City Shul
A Jewish heart
in the heart of Toronto

Annual Report

July 1, 2021 – June 30, 2022

Mission

We create pathways to explore and live an engaged, connected Jewish life

Pathways – Pray, Sing, Learn, Teach, Lead, Fix the World

Explore – Shabbat, holidays and festivals, lifelong learning, Israel engagement, music, food and culture.
Live – find community, make meaningful friendships, experience the impact that Judaism can have on your life.
Engaged – take a leadership role in services, host meals, educate your children, visit the sick, support mourners, join a committee.
Connected – to our texts and traditions, to each other, to our world through the lens of Jewish values.

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From the Rabbi

Rabbi Rick Jacobs, president of the Union of Reform Judaism, commented about our new Siddur Shirat HaLev, calling it "…a remarkable labor of love that will inspire generations of City Shul members and beyond."

In that spirit, I want to speak about the remarkable labour of love that we have experienced this past year together, while thinking about whatever challenges we should take note of for the year ahead— and the years ahead.

The publication and launch of our new Siddur, which Rabbi Jacobs remarked upon, was definitely the highlight of our year and definitely a huge labour of love. After four years of research and congregational input from over 70 members in 10 Task Forces, and after a very successful fundraising campaign, the Siddur was brought to life and dedicated in May. Every guest and congregant who uses it, along with leaders of the Reform movement and local communal leaders, have praised it. In the words of Rabbi Rick Jacobs, our Siddur is: "…a beautiful reflection of City Shul's creative and committed congregants and your finger/soul prints…" Shirat HaLev was lovingly and professionally designed and executed by Baruch Sienna, with much beautiful artwork and poetry, plus many extra touches and surprises. The commentary and introduction were written by me, and I consider it one of our finest legacy gifts to City Shul, and a crowning achievement of my Rabbinate. Praying from it is in and of itself a spiritual experience. Special thanks to Jeff Cipin and Danny Gruner whose total commitment to and love of the project was invaluable. While the Siddur itself poses no challenge, we do have an ongoing goal: to be able to get every congregant a Siddur for their own home.

Our re-entry into in-person services has been smooth and meaningful and also a labour of love, taking carefully into account the various needs of our many constituencies. First, we continue to offer outdoor kiddush seating, even in the coldest weather, for any congregant who feels more comfortable; and our mask-required policy has found favour especially with our older and immune-compromised adults. By allowing the clergy to unmask on the bima, as well as those giving a dvar Torah or singing or a reading or even announcements, we have taken into account the difficulty of properly hearing those on the bima while balancing our need for health and safety. Second, we re-opened the Prayground in the back of the sanctuary and have been offering kids club almost every Saturday for pre-Mitzvah students and guests, and its been a big success in welcoming back families who have felt isolated from us for a long time. Third, after much thought and discussion, we started offering a livestream option on our own Youtube channel weekly, to allow those who are not ready to return to in-person services to feel part of the congregation. We gave thought to trying to have services simultaneously on Zoom and in person, but could not find a technologically and administratively feasible method that would be spiritually satisfying. Special thanks to Omar Romo who took on volunteering to run that as a volunteer until we hired Jeremy and Brian to monitor and run this. We recently enhanced that livestream with extra microphones in the sanctuary pointed toward the congregation so at-home participants can hear the congregational singing more clearly. And fourth, this year we will add two Saturday zoom services over the winter —which we have not done before—with me leading from Israel and our Chazzanit Susan Schwartz co-leading from Florida. Special thanks go to Jan and Lorne Mitchell and Allen Braude whose total commitment and full-hearted sacred shlepping make our services possible, and a shout out to our newest head ushers Trevor Brenham and Virginia Shewfelt. We would love more ushers and greeters weekly! Our challenge in this area is the human cost of overburdening our volunteers, together with the financial cost of staff to set up and monitor the weekly livestream.

Our Chazzanit Tara Abrams continued with us this year, and we have been privileged to have Cantorial Student Ella Gladstone-Martin join us live every few weeks after a year of being with us from NY on zoom. Susan Schwartz drives in from Buffalo to be with us once a month. This is Susan's first year with us and people love her warm style. We also have Jeff Bernstein coming back a few times a year. While these four Chazzanim enrich us with their variety, and their love pouring out into us from bima, the lack of Cantorial consistency and ability to schedule a guaranteed weekly Cantorial presence continues to be one of our greatest challenges for our regular services, taking up a great deal of Rabbinic time and effort.The Leadership Team is fully apprised and engaged with this challenge.

High holidays this year were wonderful. We were able to come together in-person in a beautiful larger space at Metropolitan United Church, with our Shira Harmony group, and many of our High Holiday Torah and haftarah readers back. The church had a very professional live-streaming outfit which made it easy to concurrently be online. On second day we overlooked the lake at Palais Royale with a great live "New Years Party" feeling, our signature ice cream finish, klezmer music, and surround-sound shofar thanks again to Jeff Cipin.

