JEWISH FAMILY SERVICES AGENCY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2023

17th floor, 1030 West Georgia St., Vancouver, BC, Canada V6E 2Y3

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INDEPENDENT AUDITORS' REPORT

To the Members of Jewish Family Services Agency

Report on the Audit of 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, 2023, and the statements of revenue and expenses and 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 Agency as at August 31, 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.

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 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, 2023 and 2022, total assets as at August 31, 2023 and 2022, and net assets at both the beginning and end of August 31, 2023 and 2022 years. Our opinion on the financial statements for the year ended August 31, 2022 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.

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

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INDEPENDENT AUDITORS' REPORT

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.

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INDEPENDENT AUDITORS' REPORT

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, 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

MANNING ELLIOTT LLP
Chartered Professional Accountants
Vancouver, British Columbia
November 15, 2023

JEWISH FAMILY SERVICES AGENCY
STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	**$ 1,161,345**	$ 2,018,634
Accounts receivable *(Note 4)*	**136,952**	143,718
Investments *(Note 5)*	**1,783,831**	1,862,600
Goods and services tax receivable	**23,681**	18,527
Prepaid expenses and deposits	**208,058**	107,150
	3,313,867	4,150,629
CAPITAL ASSETS *(Note 6)*	**219,694**	288,733
	$ 3,533,561	$ 4,439,362
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**$ 205,228**	$ 272,270
Government remittances payable	**58,439**	54,148
Deferred contributions and revenue *(Note 8)*	**263,298**	554,183
Current portion of deferred rent	**6,462**	6,376
	533,427	886,977
DEFERRED RENT	**15,638**	22,099
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS *(Note 9)*	**118,001**	151,220
	667,066	1,060,296
NET ASSETS	**2,866,495**	3,379,066
	$ 3,533,561	$ 4,439,362

COMMITMENTS *(Notes 6, 10)*

ENDOWMENT FUNDS *(Note 11)*

Approved on behalf of the Board

_______________________ *Director*

_______________________ *Director*

JEWISH FAMILY SERVICES AGENCY
STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED AUGUST 31, 2023

	2023	2022
REVENUE		
Donations and fundraising	**$ 2,262,523**	$ 2,593,125
Fees for services	**1,503,753**	1,674,442
Holocaust Survivor Emergency Assistance Program	**1,112,265**	957,195
Jewish Federation of Greater Vancouver	**913,800**	923,598
Government and other grants	**731,519**	797,142
Amortization of deferred contributions related to capital assets *(Note 9)*	**33,219**	43,117
	6,557,079	6,988,619
EXPENSES		
Wages and benefits *(Note 12)*	**3,965,446**	3,685,018
Financial Aid - Holocaust survivors	**1,009,979**	996,504
Administrative	**500,291**	415,229
Financial Aid - Food assistance	**504,257**	424,648
Programs	**380,268**	378,859
Rent	**307,180**	297,575
Financial Aid - Other	**270,833**	116,955
Fundraising	**182,899**	10,375
Amortization of capital assets	**98,268**	92,343
Travel	**21,981**	12,964
Staff and volunteer training	**18,457**	14,027
Advertising and promotion	**15,209**	18,684
	7,275,068	6,463,181
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	**(717,989)**	525,438
OTHER INCOME (EXPENSES)		
Gain on sale of investments *(Note 5)*	**2,648**	9,255
Unrealized loss on investments *(Note 5)*	**(52,893)**	(292,627)
Interest income from investments *(Note 5)*	**67,496**	119,837
Management fees on investments *(Note 5)*	**(26,707)**	(27,407)
Income distributions from endowment funds *(Note 11)*	**214,874**	197,567
	205,418	6,625
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	**(512,571)**	532,063
NET ASSETS, BEGINNING OF YEAR	**3,379,066**	2,847,003
NET ASSETS, END OF YEAR	**$ 2,866,495**	$ 3,379,066

JEWISH FAMILY SERVICES AGENCY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2023

