

FINANCIAL STATEMENTS
For
JEWISH FAMILY SERVICES OF OTTAWA
For year ended
MARCH 31, 2023

JEWISH FAMILY SERVICES OF OTTAWA
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MARCH 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the directors of

JEWISH FAMILY SERVICES OF OTTAWA

Opinion

We have audited the financial statements of Jewish Family Services of Ottawa (the Organization), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in net assets 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 March 31, 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 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.

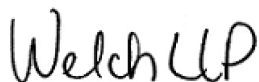
Auditor's Responsibilities for the Audit of the Financial Statements

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, Ontario
June 25, 2023.


JEWISH FAMILY SERVICES OF OTTAWA

STATEMENT OF FINANCIAL POSITION

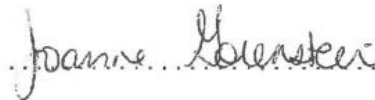
MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 864,091	\$ 1,463,401
Accounts receivable	712,721	166,636
Prepaid expenses	<u>71,258</u>	<u>32,735</u>
	1,648,070	1,662,772
DUE FROM JFSO TZEDAKAH FOUNDATION (note 7)	577,005	608,280
TANGIBLE CAPITAL ASSETS (note 5)	<u>57,276</u>	<u>33,872</u>
	<u>\$ 2,282,351</u>	<u>\$ 2,304,924</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 524,997	\$ 554,474
Deferred contributions (note 6)	1,128,086	1,140,353
Due to JFSO Tzedakah Foundation (note 7)	<u>-</u>	<u>637</u>
	1,653,083	1,695,464
DEFERRED BEQUEST (note 4)	440,444	440,444
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS	<u>27,719</u>	<u>-</u>
	<u>2,121,246</u>	<u>2,135,908</u>
NET ASSETS		
Operating fund - unrestricted	106,548	110,144
Net assets invested in tangible capital assets - internally restricted	29,557	33,872
Restricted for endowment purposes (note 4)	<u>25,000</u>	<u>25,000</u>
	<u>161,105</u>	<u>169,016</u>
	<u>\$ 2,282,351</u>	<u>\$ 2,304,924</u>

Approved on behalf of the Board:

 Sarah Caspi, Executive Director

 Aviva Ben Choreen, President

 Joanne Gorenstein, Treasurer

(See accompanying notes)

JEWISH FAMILY SERVICES OF OTTAWA
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2023

	<u>Operating fund</u>	<u>Net assets invested in tangible capital assets</u>	<u>Restricted for endowment purposes</u>	<u>2023 Total</u>	<u>2022 Total</u>
Balance, beginning of year	\$ 110,144	\$ 33,872	\$ 25,000	\$ 169,016	\$ 169,016
Excess of expenses over revenue	(3,485)	(4,426)	-	(7,911)	-
Invested in tangible capital assets	(32,111)	32,111	-	-	-
Capital contributions received	<u>32,000</u>	<u>(32,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 106,548</u>	<u>\$ 29,557</u>	<u>\$ 25,000</u>	<u>\$ 161,105</u>	<u>\$ 169,016</u>

(See accompanying notes)

JEWISH FAMILY SERVICES OF OTTAWA

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
REVENUE		
Restricted revenue		
Ontario Health East/Champlain Local Health Integration Network	\$ 2,148,738	\$ 2,066,695
Immigration, Refugees and Citizenship Canada	1,498,519	1,396,586
Conference on Jewish Material Claims Against Germany	487,218	467,055
Jewish Federation of Ottawa	412,649	585,026
Royal Ottawa Hospital	250,293	329,286
Refugee support	233,555	159,309
City of Ottawa	217,248	297,049
Ottawa Jewish Community Foundation	137,938	282,314
Ministry of Labour, Training & Skills Development	96,330	93,327
United Way East Ontario	90,069	135,963
Ministry of Community and Social Services	74,089	74,609
Carefor	55,317	54,432
Alcohol and Gaming Commission of Ontario	48,522	20,769
The Azrieli Foundation	46,155	40,070
Employment and Social Development Canada	44,025	35,824
Canadian Women's Foundation	37,859	11,906
Other - Pandemic Support	29,918	68,995
Ottawa Community Foundation	29,546	37,940
Ministry of Seniors & Accessibility	21,752	14,292
RBC Foundation	17,020	16,402
JFSO Tzedakah Foundation	14,371	95,036
Ontario Health	-	231,271
	<u>5,991,131</u>	<u>6,514,156</u>
Other		
Program user fees	1,054,082	761,278
Donations	529,308	304,322
Other	216,540	123,291
Government contributions	-	34,564
	<u>7,791,061</u>	<u>7,737,611</u>
EXPENSES		
Salaries and benefits	5,075,877	4,879,944
Program costs	928,993	1,153,224
Direct assistance	697,156	560,983
Rent	324,186	369,270
Refugee support	233,724	159,309
Office	226,946	288,090
Public relations	64,324	55,153
Professional fees	46,942	69,707
Sundry	45,661	50,564
Telephone	36,877	33,769
Insurance	35,172	32,824
Training	32,069	48,426
Membership fees and dues	25,884	24,036
Amortization	8,707	5,543
Travel	8,618	3,509
Board	7,836	3,260
	<u>7,798,972</u>	<u>7,737,611</u>
EXCESS OF EXPENSES OVER REVENUE	<u>\$ (7,911)</u>	<u>\$ -</u>

