

**JEWISH FAMILY SERVICES
FINANCIAL STATEMENTS
JUNE 30, 2010**



Jewish Family Services

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The management of Jewish Family Services prepared these financial statements for the year ended June 30, 2010 and is responsible for their reliability, completeness and integrity. They conform in all material respects to Canadian generally accepted accounting principles.

Management maintains the necessary accounting and internal control systems designed to ensure the timely production of reliable and accurate financial information, the protection of assets (to a reasonable extent) against loss or unauthorized use, and the promotion of operational efficiency. The Board of Directors oversees management's responsibilities for the financial reporting and internal control systems.

The external auditors appointed by the Board of Directors conducted an audit of these financial statements in accordance with Canadian generally accepted auditing standards. Management reviewed these financial statements in detail with the external auditors before recommending their approval to the Board of Directors.

Edmonton, Alberta
August 19, 2010

Larry Derkach, Executive Director

Tikun Olam: "restoring the world"

We envision a world of economic & social justice; where individuals, families & communities care for and support themselves and one another. To this end, we provide strength & support to individuals & families in need, in a manner sensitive to Jewish values.

DEGRAVES PALLARD & ASSOCIATES LLP
CHARTERED ACCOUNTANTS

Dwayne DeGraves, CA, CMA
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AUDITOR'S REPORT

To the members of Jewish Family Services

We have audited the statement of financial position of Jewish Family Services (the "Society") as at June 30, 2010 and the statements of operations, its net assets, and its cash flows for the year then ended. These financial statements are the responsibility of the Society's management and allocation of certain expenses to specific programs is subject to interpretation by 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.

The Society derives revenue from donations and fees for service, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to these revenues, excess (deficiency) of revenues over expenses, assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Society as at June 30, 2010 and the results of its operations, its net assets, and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Edmonton, Alberta
August 19, 2010

DeGraves Pallard & Associates LLP
CHARTERED ACCOUNTANT


JEWISH FAMILY SERVICES
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30


	2010	2009
REVENUES (Schedule 1)		
United Way	\$ 202,764	\$ 188,477
Other grants (Note 7)	148,437	157,505
Donations	110,237	76,822
Family and Community Support Services	91,269	67,343
United Jewish Appeal	75,904	74,452
Fees for service	65,758	68,509
Casino	39,715	39,804
Interest and other income	16,195	-
Fundraising	9,665	13,637
Jewish Immigrant Aid Services of Canada	8,500	9,600
	768,444	696,149
EXPENSES (Schedule 1)		
Wages and benefits	584,515	525,821
Facility occupancy	50,069	77,208
Programs and services	30,110	33,942
Governance	25,296	17,058
Administrative	23,093	19,437
Office	14,509	16,973
Fundraising	4,587	4,232
Interest and other expenses	-	8,569
	732,179	703,240
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 36,265	\$ (7,091)

JEWISH FAMILY SERVICES
(Incorporated under the Societies Act of Alberta)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30

	2010	2009
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 301,572	\$ 70,931
Casino account	42,452	81,902
Restricted reserves	100,700	392,827
Accounts receivable	6,422	9,074
Prepaid expenses	8,916	4,936
	460,062	559,670
STATE OF ISRAEL SAVINGS BONDS (Note 4)	4,690	4,465
	\$ 464,752	\$ 564,135
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 52,952	\$ 41,639
DEFERRED REVENUE (Note 5)	91,263	238,224
	144,215	279,863
NET ASSETS		
NET ASSETS (Statement 3)		
Restricted	290,066	253,798
Unrestricted	30,471	30,474
	320,537	284,272
	\$ 464,752	\$ 564,135

ON BEHALF OF THE BOARD

 Director

 Director

JEWISH FAMILY SERVICES
STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30

	RESTRICTED RESERVES (Schedule 2)	UNRESTRICTED RESERVES	2010 TOTAL
NET ASSETS, BEGINNING OF YEAR	\$ 253,798	\$ 30,474	\$ 284,272
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES (Schedule 1, Statement 1)	35,421	844	36,265
BALANCE BEFORE TRANSFER OF CURRENT YEAR DEFICIT	289,219	31,318	320,537
TRANSFER OF CURRENT YEAR DEFICIT (Schedule 2)	847	(847)	-
NET ASSETS, END OF YEAR	\$ 290,066	\$ 30,471	\$ 320,537

