

**Kehillat Beth Israel
Board of Directors
October 7, 2021
Zoom Meeting
Minutes**

Present:

Ilana Albert-Novick
Jay Amdur
Mordecai Brodt
Norm Ferkin

David Lyman
Victor Rabinovitch
Jeremy Rudin
Judah Silverman

Harland Tanner
Eric Weiner
Madelaine Werier
Helen Zipes

Secretary:

Jodi Gitter

Clergy Present:

Cantor Jason Green
Rabbi Eytan Kenter
Rabbi Deborah Zuker

Staff Present:

Elisheva Brantz

Regrets:

Yossi Bokhaut
Donna Strauss

Guests:

Olga Streltchenko
Jeff Greenberg

1.0 PRELIMINARY MATTERS

1.1 Call to Order and Welcome

Judah Silverman

The meeting was called to order at 7:02 PM. Judah warmly welcomed Jeff Greenberg and Olga Streltchenko, future Board Members, to this meeting.

1.2 Call for Declaration of Conflict of Interest

Judah Silverman

None of the members present declared a conflict of interest.

1.3 D'var Torah Rabbi Eytan Kenter

1.4 Moment of Silence to Commemorate Those Congregants
Who Have Passed Away Since the Last Board Meeting Judah Silverman /

Ann Kassovfsky

1.5 Approval of the Agenda of October 7, 2021 Judah Silverman

A motion was made by Helen Zipes and seconded by Eric Weiner to approve the agenda of October 7, 2021.

All were in favour. The motion was carried.

1.6 Approval of the minutes of the meetings of the Board of Directors
held on on August 6, 2021 and September 23, 2021 Judah Silverman

A motion was made by Jay Amdur and seconded by Helen Zipes to approve the Board minutes from the meeting held on August 26, 2021.

All were in favour. The motion was carried.

A motion was made by Jodi Gitter and seconded by Victor Rabinovitch to approve the Board minutes from the meeting held on September 23, 2021.

All were in favour. The motion was carried.

1.7 Business Arising from Previous Minutes Judah Silverman

None

2.0 FINANCIAL MATTERS

2.1 Monthly Financial Update Jay Amdur

- KBI generated \$16,500 in Yizkor book revenues
- Personnel costs are slightly down
- High Holy Day expenses were roughly \$2,000 above budget due to tent rentals, etc.
- Membership revenues were presented. Our numbers are slightly lower than expected, which is a mild concern, and the pandemic could be the cause for this.

3.0 REPORTING WITH DISCUSSION AND WITH VOTE

3.1 Presentation and Approval of the FY2020/21 Financial Statements Jay Amdur

- Jay presented to financial statements for the year ended June 30, 2021.
 - A clean audit was received; there is nothing untoward in KBI's financial statements.
 - We budgeted for an operating loss and indeed, there was a \$41,000 loss.
 - The markets, however, noticeably rebounded from the previous year and KBI's investment fund generated over a \$1,000,000 in investment income.
 - Jay explained that the auditor's have recommended to clean up the financial statements by eliminating the existing interfund loan balances between the Operating Fund and the Capital Fund. Three separate motions are required to accomplish this.

A motion was made by Jay Amdur and seconded by Victor Rabinovitch to approve an interfund transfer of \$327,769 from the Capital Fund to the Operating Fund to eliminate the amount that is currently reflected as owing from the Operating Fund to the Capital Fund.

All were in favour. The motion was carried.

A motion was made by Jay Amdur and seconded by Victor Rabinovitch to approve an interfund transfer of \$121,881 from the Capital Fund to the Operating Fund.

All were in favour. The motion was carried.

A motion was made by Jay Amdur and seconded by Victor Rabinovitch to approve an interfund transfer of \$181,282 from the Operating Fund to the Capital Fund to transfer the Investments in the Managed Funds to the Capital Fund that are currently reflected as investments of the Operating Fund.

All were in favour. The motion was carried.

- Madeleine asked where the cash flow comes from when there is an operating loss. Jay explained that, as previously reported to the Board when the budget was being tabled, funds were initially (in 2016-17) held back from the OJCF monies to cover the initial deficits that were expected post-amalgamation. These funds were expected to last only a year or two but have carried us through for the past five years. It is expected that this coming fiscal year, for the first time, interest income may need to be removed from the OJCF.
- No further discussion on the financials were required.

