

**Jewish Family Services
Financial Statements
June 30, 2016**

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, 2016 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 qualified opinion.

Basis for Qualified Opinion

The Society derives revenue from donations, fundraising 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, fundraising, 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, 2016 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

CHARTERED ACCOUNTANTS

Edmonton, Alberta
September 8, 2016

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

	<u>2016</u>	<u>2015</u>
REVENUES (Schedule 1)		
Claims Conference (Note 10)	\$ 1,581,813	\$ 579,215
United Way	202,224	200,944
Fees for service	106,706	248,597
Family and Community Support Services	86,376	77,122
Donations (Note 8)	85,693	79,936
Other grants (Note 9)	77,543	123,553
United Jewish Appeal	75,000	73,001
Casino	40,660	32,537
Interest and other income	3,430	13,182
Jewish Immigrant Aid Services of Canada	-	832
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	2,259,445	1,428,919
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EXPENSES (Schedule 1)		
Wages and benefits	1,833,412	1,090,380
Programs and services	238,276	132,586
Facility occupancy (Note 7)	93,160	93,945
Administrative	33,686	24,030
Governance	33,204	24,336
Office	18,555	23,656
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	2,250,293	1,388,933
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EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER INCOME (LOSSES)	9,152	39,986
	<hr/>	<hr/>
OTHER INCOME (LOSSES)		
Legends of Broadway Fundraiser	-	(66,476)
Friends Campaign (Note 11)	16,879	18,483
60th Anniversary	-	(20)
	<hr/>	<hr/>
	16,879	(48,013)
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EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 26,031	\$ (8,027)
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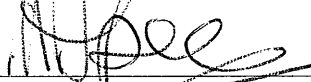
See accompanying notes

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

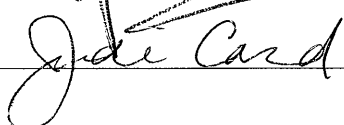
	2016	2015
ASSETS		
CURRENT		
Cash	\$ 291,237	\$ 107,738
Casino account	29,498	64,986
Restricted reserves	64,084	61,062
Accounts receivable	8,971	112,006
State of Israel Savings Bond (Note 3)	-	6,000
Goods and Services Tax recoverable	5,162	7,382
Prepaid expenses	10,601	16,333
	409,553	369,507
PROPERTY (Note 4)	29,750	38,053
	\$ 439,303	\$ 413,560
LIABILITIES		
CURRENT		
Accounts payable	\$ 132,458	\$ 103,219
Source deductions payable	30,659	26,900
	163,117	130,119
DEFERRED REVENUE (Note 5)	103,100	136,386
LOAN PAYABLE (Note 6)	30,000	30,000
	296,217	296,505
<i>Commitments (Note 7)</i>		
NET ASSETS		
NET ASSETS (Statement 3)		
Restricted	143,086	117,055
	\$ 439,303	\$ 413,560

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	2016 TOTAL
NET ASSETS, BEGINNING OF YEAR	\$ 117,055	\$ -	\$ 117,055
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES (Schedule 1, Statement 1)	(5,223)	31,254	26,031
TRANSFER OF CURRENT YEAR SURPLUS (Schedule 2)	31,254	(31,254)	-
NET ASSETS, END OF YEAR	\$ 143,086	\$ -	\$ 143,086

	RESTRICTED AND DESIGNATED RESERVES	UNRESTRICTED RESERVES	2015 TOTAL
NET ASSETS, BEGINNING OF YEAR	\$ 125,082	\$ -	\$ 125,082
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES (Statement 1)	12,391	(20,418)	(8,027)
TRANSFER OF CURRENT YEAR DEFICIT	(20,418)	20,418	-
NET ASSETS, END OF YEAR	\$ 117,055	\$ -	\$ 117,055

