

**THE CANADIAN COMMITTEE FOR THE TEL AVIV FOUNDATION**

**Financial Statements**

**December 31, 2018**

**THE CANADIAN COMMITTEE FOR THE TEL AVIV FOUNDATION**

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Year Ended December 31, 2018**

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## INDEPENDENT AUDITOR'S REPORT

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To the Directors of The Canadian Committee for the Tel Aviv Foundation

### *Opinion*

We have audited the financial statements of The Canadian Committee for the Tel Aviv Foundation (the "Organization"), which comprise the statement of financial position as at December 31, 2018, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2018, 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 Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Matter*

The financial statements of the Organization for the year ended December 31, 2017 were audited by another auditor who expressed an unqualified opinion on those statements on May 28, 2018.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to 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.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our 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 our 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.

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Independent Auditor's Report to the Directors of The Canadian Committee for the Tel Aviv Foundation  
(continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

We 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 we identify during our audit.

*Hogg, Shain & Scheck PC*

Toronto, Ontario  
May 14, 2019

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

**THE CANADIAN COMMITTEE FOR THE TEL AVIV FOUNDATION**

**Statement of Financial Position**

**As at December 31, 2018**

	2018	2017
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 37,665	\$ 172,495
Restricted cash ( <i>Note 3</i> )	214,448	213,013
Harmonized Sales Tax recoverable	272	934
	<u>\$ 252,385</u>	<u>\$ 386,442</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 84	\$ 1,909
Deferred revenues ( <i>Note 4</i> )	214,448	116,312
	<u>214,532</u>	<u>118,221</u>
<b>NET ASSETS</b>		
<b>UNRESTRICTED - OPERATIONS</b>	26,704	55,208
<b>INTERNALLY RESTRICTED - PROJECTS</b> ( <i>Note 3</i> )	11,149	213,013
	<u>37,853</u>	<u>268,221</u>
	<u>\$ 252,385</u>	<u>\$ 386,442</u>

**APPROVED ON BEHALF OF THE BOARD**

.....*Director*

.....*Director*

*See the accompanying notes to these financial statements*

**THE CANADIAN COMMITTEE FOR THE TEL AVIV FOUNDATION**

**Statement of Changes in Net Assets**

**Year Ended December 31, 2018**

	Unrestricted - Operations	Internally Restricted - Projects	<b>2018</b>	2017
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 55,208	\$ 213,013	\$ <b>268,221</b>	\$ 296,355
Transfer to unrestricted <i>(Note 5)</i>	201,864	(201,864)		
Deficiency of revenues over expenses	(230,368)		<b>(230,368)</b>	(28,134)
<b>NET ASSETS - END OF YEAR</b>	\$ 26,704	\$ 11,149	\$ <b>37,853</b>	\$ 268,221

*See the accompanying notes to these financial statements*

THE CANADIAN COMMITTEE FOR THE TEL AVIV FOUNDATION

Statement of Operations

Year Ended December 31, 2018

	2018	2017
<b>REVENUES</b>		
Donations	\$ 13,065	\$ 22,000
<b>EXPENSES</b>		
Programs	202,985	
Salaries and benefits	30,493	23,003
Professional fees	9,630	13,135
Office and administration	2,533	4,765
Travel	1,340	5,967
	<u>246,981</u>	<u>46,870</u>
<b>DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>(233,916)</b>	<b>(24,870)</b>
<b>OTHER INCOME (EXPENSE)</b>		
Foreign exchange gain (loss)	3,548	(3,264)
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<b>\$ (230,368)</b>	<b>\$ (28,134)</b>

See the accompanying notes to these financial statements

THE CANADIAN COMMITTEE FOR THE TEL AVIV FOUNDATION

Statement of Cash Flows

Year Ended December 31, 2018

	2018	2017
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenses	\$ (230,368)	\$ (28,134)
Changes in non-cash working capital:		
Harmonized Sales Tax recoverable	662	(251)
Accounts payable and accrued liabilities	(1,825)	810
Deferred revenues	98,136	84,922
	96,973	85,481
<b>INCREASE (DECREASE) IN CASH FLOWS</b>	<b>(133,395)</b>	<b>57,347</b>
<b>CASH AND RESTRICTED CASH - BEGINNING OF YEAR</b>	<b>385,508</b>	<b>328,161</b>
<b>CASH AND RESTRICTED CASH - END OF YEAR</b>	<b>252,113</b>	<b>385,508</b>
<b>CASH AND RESTRICTED CASH CONSISTS OF:</b>		
Cash	\$ 37,665	\$ 172,495
Restricted cash ( <i>Note 3</i> )	214,448	213,013
	\$ 252,113	\$ 385,508

See the accompanying notes to these financial statements



# THE CANADIAN COMMITTEE FOR THE TEL AVIV FOUNDATION

## Notes to Financial Statements Year Ended December 31, 2018

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### 1. NATURE AND PURPOSE OF THE ORGANIZATION

The Canadian Committee for the Tel Aviv Foundation (the "Organization") is a not-for-profit organization incorporated provincially under the Not-for-profit Corporations Act of Ontario. As a registered charity, the Organization is exempt from income tax under the Income Tax Act (Canada).

