

United Jewish Appeal of Greater Toronto

Combined Financial Statements
June 30, 2023

To the Audit Committee members of United Jewish Appeal of Greater Toronto:

Opinion

We have audited the combined financial statements of United Jewish Appeal of Greater Toronto (the "Organization"), which comprise the combined statement of financial position as at June 30, 2023, and the combined statements of revenue, expenditures and changes in fund balances and cash flows for the year then ended, and notes to the combined financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of the Organization 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 Organization in accordance with the ethical requirements that are relevant to our audit of the combined 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.

Emphasis of Matter - Combined Financial Statements

We draw attention to the fact that, as described in Note 2 to the combined financial statements, the entities included in the combined financial statements have not operated as a single entity. These combined financial statements are, therefore, not necessarily indicative of results that would have occurred if the entities had operated as a single entity during the year presented or of future results of the Organization.

Other Matter

The combined financial statements for the year ended June 30, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on November 24, 2022.

Responsibilities of the Audit Committee and Those Charged with Governance for the Financial Statements

Members of the Audit Committee are 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 the Audit Committee 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, members of the Audit Committee are 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 the Audit Committee 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Organization to express an opinion on the consolidated 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.

MNP LLP

Markham, Ontario

Chartered Professional Accountants

November 23, 2023

Licensed Public Accountants

MNP

United Jewish Appeal of Greater Toronto

Combined Statement of Financial Position

As at June 30, 2023

(in thousands of dollars)

	2023 \$	2022 \$
Assets		
Current assets		
Cash and cash equivalents	9,446	47,385
Marketable securities	68,338	3,065
Amounts receivable and sundry assets	6,052	4,796
	83,836	55,246
Amounts receivable and sundry assets (notes 4(b) and 5)	14,560	7,557
Pension assets (note 10)	1,358	-
Property and equipment (note 6)	203,013	199,887
	302,767	262,690
Liabilities		
Current liabilities		
Bank indebtedness (note 9)	2,098	2,256
Accounts payable and accrued liabilities (notes 4(a) and (d))	9,349	7,428
Allocations payable to UIA (note 7)	2,492	2,818
Deferred revenue (note 8)	45,872	21,073
	59,811	33,575
Bank indebtedness (note 9)	24,684	26,577
Loans payable (note 4(a))	9,075	7,800
Post retirement benefits (note 10)	-	1,440
	93,570	69,392
Fund Balances		
Operating Fund	37,684	30,026
Real Estate Operations	2,524	2,305
Toronto Holocaust Museum Fund	5,664	843
Capital Projects	151,497	150,786
Capital Reserve Fund	11,828	9,338
	209,197	193,298
	302,767	262,690

Commitments and contingencies (notes 6, 11 and 13)

Approved by the Board of Directors

e-Signed by Glenys Lindenberg
2023-11-24 12:10:54 MST

Director

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

United Jewish Appeal of Greater Toronto

Combined Statement of Revenue, Expenditures and Changes in Fund Balances

For the year ended June 30, 2023

(in thousands of dollars)

	2023					2022
	Operating Fund \$	Real Estate Operations \$	Toronto Holocaust Museum Fund \$	Capital Projects \$	Capital Reserve Fund \$	Total \$
Revenue						
Annual campaign revenue	70,834	-	-	-	-	70,834
Designated gifts and related income	45,974	-	-	-	-	45,974
Capital project donations	-	-	-	7,937	-	7,937
Government grants	616	-	-	1,215	-	1,831
Sundry income	12,411	620	4,821	-	-	17,852
Rental income (notes 4(c) and (d))	-	11,213	-	-	-	11,213
Foundation administration fee recovery	2,268	-	-	-	-	2,268
Targeted supplementary gifts	34	-	-	-	-	34
Corporate partner revenue	1,050	-	-	-	-	1,050
Investment income (note 4(b))	2,085	830	-	45	-	2,960
	135,272	12,663	4,821	9,197	-	161,953
Expenditures						
Allocations, grants and programs (notes 4 (c) and (d))	57,414	-	-	795	-	58,209
Designated grants and related expenses (note 4(b))	45,968	-	-	-	-	45,968
Administrative costs	12,275	871	-	36	-	13,182
Annual campaign expenses	9,230	-	-	-	-	9,230
Amortization of property and equipment	-	139	-	6,161	-	6,300
Building operating expenses	-	9,564	-	-	-	9,564
Strategic plan costs	1,744	-	-	-	-	1,744
Interest expense	-	130	-	582	-	712
Foundation administration costs	2,236	-	-	-	-	2,236
Provision for doubtful accounts	-	110	-	-	-	110
Capital project expenses	-	-	-	912	-	912
Credit card transaction fees	562	-	-	-	-	562
	129,429	10,814	-	8,486	-	148,729