Adult education offerings continue to be rich and varied, thanks to Jon Arnold, although we are experiencing some "zoom fatigue" for these events and need to find cost-effective, right-sized venues to hold these events in person.. Thanks to Penny Fine and Hugh Furneaux we have been able to occasionally use their condo party room, and Barbara Wade Rose and Jonathan Rose continue to offer their home for smaller events, and we are in search of other options for live events – we would love to hear from you! Also thanks to Penny, our Israel Engagement events are deep and thought provoking though they face the unique challenge of presenting fair and nuanced programmes on a difficult subject which engenders a large and wide—and vocal—spectrum of opinions.

Our school thrives, with children now engaged in-person, and we are committed to re-establishing a true "school community", thanks to our Director of Jewish Learning Lori Shapero-Press. In the spirit of our long-standing covenant of attendance at services for school families, which had to be applied creatively while we were mostly on Zoom, we are joyfully and finally seeing more children at services!

If you have not yet met or worked with her yet, please get to know our new Synagogue Administrator Barb Wiseberg. She began at the most difficult time of the year, right before High Holidays, and dove right in, figuring out City Shul and getting our "vibe" almost immediately. She is deeply committed to our mission and our success, and she has already been a steady and creative anchor in every storm.

I cannot end my annual report without mentioning two personal pivotal points. The first is the stepping down of our Leadership Team chair Danielle Adler. Working with Danielle has been a remarkable experience for me as a Rabbi, and our Leadership Team has thrived under her stewardship. I want to say here in the context of the AGM that Danielle's labour of love is deep and wide and will continue through the next stages of City Shul.

And of course in October 2022 I announced my retirement—or "renewment"— for June 2024. The letter I wrote to each congregant and the letter attached to my letter from the LT were carefully and lovingly crafted, after months of thought and preparation. Even my retirement can be seen as a labour of love. The response has been deeply heartwarming. Thank you to everyone who has reached out to me whether via email or phone, or spoken personally with me about this at a Saturday kiddush or other event. Your support and gratitude for not only my years of service but for my founding of City Shul means the world to me. The Leadership Team is working tirelessly to move us forward, and will continue to solicit your input throughout this 18-month transition. I look forward to sharing my excitement as we plan my new relationship with City Shul.

Rabbi Elyse Goldstein

From the President

In reflecting on 2021-2022 it seems that the long-awaited recession of COVID was only one in a host of challenges we navigated at City Shul.

There were so many questions. When would it be safe to try in-person services? Eat kiddush together? Have High Holiday services in person? What had we tried in the pandemic that could still service and energize us?

Thanks to the Re-entry Task Force, we tried to take as few health risks as possible while renewing the joy of praying together in person. We spaced ourselves apart and lifted our voices in masked but undaunted song. We offered livestream services to those unable to, or concerned about, coming in person. Extraordinary volunteers and staff put these services—and boxed-lunch kiddushes—together. We were also blessed with warm, bright weather that enabled us to gather outdoors in the beautiful courtyard at St. George, our new home where all the 'togethers' began to happen.

Our beautiful siddur, Shirat HaLev, became a reality earlier this year with very successful fundraising and good will. It is now the anchor of our Shabbat services and the pride of our congregation, especially those who dedicated such effort to making it happen.

We held High Holidays in person at Metropolitan United in downtown Toronto and were gratified with such a great turnout and participation—as only one example, in the exalted reaction of hundreds of people to in-person shofar blowing. We kept the enormously popular second-day Rosh Hashanah Shofarpalooza, which this year overlooked Lake Ontario complete with vegan iced treats, a klezmer band and shoreside Tashlich. And we tried something new: our Ten Days of Awesome, new experiential events designed to entice City Shulers and interested downtown Jews to enjoy our ingenuity—such as canoeing on the Humber River and Shabbat chanting at sunset in a park-- and try us out.

We're back, friends.

Looking ahead, the future is full—and so are our hearts. Rabbi Goldstein has blessed us with her leadership and scholarship in founding City Shul and guiding us expertly. She will be retiring in

June 2024, a gracious length of departure for a grateful congregation. The Leadership Team has already started the dual process of Transition and Succession with the expert guidance of the Union for Reform Judaism and extensive feedback from our members. ‘Succession’ means the comprehensive search for clergy and structure for City Shul after Rabbi Goldstein steps back—not too far back, we hope. ‘Transition’ is what City Shul –and we ourselves as congregants—will be going through next year as we assess what we want to be and take stock of our strengths and challenges. We will need all the help we can give one another. It is a challenging and exciting time, and we know everyone at City Shul is prepared to pull together to do our best.

Regards,
Barbara Wade Rose
President

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Discussion and Analysis

Introduction

From July 1, 2021 to June 30, 2022, as a pandemic ravaged the world, for so many of us, spirituality, religion, and City Shul mattered more than ever before. When we first shuttered our in-person doors at BSU, we had no idea we would be away so long – we were expecting a few months before we returned to normal. But over July 1, 2021 to June 30, 2022, we realized that, instead of returning to normal, it was time to return to incredible.

We returned to an in-person space with better acoustics, a warm feel, and a beautiful courtyard oasis downtown. We returned to a better siddur – the best the Reform movement has ever seen – whose every page bears the fingerprints of our members and reflects our unique soul. We returned, in September 2022, to a phenomenal High Holidays space where our voices gathered in prayer together and echoed off the rooftops. We returned to a refreshed roster of fantastic Cantorial soloists, some of whom we got to meet in person for the very first time. And we returned to the excitement of City Shul from back when it was first founded, as the most eternal thing that human beings can create – a community – one that will grace Toronto down the generations, guided by its mission to create pathways to explore and live an engaged, connected Jewish life, guided by the members that love it, and guided by generations of spiritual leaders yet to come.

