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Auditors' Report

To the Directors of
Jewish National Fund of Canada Inc.

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We have audited the statement of financial position of Jewish National Fund of Canada Inc. as at December 31, 2003 and the statements of revenues, expenses and remittances, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether adjustments might be necessary to receipts from voluntary contributions, excess of revenues over expenses and remittances for the year, assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had the receipts from voluntary contributions referred to in the preceding paragraph been susceptible to satisfactory audit tests, these financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

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Chartered Accountants

Montreal, Quebec
April 9, 2004

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Jewish National Fund of Canada Inc.

Statement of Financial Position As At December 31, 2003

	2003	2002
Assets		
Cash (note 3)	\$ 612,178	\$ 169,712
Restricted funds (note 4)	120,000	110,000
Short-term investments (note 5)	200,000	200,000
24(1) bonds (note 6)	900,051	955,303
Sundry assets (note 7)	158,797	178,748
Loan receivable (note 8)	160,988	342,697
Fixed assets (note 9)	330,620	378,637
	\$ 2,482,634	\$ 2,335,097
Liabilities		
Accounts payable and sundry liabilities	305,901	232,938
Salaries and vacation payable	74,431	74,348
Provision for severance pay	310,170	259,458
	690,502	566,744
Commitment (note 10)		
Net Assets		
Invested in fixed assets	330,620	378,637
Endowment	120,000	110,000
Unrestricted	1,341,512	1,279,716
	1,792,132	1,768,353
	\$ 2,482,634	\$ 2,335,097

See accompanying notes

Approved on Behalf of the Board:

Jewish National Fund of Canada Inc.

Statement of Changes in Net Assets For the Year Ended December 31, 2003

	Invested in Fixed Assets	Endowment	Unrestricted	2003	2002
Balance - Beginning of Year	\$ 378,637	\$ 110,000	\$ 1,279,716	\$ 1,768,353	\$ 1,585,755
Excess of revenues over expenses and remittances	(81,760)	-	95,539	13,779	72,598
Endowment contribution	-	10,000	-	10,000	110,000
Acquisition of fixed assets	33,743	-	(33,743)	-	-
Balance - End of Year	\$ 330,620	\$ 120,000	\$ 1,341,512	\$ 1,792,132	\$ 1,768,353

See accompanying notes

Jewish National Fund of Canada Inc.

Statement of Revenues, Expenses and Remittances For the Year Ended December 31, 2003

	2003	2002
Revenues		
Receipts from voluntary contributions and other revenue	\$ 5,823,111	\$ 5,968,218
Expenses		
Expenses, except amortization	2,078,412	1,885,846
Amortization	81,760	95,633
	2,160,172	1,981,479
Excess of Revenues Over Expenses	3,662,939	3,986,739
Remittances	3,649,160	3,914,141
Excess of Revenues Over Expenses and Remittances	\$ 13,779	\$ 72,598

See accompanying notes

Jewish National Fund of Canada Inc.

Statement of Cash Flows For the Year Ended December 31, 2003

	2003	2002
Funds Provided (Used) -		
Operating Activities		
Excess of revenues over expenses and remittances	\$ 13,779	\$ 72,598
Amortization	81,760	95,633
	95,539	168,231
Changes in sundry assets, accounts payable and sundry liabilities, salaries and vacation payable and provision for severance pay	143,709	(89,926)
	239,248	78,305
Financing Activities		
Endowment contributions	10,000	110,000
Investing Activities		
Short-term investments	-	(200,000)
Loan receivable	181,709	(169,895)
Due from benefactors	-	151,962
Additions to fixed assets	(33,743)	(87,230)
24(1) bonds	55,252	(133,920)
Increase in funds owed to 24(1)	257	-
Increase in restricted cash	(10,000)	(110,000)
Decrease in funds held in trust for 24(1)	3,971	78,973
	197,446	(470,110)
Increase (Decrease) in Cash Position	446,694	(281,805)
Cash Position		
Beginning of Year	165,741	447,546
End of Year	\$ 612,435	\$ 165,741
Represented by:		
Cash	\$ 612,178	\$ 169,712
Funds owed to (held in trust for) 24(1)	257	(3,971)
	\$ 612,435	\$ 165,741

See accompanying notes

Jewish National Fund of Canada Inc.

Notes to Financial Statements December 31, 2003

1. Purpose of the Organization

The Organization raises funds from various sources across Canada including individuals, corporations and estates, which funds are remitted to 24(1) through the 24(1) and used for charitable purposes in Israel. The Organization is incorporated under the Canada Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Summary of Significant Accounting Policies

Revenue Recognition

The Organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received.

Endowment contributions are recognized as direct increases in net assets.

Pledges are recognized as revenue when collectibility is reasonably assured.

Bequests are recognized as revenue when assets donated can be reasonably identified and measured.

Amortization

On the declining balance method -

Furniture and fixtures	20%
Data processing equipment	20%

On the straight-line method -

Software	over five years
Leasehold improvements	over the lease term

3. Cash

Included in cash are funds of \$257 owed to 24(1) for the January 2004 tour. In 2002, \$3,971 was held in trust for 24(1). A related liability is recorded when these deposits are received and included in accounts payable and sundry liabilities.

Jewish National Fund of Canada Inc.

Notes to Financial Statements December 31, 2003

4. Restricted Funds

Restricted funds, comprising of funds held in trust earning interest at an annual rate of 4.5%, are being held in the 24(1) by the Jewish Community Foundation of Montreal. The Organization has agreed to maintain the capital in the amount of \$120,000 and to contribute 80% of annual income earned from these funds for the provision of water in Israel, and the remaining 20% of annual income intact pursuant to an agreement with the donors.

5. Short-Term Investments

Short-term investments are comprised of Guaranteed Investment Certificates of which \$100,000 matures in 2004 and bears interest at 3.10% and \$100,000 matures in 2005 and bears interest at 2.75%.

6. 24(1) Bonds

The 24(1) bonds are carried at their face value plus accrued interest. Included in the 24(1) Bonds are U.S. bonds of approximately \$196,000 (U.S. \$141,000) (2002 - \$237,000; U.S. \$144,000).

7. Sundry Assets

Included in sundry assets is \$49,000 (2002 - \$49,000) owing by J.N.F. Foundation (see note 11). This amount is non-interest bearing and is not subject to specified terms of repayment.

8. Loan Receivable

The loan is non-interest bearing and is not subject to specified terms of repayment.

9. Fixed Assets

	Cost	Accumulated Amortization	2003 Net Carrying Amount	2002 Net Carrying Amount
Furniture and fixtures	\$ 325,988	\$ 307,025	\$ 18,963	\$ 18,221
Data processing equipment	853,953	676,672	177,281	204,641
Software	291,736	163,802	127,934	153,825
Leasehold improvements	9,917	3,475	6,442	1,950
	\$ 1,481,594	\$ 1,150,974	\$ 330,620	\$ 378,637

Jewish National Fund of Canada Inc.

Notes to Financial Statements December 31, 2003

10. Commitment

The minimum annual rental, exclusive of other occupancy charges, payable under the lease for the Organization's premises is as follows:

2004	\$ 87,000
2005	87,000
2006	88,000
2007	89,000
2008	69,000
Thereafter	229,000

11. Economic Interest

The financial statements do not include the assets, liabilities and activities of J.N.F. Foundation - La Fondation J.N.F. which, although related to the Organization, is not controlled by it.

J.N.F. Foundation - La Fondation J.N.F. is a society formed solely to raise funds for furthering the interests and objectives of the Organization. The Organization has an economic interest therein.

Following is a summary of financial information of J.N.F. Foundation - La Fondation J.N.F.:

	2003	2002
Sundry assets	\$ 15,893	\$ 18,845
Cash surrender value of life insurance policies	122,419	136,930
	\$ 138,312	\$ 155,775
Sundry liabilities	2,500	2,499
Due to Jewish National Fund of Canada Inc.	49,000	49,000
	51,500	51,499
Unrestricted net assets	86,812	104,276
	\$ 138,312	\$ 155,775

The Organization shares certain common overhead with J.N.F. Foundation - La Fondation J.N.F. The Organization does not charge J.N.F. Foundation - La Fondation J.N.F. for any shared overhead.

Jewish National Fund of Canada Inc.

Notes to Financial Statements December 31, 2003

12. Revenues

Included in revenues are net revenues from various fundraising events organized during the year. Gross revenues and expenses relating to these events amounted to \$7,200,527 and \$1,377,416 respectively (2002 - \$7,519,025 and \$1,550,807 respectively).

13. Financial Instruments

Fair Value

Cash, sundry assets (excluding the \$49,000 owing by J.N.F. Foundation - La Fondation J.N.F.), accounts payable and sundry liabilities, and salaries and vacation payable are all short-term in nature and as such, their carrying values approximate fair values.

The carrying amount of short-term investments and 24(1) I bonds approximates fair value since the interest rates on these instruments either approximate the current market rates offered to the Organization or the interest rates in these instruments change with market interest rates.

A reasonable estimate of fair value could not be made for the amounts owing by J.N.F. Foundation - La Fondation J.N.F., loan receivable and provision for severance pay, as there is no comparable market data.

The fair market value of the restricted funds is approximately \$140,500.

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Auditors' Report

To the Shareholders of
Jewish National Fund of Canada Inc.

We have audited the statement of financial position of Jewish National Fund of Canada Inc. as at December 31, 2004 and the statements of revenues, expenses and remittances, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether adjustments might be necessary to receipts from voluntary contributions, excess of revenues over expenses and remittances for the year, assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had the receipts from voluntary contributions referred to in the preceding paragraph been susceptible to satisfactory audit tests, these financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

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Chartered Accountants

Montreal, Quebec
April 5, 2005

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Jewish National Fund of Canada Inc.

Balance Sheet As At December 31, 2004

	2004	2003
Assets		
Cash	\$ 1,315,244	\$ 612,178
Restricted funds (note 4)	172,000	120,000
Investments (note 5)	561,984	200,000
24(1) bonds (note 6)	665,522	900,051
Sundry assets (note 7)	199,012	158,797
Loan receivable (note 8)	56,836	160,988
Fixed assets (note 9)	300,630	330,620
	\$ 3,271,228	\$ 2,482,634
Liabilities		
Accounts payable and sundry liabilities	347,490	305,901
Salaries and vacation payable	81,942	74,431
Provision for severance pay	313,405	310,170
	742,837	690,502
Commitments (note 10)		
Net Assets		
Invested in fixed assets	300,630	330,620
Endowment	172,000	120,000
Unrestricted	2,055,761	1,341,512
	2,528,391	1,792,132
	\$ 3,271,228	\$ 2,482,634

See accompanying notes

Approved on Behalf of the Board:

Director

Director

Jewish National Fund of Canada Inc.

Statement of Changes in Net Assets For the Year Ended December 31, 2004

	Invested in Fixed Assets	Endowment	Unrestricted	2004	2003
Balance - Beginning of Year	\$ 330,620	\$ 120,000	\$ 1,341,512	\$ 1,792,132	\$ 1,768,353
Excess of revenues over expenses and remittances	(74,352)	-	758,611	684,259	13,779
Endowment contribution	-	52,000	-	52,000	10,000
Acquisition of fixed assets	44,362	-	(44,362)	-	-
Balance - End of Year	\$ 300,630	\$ 172,000	\$ 2,055,761	\$ 2,528,391	\$ 1,792,132

See accompanying notes

Jewish National Fund of Canada Inc.

Statement of Revenues, Expenses and Remittances For the Year Ended December 31, 2004

	2004	2003
Revenue		
Receipts from voluntary contributions and other revenue	\$ 7,512,700	\$ 5,823,111
Expenses		
Expenses, except amortization	2,062,243	2,078,412
Amortization	74,352	81,760
	2,136,595	2,160,172
Excess of Revenues Over Expenses	5,376,105	3,662,939
Remittances	4,691,846	3,649,160
Excess of Revenues Over Expenses and Remittances	\$ 684,259	\$ 13,779

See accompanying notes and schedule

Jewish National Fund of Canada Inc.

Statement of Cash Flows For the Year Ended December 31, 2004

	2004	2003
Funds Provided (Used) -		
Operating Activities		
Excess of revenues over expenses and remittances	\$ 684,259	\$ 13,779
Amortization	74,352	81,760
	758,611	95,539
Changes in sundry assets, accounts payable and sundry liabilities, salaries and vacation payable and provision for severance pay	12,120	143,709
	770,731	239,248
Financing Activities		
Endowment contributions	52,000	10,000
Investing Activities		
Short-term investments	(361,984)	-
Loan receivable	104,152	181,709
Additions to fixed assets	(44,362)	(33,743)
24(1) bonds	234,529	55,252
Increase in restricted cash	(52,000)	(10,000)
	(119,665)	193,218
Increase in Cash	703,066	442,466
Cash		
Beginning of Year	612,178	169,712
End of Year	\$ 1,315,244	\$ 612,178

See accompanying notes

Jewish National Fund of Canada Inc.

Notes to Financial Statements December 31, 2004

1. Purpose of the Organization

The Organization raises funds from various sources across Canada including individuals, corporations and estates, which funds are remitted to 24(1) through the 24(1) and used for charitable purposes in Israel. The Organization is incorporated under the Canada Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Change in Accounting Policy

Impairment of Long-Lived Assets

The Company has prospectively adopted section 3063 of the Canadian Institute of Chartered Accountants ("CICA") Handbook, "Impairment of long-lived assets". Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is assessed by comparing the carrying amount of an asset with the expected future net undiscounted cash flows from its use together with its residual value. If such assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the assets exceeds their fair value. The Company assessed all of its assets upon adoption of the new standard and determined that no impairment existed.

3. Summary of Significant Accounting Policies

Financial Instruments

The Organization estimates the fair value of its financial instruments based on current interest rates, market value and pricing of financial instruments with comparable terms. Unless otherwise indicated, the carrying value of these financial instruments approximates their fair market value.

It is not practical to determine the fair value of the amount due from related party and the provision for severance pay due to the related party nature and the absence of a market for such instruments.

Revenue Recognition

The Organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received.

Endowment contributions are recognized as direct increases in net assets.

Pledges are recognized as revenue when collectibility is reasonably assured.

Bequests are recognized as revenue when assets donated can be reasonably identified and measured.

Jewish National Fund of Canada Inc.

Notes to Financial Statements December 31, 2004

3. Summary of Significant Accounting Policies (Cont'd)

Amortization

On the declining balance method -

Furniture and fixtures	20%
Data processing equipment	20%

On the straight-line method -

Software	over five years
Leasehold improvements	over the lease term

4. Restricted Funds

Restricted funds, comprising of funds held in trust are being invested in both fixed income and equity investments, and are being held in the 24(1) by the Jewish Community Foundation of Montreal ("JCF"). The Organization has agreed to maintain the capital in the amount of \$172,000 (2003 - \$120,000) for a minimum of 10 years from the date of contribution. The fair value of the restricted funds amounts to approximately \$205,000 (2003 - \$140,500).

5. Investments

Investments are comprised of Guaranteed Investment Certificates, bearing interest at 2.75% per annum, of which \$100,000 matures in July 2005 and \$100,000 which matures in July 2006, marketable securities of \$61,984 and \$300,000 of investments held in JCF. The quoted value of the marketable securities and investments held in JCF are approximately \$373,000.

6. 24(1) Bonds

The 24(1) bonds are carried at their face value plus accrued interest. The bonds mature at various dates from March 2005 to December 2015 and bear interest at an average rate of approximately 4.8% per annum. Included in the 24(1) Bonds are U.S. bonds of approximately \$201,000 (U.S.\$151,000) (2003 - \$196,000; U.S.\$141,000).

Jewish National Fund of Canada Inc.

Notes to Financial Statements December 31, 2004

7. Sundry Assets

Included in sundry assets is \$69,000 (2003 - \$49,000) owing by J.N.F. Foundation (see note 11). This amount is non-interest bearing and is not subject to specified terms of repayment.

8. Loan Receivable

The loan is non-interest bearing and is not subject to specified terms of repayment.

9. Fixed Assets

	Cost	Accumulated Amortization	2004 Net Carrying Amount	2003 Net Carrying Amount
Furniture and fixtures	\$ 353,533	\$ 316,326	\$ 37,207	\$ 18,963
Data processing equipment	869,187	715,175	154,012	177,281
Software	293,319	189,705	103,614	127,934
Leasehold improvements	9,916	4,119	5,797	6,442
	\$ 1,525,955	\$ 1,225,325	\$ 300,630	\$ 330,620

10. Commitments

The minimum annual rental, exclusive of other occupancy charges, payable under the leases for the Organization's premises and equipment leases, is approximately as follows:

2005	\$ 110,000
2006	113,000
2007	115,000
2008	103,000
2009	75,000
Thereafter	188,000

11. Economic Interest

The financial statements do not include the assets, liabilities and activities of J.N.F. Foundation - La Fondation J.N.F. which, although related to the Organization, is not controlled by it.

J.N.F. Foundation - La Fondation J.N.F. is a society formed solely to raise funds for furthering the interests and objectives of the Organization. The Organization has an economic interest therein.

Jewish National Fund of Canada Inc.

Notes to Financial Statements December 31, 2004

11. Economic Interest (Cont'd)

Following is a summary of financial information of J.N.F. Foundation - La Fondation J.N.F.:

	2004	2003
Sundry assets	\$ 18,089	\$ 15,893
Cash surrender value of life insurance policies	123,203	122,419
	\$ 141,292	\$ 138,312
Sundry liabilities	2,500	2,500
Due to Jewish National Fund of Canada Inc.	69,000	49,000
	71,500	51,500
Unrestricted net assets	69,792	86,812
	\$ 141,292	\$ 138,312

The Organization shares certain common overhead with J.N.F. Foundation - La Fondation J.N.F. The Organization does not charge J.N.F. Foundation - La Fondation J.N.F. for any shared overhead.

12. Revenues

Included in revenues are net revenues from various fundraising events organized during the year. Gross revenues and expenses relating to these events amounted to approximately \$4,075,630 and \$1,817,169 respectively (2003 - \$4,161,917 and \$1,360,693 respectively).

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Auditors' Report

To the Shareholders of
Jewish National Fund of Canada Inc.

We have audited the statement of financial position of Jewish National Fund of Canada Inc. as at December 31, 2005 and the statements of revenues, expenses and remittances, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether adjustments might be necessary to receipts from voluntary contributions, excess of revenues over expenses and remittances for the year, assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had the receipts from voluntary contributions referred to in the preceding paragraph been susceptible to satisfactory audit tests, these financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

24(1)

Chartered Accountants

Montreal, Quebec
April 10, 2006

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Jewish National Fund of Canada Inc.

Statement of Financial Position As At December 31, 2005

	2005	2004
Assets		
Cash	\$ 945,306	\$ 1,315,244
Restricted funds (note 3)	317,000	172,000
Investments (note 4)	2,369,753	561,984
24(1) bonds (note 5)	529,921	665,522
Sundry assets (note 6)	230,853	199,012
Loan receivable	-	56,836
Property and equipment (note 7)	266,963	300,630
	\$ 4,659,796	\$ 3,271,228
Liabilities		
Accounts payable and sundry liabilities (note 8)	501,498	347,490
Salaries and vacation payable	101,759	81,942
Loan payable (note 9)	181,898	-
Provision for retirement and severance pay	356,472	313,405
	1,141,627	742,837
Commitment (note 10)		
Net Assets		
Invested in property and equipment	266,963	300,630
Endowment	317,000	172,000
Unrestricted	2,934,206	2,055,761
	3,518,169	2,528,391
	\$ 4,659,796	\$ 3,271,228

See accompanying notes

Approved on Behalf of the Board:

Jewish National Fund of Canada Inc.

Statement of Changes in Net Assets For the Year Ended December 31, 2005

	Invested in Property and Equipment	Endowment	Unrestricted	2005	2004
Balance - Beginning of Year	\$ 300,630	\$ 172,000	\$ 2,055,761	\$ 2,528,391	\$ 1,792,132
Excess of revenues over expenses and remittances	(66,015)	-	910,793	844,778	684,259
Endowment contribution	-	145,000	-	145,000	52,000
Acquisition of property and equipment	32,348	-	(32,348)	-	-
Balance - End of Year	\$ 266,963	\$ 317,000	\$ 2,934,206	\$ 3,518,169	\$ 2,528,391

See accompanying notes

Jewish National Fund of Canada Inc.

Statement of Revenues, Expenses and Remittances For the Year Ended December 31, 2005

	2005	2004
Revenues		
Receipts from voluntary contributions and other revenue	\$ 8,120,539	\$ 7,463,462
Investment income	166,803	49,238
	8,287,342	7,512,700
Expenses		
Expenses, except amortization	2,369,713	2,062,243
Amortization	66,015	74,352
	2,435,728	2,136,595
Excess of Revenues Over Expenses	5,851,614	5,376,105
Remittances	5,006,836	4,691,846
Excess of Revenues Over Expenses and Remittances	\$ 844,778	\$ 684,259

See accompanying notes

Jewish National Fund of Canada Inc.

Statement of Cash Flows For the Year Ended December 31, 2005

	2005	2004
Funds Provided (Used) -		
Operating Activities		
Excess of revenues over expenses and remittances	\$ 844,778	\$ 684,259
Amortization	66,015	74,352
	910,793	758,611
Changes in sundry assets, accounts payable and sundry liabilities, salaries and vacation payable and provision for retirement and severance pay	185,051	12,120
	1,095,844	770,731
Financing Activities		
Endowment contributions	145,000	52,000
Loan payable	181,898	-
	326,898	52,000
Investing Activities		
Investments	(1,807,769)	(361,984)
Loan receivable	56,836	104,152
Additions to property and equipment	(32,348)	(44,362)
24(1) bonds	135,601	234,529
Increase in restricted cash	(145,000)	(52,000)
	(1,792,680)	(119,665)
(Decrease) Increase in Cash	(369,938)	703,066
Cash		
Beginning of Year	1,315,244	612,178
End of Year	\$ 945,306	\$ 1,315,244

See accompanying notes

Jewish National Fund of Canada Inc.

Notes to Financial Statements December 31, 2005

1. Purpose of the Organization

The Organization raises funds from various sources across Canada including individuals, corporations and estates, which funds are remitted to 24(1) through the 24(1) and used for charitable purposes in Israel. The Organization is incorporated under the Canada Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Summary of Significant Accounting Policies

Financial Instruments

The Organization estimates the fair value of its financial instruments based on current interest rates, market value and pricing of financial instruments with comparable terms. Unless otherwise indicated, the carrying value of these financial instruments approximates their fair market value.

It is not practical to determine the fair value of the amount due from J.N.F. Foundation - La Fondation J.N.F. (note 11) and the provision for retirement and severance pay due to the related party nature and the absence of a market for such instruments.

Revenue Recognition

The Organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received.

Endowment contributions are recognized as direct increases in net assets.

Pledges are recognized as revenue when collectibility is reasonably assured.

Bequests are recognized as revenue when assets donated can be reasonably identified and measured.

Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is assessed by comparing the carrying amount of an asset with the expected future net undiscounted cash flows from its use together with its residual value. If such assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the assets exceeds their fair value.

Jewish National Fund of Canada Inc.

Notes to Financial Statements December 31, 2005

2. Summary of Significant Accounting Policies (Cont'd)

Amortization

On the declining balance method -

Furniture and fixtures	20%
Data processing equipment	20%

On the straight-line method -

Software	over five years
Leasehold improvements	over the lease term

3. Restricted Funds

Restricted funds, comprising of funds held in trust are being invested in both fixed income and equity investments, and are being held in the 24(1) by the Jewish Community Foundation of Montreal ("JCF"). The Organization has agreed to maintain the capital in the amount of \$317,000 (2004 - \$172,000) for a minimum of 10 years from the date of contribution. The fair value of the restricted funds amounts to approximately \$370,000 (2004 - \$205,000).

4. Investments

The investments are held in JCF and have a quoted value of approximately \$2,408,000.

5. 24(1) Bonds

The 24(1) bonds are carried at their face value plus accrued interest. The bonds mature at various dates from February 2006 to December 2017 and bear interest at an average rate of approximately 5.39% per annum. Included in the 24(1) Bonds are U.S. bonds of approximately \$155,000 (U.S.\$139,000) (2004 - \$201,000; U.S.\$151,000).

6. Sundry Assets

Included in sundry assets is \$84,000 (2004 - \$69,000) owing by J.N.F. Foundation (see note 11). This amount is non-interest bearing and is not subject to specified terms of repayment.

Jewish National Fund of Canada Inc.

Notes to Financial Statements December 31, 2005

7. Property and Equipment

	Cost	Accumulated Amortization	2005 Net Carrying Amount	2004 Net Carrying Amount
Furniture and fixtures	\$ 377,462	\$ 328,554	\$ 48,908	\$ 37,207
Data processing equipment	877,073	747,555	129,518	154,012
Software	293,854	210,534	83,320	103,614
Leasehold improvements	9,916	4,699	5,217	5,797
	\$ 1,558,305	\$ 1,291,342	\$ 266,963	\$ 300,630

8. Accounts payable and sundry liabilities

Included in accounts payable and sundry liabilities is approximately \$208,000 (2004 - Nil) payable in U.S. currency (U.S.\$178,000; 2004 - Nil).

9. Loan Payable

The loan is non-interest bearing and is not subject to specified terms of repayment.

10. Commitment

The minimum annual rental, exclusive of other occupancy charges, payable under the leases for the Organization's premises is approximately as follows:

2006	\$ 103,000
2007	104,000
2008	85,000
2009	55,000
2010	52,000
Thereafter	126,000

Jewish National Fund of Canada Inc.

Notes to Financial Statements December 31, 2005

11. Economic Interest

The financial statements do not include the assets, liabilities and activities of J.N.F. Foundation - La Fondation J.N.F. which, although related to the Organization, is not controlled by it.

J.N.F. Foundation - La Fondation J.N.F. is a society formed solely to raise funds for furthering the interests and objectives of the Organization. The Organization has an economic interest therein.

Following is a summary of financial information of J.N.F. Foundation - La Fondation J.N.F.:

	2005	2004
Sundry assets	\$ 15,979	\$ 18,089
Cash surrender value of life insurance policies	123,495	123,203
	\$ 139,474	\$ 141,292
Sundry liabilities	2,500	2,500
Due to Jewish National Fund of Canada Inc.	84,000	69,000
	86,500	71,500
Unrestricted net assets	52,974	69,792
	\$ 139,474	\$ 141,292

The Organization shares certain common overhead with J.N.F. Foundation - La Fondation J.N.F. The Organization does not charge J.N.F. Foundation - La Fondation J.N.F. for any shared overhead.

12. Revenues

Included in revenues are net revenues from various fundraising events organized during the year. Gross revenues and expenses relating to these events amounted to \$4,716,439 and \$1,947,292 respectively (2004 - \$4,075,630 and \$1,817,169 respectively).

13. Comparative Figures

Certain reclassifications of 2004 amounts have been made to facilitate comparison with the current year.

24(1)

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Auditors' Report

To the Directors of
Jewish National Fund of Canada Inc.

We have audited the statement of financial position of Jewish National Fund of Canada Inc. as at December 31, 2006 and the statements of revenues, expenses and remittances, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether adjustments might be necessary to receipts from voluntary contributions, excess of revenues over expenses and remittances for the year, assets and net assets.

In our opinion, except for the effects of any adjustments, if any, which we might have determined to be necessary had the receipts from voluntary contributions referred to in the preceding paragraph been susceptible to satisfactory audit tests, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

24(1)

Chartered Accountants

Montreal, Quebec
April 9, 2007

24(1)

Jewish National Fund of Canada Inc.

Statement of Financial Position As At December 31, 2006

	2006	2005
Assets		
Cash	\$ 953,942	\$ 945,306
Restricted investments (note 3)	670,000	317,000
Investments (note 4)	3,477,098	2,369,753
24(1) bonds (note 5)	266,729	529,921
Sundry assets (note 6)	408,519	230,853
Property and equipment (note 7)	252,080	266,963
	\$ 6,028,368	\$ 4,659,796
Liabilities		
Accounts payable and sundry liabilities (note 8)	711,020	501,498
Salaries and vacation payable	109,084	101,759
Loan payable (note 9)	265,178	181,898
Provision for retirement and severance pay	344,600	356,472
	1,429,882	1,141,627
Commitment (note 10)		
Net Assets		
Invested in property and equipment	252,080	266,963
Endowment	670,000	317,000
Unrestricted	3,676,406	2,934,206
	4,598,486	3,518,169
	\$ 6,028,368	\$ 4,659,796

See accompanying notes

Approved on Behalf of the Board

Jewish National Fund of Canada Inc.

Statement of Changes in Net Assets For the Year Ended December 31, 2006

	Invested in Property and Equipment	Endowment	Unrestricted	2006	2005
Balance - Beginning of Year	\$ 266,963	\$ 317,000	\$ 2,934,206	\$ 3,518,169	\$ 2,528,391
Excess of revenues over expenses and remittances	(62,368)	-	769,685	727,317	844,778
Endowment contribution	-	353,000	-	353,000	145,000
Acquisition of property and equipment	47,485	-	(47,485)	-	-
Balance - End of Year	\$ 252,080	\$ 670,000	\$ 3,676,406	\$ 4,598,486	\$ 3,518,169

See accompanying notes

Jewish National Fund of Canada Inc.

Statement of Revenues, Expenses and Remittances For the Year Ended December 31, 2006

	2006	2005
Revenue		
Receipts from voluntary contributions and other revenue	\$ 8,364,458	\$ 8,120,539
Investment income	138,717	166,803
	8,503,175	8,287,342
Expenses		
Expenses, except amortization	2,273,455	2,369,713
Amortization	62,368	66,015
	2,335,823	2,435,728
Excess of Revenues Over Expenses	6,167,352	5,851,614
Remittances	5,440,035	5,006,836
Excess of Revenues Over Expenses and Remittances	\$ 727,317	\$ 844,778

See accompanying notes

Jewish National Fund of Canada Inc.

Statement of Cash Flows

For the Year Ended December 31, 2006

	2006	2005
Funds Provided (Used) -		
Operating Activities		
Excess of Revenues Over Expenses and Remittances	\$ 727,317	\$ 844,778
Amortization	62,368	66,015
	789,685	910,793
Changes in sundry assets, accounts payable and sundry liabilities, salaries and vacation payable and provision for retirement and severance pay	27,311	185,051
	816,996	1,095,844
Financing Activities		
Endowment contributions	353,000	145,000
Loan payable	83,280	181,898
	436,280	326,898
Investing Activities		
Investments	(1,107,345)	(1,807,769)
Loan receivable	-	56,836
Additions to property and equipment	(47,487)	(32,348)
24(1) bonds	263,192	135,601
Increase in restricted cash	(353,000)	(145,000)
	(1,244,640)	(1,792,680)
Increase (Decrease) in Cash	8,636	(369,938)
Cash		
Beginning of Year	945,306	1,315,244
End of Year	\$ 953,942	\$ 945,306

See accompanying notes

Jewish National Fund of Canada Inc.

Notes to Financial Statements December 31, 2006

1. Purpose of the Organization

The Organization raises funds from various sources across Canada including individuals, corporations and estates, which funds are remitted to 24(1) through the 24(1) and used for charitable purposes in Israel. The Organization is incorporated under the Canada Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Summary of Significant Accounting Policies

Financial Instruments

The Organization estimates the fair value of its financial instruments based on current interest rates, market value and pricing of financial instruments with comparable terms. Unless otherwise indicated, the carrying value of these financial instruments approximates their fair market value.

It is not practical to determine the fair value of the amount due from J.N.F. Foundation - La Fondation J.N.F. (note 11) and the provision for retirement and severance pay due to the related party nature and the absence of a market for such instruments.

Revenue Recognition

The Organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received.

Endowment contributions are recognized as direct increases in net assets.

Pledges are recognized as revenue when collectibility is reasonably assured.

Bequests are recognized as revenue when assets donated can be reasonably identified and measured.

Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is assessed by comparing the carrying amount of an asset with the expected future net undiscounted cash flows from its use together with its residual value. If such assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the assets exceeds their fair value.

Jewish National Fund of Canada Inc.

Notes to Financial Statements December 31, 2006

2. Summary of Significant Accounting Policies (Cont'd)

Amortization

On the declining balance method -

Furniture and fixtures	20%
Data processing equipment	20%

On the straight-line method -

Software	over five years
Leasehold improvements	over the lease term

3. Restricted Investments

Restricted investments of \$337,000, with a requirement to maintain the capital for a minimum of 10 years from the date of contribution, have a fair value of approximately \$399,000.

Restricted investments of \$333,000, the capital of which is required to be maintained permanently, have a fair value that approximates carrying value.

4. Investments

The investments are held by the JCF and have a quoted value of approximately \$3,676,000 (2005 - \$2,408,000).

5. 24(1) Bonds

The 24(1) bonds are carried at their face value plus accrued interest. The bonds mature at various dates from February 2007 to December 2018 and bear interest at an average rate of approximately 4.59% per annum. Included in the 24(1) Bonds are U.S. bonds of approximately \$119,000 (U.S.\$103,000) (2005 - \$155,000; U.S.\$139,000).

6. Sundry Assets

Included in sundry assets is \$103,000 (2005 - \$84,000) owing by J.N.F. Foundation (see note 11). This amount is non-interest bearing and is not subject to specified terms of repayment.

Jewish National Fund of Canada Inc.

Notes to Financial Statements December 31, 2006

7. Property and Equipment

	Cost	Accumulated Amortization	2006 Net Carrying Amount	2005 Net Carrying Amount
Furniture and fixtures	\$ 408,514	\$ 344,546	\$ 63,968	\$ 48,908
Data processing equipment	889,844	776,012	113,832	129,518
Software	297,515	227,930	69,585	83,320
Leasehold improvements	9,916	5,221	4,695	5,217
	\$ 1,605,789	\$ 1,353,709	\$ 252,080	\$ 266,963

8. Accounts payable and sundry liabilities

Included in accounts payable and sundry liabilities is approximately \$17,000 (2005 - \$208,000) payable in U.S. currency (U.S.\$15,000; 2005 - \$178,000).

9. Loan Payable

The loan is non-interest bearing and is not subject to specified terms of repayment.

10. Commitment

The minimum rental, exclusive of occupancy and escalation charges, payable under the lease for the Organization's premises is as follows:

2007	\$ 176,000
2008	162,000
2009	55,000
2010	52,000
2011	53,000
Thereafter	73,000

The Organization has entered into an agreement with the Province of Alberta to mutually fund and explore applied research relating to innovative design, construction and rehabilitation of water conservation and irrigation facilities. Under the terms of the agreement the Organization is committed to contribute to the ²⁴⁽¹⁾ on a project-by-project basis up to \$1,000,000. ²⁴⁽¹⁾ has undertaken to fund the commitment on behalf of the Organization.

Jewish National Fund of Canada Inc.

Notes to Financial Statements December 31, 2006

11. Economic Interest

The financial statements do not include the assets, liabilities and activities of J.N.F. Foundation - La Fondation J.N.F. which, although related to the Organization, is not controlled by it.

J.N.F. Foundation - La Fondation J.N.F. is a society formed solely to raise funds for furthering the interests and objectives of the Organization. The Organization has an economic interest therein.

Following is a summary of financial information of J.N.F. Foundation - La Fondation J.N.F.:

	2006	2005
Sundry assets	\$ 18,699	\$ 15,979
Cash surrender value of life insurance policies	128,186	123,495
	\$ 146,885	\$ 139,474
Sundry liabilities	2,500	2,500
Due to Jewish National Fund of Canada Inc.	103,098	84,000
	105,598	86,500
Unrestricted net assets	41,287	52,974
	\$ 146,885	\$ 139,474

The Organization shares certain common overhead with J.N.F. Foundation - La Fondation J.N.F. The Organization does not charge J.N.F. Foundation - La Fondation J.N.F. for any shared overhead.

12. Revenues

Included in revenues are net revenues from various fundraising events organized during the year. Gross revenues and expenses relating to these events amounted to \$7,455,930 and \$2,873,576 respectively (2005 - \$4,716,439 and \$1,975,153 respectively).

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Auditors' Report

To the Directors of
Jewish National Fund of Canada Inc.

We have audited the statement of financial position of Jewish National Fund of Canada Inc. as at December 31, 2007 and the statements of revenues, expenses and remittances, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether adjustments might be necessary to receipts from voluntary contributions, excess of revenues over expenses and remittances for the year, assets and net assets.

Management was unable to obtain the fair market value of restricted investments (note 4) classified as held for trading, which have been recorded in the accounts of the Organization at their carrying value of \$666,000. Canadian generally accepted accounting principles require that all held for trading financial assets be recognized initially and subsequently at fair value.

In our opinion, except for the effects of any adjustments, if any, which we might have determined to be necessary had the receipts from voluntary contributions been susceptible to satisfactory audit tests, and the effect of the adjustment which would have been made had the fair value information regarding the restricted investments been available, these financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

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Chartered Accountants

Montreal, Quebec
April 11, 2008

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Jewish National Fund of Canada Inc.

Statement of Financial Position As At December 31, 2007

	2007	2006
Assets		
Cash	\$ 777,319	\$ 953,942
Restricted investments (note 4)	1,124,838	670,000
Investments (note 5)	4,010,072	3,477,098
24(1) bonds (note 6)	486,457	266,729
Sundry assets (note 7)	364,640	408,519
Property and equipment (note 8)	249,424	252,080
	\$ 7,012,750	\$ 6,028,368
Liabilities		
Accounts payable and sundry liabilities (note 9)	526,530	711,020
Salaries and vacation payable	126,226	109,084
Loan payable (note 10)	359,268	265,178
Provision for retirement and severance pay	385,236	344,600
	1,397,260	1,429,882
Commitments (note 11)		
Net Assets		
Invested in property and equipment	249,424	252,080
Endowment	1,097,497	670,000
Unrestricted	4,268,569	3,676,406
	5,615,490	4,598,486
	\$ 7,012,750	\$ 6,028,368

See accompanying notes

Approved on Behalf of the Board

Jewish National Fund of Canada Inc.

Statement of Changes in Net Assets For the Year Ended December 31, 2007

	Invested in Property and Equipment	Endowment	Unrestricted	2007	2006
Balance - Beginning of Year	\$ 252,080	\$ 670,000	\$ 3,676,406	\$ 4,598,486	\$ 3,518,169
Excess of revenues over expenses and remittances	(63,358)	-	485,790	422,432	727,317
Acquisition of property and equipment	60,702	-	(60,702)		-
Endowment contribution	-	333,000	-	333,000	353,000
Cumulative change in fair value of the investments and restricted investments resulted from the change in the accounting policy (note 2) reported directly in the statement of changes in net assets	-	94,497	167,075	261,572	-
Balance - End of Year	\$ 249,424	\$ 1,097,497	\$ 4,268,569	\$ 5,615,490	\$ 4,598,486

See accompanying notes

Jewish National Fund of Canada Inc.

Statement of Revenues, Expenses and Remittances For the Year Ended December 31, 2007

	2007	2006
Revenue		
Receipts from voluntary contributions and other revenue	\$ 7,364,934	\$ 8,364,458
Investment income	42,546	138,717
Increase in fair value of investments held-for-trading	233,007	-
	7,640,487	8,503,175
Expenses		
Expenses, except amortization	2,469,450	2,273,455
Amortization	63,358	62,368
	2,532,808	2,335,823
Excess of Revenues Over Expenses	5,107,679	6,167,352
Remittances	(4,685,247)	(5,440,035)
Excess of Revenues Over Expenses and Remittances	\$ 422,432	\$ 727,317

See accompanying notes

Jewish National Fund of Canada Inc.