	RESTRICTED RESERVES	UNRESTRICTED RESERVES	2009 TOTAL
NET ASSETS, BEGINNING OF YEAR	\$ 260,889	\$ 30,474	\$ 291,363
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES (Statement 1)	(13,782)	6,691	(7,091)
BALANCE BEFORE TRANSFER OF SURPLUS	247,107	37,165	284,272
TRANSFER OF CURRENT YEAR SURPLUS	6,691	(6,691)	-
NET ASSETS, END OF YEAR	\$ 253,798	\$ 30,474	\$ 284,272

JEWISH FAMILY SERVICES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30

	2010	2009
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 36,265	\$ (7,091)
Net change in non-cash working capital accounts		
Decrease in accounts receivable	2,652	5,570
(Increase) decrease in prepaid expenses	(3,980)	961
Increase in accounts payable	11,313	11,500
Increase (decrease) in deferred revenue	(146,961)	22,790
	(100,711)	33,730
INVESTMENT ACTIVITIES		
Increase in investments	(225)	(215)
INCREASE (DECREASE) IN CASH DURING THE YEAR	(100,936)	33,515
CASH, BEGINNING OF YEAR	545,660	512,145
CASH, END OF YEAR	\$ 444,724	\$ 545,660
CASH IS COMPRISED OF:		
Cash and cash equivalents	\$ 301,572	\$ 70,931
Internally restricted cash	100,700	392,827
Externally restricted cash	42,452	81,902
	\$ 444,724	\$ 545,660

JEWISH FAMILY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

1. STATUS AND PURPOSE OF ORGANIZATION

Jewish Family Services (JFS or the Society) is an Edmonton, Alberta based organization operating for the benefit of the general community of Edmonton and surrounding areas. For some programs, its efforts are directed towards the Jewish community. Some of the services provided by the Society are therapeutic and bereavement counselling, employment support, senior advocacy services, newcomer services, volunteer support, community development, short term emergency financial support and provision of local cultural resource information.

Jewish Family Services is a non-profit organization incorporated under the Societies Act of Alberta and is exempt from income tax pursuant to the Income Tax Act of Canada. Jewish Family Services is registered as a charity with Canada Revenue Agency and is able to issue charitable donation receipts for income tax purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year are dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

BASIS OF PRESENTATION

The Society 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 or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Investment income is recognized as revenue when earned and gains or losses on investments are recognized annually whether or not realized.

Administration expenses are allocated to programs based on a review and assessment made by management. The allocation of these costs is performed according to the underlying resources used by each program.

EQUIPMENT

Equipment purchases are expensed in the year they are acquired. During the year, the Society had no equipment purchases.

DONATIONS

Cash donations are recognized as revenue when received. Donations in kind of goods and services that are used in the normal course of operations are recorded at fair market value when their fair market value can be reasonably estimated.

JEWISH FAMILY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

CONTRIBUTED MATERIALS AND SERVICES

Contributed materials and services are not recorded in these financial statements. Volunteers contribute hours in carrying out governance and other activities of the Society. Due to the difficulty in determining their fair value, contributed volunteer services are not recognized in the financial statements.

DESIGNATED RESERVES

CONTINGENCY RESERVE

The Contingency Reserve is to cover unbudgeted liabilities or general expenditures in the event that regular funding sources are inadequate. Board approval is required for any expenditures covered by the Contingency Reserve. The balance in the Contingency Reserve is not to exceed 50% of prior year non-project operational expenditures.

OPPORTUNITIES RESERVE

The Opportunities Reserve is to be used for new programs or definite-term projects. In years where the Society has a deficit, the opportunities reserve may be utilized to cover the shortfall.

RELIEF RESERVE

The Relief Reserve is to be used to provide financial assistance to the Society's clientele.

RESTRICTED RESERVES

SIGMA ALPHA MU RESERVE

The Sigma Alpha Mu Reserve is to be used as scholarships for Jewish students attending the University of Alberta. The principal of the reserve is to remain intact and only the interest is to be used for scholarships.

SHRAGGE RESERVE

The income from the Shragge Reserve, less an amount that is added to the principal to compensate for inflation, is to be used for general operating purposes.

DAVID AND CLARA MINTZ RESERVE

The David and Clara Mintz Reserve is to be used to help children attend Jewish summer camps.

