FAZZARI PARTNERS LLP
CHARTER ACCOUNTANTS

The Canadian Committee For The Tel Aviv Foundation

Financial Statements

December 31, 2011

Independent Auditors' Report

To the Directors of **The Canadian Committee For The Tel Aviv Foundation**

We have audited the accompanying financial statements of The Canadian Committee For The Tel Aviv Foundation, which comprise the statement of financial position as at December 31, 2011 and the statements of income and changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Basis of Qualified Opinion

In common with many not-for-profit organizations, The Canadian Committee For The Tel Aviv Foundation derives income from donations, sponsorships and grants, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of The Canadian Committee For The Tel Aviv Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, excess revenues over expenses, cash flows from operations for the year ended, and assets and net assets as at December 31, 2011.

Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The Canadian Committee For The Tel Aviv Foundation as at December 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Other Matter

The financial statements of The Canadian Committee For The Tel Aviv Foundation for the year ended December 31, 2010, were compiled by another accountant based on information provided by management and issued with a Notice to Reader, dated March 11, 2011. Under the Ontario Corporations Act, the December 31, 2010 financial statements were not required to be audited as the annual revenue did not exceed $100,000. We were not engaged to report on the comparative information, and as such, we have not audited nor reviewed, and do not express an opinion on, the comparative information.

FAZZARI + PARTNERS LLP
Chartered Accountants
Licensed Public Accountants

Vaughan, Ontario
March 28, 2013

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The Canadian Committee For The Tel Aviv Foundation

Statement of Financial Position
As at December 31

	2011	2010 (Note 8)
Assets		
Current		
Cash	$ 313,409	$ 55,955
HST receivable	3,473	1,222
Restricted funds (Note 3)	9,879	
	$ 326,761	**$ 57,177**
Liabilities		
Current		
Accounts payable and accrued liabilities	**$ 21,218**	$
Net Assets		
Restricted net assets	9,879	
Unrestricted net assets	295,664	57,177
	305,543	**57,177**
	$ 326,761	**$ 57,177**

Approved on behalf of the Board

Director

Director

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

The Canadian Committee For The Tel Aviv Foundation

Statement of Income and Changes in Net Assets
Year Ended December 31

	2011	2010 (Note 8)
Revenues		
Donations	$ 346,606	$ 85,880
Program and administrative expense recovery (Note 4)	25,000	
	371,606	**85,880**
Expenses		
Program disbursements	55,121	21,226
Professional fees	32,402	14,171
Management and administrative fees	30,680	24,000
Office and general	3,250	4,006
Telephone	851	
Insurance	810	1,080
Bank charges	126	
Travel and conference		3,501
	123,240	**67,984**
Excess of revenues over expenses	**248,366**	**17,896**
Net assets, beginning of year	**57,177**	**39,281**
Net assets, end of year	**$ 305,543**	**$ 57,177**

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

The Canadian Committee For The Tel Aviv Foundation

Statement of Cash Flows
Year Ended December 31

	2011	2010 (Note 8)
Cash flows from (used in):		
Operating activities		
Excess of revenues over expenses	**$ 248,366**	**$ 17,896**
Changes in non-working capital items:		
HST receivable	(2,251)	(907)
Restricted funds	(9,879)	
Accounts payable and accrued liabilities	21,218	
	9,088	**(907)**
Increase in balance	**257,454**	**16,989**
Balance, beginning of year	**55,955**	**38,966**
Balance, end of year	**$ 313,409**	**$ 55,955**

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

1. Purpose of the organization

The Canadian Committee for the Tel Aviv Foundation (the "Foundation") is a national organization incorporated on February 15, 1985 under the Ontario Corporations Act as a not-for-profit organization. The Foundation raises funds for poverty relief and education in Tel Aviv -Yafo.

2. Significant accounting policies

The financial statements of the Foundation have been prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies used in the preparation of these financial statements are as follows:

(a) Cash

The Foundation includes within cash, cash on hand and balances within banks.

(b) Revenue recognition

The Foundation follows the deferral method of accounting for revenues. Donations are recorded in the accounts when received. Interest is recorded in the year earned.

Gifts to the Foundation are recorded as donation income when received. Gains or losses upon disposition of these gifts are charged against donations as disbursed.

(c) Income taxes

The Foundation is a registered charity under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

2. Significant accounting policies (continued)

(d) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Estimates are required in assessing the allowance for uncollectible accounts receivable and contingencies. Actual results could differ from these estimates. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in the period in which they become known.

(e) Contributed services

The Foundation would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Because of the difficulty of compiling these hours, contributed services are not recognized in the financial statements.

(f) New accounting standards for not-for-profit organizations

Not-for-profit organizations that choose to adopt the accounting standards for not-for-organizations as Canadian GAAP must do so for fiscal years beginning on or after January 1, 2012, but may do so earlier. Not-for-profit organizations may also choose to adopt International Financial Reporting Standards, if that approach suits the needs of the users of their financial statements. The Foundation will adopt accounting standards for not-for-profit organizations for the fiscal year ending December 31, 2012. The Foundation has not yet assessed what impact, if any, this will have on the financial statements.

3. Restricted funds

This account consists of funds held in the Foundation's account at the Tel Aviv Foundation for future projects and administration expenses

4. Program and administrative expense recovery

In April 2011, the Foundation received a voluntary contribution of $25,000 from The Tel Aviv Yafo Foundation, to be freely used in program expenses and towards the fees of the Executive Director.

5. Financial instruments and risk management

The Foundation's financial instruments consist of cash and cash equivalents, accounts payable and accrued liabilities, the fair value of which approximates their carrying value due to their short term nature. Unless otherwise noted, it is the Board of Directors' opinion that the Foundation is not exposed to significant interest rate, or credit risk arising from its financial instruments.

6. Capital risk management

The Foundation's objectives when managing capital is to maintain its ability to continue as a going concern in order to meet its debt obligations and provide benefits for stakeholders.

The Foundation includes net assets in the definition of capital.

The Foundation is not subject to externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the year ended December 31, 2011.

7. Related party transactions

In addition to $25,000 received from The Tel Aviv Yafo Foundation as noted above, no remuneration was paid to directors and officers during the year. However, they are reimbursed for any costs they pay for on behalf of the Foundation. These transactions were in the normal course of operations and were measured at the exchange amount.

8. Comparative amounts

Certain comparative amounts have been reclassified to conform to the presentation adopted for the current year.

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