
Financial statements of Reena

March 31, 2023

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Independent Auditor's Report

To the Member of
Reena

Opinion

We have audited the financial statements of Reena, which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Reena 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 ("Canadian GAAS"). 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 Reena 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 Reena'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 Reena or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Reena'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 GAAS 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 GAAS, 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 Reena'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 Reena'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 Reena 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Reena to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 30, 2023

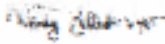
Reena**Statement of financial position**

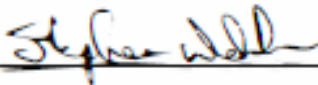
As at March 31, 2023

	Notes	2023 \$	2022 \$
Assets			
Current assets			
Cash	3	2,801,323	538,820
Restricted cash and investments	3	5,720,348	4,419,692
Government grants receivable		460,731	638,348
Accounts receivable	17	1,440,428	2,817,022
Prepaid expenses		230,470	252,671
Due from Batay Reena	7	—	39,214
Due from Reena Foundation	7	132,351	50,426
		10,785,651	8,756,193
Prepaid lease	4	703,985	693,807
Capital assets	5 and 7	60,397,000	57,353,950
		71,886,636	66,803,950
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	9 and 10	12,759,895	12,396,262
Current portion of mortgages payable	8	672,916	556,856
Due to Batay Reena	7	768,527	—
		14,201,338	12,953,118
Replacement reserve	6	1,218,578	982,845
Deferred capital contributions	11	35,123,069	32,090,808
Construction loans payable	8	—	13,975,702
Mortgages payable	8	16,290,637	2,993,940
		66,833,622	62,996,413
Commitments	12		
Fund balances			
General		2,814,221	2,843,744
Capital contributions - land		2,238,793	963,793
		5,053,014	3,807,537
		71,886,636	66,803,950

The accompanying notes are an integral part of the financial statements.

Approved by the Board


_____, Director


_____, Director

Reena**Statement of operations**

Year ended March 31, 2023

	Notes	2023 \$	2022 \$
Revenue			
Government			
Ontario Ministry of Children, Community and Social Services		55,077,731	49,449,767
Ontario Ministry of Children, Community and Social Services – Developmental Services Housing (“DSH”)		1,027,245	1,073,835
Ontario Ministry of Health		675,794	494,211
Federal grants	18	458,011	3,378,058
Rental revenue and user fees		7,201,501	6,319,094
Jewish Federation of Greater Toronto and Trillium Foundation		212,223	490,223
Amortization of deferred capital contributions	11	1,577,757	1,300,080
Investment income		62,719	9,793
Grant from Reena Foundation	7	906,419	229,648
Other	7 and 17	220,180	506,622
		67,419,580	63,251,331
Expenses			
Salaries, contract wages and related costs	17	49,093,114	45,172,324
Housing and accommodation	7	6,406,659	7,221,227
Food and supplies		2,362,187	2,434,923
Interest on mortgages		218,541	134,605
Purchased services and professional fees	17	5,156,171	5,394,066
Supported individuals’ personal needs		427,642	337,877
Computer equipment and services		300,705	269,330
Vehicles, maintenance and transportation		525,611	329,462
Amortization of capital assets		2,255,900	1,819,991
Insurance		302,573	221,904
Grant to Chai Tikvah Foundation	17	400,000	—
		67,449,103	63,335,709
Deficiency of revenue over expenses before the undernoted item		(29,523)	(84,378)
Pay equity expense	16	—	(160,626)
Deficiency of revenue over expenses for the year		(29,523)	(245,004)

The accompanying notes are an integral part of the financial statements.

Reena**Statement of changes in fund balances**

Year ended March 31, 2023

	Notes	General fund \$	Capital contribution - land \$	2023 Total \$	2022 Total \$
Fund balances, beginning of year		2,843,744	963,793	3,807,537	4,052,541
Deficiency of revenue over expenses for the year		(29,523)	—	(29,523)	(245,004)
Land donation	7	—	1,275,000	1,275,000	—
Fund balances, end of year		2,814,221	2,238,793	5,053,014	3,807,537

The accompanying notes are an integral part of the financial statements.

