

United Jewish Appeal of Greater Toronto

Combined Financial Statements
June 30, 2022



Independent auditor's report

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

Our opinion

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of the entities set out in note 2 to the combined financial statements (together, the Organization) as at June 30, 2022 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

What we have audited

The Organization's combined financial statements comprise:

- the combined statement of financial position as at June 30, 2022;
- the combined statement of revenue, expenditures and changes in fund balances for the year then ended;
- the combined statement of cash flows for the year then ended; and
- the notes to the combined financial statements, which include significant accounting policies and other explanatory information.

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 combined financial statements* section of our report.

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

Independence

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. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – combined financial statements

We draw attention to the fact that, as described in note 2 to the combined financial statements, the businesses 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 businesses had operated as a single business during the year presented or of future results of the Organization.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Responsibilities of management and those charged with governance for the combined financial statements

Management of United Jewish Appeal of Greater Toronto (management) is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined 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 combined financial statements

Our objectives are to obtain reasonable assurance about whether the combined 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 combined 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 combined 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 combined 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 combined financial statements, including the disclosures, and whether the combined 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Ontario
November 24, 2022

United Jewish Appeal of Greater Toronto

Combined Statement of Financial Position

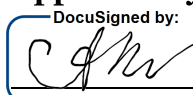
As at June 30, 2022

(in thousands of dollars)

	2022 \$	2021 \$
Assets		
Current assets		
Cash and cash equivalents	47,385	42,212
Marketable securities	3,065	3,816
Amounts receivable and sundry assets (notes 4(d) and (e))	4,796	4,424
	55,246	50,452
Amounts receivable and sundry assets (notes 4(b) and 5)	7,557	6,462
Pension assets (note 10)	-	3,370
Property and equipment (note 6)	199,887	202,123
	262,690	262,407
Liabilities		
Current liabilities		
Bank indebtedness (note 9)	2,256	1,107
Accounts payable and accrued liabilities (note 4(d) and (e))	7,428	6,673
Allocations payable to UIA (note 7)	2,818	2,993
Deferred revenue (note 8)	21,073	26,169
	33,575	36,942
Bank indebtedness (note 9)	26,577	29,470
Loans payable (note 4(a))	7,800	7,800
Post retirement benefits (note 10)	1,440	-
	69,392	74,212
Fund Balances		
Operating Fund	30,026	34,701
Real Estate Operations	2,305	2,846
Endowment Fund	843	-
Capital Projects	150,786	141,257
Capital Reserve Fund	9,338	9,391
	193,298	188,195
	262,690	262,407

Commitments and contingencies (notes 6, 11 and 13)

Approved by the Board of Directors

DocuSigned by:

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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

For the year ended June 30, 2022

(in thousands of dollars)

						2022	2021
	Operating Fund \$	Real Estate Operations \$	Endowment Fund \$	Capital Projects \$	Capital Reserve Fund \$	Total \$	Total \$
Revenue							
Annual campaign revenue	63,808	-	-	-	-	63,808	71,435
Designated gifts and related income	34,154	-	-	-	-	34,154	79,400
Capital project donations	-	-	-	17,340	-	17,340	10,470
Government grants	145	-	-	1,461	-	1,606	1,200
Sundry income	5,229	440	843	102	-	6,614	7,491
Rental income	-	9,028	-	-	-	9,028	6,306
Foundation administration fee recovery	2,067	-	-	-	-	2,067	1,637
Targeted supplementary gifts	1,254	-	-	-	-	1,254	1,377
Corporate partner revenue	554	-	-	-	-	554	762
Investment income (loss) (note 4(b))	-	(286)	-	-	-	(286)	823
	107,211	9,182	843	18,903	-	136,139	180,901
Expenditures							
Allocations, grants and programs (notes 4(d) and (e))	50,932	83	-	1,748	-	52,763	48,047
Designated grants and related expenses (note 4(b))	34,055	-	-	-	-	34,055	79,426
Administrative costs	9,865	680	-	10	-	10,555	9,329
Annual campaign expenses	7,770	-	-	-	-	7,770	5,255
Amortization of property and equipment	-	143	-	6,553	-	6,696	5,024
Building operating expenses	-	8,723	-	-	-	8,723	6,181
Strategic plan costs	456	-	-	-	-	456	634
Interest expense	-	147	-	837	-	984	1,305
Foundation administration costs	2,426	-	-	-	-	2,426	1,609
Capital project expenses	325	-	-	226	-	551	943
Credit card transaction fees	537	-	-	-	-	537	530
	106,366	9,776	-	9,374	-	125,516	158,283

