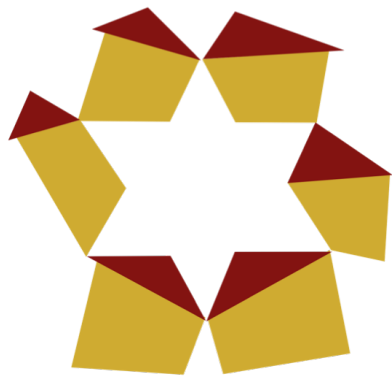




City Shul

A Jewish heart
in the heart of Toronto

Annual Report

July 1, 2022 – June 30, 2023

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.



From the Rabbi

Dear City Shul,

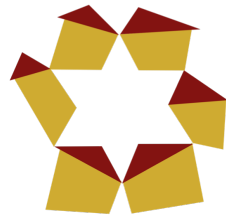
I write this with the bittersweet acknowledgement that this will be my last Annual Letter to you as your Rabbi. This represents for me 13 years of reporting to you my thoughts and reflection on the past year and my hopes for the coming year. In that, this letter is no different. There is much for me to be proud of this past year, and I still look toward the future with you all and City Shul very much in my heart.

Certainly what looms large this year first and foremost is the Oct. 7 attack, massacre and hostage-taking in Israel, and the subsequent bombing and war in Gaza. Our mettle as a community is being tested as we express our differing opinions but still gather for Shabbat and adult ed events as a community to feel each other's support – with enhanced security and an enhanced sense of the beauty of being together. I wrote about “ways to help” in two newsletters and a special email that went to all members. I have preached from the bima for the past few weeks on our feelings of frustration, fear, and even depression and anxiety as antisemitism rises in Toronto and around the world. And most recently, I flew straight from my son's post-wedding brunch in Ottawa to Washington DC to be at the March for Israel. The rally was highly political and although I am so glad I was there, it was lacking spiritual inspiration and Rabbinic input.

But we are a strong and resilient people and that is echoed in our synagogue. We came out of COVID for the high holidays with an almost-full house at all services, while still offering a livestream option for those who preferred not to come in person. We continue to offer that option at our Saturday morning services. We dedicated three new matching white high holiday Torah mantles at Selichot. We celebrated a special-needs Bat Mitzvah on a Friday night which was so meaningful. We had an amazing “Torah festival” for Shavuot, brought back Kitchen Kiddush, and did a Torah and Flora hike. We will celebrate another cohort of adult BMitzvah on Dec. 2, unroll our Torah scrolls for “Simchat Torah in December” at our Chanukah party, bring back our Learning Service in April, and continue to offer the highest level of adult education and Israel Engagement programming including dialogues with our former ambassador to Israel Jon Allen, film nights, museum exhibits, classes and more. And of course, we celebrated plenty of babynamings, BMitzvahs, and weddings this past year.

As I reflect on my retirement year, I am struck by how thoughtful and warm this congregation continues to be toward me and Baruch and our family, and how solid it is in its insistence on a covenantal, sacred relationship with its Rabbi. I am preparing to leave knowing you will have everything you need physically – three Torahs with Shabbat and holiday mantles, a Siddur that everyone loves using, a robust Leadership Team, a steady and consistent music culture with a Hazzanit who knows and loves us together with the Shira Harmony group that enhances us, policies for kiddush, simchas, lifecycle events and services that will keep us values-focused, and strong, active, diverse committees with representation from many kinds of City Shul'ers entrusted with finding us the right Rabbinic leadership for the years ahead. As it says in Deuteronomy 31:6: “Be strong and of good courage!” for the days ahead, as we illuminate the dark winter together at City Shul.

Rabbi Elyse Goldstein



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From the President – 2023: From strength to strength

I write this in late November having just participated in our annual New Members' Shabbat, welcoming a dozen new members to City Shul in a special Shabbat service. We continue to attract compelling and interesting people seeking pathways to Jewish meaning in their lives. Unlike many synagogues that attract most of their members because they're in the neighbourhood, many of our members seek out City Shul for our *values*. We can rightly be proud of what we do and how people see us.