A motion was made by Jay Amdur and seconded by Victor Rabinovitch to approve Financial Statements and auditor’s report for the year ended June 30, 2021 as presented (and attached hereto as appendix A).

All were in favour. The motion was carried.

3.2 Discussion Regarding the Request for Proposal for Auditors and approval of the Auditors for Fiscal Year 2021-2022

Jay Amdur

- Jay reminded the Board that a competitive procurement (Request For Proposal – RFP) for auditing services had previously been run in 2017-18. GGFL LLP was the winning firm and had provided services for the subsequent three years.
- Jay explained that a new RFP was to be run but was delayed due to the pandemic. Last year, upon the recommendation of the Finance and Audit Committee, the Board approved for recommendation to the membership that GGFL LLP be re-hired to complete the audit for the past year.
- Jay was happy to report that a new RFP has been run this past summer. The new request was for services for 3 years plus two 1-year option.
- Seven firms were asked to submit bids and four firms responded.
- KBI’s current auditor, GGFL LLP, was the firm whose offer was the most sound for KBI.
- Jeremy asked how long is “too long” with to maintain a relationship with one auditing firm. Judah replied that if all is going well, there is no need to change firms, unless issues arise with either personnel or fee increases.
- Jay re-iterated that while an agreement has been reached with GGFL for three years plus two 1-year options, as per General Operating By-law #1, the auditors must be re-appointed at each Annual General Meeting (AGM).

A motion was made by Jay Amdur and seconded by Victor Rabinovitch to recommend to the Membership to accept the proposal of the Finance and Audit Committee to approve GGFL LLP as the auditors for the coming fiscal year.

All were in favour. The motion was carried.

3.3 Proposed Operating Policies

Judah Silverman

- Judah reminded the Board that the five proposed Operating Policies had been presented at the last Board meeting and that Board members had been given two weeks to review and submit comments.
- All comments and feedback have been incorporated and these five Operating Policies are now being presented for approval.
- Judah asked Jay to present each of the Operating Policies, as follows:
 - Operating Policy #9: Non-Cash Donations
 - Operating Policy #10: Nomination of Directors and Officers
 - Operating Policy #11: Decision Making Between Board Meetings
 - Operating Policy #12: Execution of Documents
 - Operating Policy #13: Rules of Order for Board of Directors’ Meetings

- No further discussion on the proposed Operating Policies was required.

A motion was made by Jay Amdur and seconded by Norm Ferkin to accept Operating Policies #9 – 13 as presented (and attached hereto as Appendices B through F).

All were in favour. The motion was carried.

3.4 Approval of the Grandfather Statement Regarding JMG Judah Silverman

- Judah explained that an unknown number of pre-amalgamation financial arrangements for grave openings and closings were made with congregants by one of the two founding shuls.
- Due to poor record keeping, the exact number of these arrangements is not known.
- The Congregation Beth Shalom of Ottawa Legacy Fund (CBSOLF) has agreed that, for the next thirteen years (eighteen years from amalgamation), they would honour and cover the costs for these arrangements.
- If and when documentation to this effect is presented, the individual presenting the documentation will be advised to deal directly with Jewish Memorial Gardens (JMG) who, in turn, will deal directly with the CBSOLF. KBI will not have to deal with these situations other than to direct these individuals to JMG.

A motion was made by Eric Weiner and seconded by Helen Zipes to approve the grandfather statement regarding Jewish Memorial Gardens and the Congregation Beth Shalom of Ottawa Legacy Fund pertaining to previous agreements regarding the opening and closing of graves.

All were in favour. The motion was carried.

3.5 Other business raised by any Director

- None

4.0 REPORTING WITH DISCUSSION BUT WITHOUT VOTE

4.1 Other business raised by any Director

- None

5.0 REPORTING WITHOUT DISCUSSION OR VOTE

5.1 Other business raised by any Director

- Judah thanked Norm Ferkin for his many years of service as KBI's Gabai Rishon.
- Goodbyes and Thank-Yous were made to the outgoing Board members including: Ilana Albert-Novick, Jay Amdur, Yossi Bokhaut, Mordecai Brodt, and Helen Zipes.
- Norm thanked Judah Silverman for his calm and judicious manner, as well as his steady hand in guiding us all through the challenges of the pandemic. He has been a most excellent President for our Kehillah.
- Helen will remain involved as she has agreed to chair the Membership Committee.
- Norm mentioned that the page-turning machine in the sanctuary is in dire need of repair and that a congregant (whose father had previously donated the page turner) was willing to cover the expense of repairing it.

