

**N.I.F. CANADIAN CHARITABLE TRUST**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

# N.I.F. CANADIAN CHARITABLE TRUST

DECEMBER 31, 2023

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## INDEPENDENT AUDITORS' REPORT

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

### **Opinion**

We have audited the financial statements of N.I.F. Canadian Charitable Trust (the "Trust"), which comprise the statement of financial position as at December 31, 2023, and the statement of revenue and expenditures, 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 N.I.F. Canadian Charitable Trust at December 31, 2023, 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 N.I.F. Canadian Charitable Trust 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 opinion.

### **Responsibilities of Management and Those Charged with Governance 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.

In preparing these financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Trust'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 Trust'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 Trust'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 Trust 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.

Toronto, Canada  
April 25, 2024

*RMR Rosenswig McRae Rosso LLP*

Chartered Professional Accountants  
Licensed Public Accountants

# N.I.F. CANADIAN CHARITABLE TRUST

## STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
ASSETS		
Operating fund		
Current		
Cash (Note 3)	\$ 522,114	\$ 155,187
Marketable securities (Note 4)	1,015,020	601,551
Accounts receivable and prepaid expenses	<u>176,504</u>	<u>125,901</u>
	1,713,638	882,639
Equipment	6,768	7,972
Deposit	<u>5,120</u>	<u>5,120</u>
	<u>\$ 1,725,526</u>	<u>\$ 895,731</u>

## LIABILITIES AND FUND BALANCES

Operating fund		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 24,417	\$ 31,504
Deferred revenue (Note 6)	<u>66,451</u>	<u>54,790</u>
	<u>90,868</u>	<u>86,294</u>
Fund balances		
Operating fund (Note 7)	1,163,602	388,681
Endowment funds (Note 8)	<u>471,056</u>	<u>420,756</u>
	<u>1,634,658</u>	<u>809,437</u>
	<u>\$ 1,725,526</u>	<u>\$ 895,731</u>

Approved by Trustees:

\_\_\_\_\_, Trustee

# N.I.F. CANADIAN CHARITABLE TRUST

## STATEMENT OF REVENUE AND EXPENDITURES

YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
Revenue		
Donations	\$ 2,199,493	\$ 1,728,606
Program fees	91,335	200
Investment income	<u>7,505</u>	<u>26,691</u>
	<u>2,298,333</u>	<u>1,755,497</u>
Expenditures		
Israel projects (Note 7)	1,012,243	1,519,709
Administrative	263,545	283,460
Education	159,104	64,100
Fundraising	<u>156,020</u>	<u>165,935</u>
	<u>1,590,912</u>	<u>2,033,204</u>
Excess (deficit) of revenue over expenditures before undernoted item	707,421	(277,707)
Foreign exchange (loss) gain	(4,961)	2,030
Unrealized gain (loss) on investments	<u>72,461</u>	<u>(111,952)</u>
Excess (deficit) of revenue over expenditures	<u>\$ 774,921</u>	<u>\$ (387,629)</u>

# N.I.F. CANADIAN CHARITABLE TRUST

## STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>		
	<u>Operating</u>	<u>Endowment</u>	<u>Total</u>
Fund balance, beginning of year	\$ 388,681	\$ 420,756	\$ 809,437
Excess of revenue over expenditures	774,921	-	774,921
Net contributions	<u>-</u>	<u>50,300</u>	<u>50,300</u>
Fund balance, end of year	<u>\$ 1,163,602</u>	<u>\$ 471,056</u>	<u>\$ 1,634,658</u>

  

	<u>2022</u>		
	<u>Operating</u>	<u>Endowment</u>	<u>Total</u>
Fund balance, beginning of year	\$ 776,310	\$ 393,936	\$ 1,170,246
Deficit of revenue over expenditures	(387,629)	-	(387,629)
Net contributions	<u>-</u>	<u>26,820</u>	<u>26,820</u>
Fund balance, end of year	<u>\$ 388,681</u>	<u>\$ 420,756</u>	<u>\$ 809,437</u>

# N.I.F. CANADIAN CHARITABLE TRUST

## STATEMENT OF CASH FLOWS

DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
Cash flow from operating activities		
Excess (deficit) of revenue over expenditures	\$ 774,921	\$ (387,629)
Adjustment for:		
Unrealized (gain) loss on investments	(72,461)	111,952
Amortization	<u>3,204</u>	<u>3,362</u>
	705,664	(272,315)
Net change in non-cash operating working capital:		
(Increase) decrease in accounts receivable and prepaid expenses	(50,602)	418,653
(Decrease) increase in accounts payable and accrued liabilities	(7,087)	1,433
Increase (decrease) in deferred revenue	<u>11,661</u>	<u>(525,538)</u>
	<u>659,636</u>	<u>(377,767)</u>
Cash flow from financing activities		
Endowment fund contributions	50,300	26,820
Net change in marketable securities	<u>(341,008)</u>	<u>179,154</u>
	<u>(290,708)</u>	<u>205,974</u>
Cash flow used in investing activities		
Purchase of equipment	<u>(2,001)</u>	<u>-</u>
Net increase (decrease) in cash during the year	366,927	(171,793)
Cash, beginning of year	<u>155,187</u>	<u>326,980</u>
Cash, end of year	<u>\$ 522,114</u>	<u>\$ 155,187</u>



# N.I.F. CANADIAN CHARITABLE TRUST

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

### 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 New Israel Fund Of Canada corporation acts as an operating agent for the Trust. The New Israel Fund Of Canada corporation is in the process of applying for charitable status. The Trust will continue to exist for legacy donations in wills.