Statement of Cash Flows For the Year Ended December 31, 2007

	2007	2006
Funds Provided (Used) -		
Operating Activities		
Excess of revenues over expenses and remittances	\$ 422,432	\$ 727,317
Amortization	63,358	62,368
Change in fair value of the held-for-trading financial instruments	(233,007)	-
	252,783	789,685
Changes in sundry assets, accounts payable and sundry liabilities, salaries and vacation payable and provision for retirement and severance pay	(114,357)	27,311
	138,426	816,996
Financing Activities		
Endowment contributions	333,000	353,000
Loan payable	94,090	83,280
	427,090	436,280
Investing Activities		
Investments	(128,709)	(1,107,345)
Additions to property and equipment	(60,702)	(47,487)
24(1) bonds	(219,728)	263,192
Increase in restricted investments	(333,000)	(353,000)
	(742,139)	(1,244,640)
Increase (Decrease) in Cash	(176,623)	8,636
Cash		
Beginning of Year	953,942	945,306
End of Year	\$ 777,319	\$ 953,942

See accompanying notes

Jewish National Fund of Canada Inc.

Notes to Financial Statements December 31, 2007

1. Purpose of the Organization

The Organization raises funds from various sources across Canada including individuals, corporations and estates, which funds are remitted to 24(1) through the 24(1) and used for charitable purposes in Israel. The Organization is incorporated under the Canada Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Change in Accounting Policy

Effective January 1, 2007, the Company adopted the following new Handbook sections issued by the Canadian Institute of Chartered Accountants ("CICA"), Section 3855 "Financial Instruments – Recognition and Measurement", and Section 3865 "Hedges".

Section 3855, "Financial Instruments – Recognition and Measurement" requires all financial instruments to be recorded initially at fair value. Financial instruments include financial assets, financial liabilities, derivatives and embedded derivatives. The Section also requires all financial instruments to be classified as either held-to-maturity, loans and receivables, held for trading, or available-for-sale. As a result of adopting this section the Organization recorded an increase of \$261,572 to opening statement of net assets, in the carrying amount of the investments of \$198,598, and in the endowment fund of \$94,497 and a decrease in sundry assets of \$31,524.

Section 3865, "Hedges" which replaces AcG-13 "Hedging Relationships" establishes standards for when and how hedge accounting may be applied. Consistent with Section 3855, it requires that all derivatives, including hedges, be measured at fair value. Changes in the fair value of a derivative which hedges the Organization's exposure that the fair value of an asset or liability will change due to a particular risk are recognized in net income together with those of the respective offsetting hedged item. However, changes in the fair value of a derivative which hedges the Organization's exposure to changing cash flows are accumulated in other comprehensive income until the transaction being hedged affects net income. There was no impact on the Organization as a result of adoption of Section 3865 – "Hedges".

3. Summary of Significant Accounting Policies

Financial Instruments

Financial Assets and Financial Liabilities

Under the new standards, financial assets and financial liabilities are initially recognized at fair value and are subsequently accounted for based on their classification as described below. The classification depends on the purpose for which the financial instruments were acquired and their characteristics. Except in very limited circumstances, the classification is not changed subsequent to initial recognition.

Jewish National Fund of Canada Inc.

Notes to Financial Statements

December 31, 2007

3. Summary of Significant Accounting Policies (Cont'd)

Financial Assets

Held-for-Trading

Financial assets that are purchased and incurred with the intention of generating profits in the near term are classified as held for trading. In addition, any other financial assets can be designated by the Organization upon initial recognition as held for trading. These instruments are accounted for at fair value with the change in the fair value recognized in net income during the period. Cash and cash equivalents, restricted investments having carrying value of \$670,000, Investments having carrying value of \$3,477,098 and bonds having carrying value of \$114,093 were classified as held for trading on January 1, 2007.

Available-for-Sale

Available-for-sale assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. Financial assets classified as available-for-sale are carried at fair value with the changes in fair value recorded in other comprehensive income, except for investments in equity instruments that do not have a quoted market price in an active market which should be measured at cost. Interest on available-for-sale assets is calculated using the effective interest rate method and is recognized in the net income. When a decline in fair value is determined to be other-than-temporary, the cumulative loss included in accumulated other comprehensive income is removed and recognized in net income. Gains and losses realized on disposal of available-for-sale securities are recognized in net income. There were no financial instruments classified as available for sale on January 1, 2007.

Held-to-Maturity

Securities that have a fixed maturity date and which the Organization has positive intention and the ability to hold to maturity are classified as held-to-maturity and accounted for at amortized cost using the effective interest rate method. Bonds totaling \$152,636 were classified as held-to-maturity January 1, 2007.

Loans and Receivables

Loans and receivables are non-derivative financial assets resulting from the delivery of cash or other assets in return for a promise to repay on a specified date, or on demand, usually with interest. Loans and receivables are accounted for at amortized cost. Loan from J.N.F. Foundation - La Fondation J.N.F. in the amount of \$103,000 is classified as loans and receivable on January 1, 2007.

Jewish National Fund of Canada Inc.

Notes to Financial Statements December 31, 2007

3. Summary of Significant Accounting Policies (Cont'd)

Financial Liabilities

Held-for-Trading

Financial liabilities classified as held-for-trading include derivative liabilities that are not accounted for as hedging instruments, obligations to deliver financial assets borrowed by a short seller and financial liabilities that are part of a portfolio of identified financial instruments that are managed together with the intention of generating profits in the near term. In addition, any other financial liabilities can be designated by the Organization upon initial recognition as held for trading. These instruments are accounted for at fair value with the change in the fair value recognized in net income during the period. No liabilities were classified as held for trading on January 1, 2007.

Other Liabilities

Other liabilities are accounted for at amortized cost using the effective interest rate method. Accounts payable totaling \$711,020, loan payable of \$265,178 and provision for retirement and severance pay of \$344,600 were classified as other liabilities on January 1, 2007.

Determination of fair value

The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, fair value is determined by using valuation techniques which refer to observable market data.

Fair Value

The Organization estimates the fair value of its financial instruments based on current interest rates, market value and pricing of financial instruments with comparable terms. Unless otherwise indicated, the carrying value of these financial instruments approximates their fair market value.

It is not practical to determine the fair value of the amount due from J.N.F. Foundation - La Fondation J.N.F. (note 12) due to the related party nature and the absence of a market for such instruments.

Interest Rate Risk

Due to the short-term nature of the Organization's investments in the term deposit included in investments (note 5), the Organization does not believe it is exposed to any significant interest rate risk.

The Organization is exposed to reductions in interest rates, which could adversely impact expected returns from the Organization's investment of funds in the 24(1) bonds.

Liquidity Risk

Prudent management of liquidity risk implies retaining a sufficient level of liquidities, disposing of appropriate credit facilities and being able to liquidate market positions. The Organization believes that its recurring financial resources are adequate to cover all its expenditure.

Jewish National Fund of Canada Inc.

Notes to Financial Statements December 31, 2007

3. Summary of Significant Accounting Policies (Cont'd)

Revenue Recognition

The Organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received.

Endowment contributions are recognized as direct increases in net assets.

Pledges are recognized as revenue when collectibility is reasonably assured.

Bequests are recognized as revenue when assets donated can be reasonably identified and measured.

Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is assessed by comparing the carrying amount of an asset with the expected future net undiscounted cash flows from its use together with its residual value. If such assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the assets exceeds their fair value.

Amortization

On the declining balance method -

Furniture and fixtures	20%
Data processing equipment	20%

On the straight-line method -

Software	over five years
Leasehold improvements	over the lease term

Jewish National Fund of Canada Inc.

Notes to Financial Statements December 31, 2007

3. Summary of Significant Accounting Policies (Cont'd)

Recently Issued Accounting Pronouncements

Accounting Policy Choice for Transaction Costs – EIC-166

In June 2007, the CICA issued Emerging Issues Committee Abstract 166 "Accounting Policy Choice for Transaction Costs" ("EIC-166"), which addresses whether the entity must make one accounting policy choice that applies to all financial assets and financial liabilities classified other than held for trading. This Abstract mentions that the same accounting policy choice should be made for all similar financial instruments classified as other than held for trading but that a different accounting policy choice might be made for financial instruments that are not similar. This accounting treatment should be applied retrospectively to transaction costs accounted for in accordance with CICA Handbook Section 3855 "Financial Instruments - Recognition and Measurement". Section 3855 applies to fiscal years beginning on or after October 1, 2007. The Organization is currently evaluating the impact of adopting this new Abstract.

Capital Disclosures – Section 1535

CICA Handbook Section 1535 "Capital Disclosures" introduces a new requirement to disclose information about the entity's objectives, policies and processes for managing its capital as well as its compliance with externally imposed capital requirements. This Section applies to fiscal years beginning on or after October 1, 2007. The Organization is currently evaluating the impact of adopting this new Section.

Financial Instruments – Disclosures – Section 3862

CICA Handbook Section 3862 "Financial Instruments - Disclosures" replaces Section 3861 "Financial Instruments – Disclosure and Presentation". The objective of this new Section is to require entities to provide disclosures that enable users to evaluate both the significance of financial instruments for the entity's financial position and performance; and the nature and extent of risk arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. This Section applies to fiscal years beginning on or after October 1, 2007. The Organization is currently evaluating the impact of adopting this new Section.

Jewish National Fund of Canada Inc.

Notes to Financial Statements December 31, 2007

3. Summary of Significant Accounting Policies

Financial Instruments – Presentation – Section 3863

CICA Handbook Section 3863 "Financial Instruments - Presentation" replaces Section 3861 "Financial Instruments – Disclosure and Presentation". The purpose of this new Section is to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows. The new Section carries forward the former presentation requirements. This Section applies to fiscal years beginning on or after October 1, 2007. The Organization is currently evaluating the impact of adopting this new Section.

4. Restricted Investments

Restricted investments with a cost of \$337,000, with a requirement to maintain the capital for a minimum of 10 years from the date of contribution, have been classified as held-for-trading and therefore have been recognized at their fair value of approximately \$458,838.

Restricted investments held by Jewish Foundation of Manitoba in the amount of \$666,000, the capital of which is required to be maintained permanently, have been classified as held-for-trading. Fair value of these investments is not reasonably determinable and as such the investments have been recorded at cost.

5. Investments

The investments are held by the Jewish Community Foundation and have a fair value of approximately \$4,010,072 (2006 - \$3,676,000) have been classified as held-for-trading. Of this amount \$1,000,000 is a term deposit that matures in November 2008 and bears variable interest rate of approximately 4.25%.

6. 24(1) Bonds

The 24(1) bonds in the amount of \$447,913 are classified as held-to-maturity and are carried at the amortized cost. The 24(1) bonds in the amount of \$38,544 are classified as held-for-trading and are recorded at their fair value. The bonds mature at various dates from January 2008 to December 2016 and bear interest at an average rate of approximately 4.49% per annum. Included in the 24(1) Bonds are U.S. bonds of approximately \$83,000 (U.S.\$84,000) (2006 - \$119,000; U.S.\$103,000).

7. Sundry Assets

Included in sundry assets is \$124,000 (2006 - \$103,000) owing by J.N.F. Foundation (see note 12). This amount is non-interest bearing and is not subject to specified terms of repayment.

Jewish National Fund of Canada Inc.

Notes to Financial Statements December 31, 2007

8. Property and Equipment

	Cost	Accumulated Amortization	2007 Net Carrying Amount	2006 Net Carrying Amount
Furniture and fixtures	\$ 438,773	\$ 363,391	\$ 75,382	\$ 63,968
Data processing equipment	910,506	802,911	107,595	113,832
Software	297,515	241,847	55,668	69,585
Leasehold improvements	19,697	8,918	10,779	4,695
	\$ 1,666,491	\$ 1,417,067	\$ 249,424	\$ 252,080

9. Accounts Payable and Sundry Liabilities

As at December 31, 2006, included in accounts payable and sundry liabilities are approximately \$17,000 payable in US currency (December 31, 2007 - \$Nil).

10. Loan Payable

The loan is non-interest bearing and is not subject to specified terms of repayment.

11. Commitments

The minimum rental, exclusive of occupancy and escalation charges, payable under the lease for the Organization's premises are as follows:

2008	\$ 162,000
2009	55,000
2010	52,000
2011	53,000
2012	55,000
Thereafter	18,000

The Organization has entered into an agreement with the Province of Alberta to mutually fund and explore applied research relating to innovative design, construction and rehabilitation of water conservation and irrigation facilities. Under the terms of the agreement, the Province of Alberta contributed \$1,000,000 and the Organization is committed to contribute to the projects funded by the ²⁴⁽¹⁾ up to \$1,000,000. A third party has undertaken to fund the commitment on behalf of the Organization.

Jewish National Fund of Canada Inc.

Notes to Financial Statements December 31, 2007

12. Controlled Organization

The financial statements do not include the assets, liabilities and activities of J.N.F. Foundation - La Fondation J.N.F. which is controlled by the Organization. J.N.F. Foundation - La Fondation J.N.F. has the same board of directors as the Organization.

J.N.F. Foundation - La Fondation J.N.F. is a society formed solely to raise funds for furthering the interests and objectives of the Organization.

Following is a summary of financial information of J.N.F. Foundation - La Fondation J.N.F.:

	2007	2006
Sundry assets	\$ 23,087	\$ 18,699
Cash surrender value of life insurance policies	131,138	128,186
	\$ 154,225	\$ 146,885
Sundry liabilities	2,499	2,500
Due to Jewish National Fund of Canada Inc.	124,000	103,098
	126,499	105,598
Unrestricted net assets	27,726	41,287
	\$ 154,225	\$ 146,885
Revenue	\$ 15,895	\$ 15,079
Expenses	29,456	26,766

The Organization shares certain common overhead with J.N.F. Foundation - La Fondation J.N.F. The Organization does not charge J.N.F. Foundation - La Fondation J.N.F. for any shared overhead.

13. Revenues

Included in revenues are net revenues from various fundraising events organized during the year. Gross revenues and expenses relating to these events amounted to \$10,146,438 and \$2,781,504 respectively (2006 - \$11,245,462 and \$2,881,005 respectively).

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Auditors' Report

To the Directors of
Jewish National Fund of Canada

We have audited the statement of financial position of Jewish National Fund of Canada as at December 31, 2008 and the statements of revenues, expenses and remittances, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether adjustments might be necessary to receipts from voluntary contributions, deficiency of revenues over expenses and remittances for the year, assets and net assets.

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had the receipts from voluntary contributions referred to in the preceding paragraph been susceptible to satisfactory audit tests, these financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

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Chartered Accountants

Montreal, Quebec
March 24, 2009

¹CA auditor permit 24(1)

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Jewish National Fund of Canada

Statement of Financial Position As At December 31, 2008

	2008	2007 (as restated)
Assets		
Cash	\$ 627,929	\$ 777,319
Internally restricted investments (note 4)	362,428	458,838
Investments (note 5)	2,534,512	4,010,072
24(1) bonds (note 6)	141,180	486,457
Sundry assets	246,416	240,641
Loan receivable (note 7)	144,000	124,000
Property and equipment (note 8)	236,503	249,424
	\$ 4,292,968	\$ 6,346,751
Liabilities		
Accounts payable and sundry liabilities	182,120	526,531
Salaries and vacation payable	137,592	126,226
Loan payable (note 9)	519,937	359,268
Provision for retirement and severance pay	323,976	385,236
	1,163,625	1,397,261
Commitments (note 10)		
Net Assets		
Internally restricted	362,428	458,838
Unrestricted	2,766,915	4,490,652
	3,129,343	4,949,490
	\$ 4,292,968	\$ 6,346,751

See accompanying notes

Approved on Behalf of the Board

Jewish National Fund of Canada

Statement of Changes in Net Assets For the Year Ended December 31, 2008

	Internally restricted	Unrestricted	2008	2007 (as restated)
Balance - Beginning of Year	\$ 1,124,838	\$ 4,490,652	\$ 5,615,490	\$ 4,860,058
Restatement of prior years' net assets as a result of correction of errors (note 2)	(666,000)	-	(666,000)	(333,000)
As restated	458,838	4,490,652	4,949,490	4,527,058
Excess (deficiency) of revenues over expenses and remittances	(96,410)	(1,723,737)	(1,820,147)	422,432
Balance - End of Year	\$ 362,428	\$ 2,766,915	\$ 3,129,343	\$ 4,949,490

See accompanying notes

Jewish National Fund of Canada

Statement of Revenues, Expenses and Remittances For the Year Ended December 31, 2008

	2008	2007
Revenues		
Receipts from voluntary contributions and other revenue (note 11)	\$ 5,376,837	\$ 7,363,561
Investment income	60,934	42,546
Increase (decrease) in fair value of internally restricted investments held-for-trading	(96,410)	27,341
Increase (decrease) in fair value of investments held-for-trading	(605,425)	205,666
	4,735,936	7,639,114
Expenses		
Expenses before the following -	2,401,422	2,469,450
Amortization	59,662	63,358
Foreign exchange	(26,247)	(1,373)
	2,434,837	2,531,435
Excess of Revenues Over Expenses	2,301,099	5,107,679
Remittances	(4,121,246)	(4,685,247)
Excess (Deficiency) of Revenues Over Expenses and Remittances	\$ (1,820,147)	\$ 422,432
Allocated to:		
Internally restricted	(96,410)	27,341
Unrestricted	(1,723,737)	395,091
	\$ (1,820,147)	422,432

See accompanying notes

Jewish National Fund of Canada

Statement of Cash Flows

For the Year Ended December 31, 2008

	2008	2007
Funds Provided (Used) -		
Operating Activities		
Excess (deficiency) of revenues over expenses and remittances	\$ (1,820,147)	\$ 422,432
Amortization	59,662	63,358
(Increase) decrease in fair value of internally restricted investments held-for-trading	96,410	(27,341)
(Increase) decrease in fair value of investments held-for-trading	605,425	(205,666)
	(1,058,650)	252,783
Changes in sundry assets, accounts payable and sundry liabilities, salaries and vacation payable and provision for retirement and severance pay	(400,080)	(114,357)
	(1,458,730)	138,426
Financing Activity		
Loan payable	160,669	94,090
Investing Activities		
Investments	870,135	(128,709)
24(1) bonds	345,277	(219,728)
Loan receivable	(20,000)	18,183
Additions to property and equipment	(46,741)	(78,885)
	1,148,671	(409,139)
Decrease in Cash	(149,390)	(176,623)
Cash		
Beginning of Year	777,319	953,942
End of Year	\$ 627,929	\$ 777,319

See accompanying notes

Jewish National Fund of Canada

Notes to Financial Statements

December 31, 2008

1. Purpose of the Organization

The Organization raises funds from various sources across Canada including individuals, corporations and estates, which funds are remitted to 24(1) through the 24(1) and used for charitable purposes in Israel. The Organization is incorporated under the Canada Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Correction of Errors

The balance of net assets as at December 31, 2007 and 2006 has been restated to correct the accounting treatment of donations received in the amounts of \$333,000 in each of the years 2007 and 2006 and payments of similar amounts made to the Jewish Foundation of Manitoba. These amounts had previously been accounted for as internally restricted contributions in the statement of change in net assets and internally restricted investments on the statement of financial position. The restatement has eliminated these transactions as they were recorded in error.

3. Summary of Significant Accounting Policies

Financial Instruments

Financial Assets and Financial Liabilities

Financial assets and financial liabilities are initially recognized at fair value and are subsequently accounted for based on their classification as described below. The classification depends on the purpose for which the financial instruments were acquired and their characteristics. Except in very limited circumstances, the classification is not changed subsequent to initial recognition.

Financial Assets

Held-for-Trading

Financial assets that are purchased with the intention of generating profits in the near term are classified as held for trading. In addition, any other financial assets can be designated by the Organization upon initial recognition as held for trading. These instruments are accounted for at fair value with the change in the fair value recognized in net income during the period. Cash, internally restricted investments, investments and 24(1) bonds amounting to \$32,400 are classified as held for trading.

Jewish National Fund of Canada

Notes to Financial Statements December 31, 2008

3. Summary of Significant Accounting Policies (Cont'd)

Available-for-Sale

Available-for-sale assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. Financial assets classified as available-for-sale are carried at fair value with the changes in fair value recorded in other comprehensive income, except for investments in equity instruments that do not have a quoted market price in an active market which should be measured at cost. Interest on available-for-sale assets is calculated using the effective interest rate method and is recognized in the net income. When a decline in fair value is determined to be other-than-temporary, the cumulative loss included in accumulated other comprehensive income is removed and recognized in net income. Gains and losses realized on disposal of available-for-sale securities are recognized in net income. There are no financial instruments classified as available-for-sale.

Held-to-Maturity

Securities that have a fixed maturity date and which the Organization has positive intention and the ability to hold to maturity are classified as held-to-maturity and accounted for at amortized cost using the effective interest rate method. 24(1) bonds totaling \$108,780 are classified as held-to-maturity.

Loans and Receivables

Loans and receivables are non-derivative financial assets resulting from the delivery of cash or other assets in return for a promise to repay on a specified date, or on demand, usually with interest. Loans and receivables are accounted for at amortized cost. Loans receivable are classified as loans and receivable.

Financial Liabilities

Held-for-Trading

Financial liabilities classified as held-for-trading include derivative liabilities that are not accounted for as hedging instruments, obligations to deliver financial assets borrowed by a short seller and financial liabilities that are part of a portfolio of identified financial instruments that are managed together with the intention of generating profits in the near term. In addition, any other financial liabilities can be designated by the Organization upon initial recognition as held for trading. These instruments are accounted for at fair value with the change in the fair value recognized in net income during the period. No liabilities are classified as held for trading.

Other Liabilities

Accounts payable and sundry liabilities, loan payable and provision for retirement and severance pay are classified as other liabilities. As these liabilities are non-interest bearing, they are carried at cost.

Jewish National Fund of Canada

Notes to Financial Statements December 31, 2008

3. Summary of Significant Accounting Policies (Cont'd)

Determination of Fair Value

The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, fair value is determined by using valuation techniques which refer to observable market data.

Unless otherwise indicated, the carrying value of these financial instruments approximates their fair market value.

It is not practical to determine the fair value of the loan receivable (note 7) due to the related party nature and the absence of a market for such instruments.

Interest Rate Risk

Due to the short-term nature of the Organization's investments in the term deposit included in investments (note 5), the Organization does not believe it is exposed to any significant interest rate risk.

The Organization is exposed to reductions in interest rates, which could adversely impact expected returns from the Organization's investment of funds in the 24(1) bonds.

Revenue Recognition

The Organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received.

Pledges are recognized as revenue when collectibility is reasonably assured.

Bequests are recognized as revenue when assets donated can be reasonably identified and measured.

Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is assessed by comparing the carrying amount of an asset with the expected future net undiscounted cash flows from its use together with its residual value. If such assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the assets exceeds their fair value.

Jewish National Fund of Canada

Notes to Financial Statements December 31, 2008

3. Summary of Significant Accounting Policies (Cont'd)

Amortization

On the declining balance method -

Furniture and fixtures	20%
Data processing equipment	20%

On the straight-line method -

Software	over five years
Leasehold improvements	over the lease term

Recently Issued Accounting Pronouncements

Financial Instruments – Disclosures – Section 3862

CICA Handbook Section 3862 "Financial Instruments - Disclosures" replaces Section 3861 "Financial Instruments – Disclosure and Presentation". The objective of this new Section is to require entities to provide disclosures that enable users to evaluate both the significance of financial instruments for the entity's financial position and performance; and the nature and extent of risk arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. This Section applies to fiscal years beginning on or after October 1, 2008. The Organization is currently evaluating the impact of adopting this new Section.

Financial Instruments – Presentation – Section 3863

CICA Handbook Section 3863 "Financial Instruments - Presentation" replaces Section 3861 "Financial Instruments – Disclosure and Presentation". The purpose of this new Section is to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows. The new Section carries forward the former presentation requirements. This Section applies to fiscal years beginning on or after October 1, 2008. The Organization is currently evaluating the impact of adopting this new Section.

4. Internally Restricted Investments

Internally restricted investments with a cost of \$337,000 (2007 - \$337,000), have been classified as held-for-trading and therefore have been recognized at their fair value of \$362,428 (2007 - \$458,838).

Jewish National Fund of Canada

Notes to Financial Statements December 31, 2008

5. Investments

Included in the investments are amounts held in trust and administered by the Jewish Community Foundation, having a fair value of \$2,284,512 (2007 - \$3,010,072) and which have been classified as held-for-trading.

In addition, included in investments is a term deposit in the amount of \$250,000 (2007 - \$1,000,000) that matures in July 2009 and bears variable interest, currently yielding approximately 2.5%.

6. ²⁴⁽¹⁾ Bonds

²⁴⁽¹⁾ bonds in the amount of \$108,780 are classified as held-to-maturity and are carried at the amortized cost. ²⁴⁽¹⁾ bonds in the amount of \$32,400 are classified as held-for-trading and are recorded at their fair value. The bonds mature at various dates from January 2009 to December 2016 and bear interest at an average rate of approximately 4.04% per annum. Included in the ²⁴⁽¹⁾ Bonds are U.S. currency bonds of approximately \$23,000 (U.S.\$20,000; 2007 - \$83,000; U.S.\$84,000).

7. Loan Receivable

The loan receivable is owing by J.N.F. Foundation. This amount is non-interest bearing and is not subject to specified terms of repayment.

8. Property and Equipment

	Cost	Accumulated Amortization	2008 Net Carrying Amount	2007 Net Carrying Amount
Furniture and fixtures	\$ 472,583	\$ 385,230	\$ 87,353	\$ 75,382
Data processing equipment	923,438	827,016	96,422	107,595
Software	297,515	252,981	44,534	55,668
Leasehold improvements	19,697	11,503	8,194	10,779
	\$ 1,713,233	\$ 1,476,730	\$ 236,503	\$ 249,424

9. Loan Payable

The loan is non-interest bearing and is not subject to specified terms of repayment.

Jewish National Fund of Canada

Notes to Financial Statements December 31, 2008

10. Commitments

The minimum rental, exclusive of occupancy and escalation charges, payable under leases for the Organization's premises and equipment, are as follows:

2009	\$ 119,000
2010	102,000
2011	53,000
2012	55,000
2013	18,000

The Organization has entered into an agreement with the Province of Alberta to mutually fund and explore applied research relating to innovative design, construction and rehabilitation of water conservation and irrigation facilities. Under the terms of the agreement, the Province of Alberta contributed \$1,000,000 and the Organization is committed to contribute \$1,000,000 to the projects funded by the ²⁴⁽¹⁾ A third party has undertaken to fund the commitment on behalf of the Organization. To date, an amount of \$443,000 has been disbursed by the third party for the project.

11. Revenues

Included in revenues are net revenues from various fundraising activities organized during the year. Gross revenues and expenses relating to these activities amounted to \$7,856,701 and \$2,479,864 respectively (2007 - \$10,146,438 and \$2,782,877 respectively).

12. Comparative Figures

Certain reclassifications of 2007 amounts have been made to facilitate comparison with the current year.

AUDITORS' REPORT

To the Directors of
Jewish National Fund of Canada

We have audited the statement of financial position of **Jewish National Fund of Canada** as at December 31, 2009 and the statements of changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as noted in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the organization derives revenue from voluntary contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether adjustments might be necessary to receipts from voluntary contributions, excess of revenues over expenses and remittances for the year, assets and net assets.

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had the receipts from voluntary contributions referred to in the preceding paragraph been susceptible to satisfactory audit tests, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements as at December 31, 2008 and for the year then ended were audited by other auditors who expressed an opinion without reservation, except for the completeness of revenue from voluntary contributions, on those statements in their report dated March 24, 2009.

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Montréal, Québec
April 20, 2010

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CA auditor

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JEWISH NATIONAL FUND OF CANADA
(Incorporated Under the Laws of Canada)
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2009

	2009	2008
ASSETS		
Current		
Cash	\$ 867,659	\$ 627,929
Internally restricted investments	-	362,428
Investments - at market (Note 3)	2,913,687	2,534,512
24(1) bonds (Note 4)	160,943	141,180
Sundry assets	120,605	246,416
	<u>4,062,894</u>	<u>3,912,465</u>
Loan receivable (Note 5)	155,199	144,000
Property and equipment (Note 6)	217,270	236,503
	<u>\$ 4,435,363</u>	<u>\$ 4,292,968</u>
LIABILITIES		
Current		
Accounts payable and sundry liabilities	\$ 82,750	\$ 182,120
Salaries and vacation payable	151,468	137,592
	<u>234,218</u>	<u>319,712</u>
Loan payable (Note 7)	547,450	519,937
Provision for retirement and severance pay	456,819	323,976
	<u>1,238,487</u>	<u>1,163,625</u>
NET ASSETS		
Internally restricted	-	362,428
Unrestricted	3,196,876	2,766,915
	<u>3,196,876</u>	<u>3,129,343</u>
	<u>\$ 4,435,363</u>	<u>\$ 4,292,968</u>

APPROVED ON BEHALF OF THE DIRECTORS:

JEWISH NATIONAL FUND OF CANADA
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Internally restricted	Unrestricted	2009	2008
Balance, beginning of year	\$ 362,428	\$ 2,766,915	\$ 3,129,343	\$ 4,949,490
Excess (deficiency) of revenues over expenses for the year	-	67,533	67,533	(1,820,147)
Change in classification of internally restricted	(362,428)	362,428	-	-
Balance, end of year	\$ -	\$ 3,196,876	\$ 3,196,876	\$ 3,129,343

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JEWISH NATIONAL FUND OF CANADA
STATEMENT OF REVENUES, EXPENSES AND REMITTANCES
FOR THE YEAR ENDED DECEMBER 31, 2009

	2009	2008
Revenues		
Receipts from voluntary contributions	\$ 7,392,258	\$ 7,856,071
Investment income	9,465	60,934
Decrease in fair value of internally restricted investments held-for-trading	-	(96,410)
Increase (decrease) in fair value of investments held-for-trading	<u>273,035</u>	<u>(605,425)</u>
	7,674,758	7,215,170
Fundraising expenses	<u>1,899,574</u>	<u>2,436,309</u>
Excess of revenues over fundraising expenses	<u>5,775,184</u>	<u>4,778,861</u>
Expenses		
General and administrative	2,484,382	2,444,347
Amortization	55,632	59,662
Loss (gain) on foreign exchange	<u>7,513</u>	<u>(26,247)</u>
	<u>2,547,527</u>	<u>2,477,762</u>
Excess of revenues over expenses before undernoted item	3,227,657	2,301,099
Remittances	<u>(3,160,124)</u>	<u>(4,121,246)</u>
Excess (deficiency) of revenues over expenses and remittances for the year	<u>\$ 67,533</u>	<u>\$ (1,820,147)</u>
Allocated as follows		
Internally restricted	\$ -	\$ (96,410)
Unrestricted	<u>67,533</u>	<u>(1,723,737)</u>
	<u>\$ 67,533</u>	<u>\$ (1,820,147)</u>

JEWISH NATIONAL FUND OF CANADA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009

	2009	2008
Operating activities		
Excess (deficiency) of revenues over expenses and remittances for the year	\$ 67,533	\$ (1,820,147)
Adjustments for		
Amortization	55,632	59,662
Decrease in fair value of internally restricted investments held-for-trading	-	96,410
(Increase) decrease in fair value of investments held-for-trading	(273,035)	605,425
	(149,870)	(1,058,650)
Net change in non-cash working capital items		
Decrease (increase) in sundry assets	125,811	(5,775)
Decrease in accounts payable and sundry liabilities	(99,370)	(344,411)
Increase in salaries and vacation payable	13,876	11,366
Increase (decrease) in provision for retirement and severance pay	132,843	(61,260)
Cash provided by (used in) operating activities	23,290	(1,458,730)
Investing activities		
24(1) bonds	(19,763)	345,277
Advances to loan receivable	(11,199)	(20,000)
Investments	256,288	870,135
Purchase of property and equipment	(36,399)	(46,741)
Cash provided by (used in) investing activities	188,927	1,148,671
Financing activity		
Increase in loan payable	27,513	160,669
Increase (decrease) in cash	239,730	(149,390)
Cash, beginning of year	627,929	777,319
Cash, end of year	\$ 867,659	\$ 627,929

See accompanying notes

JEWISH NATIONAL FUND OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2009

1. Purpose of the organization

Jewish National Fund of Canada raises funds from various sources across Canada including individuals, corporations and estates, which funds are remitted to 24(1) through the 24(1) and used for charitable purposes in Israel. The organization is incorporated under the Canada Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The significant policies are detailed as follows:

(a) Accounting estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues, expenses, and remittances during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(b) Financial instruments

Financial assets and financial liabilities are initially recognized at fair value and are subsequently accounted for based on their classification as described below. The classification depends on the purpose for which the financial instruments were acquired and their characteristics. Except in very limited circumstances, the classification is not changed subsequent to initial recognition.

(i) Held-for-trading

Financial assets that are purchased with the intention of generating profits in the near term are classified as held-for-trading. In addition, any other financial assets can be designated by the organization upon initial recognition as held-for-trading. These instruments are accounted for at fair value with the change in the fair value recognized in net income during the period. Cash, internally restricted investments, investments, sundry assets and 24(1) bonds amounting to \$37,950 are classified as held-for-trading.

(ii) Held-to-maturity

Securities that have a fixed maturity date and which the organization has positive intention and the ability to hold to maturity are classified as held-to-maturity and accounted for at amortized cost using the effective interest rate method. 24(1) bonds amounting to \$122,993 are classified as held-to-maturity.

JEWISH NATIONAL FUND OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2009

2. Significant accounting policies (cont'd.)

(b) Financial instruments (cont'd.)

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets resulting from the delivery of cash or other assets in return for a promise to repay on a specific date, or on demand, usually with interest. Loans and receivables are accounted for at amortized cost. Loan receivable is classified as loans and receivables.

(iv) Other liabilities

Accounts payable and sundry liabilities, salaries and vacation payable, loan payable and provision for retirement and severance pay are classified as other liabilities. As these liabilities are non-interest bearing, they are carried at cost.

The Organization has elected to use the exemption provided by The Canadian Institute of Chartered Accountants (CICA) permitting not-for-profit organizations not to apply CICA Section 3862, Financial Instruments - Disclosures, and Section 3863, Financial Instruments - Presentation, which would have otherwise have been applied to the financial statements of the Organization. The Organization applies the requirements of Section 3861, Financial Instruments - Disclosure and Presentation.

(c) Fair value

The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, fair value is determined by using valuation techniques which refer to observable market data.

Unless otherwise indicated, the carrying value of these financial instruments approximates their fair market value.

It is not practical to determine the fair value of the loan receivable, loan payable and provision for retirement and severance pay due to the absence of a market for instruments that are non-interest bearing and with no specific terms of repayment.

(d) Interest rate risk

The organization is exposed to changes in interest rates, which could adversely impact expected returns from the organization's investments and 24(1) bonds.

(e) Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received. Pledges are recognized as revenue when collectability is reasonably assured. Bequests are recognized as revenue when assets donated can be reasonably identified and measured.

JEWISH NATIONAL FUND OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2009

2. Significant accounting policies (cont'd.)

(f) Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is assessed by comparing the carrying amount of an asset with the expected future net undiscounted cash flows from its use together with its residual value. If such assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the assets exceeds their fair value.

(g) Property and equipment

Property and equipment are recorded at cost and are being amortized over their estimated useful lives. The annual amortization rates and methods are as follows:

Furniture and fixtures	20% declining balance
Data processing equipment	20% declining balance
Software	20% declining balance

Amortization of leasehold improvements is recorded over the remaining term of the lease. The average term of the leases is 5 years.

(h) Capital management

The organization considers its capital to be its net assets. The primary objective of the organization is to raise funds primarily from voluntary contributions for charitable purposes in Israel.

3. Investments

Included in the investments are amounts held and administered by the Jewish Community Foundation, having a fair value of \$2,911,401 (2008 - \$2,275,938) and which have been classified as held-for-trading.

4. 24(1) bonds

24(1) bonds in the amount of \$122,993 (2008 - \$108,780) are classified as held-to-maturity and are carried at the amortized cost using the effective interest rate method. 24(1) in the amount of \$37,950 (2008 - \$32,400) are classified as held-for-trading and are recorded at their fair value. The bonds mature at various dates from January 2010 to January 2021 and bear interest at an average rate of approximately 3.53% per annum. Approximately \$27,000 (U.S. \$23,000; 2008 - \$23,000; U.S. \$20,000) of 24(1) Bonds are denominated in U.S. currency.

5. Loan receivable

The loan receivable is owing by J.N.F. Foundation. This amount is non-interest bearing and has no specific terms of repayment.

JEWISH NATIONAL FUND OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2009

6. Property and equipment

	2009			2008
	Cost	Accumulated amortization	Net	Net
Furniture and fixtures	\$ 496,788	\$ 407,621	\$ 89,167	\$ 87,354
Data processing equipment	935,631	849,520	86,111	96,421
Software	297,515	261,888	35,627	44,534
Leasehold improvements	19,697	13,332	6,365	8,194
	<u>\$ 1,749,631</u>	<u>\$ 1,532,361</u>	<u>\$ 217,270</u>	<u>\$ 236,503</u>

7. Loan payable

The loan payable is non-interest bearing and has no specific terms of repayment.

8. Income taxes

The organization is classified as tax-exempt under Federal and Provincial income tax laws. Consequently, no provision for income taxes has been reflected in the accompanying financial statements.

9. Pension plans

On January 1, 2006, the organization initiated defined benefit pension plans for certain key officers employed by the organization. Under the terms of these plans, the organization is responsible for the funding of all the pension liabilities and administrative costs, with the exception of any deficit occurring from short falls of its stated investment return targets which will be assumed by the beneficiaries. An independent actuarial valuation report with an effective date of December 31, 2008 was prepared for each plan in April 2009 determining the plans current funding obligations for the three-year period ending December 31, 2011, using the projected unit credit actuarial cost method having the following significant actuarial assumptions:

Discount rate:	7.5%
Retirement age:	65
Rate of compensation increase:	5.5%
Post-retirement indexation:	3.0%

Actuarial valuations will be reviewed every three years. During the year the organization paid \$72,100 (2008 - \$71,542) related to these plans.

JEWISH NATIONAL FUND OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2009

10. J.N.F. Foundation

The Jewish National Fund of Canada controls J.N.F. Foundation. The foundation raises funds primarily from donations of life insurance policies for the purpose of furthering the interests and objectives of the Jewish National Fund of Canada. The foundation is incorporated under the Canada Corporations Act as a not-for-profit foundation and is a registered charity under the Income Tax Act. A summary of the financial statements of the J.N.F. Foundation as of December 31, 2009, is as follows:

	<u>2009</u>	<u>2008</u>
Assets		
Current		
Cash	\$ 4,986	\$ 10,997
Life insurance proceeds receivable	25,000	-
Prepaid expenses	11,310	13,410
Cash surrender value of life insurance policies	136,209	146,671
	<u>\$ 177,505</u>	<u>\$ 171,078</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 2,499	\$ 2,499
Loan payable	155,199	144,000
	157,698	146,499
Net Assets		
Unrestricted	19,807	24,579
	<u>\$ 177,505</u>	<u>\$ 171,078</u>
Operations		
Revenues	\$ 40,254	\$ 15,275
Expenses	45,026	18,422
	<u>\$ (4,772)</u>	<u>\$ (3,147)</u>
Cash Flow		
Cash used in operating activities	\$ (27,672)	\$ (1,368)
Cash provided by financing activities	11,199	20,000
Cash provided by (used in) investing activities	10,462	(15,533)
	(6,011)	3,099
Decrease in cash	(6,011)	3,099
Cash, beginning of year	10,997	7,898
	<u>\$ 4,986</u>	<u>\$ 10,997</u>

JEWISH NATIONAL FUND OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2009

11. Commitments

- (a) The minimum rentals payable under long-term operating leases exclusive of certain operating costs for which the organization is responsible, are approximately as follows:

2010	\$109,000
2011	85,000
2012	86,000
2013	37,000

- (b) The funding requirements for the defined benefit pension plans, as described in Note 9, are approximately as follows:

2010	\$ 71,200
2011	73,200

- (c) The organization has entered into an agreement with the Province of Alberta to mutually fund and explore applied research relating to innovative design, construction and rehabilitation of water conservation and irrigation facilities. Under the terms of the agreement, the Province of Alberta contributed \$1,000,000 and the organization is committed to contribute \$1,000,000 to the projects funded by the ²⁴⁽¹⁾. A third party has undertaken to fund the commitment on behalf of the organization. To date, an amount of \$443,000 has been disbursed by the third party for the project.