As Jeremiah said, commenting on the eternal,

> Let not the wise glory in their wisdom,
> let not the mighty glory in their might,
> let not the rich glory in their riches;
> but let them glory, glory in this:
> that they understand and know Me –
> that I, the *Eternal*, practice kindness, justice,
> and righteousness in the earth;
> for in these things do I delight.

The Mission
This is our mission:

We create pathways to explore and live an engaged, connected Jewish life

Pathways – Pray, Sing, Learn, Teach, Lead, Fix the World
Explore – Shabbat, holidays and festivals, lifelong learning, Israel engagement, music, food and culture.
Live – find community, make meaningful friendships, experience the impact that Judaism can have on your life.
Engaged – take a leadership role in services, host meals, educate your children, visit the sick, support mourners, join a committee.
Connected – to our texts and traditions, to each other, to our world through the lens of Jewish values.

Jewish life is at the heart of our mission – *your* Jewish journey is *our* mission. If City Shul matters to your life, that's why. If you find that by joining and giving to City Shul you further your own personal mission *and* give the same gift to others, that's why. Our mission is at the core of our strength, the reason our community is eternal –

People *join* a synagogue because they like the services and the spiritual leadership.
People *stay* with a synagogue because they like the community.
People *gain* from the synagogue when it creates pathways for them to explore and live an engaged, connected Jewish life.
People *sustain* the synagogue when they create pathways for others to explore and live an engaged, connected Jewish life.

Many synagogues never get past the first stage – they only have people who join for the services. Those synagogues are fragile, because they are entirely dependent on the charisma and presence of their leader; what's worse, they do not make meaningful change in their congregants' lives. A synagogue that is at the second stage – where congregants stay for the community – is stable. It is as eternal as anything created by humans can be. But while it stands secure, a synagogue that is only at the second stage is in essence a successful community center. It is City Shul's goal to operate at the third and fourth stages, where our congregants gain in their Jewish lives from City Shul, and sustain it in turn. Perhaps the best measure of our success is the number of City Shul members who actively create pathways for others to explore and live an engaged, connected Jewish life.

We will not rest on our laurels. Yes, many of us are deeply engaged. Yes, many of us have gained spiritually and intellectually at City Shul. And yes, many of us have made new friends, new social groups, that have refreshed our souls. But so many of us still long for more understanding of Judaism. For deeper Judaism. For better Judaism.

At City Shul, we want to give ourselves the pathways to explore our own Jewish lives, to engage with our rich store of wisdom, to connect with the beauty of Jewish ritual and custom, and to reason alongside the great teachers of old and of today about kindness and righteousness, truth and justice, and teshuvah and healing.

We are a small synagogue. But we have the resources we need to take these further steps. The resources are us, ourselves – the members of City Shul. There is nothing we love more than a person with a great idea to open up or explore a new pathway, and the willingness to lead the way. You don't need to be an expert, but an explorer. If you're willing to break trail for a group of City Shul spiritual hikers, contact connect@cityshul.com with your idea. Don't wait. You are who your fellow congregants have been waiting for.

Finances
Financial success is not the purpose of City Shul, but financial success is necessary for us to achieve our mission.

There is often a good relationship between what drives financial success and what drives mission success. For example, each new member brings additional revenue. Quite a lot of additional revenue, actually, because members tend to stay for a while – what in business they call "recurring revenue." But what a mistake it would be to think of a member as primarily a financial resource! We each bring our own full selves to City Shul. By sharing our unique Jewish journeys with each other, we open up more pathways for each other – more opportunities to explore, live, engage and connect. We each bring with ourselves an entire world, and for that reason, while new members increase our financial resources *linearly*, they increase our spiritual resources *exponentially*.

The toughest decisions we have to make at the Leadership Team table are decisions when what we want spiritually is beyond what we can afford materially. Decisions about managing expenditures are tough, sometimes even agonizing. We love City Shul and wish we had an inexhaustible source of funds for it. But when difficult decisions have to be made, we make them.

The good news is that from July 1, 2021 to June 30, 2022, our financial performance was very strong. We had a surplus of $90,691, and finished June 30, 2022 with $255,625 of unrestricted net assets, as well as a further $10,532 in the Endowment Fund. Of that surplus, half goes into the Operating Reserve Fund.

It may worthwhile to go over the difference between the Endowment Fund and the Operating Reserve Fund. The rule with an endowment is that the amount donated to the endowment – the principal – can never be spent. Instead, the principal is invested in secure investments (we use GICs), and the *interest* earned off the principal can be spent on *any* operations or on capital investments. The principal is also used to secure our corporate credit card. Because of these rules, the Endowment Fund is listed separately on our balance sheet. The Operating Reserve Fund is not listed separately on our balance sheet, because the rules governing it exist because of an internal City Shul policy. That policy provides that the Operating Reserve Fund can *only* be spent to meet unfunded and unexpected organizational needs, as an internal line of credit, or to bridge between pledges and pledge receipts. If necessary, it can be spent in its entirety, but any time it falls below the amount required to cover four months' average operating expenses, we have to start replenishing it, by allocating the greater of 50% of any surplus or $5,000 to it.

