

Kehillat Beth Israel Congregation Annual General Meeting

Thursday October 21, 2021 / 15 Cheshvan 5782
Via Teleconference (Zoom)
Minutes

1. CALL TO ORDER AND WELCOME

Judah Silverman, the chairperson of the meeting, called the meeting to order at 7:05 pm. He gave an overview of the proceedings, he presented the members of the outgoing Board of Directors and he announced that Jodi Gitter would serve as Secretary of this meeting.

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

With the consent of the members present, Laura Dimitroff 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 the meeting was duly and properly constituted for the transaction of business.

2. REVIEW OF VIRTUAL AGM PROCESS

The Secretary, Jodi Gitter, explained how the meeting would be conducted.

3. APPROVAL OF AGENDA

A motion was made by Jodi Gitter and seconded by David Lyman to adopt the following resolution:

BE IT RESOLVED that the agenda for the 2021 Annual General Meeting of Members be approved.

The motion was carried.

4. D'VAR TORAH

The D'var Torah was delivered by Rabbi Kenter.

5. 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 Jodi Gitter and seconded by Norm Ferkin to adopt the following resolution:

BE IT RESOLVED that the minutes from last year's Meeting of Members which was held on October 5, 2020, be approved.

The motion was carried.

6. PRESIDENT'S REMARKS

The President, Judah Silverman, delivered his remarks.

7. 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 A**).

Jay Amdur, the Treasurer, spoke about the financial statements. There has been an operating loss of approximately \$41,000. KBI was able to get back to some regular programming sooner than planned, which incurred some costs, which had not been budgeted.

Jay explained that the markets had noticeably rebounded from the previous pandemic-affected year and that KBI's investments with the OJCF had increased by over \$1.1M from the previous year. KBI's investment fund earned interest of approximately \$500,000 this past fiscal year.

The Auditor's findings reveal nothing untoward about our bookkeeping.

Jay reminded the Members that none of the invested capital has ever been touched, nor should it ever be touched.

Jay explained the operations of the Ottawa Kosher Food Bank (OKFB) and the strong financial position it enjoys.

Adina Libin, the incoming Treasurer, inquired about loss of approximately \$130,000 in membership revenue this year over last. Jay explained that this was directly related to the loss of members as a result of the pandemic.

Donna Strauss asked for clarification regarding the “Bingo expenses” of \$7,521 incurred by the OKFB. Jay explained the relationship between the OKFB and ongoing financial support arranged by a member from a local Bingo parlour. In order to receive this monthly donation, KBI incurs some costs. Jay also noted that both the revenues and expenses associated with the Bingo were greatly reduced last year due to the pandemic.

A motion was made by Jay Amdur and seconded by Victor Rabinovitch to adopt the following resolution:

BE IT RESOLVED that the audited financial statements of Kehillat Beth Israel Congregation, together with the report from GGFL LLP, for the year ending June 30, 2021, be received and approved.

The motion was carried.

8. APPOINTMENT OF AUDITORS

Jay Amdur explained that a Request for Proposal (RFP) for auditing services had recently been run by the Finance and Audit Committee. The RFP requested that firm pricing be provided for three years, with two one-year options. Seven firms were asked to submit bids and four bids were received.

After review and analysis, a recommendation was made to the Board of Directors to accept GGFL LLP as the firm with the best overall position for the organization. The Board accepted this recommendation and is, in turn, recommending that GGFL LLP be appointed by the Membership as the auditors for the coming year.

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

BE RESOLVED, that GGFL LLP, of Ottawa, Ontario, be appointed auditors of the Corporation until the next Annual General Meeting.

The motion was carried.

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

The Chair first introduced the members of the Governance Committee, Abe Feinstein – Chair, Michael Senzilet and Jay Amdur, and thanked them for the five plus years that they have served KBI as members of this committee to ensure that the new governance model was implemented and that it had evolved appropriately.

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

A motion was made by Jodi Gitter 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 No.1 as passed by the Board of Directors at the September 23, 2021 meeting and duly put before the members, be adopted and in force as of that date.

A discussion was held regarding whether the motion had merit and whether in fact it should actually be divided into two separate motions.

A motion was made by Kivi Shapiro to adopt the following resolution:

BE IT RESOLVED, that Item #1 be divided from the rest of the motion regarding the proposed changes to Operating By-Law No. 1 currently before the Membership for approval.

Kivi explained that he felt that more time was necessary to properly decide if the removal of *Robert's Rules of Order* was the correct thing to do for the Corporation.

Jay explained that *Robert's Rules of Order* was being removed from the By-law as it was no longer required since the Board had already approved an Operating Policy on how the conduct of Board of Director meetings would occur.

Kivi pointed out that the new Operating Policy only applied to Board of Director meetings and did not apply to either Annual or Special General Meetings of Members.

Jay stated that item #1 did not need to be divided from the rest of the motion, since the existing Operating Policy could be adjusted by the Governance Committee and then subsequently approved by the Board of Directors to incorporate the missing wording for Special and Annual General Meetings.

