

Kehillat Beth Israel Congregation Annual General Meeting

**Thursday November 9, 2023 / 26 Cheshvan 5784
Via Teleconference (Zoom)
Minutes**

1. CALL TO ORDER AND WELCOME

Victor Rabinovitch, the chairperson of the meeting, called the meeting to order at 7:04 pm. He gave an overview of the proceedings, he presented the members of the current Board of Directors, and he announced that Jodi Gitter would serve as Secretary of this meeting.

With the consent of the members present, the reading of the notice of meeting was dispensed with.

With the consent of the members present, Elisheva Brantz and Jeremy Rosenberg, employees of the Corporation, were appointed to act as scrutineers of the meeting.

Based on the number of members present, the Chair declared that the requisite quorum of members was present, and the meeting was duly and properly constituted for the transaction of business.

2. REVIEW OF VIRTUAL AGM PROCESS

The Secretary, Jodi Gitter, explained how the meeting would be conducted.

3. APPROVAL OF AGENDA

A motion was made by Jodi Gitter and seconded by David Lyman to adopt the following resolution:

BE IT RESOLVED that the agenda for the 2023 Annual General Meeting of Members be approved.

The motion was carried.

4. WORDS IN HONOUR OF ISRAEL, THE IDF AND THE CAPTIVES

Victor opened the meeting with some words in honour of Israel, the IDF and the captives. Cantor Jason Green sang a prayer for the State of Israel, Rabbi Adina Lewittes offered a prayer for the welfare of the soldiers, and Rabbi Baruch Frydman-Kohl added further comments and offered a prayer for the hostages.

5. D'VAR TORAH

The D'var Torah was delivered by Rav Baruch Frydman-Kohl.

6. APPROVAL OF MINUTES FROM THE PREVIOUS ANNUAL GENERAL MEETING

There were no motions made at last year's Annual General Meeting that required follow-up by the Board.

A motion was made by Jodi Gitter and seconded by Norm Ferkin to adopt the following resolution:

BE IT RESOLVED that the minutes from last year's Meeting of Members which was held on October 27, 2022, be approved.

Jodi Gitter noted that a typographical error had been brought to her attention prior to tonight's Annual General Meeting. At the bottom of page 4, the figure of \$2,000,000 should have been recorded as \$200,000. The Chair agreed to the correction.

The motion was carried, with the provision that the typographical error noted by Jodi Gitter be rectified.

Victor thanked Jodi for her many years of service to the congregation and the Board.

7. PRESIDENT'S REMARKS

The President, Victor Rabinovitch, delivered his final remarks. Highlights included:

- The excellent progress that the synagogue had made, particularly since the end of the pandemic.
- The new President and the new Board of Directors will need to continue to update and modernize the building to continue to show our pride in our institution.
- KBI will need to continue to deliver on the programs that only a full-service shul can deliver: prayer, teaching, pastoral care, and family celebrations.
- The very distinguished interim rabbis who would lead the congregation during the rest of the year.
- The importance of the search for a permanent rabbi, which would take place during the coming months.

8. PRESENTATION OF FINANCIAL STATEMENTS

With the consent of the members present, the reading of the audited financial statements was dispensed with. (Please see the copy of the audited financial statements in **Appendix A**).

Adina Libin, the Treasurer, spoke about the financial statements. Highlights included:

- The auditors have provided the Corporation with a clean audit opinion.

- The Auditor's findings reveal nothing untoward about our bookkeeping. Adina thanked GGFL for their diligence and their continued support of the shul.
- The financial statements now incorporate the financial position of Ottawa Talmud Torah, our new afternoon school.
- During the past year, the Finance Committee considered how to responsibly use the funds in the endowment, which stood at \$7.9 million at year end. The Committee recommended that we budget for a maximum withdrawal of \$260,000 from the endowment this past fiscal year. In the end, we withdrew only \$146,042, well below the suggested amount.
- This strong performance was largely due to two factors: revenues remained relatively stable while staffing costs were low as we were without a rabbi for one month, without an Executive Director for about half the year and without a Youth Director for the full year.
- As a result of these savings, the Board took advantage of the budgetary flexibility to increase maintenance and invest in repairs the building by installing new floors, upgrading the heating and air conditioning system, and upgrading the security system.

