

THE CANADIAN COMMITTEE FOR THE TEL AVIV FOUNDATION

Financial Statements

December 31, 2021

THE CANADIAN COMMITTEE FOR THE TEL AVIV FOUNDATION

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Year Ended December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

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, 2021, and the statements of operations and 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 our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2021, 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 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 related 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.

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

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 this financial information.

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 12, 2022

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, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 24,015	\$ 92,865
Restricted cash (Note 3)	635,410	1,333,531
Accounts receivable (Note 4)	35,831	10,762
Harmonized Sales Tax recoverable	1,296	2,869
	<u>\$ 696,552</u>	<u>\$ 1,440,027</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 16,375	\$ 74,807
Deferred revenues (Notes 5 and 6)	635,410	1,333,531
	<u>651,785</u>	<u>1,408,338</u>
NET ASSETS		
UNRESTRICTED	<u>44,767</u>	<u>31,689</u>
	<u>\$ 696,552</u>	<u>\$ 1,440,027</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 Operations and Changes in Net Assets

Year Ended December 31, 2021

	2021	2020
REVENUES		
Donations <i>(Note 6)</i>	\$ 1,055,038	\$ 107,130
Contributions from Tel Aviv Foundation <i>(Note 4)</i>	35,831	85,610
	<u>1,090,869</u>	<u>192,740</u>
EXPENSES		
Program donations <i>(Note 6)</i>	1,038,676	99,138
Professional fees	37,776	52,745
Office and administration	2,538	6,084
	<u>1,078,990</u>	<u>157,967</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	11,879	34,773
OTHER EXPENSE (INCOME)		
Foreign exchange loss (income)	<u>(1,199)</u>	259
EXCESS OF REVENUES OVER EXPENSES	13,078	34,514
NET ASSETS (DEFICIT) - BEGINNING OF YEAR	<u>31,689</u>	<u>(2,825)</u>
NET ASSETS - END OF YEAR	<u>\$ 44,767</u>	<u>\$ 31,689</u>

See the accompanying notes to these financial statements

THE CANADIAN COMMITTEE FOR THE TEL AVIV FOUNDATION

**Statement of Cash Flows
Year Ended December 31, 2021**

	2021	2020
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 13,078	\$ 34,514
Changes in non-cash working capital:		
Accounts receivable	(25,069)	(10,762)
Harmonized Sales Tax recoverable	1,573	(1,738)
Accounts payable and accrued liabilities	(58,432)	65,156
Deferred revenues	(698,121)	993,356
	(780,049)	1,046,012
INCREASE (DECREASE) IN CASH AND RESTRICTED CASH	(766,971)	1,080,526
CASH AND RESTRICTED CASH - BEGINNING OF YEAR	1,426,396	345,870
CASH AND RESTRICTED CASH - END OF YEAR	659,425	1,426,396
CASH AND RESTRICTED CASH CONSISTS OF:		
Cash	\$ 24,015	\$ 92,865
Restricted cash (Note 3)	635,410	1,333,531
	\$ 659,425	\$ 1,426,396

See the accompanying notes to these financial statements

THE CANADIAN COMMITTEE FOR THE TEL AVIV FOUNDATION

Notes to Financial Statements Year Ended December 31, 2021

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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.

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.

Contributed services

Contributed 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. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

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

Impairment of financial instruments

Financial assets, measured at cost or amortized cost, are tested for impairment if there are indications of possible impairment. A previously recognized impairment loss may be reversed to the extent of the improvement, either directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment loss not been recognized previously. The amount of any write down or reversal is recognized in excess of revenues over expenses.

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.

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THE CANADIAN COMMITTEE FOR THE TEL AVIV FOUNDATION

Notes to Financial Statements Year Ended December 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Use of estimates

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. Estimates include year end accruals for liabilities and the allowance for doubtful accounts receivable. Actual results could differ from these estimates.

3. RESTRICTED CASH

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 (see Note 5).

4. CONTRIBUTIONS FROM TEL AVIV FOUNDATION

In 2021, the Organization agreed to receive funding from Tel Aviv Foundation, an affiliated organization. The funds received are to support general operating overhead costs of \$35,831 for 2021 and (2020 - \$45,982). The 2021 amount is included in accounts receivable.

5. DEFERRED REVENUES

Deferred revenues at December 31 consist of the following:

	2021	2020
The Asper Foundation - Food Security Assistance	\$ 507,120	\$ -
Jewish Community Foundation - Dizengoff Elementary School	55,149	55,384
Jewish National Fund of Canada - Sylvan Adams Bike Path	29,785	29,785
G2 Foundation Inc. - Yachdav Elementary School Music Room	25,356	25,464
The Azrieli Foundation - Sylvan Adams Bike Path	18,000	18,000
Jewish Community Foundation Emergency Fund	-	3,000
The Wynn Family Foundation - Tel Aviv Synagogue project	-	989,578
The Asper Foundation - Ironi Chet's Robotics and Computer Labs	-	127,320
Zita & Mark Bernstein Foundation - Batsheva Dance Company	-	35,000
Azuria Group - Tel Baruch Orphanage	-	50,000
	<u>\$ 635,410</u>	<u>\$ 1,333,531</u>

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THE CANADIAN COMMITTEE FOR THE TEL AVIV FOUNDATION

Notes to Financial Statements
Year Ended December 31, 2021

5. DEFERRED REVENUES (continued)

The continuity of deferred revenues is as follows:

Balance, beginning of year	\$ 1,333,531	\$ 340,175
Add: amounts received during the year	356,917	1,100,486
Less: amounts recognized as revenues during the year	(1,055,038)	(107,130)
Balance, end of year	<u>\$ 635,410</u>	<u>\$ 1,333,531</u>

6. RELATED PARTY TRANSACTIONS

The Organization's Treasurer is related to The Wynn Family Foundation (the "donor") who provided a US dollar donation in fiscal 2020 (refer to Note 5 for the Canadian dollar equivalent).

During 2021, the Organization agreed to transfer an amount of \$950,676 to Mizrahi of Canada to complete the project at the request of the donor.

As part of this event, the Wynn Family Foundation agreed to contribute \$16,525 of the original donation towards the Organization for its administrative efforts.

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, 2021.

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

8. SIGNIFICANT EVENT

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 are unknown at this time. It is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Organization in future years. The Organization continues to closely monitor and assess the impact on operations.