	2023	2022
OPERATING ACTIVITIES		
(Deficiency) excess of revenue over expenses for the year	**$ (512,571)**	$ 532,063
Items not affecting cash:		
Amortization of capital assets	**98,268**	92,343
Amortization of deferred contributions related to capital assets	**(33,219)**	(43,117)
Rent related to inducement	**(6,375)**	(1,523)
Gain on disposal of investments	**(2,648)**	(9,255)
Unrealized loss on investments	**52,893**	292,627
	(403,652)	863,138
Changes in non-cash working capital:		
Accounts receivable	**6,766**	(72)
Goods and services tax receivable	**(5,154)**	19,028
Prepaid expenses and deposits	**(100,908)**	(14,612)
Accounts payable and accrued liabilities	**(67,042)**	(94,076)
Government remittances payable	**4,291**	15,632
Deferred contributions and revenue	**(290,885)**	(464,407)
	(452,932)	(538,507)
	(856,584)	324,631
INVESTING ACTIVITIES		
Purchase of capital assets	**(29,229)**	(76,502)
Investment income reinvested, net	**(40,789)**	(92,430)
Disbursement from investments	**69,313**	69,532
	(705)	(99,400)
FINANCING ACTIVITY		
Receipt of deferred contributions related to capital assets	**-**	104,644
(DECREASE) INCREASE IN CASH FLOW DURING THE YEAR	**(857,289)**	329,875
CASH, BEGINNING OF YEAR	**2,018,634**	1,688,759
CASH, END OF YEAR	**$ 1,161,345**	$ 2,018,634

1. 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 2018. 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.

2. SUMMARY OF 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. Financial statements prepared in accordance with ASNPO are also in accordance with Canadian generally accepted accounting principles ("GAAP").

These financial statements have, in management's opinion, been prepared within reasonable limits of materiality using the significant accounting policies noted below:

(a) Cash

Cash consists of cash on hand.

(b) Capital assets

Capital assets are stated at cost less accumulated amortization which are recorded over their estimated useful lives of the capital assets at the following rates and methods:

Computer equipment	25%	straight-line method
Equipment	20%	straight-line method
Leasehold improvements		over term of lease
Vehicles	30%	straight-line method

The Agency’s policy is to record a write-down to a capital asset's fair value or replacement cost when conditions indicate that a capital asset is impaired. Such conditions include when the capital asset no longer contributes to the Agency's ability to provide goods and services or when the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount. Write-downs are recognized as an expense in the statement of revenue and expenses are not reversed.

(c) 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.

Deferred contributions related to capital assets represent restricted contributions that have been received for the purchase of capital assets. These contributions are amortized and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

Unrestricted investment income is recognized as revenue when earned.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) Contributed materials and services

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 materials and services 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.

(e) Leases

Leases defined as operating leases are included in the determination of (deficiency) excess of revenue over expenses over the lease term on a straight-line basis. The Agency has recorded an expense of $6,375 (2022 - $1,523) in rent related to inducement in the statement of revenue and expenses and change in net assets.

(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 (deficiency) excess revenue over expenses in the year.

(g) 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 valuation of accounts receivable, determination of the useful lives of assets used for calculating amortization, measurement of deferred contributions and revenue, deferred contributions related to capital assets and deferred rent, and the determination of certain amounts recorded as accrued liabilities.

(h) Financial instruments

i) Measurement

The Agency's financial instruments consist of cash, accounts receivable, investments 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.

ii) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(h) Financial instruments

iii) Transaction costs

Transaction costs that are directly attributable to the origination, issuance or assumption of a financial instrument that is subsequently measured at amortized cost are assigned to those financial instruments. All other transaction costs are recognized in the statement of revenue and expenses in the period incurred.

3. FINANCIAL INSTRUMENTS

The Agency's financial instruments are described in Note 2(h). 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, as described in Note 4).

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 significant cash reserves in addition to a line of credit available for use, as described in Note 7.

