
**JEWISH FAMILY SERVICES AGENCY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021**

INDEPENDENT AUDITORS' REPORT

To the Members of Jewish Family Services Agency

Report on the Financial Statements

Qualified Opinion

We have audited the financial statements of Jewish Family Services Agency (the "Agency"), which comprise the statement of financial position as at August 31, 2021, and the statements of changes in net assets, revenue and expenses 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 Agency as at August 31, 2021, 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.

Basis for Qualified Opinion

In common with many charitable organizations, the Agency derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of donation revenue 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, and cash flows from operations for the years ended August 31, 2021 and 2020, total assets as at August 31, 2021 and 2020, and net assets at both the beginning and end of August 31, 2021 and 2020 years. Our opinion on the financial statements for the year ended August 31, 2020 also contained a qualification because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Agency 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 Canadian accounting standards for not-for-profit organizations, 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 Agency'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 Agency or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

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

Auditors' 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 auditors' 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 Agency'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 Agency's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Agency 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.

INDEPENDENT AUDITORS' REPORT

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Manning Elliott LLP

Chartered Professional Accountants
Vancouver, British Columbia
November 25, 2021

**JEWISH FAMILY SERVICES AGENCY
STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2021**

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 1,688,759	\$ 1,724,115
Accounts receivable (Note 3)	143,646	374,739
Prepaid expenses	92,538	83,226
	1,924,943	2,182,080
INVESTMENT (Note 4)	2,123,074	1,868,500
CAPITAL ASSETS (Note 5)	304,574	36,481
	\$ 4,352,591	\$ 4,087,061
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 366,346	\$ 251,462
Government remittances payable	961	62,347
Deferred contributions and revenue (Note 7)	1,018,590	1,314,207
	1,385,897	1,628,016
DEFERRED RENT (Note 1 (d))	29,998	-
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 8)	89,693	-
	1,505,588	1,628,016
NET ASSETS	2,847,003	2,459,045
	\$ 4,352,591	\$ 4,087,061

LEASE COMMITMENTS (Note 9)

Approved by the Board

Director

Director

JEWISH FAMILY SERVICES AGENCY
STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED AUGUST 31, 2021

	2021	2020
REVENUE		
Donations and fundraising	\$ 2,149,449	\$ 1,103,611
Fees for services	1,892,273	2,089,431
Jewish Federation of Greater Vancouver	923,669	893,915
Holocaust Survivor Emergency Assistance Program	746,533	681,924
Government and other grants	641,510	1,039,794
Income distributions from endowment funds (Note 10)	188,908	190,751
Interest and other income	69,055	67,464
Amortization of deferred contributions related to capital assets (Note 8)	8,299	-
	6,619,696	6,066,890
EXPENSES		
Administrative	331,765	202,320
Advertising and promotion	21,056	11,960
Amortization of capital assets	55,466	35,198
Financial Aid - Food assistance	563,670	529,837
Financial Aid - Holocaust survivors	850,992	702,312
Financial Aid - Other	149,229	122,294
Fundraising	53,243	693
Programs	272,676	250,979
Rent	274,039	203,981
Staff and volunteer training	14,145	13,182
Travel	8,754	18,834
Wages and benefits (Note 11)	3,891,277	3,892,885
	6,486,312	5,984,475
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	133,384	82,415
OTHER INCOME		
Fair value adjustments to investments	254,574	-
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	387,958	82,415
NET ASSETS - BEGINNING OF YEAR	2,459,045	2,376,630
NET ASSETS - END OF YEAR	\$ 2,847,003	\$ 2,459,045

**JEWISH FAMILY SERVICES AGENCY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2021**

	2021	2020
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 387,958	\$ 82,415
Items not affecting cash:		
Amortization of deferred contributions related to capital assets	(8,299)	(9,531)
Amortization of capital assets	55,466	35,198
Rent related to inducement	29,998	-
Fair value adjustments to investments	(254,574)	-
	210,549	108,082
Changes in non-cash working capital:		
Accounts receivable	231,093	262,914
Prepaid expenses	(9,312)	(66,849)
Accounts payable and accrued liabilities	114,884	(15,362)
Government remittances payable	(61,386)	63,888
Deferred contributions and revenue	(295,617)	1,030,339
	(20,338)	1,274,930
	190,211	1,383,012
INVESTING ACTIVITY		
Purchase of capital assets	(323,559)	(10,505)
FINANCING ACTIVITY		
Receipt of deferred contributions related to capital assets	97,992	-
(DECREASE) INCREASE IN CASH DURING THE YEAR	(35,356)	1,372,507
CASH - BEGINNING OF YEAR	1,724,115	351,608
CASH - END OF YEAR	\$ 1,688,759	\$ 1,724,115

