

**THE OTTAWA JEWISH  
COMMUNITY SCHOOL**

Financial Statements  
For The Year Ended June 30, 2023

# THE OTTAWA JEWISH COMMUNITY SCHOOL

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JUNE 30, 2023

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## INDEPENDENT AUDITOR'S REPORT

To the directors of  
The Ottawa Jewish Community School

### Opinion

We have audited the financial statements of The Ottawa Jewish Community School (the Organization), which comprise the balance sheet as at June 30, 2023, and the statements of net assets (deficit), revenues and expenditures 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 Organization as at June 30, 2023, 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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants, Licensed Public Accountants  
Ottawa,  
December 19, 2023.

## THE OTTAWA JEWISH COMMUNITY SCHOOL

## BALANCE SHEET

AS AT JUNE 30, 2023

	2023	2022
<b>ASSETS</b>		
Current		
Cash	\$ 593,583	\$ 597,313
Accounts receivable - tuition	56	4,211
Sundry receivables	933	8,703
Sales tax recoverable	16,315	9,181
Allocation receivable	500,000	100,000
Prepaid expenses	10,320	1,932
	<u>1,121,207</u>	<u>721,340</u>
Investments - managed funds (note 4)	<u>152,661</u>	<u>140,338</u>
Capital assets (note 5)	<u>242,165</u>	<u>186,885</u>
	<u>\$ 1,516,033</u>	<u>\$ 1,048,563</u>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	\$ 635,833	\$ 566,209
Deferred tuition fees	269,336	184,164
Deferred donations and gifts (note 7)	322,759	134,330
Short term portion of long term debt (note 9)	13,000	-
	<u>1,240,928</u>	<u>884,703</u>
Gratuity payable (note 8)	<u>175,107</u>	<u>193,871</u>
Long term debt (note 9)	<u>117,000</u>	<u>-</u>
	<u>1,533,035</u>	<u>1,078,574</u>
<b>NET ASSETS (DEFICIT)</b>		
Invested in capital assets	45,804	52,555
Investment fund	152,661	140,338
Operating fund	(215,467)	(222,904)
	<u>(17,002)</u>	<u>(30,011)</u>
	<u>\$ 1,516,033</u>	<u>\$ 1,048,563</u>

Approved on behalf of the board:

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THE OTTAWA JEWISH COMMUNITY SCHOOL

STATEMENT OF NET ASSETS (DEFICIT)

FOR THE YEAR ENDED JUNE 30, 2023

	Invested in Capital Assets	Investment Fund	Operating Fund	Total 2023	Total 2022
Balance, beginning of year	\$ 52,555	\$ 140,338	\$ (222,904)	\$ (30,011)	\$ 266,379
Net result for the year	(8,427)	12,323	9,113	13,009	(296,390)
Transfer to fund net capital asset additions	1,676	-	(1,676)	-	-
Balance, end of year	<u>\$ 45,804</u>	<u>\$ 152,661</u>	<u>\$ (215,467)</u>	<u>\$ (17,002)</u>	<u>\$ (30,011)</u>

## THE OTTAWA JEWISH COMMUNITY SCHOOL

## STATEMENT OF REVENUES AND EXPENDITURES

FOR THE YEAR ENDED JUNE 30, 2023

	Budget (note 12)	2023	2022
<b>Revenue</b>			
Tuition fees	\$ 3,314,700	\$ 3,525,234	\$ 3,292,205
Less: discounts and assistance	(957,858)	(971,294)	(930,151)
Net tuition revenue	2,356,842	2,553,940	2,362,054
Community allocation	1,029,526	1,291,036	877,005
Emergency funding	-	8,561	101,885
Fundraising, net (schedule 1)	805,364	564,479	656,541
Net investments and other	9,000	19,962	(9,254)
	<u>4,200,732</u>	<u>4,437,978</u>	<u>3,988,231</u>
<b>Expenditures (schedule 2)</b>			
Administration	920,013	879,946	914,912
Occupancy	503,330	524,966	472,774
Student services	147,855	136,308	111,024
Teaching	2,671,064	2,883,749	2,785,911
	<u>4,242,262</u>	<u>4,424,969</u>	<u>4,284,621</u>
Net result for the year	<u>\$ (41,530)</u>	<u>\$ 13,009</u>	<u>\$ (296,390)</u>



