

**JEWISH FAMILY SERVICES
FINANCIAL STATEMENTS
JUNE 30, 2015**

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, 2015 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, 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, 2015 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 17, 2015

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

	2015	2014
REVENUES (Schedule 1)		
Claims Conference (Note 10)	\$ 579,215	\$ -
Fees for service	248,597	525,617
United Way	200,944	203,662
Other grants (Note 9)	123,553	78,878
Donations (Note 8)	79,936	86,717
Family and Community Support Services	77,122	77,122
United Jewish Appeal	73,001	63,008
Casino	32,537	46,250
Interest and other income	13,182	19,596
Jewish Immigrant Aid Services of Canada	832	7,160
	1,428,919	1,108,010
EXPENSES (Schedule 1)		
Wages and benefits	1,090,380	979,655
Programs and services	132,586	45,350
Facility occupancy (Note 7)	93,945	71,234
Governance	24,336	25,610
Administrative	24,030	31,062
Office	23,656	15,781
	1,388,933	1,168,692
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER INCOME (LOSSES)	39,986	(60,682)
OTHER INCOME (LOSSES)		
United Way project	-	972
Legends of Broadway Fundraiser (Note 11)	(66,476)	(176,828)
Friends Campaign (Note 11)	18,483	22,638
60th Anniversary (Note 11)	(20)	-
	(48,013)	(153,218)
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (8,027)	\$ (213,900)

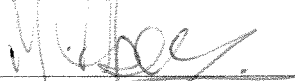
See accompanying notes

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


	2015	2014
ASSETS		
CURRENT		
Cash	\$ 107,738	\$ 71,577
Casino account	64,986	17,309
Restricted reserves	61,062	136,134
Accounts receivable	112,006	132,203
State of Israel Savings Bond (Note 3)	6,000	5,712
Goods and Services Tax recoverable	7,382	8,312
Prepaid expenses	16,333	42,711
	369,507	408,246
PROPERTY (Note 4)	38,053	-
	\$ 413,560	\$ 413,958
LIABILITIES		
CURRENT		
Accounts payable	\$ 103,219	\$ 153,619
Source deductions payable	26,900	14,544
	130,119	168,163
DEFERRED REVENUE (Note 5)	136,386	120,713
LOAN PAYABLE (Note 6)	30,000	-
	296,505	288,876
<i>Commitments (Note 7)</i>		
NET ASSETS		
NET ASSETS (Statement 3)		
Restricted	117,055	125,082
Unrestricted	-	-
	117,055	125,082
	\$ 413,560	\$ 413,958

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	2015 TOTAL
NET ASSETS, BEGINNING OF YEAR	\$ 125,082	\$ -	\$ 125,082
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES (Schedule 1, Statement 1)	12,391	(20,418)	(8,027)
TRANSFER OF CURRENT YEAR DEFICIT (Schedule 2)	(20,418)	20,418	-
NET ASSETS, END OF YEAR	\$ 117,055	\$ -	\$ 117,055

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

See accompanying notes

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

	2015	2014
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (8,027)	\$ (213,900)
Amortization of property	3,460	-
	(4,567)	(213,900)
Net change in non-cash working capital accounts		
Decrease (increase) in accounts receivable	20,197	(42,573)
Decrease (increase) in Goods and Services Tax recoverable	930	(1,815)
Decrease (increase) in prepaid expenses	26,378	(27,722)
Increase (decrease) in accounts payable	(50,400)	92,490
Increase in source deductions payable	12,356	3,522
Increase (decrease) in deferred revenue	15,673	(14,424)
	20,567	(204,422)
INVESTMENT ACTIVITIES		
Increase in Israel Savings Bond	(288)	(275)
Leasehold improvements	(41,513)	-
	(41,801)	(275)
FINANCING ACTIVITIES		
Increase in loan payable	30,000	-
	8,766	(204,697)
INCREASE (DECREASE) IN CASH DURING THE YEAR	8,766	(204,697)
CASH, BEGINNING OF YEAR	225,020	429,717
CASH, END OF YEAR	\$ 233,786	\$ 225,020
CASH IS COMPRISED OF:		
Cash	\$ 107,738	\$ 71,577
Externally restricted cash	64,986	17,309
Internally restricted cash	61,062	136,134
	\$ 233,786	\$ 225,020

See accompanying notes

JEWISH FAMILY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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.

