

Federation CJA

Financial statements

March 31, 2022



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, 2022, 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, 2022, 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 16, 2022

¹ FCPA auditor, public accountancy permit no. A112179



FEDERATION CJA

Incorporated under the laws of Quebec

Statement of financial position

As at March 31, 2022

	Endowment Fund \$	Legacy and Other Funds \$	General Fund \$	Campaign Fund \$	Total 2022 \$	Total 2021 \$
Assets						
Current						
Cash	—	—	1,933,512	12,872,971	14,806,483	26,471,794
Accounts and sundry receivables [note 12]	—	—	1,262,081	—	1,262,081	1,352,307
Prepaid expenses and allocations	—	—	325,266	—	325,266	571,829
Interfund balances	—	(3,212,853)	(195,772)	3,408,625	—	—
Current portion of long-term loans receivable	—	—	129,703	—	129,703	158,830
Pledges receivable for the current and prior year annual campaigns [note 3]	—	—	—	25,173,144	25,173,144	27,063,494
Pledges receivable for future annual campaigns [note 3]	—	—	—	451,222	451,222	21,493,950
Guaranteed investment certificates [note 4]	—	—	5,000,000	—	5,000,000	—
Other current investments [note 4]	—	—	—	—	—	45,534,075
Total current assets	—	(3,212,853)	8,454,790	41,905,962	47,147,899	122,646,279
Long-term loans receivable	—	—	328,456	—	328,456	487,391
Long-term portion of pledges and other receivables	—	—	—	279,980	279,980	475,334
Other investments [note 4]	14,216,276	45,495,563	—	—	59,711,839	40,038,366
Property and equipment [note 6]	—	—	12,825,475	—	12,825,475	12,341,579
	14,216,276	42,282,710	21,608,721	42,185,942	120,293,649	175,988,949
Liabilities and fund balances						
Current						
Accounts and allocations payable	—	—	2,688,556	5,937,109	8,625,665	5,898,803
Accounts payable to Jewish Community Foundation [note 4]	—	—	—	—	—	45,534,075
Deferred revenue	—	—	6,094,693	731,409	6,826,102	26,360,312
Total current liabilities	—	—	8,783,249	6,668,518	15,451,767	77,793,190
Deferred revenue	—	—	—	301,241	301,241	475,334
Deferred contributions [note 7]	—	—	6,698,203	—	6,698,203	7,080,783
Total liabilities	—	—	15,481,452	6,969,759	22,451,211	85,349,307
Fund balances						
Externally restricted [note 8]	14,216,276	—	—	35,216,183	49,432,459	47,615,034
Internally restricted [note 9]	—	26,844,353	6,127,269	—	32,971,622	26,131,084
Unrestricted	—	15,438,357	—	—	15,438,357	16,893,524
Total fund balances	14,216,276	42,282,710	6,127,269	35,216,183	97,842,438	90,639,642
	14,216,276	42,282,710	21,608,721	42,185,942	120,293,649	175,988,949

See accompanying notes

On behalf of the Board:

Director

Director

FEDERATION CJA

Statement of operations and changes in fund balances

Year ended March 31, 2022

	Endowment Fund \$	Legacy and Other Funds \$	General Fund \$	Campaign Fund \$	Total 2022 \$	Total 2021 \$
Revenue						
Campaign – Regular	—	—	—	45,188,167	45,188,167	38,930,643
Provision for doubtful pledges	—	—	—	(739,223)	(739,223)	(726,640)
Campaign – Other	—	—	—	590,447	590,447	15,526,334
	—	—	—	45,039,391	45,039,391	53,730,337
Investment income (loss) [note 4]	189,719	950,715	108,308	(13,876)	1,234,866	6,268,666
Recoveries of doubtful pledges	—	—	—	98,116	98,116	—
Montreal Jewish Community Campus	—	—	382,580	—	382,580	382,580
Special donation of investments [note 4]	11,000,000	—	9,813,415	—	20,813,415	45,420,000
Change in market value of one-time donation of investments [note 4]	—	—	29,747,023	—	29,747,023	—
Other donations, bequests and income [notes 10 and 11]	—	200,000	8,401,480	—	8,601,480	11,213,782
	11,189,719	1,150,715	48,452,806	45,123,631	105,916,871	117,015,365
Allocations and expenses						
Fundraising						
	—	—	3,584,560	—	3,584,560	3,343,156
Impact						
International	—	—	—	5,704,496	5,704,496	6,689,515
Advancing Jewish communal interest [schedule]	—	—	2,115,847	1,783,759	3,899,606	1,860,716
Strengthening Jewish life and continuity [schedule]	—	30,000	14,262,854	1,788,133	16,080,987	13,553,491
Delivering community care with compassion [schedule]	—	281,000	15,146,027	1,110,801	16,537,828	16,516,756
Special projects and miscellaneous [schedule]	—	—	890,503	2,046,833	2,937,336	4,850,329
Other allocations	90,000	58,044	—	—	148,044	90,000
Administrative and occupancy [schedule]	—	—	4,356,389	162,122	4,518,511	3,923,955
	90,000	369,044	36,771,620	12,596,144	49,826,808	47,484,762
Other						
Special contribution to the pension plan [note 5]	—	—	1,840,499	—	1,840,499	3,900,000
Special donation of investments [note 4]	—	—	39,560,438	—	39,560,438	45,420,000
Allocation to Jewish Community Foundation [note 4]	3,000,000	—	—	—	3,000,000	—
Amortization of property and equipment	—	—	901,770	—	901,770	863,782
	3,000,000	—	42,302,707	—	45,302,707	50,183,782
	3,090,000	369,044	82,658,887	12,596,144	98,714,075	101,011,700
Excess (deficiency) of revenue over allocations and expenses						
	8,099,719	781,671	(34,206,081)	32,527,487	7,202,796	16,003,665
Fund balances, beginning of year	6,116,557	37,763,811	5,260,797	41,498,477	90,639,642	74,635,977
Interfund transfers						
Campaign	—	—	35,809,781	(35,809,781)	—	—
Operation Montreal	—	(336,900)	336,900	—	—	—
Unrestricted, externally and internally restricted	—	4,074,128	(1,074,128)	(3,000,000)	—	—
Fund balances, end of year	14,216,276	42,282,710	6,127,269	35,216,183	97,842,438	90,639,642

