

JEWISH FAMILY SERVICES
Financial Statements
For the Year Ended June 30, 2022



INDEPENDENT AUDITOR'S REPORT

To the Members of Jewish Family Services

Qualified Opinion

We have audited the financial statements of Jewish Family Services (the Society), which comprise the statement of financial position as at June 30, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at June 30, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives revenue from donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, and cash flows from operations for the year ended June 30, 2022, current assets and net assets as at June 30, 2022. The predecessor auditor's opinion on the financial statements for the year ended June 30, 2021 was modified accordingly because of the possible effects of this limitation of scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Other Matter

The financial statements for the year ended June 30, 2021 were audited by another auditor who expressed a qualified opinion on those financial statements on October 21, 2021 for the reasons described in the *Basis for Qualified Opinion* section.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

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Independent Auditor's Report to the To the Members of Jewish Family Services *(continued)*

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, Alberta
October 20, 2022




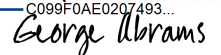
Chartered Professional Accountants

JEWISH FAMILY SERVICES
Statement of Financial Position
As at June 30, 2022

	2022	2021
Assets		
Current		
Cash and cash equivalents (Note 4)	\$ 882,969	\$ 1,686,045
Investments (Note 5)	300,000	-
Accounts receivable (Note 6)	82,632	154,138
Goods and services tax recoverable	5,770	8,242
Interest receivable	414	-
Prepaid expenses	7,410	2,574
	<u>\$ 1,279,195</u>	<u>\$ 1,850,999</u>
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 245,585	\$ 295,596
Employee deductions payable	5,754	13,613
Deferred revenue	297,915	782,549
	<u>549,254</u>	<u>1,091,758</u>
Commitments (Note 8)		
Net assets (Schedule 2)	<u>729,941</u>	<u>759,241</u>
	<u>\$ 1,279,195</u>	<u>\$ 1,850,999</u>

On behalf of the Board


 _____ Director
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 _____ Director
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JEWISH FAMILY SERVICES
Statement of Operations
For the Year Ended June 30, 2022

	2022	2021
Revenue <i>(Schedule 1)</i>		
Azrieli Foundation	\$ 105,000	\$ 134,145
Casino	79,713	2,642
Claims Conference <i>(Note 9)</i>	2,754,653	2,594,943
Donations <i>(Note 10)</i>	79,920	83,322
Estates income	5,250	3,041
Family and community support services	116,042	215,773
Fees for service	340,232	431,102
Fundraising	5,023	2,627
Government subsidies <i>(Note 11)</i>	138,183	191,140
Grant income	292,660	305,983
Interest	3,653	-
	<u>3,920,329</u>	<u>3,964,718</u>
Expenses <i>(Schedule 1)</i>		
Administrative expenses	66,848	66,316
Facility occupancy	93,640	81,676
Governance	46,174	28,596
Office	51,543	36,099
Programs and services	436,968	490,959
Salaries, wages and benefits	2,832,272	2,602,734
Subcontractors	422,184	459,681
	<u>3,949,629</u>	<u>3,766,061</u>
Excess (deficiency) of revenue over expenses	<u>\$ (29,300)</u>	<u>\$ 198,657</u>

JEWISH FAMILY SERVICES
Statement of Changes in Net Assets
For the Year Ended June 30, 2022

	Unrestricted net assets	Restricted net assets and designated reserves <i>(Schedule 2)</i>	2022	2021
Net assets - beginning of year	\$ -	\$ 759,241	\$ 759,241	\$ 601,524
Deficiency of revenue over expenses	(29,300)	-	(29,300)	198,657
Transfer of current year deficit	29,300	(29,300)	-	-
Transfer from relief reserve	-	-	-	4,021
Transfer to endowment	-	-	-	(44,961)
Net assets - end of year	\$ -	\$ 729,941	\$ 729,941	\$ 759,241