JEWISH FAMILY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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.

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, 2015

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. PROPERTY

	2015		
	Cost	Accumulated Amortization	Net Book Value
Leasehold improvements	\$ 41,513	\$ 3,460	\$ 38,053

During the year, the Society recorded amortization of \$3,460 related to the leasehold improvements.

5. DEFERRED REVENUE

	BALANCE, JUNE 30, 2014	RECEIVED IN THE YEAR	RECOGNIZED AS REVENUE	BALANCE, JUNE 30, 2015
Unexpended casino funds	\$ 17,309	\$ 80,214	\$ (32,537)	\$ 64,986
Stollery Charitable Foundation	18,262	21,900	(20,075)	20,087
National Council of Jewish Women	-	18,000	-	18,000
Edmonton Community Foundation	30,855	-	(15,428)	15,427
Community Initiatives Program	22,917	-	(11,458)	11,459
FCSS regular funding	6,427	-	-	6,427
Financial literacy program	14,000	-	(14,000)	-
Prosper Canada	10,943	-	(10,943)	-
	\$ 120,713	\$ 120,114	\$(104,441)	\$ 136,386

JEWISH FAMILY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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% (2015 - 3.85%) and must be repaid before February 29, 2020.

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 five years are as follows:

2016	\$ 74,915
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 \$36,143 (2014 - \$47,187). These receipted amounts are included in the \$79,936 (2014 - \$86,717) of donations revenue (Statement 1).

9. OTHER GRANTS

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

	2015	2014
Stollery Charitable Foundation	\$ 20,075	\$ 3,638
Prosper Canada	19,455	1,825
City of Edmonton	17,000	17,000
Edmonton Community Foundation	15,428	2,805
Alberta Culture and Tourism	11,459	2,083
City of Edmonton - Literacy Program	10,000	-
Edmonton Community Adult Learning Association	9,890	12,177
Other	8,746	6,850
Cummings Jewish Centre for Seniors	7,500	32,500
National Money Mart	4,000	-
	\$ 123,553	\$ 78,878

JEWISH FAMILY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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, JSF 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, 2015 with a maximum annual operating budget of \$1.45 million Cdn. The Claims Conference has negotiated guaranteed funding from the German government until 2018 and expects it to continue for several years. JFS is providing services to clients ranging in ages from 70 to 95. JFS has been servicing additional clients in fiscal 2015 as the community becomes aware of the support services being provided under the Claim Conference funding model.

11. FUNDRAISING

During the year, the Society organized fundraising events which included The Legends of Broadway, Friends Campaign and 60th Anniversary Fundraiser.

The Legends of Broadway series includes three shows, two of which were held in the previous year, with a third show being held on October 5, 2014. The total revenues and expenses related to these fundraising events for the year ending June 30, 2015 and June 30, 2014 were as follows:

<u>LEGENDS OF BROADWAY</u>		2015	2014
REVENUES		\$ 31,336	\$ 37,907
EXPENSES			
Performers		61,193	85,079
Advertising		17,795	68,338
Staffing		17,500	29,768
Other		1,324	905
Insurance		-	20,000
Venue		-	10,645
		97,812	214,735
DEFICIENCY OF REVENUES OVER EXPENSES		\$ (66,476)	\$ (176,828)

JEWISH FAMILY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

11. FUNDRAISING CONTINUED

FRIENDS CAMPAIGN

	<u>2015</u>	<u>2014</u>
REVENUES	\$ 20,584	\$ 25,826
EXPENSES	2,101	3,188
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 18,483</u>	<u>\$ 22,638</u>

The Friends Campaign fundraiser was held during the month of March, 2015 with participants donating funds to the Society.

60th ANNIVERSARY

	<u>2015</u>
REVENUES	\$ 10,412
EXPENSES	10,432
EXCESS OF REVENUES OVER EXPENSES	<u>\$ (20)</u>

In recognition of Jewish Family Services 60th Anniversary, a luncheon was held during the year.

