

**JEWISH FAMILY SERVICES
FINANCIAL STATEMENTS
JUNE 30, 2018**

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 ("JFS" or the "Society"), which comprise the statement of financial position as at June 30, 2018 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 JFS as at June 30, 2018 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
October 18, 2018



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

	2018	2017
REVENUES (Schedule 1)		
Claims Conference (Note 10)	\$ 1,704,429	\$ 1,312,191
United Way	208,495	205,101
Fees for service	161,051	150,748
Azrieili Foundation (Note 10)	92,005	46,000
Family and Community Support Services	83,292	83,292
Casino	82,058	44,672
United Jewish Appeal	75,000	71,667
Other grants (Note 9)	19,000	38,874
Interest and other income	5,988	8,181
	<hr/> 2,431,318	<hr/> 1,960,726
EXPENSES (Schedule 1)		
Wages and benefits	1,914,361	1,667,576
Programs and services	324,026	247,952
Facility occupancy (Note 7)	89,042	87,481
Governance	22,122	33,980
Office	19,923	25,801
Administrative	15,534	24,424
	<hr/> 2,385,008	<hr/> 2,087,214
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER INCOME	46,310	(126,488)
OTHER INCOME		
Donations (Note 8)	67,902	52,889
Fundraising Events (Note 11)	9,717	26,584
	<hr/> \$ 77,619	<hr/> \$ 79,473
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<hr/> \$ 123,929	<hr/> \$ (47,015)

See accompanying notes



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

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 497,181	\$ 113,490
Casino account	16,558	92,293
Restricted reserves	44,460	71,064
Prepaid expenses	9,703	9,198
Goods and Services Tax recoverable	1,745	5,254
Accounts receivable	1,527	93,639
	571,174	384,938
PROPERTY (Note 3)	13,145	21,448
	\$ 584,319	\$ 406,386
LIABILITIES		
CURRENT		
Accounts payable	\$ 156,751	\$ 156,092
Source deductions payable	14,901	17,026
	171,652	173,118
DEFERRED REVENUE (Note 4)	188,288	104,496
LOAN PAYABLE (Note 5)	33,979	32,701
	393,919	310,315
<i>Commitments (Note 7)</i>		
NET ASSETS		
NET ASSETS (Statement 3)		
Restricted	190,400	96,071
	\$ 584,319	\$ 406,386

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)	UN- RESTRICTED RESERVES	2018 TOTAL
NET ASSETS, BEGINNING OF YEAR	\$ 96,071	\$ -	\$ 96,071
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES (Schedule 1, Statement 1)	3,173	120,756	123,929
CONVERSION TO ENDOWMENT (Note 12)	(29,600)	-	(29,600)
TRANSFER OF CURRENT YEAR SURPLUS	120,756	(120,756)	-
NET ASSETS, END OF YEAR	\$ 190,400	\$ -	\$ 190,400

	RESTRICTED AND DESIGNATED RESERVES	UN- RESTRICTED RESERVES	2017 TOTAL
NET ASSETS, BEGINNING OF YEAR	\$ 143,086	\$ -	\$ 143,086
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES (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

See accompanying notes



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

	<u>2018</u>	<u>2017</u>
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 123,929	\$ (47,015)
Amortization of property	8,303	8,302
	<u>132,232</u>	<u>(38,713)</u>
Net change in non-cash working capital accounts		
Decrease (increase) in accounts receivable	92,112	(84,668)
Decrease (increase) in Goods and Services Tax recoverable	3,509	(92)
Decrease (increase) in prepaid expenses	(505)	1,403
Increase in accounts payable	659	25,225
Decrease in source deductions payable	(2,125)	(13,633)
Increase in deferred revenue	83,792	1,396
	<u>309,674</u>	<u>(109,082)</u>
INVESTMENT ACTIVITIES		
Conversion of Shrage Reserve to an endowment (Note 12)	(29,600)	-
FINANCING ACTIVITIES		
Increase in loan payable	1,278	1,110
	<u>281,352</u>	<u>(107,972)</u>
INCREASE (DECREASE) IN CASH DURING THE YEAR	<u>281,352</u>	<u>(107,972)</u>
CASH, BEGINNING OF YEAR	<u>276,847</u>	<u>384,819</u>
CASH, END OF YEAR	<u>\$ 558,199</u>	<u>\$ 276,847</u>
CASH IS COMPRISED OF:		
Cash	\$ 497,181	\$ 113,490
Externally restricted cash	16,558	92,293
Internally restricted cash	44,460	71,064
	<u>\$ 558,199</u>	<u>\$ 276,847</u>

