City Shul

A Jewish heart in the heart of Toronto

Annual Report

July 1, 2023 – June 30, 2024

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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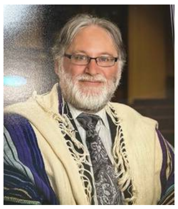

From the Transitional Rabbi

To the Members of City Shul,

It is a bit unusual for a rabbi to write a letter attached to the Annual Report when the rabbi has only been with the congregation for half a year. But transition years are unusual times in the life of a synagogue, and so here we are.

I will begin by saying what a joy it is for me to serve as your Transitional Rabbi. I have found the City Shul community to have one of the strongest senses of community I have ever encountered in my rabbinic career. The care and concern that you show for one another is extraordinary, and the commitment of core members to the successful management of the synagogue is beyond compare, as is the commitment of members leading the congregation in prayer, study, Torah and Haftarah chanting, and Divrey Torah, complimenting the contributions of our Hazzanit, Tara Abrams, and me.

I am pleased to report that the transition is going well. High Holy Day, B'Mitzvah and Shabbat services have maintained the warmth and the character of City Shul, reminding us that City Shul is more than capable of being the City Shul we have come to know and love through this transitional year and for the future.

I am looking forward to the second half of my stay with you, teaching and learning, celebrating and comforting you, in addition to my responsibilities on the bimah. And anticipating a successful search and hire of your settled rabbi, I look forward to working with him/her during the onboarding process and helping to establish a true partnership and working relationship between your new rabbi and Rabbi Goldstein, as she completes her transition to Rabbi Emerita.
I feel blessed to be with all of you this year, and wish only the best for you as we move into 2025.

Shalom,
Rabbi Danny Gottlieb

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From the President

This has been a very full transition year.

We celebrated Rabbi Elyse Goldstein in many ways over the past year, as is fitting for such an extraordinary leader. As each 'last' arrived —the last High Holidays sermon, the last Chanukah party, the last b'mitzvsh, and more—we took the opportunity to say 'thank you.' The last service over which Rabbi Goldstein presided was for members only and brought for more than a few tears. At the June gala that followed scores of members, friends and notables from the Canadian and international Jewish community filled the Art-Deco Eglinton Grand in midtown Toronto and enjoyed an evening full of skits, songs and a chair-lift of Rabbi Goldstein to the stage as queen of the night. The event also raised over $45,000 for rabbinical excellence.

Our transitional rabbi, Rabbi Danny Gottlieb, gave Rabbi Goldstein a blessing at her last service and was introduced to City Shul at the Gala, and he has since shepherded us admirably through transition. Even before he began, a Search Committee for our new settled rabbi was formed, helmed by City Shul's first president, Jonathan Wyman, and including Danielle Adler, Elana Ellison, Mark Greenberg, Danny Gruner, AM Matte, Robin Nobleman, Richard Rotman, Elaine Smith, and myself. The Search Committee held over a dozen meetings in the subsequent months: refining the conception of what City Shul's leader should embody, formulating questions that elicited important answers. The posting went up on the CCAR (Central Conference of American Rabbis) just before the High Holidays. At the time I write this nine applicants have been interviewed and we are planning next steps.

Crucially important, over the same time period our Transition Committee, with Ottie Lockey, Kaeli Macdonald and Shelley Albert, has held listening circles for congregants to solicit their perspectives, worries and hopes.

Myself and fellow fundraisers Peter Levitt and Abby Robins, with assistance from former Chair Danielle Adler, conceived of a campaign to make sure City Shul could offer a competitive salary for a settled rabbi and in 2026 return us to a renovated Bloor Street United in strength. Donors were asked to make year-over-year donations for at least the next three years. Launched in the spring, the Chalutzim Campaign donors have pledged over $60,000 a year for the next three years and at least $20,000 a year for the two years after that. We welcome anyone who wishes to join the Chalutzim Campaign over the next year. Those who give are visionaries who believe in City Shul's promise. They make this time not just a year of transition, but a turning point, and we thank them profoundly.

