

CANADIAN FRIENDS OF BAR-ILAN UNIVERSITY

FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

CANADIAN FRIENDS OF BAR-ILAN UNIVERSITY
FINANCIAL STATEMENTS
SEPTEMBER 30, 2019
(Unaudited)

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To The Directors Of
Canadian Friends of Bar-Ilan University

We have reviewed the accompanying financial position of **Canadian Friends of Bar-Ilan University** as at September 30, 2019 and the statements of surplus, operations and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

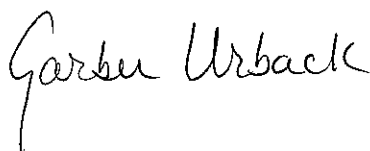
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, a vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of **Canadian Friends of Bar-Ilan University** as at September 30, 2019, and the results of its operations and its cash flow for the year ended in accordance with Canadian accounting standards for private enterprises.



Chartered Accountants
Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
March 10, 2020

CANADIAN FRIENDS OF BAR-ILAN UNIVERSITY
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019
(Unaudited)

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 557,623	\$ 713,489
HST rebates receivable	25,155	7,353
Prepaid expenses	51,743	43,173
	<u>634,521</u>	<u>764,015</u>
INVESTMENTS, at cost (Note 3)	<u>12,042</u>	<u>18,127</u>
PROPERTY, PLANT AND EQUIPMENT (Note 4)	<u>-</u>	<u>971</u>
	<u><u>\$ 646,563</u></u>	<u><u>\$ 783,113</u></u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	\$ 21,845	\$ 23,877
Outstanding transfer	-	437,205
	<u>21,845</u>	<u>461,082</u>
SURPLUS	<u>624,718</u>	<u>322,031</u>
	<u><u>\$ 646,563</u></u>	<u><u>\$ 783,113</u></u>

Approved on behalf of the Board:

These financial statements, as well as the accompanying notes which form an integral part thereto, should be read in conjunction with the Review Engagement Report dated March 10, 2020.

CANADIAN FRIENDS OF BAR-ILAN UNIVERSITY
STATEMENT OF SURPLUS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(Unaudited)

	<u>2019</u>	<u>2018</u>
Balance at beginning of year	\$ 322,031	\$ 541,813
Excess of revenues over expenses	<u>302,687</u>	<u>(219,782)</u>
Balance at end of year	<u><u>\$ 624,718</u></u>	<u><u>\$ 322,031</u></u>

These financial statements, as well as the accompanying notes which form an integral part thereto, should be read in conjunction with the Review Engagement Report dated March 10, 2020.

CANADIAN FRIENDS OF BAR-ILAN UNIVERSITY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(Unaudited)

	<u>2019</u>	<u>2018</u>
REVENUE		
Contributions received (Note 8)	<u>\$ 6,197,762</u>	<u>\$ 1,914,745</u>
EXPENSES		
Travel, meeting, programs, conferences and dinners	30,123	26,758
Office and general	39,681	23,938
Interest and bank charges	4,874	3,855
Telephone and internet	2,341	1,808
Fees for professional services	126,159	87,456
Printing and postage	15,770	14,389
Rent and occupancy	21,335	23,445
Administrative salaries and employee benefits	72,284	77,495
Insurance	3,488	3,354
Doner life insurance	43,715	43,716
Amortization	971	310
	<u>360,741</u>	<u>306,524</u>
Less: overhead subsidy	-	(124,960)
	<u>360,741</u>	<u>181,564</u>
EXCESS OF REVENUES OVER EXPENSES BEFORE THE UNDERNOTED ITEM	5,837,021	1,733,181
Funds distributed to Bar-Ilan University (Note 8)	<u>(5,534,334)</u>	<u>(1,952,963)</u>
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES)	<u><u>\$ 302,687</u></u>	<u><u>\$ (219,782)</u></u>

These financial statements, as well as the accompanying notes which form an integral part thereto, should be read in conjunction with the Review Engagement Report dated March 10, 2020.

CANADIAN FRIENDS OF BAR-ILAN UNIVERSITY
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(Unaudited)

	<u>2019</u>	<u>2018</u>
FUNDS PROVIDED (USED)		
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 302,687	\$ (219,782)
Amortization of property, plant and equipment	971	310
	<u>303,658</u>	<u>(219,472)</u>
Changes in non-cash operating elements of working capital of working capital (Note 9)	<u>(464,780)</u>	<u>456,243</u>
	<u>(161,122)</u>	<u>236,771</u>
INVESTING ACTIVITIES		
Maturities - investments (net of purchases)	<u>5,256</u>	<u>(1,559)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(155,866)	235,212
CASH BEGINNING OF YEAR	<u>713,489</u>	<u>478,277</u>
CASH END OF YEAR	<u><u>\$ 557,623</u></u>	<u><u>\$ 713,489</u></u>

These financial statements, as well as the accompanying notes which form an integral part thereto, should be read in conjunction with the Review Engagement Report dated March 10, 2020.

