

**The Canadian Committee For The Tel Aviv Foundation**

**Financial Statements**

**December 31, 2012**



## **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, 2012 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 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.

### **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.

### **Basis of Qualified Opinion**

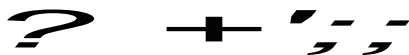
In common with many not-for-profit organizations, The Canadian Committee For The Tel Aviv Foundation derives income from donations, sponsorships and grants, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the 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, 2012.

### **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, 2012, 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.

### **Comparative Information**

Without modifying our opinion, we draw attention to Note 2 (a) to the financial statements which describes The Canadian Committee For The Tel Aviv Foundation adopted Canadian accounting standards for not-for-profit organizations on January 1, 2012 with a transition date of January 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at December 31, 2011 and January 1, 2011, and the statements of income and changes in net assets, and cash flows for the year ended December 31, 2011 and related disclosures. We were not engaged to report on the restated 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

# The Canadian Committee For The Tel Aviv Foundation

## Statement of Financial Position As at December 31

	2012	2011 (Note 7)
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 295,463	\$ 313,409
HST receivable	4,936	3,473
Restricted funds (Note 3)	19,581	9,879
	<b>\$ 319,980</b>	<b>\$ 326,761</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 7,635	\$ 21,218
<b>Net Assets</b>		
Restricted net assets	19,581	9,879
Unrestricted net assets	292,764	295,664
	<b>312,345</b>	<b>305,543</b>
	<b>\$ 319,980</b>	<b>\$ 326,761</b>

Approved on behalf of the Board

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Director

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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

	<b>2012</b>	<b>2011</b> <b>(Note 7)</b>
<b>Revenues</b>		
Donations	\$ 278,776	\$ 346,606
Program and administrative expense recovery (Note 4)		25,000
	<b>278,776</b>	<b>371,606</b>
<b>Expenses</b>		
Program disbursements	177,298	55,121
Salaries and benefits	60,160	
Professional fees	16,243	32,402
Management and administrative fees	13,392	30,680
Office and general	3,241	3,250
Insurance	810	810
Telephone	446	851
Bank charges	384	126
	<b>271,974</b>	<b>123,240</b>
<b>Excess of revenues over expenses</b>	<b>6,802</b>	<b>248,366</b>
<b>Net assets, beginning of year</b>	<b>305,543</b>	<b>57,177</b>
<b>Net assets, end of year</b>	<b>\$ 312,345</b>	<b>\$ 305,543</b>

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

	2012	2011 (Note 7)
<b>Cash flows from (used in):</b>		
<b>Operating activities</b>		
<b>Excess of revenues over expenses</b>	\$ 6,802	\$ 248,366
Changes in non-working capital items:		
HST receivable	(1,463)	(2,251)
Restricted funds	(9,702)	(9,879)
Accounts payable and accrued liabilities	(13,583)	21,218
	<b>(24,748)</b>	<b>9,088</b>
<b>Increase (decrease) in balance</b>	<b>(17,946)</b>	<b>257,454</b>
<b>Balance, beginning of year</b>	<b>313,409</b>	<b>55,955</b>
<b>Balance, end of year</b>	<b>\$ 295,463</b>	<b>\$ 313,409</b>

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

# The Canadian Committee For The Tel Aviv Foundation

## Notes to Financial Statements

December 31, 2012

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### 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 accounting standards for not-for-profit organizations. The significant accounting policies used in the preparation of these financial statements are as follows:

#### (a) Adoption of Accounting Standards for Not-for-Profit Organizations

Effective January 1, 2012, the Foundation adopted the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook - Accounting, electing to adopt the new framework: Canadian accounting standards for not-for-profit organizations. These are the Foundation's first financial statements prepared in accordance with these accounting standards for not-for-profit organizations (ASNFPO) which have been applied retrospectively. The accounting policies set out in the following significant accounting policy note have been applied in preparing the financial statements for the year ended December 31, 2012, the comparative information presented in these financial statements for the year ended December 31, 2011 and in the preparation of an opening ASNFPO balance sheet at January 1, 2011 (the Foundation's date of transition).

The Foundation issued financial statements for the year ended December 31, 2011 using generally accepted accounting principles prescribed by CICA Handbook - Accounting XFI. The adoption of ASNFPO had no impact on the previously reported assets, liabilities and net assets of the Foundation, and accordingly; no adjustments have been recorded in the comparative statement of financial position and statements of income and changes in net assets, and cash flows. Certain of the Foundation's disclosures included in these financial statements reflect the new disclosure requirements of ASNFPO.

# The Canadian Committee For The Tel Aviv Foundation

## Notes to Financial Statements

December 31, 2012

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### 2. Significant accounting policies (continued)

**(b) Cash**

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

**(c) 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.

**(d) Income taxes**

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

**(e) 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.

**(f) 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.



# The Canadian Committee For The Tel Aviv Foundation

## Notes to Financial Statements

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### **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. There was no amount received in 2012 as this was a one-time occurrence.

### **5. Financial instruments and risk management**

The Foundation's financial instruments consist of cash, HST receivable, 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. Related party transactions**

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.

### **7. Comparative amounts**

The Foundation issued audited financial statements for the year ended December 31, 2011 using generally accepted accounting principles prescribed by CICA Handbook - Accounting XFI. In these financial statements, the restated comparative information is based on Canadian accounting standards for not-for-profit organizations and as a result has not been audited.