Any way you slice it, an organization that spends under $600,000 a year, as we do, and has $255,625 of available assets, as we do, is in an impressive financial position. Having those funds available means we have the ability to take risks, and the ability to take on one-time, non-recurring additional expenses over and above our usual expenses, if we need to do so. For example, the search for a new spiritual leader will involve some costs. We have the funds available to cover them. There are many synagogues that could not say the same.

Although we are in a strong financial position, able to cover special costs and take risks, the large surpluses we generated over the past two years are unusual, and there is no room for financial complacency:

- Before the pandemic, we made nearly $70,000 a year by selling High Holiday tickets to non-members. In 2021-2022, that revenue stream was almost non-existent. We *hope* the High Holidays revenue stream will return post-Covid – but we have to *budget* on the assumption that it will not.
- And our new, incredible High Holidays programming, varied, musical, and innovative, is also more expensive than our pre-pandemic traditional services.
- We, unsurprisingly, paid much less rent during the period in which we were mostly on Zoom.
- Our area of greatest financial concern continues to be that we spend a little over $100,000 on the school but raise only around $65,000 in school tuition and UJA grants.

The Leadership Team is actively pursuing increasing the membership, finding external donors, and managing expenditures. Our strong current financial position gives us the time we need to ensure that we will always stand on a financially secure base.

Synagogue finances have a particular feature that is worthy of note. The majority of our revenues come in or are committed to us near the start of the Jewish year, so our revenues are cyclical and highly variable from month to month. But our expenditures are largely fixed and stable from month to month. The benefit of this is that we know early in our fiscal year how we're doing financially. We can make reliable projections for the rest of the year, and adjust accordingly. We can also invest cash on hand that will not be needed until later in the year in secure investments such as GICs. The downside is that it's difficult to adjust our finances from month to month: on the revenue side, the majority of revenues have already been paid or promised, and on the expenditure side, the majority of our expenses are connected to paying our employees and contractors (in 2021-2022 we spent $327,382 on employees and contractors, quite similar to 2020-2021's figure of $333,390).

Two areas of revenues and expenditures that work a bit differently from the rest of the finances are worthy of explanation. The first is the Rabbi's Discretionary Fund. City Shul's only job with respect to donations to the Rabbi's Discretionary Fund is to pass those donations on to the Rabbi's Discretionary Fund, which is separate from City Shul's accounts. The Rabbi then expends the funds at her discretion in accordance with the Central Conference of American

Rabbis' Guidelines for Rabbi's Discretionary Funds. The Rabbi's Discretionary Fund is an important part of City Shul and allows the Rabbi to do good works for City Shul, for our members, and in the community. Members often donate to this Fund in honour of the Rabbi's assistance with a lifecycle event or otherwise to honour her and her work. The Leadership Team never asks the Rabbi to expend the funds in any particular way.

The second area that works a bit differently are cemetery deposits. Here again, City Shul's only job is to pass those deposits along to the cemetery, where a section is reserved for our members.

Another area of financial interest is kiddush lunch. Our full kiddush lunch is a signature element of City Shul's Shabbat morning services. Historically, kiddush breaks even – kiddush sponsorships fully cover the amount we spend on kiddush. We are glad to report that generous kiddush sponsorships are again flowing in, often in honour or in memory of special people in our lives. Kiddush at City Shul depends on kiddush sponsorship, and we are deeply grateful.

We know that for most of our members, your terumah is your largest charitable donation and a significant part of your annual spending, as is school tuition. We are deeply grateful to our many members who make a real sacrifice to give a terumah amount within their means, and we are deeply grateful to our many members who give much more than the recommended amount, thereby effectively subsidizing those with financial needs and ensuring that we never, ever, turn anyone away for financial reasons.

We are equally grateful for the many donations that members and even non-members give over the course of the year. Terumah and tuition do not come close to covering our expenses; it's those donations, made in honour of others, in memory of others, or just because, that carry us through the last few months of each year. Words cannot express our gratitude.

Governance
City Shul is a non-for-profit corporation incorporated under the laws of Ontario. It is a synagogue with a spiritual leader. Under Ontario law, responsibility to lead the organization lies with the board of directors, which we call the Leadership Team, acting by majority vote. Religious leadership is primarily the function of the spiritual leader, although the issues that come before the Leadership Team often raise religious issues. In those situations, we work together in a sacred partnership to address the spiritual needs of the congregation.

City Shul is a part of the Reform Jewish movement and is a member of the Union for Reform Judaism and the Reform Jewish Community of Canada. It is supportive of the World Union for Progressive Judaism. It encourages its members to also be members of ARZA Canada, the Zionist Voice of the Canadian Reform Movement. It has established a special relationship with Adat Israel Guatemala, and Rabbi Goldstein also serves as their volunteer Rabbi.

The Union of Reform Judaism trains its congregations in a governance framework developed by BoardSource and the Hauser Centre for Nonprofit Organizations at Harvard University, called *Governance as Leadership*. A key precept of this framework is that boards provide three primary functions:

1. *Insight* – understanding our past and our future, leading the congregation in a shared understanding of our collective purpose, framing and reframing issues so we can make decisions on the basis of our shared values.
2. *Foresight* – skating to where the puck is going. Understanding the context in which we operate, where things are going, and using that to make strategic and financially sound decisions.
3. *Oversight* – making sure that we are operating as we should, that money is tracked appropriately, that laws and policies are followed, that risks are identified and addressed.

