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**JEWISH FAMILY SERVICE AGENCY OF VANCOUVER  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
AUGUST 31, 2016**

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## **INDEPENDENT AUDITORS' REPORT**

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To the Members of:  
Jewish Family Service Agency of Vancouver

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Jewish Family Service Agency of Vancouver which comprise the statement of financial position as at August 31, 2016, the statements of changes in net assets, revenue and expenses and cash flows for the year then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

### **Directors' Responsibility for the Financial Statements**

Directors are 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 directors determine 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 generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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, we consider 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 directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

### **Basis for Qualified Opinion**

In common with many charitable organizations, the Agency derives revenue from donations, 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 Agency and we were unable to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses, cash flows from operations for the years ended August 31, 2016 and 2015, total assets as at August 31, 2016 and 2015, and net assets at both the beginning and end of the August 31, 2016 and 2015 years. Our audit opinion on the financial statements for the year ended August 31, 2015 also contained a qualification because of the possible effects of this limitation in scope.



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## **INDEPENDENT AUDITORS' REPORT**

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### **Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Jewish Family Service Agency of Vancouver as at August 31, 2016, 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.

### **Report on Other Legal and Regulatory Requirements**

As required by the British Columbia Society Act, we report that, in our opinion, the Agency's financial statements have been prepared following Canadian accounting standards for not-for-profit organizations applied on a consistent basis.

*Manning Elliott LLP*

Chartered Professional Accountants

Vancouver, British Columbia

November 14, 2016

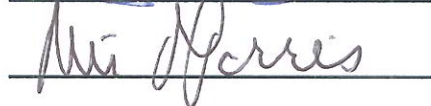
**JEWISH FAMILY SERVICE AGENCY OF VANCOUVER**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT AUGUST 31, 2016**

	2016	2015
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 1,243,696	\$ 472,223
Accounts receivable	288,490	230,949
Prepaid expenses	111,284	117,120
	1,643,470	820,292
CAPITAL ASSETS (Note 2)	123,037	156,435
INTERNALLY RESTRICTED CASH AND INVESTMENTS (Note 3)	365,564	363,756
	\$ 2,132,071	\$ 1,340,483
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 189,801	\$ 184,088
Government remittances payable	4,650	21,827
Deferred revenue (Note 5)	348,464	362,174
	542,915	568,089
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 6)	55,728	72,030
	598,643	640,119
<b>COMMITMENTS (Note 7)</b>		
INVESTED IN CAPITAL ASSETS	67,309	84,405
INTERNALLY RESTRICTED (Note 3)	365,564	363,756
UNRESTRICTED	1,100,555	252,203
	1,533,428	700,364
	\$ 2,132,071	\$ 1,340,483

Approved by the Board:



Director



Director





**JEWISH FAMILY SERVICE AGENCY OF VANCOUVER**  
**STATEMENT OF REVENUE AND EXPENSES**  
**FOR THE YEAR ENDED AUGUST 31, 2016**

	2016	2015
<b>REVENUE</b>		
Distributions from endowment funds (Note 8)	\$ 154,352	\$ 185,482
Donations and fundraising	1,013,062	999,966
Fees for services	1,348,073	1,105,457
Foreign exchange gain	40,627	26,260
Government and other grants	343,960	375,786
Holocaust Survivor Emergency Assistance Program	439,859	344,270
Interest and other income	32,316	40,193
Jewish Federation of Greater Vancouver	855,988	836,966
United Way	89,271	160,243
	<b>4,317,508</b>	<b>4,074,623</b>
<b>EXPENSES</b>		
Administrative expenses	185,807	275,641
Advertising and promotion	13,817	16,636
Amortization	39,055	28,230
Programs	83,443	75,114
Financial Aid - Food assistance	238,331	206,438
Financial Aid - Holocaust survivors	447,443	312,974
Financial Aid - Jewish Immigrants	41,271	37,285
Financial Aid - Other	118,530	115,947
Fundraising	105,910	113,751
Kosher meals	155,028	138,192
Rent	163,517	167,625
Staff and volunteer training	12,136	6,149
Travel	23,709	19,215
Wages and benefits	2,756,447	2,597,230
	<b>4,384,444</b>	<b>4,110,427</b>
<b>EXCESS OF EXPENSES OVER REVENUES FROM OPERATIONS</b>	<b>(66,936)</b>	<b>(35,804)</b>
<b>OTHER ITEM</b>		
Anonymous bequest received and reserved for future use as to be determined by the Board of Directors	900,000	-
<b>EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE) FOR THE YEAR</b>	<b>\$ 833,064</b>	<b>\$ (35,804)</b>



**JEWISH FAMILY SERVICE AGENCY OF VANCOUVER**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED AUGUST 31, 2016**

	2016	2015
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenses (expenses over revenue) for the year	\$ 833,064	\$ (35,804)
Items not involving cash:		
Amortization	39,055	28,230
Amortization of deferred contributions related to capital assets	(16,302)	(13,047)
Deferred lease inducement	-	79,612
	855,817	58,991
Change in non-cash working capital items:		
Accounts receivable	(57,541)	(13,777)
Prepaid expenses	5,836	(44,668)
Accounts payable and accrued liabilities	5,713	(47,452)
Government remittances payable	(17,177)	(2,174)
Deferred revenue	(13,710)	147,870
	778,938	98,790
INVESTING ACTIVITIES		
Acquisition of capital assets	(5,657)	(163,671)
Sale (acquisition) of investments, net	(1,808)	(4,194)
	(7,465)	(167,865)
INCREASE (DECREASE) IN CASH DURING THE YEAR	771,473	(69,075)
CASH, BEGINNING OF	472,223	541,298
CASH, END OF	\$ 1,243,696	\$ 472,223
CASH FLOW SUPPLEMENTAL INFORMATION		
Interest received	\$ 6,406	\$ 5,498



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# JEWISH FAMILY SERVICE AGENCY OF VANCOUVER

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2016

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### PURPOSE OF THE ORGANIZATION

The Jewish Family Service Agency of Vancouver (the "Agency") is a not-for-profit organization incorporated under the Society Act of British Columbia and a registered charity under the Income Tax Act. The purpose of the Agency is to provide resources and opportunities to strengthen and embrace the quality of life of individuals and families within the Jewish and broader communities.

### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"), using the accounting policies below:

a) Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions about future events that affect the reported amounts of assets and liabilities. Management believes that the estimates used are reasonable and prudent, however, actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the determination of the useful lives of assets for amortization and the recognition of revenue.

b) Revenue recognition

The Agency follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions towards expenditures that will be incurred in future years are reported as deferred revenue. Unrestricted contributions are recognized as revenue when received or receivable if the amount receivable can be reasonably estimated and collection is reasonably assured. Unrestricted investment income is recognized as revenue when earned. Other revenue is recognized when received or receivable if the amount receivable can be reasonably estimated and collection is reasonably assured.

c) Cash and cash equivalents

Cash consists of cash on hand, balances with banks and treasury bill savings accounts.

d) Foreign currency translation

Transactions and balances in currencies other than the Canadian dollar are translated using the temporal method. Accordingly revenue, expenses and non-monetary balances are translated at the rate of exchange prevailing at the transaction dates, and monetary balances are translated at the rate prevailing at the balance sheet date with resulting exchange gains and losses being included in the determination of income.

e) Capital assets

Capital assets are stated at cost less accumulated amortization which is recorded over the useful lives of the assets at the following annual rates:

Computer equipment	25%	straight-line method
Equipment	20%	straight-line method
Leasehold improvements		Over the lease term





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**JEWISH FAMILY SERVICE AGENCY OF VANCOUVER****NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED AUGUST 31, 2016**

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**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)****f) Financial Instruments**

The Agency measures its financial instruments, comprised of cash, accounts receivable, investments, and accounts payable, at amortized cost. In management's opinion, the Agency is not exposed to significant risks related to its financial instruments.

**g) Contributed services and materials**

The Agency benefits greatly from contributed services in the form of volunteer time. The value of volunteer time is not recognized in these financial statements as the fair value thereof is not determinable. Other contributed materials and services are recognized only when their fair values can be reasonably estimated.

**2. CAPITAL ASSETS**

			<b>2016</b>		<b>2015</b>
	Cost	Accumulated Amortization	Net Book Value		Net Book Value
Computer equipment	\$ 186,965	\$ 173,098	\$ 13,867	\$	17,868
Equipment	99,533	66,837	32,696		40,243
Leasehold improvements	109,249	32,775	76,474		98,324
	<b>\$ 395,747</b>	<b>\$ 272,710</b>	<b>\$ 123,037</b>	<b>\$</b>	<b>156,435</b>

**3. INTERNALLY RESTRICTED CASH AND INVESTMENTS**

The Agency holds a capital reserve fund invested in high interest savings accounts bearing interest at 0.50% per annum. These amounts are to be used for acquisition of real estate and not available for other purposes without approval of the board of directors.

**4. LINE OF CREDIT**

The Agency has an operating line of up to \$150,000, secured by an agreement under the Personal Property Security Act and bearing interest at the credit union's prime interest rate plus 1% per annum. At August 31, 2016, the Agency has used \$nil (2015: \$nil) of the line of credit.

**5. DEFERRED REVENUE**

	<b>2016</b>		<b>2015</b>
Balance, beginning of the year	\$ 362,174	\$	214,304
Less: Amounts recognized as revenue in the year	(478,522)		(124,061)
Add: Amounts received relating to the following year	464,812		271,931
Balance, end of year	<b>\$ 348,464</b>	<b>\$</b>	<b>362,174</b>



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**JEWISH FAMILY SERVICE AGENCY OF VANCOUVER**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2016**

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6. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

	<b>2016</b>	<b>2015</b>
Balance, beginning of year	\$ 72,030	\$ 5,465
Add: Lease inducement received in the year	-	79,612
Less: Amount recognized as revenue in the year	(16,302)	(13,047)
	<u>\$ 55,728</u>	<u>\$ 72,030</u>

7. COMMITMENTS

Commitments under leases for premises over the next four years are:

2017	\$ 107,780
2018	111,024
2019	114,269
2020	62,357

8. ENDOWMENT FUNDS

The Agency is the beneficiary of endowment funds held in perpetuity by the Vancouver Foundation and the Jewish Community Foundation of Greater Vancouver, the income from which is distributed to the Agency annually for use in its operations.

The market value of the investments held through the endowment funds is as follows:

	<b>2016</b>	<b>2015</b>
Jewish Community Foundation	\$ 1,328,660	\$ 1,283,848
Vancouver Foundation	296,276	292,139
	<u>\$ 1,624,936</u>	<u>\$ 1,575,987</u>

9. ECONOMIC DEPENDENCE

The Agency is economically dependent upon the Jewish Federation of Greater Vancouver for operating funds as they comprise 20% (2015: 21%) of total revenue.