Reena**Statement of cash flows**

Year ended March 31, 2023

Notes	2023 \$	2022 \$
Operating activities		
Deficiency of revenue over expenses for the year	(29,523)	(245,004)
Add items not involving cash		
Amortization of capital assets	2,255,900	1,819,991
Amortization of deferred capital contributions	(1,577,757)	(1,300,080)
	648,620	274,907
Changes in non-cash working capital balances related to operations		
Government grants receivable	177,617	(549,409)
Accounts receivable	1,376,594	809,137
Prepaid expenses	22,201	(43,619)
Due from Reena Foundation	(81,925)	(28,246)
Due to/from Batay Reena	807,741	299,279
Prepaid lease	(10,178)	(9,899)
Accounts payable and accrued liabilities	363,633	(1,342,604)
Replacement reserve	235,733	40,995
	3,540,036	(549,460)
Investing activities		
Increase in restricted cash and investments	(1,300,656)	(3,114,616)
Additions to capital assets	(5,298,950)	(5,618,601)
Land donation	1,275,000	—
Capital contribution received	4,610,018	4,185,393
	(714,588)	(4,547,824)
Financing activities		
Proceeds (repayments) of mortgages during the year	13,412,757	(1,476,689)
Repayments of construction loans payable	(13,975,702)	(1,211,986)
	(562,945)	(2,688,675)
Increase (decrease) in cash during the year	2,262,503	(7,785,959)
Cash, beginning of year	538,820	8,324,779
Cash, end of year	2,801,323	538,820
Supplemental cash flow information		
Mortgage interest paid	218,541	134,605

The accompanying notes are an integral part of the financial statements.

1. Purpose of the organization

Reena is an organization that provides assistance in integrating individuals with developmental disabilities into the community. Reena was incorporated under the laws of Ontario and is a Registered Charity exempt from income taxes under the Income Tax Act (Canada) and may issue tax-deductible receipts to donors.

Reena Community Services Canada is an organization that receives and maintains funds to apply to all or part of the principal and income therefrom, from time to time, to qualified donees.

Reena Community Services Canada was incorporated under the Canada Not for Profit Corporations Act on July 30, 2019 and is a Registered Charity exempt from income taxes under the Income Tax Act (Canada) and may issue tax deductible receipts to donors.

On August 5, 2020 the Board of Directors of Reena passed a resolution to change Reena's membership. Reena Community Services Canada is the sole member of Reena, has the ability to appoint all of the members of the Board of Directors and, as such, exercises control over Reena.

2. Significant accounting policies

Basis of presentation

The financial statements of Reena are the representations of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as set out in Part III of the Chartered Professional Accountants' Handbook ("ASNPO"). The significant accounting policies adopted by Reena are as follows:

Fund accounting

In order to ensure observance of the limitations and restrictions placed on the use of resources available to Reena, the accounts of Reena are maintained in accordance with the principles of fund accounting. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the donor. For financial reporting purposes the accounts have been classified into the following funds:

- | | |
|------------------------------|---|
| General | <ul style="list-style-type: none">• This fund is available for general purposes and records the transactions associated with the operating activities of Reena and its investment in capital assets |
| Capital contributions - land | <ul style="list-style-type: none">• This fund records grants received for the purchase of land. |

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when Reena becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost, except for cash and restricted cash and investments. Reena has elected to use the fair value option to measure cash and restricted cash and investments, with any subsequent changes in fair value recorded in the Statement of operations. Investment interest earned includes interest income and the change in unrealized gains on investments.

Financial assets measured at amortized cost are assessed at each reporting date for indications of impairment. If such impairment exists, the asset is written down and the resulting impairment loss is recognized in the Statement of operations.