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 revenue 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. Investment income is recorded as revenue when earned. Program fees are recorded as revenue at the time the program has taken place.

#### (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.

# N.I.F. CANADIAN CHARITABLE TRUST

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

### 2. Significant accounting policies (continued)

#### (c) Investments

Equity investments that are quoted in an active market are initially recorded at their fair value on the date of acquisition, plus related transaction costs. Equity investments are adjusted to fair value at each statement of financial position date and the corresponding unrealized gains and losses are recorded on the statement of revenue and expenditures and changes in fund balance. Investments in debt securities are initially recorded at fair value plus any related transaction costs. Subsequent to initial measurement, the securities are carried at amortized cost.

Investments denominated in foreign currencies have been translated into Canadian dollars at the rates of exchange prevailing at the statement of financial position date. Investment income is translated at the spot rate on the date of the transaction. All exchange gains and losses are recognized in the current year's operations.

#### (d) Equipment

Equipment is recorded at actual cost and is amortized over its estimated useful lives as follows:

Computer equipment	-	5 years, straight line
Furniture and equipment	-	5 years, straight line
Office equipment	-	20% declining balance

#### (e) 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.

#### (f) 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 Trust.

#### (g) 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 statement of financial position date.

# N.I.F. CANADIAN CHARITABLE TRUST

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

3. Restricted cash

Included in cash is \$66,451 (2022 - \$54,790) received from donors earmarked for projects in 2024.

4. Marketable securities

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

	<u>2023</u>	<u>2022</u>
Investments, at cost	\$ 975,165	\$ 634,157
Unrealized gain (loss)	<u>39,855</u>	<u>(32,606)</u>
	<u>\$ 1,015,020</u>	<u>\$ 601,551</u>

Included in marketable securities is \$471,056 (2022 - \$420,756) related to endowment funds (note 8).

5. Accounts payable and accrued liabilities

Included in accounts payable is \$10,028 (2022 - \$8,845) related to government remittances.

6. Deferred revenue

Deferred revenue consists of unspent amounts from donations received or receivable for specific projects and will be recognized into revenue when the appropriate expenditures have been incurred.

	<u>2023</u>	<u>2022</u>
Opening balance	\$ 54,790	\$ 580,328
Additions	78,943	48,214
Recognized	<u>(67,282)</u>	<u>(573,752)</u>
Ending balance	<u>\$ 66,451</u>	<u>\$ 54,790</u>

# N.I.F. CANADIAN CHARITABLE TRUST

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

### 7. Israel projects

Included in Israel projects are the funds transferred to an appointed agent in Israel, salaries and other cost related to the control and direction of the programs in Israel. The Trust transferred funds to an appointed agent in Israel in the amount of \$887,367 (2022 - \$1,375,118) for qualifying programs and administration fees approved by the Board and monitored by the Trust. During the year \$861,378 (2022 - \$1,375,118) of funds had been spent on programs. All programs were funded as at December 31, 2023 (2022 - payable of \$10,836). The Board of Directors have approved \$1,333,983 (2022 - \$892,012) in qualifying programs to be funded for 2024 and future years.

### 8. Endowment funds

	<u>2023</u>	<u>2022</u>
The endowment funds consist of:		
Arthur Minden Endowment Fund	\$ 132,785	\$ 132,485
Boritz-Fromstein Endowment Fund for Human Rights	127,618	77,618
Silk Endowment Fund	71,480	71,480
Levy/Berenstein Endowment Fund	51,173	51,173
Nathan Micay Endowment Fund	36,000	36,000
Raicus Fund	25,000	25,000
Morris A. Gross Memorial Fund	22,000	22,000
Allan Risk and Daniel Gelfant Foundation	<u>5,000</u>	<u>5,000</u>
	<u>\$ 471,056</u>	<u>\$ 420,756</u>

### 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.

# N.I.F. CANADIAN CHARITABLE TRUST

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

### 9. Financial instruments (continued)

#### (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.

#### (e) Market risk

Market risk arises from the possibility that changes in the market prices will affect the value of its marketable securities.

### 10. Commitments

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

2024	\$	30,202
2025		<u>15,437</u>
	\$	<u><u>45,639</u></u>

# N.I.F. CANADIAN CHARITABLE TRUST

## SCHEDULE OF EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
Expenditures of appointed agent (Note 3)	\$ 887,367	\$ 1,375,118
Salaries and benefits	346,878	361,476
Events and programs	133,326	49,548
Office and general	82,352	74,741
Occupancy	54,845	50,831
Professional fees	34,927	64,174
Publicity	31,389	40,635
Travel	16,623	13,319
Amortization	<u>3,205</u>	<u>3,362</u>
	<u>\$ 1,590,912</u>	<u>\$ 2,033,204</u>