (Canada) and, accordingly, is exempt from income taxes and can issue donation receipts for income tax purposes.

The purpose of the Foundation is to further the religious and educational needs of the Calgary Jewish Community, the Calgary Community at large and Canadian Jewry.

Managed funds are owned by other charitable organizations and pooled with Foundation assets for investment purposes.

### **1. Significant accounting policies:**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. These financial statements have, in management's opinion, been properly prepared within the framework of the accounting policies summarized as follows:

#### **(a) Financial instruments:**

The Foundation financial instruments consist of cash, accounts receivable, investments, cash surrender value of life insurance, accounts payable, and managed funds. Management has classified each financial instrument into the following categories: held for trading financial assets and liabilities, loans or receivables, held to maturity investment, available for sale financial assets, and other financial liabilities. Investments are recorded at fair value at year end as established by the bid price for trading on the recognized exchange on which the security is listed or principally traded.

#### **(b) Financial instruments (continued):**

Subsequent measurement of the financial instruments is based on their classification. It is management's opinion that the fair values of the monetary assets and liabilities approximate their carrying values at June 30, 2009. Changes in market value of funds are reflected in the fund balances.

Unrealized gains and losses on held for trading financial assets are recognized in the Statement of Operations. The other categories of financial instruments are recognized at amortized cost using the effective interest method.

The Foundation has classified investments and cash as held for trading, accounts receivable as loans and receivables and accounts payable, deferred contributions and managed funds as other liabilities.

# JEWISH COMMUNITY FOUNDATION OF CALGARY

Notes to Financial Statements, page 2

Year ended June 30, 2009

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## 1. Significant accounting policies (continued):

### (c) Investment income:

The Foundation recognizes income that is not externally restricted as part of investment income, in the general (unrestricted) fund. Externally restricted investment income is recognized as part of income in the appropriate restricted fund.

### (d) Donated securities:

Donated securities are recorded at their market value on date of donation.

### (e) Donated services:

The work of the Foundation is dependent upon voluntary services of members. The value of donated services is not recorded in these statements due to the difficulty in measuring such services.

### (f) Contributions:

The Foundation follows the restricted fund method of accounting. Unrestricted contributions related to general operations are recognized as revenue in the general fund in the year in which the related expenses are incurred. Restricted contributions are recognized as revenue in the appropriate restricted fund in the year received. The Foundation manages capital in several funds with various conditions. These funds have been amalgamated as part of the restricted fund. Flow-through contributions, not distributed in the year of receipt, are established as a liability until the grants are made.

### (f) Contributions (continued):

#### (i) Flow-through (restricted):

Flow-through (restricted) contributions are distributed within two fiscal years from the date of receipt to charitable organizations specified by the donors.

#### (ii) Restricted:

These are funds that are restricted for a period of time usually exceeding two years for which donors support specified charitable causes.

#### (iii) Endowment:

These are permanent funds through which donors provide support for specified charitable causes.

# JEWISH COMMUNITY FOUNDATION OF CALGARY

Notes to Financial Statements, page 3

Year ended June 30, 2009

## 1. Significant accounting policies (continued):

### (g) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. 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 are effected by the use of estimates. 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. Accounts specifically affected by estimates in these financial statements are the valuation of investments and unrealized capital gains/losses.

### (h) Future accounting and reporting changes:

Financial instruments – disclosures and presentation:

The Canadian Institute of Chartered Accountants has issued separate Handbook sections, 3862 and 3863, on financial instruments presentation and financial instruments disclosure that are applicable to the Foundation for the year ended June 30, 2009. In keeping with the options provided by the Handbook, the Foundation has elected not to adopt these new Handbook sections, and to continue to follow the disclosure requirement of 3861, "Financial Instruments – Presentation and Disclosure".

### (i) Comparative figures:

Certain comparative figures have been reclassified to conform to the current year's financial statement presentation.

## 2. Investments:

	2009	2008
Fixed income:		
Canada	\$ 2,123,731	\$ 1,804,642
United States	35,985	–
International	321,211	264,440
Equities:		
Canada	900,991	1,392,660
United States	38,975	197,745
International	–	62,590
Money market funds	178,057	227,722
	<u>\$ 3,598,950</u>	<u>\$ 3,949,799</u>

At June 30, 2009, the Foundation had unrealized capital gains on investments of \$6,277 (2008 - \$176,502).