2. Significant accounting policies (continued)

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the year then ended. Actual results may differ from those estimates. Balances which require some degree of estimation include restricted investments, certain accrued liabilities, the estimated useful life of capital assets and deferred capital contributions.

Revenue recognition

Reena follows the deferral method of accounting for restricted contributions. Externally 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 can be reasonably estimated and collection is reasonably assured. Capital grants for the purchase of land are recorded as capital contributions for non-depreciated assets at the time the grant is received. Restricted contributions for the purchase of capital assets are recorded as deferred capital contributions. The amortization of deferred capital contributions is recorded as revenue in the Statement of operations and changes in net assets on the same basis and over the same period as the amortization of the related capital assets.

Capital assets

Purchased capital assets are recorded at cost and contributed capital assets are recorded at fair value at the date of contribution.

Amortization is provided over the estimated useful lives of the capital assets on the straight-line basis, as follows:

Buildings	50 years
Building improvements	10 years
Vehicles	4 years
Computers and software	5 years

Construction-in-progress is not amortized until the capital asset is available for use.

Reena reviews the carrying amounts of its capital assets regularly. If the capital assets no longer have any long-term service potential to Reena, the excess of the net carrying amount over any residual value is recognized as an expense in the Statement of operations.

Investments

Investments include debt securities issued by the Canadian Federal and Provincial governments and Canadian banks, some of which mature beyond March 31, 2023. However, they are shown as current on the Statement of financial position, as management may liquidate such investments before their maturity date, depending on the financing requirements of Reena.

Contributed services

Volunteers contribute many hours to assist Reena in carrying out its activities. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Government assistance

Government assistance is recognized as revenue when there is reasonable assurance that Reena has complied with, and will continue to comply with, all conditions necessary to obtain the assistance (Note 10).

2. Significant accounting policies (continued)

Government assistance (continued)

Government assistance related to wages subsidies are recorded in Federal grants revenue on the statement of operations (Note 18).

3. Cash and restricted cash and investments

Cash, restricted cash and investments are held with major commercial banks. The restricted cash and investments consist of funds set aside as a reserve capital repairs and maintenance (Note 6), capital construction, deferred salary, and an amount being held on behalf of several clients.

As at March 31, 2023, Reena held letters of credit in the amount of \$680,639 and \$21,000 expiring on July 5, 2023, and Nov 8, 2023, respectively.

4. Prepaid lease

The Reena Community Residence on the Lebovic Campus in Vaughan was built on land that is leased for a term of 99 years and requires total lease payments in aggregate of \$1,000,000. The payment terms of the lease required a \$600,000 deposit in fiscal 2010, to be applied to the lease once construction began. The remaining \$400,000 is payable in equal installments over 20 years, commencing in fiscal 2016, the year in which the building became operational. The total lease payments of \$1,000,000 are being expensed over the 99 year lease term.

The prepaid lease balance consists of:

	2023	2022
	\$	\$
Deposit	600,000	600,000
Lease instalment payment	160,000	140,000
Lease expense	(80,529)	(70,707)
Non-recoverable Harmonized Sales Tax	10,560	10,560
Other (legal fees on lease agreement)	13,954	13,954
	703,985	693,807

5. Capital assets

Capital assets consist of the following:

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
	\$	\$	\$	\$
Land	7,854,430	—	7,854,430	6,579,430
Buildings	48,158,405	(2,761,770)	45,396,635	46,439,276
Building improvements	8,144,203	(3,717,447)	4,426,756	3,628,271
Vehicles	363,817	(299,000)	64,817	43,579
Computers and software	162,701	(92,659)	70,042	72,724
Construction-in-progress	2,584,320	—	2,584,320	590,670
	67,267,876	(6,870,876)	60,397,000	57,353,950

Reena

Notes to the financial statements

March 31, 2023

5. Capital assets (continued)

As at March 31, 2023 the property at 155 and 165 Elmridge Road is currently under construction and included in construction-in-progress and not amortized.