Rabbi Elyse Goldstein's announcement of her coming retirement in June, 2024 caused in all of us a swell of gratitude – and put the Leadership Team straight to work. We organized a comprehensive conversation – including information sessions, focus groups and individual interviews – with our members about who we are, what matters to us and where we want to be in the future. It was a harvest of gold. A small selection of what is important to our members was: *Inclusion of the congregation into the service; a blend of information and structure, meeting people you don't know, discussion of current and controversial issues, wide-ranging discourse, and even casual dress!* Repeated often was the belief that we are a very strong group: opinionated, passionate about Judaism and full of affection for one another. Already a committee is planning a fitting gala for Rabbi Goldstein's extraordinary leadership of City Shul that will celebrate a pioneering career. Luckily, she plans to help us when asked and visit a service from time to time!

One aspect of City Shul was criticized in that comprehensive conversation: a lack of teen engagement. This year that has been corrected to an astonishing degree by member Corin Greenberg's hard work and determination. The committee engaged a teen mentor and involved the shinshinim as part of a program that included a very successful Yom Kippur food drive, a WhatsApp group, trial leadership roles for interested teens and several planned events for the coming months. It culminated in a real coup: City Shul co-sponsored the National Federation of Temple Youth's Northeast Lakes Kallah in early November.

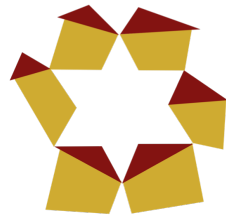
We are so grateful to our donors for their generosity: their participation in the School Matching Campaign to a total of nearly \$50,000 and the near doubling our Kol Nidre pledge thanks to a return to in-person pledges. We have prepared a fundraising pitch to appeal to outside community donors and hope to realize its potential in the coming year.

Our executive, Chair Liron Taub, Vice-Chair Anne Sealey, Treasurer Rob McCready, Secretary Carly Ziniuk and myself thank our Leadership Team for their hard-working, astute and large-hearted work. Our staff and volunteers make City Shul the most dynamic shul in the country.

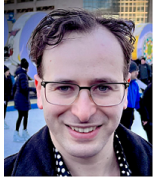
L'dor vador. From generation to generation will give us guidance in the months to come.

Barbara Wade Rose

President



City Shul
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Chair's Discussion and Analysis

Introduction

Thirteen years ago, when Rabbi Goldstein founded City Shul, it was her vision to forge a community that would outlast her leadership. City Shul is full of gifts from Rabbi Goldstein to us, that make us who we are even when she is away travelling, and that will continue to carry us after she is our Rabbi Emerita.

Gifts like the Modim Moments. Shofarpalooza. Congregational D'var Torahs. Our Ark, our Torah scrolls, including one by five women scribes, their mantles, our bimah. Her connection with Tara Abrams, who will continue as our Hazzanit. And the greatest gift of all, an engaged, connected Jewish community.

Rabbi Goldstein has gravitas and charisma. But so do we, City Shul. We are what the Reform movement calls a congregation with charisma – the congregation itself, as a collective, has gravitas, charisma, and continuity. That's why new members so often talk about feeling so welcomed – by congregants. Loving the singing – which is communal. The sense of spirituality – which is in the air, not only on the pulpit. We do not outsource caring for each other to our professional counsellor; we complement her professional work with a community that celebrates, mourns, and supports, together.

I think the greatest gift Rabbi Goldstein gave us is the insight that a great synagogue's mission is not merely to provide a place for prayer, counselling, and lifecycle events. A great synagogue exists to change lives. Those of us who love it love it because it changed our lives, and we will continue to be part of changing each other's lives for the better.

