

**Canadian Friends of Tel Aviv University**  
**Financial Statements**  
**September 30, 2024**

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## Independent Auditor's Report

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To the Directors of  
Canadian Friends of Tel Aviv University

### Qualified opinion

We have audited the financial statements of Canadian Friends of Tel Aviv University (hereafter "the Organization"), which comprise the statement of financial position as at September 30, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies, and the schedule.

In our opinion, except for the possible effects of the matter described in the "Basis for qualified opinion" section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at September 30, 2024, 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 qualified opinion

In common with many not-for-profit organizations, the Organization derives revenue from cash donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these contributions was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to cash donations, deficiency of revenues over expenses and cash flows from operating activities for the years ended September 30, 2024 and 2023, current assets as at September 30, 2024 and 2023 and net assets as at October 1, 2023 and 2022 and September 30, 2024 and 2023. Our opinion on the financial statements for the year ended September 20, 2023 was qualified accordingly because of the possible effects of this limitation in scope.

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

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.

*Raymond Chabot Grant Thornton LLP<sup>1</sup>*

Montréal  
March 28, 2025

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<sup>1</sup> CPA auditor, public accountancy permit no. A131601

# Canadian Friends of Tel Aviv University Operations

Year ended September 30, 2024

	<u>2024</u>	<u>2023</u>
	\$	\$
<b>Revenues</b>		
Contributions		
Tel Aviv University (Note 10)	1,358,487	1,473,291
Other (Note 3)	6,205,152	11,546,508
Events	54,000	1,339,126
Investment income	5,974	835
	<u>7,623,613</u>	<u>14,359,760</u>
<b>Expenses</b>		
Contributions to Tel Aviv University	6,100,715	12,345,049
Salaries and benefits	928,957	951,087
Events	61,326	355,349
Travel	100,030	111,817
Sylvan Adams Sports Science Institute project management	82,738	91,363
Professional fees	93,846	90,785
Advertising	34,414	77,433
Program and fundraising activities	90,051	72,239
Office supplies	85,071	57,959
Rental expense	52,766	43,587
Interest and bank charges	37,057	16,377
Telecommunications	13,187	14,008
Insurance	6,687	4,438
Amortization of tangible capital assets	607	856
	<u>7,687,452</u>	<u>14,232,347</u>
Excess (deficiency) of revenues over expenses before other expenses	(63,839)	127,413
Other expenses		
Foreign exchange loss	(1,364)	(131,731)
<b>Deficiency of revenues over expenses</b>	<u>(65,203)</u>	<u>(4,318)</u>

The accompanying notes and schedule are an integral part of the financial statements.

# Canadian Friends of Tel Aviv University

## Changes in Net Assets

Year ended September 30, 2024

	<b>2024</b>			<b>2023</b>
	<b>Restricted for endowment purposes</b>	<b>Unrestricted</b>	<b>Total</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance, beginning of year	<b>695,000</b>	<b>372,747</b>	<b>1,067,747</b>	647,065
Deficiency of revenues over expenses		<b>(65,203)</b>	<b>(65,203)</b>	(4,318)
Endowment contributions received from organizations (Note 5)	<b>375,000</b>		<b>375,000</b>	425,000
Balance, end of year	<b>1,070,000</b>	<b>307,544</b>	<b>1,377,544</b>	1,067,747

The accompanying notes and schedule are an integral part of the financial statements.

# Canadian Friends of Tel Aviv University

## Cash Flows

Year ended September 30, 2024

	<u>2024</u>	<u>2023</u>
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenses	(65,203)	(4,318)
Non-cash items		
Amortization of tangible capital assets	607	856
Changes in fair value of investments restricted for endowment purposes	(134,496)	
Unrealized exchange gain on investments		309
Changes in working capital items and deferred contributions		
Trade accounts receivable	40,374	
Accounts receivable		(18,604)
Prepaid expenses	(1,000)	(1,005)
Trade payables and other operating liabilities	61,940	(41,836)
Deferred revenues		(37,209)
Deferred contributions – Tel Aviv University	(17,080)	55,066
Other deferred contributions	880,038	(6,035,634)
Cash flows from operating activities	765,180	(6,082,375)
<b>INVESTING ACTIVITIES</b>		
Investments	(375,000)	(200,000)
Disposal of investments	33,000	
Redemption of the guaranteed investment certificate		27,826
Cash flows from investing activities	(342,000)	(172,174)
<b>FINANCING ACTIVITIES</b>		
Endowment contributions received and cash flows from financing activities	375,000	425,000
<b>Net increase (decrease) in cash</b>	798,180	(5,829,549)
Cash, beginning of year	1,388,579	7,218,128
Cash, end of year	2,186,759	1,388,579

The accompanying notes and schedule are an integral part of the financial statements.