(See accompanying notes)

JEWISH FAMILY SERVICES OF OTTAWA

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
CASH PROVIDED BY (USED IN)		
Operating activities		
Excess of expenses over revenue	\$ (7,911)	\$ -
Adjustment for:		
Investment income earned on portfolio held by JFSO Tzedakah Foundation	31,275	(27,891)
Amortization	8,707	5,543
Loss on disposal of capital assets	-	2,359
Amortization of deferred capital contributions	<u>(4,281)</u>	<u>-</u>
	27,790	(19,989)
Changes in operating net assets		
Accounts receivable	(546,085)	188,559
Prepaid expenses	(38,523)	(480)
Accounts payable and accrued liabilities	(29,477)	(101,325)
Due to JFSO Tzedakah Foundation	(637)	396
Deferred contribution	<u>(12,267)</u>	<u>(109,197)</u>
	<u>(599,199)</u>	<u>(42,036)</u>
Investing activities		
Purchase of tangible capital assets	<u>(32,111)</u>	<u>-</u>
Financing activities		
Contributions received for capital purchases	<u>32,000</u>	<u>-</u>
DECREASE IN CASH	(599,310)	(42,036)
CASH, BEGINNING OF YEAR	<u>1,463,401</u>	<u>1,505,437</u>
CASH, END OF YEAR	<u>\$ 864,091</u>	<u>\$ 1,463,401</u>

(See accompanying notes)

JEWISH FAMILY SERVICES OF OTTAWA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023

1. PURPOSE OF THE ORGANIZATION

Jewish Family Services of Ottawa (the Organization) is dedicated to strengthening and preserving the quality of individual and family life in the Ottawa area, through the provision of counselling, advocacy and preventative services, with a special sensitivity to the needs of the Jewish Community.

The Organization is incorporated under the Ontario Corporations Act as a Not-for-Profit organization. The Organization is a registered charity exempt from income taxes under paragraph 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 are considered restricted when they are subject to contingent rights of a third party under performance related contracts that the Organization is unable to revoke. Included in cash is \$328,041 (2021 - \$471,038) that is restricted.

Tangible capital assets

Tangible capital assets are recorded at cost. Amortization has been provided at the following rates

Computer hardware	20% declining balance
Computer software	20% declining balance
Furniture and equipment	20% declining balance
Leasehold improvements	10 years straight-line
Vehicle	20% declining balance

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 contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as a direct increase in net assets. Program user fees revenue is recognized as services are provided.

Contributed services and materials

Volunteers contribute many hours per year 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 Organization receives food donations which are recorded at the value had the Organization purchased the food in the open market.

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.

JEWISH FAMILY SERVICES OF OTTAWA
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates include the determination of accrued liabilities and collectibility of amounts receivables. Actual results could differ from these estimates and adjustments are made to the statement of operations as appropriate in the year 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 and concentrations at March 31, 2023.

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 the sum of the carrying value of its cash, its amounts due from JFSO Tzedakah Foundation and its accounts receivable. The Organization's cash is deposited with a Canadian chartered bank. The Organization provides credit to its program users and funding agencies in the normal course of operations. As such, management believes the risk of loss on these items to be remote. The Organization manages its credit risk by reviewing and following up with outstanding amounts regularly. The amount due from JFSO Tzedakah Foundation consists of funds invested on JFSO's behalf and management does not believe it is subject to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Organization meets its liquidity requirements by preparing and monitoring forecasts of cash flow from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash, and by establishing budgets and cash estimates to ensure it has funds necessary to fulfil its obligations.

