

# Federation CJA

Financial statements

March 31, 2024



# 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, 2024, 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, 2024, 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*<sup>1</sup>

Montréal, Canada  
September 11, 2024

<sup>1</sup> FCPA auditor, public accountancy permit no. A112179



## Federation CJA

Incorporated under the laws of Quebec

### Statement of financial position

As at March 31, 2024

	Endowment Fund	Legacy and other funds	General Fund	Campaign Fund	Total 2024	Total 2023
	\$	\$	\$	\$	\$	\$
<b>Assets</b>						
<b>Current</b>						
Cash	—	—	5,888,701	15,159,433	21,048,134	17,469,486
Accounts and sundry receivables	—	—	1,112,879	—	1,112,879	1,071,298
Prepaid expenses and allocations	—	—	738,630	—	738,630	3,265,673
Interfund balances	—	(7,636,737)	(2,026,435)	9,663,172	—	—
Current portion of long-term loans receivable	—	—	120,892	—	120,892	131,958
Pledges receivable for the current and prior year annual campaigns <i>[note 3]</i>	—	—	—	24,267,765	24,267,765	24,759,655
Pledges receivable for future annual campaigns <i>[note 3]</i>	—	—	—	739,032	739,032	10,529,522
<b>Total current assets</b>	—	(7,636,737)	5,834,667	49,829,402	48,027,332	57,227,592
Long-term loans receivable	—	—	113,362	—	113,362	196,495
Long-term portion of pledges and other receivables	—	—	—	121,600	121,600	13,001
Other investments <i>[note 4]</i>	14,379,089	45,768,328	—	—	60,147,417	59,369,481
Property and equipment <i>[note 5]</i>	—	—	13,145,455	—	13,145,455	12,918,145
	<b>14,379,089</b>	<b>38,131,591</b>	<b>19,093,484</b>	<b>49,951,002</b>	<b>121,555,166</b>	<b>129,724,714</b>
<b>Liabilities and fund balances</b>						
<b>Current</b>						
Accounts and allocations payable	—	—	3,039,839	11,862,172	14,902,011	7,205,912
Deferred revenue	—	—	2,829,253	2,835,855	5,665,108	19,539,342
<b>Total current liabilities</b>	—	—	5,869,092	14,698,027	20,567,119	26,745,254
Deferred revenue	—	—	—	121,600	121,600	—
Deferred contributions <i>[note 6]</i>	—	—	5,933,043	—	5,933,043	6,315,623
<b>Total liabilities</b>	—	—	11,802,135	14,819,627	26,621,762	33,060,877
<b>Fund balances</b>						
Externally restricted <i>[note 7]</i>	14,379,089	—	—	35,131,375	49,510,464	51,561,735
Internally restricted <i>[note 8]</i>	—	23,999,994	7,291,349	—	31,291,343	32,158,254
Unrestricted	—	14,131,597	—	—	14,131,597	12,943,848
<b>Total fund balances</b>	<b>14,379,089</b>	<b>38,131,591</b>	<b>7,291,349</b>	<b>35,131,375</b>	<b>94,933,404</b>	<b>96,663,837</b>
	<b>14,379,089</b>	<b>38,131,591</b>	<b>19,093,484</b>	<b>49,951,002</b>	<b>121,555,166</b>	<b>129,724,714</b>

See accompanying notes

On behalf of the Board:



Director



Director

## Federation CJA

### Statement of operations and changes in fund balances

Year ended March 31, 2024

	Endowment Fund	Legacy and other funds	General Fund	Campaign Fund	Total 2024	Total 2023
	\$	\$	\$	\$	\$	\$
<b>Revenue</b>						
Campaign – Regular	—	—	—	43,838,088	43,838,088	41,925,374
Provision for doubtful pledges	—	—	—	(2,323,939)	(2,323,939)	(1,672,149)
Campaign – Israel Relief Fund	—	—	—	23,178,826	23,178,826	—
Campaign – Other	—	—	—	2,406,045	2,406,045	1,821,470
	—	—	—	67,099,020	67,099,020	42,074,695
Investment income	639,693	4,111,867	943,259	4,239	5,699,058	2,518,429
Montreal Jewish Community Campus <i>[note 6]</i>	—	—	382,580	—	382,580	382,580
Occupancy cost recoveries	—	—	260,570	—	260,570	—
Special donation of investments <i>[note 4]</i>	—	—	7,627,098	—	7,627,098	7,466,166
Other donations, bequests and income <i>[note 9]</i>	—	—	12,810,360	—	12,810,360	8,494,427
	639,693	4,111,867	22,023,867	67,103,259	93,878,686	60,936,297
<b>Allocations and expenses</b>						
<b>Fundraising</b>	—	—	4,808,623	—	4,808,623	4,330,687
<b>Impact</b>						
International	—	—	—	3,806,139	3,806,139	3,876,288
Allocation to Israel Emergency Fund	—	—	—	23,178,826	23,178,826	—
Advancing Jewish communal interest <i>[schedule]</i>	—	—	4,483,420	326,303	4,809,723	3,537,215
Strengthening Jewish life and continuity <i>[schedule]</i>	—	30,000	20,466,179	1,501,193	21,997,372	16,173,599
Delivering community care with compassion <i>[schedule]</i>	—	206,000	13,798,741	1,461,728	15,466,469	15,199,186
Special projects and miscellaneous <i>[schedule]</i>	—	22,172	1,830,115	4,250,597	6,102,884	4,900,829
Other allocations	330,000	—	—	—	330,000	330,000
Administrative and occupancy <i>[schedule]</i>	—	—	6,410,096	43,915	6,454,011	5,309,147
	330,000	258,172	46,988,551	34,568,701	82,145,424	49,326,264
<b>Other</b>						
Special donation of investments <i>[note 4]</i>	—	—	7,627,098	—	7,627,098	7,466,166
Amortization of property and equipment	—	—	1,027,974	—	1,027,974	991,783
	—	—	8,655,072	—	8,655,072	8,457,949
	330,000	258,172	60,452,246	34,568,701	95,609,119	62,114,900
<b>Excess (deficiency) of revenue over allocations and expenses</b>						
	309,693	3,853,695	(38,428,379)	32,534,558	(1,730,433)	(1,178,603)
Fund balances, beginning of year	14,194,396	38,499,586	6,602,516	37,367,339	96,663,837	97,842,440
Interfund transfers						
Campaign	—	—	34,770,522	(34,770,522)	—	—
Operation Montreal	—	(445,100)	445,100	—	—	—
Unrestricted, externally and internally restricted	(125,000)	(3,776,590)	3,901,590	—	—	—
<b>Fund balances, end of year</b>	14,379,089	38,131,591	7,291,349	35,131,375	94,933,404	96,663,837

See accompanying notes

## Federation CJA

### Statement of cash flows

Year ended March 31, 2024

	2024	2023
	\$	\$
<b>Operating activities</b>		
Deficiency of revenue over allocations and expenses	(1,730,433)	(1,178,603)
Items not affecting cash		
Unrealized (gain) loss on investments	(2,766,176)	1,898,195
Amortization of property and equipment	1,027,974	991,783
Decrease in deferred contributions	(382,580)	(382,580)
Accretion on loans receivable	(7,010)	(7,010)
	<u>(3,858,225)</u>	1,321,785
Decrease (increase) in accounts and sundry receivables	(41,581)	190,783
Decrease (increase) in prepaid expenses and allocations	2,527,043	(2,940,407)
Decrease (increase) in pledges and other receivables	10,173,781	(9,397,832)
Increase (decrease) in accounts and allocations payable	7,696,099	(1,419,751)
Increase (decrease) in deferred revenue	(13,752,634)	12,411,999
<b>Cash provided by operating activities</b>	<u>2,744,483</u>	166,577
<b>Investing activities</b>		
Disposition of guaranteed investment certificates	—	5,000,000
Dispositions (acquisitions) of other investments	1,988,240	(1,555,837)
Acquisitions of property and equipment	(1,255,284)	(1,084,453)
Decrease in loans receivable	101,209	136,716
<b>Cash provided by investing activities</b>	<u>834,165</u>	2,496,426
<b>Net increase in cash during the year</b>	<b>3,578,648</b>	2,663,003
Cash, beginning of year	<u>17,469,486</u>	14,806,483
<b>Cash, end of year</b>	<u>21,048,134</u>	17,469,486