A motion was made by Adina Libin and seconded by Jeremy Rudin to adopt the following resolution:

BE IT RESOLVED that the audited financial statements of Kehillat Beth Israel Congregation, together with the report from GGFL LLP, for the year ending June 30, 2023, be received and approved.

There were no questions on the financial statements as presented.

The motion was carried.

9. APPOINTMENT OF AUDITORS

Adina Libin explained that a Request for Proposal (RFP) for auditing services had been run two fiscal years ago by the Finance and Audit Committee. GGFL LLP was the winning firm and have now completed their second year of a three-year contract.

A motion was made by Adina Libin and seconded by Jeremy Rudin to adopt the following resolution:

BE RESOLVED, that GGFL LLP, of Ottawa, Ontario, be appointed auditors of the Corporation until the next Annual General Meeting.

The motion was carried.

10. ELECTION OF DIRECTORS AND OFFICERS TO THE BOARD OF DIRECTORS

The Chair started by thanking the Nominations Committee for their work in developing the slate of nominees. The Nominations Committee was comprised of Judah Silverman - Chair, Olga Strelchenko, Carol Gradus, and Ilan Shapiro. The President, Victor Rabinovitch, served as ex-officio member of the committee.

Judah Silverman advised that three of the current Directors and all the current Officers had completed their terms on the Board of Directors.

Judah personally thanked Jodi Gitter, our long-serving Secretary, for her eight years of dedication and service to the Board and the congregation.

Four members of the current Board of Directors have not completed their terms and do not require re-election at this time. They are: Sarah Beutel, Gillian Koh, David Roytenberg, and Olga Strelchenko.

Norm Ferkin and Jeff Greenberg have completed their respective terms as Directors and are being proposed for re-election to the Board.

David Lyman and Jaimee Mitzmacher have resigned their positions as Directors and are being proposed for election as Officers.

Stephen Bindman, member, asked a question regarding the need for a director to resign before being re-elected to the Board. It was explained that to be elected to the Board, a member cannot already be a member of the Board. As such, they need to formally resign prior to being re-elected in a different capacity.

Lastly, Judah stated that our current President, Victor Rabinovitch, had completed his term and would be appointed as the Immediate Past President at the first Board meeting after the AGM. Judah personally thanked Victor for his work as his Vice President and for his two years as President.

While the corporation's By-law permits additional nominations to be made in advance of the meeting, there were no such nominations.

Judah advised that the Nominations Committee was proposing the following members for election:

Jeremy Rudin, as President for a two-year term,
Howard Cohen, as Vice President for a two-year term,
David Lyman, as Treasurer for a two-year term,
Jaimee Mitzmacher, as Secretary for a two-year term,
Norm Ferkin, as Director-at-Large for a one-year term,
Jeff Greenberg, as Director-at-Large for a three-year term,
Adina Libin, as Director-at-Large for a three-year term,
Janice Pleet, as Director-at-Large for a three-year term, and
Sheldon Wiseman, as Director-at-Large for a two-year term

While the corporation's By-law permits additional nominations to be made in advance of the meeting, there were no such nominations.

A motion was made by Judah Silverman and seconded by Olga Strelchenko to adopt the following resolution:

BE IT RESOLVED, that the following nominees:

Jeremy Rudin, as President,
Howard Cohen, as Vice President,
David Lyman, as Treasurer,

Jaimee Mitzmacher, as Secretary, and
Norm Ferkin, as Director,
Jeff Greenberg, as Director,
Adina Libin, as Director,
Janice Pleet, as Director,
and
Sheldon Wiseman, as Director

be elected as officers and/or directors of Kehillat Beth Israel Congregation's Board of Directors.

The motion was carried.

Victor once again noted that Judah Silverman has played many roles over many years and thanked him once again for his dedicated and unwavering service to the shul.