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.

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 Organization's financial instruments are all denominated in Canadian dollars and it transacts primarily in Canadian dollars. As a result, management does not believe it is exposed to significant currency risk.

JEWISH FAMILY SERVICES OF OTTAWA
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2023

3. FINANCIAL INSTRUMENTS - Cont'd.

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 Organization is exposed to interest rate risk as a portion of its investments managed by JFSO Tzedakah Foundation are invested in bond funds.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to other price risk through its investments that are managed by JFSO Tzedakah Foundation with a portion of the portfolio invested in marketable securities.

Changes in risk

There have been no significant changes in the Organization's risk exposures from the prior year.

4. MANAGED FUNDS

In 2014, an amount of \$440,444 was bequested to the Organization so that a building could be purchased as a welcome centre for seniors and new immigrants in the community. In 2018, \$25,000 was given to the Organization as an endowment, with any income earned to be used to hold an Erev Rosh Hashanah dinner to bring members of the community together. Until such time as the terms of these funds are fulfilled, the organization has entered into an agreement with JFSO Tzedakah Foundation ("Foundation") whereby the Foundation will invest these funds on behalf of the Organization.

5. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	2023			2022		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Computer hardware	\$ 155,500	\$ 151,045	\$ 4,455	\$ 155,500	\$ 149,932	\$ 5,568
Computer software	6,735	5,464	1,271	6,735	5,146	1,589
Furniture and equipment	153,825	151,240	2,585	153,825	150,594	3,231
Vehicle	32,111	4,282	27,829	-	-	-
Leasehold improvements	<u>117,395</u>	<u>96,259</u>	<u>21,136</u>	<u>117,395</u>	<u>93,911</u>	<u>23,484</u>
	<u>\$ 465,566</u>	<u>\$ 408,290</u>	<u>\$ 57,276</u>	<u>\$ 433,455</u>	<u>\$ 399,583</u>	<u>\$ 33,872</u>

JEWISH FAMILY SERVICES OF OTTAWA
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2023

6. DEFERRED CONTRIBUTIONS

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 1,140,353	\$ 1,249,550
Add: received	6,698,337	6,858,635
Less: amounts recognized as revenue in the year	<u>(6,710,604)</u>	<u>(6,967,832)</u>
Balance, end of year	<u>\$ 1,128,086</u>	<u>\$ 1,140,353</u>

Deferred revenue represents amounts externally restricted for specific purposes from various contributors maintained in the operating fund. Monies are received in advance and deferred until the related expenses are incurred.

7. DUE TO/FROM JFSO TZEDAKAH FOUNDATION

During the year, JFSO earned an administration fee of \$569 (2022 - \$373) from the Foundation. This amount was recorded at the exchange amount which is the amount agreed upon by both parties.

Furthermore, the Foundation invests funds on behalf of JFSO. The investment fees are divided amongst the two organizations as a percentage of the total invested funds. During the year JFSO paid \$8,592 (2022 - \$10,808) in investment fees to the Foundation. In addition, JFSO paid the Foundation \$2,710 (2022 - \$2,890) for the management of these investments.

The Organization has a balance payable to the Foundation of \$nil (2022 - \$637). This amount is unsecured, interest free and has no specified terms of repayment.

8. COMMITMENTS

The Organization has an operating lease commitment on its premises which expires June 2027. The following is a schedule of future lease payments, exclusive of operating costs, required annually in the next fiscal years:

2024	\$ 397,045
2025	397,045
2026	397,045
2027	397,045
Subsequent years	<u>99,261</u>
	<u>\$ 1,687,441</u>

9. CONTRIBUTED MATERIALS

During the year, \$33,724 (2022 - \$21,949) of contributed materials were recorded as donation revenue with the offsetting expenses included in direct assistance.

JEWISH FAMILY SERVICES OF OTTAWA
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2023

10. **REVENUE**

The Organization is a beneficiary agency of:

Canadian Women's Foundation
Conference on Jewish Material Claims Against Germany
Jewish Federation of Ottawa
JFSO Tzedakah Foundation
Ottawa Community Foundation
Ottawa Jewish Community Foundation
Royal Bank of Canada Foundation
The Azrieli Foundation
United Way East Ontario