N.I.F. CANADIAN CHARITABLE TRUST

FINANCIAL STATEMENTS

DECEMBER 31, 2015

N.I.F. CANADIAN CHARITABLE TRUST

DECEMBER 31, 2015

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Rosenswig McRae Thorpe LLP
Chartered Professional Accountants
Associated Worldwide with CPA Associates International, Inc.

INDEPENDENT AUDITORS' REPORT

To the Trustees of N.I.F. Canadian Charitable Trust

We have audited the Balance Sheet of N.I.F. Canadian Charitable Trust as at December 31, 2015 and the Statements of Operating Revenue and Expenditures and Operating Fund Balances and Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility
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 an audit to obtain reasonable assurance whether the financial statements are free of 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 auditors consider 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 for Qualified Opinion
In common with many charitable organizations, N.I.F. Canadian Charitable Trust derives part of its income from donations, the completeness of which is not susceptible to complete audit verification. Accordingly, our verification of revenue from this source was limited to a comparison of recorded receipts with bank deposits.

Opinion
In our opinion, except for the effect of adjustments, if any, had donations been susceptible to complete audit verification, as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of N.I.F. Canadian Charitable Trust as at December 31, 2015 and the results of its operating operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Rosenswig McRae Thorpe LLP

Toronto, Canada
May 24, 2016

Chartered Professional Accountants
Licensed Public Accountants

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N.I.F. CANADIAN CHARITABLE TRUST

BALANCE SHEET

DECEMBER 31, 2015

	2015	2014
ASSETS		
Operating fund		
Current		
Cash (Note 3)	$ 837,675	$ 432,685
Marketable securities (Note 4)	1,029,813	1,666,441
Accounts receivable and prepaid expenses	44,734	86,894
	1,912,222	2,186,020
Equipment	-	4,696
	$ 1,912,222	$ 2,190,716
LIABILITIES AND FUND BALANCES		
Operating fund		
Current		
Accounts payable and accrued liabilities (Note 5)	$ 19,053	$ 30,239
Transfers to appointed agent, net (Note 3)	580,840	-
	599,893	30,239
Deferred revenue (Note 6)	292,481	700,481
	892,374	730,720
Contributed capital	18,381	18,381
Fund balances		
Unrestricted funds	365,012	339,125
Restricted funds (Note 7)	340,502	806,537
Endowment funds (Note 8)	295,953	295,953
	1,001,467	1,441,615
	$ 1,912,222	$ 2,190,716

Approved by Trustees:

_________________________, Trustee

See accompanying notes to financial statements.

N.I.F. CANADIAN CHARITABLE TRUST

STATEMENT OF REVENUE AND EXPENDITURES AND OPERATING FUND BALANCES

YEAR ENDED DECEMBER 31, 2015

	2015	2014
Revenue		
Donations	$ 1,291,728	$ 1,485,783
Interest and other (losses) income	(6,966)	101,749
	1,284,762	1,587,532
Expenditures		
Expenditures of appointed agent (Note 3)	1,194,970	1,096,679
Salaries and benefits	256,166	289,580
Events and programs	93,684	133,237
Office and general	69,505	108,319
Professional fees	36,084	38,935
Publicity	32,415	31,683
Telephone	22,409	13,156
Travel	4,821	4,588
Amortization	4,696	-
	1,714,750	1,716,177
Excess of expenditures over revenue before undernoted items	(429,988)	(128,645)
Unrealized loss on investments	(10,160)	(51,811)
Excess of expenditures over revenue	(440,148)	(180,456)
Operating fund balance, beginning of year	1,145,662	1,326,118
Operating fund balance, end of year	$ 705,514	$ 1,145,662

N.I.F. CANADIAN CHARITABLE TRUST

CASH FLOW STATEMENT

DECEMBER 31, 2015

	2015	2014
Cash flow from operating activities		
Excess of expenditures over revenue	$ (440,148)	$ (180,456)
Net change in non-cash operating working capital:		
Decrease (increase) in accounts receivable and prepaid expenses	42,160	(54,923)
Decrease in accounts payable and accrued liabilities	(11,186)	(4,693)
Increase (decrease) in transfers to appointed agent payable	580,840	(113,769)
Decrease in deferred revenue	(408,000)	(389,722)
	(236,334)	(743,563)
Cash flow from financing activities		
Sale of marketable securities	636,628	691,581
Cash flow used in investing activities		
Net increase (decrease) in cash during the year	400,294	(51,982)
Cash, beginning of year	432,685	484,667
Cash, end of year	$ 832,979	$ 432,685

See accompanying notes to financial statements.

N.I.F. CANADIAN CHARITABLE TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

1. General

The N.I.F. Canadian Charitable Trust (the "Trust") was created by a Deed of Trust on December 2, 1986. The Trust is a registered charitable organization under The Income Tax Act (Registration No. 130070626 RR0001, effective January 1, 1987).