6.0 IN CAMERA

7.0 ADJOURNMENT

The meeting was adjourned at 8:47 PM.

The Annual General Meeting will be held on October 21, 2021 at 7:00 PM

The next Board of Directors meeting is scheduled for November 18, 2021 at 7:00 PM

APPENDIX A: Financial Statements for Fiscal Year Ended June 30, 2021



**KEHILLAT BETH ISRAEL
CONGREGATION**

Financial Statements
For The Year Ended June 30, 2021



KEHILLAT BETH ISRAEL CONGREGATION

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JUNE 30, 2021

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1.

INDEPENDENT AUDITOR'S REPORT

To the members of
Kehillat Beth Israel Congregation

Opinion

We have audited the financial statements of Kehillat Beth Israel Congregation (the Congregation), which comprise the statement of financial position as at June 30, 2021, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Congregation as at June 30, 2021, 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 Opinion

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 Congregation 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 Congregation'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 Congregation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Congregation'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:

- 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 Congregation'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 Congregation'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 Congregation 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 8, 2021.



KEHILLAT BETH ISRAEL CONGREGATION

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

	Operating Fund	Capital Fund	Special Purpose Funds	2021 Total	2020 Total
ASSETS					
Current					
Cash	\$ 160,770	\$ 121,881	\$ 30,852	\$ 313,503	\$ 509,031
Term deposit	-	-	125,377	125,377	-
Accounts receivable	44,490	-	-	44,490	23,317
Inventory	9,392	-	10,305	19,697	10,527
Prepaid expenses	4,486	-	-	4,486	27,317
Due from Capital Fund (note 5)	121,881	-	-	121,881	376,632
Due from Operating Fund (note 5)	-	-	59,682	59,682	-
	<u>341,019</u>	<u>121,881</u>	<u>226,216</u>	<u>689,116</u>	<u>946,824</u>
Capital assets (note 4)	-	413,063	-	413,063	424,445
Long-term					
Investments - managed funds	-	7,691,530	648,948	8,340,478	7,246,462
Note receivable (note 6)	63,833	-	-	63,833	65,333
	<u>63,833</u>	<u>7,691,530</u>	<u>648,948</u>	<u>8,404,311</u>	<u>7,311,795</u>
	<u>\$ 404,852</u>	<u>\$ 8,226,474</u>	<u>\$ 875,164</u>	<u>\$ 9,506,490</u>	<u>\$ 8,683,064</u>

Approved on behalf of the board:

_____ director

_____ director



KEHILLAT BETH ISRAEL CONGREGATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Operating Fund	Capital Fund	Special Purpose Funds	2021 Total	2020 Total
LIABILITIES					
Current					
Accounts payable and accrued liabilities	\$ 66,311	\$ -	\$ -	\$ 66,311	\$ 59,295
Deferred revenue	75,514	-	-	75,514	72,455
Due to Operating Fund (note 5)	-	121,881	-	121,881	234,356
Due to Special Purpose Funds (note 5)	59,682	-	-	59,682	142,276
	<u>201,507</u>	<u>121,881</u>	<u>-</u>	<u>323,388</u>	<u>508,382</u>
Contingencies (notes 7 and 8)					
NET ASSETS					
Unrestricted	203,345	7,637,167	-	7,840,512	6,958,662
Invested in capital assets	-	413,063	-	413,063	424,445
Internally restricted	-	-	726,491	726,491	615,403
Externally restricted	-	54,363	148,673	203,036	176,172
	<u>203,345</u>	<u>8,104,593</u>	<u>875,164</u>	<u>9,183,102</u>	<u>8,174,682</u>
	<u>\$ 404,852</u>	<u>\$ 8,226,474</u>	<u>\$ 875,164</u>	<u>\$ 9,506,490</u>	<u>\$ 8,683,064</u>



KEHILLAT BETH ISRAEL CONGREGATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2021