See accompanying notes

JEWISH FAMILY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

1. STATUS AND PURPOSE OF ORGANIZATION

Jewish Family Services ("JFS" or the "Society") is based in Edmonton, Alberta 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 five 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 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 SERVICES

Contributed 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, 2018

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 25% 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. As discussed in Note 12, the Shragge Reserve was converted to an endowment during the year and is no longer an asset of JFS.

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, 2018

3. PROPERTY

	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Leasehold improvements	\$ 41,513	\$ 28,368	\$ 41,513	\$ 20,065
Net book value	\$ 13,145		\$ 21,448	

During the year, the Society recorded amortization of \$8,303 (2017 - \$8,302) related to the leasehold improvements.

4. DEFERRED REVENUE

	BALANCE, JUNE 30, 2017	RECEIVED IN THE YEAR	RECOGNIZED AS REVENUE	BALANCE, JUNE 30, 2018
Claims Conference	\$ -	\$ 1,852,327	\$ (1,704,429)	\$ 147,898
Unexpended casino funds	96,953	1,663	(82,058)	16,558
Prepaid fees for services	-	65,971	(51,075)	14,896
FCSS regular funding	6,941	6,941	(6,941)	6,941
Azrieli Foundation	-	94,000	(92,005)	1,995
Other Programs	602	-	(602)	-
	\$ 104,496	\$ 2,020,902	\$ (1,937,110)	\$ 188,288

5. LOAN PAYABLE

In February 2015, 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% (2018 - 4.45%; 2017 - 3.70%) and must be repaid before February 29, 2020. During the year, interest expense on the loan was \$1,278 (2017 - \$1,110) and accrued interest included in the loan payable balance is \$3,979 (2017 - \$2,701).

6. LINE OF CREDIT

Effective May 17, 2018, the Society has access to an operating line of credit with a limit of \$250,000 with Alberta Social Enterprise Venture Fund Inc. The line of credit is repayable on demand with simple interest payable at 5.75% and has a term of five years. The line of credit has not been drawn upon by the Society as at June 30, 2018.



JEWISH FAMILY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

7. LEASE COMMITMENT

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

2019	\$ 76,271
2020	\$ 50,847

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 \$49,256 (2017 - \$46,333).

9. OTHER GRANTS

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

	2018	2017
City of Edmonton	\$ 16,500	\$ 17,000
Other	2,500	1,960
Edmonton Community Foundation	-	11,140
Stollery Charitable Foundation	-	8,774
	\$ 19,000	\$ 38,874

10. 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 \$1,704,429 (2017 - \$1,312,191).

JFS also receives additional funding from the Azrieli Foundation which 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 \$92,005 (2017 - \$46,000).



JEWISH FAMILY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

11. FUNDRAISING EVENTS

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

	<u>2018</u>	<u>2017</u>
REVENUES	\$ 10,367	\$ 36,903
EXPENSES	(650)	(10,319)
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 9,717</u>	<u>\$ 26,584</u>

12. RESTRICTED RESERVES

Effective February 5, 2018, the Shragge Reserve was converted to a permanent endowment with the Edmonton Community Foundation ("ECF"). As the reserve is no longer an asset of JFS, both the restricted reserves cash balance and the restricted net assets balance have been reduced by \$29,600 which was the balance at the time the reserve was converted. As per the agreement with ECF, JFS will receive 4% of the market value of the endowment on an annual basis and these funds are to be continued to be used for JFS services as outlined in Note 1. No endowment income was received by JFS as at June 30, 2018.