11. INCOMING PRESIDENT'S REMARKS

The newly elected President, Jeremy Rudin, spoke about the priorities for the synagogue in the coming months. Highlights included:

- In light of the horrific events of October 7, 2023 and their aftermath, he suggested that the congregation should focus on three areas:
 - Security: Everyone needs to be safe when they come to the synagogue, and they need to feel safe when they are at synagogue;
 - Pride: Everyone should feel proud to be Jewish, and the synagogue should offer services and programming that help people feel proud to be Jewish; and
 - Unity: This is a time for us to come together as a congregation, as part of the Ottawa Jewish community, and as part of the K'lal Yisrael.
- He also remarked on the importance of the rabbi search process during the coming year.
- He thanked the outgoing board members for their exemplary service, including Judah Silverman, who was completing his term as Immediate Past President, Jodi Gitter, who was completing two terms as Secretary, and Victor Rabinovitch, who was completing his term as President.
- Jeremy closed his remarks by saying that he felt privileged to become the new President of KBI.

12. ADJOURNMENT

Victor noted that tonight was the 85th anniversary of Kristallnacht and that we should never forget the horrors that began those many years ago.

A motion was made by David Roytenberg and seconded by Sarah Beutel to adjourn the meeting.

The motion was carried.

13. QUESTIONS AND ANSWERS

The Chair opened the floor to questions and answers from the membership.

No questions were raised by the membership.

Victor thanked the members for attending and participating.

Jodi Gitter, Secretary
November 9, 2023

APPENDICES

The following appendix follows this page:

- Appendix A: Audited financial statements for the year ended June 30, 2023

KEHILLAT BETH ISRAEL CONGREGATION

Financial Statements
For The Year Ended June 30, 2023

KEHILLAT BETH ISRAEL CONGREGATION

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INDEPENDENT AUDITOR'S REPORT

To the members of
Kehillat Beth Israel Congregation

Opinion

We have audited the financial statements of Kehillat Beth Israel Congregation (the Congregation), which comprise the statement of financial position as at June 30, 2023, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Congregation 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 Congregation 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 Congregation'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 Congregation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Congregation'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 Congregation'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 Congregation'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 Congregation 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.

GGFL

Chartered Professional Accountants, Licensed Public Accountants
Ottawa,
November 7, 2023.

KEHILLAT BETH ISRAEL CONGREGATION

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

	Operating Fund	Capital Fund	Special Purpose Funds	2023 Total	2022 Total
ASSETS					
Current					
Cash	\$ 175,053	\$ -	\$ 68,041	\$ 243,094	\$ 158,768
Term deposit	-	-	102,375	102,375	126,070
Accounts receivable	69,730	-	-	69,730	43,826
Inventory	7,222	-	1,060	8,282	11,017
Prepaid expenses	5,459	-	-	5,459	14,042
Interfund advances (note 5)	(60,136)	3,688	56,448	-	-
Note receivable (note 6)	59,135	-	-	59,135	-
Due from controlled related entity (note 7)	52,277	-	-	52,277	-
	308,740	3,688	227,924	540,352	353,723
Capital assets (note 4)	-	402,493	-	402,493	406,778
Long-term					
Investments - managed funds	-	7,316,707	645,907	7,962,614	7,459,154
Note receivable (note 6)	-	-	-	-	63,833
	-	7,316,707	645,907	7,962,614	7,522,987
	\$ 308,740	\$ 7,722,888	\$ 873,831	\$ 8,905,459	\$ 8,283,488

Approved on behalf of the board:

_____ director

_____ director

KEHILLAT BETH ISRAEL CONGREGATION

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

	Operating Fund	Capital Fund	Special Purpose Funds	2023 Total	2022 Total
LIABILITIES					
Current					
Accounts payable and accrued liabilities	\$ 87,337	\$ -	\$ -	\$ 87,337	\$ 69,087
Deferred annual dues	90,309	-	-	90,309	38,917
	<u>177,646</u>	<u>-</u>	<u>-</u>	<u>177,646</u>	<u>108,004</u>
Contingency (note 9)					
NET ASSETS					
Unrestricted	131,094	7,320,395	-	7,451,489	6,994,399
Invested in capital assets	-	402,493	-	402,493	406,778
Internally restricted	-	-	725,414	725,414	628,444
Externally restricted	-	-	148,417	148,417	145,863
	<u>131,094</u>	<u>7,722,888</u>	<u>873,831</u>	<u>8,727,813</u>	<u>8,175,484</u>
	<u>\$ 308,740</u>	<u>\$ 7,722,888</u>	<u>\$ 873,831</u>	<u>\$ 8,905,459</u>	<u>\$ 8,283,488</u>

KEHILLAT BETH ISRAEL CONGREGATION

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2023

	Operating Fund	Capital Fund	Special Purpose Funds	2023 Total	2022 Total
Net assets, beginning of year	\$ 128,146	\$ 7,273,031	\$ 774,307	\$ 8,175,484	\$ 9,183,102
Net result for the year	(146,042)	598,847	99,524	552,329	(1,007,618)
Interfund transfer (note 8)	148,990	(148,990)	-	-	-
Net assets, end of year	<u>\$ 131,094</u>	<u>\$ 7,722,888</u>	<u>\$ 873,831</u>	<u>\$ 8,727,813</u>	<u>\$ 8,175,484</u>

KEHILLAT BETH ISRAEL CONGREGATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED JUNE 30, 2023

	Operating Fund	Capital Fund	Special Purpose Funds	2023 Total	2022 Total
Revenue					
Annual dues	\$ 840,796	\$ -	\$ -	\$ 840,796	\$ 815,023
Donations	108,697	6,189	185,471	300,357	293,004
Investment income (loss)	-	636,397	58,922	695,319	(688,389)
Other income (note 10)	33,129	-	-	33,129	-
Programs and Kiddushim	184,314	-	58,996	243,310	206,095
Rental	34,840	-	-	34,840	27,150
	<u>1,201,776</u>	<u>642,586</u>	<u>303,389</u>	<u>2,147,751</u>	<u>652,883</u>
Expenses					
Amortization	-	5,296	-	5,296	22,190
Bank charges and interest	24,206	-	-	24,206	22,134
Insurance	33,318	-	-	33,318	27,042
Investment management fees	-	35,896	3,169	39,065	41,659
Maintenance and repairs	188,003	-	-	188,003	48,119
Membership fees and dues - USCJ	27,500	-	-	27,500	25,000
Office expenses	112,226	-	-	112,226	95,325
Professional fees	39,099	-	-	39,099	38,240
Programs and Kiddushim	140,273	2,547	162,366	305,186	321,023
Salaries and benefits	685,258	-	38,330	723,588	945,160
Travel	10,454	-	-	10,454	2,734
Utilities	87,481	-	-	87,481	71,875
	<u>1,347,818</u>	<u>43,739</u>	<u>203,865</u>	<u>1,595,422</u>	<u>1,660,501</u>
Net result for the year	<u>\$ (146,042)</u>	<u>\$ 598,847</u>	<u>\$ 99,524</u>	<u>\$ 552,329</u>	<u>\$ (1,007,618)</u>

KEHILLAT BETH ISRAEL CONGREGATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
CASH PROVIDED BY (USED IN)		
Operating activities		
Net result for the year	\$ 552,329	\$ (1,007,618)
Amortization	5,296	22,190
Unrealized (gain) loss on investments	(692,525)	689,665
Management fees	39,065	41,659
Changes in operating net assets		
Accounts receivable	(25,903)	664
Inventory	2,735	8,680
Prepaid expenses	8,583	(9,556)
Accounts payable and accrued liabilities	18,248	2,778
Deferred annual dues	51,392	(36,597)
Note receivable	4,698	-
Due from related entity	(52,277)	-
	<u>(88,359)</u>	<u>(288,135)</u>
Investing activities		
Proceeds from withdrawal of investments in managed funds	150,000	150,000
Purchase of computer hardware	(1,010)	(9,815)
Purchase of equipment	-	(6,092)
	<u>148,990</u>	<u>134,093</u>
Increase (decrease) in cash and cash equivalents	60,631	(154,042)
Cash and cash equivalents, beginning of year	<u>284,838</u>	<u>438,880</u>
Cash and cash equivalents, end of year	<u>\$ 345,469</u>	<u>\$ 284,838</u>
Represented by:		
Cash	\$ 243,094	\$ 158,768
Term deposit	<u>102,375</u>	<u>126,070</u>
	<u>\$ 345,469</u>	<u>\$ 284,838</u>

