

**JEWISH FAMILY SERVICES
FINANCIAL STATEMENTS
JUNE 30, 2017**

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, 2017 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, 2017 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 25, 2017

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

| | <u>2017</u> | <u>2016</u> |
|---|-------------------------|-------------------------|
| REVENUES (Schedule 1) | | |
| Claims Conference (Note 9) | \$ 1,358,191 | \$ 1,581,813 |
| United Way | 205,101 | 202,224 |
| Fees for service | 150,748 | 106,706 |
| Family and Community Support Services | 83,292 | 86,376 |
| United Jewish Appeal | 71,667 | 75,000 |
| Casino | 44,672 | 40,660 |
| Other grants (Note 8) | 38,874 | 77,543 |
| Interest and other income | 8,181 | 3,430 |
| | <u>1,960,726</u> | <u>2,173,752</u> |
| EXPENSES (Schedule 1) | | |
| Wages and benefits | 1,667,576 | 1,833,412 |
| Programs and services | 247,952 | 238,276 |
| Facility occupancy (Note 6) | 87,481 | 93,160 |
| Governance | 33,980 | 33,204 |
| Office | 25,801 | 18,555 |
| Administrative | 24,424 | 33,686 |
| | <u>2,087,214</u> | <u>2,250,293</u> |
| DEFICIENCY OF REVENUES OVER EXPENSES BEFORE OTHER INCOME | (126,488) | (76,541) |
| OTHER INCOME | | |
| Donations (Note 7) | 52,889 | 85,693 |
| Friends Events (Note 10) | 26,584 | 16,879 |
| | <u>79,473</u> | <u>102,572</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES | \$ (47,015) | \$ 26,031 |

See accompanying notes




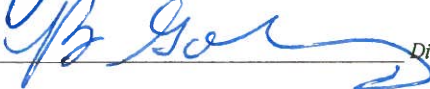
JEWISH FAMILY SERVICES
(Incorporated under the Societies Act of Alberta)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30

| | <u>2017</u> | <u>2016</u> |
|------------------------------------|-------------|-------------|
| ASSETS | | |
| CURRENT | | |
| Cash | \$ 113,490 | \$ 291,237 |
| Casino account | 92,293 | 29,498 |
| Restricted reserves | 71,064 | 64,084 |
| Accounts receivable | 93,639 | 8,971 |
| Goods and Services Tax recoverable | 5,254 | 5,162 |
| Prepaid expenses | 9,198 | 10,601 |
| | 384,938 | 409,553 |
| PROPERTY (Note 3) | 21,448 | 29,750 |
| | \$ 406,386 | \$ 439,303 |
| LIABILITIES | | |
| CURRENT | | |
| Accounts payable | \$ 156,092 | \$ 130,867 |
| Source deductions payable | 17,026 | 30,659 |
| | 173,118 | 161,526 |
| DEFERRED REVENUE (Note 4) | 104,496 | 103,100 |
| LOAN PAYABLE (Note 5) | 32,701 | 31,591 |
| | 310,315 | 296,217 |
| <i>Commitments (Note 6)</i> | | |
| NET ASSETS | | |
| NET ASSETS (Statement 3) | | |
| Restricted | 96,071 | 143,086 |
| | \$ 406,386 | \$ 439,303 |

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 | 2017 TOTAL |
|--|--|----------------------------------|-----------------------|
| NET ASSETS, BEGINNING OF YEAR | \$ 143,086 | \$ - | \$ 143,086 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES (Schedule 1, Statement 1) | 8,241 | (55,256) | (47,015) |
| TRANSFER OF CURRENT YEAR DEFICIT | (55,256) | 55,256 | - |
| NET ASSETS, END OF YEAR | \$ 96,071 | \$ - | \$ 96,071 |

| | RESTRICTED AND DESIGNATED RESERVES | UNRESTRICTED RESERVES | 2016 TOTAL |
|--|---|----------------------------------|-----------------------|
| NET ASSETS, BEGINNING OF YEAR | \$ 117,055 | \$ - | \$ 117,055 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES (Statement 1) | (5,223) | 31,254 | 26,031 |
| TRANSFER OF CURRENT YEAR DEFICIT | 31,254 | (31,254) | - |
| NET ASSETS, END OF YEAR | \$ 143,086 | \$ - | \$ 143,086 |