12. Comparative amounts

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year deficiency of revenues over expenses and remittances.

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Jewish National Fund of Canada

We have audited the accompanying financial statements of **Jewish National Fund of Canada**, which comprise the statement of financial position as at December 31, 2010, and the statements of changes in net assets, revenues, expenses and remittances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditor's 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 the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's judgement, 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 auditor considers internal control relevant to the organization'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 organization'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.

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INDEPENDENT AUDITOR'S REPORT (cont'd.)

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

Jewish National Fund of Canada derives revenue from voluntary contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether adjustments might be necessary to receipts from voluntary contributions, excess of revenues over expenses and remittances for the year, assets and net assets.

Qualified Opinion

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had the receipts from voluntary contributions referred to in the basis for qualified opinion been susceptible to satisfactory audit tests, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

24(1)

Montréal, Québec
June 17, 2011

24(1)

CA auditor

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24(1)

JEWISH NATIONAL FUND OF CANADA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2010

	2010	2009
ASSETS		
Current		
Cash	\$ 578,363	\$ 867,659
Investments - at market (Note 3)	7,547,440	2,913,687
24(1) bonds (Note 4)	167,032	160,943
Cash surrender value of life insurance policies (Note 5)	141,712	-
Sundry assets	234,113	120,605
	<u>8,668,660</u>	<u>4,062,894</u>
Loan receivable	-	155,199
Property and equipment (Note 6)	219,856	217,270
	<u>\$ 8,888,516</u>	<u>\$ 4,435,363</u>
LIABILITIES		
Current		
Accounts payable and sundry liabilities	\$ 92,204	\$ 82,750
Salaries and vacation payable	157,607	151,468
	<u>249,811</u>	<u>234,218</u>
Loan payable (Note 7)	578,540	547,450
Provision for retirement pay	399,238	456,819
	<u>1,227,589</u>	<u>1,238,487</u>
NET ASSETS		
Unrestricted	<u>7,660,927</u>	<u>3,196,876</u>
	<u>\$ 8,888,516</u>	<u>\$ 4,435,363</u>

APPROVED ON BEHALF OF THE DIRECTORS:

Member

Member

See accompanying notes

JEWISH NATIONAL FUND OF CANADA
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009
Balance, beginning of year	\$ 3,196,876	\$ 3,129,343
Excess of revenues over expenses and remittances for the year	4,452,337	67,533
Net assets distributed on transfer from J.N.F. Foundation (Note 11)	<u>11,714</u>	<u>-</u>
Balance, end of year	<u>\$ 7,660,927</u>	<u>\$ 3,196,876</u>

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JEWISH NATIONAL FUND OF CANADA
STATEMENT OF REVENUES, EXPENSES AND REMITTANCES
FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009
Revenues		
Receipts from voluntary contributions (Note 10)	\$ 12,107,294	\$ 7,392,258
Investment income	242,771	9,465
Increase in fair value of investments held-for-trading	<u>435,030</u>	<u>273,035</u>
	12,785,095	7,674,758
Fundraising expenses	<u>1,797,893</u>	<u>1,899,574</u>
Excess of revenues over fundraising expenses	<u>10,987,202</u>	<u>5,775,184</u>
Expenses		
General and administrative	2,652,923	2,484,383
Amortization	52,385	55,632
Loss on foreign exchange	<u>14,858</u>	<u>7,512</u>
	2,720,166	2,547,527
Excess of revenues over expenses before undernoted item	8,267,036	3,227,657
Remittances	<u>(3,814,699)</u>	<u>(3,160,124)</u>
Excess of revenues over expenses and remittances for the year	<u>\$ 4,452,337</u>	<u>\$ 67,533</u>

JEWISH NATIONAL FUND OF CANADA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009
Operating activities		
Excess of revenues over expenses and remittances for the year	\$ 4,452,337	\$ 67,533
Adjustments for		
Amortization	52,385	55,632
Increase in fair value of investments held-for-trading	(435,030)	(273,035)
	4,069,692	(149,870)
Net change in non-cash working capital items		
(Increase) decrease in sundry assets	(102,686)	125,811
Increase (decrease) in accounts payable and sundry liabilities	6,956	(99,370)
Increase in salaries and vacation payable	6,139	13,876
(Decrease) increase in provision for retirement pay	(57,581)	132,843
Cash provided by (used in) operating activities	3,922,520	23,290
Investing activities		
24(1) bonds	(6,089)	(19,763)
Repayment (advances) to loan receivable	16,878	(11,199)
Investments	(4,198,723)	256,288
Purchase of property and equipment	(54,972)	(36,399)
Cash provided by (used in) investing activities	(4,242,906)	188,927
Financing activity		
Increase in loan payable	31,090	27,513
(Decrease) increase in cash	(289,296)	239,730
Cash, beginning of year	867,659	627,929
Cash, end of year	\$ 578,363	\$ 867,659

JEWISH NATIONAL FUND OF CANADA

NOTES TO THE FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2010

1. Purpose of the organization

Jewish National Fund of Canada raises funds from various sources across Canada including individuals, corporations and estates, which funds are remitted to 24(1) acting as the organization's agent, through the 24(1) and used for charitable purposes in Israel. The organization is incorporated under the Canada Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The significant policies are detailed as follows:

(a) Accounting estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(b) Financial instruments

Financial assets and financial liabilities are initially recognized at fair value and are subsequently accounted for based on their classification as described below. The classification depends on the purpose for which the financial instruments were acquired and their characteristics. Except in very limited circumstances, the classification is not changed subsequent to initial recognition.

(i) Held-for-trading investments

Financial assets that are purchased with the intention of generating profits in the near term are classified as held-for-trading. In addition, any other financial assets can be designated by the organization upon initial recognition as held-for-trading. These instruments are accounted for at fair value with the change in the fair value recognized in net income during the period. Cash, investments, sundry assets and 24(1) bonds amounting to \$30,550 are classified as held-for-trading investments.

(ii) Held-to-maturity investments

Securities that have a fixed maturity date and which the organization has positive intention and the ability to hold to maturity are classified as held-to-maturity and accounted for at amortized cost using the effective interest rate method. 24(1) bonds amounting to \$136,483 are classified as held-to-maturity investments.

(iii) Other liabilities

Accounts payable and sundry liabilities, salaries and vacation payable, loan payable and provision for retirement and severance pay are classified as other liabilities. As these liabilities are non-interest bearing, they are carried at amortized cost.

JEWISH NATIONAL FUND OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2010

2. Significant accounting policies (cont'd.)

(b) Financial instruments (cont'd.)

The Organization has elected to use the exemption provided by The Canadian Institute of Chartered Accountants (CICA) permitting not-for-profit organizations not to apply CICA Section 3862, Financial Instruments - Disclosures, and Section 3863, Financial Instruments - Presentation, which would have otherwise have been applied to the financial statements of the Organization. The Organization applies the requirements of Section 3861, Financial Instruments - Disclosure and Presentation.

(c) Interest rate risk

The organization is exposed to changes in interest rates, which could adversely impact expected returns from the organization's investments and 24(1) bonds.

(d) Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received. Pledges are recognized as revenue when collectability is reasonably assured. Bequests are recognized as revenue when assets donated can be reasonably identified and measured.

(e) Long-lived assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is assessed by comparing the carrying amount of an asset with the expected future net undiscounted cash flows from its use together with its residual value. If such assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the assets exceeds their fair value.

(f) Property and equipment

Property and equipment are recorded at cost and are being amortized over their estimated useful lives. The annual amortization rates and methods are as follows:

Furniture and fixtures	20% declining balance
Data processing equipment	20% declining balance
Software	20% declining balance

Amortization of leasehold improvements is recorded over the remaining term of the lease. The average term of the leases is 5 years.

(g) Capital management

The organization considers its capital to be its net assets. The primary objective of the organization is to raise funds primarily from voluntary contributions for charitable purposes in Israel.

JEWISH NATIONAL FUND OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2010

2. Significant accounting policies (cont'd.)

(h) Future change in accounting policies

The organization is considering to adopt Canadian accounting standards for not-for-profit organizations for fiscal years commencing on or after January 1, 2012 as an alternative to International Financial Reporting Standards. Earlier adoption of these standards is permitted.

The organization is currently assessing the impact these new standards will have on the financial statements.

3. Investments

Included in the investments are amounts held and administered by the Jewish Community Foundation, having a fair value of \$7,546,431 (2009 - \$2,911,401) and which have been classified as held-for-trading investments.

4. 24(1) bonds

24(1) bonds in the amount of \$136,483 (2009 - \$122,993) are classified as held-to-maturity investments and are carried at the amortized cost using the effective interest rate method. 24(1) bonds in the amount of \$30,550 (2009 - \$37,950) are classified as held-for-trading investments and are recorded at their fair value. The bonds mature at various dates from May 2011 to January 2021 and bear interest at an average rate of approximately 3.53% per annum. Approximately \$24,000 (U.S. \$22,000); 2009 - \$27,000 (U.S. \$23,000) of 24(1) Bonds are denominated in U.S. currency.

5. Cash surrender value of life insurance policies

Amount includes the cash surrender value of life insurance policies received on the transfer of assets from J.N.F. Foundation as described in Note 11. Cash surrender value of life insurance policies are shown net of funds to finance premiums. The face value of these insurance policies, net of outstanding loans of approximately \$60,000 is \$1,981,095.

6. Property and equipment

	2010			2009
	Cost	Accumulated amortization	Net	Net
Furniture and fixtures	\$ 515,020	\$ 429,101	\$ 85,919	\$ 89,167
Data processing equipment	944,743	868,565	76,178	86,111
Software	304,113	270,333	33,780	35,627
Leasehold improvements	40,727	16,748	23,979	6,365
	<u>\$ 1,804,603</u>	<u>\$ 1,584,747</u>	<u>\$ 219,856</u>	<u>\$ 217,270</u>

JEWISH NATIONAL FUND OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2010

7. Loan payable

The loan payable is non-interest bearing and has no specific terms of repayment.

8. Income taxes

The organization is classified as tax-exempt under Federal and Provincial income tax laws. Consequently, no provision for income taxes has been reflected in the accompanying financial statements.

9. Pension plans

On January 1, 2006, the organization initiated defined benefit pension plans for certain key officers employed by the organization. Under the terms of these plans, the organization is responsible for the funding of all the pension liabilities and administrative costs, with the exception of any deficit occurring from short falls of its stated investment return targets which will be assumed by the beneficiaries. An independent actuarial valuation report with an effective date of December 31, 2008 was prepared for each plan in April 2009 determining the plans current funding obligations for the three-year period ending December 31, 2011, using the projected unit credit actuarial cost method having the following significant actuarial assumptions:

Discount rate:	7.5%
Retirement age:	65
Rate of compensation increase:	5.5%
Post-retirement indexation:	3.0%

During the year, the organization paid current service contributions of \$71,200 (2009 - \$72,100) included in the actuarial valuation report. Actuarial valuations will be reviewed every three years

10. Receipts from voluntary contributions

Included in receipts from voluntary contributions is approximately \$4,200,000 received as a bequest in the year. Included in investment income is approximately \$230,000 of income earned from the bequest.

JEWISH NATIONAL FUND OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2010

11. Related party transaction - J.N.F. Foundation

The J.N.F. Foundation, an entity registered as a charity under the Income Tax Act whose purpose was to further the interests and objectives of Jewish National Fund of Canada by raising funds primarily related to life insurance policies, ceased operations on December 31, 2010.

On cessation of its operations, the Foundation transferred all its net assets to Jewish National Fund of Canada in repayment of its outstanding debt of \$138,321 to the organization, as follows:

Cash surrender value of insurance policies	\$ 141,712
Prepaid expenses	10,822
Accounts payable and accrued liabilities	<u>(2,499)</u>
Net assets transferred	150,035
Amount owed to Jewish National Fund of Canada	<u>(138,321)</u>
Gain reported on the statement of capital	<u>\$ 11,714</u>

12. Commitments

- (a) The minimum rentals payable under long-term operating leases exclusive of certain operating costs for which the organization is responsible, are approximately as follows:

2011	\$ 91,000
2012	92,000
2013	<u>37,000</u>
	<u>\$ 220,000</u>

- (b) The funding requirements for the defined benefit pension plans, as described in Note 9, is approximately as follows:

2011	<u>\$ 73,200</u>
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- (c) The organization has entered into an agreement with the Province of Alberta to mutually fund and explore applied research relating to innovative design, construction and rehabilitation of water conservation and irrigation facilities. Under the terms of the agreement, the Province of Alberta contributed \$1,000,000 and the organization is committed to contribute \$1,000,000 to the projects funded by the ²⁴⁽¹⁾ A third party has undertaken to fund the commitment on behalf of the organization. To date, an amount of \$443,000 has been disbursed by the third party for the project.

13. Comparative amounts

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year excess of revenues over expenses and remittances.

JEWISH NATIONAL FUND OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2010

13. Comparative amounts

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year excess of revenues over expenses and remittances.

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PURSUANT TO
THE ATIA
A-2018-109154

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Jewish National Fund of Canada

We have audited the accompanying financial statements of **Jewish National Fund of Canada**, which comprise the statement of financial position as at December 31, 2011, and the statements of changes in net assets, revenues, expenses and remittances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditor's 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 the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's 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 auditor considers internal control relevant to the organization'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 organization'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.

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INDEPENDENT AUDITOR'S REPORT (cont'd.)

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

Jewish National Fund of Canada derives revenue from voluntary contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether adjustments might be necessary to receipts from voluntary contributions, excess of revenues over expenses and remittances for the year, assets and net assets.

Qualified Opinion

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had the receipts from voluntary contributions referred to in the basis for qualified opinion been susceptible to satisfactory audit tests, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

24(1)

Montréal, Québec
June 15, 2012

JEWISH NATIONAL FUND OF CANADA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2011

	2011	2010
ASSETS		
Current		
Cash (Note 3)	\$ 1,022,517	\$ 578,363
Investments - at market (Note 4)	7,646,346	7,547,440
24(1) bonds (Note 5)	163,951	167,032
Cash surrender value of life insurance policies (Note 6)	146,792	141,712
Sundry assets	385,513	234,113
	<u>9,365,119</u>	<u>8,668,660</u>
Property and equipment (Note 7)	201,756	219,856
	<u>\$ 9,566,875</u>	<u>\$ 8,888,516</u>
LIABILITIES		
Current		
Accounts payable and sundry liabilities	\$ 451,574	\$ 92,204
Salaries and vacation payable	170,935	157,607
	<u>622,509</u>	<u>249,811</u>
Loan payable (Note 8)	471,474	578,540
Provision for retirement pay	366,485	399,238
	<u>1,460,468</u>	<u>1,227,589</u>
NET ASSETS		
Unrestricted	<u>8,106,407</u>	<u>7,660,927</u>
	<u>\$ 9,566,875</u>	<u>\$ 8,888,516</u>

APPROVED ON BEHALF OF THE DIRECTORS:

Member

Member

See accompanying notes

000086

JEWISH NATIONAL FUND OF CANADA
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011

	2011	2010
Balance, beginning of year	\$ 7,660,927	\$ 3,196,876
Excess of revenues over expenses and remittances for the year	445,480	4,452,337
Net assets distributed on transfer from J.N.F. Foundation	-	11,714
Balance, end of year	<u>\$ 8,106,407</u>	<u>\$ 7,660,927</u>

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JEWISH NATIONAL FUND OF CANADA
STATEMENT OF REVENUES, EXPENSES AND REMITTANCES
FOR THE YEAR ENDED DECEMBER 31, 2011

	2011	2010
Revenues		
Receipts from voluntary contributions (Note 11)	\$ 9,542,990	\$ 12,129,047
Investment income	7,288	242,771
(Decrease) increase in fair value of investments held-for-trading	(150,085)	435,030
Increase in cash surrender value of life insurance policies	5,080	-
	<u>9,405,273</u>	<u>12,806,848</u>
Fundraising expenses	<u>2,362,500</u>	<u>1,819,646</u>
Excess of revenues over fundraising expenses	<u>7,042,773</u>	<u>10,987,202</u>
Expenses		
General and administrative	2,724,456	2,652,923
Amortization	47,524	52,385
Loss on foreign exchange	7,295	14,858
	<u>2,779,275</u>	<u>2,720,166</u>
Excess of revenues over expenses before undernoted item	<u>4,263,498</u>	<u>8,267,036</u>
Remittances	<u>3,818,018</u>	<u>3,814,699</u>
Excess of revenues over expenses and remittances for the year	<u>\$ 445,480</u>	<u>\$ 4,452,337</u>

JEWISH NATIONAL FUND OF CANADA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011

	2011	2010
Operating activities		
Excess of revenues over expenses and remittances for the year	\$ 445,480	\$ 4,452,337
Adjustments for		
Amortization	47,524	52,385
Decrease (increase) in fair value of investments held-for-trading	150,085	(435,030)
Increase in cash surrender value of life insurance policies	(5,080)	-
Total adjustments	638,009	4,069,692
Net change in non-cash working capital items		
Increase in sundry assets	(151,400)	(102,686)
Increase in accounts payable and sundry liabilities	359,370	6,956
Increase in salaries and vacation payable	13,328	6,139
Decrease in provision for retirement pay	(32,754)	(57,581)
Cash provided by operating activities	826,553	3,922,520
Investing activities		
24(1) bonds	3,081	(6,089)
Repayment of loan receivable	-	16,878
Investments	(248,991)	(4,198,723)
Purchase of property and equipment	(29,423)	(54,972)
Cash used in investing activities	(275,333)	(4,242,906)
Financing activity		
(Decrease) increase in loan payable	(107,066)	31,090
Increase (decrease) in cash	444,154	(289,296)
Cash, beginning of year	578,363	867,659
Cash, end of year	\$ 1,022,517	\$ 578,363

JEWISH NATIONAL FUND OF CANADA

NOTES TO THE FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2011

1. Purpose of the organization

Jewish National Fund of Canada raises funds from various sources across Canada including individuals, corporations and estates. These funds are used for charitable purpose in Israel through (24(1)), which are remitted to (24(1)). The organization is incorporated under the Canada Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The significant policies are detailed as follows:

(a) Accounting estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(b) Financial instruments

Financial assets and financial liabilities are initially recognized at fair value and are subsequently accounted for based on their classification as described below. The classification depends on the purpose for which the financial instruments were acquired and their characteristics. Except in very limited circumstances, the classification is not changed subsequent to initial recognition.

(i) Held-for-trading investments

Financial assets that are purchased with the intention of generating profits in the near term are classified as held-for-trading. In addition, any other financial assets can be designated by the organization upon initial recognition as held-for-trading. These instruments are accounted for at fair value with the change in the fair value recognized in net income during the period. Cash, investments, sundry assets and (24(1)) bonds amounting to \$36,047 are classified as held-for-trading investments.

(ii) Held-to-maturity investments

Securities that have a fixed maturity date and which the organization has positive intention and the ability to hold to maturity are classified as held-to-maturity and accounted for at amortized cost using the effective interest rate method. (24(1)) bonds amounting to \$127,904 are classified as held-to-maturity investments.

(iii) Other liabilities

Accounts payable and sundry liabilities, salaries and vacation payable, loan payable and provision for retirement pay are classified as other liabilities. As these liabilities are non-interest bearing, they are carried at amortized cost.

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JEWISH NATIONAL FUND OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011

2. Significant accounting policies (cont'd.)

(b) Financial instruments (cont'd.)

The Organization has elected to use the exemption provided by The Canadian Institute of Chartered Accountants (CICA) permitting not-for-profit organizations not to apply CICA Section 3862, Financial Instruments - Disclosures, and Section 3863, Financial Instruments - Presentation, which would have otherwise have been applied to the financial statements of the Organization. The Organization applies the requirements of Section 3861, Financial Instruments - Disclosure and Presentation.

(c) Interest rate risk

The organization is exposed to changes in interest rates, which could adversely impact expected returns from the organization's investments and (24(1)) bonds.

(d) Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received. Pledges are recognized as revenue when collectability is reasonably assured. Bequests are recognized as revenue when assets donated can be reasonably identified and measured.

(e) Long-lived assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is assessed by comparing the carrying amount of an asset with the expected future net undiscounted cash flows from its use together with its residual value. If such assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the assets exceeds their fair value.

(f) Property and equipment

Property and equipment are recorded at cost and are being amortized over their estimated useful lives. The annual amortization rates and methods are as follows:

Furniture and fixtures	20% declining balance
Data processing equipment	20% declining balance
Software	20% declining balance

Amortization of leasehold improvements is recorded over the remaining term of the lease. The average term of the leases is 5 years.

(g) Capital management

The organization considers its capital to be its net assets. The primary objective of the organization is to raise funds primarily from voluntary contributions for charitable purposes in Israel.

JEWISH NATIONAL FUND OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011

2. Significant accounting policies (cont'd.)

(h) Future change in accounting policies

The organization has chosen to adopt Canadian accounting standards for not-for profit organizations for fiscal years commencing on or after January 1, 2012 as an alternative to International Financial Reporting Standards.

The organization is currently assessing the impact these new standards will have on the financial statements.

3. Cash

Included in cash is approximately \$218,000 (2010 - NIL), held on account of deposits received from individuals for upcoming missions to Israel. The offsetting amount has been included in accounts payable and sundry liabilities.

4. Investments

Included in the investments are amounts held and administered by the Jewish Community Foundation, having a fair value of \$7,646,346 (2010 - \$7,547,440) and which have been classified as held-for-trading investments.

5. 24(1) bonds

24(1) bonds in the amount of \$127,904 (2010 - \$136,483) are classified as held-to-maturity investments and are carried at the amortized cost using the effective interest rate method. 24(1) bonds in the amount of \$36,047 (2010 - \$30,550) are classified as held-for-trading investments and are recorded at their fair value. The bonds mature at various dates from January 2012 to January 2021 and bear interest at an average rate of approximately 3.22% per annum. Approximately \$18,300 (U.S. \$16,800); 2010 - \$24,000 (U.S. \$22,000) of 24(1) Bonds are denominated in U.S. currency.

6. Cash surrender value of life insurance policies

Cash surrender value of life insurance policies are shown net of funds to finance premiums. The face value of these insurance policies, net of outstanding loans of approximately \$68,000 (2010 - \$60,000) is \$1,978,910 (2010 - \$1,981,095).

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JEWISH NATIONAL FUND OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011

7. Property and equipment

	2011			2010
	Cost	Accumulated amortization	Net	Net
Furniture and fixtures	\$ 515,020	\$ 446,285	\$ 68,735	\$ 85,919
Data processing equipment	970,288	888,909	81,379	76,178
Software	304,113	277,089	27,024	33,780
Leasehold improvements	44,605	19,987	24,618	23,979
	<u>\$ 1,834,026</u>	<u>\$ 1,632,270</u>	<u>\$ 201,756</u>	<u>\$ 219,856</u>

8. Loan payable

The loan payable is non-interest bearing and has no specific terms of repayment.

9. Income taxes

The organization is classified as tax-exempt under Federal and Provincial income tax laws. Consequently, no provision for income taxes has been reflected in the accompanying financial statements.

10. Pension plans

On January 1, 2006, the organization initiated defined benefit pension plans for certain key officers employed by the organization. Under the terms of these plans, the organization is responsible for the funding of all the pension liabilities and administrative costs, with the exception of any deficit occurring from short falls of its stated investment return targets which will be assumed by the beneficiaries. An independent actuarial valuation report with an effective date of December 31, 2010 was prepared for each plan in September 2011 determining the plans' current funding obligations for the three-year period ending December 31, 2013, using the projected unit credit actuarial cost method having the following significant actuarial assumptions:

Discount rate:	7.5%
Retirement age:	65
Rate of compensation increase:	5.5%
Post-retirement indexation:	3.0%

During the year, the organization paid current service contributions of \$71,800 (2010 - \$71,200) included in the actuarial valuation report. Actuarial valuations will be reviewed every three years.

11. Receipts from voluntary contributions

Included in receipts from voluntary contributions is approximately \$990,000 (2010 - \$4,200,000) received as a bequest. Included in investment income is approximately \$4,800 (2010 - \$230,000) of income earned from the bequest.

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JEWISH NATIONAL FUND OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011

12. Commitments

- (a) The minimum rentals payable under long-term operating leases exclusive of certain operating costs for which the organization is responsible, are approximately as follows:

2012	\$	128,000
2013		109,000
2014		81,000
2015		66,000
2016		18,000
		<u>402,000</u>

- (b) The funding requirements for the defined benefit pension plans, as described in Note 9, are approximately as follows:

2012	\$	73,900
2013		39,200
		<u>113,100</u>

13. Comparative amounts

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year excess of revenues over expenses and remittances.

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Jewish National Fund of Canada (Keren Kayemeth Le'Israel) Inc.

We have audited the accompanying financial statements of Jewish National Fund of Canada (Keren Kayemeth Le'Israel) Inc., which comprise the statements of financial position as at December 31, 2012, December 31, 2011 and January 1, 2011, and the statements of changes in net assets, revenues and expenses and cash flows for the years ended December 31, 2012 and December 31, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's 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 auditor considers internal control relevant to the organization'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 organization'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.

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INDEPENDENT AUDITOR'S REPORT (cont'd.)

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

Jewish National Fund of Canada (Keren Kayemeth Le'Israel) Inc. derives revenue from contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether adjustments might be necessary to receipts from contributions, excess of revenues over expenses for the year, assets and net assets.

Qualified Opinion

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had the receipts from contributions referred to in the basis for qualified opinion been susceptible to satisfactory audit tests, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2012, December 31, 2011 and January 1, 2011 and the results of its operations and its cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian accounting standards for not-for-profit organizations.

24(1)

Montréal, Québec
June 20, 2013

**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2012, DECEMBER 31, 2011 AND JANUARY 1, 2011

	2012	2011	January 1, 2011
ASSETS			
Current			
Cash (Note 5)	\$ 955,975	\$ 1,022,517	\$ 578,363
Investments held by third party (Note 6)	8,765,115	7,646,346	7,547,440
24(1) bonds (Note 7)	99,000	163,951	167,032
Cash surrender value of life insurance policies (Note 8)	150,934	146,792	141,712
Sales taxes receivable	577,918	348,892	202,201
Prepaid expenses and sundry assets	34,197	36,621	31,912
	10,583,139	9,365,119	8,668,660
Loan receivable (Note 9)	280,000	-	-
Property and equipment (Note 10)	192,453	201,756	219,856
	<u>\$ 11,055,592</u>	<u>\$ 9,566,875</u>	<u>\$ 8,888,516</u>
LIABILITIES			
Current			
Accounts payable and sundry liabilities (Note 11)	\$ 194,283	\$ 451,574	\$ 92,204
Salaries and vacation payable	211,774	170,935	157,607
	406,057	622,509	249,811
Loan payable (Note 12)	408,889	471,474	578,540
Provision for retirement pay	310,205	366,485	399,238
	1,125,151	1,460,468	1,227,589
NET ASSETS			
Unrestricted	9,930,441	8,106,407	7,660,927
	<u>\$ 11,055,592</u>	<u>\$ 9,566,875</u>	<u>\$ 8,888,516</u>

APPROVED ON BEHALF OF THE DIRECTORS:

_____ Member

_____ Member

See accompanying notes

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**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**

**STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2012	2011
Balance, beginning of year	\$ 8,106,407	\$ 7,660,927
Excess of revenues over expenses for the year	<u>1,824,034</u>	<u>445,480</u>
Balance, end of year	<u>\$ 9,930,441</u>	<u>\$ 8,106,407</u>

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THE ATIA
A-2018-109154

**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**

**STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2012	2011
Revenues		
Receipts from contributions (Note 16)	\$ 11,869,250	\$ 9,542,990
Increase (decrease) in fair value of investments	614,061	(142,797)
Increase in cash surrender value of life insurance policies	4,142	5,080
	<u>12,487,453</u>	<u>9,405,273</u>
Fundraising expenses (Note 13)	<u>3,157,231</u>	<u>3,076,817</u>
Excess of revenues over fundraising expenses	<u>9,330,222</u>	<u>6,328,456</u>
Expenses		
General and administrative	2,164,588	2,010,139
Amortization	45,416	47,524
Loss on foreign exchange	-	7,295
	<u>2,210,004</u>	<u>2,064,958</u>
Excess of revenues over expenses before undernoted item	<u>7,120,218</u>	<u>4,263,498</u>
Charitable projects	<u>5,296,184</u>	<u>3,818,018</u>
Excess of revenues over expenses for the year	<u>\$ 1,824,034</u>	<u>\$ 445,480</u>

**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
Operating activities		
Excess of revenues over expenses for the year	\$ 1,824,034	\$ 445,480
Adjustments for		
Amortization	45,416	47,524
(Increase) decrease in fair value of investments	(486,257)	591,784
Increase in cash surrender value of life insurance policies	(4,142)	(5,080)
Total adjustments	1,379,051	1,079,708
Net change in non-cash working capital items		
Increase in sales taxes receivable	(229,026)	(146,691)
Decrease in internally restricted investments	2,424	(4,709)
(Decrease) increase in accounts payable and sundry liabilities	(257,290)	359,370
Increase in salaries and vacation payable	40,839	13,328
Decrease in provision for retirement pay	(56,280)	(32,754)
Cash provided by operating activities	879,718	1,268,252
Investing activities		
24(1) bonds	64,951	3,081
Investments	(632,512)	(690,690)
Purchase of property and equipment	(36,114)	(29,423)
Cash used in investing activities	(603,675)	(717,032)
Financing activities		
Repayment of loan payable	(62,585)	(107,066)
Issuance of loan receivable	(280,000)	-
Cash used in financing activities	(342,585)	(107,066)
(Decrease) increase in cash	(66,542)	444,154
Cash, beginning of year	1,022,517	578,363
Cash, end of year	\$ 955,975	\$ 1,022,517

See accompanying notes

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JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH LE'ISRAEL) INC.

NOTES TO THE FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2012, DECEMBER 31, 2011 AND JANUARY 1, 2011

1. Purpose of the organization

Jewish National Fund of Canada (Keren Kayemeth Le'Israel) Inc. raises funds from various sources across Canada including individuals, corporations and estates. These funds are used for charitable purpose in Israel through 24(1) which are remitted to 24(1). The organization is incorporated under the Canada Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Change in accounting policy

On January 1, 2012 the organization adopted a new accounting policy for the allocation of expenses. The organization now allocates salaries that are directly attributable to fundraising activities to fundraising expenses. The organization believes that this change in policy will provide more relevant financial information on its operations. This new policy is being applied on a retrospective basis and therefore the 2011 figures have been restated to reflect this change. See Note 13.

3. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CICA Handbook and include the following significant accounting policies:

(a) Measurement uncertainty

The preparation of financial statements in accordance 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 and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period.

Estimates made by management include the useful life of property and equipment, salary and vacation payable accruals, and provision for retirement pay. Actual results could differ from those estimates.

**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**

NOTES TO THE FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2012, DECEMBER 31, 2011 AND JANUARY 1, 2011

3. Significant accounting policies (cont'd.)

(b) Financial instruments

(i) Measurement of financial instruments

The organization initially measures its financial assets and financial liabilities at fair value.

The organization subsequently measures its financial assets and financial liabilities at amortized cost, except for investments held by third party and ⁽²⁴⁽¹⁾⁾ bonds, which are subsequently measured at fair value. Changes in fair value are recognized in the excess of revenues over expenses for the year.

Financial assets measured at amortized cost include cash, sundry assets, and loan receivable.

Financial liabilities measured at amortized cost include accounts payable and sundry liabilities, salaries and vacation payable, loan payable and provision for retirement pay.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the excess of revenues over expenses for the year.

(c) Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received. Pledges are recognized as revenue when collectability is reasonably assured. Bequests are recognized as revenue when assets donated can be reasonably identified and measured.

(d) Long-lived assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is assessed by comparing the carrying amount of an asset with the expected future net undiscounted cash flows from its use together with its residual value. If such assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the assets exceeds their fair value.

**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**

NOTES TO THE FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2012, DECEMBER 31, 2011 AND JANUARY 1, 2011

3. Significant accounting policies (cont'd.)

(e) Property and equipment

Property and equipment are recorded at cost and are being amortized over their estimated useful lives. The annual amortization rates and methods are as follows:

Furniture and fixtures	20% declining balance
Data processing equipment	20% declining balance
Software	20% declining balance

Amortization of leasehold improvements is recorded over the remaining term of the lease. The average term of the leases is 5 years.

4. Impact of the change in the basis of accounting

These financial statements are the first financial statements for which the entity has applied Canadian accounting standards for not-for-profit organizations hereafter referred to as "ASNPO". There were no changes required to the comparative balances presented as a result of adoption of this new accounting framework.

As a result of its transition to ASNPO and in accordance with section 3856 of the CICA Handbook, the organization has elected to record its investments held by third parties and its ²⁴⁽¹⁾ bonds at fair value.

5. Cash

Included in cash is approximately \$85,000 (2011 - \$218,000; January 1, 2011 - NIL), held on account of deposits received from individuals for upcoming missions to Israel. The offsetting amount has been included in accounts payable and sundry liabilities.

6. Investments held by third party

All the investments are held and administered by the Jewish Community Foundation of Montreal.

7. ²⁴⁽¹⁾ bonds

²⁴⁽¹⁾ bonds have been recorded at fair value. The bonds mature at various dates from January 2013 to January 2021 and bear interest at an average rate of approximately 2.97% per annum. Approximately \$17,000 (U.S. \$15,900); 2011 - \$18,300 (U.S. \$16,800); January 1, 2011 - \$24,000 (U.S. \$22,000) of ²⁴⁽¹⁾ Bonds are denominated in U.S. currency.

**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**

NOTES TO THE FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2012, DECEMBER 31, 2011 AND JANUARY 1, 2011

8. Cash surrender value of life insurance policies

Cash surrender value of life insurance policies are shown net of loans to finance premiums. The face value of these insurance policies, net of outstanding loans of approximately \$72,000 (2011 - \$68,000; January 1, 2011 - \$60,000) is \$1,981,179 (2011 - \$1,978,910; January 1, 2011 - \$1,981,095).

9. Loan receivable

This loan receivable is to a former executive vice president and was advanced as part of his retirement package. It is non-interest bearing and will be repaid from the proceeds of an insurance policy on his life.

10. Property and equipment

2012			
	Cost	Accumulated amortization	Net
Furniture and fixtures	\$ 539,800	\$ 464,988	\$ 74,812
Data processing equipment	981,622	907,452	74,170
Software	304,113	282,494	21,619
Leasehold improvements	44,605	22,753	21,852
	<u>\$ 1,870,140</u>	<u>\$ 1,677,687</u>	<u>\$ 192,453</u>
2011			
	Cost	Accumulated amortization	Net
Furniture and fixtures	\$ 515,020	\$ 446,285	\$ 68,735
Data processing equipment	970,288	888,909	81,379
Software	304,113	277,089	27,024
Leasehold improvements	44,605	19,987	24,618
	<u>\$ 1,834,026</u>	<u>\$ 1,632,270</u>	<u>\$ 201,756</u>

JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH LE'ISRAEL) INC.

NOTES TO THE FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2012, DECEMBER 31, 2011 AND JANUARY 1, 2011

10. Property and equipment (cont'd.)

	January 1, 2011		
	Cost	Accumulated amortization	Net
Furniture and fixtures	\$ 515,020	\$ 429,101	\$ 85,919
Data processing equipment	944,743	868,565	76,178
Software	304,113	270,333	33,780
Leasehold improvements	40,727	16,748	23,979
	<u>\$ 1,804,603</u>	<u>\$ 1,584,747</u>	<u>\$ 219,856</u>

11. Accounts payable and sundry liabilities

Included in accounts payable and sundry liabilities are approximately \$37,000 of payroll deductions (2011 - \$33,000; January 1, 2011 - \$27,000).

12. Loan payable

The loan payable is non-interest bearing and has no specific terms of repayment.

13. Fundraising expenses

Included in fundraising expenses are allocated salaries and other compensation costs of \$857,000 (2011 - \$714,000).

14. Income taxes

The organization is classified as tax-exempt under Federal and Provincial income tax laws. Consequently, no provision for income taxes has been reflected in the accompanying financial statements.

JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH LE'ISRAEL) INC.

NOTES TO THE FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2012, DECEMBER 31, 2011 AND JANUARY 1, 2011

15. Pension plans

On January 1, 2006, the organization initiated defined benefit plans for certain key officers employed by the organization. Under the terms of these plans, the organization is responsible for the funding of all the pension liabilities and administrative costs, with the exception of any deficit occurring from short falls of its stated investment return targets which will be assumed by the beneficiaries. An independent actuarial valuation report with an effective date of December 31, 2010 was prepared for each plan in September 2011 determining the plans' current funding obligations for the three-year period ending December 31, 2013.

During the year, the organization paid current service contributions of \$73,900 (2011 - \$71,800) included in the actuarial valuation report. Actuarial valuations will be reviewed every three years.

One of the key officers retired during the year. Accordingly, his pension plan has been terminated.

16. Receipts from contributions

Included in receipts from contributions is approximately \$Nil (2011 - \$990,000) received as a bequest. Included in investment income is approximately \$Nil (2011 - \$4,800) of income earned from the bequest.

17. Commitments

- a) The minimum rentals payable under long-term operating leases exclusive of certain operating costs for which the organization is responsible, are approximately as follows:

2013	\$ 122,000
2014	88,000
2015	72,000
2016	18,000
	<u>300,000</u>

- (b) The funding requirement for the pension plans, as described in Note 15, is \$39,200 in the year 2013.

**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**

NOTES TO THE FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2012, DECEMBER 31, 2011 AND JANUARY 1, 2011

18. Financial instruments

Interest rate risk

The organization is exposed to changes in interest rates, which could adversely impact expected returns from the organization's investments and ²⁴⁽¹⁾ bonds.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The organization is exposed to market risk as a result of its investments. The organization reduces this risk by maintaining a diversified portfolio.

DISCLOSED TO
PURSUANT TO
THE ATIA
A-2018-109154

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Jewish National Fund of Canada (Keren Kayemeth Le'Israel) Inc.

We have audited the accompanying financial statements of **Jewish National Fund of Canada (Keren Kayemeth Le'Israel) Inc.**, which comprise the statement of financial position as at December 31, 2013, and the statements of changes in net assets, revenues and expenses and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's 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 the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's 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 auditor considers internal control relevant to the organization'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 organization'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.

000108

INDEPENDENT AUDITOR'S REPORT (cont'd.)

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

Jewish National Fund of Canada (Keren Kayemeth Le'Israel) Inc. derives revenue from contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether adjustments might be necessary to receipts from contributions, excess of revenues over expenses for the year, assets and net assets.