# Canadian Friends of Tel Aviv University

## Financial Position

September 30, 2024

	<u>2024</u>	<u>2023</u>
	\$	\$
<b>ASSETS</b>		
Current		
Cash	2,186,759	1,388,579
Accounts receivable (Note 4)	30,882	71,256
Prepaid expenses	<u>2,005</u>	<u>1,005</u>
	2,219,646	1,460,840
Long-term		
Investments (Note 5)	1,178,795	702,299
Tangible capital assets (Note 6)	<u>1,519</u>	<u>2,126</u>
	<u>3,399,960</u>	<u>2,165,265</u>
<b>LIABILITIES</b>		
Current		
Trade payables and other operating liabilities (Note 7)	116,130	54,190
Deferred contributions – Tel Aviv University (Note 8 and Note 9)	320,250	337,330
Other deferred contributions (Note 9)	<u>1,586,036</u>	<u>705,998</u>
	<u>2,022,416</u>	<u>1,097,518</u>
<b>NET ASSETS</b>		
Unrestricted	307,544	372,747
Restricted for endowment purposes (Note 5)	<u>1,070,000</u>	<u>695,000</u>
	<u>1,377,544</u>	<u>1,067,747</u>
	<u>3,399,960</u>	<u>2,165,265</u>

The accompanying notes and schedule are an integral part of the financial statements.

On behalf of the Board,

\_\_\_\_\_  
Director

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Director



# Canadian Friends of Tel Aviv University

## Notes to Financial Statements

September 30, 2024

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### **1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION**

The Organization was incorporated under the *Canada Not-for-profit Corporations Act* for the purpose of raising funds on behalf of Tel Aviv University in Israel. It is a registered charity under the *Income Tax Act*.

### **2 - SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of presentation**

The Organization's financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

#### **Accounting estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements, notes to financial statements and the schedule. These estimates are based on management's knowledge of current events and actions that the Organization may undertake in the future. Actual results may differ from these estimates.

#### **Financial assets and liabilities**

##### *Initial measurement*

Upon initial measurement, the Organization's financial assets and liabilities from transactions not concluded with related parties are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs. The Organization's financial assets and liabilities from related party transactions are measured at cost.

##### *Subsequent measurement*

At each reporting date, the Organization measures its financial assets and liabilities from transactions not concluded with related parties at amortized cost (including any impairment in the case of financial assets), except for investments in mutual funds which are measured at fair value, whereas those from related party transactions are measured using the cost method (including any impairment in the case of financial assets).

With respect to financial assets measured at amortized cost or using the cost method, the Organization assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Organization determines that, during the year, there was a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it will then recognize a reduction as an impairment loss in operations. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost or using the cost method is recognized in operations in the year the reversal occurs.

#### **Tangible capital assets**

Tangible capital assets acquired are recorded at cost. When the Organization receives contributions of capital assets, their cost is equal to their fair value at the contribution date plus all costs directly attributable to the acquisition of the tangible capital assets, or at a nominal value if fair value cannot be reasonably determined.

# Canadian Friends of Tel Aviv University

## Notes to Financial Statements

September 30, 2024

### 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Amortization*

Tangible capital assets are amortized on the diminishing balance method over their estimated useful lives at the following annual rates:

	<u>Rates</u>
Computer equipment	30%
Furniture and fixtures	20%

#### *Write-down*

When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset is written down to the tangible capital asset's fair value or replacement cost. The write-down is accounted for in the statement of operations and cannot be reversed.

### **Revenue recognition**

#### *Contributions*

The Organization follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses are deferred and are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are reported as direct increases in net assets.

The Organization may recognize contributed supplies and services when the fair value of these contributions can be reasonably estimated and if it would have had to otherwise acquire these supplies and services for its normal operations.

#### *Events*

Revenues from events are recognized as revenue in accordance with the agreement between the parties, when the event takes place, fees are fixed or determinable and collection is reasonably assured. The liability relating to the received but unearned portion of revenues from events is recognized in the statement of financial position as deferred revenues.

#### *Investment income*

Investment transactions are recorded on the transaction date and resulting revenues are recognized using the accrual method of accounting.

Investment income includes interest income, income from the interest in net income of mutual funds and changes in fair value. Interest income is recognized on a time apportionment basis. Income from the interest in net income of mutual funds is recognized upon distribution. Changes in fair value are recognized when they occur.

With respect to investments measured at fair value, the Organization has elected to include in changes in fair value interest income and interest in net income of mutual funds.