**JEWISH FAMILY SERVICES AGENCY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021**

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 (Canada). The Agency transitioned to the British Columbia Societies Act during fiscal 2017. 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.

The COVID-19 virus has had a significant impact on Canadian businesses and not-for-profit organizations due to restrictions in travel, economic uncertainty and the need to isolate and quarantine if infected with the virus.

The Agency has received additional funding in the form of grants from various organizations and individuals to help cover costs incurred as a result of the pandemic. The Agency has also raised funds through an emergency fundraising campaign which helped support additional operations in the year and will continue to provide support through fiscal 2022. The Agency continues to monitor its operations and assess the impact COVID-19 will have on its operating activities. The full extent of the effect of the COVID-19 health pandemic on the Agency is uncertain.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") under Part III of the CPA Canada Handbook - Accounting. These financial statements have, in management's opinion, been prepared within reasonable limits of materiality using the significant accounting policies noted below:

(a) Financial instruments

Measurement

The Agency's financial instruments consist of cash, accounts receivable, investment and accounts payable.

The Agency initially measures all of its financial assets and liabilities at fair value. The Agency subsequently measures all of its financial assets and liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value, being the investment in the Tikkum Olam fund. Changes in fair value of financial instruments carried at fair value are recognized in the statement of revenue and expenses.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down that is determined is recognized in the statement of revenue and expenses. A previously recognized impairment loss may be reversed to the extent of any improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of revenue and expenses in the period in which it is determined.

Transaction costs

The Agency recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to the origination, issuance or assumption.

**JEWISH FAMILY SERVICES AGENCY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021**

1. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(b) Cash

Cash consists of cash on hand.

(c) 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
Vehicles	30%	straight-line method

(d) Leases

Leases defined as operating leases are included in the determination of excess of revenue over expenses over the lease term on a straight-line basis.

(e) 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. 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. Deferred revenue represents restricted operating funding received in the current period that is related to a subsequent period or for specific purposes. Additionally, contributions towards expenses that will be incurred in future years are reported as deferred revenue.

Unrestricted investment income is recognized as revenue when earned.

Deferred capital contributions include contributions that are restricted for the purchase of capital assets. These contributions will be amortized and recognized as revenue on the same basis as the amortization expense related to the acquired capital asset.

(f) 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 excess revenue over expenses in the year.

(g) Contributed services and materials

The Agency benefits from contributed services in the form of volunteer time. The value of volunteer time is not recognized in these financial statements. Other contributed services and materials are recognized only when their fair values can be reasonably estimated and the materials and services are used in the normal course of operations and would have otherwise been purchased.

**JEWISH FAMILY SERVICES AGENCY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021**

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(h) 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 calculating amortization, recognition of deferred contribution and revenue and deferred contributions related to capital assets, measurement of deferred rent, and the amounts recorded as accrued liabilities.

2. FINANCIAL INSTRUMENTS RISKS

The Agency's financial instruments are described in Note 1(a). In management's opinion, the Agency is not exposed to any significant credit, liquidity, market, currency, interest rate or other price risks arising from these financial instruments, except as explained below. In addition the Agency is not exposed to any material concentrations of risk and there have been no significant changes in the risk exposures from the prior year except as explained below.

Credit risk

Credit risk is the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Agency is exposed to this risk mainly in respect of its accounts receivable. The Agency mitigates this risk by maintaining, if deemed necessary, a provision for potential credit losses and any such losses to date have been within management's expectations.

Although the COVID-19 health pandemic has had a significant impact on many organizations, based on the nature of the Agency's operations, management has determined the Agency's credit risk to be minimal and will continue to monitor cash collections to mitigate any potential credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Agency is exposed to this risk mainly in respect of accounts payable and mitigates this risk by having a line of credit available for use.