Our 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 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 the core of our strength, the reason our community is eternal –

- | | |
|-----------------------|--|
| People <i>join</i> | a synagogue because they like the Rabbi, the Hazzanit, and the services. |
| People <i>stay</i> | with a synagogue because they like the community. |
| People <i>gain</i> | from the synagogue when it creates pathways for <i>them</i> to explore and live an engaged, connected Jewish life. |
| People <i>sustain</i> | the synagogue when they create pathways for <i>others</i> to explore and live an engaged, connected Jewish life. |

The only of these stages which draws on the Rabbi's charisma is the first stage, the stage at which people *join* the synagogue. At that stage, it is the combination of the Rabbi, Hazzanit, and the *kehillah* (the praying community) that leads someone to choose to join that praying community. As we move through the stages, members and the community transcend our relationship with the bimah leadership to form a relationship ultimately focused on each other's Jewish journey, and the nature of the community and the nature of the programming becomes more central to the synagogue's character.

By helping congregants move from joining to staying, gaining and sustaining, Rabbi Goldstein has given us the gift of a congregation that has gravitas, charisma and continuity.

From July 2022 – June 2023, City Shul experimented with a number of new mission-driven initiatives, some of which are showing great results so far.

- Our members Corin Greenberg and Sharon Earn reached out to the Leadership Team with a new vision for creating pathways for City Shul's teens to explore and live an engaged, connected Jewish life. Working with our Director of Jewish Learning, through a process of great thought and development, City Shul now has a vibrant, teen-lead City Shul Teen Youth Group with the assistance of our new Teen Engagement Mentor, Rae Szerezsewski.
- For High Holidays, we put together the Ten Days of Awesome, filling each day of the Days of Awe with an experiential event to explore Jewish life, like The Leonard Cohen Experience, Heroes of Queer Jewish History, and Tashlich in a Canoe. In addition to creating new ways to engage, the events deliberately included various modalities that allowed those not wanting to be inside for COVID reasons to have a High Holidays experience. While each event was very well received by those who attended, attendance was a bit sparse and the feedback we received was that it would be better for programs like this to be more spread out across the calendar. That lead us to another initiative:
- Shabbat Special Events – experiential non-service events that explore an aspect or insight into Judaism or Jewish practice. Music. Torah study. Improv. The outdoors. Our incredible Torah

festival for last year's Shavuot. These have been a great success and we expect that they will continue to be a part of City Shul.

There is nothing we love more than a person with a good idea, and the willingness to lead the way, not as an expert, but as an explorer. If you're willing to break trail for a group of City Shul spiritual hikers, email me now at chair@cityshul.com. Don't delay, write today!

Search and Transition

Our hearts are full as we congratulate Rabbi Goldstein on becoming our Rabbi Emerita in July 2024 and on having built up a strong, motivated Jewish community. While we have the search for an Interim Rabbi happening now, and will start up the search for the successor Rabbi in the months to come, 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 Rabbi. 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 Rabbinic leader, helping them learn and understand who we are, and entering into our own unique, personal relationship 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 Rabbi 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.

During the July 2022 to June 2023 period, we carried out a search for an associate/successor singing Rabbi or Cantor, who would have overlapped with Rabbi Goldstein's final year and then lead services on their own as our sole spiritual leader subsequently. Of course, the right candidate for that sort of role is relatively rare, but one of the reasons we chose to carry out that search was that we knew that it was in a real sense risk-free – if no suitable candidate was found, we could move on to the Interim Rabbi model that we are now pursuing. A fantastic Search Committee gave the search its all and many excellent candidates came forward, but we did not ultimately find the right candidate for that particular model of transition. We then decided to take another approach to maintain continuity on the bimah, and posted a three-year position for a Cantorial Soloist. The Cantorial Soloist Search Committee unanimously recommended our own Tara Abrams, who is now our Hazzanit for at least the full transition period: Rabbi Goldstein's last year, the interim year, and the first year of the successor Rabbi.

