

**JEWISH FAMILY SERVICES**  
**Financial Statements**  
**For the Year Ended June 30, 2023**



## **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, 2023, 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, 2023, 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, 2023, current assets and net assets as at June 30, 2023. Our audit opinion on the financial statements for the year ended June 30, 2022 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.

#### **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 18, 2023

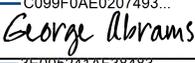
  
Chartered Professional Accountants

**JEWISH FAMILY SERVICES**  
**Statement of Financial Position**  
**As at June 30, 2023**

	2023	2022
<b>Assets</b>		
Current		
Cash and cash equivalents (Note 4)	\$ 445,480	\$ 882,969
Investments (Note 5)	-	300,000
Accounts receivable (Note 6)	350,722	82,632
Goods and services tax recoverable	6,186	5,770
Interest receivable	-	414
Prepaid expenses	38,995	7,410
	<u>841,383</u>	1,279,195
Fixed assets (Note 7)	<u>112,210</u>	-
	<u>\$ 953,593</u>	<u>\$ 1,279,195</u>
<b>Liabilities and Net Assets</b>		
Current		
Accounts payable and accrued liabilities	\$ 280,317	\$ 245,586
Employee deductions payable	7,265	5,754
Deferred revenue (Note 8)	132,421	297,915
	<u>420,003</u>	549,255
Lease inducements (Note 9)	<u>136,386</u>	-
	<u>556,389</u>	549,255
Commitments (Note 10)		
Net Assets		
Contingency reserve	397,204	728,524
Relief reserve	-	1,416
	<u>397,204</u>	729,940
	<u>\$ 953,593</u>	<u>\$ 1,279,195</u>

On behalf of the Board

  
 DocuSigned by:  
 C099F0AEU207493... Director

  
 3E005241AF38483... Director

**JEWISH FAMILY SERVICES**  
**Statement of Operations**  
**For the Year Ended June 30, 2023**

	2023	2022
<b>Revenue</b> <i>(Schedule 1)</i>		
Azrieli Foundation <i>(Note 11)</i>	\$ 112,975	\$ 105,000
Casino	56,844	79,713
Claims Conference <i>(Note 11)</i>	2,993,500	2,754,653
Donations <i>(Note 12)</i>	68,233	79,920
Estates income	(5,000)	5,250
Family and community support services	84,144	116,042
Fees for service	418,459	340,232
Fundraising	3,928	5,023
Government subsidies <i>(Note 13)</i>	-	138,183
Grant income	562,668	292,660
Interest and other income	20,314	3,653
	<u>4,316,065</u>	<u>3,920,329</u>
<b>Expenses</b> <i>(Schedule 1)</i>		
Administrative expenses	58,958	66,848
Facility occupancy	79,500	93,640
Governance	27,083	46,174
Office	64,390	51,542
Programs and services	457,495	436,968
Salaries, wages and benefits	3,327,429	2,832,272
Subcontractors	632,530	422,184
	<u>4,647,385</u>	<u>3,949,628</u>
<b>Deficiency of revenue over expenses</b>	<u>\$ (331,320)</u>	<u>\$ (29,299)</u>

**JEWISH FAMILY SERVICES**  
**Statement of Changes in Net Assets**  
**For the Year Ended June 30, 2023**

	Unrestricted net assets	Contingency Reserve	Relief Reserve	<b>2023</b>	2022
<b>Net assets - beginning of year</b>	\$ -	\$ 728,524	\$ 1,416	<b>\$ 729,940</b>	\$ 759,239
Deficiency of revenue over expenses	(331,320)	-	-	<b>(331,320)</b>	(29,299)
Transfer of current year deficit	331,320	(331,320)	(1,416)	<b>(1,416)</b>	-
<b>Net assets - end of year</b>	<b>\$ -</b>	<b>\$ 397,204</b>	<b>\$ -</b>	<b>\$ 397,204</b>	<b>\$ 729,940</b>

**JEWISH FAMILY SERVICES****Statement of Cash Flows****Year Ended June 30, 2023**

	<b>2023</b>	<b>2022</b>
<b>Operating activities</b>		
Cash receipts from funders and customers	<b>\$ 3,860,751</b>	\$ 3,503,549
Cash paid to suppliers and employees	<b>(4,499,853)</b>	(4,009,864)
Interest received	<b>20,728</b>	3,239
	<b>(618,374)</b>	(503,076)
<b>Investing activities</b>		
Purchase of fixed assets	<b>(119,115)</b>	-
Proceeds from investments	<b>300,000</b>	-
Purchase of investments	<b>-</b>	(300,000)
	<b>180,885</b>	(300,000)
<b>Decrease in cash and cash equivalents</b>	<b>(437,489)</b>	(803,076)
Cash and cash equivalents - beginning of year	<b>882,969</b>	1,686,045
<b>Cash and cash equivalents - end of year (Note 4)</b>	<b>\$ 445,480</b>	\$ 882,969

**JEWISH FAMILY SERVICES**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

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**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.

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**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.

Investments

Investments, which consist of fixed income securities, are carried at amortized cost.

Fixed assets

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.

Leasehold improvements	straight-line method over the term of the lease
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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, 2023**

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**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.

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.

Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expense on a straight-line basis over the lease term. Lease incentives under operating leases are recognized as a liability and amortized on a straight-line basis over the life of the lease term.

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.

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**JEWISH FAMILY SERVICES**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

**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, 2023.

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.

**4. Cash and cash equivalents**

	<u>2023</u>	<u>2022</u>
Restricted - casino	\$ 24,475	\$ 80,433
Unrestricted	421,005	802,536
	<u>\$ 445,480</u>	<u>\$ 882,969</u>

**5. Investments**

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

**6. Accounts receivable**

	<u>2023</u>	<u>2022</u>
Accounts receivable	\$ 231,607	\$ 48,398
Lease inducement receivable	119,115	-
Government subsidies receivable	-	34,234
	<u>\$ 350,722</u>	<u>\$ 82,632</u>

**JEWISH FAMILY SERVICES**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

**7. Fixed assets**

	Cost	Accumulated amortization	<b>2023 Net book value</b>	2022 Net book value
Leasehold improvements	\$ 119,115	\$ 6,905	\$ 112,210	\$ -

During the year, the Society recorded amortization expense of \$6,905, netted against amortization of lease inducements of \$6,905.

**8. 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	\$ 151,400	\$ -	\$ (151,400)	\$ -
Alberta Gaming, Liquor and Cannibas Commission (AGLC)	80,433	886	(56,844)	24,475
Anti-Racism Initiative	-	117,441	(61,583)	55,858
Azrieli Foundation	-	112,975	(112,975)	-
Claims Conference	49,217	2,775,284	(2,824,501)	-
Other programs	9,924	6,962	(9,858)	7,028
FCSS regular funding	6,941	84,286	(84,144)	7,083
New Horizons	-	21,666	-	21,666
Social Prescribing	-	93,662	(77,351)	16,311
	<b>\$ 297,915</b>	<b>\$ 3,213,162</b>	<b>\$ (3,378,656)</b>	<b>\$ 132,421</b>

**9. Lease inducements**

The Society's landlord provided \$0.25 per square foot for space planning and \$45 per square foot for leasehold improvements upon execution of the lease. Any unused allowance is credited towards the basic rent. In addition, the landlord also provided the Society with a free rent period from March to November.

	<b>2023</b>	2022
Provision for free rent	\$ 24,176	\$ -
Provision for leashold improvements	112,210	-
	<b>\$ 136,386</b>	<b>\$ -</b>

**JEWISH FAMILY SERVICES**  
**Notes to Financial Statements**  
**Year Ended June 30, 2023**

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**10. Commitments**

The Society has a long term lease with respect to its office space which expires on November 30, 2028. Future minimum lease payments are as follows:

2024	\$ 52,671
2025	90,293
2026	91,340
2027	93,136
2028	93,884
Thereafter	39,119

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**11. 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 \$2,994,895 (2022 - \$2,754,653).

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 \$112,975 (2022 - \$105,000).

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**12. 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 \$42,966 (2022 - \$55,944).

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**13. 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 \$0 (2022 - \$138,183) was recognized as income.

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**14. 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.

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**JEWISH FAMILY SERVICES**  
**Schedule of Operations by Program**  
**For the Year Ended June 30, 2023**

(Schedule 1)

	Home Support	Edmonton Healing Centre	Senior Support	Counselling	Outreach	Administration	Total
<b>Revenue</b>							
Claims Conference	\$ 2,993,500	\$ -	\$ -	\$ -	\$ -	\$ -	2,993,500
Fees for Service	93,385	44,972	222,769	56,175	1,158	-	418,459
United Way	-	15,000	-	125,000	-	2,424	142,424
Other grants	4,714	2,073	228,751	-	147,514	37,192	420,244
Family and Community Support Services	-	84,144	-	-	-	-	84,144
Foundation revenue	112,975	-	-	-	-	-	112,975
Interest and other income	-	-	-	-	-	20,314	20,314
Donations	367	6,907	11,596	3,375	10,703	35,285	68,233
Estates	-	-	-	-	-	(5,000)	(5,000)
Fundraising	-	-	-	-	-	3,928	3,928
Casino	-	-	-	-	56,844	-	56,844
	3,204,941	153,096	463,116	184,550	216,219	94,143	4,316,065
<b>Expenses</b>							
Salaries, wages and benefits	2,338,046	107,653	281,400	159,678	204,008	236,644	3,327,429
Programs and services	401,993	8,853	22,052	4,587	13,935	6,075	457,495
Subcontractors	260,154	34,550	166,803	51,221	500	119,302	632,530
Facility occupancy	17,625	9,442	5,036	10,702	4,406	32,289	79,500
Administrative	144	512	-	707	5,077	52,518	58,958
Office	21,154	641	2,820	966	576	38,233	64,390
Governance	3,587	-	-	-	642	22,854	27,083
Administrative allocation	162,078	32,379	52,294	44,848	44,140	(335,739)	-
	3,204,781	194,030	530,405	272,709	273,284	172,176	4,647,385
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 160</b>	<b>\$ (40,934)</b>	<b>\$ (67,289)</b>	<b>\$ (88,159)</b>	<b>\$ (57,065)</b>	<b>\$ (78,033)</b>	<b>\$ (331,320)</b>