

**Calgary Jewish Community
Campus Corporation
(formerly known as
Calgary Jewish Centre)**

Financial Statements
August 31, 2017



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Independent Auditor's Report

To the Directors of Calgary Jewish Community Campus Corporation (formerly known as Calgary Jewish Centre)

We have audited the accompanying financial statements of Calgary Jewish Community Campus Corporation (formerly known as Calgary Jewish Centre), which comprise the statement of financial position as at August 31, 2017 and the statements of operations and changes in net assets 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.

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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Calgary Jewish Community Campus Corporation (formerly known as Calgary Jewish Centre) as at August 31, 2017 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.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Schedules on pages 12 through 15 of the financial statements of Calgary Jewish Community Campus Corporation (formerly known as Calgary Jewish Centre).

BDO Canada LLP

Chartered Professional Accountants

Calgary, Alberta
November 20, 2017

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Calgary Jewish Community Campus Corporation
(formerly known as Calgary Jewish Centre)
Statement of Financial Position
As at August 31

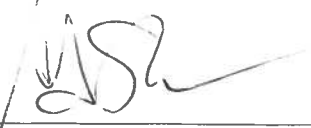
	2017 \$	2016 \$
Assets		
Current assets		
Cash and equivalents	826,114	1,471,485
Restricted cash (note 2b)	35,427	68,761
Accounts receivable (note 7)	177,855	183,210
Prepaid expenses	14,117	11,088
Government remittances receivable	5,620	5,724
	<u>1,059,133</u>	<u>1,740,268</u>
Property and equipment and intangible assets (note 3)	3,494,944	1,786,448
Holocaust memorial	106,575	106,575
	<u>4,660,652</u>	<u>3,633,291</u>
Liabilities and net assets		
Current liabilities		
Line of credit (note 9)	70,000	-
Accounts payable and accrued liabilities	252,740	230,094
Current portion of security loan (note 4)	16,200	16,200
Current portion of renovations loan (note 5)	75,676	-
Deferred revenue (note 6)	309,349	413,163
	<u>723,965</u>	<u>659,457</u>
Long-term portion of security loan (note 4)	36,800	53,000
Long-term portion of renovations loan (note 5)	299,679	-
Deferred capital contributions (note 8)	2,865,335	2,319,305
	<u>3,925,779</u>	<u>3,031,762</u>
Net assets		
Unrestricted	734,873	433,129
Internally restricted (note 10)	-	168,400
	<u>734,873</u>	<u>601,529</u>
	<u>4,660,652</u>	<u>3,633,291</u>

Commitments (Notes 13 and 14)

Approved on behalf of the Directors:



Director



Director

Calgary Jewish Community Campus Corporation
(formerly known as Calgary Jewish Centre)
Statement of Operations and Changes in Net Assets
For the years ended August 31

	2017 \$	2016 \$
Revenues		
Program revenues	2,181,531	2,206,840
Contributions (note 11)	713,632	705,168
Membership	529,624	600,825
Fundraising income	369,873	408,988
Rent	87,170	83,511
Facility maintenance fee (note 10)	152,170	159,048
Overhead recoveries (note 7)	68,248	67,492
Amortization of deferred capital contributions (note 8)	107,684	78,023
	<u>4,209,932</u>	<u>4,309,895</u>
Expenses		
Program costs	2,046,685	2,045,971
Fundraising costs	100,716	188,495
Facility expenses	995,694	977,636
Administrative expenses	976,245	932,615
Loss on disposal of property and equipment	55,838	-
Amortization of property and equipment	210,615	141,751
	<u>4,385,793</u>	<u>4,286,468</u>
Excess (deficiency) of revenues over expenses for the year before extraordinary item	(175,861)	23,427
Extraordinary item – flood recoveries	<u>309,205</u>	<u>35,000</u>
Excess of revenues over expenses for the year	133,344	58,427
Net assets – Beginning of year	<u>601,529</u>	<u>543,102</u>
Net assets – End of year	<u>734,873</u>	<u>601,529</u>

Calgary Jewish Community Campus Corporation
(formerly known as Calgary Jewish Centre)

Statement of Cash Flows

For the years ended August 31

	2017 \$	2016 \$
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses	133,344	58,427
Items not affecting cash		
Amortization of property and equipment	210,615	141,751
Amortization of deferred capital contributions	(107,684)	(78,023)
Loss on disposal of property and equipment	55,838	-
Net change in non-cash working capital	(78,738)	201,048
	213,375	323,203
Financing activities		
Line of Credit advanced	70,000	-
Term loan repayments	(40,845)	(10,800)
Term loan funds received	400,000	80,000
Deferred capital contributions received	653,714	1,565,907
	1,082,869	1,635,107
Investing activities		
Movement in restricted cash	33,334	(32,919)
Purchase of property and equipment	(1,974,949)	(595,334)
	(1,941,615)	(628,253)
Increase (decrease) in cash	(645,371)	1,330,057
Cash and equivalents – Beginning of year	1,471,485	141,428
Cash and equivalents – End of year	826,114	1,471,485