Our current approach is actually is the more common model in the Reform movement. For the year after Rabbi Goldstein retires, we will be lead by an Interim Rabbi, whose job is to help us transition, and prepare

us to be ready to welcome a successor Rabbi with open hearts. The Reform movement has trained a corps of Interim Rabbis who are specifically taught the unique skills for helping a congregation through transition. The Interim Rabbi Search Committee's work is well underway and progressing on the Reform movement's normal and expected timelines.

We wanted to ensure that we had many sources of continuity during the transition process. Throughout the transition process, including Rabbi Goldstein's last year, the Interim Rabbi's year, and the successor Rabbi's first year, services will be co-lead by Tara Abrams, and, as much as we can ensure it, at the same locations. We'll have the same siddur, the same shape of our service, and, above all, the same congregants praying together!

Finances

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

Our financial performance this year was good. We ended the fiscal year on June 30, 2023 with \$387,739 of non-restricted assets, against \$154,048 liabilities, for net unrestricted assets of \$233,691. In other words, we have a \$233,691 cushion available, to allow us to experiment, make mistakes, and incur occasional additional costs, like the additional search costs that the search for a successor Rabbi is likely to involve. Since our annual expenses are below \$600,000, that means we have over a third of our annual expenditure available in cushion, a very solid financial situation.

While our statement of operations shows that we had a \$28,240 deficit for 2022-2023, that number does not reflect \$30,000 in donations that were pledged in 2022-2023 but to be collected in 2023-2024. Accounting rules don't allow us to record that revenue in 2022-2023, but in terms of how we think about our results at the Leadership Team table, we actually had a small profit of \$1,760 for 2022-2023.

Our good performance this year was driven by several factors. The School Matching Campaign, in which the Rosenwhite family's generous donation to City Shul's school was generously matched by several members, raised over \$45,000 for the school. We also engaged in a careful process of cost control, looking for areas in which we could reduce costs while maintaining or even improving quality. This process will yield over \$15,000 of savings annually, although as the process began mid-year, not all of those savings were realized in this year.

Our results are lower than 2021-2022, in which we had a \$90,691 profit. The reason is partly that 2021-2022 featured the release of our extraordinary siddur, Shirat HaLev – another gift from Rabbi Goldstein's tenure for the congregation's future – and the associated fundraising campaign for it raised over \$100,000, another legacy. In addition, in 2021-2022 we were still in the midst of restrictions on indoor gatherings and we did not pay a full year of rent. Rent costs increased from \$31,331 to \$74,606 (remember this includes rent for St George by the Grange, Metropolitan United, Palais Royale, the school, and anywhere else we rent for an event). We continued to sell far fewer High Holiday tickets than we did before the pandemic (we

did better in September 2023 but still not as much as before), while spending more on High Holidays for our incredible venues.

Some sources of future financial strength that we are working on:

- Our Fundraising Committee is working particularly on securing funding from external donors. This is a lengthy process but if successful could prove very fruitful.
- We are moving towards investing our assets to benefit from available interest rates. We will only invest in secure investments.
- We continue to emphasize value for money, containing costs through realistic budgets with an expectation that actors stay within their budget allocations, and by using appropriate financial approvals, while being willing to spend on high value items.

Our favourite source of revenue, of course, is new City Shul members. Not just because each new member brings revenue – and normally annually recurring revenue – but because each new member, like each of us, brings their 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*.

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.

Additional Comments on Finances

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. 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 expenditures are connected to paying our employees and contractors.

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's 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 and of our new Shabbat Special Events. Historically, kiddush breaks even – kiddush sponsorships fully cover the amount we spend on kiddush. Members often provide a kiddush sponsorship in honour or in memory of special people in our lives. Kiddush at City Shul depends on kiddush sponsorship, and we are deeply grateful.

