

THE OTTAWA JEWISH COMMUNITY SCHOOL

Financial Statements
For The Year Ended June 30, 2024

THE OTTAWA JEWISH COMMUNITY SCHOOL

INDEX TO FINANCIAL STATEMENTS

JUNE 30, 2024

	Page
Independent auditor's report	1 - 3
Balance sheet	4
Statement of net assets (deficit)	5
Statement of revenues and expenditures	6
Statement of cash flows	7
Notes to financial statements	8 - 13
Schedule of fundraising revenues and expenditures	14
Schedule of expenditures	15



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, 2024, 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, 2024, 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,
January 17, 2025.

THE OTTAWA JEWISH COMMUNITY SCHOOL

BALANCE SHEET

AS AT JUNE 30, 2024

	2024	2023
ASSETS		
Current		
Cash	\$ 1,233,157	\$ 593,583
Accounts receivable	11,322	989
Sales tax recoverable	114,138	16,315
Allocation receivable	-	500,000
Prepaid expenses	135,445	10,320
	<u>1,494,062</u>	<u>1,121,207</u>
Investments - managed funds (note 4)	<u>167,979</u>	<u>152,661</u>
Capital assets (note 5)	<u>723,222</u>	<u>242,165</u>
	<u>\$ 2,385,263</u>	<u>\$ 1,516,033</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 1,069,390	\$ 635,833
Deferred tuition fees	155,633	269,336
Deferred gala tickets and sponsorships	139,131	-
Short term portion of long term debt (note 9)	13,000	13,000
	<u>1,377,154</u>	<u>918,169</u>
Long term		
Deferred capital contributions (note 7)	1,286,315	322,759
Gratuity payable (note 8)	162,317	175,107
Loan payable (note 9)	104,000	117,000
	<u>1,552,632</u>	<u>614,866</u>
	<u>2,929,786</u>	<u>1,533,035</u>
NET ASSETS (DEFICIT)		
Invested in capital assets	39,417	45,804
Investment fund	167,979	152,661
Operating fund	(751,919)	(215,467)
	<u>(544,523)</u>	<u>(17,002)</u>
	<u>\$ 2,385,263</u>	<u>\$ 1,516,033</u>

Approved on behalf of the board:

THE OTTAWA JEWISH COMMUNITY SCHOOL

STATEMENT OF NET ASSETS (DEFICIT)

FOR THE YEAR ENDED JUNE 30, 2024

	Invested in Capital Assets	Investment Fund	Operating Fund	Total 2024	Total 2023
Balance, beginning of year	\$ 45,804	\$ 152,661	\$ (215,467)	\$ (17,002)	\$ (30,011)
Net result for the year	(11,887)	15,318	(530,952)	(527,521)	13,009
Transfer to fund net additions to capital assets	5,500	-	(5,500)	-	-
Balance, end of year	<u>\$ 39,417</u>	<u>\$ 167,979</u>	<u>\$ (751,919)</u>	<u>\$ (544,523)</u>	<u>\$ (17,002)</u>

THE OTTAWA JEWISH COMMUNITY SCHOOL

STATEMENT OF REVENUES AND EXPENDITURES

FOR THE YEAR ENDED JUNE 30, 2024

	Budget (note 10)	2024	2023
Revenue			
Tuition fees	\$ 3,676,300	\$ 3,649,279	\$ 3,525,234
Less: discounts and assistance	(1,111,992)	(1,119,404)	(971,294)
Net tuition revenue	2,564,308	2,529,875	2,553,940
Jewish Federation of Ottawa allocation	504,526	560,690	563,087
Other community allocations	224,364	264,040	236,510
Generations Trust funding	500,000	500,000	500,000
Fundraising, net (schedule 1)	532,000	315,292	564,479
Net investments and other	39,120	22,106	19,962
	4,364,318	4,192,003	4,437,978
Expenditures (schedule 2)			
Administration	928,998	876,936	879,946
Occupancy	475,026	549,137	524,966
Student services	136,950	121,194	136,308
Teaching	2,903,218	3,172,257	2,883,749
	4,444,192	4,719,524	4,424,969
Net result for the year	\$ (79,874)	\$ (527,521)	\$ 13,009

THE OTTAWA JEWISH COMMUNITY SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
CASH PROVIDED BY (USED IN)		
Operating activities		
Net result for the year	\$ (527,521)	\$ 13,009
Amortization	48,331	78,477
Net gain of the investment fund	(15,318)	(12,323)
Changes in operating net assets		
Accounts receivable	(10,333)	11,925
Sales tax recoverable	(97,823)	(7,134)
Allocation receivable	500,000	(400,000)
Prepaid expenses	(125,125)	(8,388)
Accounts payable and accrued liabilities	433,556	69,623
Deferred tuition fees	(113,703)	85,172
Deferred gala tickets and sponsorships	139,131	-
Gratuity payable	(12,789)	(18,764)
	<u>218,406</u>	<u>(188,403)</u>
Financing activities		
(Repayment of) proceeds from loan payable	<u>(13,000)</u>	<u>130,000</u>
Investing activities		
Purchase of capital assets	(529,388)	(133,756)
Proceeds from deferred capital contributions	<u>963,556</u>	<u>188,429</u>
	<u>434,168</u>	<u>54,673</u>
Increase (decrease) in cash	639,574	(3,730)
Cash, beginning of year	<u>593,583</u>	<u>597,313</u>
Cash, end of year	<u>\$ 1,233,157</u>	<u>\$ 593,583</u>

THE OTTAWA JEWISH COMMUNITY SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2024

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.

