

Technion Canada

Financial Statements

For the year ended June 30, 2024

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To the Directors of
Technion Canada

Independent Auditors' Report

Opinion

We have audited the accompanying financial statements of Technion Canada (the Organization), which comprise the statement of financial position as at June 30, 2024, and the statements of operations, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Technion Canada as at June 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 Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' 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 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 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.

Auditors' 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 Auditing Standards (CASs), 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.



CHARTERED
PROFESSIONAL
ACCOUNTANTS

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.

November 27, 2024
Burlington, Ontario

SB Partners LLP

Chartered Professional Accountants
Licensed Public Accountants

Technion Canada
Statement of Financial Position
June 30, 2024

	Operating Fund		Toronto Technion High Tech Restricted Fund		Donor Restricted Funds		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Assets								
Cash and cash equivalents	\$1,026,762	\$ 481,197	\$ -	\$ -	\$ 1,579,867	\$ 1,879	\$ 2,606,629	\$ 483,076
Short-term investments (Note 3)	1,141,461	1,035,137	-	-	100,000	-	1,241,461	1,035,137
Receivables	1,469	1,437	-	-	-	-	1,469	1,437
Interfund - due from (to) balances	(357,120)	-	-	-	357,120	-	-	-
Prepaid expenses and other assets (Note 4)	126,522	100,672	-	-	9,006	9,006	135,528	109,678
Investments	-	-	-	-	69,425	69,425	69,425	69,425
	\$1,939,094	\$1,618,443	\$ -	\$ -	\$ 2,115,418	\$ 80,310	\$ 4,054,512	\$ 1,698,753
Liabilities								
Current liabilities								
Accounts payable and accrued liabilities	\$ 102,204	\$ 55,775	\$ -	\$ -	\$ 2,030,461	\$ 92	\$ 2,132,665	\$ 55,867
Fund Balances								
Restricted Funds	-	-	-	-	84,957	80,218	84,957	80,218
Operating Funds								
Unrestricted	238,835	280,509	-	-	-	-	238,835	280,509
Internally restricted	1,598,055	1,282,159	-	-	-	-	1,598,055	1,282,159
	1,836,890	1,562,668	-	-	84,957	80,218	1,921,847	1,642,886
	\$1,939,094	\$1,618,443	\$ -	\$ -	\$ 2,115,418	\$ 80,310	\$ 4,054,512	\$ 1,698,753

Approved on Behalf of the Board

DocuSigned by:

 Howard Benish
 National President

Signed by:

 A. Harold Garfinkle
 National Treasurer

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



Technion Canada
Summary Statement of Operations and Changes in Fund Balances
Year Ended June 30, 2024

	Operating Fund		Toronto Technion High Tech Restricted Fund		Donor Restricted Funds		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenue								
Bequests	\$ 231,151	\$ -	\$ -	\$ -	\$ 266,883	\$ 37,250	\$ 498,034	\$ 37,250
Contributions (Note 8), (Note 9)	669,457	522,487	-	-	4,159,227	2,374,866	4,828,684	2,897,353
Special functions income	109,245	119,477	-	-	-	-	109,245	119,477
Government grants (Note 6)	-	17,359	-	-	-	-	-	17,359
Investment income	78,879	84,440	-	457	-	-	78,879	84,897
	1,088,732	743,763	-	457	4,426,110	2,412,116	5,514,842	3,156,336
Expenditures								
Salaries and benefits	873,860	709,595	-	-	-	-	873,860	709,595
Publicity and promotion	399,465	362,500	-	-	-	-	399,465	362,500
Office and general	148,039	125,256	-	4,957	2,003	617	150,042	130,830
Travel	32,958	98,750	-	-	-	-	32,958	98,750
	1,454,322	1,296,101	-	4,957	2,003	617	1,456,325	1,301,675
Excess (Deficiency) of revenues over expenditures before other items	(365,590)	(552,338)	-	(4,500)	4,424,107	2,411,499	4,058,517	1,854,661
Remittances								
Technion-Israel Institute of Technology (Note 8)	-	-	-	(193,272)	(3,888,576)	(2,114,895)	(3,888,576)	(2,308,167)
Change in fair value of investments	68,624	20,135	-	-	282	-	68,906	20,135
Gain on foreign exchange	-	-	-	-	40,114	-	40,114	-
Net excess (deficiency) of revenues over expenditures	(296,966)	(532,203)		(197,772)	575,927	296,604	278,961	(433,371)
Fund balance, beginning of year	1,562,668	1,797,624	-	197,772	80,218	80,861	1,642,886	2,076,257
Interfund transfers	571,188	297,247	-	-	(571,188)	(297,247)	-	-
Fund balance, end of year	\$ 1,836,890	\$ 1,562,668	\$ -	\$ -	\$ 84,957	\$ 80,218	\$ 1,921,847	\$ 1,642,886

