

**JEWISH HERITAGE CENTRE OF WESTERN CANADA INC.**  
**INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT**  
**FINANCIAL STATEMENTS**  
**AUGUST 31, 2023**

**JEWISH HERITAGE CENTRE OF WESTERN CANADA INC.**  
**AUGUST 31, 2023**  
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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of Directors of Jewish Heritage Centre of Western Canada Inc.:

We have reviewed the accompanying financial statements of Jewish Heritage Centre of Western Canada Inc. that comprise the statement of financial position as at August 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Practitioner's Responsibility***

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### ***Basis for Qualified Conclusion***

Jewish Heritage Centre maintain records of its archive and collections where we have been unable to determine the fair value of these items. Therefore, due to this limitation in scope, we are unable to determine whether any adjustments might be necessary to the statement of financial position, statements of operations, changes in net assets and cash flows for the year ended August 31, 2023. In this respect only, the financial statements are not in accordance with Canadian accounting standards for not-for-profit organizations. Our conclusion on the financial statements for the year ended August 31, 2022, was modified accordingly because of the possible effects of this limitation in scope.

### ***Qualified Conclusion***

Based on our review, except for the possible effects of the matter described in the *Basis for Qualified Conclusion* paragraph, nothing has come to our attention that causes us to believe that the accompanying financial information does not present fairly, in all material respects, the financial position of Jewish Heritage Centre of Western Canada Inc. as at August 31, 2023, in accordance with Canadian accounting standards for not-for-profit organizations.

Winnipeg, Manitoba  
December 18, 2023

Fort Group  
CHARTERED PROFESSIONAL  
ACCOUNTANTS INC.

**JEWISH HERITAGE CENTRE OF WESTERN CANADA INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AUGUST 31, 2023**

	<u><b>2023</b></u>	<u><b>2022</b></u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash (Note 3)	\$ 557,534	572,516
Grants receivable	1,120	1,120
GST receivable	<u>2,209</u>	<u>1,411</u>
	560,863	575,047
<b>ARCHIVES AND COLLECTIONS</b> (Note 4)	<u>55,114</u>	<u>55,114</u>
	<u><u>\$ 615,977</u></u>	<u><u>630,161</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 5,132	5,130
Deferred revenues (Note 5)	-	75,770
Short-term debt (Note 6)	<u>40,000</u>	<u>-</u>
	45,132	80,900
<b>LONG-TERM DEBT</b> (Note 6)	<u>-</u>	<u>40,000</u>
	<u>45,132</u>	<u>120,900</u>
<b>NET ASSETS</b>		
Unrestricted	515,731	454,147
Invested in archives and collections	<u>55,114</u>	<u>55,114</u>
	<u>570,845</u>	<u>509,261</u>
	<u><u>\$ 615,977</u></u>	<u><u>630,161</u></u>

**JEWISH HERITAGE CENTRE OF WESTERN CANADA INC.  
STATEMENT OF CHANGES IN NET ASSETS  
YEAR ENDED AUGUST 31, 2023**

	<u>Unrestricted</u>	<u>Invested in Archives and Collections</u>	<u>2023 Total</u>	<u>2022 Total</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	\$ 454,147	55,114	509,261	471,013
Excess of revenues over expenses	<u>61,584</u>	<u>-</u>	<u>61,584</u>	<u>38,248</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 515,731</u>	<u>55,114</u>	<u>570,845</u>	<u>509,261</u>

**JEWISH HERITAGE CENTRE OF WESTERN CANADA INC.**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED AUGUST 31, 2023**

	<u>2023</u>	<u>2022</u>
<b>REVENUES</b>		
Jewish Federation of Winnipeg	\$ 79,000	80,800
Jewish Foundation of Manitoba Endowment (Note 7)	98,195	82,318
Grants (Note 8)	96,214	30,700
Kanee Lectures	78,267	107,020
Donations	8,111	4,934
Holocaust Education Symposium	-	250
The Freeman Family Legacy Fund	5,400	-
Holocaust Education Centre income (Note 5)	86,611	78,891
Book sales	489	1,024
Archives	345	1,238
Projects and other income	-	5,560
Interest income	8,745	4,013
	<u>461,377</u>	<u>396,748</u>
<b>EXPENSES</b>		
Advertising and promotion	4,595	886
Archives	2,033	5,048
Capital improvements	89,564	1,380
Insurance	2,845	2,466
Interest and bank charges	2,453	2,614
Memberships and licences	104	165
Office	5,357	5,624
Professional fees	10,364	60,589
Projects (Note 11)	40,043	89,254
Rental	63,745	63,175
Salaries and wages	178,690	162,560
	<u>399,793</u>	<u>393,761</u>
<b>EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER INCOME</b>	61,584	2,987
<b>OTHER INCOME</b>		
Canada Emergency Wage Subsidy (Note 9)	-	6,850
Canada Emergency Rent Subsidy (Note 10)	-	3,020
Tourism and Hospitality Recovery Program (Note 9)	-	25,391
	<u>-</u>	<u>35,261</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 61,584</u>	<u>38,248</u>