LILLI AND EMANUEL SCHLESINGER RESERVE

The Lilli and Emanuel Schlesinger Reserve is to be used to support Jewish Family Services clients in need of practical assistance.

KEVURA RESERVE

The Kevura Reserve is to be used to assist with Jewish burial costs of Jewish persons.

JEWISH FAMILY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

FINANCIAL INSTRUMENTS

The Society adopted CICA's Handbook Section 3855 "Financial Instruments - Recognition and Measurement" and Section 3861 "Financial Instruments - Disclosure and Presentation". Under Section 3855, all financial instruments are classified into one of these five categories: held for trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured in the statement of financial position at fair market value, except for held-to-maturity investments and other financial liabilities, which are measured at amortized cost. Subsequent measurement and changes in value will depend on their initial classification.

As a result of the adoption of Section 3855, the Society has classified its cash and cash equivalents, including amounts held in reserve, as held for trading. Accounts receivable are classified as loans and receivables and are measured at amortized cost which approximates fair value due to the relatively short period to maturity. Accounts payable and accrued liabilities and deferred revenue are classified as other financial liabilities. The carrying value of accounts payable and accrued liabilities and deferred revenue approximates fair value due to the relatively short periods to maturity.

GENERAL STANDARD

The General Standard of Financial Statement Presentation, Section 1400 requires management to make an assessment of an entity's ability to continue as a going concern. The Society receives funding from various sources including the Provincial Government. As a result, the Society is dependent on these funding sources to ensure the programs currently provided by the Society continue in future periods. If these funding sources were reduced or eliminated, the Society would determine which programs could continue based on the remaining revenue sources. Management has made an assessment on the basis of projected cash flows and concluded that there is no material uncertainties that cast significant doubt on the Society's ability to continue as a going concern.

CAPITAL DISCLOSURES

The Society has adopted the recommendations of CICA 1535, Capital Disclosures, which require disclosure of qualitative and quantitative information that enables users of the financial statements to evaluate the Society's objectives, policies and processes for managing capital.

In managing capital, the Society focuses on liquid resources available for operations. The Society's objective is to have sufficient liquid resources to continue operating despite adverse events with financial consequences and to provide the Society with the flexibility to take advantage of opportunities that will advance its purposes. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to the budget. As at June 30, 2010, the Society has met its objective of having sufficient liquid resources to meet its current obligations.

JEWISH FAMILY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

3. CHANGES IN ACCOUNTING POLICIES

The CICA has issued revisions to the 4400 series and certain other sections to amend or improve certain parts of the CICA Handbook that relate to not-for-profit organizations. With respect to presentation, these changes include making CICA 1540, Cash Flow Statements, applicable to not-for-profit organizations and requiring the reporting of revenues and expenses on a gross basis in the statement of operations. A new section, CICA 4470, Disclosure of Allocated Expenses by Not-For-Profit Organizations, was included in the revisions which require certain disclosures when fundraising and general support expenses are allocated to other functions. These changes in accounting policies must be adopted for years beginning on or after January 1, 2009. The affect of these changes did not have a significant impact on the June 30, 2010 financial statements and related disclosures.

4. STATE OF ISRAEL SAVINGS BONDS

Consists of a zero coupon bond having a yield to maturity of 5.05% and maturing on July 1, 2015 in the amount of \$6,000.

5. DEFERRED REVENUE

	BALANCE, BEGINNING OF YEAR	INCREASES FOR THE YEAR	DECREASES FOR THE YEAR	BALANCE, END OF YEAR
Unexpended casino funds	\$ 81,901	\$ 266	\$ (39,715)	\$ 42,452
National Council of Jewish Women	40,393	-	(5,503)	34,890
Program specific funds	115,930	1,000	(103,009)	13,921
	\$ 238,224	\$ 1,266	\$(148,227)	\$ 91,263

6. LEASE COMMITMENT

The lease for the Society's office expires on July 31, 2011 and the total obligation under the terms of the lease is \$43,312 per year including operating costs.

JEWISH FAMILY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

7. OTHER GRANTS

During the year, JFS recognized funding from various sources to support their programs which included the following:

Alberta Culture & Community Spirit	\$ 74,887
City of Edmonton	34,250
Status of Women Canada	22,473
Edmonton Community Adult Learning Association	15,227
Other	1,600
	<u>\$ 148,437</u>

8. ETHICAL FUNDRAISING

The Society has adopted Imagine Canada's Ethical Fundraising and Financial Accountability Code. During the year, the total donations for which receipts were issued for income tax purposes totaled \$78,629 (2009 - \$55,745). These receipted amounts are included in the \$110,237 of donations revenue (Statement 1).