Governance

City Shul is a not-for-profit corporation incorporated under the laws of Ontario. It is a synagogue with a Rabbinical 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 Rabbi, meaning that in the future, it will be the function of the interim Rabbi or the successor Rabbi. The issues that come before the Leadership Team often raise religious issues. In those situations, we work together with the Rabbi 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 be members of ARZA Canada, the Zionist Voice of the Canadian Reform Movement. It has established a special relationship with Adat Israel Guatemala, where Rabbi Goldstein serves as their volunteer Rabbi. Rabbi Goldstein will be retiring from that position as well.

The Union for Reform Judaism trains its congregations in a governance framework developed by Board Source 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 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.

We believe that City Shul, in its thirteenth year, is in a real way at a B'Mitzvah stage of City Shul's life – ready to transition to being its own congregation with less guidance from its founding Rabbi, its parent. We believe that City Shul over the next few years needs to be agile, exploratory, experiential, nimble, and collaborative. We know that the transition is the major risk facing us and we believe we have a good plan for success.

The Leadership Team does an annual review of its own performance, based on a process suggested by the Union for Reform Judaism. Our most recent review showed a number of successes, as well as areas for improvement. In terms of the successes, we believe that:

- Jewish values actively influence the process and outcome of our decisions (something not every synagogue board could honestly say!)
- There is a sacred partnership among clergy, staff and lay leaders
- Our mission reflects who we are and who we aspire to be, and our leaders know and understand our mission
- The tone of Leadership Team meetings is one of respect and collegiality; we have candid conversations and constructively handle conflict and tension

In terms of areas for improvement, we believe that we need to do better in developing and sustaining leaders within the congregation, and, while we believe we perform very well on insight and oversight, we believe we have room for improvement on foresight, or strategy. We have identified as priority areas to develop and sustain leaders within the congregation, and to think about how to do strategy in a transitional moment – to articulate goals that help us guide decisions but don't overly bind us as we will need to work with settled clergy on a shared vision. You will notice that the two priority areas reflect the idea that we are at a B'Mitzvah stage of City Shul's life, needing to develop our own leaders and set our own goals.

Welcoming Barb Wiseberg

In the summer of 2022, we welcomed our Synagogue Operations Manager, 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 gets City Shul's mission in spades and is all-in for City Shul. Her careful work, and attention to cost control, is an important aspect of our financial and operational success. The Synagogue Operations Manager is an essential part of creating pathways to explore and live an engaged, connected Jewish life, and we are in good hands with Barb.

Conclusion

Creating pathways to explore and live an engaged, connected Jewish life matters in your lives, and therefore it matters in ours. Judaism and City Shul matter in your life, and they matter in ours. 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, 2023**

THE CITY SHUL CONGREGATION

JUNE 30, 2023

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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, 2023, 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, 2023, 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.

A handwritten signature in black ink that reads "Jeffrey D. Milgram Professional Corporation". The signature is written in a cursive, flowing style.

JEFFREY D. MILGRAM PROFESSIONAL CORPORATION

**Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario**

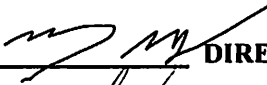
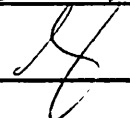
TORONTO, ONTARIO

NOVEMBER 10, 2023

THE CITY SHUL CONGREGATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	<u>2023</u> \$	<u>2022</u> \$ (Note 9)
<u>ASSETS</u>		
CURRENT		
Cash and cash equivalents	298,454	345,943
Accounts receivable	37,771	34,023
Government excise tax receivable	30,684	17,857
Prepaid expenses	<u>20,830</u>	<u>15,679</u>
	387,739	413,502
RESTRICTED		
Cash and cash equivalent (Note 3)	<u>10,851</u>	<u>10,532</u>
	<u>398,590</u>	<u>424,034</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT		
Accounts payable and accrued liabilities	74,952	60,064
Loans payable to members – current portion (Note 4)	-	7,144
Deferred revenue (Note 5)	<u>39,276</u>	<u>44,584</u>
	<u>114,228</u>	<u>111,792</u>
SHORT TERM		
Canadian Emergency Business Account loan (Note 6)	39,820	-
LONG TERM		
Canadian Emergency Business Account loan (Note 6)	<u>-</u>	<u>39,460</u>
	<u>154,048</u>	<u>151,252</u>
NET ASSETS		
Endowment Fund	10,851	10,532
Unrestricted net assets	<u>233,691</u>	<u>262,250</u>
	<u>244,542</u>	<u>272,782</u>
	<u>398,590</u>	<u>424,034</u>