As at March 31, 2022 construction-in-progress balance was primarily comprised of capital costs associated with the Lou Fruitman Reena Residence; whose construction was completed during the fiscal year ended March 31, 2022 and accordingly transferred from construction-in-progress to the respective capital asset category.

6. Replacement reserve

Reena is required by the Ontario Ministry of Children, Community and Social Services ("MCCSS") to segregate funds to be spent on repairs and maintenance. In addition, Reena holds a replacement reserve for the Reena Community Residence and Lou Fruitman Reena Residence.

	2023	2022
	\$	\$
Ministry of Children, Community and Social Services		
Balance, beginning of year	604,835	601,483
Funding received during the year	35,796	35,796
Investment losses	(11,183)	(32,444)
Balance, end of year	629,448	604,835
Reena Community Residence Replacement Reserve	377,882	327,099
Lou Fruitman Reena Residence	211,248	50,911
	1,218,578	982,845

Investment losses includes interest income and the change in unrealized gains (losses) on investments during the year.

7. Related party transactions and balances

Batay Reena

During the year, Reena made rental payments of \$1,879,734 (\$3,080,021 in 2022) to Batay Reena for the use of the Battle Centre facility and 12 residences (12 in 2022), which is included in housing and accommodation expenses on the Statement of operations.

During the year, Batay Reena paid \$12,000 (\$12,000 in 2022) in rent to Reena, which is included in other revenue on the statement of operations.

The amount payable to Batay Reena of \$768,527 (\$39,214 receivable in 2022) is interest-free and due on demand.

During the year, Batay Reena donated to Reena land with an original cost of \$1,275,000 and a building with a net book value of \$104,014. The donated land of \$1,275,000 is recognized in the statement of changes in fund balances as a direct increase in capital contribution – land. The donated building of \$104,014 is included in deferred capital contributions (Note 11).

During the year, Batay Reena granted \$125,000 towards Reena@50 events.

Reena Foundation

During the year, Reena Foundation granted \$906,419 (\$203,063 in 2022) to Reena. This grant supports both ministry and non-ministry funded program activities.

In addition, Reena recognized a grant in the amount of \$Nil (\$26,585 in 2022) related to funds received from Reena Foundation in the prior year and recognized as revenue in the current year.

7. Related party transactions and balances (continued)

Reena Foundation (continued)

During the year, Reena Foundation provided capital contributions in the amount of \$789,000 (\$2,944,000 in 2022) to Reena for the Lou Fruitman Reena Residence, and \$1,700,000 (\$Nil in 2022) for the Frankfort Family Reena Residence (Note 11).

The amount receivable from Reena Foundation of \$132,351 (\$50,426 in 2022) is non-interest bearing and due on demand.

During the year, the Foundation held a standby letter of credit on behalf on Reena to the Corporation of the City of Vaughan in the amount of \$280,000 (\$1,147,525 in 2022) related to the construction of the Lou Fruitman Reena Residence.

8. Construction loans and mortgages payable

Construction loans payable

Construction loans payable include amounts payable to Canada Mortgage and Housing Corporation of \$Nil (\$13,975,702 in 2022). During the year, this construction loan reverted to mortgages in the aggregate principal amount of \$13,984,762 and has repayment terms of principal plus interest beginning in June 2023, with interest rate at 0.79% amortized over 50 years.

Mortgages payable

The mortgages, bear interest from 0.79% to 6.14% (1.29% to 6.14% in 2022) with a weighted average of 3.06% per annum (2.82% in 2022), are repayable in monthly installments of principal and interest of \$82,886 (\$58,533 in 2022) and are secured against the related properties that are included in capital assets. The mortgages mature between June 2023 and September 2027 (between September 2022 and January 2027 in 2022). The Ontario Ministry of Municipal Affairs and Housing will negotiate the renewal of the mortgages that fall due within the next year.