The accompanying notes are an integral part of these combined financial statements.

United Jewish Appeal of Greater Toronto

Combined Statement of Revenue, Expenditures and Changes in Fund Balances ...continued

For the year ended June 30, 2023

(in thousands of dollars)

	2023					2022
	Operating Fund \$	Real Estate Operations \$	Toronto Holocaust Museum Fund \$	Capital Projects \$	Capital Reserve Fund \$	Total \$
Excess of revenue over expenditures for the year	5,843	1,849	4,821	711	-	13,224
Fund balance – Beginning of year	30,026	2,305	843	150,786	9,338	193,298
Net actuarial gain (loss) on post retirement benefits (note 10)	2,675	-	-	-	-	2,675
Interfund transfers (note 12)	(860)	(1,630)	-	-	2,490	-
Fund balance – End of year	37,684	2,524	5,664	151,497	11,828	209,197

The accompanying notes are an integral part of these combined financial statements.

United Jewish Appeal of Greater Toronto

Combined Statement of Cash Flows

For the year ended June 30, 2023

(in thousands of dollars)

	2023 \$	2022 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenditures for the year	13,224	10,623
Items not involving cash		
Amortization of property and equipment	6,300	6,696
Reinvested investment income	(1,266)	286
Post retirement benefits	(123)	(710)
Donated securities	(40)	(26)
Changes in non-cash working capital items		
Amounts receivable and sundry assets	(7,588)	(1,775)
Accounts payable and accrued liabilities	2,196	755
Deferred revenue	24,799	(5,096)
Allocations payable to UIA	(326)	(175)
	<u>37,176</u>	<u>10,578</u>
Investing activities		
Purchases of property and equipment	(9,426)	(4,460)
Purchases of marketable securities	(137,765)	(2,964)
Proceeds from sale of marketable securities	<u>73,127</u>	<u>3,763</u>
	<u>(74,064)</u>	<u>(3,661)</u>
Financing activities		
Proceeds received from bank indebtedness	-	7,000
Proceeds received from loans payable	1,000	-
Repayment of bank indebtedness	<u>(2,051)</u>	<u>(8,744)</u>
	<u>(1,051)</u>	<u>(1,744)</u>
Increase (decrease) in cash and cash equivalents during the year	<u>(37,939)</u>	<u>5,173</u>
Cash and cash equivalents – Beginning of year	<u>47,385</u>	<u>42,212</u>
Cash and cash equivalents – End of year	<u>9,446</u>	<u>47,385</u>
Non-cash transactions		
Purchases of property and equipment included in accounts payable and accrued liabilities	323	979
Investment income in amounts receivable and sundry assets	631	(308)

The accompanying notes are an integral part of these combined financial statements.

United Jewish Appeal of Greater Toronto

Notes to Combined Financial Statements

June 30, 2023

(in thousands of dollars)

1 Purpose of the Organization

United Jewish Appeal of Greater Toronto (the “Organization”) raises funds to support charitable projects, programs and community organizations that meet the needs of the Jewish community in the Greater Toronto Area, Canada, Israel and around the world.