APPROVED ON BEHALF OF THE BOARD:

<u>Liron Taub</u>		DIRECTOR	<u>Nov 7, 2023</u>	DATE
<u>Rob McCreedy</u>		DIRECTOR	<u>Nov 10, 2023</u>	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, 2023

	<u>2023</u>			<u>2022</u>
	Endowment	Operating		(Note 9)
	<u>Fund</u>	<u>Fund</u>	<u>Total</u>	<u>Total</u>
	\$	\$	\$	\$
BALANCE, beginning of year, as previously stated	10,532	262,250	272,782	175,466
Prior period adjustment (Note 10)	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,625</u>
BALANCE, after prior period adjustment	10,532	262,250	272,782	182,091
Net revenues over expenses (expenses over revenues) for the year	<u>319</u>	<u>(28,559)</u>	<u>(28,240)</u>	<u>90,691</u>
BALANCE, end of year	<u>10,851</u>	<u>233,691</u>	<u>244,542</u>	<u>272,782</u>

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

THE CITY SHUL CONGREGATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>2023</u> \$	<u>2022</u> \$
REVENUES		
Donations – General	144,115	217,073
Donations – Rabbi discretionary	32,169	26,997
Grants	180	10,000
Investment income	319	645
School Income	63,578	63,780
Terumah membership	<u>320,350</u>	<u>330,610</u>
	<u>560,711</u>	<u>649,105</u>
EXPENSES		
Amortization expense	-	1,989
Contract staff	90,446	80,322
Financial	43,499	49,479
Food	28,334	7,445
Office and general	61,602	110,888
Payroll and benefits	253,556	247,060
Rent	74,606	31,331
Rabbi discretionary expenditures	32,169	26,997
Rwandan refugee program	2,771	-
School related costs	1,818	2,863
Miscellaneous expense	<u>150</u>	<u>40</u>
	<u>588,951</u>	<u>558,414</u>
NET EXCESS OF (EXPENSES OVER REVENUES)		
REVENUES OVER EXPENSES FOR THE YEAR	<u>(28,240)</u>	<u>90,691</u>

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

THE CITY SHUL CONGREGATION
STATEMENT OF CASH FLOWS
AS AT JUNE 30, 2023

	<u>2023</u> \$	<u>2022</u> \$ (Note 9)
OPERATING ACTIVITIES		
Net excess of revenues over expenses for the year	(28,240)	90,691
Adjustments:		
Amortization	-	1,989
Deferred revenue – prior year	<u>(44,584)</u>	<u>(31,294)</u>
	(72,824)	61,386
Net changes in working capital balances:		
Accounts receivable	(5,836)	2,210
Receivables from government agencies	(12,827)	(11,557)
Prepaid expense	(5,151)	(11,679)
Accounts payable and accrued liabilities	16,976	18,136
Deferred revenue – current year	<u>39,276</u>	<u>44,584</u>
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	<u>(40,386)</u>	<u>103,080</u>
FINANCING ACTIVITIES		
Canada Emergency Business Account	360	254
Loan payable	<u>(7,144)</u>	<u>(10,286)</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>(6,784)</u>	<u>(10,032)</u>
Net change in cash and cash equivalents during the year	(47,170)	93,048
CASH AND CASH EQUIVALENTS, beginning of year	<u>356,475</u>	<u>263,427</u>
CASH AND CASH EQUIVALENTS, end of year	<u>309,305</u>	<u>356,475</u>
COMPRISED AS FOLLOWS:		
Cash and cash equivalents - unrestricted	298,454	345,943
Cash and cash equivalents – restricted (Note 3)	<u>10,851</u>	<u>10,532</u>
Bank and cash equivalents end of year	<u>309,305</u>	<u>356,475</u>