**JEWISH HERITAGE CENTRE OF WESTERN CANADA INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED AUGUST 31, 2023**

	<u><b>2023</b></u>	<u><b>2022</b></u>
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 61,584	38,248
Changes in non-cash working capital items:		
Grants receivable	-	2,291
Accounts receivable	(798)	4,190
Accounts payable and accrued liabilities	2	801
Deferred revenues	<u>(75,770)</u>	<u>75,770</u>
<b>CHANGE IN CASH</b>	(14,982)	121,300
<b>CASH, BEGINNING OF YEAR</b>	<u>572,516</u>	<u>451,216</u>
<b>CASH, END OF YEAR</b>	<u><u>\$ 557,534</u></u>	<u><u>572,516</u></u>

**JEWISH HERITAGE CENTRE OF WESTERN CANADA INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2023**

**1. ACCOUNTING ENTITY**

Jewish Heritage Centre of Western Canada Inc. (the "Organization") is a not-for-profit organization incorporated provincially under the Corporations Act of Manitoba. As a registered charity, the Organization is exempt from paying income taxes under Section 149(1) of the Income Tax Act.

The Organization's mandate is to acquire, interpret, convey and share the history, experiences, achievements, culture and religious life of the Jewish people of Western Canada by establishing and maintaining a Holocaust Education Centre.

**2. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

An underlying assumption of the preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations is that the Organization will continue for the foreseeable future and will be able to realize its assets and discharge liabilities in the normal course of operations.

The financial statements include the following significant accounting policies:

**(a) Archives and collections**

Archives and collections are stated at cost and are not amortized. Contributed archives and collections are recorded at fair value, where practical, as determined by an independent appraiser at the date of contribution.

**(b) Tangible capital assets**

The Organization expenses tangible capital asset purchases as allowed under ASNPO. During the year, equipment for \$89,564 was purchased and expensed under capital improvements (2022 - \$1,380).

**(c) Revenue Recognition**

The Organization follows the deferral method of accounting for contributions (grants and donations). Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fees and lectures revenue are recognized for the period to which it relates and when received or receivable. Interest income is recognized when earned.

The Canada Emergency Wage Subsidy ("CEWS") is recognized as revenue for the corresponding period for which eligible employee remuneration is paid and the claim has been filed.

The Tourism and Hospitality Recovery Program ("THRP") is recognized as revenue for the corresponding period for which eligible employee remuneration is paid and the claim has been filed.

The Canada Emergency Rent Subsidy ("CERS") is recognized as revenue for the corresponding period for which eligible property-related expenses have been incurred.



**JEWISH HERITAGE CENTRE OF WESTERN CANADA INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2023**

**2. ACCOUNTING POLICIES (continued)**

**(d) Contributed Services**

Contributed services which would otherwise be paid for by the Organization are recorded at fair market value when provided. Contributed services by volunteers are not recognized in the financial statements.

**(e) Financial Instruments**

Financial instruments held by the Organization include cash, grants receivable, accounts payable and accrued liabilities. The Organization initially measures its financial instruments at fair value when the asset or liability is first recognized. The Organization subsequently measures its financial instruments at amortized cost. Amortized cost is the amount at which the financial instrument is measured at initial recognition, less principal repayments, plus or minus the cumulative of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

**(f) Accounting Estimates**

The preparation of the financial statements in conformity 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 at the date of the financial statements and the reported amounts of revenue and expenses during the year. Estimates include amounts payable for services not billed yet at the time these financial statements were approved. Actual results may differ from estimates.

**3. CASH**

The Organization has access to a line of credit of \$25,000 bearing interest at the Royal Bank of Canada prime plus 2% per annum (9.20% at August 31, 2023) and is due on demand. At August 31, 2023, the outstanding balance is \$Nil (2022 - \$Nil).

The line of credit is secured by a general security agreement constituting a first ranking security interest on all property of the organization as collateral.

**4. ARCHIVES AND COLLECTIONS**

The Organization has an extensive archival collection, including over 70,000 photographs, 500 taped interviews and many archival documents. This collection also includes many books related to genealogy as well as the Holocaust, collections of family trees, and a collection of newspapers dating back to 1910, which includes information on birth announcements, weddings, obituaries and much more. Also included are photographs of the cemetery stones from all Jewish cemeteries in Manitoba and a large collection of artifacts from their past.

**JEWISH HERITAGE CENTRE OF WESTERN CANADA INC.**  
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**5. DEFERRED REVENUES**

Beginning in the prior year, the Organization received grants for the renovation of the Holocaust Education Centre. Unexpended amounts were deferred until the related expenses were incurred. As at August 31, 2023, the renovation has been completed and all revenues have been recognized.

	<u><b>2023</b></u>
Opening balance	\$ 75,770
Amount received	10,841
Revenue recognized	<u>(86,611)</u>
Ending balance	<u><u>\$ -</u></u>

**6. DEBT**

	<u><b>2023</b></u>	<u><b>2022</b></u>
Canada Emergency Business Account, interest free, with a limit of \$60,000. Repaying the balance of the loan on or before January 18, 2024 will result in loan forgiveness of \$20,000. If the loan is not repaid it can be converted into a 3-year term loan at an annual interest rate of 5%.	<u>\$ 40,000</u>	<u>40,000</u>

Since there is reasonable assurance that the Organization will repay the loan by January 18, 2024, the Organization recognized the forgivable portion of \$20,000 as income in a prior year.

