



**JEWISH SOCIAL SERVICES OF HAMILTON INC.**  
**Financial Statements**  
**Year Ended March 31, 2022**



**JEWISH SOCIAL SERVICES OF HAMILTON INC.**  
**Index to Financial Statements**  
**Year Ended March 31, 2022**

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VINE AND PARTNERS LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Jewish Social Services of Hamilton Inc.

### *Qualified Opinion*

We have audited the financial statements of Jewish Social Services of Hamilton Inc. (the Organization), which comprise the statement of financial position as at March 31, 2022, 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2022, 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 Qualified Opinion*

In common with many not-for-profit organizations, the Organization derives revenue from donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2022, current assets and net assets as at March 31, 2022. Our audit opinion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this limitation of scope.

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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit 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



Independent Auditor's Report to the Members of Jewish Social Services of Hamilton Inc. *(continued)*

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 relating 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.

Hamilton, Ontario  
August 11, 2022

  
CHARTERED PROFESSIONAL ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS



**JEWISH SOCIAL SERVICES OF HAMILTON INC.**  
**Statement of Financial Position**  
**March 31, 2022**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 143,124	\$ 157,081
Short term investments (Note 4)	146,697	142,744
Accounts receivable	51,115	18,157
Sales tax recoverable	26,401	11,371
Prepaid expenses	33,597	44,684
	<u>\$ 400,934</u>	<u>\$ 374,037</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 9)	\$ 50,295	\$ 51,879
Deferred contributions (Note 6)	285,634	277,440
	<u>335,929</u>	<u>329,319</u>
GOVERNMENT LOAN (Note 7)	60,000	40,000
	<u>395,929</u>	<u>369,319</u>
LEASE COMMITMENT (Note 8)		
<b>NET ASSETS</b>		
General fund	<u>5,005</u>	<u>4,718</u>
	<u>\$ 400,934</u>	<u>\$ 374,037</u>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_  
*Director*

\_\_\_\_\_  
*Director*

See Accompanying Notes to the Financial Statements



**JEWISH SOCIAL SERVICES OF HAMILTON INC.**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 4,718</b>	<b>\$ 4,523</b>
Excess of revenues over expenditures	<u>287</u>	<u>195</u>
<b>NET ASSETS - END OF YEAR</b>	<b><u>\$ 5,005</u></b>	<b><u>\$ 4,718</u></b>

See Accompanying Notes to the Financial Statements



## JEWISH SOCIAL SERVICES OF HAMILTON INC.

### Statement of Operations Year Ended March 31, 2022

	2022	2021
<b>REVENUES</b>		
Hamilton Jewish Federation allocation	\$ 334,233	\$ 258,592
Government grants	151,940	159,602
Food bank donations and grants	137,168	42,663
Other grants	70,404	127,003
Other revenue	56,316	14,063
United Way funding	-	60,000
	<u>750,061</u>	<u>661,923</u>
<b>PROGRAM EXPENDITURES</b>		
Food bank	137,168	87,563
Relief	101,413	96,239
Seniors centre	47,714	39,455
Holocaust program	23,440	10,237
MCSS - day program	18,559	12,572
	<u>328,294</u>	<u>246,066</u>
	<u>421,767</u>	<u>415,857</u>
<b>EXPENDITURES</b>		
Salaries	208,022	226,785
Office and general	50,177	35,641
Employee benefits	43,956	33,523
Subcontract labour	43,043	46,780
Rent	24,272	34,692
Grant writing	16,500	13,475
Telephone	7,170	3,683
Repairs and maintenance	6,652	1,644
Legal and audit	6,301	5,621
Interest and bank charges	4,238	5,432
Insurance	4,108	2,658
Advertising and promotion	3,549	3,210
Training	2,548	739
Affiliation fees and dues	944	516
Security	-	1,263
	<u>421,480</u>	<u>415,662</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>\$ 287</u>	<u>\$ 195</u>