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



Technion Canada**Statement of Cash Flows****Year Ended June 30, 2024**

	2024	2023
Cash flows from operating activities		
Net excess (deficiency) of revenues over expenditures	\$ 278,961	\$ (433,371)
Non-cash items		
Change in fair value of investments	(68,906)	(20,135)
Forgivable portion of long-term debt	-	(20,000)
	210,055	(473,506)
Net change in receivables	(32)	348,563
Net change in accounts payable and accrued liabilities	2,076,798	(2,401)
Net change in other operating working capital balances	(25,850)	1,126
Cash flows from (used in) operating activities	2,260,971	(126,218)
Cash flows from financing activities		
Repayment of loan payable	-	(40,000)
Cash flows from investing activities		
Proceeds on sale of short-term investments	-	133,632
Purchase of short-term investments	(137,418)	-
Proceeds from sale of investments	-	887
Cash flows from (used in) investing activities	(137,418)	134,519
Net increase (decrease) in cash and cash equivalents	2,123,553	(31,699)
Cash and cash equivalents, beginning of year	483,076	514,775
Cash and cash equivalents, end of year	\$ 2,606,629	\$ 483,076
Cash and cash equivalents consist of:		
Operating Fund	\$ 55,358	\$ 84,488
Internally restricted fund	971,404	396,709
Donor restricted fund	1,579,867	1,879
	\$ 2,606,629	\$ 483,076

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



1. Purpose of the Organization

Technion Canada (the "Organization"), a public foundation, is a registered charity under the Income Tax Act (Canada) and, accordingly, is exempt from income taxes under S149(1)(f).

The purpose and objects of Technion Canada are the following:

- a) To promote, encourage and advance Canadian development and use of the educational, scientific, engineering, research, teaching and publication facilities of Technion-Israel Institute of Technology ("Technion Israel") and, for such purposes, teachers, researchers, engineers, and scientists from Canada attending Technion Israel otherwise participating in its operations.
- b) To promote and assist in the exchange of students, professors, teachers, researchers, engineers and scientists between Technion Israel and institutions of higher learning and scientific and research institutions of Canada, and to make available and aid in the establishment of scholarships, fellowships, lectureships and publications of any such purpose.
- c) To promote and facilitate the exchange of scientific information and the products of technical research and development between Technion Israel and educational, scientific and public institutions in Canada.
- d) To generally disseminate information concerning Technion Israel and its activities.
- e) To promote the formation of local chapters of Technion Canada dedicated to the purpose and objects as described herein and to do any other acts that further the purpose and objects of Technion Canada.

2. Significant accounting policies

Basis of presentation

The financial statements of the Organization have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

Fund accounting

Technion Canada follows the restricted fund method of accounting for contributions. The financial statements separately disclose the activities of the following funds maintain by Technion Canada:

Operating Fund

The Operating Fund represents Technion Canada's unrestricted and internally restricted resources

Toronto High Tech Restricted Fund

The Toronto High Tech Restricted Fund records resources specifically donated for specified remittances to Technion Canada (Note 8).



2. Significant accounting policies (cont'd.)

Fund accounting

Donor Restricted Fund

The Donor Restricted Funds record external resources restricted for Technion Canada's programs that support Canadian research, Canadian student exchange programs and scholarships at Technion Israel (Note 8).

Revenue recognition

Unrestricted contributions, holdbacks and government grants are recognized as income in the Operating Fund in the year received. Donor restricted contributions are recognized as income of the appropriate restricted fund in the year in which they are received. Donor restricted contributions for specific purposes are recognized as income of the Restricted Fund. In the case of special events, contributions are initially deferred and recognized as revenue in the year in which the event occurs.

Technion Canada does not recognize contributions raised through its agency relationship with Technion Israel that result in gifts that are paid directly to Technion Israel. These gifts are recognized by Technion Israel and charitable receipts are rendered by Technion Israel directly to the Canadian donor.

Pledges are not recorded in these financial statements as they are not legally enforceable claims.

Investment income is recognized when earned as income of the respective fund.

Income taxes

The Organization is registered under the Income Tax Act (the "Act") as a not-for-profit organization and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Organization must meet certain requirements of the Act. In the opinion of management, these requirements have been met.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated at the prevailing rates of exchange at the statement of financial position date. Non-monetary assets and liabilities and income and expenses are translated into Canadian dollars using the exchange rates in effect at the date of the transaction. Exchange gains and losses are included in the statement of operations and changes in fund balances in the year in which they occur.

Related party transactions

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.



2. Significant accounting policies (cont'd.)**Financial instruments**

The Organization's financial instruments consist of cash and cash equivalents, short-term investments, receivables, investments, accounts payable and accrued liabilities, and loan payable. The Organization's investment in shares of publicly traded companies are initially recognized and subsequently measured at fair value without adjustment for transaction costs. Changes in fair value are recognized in the statement of operations and changes in fund balances. All other financial instruments are initially recognized at fair value and subsequently measured at amortized cost unless management has elected to carry the instrument at fair value. Transaction costs and financial fees associated with financial instruments are amortized on a straight line basis.