See accompanying notes

FEDERATION CJA

Statement of cash flows

Year ended March 31, 2022

	2022	2021
	\$	\$
Operating activities		
Excess of revenue over allocations and expenses	7,202,796	16,003,665
Items not affecting cash		
Special donation of investments	(11,000,000)	—
Unrealized loss (gain) on investments and non-cash donation	1,004,691	(6,221,502)
Amortization of property and equipment	901,770	863,782
Increase in accrued employee future benefits	—	482,000
Decrease in deferred contributions	(382,580)	(382,580)
Accretion on loans receivable	(10,008)	(10,008)
	<u>(2,283,331)</u>	10,735,357
Decrease (increase) in accounts and sundry receivables	90,226	(755,512)
Decrease in prepaid expenses and allocations	246,563	1,621,711
Decrease (increase) in pledges and other receivables	23,128,432	(28,559,161)
Increase (decrease) in accounts and allocations payable	2,726,862	(348,225)
Increase (decrease) in deferred revenue	(19,708,303)	22,420,315
Cash provided by operating activities	<u>4,200,449</u>	<u>5,114,485</u>
Investing activities		
Acquisition of guaranteed investment certificates	(5,000,000)	—
Net dispositions (acquisitions) of other investments	(9,678,163)	4,660,645
Purchases of property and equipment	(1,385,667)	(460,537)
Decrease in loans receivable	198,070	204,565
Cash provided (used) by investing activities	<u>(15,865,760)</u>	<u>4,404,673</u>
Net increase (decrease) in cash during the year	(11,665,311)	9,519,158
Cash, beginning of year	<u>26,471,794</u>	<u>16,952,636</u>
Cash, end of year	<u>14,806,483</u>	<u>26,471,794</u>

Non-cash donations [note 4]

