

**JEWISH FAMILY SERVICES
FINANCIAL STATEMENTS
JUNE 30, 2014**

INDEPENDENT AUDITORS' REPORT

To the members of the Jewish Family Services

Report on the Financial Statements

We have audited the accompanying financial statements of Jewish Family Services (the "Society"), which comprise the statement of financial position as at June 30, 2014 and the statement of operations, its net assets, and its cash flows for the year then ended, along with 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian Auditing Standards for Not-for-Profit organizations. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit includes 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 entity'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 entity'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.

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

Basis for Qualified Opinion

The Society derives revenue from donations and counselling fees, 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 Society and we were not able to determine whether any adjustments might be necessary to donations, counselling fees, excess (deficit) of revenues over expenses, and net assets.

Qualified Opinion

In our opinion, except for the effects of any 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 Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Society as at June 30, 2014 and the results of its operations, its net assets and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit organizations.

DeGraves Pallard & Associates LLP

Edmonton, Alberta
September 4, 2014

CHARTERED ACCOUNTANTS

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

	2014	2013
REVENUES (Schedule 1)		
Fees for service	\$ 525,617	\$ 405,124
United Way	203,662	201,189
Donations (Note 6)	86,717	92,742
Other grants (Note 7)	78,878	107,605
Family and Community Support Services	77,122	99,972
United Jewish Appeal	63,008	55,508
Casino	46,250	49,142
Interest and other income	19,596	11,626
Jewish Immigrant Aid Services of Canada	7,160	-
	1,108,010	1,022,908
EXPENSES (Schedule 1)		
Wages and benefits	979,655	854,788
Facility occupancy (Note 5)	71,234	101,400
Programs and services	45,350	31,968
Administrative	31,062	26,234
Governance	25,610	24,593
Office	15,781	17,940
	1,168,692	1,056,923
DEFICIENCY OF REVENUES OVER EXPENSES BEFORE OTHER INCOME (LOSSES)	(60,682)	(34,015)
OTHER INCOME (LOSSES)		
United Way project (Note 8)	972	1,899
Legends of Broadway Fundraiser (Note 9)	(176,828)	-
Stay at Home Dinner Fundraiser (Note 9)	22,638	13,609
	(153,218)	15,508
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (213,900)	\$ (18,507)

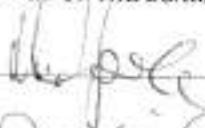
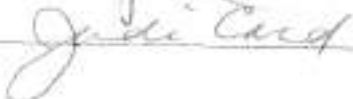
See accompanying notes

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

	2014	2013
ASSETS		
CURRENT		
Cash	\$ 71,577	\$ 248,490
Casino account	17,309	63,193
Restricted reserves	136,134	118,034
Accounts receivable	132,203	89,630
Goods and Services Tax recoverable	8,312	6,497
Prepaid expenses (Note 9)	42,711	14,989
	408,246	540,833
STATE OF ISRAEL SAVINGS BOND (Note 3)	5,712	5,437
	\$ 413,958	\$ 546,270
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 153,619	\$ 61,129
Source deductions payable	14,544	11,022
	168,163	72,151
DEFERRED REVENUE (Note 4)	120,713	135,137
	288,876	207,288
<i>Commitments</i> (Note 5)		
NET ASSETS		
NET ASSETS (Statement 3)		
Restricted	125,082	338,982
Unrestricted	-	-
	125,082	338,982
	\$ 413,958	\$ 546,270

See accompanying notes

ON BEHALF OF THE BOARD

 Director
 Director

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

	RESTRICTED AND DESIGNATED RESERVES (Schedule 2)	UNRESTRICTED RESERVES	2014 TOTAL
NET ASSETS, BEGINNING OF YEAR	\$ 338,982	\$ -	\$ 338,982
TRANSFER OF PRIOR YEAR SURPLUS TO RESTRICTED RESERVE	-	-	-
	338,982	-	338,982
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES (Schedule 1, Statement 1)	7,885	(221,785)	(213,900)
TRANSFER OF CURRENT YEAR DEFICIT (Schedule 2)	(221,785)	221,785	-
NET ASSETS, END OF YEAR	\$ 125,082	\$ -	\$ 125,082

	RESTRICTED AND DESIGNATED RESERVES	UNRESTRICTED RESERVES	2013 TOTAL
NET ASSETS, BEGINNING OF YEAR	\$ 283,980	\$ 73,509	\$ 357,489
TRANSFER OF PRIOR YEAR SURPLUS TO RESTRICTED RESERVE	43,509	(43,509)	-
	\$ 327,489	\$ 30,000	\$ 357,489
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES (Statement 1)	22,806	(41,313)	(18,507)
TRANSFER OF CURRENT YEAR DEFICIT	(11,313)	11,313	-
NET ASSETS, END OF YEAR	\$ 338,982	\$ -	\$ 338,982

