

United Jewish Appeal of Greater Toronto

Combined Financial Statements
June 30, 2024

To the Board of Directors of the United Jewish Appeal of Greater Toronto:

Opinion

We have audited the financial statements of the United Jewish Appeal of Greater Toronto (the "Organization"), which comprise the combined statement of financial position as at June 30, 2024, 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, 2024, 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Organization to express an opinion on the combined 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.

Markham, Ontario

November 11, 2024

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

United Jewish Appeal of Greater Toronto

Combined Statement of Financial Position

As at June 30, 2024

(in thousands of dollars)

	2024 \$	2023 \$
Assets		
Current assets		
Cash and cash equivalents	50,524	9,446
Marketable securities	31,058	68,338
Amounts receivable and sundry assets (note 5)	8,971	6,052
	90,553	83,836
Amounts receivable and sundry assets (notes 4(b) and 5)	19,832	14,560
Pension assets (note 10)	2,704	1,358
Property and equipment (note 6)	221,485	203,013
	334,574	302,767
Liabilities		
Current liabilities		
Bank indebtedness (note 9)	2,147	2,098
Accounts payable and accrued liabilities (notes 4(a), (c) and (d))	15,438	9,349
Allocations payable to UIA (note 7)	2,660	2,492
Deferred revenue (note 8)	40,440	45,872
	60,685	59,811
Bank indebtedness (note 9)	22,537	24,684
Loans payable (note 4(a))	8,850	9,075
	92,072	93,570
Fund Balances		
Operating Fund	44,457	37,684
Real Estate Operations	1,987	2,524
Toronto Holocaust Museum Fund	10,115	5,664
Capital Projects	171,706	151,497
Capital Reserve Fund	14,237	11,828
	242,502	209,197
	334,574	302,767

Commitments and contingencies (notes 6, 11 and 13)

Approved by the Board of Directors

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, 2024

(in thousands of dollars)

	2024					2023
	Operating Fund \$	Real Estate Operations \$	Toronto Holocaust Museum Fund \$	Capital Projects \$	Capital Reserve Fund \$	Total \$
Revenue						
Annual campaign revenue	71,809	-	-	-	-	71,809
Designated gifts and related income (notes 4(b), 8 and 14)	109,822	-	-	-	-	109,822
Capital project donations	-	-	-	26,937	-	26,937
Government grants	564	619	-	693	-	1,876
Sundry income	12,179	871	3,812	478	-	17,340
Rental income (notes 4(c) and (d))	-	10,488	-	-	-	10,488
Foundation administration fee recovery	2,549	-	-	-	-	2,549
Corporate partner revenue	455	-	-	-	-	455
Investment income (note 4(b))	3,194	1,190	866	69	-	5,319
	200,572	13,168	4,678	28,177	-	246,595
Expenditures						
Allocations, grants and programs (notes 4 (c) and (d))	56,528	-	-	-	-	56,528
Designated grants and related expenses (notes 4(b), 8 and 14)	109,846	-	-	-	-	109,846
Administrative costs	14,004	358	-	71	-	14,433
Annual campaign expenses	9,852	-	-	-	-	9,852
Amortization of property and equipment	-	139	-	7,078	-	7,217
Building operating expenses	-	10,826	-	-	-	10,826
Strategic plan costs	1,971	-	-	-	-	1,971
Interest expense	-	112	-	543	-	655
Foundation administration costs	2,392	-	-	-	-	2,392
Provision for doubtful accounts	-	-	-	-	-	-
Capital project expenses	-	-	-	276	-	276
Credit card transaction fees	701	-	-	-	-	701
	195,294	11,435	-	7,968	-	214,697

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, 2024

(in thousands of dollars)

	2024					2023
	Operating Fund \$	Real Estate Operations \$	Toronto Holocaust Museum Fund \$	Capital Projects \$	Capital Reserve Fund \$	Total \$
Excess of revenue over expenditures for the year	5,278	1,733	4,678	20,209	-	31,898
Fund balance – Beginning of year	37,684	2,524	5,664	151,497	11,828	209,197
Net actuarial gain (loss) on post retirement benefits (note 10)	1,407	-	-	-	-	1,407
Interfund transfers (note 12)	88	(2,270)	(227)	-	2,409	-
Fund balance – End of year	44,457	1,987	10,115	171,706	14,237	242,502