In the past I stated that we at City Shul are in good hands because they are our own. This year many of us used our hands and hearts and minds for the future of City Shul. I am certain we will reap the benefit of our hard work in the year to come.

Sincerely,
Barbara Wade Rose
President

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Chair's Discussion and Analysis

Introduction

We are now right in the middle of our Rabbinical transition. The year which this Annual Report is reporting on, July 1, 2023 – June 30, 2024, was the last year of Rabbi Goldstein's tenure before she became our Rabbi Emerita. The year in which we are in, July 1, 2024 – June 30, 2025, is the year in which we are served by our Transitional Rabbi Danny Gottlieb. And the year to come, July 1, 2025 – June 30, 2026 will, if all goes well, be the first year of our new Rabbinical leader.

This discussion looks back at the last year and reports on it, and also gives a snapshot of where we are now, and looks forward to next steps.

City Shul is a small synagogue and it is also a great synagogue, because a synagogue is not measured by the number of its members, nor by the size of its sanctuary, nor by the vastness of its endowment, but only by the lives that it changes. And City Shul is overflowing with those who are changing each others' lives, and the lives of those around them, for the better.

Judaism in general, and City Shul in particular, is a source of sanity, moral groundedness, and spiritual fulfillment in an increasingly unsound, amoral, and callous world. We need more Judaism in the breaths of our lives and in the breadth of our communities. We must call each other to action and we must let ourselves heed the call. I have great hope – for both the world at large and for City Shul, whose best days I know to be ahead.

Your **Jewish Journey is** ***Our*** **Mission**

Our mission at City Shul is to create pathways to explore and live an engaged, connected Jewish life. *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 *join*	a synagogue because they like the Rabbi, the Hazzanit, and the services.
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.

At the Leadership Team table, every decision about hiring, budgeting, strategy, and programming is looked at through a mission-driven lens, which is explicitly addressed in each motion's written motion memo. Obviously not every decision has a mission-driven component – approving the financial statements is just approving the financial statements – but the mission is central to the big decisions.

Crucially, our mission is at the heart of the ongoing search for our Rabbi. The mission was translated into guidance to the Rabbi Search Committee as to what we are looking for in a Rabbi, which was further translated into the job description that lays out to candidates the Rabbi's Role at City Shul. Here is the main part of that job description:

> **Fundamental Principle**
> The Rabbi of City Shul exists in a covenant between City Shul and the Rabbi that both parties maintain in good faith as a sacred partnership.
>
> **Mission**
> The Rabbi of City Shul furthers City Shul's mission. That mission is as follows:
>
> **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.
>
> In accordance with this mission, the Rabbi opens up pathways to explore and live an engaged, connected Jewish life for members, for those who may become members, and even those who may never be members.

The Rabbi furthers the Jewish engagement of members and fosters a desire in non-members to explore Judaism; the Rabbi grows the congregation with new members who are interested in actively exploring and living an engaged, connected Jewish life.

City Shul has historically been particularly attractive to those interested in becoming Jews by choice and those Jews who are disaffected from Jewish religious life. The Rabbi is comfortable with people from those backgrounds and attracts such individuals and helps them in their Jewish journeys.

City Shul has also historically been particularly successful as a community-building synagogue and particularly attractive to those seeking an active Jewish community. The Rabbi is a community builder and also someone who fosters members' Jewish lives outside the synagogue, helping our members live full rich Jewish lives.

The Rabbi encourages and supports congregants in becoming leaders and doers of mitzvot, both leading and doing mitzvot in the congregation and in their broader lives.

