
**JEWISH FAMILY SERVICE AGENCY OF VANCOUVER
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
AUGUST 31, 2017**





INDEPENDENT AUDITORS' REPORT

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, 2017, 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, 2017 and 2016, total assets as at August 31, 2017 and 2016, and net assets at both the beginning and end of the August 31, 2017 and 2016 years. Our audit opinion on the financial statements for the year ended August 31, 2016 also contained a qualification because of the possible effects of this limitation in scope.



INDEPENDENT AUDITORS' REPORT

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, 2017, 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

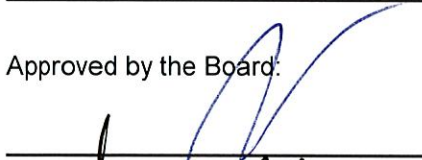
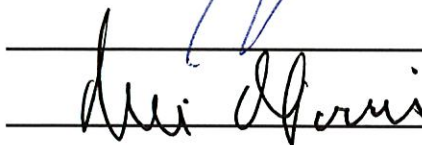
Vancouver, British Columbia

November 6, 2017

JEWISH FAMILY SERVICE AGENCY OF VANCOUVER
STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2017

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash	\$ 559,043	\$ 1,243,696
Accounts receivable	169,667	288,490
Prepaid expenses	117,264	111,284
	845,974	1,643,470
CAPITAL ASSETS (Note 2)	111,618	123,037
INTERNALLY RESTRICTED CASH AND INVESTMENTS	366,380	365,564
LONG-TERM INVESTMENT (Note 3)	2,000,000	-
	\$ 3,323,972	\$ 2,132,071
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 158,701	\$ 189,801
Government remittances payable	4,860	4,650
Deferred revenue (Note 5)	272,776	348,464
	436,337	542,915
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 6)	41,133	55,728
	477,470	598,643
COMMITMENTS (Note 7)		
INVESTED IN CAPITAL ASSETS	70,485	67,309
INTERNALLY RESTRICTED (Note 3)	366,380	365,564
UNRESTRICTED	2,409,637	1,100,555
	2,846,502	1,533,428
	\$ 3,323,972	\$ 2,132,071

Approved by the Board:


 _____ Director

 _____ Director



JEWISH FAMILY SERVICE AGENCY OF VANCOUVER

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED AUGUST 31, 2017

	Invested in capital assets	Internally restricted	Unrestricted	2017		2016	
				Total	Total		
BALANCE AT BEGINNING OF YEAR	\$ 67,309	\$ 365,564	\$ 1,100,555	\$ 1,533,428	\$ 700,364		
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE) FROM OPERATIONS	-	816	(37,742)	(36,926)	(66,936)		
ANONYMOUS BEQUEST RECEIVED	-	-	1,350,000	1,350,000	900,000		
ACQUISITION OF CAPITAL ASSETS	29,454	-	(29,454)	-	-		
AMORTIZATION OF DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS	14,595	-	(14,595)	-	-		
AMORTIZATION OF CAPITAL ASSETS	(40,873)	-	40,873	-	-		
BALANCE AT END OF YEAR	\$ 70,485	\$ 366,380	\$ 2,409,637	\$ 2,846,502	\$ 1,533,428		



JEWISH FAMILY SERVICE AGENCY OF VANCOUVER
STATEMENT OF REVENUE AND EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2017

	2017	2016
REVENUE		
Distributions from endowment funds (Note 8)	\$ 176,024	\$ 154,352
Donations and fundraising	1,416,501	1,013,062
Fees for services	1,320,883	1,348,073
Foreign exchange gain	34,664	40,627
Government and other grants	354,496	343,960
Holocaust Survivor Emergency Assistance Program	464,600	439,859
Interest and other income	49,084	32,316
Jewish Federation of Greater Vancouver	871,312	855,988
United Way	98,901	89,271
	4,786,465	4,317,508
EXPENSES		
Administrative expenses	177,139	185,807
Advertising and promotion	25,566	13,817
Amortization	40,873	39,055
Programs	75,683	83,443
Financial Aid - Food assistance	257,075	238,331
Financial Aid - Holocaust survivors	505,047	447,443
Financial Aid - Jewish Immigrants	42,795	41,271
Financial Aid - Other	114,535	118,530
Fundraising	112,391	105,910
Kosher meals	212,839	155,028
Rent	174,375	163,517
Staff and volunteer training	24,667	12,136
Travel	24,344	23,709
Wages and benefits	3,036,062	2,756,447
	4,823,391	4,384,444
EXCESS OF EXPENSES OVER REVENUES FROM OPERATIONS	(36,926)	(66,936)
OTHER ITEM		
Anonymous bequest received and reserved for future use as to be determined by the Board of Directors	1,350,000	900,000
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 1,313,074	\$ 833,064