Qualified Opinion

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had the receipts from contributions referred to in the basis for qualified opinion been susceptible to satisfactory audit tests, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2013 and the changes in net assets, revenues and expenses, and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

24(1)

Montréal, Québec
June 12, 2014

000109

**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013

	2013	2012
ASSETS		
Current		
Cash (Note 3)	\$ 1,155,820	\$ 955,975
Investment	750,000	-
Investments held by third party (Note 4)	8,565,698	8,765,115
24(1) bonds (Note 5)	95,529	99,000
Sales tax and other receivables (Note 6)	387,459	577,918
Prepaid expenses and sundry assets	85,291	34,197
	<u>11,039,797</u>	<u>10,432,205</u>
Cash surrender value of life insurance policies (Note 7)	154,698	150,934
Loan receivable (Note 8)	280,000	280,000
Property and equipment (Note 9)	263,237	192,453
	<u>\$ 11,737,732</u>	<u>\$ 11,055,592</u>
LIABILITIES		
Current		
Accounts payable and sundry liabilities (Note 10)	\$ 366,229	\$ 194,283
Salaries and vacation payable	258,853	211,774
Loan payable (Note 11)	264,693	408,889
	<u>889,775</u>	<u>814,946</u>
Provision for retirement pay	318,226	310,205
	<u>1,208,001</u>	<u>1,125,151</u>
NET ASSETS		
Unrestricted	<u>10,529,731</u>	<u>9,930,441</u>
	<u>\$ 11,737,732</u>	<u>\$ 11,055,592</u>

APPROVED ON BEHALF OF THE DIRECTORS:

Member

Member

See accompanying notes

**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013	2012
Balance, beginning of year	\$ 9,930,441	\$ 8,106,407
Excess of revenues over expenses for the year	<u>599,290</u>	<u>1,824,034</u>
Balance, end of year	<u>\$ 10,529,731</u>	<u>\$ 9,930,441</u>

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A-2018-109154

**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**

**STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013	2012
Revenues		
Receipts from contributions	\$ 11,243,397	\$ 11,869,250
Increase in fair value of investments including investment income	1,066,481	614,061
Increase in cash surrender value of life insurance policies	3,764	4,142
	<u>12,313,642</u>	<u>12,487,453</u>
Fundraising expenses (Note 12)	<u>4,056,085</u>	<u>3,157,231</u>
Excess of revenues over fundraising expenses	<u>8,257,557</u>	<u>9,330,222</u>
Expenses		
General and administrative	2,258,437	2,164,588
Amortization	38,590	45,416
	<u>2,297,027</u>	<u>2,210,004</u>
Excess of revenues over expenses before undernoted item	<u>5,960,530</u>	<u>7,120,218</u>
Charitable projects	<u>5,361,240</u>	<u>5,296,184</u>
Excess of revenues over expenses for the year	<u>\$ 599,290</u>	<u>\$ 1,824,034</u>

**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013	2012
Operating activities		
Excess of revenues over expenses for the year	\$ 599,290	\$ 1,824,034
Adjustments for		
Amortization	38,590	45,416
Increase in fair value of investments	(719,468)	(486,257)
Increase in cash surrender value of life insurance policies	(3,764)	(4,142)
Total adjustments	(85,352)	1,379,051
Net change in non-cash working capital items		
Decrease (increase) in sales tax and other receivables	190,459	(229,026)
(Increase) decrease in internally restricted investments	(51,094)	2,424
Increase (decrease) in accounts payable and sundry liabilities	171,944	(257,290)
Increase in salaries and vacation payable	47,079	40,839
Increase (decrease) in provision for retirement pay	8,022	(56,280)
Cash provided by operating activities	281,058	879,718
Investing activities		
24(1) bonds	3,471	64,951
Investments	168,885	(632,512)
Purchase of property and equipment	(109,373)	(36,114)
Cash provided by (used in) investing activities	62,983	(603,675)
Financing activities		
Repayment of loan payable	(144,196)	(62,585)
Issuance of loan receivable	-	(280,000)
Cash used in financing activities	(144,196)	(342,585)
Increase (decrease) in cash	199,845	(66,542)
Cash, beginning of year	955,975	1,022,517
Cash, end of year	\$ 1,155,820	\$ 955,975

JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH LE'ISRAEL) INC.

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2013

1. Purpose of the organization

Jewish National Fund of Canada (Keren Kayemeth Le'Israel) Inc. raises funds from various sources across Canada including individuals, corporations and estates. These funds are used for charitable purpose in Israel through 24(1), an agent of the organization. The organization is incorporated under the Canada Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

During the year, Corporations Canada established the Canada Not-for-profit Corporations Act (NFP Act). All registered charities currently incorporated under the Canada Corporations Act must apply for a certificate of continuance under the new NFP Act by October 17, 2014 failing which the corporation will be dissolved. As at year-end, the application process had been initiated and is expected to be completed before the deadline.

2. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CICA Handbook and include the following significant accounting policies:

(a) Measurement uncertainty

The preparation of financial statements in accordance 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 and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period.

Estimates made by management include the useful life of property and equipment, salary and vacation payable accruals, provision for retirement pay, and the allocation of salaries and compensation costs. Actual results could differ from those estimates.

(b) Financial instruments

(i) Measurement of financial instruments

The organization initially measures its financial assets and financial liabilities at fair value. Subsequent thereto, its financial assets and financial liabilities are measured at amortized cost, except for its investment, investments held by third party and 24(1) bonds, which are subsequently measured at fair value. Changes in fair value are recognized in the excess of revenues over expenses for the year.

Financial assets measured at amortized cost include cash, sales taxes receivable, and loan receivable.

Financial liabilities measured at amortized cost include accounts payable and sundry liabilities, salaries and vacation payable, loan payable and provision for retirement pay.

JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH LE'ISRAEL) INC.

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2013

2. Significant accounting policies (cont'd.)

(b) Financial instruments (cont'd.)

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the excess of revenues over expenses for the year.

No write-downs were recorded for the years 2013 and 2012.

(c) Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received. Pledges are recognized as revenue when collectability is reasonably assured. Bequests are recognized as revenue when assets donated can be reasonably identified and measured.

(d) Long-lived assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is assessed by comparing the carrying amount of an asset with the expected future net undiscounted cash flows from its use together with its residual value. If such assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the assets exceeds their fair value.

No write-downs were recorded for the years 2013 and 2012.

(e) Property and equipment

Property and equipment are recorded at cost and are being amortized over their estimated useful lives. The annual amortization rates and methods are as follows:

Furniture and fixtures	20% declining balance
Data processing equipment	20% declining balance
Software	20% declining balance

Amortization of leasehold improvements is recorded over the remaining term of the lease. The average term of the leases is 5 years.

(f) Allocation of expenses

Compensation costs that are directly attributable to fundraising activities are allocated to fundraising expenses. The amount of compensation costs allocated is based on the time spent by the employees on fundraising activities.

JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH LE'ISRAEL) INC.

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2013

3. Cash

As at December 31, 2012, cash included \$85,000 (2013 - NIL) held on account of deposits received from individuals for upcoming missions to Israel. The offsetting amount has been included in accounts payable and sundry liabilities.

4. Investments held by third party

These investments are held and administered by the Jewish Community Foundation of Montreal.

5. 24(1) bonds

24(1) bonds have been recorded at fair value. The bonds mature at various dates from January 2014 to January 2021 and bear interest at an average rate of approximately 2.94% per annum. Approximately \$28,000 (U.S. \$26,000); 2012 - \$17,000 (U.S. \$15,900) of 24(1) bonds are denominated in U.S. currency.

6. Sales tax and other receivables

	2013	2012
Sales taxes receivable	\$ 334,499	\$ 577,918
Other receivables	52,960	-
	<u>\$ 387,459</u>	<u>\$ 577,918</u>

7. Cash surrender value of life insurance policies

Cash surrender value of life insurance policies is shown net of loans to finance premiums. The face value of these insurance policies, net of outstanding loans of approximately \$79,000 (2012 - \$72,000), is \$1,981,000 (2012 - \$1,981,000).

8. Loan receivable

This loan receivable is to a former executive vice president and was advanced as part of his retirement package. It is non-interest bearing and will be repaid from the proceeds of an insurance policy on his life.

**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2013

9. Property and equipment

	2013			2012
	Cost	Accumulated amortization	Net	Net
Furniture and fixtures	\$ 549,147	\$ 480,885	\$ 68,262	\$ 74,812
Data processing equipment	993,085	923,433	69,652	74,170
Software	392,677	286,818	105,859	21,619
Leasehold improvements	44,605	25,141	19,464	21,852
	<u>\$ 1,979,514</u>	<u>\$ 1,716,277</u>	<u>\$ 263,237</u>	<u>\$ 192,453</u>

At year end, the organization had capitalized approximately \$89,000 of software that was not yet in use. Accordingly, the organization did not amortize these assets during 2013.

10. Accounts payable and sundry liabilities

Included in accounts payable and sundry liabilities are approximately \$46,000 (2012 - \$37,000) of payroll deductions.

11. Loan payable

The loan payable is non-interest bearing and has no specific terms of repayment.

12. Fundraising expenses

Included in fundraising expenses are allocated salaries and other compensation costs of \$931,000 (2012 - \$857,000).

13. Income taxes

The organization is classified as tax-exempt under Federal and Provincial income tax laws. Consequently, no provision for income taxes has been reflected in the accompanying financial statements.

**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2013

14. Pension plan

On January 1, 2006, the organization initiated a defined benefit plan for a key officer employed by the organization. Under the terms of this plan, the organization is responsible for the funding of all the pension liabilities and administrative costs, with the exception of any deficit occurring from short falls of its stated investment return targets which will be assumed by the beneficiary. An independent actuarial valuation report with an effective date of December 31, 2012 was prepared for this plan in September 2013 determining the plans' current funding obligations for the three-year period ending December 31, 2015.

During the year, the organization paid current service contributions of \$35,400 (2012 - \$73,900) included in the actuarial valuation report. Actuarial valuations will be reviewed every three years.

15. Commitments

- a) The minimum rentals payable under long-term operating leases exclusive of certain operating costs for which the organization is responsible, are approximately as follows:

2014	\$	150,000
2015		131,000
2016		77,000
2017		53,000
2018		27,000
		<u>438,000</u>
	\$	<u>438,000</u>

- (b) The funding requirements for the pension plan, as described in Note 14, are approximately as follows:

2014	\$	36,400
2015		<u>37,400</u>
	\$	<u>73,800</u>

- c) During the year, the organization entered into a supplier contract to purchase an accounting system software having a total cost of approximately \$234,000 net of input tax credits. Implementation will be completed in the 2014 fiscal year. As at year-end, the organization had incurred approximately \$134,000 related to this commitment.

**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2013

16. Financial instruments

Interest rate risk

The organization is exposed to changes in interest rates, which could adversely impact expected returns from the organization's investment, investments held by third party and ²⁴⁽¹⁾ bonds.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The organization is exposed to market risk as a result of its investments. The organization reduces this risk by maintaining a diversified portfolio.

DISCLOSED
PURSUANT TO
THE ATIA
A-2018-109154

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Jewish National Fund of Canada (Keren Kayemeth Le'Israel) Inc.

We have audited the accompanying financial statements of **Jewish National Fund of Canada (Keren Kayemeth Le'Israel) Inc.**, which comprise the statement of financial position as at December 31, 2014, and the statements of changes in net assets, revenues and expenses and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's 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 the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's 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 auditor considers internal control relevant to the organization'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 organization'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.

INDEPENDENT AUDITOR'S REPORT (cont'd.)

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

Jewish National Fund of Canada (Keren Kayemeth Le'Israel) Inc. derives revenue from contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether adjustments might be necessary to receipts from contributions, excess of revenues over expenses for the year, assets and net assets.

Qualified Opinion

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had the receipts from contributions referred to in the basis for qualified opinion been susceptible to satisfactory audit tests, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2014 and the changes in net assets, revenues and expenses, and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

24(1)

Montréal, Québec
June 8, 2015

**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014

	2014	2013
ASSETS		
Current		
Cash (Note 3)	\$ 2,677,469	\$ 1,155,820
Investment (Note 4)	758,250	750,000
Investments held by third party (Note 5)	7,821,106	8,565,698
24(1) bonds (Note 6)	79,305	95,529
Sales tax and other receivables (Note 7)	546,374	387,459
Loan receivable (Note 8)	147,506	-
Prepaid expenses and sundry assets	93,128	85,291
	<u>12,123,138</u>	<u>11,039,797</u>
Cash surrender value of life insurance policies (Note 9)	158,974	154,698
Loan receivable (Note 10)	280,000	280,000
Investments in real estate (Note 11)	10,981,500	-
Property and equipment (Note 12)	140,003	157,378
Intangible assets (net of accumulated amortization of \$304,447; 2013 - \$286,818)	88,230	105,859
	<u>\$ 23,771,845</u>	<u>\$ 11,737,732</u>
LIABILITIES		
Current		
Accounts payable and sundry liabilities (Note 13)	\$ 367,540	\$ 366,229
Salaries and vacation payable	453,976	258,853
Loan payable	-	264,693
Current portion of provision for retirement pay	99,936	-
	<u>921,452</u>	<u>889,775</u>
Provision for retirement pay	296,747	318,226
	<u>1,218,199</u>	<u>1,208,001</u>
NET ASSETS		
Unrestricted	<u>22,553,646</u>	<u>10,529,731</u>
	<u>\$ 23,771,845</u>	<u>\$ 11,737,732</u>

APPROVED ON BEHALF OF THE DIRECTORS:

Member

Member

See accompanying notes

**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	2014	2013
Balance, beginning of year	\$ 10,529,731	\$ 9,930,441
Excess of revenues over expenses for the year	<u>12,023,915</u>	<u>599,290</u>
Balance, end of year	<u>\$ 22,553,646</u>	<u>\$ 10,529,731</u>

DISCLOSED
PURSUANT TO
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A-2018-109154

**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
Revenues		
Receipts from contributions	\$ 28,409,942	\$ 11,243,397
Investment income including increase in fair value	767,371	1,066,481
Increase in cash surrender value of life insurance policies	<u>4,276</u>	<u>3,764</u>
	29,181,589	12,313,642
Fundraising expenses (Note 14)	<u>3,679,801</u>	<u>4,056,085</u>
Excess of revenues over fundraising expenses	<u>25,501,788</u>	<u>8,257,557</u>
Expenses		
General and administrative	2,488,458	2,258,437
Amortization	<u>49,443</u>	<u>38,590</u>
	<u>2,537,901</u>	<u>2,297,027</u>
Excess of revenues over expenses before undernoted item	22,963,887	5,960,530
Charitable projects	<u>10,939,972</u>	<u>5,361,240</u>
Excess of revenues over expenses for the year	<u>\$ 12,023,915</u>	<u>\$ 599,290</u>

**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
Operating activities		
Excess of revenues over expenses for the year	\$ 12,023,915	\$ 599,290
Adjustments for		
Amortization	49,443	38,590
Increase in fair value of investments	(544,029)	(719,468)
Increase in cash surrender value of life insurance policies	(4,276)	(3,764)
Investments in real estate	(10,981,500)	-
Total adjustments	543,553	(85,352)
Net change in non-cash working capital items		
(Increase) decrease in sales tax and other receivables	(158,915)	190,459
Increase in prepaid expenses and sundry assets	(7,837)	(51,094)
Increase in accounts payable and sundry liabilities	1,310	171,944
Increase in salaries and vacation payable	195,123	47,079
Increase in provision for retirement pay	78,457	8,022
Cash provided by operating activities	651,691	281,058
Investing activities		
24(1) bonds	16,224	3,471
Investments	1,280,371	168,885
Purchase of property and equipment	(14,438)	(109,373)
Cash provided by investing activities	1,282,157	62,983
Financing activities		
Increase in loan receivable	(147,506)	-
Repayment of loan payable	(264,693)	(144,196)
Cash used in financing activities	(412,199)	(144,196)
Increase in cash	1,521,649	199,845
Cash, beginning of year	1,155,820	955,975
Cash, end of year	\$ 2,677,469	\$ 1,155,820

**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2014

1. Purpose of the organization

Jewish National Fund of Canada (Keren Kayemeth Le'Israel) Inc. raises funds from various sources across Canada including individuals, corporations and estates. These funds are used for charitable purposes in Israel through ²⁴⁽¹⁾ [REDACTED], an agent of the organization. The organization is incorporated under the Canada Not-for-profit Corporations Act (NFP Act) and is a registered charity under the Income Tax Act.

2. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CICA Handbook and include the following significant accounting policies:

(a) Measurement uncertainty

The preparation of financial statements in accordance 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, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. These estimates are reviewed periodically, and as adjustments become necessary they are reported in the excess of revenues over expenses in the period in which they become known.

Estimates made by management include the useful life of property and equipment, salary and vacation payable accruals, provision for retirement pay, the allocation of salaries and compensation costs, and the valuation of investment in real estate. Actual results could differ from those estimates.

(b) Financial instruments

(i) Measurement of financial instruments

The organization initially measures its financial assets and financial liabilities at fair value. Subsequent thereto, its financial assets and financial liabilities are measured at amortized cost, except for its investment, investments held by third party, ²⁴⁽¹⁾ [REDACTED] bonds, and cash surrender value of life insurance policies, which are subsequently measured at fair value. Changes in fair value are recognized in the excess of revenues over expenses for the year.

Financial assets measured at amortized cost include cash, sales tax and other receivables, and loans receivable.

Financial liabilities measured at amortized cost include accounts payable and sundry liabilities, salaries and vacation payable, loan payable, and provision for retirement pay.

**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2014

2. Significant accounting policies (cont'd.)

(b) Financial instruments (cont'd.)

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. The amount of the write-down is recognized in the excess of revenues over expenses for the year. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the excess of revenues over expenses for the year.

No write-downs were recorded for the years 2014 and 2013.

(c) Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received. Pledges are recognized as revenue when collectability is reasonably assured. Bequests are recognized as revenue when assets donated can be reasonably identified and measured.

(d) Investments in real estate

The organization follows the cost method of accounting for real estate. These assets are tested for impairment when there is an indication that an impairment might exist.

(e) Property and equipment

Property and equipment are recorded at cost and are being amortized over their estimated useful lives. The annual amortization rates and methods are as follows:

Furniture and fixtures	20% declining balance
Data processing equipment	20% declining balance

Amortization of leasehold improvements is recorded over the remaining term of the lease. The average term of the leases is 5 years.

(f) Intangible assets

Intangible assets are recorded at cost and are being amortized over their estimated useful lives. The annual amortization rate and method is as follows:

Software	20% declining balance
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**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2014

2. Significant accounting policies (cont'd.)

(g) Allocation of expenses

Compensation costs that are directly attributable to fundraising activities are allocated to fundraising expenses. The amount of compensation costs allocated is based on the time spent by the employees on fundraising activities.

3. Cash

As at December 31, 2014, cash included approximately \$66,000 (2013 - \$Nil) held on account of deposits received from individuals for upcoming missions to Israel. The offsetting amount has been included in accounts payable and sundry liabilities.

4. Investment

The investment matures on December 31, 2015 (2013 - December 31, 2014) and earns interest at 1.1% (2013 - 1.1%) per annum.

5. Investments held by third party

These investments are held and administered by the Jewish Community Foundation of Montréal.

6. 24(1) bonds

24(1) bonds have been recorded at fair value. The bonds mature at various dates from January 2015 to January 2021 and bear interest at an average rate of approximately 2.92% per annum. Approximately \$20,000 (U.S. \$19,000); 2013 - \$28,000 (U.S. \$26,000) of 24(1) Bonds are denominated in U.S. currency.

7. Sales tax and other receivables

	<u>2014</u>	<u>2013</u>
Sales taxes receivable	\$ 546,374	\$ 334,499
Other receivables	-	52,960
	<u>\$ 546,374</u>	<u>\$ 387,459</u>

8. Loan receivable

The loan receivable is non-interest bearing.

**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2014

9. Cash surrender value of life insurance policies

Cash surrender value of life insurance policies is shown net of loans to finance premiums. The face value of these insurance policies, net of outstanding loans of approximately \$79,000 (2013 - \$79,000), is \$2,202,000 (2013 - \$1,981,000).

10. Loan receivable

This loan receivable is to a former executive vice president and was advanced as part of his retirement package. It is non-interest bearing and will be repaid from the proceeds of an insurance policy on his life.

11. Investments in real estate

During the year, three properties were donated to the organization on the basis that the donor maintain use thereof for a period of time during which period the donor would pay for all expenses and costs related thereto. The values were determined by management after taking into consideration valuations determined by independent third party appraisers and other conditions related to the donation.

12. Property and equipment

	2014		2013	
	Cost	Accumulated amortization	Net	Net
Furniture and fixtures	\$ 552,973	\$ 494,792	\$ 58,181	\$ 68,262
Data processing equipment	1,003,697	939,256	64,441	69,652
Leasehold improvements	44,605	27,224	17,381	19,464
	<u>\$ 1,601,275</u>	<u>\$ 1,461,272</u>	<u>\$ 140,003</u>	<u>\$ 157,378</u>

13. Accounts payable and sundry liabilities

Included in accounts payable and sundry liabilities are approximately \$68,000 (2013 - \$46,000) of payroll deductions.

14. Fundraising expenses

Included in fundraising expenses are allocated salaries and other compensation costs of \$1,009,000 (2013 - \$931,000).

**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2014

15. Income taxes

The organization is classified as tax-exempt under Federal and Provincial income tax laws. Consequently, no provision for income taxes has been reflected in the accompanying financial statements.

16. Pension plan

On January 1, 2006, the organization initiated a defined benefit plan for a key officer employed by the organization. Under the terms of this plan, the organization is responsible for the funding of all the pension liabilities and administrative costs, with the exception of any deficit occurring from short falls of its stated investment return targets which will be assumed by the beneficiary. An independent actuarial valuation report with an effective date of December 31, 2012 was prepared for this plan in September 2013 determining the plan's current funding obligations for the three-year period ending December 31, 2015.

During the year, the organization paid current service contributions of \$36,400 (2013 - \$35,400) included in the actuarial valuation report. Actuarial valuations will be reviewed every three years.

17. Commitments

(a) The minimum rentals payable under long-term operating leases, exclusive of certain operating costs for which the organization is responsible, are approximately as follows:

2015	\$ 137,000
2016	79,000
2017	53,000
2018	<u>27,000</u>
	<u>\$ 296,000</u>

(b) The funding requirement for the pension plan, as described in Note 16, is approximately \$37,400 for 2015.

18. Financial instruments

Interest rate risk

The organization is exposed to changes in interest rates, which could adversely impact expected returns from the organization's investment, investments held by third party and ²⁴⁽¹⁾ bonds.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The organization is exposed to market risk as a result of its investments. The organization reduces this risk by maintaining a diversified portfolio.

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**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2014

19. Comparative figures

The financial statements of the prior year have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

DISCLOSED
PURSUANT TO
THE ATIA
A-2018-109154

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Jewish National Fund of Canada (Keren Kayemeth Le'Israel) Inc.

We have audited the accompanying financial statements of **Jewish National Fund of Canada (Keren Kayemeth Le'Israel) Inc.**, which comprise the statement of financial position as at December 31, 2015, and the statements of changes in net assets, revenues and expenses and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's 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 the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's 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 auditor considers internal control relevant to the organization'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 organization'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.

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INDEPENDENT AUDITOR'S REPORT (cont'd.)

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

Jewish National Fund of Canada (Keren Kayemeth Le'Israel) Inc. derives revenue from contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether adjustments might be necessary to receipts from contributions, excess of revenues over expenses for the year, assets and net assets.

Qualified Opinion

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had the receipts from contributions referred to in the basis for qualified opinion been susceptible to satisfactory audit tests, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2015 and the changes in net assets, revenues and expenses, and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

24(1)

Montréal, Québec
May 29, 2016

**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015

	2015	2014
ASSETS		
Current		
Cash (Note 3)	\$ 2,357,984	\$ 2,677,469
Investment	-	758,250
Investments held by third party (Note 4)	8,069,986	7,821,106
24(1) bonds (Note 5)	62,466	79,305
Sales tax receivable	264,068	546,374
Loan receivable (Note 6)	615,259	147,506
Prepaid expenses and sundry assets	64,432	93,128
	<u>11,434,195</u>	<u>12,123,138</u>
Cash surrender value of life insurance policies (Note 7)	162,887	158,974
Loan receivable (Note 8)	280,000	280,000
Investments in real estate (Note 9)	11,441,500	10,981,500
Property and equipment (Note 10)	142,211	140,003
Intangible assets (net of accumulated amortization of \$318,550; 2014 - \$304,447)	74,126	88,230
	<u>\$ 23,534,919</u>	<u>\$ 23,771,845</u>
LIABILITIES		
Current		
Accounts payable and sundry liabilities (Note 11)	\$ 289,953	\$ 367,540
Salaries and vacation payable	187,917	453,976
Current portion of provision for retirement pay	-	99,936
	<u>477,870</u>	<u>921,452</u>
Provision for retirement pay	383,821	296,747
	<u>861,691</u>	<u>1,218,199</u>
NET ASSETS		
Unrestricted	<u>22,673,228</u>	<u>22,553,646</u>
	<u>\$ 23,534,919</u>	<u>\$ 23,771,845</u>

APPROVED ON BEHALF OF THE DIRECTORS:

Member

Member

See accompanying notes

**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015	2014
Balance, beginning of year	\$ 22,553,646	\$ 10,529,731
Excess of revenues over expenses for the year	<u>119,582</u>	<u>12,023,915</u>
Balance, end of year	<u>\$ 22,673,228</u>	<u>\$ 22,553,646</u>

DISCLOSED
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THE ATIA
A-2018-109154

**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	2014
Revenues		
Receipts from contributions	\$ 15,122,110	\$ 28,409,942
Investment income, including increase in fair value of investments	260,663	767,371
Increase in cash surrender value of life insurance policies	3,912	4,276
	<u>15,386,685</u>	<u>29,181,589</u>
Fundraising expenses (Note 12)	<u>3,371,054</u>	<u>3,679,801</u>
Excess of revenues over fundraising expenses	<u>12,015,631</u>	<u>25,501,788</u>
Expenses		
General and administrative	2,533,657	2,488,458
Amortization	46,056	49,443
	<u>2,579,713</u>	<u>2,537,901</u>
Excess of revenues over expenses before undernoted item	<u>9,435,918</u>	<u>22,963,887</u>
Charitable projects	<u>9,316,336</u>	<u>10,939,972</u>
Excess of revenues over expenses for the year	<u>\$ 119,582</u>	<u>\$ 12,023,915</u>

**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	2014
Operating activities		
Excess of revenues over expenses for the year	\$ 119,582	\$ 12,023,915
Adjustments for		
Amortization	46,056	49,443
Increase in fair value of investments	(832,032)	(544,029)
Increase in cash surrender value of life insurance policies	(3,912)	(4,276)
Investments in real estate	(460,000)	(10,981,500)
Total adjustments	(1,130,306)	543,553
Net change in non-cash working capital items		
Decrease (increase) in sales tax receivable	282,306	(158,915)
Decrease (increase) in prepaid expenses and sundry assets	28,696	(7,837)
(Decrease) increase in accounts payable and sundry liabilities	(77,585)	1,310
(Decrease) increase in salaries and vacation payable	(266,059)	195,123
(Decrease) increase in provision for retirement pay	(12,862)	78,457
Cash (used in) provided by operating activities	(1,175,810)	651,691
Investing activities		
24(1) bonds	16,839	16,224
Investments	1,341,399	1,280,371
Purchase of property and equipment	(34,160)	(14,438)
Cash provided by investing activities	1,324,078	1,282,157
Financing activities		
Increase in loan receivable	(615,259)	(147,506)
Repayment of loan receivable	147,506	-
Repayment of loan payable	-	(264,693)
Cash used in financing activities	(467,753)	(412,199)
(Decrease) increase in cash	(319,485)	1,521,649
Cash, beginning of year	2,677,469	1,155,820
Cash, end of year	\$ 2,357,984	\$ 2,677,469

**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015

1. Purpose of the organization

Jewish National Fund of Canada (Keren Kayemeth Le'Israel) Inc. raises funds from various Canadian sources. These funds are used for charitable purposes in Israel through 24(1) an agent of the organization. The organization is incorporated under the Canada Not-for-profit Corporations Act (NFP Act) and is a registered charity under the Income Tax Act.

2. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CICA Handbook and include the following significant accounting policies:

(a) Measurement uncertainty

The preparation of financial statements in accordance 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, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. These estimates are reviewed periodically, and as adjustments become necessary they are reported in the excess of revenues over expenses in the period in which they become known.

Estimates made by management include the useful life of property and equipment, salary and vacation payable accruals, provision for retirement pay, the allocation of salaries and compensation costs, and the valuation of investments in real estate. Actual results could differ from those estimates.

(b) Financial instruments

(i) Measurement of financial instruments

The organization initially measures its financial assets and financial liabilities at fair value. Subsequent thereto, its financial assets and financial liabilities are measured at amortized cost, except for its investment, investments held by third party, 24(1) bonds, and cash surrender value of life insurance policies, which are subsequently measured at fair value. Changes in fair value are recognized in the excess of revenues over expenses for the year.

Financial assets measured at amortized cost include cash, sales tax receivable, and loan receivable.

Financial liabilities measured at amortized cost include accounts payable and sundry liabilities, salaries and vacation payable, and provision for retirement pay.

**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015

2. Significant accounting policies (cont'd.)

(b) Financial instruments (cont'd.)

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. The amount of the write-down is recognized in the excess of revenues over expenses for the year. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the excess of revenues over expenses for the year.

No write-downs were recorded for the years 2015 and 2014.

(c) Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received. Pledges are recognized as revenue when collectability is reasonably assured. Bequests are recognized as revenue when assets donated can be reasonably identified and measured.

(d) Investments in real estate

The organization follows the cost method of accounting for real estate. These assets are tested for impairment when there is an indication that an impairment might exist.

(e) Property and equipment

Property and equipment are recorded at cost and are being amortized over their estimated useful lives. The annual amortization rates and methods are as follows:

Furniture and fixtures	20% declining balance
Data processing equipment	20% declining balance

Amortization of leasehold improvements is recorded over the remaining term of the lease. The average term of the leases is 5 years.

(f) Intangible assets

Intangible assets are recorded at cost and are being amortized over their estimated useful lives. The annual amortization rate and method is as follows:

Software	20% declining balance
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**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015

2. Significant accounting policies (cont'd.)

(g) Allocation of expenses

Compensation costs that are directly attributable to fundraising activities are allocated to fundraising expenses. The amount of compensation costs allocated is based on the time spent by the employees on fundraising activities.

3. Cash

As at December 31, 2015, cash included approximately \$50,000 (2014 - \$66,000) held on account of deposits received from individuals for upcoming missions to Israel. The offsetting amount has been included in accounts payable and sundry liabilities.

4. Investments held by third party

These investments are held and administered by the Jewish Community Foundation of Montréal.

5. 24(1) bonds

24(1) bonds have been adjusted to fair market value. The bonds mature at various dates from April 2016 to January 2021 and bear interest at an average rate of approximately 3.05% per annum. Approximately \$10,000 (U.S. \$8,000); 2014 - \$20,000 (U.S. \$19,000) of 24(1) Bonds are denominated in U.S. currency.

6. Loan receivable

The loan receivable is non-interest bearing.

7. Cash surrender value of life insurance policies

Cash surrender value of life insurance policies is shown net of loans to finance premiums. The face value of these insurance policies, net of outstanding loans of approximately \$85,000 (2014 - \$79,000), is \$1,952,000 (2014 - \$2,202,000).

8. Loan receivable

This loan receivable is to a former executive vice president and was advanced as part of his retirement package. It is non-interest bearing and will be repaid from the proceeds of an insurance policy on his life.

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**JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH
LE'ISRAEL) INC.**
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015

9. Investments in real estate

During the year, a property, having a value of \$460,000 was donated to the Organization. It has been recorded as an addition to investments in real estate and, as revenue, in receipts from contributions. The property was sold to a third party subsequent to year end.

Also included in investments in real estate are three properties donated in the prior year which the donor maintains use thereof for a time during which period the donor would pay for all expenses and costs related thereto.

10. Property and equipment

	2015			2014	
	Cost	Accumulated amortization	Net	Net	
Furniture and fixtures	\$ 568,830	\$ 509,089	\$ 59,741	\$ 58,181	
Data processing equipment	1,017,064	954,588	62,476	64,441	
Leasehold improvements	49,541	29,547	19,994	17,381	
	<u>\$ 1,635,435</u>	<u>\$ 1,493,224</u>	<u>\$ 142,211</u>	<u>\$ 140,003</u>	

11. Accounts payable and sundry liabilities

Included in accounts payable and sundry liabilities are approximately \$22,000 (2014 - \$68,000) of payroll deductions.

12. Fundraising expenses

Included in fundraising expenses are allocated salaries and other compensation costs of \$1,016,000 (2014 - \$1,009,000).

13. Income taxes

The organization is classified as tax-exempt under Federal and Provincial income tax laws. Consequently, no provision for income taxes has been reflected in the accompanying financial statements.

JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH LE'ISRAEL) INC.

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2015

14. Pension plan

On January 1, 2006, the organization initiated a defined benefit plan for a key officer employed by the organization. Under the terms of this plan, the organization is responsible for the funding of all the pension liabilities and administrative costs, with the exception of any deficit occurring from short falls of its stated investment return targets which will be assumed by the beneficiary. An independent actuarial valuation report with an effective date of December 31, 2014 was prepared for this plan in July 2015 determining the plan's current funding obligations for the period ending December 31, 2015.

During the year, the organization paid current service contributions of \$35,100 (2014 - \$36,400) included in the actuarial valuation report. This plan was terminated effective July 8, 2015 upon the retirement of the key officer.

15. Commitments

The minimum rentals payable under long-term operating leases, exclusive of certain operating costs for which the organization is responsible, are approximately as follows:

2016	\$	113,000
2017		111,000
2018		110,000
2019		109,000
2020		103,000
Subsequent years		<u>286,000</u>
	\$	<u>832,000</u>

16. Financial instruments

Interest rate risk

The organization is exposed to changes in interest rates, which could adversely impact expected returns from the organization's investment, investments held by third party and ²⁴⁽¹⁾ bonds.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The organization is exposed to market risk as a result of its investments. The organization reduces this risk by maintaining a diversified portfolio.

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Jewish National Fund of Canada
(Keren Kayemeth Le'Israel) Inc.

We have audited the accompanying financial statements of **Jewish National Fund of Canada (Keren Kayemeth Le'Israel) Inc.**, which comprise the statement of financial position as at December 31, 2016, and the statements of changes in net assets, revenues and expenses and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's 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 the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's 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 auditor considers internal control relevant to the organization'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 organization'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.

INDEPENDENT AUDITOR'S REPORT (cont'd.)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Jewish National Fund of Canada (Keren Kayemeth Le'Israel) Inc. derives revenue from contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether adjustments might be necessary to receipts from contributions, excess of revenues over expenses for the year, assets and net assets.

Qualified Opinion

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had the receipts from contributions referred to in the basis for qualified opinion been susceptible to satisfactory audit tests, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2016 and the changes in net assets, revenues and expenses, and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

24(1)

Montréal, Québec
June 11, 2017

**JEWISH NATIONAL FUND OF CANADA
(KEREN KAYEMETH LE'ISRAEL) INC.
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016**

	2016	2015
ASSETS		
Current		
Cash (Note 3)	\$ 8,205,288	\$ 2,357,984
Investments held by third party (Note 4)	8,316,690	8,069,986
24(1) bonds (Note 5)	59,930	62,466
Sales tax receivable	303,279	264,068
Loan receivable (Note 6)	2,231,568	615,259
Prepaid expenses and sundry assets	56,333	64,432
Current portion of balance of sale receivable (Note 9)	792,904	-
	<u>19,965,992</u>	<u>11,434,195</u>
Life insurance policies (Note 7)	260,311	162,887
Loan receivable (Note 8)	280,000	280,000
Balance of sale receivable (Note 9)	3,416,396	-
Investments in real estate (Note 10)	10,981,500	11,441,500
Property and equipment (Note 11)	123,444	142,211
Intangible assets (net of accumulated amortization of \$329,833; 2015 - \$318,550)	62,844	74,126
	<u>\$ 35,090,487</u>	<u>\$ 23,534,919</u>
LIABILITIES		
Current		
Accounts payable and sundry liabilities (Note 12)	\$ 306,109	\$ 289,953
Salaries and vacation payable	301,938	187,917
	<u>608,047</u>	<u>477,870</u>
Provision for retirement pay	173,878	383,821
	<u>781,925</u>	<u>861,691</u>
NET ASSETS		
Unrestricted	<u>34,308,562</u>	<u>22,673,228</u>
	<u>\$ 35,090,487</u>	<u>\$ 23,534,919</u>

APPROVED ON BEHALF OF THE DIRECTORS:

Member

Member

See accompanying notes

**JEWISH NATIONAL FUND OF CANADA
(KEREN KAYEMETH LE'ISRAEL) INC.
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	2016	2015
Balance, beginning of year	\$ 22,673,228	\$ 22,553,646
Excess of revenues over expenses for the year	<u>11,635,334</u>	<u>119,582</u>
Balance, end of year	<u>\$ 34,308,562</u>	<u>\$ 22,673,228</u>

DISCLOSED TO
PURSUANT TO
THE ATIA
A-2018-109154

**JEWISH NATIONAL FUND OF CANADA
(KEREN KAYEMETH LE'ISRAEL) INC.
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	2016	2015
Revenues		
Receipts from contributions	\$ 28,835,706	\$ 15,122,110
Investment income, including increase in fair value of investments	225,477	260,663
Increase in cash surrender value of life insurance policies	3,732	3,912
	<u>29,064,915</u>	<u>15,386,685</u>
Fundraising expenses (Note 13)	<u>3,402,863</u>	<u>3,371,054</u>
Excess of revenues over fundraising expenses	<u>25,662,052</u>	<u>12,015,631</u>
Expenses		
General and administrative	2,954,551	2,533,657
Amortization	38,914	46,056
	<u>2,993,465</u>	<u>2,579,713</u>
Excess of revenues over expenses before undernoted item	<u>22,668,587</u>	<u>9,435,918</u>
Charitable activities	<u>11,033,253</u>	<u>9,316,336</u>
Excess of revenues over expenses for the year	<u>\$ 11,635,334</u>	<u>\$ 119,582</u>

**JEWISH NATIONAL FUND OF CANADA
(KEREN KAYEMETH LE'ISRAEL) INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	2016	2015
Operating activities		
Excess of revenues over expenses for the year	\$ 11,635,334	\$ 119,582
Adjustments for		
Amortization	38,914	46,056
Decrease (increase) in fair value of investments	326,741	(832,032)
Increase in cash surrender value of life insurance policies	(3,732)	(3,912)
Investments in real estate	-	(460,000)
	<u>11,997,257</u>	<u>(1,130,306)</u>
Net change in non-cash working capital items		
(Increase) decrease in sales tax receivable	(39,211)	282,306
Decrease in prepaid expenses and sundry assets	8,099	28,696
Increase (decrease) in accounts payable and sundry liabilities	16,154	(77,585)
Increase (decrease) in salaries and vacation payable	114,021	(266,059)
Decrease in provision for retirement pay	(209,942)	(12,862)
	<u>11,886,378</u>	<u>(1,175,810)</u>
Cash provided by (used in) operating activities		
Investing activities		
24(1) bonds	2,536	16,839
Proceeds from sale of investments in real estate	460,000	-
Increase in investments held by third party	(573,444)	1,341,399
Increase in balance of sale receivable	(4,209,300)	-
Increase in life insurance policies	(93,692)	-
Purchase of property and equipment	(8,865)	(34,160)
Increase in loan receivable	(1,617,662)	(615,259)
Repayment of loan receivable	1,353	147,506
	<u>(6,039,074)</u>	<u>856,325</u>
Cash (used in) provided by investing activities		
Increase (decrease) in cash	5,847,304	(319,485)
Cash, beginning of year	2,357,984	2,677,469
Cash, end of year	\$ 8,205,288	\$ 2,357,984

**JEWISH NATIONAL FUND OF CANADA
(KEREN KAYEMETH LE'ISRAEL) INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2016**

1. Purpose of the organization

Jewish National Fund of Canada (Keren Kayemeth Le'Israel) Inc. raises funds from various Canadian sources. These funds are used for charitable purposes in Israel through 24(1) an agent of the organization. The organization is incorporated under the Canada Not-for-profit Corporations Act (NFP Act) and is a registered charity under the Income Tax Act.

2. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CICA Handbook and include the following significant accounting policies:

(a) Measurement uncertainty

The preparation of financial statements in accordance 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, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. These estimates are reviewed periodically, and as adjustments become necessary they are reported in the excess of revenues over expenses in the period in which they become known.