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, 2022

(in thousands of dollars)

						2022	2021
	Operating Fund \$	Real Estate Operations \$	Endowment Fund \$	Capital Projects \$	Capital Reserve Fund \$	Total \$	Total \$
Excess (deficiency) of revenue over expenditures for the year	845	(594)	843	9,529	-	10,623	22,618
Fund balance – Beginning of year	34,701	2,846	-	141,257	9,391	188,195	159,883
Net actuarial gain (loss) on post retirement benefits (note 10)	(5,520)	-	-	-	-	(5,520)	5,694
Interfund transfers (note 12)	-	53	-	-	(53)	-	-
Fund balance – End of year	30,026	2,305	843	150,786	9,338	193,298	188,195

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, 2022

(in thousands of dollars)

	2022 \$	2021 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenditures for the year	10,623	22,618
Items not involving cash		
Amortization of property and equipment	6,696	5,024
Reinvested investment income	286	(781)
Post retirement benefits	(710)	(340)
Donated securities	(26)	(5)
Changes in non-cash working capital items		
Amounts receivable and sundry assets	(1,775)	(202)
Accounts payable and accrued liabilities	755	(4,574)
Deferred revenue	(5,096)	(4,258)
Allocations payable to UIA	(175)	(269)
	<u>10,578</u>	<u>17,213</u>
Investing activities		
Purchases of property and equipment	(4,460)	(6,612)
Purchases of marketable securities	(2,964)	(3,624)
Proceeds from sale of marketable securities	<u>3,763</u>	<u>4,402</u>
	<u>(3,661)</u>	<u>(5,834)</u>
Financing activities		
Proceeds received from bank indebtedness	7,000	25,034
Repayments of bank indebtedness	<u>(8,744)</u>	<u>(25,888)</u>
	<u>(1,744)</u>	<u>(854)</u>
Increase in cash and cash equivalents during the year	5,173	10,525
Cash and cash equivalents – Beginning of year	42,212	31,687
Cash and cash equivalents – End of year	<u>47,385</u>	<u>42,212</u>
Non-cash transactions		
Purchases of property and equipment included in accounts payable and accrued liabilities	979	616
Investment income in amounts receivable and sundry assets	<u>(308)</u>	<u>579</u>

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, 2022

(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, 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.

- Endowment Fund

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

United Jewish Appeal of Greater Toronto

Notes to Combined Financial Statements

June 30, 2022

(in thousands of dollars)

- 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.

- 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.

- Capital campaigns

The Organization receives pledges for the Lebovic Campus and the Sherman Campus and revenue is recognized when payments are received. Payments received for future capital projects are recorded as deferred and are reflected as revenue when the projects commence.

- 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 collectibility is reasonably assured.

United Jewish Appeal of Greater Toronto

Notes to Combined Financial Statements

June 30, 2022

(in thousands of dollars)

- 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.

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 projected benefit method, pro-rated on service and management's best estimate of salary escalation, retirement ages of employees and expected health-care costs.

United Jewish Appeal of Greater Toronto

Notes to Combined Financial Statements

June 30, 2022

(in thousands of dollars)

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 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, 2022

(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.

	2022 \$	2021 \$
Loan 1	1,000	1,000
Loan 2	3,000	3,000
Loan 3	3,800	3,800
	<hr/>	<hr/>
	7,800	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 (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.

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.
- b) During the year, the Organization received \$19,226 (2021 – \$13,523) from the Foundation's donor funds to fulfill donor requests and distributed \$4,542 (2021 – \$56,397) designated grants to the Foundation. The Organization has amounts due from the Foundation of \$6,955 (2021 – \$5,717) comprising capital reserve funds and endowment funds invested on its behalf and accumulated investment income. During the year, the decrease in the investments was \$376 (2021 – \$781 increase) 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. In 2022, the Organization received \$500 from the Foundation with the understanding that the funds would in turn be loaned to a camp as part of the Community Resilience Loan program. The amount was included in accounts payable and accrued liabilities as at year-end. The amount is non-interest bearing.

