

Kehillat Beth Israel Congregation Annual General Meeting

Wednesday, October 16, 2019
Main Sanctuary
Minutes

1. CALL TO ORDER AND WELCOME

Helen Zipes, the chairperson of the meeting, called the meeting to order at 6:12 pm. She welcomed the members. She introduced Dovi Chein, from the Canadian Jewish Political Affairs Committee (CJPAC), who spoke to the assembled membership about the positive influence that we as Jews can have on the electoral process and encouraged everyone to participate whenever possible.

Helen thanked Dovi for taking the time to come and speak to our membership.

Helen then gave an overview of the proceedings, presented the members of the outgoing Board of Directors, and announced that Jonathan Meijer would serve as Secretary of this meeting.

With the consent of the members present, the reading of the notice of meeting was dispensed with.

The Secretary, Jonathan Meijer, then explained how the meeting would be conducted.

With consent of the members present, Elisheva Brantz and Ilana Goldfarb, employees of the Corporation, were appointed to act as scrutineers of the meeting.

Based on the number of members present, the Chair declared that the requisite quorum of members was present and that the meeting was duly and properly constituted for the transaction of business.

2. APPROVAL OF AGENDA

A motion was made by Jonathan Meijer and seconded by Jay Amdur to adopt the following resolution:

BE IT RESOLVED that an item #4 be added to the agenda in order to approve the minutes from last year's Meeting of Members, which was held on October 28, 2018.

The motion was carried.

The amended agenda was approved by consent of the members in attendance.

3. D'VAR TORAH

The D'var Torah was delivered by Rabbi Kenter.

4. APPROVAL OF MINUTES FROM THE PREVIOUS ANNUAL GENERAL MEETING

There were no motions made at last year's Annual General Meeting that required follow-up by the Board.

A motion was made by Jonathan Meijer and seconded by Eric Weiner to adopt the following resolution:

BE IT RESOLVED that the minutes from last year's Meeting of Members which was held on October 28, 2018, be approved.

The motion was carried.

5. OUTGOING PRESIDENT'S REPORT

The President, Helen Zipes, delivered her report (please see the full text in **Appendix A**).

6. PRESENTATION OF FINANCIAL STATEMENTS

With the consent of the members present, the reading of the audited financial statements was dispensed with. (Please see the copy of the audited financial statements in **Appendix B**).

A motion was made by Jay Amdur and seconded by Stuart McCarthy to adopt the following resolution:

BE IT RESOLVED that the audited financial statements of Kehillat Beth Israel Congregation, together with the report from Ginsberg Gluzman Fage and Levitz LLP, for the year ending June 30, 2019, be received and approved.

The motion was carried.

7. APPOINTMENT OF AUDITORS

A motion was made by Jay Amdur and seconded by Yossi Bokhaut to adopt the following resolution:

BE RESOLVED, that Ginsberg Gluzman Fage & Levitz LLP, of Ottawa, Ontario, be appointed auditors of the Corporation until the next Annual General Meeting.

The motion was carried.

8. AMENDMENT TO KBI OPERATING BY-LAW No. 1

The Chair first introduced the members of the Governance Committee and thanked them for their contributions to ensure that the new governance model was implemented and evolved appropriately.

Jay Amdur then explained the proposed changes to General Operating By-Law No. 1. (Please find a copy of the proposed change in **Appendix C**).

A motion was made by Jonathan Meijer and seconded by Jay Amdur to adopt the following resolution:

BE IT RESOLVED, that the Amendment to Kehillat Beth Israel Congregation's General Operating By-law #1 as passed by the Board of Directors at the September 9, 2019 meeting and duly put before the members, be adopted and in force as of that date.

The motion was carried.

9. ELECTION OF MEMBERS TO THE BOARD OF DIRECTORS

The Chair started by thanking the Nominations Committee for their work in developing the slate of nominees.

