

Federation CJA

Financial statements

March 31, 2023



Independent auditor's report

To the Members of
Federation CJA

Opinion

We have audited the financial statements of **Federation CJA** [the "Organization"], which comprise the statement of financial position as at March 31, 2023, and the statement of operations and changes in fund balances and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2023, and its results of 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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the 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.

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.

*Ernst & Young LLP*¹

Montréal, Canada
September 7, 2023

¹ FCPA auditor, public accountancy permit no. A112179

Federation CJA

Incorporated under the laws of Quebec

Statement of financial position

As at March 31, 2023

	Endowment Fund	Legacy and other funds	General Fund	Campaign Fund	Total 2023	Total 2022
	\$	\$	\$	\$	\$	\$
Assets						
Current						
Cash	—	—	4,684,472	12,785,014	17,469,486	14,806,483
Accounts and sundry receivables	—	—	1,071,298	—	1,071,298	1,262,081
Prepaid expenses and allocations	—	—	3,265,673	—	3,265,673	325,266
Interfund balances	422	(6,675,499)	(1,278,503)	7,953,580	—	—
Current portion of long-term loans receivable	—	—	131,958	—	131,958	129,703
Pledges receivable for the current and prior year annual campaigns <i>[note 3]</i>	—	—	—	24,759,655	24,759,655	25,173,144
Pledges receivable for future annual campaigns <i>[note 3]</i>	—	—	—	10,529,522	10,529,522	451,222
Guaranteed investment certificates <i>[note 4]</i>	—	—	—	—	—	5,000,000
Total current assets	422	(6,675,499)	7,874,898	56,027,771	57,227,592	47,147,899
Long-term loans receivable	—	—	196,495	—	196,495	328,456
Long-term portion of pledges and other receivables	—	—	—	13,001	13,001	279,980
Other investments <i>[note 4]</i>	14,194,396	45,175,085	—	—	59,369,481	59,711,839
Property and equipment <i>[note 6]</i>	—	—	12,918,145	—	12,918,145	12,825,475
	14,194,818	38,499,586	20,989,538	56,040,772	129,724,714	120,293,649
Liabilities and fund balances						
Current						
Accounts and allocations payable	422	—	2,937,586	4,267,904	7,205,912	8,625,663
Deferred revenue	—	—	5,133,813	14,405,529	19,539,342	6,826,102
Total current liabilities	422	—	8,071,399	18,673,433	26,745,254	15,451,765
Deferred revenue	—	—	—	—	—	301,241
Deferred contributions <i>[note 7]</i>	—	—	6,315,623	—	6,315,623	6,698,203
Total liabilities	422	—	14,387,022	18,673,433	33,060,877	22,451,209
Fund balances						
Externally restricted <i>[note 8]</i>	14,194,396	—	—	37,367,339	51,561,735	49,432,459
Internally restricted <i>[note 9]</i>	—	25,555,738	6,602,516	—	32,158,254	32,971,622
Unrestricted	—	12,943,848	—	—	12,943,848	15,438,359
Total fund balances	14,194,396	38,499,586	6,602,516	37,367,339	96,663,837	97,842,440
	14,194,818	38,499,586	20,989,538	56,040,772	129,724,714	120,293,649

See accompanying notes

On behalf of the Board:



Director



Director

Federation CJA

Statement of operations and changes in fund balances

Year ended March 31, 2023

	Endowment Fund	Legacy and other funds	General Fund	Campaign Fund	Total 2023	Total 2022
	\$	\$	\$	\$	\$	\$
Revenue						
Campaign – Regular	—	—	—	41,925,374	41,925,374	42,282,413
Provision for doubtful pledges	—	—	—	(1,672,149)	(1,672,149)	(739,223)
Campaign – Other	—	—	—	1,821,470	1,821,470	3,496,201
	—	—	—	42,074,695	42,074,695	45,039,391
Investment income <i>[note 4]</i>	433,120	1,442,840	482,818	159,651	2,518,429	1,234,866
Recoveries of doubtful pledges	—	—	—	—	—	98,116
Montreal Jewish Community Campus <i>[note 7]</i>	—	—	382,580	—	382,580	382,580
Special donation of investments <i>[note 4]</i>	—	—	7,466,166	—	7,466,166	20,813,415
Change in market value of one-time donation of investments <i>[note 4]</i>	—	—	—	—	—	29,747,023
Other donations, bequests and income <i>[note 10]</i>	—	—	8,494,427	—	8,494,427	8,601,480
	433,120	1,442,840	16,825,991	42,234,346	60,936,297	105,916,871
Allocations and expenses						
Fundraising						
	—	—	4,330,687	—	4,330,687	3,584,560
Impact						
International	—	—	—	3,876,288	3,876,288	5,704,496
Advancing Jewish communal interest <i>[schedule]</i>	—	—	2,650,601	886,614	3,537,215	3,899,606
Strengthening Jewish life and continuity <i>[schedule]</i>	—	30,000	14,531,446	1,612,153	16,173,599	16,080,987
Delivering community care with compassion <i>[schedule]</i>	—	200,000	13,830,186	1,169,000	15,199,186	16,537,828
Special projects and miscellaneous <i>[schedule]</i>	—	33,825	2,972,479	1,894,525	4,900,829	2,937,336
Other allocations	330,000	—	—	—	330,000	148,044
Administrative and occupancy <i>[schedule]</i>	—	—	5,251,685	57,462	5,309,147	4,518,511
	330,000	263,825	39,236,397	9,496,042	49,326,264	49,826,808
Other						
Special contribution to the pension plan <i>[note 5]</i>	—	—	—	—	—	1,840,499
Special donation of investments <i>[note 4]</i>	—	—	7,466,166	—	7,466,166	39,560,438
Allocation to Jewish Community Foundation <i>[note 4]</i>	—	—	—	—	—	3,000,000
Amortization of property and equipment	—	—	991,783	—	991,783	901,770
	—	—	8,457,949	—	8,457,949	45,302,707
	330,000	263,825	52,025,033	9,496,042	62,114,900	98,714,075
Excess (deficiency) of revenue over allocations and expenses						
	103,120	1,179,015	(35,199,042)	32,738,304	(1,178,603)	7,202,796
Fund balances, beginning of year	14,216,276	42,282,710	6,127,271	35,216,183	97,842,440	90,639,644
Interfund transfers						
Campaign	—	—	30,472,913	(30,472,913)	—	—
Operation Montreal	—	(423,900)	423,900	—	—	—
Unrestricted, externally and internally restricted	(125,000)	(4,538,239)	4,777,474	(114,235)	—	—
Fund balances, end of year	14,194,396	38,499,586	6,602,516	37,367,339	96,663,837	97,842,440

See accompanying notes

Federation CJA

Statement of cash flows

Year ended March 31, 2023

	2023	2022
	\$	\$
Operating activities		
Excess (deficiency) of revenue over allocations and expenses	(1,178,603)	7,202,796
Items not affecting cash		
Special donation of investments	—	(11,000,000)
Unrealized loss on investments and non-cash donation	1,898,195	1,004,691
Amortization of property and equipment	991,783	901,770
Decrease in deferred contributions	(382,580)	(382,580)
Accretion on loans receivable	(7,010)	(10,008)
	1,321,785	(2,283,331)
Decrease in accounts and sundry receivables	190,783	90,226
Decrease (increase) in prepaid expenses and allocations	(2,940,407)	246,563
Decrease (increase) in pledges and other receivables	(9,397,832)	23,128,432
Increase (decrease) in accounts and allocations payable	(1,419,751)	2,726,862
Increase (decrease) in deferred revenue	12,411,999	(19,708,303)
Cash provided by operating activities	166,577	4,200,449
Investing activities		
Acquisition of guaranteed investment certificates	—	(5,000,000)
Disposition of guaranteed investment certificates	5,000,000	—
Net dispositions (acquisitions) of other investments	(1,555,837)	(9,678,163)
Net acquisitions of property and equipment	(1,084,453)	(1,385,667)
Decrease in loans receivable	136,716	198,070
Cash provided (used) by investing activities	2,496,426	(15,865,760)
Net increase (decrease) in cash during the year	2,663,003	(11,665,311)
Cash, beginning of year	14,806,483	26,471,794
Cash, end of year	17,469,486	14,806,483