Services and our Mission
The Rabbi leads services along with our Hazzanit, and occasionally along with other lay leaders. The Rabbi ensures that the services further the mission to create pathways to explore and live an engaged, connected Jewish life. The Rabbi has oversight and responsibility over all aspects of services…

Adults' Education and our Mission
The Rabbi is a teacher. We believe that City Shul members have a strong interest in scholarship, perhaps unsurprisingly given that City Shul's origin includes a connection with a liberal Jewish adult education centre. The Rabbi's leadership in exploring pathways to an engaged, connected Jewish life is rigorously grounded in Jewish scholarship. Both on the bimah and at other courses or events, the Rabbi teaches in a way that is of interest to a relatively sophisticated and intellectual community.

Children and our Mission
City Shul has historically been an attractive synagogue for young liberal Jewish families (or families with one Jewish parent) who want their children to be part of a Jewish community, develop a strong Jewish identity, and have a good Jewish education and Jewish family life. The Rabbi opens up pathways to explore and live

an engaged, connected Jewish life for children and for families; the Rabbi furthers the Jewish engagement of children and families, fosters a desire in non-member families to explore Judaism, and builds community for children and families.

The Rabbi furthers City Shul's mission at the school. The Rabbi teaches at the City Shul school on a weekly basis… The Rabbi provides Rabbinical presence and guidance and builds relationships with the students. The Rabbi is involved in all grades and has an especial involvement with the B'Mitzvah cohort. The Rabbi provides meaningful Rabbinical involvement for all ages in conjunction with the classroom teacher, and provides a special experience for the B'Mitzvah cohort…

Values of Inclusivity and our Mission
It is an extension of our mission to create pathways to explore and live an engaged, connected Jewish life that we are an inclusive congregation. We are egalitarian, feminist, and queer-positive. Theist, agnostic, atheist and secular Jews are all fully involved in our services including on the bimah. We want to be home to Jews from all ethnicities and have done some work to avoid "Ashkenormativity," and there is more work to be done in this regard. We do not distinguish between Jews by birth and Jews by choice. We are accepting of non-Jewish partners. And we welcome children at services. The Rabbi leads us and brings their own Rabbinical leadership and creativity in furthering these values.

Leadership on Difficult Issues
The Rabbi deals with sensitivity and respect with diverse views in the congregation on various topics. The Rabbi leads the congregation wisely in navigating difficult issues. The Rabbi gains the trust of the congregation by learning from it in order to lead it. The Leadership Team expects the Rabbi to be a leader and the Leadership Team supports the Rabbi's experimentation in evolving City Shul services and programs over time.

We have received very positive feedback about our job posting. Rabbis can read the posting and understand what City Shul is looking for, and whether our mission as a congregation fits well with their personal Rabbinic mission. We have received what we have been told by the Union for Reform Judaism is an unusually high number of applicants – 12 as of writing – which is a reflection of the desirability of leading a congregation of this caliber and with this mission. It may also be a reflection to some extent of events south of the border that some Reform Rabbis may find inhospitable. What with all these candidates, our Rabbi Search Committee, which consists of Jonathan Wyman (Chair), Danielle Adler, Elana Ellison, Mark Greenberg, Danny Gruner, AM Matte, Robin Nobleman, Barbara Wade Rose, Richard Rotman and Elaine Smith, has been very busy. We are hearing excitement from the Rabbi Search Committee about the quality of candidates. I am very hopeful that the right Rabbi for City Shul's mission will be found and that they will choose to enter into a covenant with us. If that were to not happen, we would continue the search for as long as necessary. But the frank and honest message is that currently all signs are positive for good news soon!

Transition

We are not only going through a search, we are going through 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 having thanked our Rabbi Emerita and entered into a new covenant with her in which she is no longer our leader, but remains 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.

Transition is a process that lasts long after the first day of the new Rabbi. The Leadership Team has, in accordance with Union for Reform Judaism best practice, created a Transition Task Force, consisting of Leadership Team members Ottie Lockey, Shelley Albert, and Kaeli Macdonald. The work of the Transition Task Force is protean, and perhaps herculean. They aim to guide us through the transition and to support the Transitional Rabbi and the new Rabbi through the transition. Some of their work is congregant-facing, such as the Listening Circles that they have been holding regularly. Some of their work is behind the scenes, such as helping to shape Rabbi Goldstein's final service. You can rest assured that having a good transition is a continual focus at the highest levels of our organization.