JEWISH FAMILY SERVICES**Statement of Cash Flows****Year Ended June 30, 2022**

	2022	2021
Operating activities		
Cash receipts from funders and customers	\$ 3,503,547	\$ 3,924,550
Cash paid to suppliers and employees	(4,009,862)	(3,769,789)
Interest received	3,239	-
	(503,076)	154,761
Investing activities		
Purchase of investments	(300,000)	-
Transfers to endowments	-	(40,940)
Repayment of long term debt	-	(26,309)
	(300,000)	(67,249)
Increase (decrease) in cash and cash equivalents	(803,076)	87,512
Cash and cash equivalents - beginning of year	1,686,045	1,598,533
Cash and cash equivalents - end of year (Note 4)	\$ 882,969	\$ 1,686,045

JEWISH FAMILY SERVICES
Notes to Financial Statements
Year Ended June 30, 2022

1. Description of operations

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.

The Society 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. It 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

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

Cash and cash equivalents

Cash and cash equivalents are comprised of cash and short term investments with original maturities of three months or less. Cash and cash equivalents subject to restrictions that prevent its current use is included in restricted cash and cash equivalents.

Property and equipment

Property and equipment are stated at cost and amortized over their useful lives. 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.

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JEWISH FAMILY SERVICES
Notes to Financial Statements
Year Ended June 30, 2022

2. Summary of significant accounting policies (continued)

Designated Reserves

Contingency Reserve

The Contingency Reserve is to cover unbudgeted liabilities or general expenses in the event that regular funding sources are inadequate. Board approval is required for any expenses covered by the Contingency Reserve. The balance in the Contingency Reserve is not to exceed 25% of prior year non-project operational expenses.

Relief Reserve

The Relief Reserve is to be used to provide financial assistance to the Society's clientele.

Restricted Reserves

Lilli and Emanuel Schlesinger Reserve

The Lilli and Emanuel Schlesinger Reserve is to be used to support the Society's clients in need of practical assistance.

Revenue recognition

Jewish Family Services 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.

Allocation of administrative expenses

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.

3. Financial instruments

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of June 30, 2022.

Credit risk

The Society's exposure to credit risk related to accounts receivable arises from the possibility that a customer does not fulfil its obligations. This is minimized through a program of credit evaluation of new customers and limits on the amount of credit extended as deemed necessary. The Society performs continuous evaluation of its accounts receivable.

Liquidity risk

The Society's exposure to liquidity risk is dependent on the collection of accounts receivable, the ability to raise funds to sustain operations and fulfilling customer purchasing commitments and obligations. The Society control liquidity risk by management of working capital, cash flows and the availability of borrowing facilities.

JEWISH FAMILY SERVICES
Notes to Financial Statements
Year Ended June 30, 2022

4. Cash and cash equivalents

	2022	2021
Restricted - casino	\$ 80,433	\$ 31,484
Unrestricted	802,536	1,654,561
	\$ 882,969	\$ 1,686,045

5. Investments

	2022	2021
One year redeemable Guaranteed Investment Certificates with interest at 1.8% due June 2, 2023	\$ 300,000	\$ -

6. Accounts receivable

	2022	2021
Accounts receivable	\$ 48,398	\$ 50,651
Government subsidies receivable	34,234	103,487
	\$ 82,632	\$ 154,138

7. Deferred revenue

The deferred revenue represent the unspent portion of grants received from the funders or donors for specific programs and purposes. Deferred revenue is recognized as revenue when the related expenses are made. Changes in the deferred revenue balance are as follows:

	Balance, beginning of year	Received during the year	Recognized as revenue in the year	Balance, end of year
Alberta In-home Supports	\$ -	\$ 159,000	\$ (7,600)	\$ 151,400
Alberta Gaming, Liquor and Cannibas Commission (AGLC)	31,285	128,862	(79,714)	80,433
Claims Conference	720,325	2,083,545	(2,754,653)	49,217
Other programs	14,498	9,036	(13,610)	9,924
FCSS regular funding	6,941	83,292	(83,292)	6,941
New Horizons	9,500	-	(9,500)	-
	\$ 782,549	\$ 2,463,735	\$ (2,948,369)	\$ 297,915

JEWISH FAMILY SERVICES
Notes to Financial Statements
Year Ended June 30, 2022

8. Commitments

The Society has a long term lease with respect to its office space which expires on February 28, 2023. Future minimum lease payments are as follows:

2023	\$ <u>51,434</u>
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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") continues to negotiate ongoing funding to support holocaust survivors and funding is secured well in advance of JFS contract negotiations.