See Accompanying Notes to the Financial Statements



**JEWISH SOCIAL SERVICES OF HAMILTON INC.**

**Statement of Cash Flows**  
**Year Ended March 31, 2022**

	<b>2022</b>	<b>2021</b>
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures	<u>\$ 287</u>	<u>\$ 195</u>
Changes in non-cash working capital:		
Accounts receivable	(32,958)	(4,550)
Prepaid expenses	11,087	(32,109)
Short term investments	(3,953)	(18,909)
Accounts payable and accrued liabilities	(1,584)	2,020
Deferred contributions	8,194	106,427
Sales tax	<u>(15,030)</u>	<u>6,776</u>
	<u>(34,244)</u>	<u>59,655</u>
Cash flow from (used by) operating activities	<u>(33,957)</u>	<u>59,850</u>
<b>FINANCING ACTIVITY</b>		
Proceeds from CEBA loan	<u>20,000</u>	<u>40,000</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(13,957)</b>	<b>99,850</b>
Cash - beginning of year	<u>157,081</u>	<u>57,231</u>
<b>CASH - END OF YEAR</b>	<u><b>\$ 143,124</b></u>	<u><b>\$ 157,081</b></u>





## JEWISH SOCIAL SERVICES OF HAMILTON INC.

### Notes to Financial Statements

Year Ended March 31, 2022

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#### 1. PURPOSE OF THE ORGANIZATION

Jewish Social Services of Hamilton Inc. (the "Organization") is a registered Canadian charity and is exempt from income tax. The primary purpose is to provide social assistance to the local Jewish Community through various programs.

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

##### Financial instruments

###### *Measurement of financial instruments*

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost except for short term investments in mutual funds that are quoted in an active market, which are measured at fair value. Financial assets measured at amortized cost include cash, short term investments, accounts receivable and sales tax recoverable. Financial liability measured at amortized cost includes accounts payable and accrued liabilities, and government loan.

###### *Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. Reversals are recognized in net income.

###### *Transaction costs*

The Organization recognizes its transaction costs 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.

##### Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Restricted food bank donations, grants and other revenue are recognized as revenue in the year in which the related expenses are incurred.

Funding and government grants are recorded in the period specified in the funding agreements entered into with government agencies and other organizations.

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**JEWISH SOCIAL SERVICES OF HAMILTON INC.**

**Notes to Financial Statements**

**Year Ended March 31, 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital assets

Capital asset purchases are charged against operations in the year of acquisition and are not carried on the statement of financial position. During the year, \$2,443 (2021 - \$5,634) of capital assets were expensed and included in program expenses.

Contributed services

The Organization relies on a large number of volunteers to assist with the delivery and administration of its program and service activities who contribute an indeterminate number of hours annually. Because of the difficulty in determining fair values, contributed services are not recognized in these financial statements.

Measurement uncertainty

The preparation of these 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 and the disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates.

3. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as at March 31, 2022.

Market risk

Market risk is the risk that fair value of investments will fluctuate due to changes in equity markets, foreign exchange and interest rates. Financial instruments that potentially subject the Organization to significant interest rate risk and market risk consist primarily of short term investments. The Organization does not use derivative financial instruments to reduce its exposure to interest rate risk and market risk.

4. SHORT TERM INVESTMENTS

	<u>2022</u>	<u>2021</u>
Guaranteed investment certificate, bearing interest at 1.05% per annum and maturing on June 24, 2021.	\$ -	\$ 60,483
Guaranteed investment certificate, bearing interest at 1.75% per annum and maturing on May 3, 2021.	-	22,738
RBC Dominion Securities mutual fund account	<u>146,697</u>	<u>59,523</u>
	<u>\$ 146,697</u>	<u>\$ 142,744</u>

These investments are held by an independent custodian and are managed by an investment manager in accordance with the stated policies and goals of the Organization.