Estimates made by management include the impairment of loan receivable and balance of sale receivable, useful life of property and equipment, salary and vacation payable accruals, provision for retirement pay, the allocation of salaries and compensation costs, and the valuation of investments in real estate. Actual results could differ from those estimates.

(b) Financial instruments

(i) Measurement of financial instruments

The organization initially measures its financial assets and financial liabilities at fair value. Subsequent thereto, its financial assets and financial liabilities are measured at amortized cost, except for its investments held by third party, 24(1) bonds, and cash surrender value of life insurance policies, which are subsequently measured at fair value. Changes in fair value are recognized in the excess of revenues over expenses for the year.

Financial assets measured at amortized cost include cash, sales tax receivable, loan receivable and balance of sale receivable.

Financial liabilities measured at amortized cost include accounts payable and sundry liabilities, salaries and vacation payable, and provision for retirement pay.

**JEWISH NATIONAL FUND OF CANADA
(KEREN KAYEMETH LE'ISRAEL) INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2016**

2. Significant accounting policies (cont'd.)

(b) Financial instruments (cont'd.)

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. The amount of the write-down is recognized in the excess of revenues over expenses for the year. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the excess of revenues over expenses for the year.

No write-downs were required for the years 2016 and 2015.

(c) Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received. Pledges are recognized as revenue when collectability is reasonably assured. Bequests are recognized as revenue when assets donated can be reasonably identified and measured. Gifts in kind in the form of investments and life insurance policies are recognized as revenue when assets donated can be reasonably identified and measured.

(d) Balance of sale receivable

Balance of sale receivable is recorded at the face amount of the contract less any impairment.

Interest income is recorded when collectability is assured. The balance of sale receivable is impaired when in the opinion of management there is a reasonable doubt as to the ultimate collectability of any principal or interest.

(e) Investments in real estate

The organization follows the cost method of accounting for real estate. These assets are tested for impairment when there is an indication that an impairment might exist.

(f) Property and equipment

Property and equipment are recorded at cost and are being amortized over their estimated useful lives. The annual amortization rates and methods are as follows:

Furniture and fixtures	20% declining balance
Data processing equipment	20% declining balance

Amortization of leasehold improvements is recorded over the remaining term of the lease. The average term of the leases is 5 years.

**JEWISH NATIONAL FUND OF CANADA
(KEREN KAYEMETH LE'ISRAEL) INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2016**

2. Significant accounting policies (cont'd.)

(g) Intangible assets

Intangible assets are recorded at cost and are being amortized over their estimated useful lives. The annual amortization rate and method is as follows:

Software	20% declining balance
----------	-----------------------

(h) Allocation of expenses

Compensation costs that are directly attributable to fundraising activities are allocated to fundraising expenses. The amount of compensation costs allocated is based on the time spent by the employees on fundraising activities.

3. Cash

As at December 31, 2016, cash included approximately \$100,000 (2015 - \$50,000) held on account of deposits received from individuals for upcoming missions to Israel. The offsetting amount has been included in accounts payable and sundry liabilities.

4. Investments held by third party

These investments are held and administered by the Jewish Community Foundation of Montréal.

5. 24(1) bonds

24(1) bonds have been adjusted to fair market value. The bonds mature at various dates from January 2017 to January 2021 and bear interest at an average rate of approximately 2.93% (2015 - 3.05%) per annum. Approximately \$6,500 (U.S. \$6,300); 2015 - \$10,300 (U.S. \$9,900) of 24(1) Bonds are denominated in U.S. currency.

6. Loan receivable

The loan receivable is non-interest bearing.

7. Life insurance policies

The amount includes insurance policies having a cash surrender value of \$167,000 (2015 - 162,000) net of loans to finance premiums. The face value of all the insurance policies, net of outstanding loans of approximately \$92,000 (2015 - \$85,000), is \$2,110,000 (2015 - \$1,952,000).

**JEWISH NATIONAL FUND OF CANADA
(KEREN KAYEMETH LE'ISRAEL) INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2016**

8. Loan receivable

This loan receivable is to a former executive vice president and was advanced as part of his retirement package. It is non-interest bearing and will be repaid from the proceeds of an insurance policy on his life.

9. Balance of sale receivable

During the year, a property having a value of \$8,418,600 was donated and sold by the organization and recorded as revenue, in receipts from contributions. The organization provided the buyer a balance of sale subject to a mortgage secured against the property.

The balance of sale receivable, bears interest at 3% per annum, repayable in quarterly instalments of \$277,175 combining principal and interest, maturing in December 2021.

\$ 4,209,300

Less current portion

792,904

Due beyond one year

\$ 3,416,396

10. Investments in real estate

During the year, a property recorded in investments in real estate was sold for a value of \$460,000.

As at year-end, recorded as investments in real estate, are three properties donated in a prior year which the donor maintains use thereof for a time during which period the donor pays for all expenses and costs related thereto.

11. Property and equipment

	2016			2015	
	Cost	Accumulated amortization	Net	Net	
Furniture and fixtures	\$ 568,830	\$ 520,527	\$ 48,303	\$ 59,741	
Data processing equipment	1,025,930	968,722	57,208	62,476	
Leasehold improvements	49,541	31,608	17,933	19,994	
	<u>\$ 1,644,301</u>	<u>\$ 1,520,857</u>	<u>\$ 123,444</u>	<u>\$ 142,211</u>	

**JEWISH NATIONAL FUND OF CANADA
(KEREN KAYEMETH LE'ISRAEL) INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2016**

12. Accounts payable and sundry liabilities

Included in accounts payable and sundry liabilities are approximately \$29,000 (2015 - \$22,000) of payroll deductions.

13. Fundraising expenses

Included in fundraising expenses are allocated salaries and other compensation costs of \$1,036,000 (2015 - \$1,016,000).

14. Income taxes

The organization is classified as tax-exempt under Federal and Provincial income tax laws. Consequently, no provision for income taxes has been reflected in the accompanying financial statements.

24(1)

15. Commitments

The minimum rentals payable under long-term operating leases, exclusive of certain operating costs for which the organization is responsible, are approximately as follows:

2017	\$	121,000
2018		112,000
2019		109,000
2020		103,000
2021		77,000
Subsequent years		<u>187,000</u>
	\$	<u><u>709,000</u></u>

**JEWISH NATIONAL FUND OF CANADA
(KEREN KAYEMETH LE'ISRAEL) INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2016**

16. Financial instruments

Interest rate risk

The organization is exposed to changes in interest rates, which could adversely impact expected returns from the organization's investments held by third party and 24(1) bonds.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk as a result of its balance of sale receivable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The organization is exposed to market risk as a result of its investments.

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A-2018-109154

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Jewish National Fund of Canada
(Keren Kayemeth Le'Israel) Inc.

We have audited the accompanying financial statements of **Jewish National Fund of Canada (Keren Kayemeth Le'Israel) Inc.**, which comprise the statement of financial position as at December 31, 2017, and the statements of changes in net assets, revenues and expenses and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's 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 the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's 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 auditor considers internal control relevant to the organization'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 organization'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.

INDEPENDENT AUDITOR'S REPORT (cont'd.)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Jewish National Fund of Canada (Keren Kayemeth Le'Israel) Inc. derives revenue from contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether adjustments might be necessary to receipts from contributions, excess of revenues over expenses for the year, assets and net assets.

Qualified Opinion

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had the receipts from contributions referred to in the basis for qualified opinion been susceptible to satisfactory audit tests, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2017 and the changes in net assets, revenues and expenses, and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

24(1)

Montréal, Québec
June 22, 2018

**JEWISH NATIONAL FUND OF CANADA
(KEREN KAYEMETH LE'ISRAEL) INC.
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017**

	2017	2016
ASSETS		
Current		
Cash	\$ 11,228,507	\$ 8,205,288
Investments held by third party (Note 3)	9,310,894	8,316,690
(24(1) bonds (Note 4)	80,710	59,930
Sales tax receivable	272,225	303,279
Loan receivable (Note 5)	1,003,461	2,231,568
Prepaid expenses and sundry assets	212,483	56,333
Current portion of balance of sale receivable (Note 8)	816,625	792,904
	<u>22,924,905</u>	<u>19,965,992</u>
Life insurance policies (Note 6)	264,016	260,311
Loan receivable (Note 7)	280,000	280,000
Balance of sale receivable (Note 8)	2,599,771	3,416,396
Investments in real estate (Note 9)	10,176,000	10,981,500
Property and equipment (Note 10)	106,656	123,444
Intangible assets (net of accumulated amortization of \$338,859; 2016 - \$329,833)	53,817	62,844
	<u>\$ 36,405,165</u>	<u>\$ 35,090,487</u>
LIABILITIES		
Current		
Accounts payable and sundry liabilities (Note 11)	\$ 286,348	\$ 306,109
Salaries and vacation payable	127,901	301,938
	<u>414,249</u>	<u>608,047</u>
Provision for retirement pay	54,655	173,878
	<u>468,904</u>	<u>781,925</u>
NET ASSETS		
Unrestricted	<u>35,936,261</u>	<u>34,308,562</u>
	<u>\$ 36,405,165</u>	<u>\$ 35,090,487</u>

APPROVED ON BEHALF OF THE DIRECTORS:

Member

Member

See accompanying notes

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**JEWISH NATIONAL FUND OF CANADA
(KEREN KAYEMETH LE'ISRAEL) INC.
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017	2016
Balance, beginning of year	\$ 34,308,562	\$ 22,673,228
Excess of revenues over expenses for the year	<u>1,627,699</u>	<u>11,635,334</u>
Balance, end of year	<u>\$ 35,936,261</u>	<u>\$ 34,308,562</u>

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A-2018-109154

**JEWISH NATIONAL FUND OF CANADA
(KEREN KAYEMETH LE'ISRAEL) INC.
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017	2016
Revenues		
Receipts from contributions	\$ 12,619,114	\$ 28,835,706
Investment income, including increase in fair value of investments	858,727	225,477
Increase in cash surrender value of life insurance policies	3,705	3,732
Interest income from balance of sale receivable (Note 8)	115,795	-
Receipt from life insurance policy	200,000	-
	<u>13,797,341</u>	<u>29,064,915</u>
Fundraising expenses (Note 12)	<u>3,462,823</u>	<u>3,402,863</u>
Excess of revenues over fundraising expenses	<u>10,334,518</u>	<u>25,662,052</u>
Expenses		
General and administrative	2,076,072	2,954,551
Amortization	32,693	38,914
	<u>2,108,765</u>	<u>2,993,465</u>
Excess of revenues over expenses before undernoted items	<u>8,225,753</u>	<u>22,668,587</u>
Charitable activities	<u>5,701,573</u>	<u>11,033,253</u>
Impairment of investments in real estate	<u>896,481</u>	<u>-</u>
Excess of revenues over expenses for the year	<u>\$ 1,627,699</u>	<u>\$ 11,635,334</u>

**JEWISH NATIONAL FUND OF CANADA
(KEREN KAYEMETH LE'ISRAEL) INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017	2016
Operating activities		
Excess of revenues over expenses for the year	\$ 1,627,699	\$ 11,635,334
Adjustments for		
Amortization	32,693	38,914
(Increase) decrease in fair value of investments	(208,653)	326,741
Increase in cash surrender value of life insurance policies	(3,705)	(3,732)
Impairment of investments in real estate	896,481	-
	<u>2,344,515</u>	<u>11,997,257</u>
Net change in non-cash working capital items		
Decrease (increase) in sales tax receivable	31,054	(39,211)
(Increase) decrease in prepaid expenses and sundry assets	(156,150)	8,099
(Decrease) increase in accounts payable and sundry liabilities	(19,761)	16,154
(Decrease) increase in salaries and vacation payable	(174,037)	114,021
Decrease in provision for retirement pay	(119,223)	(209,942)
	<u>1,906,398</u>	<u>11,886,378</u>
Cash provided by operating activities		
Investing activities		
(Increase) decrease in 24(1) bonds	(20,780)	2,536
Increase in investments in real estate	(90,981)	-
Proceeds from sale of investments in real estate	-	460,000
Increase in investments held by third party	(785,551)	(573,444)
Decrease (increase) in balance of sale receivable	792,904	(4,209,300)
Increase in life insurance policies	-	(93,692)
Purchase of property and equipment	(6,878)	(8,865)
Increase in loan receivable	(1,771,893)	(1,617,662)
Repayment of loan receivable	3,000,000	1,353
	<u>1,116,821</u>	<u>(6,039,074)</u>
Cash provided by (used in) investing activities		
Increase in cash	3,023,219	5,847,304
Cash, beginning of year	8,205,288	2,357,984
Cash, end of year	\$ 11,228,507	\$ 8,205,288

**JEWISH NATIONAL FUND OF CANADA
(KEREN KAYEMETH LE'ISRAEL) INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2017**

1. Purpose of the organization

Jewish National Fund of Canada (Keren Kayemeth Le'Israel) Inc. raises funds from various Canadian sources. These funds are used for charitable purposes in Israel through various agency arrangements with the organization. The organization is incorporated under the Canada Not-for-profit Corporations Act (NFP Act) and is a registered charity under the Income Tax Act.

2. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CICA Handbook and include the following significant accounting policies:

(a) Measurement uncertainty

The preparation of financial statements in accordance 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, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. These estimates are reviewed periodically, and as adjustments become necessary they are reported in the excess of revenues over expenses in the period in which they become known.

Estimates made by management include the impairment of loan receivable and balance of sale receivable, useful life of property and equipment, salary and vacation payable accruals, provision for retirement pay, the allocation of salaries and compensation costs, and the valuation of investments in real estate. Actual results could differ from those estimates.

(b) Financial instruments

(i) Measurement of financial instruments

The organization initially measures its financial assets and financial liabilities at fair value. Subsequent thereto, its financial assets and financial liabilities are measured at amortized cost, except for its investments held by third party, 24(1) bonds, and cash surrender value of life insurance policies, which are subsequently measured at fair value. Changes in fair value are recognized in the excess of revenues over expenses for the year.

Financial assets measured at amortized cost include cash, sales tax receivable, loan receivable and balance of sale receivable.

Financial liabilities measured at amortized cost include accounts payable and sundry liabilities, salaries and vacation payable, and provision for retirement pay.

**JEWISH NATIONAL FUND OF CANADA
(KEREN KAYEMETH LE'ISRAEL) INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2017**

2. Significant accounting policies (cont'd.)

(b) Financial instruments (cont'd.)

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. The amount of the write-down is recognized in the excess of revenues over expenses for the year. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the excess of revenues over expenses for the year.

(c) Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received. Pledges are recognized as revenue when collectability is reasonably assured. Bequests are recognized as revenue when assets donated can be reasonably identified and measured. Gifts in kind in the form of investments and life insurance policies are recognized as revenue when assets donated can be reasonably identified and measured.

(d) Balance of sale receivable

Balance of sale receivable is recorded at the face amount of the contract less any impairment.

Interest income is recorded when collectability is assured. The balance of sale receivable is impaired when in the opinion of management there is a reasonable doubt as to the ultimate collectability of any principal or interest.

(e) Investments in real estate

The organization follows the cost method of accounting for real estate. Any costs incurred to maintain or improve the properties have been added to the cost. These assets are tested for impairment when there is an indication that an impairment might exist.

**JEWISH NATIONAL FUND OF CANADA
(KEREN KAYEMETH LE'ISRAEL) INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2017**

2. Significant accounting policies (cont'd.)

(f) Property and equipment

Property and equipment are recorded at cost and are being amortized over their estimated useful lives. The annual amortization rates and methods are as follows:

Furniture and fixtures	20% declining balance
Data processing equipment	20% declining balance

Amortization of leasehold improvements is recorded over the remaining term of the lease. The average term of the leases is 5 years.

(g) Intangible assets

Intangible assets are recorded at cost and are being amortized over their estimated useful lives. The annual amortization rate and method is as follows:

Software	20% declining balance
----------	-----------------------

(h) Allocation of expenses

Compensation costs that are directly attributable to fundraising activities are allocated to fundraising expenses. The amount of compensation costs allocated is based on the time spent by the employees on fundraising activities.

3. Investments held by third party

These investments are held and administered by the Jewish Community Foundation of Montréal.

4. 24(1) bonds

24(1) bonds have been adjusted to fair market value. The bonds mature at various dates from January 2018 to June 2023 and bear interest at an average rate of approximately 4.42% (2016 - 2.93%) per annum. Approximately \$6,500 (U.S. \$6,300) (2016 - \$6,500 (U.S. \$6,300)) of 24(1) Bonds are denominated in U.S. currency.

5. Loan receivable

The loan receivable is non-interest bearing.

**JEWISH NATIONAL FUND OF CANADA
(KEREN KAYEMETH LE'ISRAEL) INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2017**

6. Life insurance policies

The amount includes insurance policies having a cash surrender value of \$170,000 (2016 - \$167,000) net of loans to finance premiums. The face value of all the insurance policies, net of outstanding loans of approximately \$99,000 (2016 - \$92,000), is \$1,986,000 (2016 - \$2,202,000).

7. Loan receivable

This loan receivable is from a former executive vice president and was advanced as part of his retirement package. It is non-interest bearing and will be repaid from the proceeds of an insurance policy on his life. The life insurance policy has been assigned to the organization as security.

8. Balance of sale receivable

In 2016, a property having a value of \$8,418,600 was donated to the organization and sold in the same year. The organization provided the buyer a balance of sale subject to a mortgage secured against the property.

The balance of sale receivable, bears interest at 3% per annum, repayable in quarterly installments of \$227,175 combining principal and interest, maturing in December 2021.

\$ 3,416,396

Less current portion

816,625

Due beyond one year

\$ 2,599,771

9. Investments in real estate

During the year, the organization became responsible to pay for all the expenses and costs related to two of the properties. As at year-end, recorded as investments in real estate, are three properties donated in a prior year, of which, one property the donor maintains use thereof for a time, during which period the donor pays for all expenses and costs related thereto.

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**JEWISH NATIONAL FUND OF CANADA
(KEREN KAYEMETH LE'ISRAEL) INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2017**

10. Property and equipment

	2017		2016	
	Cost	Accumulated amortization	Net	Net
Furniture and fixtures	\$ 568,830	\$ 529,677	\$ 39,153	\$ 48,303
Data processing equipment	1,032,808	981,404	51,404	57,208
Leasehold improvements	49,541	33,442	16,099	17,933
	<u>\$ 1,651,179</u>	<u>\$ 1,544,523</u>	<u>\$ 106,656</u>	<u>\$ 123,444</u>

11. Accounts payable and sundry liabilities

Included in accounts payable and sundry liabilities are approximately \$26,000 (2016 - \$29,000) of payroll deductions.

12. Fundraising expenses

Included in fundraising expenses are allocated salaries and other compensation costs of \$1,133,000 (2016 - \$1,036,000).

13. Subsequent event

Subsequent to the year end, the organization entered into an agreement to sell one of its investments in real estate in June 2018 for a total consideration of \$4,400,000 before any selling costs.

14. Income taxes

The organization is classified as tax-exempt under Federal and Provincial income tax laws. Consequently, no provision for income taxes has been reflected in the accompanying financial statements.

24(1)

**JEWISH NATIONAL FUND OF CANADA
(KEREN KAYEMETH LE'ISRAEL) INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2017**

15. Commitments

The minimum rentals payable under long-term operating leases, exclusive of certain operating costs for which the organization is responsible, are approximately as follows:

2018	\$ 125,000
2019	109,000
2020	103,000
2021	74,000
2022	40,000
Subsequent years	<u>147,000</u>
	<u>\$ 598,000</u>

16. Financial instruments

Interest rate risk

The organization is exposed to changes in interest rates, which could adversely impact expected returns from the organization's investments held by third party and 24(1) bonds.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk as a result of its balance of sale receivable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The organization is exposed to market risk as a result of its investments held by third party and 24(1) bonds.

324231
LETTERS PATENT

Incorporating

JEWISH NATIONAL FUND OF CANADA

(KEREN KAYEMETH LE'ISRAEL) INC.

DATED 14th November, 1961.

RECORDED 19th March, 1962.

Film 118 Document 135

"L. McCann"
for Acting Deputy Registrar Canada of Canada

Ref. No. 167915

HL

000167

COAT-OF-ARMS

CANADA

By the Secretary of State of Canada

To all to whom these presents shall come, or whom the same may in anywise concern,

GREETING:

WHEREAS, in and by Part II of Chapter 53 of the Revised Statutes of Canada, 1952, known as the Companies Act, it is, amongst other things, in effect enacted that the Secretary of State of Canada may by letters patent under his seal of office grant a charter to any number of persons not less than three (3) who, having complied with the requirements of the said Act, apply therefor, constituting such persons and others who thereafter become members of the corporation thereby created a body corporate and politic without share capital for the purpose of carrying on, in more than one (1) province of Canada, without pecuniary gain to its members, objects of a national, patriotic, religious, philanthropic, charitable, scientific, artistic, social, professional or sporting character, or the like, upon the applicants therefor establishing to the satisfaction of the Secretary of State of Canada due compliance with the several conditions and terms in and by the said Act set forth and thereby made conditions precedent to the granting of such charter;

AND . . .

AND WHEREAS CHARLES BENDER and SEYMOUR MORRIS

ZAMBROWSKY, 19(1) and JOSEPH NATHAN FRANK, 19(1)

of the 19(1), in the Province of 19(1)

LAWRENCE FREIMAN, of the City of 19(1) in the Province of

19(1) and SAMUEL BERNARD HURNICH, of the

City of 19(1), in the said Province of 19(1)

have made application for a charter under the said Act, constituting them and such others as may become members in the corporation thereby created a body corporate and politic under the name of

JEWISH NATIONAL FUND OF CANADA (KIBETZ KAYEMETH LE'ISRAEL) INC.

for the purposes hereinafter mentioned, and have satisfactorily established the sufficiency of all proceedings required by the said Act to be taken, and the truth and sufficiency of all facts required to be established previous to the granting of such letters patent, and have filed in the Department of the Secretary of State a duplicate of the memorandum of agreement executed by the said applicants in conformity with the provisions of the said Act;

NOW KNOW YE that the Secretary of State of Canada, under the authority of the said Act, does, by these letters patent, constitute the said CHARLES BENDER, SEYMOUR MORRIS ZAMBROWSKY, JOSEPH NATHAN FRANK, LAWRENCE FREIMAN and SAMUEL BERNARD HURNICH and all others who may become members in the Corporation a body corporate and politic without share capital under the name of JEWISH NATIONAL FUND OF CANADA (KIBETZ KAYEMETH LE'ISRAEL) INC. with all the rights and powers conferred by the said Act, and for the following purposes and objects, namely:-

to erect, provide, enlarge and administer a fund to be made

up . . .

up of voluntary contributions from the Jewish community and others to be used for charitable purposes.

The operations of the Corporation may be carried on throughout Canada and elsewhere.

The head office of the Corporation will be situate at the City of 24(1) in the Province of 24(1)

The said CHARLES BENDER, SEYMOUR MORRIS ZAMBROWSKY, JOSEPH NATHAN FRANK, LAWRENCE FREEMAN and SAMUEL BERNARD EBERWICH are to be the first directors of the Corporation.

And it is hereby ordained and declared that, when authorized by by-law, duly passed by the directors and sanctioned by at least two-thirds (2/3) of the votes cast at a special general meeting of the members duly called for considering the by-law, the directors of the Corporation may from time to time

- (a) borrow money upon the credit of the Corporation;
- (b) limit or increase the amount to be borrowed;
- (c) issue debentures or other securities of the Corporation;
- (d) pledge or sell such debentures or other securities for such sums and at such prices as may be deemed expedient; and
- (e) mortgage, hypothecate, charge or pledge all or any of the real and personal property, undertaking and rights of the Corporation to secure any such debentures or other securities or any money borrowed or any other liability of the Corporation.

Nothing in this clause limits or restricts the borrowing

of . . .

of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

And it is further ordained and declared that the business of the Corporation shall be carried on without pecuniary gain to its members and that any profits or other accretions to the Corporation shall be used in promoting its objects.

GIVEN under the seal of office of the Secretary of State of Canada at Ottawa this fourteenth day of November, one thousand nine hundred and sixty-one.

(SEAL)

"Louis Lesage"

for the Secretary of State.

Letters Patent
Incorporating

JEWISH NATIONAL FUND OF CANADA
(KEREN KAYEMETH LE'ISRAEL) INC.

DATED 14th November, 1961.

RECORDED 19th March, 1962

Film 118 Document 135

J. Mc Cann
for Acting Deputy Registrar General of Canada.

Ref. No. 167915

HL

000172



Canada

By the Secretary of State of Canada.

To all to whom these presents shall come, or whom the same may in anywise concern,

Greeting:

Whereas, in and by Part II of Chapter 53 of the Revised Statutes of Canada, 1952, known as the Companies Act, it is, amongst other things, in effect enacted that the Secretary of State of Canada may by letters patent under his seal of office grant a charter to any number of persons not less than three (3) who, having complied with the requirements of the said Act, apply therefor, constituting such persons and others who thereafter become members of the corporation thereby created a body corporate and politic without share capital for the purpose of carrying on, in more than one (1) province of Canada, without pecuniary gain to its members, objects of a national, patriotic, religious, philanthropic, charitable, scientific, artistic, social, professional or sporting character, or the like, upon the applicants therefor establishing to the satisfaction of the Secretary of State of Canada due compliance with the several conditions and terms in and by the said Act set forth and thereby made conditions precedent to the granting of such charter;

AND...

AND WHEREAS CHARLES BENDER and SEYMOUR MORRIS ZAMBROWSKY, 19(1), and JOSEPH NATHAN FRANK, 19(1) of the City of 19(1), in the Province of 19(1), LAWRENCE FREIMAN, of the City of 19(1) in the Province of 19(1) and SAMUEL BERNARD HURWICH, of the City of 19(1), in the said Province of 19(1) 19(1) have made application for a charter under the said Act, constituting them and such others as may become members in the corporation thereby created a body corporate and politic under the name of JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH LE'ISRAEL) INC. for the purposes hereinafter mentioned, and have satisfactorily established the sufficiency of all proceedings required by the said Act to be taken, and the truth and sufficiency of all facts required to be established previous to the granting of such letters patent, and have filed in the Department of the Secretary of State a duplicate of the memorandum of agreement executed by the said applicants in conformity with the provisions of the said Act;

NOW KNOW YE that the Secretary of State of Canada, under the authority of the said Act, does, by these letters patent, constitute the said CHARLES BENDER, SEYMOUR MORRIS ZAMBROWSKY, JOSEPH NATHAN FRANK, LAWRENCE FREIMAN and SAMUEL BERNARD HURWICH and all others who may become members in the Corporation a body corporate and politic without share capital under the name of JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH LE'ISRAEL) INC. with all the rights and powers conferred by the said Act, and for the following purposes and objects, namely:—

to create, provide, enlarge and administer a fund to be made

up...

up of voluntary contributions from the Jewish community and others to be used for charitable purposes. //

The operations of the Corporation may be carried on throughout Canada and elsewhere.

The head office of the Corporation will be situate at the City of 24(1), in the Province of 24(1)

The said CHARLES BENDER, SEYMOUR MORRIS ZAMBROWSKY, JOSEPH NATHAN FRANK, LAWRENCE FREIMAN and SAMUEL BERNARD HURWICH are to be the first directors of the Corporation.

And it is hereby ordained and declared that, when authorized by by-law, duly passed by the directors and sanctioned by at least two-thirds (2/3) of the votes cast at a special general meeting of the members duly called for considering the by-law, the directors of the Corporation may from time to time

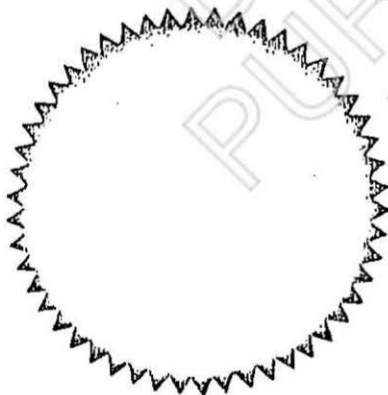
- (a) borrow money upon the credit of the Corporation;*
- (b) limit or increase the amount to be borrowed;*
- (c) issue debentures or other securities of the Corporation;*
- (d) pledge or sell such debentures or other securities for such sums and at such prices as may be deemed expedient; and*
- (e) mortgage, hypothecate, charge or pledge all or any of the real and personal property, undertaking and rights of the Corporation to secure any such debentures or other securities or any money borrowed or any other liability of the Corporation.*

Nothing in this clause limits or restricts the borrowing of...

of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

And it is further ordained and declared that the business of the Corporation shall be carried on without pecuniary gain to its members and that any profits or other accretions to the Corporation shall be used in promoting its objects.

GIVEN under the seal of office of the Secretary of State of Canada at Ottawa this fourteenth day of November, one thousand nine hundred and sixty-one.



*See No. 38 in the By-Laws
for "dissolution clause"*

[Signature]
for the Secretary of State.

TO THE HONOURABLE THE SECRETARY OF STATE OF CANADA:

The application of CHARLES BENDER, JOSEPH H. FRANK, LAWRENCE FREIMAN, SAMUEL BERNARD HURWICH and SEYMOUR M. ZAMBROWSKY.

The undersigned applicants are desirous of obtaining letters patent under the provisions of Part II of the Companies Act, constituting your applicants and such others as may become members of the corporation thereby created, a body corporate and politic without share capital under the name of JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH LE'ISRAEL) INC., or such other name as shall appear to you to be proper in the premises.

The undersigned have satisfied themselves and are assured that the proposed corporate name of the corporation under which incorporation is sought is not identical with that under which any other company, corporation, society, association or firm in existence is carrying on business in Canada or is incorporated under the laws of Canada or any province thereof or so nearly resembling that name as

to be calculated to deceive (except that of the existing Jewish National Fund of Canada, an unincorporated body, whose consent to the said name by the proposed corporation is transmitted herewith), and that it is not a name which is otherwise on public grounds objectionable.

Your applicants are each of the full age of twenty-one years.

The objects for which incorporation of the proposed corporation is sought are -

To create, provide, enlarge and administer a fund to be made up of voluntary contributions from the Jewish community and others, to be used for charitable purposes.

Such objects are to be carried out in more than one province of Canada.

The head office of the proposed corporation will be situate at the City of 24(1)

24(1) in the Province of 24(1) Canada.

The following are the names in full and the add-

ress and calling of each of the applicants:

<u>Name</u>	<u>Address</u>
CHARLES BENDER	
JOSEPH N. FRANK	
Lawrence Freiman	
Samuel Bernard Hurwich	
SEYMOUR M. ZAMBROWSKY	

24(1)

The said CHARLES BENDER, JOSEPH N. FRANK,
LAWRENCE FREIMAN, SAMUEL BERNARD HURWICH and SEYMOUR M.
ZAMBROWSKY will be the first directors of the corporation.

Your applicants have signed a memorandum of agree-
ment in duplicate setting out the proposed by-laws of the
corporation and an undertaking that the corporation shall
be carried on without pecuniary gain to its members and
that any profits or other accretions to the corporation
shall be used in promoting its objects. The said
memorandum of agreement, in duplicate, is transmitted
herewith.

The undersigned therefore request that a charter

may be granted constituting them and such other persons as hereafter become members of the corporation a body corporate and politic without share capital for the purposes above set forth.

DATED at TORONTO this ^{9th} day of ^{November} October, 1961.

Signatures of Witnesses

Signatures of Applicants

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

DISCLOSED
PURSUANT TO
THE ATIA
A-2018-109154

MEMORANDUM OF AGREEMENT

1. We, the undersigned, do hereby severally covenant and agree each with the other and each of them to become incorporated under the provisions of Part II of the Companies Act as a corporation without share capital under the name of JEWISH NATIONAL FUND OF CANADA (KAREN KAYEMETH LE' ISRAEL) INC., or such other name as the Secretary of State may give to the corporation, for the purpose of carrying on in more than one province of Canada, without pecuniary gain to its members, the objects following:

To create, provide, enlarge and administer a fund to be made up of voluntary contributions from the Jewish community and others, to be used for charitable purposes.

2. We, the undersigned, do further severally covenant and agree each with the other and each of them that the corporation shall be carried on without pecuniary gain to its members and that any profits or other accretions to the corporation shall be used in promoting its objects.

3. The subscribers hereto shall be the first members of the corporation and the corporation shall consist of the subscribers and of those who shall hereafter duly become members of the corporation in accordance with the by-laws from time to time in force.

4. The first directors of the corporation shall be as set out in the petition herein.

5. The following shall be the by-laws of the corporation -

BY-LAW NUMBER 1.

CORPORATE SEAL

1. The seal of the corporation shall be in such form as shall be prescribed by the provisional directors of the corporation and shall have the words "JEWISH NATIONAL FUND OF CANADA (KEREM KAYEMETH LE'ISRAEL) INC." endorsed thereon.

2. Membership in the corporation shall be limited to persons making contributions to or assisting in the charitable purposes of the corporation, and such persons shall automatically be members whether they shall have

made application for admission or not.

3. There shall be no membership fee payable.
4. Any member may withdraw from the corporation by delivering to the corporation a written resignation and lodging a copy of the same with the secretary of the corporation.
5. Any member may be required to resign by a vote of three-quarters of the members at an annual meeting.

HEAD OFFICE

6. The head office of the corporation shall be located at the City of 24(1), in the County of 24(1) and Province of 24(1) Canada, at the place therein where the business of the corporation may from time to time be carried on.

7. The corporation may establish such other offices and agencies elsewhere within Canada as the board of directors may deem expedient by resolution.

BOARD OF DIRECTORS

8. The property and affairs of the corporation shall

be managed by a board of forty-seven directors of whom twelve shall constitute a quorum. The board of directors may on literature of the corporation be designated as a board of governors.

9. Forty-two directors shall be elected by the members at the first annual general meeting of the corporation. The twenty-two as elected who receive the highest number of votes, together with the five original directors will hold office for a period of two years. The remaining twenty shall hold office for a period of one year. Thereafter at the annual meeting of the corporation in each year the election of directors shall be held for the number of directors whose term then expires. Every second year forty-seven directors shall be elected by the members at the annual meeting of the corporation and the twenty-seven as elected who receive the highest number of votes shall hold office for a period of two years and the remaining twenty shall hold office for a period of one year.

10. The office of director shall be automatically vacated

(a) if a director shall resign his office by

delivering a written resignation to the
Secretary of the corporation,

- (b) if he is found to be a lunatic or becomes of
unsound mind,
- (c) if he becomes bankrupt or suspends payment
or compounds with his creditors,
- (d) if at a special general meeting of members
a resolution is passed by three-quarters of
the members present at the meeting that he
be removed from office,
- (e) on death,

provided that if any vacancy shall occur for any reason in
this paragraph contained, the directors may by resolution
fill the vacancy with a person in good standing on the
books of the corporation as a member.

11. Meetings of the board of directors may be held
at any time and place to be determined by the directors
provided that ten days' notice of such meeting shall be
sent in writing to each director. No formal notice shall
be necessary if all directors are present at the meeting
or waive notice thereof in writing.

12. Directors, as such, shall not receive any stated remuneration for their services, but, by resolution of the board, expenses of their attendance may be allowed for their attendance at each regular or special meeting of the board. Nothing herein contained shall be construed to preclude any director from serving the corporation as an officer or in any other capacity and receiving compensation therefor.

13. A retiring director shall remain in office until the dissolution or adjournment of the meeting at which his successor is elected. A director shall hold office until the next annual meeting of members following his election or appointment.

14. The directors may exercise all such powers of the corporation as are not by The Companies Act or by these by-laws required to be exercised by the members at general meetings.

15. Upon election at the first annual meeting of members, the board of directors then elected, together with the first directors named in the letters patent of the corporation shall constitute the Board of Directors.

16. The directors shall have power to authorize expenditures on behalf of the corporation from time to time and may delegate by resolution to an officer or officers of the corporation the right to employ and pay salaries to employees. The directors shall have the power to make expenditures for the purpose of furthering the objects of the corporation. The directors shall have the power to enter into a trust arrangement with a trust company for the purpose of creating a trust fund in which the capital and interest may be made available for the benefit of persons having made notable contributions to Canadian letters in accordance with such terms and conditions as the board of directors may prescribe.

17. The board of directors shall take such steps as they may deem requisite to enable the corporation to receive donations and benefits for the purpose of furthering the objects of the corporation.

18. There shall be the following officers elected by the directors from among the directors to hold office for a period of one year: President, First and Second Vice-President, Honourary Secretary, Treasurer, Executive Director and such other officers as the Board of Directors

may by by-law determine.

19. The president and vice-presidents shall be elected at the annual meeting of members. The other officers of the corporation shall be appointed at the first meeting of the board of directors following each annual meeting of members.

20. The board may appoint such agents and engage such employees as it shall deem necessary from time to time and such persons shall have such authority and shall perform such duties as shall be prescribed by the board at the time of such appointment.

21. The remuneration of all officers, agents and employees shall be fixed by the board of directors by resolution. Such resolution shall have force and effect only until the next annual or special general meeting of members when it shall be confirmed by resolution of the members and in the absence of such confirmation by the members, then the remuneration to such officers, agents, or employees shall cease to be payable from the date of such

meeting of members.

22. The officers of the corporation shall hold office for one year and until their successors are elected or appointed in their stead.

EXECUTIVE COMMITTEE

23. The Board of Directors shall, at its first meeting after each general meeting of members, elect from its number eighteen directors who, together with the officers, shall act as an executive committee. The executive committee shall have full power to carry on the affairs of the corporation in the same manner as though their decisions were the decisions of the board. The decisions of the executive committee shall be subject to control by the board. A quorum of the executive committee shall consist of six members. The president of the corporation shall be chairman of the executive committee.

DUTIES OF OFFICERS

24. The president shall preside at all meetings of members, directors or the executive committee of the

corporation; he shall be a member of each committee ex officio; he shall perform the customary presidential duties and shall execute such documents as may be authorized and require signature of the corporation.

25. The first vice-president shall, in the absence or disability of the president, perform the duties and exercise the powers of the president and shall perform such other duties as shall from time to time be imposed upon him by the board.

26. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation and in such depositories as may be designated by the board of directors from time to time. He shall disburse the funds of the corporation as may be ordered by the board, taking proper vouchers for such disbursements, and shall render to the president and directors at the regular meeting of the board, or whenever they may require it, an account of all his transactions as treasurer and

of the financial position of the corporation. He shall also perform such other duties as may from time to time be determined by the board.

27. The executive director shall be the chief executive officer of the corporation and shall have the general and active management of the affairs of the corporation. He shall attend all sessions of the board, and of the executive committee, and all meetings of the members and act as clerk thereof and record all votes and minutes of all proceedings in the books to be kept for that purpose. He shall give or cause to be given notice of all meetings of the members and of the board of directors and of the executive committee, and shall perform such other duties as may be prescribed by the board of directors or president, under whose supervision he shall be. He shall be custodian of the seal of the corporation, which he shall deliver only when authorized by a resolution of the board to do so and to such person or persons as may be named in the resolution.

MEETINGS

28. The annual meeting of the members of the corporation shall be held at the head office of the corporation

or elsewhere in Canada as the board of directors may designate, on the 2nd Monday of every February, at the hour of 6:00 o'clock in the afternoon, unless such time and date shall be changed by the board of directors. At such meeting the members shall elect a board of directors and shall receive a report of the directors.

29. Seven days' prior written notice shall be given to each member of any annual or special general meeting of members. Twelve members present in person at the meeting shall constitute a quorum. Each member present at a meeting shall have the right to exercise one vote.

AMENDMENT OF BY-LAWS

30. The by-laws of the corporation may be repealed or amended by by-law enacted by a majority of the directors at a meeting of the board of directors and sanctioned by an affirmative vote of at least two-thirds of the members at a meeting duly called for the purpose of considering the said by-law, provided that the enactment, repeal or amendment of such by-law shall not be enforced or acted upon until the approval of the Secretary of State has been obtained.