A motion was made by Harvey Slack and seconded by Ralph Anzarouth to adopt the following resolution:

BE IT RESOLVED, that the following nominees:

Judah Silverman as President;
Eric Weiner as 1st Vice President;
Yossi Bokhaut as 2nd Vice President;
Jay Amdur as Treasurer; and

Jodi Gitter as Secretary;
and
Norm Ferkin,
David Lyman,
Donna Strauss, and
Harland Tanner, as Directors,

be elected as officers and/or directors of Kehillat Beth Israel Congregation's Board of Directors.

The motion was carried.

10. INCOMING PRESIDENT'S REMARKS

Helen introduced the new incoming President, Judah Silverman, who delivered introductory remarks (please see the full text in **Appendix D**).

11. QUESTIONS AND ANSWERS

Helen opened the floor to questions and answers from the membership.

10. ADJOURNMENT

A motion was made by Norm Ferkin and seconded by Rick Zipes to adjourn the meeting.

The motion was carried.

Jonathan Meijer, Secretary
October 18, 2019

APPENDICES

The following appendices follow this page, in order:

- Appendix A: Outgoing President's report
- Appendix B: Audited financial statements
- Appendix C: Proposed changes to *General Operating By-law No. 1*
- Appendix D: Incoming President's remarks

Appendix A – Outgoing President’s Report

Once again, it is my pleasure and privilege to welcome you all here tonight and now to address you as the outgoing President of Kehillat Beth Israel.

At our last AGM I told you that I believed we were at a crossroads and that we needed to ensure that Conservative Judaism continues to thrive in Ottawa. I spoke about the legacy we were building here at KBI for our children, grandchildren and future generations to enjoy. I was passionate and hopeful then about this congregation and am even more so now.

I truly believe we are well on our way to building a new synagogue model that will endure and indeed grow. Let's look at how we are doing in regards to the 3 main goals I set.

1. The first goal was to increase member engagement & programming to meet the needs of our diverse community.

This year, with the assistance of Federation's Jewish Jumpstart Program, we have welcomed more than 50 new families to the congregation.

Our Clergy complement is complete and Rabbi Kenter, Rabbi Zuker and Cantor Green, are truly our strength. All are dynamic, hard-working and dedicated to improving our Kehillah. I am delighted to see how well they all get along, which cannot be said for all shuls, and that together with Rena Garshowitz, our exuberant Executive Director, they meet frequently to ensure that all areas of synagogue life are covered and monitored closely.

One of the questions I frequently have been asked is why do we need 3 clergy members and can we afford it? According to USCJ guidelines, we do need at least 3 clergy members to adequately take care of a congregation of this size, which I'm pleased to report is around 920 adult members. Regarding cost, we have been very mindful of our finances and the interest from our investments has helped to balance our budget. Attention to budget and the future is why we are embarking on an ambitious campaign called Building our Future.

We have divided our Programming committee into Adult Continuous Learning and Social, Teen and Youth, and Young Families Committees to permit more targeted programming to meet the needs of the various age and family groups. The synagogue is busy virtually every night of the week, humming with activity.

We have provided "large tent programming" for our full congregation and community, mainly around the haggim and then smaller more specialized programming to meet defined needs and interests. Our recent opening event, Nefesh Mountain concert and Welcome Fair is an example of the former as was our Echoes of the Soul Concert, and The Kosher Day at the Ballpark. Our Infertility support, Caregiver support and Grief support groups are examples of the latter.

There was plenty of opportunity for continuing education with our Adult Education Learning Carousel, and the adult continuous learning committee that brought the comprehensive Beit Ha'am series. Rabbi Zuker leads a very informative Women's Torah Study Group and teaches Hebrew classes. Rabbi Kenter has been instrumental in organizing JTeen, the new supplementary high school in town, which we heard about during the High Holy Days. That program has about 25 participants and it is going great. We had a dinner featuring Hen Mazig, a commander in the IDF. We were the only synagogue to recognize Pride Week with our All Genders Challah Bake, Drag Queen Story Hour Teddy Bear Shabbat and Community Shabbat.