2 Basis of combined financial statement presentation

The Organization operates through a number of incorporated entities controlled by UJA Federation of Greater Toronto (the “Federation”). These combined financial statements are prepared on a combined basis and include the following organizations as they are under common control:

- the Organization
- Joseph and Wolf Lebovic Jewish Community Campus
- Lipa Green Centre for Jewish Community Services
- Sherman Campus
- 750 Spadina Ave. Association
- Jewish Community Properties of Greater Toronto
- 1867942 Ontario Inc. (Lebovic food services contract)
- The Jewish Museum of Canada
- American Friends of United Jewish Appeal of Greater Toronto Inc.
- Greater Toronto Jewish Federation New Ventures
- The Ontario Jewish Archives Foundation

These combined financial statements do not include the Jewish Foundation of Greater Toronto (the “Foundation”), Prosserman Jewish Community Centre and Schwartz Reisman Community Centre, which are not controlled by the Organization but which are controlled by the Federation; and Toronto Hebrew Memorial Park (“THMP”), which the Organization has significant influence over through the right to appoint 50% of the board of directors of THMP.

The combined financial statements of the Organization are prepared to present the following funds:

- Operating Fund

The Operating Fund is unrestricted and used for the activities and operations of the Organization.

- Real Estate Operations Fund

This fund includes the rental income and related building operation expenses. Income earned from the fund is spent in accordance with internally imposed restrictions as established by those charged with governance.

United Jewish Appeal of Greater Toronto

Notes to Combined Financial Statements

June 30, 2023

(in thousands of dollars)

- Toronto Holocaust Museum Fund

This fund represents the accumulated receipts that are held to generate investment income for ongoing future programming at the new Toronto Holocaust museum.

- Capital Projects Fund

This fund represents the amounts invested in property and equipment and capital projects. Donations specifically received for capital projects, capital project expenses and amortization are recorded in this fund. Capital project expenses comprise fundraising, marketing, strategic planning and other costs. Donations received and deferred for future capital projects are recorded in the operating fund until such time that these amounts are recognized as revenue.

- Capital Reserve Fund

This fund represents amounts held to fund future capital repairs and replacements.

3 Summary of significant accounting policies

Basis of accounting

These combined financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"), Part III of the Chartered Professional Accountants of Canada ("CPA Canada") Handbook – Accounting, as issued by the Canadian Accounting Standards Board.

The significant accounting policies followed by the Organization are as follows.

Revenue recognition

The Organization follows the restricted fund method of accounting for contributions. Revenue that is subject to external restrictions is recognized in the appropriate fund when received or receivable. Externally restricted revenue for which no fund exists is deferred and recognized in the Operating Fund as the related expense occurs.

- Annual campaign revenue

Annual campaign revenue is recorded when received. Payments received towards future year campaigns are deferred and are reflected as revenue in future fiscal years.

- Designated gifts and related income

Designated gifts received are recorded as deferred revenue until the gifts have been allocated to other organizations as specified by the donor and are therefore reflected at that time as a disbursement of the Organization.

United Jewish Appeal of Greater Toronto

Notes to Combined Financial Statements

June 30, 2023

(in thousands of dollars)

- Capital campaigns

The Organization receives pledges for the Lebovic Campus and the Sherman Campus and revenue is recognized when payments are received.

- Rental revenue

The Organization recognizes rental revenue monthly over the term of the rental agreement when the amount of revenue can reasonably be measured and collectability is reasonably assured.

- Investment income

The Organization recognizes investment income as earned.

Donated services

As is common with many charitable organizations, many services of the Organization are voluntarily provided by the community. Since these services are not normally purchased by the Organization, and because of the difficulties in determining their fair value, the value of the donated services is not recognized in these combined financial statements.

Cash and cash equivalents

Cash and cash equivalents consist of cash and highly liquid investments with initial maturities of three months or less.

Marketable securities

Marketable securities are guaranteed investment certificates with expiry dates between three months and one year from the combined statement of financial position date.

Property and equipment

Property and equipment are recorded at cost less accumulated amortization. Maintenance, renovation, repairs and minor replacements to maintain normal operating efficiency are expensed as incurred. Capital project development costs comprise direct construction costs, carrying costs such as interest, realty tax charges and other costs. No amortization is recorded until construction is substantially completed and the assets are ready for productive use.