See accompanying notes

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

	2016	2015
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 26,031	\$ (8,027)
Amortization of property	8,303	3,460
	34,334	(4,567)
Net change in non-cash working capital accounts		
Decrease in accounts receivable	103,035	20,197
Decrease in Goods and Services Tax recoverable	2,220	930
Decrease in prepaid expenses	5,732	26,378
Increase (decrease) in accounts payable	29,239	(50,400)
Increase in source deductions payable	3,759	12,356
Increase (decrease) in deferred revenue	(33,286)	15,673
	145,033	20,567
INVESTMENT ACTIVITIES		
Decrease (increase) in Israel Savings Bond	6,000	(288)
Leasehold improvements	-	(41,513)
	6,000	(41,801)
FINANCING ACTIVITIES		
Increase in loan payable	-	30,000
	-	30,000
INCREASE IN CASH DURING THE YEAR	151,033	8,766
CASH, BEGINNING OF YEAR	233,786	225,020
	233,786	225,020
CASH, END OF YEAR	\$ 384,819	\$ 233,786
 CASH IS COMPRISED OF:		
Cash	\$ 291,237	\$ 107,738
Externally restricted cash	29,498	64,986
Internally restricted cash	64,084	61,062
	\$ 384,819	\$ 233,786
	\$ 384,819	\$ 233,786

See accompanying notes

JEWISH FAMILY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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.

PROPERTY

Leasehold improvements are recorded at cost and are amortized straight line over 5 years. Minor equipment purchases with a per item cost of less than \$20,000 are expensed in the year they are purchased.

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.

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.

JEWISH FAMILY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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.

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.

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.

JEWISH FAMILY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

3. STATE OF ISRAEL SAVINGS BOND

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

4. PROPERTY

	2016		2015	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Leasehold improvements	\$ 41,513	\$ 11,763	\$ 41,513	\$ 3,460
Net book value	\$ 29,750		\$ 38,053	

During the year, the Society recorded amortization of \$8,303 (2015 - \$3,460) related to the leasehold improvements.

5. DEFERRED REVENUE

	BALANCE, JUNE 30, 2015	RECEIVED IN THE YEAR	RECOGNIZED AS REVENUE	BALANCE, JUNE 30, 2016
Claims Conference	\$ -	\$ 1,632,960	\$(1,581,813)	\$ 51,147
Unexpended casino funds	64,986	5,172	(40,660)	29,498
Stollery Charitable Foundation	20,087	-	(11,312)	8,775
FCSS regular funding	6,427	86,890	(86,376)	6,941
Edmonton Community Foundation	15,427	-	(8,688)	6,739
National Council of Jewish Women	18,000	-	(18,000)	-
Community Initiatives Program	11,459	-	(11,459)	-
	\$ 136,386	\$ 1,725,022	\$(1,758,308)	\$ 103,100

6. LOAN PAYABLE

The Society received a loan from Meadowlark Real Estate Ltd. for the sum of \$30,000 for the purpose of leasehold improvements. The loan bears interest at prime plus 1% (2016 - 3.70%; 2015 - 3.85%) and must be repaid before February 29, 2020.

JEWISH FAMILY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

7. LEASE COMMITMENT

The lease for the Society's office expires on February 29, 2020 and the total obligation under the terms of the lease for the next four years are as follows:

2017	\$ 74,915
2018	\$ 74,915
2019	\$ 74,915
2020	\$ 49,943

8. 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 \$59,421 (2015 - \$36,143).

9. OTHER GRANTS

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

	2016	2015
National Council of Jewish Women	\$ 18,000	\$ -
City of Edmonton	17,500	17,000
Alberta Culture and Tourism	11,459	11,459
Stollery Charitable Foundation	11,312	20,075
Edmonton Community Foundation	8,688	15,428
Edmonton Community Adult Learning Association	6,771	9,890
Other	3,813	8,746
Prosper Canada	-	19,455
City of Edmonton - Literacy Program	-	10,000
Cummings Jewish Centre for Seniors	-	7,500
National Money Mart	-	4,000
	\$ 77,543	\$ 123,553

JEWISH FAMILY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

10. CLAIMS CONFERENCE

The City of Edmonton has been recognized as having a relatively high number of low income survivors of Nazi atrocities. In previous years, JFS has operated a successful home support program as a subsidiary of Cummings Centre in Montreal. In recognition of these efforts, the Conference on Jewish Material Claims Against Germany (the "Claims Conference") offered JFS a direct contract effective January, 2016 with a maximum annual operating budget of \$1.44 million. The Claims Conference has negotiated guaranteed funding from the German government until 2018 and expects the funding sources to continue for several years. JFS is providing services to clients ranging in ages from 70 to 95. JFS has continued servicing additional clients as the Jewish community becomes more aware of the support services being provided under the Claim Conference funding model.

11. FUNDRAISING - FRIENDS CAMPAIGN

During the year, the Society held a fundraising event with participants donating funds to JFS.