See accompanying notes



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

| | 2017 | 2016 |
|---|-------------|-------------|
| CASH PROVIDED BY (USED FOR) | | |
| OPERATING ACTIVITIES | | |
| Excess (deficiency) of revenue over expenses | \$ (47,015) | \$ 26,031 |
| Amortization of property | 8,302 | 8,303 |
| | (38,713) | 34,334 |
| Net change in non-cash working capital accounts | | |
| Decrease (increase) in accounts receivable | (84,668) | 103,035 |
| Decrease (increase) in Goods and Services Tax recoverable | (92) | 2,220 |
| Decrease in prepaid expenses | 1,403 | 5,732 |
| Increase in accounts payable | 25,225 | 28,129 |
| Increase (decrease) in source deductions payable | (13,633) | 3,759 |
| Increase (decrease) in deferred revenue | 1,396 | (33,286) |
| | (109,082) | 143,923 |
| INVESTMENT ACTIVITIES | | |
| Proceeds from Israel Savings Bond | - | 6,000 |
| FINANCING ACTIVITIES | | |
| Increase in loan payable | 1,110 | 1,110 |
| INCREASE (DECREASE) IN CASH DURING THE YEAR | (107,972) | 151,033 |
| CASH, BEGINNING OF YEAR | 384,819 | 233,786 |
| CASH, END OF YEAR | \$ 276,847 | \$ 384,819 |
| CASH IS COMPRISED OF: | | |
| Cash | \$ 113,490 | \$ 291,237 |
| Externally restricted cash | 92,293 | 29,498 |
| Internally restricted cash | 71,064 | 64,084 |
| | \$ 276,847 | \$ 384,819 |

See accompanying notes

JEWISH FAMILY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017

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, 2017

3. PROPERTY

| | 2017 | | 2016 | |
|------------------------|-------------|-------------------------------------|-------------|-------------------------------------|
| | Cost | Accumulated Amortization | Cost | Accumulated Amortization |
| Leasehold improvements | \$ 41,513 | \$ 20,065 | \$ 41,513 | \$ 11,763 |
| Net book value | \$ 21,448 | | \$ 29,750 | |

During the year, the Society recorded amortization of \$8,302 (2016 - \$8,303) related to the leasehold improvements.

4. DEFERRED REVENUE

| | BALANCE, JUNE 30, 2016 | RECEIVED IN THE YEAR | RECEIVED IN THE YEAR | BALANCE, JUNE 30, 2017 |
|--------------------------------|---------------------------------------|-------------------------------------|-------------------------------------|---------------------------------------|
| Claims Conference | \$ 51,147 | \$ 1,261,044 | \$ (1,312,191) | \$ - |
| Unexpended casino funds | 29,498 | 112,127 | (44,672) | 96,953 |
| Stollery Charitable Foundation | 8,775 | - | (8,775) | - |
| FCSS regular funding | 6,941 | 6,941 | (6,941) | 6,941 |
| Edmonton Community Foundation | 6,739 | - | (6,739) | - |
| Other Programs | - | 602 | - | 602 |
| | \$ 103,100 | \$ 1,380,714 | \$ (1,379,318) | \$ 104,496 |

5. 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% (2017 - 3.70%; 2016 - 3.70%) and must be repaid before February 29, 2020. During the year, interest expense on the loan was \$1,110 (2016 - \$1,110) and accrued interest included in the loan payable balance is \$2,701 (2016 - \$1,591).



JEWISH FAMILY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

6. 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 three years are as follows:

| | |
|------|-----------|
| 2018 | \$ 73,844 |
| 2019 | \$ 73,844 |
| 2020 | \$ 49,229 |

7. 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 \$46,333 (2016 - \$59,421).

8. OTHER GRANTS

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

| | <u>2017</u> | <u>2016</u> |
|---|------------------|------------------|
| City of Edmonton | \$ 17,000 | \$ 17,500 |
| Edmonton Community Foundation | 11,140 | 8,688 |
| Stollery Charitable Foundation | 8,774 | 11,312 |
| Other | 1,960 | 3,813 |
| National Council of Jewish Women | - | 18,000 |
| Alberta Culture and Tourism | - | 11,459 |
| Edmonton Community Adult Learning Association | - | 6,771 |
| | <u>\$ 38,874</u> | <u>\$ 77,543</u> |



JEWISH FAMILY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

9. CLAIMS CONFERENCE

The City of Edmonton has been recognized as having a relatively high number of low income survivors of Nazi atrocities. 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. During the year, revenue recognized from the Claims Conference was \$1,312,191 (2016 - \$1,581,813).

In December 2016, JFS was notified that they were approved for an additional \$92,000 in funding from the Azrieli Foundation for the period January to December, 2017. This funding is to be used to supplement the funding received from the Claims Conference to provide services to low income survivors of Nazi atrocities. During the year, revenue recognized from the Azrieli Foundation was \$46,000 (2016 - \$nil).

10. FUNDRAISING EVENTS

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

| | 2017 | 2016 |
|---|-------------|-------------|
| REVENUES | \$ 36,903 | \$ 18,135 |
| EXPENSES | (10,319) | (1,256) |
| EXCESS OF REVENUES OVER EXPENSES | \$ 26,584 | \$ 16,879 |

11. RESTRICTED RESERVES

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

| | 2017 |
|---|-------------|
| DAVID AND CLARA MINTZ RESERVE | |
| REVENUE | \$ 1,583 |
| EXPENSES | - |
| EXCESS OF REVENUES OVER EXPENSES (Schedule 2) | \$ 1,583 |
| KEVURA RESERVE | |
| REVENUE | \$ 607 |
| EXPENSES | - |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES (Schedule 2) | \$ 607 |