The KBI Choir led by Cantor Green shone at the High Holy Days. I cannot begin to tell you the number of people who came up to me with tears in their eyes following their beautiful rendition of Kol Nidre.

We began a series of one-table Shabbat dinners such as those for Intermarried couples and families, Singles over 60, professionals, Winnipeggers and others, in an effort to engage more with congregants and this series has been very successful.

Among our Ongoing Programs scheduled for this coming year are Teddy Bear Shabbat, Tot Shabbat, Family Services, Kehillateinu, Bridge, Mahjong, Shabbat Torah Study, Women's Torah Study, and of course most importantly, prayer services 2/day x 365 days a year.

Our Membership Committee has developed a welcome package and protocol to ensure new members are oriented and included in shul events. Our goal at KBI is to make everyone feel comfortable and welcomed regardless of our different backgrounds and practices.

My late Mother used to say you have to model the behaviour you want your children to follow - we have tried to model more welcoming behaviour and I know this has been successful as I routinely receive positive notes from new members

and others telling me how welcomed they feel at KBI. We are becoming to be known as the "friendly shul".

We have solid Board Governance and a well-developed committee structure in place, which assures good representation and strategic direction. Our committees and working groups, which are headed by members of the Board, have been very active and working diligently on your behalf.

Our building is a community hub. The Join and inclusion Network (Feb 2019) kicked off its weekend conference here at KBI. When the Temple school flooded we reached out to them and hosted them here for about four months. Tamir holds their AGM here.

This past year, our Ottawa Kosher Food Bank's Manager Dahlia Milech, was the recipient of the Women's Collective Philanthropy Program's, (WCPP), Grant Award. We now serve over 75 families and provide them not only with an emergency 3-day supply of food, but bi-monthly gift cards to help ends meet, and kosher meat as well.

2. The second goal was to Develop a plan towards financial stability & fundraising. (at minimum, revenue neutral, income & fundraising cover costs)

We are actively working to bring financial stability to KBI with our Investment advisory group to help steward our investments, regular financial committee meetings and monthly budget review at board meetings. We transitioned our endowment to the Ottawa Jewish Community Foundation, which is already providing significant dividends.

Our Building our Future Campaign, chaired by Eric Weiner, which we are kicking off as we speak, will help us achieve much needed renovations and further financial independence. We will be working together to assure that the Kehillat Beth Israel of 2020 will be a truly new synagogue, with a new design and a contemporary outlook-a dynamic, inclusive approach to Jewish life that will carry our Kehillah forward for generations to come. We will do our part to assure that our congregation is set up for programmatic success and financial stability for many years.

Once again this year I formalized a request for decrease in charge to USCJ, which was accepted and we will continue to work with them on this. We carried out a Torah inventory and may look to sell some of our underutilized Torahs as well as some surplus land on our site. The state of our finances is strong, as you will hear about this evening.

3. The third goal was to Identify a vision for KBI & the creation of a strategic plan for the next 5 years for continued growth & success within our community.

To this end, a Strategic planning workgroup was formed and is working on our future vision. Kehillat Beth Israel is the National Capital's largest synagogue: A place for everyone to pray, to learn, to meet, to celebrate and be celebrated, to comfort and be comforted.

We introduced Operating policy #7 to ensure proper Board governance. Our board minutes are posted online as is our committee structure along with the Chairs, so congregants know what is going on and to whom to reach out.

Emergency preparedness has unfortunately become a reality and we carried out an Emergency evacuation exercise in the winter of 2019. Security audits were performed, several recommendations were put into place and staff received training. Our renovation will prioritize security and safety, as well as accessibility but of course, we cannot wait for the renovation and are actively working now to ensure safety.

In conjunction with the Nominating committee, we have launched a Leadership program to identify and target individuals for mentorship and to attend Sulams for leadership, board development and future roles in our Kehillah.

There is now a formal Board orientation and binders for new members.