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, 2024

(in thousands of dollars)

	2024 \$	2023 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenditures for the year	31,898	13,224
Items not involving cash		
Amortization of property and equipment	7,217	6,300
Reinvested investment income	(2,296)	(1,266)
Post retirement benefits	61	(123)
Donated securities	(74)	(40)
Changes in non-cash working capital items		
Amounts receivable and sundry assets	(6,435)	(7,588)
Accounts payable and accrued liabilities	5,964	2,196
Deferred revenue	(5,432)	24,799
Allocations payable to UIA	168	(326)
	<u>31,071</u>	<u>37,176</u>
Investing activities		
Purchases of property and equipment	(25,689)	(9,426)
Purchases of marketable securities	(197,966)	(137,765)
Proceeds from sale of marketable securities	<u>235,860</u>	<u>73,127</u>
	<u>12,205</u>	<u>(74,064)</u>
Financing activities		
Proceeds received from (repayment of) loans payable	(100)	1,000
Repayment of bank indebtedness	<u>(2,098)</u>	<u>(2,051)</u>
	<u>(2,198)</u>	<u>(1,051)</u>
Increase (decrease) in cash and cash equivalents during the year	41,078	(37,939)
Cash and cash equivalents – Beginning of year	<u>9,446</u>	<u>47,385</u>
Cash and cash equivalents – End of year	<u>50,524</u>	<u>9,446</u>
Non-cash transactions		
Purchases of property and equipment included in accounts payable and accrued liabilities	33	323
Investment income in amounts receivable and sundry assets	1,682	631

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, 2024

(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
- Vaughan Jewish Community Campus (Vaughan Campus or VJCC)
- Lipa Green Centre for Jewish Community Services
- Sherman Campus
- 750 Spadina Ave. Association
- Jewish Community Properties of Greater Toronto
- 1867942 Ontario Inc. (Vaughan campus 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
- Honey and Barry Memorial Trust
- Honey and Barry Memorial Arena Trustee Corporation

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, 2024

(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 Toronto Holocaust Museum, which opened in 2023.

- 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 the Organization meets the relevant performance obligation for these donations and these amounts are available to be 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, 2024

(in thousands of dollars)

- Capital campaigns
The Organization receives pledges for the Vaughan 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, 2024

(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.

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, contingencies and the useful lives, recoverable amounts and impairment of property and equipment. Actual results could differ from those estimates.

United Jewish Appeal of Greater Toronto

Notes to Combined Financial Statements

June 30, 2024

(in thousands of dollars)

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.

	2024 \$	2023 \$
Loan 1	1,000	1,000
Loan 2	3,000	3,000
Loan 3	3,800	3,800
Loan 4	1,400	1,500
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	9,200	9,300
Less: current portion	350	225
	<hr/>	<hr/>
	8,850	9,075

In 2014, the Organization received loans totalling \$5,000 from the Foundation with the understanding that the funds would in turn be loaned to Vaughan Jewish Community Campus (the "VJCC") to pay down the Facility III 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 (Loan 3) 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 VJCC collects sufficient unrestricted donations for its capital campaign.

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

- receipt of funds from VJCC 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, requires annual payment of \$225 for the next four years, \$125 per year subsequently and will be repaid in full by December 2030. The loan is non-interest bearing. The current portion of the loan is included in account payable and accrued liabilities.

United Jewish Appeal of Greater Toronto

Notes to Combined Financial Statements

June 30, 2024

(in thousands of dollars)

- b) During the year, the Organization received \$34,338 (2023 – \$22,314) from the Foundation’s donor funds to fulfill donor requests and distributed \$6,207 (2023 – \$23,931) of designated grants to the Foundation. The Organization has amounts due from the Foundation of \$18,180 (2023 – \$12,672), 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 \$1,682 (2023 – \$762 decrease) and was recorded as investment income. The Organization does not intend to recall any of these funds in the next 12 months.
- c) Rent of \$3,113 (2023 – \$3,232) was charged to Schwartz/Reisman Centre (the “SRC”) and an allocation of \$1,277 (2023 – \$2,376) was paid to the SRC. In addition, \$384 (2023 – \$346) was charged to the SRC for administrative expenses. The Organization owes \$2,187 (2023 – \$1,003) to the SRC and this is recorded in accounts payable and accrued liabilities.
- d) Rent of \$3,242 (2023 – \$3,686) was charged to the Prosserman Jewish Community Centre (the “PJCC”) and an allocation of \$1,143 (2023 – \$1,205) was paid to the PJCC. In addition, \$421 (2023 – \$367) was charged to the PJCC for administrative expenses. The Organization owes to the PJCC \$1,208 (2023 – \$1,187) 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:

Loan 1: \$280 (2023 – \$280) to Miles Nadal Jewish Community Centre (the “MNJCC”). The loan is non interest bearing, is secured by MNJCC’s leasehold improvements and has no specific terms of repayment.

