



# THE OTTAWA JEWISH COMMUNITY FOUNDATION

Financial Statements  
For The Year Ended December 31, 2015

# THE OTTAWA JEWISH COMMUNITY FOUNDATION

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DECEMBER 31, 2015

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## INDEPENDENT AUDITOR'S REPORT

To the members of  
The Ottawa Jewish Community Foundation

We have audited the accompanying financial statements of The Ottawa Jewish Community Foundation, which comprise the statement of financial position as at December 31, 2015, and the statements of financial activities 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 The Ottawa Jewish Community Foundation as at December 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.



GINSBERG GLUZMAN FAGE & LEVITZ, LLP  
Chartered Professional Accountants, Licensed Public Accountants  
Ottawa,  
April 13, 2016

**THE OTTAWA JEWISH COMMUNITY FOUNDATION**

**STATEMENT OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2015**

	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>		
Cash	\$ 351,447	\$ 966,876
Investments (note 3)	53,909,094	51,607,726
Interest receivable	7,836	53,022
Sundry receivables	64,277	83,084
Prepaid expenses	42,103	20,083
	<u>\$ 54,374,757</u>	<u>\$ 52,730,791</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 567,383	\$ 376,611
Allocations payable	1,455,821	1,365,561
Deferred amounts	29,670	71,102
	<u>2,052,874</u>	<u>1,813,274</u>
Managed funds (note 5)	<u>8,141,265</u>	<u>8,450,525</u>
	<u>10,194,139</u>	<u>10,263,799</u>
<b>NET ASSETS</b>		
Endowments	<u>44,180,618</u>	<u>42,466,992</u>
	<u>\$ 54,374,757</u>	<u>\$ 52,730,791</u>

**Approved on behalf of the board:**

\_\_\_\_\_ **director**

**THE OTTAWA JEWISH COMMUNITY FOUNDATION**  
**STATEMENT OF FINANCIAL ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<b>2015 Budget</b>				
	<b>(Unaudited)</b>	<b>Operating</b>	<b>Capital</b>	<b>Total</b>	<b>Total</b>
	(note 7)	<b>Fund</b>	<b>Fund</b>	<b>2015</b>	<b>2014</b>
<b>Revenues</b>					
Investment income - net		\$ 1,687,465	\$ -	\$ 1,687,465	\$ 3,559,420
Endowments and bequests		-	2,172,635	2,172,635	497,819
Donations		-	649,732	649,732	344,847
		<u>1,687,465</u>	<u>2,822,367</u>	<u>4,509,832</u>	<u>4,402,086</u>
<b>Expenses</b>					
Bank, administrative and credit card charges	\$ 15,000	14,993	-	14,993	15,387
Computer costs and web design	7,000	1,996	-	1,996	3,300
Insurance	4,045	4,822	-	4,822	3,888
Insurance subsidy programs (note 6)	16,900	18,835	-	18,835	17,724
Occupancy costs	10,124	10,335	-	10,335	9,903
Postage	7,000	6,155	-	6,155	6,875
Printing, stationery and office	7,500	6,317	-	6,317	9,240
Professional fees	15,000	14,552	-	14,552	7,400
Promotion and public relations	41,000	32,488	-	32,488	30,107
Salaries and benefits	395,600	381,492	-	381,492	367,395
Telephone	1,300	2,958	-	2,958	2,806
Travel	4,500	4,926	-	4,926	134
Total expenses	<u>\$ 524,969</u>	<u>499,869</u>	<u>-</u>	<u>499,869</u>	<u>474,159</u>
<b>Excess revenues over expenses</b>		<u>1,187,596</u>	<u>2,822,367</u>	<u>4,009,963</u>	<u>3,927,927</u>
<b>Allocation commitments</b>		1,454,312	193,732	1,648,044	1,543,315
<b>Other donations</b>		-	648,293	648,293	344,401
		<u>1,454,312</u>	<u>842,025</u>	<u>2,296,337</u>	<u>1,887,716</u>
<b>Net result for the year</b>		(266,716)	1,980,342	1,713,626	2,040,211
<b>Net assets, beginning of year</b>		-	42,466,992	42,466,992	40,426,781
<b>Interfund transfer</b>		<u>266,716</u>	<u>(266,716)</u>	<u>-</u>	<u>-</u>
<b>Net assets, end of year</b>		<u>\$ -</u>	<u>\$44,180,618</u>	<u>\$44,180,618</u>	<u>\$42,466,992</u>