In 2021-2022, the Leadership Team provided insight, foresight, and oversight, but we also provided a great deal of *management*. Much of the Leadership Team's time and energy was spent dealing with specific managerial decisions such as making the final decisions on Covid protocols with the thorough and thoughtful advice of our Re-Entry Task Force, deciding on our new space and dealing with rental negotiations as well as figuring out the practical aspects of making it work, and, when we found ourselves without a Synagogue Administrator, taking over almost all of the functions of the Synagogue Administrator, distributing them across the members of the Leadership Team. That last initiative, particularly, was an exhausting demand on a volunteer board. This work was a testament to the devotion the members of the Leadership Team bring to the Shul. But it also took the Leadership Team away from its core functions of insight, foresight, and oversight.

In the same way that City Shul returned not to normal but to incredible, as the members of the Leadership Team catch their breath from a highly managerial year, the Leadership Team will strive to return to even better work of insight, foresight, and oversight.

Special Highlights

Shirat HaLev – Song of the Heart
The culmination of years of dreaming, studying, workshopping and designing, our new siddur Shirat HaLev is a legacy. Its release has gotten attention from across the Reform movement. And it generated over $100,000 of donations, another legacy. We have, simply, the best siddur in North America, and it is uniquely ours. Shirat HaLev makes visitors excited when they come to City Shul, and it is now part of why members join, stay *and* gain at City Shul.

St George by the Grange
With Bloor Street United under renovations, we needed a different location while renovations are ongoing. This was always part of our understanding with BSU, and BSU's renovations were designed in part with us in mind. While there is no contractual commitment by either party to resume a formal relationship once renovations are complete, our informal relations with BSU are good.

St George by the Grange is a beautiful downtown gem in a park, with a peaceful courtyard that everyone loves using for kiddush in nice weather (and we also turn the sanctuary into a dining hall for less nice weather). With better acoustics and a space both elevating and comfortable, we're thrilled with our new home. That said, City Shul is a community and a mission, not a building. The Leadership Team has no intention of ever buying a building, and you may anticipate that we will never approach you for a building fund. If you are keeping some money aside against the day we ask you to give to a building campaign, please rest assured that we won't, and please get in touch with the Rabbi or the President to discuss how you can make a visionary contribution.

Great new staff
In 2021-2022, we welcomed our new Director of Jewish Learning, Lori Shapiro-Press. Lori revised and updated our curriculum and jumped right in to getting the school going in person again. Lori is all-in for City Shul and we're glad we found her.

In the summer of 2022, we welcomed our new Synagogue Administrator, Barb Wiseberg. Barb came in at the worst possible time, just as we were gearing up for the High Holidays and dealing with membership renewals. Barb threw herself into the work and performed with aplomb. Barb is all-in for City Shul and we're glad we found her.

Looking Ahead
Our hearts are full as we congratulate Rabbi Goldstein on her upcoming retirement and on having built up a strong, motivated, Jewish community. While we will have to search for our

next spiritual leader, the great challenge will not be the search process itself but the much broader process of *transition*.

Transition is a process that we each go through individually in our own hearts, and also collectively as a community. It is the process of acknowledging that we each have a unique, personal relationship with our spiritual leader. It is the process of thanking her, and taking on a new covenant with her in which she will no longer be our leader, but will remain our treasured founding Rabbi and a continuing part of a thriving community. It is the process of welcoming with warmth, with kindness, and with open arms a new spiritual leader, helping them learn and understand who we are, and entering into our own unique, personal relationships with them.

For each of us, we will have a period of time between when we have recovenanted with Rabbi Goldstein in our own hearts and when we have also reached a covenant with our new spiritual leader in our own hearts. This period in between is one that we will be experiencing individually and as a community. As the Union for Reform Judaism emphasizes, this liminal time between is a deeply spiritual moment, a meditative moment in which we experience our personal and collective Judaism unmediated. It can be a time of loneliness, but also a time of awe.

The Leadership Team understands that we are entrusted with the task of safeguarding the City Shul you love. Our synagogue stands on solid foundations, and we will go from strength to strength – and we shall dwell in the house of ADONAI for many long days.

THE CITY SHUL CONGREGATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2022

THE CITY SHUL CONGREGATION

JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Members of
The City Shul Congregation

Qualified Opinion

I have audited the financial statements of The City Shul Congregation which comprises the statement of financial position as at June 30, 2022, and the statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the contributions and fundraising, referred to in the following paragraphs, the accompanying financial statements present fairly, in all material respects, the financial position of The City Shul Congregation as at June 30, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

I believe that the audit evidence I have obtained in my audit is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Qualification

In common with many charitable organizations the organization derives revenue from contributions and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to revenues, excess of revenue over expenditures, assets and net assets.

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

Management is responsible for the preparation and fair presentation of these 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.

***Responsibilities of Management and Those Charged with Governance for the Financial Statements* Con't**

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 a 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.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.**

I 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 I identify during my audit.