Restricted reserves that incurred expenses during the year are shown below:

	<u>2018</u>	<u>2017</u>
SIGMA ALPHA MU RESERVE		
REVENUE	\$ 1,556	\$ 2,437
EXPENSES	(1,500)	-
EXCESS OF REVENUES OVER EXPENSES (Schedule 2)	<u>\$ 56</u>	<u>\$ 2,437</u>
DAVID AND CLARA MINTZ RESERVE		
REVENUE	\$ 1,187	\$ 1,583
EXPENSES	(1,000)	-
EXCESS OF REVENUES OVER EXPENSES (Schedule 2)	<u>\$ 187</u>	<u>\$ 1,583</u>

13. 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, 2018

	INTEGRITY COUNSELLING	COMMUNITY LINKS	EDMONTON HEALING CENTRE
REVENUES			
Claims Conference (Note 10)	\$ -	\$ -	\$ -
United Way	155,062	28,417	22,016
Fees for service	49,495	-	32,621
Azrieli Foundation	-	-	-
Family and Community Support Services	-	-	83,292
Casino	56,618	3,276	14,005
United Jewish Appeal	-	54,000	-
Other grants (Note 9)	-	1,000	1,500
Interest and other income	-	-	-
	261,175	86,693	153,434
EXPENSES			
Wages and benefits	188,646	53,376	104,214
Programs and services	141	12,553	1,169
Facility occupancy (Note 7)	20,190	5,880	17,205
Governance	-	-	-
Office	1,750	416	773
Administrative	-	-	182
Administrative allocation	39,474	13,926	26,475
	250,201	86,151	150,018
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER INCOME (LOSSES)	10,974	542	3,416
OTHER INCOME			
Donations (Note 8)	194	12,952	13,608
Fundraising events (Note 11)	-	-	-
	194	12,952	13,608
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 11,168	\$ 13,494	\$ 17,024

SENIORS MAKING AGE-RELATED TRANSITIONS	HOME SUPPORT	ADMIN- ISTRATION	SUB-TOTAL	RESTRICTED (Schedule 2)	TOTAL
\$ -	\$ 1,704,429	\$ -	\$ 1,704,429	\$ -	\$ 1,704,429
-	-	3,000	208,495	-	208,495
27,860	51,075	-	161,051	-	161,051
-	92,005	-	92,005	-	92,005
-	-	-	83,292	-	83,292
1,632	-	6,527	82,058	-	82,058
21,000	-	-	75,000	-	75,000
-	-	16,500	19,000	-	19,000
-	-	787	787	5,201	5,988
50,492	1,847,509	26,814	2,426,117	5,201	2,431,318
45,652	1,321,252	201,221	1,914,361	-	1,914,361
4,297	301,799	1,567	321,526	2,500	324,026
3,006	20,293	22,468	89,042	-	89,042
-	2,767	19,355	22,122	-	22,122
368	549	16,067	19,923	-	19,923
-	-	15,352	15,534	-	15,534
5,227	179,911	(265,013)	-	-	-
58,550	1,826,571	11,017	2,382,508	2,500	2,385,008
(8,058)	20,938	15,797	43,609	2,701	46,310
16,716	733	23,227	67,430	472	67,902
-	-	9,717	9,717	-	9,717
16,716	733	32,944	77,147	472	77,619
\$ 8,658	\$ 21,671	\$ 48,741	\$ 120,756	\$ 3,173	\$ 123,929



JEWISH FAMILY SERVICES
SCHEDULE OF DESIGNATED AND RESTRICTED RESERVES
FOR THE YEAR ENDED JUNE 30, 2018

	DESIGNATED	
	CONTINGENCY RESERVE	RELIEF RESERVE
BALANCE OF RESERVES, BEGINNING OF YEAR	\$ 9,194	\$ 2,904
EXCESS OF REVENUES OVER EXPENSES	402	45
CONVERSION TO ENDOWMENT (NOTE 12)	(1,849)	-
TRANSFER OF CURRENT YEAR SURPLUS	120,756	-
BALANCE OF RESERVES, END OF YEAR	\$ 128,503	\$ 2,949

RESTRICTED

SIGMA ALPHA MU RESERVE (Note 12)	SHRAGGE RESERVE (Note 12)	DAVID AND CLARA MINTZ RESERVE (Note 12)	LILLI AND EMANUEL SCHLESINGER RESERVE	KEVURA RESERVE	2018 TOTAL
\$ 24,812	\$ 25,982	\$ 18,208	\$ 14,289	\$ 682	\$ 96,071
56	1,769	187	224	490	3,173
-	(27,751)	-	-	-	(29,600)
-	-	-	-	-	120,756
\$ 24,868	\$ -	\$ 18,395	\$ 14,513	\$ 1,172	\$ 190,400

