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**JEWISH FAMILY SERVICES  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
AUGUST 31, 2018**

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## **INDEPENDENT AUDITORS' REPORT**

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To the Members of:  
Jewish Family Services

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

We have audited the accompanying financial statements of Jewish Family Services which comprise the statement of financial position as at August 31, 2018, 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, 2018 and 2017, total assets as at August 31, 2018 and 2017, and net assets at both the beginning and end of the August 31, 2018 and 2017 years. Our audit opinion on the financial statements for the year ended August 31, 2017 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 Services as at August 31, 2018, 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

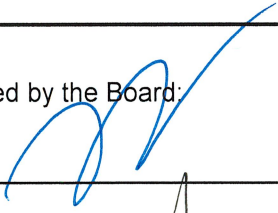
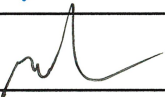
Vancouver, British Columbia

October 2, 2018

**JEWISH FAMILY SERVICES**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT AUGUST 31, 2018**

	2018	2017
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 100,270	\$ 559,043
Accounts receivable	554,792	169,667
Prepaid expenses	26,603	117,264
	681,665	845,974
CAPITAL ASSETS (Note 2)	85,711	111,618
INTERNALLY RESTRICTED CASH AND INVESTMENTS	366,380	366,380
JFSA TIKKUN OLAM FUND (Note 3)	1,868,500	2,000,000
	\$ 3,002,256	\$ 3,323,972
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 69,540	\$ 158,701
Government remittances payable	33,695	4,860
Deferred revenue (Note 5)	144,487	272,776
	247,722	436,337
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 6)	25,104	41,133
	272,826	477,470
<b>COMMITMENTS (Note 7)</b>		
INVESTED IN CAPITAL ASSETS	60,606	70,485
INTERNALLY RESTRICTED (Note 3)	366,380	366,380
UNRESTRICTED	2,302,444	2,409,637
	2,729,430	2,846,502
	\$ 3,002,256	\$ 3,323,972

Approved by the Board:

  
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Director

Director



**JEWISH FAMILY SERVICES**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED AUGUST 31, 2018**

						2018	2017
	Invested in capital assets	Internally restricted	Unrestricted	Total		Total	Total
BALANCE AT BEGINNING OF YEAR	\$ 70,485	\$ 366,380	\$ 2,409,637	\$ 2,846,502	\$	\$ 2,846,502	\$ 1,533,428
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE) FROM OPERATIONS	-	-	(117,072)	(117,072)		(117,072)	(36,926)
ANONYMOUS BEQUEST RECEIVED	-	-	-	-		-	1,350,000
ACQUISITION OF CAPITAL ASSETS	19,325	-	(19,325)	-		-	-
AMORTIZATION OF DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS	16,028	-	(16,028)	-		-	-
AMORTIZATION OF CAPITAL ASSETS	(45,232)	-	45,232	-		-	-
BALANCE AT END OF YEAR	\$ 60,606	\$ 366,380	\$ 2,302,444	\$ 2,729,430	\$	\$ 2,729,430	\$ 2,846,502



**JEWISH FAMILY SERVICES**  
**STATEMENT OF REVENUE AND EXPENSES**  
**FOR THE YEAR ENDED AUGUST 31, 2018**

	2018	2017
<b>REVENUE</b>		
Distributions from endowment funds (Note 8)	\$ 103,365	\$ 176,024
Donations and fundraising	1,290,650	1,416,502
Fees for services	1,434,752	1,320,883
Government and other grants	676,053	389,159
Holocaust Survivor Emergency Assistance Program	491,000	464,600
Interest and other income	104,837	49,084
Jewish Federation of Greater Vancouver	883,109	871,312
United Way	85,703	98,901
	5,069,469	4,786,465
<b>EXPENSES</b>		
Administrative expenses	165,221	177,139
Advertising and promotion	28,433	25,566
Amortization	45,232	40,873
Programs	113,484	75,683
Financial Aid - Food assistance	364,414	257,075
Financial Aid - Holocaust survivors	615,077	505,047
Financial Aid - Jewish Immigrants	7,027	42,795
Financial Aid - Other	103,713	114,535
Fundraising	105,887	112,391
Kosher meals	206,774	212,840
Rent	192,594	174,375
Staff and volunteer training	17,893	24,667
Travel	27,256	24,344
Wages and benefits	3,193,536	3,036,062
	5,186,541	4,823,392
<b>EXCESS OF EXPENSES OVER REVENUES FROM OPERATIONS</b>	<b>(117,072)</b>	<b>(36,927)</b>
<b>OTHER ITEM</b>		
Anonymous bequest received and reserved for future use as to be determined by the Board of Directors	-	-
	-	1,350,000
<b>EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE) FOR THE YEAR</b>	<b>\$ (117,072)</b>	<b>\$ 1,313,073</b>