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 because the cash balance in foreign currency is not significant in current year $239 (2022 - $239).

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 when it is in use (Note 7) as well as on its income earned from investments (Note 5). The Agency mitigates this risk by reviewing the interest rates on a regular basis.

3. FINANCIAL INSTRUMENTS *(continued)*

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 exposed to other price risk on the fair market value of its investment.

4. ACCOUNTS RECEIVABLE

	2023	2022
Senior care service fee	**$ 86,465**	$ 140,325
Other	**50,487**	3,393
	$ 136,952	$ 143,718

As at August 31, 2023 and 2022 no allowance of doubtful accounts provision was deemed necessary.

5. INVESTMENTS

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% (2022 - 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, which is why the investments are recorded as an asset of the Agency. These investments are separate from the endowment funds and income described in Note 11.

6. CAPITAL ASSETS

	Cost	Accumulated amortization	**2023 Net book value**	2022 Net book value
Computer equipment	$ 127,472	$ 71,785	**$ 55,687**	$ 67,400
Equipment	159,830	76,739	**83,091**	98,823
Leasehold improvements	129,954	60,233	**69,721**	95,722
Vehicles	51,977	40,782	**11,195**	26,788
	$ 469,233	$ 249,539	**$ 219,694**	$ 288,733

During the year ended August 31, 2023, the Agency made an offer to purchase a $7,500,000 building in Vancouver in order to consolidate operations into a single property owned by the Agency, rather than multiple leased premises. The closing date of the purchase is estimated to be November 20, 2023. The purchase is to be financed through external donations on which the Agency is reliant in order to complete the transaction.

During the year ended August 31, 2023, the Agency made a deposit of $50,000 and incurred additional cost of $18,055 for a total of $68,055, which is included in prepaid expenses and deposits.

Subsequent to year end, the Agency made an additional deposit of $200,000 and incurred $23,898 in additional outlays for a total of $223,898.

7. LINE OF CREDIT

The Agency has available a credit facility with an amount up to $300,000 with Vancouver City Savings Credit Union ("Vancity") secured by an agreement under the Personal Property Security Act. Interest is charged at Vancity's prime lending rate plus 1% (2022 - 1%) per annum. At August 31, 2023, the Agency had not drawn on its line of credit (2022 - not drawn).

8. DEFERRED CONTRIBUTIONS AND REVENUE

The continuity of the carrying amount of the Agency's deferred contributions and revenue which is deferred in accordance with the accounting policy disclosed in Note 2(c) is as follows:

	2023	2022
Balance, beginning of year	**$ 554,183**	$ 1,018,590
Amounts received during the year	**458,457**	620,647
Amounts recognized as revenue during the year	**(749,342)**	(1,085,054)
Balance, end of year	**$ 263,298**	$ 554,183

9. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

The continuity of the carrying amount of the Agency's deferred contributions related to capital assets which is deferred in accordance with the accounting policy disclosed in Note 2(c) is as follows:

	2023	2022
Balance, beginning of year	**$ 151,220**	$ 89,693
Contributions received during the year	**-**	104,644
Contributions recognized to revenue during the year	**(33,219)**	(43,117)
Balance, end of year	**$ 118,001**	$ 151,220

10. 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 three fiscal years are anticipated to be as follows:

2024	$ 137,588
2025	113,841
2026	77,562
	$ 328,991

11. 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 as assets, as they are not owned or controlled by the Agency. 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 and is considered unrestricted.

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

	2023	2022
Jewish Community Foundation of Greater Vancouver	**$ 3,364,960**	$ 3,489,823
Vancouver Foundation	**358,181**	335,598
	$ 3,723,141	$ 3,825,421

12. WAGES AND BENEFITS

Five employees (2022 - five employees) earned over $75,000 during the fiscal year ended August 31, 2023 for a total of $548,042 (2022 - $586,542).

13. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to the current year's presentation. These reclassifications have had no impact on the total assets, total liabilities, total net assets or excess of revenue over expenses previously reported.