We are an Egalitarian community where we strive to make everyone feel welcomed and connected. We work and collaborate with our community partners to make this region a better place to live Jewishly. We have a strong connection to Israel. We support and uplift each other in times of mourning and need and we are committed to lifelong learning. We have a strong social conscience as evidenced in our Kosher Food Bank and Tov Team activities.

As I conclude, a big thank you to my family, friends, the Board, our Clergy team, Executive director, administrative team, volunteers, Past presidents, minyanaires and congregants who have helped and guided me. Your help has been invaluable, and I have tried my hardest to represent KBI well.

To you the congregants, you have allowed me to share in your simchas and life events these past 2 years as President, it has truly been a privilege and an honour. I am so proud of our Kehillah and what we have accomplished together since amalgamation. I look forward to what we can achieve in the future and wish our incoming President, Judah Silverman much success and offer my full support to him.

Appendix B – Audited Financial Statements



KEHILLAT BETH ISRAEL CONGREGATION

Financial Statements
For The Year Ended June 30, 2019



KEHILLAT BETH ISRAEL CONGREGATION

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JUNE 30, 2019

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1.

INDEPENDENT AUDITOR'S REPORT

To the members of
Kehillat Beth Israel Congregation

Qualified Opinion

We have audited the financial statements of Kehillat Beth Israel Congregation (the Organization), which comprise the statement of financial position as at June 30, 2019, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Kehillat Beth Israel Congregation as at June 30, 2019, 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 Qualified Opinion

In common with many not-for-profit organizations, Kehillat Beth Israel Congregation derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, the verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary with respect to donation revenue, net result, and cash flows from operations for the years ended June 30, 2019 and 2018, current assets as at June 30, 2019 and 2018, and net assets as at July 1 and June 30 for both the 2019 and 2018 years. Our audit opinion on the financial statements for the year ended June 30, 2018 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's 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.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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:



3.

- 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 auditor's 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 auditor's 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.



Chartered Professional Accountants, Licensed Public Accountants
Ottawa,
October 10, 2019.



KEHILLAT BETH ISRAEL CONGREGATION

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

	Operating Fund	Capital Fund	Special Purpose Funds	2019 Total	2018 Total
ASSETS					
Current					
Cash	\$ 130,051	\$ 415,479	\$ 40,626	\$ 586,156	\$ 1,247,251
Accounts receivable	61,508	-	-	61,508	80,054
Inventory	9,617	-	1,250	10,867	32,452
Prepaid expenses	545	-	-	545	20,107
Due from Operating Fund (note 5)	-	134,485	148,517	283,002	328,570
Mortgage receivable	-	-	-	-	2,100,000
	<u>201,721</u>	<u>549,964</u>	<u>190,393</u>	<u>942,078</u>	<u>3,808,434</u>
Capital assets (note 4)	<u>-</u>	<u>448,986</u>	<u>-</u>	<u>448,986</u>	<u>466,081</u>
Long-term					
Investments - managed funds	160,177	6,581,543	465,755	7,207,475	-
Marketable securities	-	-	-	-	4,383,030
Note receivable (note 6)	65,333	-	-	65,333	65,333
	<u>225,510</u>	<u>6,581,543</u>	<u>465,755</u>	<u>7,272,808</u>	<u>4,448,363</u>
	<u>\$ 427,231</u>	<u>\$ 7,580,493</u>	<u>\$ 656,148</u>	<u>\$ 8,663,872</u>	<u>\$ 8,722,878</u>

Approved on behalf of the board:

_____ director

_____ director



KEHILLAT BETH ISRAEL CONGREGATION

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

	Operating Fund	Capital Fund	Special Purpose Funds	2019 Total	2018 Total
LIABILITIES					
Current					
Accounts payable and accrued liabilities	\$ 55,992	\$ -	\$ -	\$ 55,992	\$ 90,532
Deferred revenue	107,684	-	-	107,684	125,931
Due to Capital Fund (note 5)	134,485	-	-	134,485	214,702
Due to Special Purpose Funds (note 5)	148,517	-	-	148,517	113,868
	<u>446,678</u>	<u>-</u>	<u>-</u>	<u>446,678</u>	<u>545,033</u>
Contingencies (notes 7 and 8)					
NET ASSETS					
Unrestricted	(19,447)	7,093,831	-	7,074,384	7,103,345
Invested in capital assets	-	448,986	-	448,989	466,081
Internally restricted	-	-	524,776	524,776	480,568
Externally restricted	-	37,676	131,372	169,048	127,851
	<u>(19,447)</u>	<u>7,580,493</u>	<u>656,148</u>	<u>8,217,194</u>	<u>8,177,845</u>
	<u>\$ 427,231</u>	<u>\$ 7,580,493</u>	<u>\$ 656,148</u>	<u>\$ 8,663,872</u>	<u>\$ 8,722,878</u>



KEHILLAT BETH ISRAEL CONGREGATION

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2019

	Operating Fund	Capital Fund	Special Purpose Funds	2019 Total	2018 Total
Net assets, beginning of year	\$ (59,087)	\$ 7,628,513	\$ 608,419	\$ 8,177,845	\$ 8,133,068
Net result for the year	(178,923)	192,081	26,191	39,349	44,777
Interfund transfers	218,563	(240,101)	21,538	-	-
Net assets, end of year	<u>\$ (19,447)</u>	<u>\$ 7,580,493</u>	<u>\$ 656,148</u>	<u>\$ 8,217,194</u>	<u>\$ 8,177,845</u>



KEHILLAT BETH ISRAEL CONGREGATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED JUNE 30, 2019

	Operating Fund	Capital Fund	Special Purpose Funds	2019 Total	2018 Total
Revenue					
Annual dues	\$ 916,834	\$ -	\$ -	\$ 916,834	\$ 874,786
Donations	100,360	75,000	96,942	272,302	280,684
Investment	4,856	271,027	14,236	290,119	261,134
Gift shop	4,444	-	-	4,444	12,217
Programs and Kiddushim	203,149	-	53,520	256,669	244,474
Rental	63,036	-	-	63,036	32,791
	<u>1,292,679</u>	<u>346,027</u>	<u>164,698</u>	<u>1,803,404</u>	<u>1,706,086</u>
Expenses					
Accounting	48,730	-	-	48,730	51,338
Amortization	-	17,095	-	17,095	17,095
Bank charges and interest	20,252	-	-	20,252	15,301
Insurance	19,125	-	-	19,125	17,258
Investment management fees	747	30,927	2,189	33,863	35,451
Maintenance and repairs	77,649	68,600	-	146,249	147,755
Membership fees and dues - USCI	35,000	-	-	35,000	32,500
Office	63,399	-	-	63,399	64,164
Professional fees	22,216	37,324	-	59,540	53,103
Programs and Kiddushim	211,976	-	108,392	320,368	321,629
Salaries and benefits	881,134	-	27,926	909,060	803,681
Telephone	2,434	-	-	2,434	7,732
Travel	6,077	-	-	6,077	5,692
Utilities	82,863	-	-	82,863	88,610
	<u>1,471,602</u>	<u>153,946</u>	<u>138,507</u>	<u>1,764,055</u>	<u>1,661,309</u>
Net result for the year	<u>\$ (178,923)</u>	<u>\$ 192,081</u>	<u>\$ 26,191</u>	<u>\$ 39,349</u>	<u>\$ 44,777</u>



KEHILLAT BETH ISRAEL CONGREGATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
CASH PROVIDED BY (USED IN)		
Operating activities		
Net result for the year	\$ 39,349	\$ 44,777
Amortization	17,095	17,095
Changes in operating net assets		
Accounts receivable	18,546	11,643
Inventory	21,585	(6,166)
Prepaid expenses	19,562	23,904
Accounts payable and accrued liabilities	(34,540)	22,206
Deferred revenue	(18,247)	116,860
	<u>63,350</u>	<u>230,319</u>
Investing activities		
Net purchases of investments	(2,824,445)	(88,722)
Purchase of capital assets	-	(101,766)
Proceeds from mortgage receivable	2,100,000	-
	<u>(724,445)</u>	<u>(190,488)</u>
(Decrease) increase in cash and cash equivalents	(661,095)	39,831
Cash and cash equivalents, beginning of year	1,247,251	1,207,420
Cash and cash equivalents, end of year	\$ 586,156	\$ 1,247,251
Represented by:		
Restricted cash	\$ -	\$ 43,184
Unrestricted cash	586,156	1,204,067
	<u>\$ 586,156</u>	<u>\$ 1,247,251</u>