Amortization is recorded on a straight-line basis over the following number of years:

Buildings	25 – 40 years
Furniture, fixtures and equipment	5 years

Amortization will only commence on the new community centre once the facility is available for use.

United Jewish Appeal of Greater Toronto

Notes to Combined Financial Statements

June 30, 2023

(in thousands of dollars)

Pension plan and supplementary retirement benefits

The Organization records its liability under the pension plans as its defined benefit obligations net of fair value of plan assets. The defined benefit obligation is measured using a funding valuation.

The cost of pensions and other retirement benefits earned by employees is actuarially determined using the funding valuation method, pro-rated on service and management's best estimate of salary escalation, retirement ages of employees and expected health-care costs.

Remeasurements and other items are composed of actuarial gains (losses) on the accrued benefit obligation and arise from differences between the actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation, past service costs and gains and losses arising from settlements and curtailments. Actuarial gains and losses arise when the accrued benefit obligations change during the year. The actuarial gains and losses and other remeasurements including plan amendments are recorded in the combined statement of revenue, expenditures and changes in fund balances when incurred.

Financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value, except related party transactions, which are measured at the exchange amount. All other financial instruments are subsequently recorded at amortized cost, unless management has elected to carry the instruments at fair value. The Organization has elected to carry its investments at fair value.

Financial assets are tested for impairment at the end of each reporting period when there are indicators the assets may be impaired.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant credit, liquidity or market risk arising from its financial instruments.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the combined statement of financial position date. Other assets, liabilities and operating items are translated at exchange rates prevailing at the respective transaction dates. Exchange gains and losses are included in the combined statement of revenue, expenditures and changes in fund balances.

United Jewish Appeal of Greater Toronto

Notes to Combined Financial Statements

June 30, 2023

(in thousands of dollars)

Use of estimates

The preparation of combined financial statements in accordance with ASNPO requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenditures during the year and the disclosure of contingent assets and liabilities at the date of the combined financial statements. Significant items subject to such estimates and assumptions include the valuation of investments and amounts receivable, actuarial and investment return assumptions associated with pension plan and supplementary retirement benefits, accruals and the useful lives, recoverable amounts and impairment of property and equipment. Actual results could differ from those estimates.

4 Related party balances and transactions

The transactions have been calculated at the exchange amount as determined on an arm's length basis.

- a) The Organization and the Foundation are both under common control by UJA Federation of Greater Toronto.

	2023 \$	2022 \$
Loan 1	1,000	1,000
Loan 2	3,000	3,000
Loan 3	3,800	3,800
Loan 4	1,500	-
	<hr/> 9,300	<hr/> 7,800
Less: current portion	225	-
	<hr/> 9,075	<hr/> 7,800

In 2014, the Organization received loans totalling \$5,000 from the Foundation with the understanding that the funds would in turn be loaned to Joseph and Wolf Lebovic Jewish Community Campus (the "JWLJCC") to pay down the Facility I loan (note 9). The remaining loan of \$4,000 consists of two tranches (Loans 1 and 2) as noted above.

In 2015, the Organization received a further loan of \$3,800 from the Foundation. The Organization used the funds to fulfill a donor commitment.

Loans 1, 2 and 3 are unsecured and non-interest bearing.

Loan 1 will be repaid immediately when JWLJCC collects sufficient unrestricted donations for its capital campaign.

United Jewish Appeal of Greater Toronto

Notes to Combined Financial Statements

June 30, 2023

(in thousands of dollars)

Loans 2 and 3 will be repaid on the later of:

- receipt of funds from JWLJCC equal to any amount of the loan; and
- on or before June 30, 2024 or such later date as may be determined by the Organization at its sole discretion but in any event no later than June 30, 2029.

Loan 4, also from the Foundation, will be repaid at \$225 annually for the next five years. The loan is non-interest bearing. The current portion of the loan is included in account payable and accrued liabilities.