Non-cash donations [note 4]

See accompanying notes

Federation CJA

Schedule of general fund allocations and expenses

Year ended March 31, 2023

	2023	2022
	\$	\$
Advancing Jewish communal interest	2,650,601	2,115,847
Fundraising		
Fundraising expenses <i>[note 10]</i>	3,119,562	2,564,162
Fundraising expenses recovered <i>[note 10]</i>	1,211,125	1,020,398
	4,330,687	3,584,560
Strengthening Jewish life and continuity		
Engagement and outreach	2,297,795	878,072
Generations fund	3,973,778	5,784,470
GenMTL	2,175,956	1,596,111
Program's share of administration and occupancy	1,582,684	1,837,759
Camp B'nai Brith	525,960	442,333
Communauté Sépharade Unifiée du Québec	988,423	910,479
Jewish Public Library	469,813	401,400
Montreal Holocaust Museum	312,193	238,497
Segal Centre for Performing Arts	349,885	313,905
Sylvan Adams YM-YWHA	558,593	480,047
Agencies' share of administration and occupancy	961,886	893,305
The Alex Dworkin Canadian Jewish Archives	295,952	257,273
Other expenses	38,528	229,203
	14,531,446	14,262,854
Delivering community care with compassion		
Agence Ometz	2,251,252	914,466
Caldwell Residences	167,282	101,319
Community Poverty Relief	1,832,558	1,554,164
Cummings Centre	1,631,577	1,489,087
Grants	433,250	449,250
Inclusion Initiative	107,183	71,126
JEM Workshop Inc.	523,181	523,150
Kehilla Montreal Residential Programs	321,400	415,851
Project Genesis	125,365	104,472
Tuition Assistance Allocation	3,056,417	3,093,828
COVID-19 relief related expenses	1,721,165	5,065,584
Ukraine relief	24,412	16,878
Agencies' share of administration and occupancy	1,635,144	1,363,730
	13,830,186	15,162,905
Special projects and miscellaneous		
Gelber food services	157,422	164,827
Special projects	958,893	—
Other expenses	1,856,164	708,798
	2,972,479	873,625
Administrative and occupancy		
Administration and occupancy expenses <i>[note 10]</i>	4,681,627	4,080,033
Administration and occupancy expenses recovered <i>[note 10]</i>	570,058	276,356
	5,251,685	4,356,389
Other		
Special contribution to the pension plan <i>[note 5]</i>	—	1,840,499
Special donation of investments <i>[note 4]</i>	7,466,166	39,560,438
Amortization of property and equipment	991,783	901,770
	8,457,949	42,302,707
Total General Fund expenses	52,025,033	82,658,887

See accompanying notes

Federation CJA

Notes to financial statements

March 31, 2023

1. Purpose of the organization

Federation CJA [the “Organization”] is at the heart of the organized Jewish community in Montreal. In partnership with a vast network of agencies and organizations locally, nationally and internationally, Federation CJA builds and sustains this community by providing leadership and by supporting the delivery of services and programs to care for the vulnerable and those in need to ensure a bright Jewish future, to represent communal interests and to positively affect issues in the wider society.

Federation CJA is incorporated pursuant to a private act of the legislature of the Province of Quebec and is a registered charity under the *Income Tax Act* (Canada) and *Loi sur les impôts du Québec*, and, as such, is exempt from income taxes.

2. Significant accounting policies

These financial statements were prepared in accordance with Part III of the *CPA Canada Handbook – Accounting*, “Accounting Standards for Not-for-Profit Organizations”, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies described below.

Fund accounting

Federation CJA follows the restricted fund method of accounting for contributions.

The Endowment Fund reports resources contributed as endowments. Investment income earned on the Endowment Fund is spent in accordance with the restrictions imposed by the contributors.

The Legacy and other funds report resources set aside for other than current needs. These fund balances consist of internally restricted funds for “Operation Montreal” initiatives, capital improvements, awards, the pension plan and special projects.

The General Fund reports revenue and expenses related to the Organization’s fundraising, administration and operations, which include allocations to affiliated agencies, charitable programs, and occupancy and administration expenses incurred on behalf of certain agencies and Federation CJA programs.