Loan 2: \$875 (2023 – \$1,000) to MNJCC. The loan is non interest bearing and will be repaid at \$125 annually for the next seven years.

Loan 3: \$400 (2023 – \$500) to a third party. The loan is non interest bearing and will be repaid at \$100 annually for the next four years.

Of the total loan balances, \$225 is included in current amounts receivable and sundry assets; the balance is included in long-term amounts receivable and sundry assets.

As explained in note 14, the special emergency campaign distributed \$67,231 to United Israel Appeal (“UIA”). The funds are to be deployed in various stages according to the local needs and restoration plans in Israel. UIA agreed to invest the undeployed funds in short-term guaranteed investment certificates, whereby the interest earned accrues to the Organization and will be accessible for the Organization to fund future initiatives in Israel. At June 30, 2024, the interest earned and accrued is \$1,255, which is included in current amount receivable and sundry assets.

United Jewish Appeal of Greater Toronto

Notes to Combined Financial Statements

June 30, 2024

(in thousands of dollars)

6 Property and equipment

	2024		
	Cost \$	Accumulated amortization \$	Net \$
Vaughan Campus (i)			
Land and related acquisition and infrastructure costs	14,304	-	14,304
Buildings			
Kimel Family Education Centre	35,844	15,158	20,686
Community Services Building	88,031	28,203	59,828
Capital project development costs	26,995	-	26,995
	165,174	43,361	121,813
Sherman Campus (ii)			
Land and related infrastructure costs	3,702	-	3,702
Buildings			
Lipa Green Centre	28,806	13,893	14,913
Gales Family Pavilion	12,662	5,503	7,159
Sheff Family Building	62,492	4,152	58,340
Toronto Holocaust Museum	9,392	117	9,275
	117,054	23,665	93,389
750 Spadina Ave. (iii)			
Land	900	-	900
Building	2,578	1,998	580
	3,478	1,998	1,480
Building on leased land – Wolfond Centre (iv)	3,534	1,794	1,740
Land – Simcoe County (v)	1,111	-	1,111
Furniture, fixtures and equipment	12,450	10,498	1,952
	302,801	81,316	221,485

United Jewish Appeal of Greater Toronto

Notes to Combined Financial Statements

June 30, 2024

(in thousands of dollars)

	2023		
	Cost \$	Accumulated amortization \$	Net \$
Vaughan 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

- i) Vaughan Campus represents the costs of VJCC, 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, 2024

(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.

7 Allocations payable to UIA

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

	2024 \$	2023 \$
Balance – Beginning of year	2,492	2,818
Net proceeds of campaigns	11,290	11,413
Distributions during the year	(11,122)	(11,739)
Balance – End of year	2,660	2,492

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	2024 \$	2023 \$
Balance – Beginning of year	8,296	3,241	693	4,877	28,765	45,872	21,073
Contributions/receipts	5,391	116,101	51	6,036	14,788	142,367	89,444
Revenue recognized	(6,681)	(109,822)	(20)	(4,339)	(26,937)	(147,799)	(64,645)
Balance – End of year	7,006	9,520	724	6,574	16,616	40,440	45,872

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, 2024

(in thousands of dollars)

9 Bank indebtedness

Bank indebtedness comprises the following:

	2024 \$	2023 \$
Facility I	3,376	3,970
Facility II	4,985	5,919
Facility III	16,323	16,893
	<hr/>	<hr/>
	24,684	26,782
Less: Current portion	2,147	2,098
	<hr/>	<hr/>
	22,537	24,684

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. Subsequent to year end, the term loan was renewed at an interest rate of 4.42%. It is repayable in blended monthly payments of \$61 and matures in August 2029.