	Operating Fund	Capital Fund	Special Purpose Funds	2021 Total	2020 Total
Net assets, beginning of year	\$ (23,854)	\$ 7,454,837	\$ 743,699	\$ 8,174,682	\$ 8,217,194
Net result for the year	(41,169)	918,124	131,465	1,008,420	(42,512)
Interfund transfers	268,368	(268,368)	-	-	-
Net assets, end of year	<u>\$ 203,345</u>	<u>\$ 8,104,593</u>	<u>\$ 875,164</u>	<u>\$ 9,183,102</u>	<u>\$ 8,174,682</u>



KEHILLAT BETH ISRAEL CONGREGATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED JUNE 30, 2021

	Operating Fund	Capital Fund	Special Purpose Funds	2021 Total	2020 Total
Revenue					
Annual dues	\$ 838,945	\$ -	\$ -	\$ 838,945	\$ 968,946
Donations	138,807	21,354	264,643	424,804	330,016
Investment	23,804	1,020,949	88,134	1,132,887	(16,177)
Gift shop	-	-	-	-	6,969
Programs and Kiddushim	65,017	-	7,521	72,538	204,156
Rental	30,675	-	-	30,675	57,376
	<u>1,097,248</u>	<u>1,042,303</u>	<u>360,298</u>	<u>2,499,849</u>	<u>1,551,286</u>
Expenses					
Amortization	-	19,008	-	19,008	17,483
Bank charges and interest	18,978	-	-	18,978	22,984
Donation of Torah	-	-	-	-	9,000
Insurance	23,955	-	-	23,955	21,407
Investment management fees	841	34,856	3,012	38,709	35,945
Maintenance and repairs	43,887	70,315	-	114,202	111,617
Membership fees and dues - USCJ	27,500	-	-	27,500	25,000
Office expenses	112,692	-	-	112,692	87,912
Professional fees	22,339	-	-	22,339	23,889
Programs and Kiddushim	19,928	-	187,109	207,037	266,547
Salaries and benefits	799,727	-	38,712	838,439	883,823
Travel	2,924	-	-	2,924	4,234
Utilities	65,646	-	-	65,646	83,957
	<u>1,138,417</u>	<u>124,179</u>	<u>228,833</u>	<u>1,491,429</u>	<u>1,593,798</u>
Net result for the year	<u>\$ (41,169)</u>	<u>\$ 918,124</u>	<u>\$ 131,465</u>	<u>\$ 1,008,420</u>	<u>\$ (42,512)</u>



KEHILLAT BETH ISRAEL CONGREGATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
CASH PROVIDED BY (USED IN)		
Operating activities		
Net result for the year	\$ 1,008,420	\$ (42,512)
Donation of Torah	-	9,000
Amortization	19,008	17,483
Unrealized (gain) loss on investments	(1,132,724)	25,068
Management fees	38,709	35,945
Changes in operating net assets		
Accounts receivable	(21,172)	38,191
Inventory	(9,170)	340
Prepaid expenses	22,831	(26,772)
Accounts payable and accrued liabilities	7,012	3,303
Deferred revenue	3,060	(35,229)
	<u>(64,026)</u>	<u>24,817</u>
Investing activities		
Purchase of investments - managed funds	-	(100,000)
Purchase of computer system	(4,778)	(1,942)
Purchase of security system	(2,847)	-
Repayment of note receivable	1,500	-
	<u>(6,125)</u>	<u>(101,942)</u>
Decrease in cash and cash equivalents	(70,151)	(77,125)
Cash and cash equivalents, beginning of year	509,031	586,156
Cash and cash equivalents, end of year	<u>\$ 438,880</u>	<u>\$ 509,031</u>
Represented by:		
Cash	\$ 313,503	\$ 509,031
Term deposit	125,377	-
	<u>\$ 438,880</u>	<u>\$ 509,031</u>



KEHILLAT BETH ISRAEL CONGREGATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

1. Purpose of the Congregation

Kehillat Beth Israel 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 Congregation 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 Congregation'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, 2021

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, 2021

2. Significant accounting policies (continued)

Financial instruments*Measurement of financial instruments*

The Congregation initially measures its financial assets and liabilities at fair value. The Congregation 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, 2021

3. Financial instruments

Risks and concentrations

The Congregation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Congregation's risk exposure and concentrations at June 30, 2021.

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 Congregation's main credit risks relate to its note receivable. The Congregation 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 Congregation is mainly exposed to currency and interest rate risk.