The Campaign Fund reports the proceeds raised through the annual Combined Jewish Appeal campaign, allocations to Jewish Federations of Canada – UJA, and designated donations. The fund balance is restricted to the funding of the operations and allocations of the following year.

Cash

Cash consists of cash on hand and balances held at financial institutions.

Federation CJA

Notes to financial statements

March 31, 2023

Property and equipment

Property and equipment are recorded at cost and amortized on a straight-line basis over their estimated useful lives, as follows:

Buildings	40 years
Furniture, fixtures and equipment	5 or 15 years
Computer hardware	2 years
Computer software	5 years

Amortization expense is reported in the General Fund.

Collections

Part of the collections consists of items and artifacts relating to Jewish history.

The assets of the collections are recognized in the Organization's statement of financial position at a nominal value of \$1 and are presented as part of property and equipment.

Write-down

When conditions indicate that a property and equipment asset is impaired, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost. The write-downs of tangible capital assets are accounted for as expenses in the statement of operations. A write-down is not reversed.

Revenue recognition

Restricted contributions are recognized as revenue of the appropriate restricted fund when received or receivable. Restricted contributions for which no corresponding restricted fund is presented should be recognized in the General Fund in accordance with the deferral method. Under this method, restricted contributions for expenses of one or more future periods are instead deferred and recognized as revenue in the same period or periods as the related expenses are recognized.

Endowment contributions are recognized as revenue in the Endowment Fund when received or receivable.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income comprises interest, dividends, and similar distributions, realized gains or losses on sale, and unrealized gains or losses on change in fair value. Interest is recognized as revenue on a time proportion basis. Dividends are recognized as revenue when the Organization becomes entitled to them. Realized gains or losses on sale are recognized on their trade dates.

Federation CJA

Notes to financial statements

March 31, 2023

Net investment income that is not externally restricted is recognized in the General Fund. Externally restricted net investment income that must be added to the principal amount of resources held for endowment is recognized in the Endowment Fund. Other externally restricted net investment income is recognized in the appropriate restricted fund or, if there is no appropriate restricted fund, in the General Fund using the deferral method.

Cost recoveries are recognized as revenue when the Organization becomes entitled to the recoveries.

Allocation of expenses

In addition to direct funding made to affiliated agencies and Federation CJA programs, the Organization provides office space, security services and administrative assistance free of charge. For financial statement purposes, the cost of these services is allocated to the Strengthening Jewish life and continuity and Delivery Community Care with Compassion categories of expenses based on the costs related to the agencies and programs benefiting from the services provided. Agencies' and programs' share of costs for occupancy and security services are determined by premises square footage and costs for administrative assistance is determined by estimated time spent by Federation CJA staff.

Employee defined contribution plan

On January 1, 2007, the defined contribution portion of the plan commenced for all employees. The respective contribution rates of the employer and employee are 5% and 3% of eligible salaries. The recorded expense consists of amounts paid during the year for employees who participate in the plan and amounts to \$428,154 [2022 – \$417,933].

Foreign currency translation

In the case of the Organization's foreign currency transactions, the Organization uses the temporal method. Under this method, monetary assets and liabilities are translated into Canadian dollars at the exchange rate in effect as at the statement of financial position date, and non-monetary items are translated at the prevailing historical rate at the time of the transaction. Revenue and expenses arising from foreign currency transactions are translated into Canadian dollars at the exchange rate in effect at the transaction date. The exchange gains or losses resulting from the translation of monetary items are included in the excess (deficiency) of revenue over allocations and expenses.

Volunteer services

Federation CJA benefits from substantial services in the form of volunteer time. Due to the difficulty of determining their fair value, volunteer services are not recorded in these financial statements.

Financial instruments

The Organization initially records a financial instrument at its fair value, which is recorded at the carrying or exchange amount depending on the circumstances.