The Society 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 \$2,754,653 (2021 - \$2,594,912).

The Society also received 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 \$105,000 (2021 - \$109,000).

10. 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 \$55,944 (2021 - \$48,768).

11. Government subsidies

The Government of Canada introduced various subsidy programs during the COVID-19 pandemic to cover part of wages paid to employees and rent payments. These subsidies helped to re-hire workers, prevent further job losses, and ease operations back into normal. Eligibility is determined using the decrease in revenue during the pandemic. The Society has met all conditions for subsidies. Therefore, subsidies of \$138,183 (2021 - \$191,140) is recognized as income.

12. Economic dependence

The Society is economically dependent on the Claims Conference for its funding. All of the funding is used in the Society's Home Support program.

13. Comparative figures

Some of the comparative figures have been reclassified to conform to the current year's presentation.

JEWISH FAMILY SERVICES
Schedule of Operations by Program
For the Year Ended June 30, 2022

(Schedule 1)

	Home Support	Edmonton Healing Centre	Senior Support	Counselling	Outreach	Administration	Total
Revenue							
Claims Conference	\$ 2,754,653	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,754,653
Fees for Service	76,058	45,608	156,396	61,961	-	210	340,232
United Way	-	-	-	140,000	-	712	140,712
Government subsidies	-	-	-	-	-	138,183	138,183
Other grants	-	2,641	-	3,000	20,815	61,294	87,749
Family and Community Support Services	-	86,520	-	24,322	-	5,200	116,042
Azrieli Foundation	105,000	-	-	-	-	-	105,000
United Jewish Appeal	3,865	-	-	-	60,333	-	64,199
Interest	-	-	-	-	-	3,653	3,653
Donations	7,620	10,046	17,589	4,150	11,100	29,415	79,920
Estates	-	-	250	-	-	5,000	5,250
Fundraising	-	-	-	-	-	5,023	5,023
Casino	-	23,558	3,075	46,356	6,211	512	79,713
	<u>2,947,196</u>	<u>168,372</u>	<u>177,310</u>	<u>279,789</u>	<u>98,459</u>	<u>249,202</u>	<u>3,920,329</u>
Expenses							
Salaries, wages and benefits	2,138,617	84,762	114,790	98,023	124,006	272,074	2,832,272
Programs and services	403,857	7,383	15,753	2,000	3,058	4,916	436,968
Subcontractors	168,979	37,197	63,616	62,756	657	88,978	422,184
Facility occupancy	19,673	14,649	4,321	21,069	5,846	28,082	93,640
Administrative	-	-	-	800	1,950	64,098	66,848
Office	20,192	720	753	1,752	382	27,743	51,543
Governance	2,870	-	-	-	-	43,304	46,174
Administrative allocation	163,455	28,942	39,847	37,280	30,998	(300,522)	-
	<u>2,917,644</u>	<u>173,654</u>	<u>239,081</u>	<u>223,680</u>	<u>166,897</u>	<u>228,673</u>	<u>3,949,629</u>
Excess (deficiency) of revenue over expenses	<u>\$ 29,552</u>	<u>\$ (5,281)</u>	<u>\$ (61,771)</u>	<u>\$ 56,109</u>	<u>\$ (68,438)</u>	<u>\$ 20,529</u>	<u>\$ (29,300)</u>

JEWISH FAMILY SERVICES
Schedule of Restricted and Designated Net Assets
For the Year Ended June 30, 2022

(Schedule 2)

	Restricted		Designated Reserves		Total
	Lili and Emanuel Schlesinger	Contingency Reserve	Relief Reserve		
Restricted net assets and designated net reserves, beginning of year	\$ 15,442	\$ 742,383	\$ 1,416	\$	759,241
Transfer to endowment	(15,442)	15,442	-		-
Transfer of current year deficit	-	(29,300)	-		(29,300)
Restricted net assets and designated net reserves, end of year	\$ -	\$ 728,525	\$ 1,416	\$	729,941