

Israel Magen Fund of Canada
Financial Statements
For the Year Ended July 31, 2024

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Independent Auditor's Report

To the Members of Charity Israel Magen Fund of Canada

Opinion

We have audited the financial statements of Israel Magen Fund of Canada (the Charity), which comprise the statement of financial position as at July 31, 2024, July 31, 2023 and August 1, 2022, and the statement of operations, changes in net assets and cash flows for the years ended July 31, 2024 and July 31, 2023, 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 Charity as at July 31, 2024, and its financial performance and 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 Charity 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.

Comparative Information

The charity's financial statements for the year ended July 31, 2023 and balance sheet as at August 1, 2022 are unaudited.

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 Charity'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 Charity or to cease operations, or has no realistic alternative but to do so.

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

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
January 30, 2025

Israel Magen Fund of Canada Statement of Financial Position

July 31	2024	2023
Assets		
Current		
Cash and cash equivalents	\$ 92,130	\$ 13,083
HST recoverable	1,925	139
	\$ 94,055	\$ 13,222
 Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 18,300	\$ -
	18,300	-
 Net Assets		
Unrestricted	75,755	13,222
	\$ 94,055	\$ 13,222

On behalf of the Board:

_____ Director

_____ Director

**Israel Magen Fund of Canada
Statement of Changes in Net Assets**

For the year ended July 31	2024	2023
Balance, beginning of the year	\$ 13,222	\$ 6,944
Excess of revenues over expenses	<u>62,533</u>	<u>6,278</u>
Balance, end of the year	<u>\$ 75,755</u>	<u>\$ 13,222</u>

The accompanying notes are an integral part of these financial statements.

Israel Magen Fund of Canada Statement of Operations

For the year ended July 31	2024	2023
Revenue (Note 3)		
Donations from foundations	\$ 851,781	\$ 21,810
Donations from individuals	83,855	5,579
	935,636	27,389
Expenses		
Charitable projects		
Donations to other charities (Note 3)	794,074	18,900
Family support	13,000	-
Marketing and social media communications	21,748	-
	828,822	18,900
Administrative		
Audit fees	12,000	-
Casual expenses	12,300	-
Financial controller	7,695	-
Interest and bank charges	1,977	612
Legal and professional fees	5,660	1,507
Meetings expenses	1,035	-
Office and general	3,614	92
	44,281	2,211
Total expenses	873,103	21,111
Excess of revenues over expenses	\$ 62,533	\$ 6,278

The accompanying notes are an integral part of these financial statements.

Israel Magen Fund of Canada Statement of Cash Flows

For the year ended July 31	2024	2023
Cash flows from operating activities		
Excess of revenues over expenses	\$ 62,533	\$ 6,278
Changes in non-cash working capital:		
HST recoverable	(1,786)	398
Accounts payable and accrued liabilities	18,300	-
	79,047	6,676
Net increase in cash	79,047	6,676
Cash, beginning of the year	13,083	6,407
Cash, end of the year	\$ 92,130	\$ 13,083

The accompanying notes are an integral part of these financial statements.

Israel Magen Fund of Canada

Notes to Financial Statements

July 31, 2024

1. Significant Accounting Policies

Nature and Purpose of Organization Israel Magen Fund of Canada identifies and supports qualified institutions in Israel and globally that require humanitarian aid, medical assistance, and physical and mental health care.

Israel Magen Fund of Canada previously known as Zaka Foundation (the Charity) was federally incorporated under the Corporations Act in September 2011. The Charity is registered under the Income Tax Act (Canada) and, as such, is exempt from income taxes and is able to issue tax donation receipts for income tax purposes, under Registration Number 84564 1299 RR001.

In order to maintain its status as a charitable organization under the Act, the Charity must meet certain requirements within the Act. These requirements include annual return filings.

Basis of Accounting The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Impact of first-time adoption of Canadian accounting standards for not-for-profit organizations

These financial statements are the first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations, hereinafter referred to as “ASNPO.” These consolidated financial statements are the first consolidated financial statements prepared in accordance with Canadian accounting standards for private enterprises, hereinafter referred to as “ASPE.”

The financial statements for the year ended July 31, 2024 were prepared in accordance with the accounting principles described and the provisions set out in FIRST-TIME ADOPTION, Section 1500 of the CPA Canada Handbook - Accounting for first-time adopters of this basis of accounting.

The adopting these standards did not impact and was accounted for in consolidated retained earnings at the date of transition, I e., August 1, 2022.

Revenue Recognition The Charity follows the deferral method of accounting for donations and donor designated donations. Donations are recognized as revenue when the amount is received unless deferred for specific future use.

The Charity is requested by certain individuals and organizations to receive and disburse funds on behalf of the donor to other registered charities. Funds that have not been disbursed at year end are recorded as designated donations payable.

Israel Magen Fund of Canada

Notes to Financial Statements

July 31, 2024

1. Significant Accounting Policies (continued)

Donated Services

The Charity benefits from the services of volunteers. Since these services are not typically purchased by the Charity and due to the challenge of determining their fair value, volunteer contributions are not included in these financial statements.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued.

The financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

Israel Magen Fund of Canada Notes to Financial Statements

July 31, 2024

2. Financial Instruments

Credit risk

Credit risk is the risk that one part to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Charity's financial instrument that are exposed to concentrations of credit risk relate primarily to its accounts receivable.

Liquidity risk

Liquidity risk is the risk that Charity will encounter difficulty in meeting its obligations associated with financial liabilities. The Charity is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

The Charity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions.

Israel Magen Fund of Canada Notes to Financial Statements

July 31, 2024

3. Donor Designated Donations

During the year, the Charity received donations designated to be disbursed to other registered charities. In 2024, \$794,074 was received and disbursed to three other registered charities (\$18,900 was received and \$18,900 was disbursed in 2023).

Designated donations distributed to other registered charities in 2024 were as follows:

UJA Federation of Greater Toronto	\$ 560,180
Zaka Foundation - Search and Rescue	176,852
The Arbel Institute's Multidisciplinary response to Health Trauma in Israel	57,042
	<hr/>
	\$ 794,074

**Israel Magen Fund of Canada
Notes to Financial Statements**

July 31, 2024