- b) During the year, the Organization received \$22,314 (2022 – \$19,226) from the Foundation's donor funds to fulfill donor requests and distributed \$23,931 (2022 – \$4,542) of designated grants to the Foundation. The Organization has amounts due from the Foundation of \$12,672 (2022 – \$6,955), comprising capital reserve funds and Toronto Holocaust Museum funds invested on its behalf and accumulated investment income. During the year, the increase in the investments was \$762 (2022 – \$376 decrease) and was recorded as investment income and deferred revenue. The Organization does not intend to recall any of these funds in the next 12 months.
- c) Rent of 3,232 \$ (2022 – \$2,664) was charged to Schwartz/Reisman Centre (the "SRC") and an allocation of \$2,376 (2022 – \$2,689) was paid to the SRC. In addition, \$346 (2022 – \$269) was charged to the SRC for administrative expenses. The Organization owes \$1,003 (2022 – \$561) to the SRC and this is recorded in accounts payable and accrued liabilities.
- d) Rent of \$3,686 (2022 – \$2,525) was charged to the Prosserman Jewish Community Centre (the "PJCC") and an allocation of \$1,205 (2022 – \$2,108) was paid to the PJCC. In addition, \$367 (2022 – \$407) was charged to the PJCC for administrative expenses. The Organization owes \$1,187 to the PJCC (2022 – \$1,192) and this amount is recorded in accounts payable and accrued liabilities.

5 Amounts receivable and sundry assets

Included in amounts receivable and sundry assets are the following loans:

Loan 1: \$280 (2022 – \$280) to Miles Nadal Jewish Community Centre (the "MNJCC"). The loan is secured by MNJCC's leasehold improvements, has no specific terms of repayment.

Loan 2: \$1,000 (2022 – nil) to MNJCC. The loan is non interest bearing and will be repaid at \$125 annually for the next eight years.

Loan 3: \$500 (2022 – nil) to a third party. The loan is non interest bearing and will be repaid at \$100 annually for the next five years.

\$225 is included in current amounts receivable and sundry assets; the balance is included in long-term amounts receivable and sundry assets.

United Jewish Appeal of Greater Toronto

Notes to Combined Financial Statements

June 30, 2023

(in thousands of dollars)

6 Property and equipment

	2023		
	Cost \$	Accumulated amortization \$	Net \$
Lebovic Campus (i)			
Land and related acquisition and infrastructure costs	14,304	-	14,304
Buildings			
Kimel Family Education Centre	35,062	14,161	20,901
Community Services Building	87,705	25,697	62,008
Capital project development costs	4,047	-	4,047
	141,118	39,858	101,260
Sherman Campus (ii)			
Land and related infrastructure costs	3,702	-	3,702
Buildings			
Lipa Green Centre	28,517	13,262	15,255
Gales Family Pavilion	12,660	5,095	7,565
Sheff Family Building	62,088	2,482	59,606
Toronto Holocaust Museum	8,994	-	8,994
	115,961	20,839	95,122
750 Spadina Ave. (iii)			
Land	900	-	900
Building	2,556	1,947	609
	3,456	1,947	1,509
Building on leased land – Wolfond Centre (iv)	3,528	1,706	1,822
Land – Simcoe County (v)	1,111	-	1,111
Furniture, fixtures and equipment	11,938	9,749	2,189
	277,112	74,099	203,013

United Jewish Appeal of Greater Toronto

Notes to Combined Financial Statements

June 30, 2023

(in thousands of dollars)

	2022		
	Cost \$	Accumulated amortization \$	Net \$
Lebovic Campus (i)			
Land and related acquisition and infrastructure costs	14,304	-	14,304
Buildings			
Kimel Family Education Centre	34,771	13,185	21,586
Community Services Building	87,691	23,195	64,496
Capital project development costs	1,485	-	1,485
	138,251	36,380	101,871
Sherman Campus (ii)			
Land and related infrastructure costs	3,702	-	3,702
Buildings			
Lipa Green Centre	28,513	12,639	15,874
Gales Family Pavilion	12,660	4,686	7,974
Sheff Family Building	63,202	1,692	61,510
Capital project development costs	3,359	-	3,359
	111,436	19,017	92,419
750 Spadina Ave. (iii)			
Land	900	-	900
Building	2,556	1,896	660
	3,456	1,896	1,560
Building on leased land – Wolfond Centre (iv)	3,528	1,617	1,911
Land – Simcoe County (v)	1,111	-	1,111
Furniture, fixtures and equipment	10,140	9,125	1,015
	267,922	68,035	199,887