See accompanying notes

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

	<u>2014</u>	<u>2013</u>
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$(213,900)	\$ (18,507)
Net change in non-cash working capital accounts		
Decrease (increase) in accounts receivable	(42,573)	19,592
Increase in Goods and Services Tax recoverable	(1,815)	(14)
Increase in prepaid expenses	(27,722)	(4,329)
Increase (decrease) in accounts payable	92,490	(11,932)
Increase in source deductions payable	3,522	1,555
Decrease in deferred revenue	(14,424)	(24,774)
	<u>(204,422)</u>	<u>(38,409)</u>
INVESTMENT ACTIVITIES		
Increase in Israel Savings Bond	(275)	(261)
DECREASE IN CASH DURING THE YEAR	(204,697)	(38,670)
CASH, BEGINNING OF YEAR	429,717	468,387
CASH, END OF YEAR	<u>\$ 225,020</u>	<u>\$ 429,717</u>
CASH IS COMPRISED OF:		
Cash	\$ 71,577	\$ 248,490
Externally restricted cash	17,309	63,193
Internally restricted cash	136,134	118,034
	<u>\$ 225,020</u>	<u>\$ 429,717</u>

See accompanying notes

JEWISH FAMILY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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

BASIS OF PRESENTATION

These financial statements are prepared in accordance with Part III of the CICA Handbook - Accounting, which constitutes Canadian Accounting Standards for Not-for-Profit organizations in Canada.

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.

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, 2014

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, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and source deductions payable. The fair market value of these financial instruments approximate their carrying value due to the relatively short periods to maturity.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, currency or credit risk arising from these financial instruments.

3. STATE OF ISRAEL SAVINGS BOND

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.

4. DEFERRED REVENUE

	BALANCE, JUNE 30, 2013	RECEIVED IN THE YEAR	RECOGNIZED AS REVENUE	BALANCE, JUNE 30, 2014
Edmonton Community Foundation	\$ -	\$ 33,660	\$ (2,805)	\$ 30,855
Community Initiatives Program	-	25,000	(2,083)	22,917
Stollery Charitable Foundation	-	21,900	(3,638)	18,262
Unexpended casino funds	63,193	366	(46,250)	17,309
Financial literacy program	14,000	-	-	14,000
Prosper Canada	-	12,768	(1,825)	10,943
FCSS regular funding	6,427	77,122	(77,122)	6,427
United Way special project (Note 8)	33,517	-	(33,517)	-
National Council of Jewish Women	18,000	-	(18,000)	-
	<u>\$ 135,137</u>	<u>\$ 170,816</u>	<u>\$ (185,240)</u>	<u>\$ 120,713</u>

5. LEASE COMMITMENT

The lease for the Society's office expires on September 30, 2016 and the total obligation under the terms of the lease is \$62,237 per year including operating costs.

JEWISH FAMILY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

6. DONATIONS

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 \$47,187 (2013 - \$46,433). These receipted amounts are included in the \$86,717 (2013 - \$92,742) of donations revenue (Statement 1).

7. OTHER GRANTS

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

	2014	2013
Cummings Jewish Centre for Seniors	\$ 32,500	\$ 12,500
City of Edmonton	17,000	17,500
Edmonton Community Adult Learning Association	12,177	17,738
Other	6,850	7,000
Stollery Charitable Foundation	3,638	-
Edmonton Community Foundation	2,805	-
Alberta Culture and Community Spirit	2,083	15,808
Prosper Canada	1,825	-
Government of Alberta CFEP	-	37,059
	\$ 78,878	\$ 107,605

8. UNITED WAY SPECIAL PROJECT

Jewish Family Services received funding from the United Way for the purpose of hiring a Human Resource Consultant. The Human Resource Consultant's responsibilities included providing professional services to six Edmonton non-profit organizations including Jewish Family Services. Jewish Family Services is the fiscal agent for this United Way initiative resulting in the revenues and expenses being recognized within the Society's financial statements. The Society received \$80,000 in 2013, with the original term of the contract ending on July 14, 2013. The original contract had been extended to November 30, 2013.

	2014	2013
REVENUE	\$ 33,517	\$ 79,748
EXPENSES	(32,545)	(77,849)
EXCESS OF REVENUES OVER EXPENSES	\$ 972	\$ 1,899

JEWISH FAMILY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

9. FUNDRAISING

During the year, the Society organized fundraising events which included The Legends of Broadway and the Stay at Home Dinner. The Legends of Broadway series includes three shows, two of which were held during the fiscal year, with a third show being held on October 5, 2014. As at June 30, 2014, the Society had recognized expenses of \$214,375 for the purposes of organizing the two fundraising shows held prior to June 30, 2014. Prepaid expenses include \$33,244 that is directly related to organizing the third fundraising event to be held on October 5, 2014.

The following tables identify the total revenues and expenses related to these fundraising events for the year ending June 30, 2014.