JEWISH FAMILY SERVICES
SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015

	COUNSELLING	COMMUNITY SUPPORT	EDMONTON BEREAVEMENT CENTRE
REVENUES			
Claims Conference (Note 10)	\$ -	\$ -	\$ -
Fees for service	56,586	-	8,385
United Way	138,304	38,168	21,610
Other grants (Note 9)	-	15,657	12,390
Donations (Note 8)	-	10,841	9,387
Family and Community Support Services	-	-	77,122
United Jewish Appeal	-	35,001	-
Casino	32,468	-	-
Interest and other income	-	-	-
Jewish Immigrant Aid Services of Canada	-	832	-
	<u>227,358</u>	<u>100,499</u>	<u>128,894</u>
EXPENSES			
Wages and benefits	150,780	66,179	94,383
Programs and services	-	11,094	66
Facility occupancy (Note 7)	25,376	7,252	14,746
Governance	-	-	-
Administrative	-	-	-
Office	1,192	392	681
Administrative allocation	27,765	13,294	17,201
	<u>205,113</u>	<u>98,211</u>	<u>127,077</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER INCOME (LOSSES)	<u>22,245</u>	<u>2,288</u>	<u>1,817</u>
OTHER INCOME (LOSSES)			
Legends of Broadway Fundraiser (Note 11)	-	-	-
Friends Campaign (Note 11)	-	-	-
60th Anniversary (Note 11)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 22,245</u>	<u>\$ 2,288</u>	<u>\$ 1,817</u>

SENIORS MAKING AGE-RELATED TRANSITIONS	HOME SUPPORT	ADMIN- ISTRATION	SUB-TOTAL	RESTRICTED (Schedule 2)	TOTAL
\$ -	\$ 579,215	\$ -	\$ 579,215	\$ -	\$ 579,215
6,336	177,190	100	248,597	-	248,597
90	-	2,772	200,944	-	200,944
4,500	7,500	83,506	123,553	-	123,553
25,257	-	24,735	70,220	9,716	79,936
-	-	-	77,122	-	77,122
38,000	-	-	73,001	-	73,001
-	-	69	32,537	-	32,537
-	-	494	494	12,688	13,182
-	-	-	832	-	832
74,183	763,905	111,676	1,406,515	22,404	1,428,919
50,654	569,214	159,170	1,090,380	-	1,090,380
6,320	104,861	732	123,073	9,513	132,586
5,799	7,261	33,511	93,945	-	93,945
-	-	24,336	24,336	-	24,336
-	157	23,873	24,030	-	24,030
292	1,173	19,926	23,656	-	23,656
9,873	81,239	(149,872)	(500)	500	-
72,938	763,905	111,676	1,378,920	10,013	1,388,933
1,245	-	-	27,595	12,391	39,986
-	-	(66,476)	(66,476)	-	(66,476)
-	-	18,483	18,483	-	18,483
-	-	(20)	(20)	-	(20)
-	-	(48,013)	(48,013)	-	(48,013)
\$ 1,245	\$ -	\$ (48,013)	\$ (20,418)	\$ 12,391	\$ (8,027)

JEWISH FAMILY SERVICES
SCHEDULE OF DESIGNATED AND RESTRICTED RESERVES
FOR THE YEAR ENDED JUNE 30, 2015

	DESIGNATED	
	CONTINGENCY RESERVE	RELIEF RESERVE
BALANCE OF RESERVES, BEGINNING OF YEAR	\$ 40,632	\$ 10,562
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	3,848	83
TRANSFER OF CURRENT YEAR DEFICITS	(22,124)	1,706
BALANCE OF RESERVES, END OF YEAR	\$ 22,356	\$ 12,351

RESTRICTED

SIGMA ALPHA MU RESERVE	SHRAGGE RESERVE	DAVID AND CLARA MINTZ RESERVE	LILLI AND EMANUEL SCHLESINGER RESERVE	KEVURA RESERVE	2015 TOTAL
\$ 19,783	\$ 19,518	\$ 12,907	\$ 13,344	\$ 8,336	\$ 125,082
1,538	2,547	3,704	605	66	12,391
-	-	-	-	-	(20,418)
\$ 21,321	\$ 22,065	\$ 16,611	\$ 13,949	\$ 8,402	\$ 117,055