**JEWISH SOCIAL SERVICES OF HAMILTON INC.**

**Notes to Financial Statements**

**Year Ended March 31, 2022**

5. GOVERNMENT LIABILITIES

As at March 31, 2022, the amounts payable in respect of government remittances totaled \$6,718 (2021 - \$6,861) representing remittances payable for net HST.

6. DEFERRED CONTRIBUTIONS

	<u>2022</u>	<u>2021</u>
<u>Deferred Contributions</u>		
Opening balance	\$ 277,440	\$ 171,013
Received	280,213	483,408
Spent	<u>(272,019)</u>	<u>(376,981)</u>
	<u>\$ 285,634</u>	<u>\$ 277,440</u>

Deferred Contributions are allocated to the following projects:

- Food Bank Donations - \$188,453 (2021 - \$196,490)
- Program Donations - \$NIL (2021 - \$45,842)
- UJA Allocation - \$NIL (2021 - \$18,800)
- Accessibility Grant - \$67,110 (2021 - \$NIL)
- Other Grants - \$30,071 (2021 - \$16,308)

7. GOVERNMENT LOAN

The Organization received the additional Canada Emergency Business Account loan in the period. The second loan is for \$20,000 bringing the total amount of the loan received to \$60,000. \$20,000 of this loan is forgivable provided the remaining balance is paid in full by December 31, 2023. If it is not fully paid the loan becomes interest bearing at 5% per annum and due December 31, 2025.

8. LEASE COMMITMENT

The Organization has a long term lease with respect to its premises which expires on December 31, 2022. During the year, the Organization entered a second lease for additional space which expires on May 31, 2026. Future minimum lease payments as at March 31, 2022, are as follows:

2023	\$ 14,796
2024	14,796
2025	14,796
2026	<u>6,165</u>
	<u>\$ 50,553</u>



**JEWISH SOCIAL SERVICES OF HAMILTON INC.**

**Notes to Financial Statements**

**Year Ended March 31, 2022**

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**9. CONTRACTS WITH THE MINISTRY OF COMMUNITY AND SOCIAL SERVICES**

The Jewish Social Services of Hamilton Inc. has a service contract with the Ministry of Community and Social Services. One requirement of the contract is the production by management of an Annual Program Expenditure Reconciliation which shows a summary by service of all revenue and expenditures and any resulting surplus or deficit that relate to the contract. In 2022, the MCSS day program shows a \$NIL balance (2021 - \$NIL).

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## **INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL FINANCIAL INFORMATION**

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To the Members of Jewish Social Services of Hamilton Inc.

The audited financial statements of the Jewish Social Services of Hamilton Inc. and our report thereon are presented in the preceding sections of this report. The following information is presented for purposes of additional analysis and is not required for a fair presentation of the financial position or results of operations of the Organization. Such information has been subjected to the auditing procedures applied in our examination of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Hamilton, Ontario  
August 11, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS



**JEWISH SOCIAL SERVICES OF HAMILTON INC.**  
**Segmented Financial Report**  
**Year Ended March 31, 2022**

	<b>2022</b>	<b>2021</b>
<b>REVENUE</b>		
Hamilton Jewish Federation allocation	\$ 11,938	\$ 12,000
Government grants	<u>51,302</u>	<u>76,007</u>
	<u>63,240</u>	<u>88,007</u>
<b>PROGRAM EXPENDITURES</b>		
MCSS day program	18,359	12,572
Food bank	<u>-</u>	<u>3,059</u>
	<u>18,359</u>	<u>15,631</u>
	<u>44,881</u>	<u>72,376</u>
<b>EXPENDITURES</b>		
Office expenses	3,842	4,133
Salaries and benefits	34,953	56,243
Subcontract labour	<u>6,086</u>	<u>12,000</u>
	<u>44,881</u>	<u>72,376</u>
<b>NET OPERATING POSITION</b>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes to the Financial Statements