JEWISH FAMILY SERVICE AGENCY OF VANCOUVER
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

	2017	2016
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 1,313,074	\$ 833,064
Items not involving cash:		
Amortization	40,873	39,055
Amortization of deferred contributions related to capital assets	(14,595)	(16,302)
	1,339,352	855,817
Change in non-cash working capital items:		
Accounts receivable	118,823	(57,541)
Prepaid expenses	(5,980)	5,836
Accounts payable and accrued liabilities	(31,100)	5,713
Government remittances payable	210	(17,177)
Deferred revenue	(75,688)	(13,710)
	1,345,617	778,938
INVESTING ACTIVITIES		
Acquisition of capital assets	(29,454)	(5,657)
Sale (acquisition) of investments, net	(2,000,816)	(1,808)
	(2,030,270)	(7,465)
INCREASE (DECREASE) IN CASH DURING THE YEAR	(684,653)	771,473
CASH, BEGINNING OF	1,243,696	472,223
CASH, END OF	\$ 559,043	\$ 1,243,696
CASH FLOW SUPPLEMENTAL INFORMATION		
Interest received	\$ 20,387	\$ 6,406



JEWISH FAMILY SERVICE AGENCY OF VANCOUVER

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2017

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



JEWISH FAMILY SERVICE AGENCY OF VANCOUVER**NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED AUGUST 31, 2017**

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

			2017		2016
	Cost	Accumulated Amortization	Net Book Value		Net Book Value
Computer equipment	\$ 211,734	\$ 182,359	\$ 29,375	\$	13,867
Equipment	104,219	76,600	27,619		32,696
Leasehold improvements	109,249	54,625	54,624		76,474
	<u>\$ 425,202</u>	<u>\$ 313,584</u>	<u>\$ 111,618</u>	<u>\$</u>	<u>123,037</u>

3. LONG-TERM INVESTMENT

The Agency has established an endowment fund with the Jewish Community Foundation of Greater Vancouver with an annual distribution rate of 3.50%. Distributions from the fund are to be used at the discretion of the Board of Directors to carry out its charitable activities in the amount determined by an authorized representative of the Board of Directors of the Agency on an annual basis.

4. LINE OF CREDIT

The Agency has an operating line of up to \$300,000, 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, 2017, the Agency has used \$nil (2016: \$nil) of the line of credit.

5. DEFERRED REVENUE

	2017		2016
Balance, beginning of the year	\$ 348,464	\$	362,174
Less: Amounts recognized as revenue in the year	(203,247)		(167,093)
Add: Amounts received relating to the following year	127,559		153,383
Balance, end of year	<u>\$ 272,776</u>	<u>\$</u>	<u>348,464</u>



JEWISH FAMILY SERVICE AGENCY OF VANCOUVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017

6. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

	2017	2016
Balance, beginning of year	\$ 55,728	\$ 72,030
Less: Amount recognized as revenue in the year	(14,595)	(16,302)
	<u>\$ 41,133</u>	<u>\$ 55,728</u>

7. COMMITMENTS

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

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:

	2017	2016
Jewish Community Foundation	\$ 4,823,444	\$ 2,902,969
Vancouver Foundation	316,808	296,276
	<u>\$ 5,140,252</u>	<u>\$ 3,199,245</u>

9. ECONOMIC DEPENDENCE

The Agency is economically dependent upon the Jewish Federation of Greater Vancouver for operating funds as they comprise 14% (2016: 17%) of total revenue.

10. SALARIES AND BENEFITS

Salaries and benefits expense for the year includes three employees that each earned over \$75,000 for a total of \$419,762.