In July 2023 – June 2024, the major focus of transition was on thanking Rabbi Goldstein and letting her move on to being our Rabbi Emerita. From a regular feature in our Shuletter looking back through her career, to a special school goodbye, to the farewell blessing composed by our own Stephen Reich and sung by the Shira Harmony Group, to the Rabbi's last service with a special set of modim moments, to the extraordinary Gala, we were able to accept and wish her well on her retirement. The Gala was a special highlight. It is a tradition for a synagogue to throw a major gala for a retiring Rabbi, and for the Gala to be a significant fundraising event that forms a financial legacy. Our Gala was particularly delightful, moving, and also a firm financial legacy.

In the current year, July 2024 – June 2025, with our Transitional Rabbi Danny Gottlieb, we have had the remarkable opportunity to see our congregation for what it is – that City Shul is charismatic, vital, and authentically itself. *We* are City Shul! And there is no other congregation quite like us.

A Change at the School and Family Programming

Our Director of Jewish Learning, Lori Shapero-Press, has decided to move on. We are deeply grateful to Lori for her many contributions to City Shul and wish her the very best. Rae Szereszewski, our Grade 7 teacher and our Teen Engagement Mentor, will take on the role of Interim Director of Jewish Learning and steward the school and family programming through to the end of June 2025. Lori set the school up in excellent shape for the year and Rae and all our wonderful teachers are well-placed to keep its successes going.

Finances

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

Our financial performance in July 2023 – June 2024 was nothing short of remarkable. We made a profit of $55,416.

I want to take a bit of time to discuss how that number relates to donations pledged. Our accounting rule is to recognize donations on our books when they are received, not when they are pledged (speaking loosely). I discussed this rule last year, when I noted that in July 2022 – June 2023 we were showing a deficit of $28,240 but that that number didn't reflect $30,000 in donations that were pledged in that year but to be received in July 2023 – June 2024. I suggested it was reasonable to think of the 2022-2023 numbers as including that $30k, for a profit of $1,760 that year. Obviously, that $30k should not be double-counted, so if you think of it as attributable to 2022-2023, then the profit for 2023-2024 would be $25,416. But here's where it gets very interesting because in 2023-2024, for the first time, we launched a campaign for multi-year commitments, the Chalutzim Campaign. The Chalutzim Campaign has generated pledges of over $60k a year for the next three years and at least $20k a year for the two years after that. That's over $220k promised but because of the nature of the multi-year pledge, and the fact that we don't record pledges on our financial statements, the profit for this year does not fully show the depth of ongoing financial commitments to City Shul.

The Gala and other donations received during 2023-2024 took general donations to the extraordinary level of $318,363, as compared to $144,115 in 2022-2023. We also benefitted from $12,862 in Ontario government grants for security expenses, as a result of the eligibility criteria for security grants expanding to include the costs of hiring security guards in certain circumstances. We also saw small increases in school income and investment income. This helped offset a reduction in terumah, which will be discussed further below.

While our revenues in 2023-2024 were extraordinary, our expenses increased nearly $70,000, from $588,951 in 2022-2023 to $657,938 in 2023-2024. We believe the lion's share of that increase is the result of one-time costs for the Gala (the Gala cost a lot of money but generated considerably more), and the costs of certain other special compensation costs. Our most recent updated budget for our current year, 2024-2025, shows expenses of $530,197.14, and we believe that that's reasonable; we have so far been having actual quarterly expenses that are quite close to our budgeted quarterly expenses.

As a result of our profit not just in 2023-2024 but in many years in the past, we ended our financial year on June 30, 2024 with unrestricted net assets of $288,651. Remember, our expenses are around $530,000 a year – so one way to put that net assets number in perspective is to see that if our revenues suddenly fell to zero, we would be able to continue all of our activities for more than six months! We are in a very comfortable position financially, particularly for a small and relatively young synagogue.