***Auditor's Responsibilities for the Audit of the Financial Statements* Con't**

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Jeffrey D. Milgram, CPA, CA, LPA.

Jeffrey D. Milgram Professional Corporation

JEFFREY D. MILGRAM PROFESSIONAL CORPORATION
Authorized to practise public accounting by
The Institute of Chartered Professional Accountants of Ontario

TORONTO, ONTARIO
NOVEMBER 27, 2022

THE CITY SHUL CONGREGATION

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2022

	2022 $	2021 $
ASSETS		
CURRENT		
Cash and cash equivalents	345,943	253,040
Accounts receivable	34,991	37,201
Government excise tax receivable	17,857	6,300
Prepaid expenses	15,679	4,000
	414,470	300,541
RESTRICTED		
Cash and cash equivalent (Note 3)	10,532	10,387
CAPITAL		
Capital assets (Notes 4)	-	1,989
	425,002	312,917
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	67,657	49,521
Loans payable to members – current portion (Note 5)	7,144	10,327
	74,801	59,848
LONG TERM		
Canadian Emergency Business Account loan (Note 7)	39,460	39,206
Loans payable to members (Note 5)	-	7,103
	39,460	46,309
DEFERRED		
Deferred revenue (Note 6)	44,584	31,294
	158,845	137,451
NET ASSETS		
Endowment Fund	10,532	10,387
Unrestricted net assets	255,625	165,079
	266,157	175,466
	425,002	312,917

APPROVED ON BEHALF OF THE BOARD:

________________________ DIRECTOR ________________________ DATE

________________________ DIRECTOR ________________________ DATE

The accompanying notes are an integral part of these financial statements.

THE CITY SHUL CONGREGATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2022

	2022			2021
	Endowment Fund $	Operating Fund $	Total $	Total $
BALANCE, at beginning of year	10,387	165,079	175,466	34,534
Net revenues over expenses for the year	145	90,546	90,691	140,932
BALANCE, end of year	10,532	255,625	266,157	175,466

The accompanying notes are an integral part of these financial statements.

THE CITY SHUL CONGREGATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2022

	2022 $	2021 $
REVENUES		
Donations – General	212,017	148,919
Donations – Rabbi discretionary	26,997	5,822
Fundraising	-	4,684
Grants - Canada Emergency Business Account (Note 7)	-	10,295
Grants	10,000	-
Investment income	645	-
School Income	68,836	72,168
Terumah membership	330,610	350,283
Terumah and YK High Holidays	-	3,006
	649,105	595,177
EXPENSES		
Amortization expense	1,989	3,480
Contract staff	80,322	36,618
Financial	49,479	41,780
Food	7,445	219
Office and general	110,888	51,325
Payroll and benefits	247,060	296,772
Rent	31,331	18,387
Rabbi discretionary expenditures	26,997	5,822
School related costs	2,863	-
Miscellaneous expense (recovery)	40	(158)
	558,414	454,245
NET EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	90,691	140,932

The accompanying notes are an integral part of these financial statements.

THE CITY SHUL CONGREGATION
STATEMENT OF CASH FLOWS
AS AT JUNE 30, 2022

	2022 $	2021 $
OPERATING ACTIVITIES		
Net excess of revenues over expenses for the year	90,691	140,932
Adjustments:		
Amortization	1,989	3,480
Deferred revenue – prior year	(31,294)	(55,697)
	61,386	88,715
Net changes in working capital balances:		
Accounts receivable	2,210	53,002
Receivables from government agencies	(11,557)	1,329
Prepaid expense	(11,679)	(3,082)
Accounts payable and accrued liabilities	18,136	(25,878)
Deferred revenue – current year	44,584	31,294
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	103,080	145,380
FINANCING ACTIVITIES		
Canada Emergency Business Account	254	10,037
Loan payable	(10,286)	(33,190)
CASH FLOWS USED BY FINANCING ACTIVITIES	(10,032)	(23,153)
Net change in cash and cash equivalents during the year	93,048	122,227
CASH AND CASH EQUIVALENTS, beginning of year	263,427	141,200
CASH AND CASH EQUIVALENTS, end of year	356,475	263,427
COMPRISED AS FOLLOWS:		
Cash and cash equivalents - unrestricted	345,943	253,040
Cash and cash equivalents - restricted	10,532	10,387
Bank and cash equivalents end of year	356,475	263,427

The accompanying notes are an integral part of these financial statements.

THE CITY SHUL CONGREGATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

1. Basis of Presentation

Corporation

The City Shul Congregation (the "Organization") is incorporated in the Province of Ontario without share capital by letters patent dated on January 20, 2012.

Mission

The Organization is a Shul operating in the City of Toronto. The purpose of the Organization is to worship in accordance with the faith of Judaism; to cultivate a love and understanding of the Jewish heritage; to stimulate fellowship in the Jewish community and to strengthen the bonds of loyalty with Jewish people everywhere; and, to promote the teachings of the principles of Judaism by religious education and through social and welfare activities. The Congregation works to build community, advances education of our children and adult members, and promotes/engages in Tikkun Olam in both the Jewish and non-Jewish community.