As at June 30, 2024, leasehold improvements under renovation were not yet ready for use. Accordingly, no amortization has been recorded on these assets.

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, 2024

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, 2024.

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, loan 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. 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, 2024.

THE OTTAWA JEWISH COMMUNITY SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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

		2024	
	Cost	Accumulated Amortization	Net Book Value
Computer hardware	\$ 122,512	\$ 108,999	\$ 13,513
Computer software	21,625	21,625	-
Furniture and fixtures	203,179	116,240	86,939
Leasehold improvements	132,806	132,806	-
Leasehold improvements under renovation	622,770	-	622,770
	<u>\$ 1,102,892</u>	<u>\$ 379,670</u>	<u>\$ 723,222</u>

		2023	
	Cost	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	132,806	111,189	21,617
Leasehold improvements under renovation	98,880	-	98,880
	<u>\$ 573,504</u>	<u>\$ 331,339</u>	<u>\$ 242,165</u>

THE OTTAWA JEWISH COMMUNITY SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

6. Line of credit

The organization has a \$200,000 credit facility available of which \$nil was drawn at June 30, 2024. 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").

An additional line of credit is available from the Federation up to \$175,000, 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.

7. Deferred capital contributions

	2024	2023
Balance, beginning of year	\$ 322,759	\$ 134,330
Add: donations received during the year	1,000,000	258,479
Less: amount recognized as revenue in the year	(36,444)	(70,050)
Balance, end of year	<u>\$ 1,286,315</u>	<u>\$ 322,759</u>

Included in deferred capital contributions is \$1,225,280 (2023 - \$225,280) for the purchase of leasehold improvements. \$622,770 (2023 - \$98,880) of these funds have been utilized by the organization to purchase leasehold improvements under renovation with \$602,510 (2023 - \$1,265,400) available for future purchases. As of June 30, 2024, the full \$1,225,280 remains deferred until the renovations are complete and ready for use.

Of the remaining deferred capital contributions received in prior years, \$36,444 of revenue has been recognized during the year and \$61,035 remains deferred as of June 30, 2024.

8. Gratuity payable

Under the terms of the collective agreement with the Ottawa Jewish Community School 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.

THE OTTAWA JEWISH COMMUNITY SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

9. Loan payable

The organization has a loan payable to the Ottawa Hebrew Free Loan Association. The loan is non-interest bearing and matures on September 30, 2027.

Annual principal repayment requirements are as follows:

2025	\$	13,000
2026		13,000
2027		13,000
2028		78,000
		<u>117,000</u>
	\$	<u>117,000</u>

10. 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.

11. Comparative figures

Certain 2023 comparative figures have been reclassified to conform with the presentation adopted in 2024.

THE OTTAWA JEWISH COMMUNITY SCHOOL

SCHEDULE OF FUNDRAISING REVENUES AND EXPENDITURES

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
Fundraising revenues		
Annual campaign		
Alumni campaign	\$ 4,856	\$ 12,699
Board campaign	6,729	56,610
Community campaign	102,615	58,151
Corporate and foundation gifts	29,936	282,987
Fundraising events	-	85
Grandparents campaign	7,046	38,066
Parents campaign	54,347	13,489
Other	30,894	66,380
Bingo	47,820	49,972
Grants	41,268	11,212
Parent Teacher Association	56,321	44,310
	<u>381,832</u>	<u>633,961</u>
Fundraising expenditures		
Bingo	12,125	16,800
Parent Teacher Association	54,415	42,178
Other	-	10,504
	<u>66,540</u>	<u>69,482</u>
	<u>\$ 315,292</u>	<u>\$ 564,479</u>

THE OTTAWA JEWISH COMMUNITY SCHOOL

Schedule 2

SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
Administration		
Administration salaries and services	\$ 769,094	\$ 774,920
Advertising and public relations	5,819	8,484
Bank charges and interest	23,526	25,038
Insurance	5,183	4,866
Legal and audit	26,051	24,008
Office expenses	41,867	35,495
Telephone	5,396	7,135
	<u>876,936</u>	<u>879,946</u>
Occupancy		
Amortization	48,331	78,477
Furniture, repairs and security	3,996	8,753
Occupancy charges	468,636	437,736
Renovation	28,174	-
	<u>549,137</u>	<u>524,966</u>
Student services		
Books	7,570	17,913
Course supplies	59,306	57,709
Enrichment and remedial programs	16,123	21,416
Special events and programs	38,195	39,270
	<u>121,194</u>	<u>136,308</u>
Teaching		
Professional development	51,108	53,594
Payroll expenses, benefits, and insurance	498,931	485,859
Salaries	2,622,218	2,344,296
	<u>3,172,257</u>	<u>2,883,749</u>
	<u>\$ 4,719,524</u>	<u>\$ 4,424,969</u>