See accompanying notes

FEDERATION CJA

Schedule of general fund allocations and expenses

Year ended March 31, 2022

	2022	2021
	\$	\$
Advancing Jewish communal interest	2,115,847	1,791,996
Fundraising		
Fundraising expenses <i>[note 10]</i>	2,564,162	2,457,904
Fundraising expenses recovered <i>[note 10]</i>	1,020,398	885,252
	3,584,560	3,343,156
Strengthening Jewish life and continuity		
Engagement and outreach	878,072	544,020
Generations fund	5,784,470	5,379,349
GenMTL	1,596,111	1,412,925
Program's share of administration and occupancy	1,837,759	1,657,211
Camp B'nai Brith	442,333	442,333
Communauté Sépharade Unifiée du Québec	910,479	820,155
Jewish Public Library	401,400	80,198
Montreal Holocaust Museum	238,497	34,775
Segal Centre for Performing Arts	313,905	69,370
Sylvan Adams YM-YWHA	480,047	324,347
Agencies' share of administration and occupancy	893,305	893,865
The Alex Dworkin Canadian Jewish Archives	257,273	—
Other expenses	229,203	95,682
	14,262,854	11,754,230
Delivering community care with compassion		
Agence Ometz	914,466	1,190,938
Caldwell Residences	101,319	96,933
Community Poverty Relief	1,554,164	1,717,490
Cummings Centre	1,489,087	935,258
Grants	449,250	445,250
Inclusion Initiative	71,126	40,000
JEM Workshop Inc.	523,150	319,474
Kehilla Montreal Residential Programs	415,851	336,399
Project Genesis	104,472	10,447
Tuition Assistance Allocation	3,093,828	2,954,700
COVID-19 relief related expenses	5,065,584	5,616,468
Agencies' share of administration and occupancy	1,363,730	1,386,726
	15,146,027	15,050,083
Special projects and miscellaneous		
Change in net pension obligation and pension costs	12,278	482,000
Gelber food services	164,827	276,249
Security initiative related expenses	—	446,942
Other expenses	713,398	1,593,483
	890,503	2,798,674
Administrative and occupancy		
Administration and occupancy expenses <i>[note 10]</i>	4,080,033	3,474,627
Administration and occupancy expenses recovered <i>[note 10]</i>	276,356	427,438
	4,356,389	3,902,065
Other		
Special contribution to the pension plan <i>[note 5]</i>	1,840,499	3,900,000
Special donation of investments <i>[note 4]</i>	39,560,438	45,420,000
Amortization of property and equipment	901,770	863,782
	42,302,707	50,183,782
Total General Fund expenses	82,658,887	88,823,986

See accompanying notes

Federation CJA

Notes to financial statements

March 31, 2022

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, 2022

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 shall be written down to the asset's fair value or replacement cost. The write-downs of tangible capital assets shall be 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.

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.

Federation CJA

Notes to financial statements

March 31, 2022

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 future benefits

Until December 31, 2006, the Organization offered its employees a defined benefit pension plan whereby benefits are determined based on years of service and the final average salary. Effective January 1, 2007, this plan was closed to new employees, who became members of the defined contribution plan described below. Commencing January 1, 2007, the service accrual in the defined benefit component of the Plan was frozen and the pension benefits earned to that date for employees who continue to render services are calculated based on the maximum average eligible earnings of each employee during the best average three years. The defined benefit obligation as at the statement of financial position date is determined using the most recent actuarial valuation report prepared for funding purposes. The measurement date of the plan assets and the defined benefit plan obligation is the Organization's statement of financial position date.

In its year-end statement of financial position, the Organization recognizes the defined benefit obligation, less the fair value of plan assets, adjusted for any valuation allowance [see *Note 5*]. The plan cost for the year is recognized in the statement of operations and changes in fund balances. Past service costs resulting from changes in the plan are recognized as an expense in the statement of operations at the date of the changes.

Remeasurements and other items comprise the aggregate of the following: the difference between the actual return on plan assets and the return calculated using the discount rate; actuarial gains and losses; past service costs; and gains and losses arising from settlements and curtailments [see *Note 5*].

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 \$417,933 [2021 – \$355,417].

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.

Federation CJA

Notes to financial statements

March 31, 2022

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.

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 shall be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized.

Government assistance

Amounts received or receivable resulting from government assistance programs are reflected as income when the Organization becomes eligible to accrue them, provided there is reasonable assurance the benefits will be realized.

Federation CJA

Notes to financial statements

March 31, 2022

3. Pledges receivable

During the year ended March 31, 2022, the Organization ran and concluded both the 2020 and 2021 annual campaigns simultaneously. The pledges and other receivables for the current and prior year annual campaigns as at March 31, 2022 are net of an allowance for doubtful accounts of \$2,552,745 [2021 – \$2,693,767].

4. Investments

	2022	2021
	\$	\$
Listed equity	—	45,534,075
Guaranteed investment certificates	5,000,000	—
Total current investments	5,000,000	45,534,075
The Jewish Community Foundation of Montreal Equity Fund	39,315,326	29,852,923
The Jewish Community Foundation of Montreal Fixed Income Fund	9,396,514	7,185,443
Total Investments managed by the Jewish Community Foundation of Montreal	48,711,839	37,038,366
Retractable preferred shares in private companies	11,000,000	3,000,000
Total long-term investments	59,711,839	40,038,366
Total investments	64,711,839	85,572,441

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

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 other money market funds, 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.

Federation CJA

Notes to financial statements

March 31, 2022

5. Employee defined benefit plan

The Organization provides pension and post-employment benefits to most of its employees. The pension plan is a multi-employer plan and covers certain employees of Federation CJA and the following associated employers: Agence Ometz, Association of Jewish Day Schools, Baron de Hirsch – Back River Cemeteries Inc./Les Cimetières de Baron de Hirsch-Back River Inc., Caldwell Residences, Camp B'nai Brith, Communauté Sépharade Unifiée du Québec, Cummings Jewish Centre for Seniors Foundation, Cummings Jewish Centre for Seniors, Jewish Community Foundation of Montreal, Jewish Public Library, JEM Workshop Inc., Kehilla Montreal Residential Programs, Montreal Holocaust Museum, Segal Centre for Performing Arts/Centre Segal des arts de la scène, iTALAM.org and the Young Men's and Young Women's Hebrew Association of Montréal.