Accounting Framework

The Organization prepares its financial statements in accordance with the Chartered Professional Accountants of Canada (CPA, Canada) (formerly the Institute of Chartered Accountants (CICA)) Handbook, Part III, Canadian accounting standards for not-for-profit organizations (ASNPO).

2. Significant Accounting Policies

These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations. These standards are in accordance with Canadian generally accepted accounting principles and include the following significant policies:

Method of Accounting

The organization follows the restricted fund method of accounting for contributions.

(i) General fund - The General Fund accounts for the Organization's administrative activities and member services; accordingly, the General Fund reports contributions from unrestricted sources.

(ii) **Endowment Fund - Restricted contributions which are to be held in perpetuity are recorded in the organization's endowment fund. Investment income derived from the endowment fund is made available to general operations.**

THE CITY SHUL CONGREGATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

2. Significant Accounting Policies – Continued

Basis of Accounting

These financial statements were prepared using the accrual basis of accounting. The accrual basis recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, current bank deposits and investments held by financial institutions with a maturity date of less than 90 days from the year end date.

Capital Assets

Capital assets acquired in excess of $1,500 in the year are capitalized and amortized on a straight line basis. All capital assets are amortized on a straight line basis over a period of 3 years.

Revenue Recognition

General contributions are recognized as revenue in operating fund in the year in which the funds are received or receivable, if the amount can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as revenue in the restricted fund when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Revenues generated from the Shul's Hebrew school, which operates from approximately October to June of the following calendar year, is taken into income as services are rendered.

Revenues generated from donations, fundraising and events are recognized as revenue when received.

Revenues from memberships are recognized in the calendar year in which the membership is effective.

Revenues generated from shul events and rentals are recognized as revenue when the event has taken place.

Government assistance related to current expenditures is reflected in the accounts as a revenue item in the current year. Salary grants are recognized as revenue in the same period the related salary expenses are incurred. Subsidies and grants awarded under Coronavirus 19 pandemic (Covid-19) legislation, whether government or privately funded, is recognized as approved by the funding agency.

Investment income is recognized as earned.

THE CITY SHUL CONGREGATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

2. Significant Accounting Policies – Continued

Donation of Materials and Volunteer Services

The donation of materials which are not normally purchased by the organization are not recorded in the accounts. The work of the Organization is heavily dependent on voluntary services. Since these services are not normally purchased by the Organization, and because of the difficulty of determining their fair value, the value of donated volunteer services is also not recognized in these statements.

Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. During the year, management exercised its judgment in the estimation of certain accrued liabilities, prepaid expenses and the fair value of investments and loans.

Financial Assets and Financial Liabilities

(i) Measurement of financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost if significantly different from the initial stated cost. Changes in fair value are recognized in the statements of operations in the year incurred. Financial assets measured at amortized cost include cash, amounts receivable and fixed income investments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(ii) Impairment

At the end of each reporting period, the Organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the Organization, including but not limited to the following events: significant financial difficulty of the issuer; a breach of contract, bankruptcy or other financial indicators indicating distress relating to the item valued.

THE CITY SHUL CONGREGATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

2. Significant Accounting Policies – Continued

Financial Assets and Financial Liabilities – Continued

(ii) Impairment - Continued

When there is an indication of impairment, the Organization determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset.

When the Organization identifies a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it reduces the carrying amount of the asset to the highest of the following:

a) **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 the asset;**
b) **the amount that could be realized by selling the asset at the statement of financial position date; and**
c) **the amount the Organization expects to realize by exercising its rights to any collection action less the costs necessary to exercise those actions.**

When the Organization determines an adjustment to the carrying value is required, the carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the reduction is recognized as an impairment loss in the statements of operations. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent of the improvement, directly or by adjusting the allowance account. The amount of the reversal is recognized in the statements of operations in the period the reversal occurs.

Income Tax Status

The organization is exempt from income tax in Canada as a registered charity under Section 149(1)(f) of the Income Tax Act of Canada.

3. Investments

Investments are recorded at fair market value which, in most cases, will consist of cost plus accrued interest to the year end date. As at June 30, 2022, the restricted short term investment held consists of the following:

	Maturity	Rate	Terms	Face Value $	Fair Value $
GIC: CIBC	07/09/22	1.65%	Redeemable	10,393	10,532

THE CITY SHUL CONGREGATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

4. Capital Assets

	Cost	Accumulated Amortization	Net Book Value 2022	Net Book Value 2021
	$	$	$	$
Furniture & fixtures	15,270	15,270	-	518
Leasehold improvements	26,478	26,478	-	1,471
Total	41,748	41,748	-	1,989

5. Loans Payable to Members

The Organization has loaned funds from several members since fiscal 2018. These loans bear interest at 0% - 4% per annum, are unsecured and are being paid back in monthly installments which are scheduled to conclude by May, 2023; however, due to the Covid-19 pandemic (Note 10), monthly installments on the loans were temporarily suspended effective April, 2020, but resumed in September, 2020. During the 2020-21 year, a total of $18,380 of loans were forgiven and converted to donation income. Estimated repayment over the remaining term of the loans still in effect at year end is as follows;

2023 $ 7,144

6. Deferred Revenue

	2022	2021
	$	$
Tuition fees paid in advance	32,538	9,180
Syrian Refugee program	-	-
Rabbi's discretionary	12,046	21,084
Prayer Book	-	1,030
	46,102	31,294

7. Government Assistance: Covid – 19 - Canada Emergency Business Account

In the fiscal 2020 year, the Organization applied for and received a $40,000 loan under the Canada Emergency Business Account (CEBA) as part of the Federal government's Covid-19 relief legislation. The loan is interest-free and if paid by December 31, 2023 (formerly December 31, 2022), $10,000 of the loan is forgivable. The Organization's management believes that the Organization will be in a position to allow for the repayment of the loan by above specified date; therefore, the loan's forgivable portion of $10,000 was recognized as revenue in the 2020 fiscal year.