Investment income that is not subject to externally imposed restrictions is recognized in the statement of operations under Investment income.

# Canadian Friends of Tel Aviv University

## Notes to Financial Statements

September 30, 2024

### 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment income subject to externally imposed restrictions is recognized as other deferred contributions.

#### Foreign currency translation

The Organization uses the temporal method to translate transactions denominated in a foreign currency. Under this method, monetary assets and liabilities are translated at the exchange rate in effect at the statement of financial position date. Non-monetary assets and liabilities are translated at historical exchange rates, with the exception of those recognized at fair value, which are translated at the exchange rate in effect at the statement of financial position date. Revenue and expenses are translated at the average rate for the period, with the exception of the amortization of assets translated at the historical exchange rates, which is translated at the same exchange rates as the related assets. The related exchange gains and losses are accounted for in operations for the year.

### 3 - CONTRIBUTIONS

	2024	2023
	\$	\$
Not-for-profit organizations	2,588,874	6,239,222
Businesses	1,542,818	1,656,580
Individuals	2,073,460	3,650,706
	<u>6,205,152</u>	<u>11,546,508</u>

### 4 - ACCOUNTS RECEIVABLE

	2024	2023
	\$	\$
Indirect taxes receivable	30,346	68,614
Other receivables	536	2,642
	<u>30,882</u>	<u>71,256</u>

### 5 - INVESTMENTS

In 2009, the Organization received an endowment contribution for an amount of US\$270,000 from The Nussia and André Aisenstadt Foundation with the purpose of providing scholarships for needy and deserving students. The Organization invested the capital in pooled mutual funds through the Jewish Community Foundation of Montreal. The distributable income generated from the invested capital can be used annually by the Organization to grant scholarships.

In 2023, the Organization received an endowment contribution for an amount of \$425,000 from the Closner Family Foundation with the purpose of providing funds relatively to the Next Generation Organ and Tissue Implants project.

In 2024, the Organization received from the Closner Family Foundation \$225,000. The Organization invested the capital in pooled mutual funds through the UJA Federation of Greater Toronto. The distributable income generated from the invested capital can be used annually by the Organization to grant funds for the project.

# Canadian Friends of Tel Aviv University

## Notes to Financial Statements

September 30, 2024

### 5 - INVESTMENTS (Continued)

In 2024, the Organization received an endowment contribution for an amount of \$150,000 from Eli Turkienicz with the purpose of providing funds relatively to the Eli and Ellen Turkienicz Israel Education Fund. The Organization invested the capital in pooled mutual funds through the UJA Federation of Greater Toronto. The distributable income generated from the invested capital can be used annually by the Organization to grant scholarships.

	<u>2024</u>	<u>2023</u>
	\$	\$
Pooled mutual funds		
Jewish Community Foundation of Montreal	302,024	284,979
UJA Federation of Greater Toronto	<u>876,771</u>	<u>417,320</u>
	<u>1,178,795</u>	<u>702,299</u>
Investments for endowment purposes	1,070,000	695,000
Externally restricted investments	<u>108,795</u>	<u>7,299</u>
	<u>1,178,795</u>	<u>702,299</u>

### 6 - TANGIBLE CAPITAL ASSETS

	2024			2023
	Cost	Accumulated amortization	Net carrying amount	Net carrying amount
	\$	\$	\$	\$
Computer equipment	22,379	21,112	1,267	1,811
Furniture and fixtures	14,403	14,151	252	315
	36,782	35,263	1,519	2,126

### 7 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES

	<u>2024</u>	<u>2023</u>
	\$	\$
Accounts payable and accrued liabilities	100,589	35,368
Salaries payable	<u>15,541</u>	<u>18,822</u>
	<u>116,130</u>	<u>54,190</u>

Government remittances total \$3,273 as at September 30, 2024 (nil as at September 30, 2023).

### 8 - DEFERRED CONTRIBUTIONS – TEL AVIV UNIVERSITY

	<u>2024</u>	<u>2023</u>
	\$	\$
Balance, beginning of year	337,330	282,264
Amount recognized as revenues for the year	(1,358,487)	(1,473,291)
Amount received related to the following year	<u>1,341,407</u>	<u>1,528,357</u>
Balance, end of year	<u>320,250</u>	<u>337,330</u>

Deferred contributions – Tel Aviv University represent unused resources which, as a result of external restrictions, are intended to be transferred as donations to Tel Aviv University.