Financial assets are tested for impairment at the end of each reporting period where there are indicator the assets may be impaired.

Use of estimates

The preparation of financial statements 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 amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Life insurance policies

Technion Canada has been named as beneficiary in life insurance policies of individuals. The life insurance policies are initially measured at cash surrender value, as the fair value is not reasonably estimable. Subsequently, the life insurance policies are held at the cash surrender value and are included as part of prepaid expenses and other assets in the statement of financial position. Changes in the cash surrender value are recognized as contributions in the statement of operations and fund balances.

3. Short-term investments

	2024	2023
Israel Bond - bearing interest at 4.80%, maturing on June 1, 2025	\$ 50,000	\$ -
Israel Bond - bearing interest at 5.48%, maturing on November 1, 2024	50,000	-
UJA Federation of Greater Toronto	1,141,461	1,035,137
	\$ 1,241,461	\$ 1,035,137

In 2022, Technion Canada invested \$1,035,000 with the UJA Federation of Greater Toronto. The value of the fund changed by \$106,324 (2023 - \$137) and had unrealized gains of \$68,624 (2023 - gains of \$20,135).



4. Government remittances

Government remittances consist of amounts required to be paid to government authorities and are recognized when the amounts come due. In respect of government remittances, receivables related to sales tax of \$35,816 (2023 - \$12,929) are included in prepaid expenses and other assets.

5. Bank indebtedness

Technion Canada has a revolving demand operating loan in the amount of \$100,000 which bears interest at the bank prime rate plus 2.7%. A general security agreement, covering all assets of Technion Canada, has been pledged as security for the demand loan. As at June 30, 2024, Technion Canada has utilized \$nil (2023 - \$nil) of the facility.

6. Internally restricted funds

	2024	2023
Opening Balance, July 1	1,282,159	1,189,106
Internally restricted donations (Note 7)	156,993	88,322
UJA Fund changes (Note 3)	106,323	137
Funds repaid from the Operating Fund	52,580	4,594
Closing balance, June 30	1,598,055	1,282,159

7. Interfund transfers

Technion Canada's policy is such that a stated percentage of the Donor Restricted Funds' donations is allocated to the Operating Fund to cover operating costs unless the donor specifically requested that the entire donation remain restricted. Effective July 1, 2019 the allocation rate is 14%. During the year, \$571,188 (2023 - \$297,247) was transferred from the Donor Restricted Fund to the Operating Fund.

In addition, for all donations received in excess of \$100,000, of the 14% allocated to the Operating Fund, it is Technion Canada's policy to allocate 5% of the total donation to the internally restricted fund. Allocations out of the internally restricted fund are at the discretion and approval of the Board of Directors.



Technion Canada

Notes to Financial Statements

Year Ended June 30, 2024

8. Remittances

	2024	2023
Total remittances during the year	\$ 3,888,576	\$ 2,308,167
Donation from Operating Fund	-	10,000
Holdback from direct remittance included in contributions	(200,000)	(200,000)
Net cash remittances during the year	\$ 3,688,576	\$ 2,118,167

Technion Canada's policy is to retain 14% (2023 - 14%) of Donor Restricted Funds' donations (Note 7) and the remainder is remitted to Technion Israel.

9. Related party transactions

During the year, members of Technion Canada's board of directors provided financial contributions amounting to \$184,613 (2023 - \$78,828) to the Operating Fund and Donor Restricted Funds.

10. Commitments

Future minimum payments for operating premise lease commitments that have initial or remaining terms of one year or more consist of the following amounts.

2025	44,897
2026	44,897
2027	44,897
2028	44,897
2029	44,897
Thereafter	7,483
Total	231,968



11. Financial instruments

The Organization's financial instruments consist of cash and cash equivalents, short-term investments, receivables, investments, accounts payable and accrued liabilities, and loan payable.

Liquidity risk

The Organization's exposure to liquidity risk is dependent on the collection of receivables and funding, purchasing commitments and obligations or raising of funds to meet commitments and sustain operations. The Organization controls liquidity risk by management of working capital and cash flows.

Market Risk

The Organization's investments in publicly-traded securities exposes the Organization to price risks as equity investments are subject to price changes in an open market. The Organization does not use derivative financial instruments to alter the effects of this risk.

Currency risk

The Organization enters into foreign currency purchase and sale transactions and has assets and liabilities that are denominated in foreign currencies and thus are exposed to the financial risk of earnings fluctuations arising from changes in foreign exchange rates and the degree of volatility of these rates. The Organization does not currently use derivative instruments to reduce its exposure to foreign currency risk.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest or credit risks.



Certificate Of Completion

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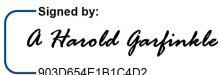
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Director - President
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Signature

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Baker Tilly Montreal
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