The Congregation is exposed to market risk on its managed fund investments. The funds are held with an external organization to manage the investment holdings. The organization which holds the investments has adopted investment policies, standards, and procedures to control the amount of risk to which it is exposed. Concentration risk is not believed to be a significant risk given the diversified investment holdings.

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, 2021, cash of \$1,154 (2020 - \$1,945) 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 includes holdings of non-Canadian bonds and equities and targets these holdings range between 23% - 43% of the total portfolio.

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 Congregation is exposed to interest rate risk on its investment holdings.



KEHILLAT BETH ISRAEL CONGREGATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

4. Capital assets

	Cost	2021 Accumulated Amortization	Net Book Value
Building, paving and fence	\$ 1,192,187	\$ 1,192,187	\$ -
Holy scrolls, prayer books, library	62,386	-	62,386
Land	310,024	-	310,024
Computer hardware	8,721	3,332	5,389
Computer software	78,046	62,436	15,610
Security equipment	24,567	4,913	19,654
	<u>\$ 1,675,931</u>	<u>\$ 1,262,868</u>	<u>\$ 413,063</u>

	Cost	2020 Accumulated Amortization	Net Book Value
Building, paving and fence	\$ 1,192,187	\$ 1,192,187	\$ -
Holy scrolls, prayer books, library	62,386	-	62,386
Land	310,024	-	310,024
Computer hardware	3,942	1,588	2,354
Computer software	78,046	46,827	31,219
Security equipment	21,720	3,258	18,462
	<u>\$ 1,668,305</u>	<u>\$ 1,243,860</u>	<u>\$ 424,445</u>

In the prior year, a Torah was donated as a gift in kind to an unrelated organization. The cost and approximate fair market value of the Torah totalled \$9,000.

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, 2021

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, 2021 was not in excess of \$250,000.

The amount that the Congregation is entitled to recover was \$445,739 as of June 30, 2021, 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. COVID-19

The Congregation has, and continues to experience changes in its operations as a result of the COVID-19 pandemic, which includes a decrease in members ability to pay dues and donate additional funds. The Congregation applied to receive \$3,885 (2020 - \$9,865) under the 10% Temporary Wage Subsidy program, which was a government assistance program implemented to assist with the cost of salaries and benefits. This balance is included in accounts receivable at year end and is recognized as a reduction of the salaries and benefits expenses.

The Board is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and overall impact of the disturbance. The potential effect on the Congregation's operations is too uncertain to be estimated at this time.



APPENDIX B: Operating Policy Number 9 – Non-Cash Donations

WHEREAS Subsection 3.07 of General Operating By-law No. 1 of Kehillat Beth Israel Congregation (the Corporation) provides for the adoption of Operating Policies by Ordinary Resolution;

And WHEREAS Kehillat Beth Israel Congregation is a registered charity within the meaning of subsection 248(1) of the Income Tax Act that may issue official donation receipts that qualify for charitable tax credits;

And WHEREAS the Board of Directors of Kehillat Beth Israel Congregation wishes to establish a process for accepting non-cash donations;

NOW THEREFORE BE IT ESTABLISHED as an Operating Policy of Kehillat Beth Israel Congregation as follows:

Part I – Purpose

The purpose of this Operating Policy is to establish the process for accepting non-cash donations and issuing official receipts for Income Tax purposes.

Part II – The Policy

1. Any person who wishes to donate any goods or services to Kehillat Beth Israel Congregation (the Corporation) shall make their intention known to the Executive Director.
2. No Director, Officer or Clergy shall enter into an agreement, or bind the Corporation to accept any donation of goods or services or provide an official receipt for Income Tax purposes in exchange for such donation of goods or services.
3. Only the Executive Director may accept a donation of goods or services on behalf of the Corporation.
4. The Executive Director shall not accept a donation of goods or services unless such goods or services are in the interests of the Corporation and support the mandate of the Corporation.
5. Except as set out in this Operating Policy, the Corporation shall not issue any official receipts for Income Tax purposes for non-cash donations.
6. The Executive Director may cause the Corporation to issue an official receipt for Income Tax purposes in an amount up to the fair market value of the goods or services donated provided:
 - a. In the case of a good,
 - i. the Executive Director possesses sufficient knowledge of the value of the good, or with the advice of an individual with sufficient knowledge of the value of the good, determines that its fair market value is less than \$1,000; or
 - ii. if the fair market value is expected to be more than \$1,000, the good must be professionally appraised by an independent third party (that is, someone who is not associated with either the donor or the Corporation) who shall address their appraisal to the corporation. The name and address of the appraiser must be included on the official receipt for Income Tax purposes;