*Non-cash donations [note 4]*

*See accompanying notes*

## Federation CJA

### Schedule of general fund allocations and expenses

Year ended March 31, 2024

	2024	2023
	\$	\$
<b>Advancing Jewish communal interest</b>		
Jewish Federations of Canada - UIA	2,500,947	2,523,951
Local initiatives in support of Israel	1,513,601	—
Combating antisemitism	468,872	126,650
	<b>4,483,420</b>	<b>2,650,601</b>
<b>Fundraising</b>		
Fundraising expenses [note 9]	2,669,521	3,119,562
Fundraising expenses recovered [note 9]	2,139,102	1,211,125
	<b>4,808,623</b>	<b>4,330,687</b>
<b>Strengthening Jewish life and continuity</b>		
Engagement and outreach	3,832,226	2,297,795
Generations fund	4,814,595	3,973,778
GenMTL	4,034,644	2,175,956
Programs' share of administration and occupancy	2,190,122	1,582,684
Camp B'nai Brith	531,126	525,960
Communauté Sépharade Unifiée du Québec	934,628	988,423
Jewish Public Library	463,056	469,813
Montreal Holocaust Museum	446,633	312,193
Segal Centre for Performing Arts	337,140	349,885
Sylvan Adams YM-YWHA	711,161	558,593
Agencies' share of administration and occupancy	1,225,051	961,886
The Alex Dworkin Canadian Jewish Archives	290,605	295,952
Other expenses	655,192	38,528
	<b>20,466,179</b>	<b>14,531,446</b>
<b>Delivering community care with compassion</b>		
Agence Ometz	2,251,252	2,251,252
Caldwell Residences	5,606	167,282
Community Poverty Relief	1,929,355	1,832,558
Cummings Centre	1,631,577	1,631,577
Grants	848,737	433,250
Inclusion Initiative	54,454	107,183
JEM Workshop Inc.	523,181	523,181
Kehilla Montreal Residential Programs	573,333	487,400
Project Genesis	84,940	125,365
Tuition Assistance Allocation	2,921,055	3,056,417
COVID-19 & other relief related expenses	404,262	1,555,165
Ukraine relief	87,729	24,412
Agencies' share of administration and occupancy	1,999,512	1,635,144
Special projects	448,748	—
Other	35,000	—
	<b>13,798,741</b>	<b>13,830,186</b>
<b>Special projects and miscellaneous</b>		
Gelber food services	263,151	157,422
Special projects	1,024,458	1,856,164
Security infrastructure expenses	542,506	958,893
	<b>1,830,115</b>	<b>2,972,479</b>
<b>Administrative and occupancy</b>		
Administration and occupancy expenses [note 9]	5,500,096	4,681,627
Administration and occupancy expenses recovered [note 9]	910,000	570,058
	<b>6,410,096</b>	<b>5,251,685</b>
<b>Other</b>		
Special donation of investments [note 4]	7,627,098	7,466,166
Amortization of property and equipment	1,027,974	991,783
	<b>8,655,072</b>	<b>8,457,949</b>
<b>Total General Fund expenses</b>	<b>60,452,246</b>	<b>52,025,033</b>

See accompanying notes

## Federation CJA

# Notes to financial statements

March 31, 2024

### 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 – UIA, 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, 2024

#### 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	5–15 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, 2024

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.

Occupancy cost recoveries from an operating lease is recognized as income over the term of the lease on a straight-line basis.

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 and security services for a reduced fee, 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 Delivering 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 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 \$455,726 [2023 – \$428,154].

#### **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 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, 2024

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, 2024, the Organization ran and concluded the 2023 annual campaign. The pledges and other receivables for the current and prior years' annual campaigns as at March 31, 2024 are net of an allowance for doubtful accounts of \$1,967,256 [2023 – \$3,748,539].