Our considerable financial reserves are no accident. We have been well-aware that transitional periods come with their costs, both costs to revenue in the form of hopefully temporarily reduced membership, and expenses associated with running searches and the other elements of transition. We find ourselves financially well-placed.

It is typical during a Rabbinical transition for a synagogue to see a drop in membership of around 20%, followed, hopefully, by a rise in membership as the new Rabbi settles in and attracts new members. City Shul seems to be experiencing this membership reduction in the current year 2024-2025, with the concomitant reduction in revenue. Membership numbers for the past 10 years are set out below. Remember that in each year, some members join and some members leave, which creates a net change in membership. Each membership means one membership unit, which may be an individual or a family. Note that we are mid-year in 2024-2025 so we can expect a few more members to join over the second half of the year.

Year	Joined	Left	Net change	Total	Percentage
2016-2017	38	35	3	199	2%
2017-2018	41	27	14	213	7%
2018-2019	27	36	-9	204	-4%
2019-2020	27	31	-4	200	-2%
2020-2021	43	23	20	221	9%
2021-2022	24	34	-10	210	-5%
2022-2023	21	29	-8	203	-4%
2023-2024	18	32	-14	188	-7%
2024-2025	14	45	-31	157	-20%

Taking a bit of a deeper dive into these numbers, we can see that the heart of Covid, 2020-2021, was an unusual year; the highest number of memberships joined that year, and the lowest number of memberships left.

Looking at the other years, we see that a fluctuating amount between 24 – 41 memberships joined City Shul annually until 2022, but that since the announcement of Rabbi Goldstein's retirement in mid-2022-2023, the number of memberships joining reduced significantly, down to 18 new memberships last year and 14 new memberships so far this year. That drop in memberships joining likely reflects prospective members waiting to see who the new Rabbi will be.

As for the number of memberships that left, this number has generally hovered around 30 memberships leaving, fairly consistently, until the year we are currently in, in which we saw 45 memberships leaving. The Transition Task Force carried out an Exit Interview initiative to examine this year's non-renewals. The Task Force reached the following conclusions:

1. A normal number of non-renewals are due to the kids growing up and/or a move to another city.
2. In some cases feelings about Zionism have changed and there is discomfort with Reform Judaism in general.
3. Some ex members still feel connected and are waiting to see who the new Rabbi will be, but plan to rejoin at some stage.

The Task Force concluded that the situation is normal for a transitional period.

Looking over the past three years, since Rabbi Goldstein's retirement was announced, the main impact on membership numbers has resulted from a reduction in new memberships; memberships leaving is a smaller component. Once a new Rabbi is in place, membership growth that replaces the membership lost during the transition is a normal phenomenon.

The numbers may also be affected by the fact that since our return to services in person, we returned to services at a different location than before the Covid restrictions. Our current location for regular services, St George Grange Park, has many advantages, but is less easily accessed from some parts of the city than Bloor Street United; BSU is located at the intersection of two subway lines, a streetcar line, and is on one of the city's major arteries with easier driving access. We expect to return to BSU once construction is complete, which BSU tells us is expected to be in 2026.

The result of these lower membership numbers, and the concomitant reduction in revenue, is that in the current year, 2024-2025, our most recently updated budget projects a deficit of around $28k.

There are two ways to respond to that projection. One would be to rest on our laurels. We could say, well, we have savings, we are ready to deal with a temporary deficit, and there is certainly no existential threat to City Shul.

But resting, whether on our laurels or otherwise, just doesn't seem to be in this Leadership Team's vocabulary.

For one thing, when we look Rabbinical candidates in the eye, we don't want to be telling them that we have merely hope that we are looking at only a temporary challenge, that their arrival will surely alleviate. We want to be able to show Rabbinical candidates, with as much certainly as possible, that our multi-year financial commitment to them is absolutely secure, because we have a plan to balance the books going forward *even if* we face current membership levels.