**THE OTTAWA JEWISH COMMUNITY FOUNDATION**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<b>2015</b>	<b>2014</b>
<b>CASH PROVIDED BY (USED IN)</b>		
<b>Operating activities</b>		
Net result for the year	\$ 1,713,626	\$ 2,040,211
Realized and unrealized losses (gains) on investments	67,670	(2,800,529)
Changes in operating net assets		
Interest receivable	45,186	(6,931)
Sundry receivables	18,807	9,313
Prepaid expenses	(22,020)	(4,234)
Accounts payable and accrued liabilities	190,772	(339,281)
Allocations payable	90,260	161,416
Deferred amounts	(41,432)	(917)
Managed funds	(309,260)	(385,338)
	<u>1,753,609</u>	<u>(1,326,290)</u>
<b>Investing activities</b>		
(Purchases of) net proceeds from investments	<u>(2,369,038)</u>	<u>1,880,552</u>
<b>(Decrease) increase in cash</b>	<b>(615,429)</b>	<b>554,262</b>
<b>Cash, beginning of year</b>	<u>966,876</u>	<u>412,614</u>
<b>Cash, end of year</b>	<u><u>\$ 351,447</u></u>	<u><u>\$ 966,876</u></u>

# THE OTTAWA JEWISH COMMUNITY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

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### 1. Purpose of the organization

The Ottawa Jewish Community Foundation (The Foundation) is a public foundation with tax-exempt status as a registered charity under paragraph 149(1)(f) of the Income Tax Act. Its purpose is to receive legacies, gifts, grants, bequests, endowments and donations in kind and to apply from time to time all or part thereof and the income therefrom for religious, educational and other charitable purposes.

### 2. Significant accounting policies

#### Fund accounting

The Operating Fund reports revenues and expenses related to program delivery and administrative activities.

The Capital Fund reports endowment contributions and bequests.

Unrestricted investment income earned (losses incurred) on Capital Fund resources is recognized as revenue of the Operating Fund.

#### Cash and cash equivalents

Cash and cash equivalents can include cash on hand, balances with financial institutions (net of temporary overdrafts).

#### Capital assets

Capital asset acquisitions in excess of \$5,000 are capitalized and amortized over their useful lives. Capital asset acquisitions under \$5,000 are expensed as incurred. Capital assets are recorded at cost. Amortization will commence when the asset is ready for use.

#### Revenue recognition

The organization follows the restricted fund method of accounting for contributions. Restricted contributions are recognized as revenue of the Capital Fund in the year in which the related funds are disbursed.

Endowments, bequests and unrestricted donations are recorded upon receipt of the gift.

Income from investments are included in the Operating Fund as amounts made available for allocation, at the discretion of the board and are recognized in accordance with the financial instruments note.



**THE OTTAWA JEWISH COMMUNITY FOUNDATION****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2015**

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**2. Significant accounting policies (continued)****Allocations**

The Foundation recognizes 3.5% (2014 - 3.5%) of the monthly average endowment fund balances as available for distribution for those funds that made grants in the year. Allocations made in excess of income earned per endowment fund is charged to the Capital Fund whereas income earned in excess of allocations is recapitalized to the Capital Fund.

**Interfund transfers**

It is the Foundation's policy to transfer any net result for the year from the Operating Fund to the Capital Fund.

**Use of 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 amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the result for the period in which they become known.

**Financial instruments***Measurement of financial instruments*

The Foundation initially measures its financial assets and liabilities at fair value. Subsequent to initial measurement financial assets and liabilities are measured at fair value. Changes in fair value are recognized in the net result for the year.

*Transaction costs*

Transaction costs are recognized in the net results in the year incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance, or assumption.

# THE OTTAWA JEWISH COMMUNITY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

### 3. Investments

Investments of the Capital Fund are comprised as follows:

	2015	2014
Cash equivalents	\$ 1,155,045	\$ 1,562,398
Corporate bonds	14,622,730	13,446,242
Government bonds	3,949,982	5,243,763
State of Israel bonds	1,109,852	1,021,111
Canadian equities	9,058,280	9,321,550
U.S. equities	5,254,077	9,647,059
Global equities	13,368,495	8,968,060
Alternative investments	5,390,633	2,397,543
	<u>\$ 53,909,094</u>	<u>\$ 51,607,726</u>

Allocated as follows:

	2015	2014
Ottawa Jewish Community Foundation	\$ 45,767,829	\$ 43,157,201
Managed funds (note 5)	<u>8,141,265</u>	<u>8,450,525</u>
	<u>\$ 53,909,094</u>	<u>\$ 51,607,726</u>

Investment in financial instruments renders the Foundation subject to investment risks. These include the risks arising from changes in interest rates, in rates of exchange for foreign currency, and in market values of domestic and foreign equity investments. They also include the risks arising from the failure of a party to a financial instrument to discharge an obligation when it is due.

Concentration risk exists when a significant proportion of the portfolio is invested in securities with similar characteristics or subject to similar economic, political or other conditions. Management believes that the concentrations described above do not represent excessive risk.

Foreign currency exposure arises from the Foundation's holdings of non-Canadian bonds and equities. As at December 31, 2015, the Foundation held 34.5% (2014 - 45.1%) of its investments in securities subject to foreign currency exposure.