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

**THE CITY SHUL CONGREGATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

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 corporation prepares its financial statements in accordance with the Chartered Professional Accountants of Canada (CPA, Canada) Handbook, Part III, Canadian accounting standards for not-for-profit organizations (ASNPO) applied on a basis consistent with that of the preceding year.

2. Significant Accounting Policies

The accounting policies of the organization outlined below are those policies considered particularly significant.

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.

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.

THE CITY SHUL CONGREGATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

2. Significant Accounting Policies – Continued

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.

Investments

Short term investments with a maturity date of greater than 90 days but under one year from the year end date are stated at cost plus accrued interest to the year end date which approximates the financial instruments' fair value. Any investment with a maturity date that extends beyond the year end date by one year and a day, is classified as a long term investment holding and is valued at its discounted cost.

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, 2023

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, 2023

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, 2023, the restricted short term investment held consists of the following guaranteed investment certificate (GIC):

	<u>Maturity</u>	<u>Rate</u>	<u>Terms</u>	<u>Face Value</u> \$	<u>Fair Value</u> \$
GIC: CIBC	07/09/23	4.75%	Redeemable	<u>10,497</u>	<u>10,851</u>

THE CITY SHUL CONGREGATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

4. 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 were scheduled to conclude by May, 2023; however, due to the Covid-19 pandemic, monthly installments on the loans were temporarily suspended effective April, 2020, and resumed in September, 2020. During the 2020-21 year, a total of \$18,380 of loans were forgiven and converted to donation income. The loans were retired in the current year with the remaining portion of loans (\$7,144) being fully paid by year end.

5. Deferred Revenue

Deferred revenues consist of specifically designated funds held by the Rabbi for community service and needs; and, tuition fees paid for the September to June 2023-24 scholastic session.

	<u>2023</u>	<u>2022</u>
	\$	\$
Tuition fees paid in advance	31,874	32,538
Rabbi's discretionary	<u>7,402</u>	<u>12,046</u>
	<u>39,276</u>	<u>44,584</u>

6. 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.

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, an additional \$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 two loans by above specified date; the loans' forgivable portion of \$10,000 each was recognized as revenue in the respective year of receipt. Initially recorded 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 at 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 with the discounted value being amortized to the date of maturity.

THE CITY SHUL CONGREGATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

7. 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.

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.

**THE CITY SHUL CONGREGATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023**

8. 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. During the Covid-19 pandemic, the Organization conducted services either remotely through the use of on-line virtual services, or from short term rental facilities; as health restriction allowed. During fiscal 2023, services returned to an in-person format.

While it is anticipated that the Organization will reoccupy its former facilities with the BSUC once development is completed; the Covid-19 pandemic has delayed the redevelopment plans for the BSUC site for an indefinite period. It is anticipated that Organization will negotiate a new arrangement with the lessor when the redevelopment is completed.

9. Comparative Figures

Prior Period Adjustment

The opening balance for retained earnings for the year ended June 30, 2022 have been restated to correct for the following:

- Cash receipts payment of \$968 on a cemetery plot contract was inadvertently taken into income during the 2020 fiscal year; correction is reflected in accumulated surplus with a corresponding decrease in receivables;
- Installment payments due to the Toronto Hebrew Memorial Trust on the Organization's 2019 cemetery plot assignment contract was misaligned by a single payment that was expensed in fiscal 2020; correction is reflected in accumulated surplus with a corresponding decrease in payables.

Comparative Figures

Certain comparative figures for the year ended June 30, 2022 have been either reclassified or reformatted to conform with the current year's presentation format.