- i) Lebovic Campus represents the costs of JWLJCC, comprising land and infrastructure costs, Kimel Family Education Centre and the Community Services Building. The capital development costs include the costs related to the Arena project. The Arena is expected to open in Fiscal 2025.
- ii) Sherman Campus represents the cost of Lipa Green Centre (which houses UJA offices), the Gales Family Pavilion and Sheff Family Building (which houses the Prosserman Jewish Community Centre and the Toronto Holocaust Museum) and land and redevelopment costs to date of Sherman Campus Phase II.
- iii) The Organization owns the land and building at 750 Spadina Ave.
- iv) The Wolfond Centre for Jewish Campus Life at the University of Toronto was constructed on leased land. The initial lease term ends on December 31, 2030, with a ten-year renewal option (note 13).

United Jewish Appeal of Greater Toronto

Notes to Combined Financial Statements

June 30, 2023

(in thousands of dollars)

- v) The Organization owns land in Simcoe County, which is licensed for use as a not-for-profit youth camp.
- vi) The Organization is the owner of a parcel of land in the Haliburton Region of Ontario, which was acquired for nominal consideration. Under an agreement, Jewish Camp Council of Ontario, an unrelated party, operates a children's camp on the property, known as Camp Northland. The Organization has no responsibility for the operations or liabilities of the camp.

During the year, \$236 in fully amortized furniture, fixtures and equipment was written off as the assets are no longer in use.

7 Allocations payable to UIA

The Organization allocates a portion of the annual campaign proceeds to United Israel Appeal ("UIA").

	2023 \$	2022 \$
Balance – Beginning of year	2,818	2,993
Net proceeds of campaigns	11,413	10,472
Distributions during the year	(11,739)	(10,647)
Balance – End of year	2,492	2,818

8 Deferred revenue

Deferred revenue includes various types of revenue received in advance of the program or campaign taking place or in advance of being spent.

	Annual campaign gifts	Designated donations	Rent received for long- term ground lease	Program gifts and grants	Capital gifts	2023 \$	2022 \$
Balance – Beginning of year	11,707	3,383	703	5,280	-	21,073	26,169
Contributions/receipts	3,808	45,832	-	3,102	36,702	89,444	58,750
Revenue recognized	(7,219)	(45,974)	(10)	(3,505)	(7,937)	(64,645)	(63,846)
Balance – End of year	8,296	3,241	693	4,877	28,765	45,872	21,073

Capital gifts received for expenditures in future periods are amounts that are currently administered by the Organization and are expected to be recognized as capital project donation revenue upon certain milestones for recognition of the revenue being met. At the current time, the amounts held in administration are not considered by management to be contributions.

United Jewish Appeal of Greater Toronto

Notes to Combined Financial Statements

June 30, 2023

(in thousands of dollars)

9 Bank indebtedness

Bank indebtedness comprises the following:

	2023 \$	2022 \$
Facility I	3,970	4,547
Facility II	5,919	6,833
Facility III	16,893	17,453
	<hr/>	<hr/>
	26,782	28,833
Less: Current portion	2,098	2,256
	<hr/>	<hr/>
	24,684	26,577

The borrower of Facility I is 750 Spadina Ave, at an interest rate of 3.05%. It requires monthly payments of \$59 and is repayable in full in September 2024.

Facility II is to fund the Sherman Campus Phase II capital project (note 6(ii)). A summary of the main provisions is as follows:

- The borrower is Sherman Campus and the guarantor is the Organization.
- The total construction facility commitment is \$32,000. In addition, there is a swing line commitment of \$1,000 and a letter of guarantee commitment of \$3,000. The facility was held with a consortium of banks.
- On April 19, 2022, the Organization entered into a non-revolving reducing facility, with a single bank.
- The facility has a contractual term of five years, at a fixed rate of 3.30%, with a maturity date of April 19, 2027.