The amount due during fiscal 2024 in the following table has been calculated on the assumption that the mortgages which mature prior to March 31, 2023 will be renewed under the existing terms.

The principal repayments for the mortgages due to maturity are as follows:

	\$
2024	672,916
2025	721,208
2026	693,542
2027	631,903
2028	1,376,146
Thereafter	<u>12,867,838</u>
	16,963,553
Less: current portion	<u>672,916</u>
	<u>16,290,637</u>

9. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are amounts owing relating to government remittances of \$458,164 (\$459,542 in 2022).

Reena

Notes to the financial statements

March 31, 2023

10. Government assistance – Ministry of Children, Community and Social Services

Reena has a number of contracts with the MCCSS for the funding of various programs. A reconciliation report, summarized by service, of revenues and expenses identifies any resulting surplus or deficit. A summary of these reports shows the following services to be in surplus (deficit) position as at March 31, 2023 and 2022.

	2023	2022
	\$	\$
Toronto Area Office		
DSRS Adults Community Accomodation	(288,586)	(10,638)
Adult Community Support Services	(35,202)	24,338
DSB Employment Supports (transition)	—	62
	<u>(323,788)</u>	<u>13,762</u>
Central Region (Newmarket) Office		
Adults DS Community Support Services	(2,387)	18,496
Children's Community	(4,276)	(742)
Out of Home Respite – Children	(1,433)	(19,717)
DSRS Adults Community Accomodation	(195,958)	(93,561)
	<u>(204,054)</u>	<u>(95,524)</u>

The accounts payable and accrued liabilities balance as at March 31, 2023 includes \$Nil of deferred revenue (\$605,750 in 2022) from the MCCSS.

11. Deferred capital contributions

Deferred capital contributions represent the unamortized amount of contributions received for the purchase of capital assets.

	2023	2022
	\$	\$
Balance, beginning of year	32,090,808	29,205,495
Add: contributions received	4,610,018	4,185,393
Less: amortization	(1,577,757)	(1,300,080)
Balance, end of year	<u>35,123,069</u>	<u>32,090,808</u>

Included in contributions received is \$2,489,000 (\$2,944,000) from the Reena Foundation including \$789,000 (\$2,944,000 in 2022) for the construction of the Lou Fruitman Reena Residence and \$1,700,000 (\$Nil in 2022) for the Frankfort Family Reena Residence (Note 7).

In addition, contributions received includes \$104,014 from Batay Reena related to donated building.

12. Commitments

Lease commitments

The future minimum annual lease payments for premises, vehicles and equipment under operating lease agreements expiring at various dates to fiscal 2033 and thereafter are approximately as follows:

	\$
2024	1,590,640
2025	335,955
2026	313,446
2027	233,644
2028	262,562
Thereafter	275,003
	<u>3,011,250</u>

13. Line of credit

Reena has an agreement for an operating line of credit of \$1,000,000 (\$1,000,000 in 2022) bearing interest at 6.7% (3.20% in 2022). The balance outstanding as at March 31, 2023 and 2022 was \$Nil.

14. Guarantees

Indemnity has been provided to all directors and/or officers of Reena for various items including, but not limited to, all costs to settle suits or actions due to their involvement with Reena, subject to certain restrictions. Reena has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The maximum amount of any potential future payment cannot be reasonably estimated.

15. Financial instrument risks

Reena manages financial risks associated with financial instruments as summarized below:

- Credit risk is the possibility that other parties may default on their financial obligations. Reena manages its credit risk by maintaining an allowance for potential credit losses.
- Liquidity risk is the risk that Reena cannot repay its obligations when they become due to its creditors. Reena has a liquidity risk in accounts payable and accrued liabilities, construction loans, and mortgages. Reena reduces its exposure to liquidity risk by ensuring that it plans for the cash flows required when payments become due; maintains an available line of credit; and repaying and/or refinancing construction loans and mortgages interest and principal as they become due. In addition, related entities who are also members of Reena Community Services Canada raise, invest and provide funds to Reena which further mitigates any liquidity risk.
- Interest rate risk is the risk that the fair value of financial instruments will fluctuate due to changes in market interest rates. Reena manages this risk on investments by investing in short term bonds which limits exposure to this risk. Reena also obtains mortgages at fixed rates with varying maturity dates, which allows Reena to manage future cash flows.