- b. In the case of a service,
 - i. the Corporation may issue an official receipt for Income Tax purposes if the person provides a service to the Corporation, the Corporation pays for the service, and the person then returns the payment as a gift;
 - ii. the transaction must proceed by way of an exchange of cheques. This ensures the presence of an audit trail, as the donor must account for the taxable income that would be realized either as remuneration or as business income; and
 - iii. the Executive Director shall price comparable services and shall be satisfied with the value of such donated service,

and, in either case, the Executive Director shall forthwith after the donation is accepted, fully document in the Records of the Corporation the name of the donor, the fair market value of the non-cash donation, the name of the appraiser, if any, the reason the good or service is needed by the Corporation, the reason the good or service supports the mandate of the Corporation, and justification for the fair market value of such good or service.

- 7. Donated goods become the property of the Corporation and may, subject to the *Canada Not-for-Profit Corporations Act*, Operating By-law No. 1 and any other Operating Policy, be used, displayed, or disposed of at the discretion of the Executive Director.
- 8. Volunteers who incur authorized expenses on behalf of the Corporation shall be reimbursed by cheque and may donate the funds back as a gift to receive an official receipt for Income Tax purposes. The Corporation shall not issue an official receipt for Income Tax purposes in lieu of reimbursement.
- 9. The issuance of an official receipt for Income Tax purposes in respect of non-cash donations of goods or services for fundraising purposes (e.g. donation of hockey tickets for a raffle, donation of a painting for a silent auction, etc.) shall follow Canada Revenue Agency guidance that is in effect at the time.
- 10. The issuance of an official receipt for Income Tax purposes in respect of non-cash donations of cultural property, ecological gifts, or publicly traded stocks and securities shall follow Canada Revenue Agency guidance that is in effect at the time.

This Operating Policy shall take effect when enacted by Resolution of the Board. This Operating Policy may be amended by Resolution of the Board and shall remain in effect until repealed by Resolution of the Board.

CERTIFIED to be a true copy of Operating Policy Number 9 passed by Resolution of the Board of Directors of Kehillat Beth Israel Congregation at a meeting of the Board held on the 7th day of October 2021.

Jodi Gitter – Secretary

APPENDIX C: Operating Policy Number 10 – Nomination of Directors and Officers

WHEREAS Subsection 3.07 of General Operating By-law No. 1 of Kehillat Beth Israel Congregation provides for the adoption of Operating Policies by Ordinary Resolution;

AND WHEREAS Kehillat Beth Israel Congregation wishes to establish an annual process to fill any vacancies of Director or Officer positions by the nomination of members to serve as directors or officers of Kehillat Beth Israel Congregation;

AND WHEREAS one or more directors' or Officers' terms are completed at each Annual General Meeting of Members;

AND WHEREAS each year a Nominating Committee is struck to prepare, for the Board's consideration and approval, a report listing members whom it recommends be considered for directors or Officers to fill those vacancies and their terms;

NOW THEREFORE BE IT ESTABLISHED as an Operating Policy of Kehillat Beth Israel Congregation as follows:

Part I – Purpose

The purpose of this Operating Policy is to establish a unique process to nominate members to serve as directors or officers of Kehillat Beth Israel Congregation.

Part II – The Policy

1. The Board shall strike a Nominating Committee at the Board meeting immediately prior to January 31 of each year.
2. The Nominating Committee shall, at the first Board meeting immediately after January 31 of each year, report to the Board on:
 - a. the vacancies in Director and Officer positions that will need to be filled at the next Annual General Meeting of Members, and
 - b. any skill set needed by the Board.
3. The Board shall, at that meeting, consider and approve the required skill sets.
4. The Nominating Committee shall, on or before March 1 of each year, put out a notice to all Members stating the positions that will become vacant and any skill sets required and requesting that any Member who wishes to be considered for any such position, or who wishes to propose that another Member be considered for such position, on or before April 30, identify themselves or such Member, identify the position for which they wish to be considered or for which they propose another Member to be considered, and identifying any relevant skill set they or such Member possesses, together with a short statement explaining why they or such Member should be considered for such position.
5. The Nominating Committee shall give due and equal consideration to all Members who have expressed an interest and to all Members who have been proposed by another Member.
6. The Nominating Committee shall, at the Board Meeting immediately prior to June 30:
 - a. report the vacancies of Director and Officer positions that will need to be filled at the next Annual General Meeting of members,