KEHILLAT BETH ISRAEL CONGREGATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2023**

1. Purpose of the Congregation

Kehillat Beth Israel Congregation was incorporated without share capital under the Canada Not-for-profit Corporations Act and is a registered charity exempt from income taxes under the *Income Tax Act*. The primary purpose of the Congregation is to provide religious, spiritual, education, social and cultural services to adherents of the Jewish faith.

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:

Purpose of the funds

The Operating fund reports the assets, liabilities, revenues and expenditures related to the general operations of the Congregation.

The Capital fund reports the assets, liabilities, revenue and expenditures related to the investment of the net proceeds arising from a predecessor Congregation's sale of capital assets, as well as the Congregation's capital assets situated at 1400 Coldrey Avenue.

The Special purpose funds report the assets, liabilities, revenue and expenditures of the externally and internally restricted funds of the Congregation.

Revenue recognition

The Congregation follows the restricted fund method of accounting for contributions. Restricted contributions related to particular funds are recognized as revenue in the relevant restricted fund. Restricted contributions for which there is no related restricted fund are deferred and recognized as revenue of the operating fund when the related restrictions have been met. Unrestricted contributions are recognized as revenues in the operating fund.

Donations in kind are recorded at fair value.

Annual dues, programs and kiddushim, and rental revenue are recognized over the terms of the periods as they become due, representative of the time pattern in which the benefits are utilized.

Investment revenue is recognized in accordance with the financial instruments accounting policy.

KEHILLAT BETH ISRAEL CONGREGATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2023**

2. Significant accounting policies (continued)**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. Cash and cash equivalents include amounts that are externally restricted as indicated in the statement of cash flows.

Financial instruments*Measurement of financial instruments*

The Congregation initially measures its financial assets and liabilities at fair value. The Congregation subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the net result for the year .

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 for the year.

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.

Inventory

Inventory is valued at the lower of cost and net realizable value with cost being determined on a first-in, first-out basis. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of sale.

KEHILLAT BETH ISRAEL CONGREGATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

2. Significant accounting policies (continued)

Capital assets

Land is recorded at cost. The Congregation holds a collection of holy scrolls, prayer books and library related to the Jewish Faith. These assets are recorded at cost and no amortization has been recorded due to the permanent nature of these items. Amortization of depreciable capital assets are recorded at the following rates:

Computer hardware	5 years straight line
Computer software	5 years straight line
Security equipment	20 years straight line

Contributed services

Volunteers' contributed services are not recognized in the financial statements because of the difficulty in determining their fair value.

Controlled not-for-profit organizations

The Congregation reports its controlled not-for-profit organization by providing disclosure of its total assets, liabilities and net assets at the reporting date and revenues, expenses and cash flows reported in the period. Details of any restrictions on the resources of the controlled organization and significant differences in accounting policies from those followed by the Congregation are also disclosed, where applicable.

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 earnings in the period in which they become known.

KEHILLAT BETH ISRAEL CONGREGATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2023**

3. Financial instruments*Risks and concentrations*

The Congregation is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at June 30, 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 Congregation's main credit risks relate to its note receivable. The Congregation provides credit to its clients in the normal course of operations.

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 Congregation is exposed to market risk on its investment in managed funds. The funds are held with an external organization to manage the investment holdings. The organization which holds the investments has adopted investment policies, standards, and procedures to control the amount of risk to which it is exposed.