16. Pay equity

Under pay equity legislation, Reena is required to make annual pay adjustments of 1% per annum based on the prior year's payroll until it met its obligations. Reena has expensed \$Nil (including benefits) during the year ended March 31, 2023 (\$160,626 in 2022) and is pay equity compliant up to the year ended March 31, 2023.

17. Controlled organizations

Chai-Tikvah Foundation ("Chai-Tikvah")

Chai-Tikvah was incorporated under the Ontario Business Corporations Act in 1981 as a not-for profit organization without share capital and is a registered charity under the Income Tax Act (Canada) and therefore is not subject to income tax. Chai-Tikvah provides housing and other assistance in promoting social and general rehabilitation for persons recovering from serious mental illness with a view to enabling such persons to become self-supporting.

On October 1, 2019 Chai-Tikvah integrated with Reena. Reena, the sole member of Chai-Tikvah, has the ability to appoint all of the members of the Board of Directors and, as such, exercises control over Chai-Tikvah.

Reena has elected to provide the following disclosures with respect to this controlled organization which is not consolidated in these financial statements.

Transactions during the year with Chai-Tikvah were as follows:

- (i) Chai-Tikvah paid Reena \$62,854 (\$21,186 in 2022) for administrative salaries and benefits.
- (ii) Reena paid Chai-Tikvah \$423,801 (\$423,794 in 2022) for professional services rendered.
- (iii) During 2022, Reena made a loan of \$400,000 which borne no interest and had no fixed maturity date. The loan was forgiven during 2023 and is presented as grant expense on the Statement of operations.

As at March 31, 2023, Reena has a receivable from Chai-Tikvah of \$Nil (\$38,841 in 2022) which is interest free and payable on demand.

The following is a summary of financial information extracted from the financial statements of Chai-Tikvah:

	2023	2022
	\$	\$
Current assets	79,629	516,606
Capital assets	3,259,703	3,004,367
	3,339,332	3,520,973
Current liabilities	1,538,270	158,080
Long-term liabilities	375,239	2,300,167
	1,913,509	2,458,247
Fund balances	1,425,823	1,062,726
	3,339,332	3,520,973

17. Controlled organizations (continued)

Chai-Tikvah Foundation ("Chai-Tikvah") (continued)

	2023	2022
	\$	\$
Revenue	1,112,038	784,146
Expenses, including amortization of \$108,059 (\$119,042 in 2021)	748,941	810,772
Excess (deficiency) of revenue over expenses	363,097	(26,626)
Cash flows provided (used) by		
Operating activities	413,230	28,783
Investing activities	(363,395)	—
Financing activity	(456,485)	340,732
Net cash (outflow) inflow	(406,650)	369,515

Note 19 provides subsequent event note disclosure related to Chai-Tikvah.

18. Government assistance - wage subsidy

The Canadian Emergency Wage Subsidy (CEWS) was available to organizations that experienced a reduction in revenue. This subsidy does not have to be repaid and has been recognized as Federal grants revenue. During the year, Reena recorded revenue of \$Nil (\$3,378,058 in 2022) from this program.

19. Subsequent event

On April 1, 2023, Chai-Tikvah transferred to Reena its operating assets and liabilities.

In addition, on April 1, 2023, Chai-Tikvah transferred to Batay Reena its land and buildings along with the related mortgage payable, deferred capital contributions and term loan.

Chai-Tikvah will continue to exist as a shell corporation without operations, assets or liabilities.