The primary purpose of the charity is as follows:

(a) To carry on charitable activities, through appointed agents in Israel, directly by assisting in the creation and operation of facilities providing medical, dental and counselling services to new immigrants, the disabled, victims of violence and other persons who for financial or other reasons would not otherwise be able to obtain such services;

(b) To carry on charitable activities, through appointed agents in Israel, directly by developing and supporting programs, as well as providing written and other materials which inform people of the health, education, counselling and welfare services available to them in their communities and their right to make use of such services;

(c) To purchase and provide materials and equipment for use by educational, health, welfare and counselling agencies and institutions in Canada and Israel; and

(d) To provide funds to "qualified donees" as defined by The Income Tax Act (Canada) as amended from time to time, for use in their activities.

2. Significant accounting policies

The financial statements of the Trust have been prepared by management in accordance with Part III of the CPA Canada Handbook, referred to as Canadian accounting standards for not-for-profit organizations. Significant accounting policies used in the preparation of the financial statements are summarized as follows:

(a) Revenue recognition

The Trust uses the deferral method of revenue recognition for general and donor-advised donations. Unrestricted donations are recorded as revenue upon receipt. Restricted donations are recognized as deferred contributions on receipt and recognized as revenue when the related expenditure is incurred. Pledges are recognized as revenue when the amount of the pledge is reasonably estimated and collection is reasonably assured. Interest is recognized as revenue when received or receivable.

(b) Donated goods and services

The Trust records donated capital assets at their estimated fair value at the time of donation. The Trust does not record donated services as the fair value cannot be reasonably estimated.

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

2. Significant accounting policies (continued)

(c) Equipment

Equipment is carried at cost less accumulated amortization. Amortization is based on the estimated useful lives of the assets. Equipment purchases costing more than $500 are considered for capitalization.

(d) 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 amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

(e) Allocation of expenses

The Trust engages in charitable activities through appointed agents in Israel. The costs of the activities consists of the direct expenses excluding salaries and general support expenses for the administration of the organization.

(f) Foreign currency translation

Monetary assets of the Trust that are denominated in foreign currencies are translated into Canadian dollars at the rates of exchange prevailing at the balance sheet date. All exchange gains and losses are recognized in the current year's revenue as other income.

3. Transfers to appointed agent

During the year, the Trust transferred funds to an appointed agent in Israel in the amount of $594,983 for qualifying programs and administration fees approved by the Board and monitored by the Trust. During the year, the appointed agent spent funds totaling $1,175,823 (2014 - $1,098,497) of amounts transferred in the current and past years.

The total funds transferred to an appointed agent in 2015 can be categorized as follows:

Amounts transferred for spending in 2014	$ -
Amounts transferred for current year program spending	594,983
	$ 594,983

3. Transfers to appointed agent (continued)

The total spending by the appointed agent for the current year was funded as follows:

Amounts carried forward from 2014	$ -
Amounts transferred during the current year	594,983
Amounts payable at year end	580,840
	$ 1,175,823

Cash for the amount payable at year end was transferred to the appointed agent in January 2016.

4. Marketable securities

Marketable securities are comprised of investments in bonds and stocks. These securities are initially recorded at their fair value on the date of acquisition, plus related transaction costs. Investments are adjusted to fair value at each balance sheet date and the corresponding unrealized gains and losses are recorded on the statement of revenue and expenditures.

5. Accounts payable and accrued liabilities

Included in accounts payable is $5,827 (2014 - $5,685) related to government remittances.

6. Deferred revenue

Deferred revenue consists of unspent amounts from a donation from the Kahanoff Foundation of $292,481 (2014 - $700,481) to fund future projects.

7. Restricted funds

The Board of Directors have internally restricted $340,502 (2014 - $806,537) to fund certain qualifying programs in 2016 and future years.

8. Endowment funds

The endowment funds consist of:

	2015	2014
Minden Endowment Fund	$ 90,300	$ 90,300
Silk Endowment Fund	71,480	71,480
Levy/Berenstein Endowment Fund	51,173	51,173
Micay Endowment Fund	36,000	36,000
Morris A. Gross Endowment Fund	22,000	22,000
Raicus Fund	25,000	25,000
	$ 295,953	$ 295,953

9. Financial instruments

(a) Liquidity risk

Liquidity risk arises through having excess financial obligations over available financial assets at any point in time. The Trust manages its liquidity risk by maintaining sufficient readily available funds in order to meet its liquidity requirements at any point in time.

(b) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of its marketable securities.

(c) Management of capital

The Trust views its capital as its net assets. The Trust manages its capital structures in a manner to ensure that it has adequate resources to meet its financial needs.

(d) Foreign exchange risk

The Trust is exposed to fluctuations in exchange rates. The Trust has not entered into hedging arrangements to mitigate these risks.

10. Commitments

The Trust has entered into a lease for the rental of its premises with the following future minimum annual payments:

2016	$ 13,706
2017	13,706
2018	13,706
2019	13,706
2020	6,853
	$ 61,677

11. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.