- b. confirm any skill set needed by the Board,
 - c. report the names of the Members who were considered, including the names of all Members who have expressed an interest and all Members who have been proposed by another Member (such report shall include all information sent in response to the Notice referred to in Paragraph 4 above),
 - d. report the names of those from the list of those considered who the Nominating Committee recommends to the Board to fill the positions that will become vacant, the reasoning for such choice, and their proposed terms.
7. The Board shall, taking into consideration all the information referred to in Paragraph 6 above, make the final choices of members and their proposed terms, to be recommended at the Annual General Meeting to Members to fill any vacancies of Director or Officer positions for approval.

This Operating Policy shall take effect when enacted by Resolution of the Board. This Operating Policy may be amended by Resolution of the Board and shall remain in effect until repealed by Resolution of the Board.

CERTIFIED to be a true copy of Operating Policy Number 10 passed by Resolution of the Board of Directors of Kehillat Beth Israel Congregation at a meeting of the Board held on the 7th day of October 2021.

Jodi Gitter – Secretary

APPENDIX D: Operating Policy Number 11 – Decision Making Between Board Meetings

Part I – Purpose

The purpose of this Operating Policy is to establish a process for considering matters which require a Board decision between Board meetings.

Part II – Application

11. Subject to Section 2 of this Part, this policy applies only to those decisions,
 - a. which are normally made by the Board, and
 - b. where it is impossible or impractical to call a Board meeting to consider the matter, and
 - c. where a decision is needed on an urgent basis, and
 - d. where delaying a decision to the next Board meeting would:
 - i. be injurious to the health or safety of individuals while using the premises, and
 - ii. result in significant loss of or damage to shul property, and
 - iii. be injurious to the structural integrity of the building.
12. For greater certainty, this policy does not apply to decisions that are within the purview of the Executive Director.

Part III – Application

1. The President, the Senior Rabbi, the Executive Director and either the Vice President or the Treasurer acting jointly may make a decision contemplated in Part II above.
2. The President shall report any decision(s) taken as soon as possible to the Board of Directors.
3. At the immediately succeeding Board meeting, the President shall report on the matter that required a decision, how and why the matter met the criteria in Section 1 of Part II, the options that were considered, and the justification for the decision made.
4. At the Board meeting, there shall be an Agenda item with sufficient time allotment for a discussion of the decision.
5. Any Director may make a motion to amend the decision made to the extent amending the decision is possible and practical at the time of the meeting.
6. The decision shall be recorded in the Minutes of the Board meeting as a decision of the President, the Executive Director and either the Vice President or the Treasurer acting jointly.

7. After the discussion of the matter and the joint decision, the President shall call a vote to ratify the decision.

This Operating Policy shall take effect when enacted by Resolution of the Board. This Operating Policy may be amended by Resolution of the Board and shall remain in effect until repealed by Resolution of the Board.

CERTIFIED to be a true copy of Operating Policy Number 11 passed by Resolution of the Board of Directors of Kehillat Beth Israel Congregation at a meeting of the Board held on the 7th day of October 2021.

Jodi Gitter – Secretary

APPENDIX E: Operating Policy Number 12 – Execution of Documents

WHEREAS Subsection 3.07 of General Operating By-law No. 1 of Kehillat Beth Israel Congregation provides for the adoption of Operating Policies by Ordinary Resolution;

And WHEREAS Subsection 3.05 of General Operating By-law No. 1 of Kehillat Beth Israel Congregation provides for the execution of documents on behalf of the Corporation;

And WHEREAS the Board of Directors of Kehillat Beth Israel Congregation wishes to establish a process for ensuring that the arrangement set out in any document is properly authorized before the document is executed on behalf of the Corporation;

NOW THEREFORE BE IT ESTABLISHED as an Operating Policy of Kehillat Beth Israel Congregation as follows:

Part I – Purpose

The purpose of this Operating Policy is to establish a unique process for Officers of Kehillat Beth Israel Congregation who are signatories to a document on behalf of the Corporation to satisfy themselves that the transaction represented by the document has been properly authorized before signing the document on behalf of the Corporation.