Calgary Jewish Community Campus Corporation (formerly known as Calgary Jewish Centre)

Notes to Financial Statements

August 31, 2017

1 Purpose of the organization

The Calgary Jewish Centre (“JCC”) was formed in 1983 under the Calgary Jewish Centre Act. The name changed to Calgary Jewish Centre Campus Corporation in the summer of 2017 (“CJCCC”). CJCCC is a registered charity under the Income Tax Act and therefore is exempt from income taxes. The purpose of the JCC, a division of 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 JCC is dependent on the ongoing financial support of its members and the annual allocations from the Calgary Jewish Federation – United Jewish Appeal.

The CJCCC is registered under the Charitable Fundraising Act of Alberta and has considered all required disclosures under Section 7(2) of the regulation in preparing these financial statements.

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

The CJCCC uses the deferral method of accounting.

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.

Restricted contributions for operating purposes are deferred in the year received and recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue when received.

Revenue from programs, rent and annual memberships are recognized on a pro-rata basis as services are delivered.

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.

c) Property and equipment and intangible assets

Purchased property and equipment and intangible assets are recorded at cost. Contributed property and equipment and intangible assets are recorded at fair value at the date of the contribution. Amortization is recorded on a straight-line basis as follows:

**Calgary Jewish Community Campus Corporation
(formerly known as Calgary Jewish Centre)**

Notes to Financial Statements

August 31, 2017

Asset category	
Buildings	10 - 25 years
Equipment	3 - 20 years
Leased equipment	4 years
Furniture and fixtures	4 – 15 years
Computer and security equipment	2 - 5 years
Automobiles	7 years
Website	2 years

d) Leased assets

Leases that transfer substantially all the benefits and risks associated with ownership are recorded as property and equipment and a lease obligation. The asset is amortized in a manner consistent with the related asset and the obligation is reduced over the term of the lease, using the effective interest rate method. All other leases are accounted for as operating leases and the rental costs are expensed as incurred.

e) Holocaust memorial

The Holocaust Memorial consists of a sculpture outside the CJCCC that commemorates the victims of the Holocaust. It was recorded in the statement of Financial Position at its fair market value at the time it was donated in 1986 as a direct increase to net assets. No amortization is recorded on the sculpture as the sculpture has an enduring value.

f) Financial instruments

Financial instruments are initially recorded 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 to be measured at fair value. The financial assets subsequently measured at amortized cost include cash, restricted cash, cash equivalents and accounts receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets are tested for impairment when changes in circumstances indicate that the asset could be impaired. Transaction costs on the acquisition and sale of financial instruments are expensed for those items re-measured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

**Calgary Jewish Community Campus Corporation
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Notes to Financial Statements

August 31, 2017

g) Contributed materials and services

Donated materials and services are recorded in the financial statements at fair market value when fair market value can be reasonably estimated and the materials or services would otherwise have been purchased.

Volunteers contribute time to assist the CJCCC in carrying out its service delivery activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

h) 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. Accounts specifically affected by estimates in these financial statements are the useful life of property and equipment and related deferred capital contributions, as well as valuation and recovery of accounts receivable.

Calgary Jewish Community Campus Corporation
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Notes to Financial Statements

August 31, 2017

3 Property and equipment and intangible assets

	2017		
	Cost	Accumulated	Net book
	\$	amortization	value
		\$	\$
Land	98,400	-	98,400
Buildings	9,000,262	(6,136,708)	2,863,554
Equipment	1,047,261	(773,741)	273,520
Leased equipment	26,745	(26,745)	-
Furniture and fixtures	469,487	(296,595)	172,892
Computer and security equipment	296,370	(209,793)	86,577
Automobiles	140,244	(140,244)	-
Website	3,571	(3,570)	1
	11,082,340	(7,587,396)	3,494,944

	2016		
	Cost	Accumulated	Net book
	\$	amortization	value
		\$	\$
Land	98,400	-	98,400
Buildings	7,227,880	(6,033,482)	1,194,398
Equipment	966,776	(725,592)	241,184
Leased equipment	26,745	(21,730)	5,015
Furniture and fixtures	446,950	(282,908)	164,042
Computer and security equipment	266,732	(183,324)	83,408
Automobiles	140,244	(140,244)	-
Website	3,571	(3,570)	1
	9,177,298	(7,390,850)	1,786,448

**Calgary Jewish Community Campus Corporation
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Notes to Financial Statements

August 31, 2017

4 Security Loan

	\$
Total principal outstanding	53,000
Current portion	<u>(16,200)</u>
	<u>36,800</u>

In December 2015, the CJCCC drew \$80,000 from their available term loan (refer Note 9) to finance the upgrading of their security infrastructure. Monthly payments are \$1,350 plus interest at prime plus 1.4%. The loan amortization period ends in December 2020.

