FAZZARI PARTNERS LLP
CHARTERED ACCOUNTANTS

The Canadian Committee for the Tel Aviv Foundation

Financial Statements

December 31, 2013

FAZZARI PARTNERS LLP
CHARTERED ACCOUNTANTS

Independent Auditor's 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, 2013 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.

Auditor's 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 auditor's 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, 2013.

Qualified 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, 2013, 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.

Fazzari + Partners

FAZZARI + PARTNERS LLP
Chartered Accountants
Licensed Public Accountants

Vaughan, Ontario
July 3, 2014

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The Canadian Committee for the Tel Aviv Foundation

Statement of Financial Position
As at December 31

		2013		2012
Assets				
Current				
Cash	$	84,179	$	295,463
Investment (Note 3)		325,000		
Government remittances receivable		9,614		4,936
Restricted funds (Note 4}		54,594		19,581
	$	**473,387**	$	**319,980**
Liabilities				
Current				
Accounts payable and accrued liabilities	$	**3,499**	$	**7,635**
Net Assets				
Restricted net assets		54,594		19,581
Unrestricted net assets		415,294		292,764
		469,888		**312,345**
	$	**473,387**	$	**319,980**

Approved on behalf of the Board

Director

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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

	2013	2012
Donation income	$ **724,074**	$ **278,776**
Expenses		
Program disbursements	475,916	177,298
Salaries and benefits	82,508	60,160
Professional fees	12,249	16,243
Office and general	4,590	3,241
Insurance	864	810
Bank charges	666	384
Management and administrative fees		13,392
Telephone		446
	576,793	**271,974**
Excess of revenues over expenses before undernoted item	**147,281**	**6,802**
Foreign exchange gain	10,262	
Excess of revenues over expenses	**157,543**	**6,802**
Net assets, beginning of year	**312,345**	**305,543**
Net assets, end of year	$ **469,888**	$ **312,345**

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

	2013	2012
Cash flows from (used in):		
Operating activities		
Excess of revenues over expenses	$ **157,543**	$ **6,802**
Changes in non-working capital items:		
Government remittances receivable	(4,678)	{1,463)
Restricted funds	(35,016)	(9,702)
Accounts payable and accrued liabilities	(4,133)	(13,583)
	{43,827}	**{24,748}**
Investing activities		
Acquisition of short-term investment	(500,000)	
Disposition of short-term investment	175,000	
	{325,000}	
Decrease in balance	**(211,284)**	**{17,946)**
Balance, beginning of year	**295,463**	**313,409**
Balance, end of year	$ **84,179**	$ **295,463**

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 as a non-share capital corporation under the Ontario Corporations Act and registered as a charitable organization under the Income Tax Act (Canada), and as such, is exempt from income taxes. 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) Cash

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

(d) Financial instruments

The Foundation measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

2. Significant accounting policies (continued)

(d) Financial instruments (continued)

The financial assets subsequently measured at amortized cost include cash, short-term investment and HST receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(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.

3. Investment

The investment is a guaranteed investment certificate that matures in October 2014 and earns interest at a rate of 0.15%. The cost of the investment approximates fair market value due to its short term nature.

4. Restricted funds

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

5. Financial instruments and risk management

The Foundation's financial instruments consist of cash, HST receivable, short-term investment and 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, liquidity or credit risk arising from its financial instruments.

Currency risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation holds cash in foreign currency as well as transfers program funding to foreign bank accounts and incurs foreign program expenses. As at December 31, 2013, cash and program expenses transacted in U.S. dollars have been converted into Canadian dollars.

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.