Facility III is a facility that the Organization entered into on June 29, 2021 with a single bank. It was mainly used to repay the balance of Lebovic campus construction loans. The borrower is Lipa Green Centre. It requires monthly repayments of principal and interest based on a 25-year amortization and a ten-year term, with the option to enter into hedge contracts. The facility bears a fixed rate of 2.17%.

In addition, the Organization has an available line of credit of \$6,000, which has not been drawn upon and bears interest at the prime rate plus 1%.

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June 30, 2023

(in thousands of dollars)

Of the total indebtedness of \$26,782 (2022 – \$28,833), \$24,862 (2022 – \$26,634) is attributable to property and equipment and \$1,920 (2022 – \$2,199) is attributable to the funding of operations. The carrying amount of assets pledged as security is \$96,805 (2022 – \$93,979).

The Organization is committed to making the following payments under the terms of the above borrowings:

	Facility I \$	Facility II \$	Facility III \$	Total \$
2024	594	934	570	2,098
2025	3,376	965	584	4,925
2026	-	998	597	1,595
2027	-	3,022	610	3,632
Thereafter	-	-	14,532	14,532
	3,970	5,919	16,893	26,782

Security for bank indebtedness is as follows:

- The Organization's line of credit is secured by a security agreement over receivables of the borrower.

Facility I is secured by a first position security agreement executed by 750 Spadina Ave., a guarantee of \$4,547 by the Organization and a second position general security agreement executed by the Organization, a second position security agreement executed by the Organization, a first charge collateral mortgage of \$10,000 on 750 Spadina Ave.'s real property and an assignment of rents and leases of 750 Spadina Ave.

- Facility II is secured by a collateral mortgage of \$10,000 on the land and improvements, general assignment of leases, contracts and insurance relating to the project, security interest in all personal property of Sherman Campus and an assignment of pledge receivables of the borrower and guarantor (excluding pledges designated for use other than for Sherman Campus, unrestricted pledges and donations to the extent they are not designated for the project).

Facility III is secured by a first charge collateral mortgage of \$18,000 on Lipa Green Centre's real property and all personal property.

10 Post retirement benefits

The Organization maintains defined benefit pension plans for its employees. The Organization has also committed to paying certain supplementary pension benefits to active executives and retired employees.

The Organization prepared the pension cost calculations in accordance with the Accounting Standards for Not-for-Profit Organizations (ASNPO) in accordance with the CPA Canada Handbook, Section 3463 ("CPA 3463") in respect of the Pension Plan for Employees of the United Jewish Appeal of Greater Toronto (the "Pension plans") and the Consulting Services Agreements (the "Supplementary retirement benefits").

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(in thousands of dollars)

Effective July 1, 2022, the Organization adopted the Accounting Standard Board's amendments to CPA 3462, which also applies to CPA 3463. The amendments removed the accommodation to use a funding valuation to measure the defined benefit obligation for defined benefit plans without a legislative regulatory, or contractual requirement to prepare a funding valuation (which includes the Supplementary retirement benefits). Such plans must be measured using an accounting valuation. Plan sponsors are required to comply for fiscal years beginning on or after January 1, 2022. As such, the net benefit cost for the period July 1, 2022 to June 30, 2023 and measurement of the defined benefit obligation using accounting valuation assumptions for the Supplementary retirement benefits reflects the transition to this new requirement effective July 1, 2022.