# Canadian Friends of Tel Aviv University

## Notes to Financial Statements

September 30, 2024

### 9 - OTHER DEFERRED CONTRIBUTIONS

	<u>2024</u>	<u>2023</u>
	\$	\$
Balance, beginning of year	705,998	6,741,632
Amount recognized as revenues for the year	(6,205,152)	(8,615,653)
Amount received related to the following year	<u>7,085,190</u>	<u>2,580,019</u>
Balance, end of year	<u>1,586,036</u>	<u>705,998</u>

Other deferred contributions represent unused resources which, as a result of external restrictions, are intended to cover operating expenses for the coming year and research expenses.

### 10 - RELATED PARTY TRANSACTIONS

The Organization and Tel Aviv University are related parties by virtue of economic interest. The Organization transfers restricted contributions received to Tel Aviv University and the Organization relies upon Tel Aviv University to provide contributions to pay for operating expenses.

	<u>2024</u>	<u>2023</u>
	\$	\$
Revenues		
Contributions –Tel Aviv University	1,358,487	1,473,291
Expenses		
Contributions to Tel Aviv University	6,100,715	12,345,049

These transactions were measured at the exchange amount, excluding the resulting financial instruments.

### 11 - FINANCIAL RISKS

#### Credit risk

The Organization is exposed to credit risk regarding the financial assets recognized in the statement of financial position.

Some mutual fund investments indirectly expose the Organization to credit risk.

#### Market risk

The Organization's financial instruments expose it to market risk, in particular, to currency risk, interest rate risk and other price risk, resulting from its operating and investing activities.

# Canadian Friends of Tel Aviv University

## Notes to Financial Statements

September 30, 2024

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### **11 - FINANCIAL RISKS (Continued)**

#### *Currency risk*

The majority of the Organization's transactions are in Canadian dollars. Currency risk results from the Organization's reception and payment of contributions denominated in foreign currency which are primarily in U.S. dollars. As at September 30, 2024, the Organization is exposed to currency risk due to cash and restricted investments for endowment purposes denominated in U.S. dollars totalling \$846,752 (\$625,898 as at September 30, 2023) and deferred contributions denominated in U.S. dollars totalling \$128,824 (\$92,386 as at September 30, 2023).

Some mutual fund investments indirectly expose the Organization to currency risk.

#### *Interest rate risk*

The mutual fund investments indirectly expose the Organization to interest rate risk.

#### *Other price risk*

The Organization is exposed to other price risk due to mutual fund investments since changes in market prices could result in changes in fair value or cash flows of these instruments.

#### **Liquidity risk**

The Organization's liquidity risk represents the risk that the Organization could encounter difficulty in meeting obligations associated with its financial liabilities. The Organization is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized on the statement of financial position.

### **12 - COMMITMENTS**

The Organization has entered into long-term lease agreements for the rental of office spaces which call for minimum lease payments of \$77,907.

These leases expire on various dates between November 2025 and January 2027.

Minimum lease payments for the next years are \$43,283 in 2025, \$26,885 in 2026 and \$7,739 in 2027.

**Canadian Friends of Tel Aviv University**  
**Schedule of Operations by Unrestricted and Restricted Contributions**  
Year ended September 30, 2024

	<b>2024</b>			<b>2023</b>
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
<b>REVENUES</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Contributions	4,811	6,200,341	6,205,152	11,546,508
Recovery of expenses	1,358,487		1,358,487	1,473,291
Events – Toronto				1,219,126
Events – Montréal		54,000	54,000	120,000
Investment income		5,974	5,974	835
	<b>1,363,298</b>	<b>6,260,315</b>	<b>7,623,613</b>	<b>14,359,760</b>
<b>EXPENSES</b>				
Contributions to Tel Aviv University		6,100,715	6,100,715	12,345,049
Salaries and benefits	928,957		928,957	951,087
Sylvan Adams Sports Science Institute project management		82,738	82,738	91,363
Program and fundraising activities		90,051	90,051	71,764
Events		61,326	61,326	355,349
Advertising	34,414		34,414	77,908
Travel	100,030		100,030	111,817
Rental expense	52,766		52,766	43,587
Insurance	6,687		6,687	4,438
Office supplies	85,071		85,071	57,959
Telecommunications	13,187		13,187	14,008
Professional fees	93,846		93,846	90,785
Penalty				
Interest and bank charges	37,057		37,057	14,324
Foreign exchange loss	1,364		1,364	131,731
Amortization of tangible capital assets	607		607	856
	<b>1,353,986</b>	<b>6,334,830</b>	<b>7,688,816</b>	<b>14,362,025</b>
Excess (deficiency) of revenues over expenses	<b>9,312</b>	<b>(74,515)</b>	<b>(65,203)</b>	<b>(2,265)</b>