We have taken immediate action to increase revenues. We have continued to reach out to ask for Chalutzim Campaign commitments, and in just the past few months, generous members have pledged an additional nearly $5,000 a year for three years towards Rabbinic excellence at City Shul. We are also investing some of our savings in GICs, with an investment plan that is projected to raise $8,875 per year at current interest rates, meaning around $4,400 in the around half a year we have left in our current fiscal year.

How can you help? Well, the Ontario government has announced that everyone will be receiving $200 from the government in the coming months. Some of our members need that money and must – as a matter of Jewish principle – spend it on their immediate and urgent needs. But some of our members may be looking for a worthy charitable recipient. City Shul is here, changing lives. Your donation makes a difference – and if you donate before the end of 2024, you get a 2024 tax receipt for the donation!

We are also getting in a position to decrease expenditures as needed. We have identified options for up to $37,600 of savings in future years. We are thinking of these options as spending options that can be off-ramped and on-ramped. So we could choose to off-ramp a certain spending item, but then, mid-year, if finances improve, on-ramp it. And we could off-ramp a spending item for a particular year and then on-ramp that item in the subsequent year. The following are *potential* off-ramps of spending for future years, that can be considered based on how our finances evolve:

- We could reduce the service schedule for a year by 1 less Shabbat morning service, 2 less indoor Kabbalat Shabbat services, 1 less Shabbat Special Event, and 2 less holidays, saving $14,000 in that year.
- We could move second day Rosh Hashanah services from Palais Royale to the courtyard of Saint George Grange Park for a year, saving $10,100 in that year.

- We could pause participation in the Shinshinim program for a year, saving $4,600 in that year
- We could reduce our marketing budget by $2,000 for a year, saving $2,000 in that year.
- We could pause Erev Rosh Hashanah services for a year, saving $1,900 in that year.
- We could pause hiring a summer student for a year, saving $1,800 in that year.
- We could reduce the adult education budget by $1,000 for a year, saving $1,000 in that year.
- We could reduce High Holidays "special" spending such as the cellist, klezmer band, and craft table for a year, saving $900 in that year.
- We could reduce the number of Hava N'Ranena Shabbat Special Events by 2 for a year, saving $800 in that year.
- We could reduce our family and teen programming spending budget by $500 for a year, saving $500 in that year.

I emphasize, again, that these are *potential* off-ramps. We have not decided to do any of these but we will be deciding whether to do some, all, or none of them depending on our financial situation.

We have made some decisions to off-ramp spending in the current year, by decreases to our marketing budget, adult education budget, and one less Shabbat Special Event, saving $4,350 in this current year. If finances improve, we could decide to on-ramp some or all of the off-ramped spending.

In terms of next year, 2025-2026, most decisions about whether and what to off-ramp will made during our budget process in May and June of 2025. But one decision that could not wait, because the program needed a commitment from us in order to proceed, was to off-ramp the Shinshinim program for one year. So in 2025-2026, sadly, we will not have the Shinshinim with us. This saves us $4,600, which is the fee to participate in that program. It's a decision for one year, not for forever. The Shinshinim program can be on-ramped again as finances improve.

My biggest financial request, as always, is please, bring your friends and family to City Shul. New City Shul members is our favourite source of revenue – 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*.

Additional Comments on Finances

Two areas of revenues and expenditures that work a bit differently from the rest of the finances are worthy of explanation. The first are the Rabbi's Discretionary Fund and the Rabbi Emerita's

Discretionary Fund. City Shul's only job with respect to donations to these Funds is to pass the donations on to those Funds. The Rabbi or Rabbi Emerita then expends the funds at their discretion in accordance with City Shul's policy concerning those funds, which aligns with the Central Conference of American Rabbis' Guidelines for Rabbi's Discretionary Funds. The Rabbi's Discretionary Fund and the Rabbi Emerita's Discretionary Fund are an important part of City Shul and allow the Rabbi and Rabbi Emerita to do good works for City Shul, for our members, and in the community. Members often donate to one of these Funds in honour of the Rabbi or Rabbi Emerita's assistance with a lifecycle event, or to honour them or their work. The Leadership Team never asks the Rabbi or Rabbi Emerita 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. Members often provide a kiddush sponsorship in honour or in memory of special people in their 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. 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.