**JEWISH FAMILY SERVICES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED AUGUST 31, 2018**

	2018	2017
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenses (expenses over revenue) for the year	\$ (117,072)	\$ 1,313,073
Items not involving cash:		
Amortization	45,232	40,873
Amortization of deferred contributions related to capital assets	(16,029)	(14,595)
	(87,869)	1,339,351
Change in non-cash working capital items:		
Accounts receivable	(385,125)	118,823
Prepaid expenses	90,661	(5,980)
Accounts payable and accrued liabilities	(89,161)	(31,099)
Government remittances payable	28,835	210
Deferred revenue	(128,289)	(75,688)
	(570,948)	1,345,617
INVESTING ACTIVITIES		
Acquisition of capital assets	(19,325)	(29,454)
Sale (acquisition) of investments, net	131,500	(2,000,816)
	112,175	(2,030,270)
DECREASE IN CASH DURING THE YEAR	(458,773)	(684,653)
CASH, BEGINNING OF YEAR	559,043	1,243,696
CASH, END OF YEAR	\$ 100,270	\$ 559,043
CASH FLOW SUPPLEMENTAL INFORMATION		
Interest received	\$ 81,620	\$ 20,387



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**JEWISH FAMILY SERVICES**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2018**

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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





**JEWISH FAMILY SERVICES**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2018**

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

			2018			2017
	Cost	Accumulated Amortization	Net Book Value			Net Book Value
Computer equipment	\$ 224,803	\$ 194,961	\$ 29,842	\$		29,375
Equipment	110,475	87,381	23,094			27,619
Leasehold improvements	109,249	76,474	32,775			54,624
	<u>\$ 444,527</u>	<u>\$ 358,816</u>	<u>\$ 85,711</u>	<u>\$</u>		<u>111,618</u>

3. JFSA TIKKUN OLAM FUND

The Agency has established an endowment fund with the Jewish Community Foundation of Greater Vancouver known 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, 2018, the Agency has used \$nil (2017: \$nil) of the line of credit.

5. DEFERRED REVENUE

	2018	2017
Balance, beginning of the year	\$ 272,776	\$ 348,464
Less: Amounts recognized as revenue in the year	(272,776)	(203,247)
Add: Amounts received relating to the following year	144,487	127,559
Balance, end of year	<u>\$ 144,487</u>	<u>\$ 272,776</u>



**JEWISH FAMILY SERVICES**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2018**

6. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

	<b>2018</b>	<b>2017</b>
Balance, beginning of year	\$ 41,133	\$ 55,728
Less: Amount recognized as revenue in the year	(16,029)	(14,595)
	<b>\$ 25,104</b>	<b>\$ 41,133</b>

7. COMMITMENTS

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

2019	\$ 128,530
2020	131,775
2021	67,901

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>2018</b>	<b>2017</b>
Jewish Community Foundation	\$ 3,311,703	\$ 4,823,444
Vancouver Foundation	327,439	316,808
	<b>\$ 3,639,142</b>	<b>\$ 5,140,252</b>

9. ECONOMIC DEPENDENCE

The Agency is economically dependent upon the Jewish Federation of Greater Vancouver for operating funds as they comprise 17% (2017: 14%) of total revenue.

10. SALARIES AND BENEFITS

Included in expenses for the year are salaries and benefits of \$335,700 (2017:\$419,800) for two (2017: three) employees earning over \$75,000 each per annum.

11. COMPARATIVE FIGURES FOR THE PRIOR YEAR

Certain figures for 2017 have been reclassified to be consistent with the presentation adopted for 2018.