Notes to financial statements

March 31, 2023

The Organization recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Subsequently, the Organization measures financial instruments as follows:

- Investments in equity instruments that are quoted in an active market at fair value;
- All other investments in equity instruments at cost less impairment;
- All other financial assets at amortized cost; and
- All financial liabilities at amortized cost;

Financial assets at amortized cost are composed of cash, and accounts and sundry receivables. Financial assets initially recorded at fair value, then subsequently measured at amortized cost, include loans receivable. Financial liabilities at amortized cost include accounts and allocations payable.

Impairment of financial assets measured at cost and amortized cost

When there are indications of possible impairment, the Organization determines if there has been a significant adverse change to the expected timing or amounts of future cash flows expected from the financial asset. The amount of any impairment loss is determined by comparing the carrying amount of the financial asset with the highest of three amounts:

- i. The present value of the cash flows expected to be generated by holding the asset, discounted using a current market rate of interest appropriate to that asset;
- ii. The amount that could be realized by selling the asset at the date of the statement of financial position; and
- iii. The amount the Organization expects to realize by exercising its right to any collateral held to secure repayment of the asset, net of all costs necessary to exercise those rights.

A previously recognized impairment loss is reversed to the extent that the improvement can be related to an event occurring after the impairment was recognized, but the adjusted carrying amount of the financial asset will be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized.

3. Pledges receivable

During the fiscal year ended March 31, 2023, the Organization ran and concluded the 2022 annual campaign. The pledges and other receivables for the current and prior year annual campaigns as at March 31, 2023 are net of an allowance for doubtful accounts of \$3,748,539 [2022 – \$2,552,745].

Federation CJA

Notes to financial statements

March 31, 2023

4. Investments

	2023	2022
	\$	\$
Guaranteed investment certificates	—	5,000,000
Total current investments	—	5,000,000
Investments managed by the Jewish Community Foundation of Montreal	48,369,481	48,711,839
Retractable preferred shares in private companies	11,000,000	11,000,000
Total long-term investments	59,369,481	59,711,839
Total investments	59,369,481	64,711,839

During the year-ended March 31, 2022, the Organization invested \$5,000,000 in redeemable guaranteed investment certificates ["GIC"], which earned an interest rate of 1.39%. These redeemable guaranteed investments matured on March 15, 2023.

On July 25, 2022, the Organization was gifted a donation of \$7,466,166 worth of listed equity shares which was donated to Jewish Community Foundation during the year ended March 31, 2023.

On April 23, 2021, the Organization was gifted a donation of \$9,813,415 worth of listed equity shares which was donated to Jewish Community Foundation during the year ended March 31, 2022.

On March 19, 2021, the Organization received a special donation of \$45,420,000 worth of listed equity shares, which was donated to the Jewish Community Foundation during the year ended March 31, 2022. At the share transfer date, the fair market value of the listed equity shares amounted to \$75,167,023.

On December 14, 2021, the Organization received a non-cash donation of \$11,000,000 worth of retractable preferred shares in a private company [note 8].

The Jewish Community Foundation of Montreal Equity Fund invests in Canadian, US and international public and private equity funds, hedge funds and other investments.

The Jewish Community Foundation of Montreal Fixed Income Fund invests in Canadian Bond Funds and State of Israel Bonds.

5. Employee defined benefit plan

During the year ended March 31, 2021, the Organization made the decision to wind up the defined benefit component. As the approval from Retraite Québec was received during the year ended March 31, 2022, Federation CJA is only required to fund any deficit that exists, and the disbursement of assets was completed on May 31, 2022.

Federation CJA

Notes to financial statements

March 31, 2023

As part of the wind up of the defined benefit component, the Organization made special contribution to the pension plan of \$nil [2022 – \$1,840,499].

6. Property and equipment

	Cost \$	Accumulated amortization \$	Net book value \$
2023			
Land	325,000	—	325,000
Construction in progress	723,183	—	723,183
Artwork	527,065	—	527,065
Cummings Campus and Gelber Conference Centre Building	19,461,656	12,193,454	7,268,202
Cummings Centre Building	2,290,623	2,235,735	54,888
West Island Building	1,010,187	445,067	565,120
Furniture, fixtures and equipment	6,738,553	3,366,603	3,371,950
Computer hardware and software	736,629	653,893	82,736
Collections	1	—	1
	31,812,897	18,894,752	12,918,145
2022			
Land	325,000	—	325,000
Construction in progress	716,186	—	716,186
Artwork	527,065	—	527,065
Cummings Campus and Gelber Conference Centre Building	19,461,656	11,756,842	7,704,814
Cummings Centre Building	2,477,063	2,419,369	57,694
West Island Building	1,010,187	419,813	590,374
Furniture, fixtures and equipment	7,135,474	4,326,169	2,809,305
Computer hardware and software	948,166	853,130	95,036
Collections	1	—	1
	32,600,798	19,775,323	12,825,475

