

JER'S VISION: CANADA'S YOUTH DIVERSITY INITIATIVE

FINANCIAL STATEMENTS

JUNE 20, 2009

Watson Folkins Corey LLP

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AUDITORS' REPORT

To the Board of Directors

JER'S VISION: CANADA'S YOUTH DIVERSITY INITIATIVE

We have audited the statement of financial position of Jer's Vision: Canada's Youth Diversity Initiative (Jer's Vision) as at June 20, 2009 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of Jer's Vision's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraphs, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The financial statements of Jer's Vision: Canada's Youth Diversity Initiative were not audited prior to 2009. Accordingly, we were not able to determine whether any related adjustments might be necessary to unrestricted net assets.

Also, in common with similar organizations, Jer's Vision derives revenues from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the organization's records and we were not able to determine whether any adjustments might be necessary to donations revenue, net revenue for the year and unrestricted net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the accuracy of prior year's unaudited financial statements and the completeness of the revenue referred to in the preceding paragraphs, these financial statements present fairly, in all material respects, the financial position of Jer's Vision: Canada's Youth Diversity Initiative as at June 20, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Watson Folkins Corey LLP

WATSON FOLKINS COREY LLP

Chartered Accountants
Licensed Public Accountants

Ottawa, Ontario, Canada
November 29, 2010

JER'S VISION: CANADA'S YOUTH DIVERSITY INITIATIVE

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 20, 2009

(With unaudited comparative figures for 2008)

	<u>2009</u>	<u>2008</u> (unaudited)
ASSETS		
CURRENT		
Cash	\$ 50,083	\$ 6,866
Short-term investments	10,589	10,589
Accrued interest receivable	<u>17</u>	<u>17</u>
	\$ <u>60,689</u>	\$ <u>17,472</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ <u>1,871</u>	\$ <u>1,033</u>
UNRESTRICTED NET ASSETS		
Balance - beginning of year	16,439	24,022
Net revenue (expenses) for the year	<u>42,379</u>	<u>(7,583)</u>
Balance - end of year	<u>58,818</u>	<u>16,439</u>
	\$ <u>60,689</u>	\$ <u>17,472</u>

Approved on behalf of the Board:

Director _____

Director _____

See accompanying Notes to Financial Statements

JER'S VISION: CANADA'S YOUTH DIVERSITY INITIATIVE

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED JUNE 20, 2009

(With unaudited comparative figures for 2008)

	<u>2009</u>	<u>2008</u> (unaudited)
REVENUE		
Donations - receipted	\$ 1,950	\$ 2,305
Donations - unreceipted	600	4,159
Canada Helps	466	-
Fundraising revenue	18,916	12,737
Grants revenue	33,000	2,000
Awards	3,116	-
Sponsorships	23,180	-
Interest income	383	466
Other income	131	250
	<u>81,742</u>	<u>21,917</u>
EXPENSES		
Advertising and promotion	859	1,279
Bank charges and interest	15	41
Catering	295	-
Event expenses	7,314	-
Fringe expenses	783	497
Gala expenses	772	3,938
Honourarium	25,200	22,433
Office expenses	1,712	51
Professional fees	1,838	935
Scholarships	375	-
Travel and accommodations	200	326
	<u>39,363</u>	<u>29,500</u>
NET REVENUE (EXPENSES) FOR THE YEAR	\$ <u>42,379</u>	\$ <u>(7,583)</u>

See accompanying Notes to Financial Statements

JER'S VISION: CANADA'S YOUTH DIVERSITY INITIATIVE

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 20, 2009 (With unaudited comparative figures for 2008)

	<u>2009</u>	<u>2008</u> (unaudited)
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net revenue (expenses) for the year	\$ 42,379	\$ (7,583)
Net change in non-cash working capital		
Short-term investments	-	-
Accrued interest receivable	-	-
Accounts payable and accrued liabilities	<u>838</u>	<u>334</u>
	<u>838</u>	<u>334</u>
NET INCREASE IN CASH	43,217	(7,249)
Cash, beginning of year	<u>6,866</u>	<u>14,115</u>
CASH, END OF YEAR	\$ <u>50,083</u>	\$ <u>6,866</u>

See accompanying Notes to Financial Statements

JER'S VISION: CANADA'S YOUTH DIVERSITY INITIATIVE

NOTES TO FINANCIAL STATEMENTS JUNE 20, 2009

1. PURPOSE OF THE ORGANIZATION

Jer's Vision: Canada's Youth Diversity Initiative (also known as Jer's Vision and The Jeremy Dias Foundation) was established by Jeremy Dias to address discrimination and promote diversity by providing education programs that educate and give people tools to make a difference; arts program activities that use art as a tool to immerse and engage; community involvement through participation in events and social networks; and supporting youth ideas by giving support and help through funding and organizational support to youth who have ideas to make their schools and communities better places.

Jer's Vision: Canada's Youth Diversity Initiative was granted its charitable status on February 1, 2005 and was incorporated as a non-profit organization without share capital on August 1, 2008 under the Canada Corporations Act. As a registered charity, Jer's Vision is exempt from Canadian income taxes.