KEHILLAT BETH ISRAEL CONGREGATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2019**

1. Purpose of the organization

Kehillat Beth Israel Congregation ("the Congregation") was incorporated without share capital under the Canada Not-for-profit Corporations Act and is a registered charity exempt from income taxes under the *Income Tax Act*. The primary purpose of the organization is to provide religious, spiritual, education, social and cultural services to adherents of the Jewish faith.

2. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Purpose of the funds

The Operating fund reports the assets, liabilities, revenues and expenditures related to the general operations of the Congregation.

The Capital fund reports the assets, liabilities, revenue and expenditures related to the investment of the net proceeds arising from a predecessor congregation's sale of capital assets, as well as the organization's capital assets situated at 1400 Coldrey Avenue.

The Special purpose funds report the assets, liabilities, revenue and expenditures of the externally and internally restricted funds of the Congregation.

Cash and cash equivalents

Cash and cash equivalents can include cash on hand, balances with financial institutions (net of temporary overdrafts) and short-term highly liquid investments. Cash and cash equivalents include amounts that are externally restricted as indicated in the statement of cash flows.



KEHILLAT BETH ISRAEL CONGREGATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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

Revenue recognition

The Congregation follows the restricted fund method of accounting for contributions. Restricted contributions related to particular funds are recognized as revenue in the relevant restricted fund. Restricted contributions for which there is no related restricted fund are deferred and recognized as revenue of the operating fund when the related restrictions have been met. Unrestricted contributions are recognized as revenues in the operating fund.

Annual dues, programs and kiddushim, and rental revenue are recognized over the terms of the periods as they become due, representative of the time pattern in which the benefits are utilized.

Investment revenue is recognized in accordance with the financial instruments accounting policy.

Inventory

Inventory is valued at the lower of cost and net realizable value with cost being determined on a first-in, first-out basis. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of sale.

Capital assets

Land is recorded at cost. The Congregation holds a collection of holy scrolls, prayer books and library related to the Jewish Faith. These assets are recorded at cost and no amortization has been recorded due to the permanent nature of these items. Amortization of depreciable capital assets are recorded at the following rates:

Computer hardware	5 years straight line
Computer software	5 years straight line
Security equipment	20 years straight line



KEHILLAT BETH ISRAEL CONGREGATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2019**

2. Significant accounting policies (continued)**Financial instruments***Measurement of financial instruments*

The organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net result.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the writedown is recognized in net income.

Transaction costs

Transaction costs are recognized in net income in the period 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.

Contributed services

Volunteers' contributed services are not recognized in the financial statements because of the difficulty in determining their fair value.

Donations in kind are recorded at fair value.

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 earnings in the period in which they become known.



KEHILLAT BETH ISRAEL CONGREGATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2019**

3. Financial instruments*Risks and concentrations*

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at June 30, 2019.

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 organization's main credit risks relate to its note receivable. The company provides credit to its clients in the normal course of operations.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk. The entity is mainly exposed to currency and interest rate risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Congregation's currency risks relate to its foreign investment holdings. As at June 30, 2019, cash of \$7,434 is denominated in US dollars and converted to Canadian dollars. Additionally, the Congregation holds investments in a managed fund that is exposed to currency risk. The investment fund targets a range of 23% to 43% of foreign asset holdings.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk on its investment holdings.