5 Renovations Loan

	\$
Total principal outstanding	375,355
Current portion	<u>(75,676)</u>
	<u>299,679</u>

In April 2017, the CJCCC drew \$400,000 from their available term loan (refer Note 9) to finance the major locker room renovations project. Monthly payments are \$7,235 blended. Interest is at prime plus 1.15%. The loan amortization period ends in April 2022.

6 Deferred revenue

	2017	2016
	\$	\$
General		
Membership fees	159,992	184,391
Prepaid program and rental revenue	89,522	128,886
Deferred operating grants	24,408	31,125
Deferred gaming event contribution	<u>35,427</u>	<u>68,761</u>
	<u>309,349</u>	<u>413,163</u>

Calgary Jewish Community Campus Corporation (formerly known as Calgary Jewish Centre)

Notes to Financial Statements

August 31, 2017

7 Related party transactions

Until June 2017, the CJCCC was under limited influence by the Calgary Jewish Community Council. The statutory members of the Calgary Jewish Community Council had the right to authorize the borrowing of money by the CJCCC or to authorize the sale or transfer of any interest of the CJCCC in real property. The Council did not exercise its right to appoint any statutory members in fiscal 2017.

Effective June 2017, the CJCCC is now controlled by the Calgary Jewish Federation (the "Federation"). The Federation Board of Directors constitutes the majority of the CJCCC Board.

During the year, the CJCCC received overhead recoveries of \$58,248 (2016 - \$57,492) from the Federation and \$10,000 (2016 - \$10,000) from the Council. Refer to note 11 for contributions received from the Federation for the 2017 and 2016 fiscal years. These transactions are recorded at the exchange amount which is the agreed upon amount between the two parties. Included in the accounts receivable balance is \$15,389 (2016 - \$7,570) from the Federation and \$nil (2016 - \$203) from the Council.

8 Deferred capital contributions

Deferred capital contributions relate to contributions of property and equipment as well as contributions for the purchase and replacement of property and equipment. The changes in the deferred contributions balance for the period are as follows:

	2017	2016
	\$	\$
Balance – Beginning of year	2,319,305	830,865
Restricted capital contributions received		
Security Infrastructure Program grant	21,566	-
Canada 150 Infrastructure grant	500,000	-
Community Facility Enhancement grant	125,000	64,618
Donations	205,919	1,476,845
New Horizons Seniors Equipment grant	-	25,000
Reallocate grant funding repurposed	(198,771)	-
Amounts amortized into operations in the year	(107,684)	(78,023)
Balance – End of year	<u>2,865,335</u>	<u>2,319,305</u>

9 Credit facilities

The CJCCC has available a Line of Credit of \$150,000, a term loan of \$80,000, at prime plus 1.4%, and a term loan of \$400,000, at prime plus 1.15%. These facilities are secured by a General Security Agreement and a guarantee and postponement of claim by the Calgary Jewish Community Council of \$100,000. During the 2016 fiscal year, the CJCCC drew upon the \$80,000 facility (see Note 4). During the current fiscal year, the CJCCC drew upon the new \$400,000 facility (see Note 5), and the Line of Credit (unused in 2016).

There is also a VISA facility to a maximum of \$59,000.

Calgary Jewish Community Campus Corporation
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Notes to Financial Statements

August 31, 2017

10 Internally restricted fund balances

During the year the Board of Directors internally restricted \$152,170 (2016 - \$159,048) for infrastructure maintenance and enhancements, as well as ongoing security personnel costs. The Board authorized the withdrawal of \$328,773 for capital projects.