CANADIAN FRIENDS OF BAR-ILAN UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(Unaudited)

1. Description of Organization

Canadian Friends of Bar-Ilan University ("the Organization"), was formed as a non-profit entity for the sole purpose of receiving contributions on behalf of Bar-Ilan University of Ramat Gan, Israel. The organization was incorporated under the laws of Ontario and is a registered charity exempt from income taxes under section 149(1)(f) of the Income Tax Act.

These financial statements reflect the financial position, the results of operations and the changes in financial position of the Organization and do not include the assets, liabilities, income or expenses of Bar-Ilan University of Ramat Gan, Israel.

2. Summary of significant accounting policies

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Revenue recognition

The Organization derives its income largely from the general public in the form of pledges. However, as the pledges are exclusively moral commitments, there is no absolute assurance that they will be collected in full. As such, the pledges receivable are not set up in the accounts of the organization but will be recognized as revenues in the year in which they are collected.

Investment income is recognized as revenue in the year in which it is earned.

(b) Administrative expenditures

Effective October 1, 2019, Canadian Friends of Bar-Ilan University assumed responsibility for the payment of all administrative costs of the operations of the organization.

Distributions of funds to Bar-Ilan University in Israel are recorded on a cash basis. Other expenditures are recorded on an accrual basis.

(c) Property, plant and equipment

Property, plant and equipment is recorded at cost.

Amortization is calculated on the declining balance method using annual rates as follows:

Computer equipment 55% (27.5% in first year)

Furniture and equipment 20% (10% in first year)

CANADIAN FRIENDS OF BAR-ILAN UNIVERSITY
NOTES TO FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(Unaudited)

2. Summary of significant accounting policies (cont'd)

(d) Management estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and actual results could differ. Significant estimates in these financial statements include accruals for payment of goods and services received or rendered but not yet invoiced.

(e) Financial instruments

The organization's financial instruments are comprised of cash, H.S.T. receivable, and accounts payable and accrued liabilities. These instruments are all reported on the balance sheet at cost which approximates fair market value due to their short-term nature.

(f) Foreign currency transactions

The organization applies the daily foreign exchange rate as per The Bank Of Canada for purposes of issuing donation receipts in Canadian dollars if funds are received in U.S. dollars.

3. Investments

Investments are comprised of State of Israel Bonds. The maturity dates of these bonds range from December 2019 to August 2020.

4. Property, plant and equipment

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2019 Net book Value</u>	<u>2018 Net book Value</u>
Computer equipment	\$ 68,734	\$ 68,734	\$ -	\$ 68
Furniture and equipment	<u>66,480</u>	<u>66,480</u>	<u>-</u>	<u>903</u>
	<u>\$135,214</u>	<u>\$135,214</u>	<u>\$ -</u>	<u>\$9,714</u>

5. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are payroll taxes due on wages paid in September 2019 in the amount of \$237 (\$1,989 at September 30, 2018).

CANADIAN FRIENDS OF BAR-ILAN UNIVERSITY
NOTES TO FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(Unaudited)

6. Financial instruments and risk management

The organization carries various financial instruments as noted in the summary of accounting policies. It is management's opinion that the organization is not exposed to significant interest or credit risks arising from these financial instruments.

7. Commitment – Toronto office

On August 29, 2019 the organization entered into a lease agreement with Lawrence Plaza Equities to rent suite 208 – 508 Lawrence Avenue West.

The lease is for a 3 year term, commencing September 1, 2019 (rent free period September to October) at an annual rate of \$22,800 plus H.S.T. (\$1,900/ month).

Minimum annual rent payable for the next three years is as follows:

2020	\$22,800
2021	22,800
2022	<u>22,800</u>
	<u>\$68,400</u>

8. Contributions received

As disclosed in Note 1, the organization receives contributions from Canadian donors on behalf of Bar-Ilan University of Ramat Gan Israel. Funds are transferred to Bar-Ilan every three months. If donors choose to restrict their donations for a specific fund or purpose it is the responsibility of Bar-Ilan to ensure compliance.

Donations received by the University directly from Canadian donors are reflected in these statements, however they are not receipted for tax purposes by Canadian Friends. In 2019 these amounted to \$4,830,833 (2018: \$837,067).

9. Changes in non-cash elements of working capital

	<u>2019</u>	<u>2018</u>
HST rebates receivable	\$ (16,973)	\$ (65)
Accounts payable and accrued liabilities	(2,032)	19,103
Prepaid expenses	(8,570)	-
Outstanding transfers	<u>(437,205)</u>	<u>437,205</u>
Net increase (decrease)	<u>\$(464,780)</u>	<u>\$456,243</u>

10. Comparative figures

Certain comparative figures, were re-classified in order to conform with current years presentation and to combine CFBIU GL with BIU GL at October 1, 2018.