The Union for 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 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.

I believe that the Leadership Team performs at a very high level at insight and oversight. We also do well at making financially sound decisions – we use a realistic budget, updated as necessary, and compare budget to actuals quarterly, and are able and willing to make sensible if difficult decisions about spending. The Leadership Team has identified strategic work as an area of improvement. Strategy is best developed in conjunction with the key employee and we can look ahead to the years to come with a clear intention to work effectively and strategically with our new Rabbi, and look ahead to deliberately building our ability at strategic analysis and deliberation.

I believe, frankly, that I am privileged to chair a board whose members are of extraordinary ability and dedication, and which leads an organization whose members are of extraordinary ability and dedication. Many years ago, I remember Rabbi Larry Englander leading services at City Shul. He said that he'd noticed that City Shul had the remarkable ability to see in every person what they could give and where they would flourish – even if the person themselves didn't know it yet. This rings true. If we are all made in the image of God, it follows that we are all exceptional in some way. City Shul has a remarkable tendency to bring out the exceptional in everyone. In our congregation, we see humanity at its best.

THE CITY SHUL CONGREGATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024

THE CITY SHUL CONGREGATION

JUNE 30, 2024

CONTENTS

JEFFREY D. MILGRAM PROFESSIONAL CORPORATION
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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, 2024, 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, 2024, 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.

<u>Auditor's Responsibilities for the Audit of the Financial Statements</u> 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.

Jeffrey D. Milgram Professional Corporation

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

TORONTO, ONTARIO
DECEMBER 5, 2024

THE CITY SHUL CONGREGATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	2024 $	2023 $
ASSETS		
CURRENT		
Cash and cash equivalents	316,364	298,454
Accounts receivable	15,211	37,771
Government excise tax receivable	47,686	30,684
Prepaid expenses	17,014	20,830
	396,275	387,739
RESTRICTED		
Cash and cash equivalent (Note 3)	11,307	10,851
	407,582	398,590
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	62,451	74,952
Deferred revenue (Note 4)	45,173	39,276
	107,624	114,228
SHORT TERM		
Canadian Emergency Business Account loan (Note 5)	-	39,820
	107,624	154,048
NET ASSETS		
Endowment Fund	11,307	10,851
Unrestricted net assets	288,651	233,691
	299,958	244,542
	407,582	398,590

APPROVED ON BEHALF OF THE BOARD:

Liron Taub (Dec 9, 2024 02:07 EST) DIRECTOR Dec 9, 2024 DATE

DIRECTOR Dec 9, 2024 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, 2024

	2024			2023
	Endowment Fund $	Operating Fund $	Total $	Total $
BALANCE, beginning of year	10,851	233,691	244,542	272,782
Net revenues over expenses (expenses over revenues) for the year	456	54,960	55,416	(28,240)
BALANCE, end of year	11,307	288,651	299,958	244,542

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

THE CITY SHUL CONGREGATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2024

	2024 $	2023 $
REVENUES		
Donations – General	318,363	144,115
Donations – Rabbi discretionary	19,851	32,169
Grants (Note 4)	13,777	180
Investment income	2,438	319
School Income	64,644	63,578
Terumah membership	294,281	320,350
	713,354	560,711
EXPENSES		
Contract staff	129,872	90,446
Financial	52,457	43,499
Food	41,660	28,334
Office and general	75,841	61,602
Payroll and benefits	240,519	253,556
Rent	88,727	74,606
Rabbi discretionary expenditures	19,851	32,169
Rwandan refugee program	9,000	2,771
School related costs	-	1,818
Miscellaneous expense	11	150
	657,938	588,951
NET EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES) FOR THE YEAR	55,416	(28,240)