THE CITY SHUL CONGREGATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

7. Government Assistance: Covid – 19 - Canada Emergency Business Account - Continued

In the fiscal 2021 year, the Organization applied for and received an additional $20,000 loan under the CEBA loan program as part of the Federal government's continuing Covid-19 relief legislation. This loan is also interest-free; and, if paid by December 31, 2023 (formerly December 31, 2022), $10,000 of the loan is forgivable. As the Organization's management believes that the Organization will be in a position to allow for the repayment of the loan by above specified date; the loan's forgivable portion of $10,000 was recognized as revenue in the 2021 year. In addition, as a long term financial liability, the both components of the CEBA loan have been stated at their fair value taking into account the estimated cost of borrowing of 3% per annum. The differential between the fair value as at the year-end date and the face value of the loans, were also been included in revenue in the year of receipt.

8. Risk

Liquidity Risk

The Organization manages its liquidity risk by monitoring actual and projected cash flows, from contributions, rental income and fundraising to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses.

General

The Organization holds financial assets in the form of cash and cash equivalents, short term investments, and accounts receivable. It is management's opinion that the fair value of these financial instruments approximates their stated value, plus accrued interest where applicable.

The Organization also holds short term financial liabilities in the form of accounts payable and accrued liabilities, and deferred revenue. Unless otherwise noted, the fair value and stated carrying value of these financial liabilities approximate each other at year end due to the short term to maturity of the liabilities and debts held at June 30, 2022. The Organization also holds long term loans payable to Board members. Given the stability of interest rates available for similar debt as at the year end date, management estimates that the stated value and the discounted value of the long term loans approximate each other such that no adjustment is necessary to restate the debt to its fair value.

THE CITY SHUL CONGREGATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

8. Risk - Continued

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect the future cash flows or the fair value of financial instruments.

Interest rate risk arises when the organization invests in interest-bearing financial instruments or carried interest bearing debt. The organization is exposed to the risk that the value of such financial instruments will fluctuate due to the prevailing levels of market interest rates.

The Organization currently holds several cash accounts and one short term investment as at June 30, 2022 in the amount of $10,532 (2021- $10,387). These funds are invested as determined by the finance committee and though management does not directly control the investment decision related to these funds, they do not believe that the Organization is exposed to significant interest rate risk in the current year.

Other Risks

It is management's opinion that the Organization is not exposed to significant currency, credit or market risks arising from the financial instruments held.

9. Commitments and Contingencies

Rental of Premises – Bloor Street United Church

The Organization entered into a 10-year lease agreement with Bloor Street United Church (BSUC) for the rental of its religious and community space in October, 2017. Due to the planned redevelopment of the BSUC building, the agreement was prematurely terminated with the Organization vacating the premises in March 2020. Since that date, the Organization has been operating services either remotely through the use of on-line virtual services, or form short tern rental facilities.

While it is anticipated that the Organization will reoccupy its former facilities with the BSUC once development is completed; the Corvid-19 pandemic has delayed the redevelopment plans for the BSUC site for an indefinite period. The Organization will negotiate a new arrangement with the lessor when the redevelopment is completed and there is clarity around in-person services resuming in light of the continued effects of the Covid-19 pandemic.

THE CITY SHUL CONGREGATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

10. Operations – Coronavirus -19 Pandemic

The introduction of the Coronavirus (Covid-19) into Canada in January, 2020, ultimately resulted in the closure of all businesses, including community arts organizations, operating in the Greater Toronto Area on March 13, 2020. The City and Provincial governments mandated new legislation prohibiting the operation of all businesses other than essential services; accordingly, the Organization was forced to close and cease active operations; including, all in person workshops, Sabbath services, holiday celebrations and fundraising events effective March 13, 2020.

Periodically during the 2020-21 fiscal year, the Organization was permitted to re-open to in-personal services, including High Holiday Services held in an outdoor venue; however, most programming continued to be offered through on-line services.

In fiscal 2021-22, the Organization reopened to in-person services but remains subject to any current or future Provincial Ministry of Health and the City of Toronto guidelines.

The Organization continues to manage and respond to Covid-19 and has continued operations, subject to health regulations; however, the duration and impact of the Covid-19 pandemic is unknown at this time, and it is not possible to reliably estimate the impact that the severity and length of the pandemic will have on the financial results of the Organization in future periods.

As the Organization has sufficient resources, management does not anticipate any going concern issues as a result of the forced closure and restriction to its programming activities.

11. Comparative Figures

Certain comparative figures for the year ended June 30, 2021 have been reclassified and their groupings changed to conform to the current year's presentation format.