**7. ENDOWMENT FUNDS**

The Organization has established three endowment funds to be held in perpetuity at the Jewish Foundation of Manitoba. As at August 31, 2023, the Jewish Heritage Centre Endowment Fund totaled \$498,016 (2022 - \$490,043), the Holocaust Education Centre Endowment Fund totaled \$939,481 (2022 - \$930,259) and the Jewish Heritage Centre Archive Fund totaled \$1,196,238 (2022 - \$1,025,833). The Organization received from these funds revenues totalling \$98,195 (2022 - \$82,318), which are included in Jewish Foundation of Manitoba Endowment revenues.

**8. GRANT REVENUE**

	<u><b>2023</b></u>	<u><b>2022</b></u>
Azrieli Foundation	\$ 10,584	10,000
Government of Canada - Canadian Heritage	27,488	-
Government of Canada - Summer Jobs	4,442	-
Grants for Awards	-	6,500
Province of Manitoba	42,200	14,200
Winnipeg Foundation	<u>11,500</u>	<u>-</u>
	<u><u>\$ 96,214</u></u>	<u><u>30,700</u></u>

**JEWISH HERITAGE CENTRE OF WESTERN CANADA INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**9. CANADA EMERGENCY WAGE SUBSIDY AND TOURISM AND HOSPITALITY RECOVERY PROGRAM**

In April 2020, the Government of Canada announced the Canada Emergency Wage Subsidy ("CEWS") program in order to help employers re-hire employees, prevent job losses and provide relief in response to challenges posed by the COVID-19 pandemic. The Organization had determined that it met the employer eligibility criteria including meeting the revenue reduction requirements and incurring eligible remuneration and applied for the CEWS. During the 2023 fiscal year, the Organization received \$Nil (2022 - \$6,850) under the program. The program ended in October 2021.

In October 2021, the Government of Canada implemented the Tourism and Hospitality Recovery Program ("THRP") which provided support through wage and rent subsidies to select tourism and hospitality businesses still facing pandemic related challenges. The Organization had determined that it met the employer eligibility criteria including meeting the revenue reduction requirements and incurring eligible remuneration and applied for the THRP. During the 2023 fiscal year, the Organization received \$Nil (2022 - \$25,391) under the program. The program ended in July 2022.

**10. CANADA EMERGENCY RENT SUBSIDY**

In October 2020, the Government of Canada announced the Canada Emergency Rent Subsidy ("CERS") program in order to help entities who had been affected by COVID-19 to help offset certain property-related expenses. The Organization had determined that it met the eligibility criteria including renting a qualifying property and seeing a decline in revenues due to the pandemic. During the 2023 fiscal year, the Organization received \$Nil (2022 - \$3,020) under the program. The program ended in October 2021.

**11. PROJECTS**

	<u><b>2023</b></u>	<u><b>2022</b></u>
Holocaust Education Renovation	\$ 24,132	83,283
Program Costs	<u>15,911</u>	<u>5,971</u>
	<u><u>\$ 40,043</u></u>	<u><u>89,254</u></u>

**12. COMMITMENTS**

The Organization has a one-year license agreement with the Asper Jewish Community Campus which was renewed on August 31, 2023. The current license fee is \$6,099 per month and is adjusted annually based on the operating costs of the Asper Jewish Community Campus which includes use of the facilities that the Organization operates out of.

The Organization also has a ten-year storage license agreement expiring August 31, 2030. The monthly storage fee is \$192 per month.

The minimum annual lease payments to the expiry of the lease are as follows:

2024	\$ 68,270
2025	2,304
2026	2,304
2027	2,304
2028	2,304
Thereafter	<u>6,912</u>
	<u><u>\$ 84,398</u></u>

**JEWISH HERITAGE CENTRE OF WESTERN CANADA INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2023**

**13. RISK MANAGEMENT**

**(a) Interest Rate Price 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. It is management's opinion that the Organization is exposed to interest rate price risk due to the interest rate on the line of credit. However, at the end of the year, the line of credit was not withdrawn on.

**(b) Credit Risk**

Financial instruments which potentially subject the Organization to credit risk and concentrations of credit risk consist principally of accounts receivable. Management manages credit risk associated with accounts receivable by pursuing accounts receivable when due.

**(c) Liquidity Risk**

Liquidity risk is the risk that the Organization will not be able to meet its financial obligations as they come due. Financial liabilities consist of bank indebtedness and accounts payable and accrued liabilities. Accounts payable and accrued liabilities are paid in the normal course of business and, except under certain exceptions, no later than three months.

The Organization's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet liabilities when due. At August 31, 2023, the Organization has a cash balance of \$557,534 (2022 - \$572,516) and current liabilities of \$45,132 (2022 - \$5,130).