## THE OTTAWA JEWISH COMMUNITY SCHOOL

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
<b>CASH PROVIDED BY (USED IN)</b>		
<b>Operating activities</b>		
Net result for the year	\$ 13,009	\$ (296,390)
Amortization	78,477	53,949
Net (gain) loss of the investment fund	(12,323)	13,744
<b>Changes in operating net assets</b>		
Accounts receivable - tuition	4,155	129
Sundry receivables	7,770	(8,255)
Sales tax recoverable	(7,134)	788
Allocation receivable	(400,000)	(100,000)
Prepaid expenses	(8,388)	4,172
Accounts payable and accrued liabilities	69,623	28,561
Deferred tuition fees	85,172	106,814
Deferred donations and gifts	188,429	17,603
Gratuity payable	(18,764)	11,123
	<u>26</u>	<u>(167,762)</u>
<b>Financing activities</b>		
Long term debt	<u>130,000</u>	<u>-</u>
<b>Investing activities</b>		
Purchase of capital assets	<u>(133,756)</u>	<u>(60,270)</u>
Decrease in cash	(3,730)	(228,032)
Cash, beginning of year	<u>597,313</u>	<u>825,345</u>
Cash, end of year	<u>\$ 593,583</u>	<u>\$ 597,313</u>

## THE OTTAWA JEWISH COMMUNITY SCHOOL

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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## 1. Purpose of the organization

The Ottawa Jewish Community School is a not-for-profit organization, incorporated under the Ontario Corporations Act as a corporation without share capital. The primary purpose of the organization is to operate a school for elementary school students. It is a registered charity exempt from income taxes under section 149(1)(f) of the *Income Tax Act*.

## 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:

*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.

*Financial instruments**Measurement of financial instruments*

The organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in managed funds, which are measured at fair value. The net investment activity is recognized in the net result for the year of the investment fund.

*Impairment*

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

*Transaction costs*

Transaction costs are recognized in the net result 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.

## THE OTTAWA JEWISH COMMUNITY SCHOOL

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

## 2. Significant accounting policies (continued)

## Capital assets

Capital assets are recorded at cost. Amortization has been provided at the following rates:

Computer hardware	30% declining balance
Computer software	5 years straight line
Furniture and fixtures	20% declining balance
Leasehold improvements	5 years straight line

Amortization is recorded at one-half of the above rates in the year of acquisition.

## Revenue recognition

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

Contributions relating to capital expenditures are deferred and amortized on the same basis as the related assets.

Tuition fees, discounts and assistance are recognized over the course of the school year.

Revenues from fundraising are recognized when received and/or when the fundraising events are held.

## Contributed goods and services

Contributed goods are recorded at fair value in the year received when fair value can be reasonably estimated and would have otherwise been purchased in the normal course of operations.

Volunteers contribute many hours to assist the organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

## THE OTTAWA JEWISH COMMUNITY SCHOOL

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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## 2. Significant accounting policies (continued)

*Use of estimates*

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the net results in the period in which they become known.

## 3. Financial instruments

*Risks and concentrations*

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure at June 30, 2023.

*Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its gratuity payable, accounts payable and accrued liabilities.

*Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization's main credit risks relate to its accounts receivable and allocation receivable. In the normal course of operations the organization provides credit to those paying tuition.

*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 organization is exposed to these risks through its investment in managed funds, but does not consider them to be significant at June 30, 2023.

## THE OTTAWA JEWISH COMMUNITY SCHOOL

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

## 4. Investments - managed funds

An Investment Fund was established in prior years from monies donated. These funds are being managed by the Ottawa Jewish Community Foundation and pooled with other assets under their administration.

The funds that were donated were restricted by the donors with only the annual income generated from these funds to be used for the restricted purpose. Neither the donated funds nor the income generated from them are available for general operations.

## 5. Capital assets

	Cost	2023 Accumulated Amortization	Net Book Value
Computer hardware	\$ 121,110	\$ 103,508	\$ 17,602
Computer software	21,625	21,625	-
Furniture and fixtures	199,083	95,017	104,066
Leasehold improvements	231,686	111,189	120,497
	<u>\$ 573,504</u>	<u>\$ 331,339</u>	<u>\$ 242,165</u>

	Cost	2022 Accumulated Amortization	Net Book Value
Computer hardware	\$ 119,433	\$ 96,325	\$ 23,108
Computer software	21,625	21,625	-
Furniture and fixtures	190,604	70,061	120,543
Leasehold improvements	108,086	64,852	43,234
	<u>\$ 439,748</u>	<u>\$ 252,863</u>	<u>\$ 186,885</u>

## 6. Line of credit

The organization has a \$200,000 credit facility available of which \$nil was drawn at June 30, 2023. The line of credit bears interest at prime plus 1.5% and is secured by assets owned by the organization and a guarantee from the Jewish Federation of Ottawa ("Federation").

During the year, the Federation extended a line of credit of up to \$175,000 to the organization of which no amounts were drawn during the fiscal year. The line of credit is non-interest bearing with no specified terms of repayment and requires consultation and approval of Federation leadership before any amounts can be drawn.