31. A member may appoint as his proxy any other member to vote at any annual or special general meeting.

32. At all meetings of members of the corporation every question shall be determined by a majority of votes unless otherwise specifically provided by the Companies Act or by these by-laws.

33. The financial year of the corporation shall be the calendar year.

AUDITORS

34. The members shall at each annual meeting appoint an auditor to audit the accounts of the corporation to hold office until the next annual meeting provided that the directors may fill any casual vacancy in the office of auditor. The remuneration of the auditor shall be fixed by the board of directors.

SIGNATURE AND CERTIFICATION OF DOCUMENTS

35. Contracts, documents or any instruments in writing requiring the signature of the corporation, shall be signed by any two of the president, executive director or treasurer, and all contracts, documents and instruments

in writing so signed shall be binding upon the corporation without any further authorization or formality. The directors shall have power from time to time by by-law to appoint an officer or officers on behalf of the corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents and instruments in writing. The seal of the corporation when required may be affixed to contracts, documents and instruments in writing. The seal of the corporation when required may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any officer or officers appointed by resolution of the board of directors.

RULES AND REGULATIONS

36. The board of directors may prescribe such rules and regulations not inconsistent with these by-laws relating to the management and operation of the corporation as they deem expedient, provided that such rules and regulations shall have force and effect only until the next annual meeting of the members of the corporation when they shall be confirmed, and in default of confirmation at such annual meeting of members shall at and from that time cease to

have force and effect.

37. In these by-laws the singular shall include the plural and the plural the singular; the masculine shall include the feminine.

IN WITNESS WHEREOF we have hereunto set our hands and affixed our seals.

DATED at the City of 24(1) this 9th day of November, 1961.

Witness:

Applicants:

4-07-08

Corporations Canada
9th Floor, Jean Edmonds Towers South
365 Laurier Avenue West
Ottawa, Ontario K1A 0C8

Corporations Canada
9e étage, Tour Jean-Edmonds sud
365 avenue Laurier ouest
Ottawa (Ontario) K1A 0C8

Corporation Information Sheet

Canada Not-for-profit Corporations Act (NFP Act)

Fiche de renseignements concernant l'organisation

Loi canadienne sur les organisations à but non lucratif
(Loi BNL)

Jewish National Fund of Canada (Keren Kayemeth Le'Israel) Inc.
Fonds National Juif du Canada (Keren Kayemeth Le'Israel) Inc.

Corporation Number

047170-4

Numéro d'organisation

Corporation Key

24(1)

Clé de société

Required for changes online

Requise pour mettre les
renseignements à jour en ligne

Anniversary Date

05-30

Date anniversaire

Required to file annual return

(mm-dd/mm-jj)

Requise pour le dépôt du rapport annuel

Annual Return Filing Period

05-30 to/au 07-29

Période pour déposer le rapport annuel

Starting in 2015

(mm-dd/mm-jj)

Débutant en 2015

Reporting Obligations

A corporation can be dissolved if it defaults in filing a document required by the NFP Act. To understand the corporation's reporting obligations, consult the pamphlet "Your Reporting Obligations under the Canada Not-for-profit Corporations Act" enclosed or available on our website.

Obligations de déclaration

Une organisation peut être dissoute si elle omet de déposer un document requis par la Loi BNL. Pour connaître les obligations de déclaration de l'organisation, veuillez consulter « Vos obligations de déclaration en vertu de la Loi canadienne sur les organisations à but non lucratif » ci-joint ou disponible dans notre site Web.

Corporate Name

Where a name has been approved, be aware that the corporation assumes full responsibility for any risk of confusion with trade names and trademarks (including those set out in the NUANS Name Search Report). The corporation may be required to change its name in the event that representations are made to Corporations Canada and it is established that confusion is likely to occur. Also note that any name granted is subject to the laws of the jurisdiction where the corporation carries on its activities. For additional information about protecting corporate names, consult our website.

Dénomination

Dans les cas où Corporations Canada a approuvé une dénomination, il faut savoir que l'organisation assume toute responsabilité de risque de confusion avec toutes dénominations commerciales, marques de commerce existantes (y compris celles qui sont citées dans le Rapport NUANS de recherche de dénominations). L'organisation devra peut-être changer sa dénomination advenant le cas où des représentations soient faites auprès de Corporations Canada établissant qu'il existe une probabilité de confusion. Il faut aussi noter que toute dénomination octroyée est assujettie aux lois de la province ou du territoire où l'organisation mène ses activités. Pour obtenir des renseignements supplémentaires concernant la protection d'une dénomination, consulter notre site Web.

Certificate of Continuance*Canada Not-for-profit Corporations Act***Certificat de prorogation***Loi canadienne sur les organisations à but non lucratif*

Jewish National Fund of Canada (Keren Kayemeth Le'Israel) Inc.
 Fonds National Juif du Canada (Keren Kayemeth Le'Israel) Inc.

Corporate name / Dénomination de l'organisation

047170-4

Corporation number / Numéro de l'organisation

I HEREBY CERTIFY that the above-named corporation, the articles of continuance of which are attached, is continued under section 211 of the *Canada Not-for-profit Corporations Act*.

JE CERTIFIE que l'organisation susmentionnée, dont les statuts de prorogation sont joints, a été prorogée en vertu de l'article 211 de la *Loi canadienne sur les organisations à but non lucratif*.



Virginie Ethier

Director / Directeur

2014-05-30

Date of Continuance (YYYY-MM-DD)

Date de prorogation (AAAA-MM-JJ)



Canada Not-for-profit Corporations Act (NFP Act)

Form 4031

Articles of Continuance (transition)

To be used only for a continuance from the Canada Corporations Act, Part II.

1 - Current name of the corporation

Jewish National Fund of Canada (Keren Kayemeth Le'Israel) Inc.

2 - If a change of name is requested, indicate proposed corporate name

Jewish National Fund of Canada (Keren Kayemeth Le'Israel) Inc./
Fonds National Juif du Canada (Keren Kayemeth Le'Israel) Inc.

3 - Corporation number

4 7 1 7 0 - 4

4 - The province or territory in Canada where the registered office is situated

24(1)

5 - Minimum and maximum number of directors (for a fixed number, indicate the same number in both boxes)

Minimum number

3

Maximum number

100

6 - Statement of the purpose of the corporation

To create, provide, enlarge and administer a fund to be made up of voluntary contributions from the Jewish community and others to be used for charitable purposes.

7 - Restrictions on the activities that the corporation may carry on, if any

None



Industry
Canada

Industrie
Canada

Canada Not-for-profit Corporations Act (NFP Act)
Form 4031
Articles of Continuance (transition)

8 - The classes, or regional or other groups, of members that the corporation is authorized to establish

The Corporation is authorized to establish one class of members. Each member shall be entitled to receive notice of, attend and vote at all meetings of the members of the Corporation.

9 - Statement regarding the distribution of property remaining on liquidation

Any property remaining on liquidation of the Corporation, after discharge of liabilities, shall be distributed to one or more qualified donees within the meaning of subsection 248(1) of the Income Tax Act.

10 - Additional provisions, if any

The corporation shall be carried on without the purpose of gain for its members, and any profits or other accretions to the corporation shall be used in furtherance of its purposes.

Directors shall serve without remuneration, and no director shall directly or indirectly receive any profit from his or her position as such, provided that a director may be reimbursed for reasonable expenses incurred in the performance of his or her duties. A director shall not be prohibited from receiving compensation for services provided to the corporation in another capacity.

11 - Declaration

I hereby certify that I am a director or an authorized officer of the corporation continuing into the NFP Act.

Signature: _____

Print name: JERRY WERGER

Phone Number: 24(1)

Note: A person who makes, or assists in making, a false or misleading statement is guilty of an offence and liable on summary conviction to a fine of not more than \$5,000 or to imprisonment for a term of not more than six months or to both (subsection 282(2) of the NFP Act).



Industry
Canada

Industrie
Canada

Canada Not-for-profit Corporations Act (NFP Act)
FORM 4002

INITIAL REGISTERED OFFICE ADDRESS AND FIRST BOARD OF DIRECTORS

(To be filed with articles of incorporation, continuance (transition), amalgamation, or continuance (import))

1 - Corporate name

Jewish National Fund of Canada (Keren Kayemeth Le' Israel) Inc.
Fonds National Juif du Canada (Keren Kayemeth Le' Israel) Inc.

24(1)

3 - Directors of the corporation (if space available is insufficient, complete attached schedule)

First and last name

Address (cannot be a post office box)

Jerry Werger

24(1)

Yonine Goldstein

Lisa Cogan

Bonnie Belzberg

Harvey Dales

4 - Declaration

I hereby certify that I am an incorporator of the new corporation, or that I am a director or an authorized officer of the corporation continuing into or amalgamating under the NFP Act.

Signature

Print name: JERRY WERGER

Phone Number: 24(1)

Note: A person who makes, or assists in making, a false or misleading statement is guilty of an offence and liable on summary conviction to a fine of not more than \$5,000 or to imprisonment for a term of not more than six months or to both (subsection 262(2) of the NFP Act).



Industry
Canada

Industrie
Canada

Schedule
(Item 3 of Form 4002)
Directors of the corporation
To be used if space on form is insufficient

1 - Corporate Name

Jewish National Fund of Canada (Keren Kayemeth Le' Israel) Inc.
Fonds National Juif du Canada (Keren Kayemeth Le' Israel) Inc.

3 - Directors of the corporation

First and last name	Address (cannot be a post office box)
Leonard Podheiser	24(1)
Frank A. Wilson	
Beth Price	
Marvin D. Demone	
Kenna Bassal	
Eunice Mayers	
Ruth Freeman	
Wendy Spatzner	
Norman Gold	
Sharon Marcovitz Hart	

Industry
Canada Industrie
Canada

Schedule
(Item 3 of Form 4002)
Directors of the corporation
To be used if space on form is insufficient

1 - Corporate Name

Jewish National Fund of Canada (Keren Kayemeth Le' Israel) Inc.
Fonds National Juif du Canada (Keren Kayemeth Le' Israel) Inc.

3 - Directors of the corporation

First and last name

Address (cannot be a post office box)

Alexander (Bobby) Mayers

Karla Bertrayer

Alan Blostein

Jessica Cogan

Lorraine Cohen

Howard Davidson

Nathan Disenhouse

Oliver Javanpour

Barbara Maldoff

Ivay Minuk

24(1)



Industry
Canada

Industrie
Canada

Schedule
(Item 3 of Form 4002)
Directors of the corporation
To be used if space on form is insufficient

1 - Corporate Name

Jewish National Fund of Canada (Keren Kayemeth Le' Israel) Inc.
Fonds National Juif du Canada (Keren Kayemeth Le' Israel) Inc.

3 - Directors of the corporation

First and last name

Address (cannot be a post office box)

Jeffrey Phillips

24(1)

Wayne Pulver

Dick Rothberg

Ed Rudick

Darren Slavens

Allan Wiener

Hene-Jo Bellas

Don Balaban

Anzor Bickman

Mary Bindman

Industry
Canada Industrie
CanadaSchedule
(Item 3 of Form 4002)

Directors of the corporation

To be used if space on form is insufficient

1 - Corporate Name

Jewish National Fund of Canada (Keren Kayemeth Le' Israel) Inc.
Fonds National Juif du Canada (Keren Kayemeth Le' Israel) Inc.

3 - Directors of the corporation

First and last name	Address (cannot be a post office box)
Yoram Brenzweig	24(1)
Michael Charendoff	
Anthony Hoffer	
Beth Jarraig	
Jack Kovack	
Farrel Shadlyn	
Ben Springer	

BY-LAW NO. 1

**A BY-LAW RELATING GENERALLY TO THE CONDUCT
OF THE ACTIVITIES AND AFFAIRS OF
JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH LE'ISRAEL) INC./
FONDS NATIONAL JUIF DU CANADA (KEREN KAYEMETH LE'ISRAEL) INC.,
A CORPORATION SUBJECT TO THE
CANADA NOT-FOR-PROFIT CORPORATIONS ACT**

24(1)

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BY-LAW NO. 1

**A BY-LAW RELATING GENERALLY TO THE CONDUCT
OF THE ACTIVITIES AND AFFAIRS OF
JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH LE'ISRAEL) INC./
FONDS NATIONAL JUIF DU CANADA (KEREN KAYEMETH LE'ISRAEL) INC.,
A CORPORATION SUBJECT TO THE
CANADA NOT-FOR-PROFIT CORPORATIONS ACT**

BE IT ENACTED as a By-law of the Corporation as follows:

SECTION 1- INTERPRETATION

1.1 Definitions

In the By-laws of the Corporation, unless the context otherwise requires:

- (1) **"Act"** means the *Canada Not-for-profit Corporations Act*, S.C. 2009, chapter 23, including the Regulations made pursuant to the Act, as such statute or Regulations may be amended, restated or in effect from time to time.
- (2) **"AGM"** means the annual general meeting of the Corporation.
- (3) **"appoint"** includes "elect" and *vice versa*.
- (4) **"Articles"** means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Corporation, as applicable.
- (5) **"Board"** means the board of directors of the Corporation.
- (6) **"By-laws"** means this By-law and any other By-law of the Corporation as amended and which are, from time to time, in force and effect.
- (7) **"Corporation"** means Jewish National Fund of Canada (Keren Kayemeth Le'Israel) Inc. in its English form and Fonds National Juif du Canada (Keren Kayemeth Le'Israel) Inc. in its alternative French form.
- (8) **"Director"** means a member of the Board.
- (9) **"Directors-at-Large"** means a member of the Board not elected to be an officer and appointed to the Executive Committee in accordance with this By-law.
- (10) **"entity"** means a body corporate, a partnership, a trust, a joint venture or an unincorporated association or organization.
- (11) **"meeting of members"** means an annual general meeting of members and a special meeting of members.

(12) **"Member in Good Standing"** means a member who is (i) current in respect of all monetary obligations owing to the Corporation or any Regional council, (ii) not the subject of any resolution of the Board or the Executive Committee which calls for the suspension, cancellation or revocation of the member's membership or whose membership was terminated, and (iii) a person who is designated by the Board from time to time as being a member of the Corporation, whether by resolution of the Board, designated as such in the Corporation's policies and/or regulations manuals in effect from time to time, or otherwise.

(13) **"non-business day"** means Saturday, Sunday and any other day that is a holiday as defined in the *Interpretation Act* (Canada) as may be amended, restated or in effect from time to time.

(14) **"Officers"** means the officers referred to in Section 7.

(15) **"Ordinary Course of Business"** means the day to day business transactions, operations and practices in the ordinary course as carried on by the Corporation in the attainment of its charitable objectives.

(16) **"ordinary resolution"** has the meaning given to such term in the Act.

(17) **"person"** includes any individual, body corporate, partnership, trust, joint venture or unincorporated organization or association.

(18) **"recorded address"** means:

- (a) in the case of a member, his or her address as recorded in the register of members; and
- (b) in the case of an officer, or a member of a committee of the Board, his or her latest address as recorded in the records of the Corporation.

(19) **"Region", "Regions" or "Regional"** shall mean the various regional areas in Canada in which the Corporation carries on its activities.

(20) **"Regulations"** means the regulations made under the Act, as amended, restated or in effect from time to time.

(21) **"special meeting of members"** includes a meeting of any class or classes of members and a special meeting of all members entitled to vote at an annual meeting of members.

(22) **"special resolution"** has the meaning given to such term in the Act.

1.2 Other Definitions

(1) In the interpretation of this By-law, words in the singular include the plural and *vice-versa*, words in one gender include all genders and **"including"** means including, without limitation.

- (2) Other than as specified in Section 1.1, words and expressions defined in the Act have the same meanings when used in this By-law.

SECTION 2 – GENERAL

2.1 Registered Office

The registered office of the Corporation shall be in the province or territory within Canada specified in its Articles or any amendment thereto from time to time and at such location therein as the Board may from time to time determine and any change of the registered office of the Corporation outside of the province or territory in which the Corporation's registered office is situated shall require a special resolution of the members.

2.2 Corporate Seal

The Corporation may have a corporate seal in the form approved from time to time by the Board. If a corporate seal is approved by the Board, the secretary or CEO shall be the custodian of the corporate seal.

2.3 Financial Year

The Board may, by resolution, fix the financial year end of the Corporation and may from time to time change the financial year end of the Corporation.

2.4 Annual Financial Statements

The Corporation may, instead of sending copies of the annual financial statements and other documents referred to in subsection 172(1) (Annual Financial Statements) of the Act to the members, publish a notice to its members stating that the annual financial statements and documents provided in such subsection 172(1) are available at the registered office of the Corporation and that any member may, on request, obtain a copy free of charge at the registered office or by prepaid mail.

2.5 Execution of Instruments

(1) Contracts, documents or any instruments in writing requiring the signature of the Corporation, shall be signed, unless otherwise agreed to by the Board, by any two (2) of the President, Vice-President or Treasurer on the one hand, and one of the CEO or the chief financial officer who is also the director of finance and administration ("CFO") on the other hand, and thereafter, all contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality, provided that as of the original date that these By-laws come into force and effect, any material contract outside of the Ordinary Course of Business, having a financial value of Fifty-One Thousand Dollars (\$51,000) or over in lawful money of Canada shall be subject to the terms, conditions and restrictions in the Regulations. The Executive Committee may, from time to time, by resolution of the Board, appoint an officer or officers on behalf of the Corporation to either sign contracts, documents and instruments in writing generally or to sign specific contracts, documents and instruments in

writing. The corporate seal of the Corporation when required from time to time, may be affixed to the contract, documents and instruments in writing signed as aforesaid or by any officer or officers appointed by resolution of the Board. Any employment contract or amendment thereto, relating to the CEO may not be signed by the CEO, and shall require the signature of any two (2) of the President, Treasurer or CFO.

(2) The signature of any person authorized to sign on behalf of the Corporation may, if specifically authorized by resolution of the Board, be written, printed, stamped, engraved, lithographed or otherwise mechanically reproduced or may be an electronic signature. Anything so signed shall be as valid as if it had been signed manually, even if that person has ceased to hold office when anything so signed is issued or delivered, until revoked by resolution of the Board.

2.6 Banking Arrangements

The banking business of the Corporation, including the borrowing of money and the giving of security therefor shall be transacted with such banks, trust companies, credit unions or other bodies corporate or organizations as may from time to time be designated by or under the authority of the Board. The banking business or any part of it shall be by such officer of the Corporation and/or other person as the Board may by resolution from time to time designate, direct or authorize.

2.7 Voting Rights in Other Bodies Corporate

The signing officers of the Corporation under Section 2.5 may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments shall be in favour of such persons as may be determined by the officers executing or arranging for the same.

2.8 Severability

The invalidity or unenforceability of any provision of this By-law shall not affect the validity or enforceability of the remaining provisions of this By-law.

2.9 Conflict

In the event of any conflict between the by-laws of any Region and the Corporation, as each may be or have been amended from time to time, the By-laws of the Corporation shall take precedence over any Regional by-laws and any ancillary amendments relating thereto

SECTION 3 – BORROWING AND SECURITY

3.1 Borrowing Power

Without limiting the borrowing powers of the Corporation as set forth in the Act, but subject to the Articles, the Board may from time to time on behalf of the Corporation, without authorization of the members but with approval from the Finance & Audit Committee:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell or pledge bonds, debentures, notes or other debt obligations or guarantees of the Corporation, whether secured or unsecured;
- (c) give, directly or indirectly, financial assistance to any person by means of a loan or a guarantee on behalf of the Corporation to secure performance of any present or future indebtedness, liability or obligation of any person, or otherwise; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired real or personal, movable or immovable, property of the Corporation, including accounts, rights, powers, franchises and undertakings to secure any such bonds, debentures, notes or other debt obligations or guarantees or any other present or future indebtedness, liability or obligation of the Corporation.

Nothing in this Section limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

3.2 Delegation

Subject to the Act and the Articles, the Board may from time to time, but on a limited basis only if and when needed, delegate to a committee of the Board, a Director or an officer of the Corporation or any other person as may be designated by the Board all or any of the powers conferred on the Board by Section 3.1 to such extent and in such manner as the Board may determine at the time of such delegation.

SECTION 4 – DIRECTORS

4.1 Duties of Directors

The Board shall manage and supervise the management of the activities and affairs of the Corporation.

4.2 Number of Directors

The Board shall consist of up to forty-three (43) Directors from the following Regions (comprised of individuals from their respective Regional councils pursuant to Section 4.3 and Section 6.3 hereof) and in the following proportions:

- (a) British Columbia/Yukon/Yellowknife – Six (6) Directors;
- (b) Alberta/Northwest Territories - Four (4) Directors;
- (c) Manitoba/Saskatchewan - Four (4) Directors;
- (d) Toronto -Twelve (12) Directors:

- (e) Regional Ontario - Three (3) Directors;
- (f) Ottawa - Three (3) Directors;
- (g) Quebec - Nine (9) Directors; and
- (h) Atlantic Provinces - Two (2) Directors.

4.3 Regional Councils

- (1) Regional councils shall be set up in each of the Regions described in Section 4.2 hereof by a procedure analogous to the nomination and the election of Directors at the national level pursuant to Section 6.3 hereof. For greater certainty, the Directors comprising the Board pursuant to Section 4.2 shall be selected, and their names nominated, from each of the Regional councils by a procedure analogous to that set out in Section 6.3 hereof.
- (2) Each Regional council shall operate within the parameters and objectives established by the Corporation and with that degree of autonomy determined, from time to time, by the Board or the Executive Committee, but in each case, any decisions made shall be subject to and under the jurisdiction of the Board.
- (3) Each Regional council may appoint an executive committee in a manner analogous with the procedures contained herein relating to the national level.
- (4) Each Regional president shall be entitled to attend meetings of the Board unless such Regional president has already been elected to the Board.

4.4 Qualification

A Director must be a Member in Good Standing. Eligibility to be a Director in the Corporation, shall be limited to Members in Good Standing, who have assisted in its charitable objectives within Canada, within the twelve (12) months preceding each AGM in each calendar year and made a minimum financial contribution to the Corporation or to any of the Corporation's Regional organizations, in an amount stipulated in the Regulations Manual as approved by the Executive Committee from time to time.

4.5 Election and Term

- (1) Directors shall be elected by the members at the first meeting of members after the effective date of these By-laws and at each succeeding AGM at which an election of Directors is required, and shall hold office until the next AGM in which an election is to be held or, if elected for an expressly stated term of three (3) years, expiring not later than the close of the third AGM following an election of Directors.
- (2) The election of Directors shall be by resolution, or if demanded by a member, by ballot.
- (3) If an election of Directors is not held at the proper time, the incumbent Directors shall continue in office until their successors are elected.

(4) An individual who is elected or appointed to hold office as a Director is not a Director and is deemed not to have been elected to hold office as a Director unless:

- (a) the individual was present at the meeting when the election took place and he or she did not refuse to hold office as a Director; or
- (b) the individual was not present at the meeting when the election took place, and:
 - (i) the individual consented to hold office as a Director in writing before the election or within 10 days after it; or
 - (ii) the individual has acted as a Director pursuant to the election.

4.6 Removal of Directors

Subject to the Act and this By-law, the members may by ordinary resolution passed at an AGM or special meeting of members remove any Director from office, and the vacancy created by such removal may be filled at the same meeting, failing which it may be filled by the Board.

4.7 Ceasing to Hold Office

A Director ceases to hold office:

- (a) upon death;
- (b) upon removal from office by the members;
- (c) upon ceasing to be qualified for election as a Director; or
- (d) upon the Corporation receiving a written resignation or, if a time is specified in such resignation, at the time so specified, whichever is later.

4.8 Filling Vacancies

(1) Subject to the Act, the Board may fill a vacancy in the Board, except for a vacancy resulting from:

- (a) an increase in the number or minimum number of Directors; or
- (b) a failure of the members to elect the number or minimum number of Directors provided for in the Articles.

(2) Where the Articles of the Corporation so provide, the Directors may appoint one or more Directors, who shall hold office for a term expiring not later than the close of the next AGM in which an election is held.

4.9 Action by the Board

- (1) The Board shall exercise its powers by or pursuant to a resolution either by the signatures of all the Directors then in office, if constituting a quorum, or passed at a Board meeting at which a quorum is present.
- (2) Where there is a vacancy in the Board, the remaining Directors may exercise all the powers of the Board so long as a quorum remains in office.

4.10 Conflict of Interest

A Director who is a party to, or who is a director or officer of or has a material interest in any person who is a party to, a material contract or transaction or proposed material contract or transaction with the Corporation shall disclose in writing to the Corporation, or request to have entered in the minutes of the Board meeting, the nature and extent of his or her interest at the time and in the manner provided by the Act. Such a Director shall not vote on any resolution to approve the same except as provided by the Act.

4.11 Remuneration and Expenses

The Directors shall not be entitled to remuneration for their services. The Directors shall be entitled to be reimbursed for economical travelling and other expenses properly incurred by them in attending meetings of the Board or any committee thereof as determined by any two (2) of the President, the CEO and the CFO. Nothing herein contained shall preclude any Director from serving the Corporation in any other capacity and receiving remuneration therefor.

SECTION 5 – BOARD MEETINGS

5.1 Meeting by Telephone or Electronic Facilities

- (1) A Director may participate in a meeting of the Board or of a committee of the Board by means of such telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, and a Director participating in such a meeting by such means is deemed to be present at the meeting.
- (2) The president, CEO or the Executive Committee shall have the right from time to time to invite a representative from any standing committee, ad hoc committee or any other third party wishing to make a committee report to or to inform the Board about matters of interest or benefit to the Corporation or to attend a Board meeting personally or by means of such telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

5.2 Calling of Meetings

Meetings of the Board shall be held at the times and places as determined by the Board from time to time in each calendar year.

5.3 Notice of Meeting

(1) Notice of the time and place of each Board meeting shall be sent in the manner provided in Section 14 to each Director:

- (a) not less than 30 days before the time when the meeting is to be held if the notice is mailed; or
- (b) not less than 25 days before the time the meeting is to be held if the notice is given personally, is delivered or sent by any means of transmitted or recorded or electronic communication,

(2) Notwithstanding the foregoing and in the event of extraordinary circumstances, the president or any five (5) Directors may call a meeting of the Board upon:

- (a) not less than 12 days' notice before the time when the meeting is to be held if the notice is mailed; or
- (b) not less than 10 days' notice before the time the meeting is to be held if the notice is given personally and is delivered or sent by any means of transmitted or recorded communication.

(3) Unless the By-laws otherwise provide, no notice of meeting need specify the purpose or the business to be transacted at the meeting except that a notice of meeting of Directors shall specify any matter referred to in subsection 138(2) (Limits on Authority) of the Act that is to be dealt with at the meeting.

5.4 Waiver of Notice

A Director may in any manner or at any time waive notice of or otherwise consent to a Board meeting. Attendance of a Director at a Board meeting shall constitute a waiver of notice of that meeting except where a Director attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting has not been properly called.

5.5 First Meeting of New Board

As long as a quorum of Directors is present, each newly elected Board may without notice hold its first meeting immediately following the meeting of members at which such Board is elected.

5.6 Adjourned Meeting

Notice of an adjourned Board meeting is not required if the time and place of the adjourned meeting is announced at the original meeting.

5.7 Regular Meetings

In addition to semi-annual meetings to be held by the Board, the Board may also appoint any other day or days in any month or months for regular Board meetings at a place and hour to be named. A copy of any resolution of the Board fixing the place and time of such regular meetings shall be sent to each Director forthwith after being passed, but no other notice shall be required for any such regular meeting except if subsection 136(3) (Notice of Meeting) of the Act requires the purpose thereof or the business to be transacted thereat to be specified.

5.8 Chairperson and Secretary

The chair of any Board meeting, if applicable, shall be the first mentioned of such of the following officers as have been appointed and who is a Director and is present at the meeting: President or any one Vice-President. If no such officer is present, the Directors present shall choose one of their numbers to chair that meeting. The secretary of the Corporation shall act as secretary of any Board meeting, and, if the secretary of the Corporation is absent, the chair of that meeting shall appoint a person who need not be a Director to act as secretary of the meeting.

5.9 Quorum

Twelve (12) Directors, of whom at least three (3) are officers, shall constitute a quorum at a Board meeting. A quorum need not be present throughout the meeting provided that a quorum is present at the opening of the meeting. If a quorum is not present at the time appointed for the meeting or within a reasonable time thereafter as determined by the Directors present, they may adjourn the meeting to a fixed time and place, but may not transact any other business.

5.10 Votes to Govern

- (1) At all Board meetings, every question shall be decided by a majority of the votes cast on the question.
- (2) Unless a ballot is demanded, an entry in the minutes of a meeting to the effect that the chair of the meeting declared a resolution to be carried or defeated is, in the absence of evidence to the contrary, proof of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

5.11 Casting Vote

In case of an equality of votes at a Board meeting, the chair of the meeting shall not be entitled to a second or casting vote.

5.12 Resolution in Lieu of Meeting

A resolution in writing, signed by all the Directors entitled to vote on that resolution at a Board meeting, is as valid as if it had been passed at a Board meeting.

SECTION 6 – COMMITTEES

6.1 Committees of the Board

(1) The Board may appoint from their number one or more committees of the Board, however designated, and delegate to any such committee any of the powers of the Board, except powers to:

- (a) submit to the members any question or matter requiring the approval of the members;
- (b) approve the annual budget;
- (c) approve any expense which would have the effect of exceeding the annual budget for such item;
- (d) engage or terminate the CEO or staff;
- (e) engage any consultants not specifically foreseen in the previous annual budget;
- (f) effect any material change in the Corporation's fiscal relationship with Keren Kayemeth Le'Israel;
- (g) establish any new national fundraising project or program or any new method of payment or collection;
- (h) terminate any established national fundraising program;
- (i) fill a vacancy on the Board;
- (j) issue debt obligations except as authorized by the Directors;
- (k) approve any financial statements;
- (l) adopt, amend or repeal By-laws; and
- (m) establish contributions to be made, or dues to be paid, by members, if any.

(2) Any committee member may be removed by ordinary resolution of the Board.

6.2 Executive Committee

(1) **Purpose:** During the term of office of each president, a special committee, serving in the capacity as the president's executive committee, ("Executive Committee"), shall be formed and constituted by the president, to assist him in the day-to-day matters and activities of supervising the general affairs of the Corporation and any other matters of consequence as so determined by the president or CEO, that may arise from time to time between meetings of the Board.

(2) **Composition/Meeting:** The Executive Committee shall consist of all of the current officers of the Corporation, who are also Directors, and shall also include four (4) Directors-at-Large, two (2) Honourary Counsels (non-voting members), one (1) past President (non-voting member) and the immediately past President (non-voting member). The Executive Committee shall be formed within thirty (30) days of the appointment or election of the president being final and effective, and meet a minimum of once every two (2) months thereafter during the term of the president in person or by telephonic means or by any other comparable electronic process available from time to time that permits all participants to communicate adequately with each other during the meeting. It is the intention of the Corporation that the Executive Committee should be made up of representatives from throughout Canada. Unless otherwise decided by the Board, Executive Committee members, other than the CEO, shall receive no remuneration for serving as such, but are entitled to reasonable expenses incurred in the exercise of their duty as determined by the CEO and the CFO. Any Executive Committee member may be removed by a majority vote of the Board.

(3) **Hiring of CEO:** The Executive Committee, excluding the CEO, shall determine the process of the hiring of a new CEO, when required, from time to time, including determining if a special advisory committee authorized to recommend and appoint a new CEO is required and if so, appointing the members of such committee which shall include the Human Resources Chairperson ("Search Committee"). Once and if formed, the Search Committee will determine and recommend to the Executive Committee the process of how to retain a new CEO, including whether or not to engage a professional employment firm or authorize any other comparable process. The Search Committee will present to the Executive Committee for ratification which will require the approval by resolution of a minimum of six (6). Thereafter the retention of the CEO shall be fully in effect.

(4) **Role of the CEO:** The CEO shall be a member of the Executive Committee, be entitled to attend and to provide advice and suggestions as required or requested from time to time, but shall not be entitled to vote. If any contractual matter relating to the CEO is under discussion or review, notwithstanding anything else stated herein, the CEO may only attend that portion of the Executive Committee meeting(s) that does not result in any conflict of interest as determined solely by the President or by any replacement Vice-President.

(5) **Quorum/Call Meetings:** A quorum for any meeting that is called by any one of the president, the CEO, the vice-presidents or any three (3) other officers, shall be five (5) voting members, provided that two (2) of the members are the president or acting president and at least one (1) vice-president. The immediate past president and the past president before him or her together with the Honourary Counsel or Co-Honourary Counsel shall not be entitled to vote. All other members of the Executive Committee other than the CEO, shall be considered voting members.

(6) **In Camera:** In the event that there is or are any matters that are of a sensitive nature, as determined in the reasonable discretion of the president or the acting president, a recommendation will be made that such matters shall be dealt with in camera, provided if such matter deals with any member of the Executive Committee, that member shall be obligated to recuse himself or her from any discussions or any voting relating thereto.

- (7) **Voting and Decisions:** All matters before the Executive Committee shall be decided by a majority of votes cast, except where otherwise noted herein. The president or the acting president shall be the chair of each meeting and shall have the right to have a second vote in the event of a tie.
- (8) **Powers and Approval:** The Executive Committee shall be vested with the powers of the Board between meetings. Any action or decisions rendered by the Executive Committee, except where otherwise noted, shall require a majority vote of the Executive Committee members in attendance, provided the minimum quorum requirement has been met. Thereafter such action or decisions shall be binding on the Board, unless overturned by a resolution approved by a minimum of two-thirds (2/3) of the Directors in attendance at a Board meeting, provided that a minimum of twenty-two (22) Directors have attended such meeting. If the original proposed action, decision and/or decisions of the Executive Committee is or are subsequently overruled, an action or decision of the Executive Committee shall not have any retroactive effect, provided that thereafter, such action or decisions shall be subject to the new proposed direction and ratification of the Board.
- (9) **Notice:** Written notice of any meeting of the Executive Committee shall be given not less than seven (7) days prior to such meeting. In the event of the need for an emergency or extraordinary meeting of the Executive Committee as determined by the president or the CEO, and as agreed to by a majority of the officers, the requisite seven (7) days' written notice may be waived.
- (10) **Orientation of New Directors:** The CEO shall formulate applicable policies and procedures which shall form part of the regulations, provided that the final wording is to be approved at a meeting of the Executive Committee, to welcome and orient new Directors from time to time.
- (11) **Minutes of Executive Committee:** Minutes of all meetings of the Executive Committee shall not be circulated amongst all the Directors, unless a written request is made by any Director and thereafter, such minutes shall be circulated, as soon as possible after such meeting.
- (12) **Remuneration to Professional Staff:** The remuneration of professional staff of the Corporation, comprising its permanent and part time employees and/or any agents employed by the Corporation, shall be determined on an annual calendar year basis, based on the budgetary parameters established by the Finance & Audit Committee. Thereafter the CEO shall have the authority to determine the manner in which annual staff salaries, including any increases or any changes from time to time during each calendar year, are to be allocated and applied on an individual basis, determined in the CEO's reasonable discretion.
- (13) **Removal of Directors-at-Large:** In the event any Director-at-Large causes harm to the Corporation or fails to act in the Corporation's best interests, the President shall have the sole authority and discretion from time to time, to replace Directors-at-Large serving on the Executive Committee by delivery of written notification to such Director.
- (14) **Removal of Past President or Immediate Past President:** Notwithstanding anything to the contrary stated herein in this By-law, the voting members of the Executive Committee shall

have the authority and discretion from time to time, to expel either the past president and/or the immediate past president from their right to continue to serve on the Executive Committee during its term, if a decision to do so is approved by two-thirds (2/3) of the voting members of the Executive Committee, so long as the quorum requirements have been met.

6.3 Nominating Committee

(1) **Formation of Nominating Committee:** For purposes of nominating Directors and Officers of the Corporation, a Nominating Committee shall be appointed every three (3) years no later than on the 15th day of February in the calendar year in which elections for such positions are to be held.

(2) **Composition of Nominating Committee:** The Nominating Committee shall be composed of the following seven (7) Directors:

- (a) **Immediate Past president to be chairperson:** The immediate past president shall automatically serve as the chairperson of the Nominating Committee ("**Slate Chairperson**") to be formed until such time as the current term of the incoming president expires, at which time, the latter shall replace the former as the Slate Chairperson. In the event that the immediate past president is incapable or is unwilling to act in such capacity, the Executive Committee shall appoint a Director of the existing Board as the Slate Chairperson at least four (4) months prior to the next AGM that is scheduled to be held; and
- (b) **Additional Members:** Six additional members which the Executive Committee shall select as follows:
 - (i) two (2) current officers; and
 - (ii) four (4) other Directors on the recommendation of the Slate Chairperson in conjunction with the CEO, each of whom shall be appointed from a different Region, to serve on the Nominating Committee for the current year. In the event that any incapacity or unwillingness to act on the part of the immediate past president occurs subsequent to the aforementioned four (4) month period, the Executive Committee shall have the power to re-select an alternative Slate Chairperson of the Nominating Committee.

(3) **Notification to Regional Councils:** At least four (4) months prior to the next AGM, the Slate Chairperson shall advise the president of each Regional council in writing of the name of each Regional appointee whose term as Director or Officer is expiring as well as the eligibility of each such Director or Officer, as the case may be. Within thirty (30) days of receipt of such notice, the Regional council shall designate its Regional Director(s) for the following term. Additional candidates for officer positions, other than those of the president, vice-presidents, secretary or treasurer, may be nominated by Regional councils, provided that such nominations are made in writing to the Nominating Committee not later than thirty (30) days prior to the AGM. Elections of Directors or Officers shall be held in the following manner:

- (a) If no additional nominations have been received for positions, other than those of the president, vice-presidents, secretary and/or treasurer, in addition to the slate of Directors or Officers prepared by the Nominating Committee, the report of the Nominating Committee shall be tabled at the next AGM by the president and the candidates so nominated shall be declared elected; and
 - (b) If additional nominations have been received, separate elections will be held at the AGM for each of the Regions in respect of which additional nominees have been proposed and such elections shall be decided by the members at the AGM.
- (4) **Request to Members for Nominees:** At least fifteen (15) days prior to the first Nominating Committee meeting to select a slate of proposed Directors or Officers, the CEO shall cause a written notice to be circulated to all Members in Good Standing, Directors and Officers advising of the date of the proposed Nominating Committee meeting and requesting any names that they wish to recommend for nomination(s) to be added to the slate of proposed Directors or Officers, as the case may be. In order for such candidates to be added as nominees to the proposed slate, any member wishing to make such a nomination shall submit to the CEO and Slate Chairperson at the head office of the Corporation a written list of any such candidate(s) which shall be received no later than 5:00 pm local time at least five (5) days prior to the date of the scheduled Nominating Committee meeting. The written list of any such candidate(s) shall state why such candidate(s) proposed for nomination desires to run for such position, their qualifications for doing so and shall also be signed by at least five (5) Members in Good Standing confirming their support and confirmation that the Board considers such individual(s) as a nominee. In addition, the information to be provided shall include a biographical background of the individual(s) in question together with details as to what position such proposed candidate is seeking.
- (5) **Notification of Slate:** At least sixty (60) days prior to the date of the next AGM, the Nominating Committee shall submit a slate of proposed Directors or Officers of the Corporation, which slate shall be disclosed in writing to the members not later than forty-five (45) days prior to the next AGM. The CEO shall cause the said slate to be circulated to all Directors and Officers, members of all current committees and such others, if any, as the Nominating Committee shall determine. Any of the foregoing shall be entitled to nominate any member to any position as a Director or Officer by submitting a written nomination signed by a minimum of five (5) Members in Good Standing and the nominee, which nomination shall be delivered to the head office of the Corporation no later than 5:00 pm local time, fifteen (15) days after the circularization of the list of nominees by the Nominating Committee and shall include a brief biographical background of the individual(s).
- (6) **Background Information of Directors and Officers:** The delivery of electronic notification of any proposed nomination shall not replace the obligation to deliver the aforesaid required written notification as required in Section 6.3(d) above. If such information is not received within the time stipulated, such nomination(s) shall not be considered valid notification and shall be disregarded by the Nominating Committee.