The Society incurred expenses of \$4,587 for the purpose of soliciting contributions. The Society has no employees whose primary duties involve fundraising.

9. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation adopted for the current year.

JEWISH FAMILY SERVICES
SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2010

	COUNSELLING	COMMUNITY SUPPORT	EDMONTON BEREAVEMENT CENTRE
REVENUES			
United Way	\$ 149,198	\$ 27,148	\$ 21,529
Other grants (Note 7)	-	-	11,817
Donations	-	16,387	26,145
Family and Community Support Services	-	-	91,269
United Jewish Appeal	4,203	48,930	-
Fees for service	43,082	40	22,416
Casino	39,715	-	-
Interest and other income	-	-	-
Fundraising	-	-	-
Jewish Immigrant Aid Services of Canada	-	8,500	-
	236,198	101,005	173,176
EXPENSES			
Wages and benefits	186,112	67,040	138,093
Facility occupancy	19,111	5,738	8,892
Programs and services	56	14,237	2,369
Governance	-	-	-
Administrative	-	-	128
Office	1,311	588	1,986
Fundraising	-	-	-
Administrative allocation	29,608	12,555	21,708
	236,198	100,158	173,176
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ -	\$ 847	\$ -

SENIORS MAKING AGE-RELATED TRANSITIONS	TASIS	ADMIN- ISTRATION	SUB-TOTAL	RESTRICTED (Schedule 2)	TOTAL
\$ -	\$ -	\$ 4,889	\$ 202,764	\$ -	\$ 202,764
24,287	93,083	19,250	148,437	-	148,437
24,556	4,896	12,926	84,910	25,327	110,237
-	-	-	91,269	-	91,269
22,771	-	-	75,904	-	75,904
-	220	-	65,758	-	65,758
-	-	-	39,715	-	39,715
-	-	2,481	2,481	13,714	16,195
9,665	-	-	9,665	-	9,665
-	-	-	8,500	-	8,500
81,279	98,199	39,546	729,403	39,041	768,444
58,668	90,447	44,155	584,515	-	584,515
5,075	296	10,957	50,069	-	50,069
2,432	6,950	566	26,610	3,500	30,110
-	-	25,296	25,296	-	25,296
-	425	22,540	23,093	-	23,093
328	82	10,214	14,509	-	14,509
4,587	-	-	4,587	-	4,587
10,189	-	(74,180)	(120)	120	-
81,279	98,200	39,548	728,559	3,620	732,179
\$ -	\$ (1)	\$ (2)	\$ 844	\$ 35,421	\$ 36,265

JEWISH FAMILY SERVICES
SCHEDULE OF RESTRICTED RESERVES
FOR THE YEAR ENDED JUNE 30, 2010

	<u>DESIGNATED</u>		
	<u>CONTINGENCY RESERVE</u>	<u>OPPORTUNITIES RESERVE</u>	<u>RELIEF RESERVE</u>
BALANCE OF RESERVES, BEGINNING OF YEAR	\$ 115,231	\$ 76,320	\$ 11,966
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	8,051	652	102
BALANCE OF RESERVES BEFORE TRANSFER OF CURRENT YEAR DEFICIT	123,282	76,972	12,068
TRANSFERS OF CURRENT YEAR SURPLUS	-	-	847
BALANCE OF RESERVES, END OF YEAR	<u>\$ 123,282</u>	<u>\$ 76,972</u>	<u>\$ 12,915</u>

RESTRICTED

SIGMA ALPHA MU RESERVE	SHRAGGE RESERVE	DAVID AND CLARA MINTZ RESERVE	LILLI AND EMANUEL SCHLESINGER RESERVE	KEVURA RESERVE	2010 TOTAL
\$ 13,265	\$ 11,952	\$ 8,964	\$ 12,145	\$ 3,955	\$ 253,798
1,843	1,918	1,010	104	21,741	35,421
15,108	13,870	9,974	12,249	25,696	289,219
-	-	-	-	-	847
\$ 15,108	\$ 13,870	\$ 9,974	\$ 12,249	\$ 25,696	\$ 290,066