United Jewish Appeal of Greater Toronto

Notes to Combined Financial Statements

June 30, 2022

(in thousands of dollars)

- c) THMP, pursuant to a trust agreement, operates cemetery properties, Pardes Shalom and Pardes Chaim, on behalf of the Federation. The Organization incurred certain expenses on behalf of THMP and charged rent to THMP; the total for the year was \$53 (2021 – \$51).
- d) Rent of \$2,664 (2021 – \$1,477) was charged to Schwartz/Reisman Centre (SRC) and an allocation of \$2,689 (2021 – \$1,466) was paid to SRC. In addition, \$269 (2021 – \$72) was charged to SRC for administrative expenses. The Organization owes \$561 (2021 – \$102) to SRC and this is recorded in accounts payable and accrued liabilities.
- e) Rent of \$2,525 (2021 – \$734) was charged to Prosserman Jewish Community Centre (PJCC) and an allocation of \$2,183 (2021 – \$410) was paid to PJCC. In addition, \$407 (2021 – \$605) was charged to PJCC for administrative expenses. The Organization owes \$1,192 to PJCC (2021 – \$207 owed by PJCC) and this is recorded in accounts payable and accrued liabilities (2021 – amounts receivable and sundry assets).

5 Amounts receivable and sundry assets

Included in amounts receivable and sundry assets is a loan of \$280 (2021 – \$280) to Miles Nadal Jewish Community Centre (MNJCC). The loan is secured by MNJCC's leasehold improvements, has no specific terms of repayment and is included in long-term amounts receivable and sundry assets.

6 Property and equipment

	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

United Jewish Appeal of Greater Toronto

Notes to Combined Financial Statements

June 30, 2022

(in thousands of dollars)

	2022		
	Cost \$	Accumulated amortization \$	Net \$
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
	14,779	10,742	4,037
	267,922	68,035	199,887
	2021		
	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	12,210	22,561
Community Services Building	87,690	20,693	66,997
Capital project development costs	304	-	304
	137,069	32,903	104,166
Sherman Campus (ii)			
Land and related infrastructure costs	3,702	-	3,702
Buildings			
Lipa Green Centre	28,493	12,017	16,476
Gales Family Pavilion	12,660	4,278	8,382
Capital project development costs	63,589	-	63,589
	108,444	16,295	92,149
750 Spadina Ave. (iii)			
Land	900	-	900
Building	2,556	1,846	710
	3,456	1,846	1,610

United Jewish Appeal of Greater Toronto

Notes to Combined Financial Statements

June 30, 2022

(in thousands of dollars)

	2021		
	Cost \$	Accumulated amortization \$	Net \$
Building on leased land – Wolfond Centre (iv)	3,516	1,529	1,987
Land – Simcoe County (v)	1,111	-	1,111
Furniture, fixtures and equipment	11,472	10,372	1,100
	16,099	11,901	4,198
	265,068	62,945	202,123

- i) Lebovic Campus represents the costs of JWLJCC, comprising land and infrastructure costs, Kimel Family Education Centre and the Community Services Building.
- ii) Sherman Campus represents the cost of Lipa Green Centre, which houses UJA offices, the Gales Family Pavilion and Sheff Family Building, which houses Prosserman Jewish Community Centre, and the land and redevelopment costs to date of Sherman Campus Phase II. The capital development costs relate to the Toronto Holocaust Museum, as part of the Sherman Campus Phase II redevelopment.
- 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).
- 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, \$1,606 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).

	2022 \$	2021 \$
Balance – Beginning of year	2,993	3,262
Net proceeds of campaigns	10,472	9,242
Distributions during the year	(10,647)	(9,511)
Balance – End of year	2,818	2,993

United Jewish Appeal of Greater Toronto

Notes to Combined Financial Statements

June 30, 2022

(in thousands of dollars)

8 Deferred revenue

	2022 \$	2021 \$
Annual campaign gifts received in advance	11,707	15,107
Designated donations received for distribution in future years	3,383	5,395
Rent received for long-term ground lease	703	693
Program gifts and grants received for expenses in future years	5,280	4,974
	<u>21,073</u>	<u>26,169</u>

9 Bank indebtedness

Bank indebtedness comprises the following:

	2022 \$	2021 \$
Facility I	4,547	5,106
Facility II	6,833	7,471
Facility III	17,453	18,000
	<u>28,833</u>	<u>30,577</u>
Less: Current portion	2,256	1,107
	<u>26,577</u>	<u>29,470</u>

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 construction facility converted into a non-revolving reducing facility on July 31, 2021 with a consortium of banks. The facility is made available by way of prime loans or bankers' acceptances. The facility reduces to a maximum of \$14,000 by June 30, 2022. The maturity date of the facility is June 26, 2023.
- On April 19, 2022, the Organization entered into a non-revolving reducing facility with a single bank, to syndicate the facilities with a consortium of banks.
- The facility has a contractual term of five years, at a fixed rate of 3.30%, with a maturity date of April 19, 2027.

United Jewish Appeal of Greater Toronto

Notes to Combined Financial Statements

June 30, 2022

(in thousands of dollars)

- 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 on and bears interest at the prime rate plus 1%.

Of the total indebtedness of \$28,833 (2021 – \$30,577), \$26,634 (2021 – \$28,108) is attributable to property and equipment and \$2,199 (2021 – \$2,469) is attributable to the funding of operations. The carrying amount of assets pledged as security is \$93,979 (2021 – \$93,759).

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

	Facility I \$	Facility II \$	Facility III \$	Total \$
2023	577	1,120	559	2,256
2024	594	1,120	570	2,284
2025	3,376	1,120	584	5,080
2026	-	1,120	597	1,717
2027	-	2,353	598	2,951
Thereafter	-	-	14,545	14,545
	4,547	6,833	17,453	28,833

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.

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(in thousands of dollars)

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.

Information about the Organization's pension and supplementary retirement benefits in aggregate is as follows:

	Pension plans		Supplementary retirement benefits		Total	
	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$
Accrued benefit obligation	(32,397)	(31,465)	(8,371)	(8,399)	(40,768)	(39,864)
Fair value of plan assets	39,328	43,234	-	-	39,328	43,234
Post retirement benefits asset (liability)	6,931	11,769	(8,371)	(8,399)	(1,440)	3,370
Expense	145	532	519	531	664	1,063
Cash contributions	816	867	558	536	1,374	1,403
Discount rate	5.70%	5.70%	5.70%	5.70%		
Expected rate of compensation increase	3.00%	3.00%	3.00%	3.00%		

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 January 1, 2020 and updated on July 1, 2021. The most recent actuarial valuation of the supplementary retirement benefits plan was as at January 1, 2020 and updated on July 1, 2021.

Percentage of plan assets consists of:

	2022 %	2021 %
Equities	68	40
Fixed income	31	21
Cash and short-term deposits	1	4
Balanced funds	-	35
	100	100

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(in thousands of dollars)

11 Commitments and contingencies

- a) 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.
- b) As at June 30, 2022, the Organization has outstanding letters of guarantee amounting to \$770 (2021 – \$1,224) relating primarily to the capital projects at Sherman and Lebovic campuses.
- c) The Organization has outstanding construction contracts related to the Toronto Holocaust Museum capital project of \$8,996.

12 Interfund transfers

The interfund transfer of \$53 from the Capital Reserve Fund to the Real Estate Operations is the transfer of amounts for the current year repairs and replacements in excess of current year capital reserve requirements (2021 – \$1,512) from the Real Estate Operations to the Capital Reserve Fund to set aside for future capital repairs and replacement).

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:

	\$
2023	62
2024	62
2025	67
2026	67
2027	67
Thereafter	271
	<hr/>
	596
	<hr/>

United Jewish Appeal of Greater Toronto

Notes to Combined Financial Statements

June 30, 2022

(in thousands of dollars)

14 Impact of COVID-19

The COVID-19 pandemic continued to evolve during the year, with the outbreak of mutated viruses causing a significant increase in the number of cases. Measures taken by various governments to contain the virus have affected economic activity. The Organization has taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for its people (i.e. social distancing and working from home). The safety protocols created a certain level of disruption to the Organization's ability to carry out its normal activities, including reduced in-person fundraising events. However, the overall impact on its business and results has not been significant in fiscal 2022. Depending on the evolution of economic conditions in this post-pandemic period, there may be a negative financial impact to the Organization as there might be a decrease in donation revenue and an increase in operating expenses as a result of high inflation, which could be material to future financial statements.

15 Comparative figures

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