(7) **Nominate New Directors:** At least two (2) weeks prior to the date of the next AGM, the Nominating Committee shall put forward the names of nominated Directors and same shall be submitted forthwith to the president and to the Directors. The nominations for Directors proposed by the Nominating Committee in the aforesaid manner shall be presented to the AGM by the president and no nominations shall be accepted from the floor at the occasion of such AGM;

(8) **Contact Selected Nominees:** Prior to the next AGM, the Slate Chairperson or any person delegated by the Slate Chairperson shall have the right to contact any of the selected nominee Directors and confirm if they are prepared to stand as a Director or not.

6.4 Finance & Audit Committee and Ad Hoc Committees

In order to carry out the policies and programs of activities of the Corporation, the President, Treasurer and CEO shall appoint a Finance & Audit Committee.

(1) **Finance & Audit Committee:**

(a) **Mandate:** The mandate of a Finance & Audit Committee shall be:

- (i) to provide an in-depth examination of the financial activities of the Corporation;
- (ii) to monitor the financial status of the Corporation on an ongoing basis;
- (iii) to review and approve an annual operational budget of the Corporation; and
- (iv) to meet with auditors (hereinafter, the "**JNF Auditors**") annually and prior to each AGM, to review, comment on and approve or disapprove of the draft annual financial statements for the Corporation.

(b) **Composition:** The Finance & Audit Committee shall be chaired by the treasurer and shall consist of five (5) Directors to be recommended by the president and approved by a majority vote of the Executive Committee.

(c) **Term:** The term of appointment shall be three (3) years. A Finance & Audit Committee member shall hold office until the appointment of his successor unless he shall resign or have died or have been interdicted or declared to be of unsound mind or removed from office for cause. If any vacancy shall occur for any such reason, the Executive Committee may, by resolution, fill the vacancy by a Director for the unexpired portion of the term.

(d) **Appointment of JNF Auditors:** The Executive Committee shall recommend the appointment of the JNF Auditors at the AGM to hold office until the next AGM, and shall be elected by the members. The remuneration of the JNF Auditor shall be approved and fixed by the Finance and Audit Committee.

- (e) **Removal of Member:** A Finance & Audit Committee member who is absent from three (3) consecutive meetings of the Finance & Audit Committee may be requested by the Executive Committee to resign as a member of the Committee. The office of a Finance & Audit Committee member shall be automatically vacated if at any meeting of the Executive Committee, a resolution is passed by at least two-thirds (2/3) of the members present.

(2) **Appointment of Ad Hoc Committees:**

- (a) **Prerogative:** In the event that any other committees which are national in scope are required, the decision to allow their constitution shall be the prerogative of the Executive Committee. The president shall make recommendations to the Executive Committee with respect to the appointment of other standing or ad hoc committees as he may consider necessary or advisable to deal with specific issues that may arise. The president shall provide its mandate, the terms of its composition, the term for which it is to be in existence and any other general instructions as may be required to allow it to function. Notwithstanding the foregoing, such committees shall be subject to the following:
- (i) **Functions:** Each such committee shall have the functions designated from time to time by the Executive Committee, be of such size as the Executive Committee may decide, and comprise such committee members as may be appointed by the Executive Committee with such chairperson as may be appointed by the Executive Committee in consultation with the president. The membership in any such committees shall be at the pleasure of the Executive Committee; and
- (ii) **Memberships:** The president and CEO shall be a member of all such committees.
- (b) **Human Resources Chairman:** At the inception of his term and in any event not later than thirty (30) days from commencement of the president's term of office, the president, in his absolute discretion, shall designate one of the current officers to serve as chair of a human resources committee ("**Human Resources Chairperson**").

(3) **Appointment of Honourary Counsel:** The Board, as recommended by the CEO, shall appoint an Honourary Counsel or up to a maximum of two (2) Honourary Co-Counsels of the Corporation for a three (3) year term, who shall serve in such capacity without remuneration. The Honourary Counsel or Honourary Co-Counsels, as the case may be, shall advise the Board, the Executive Committee, the officers and the remaining Directors and the members on such questions of procedure and rules of order as may be put to him or them, as the case may be. He or they shall further assist the Board, president, CEO, the Executive Committee, standing committees and ad hoc committees from time to time in the performance of his or their activities by advising on legal matters and assisting in the interpretation of statutes, ordinances and regulations relating to the Corporation, and on all matters referred to him/them in relation to the business of the Corporation.

6.5 Transaction of Business

Subject to the provisions of Section 6.1, the powers of a committee of the Board may be exercised at a meeting at which a quorum is present or by resolution in writing signed by all members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in or outside Canada.

6.6 Advisory Bodies

The Board may from time to time appoint such advisory bodies as it may deem advisable, provided, however, that such appointment is approved by the Executive Committee.

6.7 Procedure

Unless otherwise provided in these By-laws, each committee and advisory body shall have the power to fix its quorum at not less than a majority of its members, to elect its chairperson and to formulate its own rules of procedure. To the extent that the Board or the committee does not establish rules to regulate the procedure of the committee, the provisions of these By-laws applicable to Board meetings shall apply with all necessary modifications.

SECTION 7 – OFFICERS

7.1 Appointment

Subject in all respects to Section 6.3, the Board may from time to time designate the officers of the Corporation and from time to time appoint, among other officers, a president, one or more vice-presidents (to which title may be added words indicating seniority or function), a secretary, a treasurer, and such other officers as the Board may determine, including one or more assistants to any of the officers so appointed. A Director may be appointed to any office of the Corporation. An officer may, but need not, be a Director.

7.2 Term of Office

Each of the officers, other than the CEO, shall be elected by the Directors through the Nominating Committee process and shall serve a term of three (3) years, provided that the person serving as president shall only serve a maximum of one (1) three year term and no other person shall serve in the same office more than two (2) successive three (3) year terms, except in the office of Honourary Counsel or Honourary Co-Counsels of the Board, it being intended that where possible, but not on a prerequisite basis, that the choice of officers, other than in the case of the Honourary Counsel or Honourary Co-Counsels shall be made so as to result in a Regional balance of officers.

7.3 President

(1) The president shall be the highest ranking officer of the Corporation and shall preside at all meetings of members, Directors and the Executive Committee, and shall be a member, ex officio, of each committee of the Corporation. The president shall perform customary presidential duties and shall execute or approve such documents as may be authorized and

require the signature or approval of the Corporation, including, but subject to Section 3.1 and the Regulations, all documents that result in the Corporation incurring any financial obligations over and above the sum of Fifty-One Thousand Dollars (\$51,000); and outside of the Ordinary Course of Business.

(2) In the event of the death, resignation, removal or disability of the president, the Executive Committee by a majority vote shall designate an alternative officer to perform the duties and exercise the powers of the president within five (5) days of the office of president becoming vacant and designate an individual from such Executive Committee to serve as acting president for a period not exceeding sixty (60) days. Within sixty (60) days of such designation, a meeting of the Board shall be convened and the Directors shall either confirm such acting president or, alternatively, elect another Director to serve as acting president until the subsequent AGM.

7.4 Chief Executive Officer ("CEO")

(1) Subject to the authority of the president, the CEO shall be the chief executive and operating officer for the Corporation and shall have the general and active management of the affairs of the Corporation. He shall attend all meetings of the Board, the Executive Committee, all meetings of the members, and shall have the right to attend all standing and ad hoc committee meetings from time to time and act as clerk thereof and record all votes and minutes of all proceedings in the books to be kept for that purpose. He shall give or cause to be given notices of all meetings of the Board, the Executive Committee and members, and shall perform such other duties as may be prescribed by the Board, the Executive Committee and/or the president, under whose supervision he shall be. He shall be the custodian of the seal of the Corporation, which he shall deliver only when authorized by a resolution of the Board or the Executive Committee to do so and to such person or persons as may be named in such resolution. Unless the president or the Board shall determine otherwise, the CEO shall act in accordance with these By-laws and all of the Regulations in force from time to time and shall report to the president on all substantive matters and, through the president, to the Board, which, on the advice of the president, may override any decision made by the CEO. Notwithstanding any aforesaid direction from the president to the CEO, if the CEO believes that such direction is not in the best interests of the Corporation or not in compliance with the By-laws and/or Regulations, the CEO shall have the right to have these instructions reviewed by the Executive Committee or the Board, and in these circumstance only, and which adjudication process is to be used sparingly, shall instead take direction from either body based on a majority decision.

(2) Subject to anything herein stated to the contrary, the CEO shall be hired by the Executive Committee, subject to the approval of the Board, by a process to be established by the Executive Committee on the basis that once the process is complete, the president, treasurer and the Human Resources Chairperson shall be authorized to negotiate and finalize a binding and confidential written contract to be entered into by the Corporation, the terms of which shall require the approval in writing of a minimum of two (2) of the aforesaid parties. The CEO is responsible, accountable to and takes direction from the president, and through the latter, to the Board and shall report regularly to the president and from time to time at any meeting of the Board, directly to the Board.

(3) Notwithstanding anything hereinbefore stated, should any matter that needs to be dealt with relate to salaries of, or the hiring or firing of, staff, which the CEO feels needs to be dealt with by the president, the Executive Committee or the Board, such matter shall be dealt with "in camera" by a select advisory committee as designated by the president or the Executive Committee.

(4) The CEO shall work with all Regional executive directors and Regional presidents and officers, as required from time to time and shall directly liaise with and give advice and guidance to the various Regional executive directors and Regional presidents as required in respect of the Corporation's policies and national programs then in force or contemplated from time to time.

(5) The CEO shall receive the remuneration approved by the president, the treasurer and the Human Resources Chairperson.

(6) The CEO shall have the right to attend all Board, Executive Committee and meetings, other than those meetings, or parts of meetings, relating to personal matters concerning the CEO should he be asked not to attend such meetings or to temporarily leave the meetings.

(7) In the event of any conflict of instructions between the president and/or the Executive Committee, on the one hand, and the Board on the other hand, the Board is paramount in authority to both the president and the Executive Committee.

(8) All professional staff, including Canadian Shlichim representatives, shall be directly responsible to the CEO.

7.5 Vice-Presidents

The vice-presidents shall perform such duties and exercise such powers as may be imposed upon such officers by the president, the Board or the Executive Committee.

7.6 Secretary

The secretary shall perform such duties and exercise such powers as may be imposed upon such officers by the president, the Board or the Executive Committee. Unless otherwise determined by the Board or noted in the Regulations, the secretary shall, if appointed, through the CEO, attend and be the secretary of all meetings of the Board, members and committees of the Board. The secretary through the CEO shall enter, or cause to be entered, in the Corporation's minute book, minutes of all proceedings at meetings of the Board, members and committees of the Board, whether or not he or she attends such meetings. The secretary shall through the CEO, give or cause to be given, as and when instructed, all notices to members, Directors, officers, the JNF Auditors and members of committees of the Board. The secretary hereby appoints the CEO to be the custodian of the seal of the Corporation and of all books, papers, records, documents and other instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose. The secretary shall have such other powers and duties as may otherwise be specified by the Board, the Executive Committee or the Finance and Audit Committee, as applicable.

7.7 Treasurer

The treasurer, through the CFO, shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all monies and other valuable effects in such depositories as may be designated by the Board from time to time. The treasurer, through the CFO, shall disburse the funds of the Corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the president, the Executive Committee and Directors at any meeting of the Board, or whenever they may request it, an account of all of his transactions as treasurer and of the financial position of the Corporation. He shall perform such other duties as may from time to time be determined by the Board, the Executive Committee or the president.

7.8 Vacancies

Should any of the offices referred to herein, other than the office of the president, become vacant for any reason, the president shall appoint one of the current Directors to serve the unexpired term of such office, subject to confirmation at the next meeting of the Executive Committee or of the Board, whichever may occur first.

7.9 Officer Remuneration

Officers, as such, other than the CEO, shall not receive any remuneration for their services as an officer.

7.10 Removal from Office

Subject to the provisions of any written employment agreements, at the pleasure of the Board, any officer may be removed from his office, if recommended by the Executive Committee, but only by a vote approved by a special resolution of the Board or the members (a special resolution, for greater certainty, being a vote of 2/3 of the Board or the members, as the case may be).

7.11 Conflict of Interest

An officer shall disclose his or her interest in any material contract or transaction or proposed material contract or transaction with the Corporation in accordance with Section 4.10.

7.12 Fidelity Bonds

The Board may require such officers, employees and agents of the Corporation as the Board deems advisable to furnish bonds for the faithful discharge of their duties, in such form and with such surety as the Board may from time to time prescribe, provided that no officer shall be required to personally fund the cost of any such bond.

SECTION 8 – PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

8.1 Limitation of Liability

Every Director and officer of the Corporation in exercising his powers and discharging his duties shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no Director or officer shall be liable for the acts, omissions, failures, neglects or defaults of any other Director, officer or employee, or for any loss, damage or expense suffered or incurred by the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his or her part, or for any other loss, damage or misfortune which shall happen in the execution of the duties of his office or in relation thereto. Nothing herein set forth shall relieve any Director or officer from the duty to act in accordance with the Act or from liability for any breach thereof.

8.2 Indemnity

(1) The Corporation shall indemnify a Director or officer of the Corporation, a former Director or officer of the Corporation or another individual who acts or acted at the Corporation's request as a director or officer (or an individual acting in a similar capacity, including the Honourary Counsel or Counsels) of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of the association with the Corporation or other entity.

(2) The Corporation shall advance monies to a Director, officer or other individual for the costs, charges and expenses of a proceeding referred to in Section 8.2(1). The individual shall repay the monies if he does not fulfil the conditions of Section 8.2(3).

(3) The Corporation shall not indemnify an individual under Section 8.2(1) unless he or she:

- (a) acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, in the best interests of the other entity for which he acted as a director or officer or in a similar capacity at the Corporation's request; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

(4) The Corporation shall also indemnify the individual referred to in Section 8.2(1) in such other circumstance as the Act or law permits or requires. Nothing in these By-laws shall limit

the right of any person entitled to indemnity to claim indemnity apart from the provisions of these By-laws.

8.3 Insurance

Subject to the Act, the Corporation shall purchase and maintain such insurance for the benefit of any individual referred to in Section 8.2(1) as the Board may from time to time determine.

SECTION 9 – MEMBERS

9.1 Membership Conditions

Subject to the Articles, there shall be one class of members in the Corporation. Membership in the Corporation shall be available to those persons as determined by the Board from time to time who have assisted the Corporation in furthering the Corporation's purposes. A list of the members of the Corporation shall be maintained at all times by the Corporation in its registers or procedures manual and the Board may by policy determine those eligible for membership from time to time and record the names of each member. Each member shall be entitled to receive notice of, attend and vote at all meetings of the members of the Corporation.

9.2 Membership Transferability

A membership may only be transferred to the Corporation.

SECTION 10 - MEMBERSHIP DUES, TERMINATION AND DISCIPLINE

10.1 Membership Dues

There shall be no membership fees payable.

10.2 Termination of Membership

A membership in the Corporation is terminated when:

- (a) the member dies, or, in the case of a member that is a body corporate, the body corporate is dissolved;
- (b) the member fails to maintain the qualification for membership described in Section 9.1;
- (c) the member resigns by delivering a written resignation to the CEO or secretary of the Corporation, in which case such resignation shall be effective on the date specified in the resignation;
- (d) the member is expelled in accordance with Section 10.4 or is otherwise terminated in accordance with the Articles or By-laws; or

- (e) the Corporation is liquidated or dissolved under the Act.

10.3 Effect of Termination of Membership

Subject to the Articles, upon any termination of membership, the rights of the member automatically cease to exist.

10.4 Discipline of Members

(1) The Board or the Executive Committee by a resolution of two-thirds (2/3) of its voting members at any meeting held by either of them from time to time, shall have authority to suspend, remove and/or expel any member or require any member to resign from the Corporation for any one or more of the following grounds:

- (a) violating any provision of the Articles, By-laws or written policies of the Corporation;
- (b) failing to be a Member in Good Standing;
- (c) carrying out any conduct which may be detrimental to the Corporation as determined by the Board or the Executive Committee in their sole and absolute discretion; or
- (d) for any other reason that the Board or the Executive Committee in their sole and absolute discretion considers to be reasonable, having regard to the purpose of the Corporation.

(2) If the Board or Executive Committee determines that a member should be expelled or suspended from membership in the Corporation, the president, or such other officer as may be designated by the Board or the Executive Committee, shall provide 20 days' notice of suspension or expulsion to the member and shall provide reasons for the proposed suspension or expulsion. The member may make a written submission to the president, or such other officer as may be designated by the Board or the Executive Committee, in response to the notice received within such 20-day period. If no written submission is received by the president, the president, or such other officer as may be designated by the Board or the Executive Committee, may proceed to notify the member that the member is suspended or expelled from membership in the Corporation. If a written submission is received in accordance with this Section 10.4(2), the Board or the Executive Committee shall consider such submissions in arriving at a final decision and shall notify the member concerning such final decision within a further 20 days from the date of receipt of the submission. The Board's or the Executive Committee's decision shall be final and binding on the member, without any further right of appeal.

SECTION 11 - MEETINGS OF MEMBERS

11.1 Annual General Meeting

Notice of the time and place of the AGM of the members held for the purpose of considering the minutes of an earlier meeting, considering the financial statements and reports

required by the Act to be placed before the annual meeting, electing Directors, appointing or waiving the appointment of the JNF Auditors, fixing or authorizing the Directors (or any committee thereof) to fix the remuneration payable to the JNF Auditors and for the transaction of such other business as may properly be brought before the meeting.

11.2 Special Meetings

The Board or the president, in consultation with the CEO, shall have power to call a special meeting of members at any time.

11.3 Members Calling a Members' Meeting

The Board shall call a special meeting of members in accordance with subsection 167(3) (Directors Calling Requisitioned Meeting) of the Act, on written requisition of not less than 5% of the members. If the Board does not call a meeting within 21 days of receiving the requisition, any member who signed the requisition may call the meeting.

11.4 Meeting Held by Electronic Means

- (1) Any person entitled to attend a meeting of members may vote and otherwise participate in the meeting by means of a telephonic, electronic or other communication facility made available by the Corporation that permits all participants to communicate adequately with each other during the meeting. A person participating in a meeting of members by such means is deemed to be present at the meeting.
- (2) Directors who call (but not members who requisition) a meeting of members may determine that:
 - (a) the meeting shall be held, in accordance with the Regulations, entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting; and
 - (b) any vote shall be held, in accordance with the Regulations, entirely by means of a telephonic, electronic or other communication facility that the Corporation has made available for that purpose.
- (3) Any vote at a meeting of members, may be carried out by means of a telephonic, electronic or other communication facility, if the facility:
 - (a) enables the votes to be gathered in a manner that permits their subsequent verification; and
 - (b) permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how each member or group of members voted.

11.5 Place of Meetings

(1) Meetings of members shall be held at such place in Canada or in Israel as the President, in consultation with the CEO, shall determine, or, in the absence of such a determination, at the place where the registered office of the Corporation is located. A meeting held under Section 11.4 shall be deemed to be held at the place where the registered office of the Corporation is located.

(2) A member who attends a meeting of members held outside Canada is deemed to have agreed to it being held outside Canada except when the member attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully held.

11.6 Notice of Meeting of Members

(1) Notice of the time and place of a meeting of members shall be given to each member by the following means:

- (a) by mail, courier or personal delivery to each member, during a period of 21 to 60 days before the day on which the meeting is to be held; or
- (b) by telephonic, electronic or other communication facility to each member, during a period of 21 to 35 days before the day on which the meeting is to be held.
- (c) If the Corporation has more than 250 members, by publication:
 - (i) at least once in each of the three weeks immediately before the day on which the meeting is to be held in one or more newspapers circulated in the municipalities in which the majority of the members of the Corporation reside as shown by their addresses in the register of members; or
 - (ii) at least once in a publication of the Corporation that is sent to all its members, during a period of 21 to 60 days before the day on which the meeting is to be held.

(2) Notice of the time and place of each meeting of members shall also be given in the manner provided in Section 14.1 not less than 21 days before the date of the meeting to each Director and to the JNF Auditors.

(3) Notice of a meeting of members called for any purpose other than consideration of the minutes of an earlier meeting, financial statements and the JNF Auditor's report, election of Directors and reappointment of the incumbent JNF Auditors or, if applicable, fixing or authorizing the Directors, or any committee thereof, to fix the remuneration payable to such JNF Auditor shall state or be accompanied by a statement of:

- (a) the nature of the business in sufficient detail to permit the members to form a reasoned judgment on it; and

- (b) the text of any special resolution of the members to be submitted to the meeting.

11.7 List of Members Entitled to Notice

For every meeting of members, the Corporation shall prepare a list of members entitled to receive notice of the meeting. If a record date for the meeting is fixed pursuant to Section 11.8, the members listed shall be those registered at the close of business on that record date. If no record date is fixed, the members listed shall be those registered at the close of business on the day immediately preceding the day on which notice of the meeting is given or, where no such notice is given, on the day on which the meeting is held. The list shall be available for examination by any member during usual business hours at the registered office of the Corporation or at the place where the register of members is maintained and at the meeting for which the list was prepared. Where a separate list of members has not been prepared, the names of persons appearing in the register of members shall be deemed to be a list of members.

11.8 Record Date for Notice

The Board may fix in advance a date, preceding the date of any meeting of members by not more than 60 days and not less than 21 days, as a record date for the determination of the members entitled to notice of the meeting, and notice of any such record date shall be given not less than 7 days before the record date, by advertisement in a newspaper published or distributed in the place where the Corporation has its registered office. If no such record date is fixed, the record date for the determination of the members entitled to receive notice of the meeting shall be at the close of business on the day preceding the day on which the notice is given or, if no notice is given, shall be the day on which the meeting is held.

11.9 Waiver of Notice

- (1) A meeting of members may be held without notice at any time and place permitted by the Act if:

- (a) all the members entitled to be present at the meeting are present in person or duly represented or if those not present or represented waive notice of or otherwise consent to the meeting being held; and
- (b) the JNF Auditors and the Directors are present or waive notice of or otherwise consent to the meeting being held, so long as the members, JNF Auditors and the Directors present are not attending for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

- (2) At a meeting held under Section 11.9(1), any business may be transacted which the Corporation may transact at a meeting of members.

11.10 Chair, Secretary and Scrutineers

The chair of any meeting of members shall be the first mentioned of such of the following officers as have been appointed and who are present at the meeting: president, or vice-president who is a member. If no such officer is present within 15 minutes from the time fixed

for holding the meeting, the members present shall choose one of their number to chair the meeting. If the CEO and the secretary of the Corporation are both absent, the chair shall appoint a person, who need not be a member, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be members, may be appointed by a resolution or by the chair with the consent of the meeting.

11.11 Persons Entitled to be Present

The only persons entitled to be present at a meeting of the members shall be those entitled to attend the meeting, the Directors, the JNF Auditors, if invited by the President or the CEO, legal counsel, the Honourary Counsel or Co-Honourary Counsels of the Corporation and others who, although not entitled to attend or vote, are entitled or required under any provision of the Act, the Articles or the By-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or by resolution of the members.

11.12 Quorum

A quorum of members is present at a meeting of members irrespective of the number of members actually present at the meeting, if, at least 10% of the membership is present in person or by other electronic means made available by the Corporation pursuant to Section 11.4. A quorum need not be present throughout the meeting provided that a quorum is present at the opening of the meeting. If a quorum is not present at the time appointed for the meeting or within a reasonable time after that the members may determine, the members present or represented may adjourn the meeting to a fixed time and place but may not transact any other business.

11.13 Right to Vote

Every person named in the list referred to in Section 11.7 shall be entitled to vote at the meeting to which the list relates.

11.14 Joint Members

If two or more persons hold memberships jointly, any one of them present in person or duly represented at a meeting of members may, in the absence of the other or others, vote the membership, but, if two or more of those persons are present in person or represented and vote, they shall vote as one.

11.15 Votes to Govern

At any meeting of members, every question shall, unless otherwise required by the Articles, By-laws or the Act, be determined by a majority of the votes cast on the question.

11.16 Casting Vote

In case of an equality of votes at any meeting of members on a show of hands, on a poll or on the results of an electronic ballot, the chair of the meeting shall not be entitled to a second or casting vote.

11.17 Show of Hands

Subject to the Act, any question at a meeting of members shall be decided by a show of hands, unless a ballot is required or demanded as provided. On a show of hands, every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands has been taken on a question, unless a ballot is demanded, an entry in the minutes of a meeting of members to the effect that the chair declared a resolution to be carried or defeated is, in the absence of proof to the contrary, proof of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.18 Ballots

On any question proposed for consideration at a meeting of members, and whether or not a show of hands has been taken on it, the chair or any person who is present and entitled to vote on the question at the meeting may demand a ballot. A ballot so demanded shall be taken in such manner as the chair shall direct. A demand for a ballot may be withdrawn at any time before the ballot is taken.

11.19 Adjournment

The chair at a meeting of members may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the meeting from time to time and from place to place. If a meeting of members is adjourned for less than 30 days, it will not be necessary to give notice of the adjourned meeting, other than by announcement at the original meeting that is adjourned. Subject to the Act, if a meeting of members is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

11.20 Resolution in Lieu of Meeting

A resolution in writing signed by all the members present at, and entitled to vote on that resolution at, a meeting of members is as valid as if it had been passed at a meeting of the members unless, in accordance with the Act:

- (a) in the case of the resignation or removal of a Director, or the appointment or election of another person to fill the place of that Director, a written statement is submitted to the Corporation by the Director giving the reasons for his or her resignation or the reasons why he opposes any proposed action or resolution for the purpose of removing him from office or the election of another person to fill the office of that Director; or
- (b) in the case of the removal or resignation of the JNF Auditors, or the appointment or election of another person to fill the office of the JNF Auditors, representations in writing are made to the Corporation by the JNF Auditors concerning its proposed removal, the appointment or election of another person to fill the office of the JNF Auditors or its resignation..

SECTION 12 – GOVERNORS AND LIFE GOVERNORS

12.1 Governors and Life Governors

- (1) Members, who have provided exemplary services to the Corporation on a national, regional or local level, as recommended in writing by any Regional president, shall be eligible to serve as honorary Governors and/or life Governors.
- (2) The Directors may, at any meeting, based upon recommendations made by the president or Executive Committee, appoint Governors and/or life Governors.
- (3) A Governor shall be appointed for a term of three (3) years but may be re-appointed for successive terms without restriction.
- (4) The president or Executive Committee may designate life Governors. The office of life Governors shall be automatically vacated:
 - (a) On death;
 - (b) If such life Governor shall resign his office;
 - (c) If he be interdicted or declared of unsound mind; or
 - (d) If he is removed from office for cause by the Executive Committee or the Board.
- (5) Each Director who has served as president of the Corporation for one or more terms shall automatically become a life Governor upon completion of his final term as president. In addition, any Director who has served as national chairperson of the Corporation, as it was constituted prior to the continuance of the Corporation, shall also be designated a life Governor.

SECTION 13 – RULES AND REGULATIONS

13.1 Regulations Manual

The CEO shall be required to prepare and develop an ongoing written regulations, policy and current procedures manual (the “**Regulations Manual**”) to assist the Corporation in its orderly management of its affairs and establish certain policies and regulations of the Corporation, which shall be amended and updated from time to time, as required, and which shall be circulated and made available to the Board and to the Executive Committee. The Regulations Manual shall be approved in writing by the President and shall be implemented and required to be in effect following the date that these By-laws are in full force and effect and shall be continuously maintained thereafter.

13.2 Additional Regulations

The Board and/or the Executive Committee may prescribe such additional rules and regulations from time to time, not inconsistent with these By-laws relating to the management and operation of the Corporation as they may deem expedient, provided that such rules and

regulations shall have force and effect only until the next AGM of the Corporation when they shall be confirmed and, in default of confirmation, shall cease to have force and effect from that time.

13.3 Wind-up

In the event of the winding up of the Corporation, the then existing Board shall distribute all the remaining assets to a qualified donee(s), as defined in section 149.1(1) of the *Income Tax Act*. Such charitable organizations and such donations shall be determined at the sole discretion of the Board or the Executive Committee.

SECTION 14 – NOTICES

14.1 Method of Giving Notices

(1) Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the Articles, the By-laws or otherwise to a member, Director, officer or member of a committee of the Board or to the JNF Auditors shall be sufficiently given:

- (a) if delivered personally to the person to whom it is to be given or if delivered to such person's address as shown in the records of the Corporation or, in the case of notice to a Director, to the latest address as shown in the last notice that was sent by the Corporation in accordance with subsections 128(1) (Notice of Directors) or 134(1) (Notice of Change of Directors) of the Act and received by the Director;
- (b) if mailed to such person at such person's recorded address by prepaid ordinary or air mail;
- (c) if sent to such person by telephonic, electronic or other communication facility at such person's recorded address for that purpose; or
- (d) if provided in the form of an electronic document in accordance with Part 17 (Documents in Electronic or Other Form) of the Act.

(2) A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid. A notice so mailed shall be deemed to have been given when deposited in a post office or public letter box, and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The secretary may change or cause to be changed the recorded address of any member, Director, officer, the JNF Auditors or member of a committee of the Board in accordance with any information believed by the secretary to be reliable. The declaration by the secretary that notice has been given pursuant to this By-law shall be sufficient and conclusive evidence of the giving of such notice. The signature of any Director or officer of the Corporation to any notice or other document to be given by the Corporation may be written, stamped, type-written or printed or partly written, stamped, type-written or printed.

14.2 Notice to Joint Members

If two or more persons are registered as joint holders of any membership, any notice may be addressed to all such joint holders, but notice addressed to one of those persons shall be sufficient notice to all of them.

14.3 Computation of Time

In computing the period of days when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, the period shall be deemed to begin on the day following the event that began the period and shall be deemed to end at midnight of the last day of the period, except that, if the last day of the period falls on a non-business day or a Jewish holiday that results in the closing of the head office of the Corporation, the period shall end at midnight on the day next following that is not a non-business day or Jewish holiday.

14.4 Undelivered Notices

If any notice given to a member pursuant to Section 14.1 is returned on two consecutive occasions because such member cannot be found, the Corporation shall not be required to give any further notices to that member until he or she informs the Corporation in writing of his or her new address.

14.5 Omissions and Errors

The accidental omission to give any notice to any member, Director, officer, or member of a committee of the Board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance of the notice shall not invalidate any action taken at any meeting held pursuant to the notice or otherwise founded on such notice.

14.6 Persons Entitled by Death or Operation of Law

Every person who, by operation of law, transfer, death of a member or any other means whatsoever, shall become entitled to any membership, shall be bound by every notice in respect of the membership which has been duly given to the member from whom he or she derives his or her title to the membership before his or her name and address is entered on the register of members (whether the notice was given before or after the happening of the event on which he or she became so entitled) and before he or she furnished the Corporation with the proof of authority or evidence of his or her entitlement prescribed by the Act.

14.7 Waiver of Notice

Any member, or other person entitled to notice of or attend a meeting of members as applicable, Director, officer, JNF Auditors or member of a committee of the Board may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him or her under the Act, the Articles, the By-laws or otherwise, and that waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in the giving or in the time of the notice, as the case may be. Any such

waiver or abridgement shall be in writing, except a waiver of notice of a meeting of members or of the Board or a committee of the Board, which may be given in any manner.

SECTION 15 – DISPUTE RESOLUTION

15.1 Dispute Resolution Mechanism

If a dispute or controversy among members, Directors, officers or committee members of the Corporation arising out of or related to the Articles or By-laws, or out of any aspect of the activities or affairs of the Corporation is not resolved in private meetings between the parties, then such dispute or controversy shall be settled by a process of dispute resolution as follows to the exclusion of such persons instituting a law suit or legal action:

- (a) the dispute shall be settled by arbitration before a single arbitrator, in accordance with the *Arbitration Act, 1991* (Ontario) or as otherwise agreed upon by the parties to the dispute. All proceedings relating to arbitration shall be kept confidential, and there shall be no disclosure of any kind. The decision of the arbitrator shall be final and binding and shall not be subject to appeal on a question of fact, law or mixed fact and law; and
- (b) all costs of the arbitrator shall be borne by such parties as may be determined by the arbitrator.

SECTION 16 – AMENDMENT AND REPEAL

16.1 Amendment

(1) Subject to the Articles, the Board may, by special resolution, being a vote of 2/3 of the Directors, at a meeting specifically called for the purpose of amending the By-laws make, amend or repeal any By-laws that regulate the activities or affairs of the Corporation. Any such By-law, amendment or repeal shall be effective from the date of the special resolution of the Board until the next meeting of members where it may be confirmed, rejected or amended by the members by special resolution of the members. If the By-law, amendment or repeal is confirmed or confirmed as amended by the members, it remains effective in the form in which it was confirmed. Such By-law, amendment or repeal ceases to have effect if it is not submitted to the members at the next meeting of members or if it is rejected by the members at the meeting.

(2) The Board, through the CEO and the Honourary Counsel or either or each of the Co-Honourary Counsels, if applicable, as determined by the President, who shall report to the Executive Committee, shall be automatically obligated to arrange for a review of this By-Law and any amendments thereto at a minimum of every five (5) years from and including the date that this By-Law is in force and effect, in order to determine if any additional amendments are required for the purpose of keeping the By-Law current.

(3) Section 16.1(1) does not apply to a By-law that requires a special resolution of the members according to subsection 197(1) (Amendment of Articles or By-laws) of the Act. Pursuant to subsection 197(1) of the Act, a special resolution of the members is required to make

any amendments to Sections 9.1, 9.2, 11.4(1), 11.6(1), 11.6(3), 11.14, 11.15, 14.1 and this 16.1(3) if those amendments affect membership rights and/or conditions described in paragraphs 197(1)(e), (h), (l) or (m) of the Act.

(4) A special resolution of the members is also required, as per Section 197(1) of the Act, to make any amendment to the articles or the by-laws of a corporation to:

- (a) change the Corporation's name;
- (b) change the province in which the Corporation's registered office is situated;
- (c) add, change or remove any restriction on the activities that the Corporation may carry on;
- (d) create a new class or group of members;
- (e) change a condition required for being a member;
- (f) change the designation of any class or group of members or add, change or remove any rights and conditions of any such class or group;
- (g) divide any class or group of members into two or more classes or groups and fix the rights and conditions of each class or group;
- (h) add, change or remove a provision respecting the transfer of a membership;
- (i) subject to section 133 of the Act, increase or decrease the minimum or maximum number of Directors representing each of the Regions fixed by the articles or by Section 4.3;
- (j) change the statement of the purpose of the Corporation;
- (k) change the statement concerning the distribution of property remaining on liquidation after the discharge of any liabilities of the Corporation;
- (l) change the manner of giving notice to members of a meeting of members;
- (m) change the method of voting by members not in attendance at a meeting of members; or
- (n) add, change or remove any other provision that is permitted by the Act to be set out in the articles.

16.2 Repeal

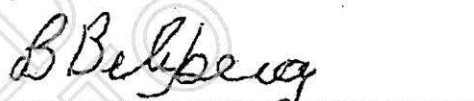
All previous By-laws of the Corporation are repealed as of the coming into force of these By-laws. The repeal shall not affect the previous operation of any By-laws so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under, or the validity of any contract or agreement made pursuant to, or the validity of any Articles or

predecessor charter documents of the Corporation obtained pursuant to, any such By-law before its repeal. All officers and persons acting under any By-laws so repealed shall continue to act as if appointed under the provisions of these By-laws, and all resolutions of the members or the Board or a committee of the Board with continuing effect passed under any repealed By-laws shall continue to be good and valid except to the extent inconsistent with these By-laws and until amended or repealed.

MADE and approved by the Board the 17th day of May, 2015.



President



Secretary

DISCLOSED
PURSUANT TO
THE ATIA
A-2018-109154



Industry Canada Industrie Canada

Corporations Canada

9th floor
Jean Edmonds Towers South
365 Laurier Avenue West
Ottawa, Ontario K1A 0C8

9^e étage
Tour Jean Edmonds sud
365, avenue Laurier ouest
Ottawa (Ontario) K1A 0C8

Your file Votre référence

August 20, 2010

Our file Notre référence
047170-4

Joe Rabinovitch
Executive Vice-President
Jewish National Fund of Canada

24(1)

Dear Mr. Rabinovitch:

RE: By-law Amendments
JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH LE 'ISRAEL) INC.

This will acknowledge receipt of your letters dated 24(1) and 24(1) concerning the by-law amendments which were duly sanctioned by the members on June 6, 2010.

The amendments have received Ministerial approval as of August 9, 2010.

Sincerely,

Aïssa Aomari
Acting Director General

AA/mmsr

c.c.: The Honourable Yoine Goldstein, Ad E.

JNF NATIONAL BY-LAWS

~~For Review and Approval of JNF National~~ Approved:

(i) Board of Directors

Approval June 16-6, 2010 (Blacklined):

(ii) CRA Approval November 26, 2010.

Effective Date: November 26, 2010

DISCLOSED TO
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THE ATIA
A-2018-109154

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JNF NATIONAL BY-LAWS 2010

Sanctioned by the Directors of **JEWISH NATIONAL FUND OF CANADA (KEREN KAYEMETH LE'ISRAEL) INC.** on the 6th day of June, 2010.

The following is an organizational by-law relating generally to the transaction of the business and affairs in Canada of Jewish National Fund of Canada.

NAME

The name of this organization shall be "**Jewish National Fund of Canada (Keren Kayemeth Le'Israel) Inc.**" (hereinafter referred to as "**JNF Canada**" or the "**Corporation**") and the seal of the Corporation shall have such words endorsed thereon.

NATIONAL ORGANIZATION

The Corporation is a not-for-profit corporation, without share capital, incorporated under the laws of Canada by Letters Patent dated the 14th day of November, 1961 and recorded on the 19th day of March, 1961, being an autonomous, self-governing national Canadian charitable organization. The activities of the Corporation shall be consistent with its objects and it shall operate as a national organization across Canada and be divided into various regional areas in Canada (referred to herein as "**Region**", "**Regions**" or "**Regional**") as designated hereinafter.

OFFICE

The head office of JNF Canada shall be located in the geographic area of the City of 24(1) which is the place where the business operations of JNF Canada are currently carried on, but which may be changed by resolution of the Board of Directors ("**Board**") in accordance with Section 6 herein from time to time. The current address of the head office is as follows:

Jewish National Fund of Canada

24(1)

The Corporation may establish such other Regional offices, and agencies elsewhere within Canada, as the Board may deem expedient from time to time, by resolution.

MEMBERSHIP

Requirement to be a Member: Membership in the Corporation shall be limited to Directors appointed in accordance with Section 11 herein, each of whom shall be persons of the age of majority in the province or territory of their domicile and who have assisted the Corporation in its charitable objectives. Subject to being nominated as a Director in accordance with Section 11 herein, such contributors shall automatically become eligible to be members of the Corporation ("Member" or "Members"), whether they shall have made application for admission or not;

No Fees: There shall be no membership fees payable;

Voluntary Resignation: Any Member may withdraw from JNF Canada by delivering to the Corporation a written resignation and lodging a copy of the same with the Secretary of the Corporation;

Forced Resignation: Any Member may be required to resign or may be removed from membership in JNF Canada by a vote of three-quarters (3/4) of either the Directors comprising the Board or the members of the Executive Committee, as defined hereinafter, if, in their opinion, that Member has conducted himself or herself in a manner which brings discredit to JNF Canada, any Regional JNF organization, the ²⁴⁽¹⁾ and/or the Jewish Community. Prior to such vote, however, the Member in question shall be entitled to be heard by the aforesaid relevant body making such determination; and

Member in Good Standing: Any Director of the Corporation must be a Member in good standing. In order to be a Member in good standing, a Member must be:

Current in respect of all monetary obligations owing to JNF Canada or any JNF Regional organization prior to being elected or appointed as a Director; and

Not be the subject of any resolution of the Board which calls for the suspension cancellation or revocation of the Member's membership or whose membership was terminated otherwise pursuant to the by-laws of JNF Canada or any JNF Regional organization.