Commencing January 1, 2007, the service accrual in the defined benefit component of the Plan was frozen. At the same date, a defined contribution plan was introduced.

Upon termination, the participant may transfer their vested funds to another registered investment vehicle if they have not attained their early retirement date of 55 years of age. Effective July 1, 2017, terminated members younger than 55 years old can leave their vested funds in the defined benefit Plan until retirement or withdraw them based on the degree of solvency of the defined benefit Plan.

Information about the Organization's share of the multi-employer defined benefit plan as at March 31 is as follows:

	2022	2021
	\$	\$
Accrued benefit obligations	—	3,640,000
Fair market value of plan assets	—	4,394,000
Valuation allowance on plan assets	—	(754,000)
Funded status – plan deficiency	—	—

Information about the Organization's multi-employer defined benefit plan including the above obligation as at March 31 is as follows:

	2022	2021
	\$	\$
Accrued benefit obligations	—	11,859,000
Fair market value of plan assets	—	14,316,000
Valuation allowance on plan assets	—	(2,457,000)
Funded status – plan deficiency	—	—

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, 2022

For the year ended March 31, 2021, given the termination of the defined benefit component of the pension plan, and that the Organization did not expect to realize future benefit from any funding status surplus, a valuation allowance was recorded amounting to \$754,000.

As part of the wind up of the defined benefit component, the Organization made special contribution to the pension plan of \$1,840,499 [2021 – \$3,900,000].

6. Property and equipment

	Cost	Accumulated amortization	Net book value
	\$	\$	\$
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
2021			
Land	325,000	—	325,000
Construction in progress	431,339	—	431,339
Artwork	527,065	—	527,065
Cummings Campus and Gelber Conference Centre Building	19,461,656	11,320,229	8,141,427
Cummings Centre Building	2,477,063	2,394,240	82,823
West Island Building	1,010,187	394,558	615,629
Furniture, fixtures and equipment	6,126,188	3,984,754	2,141,434
Computer hardware and software	856,632	779,771	76,861
Collections	1	—	1
	31,215,131	18,873,552	12,341,579

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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:

	2022	2021
	\$	\$
Balance, beginning of year	7,080,783	7,463,363
Revenue recognized	(382,580)	(382,580)
Balance, end of year	6,698,203	7,080,783

8. Externally restricted fund balances

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

	2022	2021
	\$	\$
Endowment Fund		
Montreal Jewish Community Campus	3,146,076	3,048,533
Donors	11,000,000	3,000,000
Other	70,200	68,024
	14,216,276	6,116,557
Campaign Fund	35,216,183	41,498,477
	49,432,459	47,615,034

During the year ended March 31, 2022, the Organization donated \$3,000,000 worth of private equity shares to the Jewish Community Foundation.

During the year ended March 31, 2022, 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 \$42,009 was received in addition to the balance of \$333,881 from the prior year totalling \$375,890 of funds received. As at September 8, 2022, \$50,987 [2021 – \$47,780] 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:

	2022 \$	2021 \$
Operation Montreal	13,806,559	14,002,395
Property and equipment reserve	5,207,271	4,931,370
Allocations fund	—	980,702
Awards fund	82,593	148,290
Pension plan reserve	818,568	807,530
Special projects	6,929,362	—
Legacy and other Funds	26,844,353	20,870,287
General Fund	6,127,269	5,260,797
	32,971,622	26,131,084

10. Other Donations, bequest and income

Cost recoveries and sponsorships are included in other donations, bequest and income amounting to \$1,270,697 [2021 – \$1,254,791] in the General Fund and \$26,057 [2021 – \$57,899] 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. Government assistance

During the fiscal year ended March 31, 2022, the Organization was eligible for the Canada Emergency Wage Subsidy ["CEWS"]. The CEWS is available to a Canadian employer who has seen a drop in revenue during the COVID-19 pandemic, for which they may receive a subsidy to cover part of their employee wages. The Organization recognized an amount of \$336,516 as income during the fiscal year ended March 31, 2022 [2021 – \$1,910,773]. The income is included in other donations, bequests and income in the General Fund. As at March 31, 2022, \$nil [2021 – \$417,570] of salary subsidies were receivable and included in accounts and sundry receivables.

12. 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 denominated financial assets and liabilities:

	2022 \$	2021 \$
Cash	2,909,972	697,018

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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, 2022, 13% of pledges and other receivables is due from one donor [2021 – one donor; 14%]. 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.

13. Comparative figures

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