11 Contributions

	2017	2016
	\$	\$
Federation funding (Note 7)		
- Cost of the box	374,004	360,000
- Program allocations	166,200	182,004
- IBP allocation for bursaries	43,848	48,648
United Way funding - Seniors	66,992	89,354
Federal and Provincial grants	-	2,119
Other	62,588	23,043
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	713,632	705,168
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12 Financial instrument risks

The CJCCC is exposed to the following risks:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The CJCCC is exposed to credit risk arising from its accounts receivable and due from affiliated agencies, as there is a risk that the counterparty to the transaction will not pay. The risk is somewhat mitigated as the CJCCC's receivables comprise smaller amounts from a diverse population and the CJCCC reviews its accounts receivable to follow up on collections in a timely manner.

b) Liquidity risk

Liquidity risk is the risk that the CJCCC would encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the CJCCC would not have sufficient funds to settle a transaction on the due date, would be forced to sell financial assets at a value which is less than what they are worth, or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities, its lease obligation and term loans. The CJCCC mitigates this risk by preparing and monitoring budgets and cash flows on a monthly basis, and ensuring adequate facilities are in place with funders.

**Calgary Jewish Community Campus Corporation
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Notes to Financial Statements

August 31, 2017

13 Commitments

The CJCCC is committed to payments under operating leases for equipment over the next five fiscal years as follows:

	\$
2018	19,608
2019	19,608
2020	10,191
2021 and thereafter	-
	<u>49,407</u>

14 Capital Commitments

The CJCCC will be required to complete the following major capital projects during the 2018 fiscal year:

- a) Upgrade of swimming pool facilities: approximately \$350,000 – not yet contracted for. Partial funding of \$125,000 has been received from the Alberta Government in the form of a Community Facility Enhancement grant (see note 8)
- b) Replacement of membership and registration software: \$80,140 – contracted for and partially paid

15 Prior year figures

Prior year figures have been restated to conform to current year classification. There was no impact on the prior year's excess of revenues over expenses.

Calgary Jewish Community Campus Corporation
(formerly known as Calgary Jewish Centre)

Schedule A

Schedule of Program Operations

(Unaudited)

For the years ended August 31

	2017			2016		
	Gross revenue \$	Direct costs \$	Net revenue (loss) before administrative and other indirect costs \$	Gross revenue \$	Direct costs \$	Net revenue (loss) before administrative and other indirect costs \$
Babe care	885,164	612,556	272,608	831,758	619,924	211,835
Children's programs	705,929	408,841	297,088	717,556	422,861	294,695
Fitness programs	496,904	722,185	(225,281)	581,665	640,250	(58,585)
Youth and teen	23,950	59,983	(36,033)	10,934	62,850	(51,916)
Cultural	29,700	108,259	(78,559)	30,403	105,974	(75,571)
Senior adults	39,884	134,861	(94,977)	34,524	194,112	(159,588)
	<u>2,181,531</u>	<u>2,046,685</u>	<u>134,846</u>	<u>2,206,840</u>	<u>2,045,971</u>	<u>160,869</u>

Certain salaries and wages in the amount of \$319,140 have been allocated between program areas based upon an estimate of the time and effort expended. Administrative and other indirect costs have not been allocated. Had these costs been allocated to programs, the net revenue would be significantly reduced. Membership revenue has also not been attributed to program areas. Had membership revenue been allocated across program areas, the net revenue would increase in each program area, specifically in fitness.

**Calgary Jewish Community Campus Corporation
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Schedule B

Schedule of Fundraising Activities

(Unaudited)

For the years ended August 31

	2017			2016		
	Gross revenue \$	Direct costs \$	Net revenue before administrative and other indirect costs \$	Gross revenue \$	Direct costs \$	Net revenue before administrative and other indirect costs \$
Sports dinner	317,675	92,615	225,060	358,505	178,541	179,964
Gaming	33,334	-	33,334	38,593	2,081	36,512
Other fundraisers	18,864	8,101	10,763	11,890	7,873	4,017
	369,873	100,716	269,157	408,988	188,495	220,493

Had administrative and other indirect costs been allocated to fundraising activities, the net revenue would be significantly reduced.

**Calgary Jewish Community Campus Corporation
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Schedule C

Schedule of Facility Expenses

(Unaudited)

For the years ended August 31

	2017	2016
	\$	\$
Repairs and maintenance	306,733	278,008
Salaries and benefits	243,222	270,599
Security costs	145,837	120,249
Utilities	232,930	241,157
Insurance	66,972	67,623
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	995,694	977,636
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Calgary Jewish Community Campus Corporation
(formerly known as Calgary Jewish Centre)

Schedule D

Schedule of Administrative Expenses

(Unaudited)

For the years ended August 31

	2017	2016
	\$	\$
Salaries and benefits	674,919	618,230
Printing, stationary and office expenses	112,353	108,007
Professional fees	29,732	43,189
Credit card and bank fees and interest	90,110	78,031
Affiliations and memberships	26,034	27,514
Advertising	27,597	24,466
Bad debt expense	(1,888)	6,500
Foreign exchange net losses	2,028	8,749
Professional development and travel	15,360	17,929
	<hr/>	<hr/>
	976,245	932,615