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

THE CITY SHUL CONGREGATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	2024 $	2023 $
OPERATING ACTIVITIES		
Net excess of revenues over expenses for the year	55,416	(28,240)
Adjustments:		
Deferred revenue – prior year	(39,276)	(44,584)
	16,140	(72,824)
Net changes in working capital balances:		
Accounts receivable	22,560	(5,836)
Receivables from government agencies	(17,002)	(12,827)
Prepaid expense	3,816	(5,151)
Accounts payable and accrued liabilities	(12,501)	16,976
Deferred revenue – current year	45,173	39,276
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	58,186	(40,386)
FINANCING ACTIVITIES		
Canada Emergency Business Account	(39,820)	360
Loan payable	-	(7,144)
NET CASH USED BY FINANCING ACTIVITIES	(39,820)	(6,784)
Net change in cash and cash equivalents during the year	18,366	(47,170)
CASH AND CASH EQUIVALENTS, beginning of year	309,305	356,475
CASH AND CASH EQUIVALENTS, end of year	327,671	309,305
COMPRISED AS FOLLOWS:		
Cash and cash equivalents - unrestricted	316,364	298,454
Cash and cash equivalents – restricted (Note 3)	11,307	10,851
Bank and cash equivalents end of year	327,671	309,305

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

THE CITY SHUL CONGREGATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024

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. Program grants are taken into revenue based on the utilization of funds in the current period pursuant to the terms and conditions of the grant agreement.

Investment income is recognized as earned.

THE CITY SHUL CONGREGATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2024

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, 2024, the restricted short term investment held consists of the following guaranteed investment certificate (GIC):

	Maturity	Rate	Terms	Face Value $	Fair Value $
GIC: CIBC	07/09/24	3.9362%	Redeemable	10,948	11,307

THE CITY SHUL CONGREGATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

4. Deferred Revenue

Deferred revenues includes the following restricted contributions;

1. **The Rabbi's discretionary fund; consisting of, specifically designated funds held by the Rabbi, for community service and needs, awarded at the discretion of the Rabbi.**
2. **Grant; In fiscal 2023-24, the Organization was awarded a $20,000 "Anti-Racism" grant to provide and support additional security to the congregation. Of the total awarded, $12,862 was utilized in the 2024 year, leaving a residual balance at year end of $7,138. These funds may be utilized until August 31, 2024; and unused residual at that time is repayable to the funder.**
3. **The Congregation participates in the financial support of a refugee family's settlement in Canada. During the 2024 year, a total of $12,636 was contributed to this initiative of which $9,000 was utilized in the year to assist with the family's accommodation costs.**
4. **School tuition fees paid for the September to June 2024-25 scholastic session are deferred until such time as the scholastic year commences in fiscal 2024-25.**

	2024 $	2023 $
Tuition fees paid in advance	29,573	31,874
Rwandan refugee	3,636	-
Province of Ontario – Anti Hate Security grant	7,138	-
Rabbi's discretionary fund	4,826	7,402
	45,173	39,276

5. 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 was interest-free and if paid by January 18, 2024 (formerly December 31, 2023), $10,000 of the loan was 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 was also interest-free; and, if paid by the above noted date, an additional $10,000 of the loan was forgivable.

As the Organization's management believed at that time, that the Organization would 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.

THE CITY SHUL CONGREGATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

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

In the fiscal 2024 year, the loan was retired and discharged with the remaining portion of the loan being repaid on December 29, 2023.

6. Risk

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, 2024.

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.

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, 2024 in the amount of $11,307 (2023 - $10,851). 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, 2024

7. 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. Since the lifting of restriction in the post-pandemic period, services have 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. Until that time, services continue to be offered from temporary rented facilities.