The motion to divide the original motion was seconded by Muriel Korngold-Wexler.

A motion was made by Stephen Bindman and seconded by Eric Weiner to call the question.

Several Members requested that this new motion be explained. An explanation was provided. After some brief discussion, Stephen requested permission to withdraw his motion, which was granted by unanimous consent.

The motion was withdrawn.

Further discussion ensued on the second motion put forward by Kivi Shaipro.

Victor Rabinovitch, the incoming President, committed to having the required changes to Operating Policy #13 in place by the first Board meeting following the AGM.

The Chair requested that the motion to divide the original motion be called for a vote.

The motion was defeated.

An item for follow-up at next year's Annual General Meeting was taken to report back to the membership regarding the stated changes to Operating Policy #13.

The Chair of the meeting then called for a vote on the original motion before the Members.

The motion was carried.

10. 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. The Nominations Committee was comprised of Helen Zipes – Chair, Ralph Anzarouth, Joel Sachs, and Eric Weiner. Victor Rabinovitch and the Chair, Judah Rabinovitch, served as ex-officio members of the committee as well.

The Chair explained that a typographical error was made in the Slate of Nominees that was distributed in the Notice of Meeting to Members. The slate incorrectly referred to the position of "First Vice President" whereas – given the motion to amend the By-law that was just approved – it should have referred to the position as "Vice President."

Helen Zipes, Chair of the Nominating Committee, also thanked the members of the Committee. Helen then mentioned the Board members that have completed their terms. These include: Ilana Albert-Novick, Jay Amdur, Yossi Bokhaut, Mordechai Brodt, Judah Silverman and Eric Weiner. Helen thanked these people for their dedication and service to the Congregation. Helen then outlined the new slate of nominees.

A motion was made by Helen Zipes and seconded by Eric Weiner to adopt the following resolution:

BE IT RESOLVED, that the following nominees:

Victor Rabinovitch, as President,

Jeremy Rudin, as Vice President,

Adina Libin, as Treasurer,
Jodi Gitter, as Secretary, and
Jeff Greenberg,
Jaimee Mitzmacher,
David Roytenberg,
Olga Streltchenko, as Directors

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

The motion was carried.

11. INCOMING PRESIDENT'S REMARKS

Victor Rabinovitch, the newly elected President addressed the membership and mentioned that his three areas of focus as KBI's President would be: Educate, Participate, and Repair.

12. ADJOURNMENT

A motion was made by Harland Tanner and seconded by Mordecai Brodt to adjourn the meeting.

The motion was carried.

13. QUESTIONS AND ANSWERS

The Chair opened the floor to questions and answers from the membership.

Agnes Klein wished a hearty Mazal Tov to all past and incoming Board Members and added how much she appreciated the opening and closing speeches made by the out-going and incoming Presidents.

Judah thanked the members for attending and participating.

Jodi Gitter, Secretary
October 21, 2021

APPENDICES

The following appendices follow this page, in order:

- Appendix A: Audited financial statements for the year ended June 30, 2021
- Appendix B: Proposed changes to *General Operating By-law No. 1*



**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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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)	<u>-</u>	<u>413,063</u>	<u>-</u>	<u>413,063</u>	<u>424,445</u>
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
	201,507	121,881	-	323,388	508,382
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
	203,345	8,104,593	875,164	9,183,102	8,174,682
	\$ 404,852	\$ 8,226,474	\$ 875,164	\$ 9,506,490	\$ 8,683,064



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	\$ 438,880	\$ 509,031
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 – Proposed Changes to *General Operating By-law No. 1*

- 1) Subsection 1.04, delete in its entirety;
- 2) Delete subsection 6.04 (c), delete in its entirety;
- 3) Renumber subsection 6.04 (d) through (g) as (c) through (f);
- 4) Subsection 6.05 (c), delete the word “Vice-Presidents” and replace with the word “Vice-President”;
- 5) Subsection 7.01, delete the word “Vice-Presidents” and replace with the word “Vice-President”;
- 6) Subsection 7.02 (b), replace the entirety of the current subsection with the following text:

Vice-President – The Vice-President of the Board shall be a Director. If the President is absent or is unable or refuses to act, the Vice-President shall exercise the powers of the President.
- 7) Subsection 8.07, replace the entirety of the current subsection with the following text:

The Chair of Board meetings shall be the President or the Vice-President if the President is absent or unable to act. In the event that the President and the Vice President are absent or unable to act, the Treasurer shall chair the meeting. In the event that the President, the Vice-President and the Treasurer are absent or unable to act, the Secretary shall chair the meeting. In the event that the President, the Vice-President, the Treasurer and the Secretary are absent or unable to act, the directors present shall choose a chair from among their number.
- 8) Subsection 9.02, line 7, delete the words “the two Vice Presidents” and replace with the words “the Vice-President”;
- 9) Subsection 11.03, line 2, delete the word “Acting” and replace with the word “Interim”; and
- 10) Subsection 11.02, line 3, delete the word “Acting” and replace with the word “Interim”.