Part II – The Policy

1. Subject to Operating Policy No. 5, where any document respecting a transaction requires the signature of two (2) Officers of the Corporation pursuant to Subsection 3.05 of General Operating By-law Number 1,:
 - a. In the case of a financial transaction, the Treasurer and the Executive Director shall both indicate their approval of the document to the satisfaction of the signatory officers; and
 - b. In the case of a non-financial transaction, the Executive Director shall indicate their approval of the document to the satisfaction of the signatory officers,prior to the document being signed by the signatory officers.
2. The approval of the Treasurer or the Executive Director may be given by actual or electronic means, provided a record of the approval is retained by the Corporation together with the document.
3. No Officer shall sign any document on behalf of the Corporation unless satisfied that the transaction and the document have been authorized.
4. For greater certainty, once a document has been signed by an Officer, that Officer is estopped from saying the transaction or the document were not properly authorized.

This Operating Policy shall take effect when enacted by Resolution of the Board. This Operating Policy may be amended by Resolution of the Board and shall remain in effect until repealed by Resolution of the Board.

CERTIFIED to be a true copy of Operating Policy Number 12 passed by Resolution of the Board of Directors of Kehillat Beth Israel Congregation at a meeting of the Board held on the 7th day of October 2021.

Jodi Gitter - Secretary

APPENDIX F: Operating Policy Number 13 – Rules of Order for Board of Directors’ Meetings

WHEREAS Subsection 3.07 of General Operating By-law No. 1 of Kehillat Beth Israel Congregation provides for the adoption of Operating Policies by Ordinary Resolution;

AND WHEREAS Kehillat Beth Israel Congregation wishes to adopt a set of rules to govern the process of Board of Directors’ meetings;

NOW THEREFORE BE IT ESTABLISHED as an Operating Policy of Kehillat Beth Israel Congregation as follows:

Part I – Purpose

The purpose of this Operating Policy is to establish a unique set of rules and customs to be followed at Board of Directors meetings so that the meetings can be run as efficiently as possible to get through the substance of the meeting without unnecessary procedural distractions.

Part II – Agenda

1. The President shall preside over the meeting and shall manage the discussions in order to complete the agenda in the time allotted for the meeting.
2. The main part of the agenda shall be divided into items for information, items for discussion, and items for decision (discussion with vote). Within each category, items that have been deferred from a previous meeting shall be dealt with, if practical or urgent, before new business in that category.
3. There shall be a separate category on each agenda for members to raise any matter that is not on the agenda that they wish to raise (Other Business).
4. There shall be a separate category on each agenda for items to be discussed by Directors in the absence of Clergy and staff, including the Executive Director (In Camera Session).

Part III – Guiding Principles for Discussion

1. Every member in attendance has the right to participate in the discussions.
2. Every member has the right to know what is going on at all times.
3. Where an item contains a recommendation or an action, that recommendation or action is not adopted by the Board unless it is the subject of a motion and a vote. The minutes of the meeting should record whether the motion passed or failed.

Part IV – The Process

1. To bring a recommendation or action up for discussion requires a motion.
2. A motion requires a second for the motion to go to the floor for discussion or consideration.
3. The Director who moved the adoption of the motion is the first person entitled to the floor.
4. Debate must be confined to the merits of the motion.
5. The Chair shall ensure that opponents of the motion are given an opportunity to speak equal to that given to the friends of the motion so that both sides of a topic are presented before a vote is taken and a decision is made.
6. After debate on a motion is closed, the President restates the motion, then calls for a vote. The Board can, by majority vote, require the vote on any matter to be taken by roll call or ballot. Any Director may require that their vote be recorded in the minutes of the meeting regardless of how the vote is counted.
7. Any Director that is in a conflict of interest or where there is the appearance of a conflict of interest should recuse themselves any discussion or voting on the motion.

This Operating Policy shall take effect when enacted by Resolution of the Board. This Operating Policy may be amended by Resolution of the Board and shall remain in effect until repealed by Resolution of the Board.

CERTIFIED to be a true copy of Operating Policy Number 13 passed by Resolution of the Board of Directors of Kehillat Beth Israel Congregation at a meeting of the Board held on the 7th day of October 2021.

Jodi Gitter – Secretary