KEHILLAT BETH ISRAEL CONGREGATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

4. Capital assets

	Cost	2019	
		Accumulated Amortization	Net Book Value
Building, paving and fence	\$ 1,192,187	\$ 1,192,187	\$ -
Holy scrolls, prayer books, library	71,386	-	71,386
Land	310,024	-	310,024
Computer hardware	2,000	800	1,200
Computer software	78,046	31,218	46,828
Security equipment	21,720	2,172	19,548
	<u>\$ 1,675,363</u>	<u>\$ 1,226,377</u>	<u>\$ 448,986</u>

	Cost	2018	
		Accumulated Amortization	Net Book Value
Building, paving and fence	\$ 1,192,187	\$ 1,192,187	\$ -
Holy scrolls, prayer books, library	71,386	-	71,386
Land	310,024	-	310,024
Computer hardware	2,000	400	1,600
Computer software	78,046	15,609	62,437
Security equipment	21,720	1,086	20,634
	<u>\$ 1,675,363</u>	<u>\$ 1,209,282</u>	<u>\$ 466,081</u>

5. Interfund advances

Interfund advances are non-interest bearing with no specified terms of repayment.

6. Note receivable

The note receivable is non-interest bearing and due on October 8, 2023. The note is secured by a mortgage on the property at 15 Chartwell Avenue.

7. Contingent liability

Should the Congregation cease to operate as a Jewish religious entity, then the net assets of the Congregation shall be donated in full to the Ottawa Jewish Community Foundation.



KEHILLAT BETH ISRAEL CONGREGATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2019**

8. Contingent gain**Jewish Memorial Gardens**

Any monies accumulated in the Jewish Memorial Gardens Capital Reserve Fund in excess of \$250,000 is to be distributed to the member synagogues in proportion to each member's share of the total number of Lots sold since January 1, 2010. The balance of the Capital Reserve Fund at June 30, 2019 was not in excess of \$250,000.

The amount that the congregation is entitled to recover was \$328,942 as of June 30, 2019, which represents 45% of the total lots sold. Any amount recovered in the future will be recorded as income in the fiscal year it is received.

9. Commitments

The organization has outstanding commitments of approximately \$63,000 in 2020 and \$88,000 in 2021 with respect to roofing repairs on the building.

10. Subsequent event

Subsequent to year-end, the Congregation entered into an agreement to replace an existing air conditioner in the building. The total cost of the repairs were approximately \$53,000.



Appendix C – Proposed Changes to *General Operating By-law No. 1*

1. Insert a new Subsection 9.09 immediately after Subsection 9.08 as follows:

“Marketing and Communications Committee

The Board shall appoint a Marketing and Communications Committee comprised of at least three persons, at least one of whom shall be a Director. The Board shall appoint a Director as the Chair of the Marketing and Communications Committee. The Marketing and Communications Committee shall provide strategic advice and oversight for internal and external marketing and communications for the synagogue.”

2. Re-number Subsections 9.09, 9.10 and 9.11 as Subsections 9.10, 9.11, and 9.12 respectively.

Appendix D – Incoming President’s remarks

K’vod Harabanim, Cantor, Members of the Board, Synagogue staff and Members:

Moed Tov and welcome,

For my first official duty as President of Kehillat Beth Israel, it is my privilege and pleasure to say a few words about our outgoing and immediate Past President, Helen Zipes. On behalf of the Board and indeed, the entire Congregation I want to thank you for your tireless work and efforts over the last two years. You have led with grace, care and compassion, building on the work of the Co-Presidents before you, in steering the Board and the congregants into becoming and acting like one Kehillah, which is Kehillat Beth Israel. You have built on a solid foundation of governance, making board meetings both well-structured and effective and your regular and open communications with the congregation have been most welcome and appreciated by all.