There is increased liquidity risk as a result of the COVID-19 health pandemic, as there is risk that the Agency may be unable to receive additional donations. The Agency will continue to monitor its cash flows and pro-actively communicate with all parties to mitigate this risk and anticipates that its cash reserves will adequately minimize liquidity risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Agency is not exposed to significant currency risk.

**JEWISH FAMILY SERVICES AGENCY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021**

2. FINANCIAL INSTRUMENTS RISKS *(continued)*

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Agency is exposed to interest rate risk on its line of credit (Note 6) and mitigates this risk by reviewing its interest rates on a regular basis.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Agency is not exposed to other price risk.

3. ACCOUNTS RECEIVABLE

	2021	2020
Fees for services	\$ 140,885	\$ 197,014
Other	2,761	56,258
Holocaust Claims Conference	-	121,467
	\$ 143,646	\$ 374,739

As at August 31, the allowance of doubtful accounts balance was \$Nil (2020 - \$Nil).

4. INVESTMENT

The Agency has invested in an endowment fund, JFSA Tikkun Olam Fund (the "Fund"), within the Jewish Community Foundation of Greater Vancouver. The Fund has an annual income distribution rate of 3.50% guaranteed to the Agency. Income distributions from the fund are to be used at the internal 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. The Agency is the beneficiary of the original capital, in addition to the appreciation in value of the fund.

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Computer equipment	\$ 282,192	\$ 247,209	\$ 34,983	\$ 31,154
Equipment	237,360	122,070	115,290	5,327
Leasehold improvements	120,995	9,075	111,920	-
Vehicles	51,977	9,596	42,381	-
	\$ 692,524	\$ 387,950	\$ 304,574	\$ 36,481

JEWISH FAMILY SERVICES AGENCY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021

6. LINE OF CREDIT

The Agency has a Vancouver City Savings Credit Union ("Vancity") operating line of credit available up to \$300,000, secured by an agreement under the Personal Property Security Act and bearing interest at Vancity's prime interest rate plus 1% per annum. At August 31, 2021, the Agency has drawn \$Nil (2020 - \$Nil) of the line of credit.

7. DEFERRED CONTRIBUTIONS AND REVENUE

	2021	2020
Balance, beginning of year	\$ 1,314,207	\$ 283,868
Amounts received during the year	364,773	1,314,207
Amounts recognized as revenue during the year	(660,390)	(283,868)
Balance, end of year	\$ 1,018,590	\$ 1,314,207

8. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions related to capital assets represent restricted contributions that have been used to purchase capital assets. These contributions are amortized at the same rate as the underlying assets

	2021	2020
Balance, beginning of year	\$ -	\$ 9,531
Contributions received during the year	97,992	-
Contributions recognized to revenue during the year	(8,299)	(9,531)
Balance, end of year	\$ 89,693	\$ -

9. LEASE COMMITMENTS

The Agency has entered into various agreements for the lease for office space and kitchen space expiring at varying dates through April 2026. Minimum payments under these agreements during the next five fiscal years are anticipated to be as follows:

2022	\$ 183,982
2023	188,835
2024	137,588
2025	113,841
2026	77,562
	<u>701,808</u>
	\$ 701,808

**JEWISH FAMILY SERVICES AGENCY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021**

10. ENDOWMENT FUNDS

The Agency is an income beneficiary of endowment funds with the Vancouver Foundation and the Jewish Community Foundation of Greater Vancouver (the "Foundations"). The endowment funds are not reported on these financial statements. The Agency is an income beneficiary of these funds but the capital is permanently invested with and held in perpetuity by the Foundations. The income is distributed to the Agency annually for use in its operations.

The market value of the investments of the endowment funds are as follows:

	2021	2020
Jewish Community Foundation of Greater Vancouver	\$ 3,938,259	\$ 3,429,031
Vancouver Foundation	373,733	321,322
	\$ 4,311,992	\$ 3,750,353

11. WAGES AND BENEFITS

Included in expenses for the year are wages and benefits of \$450,217 (2020 - \$434,632) for four (2020 - four) employees individually earning over \$75,000 per annum.