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 Vaughan 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%.

Of the total indebtedness of \$24,684 (2023 – \$26,782), \$23,051 (2023 – \$24,862) is attributable to property and equipment and \$1,633 (2023 – \$1,920) is attributable to the funding of operations. The carrying amount of assets pledged as security is \$94,869 (2023 – \$96,805).

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

	Facility I \$	Facility II \$	Facility III \$	Total \$
2025	598	965	584	2,147
2026	621	998	597	2,216
2027	649	3,022	610	4,281
2028	678	-	622	1,300
Thereafter	830	-	13,910	14,740
	3,376	4,985	16,323	24,684

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 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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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	
	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$
Accrued benefit obligation on funding valuation basis, opening	(32,857)	(32,397)	(8,161)	(8,371)	(41,018)	(40,768)
Adjustment to reflect amendment to CPA 3463 standard	-	-	-	141	-	141
Accrued benefit obligation on accounting valuation basis, opening	(32,857)	(32,397)	(8,161)	(8,230)	(41,018)	(40,627)
Employer current service cost	(737)	(785)	(20)	(54)	(757)	(839)
Employee current service contributions	(622)	(627)	-	-	(622)	(627)
Interest cost	(2,059)	(1,869)	(387)	(399)	(2,446)	(2,268)
Benefits paid	2,025	1,753	558	548	2,583	2,301
Actuarial gains (losses)	33	1,068	(39)	(26)	(6)	1,042
Accrued benefit obligation at on funding valuation basis, closing	(34,217)	(32,857)	(8,049)	(8,161)	(42,266)	(41,018)
Fair value of plan assets	44,970	42,376	-	-	44,970	42,376
Post retirement benefits asset (liability)	10,753	9,519	(8,049)	(8,161)	2,704	1,358
Defined Benefit Obligation at June 30	34,217	32,857	8,049	8,161	42,266	41,018

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	Pension Plans		Supplementary retirement benefits	
	2024	2023	2024	2023
Discount rate	6.20%	6.20%	4.90%	4.90%
Salary increase	3.00%	3.00%	3.00%	3.00%
Expected long-term rate of return on plan assets	6.20%	6.20%	4.90%	4.90%
Inflation rate	2.75%	2.00%	2.75%	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:

	2024 %	2023 %
Equities	60	62
Fixed income	19	17
Cash and short-term deposits	7	19
Balanced funds	14	2
	<u>100</u>	<u>100</u>

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 \$775. 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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- b) As at June 30, 2024, the Organization has outstanding letters of guarantee amounting to \$4,896 (2023 – \$770) relating primarily to the capital projects at Vaughan campus.
- c) The Organization has outstanding construction contracts related to the Arena project of \$27,067 (2023 - \$43,845).

12 Interfund transfers

The interfund transfer of \$2,409 (2023 - \$2,490) from the Real Estate Operations to the Capital Reserve Fund represents the amount set aside for future capital repairs and replacement.

The interfund transfer of \$227 (2023 - \$nil) from Toronto Holocaust Museum Fund to Operating Fund is the amount for Toronto Holocaust Museum programming.

The interfund transfer of \$139 (2023 - \$860) from Operating to the Real Estate Operations is for expenses incurred in Vaughan 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	63
2026	63
2027	63
2028	63
Thereafter	64
	<hr/>
	378
	<hr/>

14 Designated gifts and related income

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 fundraised \$71,000 of which \$67,231 was sent Israel to provide financial support to on-the-ground organizations and aid victims of terror. Subsequent to year end, an additional \$1,000 was sent to Israel.

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15 Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management’s opinion that the Organization is not exposed to significant credit or price risks arising from these financial instruments except as otherwise disclosed.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization holds cash in US Dollar currency for which the related revenues, expenses, accounts receivable and accounts payable balances are subject to exchange rate fluctuations. As at June 30, 2024, the following amounts are denominated in USD currency:

	2024 USD \$	2023 USD \$
Cash and cash equivalents	292	583

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization's exposure to liquidity risk is dependent on the generation of revenues, collection of amounts receivable and its ability to maintain sufficient cash flow to meet commitments, financial obligations and sustain operations.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Organization is exposed to interest rate risk on its bank indebtedness. The Organization mitigates the interest rate risk exposure by entering into fixed rate arrangements.

16 Comparative figures

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