Interest rate price risk arises from the Foundation's holding fixed income investments where the interest rates can fluctuate.

The Foundation has adopted investment policies, standards and procedures to control the amount of risk to which it is exposed.

Investment counsel, custodial and advisors fees of \$378,186 were paid during the year (2014 - \$217,492) and are recognized as a reduction of investment income.

**THE OTTAWA JEWISH COMMUNITY FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

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**4. Interfund advances**

As at December 31, 2015, the Operating Fund has advanced \$146,047 (2014 - \$28,242) to the Capital Fund. These advances are non-interest bearing with no specified terms of repayment.

**5. Managed funds**

The Foundation manages funds on behalf of other organizations for which it receives management fees.

**6. Insurance subsidy programs**

The Foundation has established three insurance programs, the Foundation insurance program, the Gilbert Greenberg Education Fund insurance program and the Perpetual Annual Campaign Endowed insurance program.

**Foundation insurance program**

The Foundation is named the beneficiary of 50 life insurance policies having a face value of \$15,154,820 (2014 - 49 policies with face value of \$14,954,820). The activities of the insurance program are not included in these financial statements except for one specific policy, wherein the income earned from the specific fund is used to fund the policy premium. The activities of this program for the year are as follows:

	<b>2015</b>	<b>2014</b>
Premiums due on policies	\$ 73,295	\$ 70,087
Less: funds received from life insured	57,392	54,184
	15,903	15,903
Less: income appropriated from net earnings of a segregated fund	8,755	8,755
	\$ 7,148	\$ 7,148

The net expense to the Foundation represents a policy premium for which there is no reimbursement from the life insured.

# THE OTTAWA JEWISH COMMUNITY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

### 6. Insurance subsidy programs (continued)

#### Gilbert Greenberg Education Fund insurance program

The Foundation is the named beneficiary of 36 life insurance policies having a face value of \$3,797,000 (2014 - 36 policies with face value of \$3,797,000). The Foundation subsidizes the annual premium on these policies to a maximum amount of \$300 per policy per year. The activities of this program for the year are as follows:

	2015	2014
Premiums due on policies	\$ 12,914	\$ 12,624
Less: Funds received from life insured	<u>1,916</u>	<u>2,042</u>
Net expense to the Foundation	<u>\$ 10,998</u>	<u>\$ 10,582</u>

The net expense to the Foundation represents the subsidies provided by the Foundation from the Operating Fund.

#### Perpetual Annual Campaign Endowed insurance program

The Foundation is the named beneficiary of 30 life insurance policies having a face value of \$3,944,513 (2014 - 30 policies with face value of \$3,944,513). An endowment fund subsidizes the annual premium on these policies to a maximum amount of \$500 per policy per year with the additional amount being paid by the insured. The activities of this program for the year are as follows:

	2015	2014
Premiums due on policies	\$ 20,397	\$ 20,727
Less: Funds received from life insured	<u>4,766</u>	<u>5,472</u>
	15,631	15,255
Less: Funds received from one specific endowment fund	<u>14,942</u>	<u>15,261</u>
Net expense (income) to the Foundation	<u>\$ 689</u>	<u>\$ (6)</u>

### 7. Budget figures

The budget figures are presented for comparative purposes and are unaudited.

**THE OTTAWA JEWISH COMMUNITY FOUNDATION**

**STATEMENT OF FINANCIAL POSITION BY FUND**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<b>Operating Fund</b>	<b>Capital Fund</b>	<b>2015 Total</b>	<b>2014 Total</b>
<b>ASSETS</b>				
Cash	\$ 158,508	\$ 192,939	\$ 351,447	\$ 966,876
Investments	-	53,909,094	53,909,094	51,607,726
Interest receivable	7,836	-	7,836	53,022
Sundry receivables	64,277	-	64,277	83,084
Prepaid expenses	42,103	-	42,103	20,083
Interfund advances (note 4)	146,047	(146,047)	-	-
	<u>\$ 418,771</u>	<u>\$53,955,986</u>	<u>\$54,374,757</u>	<u>\$52,730,791</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 389,101	\$ 178,282	\$ 567,383	\$ 376,611
Allocations payable	-	1,455,821	1,455,821	1,365,561
Deferred amounts	29,670	-	29,670	71,102
	<u>418,771</u>	<u>1,634,103</u>	<u>2,052,874</u>	<u>1,813,274</u>
Managed funds	-	8,141,265	8,141,265	8,450,525
	<u>418,771</u>	<u>9,775,368</u>	<u>10,194,139</u>	<u>10,263,799</u>
<b>NET ASSETS</b>				
Endowments	-	44,180,618	44,180,618	42,466,992
	<u>\$ 418,771</u>	<u>\$53,955,986</u>	<u>\$54,374,757</u>	<u>\$52,730,791</u>