JEWISH FAMILY SERVICES
SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017

| | INTEGRITY COUNSELLING | COMMUNITY LINKS | EDMONTON HEALING CENTRE |
|---|----------------------------------|----------------------------|--|
| REVENUES | | | |
| Claims Conference (Note 9) | \$ - | \$ - | \$ - |
| United Way | 152,782 | 27,999 | 21,722 |
| Fees for service | 74,637 | 120 | 24,128 |
| Family and Community Support Services | - | - | 83,292 |
| United Jewish Appeal | - | 50,667 | - |
| Casino | 40,971 | 466 | 2,058 |
| Other grants (Note 8) | 6,206 | - | 10,606 |
| Interest and other income | - | - | - |
| | <u>274,596</u> | <u>79,252</u> | <u>141,806</u> |
| EXPENSES | | | |
| Wages and benefits | 214,510 | 58,844 | 107,454 |
| Programs and services | - | 32,129 | 193 |
| Facility occupancy (Note 6) | 20,865 | 5,792 | 17,263 |
| Governance | - | - | - |
| Office | 1,604 | 535 | 866 |
| Administrative | - | 25 | - |
| Administrative allocation | 42,657 | 17,519 | 22,640 |
| | <u>279,636</u> | <u>114,844</u> | <u>148,416</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER INCOME (LOSSES) | (5,040) | (35,592) | (6,610) |
| OTHER INCOME | | | |
| Donations (Note 7) | - | 11,135 | 3,599 |
| Fundraising events (Note 10) | - | - | - |
| | <u>-</u> | <u>11,135</u> | <u>3,599</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES | \$ (5,040) | \$ (24,457) | \$ (3,011) |

JEWISH FAMILY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

12. COMPARATIVE FIGURES

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



JEWISH FAMILY SERVICES
SCHEDULE OF DESIGNATED AND RESTRICTED RESERVES
FOR THE YEAR ENDED JUNE 30, 2017

| | DESIGNATED | |
|--|--------------------------------|---------------------------|
| | CONTINGENCY RESERVE | RELIEF RESERVE |
| BALANCE OF RESERVES, BEGINNING OF YEAR | \$ 45,720 | \$ 20,895 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES | 608 | 131 |
| TRANSFER OF CURRENT YEAR DEFICIT | (37,134) | (18,122) |
| BALANCE OF RESERVES, END OF YEAR | \$ 9,194 | \$ 2,904 |

| SENIORS MAKING AGE-RELATED TRANSITIONS | HOME SUPPORT | ADMIN- ISTRATION | SUB-TOTAL | RESTRICTED (Schedule 2) | TOTAL |
|---|-------------------------|-----------------------------|------------------|------------------------------------|--------------|
| \$ - | \$ 1,358,191 | \$ - | \$ 1,358,191 | \$ - | \$ 1,358,191 |
| - | - | 2,598 | 205,101 | - | 205,101 |
| 21,516 | 30,347 | - | 150,748 | - | 150,748 |
| - | - | - | 83,292 | - | 83,292 |
| 21,000 | - | - | 71,667 | - | 71,667 |
| 233 | - | 944 | 44,672 | - | 44,672 |
| 3,103 | - | 18,959 | 38,874 | - | 38,874 |
| - | - | 540 | 540 | 7,641 | 8,181 |
| 45,852 | 1,388,538 | 23,041 | 1,953,085 | 7,641 | 1,960,726 |
| 44,491 | 1,061,596 | 180,681 | 1,667,576 | - | 1,667,576 |
| 2,130 | 210,915 | 2,585 | 247,952 | - | 247,952 |
| 3,311 | 19,394 | 20,856 | 87,481 | - | 87,481 |
| - | 4,305 | 29,675 | 33,980 | - | 33,980 |
| 372 | 685 | 21,739 | 25,801 | - | 25,801 |
| - | 150 | 24,249 | 24,424 | - | 24,424 |
| 9,055 | 116,174 | (208,045) | - | - | - |
| 59,359 | 1,413,219 | 71,740 | 2,087,214 | - | 2,087,214 |
| (13,507) | (24,681) | (48,699) | (134,129) | 7,641 | (126,488) |
| 422 | 24,681 | 12,452 | 52,289 | 600 | 52,889 |
| - | - | 26,584 | 26,584 | - | 26,584 |
| 422 | 24,681 | 39,036 | 78,873 | 600 | 79,473 |
| \$ (13,085) | \$ - | \$ (9,663) | \$ (55,256) | \$ 8,241 | \$ (47,015) |

RESTRICTED

| SIGMA ALPHA MU RESERVE | SHRAGGE RESERVE | DAVID AND CLARA MINTZ RESERVE (Note 11) | LILLI AND EMANUEL SCHLESINGER RESERVE | KEVURA RESERVE (Note 11) | 2017 TOTAL |
|---------------------------------------|----------------------------|--|--|---|-----------------------|
| \$ 22,375 | \$ 23,249 | \$ 16,625 | \$ 14,147 | \$ 75 | \$ 143,086 |
| 2,437 | 2,733 | 1,583 | 142 | 607 | 8,241 |
| - | - | - | - | - | (55,256) |
| \$ 24,812 | \$ 25,982 | \$ 18,208 | \$ 14,289 | \$ 682 | \$ 96,071 |