2. ACCOUNTING CHANGES

a) During the year ended June 20, 2009, Jer's Vision adopted the following new accounting policies:

Capital disclosures

Effective June 21, 2008 Jer's Vision adopted Section 1535, Capital Disclosures, of The Canadian Institute of Chartered Accountants (CICA) Handbook. The required disclosure regarding what Jer's Vision defines as capital and its objectives, policy and process for managing capital is provided in note 5.

Financial instruments - disclosure and presentation

In December 2006, the CICA issued Section 3862, Financial Instruments — Disclosures, and Section 3863, Financial Instruments — Presentation. Both sections were to be applicable to financial statements relating to fiscal years beginning on or after October 1, 2007, specifically, June 21, 2008 for Jer's Vision. However, not-for-profit organizations may choose not to adopt these sections. Therefore, Jer's Vision will continue to apply Section 3861, Financial Instruments — Disclosure and presentation, as applicable.

Jer's Vision adopted Section 3855, Financial Instruments — Recognition and Measurement, except for the paragraphs related to embedded derivatives. This section establishes standards for recognizing and measuring financial assets and financial liabilities, including non-financial derivatives. Jer's Vision's accounting policy with respect to financial instruments is disclosed in note 3 (g).

This standard did not affect Jer's Vision's financial position or revenue and expenses.

Financial statement presentation

In September 2008, the CICA issued amendments to several of the existing sections in the 4400 series, Not-for-Profit Organizations. Changes apply to annual financial statements relating to fiscal years beginning on or after January 1, 2009. Accordingly, Jer's Vision will adopt the following amended standards for its fiscal year beginning June 21, 2009. The amendments include:

- additional guidance in the applicability of Section 1100, Generally Accepted Accounting Principles;
- removal of the requirement to report separately net assets invested in capital assets;
- requirements to disclose revenues and expenses in accordance with Emerging Issues Committee Abstract 123, Reporting Revenue Gross as a Principal Versus Net as an Agent;

JER'S VISION: CANADA'S YOUTH DIVERSITY INITIATIVE**NOTES TO FINANCIAL STATEMENTS
JUNE 20, 2009****2. ACCOUNTING CHANGES (continued)**

- requirement to include a statement of cash flows in accordance with Section 1540, Cash Flow Statements;
- requirement to disclose related party transactions in accordance with Section 3840, Related Party Transactions; and
- new disclosure requirements regarding the allocation of fundraising and general support costs.

b) Recent accounting pronouncements

The Canadian Institute of Chartered Accountants issued the following new accounting standards: Handbook Sections 3862, "Disclosures" and 3863, "Presentation". These new Handbook Sections apply to financial years beginning on or after October 1, 2009, specifically June 21, 2010 for Jer's Vision. They will replace Section 3861, "Financial Instruments - Disclosure and Presentation", increasing the emphasis on disclosure about risks associated with both recognized and unrecognized financial instruments and how these risks are managed.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Capital assets

In accordance with Canadian generally accepted accounting principles, small not-for-profit organizations, defined as those with average annual revenues less than \$500,000, can choose not to recognize capital assets in their statement of financial position. The organization's policy is to expense capital assets in the statement of operations.

(b) Accrual basis of accounting

Revenue and expenses are recorded on the accrual basis, whereby they are reflected in the period in which they have been earned and incurred respectively, whether or not such transactions have been finally settled by the receipt or payment of money.

(c) Revenue recognition

Jer's Vision follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(d) Estimates and assumptions

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates. These estimates and assumptions are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period they become known.

JER'S VISION: CANADA'S YOUTH DIVERSITY INITIATIVE**NOTES TO FINANCIAL STATEMENTS
JUNE 20, 2009****3. SIGNIFICANT ACCOUNTING POLICIES (continued)****(e) Short-term investments**

Short-term investments include TD Mortgage Corporation Guaranteed Investment Certificates (GIC's) and are classified as available-for-sale and recorded at fair value.

(f) Assets, supplies and service contributions

Volunteers contribute a significant amount of time each year to assist Jer's Vision in carrying out its programs and services. Because of the difficulty in determining their fair value, contributed services are not recognized in these financial statements.

Contributions of assets, supplies and services that would otherwise have been purchased, are recorded at fair value at the date of contribution, provided a fair value can be reasonably determined. In the current year, no contributions of assets, supplies or services were recorded in the accounts.

(g) Financial instruments

The organization's cash is recorded using the held-for-trading method. This financial asset is measured at fair value at the balance sheet date. Any changes in fair value, both realized and unrealized, are recorded as adjustments to revenue and expenses. The organization's accrued accounts receivable and accounts payable and accrued liabilities are accounted for at amortized cost using the effective interest rate; they include all loans and receivables and all financial liabilities.

4. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of cash, short-term investments, accrued accounts receivable and accounts payable and accrued liabilities approximate both their fair value and amortized cost due to the relatively short periods to maturity of the instruments. It is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from its financial instruments.

5. CAPITAL DISCLOSURES

Jer's Vision defines the capital that it manages as unrestricted net assets.

The capital management objectives of Jer's Vision include ensuring the ability to continue as a going concern and maintaining sufficient liquidity to meet its obligations as they become due.

Jer's Vision is not subject to any externally imposed capital requirements.