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 Congregation is exposed to currency risk on its investment in foreign securities. The organization managing the Congregation's investments targets holding 32.5% of investments in foreign equities.

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 Congregation is exposed to interest rate risk on its fixed interest rate term deposit and its fixed income investments. The organization managing the Congregation's investments targets holding 27.5% of investments in fixed income securities and 5.0% in private debt.

KEHILLAT BETH ISRAEL CONGREGATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

3. Financial instruments (continued)

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 Congregation is exposed to other price risk through its equity investments. The organization managing the Congregation's investments targets holding 47.5% of investments in equities and 20.0% in real assets.

4. Capital assets

		2023	
	Cost	Accumulated Amortization	Net Book Value
Building, paving and fence	\$ 1,192,187	\$ 1,192,187	\$ -
Holy scrolls, prayer books, library	62,386	-	62,386
Land	310,024	-	310,024
Computer hardware	19,546	10,548	8,998
Computer software	78,046	78,046	-
Security equipment	30,658	9,573	21,085
	<u>\$ 1,692,847</u>	<u>\$ 1,290,354</u>	<u>\$ 402,493</u>

		2022	
	Cost	Accumulated Amortization	Net Book Value
Building, paving and fence	\$ 1,192,187	\$ 1,192,187	\$ -
Holy scrolls, prayer books, library	62,386	-	62,386
Land	310,024	-	310,024
Computer hardware	18,535	7,039	11,496
Computer software	78,046	78,046	-
Security equipment	30,658	7,786	22,872
	<u>\$ 1,691,836</u>	<u>\$ 1,285,058</u>	<u>\$ 406,778</u>

5. Interfund advances

Interfund advances are non-interest bearing with no specified terms of repayment.

KEHILLAT BETH ISRAEL CONGREGATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

6. Note receivable

The note receivable is non-interest bearing and due on October 8, 2023. The note is secured by a mortgage on the property at 15 Chartwell Avenue.

7. Due from controlled related entity

Ottawa Talmud Torah Afternoon School ("OTT") is an after school community-minded program designed to instill students with a firm sense of pride in their Jewish identities while making the Jewish heritage relevant to today's modern world.

OTT is incorporated without share capital. During the year, the Congregation became the sole member of OTT and appoints OTT's Board of Directors. As a result, OTT is controlled by the Congregation and the Congregation is reporting on OTT in accordance with its significant accounting policy related to Controlled not-for-profit organizations as outlined in note 2.

The balance due from OTT of \$52,277 is non-interest bearing, with no specified terms of repayment and is included in total liabilities below.

Ottawa Talmud Torah Afternoon School

	June 30, 2023
Balance sheet	
Total assets	\$ 199,374
Total liabilities	\$ 67,115
Total net assets	132,259
Total liabilities and net assets	\$ 199,374
Income statement	
Total revenues	\$ 148,117
Total operating expenses	(145,448)
Total other income	-
Net income for the year	\$ 2,669
Cash flows	
Cash flows from operating activities	\$ 22,121
Net change in cash for the year	\$ 22,121

KEHILLAT BETH ISRAEL CONGREGATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2023**

8. Interfund transfer

During the year, the Congregation's Board of Directors approved a withdrawal from the investments of the capital fund to support the general operations of the Congregation.

9. Contingent liability

Should the Congregation cease to operate as a Jewish religious entity, then the net assets of the Congregation shall be donated in full to the Ottawa Jewish Community Foundation.

10. Contingent gain**Jewish Memorial Gardens**

At the discretion of the Board of Directors of The Jewish Memorial Gardens, any monies accumulated in the Capital Reserve Fund may be distributed to the member synagogues in proportion to each member's share of the total number of Lots sold since January 1, 2010.

During the year, the Congregation received \$33,129 as a distribution from The Jewish Memorial Gardens Capital Reserve Fund, which is included in Other income. Any distributions received in the future will be recorded as income in the fiscal year it is received. As at June 30, 2023, the remaining amount that the Congregation is entitled to recover was \$535,774, which represents approximately 45% of the total lots sold.