You have followed through on any issue; good, bad or inconsequential, quickly and clearly leaving nothing to chance and nothing to linger. In fact, when you asked and cajoled me into taking on this role and I was prepared to agree, I told you that if you wanted me to stand for President then you shouldn’t be asking me but rather, you should be speaking to my wife Margo. Your immediate response was to ask for her phone number and by the next evening, before I might have reconsidered, I was approved by the nominating committee. You have been a guide and a mentor to numerous volunteers, the Clergy and staff and your dedication to this community has been unwavering. I am particular pleased that you have offered to help and guide me in your role as Past President and I look forward to your continued involvement in all aspects of shul life. I trust that I can live up to your example and everyone’s expectations.

I’d also like to acknowledge your husband Rick for sharing you with us over these last two years. Believe me when I say that I know what it’s like to be the “first man” and we thank him for all his wise counsel that I’m sure he provided day in and day out. I know that you are becoming regular commuters on the Ottawa to San Francisco airline route, a route that Margo and I also know very well. She and I have, over time, learned to make the trip as efficiently as possible and we try to eliminate all the usual airline and baggage hiccups that are inevitable. So, on behalf of everyone as a token of our appreciation I am delighted to present both of you with these gift certificates for cabin carryon size compliant travel bags with our best wishes that you use these in good health for many years to come.

And now, just a few words from me. As many of you know, I grew up in the home of the Rabbi of the shul and therefore really didn’t know what it was to be a congregant. It wasn’t until as young adults when we joined the predecessor shul here that I began to understand what it means to pay dues, to volunteer time, to serve on committees, to find a chevra and yes, to have opinions and kvetches about the clergy. But this upbringing certainly gave me a unique insight, from the other side of street, into shul

business, shul politics and how the roles of and the relationship between the lay leadership and clergy leadership can be a dynamic force for growth in any congregation. When preparing my remarks, my go to places for insight and commentary are usually the 50 or so years of my late father's sermons. I can access 30 plus years of drashes on almost every Parsha, Yom Tov, High Holiday and even talks he delivered at each of his grandchildren's bar or bat mitzvah but sadly, I couldn't find a thing about shul Presidents. I searched elsewhere though and wish to quote a few sections from a talk I came across as follows: "A shul cannot rely solely on a president, an executive or a board alone. It is only with every members' help and their experience that we can enhance our congregation.....we have excellent clergy in place, a new young executive director and a new youth director, but we also need all of you and those that are not in attendance tonight. We can keep a balanced budget with operational expenses but there is no wiggle room for the extraordinary expenses that crop up with an aging building. Nor do we have the funds to finance renovations and upgrades that are so desperately needed. We will need your help for this project, wait for details in the next few months." Those words were spoken by none other than a past president, in this very building some 12 years ago as she assumed the role of President and clearly the words ring true today. It would be a great honour to be able to complete the work that Margo started during my term of office.

Lastly, when we chose this date, Chol Hamoed Sukkot for the date of our AGM, I knew that it was the right time to hold an AGM and that it would be an opportunity to teach something relating to one of our greatest Holidays, that of Sukkot. Sukkot celebrates the great harvest, surely we are reaping the rewards of all Helen had done during her term and it represents new beginnings and new opportunities. It is a time to welcome guests and new members into our midst, into our community and into our Sukkah. A Sukkah, to be considered halachically acceptable must have a minimum number of walls and traditionally some parts of the walls are transparent or left open in order for those inside to be able to see those outside and welcome them in to fulfill the mitzvah of being in the Sukkah. While that is certainly important and a value we should all work at in welcoming people in and to our shul, I learned another side to this just this past Shabbat. Rabbi Steve Wernick of Beth Tzedec Congregation in Toronto taught an additional reason for the openness of the Sukkah. Not only should those of us inside be able to see and welcome those outside; but by being open and transparent, like the walls of the Sukkah, those who are outside can see, observe and choose to join those who are in the Sukkah and participate in the growth of their community. It is my hope that during this new board's term, and with help from all of them, that we welcome all our congregants to enter the Sukkah; and that our congregants also choose to join us in the Sukkah and help grow our wonderful Kehillah.

Thank you for coming this evening and we look forward to seeing you in shul in the days and weeks to come.

Chag Sameach!!