The movement in the defined benefit obligation during the year is outlined below:

	Pension plans		Supplementary retirement benefits		Total	
	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
Accrued benefit obligation on funding valuation basis, opening	(32,397)	(31,465)	(8,371)	-	(40,768)	(31,465)
Adjustment to reflect amendment to CPA 3463 standard	-	-	141	(8,399)	141	(8,399)
Accrued benefit obligation on accounting valuation basis, opening	(32,397)	(31,465)	(8,230)	(8,399)	(40,627)	(39,864)
Employer current service cost	(785)	(816)	(54)	(44)	(839)	(860)
Employee current service contributions	(627)	(526)	-	-	(627)	(526)
Interest cost	(1,869)	(1,790)	(399)	(464)	(2,268)	(2,254)
Benefits paid	1,753	2,107	548	548	2,301	2,655
Actuarial gains (losses)	1,068	93	(26)	(12)	1,042	81
Accrued benefit obligation at on funding valuation basis, closing	(32,857)	(32,397)	(8,161)	(8,371)	(41,018)	(40,768)
Fair value of plan assets	42,376	39,328	-	-	42,376	39,328
Post retirement benefits asset (liability)	9,519	6,931	(8,161)	(8,371)	1,358	(1,440)
Defined Benefit Obligation at June 30	32,857	32,397	8,161	8,371	41,018	40,768

United Jewish Appeal of Greater Toronto

Notes to Combined Financial Statements

June 30, 2023

(in thousands of dollars)

	Pension Plans		Supplementary retirement benefits	
	2023	2022	2023	2022
Discount rate	6.20%	5.80%	4.90%	5.80%
Salary increase	3.00%	3.00%	3.00%	3.00%
Expected long-term rate of return on plan assets	6.20%	5.80%	4.90%	5.80%
Inflation rate	2.00%	2.00%	2.00%	2.00%
Mortality rate	CPM 2014 Private Table	CPM 2014 Private Table	CPM 2014 Private Table	CPM 2014 Private Table

The Organization calculates its accrued benefit obligations and the fair value of plan assets for accounting purposes as at June 30 of each year. The supplementary retirement benefits plan does not have access to the assets of the pension plans.

For funding purposes, an actuarial valuation is prepared every three years. The most recent actuarial valuation of the employees' pension plans for funding purposes was as at July 1, 2022. The most recent actuarial valuation of the supplementary retirement benefits plan was as at July 1, 2022.

Percentage of plan assets consists of:

	2023 %	2022 %
Equities	62	68
Fixed income	17	31
Cash and short-term deposits	19	1
Balanced funds	2	-
	100	100

11 Commitments and contingencies

- Under agreements between the Organization and the City of Toronto (the "City"), and as a condition of exemption from municipal and school taxes, the Organization is obligated, on the sale of certain properties, to pay amounts to the City, representing the amount of taxes foregone for the last ten years for the property sold. The amount of taxes foregone for the last ten years is estimated at a maximum of \$735. The amounts contingently payable under these agreements are registered as secured first fixed charges against each of the properties. No liability has been recorded in these combined financial statements for these potential contingencies.

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(in thousands of dollars)

- b) As at June 30, 2023, the Organization has outstanding letters of guarantee amounting to \$ 770 (2022 – \$770) relating primarily to the capital projects at Sherman and Lebovic campuses.
- c) The Organization has outstanding construction contracts related to the Arena project of \$43,845 (2022 - \$nil).

12 Interfund transfers

The interfund transfer of \$2,490 from the Real Estate Operations to the Capital Reserve Fund represents the amount set aside for future capital repairs and replacement (2022 – \$53 from the Capital Reserve Fund to the Real Estate Operations is the transfer of amounts for the repairs and replacements in excess of capital reserve requirements for the year).

The Interfund transfer of \$860 from Operating to the Real Estate Operations is for expenses incurred in Lebovic campus.

13 Operating lease

The Wolfond Centre for Jewish Campus Life at the University of Toronto was constructed on leased land. The future minimum lease payments for this land are as follows:

	\$
2024	62
2025	62
2026	63
2027	63
2028	63
Thereafter	127
	<hr/>
	440
	<hr/>

14 Comparative figures

Certain prior year balances have been reclassified to conform to the current year's combined financial statement presentation.

15 Subsequent event

On October 7, 2023, the State of Israel was the victim of an unprovoked terrorist attack on its southern border. As part of its mission statement, the Organization initiated the 2023 Emergency Appeal for the People of Israel.

To date, this Special Campaign has raised \$72,845 to provide financial support to on-the-ground organizations and aid victims of terror in the State of Israel.