## Federation CJA

### Notes to financial statements

March 31, 2024

#### 4. Investments

	2024 \$	2023 \$
Investments managed by the Jewish Community Foundation of Montreal	49,147,417	48,369,481
Retractable preferred shares in private companies	11,000,000	11,000,000
<b>Total investments</b>	<b>60,147,417</b>	<b>59,369,481</b>

On July 25, 2022, the Organization was gifted a donation of \$7,446,166 worth of listed equity shares which was donated to Jewish Community Foundation during the year ended March 31, 2023.

On August 1, 2023, the Organization was gifted a donation of \$7,627,098 worth of listed equity shares which was donated to Jewish Community Foundation during the year ended March 31, 2024.

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. Property and equipment

	Cost \$	Accumulated amortization \$	Net book value \$
<b>2024</b>			
Land	325,000	—	325,000
Construction in progress	383,715	—	383,715
Artwork	527,065	—	527,065
Cummings Campus and Gelber Conference Centre Building	19,461,656	12,630,067	6,831,589
Cummings Centre Building	2,290,623	2,238,542	52,081
West Island Building	1,010,187	470,320	539,867
Furniture, fixtures and equipment	8,333,305	3,875,951	4,457,354
Computer hardware and software	736,629	707,846	28,783
Collections	1	—	1
	<b>33,068,181</b>	<b>19,922,726</b>	<b>13,145,455</b>

## Federation CJA

### Notes to financial statements

March 31, 2024

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>
	\$	\$	\$
<b>2023</b>			
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
	<u>31,812,897</u>	<u>18,894,752</u>	<u>12,918,145</u>

During the year ended March 31, 2024, the Organization wrote off property and equipment, with a cost of nil [2023 – \$1,872,353] and a net carrying value of nil [2023 – nil].

#### 6. 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:

	<b>2024</b>	<b>2023</b>
	\$	\$
<b>Balance, beginning of year</b>	<b>6,315,623</b>	6,698,203
Revenue recognized	<b>(382,580)</b>	(382,580)
<b>Balance, end of year</b>	<b><u>5,933,043</u></b>	<u>6,315,623</u>

## Federation CJA

### Notes to financial statements

March 31, 2024

#### 7. Externally restricted fund balances

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

	2024	2023
	\$	\$
<b>Endowment Fund</b>		
Montreal Jewish Community Campus	3,299,614	3,121,945
Donors	11,000,000	11,000,000
Other	79,475	72,451
	<b>14,379,089</b>	14,914,396
<b>Campaign Fund</b>	<b>35,131,375</b>	37,367,339
	<b>49,510,464</b>	51,561,735

During the year ended March 31, 2024, the Organization renewed the funding agreement with the Maccabee task Force Foundation ["MTF"]. The Organization is to spend the funds received on certain projects on the campuses of McGill University and Concordia University. An amount of \$161,000 was returned to MTF, while the organization was allowed to keep a balance of \$29,388 of the funds received. As at August 28, 2024, \$3,853 [2023 – \$178,889] of the funds received were expensed.

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.

#### 8. Internally restricted fund balances

Major categories of internally restricted fund balances are as follows:

	2024	2023
	\$	\$
Operation Montreal	14,172,597	13,585,684
Property and equipment reserve	4,786,178	5,225,516
Awards fund	93,504	85,240
Pension plan reserve	716,932	710,558
Special projects	4,230,783	5,948,740
<b>Legacy and other funds</b>	<b>23,999,994</b>	25,555,738
<b>General Fund</b>	<b>7,291,349</b>	6,602,516
	<b>31,291,343</b>	32,158,254

## Notes to financial statements

March 31, 2024

### 9. Other donations, bequest and income

Cost recoveries and sponsorships are included in other donations, bequest and income amounting to \$2,634,562 [2023 – \$1,491,059] in the General Fund and \$414,540 [2023 – \$290,124] 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.

### 10. 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]:

	2024	2023
	\$	\$
Cash	<u>187,721</u>	<u>500,898</u>

#### 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.

The Organization is exposed to market and currency risk with regards to its investments in equity instruments that are quoted in an active market. The investment policy provides for diversified investment options in order to mitigate the other price risk.

#### 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, 2024, 10% of pledges and other receivables is due from one donor [2023 – 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.

## **Notes to financial statements**

March 31, 2024

### **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.

### **11. Comparative figures**

Certain figures have been reclassified to conform with the financial statement presentation in the current year.