During the year ended March 31, 2023, the Organization wrote off property and equipment, with a cost of \$1,872,353 [2022 – \$nil] and a net carrying value of \$nil [2022 – \$nil].

Federation CJA

Notes to financial statements

March 31, 2023

7. Deferred contributions

Deferred contributions represent restricted contributions relating to the Montreal Jewish Community Campus. Revenue is recognized on the same basis as expenses, which include the amortization of the acquired property and equipment and allocations relating to the Montreal Jewish Community Campus.

Changes in the deferred contributions balance are as follows:

	2023	2022
	\$	\$
Balance, beginning of year	6,698,203	7,080,783
Revenue recognized	(382,580)	(382,580)
Balance, end of year	6,315,623	6,698,203

8. Externally restricted fund balances

Major categories of the externally restricted fund balances are as follows:

	2023	2022
	\$	\$
Endowment Fund		
Montreal Jewish Community Campus	3,121,945	3,146,076
Donors	11,000,000	11,000,000
Other	72,451	70,200
	14,914,396	14,216,276
Campaign Fund	37,367,339	35,216,183
	51,561,735	49,432,459

During the year ended March 31, 2023, the Organization renewed a funding agreement with The Maccabee Task Force Foundation. The Organization is to spend the funds received on certain projects on the campuses of McGill University and Concordia University. An amount of \$44,373 was received in addition to the balance of \$324,903 from the prior year totalling \$369,276 of funds received. As at September 7, 2023, \$178,889 [2022 – \$50,987] of the funds received was expended.

The income generated in the Endowment Fund must be used in accordance with the wishes of the donors and the capital portion cannot be spent without the consent of the donors.

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9. Internally restricted fund balances

Major categories of internally restricted fund balances are as follows:

	2023	2022
	\$	\$
Operation Montreal	13,585,684	13,806,559
Property and equipment reserve	5,225,516	5,207,271
Awards fund	85,240	82,593
Pension plan reserve	710,558	818,568
Special projects	5,948,740	6,929,362
Legacy and other funds	25,555,738	26,844,353
General Fund	6,602,516	6,127,269
	32,158,254	32,971,622

10. Other donations, bequest and income

Cost recoveries and sponsorships are included in other donations, bequest and income amounting to \$1,491,059 [2022 – \$1,270,697] in the General Fund and \$290,124 [2022 – \$26,057] in the Campaign Fund. The corresponding expenses can be found in fundraising, administration, occupancy and campaign expenses recoverable in the schedule of general fund allocations and expenses.

11. Financial instruments and risk management

The Organization is exposed to various financial risks through transactions in financial instruments. The following provides information in assessing the extent of the Organization's exposure to these risks.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The following table provides a summary of US dollar financial assets (there are no US dollar financial liabilities):

	2023	2022
	\$	\$
Cash	500,898	2,909,972

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices [other than those arising from interest rate risk or currency risk], whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The carrying value of cash, accounts and sundry receivables, and pledges and other receivables approximates their fair value due to their short-term nature.

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Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risk relates to its pledges and other receivables. To mitigate this risk, the Organization evaluates its donors on a continuing basis. As at March 31, 2023, 12% of pledges and other receivables is due from one donor [2022 – one donor; 12%]. The Organization is also exposed to credit risk on its long-term loans receivable. However, the Organization believes that the security held on the loans mitigates this risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk, specifically fair value risk on its long-term loans receivable and investments in the Jewish Community Foundation of Montreal's fixed income fund.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts and allocations payable.

12. Comparative figures

Certain of the comparative figures have been reclassified to conform to the basis of presentation adopted for the current year.