LEGENDS OF BROADWAY

	2014
REVENUE	\$ 37,907
EXPENSES	
Performers	85,079
Advertising	68,338
Staffing	29,768
Insurance	20,000
Venue	10,645
Other	905
	(214,735)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (176,828)

STAY AT HOME DINNER

	2014	2013
REVENUE	\$ 25,826	\$ 18,288
EXPENSES	(3,188)	(4,679)
EXCESS OF REVENUES OVER EXPENSES	\$ 22,638	\$ 13,609

The Stay at Home Dinner fundraiser was held during the month of February 2014 and in lieu of the dining event, participants donated funds to the Society.

10. 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, 2014

	COUNSELLING	COMMUNITY SUPPORT	EDMONTON BEREAVEMENT CENTRE
REVENUES			
Fees for service	\$ 66,466	\$ 70	\$ 18,630
United Way	149,304	27,168	21,904
Donations (Note 6)	-	19,236	24,795
Other grants (Note 7)	-	1,825	12,177
Family and Community Support Services	-	-	77,122
United Jewish Appeal	-	43,008	-
Casino	46,250	-	-
Interest and other income	-	-	-
Jewish Immigrant Aid Services of Canada	-	7,160	-
	<u>262,020</u>	<u>98,467</u>	<u>154,628</u>
EXPENSES			
Wages and benefits	208,314	61,981	109,051
Facility occupancy (Note 5)	20,667	6,530	15,010
Programs and services	97	19,403	1,156
Administrative	-	-	59
Governance	-	-	-
Office	973	278	3,397
Administrative allocation	51,127	19,600	28,597
	<u>281,178</u>	<u>107,792</u>	<u>157,270</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER INCOME (LOSSES)	<u>(19,158)</u>	<u>(9,325)</u>	<u>(2,642)</u>
OTHER INCOME (LOSSES)			
United Way project (Note 8)	-	-	-
Legends of Broadway Fundraiser (Note 9)	-	-	-
Stay at Home Dinner Fundraiser (Note 9)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (19,158)</u>	<u>\$ (9,325)</u>	<u>\$ (2,642)</u>

SENIORS MAKING AGE-RELATED TRANSITIONS	HOME SUPPORT	ADMIN- ISTRATION	SUB-TOTAL	RESTRICTED (Schedule 2)	TOTAL
\$ 11,500	\$ 428,951	\$ -	\$ 525,617	\$ -	\$ 525,617
-	-	5,286	203,662	-	203,662
32,390	-	10,296	86,717	-	86,717
4,000	32,500	28,376	78,878	-	78,878
-	-	-	77,122	-	77,122
20,000	-	-	63,008	-	63,008
-	-	-	46,250	-	46,250
-	-	677	677	18,919	19,596
-	-	-	7,160	-	7,160
67,890	461,451	44,635	1,089,091	18,919	1,108,010
75,598	361,668	163,043	979,655	-	979,655
5,890	6,350	16,787	71,234	-	71,234
4,466	9,238	456	34,816	10,534	45,350
-	14	30,989	31,062	-	31,062
-	-	25,610	25,610	-	25,610
222	278	10,633	15,781	-	15,781
19,152	83,907	(202,883)	(500)	500	-
105,328	461,455	44,635	1,157,658	11,034	1,168,692
(37,438)	(4)	-	(68,567)	7,885	(60,682)
-	-	972	972	-	972
-	-	(176,828)	(176,828)	-	(176,828)
22,638	-	-	22,638	-	22,638
22,638	-	(175,856)	(153,218)	-	(153,218)
\$ (14,800)	\$ (4)	\$ (175,856)	\$ (221,785)	\$ 7,885	\$ (213,900)

JEWISH FAMILY SERVICES
SCHEDULE OF DESIGNATED AND RESTRICTED RESERVES
FOR THE YEAR ENDED JUNE 30, 2014

	DESIGNATED		
	CONTINGENCY RESERVE	OPPORTUNITIES RESERVE	RELIEF RESERVE
BALANCE OF RESERVES, BEGINNING OF YEAR	\$ 170,804	\$ 80,679	\$ 9,242
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	11,921	299	34
TRANSFER OF CURRENT YEAR DEFICITS	(142,093)	(80,978)	1,286
BALANCE OF RESERVES, END OF YEAR	\$ 40,632	\$ -	\$ 10,562

RESTRICTED

SIGMA ALPHA MU RESERVE	SHRAGGE RESERVE	DAVID AND CLARA MINTZ RESERVE	LILLI AND EMANUEL SCHLESINGER RESERVE	KEVURA RESERVE	2014 TOTAL
\$ 17,709	\$ 16,575	\$ 11,380	\$ 13,295	\$ 19,298	\$ 338,982
2,074	2,943	1,527	49	(10,962)	7,885
-	-	-	-	-	(221,785)
\$ 19,783	\$ 19,518	\$ 12,907	\$ 13,344	\$ 8,336	\$ 125,082