The Organization raises funds for poverty relief and education in Tel Aviv-Yafo through the support of schools, social and community services, and recreational projects. All funds raised are designated for specific projects and further supported by the Tel Aviv-Yafo municipality's matching funds program.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are the representation of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook and include the following significant accounting policies.

#### Revenue recognition

The Organization follows the deferral method of accounting for revenues.

Restricted donations are recognized as revenues in the year in which the related expenses are incurred. Unrestricted donations are recognized as revenues when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### Donated materials and services

Donated goods and services are recorded when a fair value can be reasonably estimated and when they would otherwise have been purchased if not donated.

Volunteers contribute time to assist the Organization in carrying out its operations. The fair value of these services cannot be reasonably determined and therefore, not reflected in these financial statements.

#### Financial instruments

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

The financial assets subsequently measured at amortized cost include cash and restricted cash and Harmonized Sales Tax recoverable. The financial liability measured at amortized cost includes accounts payable.

#### Foreign currency translation

At the transaction date, each asset, liability, revenue and expense is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year end date, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in operations in the current year.

#### Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Such estimates are periodically reviewed and any adjustments necessary are reported in the year in which they become known. Actual results could differ from these estimates.

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THE CANADIAN COMMITTEE FOR THE TEL AVIV FOUNDATION

Notes to Financial Statements  
Year Ended December 31, 2018

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**3. RESTRICTED CASH AND INTERNALLY RESTRICTED NET ASSETS**

Restricted cash consists of funds held in the Organization's bank account in Tel Aviv, Israel, for future projects and administration expenses, as well as restricted funds held in their local operating bank account.

The internally restricted net assets represents a reserve held for future projects. This is supported by funds held in the Organization's bank account in Tel Aviv, Israel.

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**4. DEFERRED REVENUES**

Deferred revenues at December 31 consist of the following:

	2018	2017
Jewish Community Foundation - Dizengoff Elementary School	\$ 59,343	\$ 57,598
Azuria Group - Tel Baruch Orphanage	50,000	
Zita & Mark Bernstein Foundation - Batsheva Dance Company	30,036	
Jewish National Fund of Canada - Sylvan Adams Bike Path	29,785	
G2 Foundation Inc. - Yachdav Elementary School Music Room	27,284	27,324
The Azrieli Foundation - Sylvan Adams Bike Path	18,000	18,000
Ron Stern Foundation - Father and Sons on the Field		13,390
	<u>\$ 214,448</u>	<u>\$ 116,312</u>

The continuity of deferred revenues is as follows:

Balance, beginning of year	\$ 116,312	\$ 31,390
Add: amounts received during the year	111,566	84,922
Less: amounts recognized as revenues during the year	(13,430)	
	<u>\$ 214,448</u>	<u>\$ 116,312</u>

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**5. TRANSFER TO UNRESTRICTED NET ASSETS - OPERATIONS**

The Board of Directors approved a transfer of \$201,864 from the Internally Restricted - Projects net assets to the Unrestricted - Operations net assets during the year.

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**6. RELATED PARTY TRANSACTIONS**

The Organization occupies office space from a company owned by a Director of the Board at no charge. This in-kind contribution is not recorded on the statement of operations as the Organization would not have paid for these services otherwise.

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**7. FINANCIAL INSTRUMENTS**

The Organization is exposed to various risks through its financial instruments. The following analysis provides information about the Organization's risk exposure and concentrations as of December 31, 2018.

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**THE CANADIAN COMMITTEE FOR THE TEL AVIV FOUNDATION**

**Notes to Financial Statements  
Year Ended December 31, 2018**

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**7. FINANCIAL INSTRUMENTS *(continued)***

Currency risk arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Organization is exposed to foreign currency exchange risk on cash held in U.S. dollars. The Organization does not use derivative instruments to reduce its exposure to foreign currency risk.

It is management's opinion that the Organization is not exposed to significant credit, liquidity, interest and other price risks in respect to its financial instruments.

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**8. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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