## THE OTTAWA JEWISH COMMUNITY SCHOOL

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

## 7. Deferred donations and gifts

	2023	2022
Balance, beginning of year	\$ 134,330	\$ 116,727
Add: donations received during the year	258,479	58,325
Less: amount recognized as revenue in the year	<u>(70,050)</u>	<u>(40,722)</u>
Balance, end of year	<u>\$ 322,759</u>	<u>\$ 134,330</u>

Deferred donations and gifts have been received towards the purchase of capital assets.

In 2023, the organization received \$258,479 of donations towards the purchase of furniture and fixtures and leasehold improvements. During the year, \$25,568 of was recognized related to these donations and \$232,911 remains deferred as of June 30, 2023.

Additionally, \$44,482 of revenue has been recognized during the year relating to deferred donations and gifts received in prior years.

## 8. Gratuity payable

Under the terms of the collective agreement with the Hillel Academy Teachers' Association, the organization has established a defined benefit retirement gratuity plan available to teachers with a period of service greater than ten years. A liability with respect to retirement gratuities payable in the future is accrued based on a percentage of the teachers' prior year salaries up to a maximum of \$18,250 per teacher.

## 9. Long-term debt

During the year, the organization acquired a loan from Ottawa Hebrew Free Loan Association. The loan is non-interest bearing and matures on September 30, 2027.

Annual principal repayment requirements are as follows:

2024	\$ 13,000
2025	13,000
2026	13,000
2027	13,000
2028	<u>78,000</u>
	<u>\$ 130,000</u>

## THE OTTAWA JEWISH COMMUNITY SCHOOL

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

## 10. Commitments

The organization has operating lease commitments on certain office equipment ending April 2026. The total aggregate lease payments exclusive of other charges is \$20,342, as follows:

2024	\$	7,397
2025		7,397
2026		5,548
		<u>20,342</u>
	\$	<u>20,342</u>

## 11. Funding commitment

The organization received a pledge of \$1,000,000 in the fiscal year ending June 30, 2019 to help fund the general operations of the school, which is being received in four annual installments of \$250,000. During the year, the organization received the fourth and final installment, which is recognized as fundraising revenue.

## 12. Budget

The budgeted figures are unaudited and presented for comparative purposes and are those as approved by the Board, reclassified to conform with these financial statements.

## 13. Comparative figures

Certain 2022 comparative figures have been reclassified to conform with the presentation adopted in 2023.

THE OTTAWA JEWISH COMMUNITY SCHOOL  
 SCHEDULE OF FUNDRAISING REVENUES AND EXPENDITURES  
 FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
<b>Fundraising revenues</b>		
Annual campaign		
Alumni campaign	\$ 12,699	\$ 16,141
Board campaign	56,610	26,640
Community campaign	58,151	142,742
Corporate and foundation gifts (note 11)	282,987	293,223
Fundraising events	85	5,512
Grandparents campaign	38,066	17,237
Parents campaign	13,489	72,975
Other	66,380	53,539
Bingo	49,972	34,073
Grants	11,212	19,750
Parent Teacher Association	44,310	14,567
	<u>633,961</u>	<u>696,399</u>
<b>Fundraising expenditures</b>		
Bingo	16,800	9,645
Parent Teacher Association	42,178	14,793
Other	10,504	15,420
	<u>69,482</u>	<u>39,858</u>
	<u>\$ 564,479</u>	<u>\$ 656,541</u>



## THE OTTAWA JEWISH COMMUNITY SCHOOL

Schedule 2

## SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
<b>Administration</b>		
Administration salaries and services	\$ 774,920	\$ 747,735
Advertising and public relations	8,484	1,735
Bank charges and interest	25,038	27,976
Insurance	4,866	4,866
Legal and audit	24,008	54,219
Office expenses	35,495	69,117
Telephone	7,135	9,264
	<u>879,946</u>	<u>914,912</u>
<b>Occupancy</b>		
Amortization	78,477	53,949
Furniture, repairs and security	8,753	2,625
Occupancy charges	437,736	416,200
	<u>524,966</u>	<u>472,774</u>
<b>Student services</b>		
Books	17,913	7,479
Course supplies	57,709	63,471
Enrichment and remedial programs	21,416	16,807
Special events and programs	39,270	23,267
	<u>136,308</u>	<u>111,024</u>
<b>Teaching</b>		
Professional development	53,594	40,107
Payroll expenses, benefits, and insurance	485,859	487,919
Salaries	2,344,296	2,257,885
	<u>2,883,749</u>	<u>2,785,911</u>
	<u>\$ 4,424,969</u>	<u>\$ 4,284,621</u>