LINE OF AUTHORITY

The "**Board**" means the board of directors of JNF Canada, which shall be the decision-making body of the Corporation;

The Officers, through the President of the Corporation, shall be responsible and accountable to the Board;

The position of Executive Vice-President shall be filled by a staff member employed by the Corporation on a full-time basis, so named;

- (i) Unless the President or the Board shall determine otherwise, the Executive Vice-President shall act in accordance with JNF Canada by-laws and all of the Regulations in force from time to time and shall report to the President on all substantive matters and, through the President, to the Board, which, on the advice of the President, may override any decision made by the Executive Vice-President;
- (a.i) Subject to Sections 10(c), (d) and 12(b)(ii), the Executive Vice-President shall be hired by the Executive Committee, subject to the approval of the Board, by a process to be established by the Executive Committee on the basis that once the process is complete, the President, Treasurer and Officer responsible for Human Resources Committee shall be authorized to negotiate and finalize a binding and confidential written contract to be entered into by JNF Canada, the terms of which shall require the approval in writing of a minimum of two (2) of the aforesaid parties. The Executive Vice-President, is responsible, accountable to and takes direction from the President, and through the latter, to the Board and shall report regularly to the President and from time to time at any meeting of the Board, directly to the Board;

Notwithstanding anything hereinbefore stated, should any matter that needs to be dealt with deal with salaries of or the hiring or firing of staff, which the Executive Vice-President feels needs to be dealt with by the President, the Executive Committee or the Board, such decision shall be dealt with "in camera" by a select subcommittee as designated by the President or the Executive Committee, and so constituted for such purposes (for the sake of confidentiality);

The Executive Vice-President shall work with all Regional Executive Directors and Regional Presidents and Officers, as required from time to time and shall directly liaise with and give advice and guidance to the various JNF Regional Executive Directors and Regional Presidents as required in respect of all JNF Canada policies and national JNF programs as may be in force or contemplated from time to time;

The position of Executive Vice-President shall receive remuneration as approved by the President and the Treasurer and shall be filled by a staff member so named and employed by JNF Canada on a full-time basis;

The Executive Vice-President shall have the right to attend all Board and Executive Committee meetings, other than those meetings or during such period or periods of any meeting or meetings, relating to personal matters concerning the Executive Vice-President should he be asked not to attend such meetings or to temporarily leave the meetings during such period of discussion;

In the event of any conflict of instructions between the President and/or the Executive Committee, on the one hand, and the Board on the other hand, the Board is paramount in authority to both the President and the Executive Committee;

In the event of any conflict between the by-laws of any Region and JNF Canada, as each may be or have been amended from time to time, the by-laws of JNF Canada shall take precedence over any Regional by-laws and any ancillary amendments relating thereto; and

All professional staff, including Canadian Shlichim representatives, shall be directly responsible to the Executive Vice-President.

BOARD OF DIRECTORS

Management of Board: The property and affairs of the Corporation shall be managed by a Board whenever it is in session; provided however, that the said affairs, when the Board is not in session, shall be governed by the Executive Committee;

Number of Directors: The Board shall consist of forty-two (42) Directors from the Regions referred to in Section 7(c) herein;

REGIONS:

(1) Subject to Section 16, the Directors shall be elected from the following Regions in Canada and in the following proportions, by way of a nomination and selection process pursuant to that hereinafter set forth:

(a.i) British Columbia/Yukon/Yellowknife — Six (6) Directors;

(a.ii) Alberta/Northwest Territories — Three (3) Directors;

(a.iii) Manitoba/Saskatchewan — Four (4) Directors;

(a.iv) Toronto — Twelve (12) Directors;

(a.v) S.W. Ontario - Three (3) Directors;

(a.vi) Ottawa — Three (3) Directors;

(a.vii) Quebec — Nine (9) Directors; and

(a.viii) Atlantic Provinces — Two (2) Directors;

(2) Any proposed amendment to the aforesaid number of Directors representing each of the Regions may only be enacted on the basis that a minimum of two-thirds (2/3) of all of the elected Directors at the time, being not

less than twenty-eight (28) in number, have attended any Board meeting considering such matter and have passed a Board resolution approving such amendment based on the aforesaid requirements containing the approval of at least two-thirds (2/3) of the attending Directors. The Board, through the Executive Vice-President and the Honorary Counsel, who shall report to the Executive Committee, shall be automatically obligated to arrange for a review of this By-Law and any amendments thereto at a minimum of every five (5) years from and including the date that this By-Law is in force and effect, in order to determine if any additional amendments are required for the purpose of keeping the By-Law current.

(3) The Executive Vice-President shall cause a list of each of the existing elected Board Members in each Region to be sent electronically to the respective Regional President to assist the President in putting forward recommendations as to possible Board or Officer candidates as representatives of such Region, to the Nominating Committee, as defined hereinafter, when required, it being recommended, but not a requirement, that each Regional President stand forward as a Board member where possible.

Elections: Each Director shall be elected every three (3) years, for a term of three (3) years, without restriction on the number of terms elected, provided that:

(a.i) a meeting of the Board is specifically called for the purpose of voting on the additional term of such Director(s);
or

(a.i) Subject to Sections 9(c) and (d) only, such Directors are elected at the annual general meeting of the Board ("AGM");

Term: Notwithstanding the foregoing, each Director shall hold office for a term of three (3) years, unless he shall resign or have died or have been interdicted or declared to be of unsound mind or removed from office for cause. If any vacancy shall occur for any reason set forth in this section, the Executive Committee may, by resolution, fill the vacancy by a Member in Good Standing on the books of the Corporation for the unexpired portion of the term of office. A Director who is absent from three (3) consecutive meetings of the Board may be requested by the Board or the Executive Committee to resign as a Director. The office of a Director shall automatically be vacated if at a special meeting of Members, provided that a resolution is passed by at least two-thirds (2/3) of the Directors present, that he be removed from office;

Meetings: Meetings of the Board may be held at any time and place to be determined in writing by any seven (7) Directors from a minimum of three (3) Regions, together with the President or the Executive Committee, provided that:

(a.i) Thirty (30) days notice of such meeting shall be sent in writing by ordinary mail or by electronic communication, including emails

and/or facsimiles or any other comparable electronic device that may be available from time to time and which has been approved by the Executive Committee ("Approved Notice"), to each Director;

(a.i) The Board shall meet not less than three (3) times in each calendar year, inclusive of the AGM;

Subject to Section 7(i), the AGM shall be a meeting requiring the attendance of the minimum quorum of Directors, in person, it being agreed that any other meeting of the Board may be held by way of a Conference Call Meeting in accordance with Section 7(f) (iv) herein;

The AGM meeting shall be held at the head office of the Corporation, elsewhere in Canada or in Israel as the President may designate, between April 21st and June 10th in each calendar year, on the basis that a minimum of sixty (60) days' written notice is provided for the AGM meeting and not less than seven (7) business days' notice is provided for any other Board meeting, in each case, to be sent by Approved Notice to each Director for any such meeting. At such meeting, the Directors shall:

hold elections for ~~Directors~~Members nominated when required pursuant to the provisions of this By-Law;

receive a report from the President relating to the financial affairs of the Corporation and its budget for the previous fiscal year;

transact such other business as may properly come before the AGM; and

On the condition that the Corporation has more than five hundred Members based on the aggregate number of Members in all of the Regions, a notice appearing in an appropriate Jewish newspaper circulated in each Region at least six weeks prior to the AGM or any special general meeting of the Members, shall be deemed to constitute sufficient notice to all Members. If, at any time, the Corporation should have less than five hundred Members as determined on the same basis then in such even, notice shall be given to each Member of the AGM. Notice of any meeting where special business will be transacted should contain sufficient information to permit the Members to form a reasonable judgment on the action and/or decision(s) to be taken.

Call a Meeting: Notwithstanding the foregoing, in the event of exceptional circumstances, the President or any five (5) Directors may, at their option, call a meeting with only ten (10) days' notice being provided. No formal notice shall be necessary if all Directors are present at the meeting or if they waive notice thereof

in writing, but otherwise, written notice of any meeting shall be given by Approved Notice, not less than seven (7) days prior to such meeting.

Quorum: A minimum of twelve (12) Directors shall constitute a quorum for any Board meeting, of which at least three (3) must be Officers.

Conference Call/Electronic Presentation: The President and/or the Executive Committee shall have the right and authority to determine from time to time by arranging for delivery of notification to the Directors at least seven (7) business days prior to any scheduled meeting of the Board or any Committee meeting, that in lieu of the need of the Directors to attend any such meeting(s) personally, other than the AGM, which shall require the personal attendance of a minimum quorum of the Directors in order to establish a properly constituted AGM, the Directors may participate in such meeting(s), by means of a conference telephone or other communications facilities so as to permit all persons participating in the meeting to hear each other ("**Conference Call Meeting**"). A Director participating in such a meeting by such means shall be deemed to be present at the meeting(s). In addition, in the event that written notification of a Conference Call Meeting has not been delivered and the meeting is held whereby certain Directors attend personally, but others are unable to attend personally, the President or the Chair of such meeting shall have the discretionary right to allow such non-attending Director(s) to participate in such meeting, who, in such circumstances, shall also be deemed to be present at the meeting. Minutes of all meetings of Directors shall be circulated amongst all the Directors as soon as possible after such meetings. Notwithstanding the prohibition in allowing Directors to attend the AGM by Conference Call, the President or the Executive Committee, shall have the right from time to time to invite a representative from any Standing Committee, Ad Hoc Committee or any other third party wishing to make a Committee Report or to inform the Board about matters of interest or benefit to the Corporation, to attend the AGM by way of an electronic presentation and the Executive Vice-President shall make whatever arrangements are reasonably required to effect such presentation.

Vacancy: Any vacancy or vacancies on the Board may be filled for the remainder of the term for any such Director(s) by the Board from among the members of the Regions as designated by the President or the Executive Committee;

Voting: The Directors may exercise all such powers of the Corporation as are not by the Act or by these by-laws required to be exercised by the Directors at an AGM. Each Director that is present at a meeting or authorized to attend a meeting by Conference Call, is authorized to be entitled to one (1) vote unless otherwise specifically provided for by the Act or these by-laws, and every question and all decisions shall be made by a majority of the votes cast on the basis that no voting by proxy shall be permitted. The Chairperson of a meeting of the Board shall have a second or casting vote in the event of a tie.

No Remuneration: Directors, as such, shall not receive any stated remuneration for their services, but shall be entitled to reasonable expenses for their attendance at

each regular or special meeting of the Board, not exceeding the cost of the most economical transportation available. Nothing herein contained shall be construed to preclude any Director from serving the Corporation as an Officer or in any other capacity and receiving compensation therefor.

Powers of the Board:

- (a.i) The following matters must be performed by the Board and may not be delegated:

The approval of the Annual Budget;

The approval of any items of expense, which would have the effect of exceeding the Annual Budget;

The engaging and terminating of the Executive Vice-President;

The approval of the Audited Financial Statements;

Any material change in the fiscal relationship with Karen Kayemeth Le'Israel;

The establishment of any new national fund raising project, program, and/method of payment or collection technique;

The termination of any established national fund raising program;

The approval of the sale of any asset outside of the ordinary course of the affairs of the Corporation; and

The engagement of any consultants not specifically foreseen in the previous Annual Budget;

- (a.i) The Executive Committee shall assist the Board in between Board meetings in carrying out the process of reviewing, advising, directing and making recommendations on a day to day basis of dealing with such matters.

Further Donations: The Board shall take such steps, as they may deem necessary to enable the Corporation to receive donations and benefits for the purpose of furthering the objectives of the Corporation;

Delegation of Powers: The Board may delegate to the President, in consultation with the Executive Committee, and/or solely to the Executive Committee, any matters not specifically referred to in section 7(j) hereof;

Committees: The Board shall establish (i) a Finance & Audit Committee; and (ii) an Education Committee as Standing Committees for the purposes and to be comprised of Directors in accordance with Section 12 herein;

Director Eligibility: Eligibility to be a Director in the Corporation, shall be limited to Members in Good Standing, who have assisted JNF Canada in its charitable objectives within Canada, within the twelve (12) months preceding each AGM in each calendar year and made a minimum financial contribution to JNF Canada or to any JNF Regional organization, in an amount stipulated in the Regulations Manual as approved by the Executive Committee from time to time. The aforesaid financial obligation shall not apply to any Director who is currently serving the Corporation or any Member serving a JNF Regional organization as an officer, or has been previously designated by the Board to serve in (i) any Honorary or Life capacity as per Section 14; or (ii) has been a past President of JNF Canada.

Remuneration: Subject to Section 7 (j) (iii) herein, any agreement as to the remuneration of agents and employees, or any changes in the remuneration thereof, shall not bind the Corporation unless approved by the Executive Committee, based on the recommendations of the Finance & Audit Committee, and the budgetary parameters established by the Board. In view of the sensitive nature of issues involving personnel, such matters should be dealt with, in camera by the Executive Committee.

Financial Year: The financial year of the Corporation shall coincide with the calendar year.

OFFICERS

Officers: There shall be a total of ten (10) Officers of the Corporation, who shall be comprised of the following:

(a.i) A President;

(a.i) The Executive Vice-President, on an ex officio basis;

Four Vice-Presidents;

A Secretary;

A Treasurer; and

Two (2) Directors-at-Large, which may or may not include the immediate Past President, as designated by the President in his sole discretion or such other Officers, if any, as the Board may, by resolution, determine, provided that only one (1) Director-at-Large may be appointed from any one Region;

all of whom, other than the Executive Vice-President, shall be elected at the next AGM, as hereinafter set forth in Section 11, it being intended that where possible, but not on a prerequisite basis, that the choice of Officers shall be made so as to result in a Regional balance of Officers being chosen throughout Canada;

Term of Office: Each of the Officers, other than the Executive Vice-President and the Members-at-Large, shall be elected by the Directors at the AGM through the Nominating Committee process set out in Section 11 herein and shall serve a term of three (3) years, provided that no person shall serve in the same office more than two (2) consecutive three (3) year terms, except in the office of Honorary Counsel of the Board;

Removal of Officer: Subject to the provisions of any written employment agreements, at the pleasure of the Board, any Officer may be removed from his office, if recommended by the Executive Committee, but only by a vote approved by a minimum of two-thirds (2/3) of the Board that is present at any meeting, including at a Conference Call Meeting; and

Vacancies: Vacancies in any office that requires the election of an Officer, by reason of any circumstances, shall be filled by Directors on the Board;

DUTIES OF OFFICERS

(1) **President:** The President shall be the Chief Executive Officer of the Corporation and shall preside at all meetings of Members, Directors and the Executive Committee and shall be a member, ex officio, of each Committee of the Corporation. The President shall perform the customary presidential duties and shall execute such documents as may be authorized and require the signature or approval of the Corporation, including, but subject to Section 15, all documents that result in the Corporation incurring any financial obligations; and

(2) **President Disabled:** In the absence or disability of the President, he shall designate an alternative officer to perform the duties and exercise the powers of the President. In the event that the President becomes disabled and is unable or unwilling to designate another Officer to act in his stead, or should the Office of the President become vacant for any of the reasons numerated in Section 12(1)(iii) hereof ("Vacancy Date"), the remaining Officers of the Executive Committee, other than the Executive Vice-President, referred to in Section 8(a) hereof shall, by a majority vote at a meeting of the Executive Committee, called for by the Executive Vice-President within five (5) business days of the Vacancy Date, designate one of their number to serve as acting President for a period not exceeding sixty (60) days. Within sixty (60) days of such designation, a meeting of the Board shall be convened and the Directors shall either confirm such acting President or, alternatively, elect another Director to serve as acting President until the subsequent AGM;

Vice-Presidents and Secretary: The Vice-Presidents and the Secretary of the Corporation shall perform such duties and exercise such powers as may be imposed upon such Officers by the President or by the Board;;

Executive Vice-President: The Executive Vice-President shall be the Chief Operating Officer of the Corporation and shall have the general and active management of

the affairs of the Corporation as noted in Section 6(d). He shall attend all sessions of the Board, the Executive Committee and all meetings of the Members and act as clerk thereof and record all votes and minutes of all proceedings in the books to be kept for that purpose. He shall give or cause to be given notices of all meetings of the Board, the Executive Committee and/or Members, and shall perform such other duties as may be prescribed by the Board, the Executive Committee and/or the President, under whose supervision he shall be. He shall be the custodian of the seal of the Corporation, which he shall deliver only when authorized by a resolution of the Board or the Executive Committee to do so and to such person or persons as may be named in such resolution;

Treasurer: The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all monies and other valuable effects in such depositories as may be designated by the Board from time to time. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President, the Executive Committee and Directors at any meeting of the Board, or whenever they may request it, an account of all of his transactions as Treasurer and of the financial position of the Corporation. He shall perform such other duties as may from time to time be determined by the Board, the Executive Committee and/or the President;

Vacancies: Should any of the offices referred to in Section 9 hereof, other than the Presidency, become vacant for any of the reasons enumerated in Section 12(1) (iii) hereof, the President shall appoint one of the current Directors to serve the unexpired term of such office, subject to confirmation at the next meeting of members or of the Board, whichever may occur first; and

No Remuneration: Officers, as such, shall not receive any remuneration for their services;

EXECUTIVE COMMITTEE

Purpose: During the term of office of each President, a special committee, serving in the capacity as the President's executive committee, ("**Executive Committee**"), shall be formed and constituted by the President, to assist him in the day-to-day matters and activities of supervising the general affairs of the Corporation and any other matters of consequence as so determined by the President or Executive Vice-President, that may arise from time to time between meetings of the Board;

Composition/Meeting: The Executive Committee shall consist of the ten (10) Officers of the Corporation designated in Section 8(a) and be formed within thirty (30) days of the appointment or election of the President being final and effective, and meet a minimum of once every two (2) months thereafter during the term of the President in person or by Conference Call or by any other comparable electronic process available from time to time, and shall be comprised of the current Officers. No person may serve as a member of the Executive Committee unless such

person is concurrently serving as a Director of the Corporation. It is the intention of the Corporation that the Executive Committee should be made up of representatives from throughout Canada. Unless otherwise decided by the Board, Executive Committee members shall receive no remuneration for serving as such, but are entitled to reasonable expenses incurred in the exercise of their duty. Any Executive Committee member may be removed by a majority vote of the Board;

Hiring of Executive Vice-President: The Executive Committee shall determine the process of the hiring of an executive vice-president, when required, from time to time, including determining if a special committee authorized to recommend and appoint a new executive vice-president is required and if so, appointing the members of such committee ("**Search Committee**"). Once and if formulated, the Search Committee will determine and recommend to the Executive Committee the process of how to retain a new executive vice-president, including whether or not to engage a professional employment firm or authorize any other comparable process. Thereafter, once the Search Committee has determined who is to be chosen to act as the new executive vice-president, the results of such process will be presented to the Executive Committee for ratification which will require the approval by resolution of a minimum of six (6) voting members of the Executive Committee attending such meeting to review and approve the proposed selection of the Search Committee or any other proposal put forward. Thereafter the retention of the Executive Vice-President shall be fully in effect and binding on the Board and the Members;

Role of the Executive Vice-President: The Executive Vice-President shall be a full time member of the Executive Committee, be entitled to attend and to provide advice and suggestions as required or requested from time to time, but shall not be entitled to any voting privileges. If any contractual matter relating to the Executive Vice-President is under discussion or review, notwithstanding anything else stated herein, the Executive Vice-President may only attend that portion of the Executive Committee meeting(s) that does not result in any conflict of interest to the Executive Vice-President as determined solely by the President or by any replacement Vice-President. The Executive Committee shall have the authority to require amendments or the insertion of new provisions as it so determines and the Executive Vice-President, shall immediately cause such changes to be made to the satisfaction of the Executive Committee;

Quorum/Call Meetings: A quorum for any meeting that is called by any one of the President, the Executive Vice-President, the Vice-Presidents or any three (3) other Officers, shall be four (4) persons in any decision to be made by the Executive Committee, provided that the President and at least one (1) Vice-President must be in attendance for the quorum to be in effect, whether in person or by Conference Call. If the President is unable to attend and has been replaced by an Officer in accordance with Section 9(2) herein, then that Officer designated to replace the President ("**Replacement President**") must attend in order for a quorum to be constituted. In such circumstances, any reference to the President where the context is applicable, shall be deemed to apply to the Replacement President. Any reference in this By-Law to attendance of a meeting of the

Executive Committee or by any Director or Member at any other meeting as required by this By-Law, other than the AGM, shall be deemed to mean attendance in person or by Conference Call;

In Camera: In the event that there is or are any matters that are of a sensitive nature, such matters as determined in the reasonable discretion of the President, shall be dealt with in camera by the Executive Committee;

Voting and Decisions: Each Officer, other than the Executive Vice-President, shall be entitled to one (1) vote. Any decision rendered shall require the majority approval by vote of those Officers that attend. The President or the Replacement President shall be the Chair of each meeting and shall have the right to have a second vote in the event of any tie;

Powers and Approval: The Executive Committee shall be vested with the powers of the Board between meetings. Any action or decisions rendered by the Executive Committee shall require a majority vote of the members in attendance, provided the minimum quorum requirement has been met. Thereafter such action or decisions shall be binding on the Board, unless overturned by a resolution based on a vote approved by a minimum of two-thirds (2/3) of the Directors in attendance at a Board meeting, provided that a minimum of 28 Directors have attended such meeting. If the original proposed action, decision and/or decisions of the Executive Committee is or are subsequently overruled, an action or decision of the Executive Committee shall not have any retroactive effect, provided that thereafter, such action or decisions shall be subject to the new proposed direction and ratification of the Board;

Notice: Written notice of any meeting of the Executive Committee shall be given by Approved Notice, not less than seven (7) days prior to such meeting. In the event of the need for an emergency or extraordinary meeting of the Executive Committee as determined by the President or the Executive Vice-President, and as agreed to by a majority of the Officers, the requisite seven (7) days' written notice may be waived;

Orientation of New Directors: The Executive Vice-President shall formulate applicable policies and procedures which shall form part of the Regulations, provided that the final wording is to be approved and ratified on a majority basis at a meeting of the Executive Committee, to welcome and orient new Directors from time to time;

Minutes of Executive Committee: Minutes of all meetings of Directors shall not be circulated amongst all the Directors, unless a written request is made by any Director and thereafter upon receipt, such minutes shall be circulated, as soon as possible after such meetings;

Remuneration to JNF Canada Staff: The remuneration to be provided to JNF Canada professional staff, comprising its permanent and part time employees and/or any agents employed by the Corporation, shall be determined on an annual calendar year basis, based on the budgetary parameters established by the Finance & Audit

Committee. Thereafter the Executive Vice-President shall have the authority to determine the manner in which annual staff salaries, including any increases or any changes from time to time during each such calendar year, are to be allocated and applied on an individualized basis, as he so determines in his reasonable discretion; and

Removal of Directors-at-Large: Other than if a past President is appointed as one of the Directors-at-Large, the President shall have the sole authority and discretion to replace any or both of the two (2) Directors-at-Large serving as a member of the Executive Committee during his term upon delivery of written notification to such Director, if such party was appointed by him in accordance with Section 8(a) (vi) herein.

NOMINATIONS COMMITTEE

Formation of Nominations Committee: A nominations committee ("Nominating Committee") for the purposes of placing in nomination the names of new Officers and new Directors of the Board shall be appointed every three (3) years no later than on the 15th day of February in the calendar year in which elections for such positions are to be held;

Composition of Nominations Committee: The Nominations Committee shall be comprised of the following seven (7) members:

(a.i) **Past President to be Chairperson:** The immediate past President of JNF Canada shall automatically serve as the chairperson of the Nominating Committee ("Chairperson") to be formed until such time as the current term of the incoming President expires, at which time, the latter shall replace the former as Chairperson. In the event that the immediate past President is incapable or is unwilling to act in such capacity, the Executive Committee shall appoint a Director of the existing Board as the Chairperson, by majority vote, at least four (4) months prior to the next AGM that is scheduled to be held;

(a.i) **Six Additional Members:** The Executive Committee shall select:

(a.i.1) two (2) current Officers; and

at least four (4) other Directors comprised of Members in Good Standing of the Corporation, on the recommendation of the Chairperson, at least four (4) months prior to the next AGM, each of whom shall be appointed from a different Region, to serve on the Nominating Committee for the current year. In the event that any incapacitation or unwillingness to act on the part of the immediate past President occurs subsequent to the aforementioned four (4) month period, the Executive Committee shall have the power to re-select an alternative chairperson of the Nominating Committee immediately thereafter;

Notification to Regional Councils: Within four (4) months prior to the next AGM, the Chairperson shall advise the President of each Regional Council in writing of the name of each Regional appointee whose term as Director is expiring as well as the eligibility of each such Director. Within thirty (30) days of receipt of such notice, the Regional Council shall designate its Regional Director(s) for the following term. Additional candidates for Officer positions, other than those of the President, Executive Vice-President, Vice-Presidents, Secretary or Treasurer, may be nominated by Regional Councils, provided that such nominations are made in writing to the Nominating Committee not later than thirty (30) days prior to such AGM. Elections of Officers shall be held in the following manner:

(a.i) If no additional nominations have been received for positions, other than those of the President, Vice-Presidents, Secretary and/or Treasurer, in addition to the slate of Officers prepared by the Nominating Committee, the report of the Nominating Committee shall be tabled at the next AGM by the President and the candidates so nominated shall be declared elected; and

(a.i) If such additional nominations have been received, then separate elections will be held at such AGM for each of the Regions in respect of which additional nominees have been proposed and such elections shall be decided by a majority vote of the Board at the next AGM.

Request to Members for Nominees: Fifteen (15) business days prior to the first Nominations Committee Meeting to select a slate of proposed Officers and Directors, the Executive Vice-President shall cause a written notice to be circulated by Approved Notice to all of the Board members ~~Directors~~ advising of the date of the proposed Slate Committee meeting and requesting any names that they wish to recommend for nomination(s) to be added to the slate of proposed Officers and/or Directors. In order for such candidates to be added as a nominee to proposed slate of candidate for the position of Officer, any ~~Director~~ Member wishing to make such a nomination shall submit to the Executive Vice-President to the Head Office of JNF Canada by delivery of a written list of any such candidate(s) by no later than 5:00 pm local time, at least five (5) business days prior to the date of the scheduled Slate Meeting, signed by at least five (5) ~~Directors~~ Members confirming their support and that the Board consider him or her as a nominee, in a sealed and private envelope to the attention of the Chairperson, Nominations Committee. In addition, the information to be provided shall include a biographical background of the individual(s) in question together with details as to what position such proposed candidate is seeking;

Notification of Slate: At least sixty (60) days prior to the date of the next AGM, the Nominating Committee shall submit a slate of proposed Officers and Directors of the Corporation, which slate shall be disclosed in writing to the Members not later than forty-five (45) days prior to the next AGM. The Executive Vice-President shall cause the said slate to be circulated by Approved Notice to all Directors, members of all current JNF Canada committees and such others, if any, as the

Nominations Committee shall determine. Any of the foregoing shall be entitled to nominate any Member to any position as an Officer or as a Director by submitting a written nomination signed by a minimum of ten (10) current Directors in good standing and the nominee, which nomination shall be delivered to the office of JNF Canada no later than 5:00 pm local time, fifteen (15) days after the circularization of the list of nominees by the Nominations Committee and shall include a biographical background of the individual(s) in question together with details as to what position such proposed candidate is seeking;

Background Information of Officers and Directors: The delivery of electronic notification of any proposed nomination shall not replace the obligation in each of the aforesaid instances to deliver the aforesaid required written notification as supported by original signed confirmation by the applicable numbers of required Members together with the information stipulated and if not received by the JNF Canada office in the required manner and within the time stipulated, shall not be considered valid notification and shall be disregarded by the Nominations Committee;

Nominate New Directors: At least two (2) weeks prior to the date of the next AGM, the Nominating Committee shall nominate the new Directors and same shall be submitted forthwith to the President. The nominations for Directors proposed by the Nominating Committee in the aforesaid manner shall be presented to the next AGM by the President and no nominations shall be accepted from the floor at the occasion of such AGM; and

Contact Selected Nominees: Prior to the next AGM, the Chairperson or any person so delegated by the Chairperson of the Nominating Committee shall have the right to contact any of the selected nominee Directors and/or Officers and confirm if they are prepared to stand as an Officer, Director, and/or chair of any specific committee or not.

STANDING OR AD HOC COMMITTEES

In order to carry out the policies and programs of activities of JNF Canada, the Executive Committee shall appoint, through an appropriate nominating committee process, each of (i) a Finance & Audit Committee; and (ii) an Education Committee as the only Standing Committees for the purposes and to be structured as follows, based the proposed members not being provided with any remuneration during their term of representation:

1. Finance & Audit Committee:

(i) **Mandate:** The mandate of a Finance & Audit Committee shall be:

to provide an in-depth examination of the financial activities of the Corporation;

monitor the financial status of the Corporation on an ongoing basis;

develop an annual operational budget of the Corporation;
and

to meet with auditors recommended by the Executive Vice-President and approved and retained by the Executive Committee on behalf of the Corporation at its pleasure ("JNF Auditors") on a yearly calendar basis prior to each AGM, to review, comment and approve or disapprove of the draft annual financial statements for the Corporation initially submitted to the Executive Committee on the basis that thereafter, the Executive Committee shall arrange to have the JNF Auditors coordinate such matters so as to have the financial statements audited and completed and thereafter, presented on a circulated and summarized basis, to the Board prior to the AGM for final approval in accordance with generally accepted current Canadian chartered accounting principles.

- (a.i) **Composition:** The Finance & Audit Committee shall consist of five (5) Directors and shall be chaired by the Treasurer. The remaining four (4) representatives shall be Directors appointed by the President in consultation with the Executive Committee, each of whom is to be a Member in Good Standing.

Term: The term of appointment shall be three (3) years, consistent with the term of the Treasurer. A Finance & Audit Committee member shall hold office until the election of his successor unless he shall resign or have died or have been interdicted or declared to be of unsound mind or removed from office for cause. If any vacancy shall occur for any of reasons set forth in this section, the Executive Committee may, by resolution, fill the vacancy by a Director who is a Member in Good Standing on the books of the Corporation for the unexpired portion of the term.

Appointment of JNF Canada Auditors: The Executive Committee shall recommend the appointment of the JNF Auditors at the AGM to hold office until the next AGM, subject to the approval of the Board. The remuneration of the JNF Auditor shall be approved and fixed by the Board based on the recommendation of the Finance & Audit Committee at each AGM.

Removal of Member: A Finance & Audit Committee Member who is absent from three (3) consecutive meetings of the

Committee may be requested by the Board or the Executive Committee to resign as a member. The office of a Finance & Audit Committee member shall be automatically vacated if at any meeting of the Executive Committee or at a special meeting of the Directors, a resolution is passed, in each case, by at least two-thirds (2/3) of the Directors present, provided that a minimum of fifteen (15) Directors attend such meeting, or if by the Executive Committee, a minimum of seven (7) Executive Committee members attend, that he be removed from the Committee.

1. Education Committee:

- (i) **Mandate:** An Education Committee shall be established with a mandate to develop national programs that promote JNF and Zionist education.
- (ii) **Composition:** The Education Committee shall consist of seven (7) Directors, each of whom must be a Member in Good Standing of the Board from at least four (4) Regions. Its chair shall be selected by the President with the first meeting called by the Chair for this purpose. Representatives on this Committee shall be selected by the Executive Committee based on the solicitation of names from the Regions.
- (iii) **Term:** The term of appointment shall be three (3) years, consistent with the term of the President. An Education Committee member shall hold office until the election of his successor unless he shall resign or have died or have been interdicted or declared to be of unsound mind or removed from office for cause. If any vacancy shall occur for any of reasons set forth in this section, the Executive Committee may, by resolution, fill the vacancy by a Director who is a Member in Good Standing on the books of the Corporation for the unexpired portion of the term.
- (iv) **Removal of Members:** An Educational Committee Member who is absent from three (3) consecutive meetings of the Committee may be requested by the Board or the Executive Committee to resign as a member. The office of an Educational Committee member shall be automatically vacated if at any meeting of the Executive Committee or at a special meeting of the Directors, a resolution is passed, in each case, by at least two-thirds (2/3) of the Directors present, provided that a minimum of fifteen (15) Directors attend such meeting, or if by the Executive Committee, a minimum of seven (7) Executive Committee members attend, that he be removed from the Committee.

Appointment of Ad Hoc Committees:

(a.i) **Prerogative:** In the event that any other committees which are national in scope are required, the decision to allow their constitution shall be at the prerogative of the President, from time to time, in consultation with the Executive Committee and the President shall thereafter have the right to appoint such other standing or ad hoc in nature committees as he may consider necessary or advisable to deal with specific issues that may arise which shall be provided with a Mandate, the terms of its composition, the term that it is to be in existence and any other general instructions as may be required to allow it to function;

(a.ii) **Human Resources Chairman:** At the inception of his term and in any event not later than thirty (30) days ~~from~~from commencement of the President's term of office, the President in his absolute discretion, shall designate one of the current Officers to serve as Chair of the Human Resources Committee, provided such Chair shall not be considered to be an Officer of the Corporation;

Functions: Each such Committee shall have the functions designated from time to time by the President, be of such size as the Executive Committee may decide, and comprise such Members as may be appointed by the Executive Committee with such Chairperson as may be appointed by the President in consultation with the Executive Committee. The membership in any such committees shall be at the pleasure of the President; and

Ex-Officio Memberships: The President and Executive Vice-President shall be a member of all such committees on an ex-officio basis.

Appointment of Honorary Counsel: The Board, as recommended by the Executive Vice-President, shall appoint the Honorary Counsel of the Corporation on a three (3) year term basis who shall serve in such capacity without any remuneration. The Honorary Counsel shall advise the Board, the Officers, the Directors and the Members on such questions of procedure and rules of order as may be put to him.. He shall further assist the Board, President, Executive Vice-President, the Executive Committee, Standing Committees and Ad Hoc Committees from time to time in the performance of their activities by advising on legal matters and assisting in the interpretation of statutes, ordinances and regulations relating to the Corporation, as are in question and on all matters referred to him/her in relation to the business of the Corporation wherein legal advice is required.

AMENDMENT OF BY-LAWS

The by-laws of the Corporation may be repealed or amended by a vote on the basis that a minimum of two-thirds (2/3) of all of the elected Directors at the time, being not less than twenty-eight (28) in number, have attended any Board meeting considering such matter and have passed a Board resolution approving such amendment based on the aforesaid requirements containing the approval of at least two-thirds (2/3) of the Directors present at:

(a.i) a meeting of the Directors specifically called for the purpose of amending the by-laws; or

the AGM called for the purpose of amending the by-laws;

Provided that in each case, a written notice of motion and the time and location of such meeting is sent to each Director or published in an appropriate Jewish newspaper printed and distributed in Canada, as determined by the Executive Vice-President. The amended by-laws shall not be acted upon until the approval of the Minister of Consumer and Corporate Affairs has been obtained; and

Any change in the location of the Head Office of the Corporation to another location in Canada or the establishment of a new Region in Canada, shall also require an amendment of the by-laws of the Corporation ratified by a vote on the basis that a minimum of two-thirds (2/3) of all of the elected Directors at the time, being not less than twenty-eight (28) in number, have attended any Board meeting considering such matter and have passed a Board resolution approving such amendment based on the aforesaid requirements containing the approval of at least two-thirds (2/3) of the attending Directors present at any of the aforesaid meetings and, in the case of any relocation of the Head office, shall also require an amendment to the Letters Patent of the Corporation.

GOVERNORS AND LIFE GOVERNORS

Members, who have provided exemplary services to the Corporation on a national, regional or local level, as recommended in writing by any Regional President, shall be eligible to serve as honorary Governors and/or life Governors;

The Directors may, at any AGM, based upon recommendations made by the President or Executive Committee, appoint Governors;

A Governor shall be elected for a term of three (3) years but may be re-elected for successive terms without restriction;

The President or Executive Committee may designate life Governors. The office of life Governors shall be automatically vacated:

(a.i) On death;

If such life Governor shall resign his office;

If he be interdicted or declared of unsound mind; or

If he is removed from office for cause by the Executive Committee
or the Board; and

Each Director who has served as President of the Corporation for one or more terms shall automatically become a life Governor upon completion of his final term as President. In addition, any Director who has served as National Chairperson of JNF Canada, as it was constituted prior to the incorporation of the Corporation, shall also be designated a life Governor.

SIGNATURE AND CERTIFICATION OF DOCUMENTS

Contracts, documents or any instruments in writing requiring the signature of the Corporation, shall be signed by any two (2) of the President, Executive Vice-President, Secretary or Treasurer, and all contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality, provided that as of the date that these by-laws come into force and effect, -any material contract, having a financial value of over Twenty Thousand Dollars (\$20,000), subject to an automatic increase in such value as calculated by the then Executive Vice-President every five years as of first day of June in that year based on the cumulative increase of such amount based on the national consumer price index ("CPI") as published by the government of Canada at the time, -shall at all times, require the approval in writing of the President. The Executive Committee may, from time to time, by resolution or the Board by by-law, appoint an Officer or Officers on behalf of the Corporation to either sign contracts, documents and instruments in writing generally or to sign specific contracts, documents and instruments in writing. The corporate seal of the Corporation when required from time to time, may be affixed to the contract, documents and instruments in writing signed as aforesaid or by any Officer or Officers appointed by resolution of the Board. Any employment contract or amendment thereto, relating to the Executive Vice-President may not be signed by the Executive Vice President, and shall require the signature of the President and Treasurer, as being the required two (2) signatures.

REGIONAL COUNCILS

Regional Councils shall be set up in each of the Regions described in Section 7(c) hereof by a procedure analogous to the election of Directors at the national level;

Each Regional Council shall operate within the parameters and objectives established by the Corporation and with that degree of autonomy determined, from time to time, by the Board or the Executive Committee;

The terms and conditions set forth in Section 9(a)(i), 9(f), and 10(h) hereof with respect to the national Officers shall apply mutatis mutandis to officers elected at the Regional level;

Each Regional Council may appoint an executive committee in a manner analogous with the procedures contained herein relating to the national level; and

Each Regional President shall be entitled to participate in meetings of the Board as a non-voting member unless such Regional President has already been elected to the Board.

RULES AND REGULATIONS

Regulations Manual: The Executive Vice-President shall be required to prepare and develop an ongoing written regulations and current procedures manual ("Regulations Manual") to assist the Corporation in its orderly management of its affairs, which will be amended and updated from time to time, as required, and made available to the Board and to the Executive Committee upon the written request of any Director, which Regulations Manual shall be approved in writing by the President and shall be required to be in effect coincidental to the date that these by-laws are in force and effect;

Additional Regulations: The Board and/or the Executive Committee, may prescribe such additional rules and regulations from time to time, not inconsistent with these by-laws relating to the management and operation of the Corporation as they may deem expedient, provided that such rules and regulations shall have force and effect only until the next AGM of the Directors of the Corporation when they shall be confirmed and, in default of confirmation, shall cease to have force and effect from that time.

Gender: In the present by-laws, the singular shall include the plural and the plural the singular; the masculine shall include the feminine.

Wind-up: In the event of the winding up of the Corporation, the then existing Board shall distribute all the remaining assets to charitable organizations in Canada. Such charitable organizations and such donations shall be determined at the sole discretion of the Board or the Executive Committee.