# JEWISH COMMUNITY FOUNDATION OF CALGARY

Notes to Financial Statements, page 4

Year ended June 30, 2009

### 3. Cash surrender value of life insurance:

The Foundation is the beneficiary named under whole and term life insurance policies. The cash surrender value is recorded as an asset. As the realizable amount in excess to the cash value is not certain, the Foundation will record the benefits when the proceeds can be reasonably determined. The details of the policies are as follows:

2009	Premiums paid	Cash surrender value	Face value
Whole life policies	\$ 7,742	\$ 77,916	\$ 492,585
Term life policies	3,126	—	100,000
	\$ 10,868	\$ 77,916	\$ 592,585

2008	Premiums paid	Cash surrender value	Face value
Whole life policies	\$ 7,742	\$ 70,484	\$ 488,312
Term life policies	3,126	—	100,000
	\$ 10,868	\$ 70,484	\$ 588,312

### 4. Deferred flow-through grants:

	2009	2008
Balance, beginning of year	\$ 151,240	\$ 381,510
Contributions	160,953	256,000
Investment income	5,130	11,752
Grants administered in year	(205,314)	(491,693)
Net gain (loss) on investments	(20,035)	(2,024)
Expenses incurred	(2,680)	(4,305)
Balance, end of year	\$ 89,294	\$ 151,240

# JEWISH COMMUNITY FOUNDATION OF CALGARY

Notes to Financial Statements, page 5

Year ended June 30, 2009

## 4. Deferred flow-through grants (continued):

Pursuant to an agreement between the Foundation and the Calgary Jewish Community Council (the "Council"), the Foundation received monies on behalf of the Council and forwards the monies for purposes as designated by the Council. During the year, the Foundation distributed \$42,000 (2008 - \$291,903) to the Council. Included in deferred flow-through grants at June 30, 2009 is \$9,434 (2008 - \$35,294) due to the Council. Amounts received and distributed on account of flow through funds are included in the statement of operations as contributions of \$160,953 (2008 - \$256,000), and grants of \$205,314 (2008 - \$nil) respectively.

## 5. Managed funds:

	2009	2008
Increases:		
Deposits	\$ 72	\$ 302,597
Investment income	64,493	47,864
Realized capital gains	—	1,641
Unrealized capital gains	—	14,420
	64,565	366,522
Decreases:		
Realized capital losses	31,806	—
Unrealized capital losses	11,425	—
Service costs	3,646	3,795
	46,877	3,795
Change during the year	17,688	362,727
Balance, beginning of year	1,429,213	1,066,486
Balance, end of year	\$ 1,446,901	\$ 1,429,213

# JEWISH COMMUNITY FOUNDATION OF CALGARY

Notes to Financial Statements, page 6

Year ended June 30, 2009

## 5. Managed funds (continued):

Pursuant to an agreement dated June 24, 2005, the Council established a "Managed Fund" with the JCFC whereby the JCFC will manage these segregated funds for an initial period of three years and month to month thereafter. JCFC will earn a fee for providing management services. As at June 30, 2009, the fund has a balance of \$1,158,870 (2008 - \$1,110,198).

Pursuant to an agreement dated November 29, 2006, Calgary Beth Tzedec Congregation Society established a "Managed Fund" with the JCFC whereby the JCFC will manage these commingled funds for a an initial period of three years. JCFC will earn a fee for providing management services. As at June 30, 2009 the fund has a balance of \$14,882 (2008 - \$16,394).

Pursuant to an agreement dated November 23, 2007, Temple B'nai Tikvah established a "Managed Fund" with the JCFC whereby the JCFC will manage these commingled funds for an initial period of three years. JCFC will earn a fee for providing management services. As at June 30, 2009 the fund has a balance of \$273,149 (2008 - \$302,621).

## 6. Foundation fund balances:

	Unrestricted	Restricted	Endowment	Total
Net current assets	\$ 15,622	\$ -	\$ -	\$ 15,622
Investments	71,570	1,248,350	742,835	2,062,755
Cash surrender value of life insurance	-	77,916	-	77,916
June 30, 2009	\$ 87,192	\$ 1,326,266	\$ 742,835	\$ 2,156,293

	Unrestricted	Restricted	Endowment	Total
Cash	\$ 15,528	\$ -	\$ -	\$ 15,528
Investments	87,835	1,434,874	846,637	2,369,346
Cash surrender value of life insurance	-	70,484	-	70,484
June 30, 2008	\$ 103,363	\$ 1,505,358	\$ 846,637	\$ 2,455,358

## 7. Contributions:

Included in contribution amounts are gifts-in-kind of the shares of publicly traded companies with an estimated fair market value of \$18,491 (2008 - \$170,688) at the time of contribution. These shares were added directly to the equity investments held by the Foundation.

# JEWISH COMMUNITY FOUNDATION OF CALGARY

Notes to Financial Statements, page 7

Year ended June 30, 2009

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## **8. Financial risk management:**

The Foundation is exposed to fluctuations in market prices of stocks and bonds, interest rates, foreign currency exchange rates and credit risks of bonds. These risks are mitigated by the Foundation's investment policies, which prescribe the asset mix of investments, including the amount of foreign content and credit rating of bond issuers.

## **9. Capital management:**

The Foundation views its capital as a combination of cash, investments and its fund balances. The Foundation manages capital through review of financial information on a frequent basis and a formalized investment policy. The Foundation has complied with all the management of capital requirements set out in agreements made with the contributors.