	2016	2015
REVENUES	\$ 18,135	\$ 20,584
EXPENSES	(1,256)	(2,101)
EXCESS OF REVENUES OVER EXPENSES	\$ 16,879	\$ 18,483

12. RESTRICTED RESERVES

Revenue and expenses incurred on the restricted reserves are as follows:

	2016
DAVID AND CLARA MINTZ RESERVE	
REVENUE	\$ 614
EXPENSES	(600)
EXCESS OF REVENUES OVER EXPENSES (Schedule 2)	\$ 14
KEVURA RESERVE	
REVENUE	\$ 15,823
EXPENSES	(24,150)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES (Schedule 2)	\$ (8,327)

JEWISH FAMILY SERVICES
SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016

	INTEGRITY COUNSELLING	COMMUNITY LINKS	EDMONTON HEALING CENTRE
REVENUES			
Claims Conference (Note 10)	\$ -	\$ -	\$ -
United Way	149,798	27,420	21,326
Fees for service	61,458	295	23,765
Family and Community Support Services	-	-	86,376
Donations (Note 8)	-	26,204	4,090
Other grants (Note 9)	11,011	13,703	14,584
United Jewish Appeal	-	37,000	-
Casino	40,660	-	-
Interest and other income	-	-	-
	262,927	104,622	150,141
EXPENSES			
Wages and benefits	212,539	60,541	115,052
Programs and services	12	20,375	2,338
Facility occupancy (Note 7)	24,029	6,119	16,068
Administrative	-	25	-
Governance	-	-	-
Office	1,274	449	837
Administrative allocation	23,014	8,481	13,020
	260,868	95,990	147,315
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER INCOME (LOSSES)	2,059	8,632	2,826
OTHER INCOME			
Friends Campaign (Note 11)	-	-	-
	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 2,059	\$ 8,632	\$ 2,826

SENIORS MAKING AGE-RELATED TRANSITIONS	HOME SUPPORT	ADMIN- ISTRATION	SUB-TOTAL	RESTRICTED (Schedule 2)	TOTAL
\$ -	\$ 1,581,813	\$ -	\$ 1,581,813	\$ -	\$ 1,581,813
-	-	3,680	202,224	-	202,224
16,375	-	4,813	106,706	-	106,706
-	-	-	86,376	-	86,376
5,613	19,781	14,305	69,993	15,700	85,693
18,932	-	19,313	77,543	-	77,543
18,000	20,000	-	75,000	-	75,000
-	-	-	40,660	-	40,660
-	-	203	203	3,227	3,430
58,920	1,621,594	42,314	2,240,518	18,927	2,259,445
44,454	1,256,003	144,823	1,833,412	-	1,833,412
2,808	187,729	864	214,126	24,150	238,276
5,225	19,681	22,038	93,160	-	93,160
50	56	33,555	33,686	-	33,686
-	-	33,204	33,204	-	33,204
394	849	14,752	18,555	-	18,555
5,131	157,276	(206,922)	-	-	-
58,062	1,621,594	42,314	2,226,143	24,150	2,250,293
858	-	-	14,375	(5,223)	9,152
-	-	16,879	16,879	-	16,879
-	-	16,879	16,879	-	16,879
\$ 858	\$ -	\$ 16,879	\$ 31,254	\$ (5,223)	\$ 26,031

JEWISH FAMILY SERVICES
SCHEDULE OF DESIGNATED AND RESTRICTED RESERVES
FOR THE YEAR ENDED JUNE 30, 2016

	DESIGNATED	
	CONTINGENCY RESERVE	RELIEF RESERVE
BALANCE OF RESERVES, BEGINNING OF YEAR	\$ 22,356	\$ 12,351
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	479	175
TRANSFER OF CURRENT YEAR SURPLUSES	22,885	8,369
BALANCE OF RESERVES, END OF YEAR	\$ 45,720	\$ 20,895

RESTRICTED					
SIGMA ALPHA MU RESERVE	SHRAGGE RESERVE	DAVID AND CLARA MINTZ RESERVE (Note 12)	LILLI AND EMANUEL SCHLESINGER RESERVE	KEVURA RESERVE (Note 12)	2016 TOTAL
\$ 21,321	\$ 22,065	\$ 16,611	\$ 13,949	\$ 8,402	\$ 117,055
1,054	1,184	14	198	(8,327)	(5,223)
-	-	-	-	-	31,254
\$ 22,375	\$ 23,249	\$ 16,625	\$ 14,147	\$ 75	\$ 143,086