# JER'S VISION: CANADA'S YOUTH DIVERSITY INITIATIVE

## FINANCIAL STATEMENTS

## JUNE 20, 2011

FINA
chartered accountant

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## INDEX TO FINANCIAL STATEMENTS

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**AUDIT ENGAGEMENT REPORT**

**To the directors of Jer's Vision: Canada's Youth Diversity Initiative**

I have audited the statement of financial position of Jer's Vision: Canada's Youth Diversity Initiative as at June 20, 2011 and the statements of operations, and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of Jer's Vision's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

In common with many charitable organizations, the organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of this revenue was limited to the amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to donations revenue, excess of revenue over expenses, assets and net assets.

In my opinion, except for the effect of any adjustments which might have been required had I been able to satisfy myself concerning the completeness of donations revenue referred to in the preceding paragraph, 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, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Firas Nasser
Chartered Accountant, Licensed Public Accountant

Ottawa, Ontario
August 31, 2012

**JER'S VISION: CANADA'S YOUTH DIVERSITY INITIATIVE**
**STATEMENT OF FINANCIAL POSITION**
**AS AT JUNE 20, 2011**

| | 2011 | 2010 |
|---|---|---|
| **ASSETS** | | |
| **Current** | | |
| Cash | $ 89,658 | $ 51,738 |
| Accounts receivable | 1,052 | - |
| Short-term investments (note 3) | 40,906 | 40,589 |
| Accrued interest receivable | 264 | 128 |
| Prepaid expenses (note 4) | 1,302 | - |
| | 133,182 | 92,455 |
| **Capital assets** | 3,977 | - |
| | $ 137,159 | $ 92,455 |
| **LIABILITIES** | | |
| **Current** | | |
| Accounts payable and accrued liabilities | $ 11,434 | $ 2,910 |
| **UNRESTRICTED NET ASSETS** | | |
| Balance, beginning of year | 89,545 | 58,818 |
| Excess revenue over expenses for the year | 36,180 | 30,727 |
| Balance, end of year | 125,725 | 89,545 |
| | $ 137,159 | $ 92,455 |

Approved on behalf of the board

______________________________ Director

**JER'S VISION: CANADA'S YOUTH DIVERSITY INITIATIVE**
**STATEMENT OF OPERATIONS**
**FOR THE YEAR ENDED JUNE 20, 2011**

| | 2011 | 2010 |
|---|---|---|
| **REVENUES** | | |
| Donations - receipted | $ 2,500 | $ 3,431 |
| Donations - unreceipted | 25,385 | 10,167 |
| Canada Helps | 3,154 | 3,088 |
| Fundraising | 8,828 | 18,433 |
| Grants | - | 12,500 |
| Sponsorships | 90,000 | 36,000 |
| United way | 1,371 | 6,298 |
| Interest | 507 | 340 |
| Other | - | 575 |
| | 131,745 | 90,832 |
| **EXPENSES** | | |
| Advertising and promotion | 3,924 | 2,401 |
| Amortization | 654 | - |
| Bank charges and interest | 134 | 187 |
| Catering | 2,251 | 466 |
| Event expenses | 2,462 | 7,759 |
| Gala expenses | - | 100 |
| Honorarium | 21,900 | 36,425 |
| Insurance | 370 | - |
| Office | 5,251 | 1,544 |
| Professional fees | 7,664 | 7,859 |
| Rent | 4,138 | - |
| Salaries and benefits | 34,499 | - |
| Scholarships | 500 | - |
| Telecommunications | 1,919 | - |
| Travel | 9,899 | 3,364 |
| | 95,565 | 60,105 |
| **EXCESS REVENUE OVER EXPENSES FOR THE YEAR** | $ 36,180 | $ 30,727 |

**JER'S VISION: CANADA'S YOUTH DIVERSITY INITIATIVE**
**STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED JUNE 20, 2011**

| | 2011 | 2010 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Excess revenue over expenses for the year | $ 36,180 | $ 30,727 |
| Amortization | 654 | - |
| Changes in non-cash working capital items | | |
| Accounts receivable | (1,052) | - |
| Short-term investments | (317) | (30,000) |
| Accrued interest receivable | (136) | (111) |
| Prepaid expenses | (1,302) | |
| Accounts payable and accrued liabilities | 8,524 | 1,039 |
| | 42,551 | 1,655 |
| **Cash flows from investing activities** | | |
| Purchase of capital assets | (4,631) | - |
| **Increase (decrease) in cash for the year** | 37,920 | 1,655 |
| **Cash, beginning of year** | 51,738 | 50,083 |
| **Cash, end of year** | $ 89,658 | $ 51,738 |

## 1. Nature and purpose of the organization

Jer's Vision: Canada's Youth Diversity Initiative was established by Jeremy Dias to address discrimination and promote diversity by providing educational programs helping people make a difference; arts programs 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 through funding and organizational support to youth seeking to improve their schools and communities.

The organization 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 qualifies for tax-exempt status.

## 2. Significant accounting policies

### Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known.

### Financial instruments

The accounting standards for financial instruments require that all financial assets and liabilities be classified according to their characteristics, management's intention, or the choice of category in certain circumstances. When initially recognized, all financial assets and financial liabilities are recorded at fair value. In subsequent periods, financial assets and financial liabilities will be measured at fair value, except for those financial instruments with long-term maturities and for which the organization has the intent and ability to hold these financial instruments to maturity, which will be measured at amortized cost using the effective interest rate method. Gains or losses arising from a change in the fair value of a financial asset or financial liability are recognized in operations as they occur. As permitted under options provided for not-for-profit organizations, the organization follows the disclosure and presentation requirements of CICA handbook section 3861 - Financial Instruments - Disclosure and Presentation.

The organization's financial instruments consist of cash, accounts receivable, short-term investments, prepaid expenses and accounts payable and accrued liabilities. The fair values of these financial instruments are equivalent to their carrying values given their short-term maturities, unless otherwise noted.

## 2. Significant accounting policies (continued)

### Financial instruments (continued)

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant credit risks arising from these financial instruments.

### Financial risk management

The organization manages its cash according to its needs in such a way to maximize investment income. The organization is not involved in any hedging relationships through its operations and does not hold or use any derivative investments for trading purposes.

### Revenue recognition

The organization follows the deferral method of accounting for contributions. 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. Unrestricted investment income is recognized as revenue when earned.

### Assets, supplies and service contributions

Volunteers contribute a significant amount of time each year to assist the organization 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.

## 3. 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.

## 4. Capital assets

Capital assets are recorded at cost and are amortized over their estimated useful lives as follows:

| | Rate | |
|---|---|---|
| Furniture & equipment | 20% | declining balance |
| Computer equipment | 55% | declining balance |

| | | 2011 | |
|---|---|---|---|
| | Cost | Accumulated Amortization | Net book value |
| Furniture & equipment | $ 3,540 | $ 354 | $ 3,186 |
| Computer equipment | 1,091 | 300 | 791 |
| | $ 4,631 | $ 654 | $ 3,977 |

## 5. Capital disclosures

The organization has adopted CICA Handbook Section 1535, Capital Disclosures, which establishes standards for the disclosure of information about the organization's capital and how it is managed.

The organization defines capital as its net assets and the organization's objectives when managing capital are to maintain flexibility between:

a) enabling it to operate efficiently;
b) providing liquidity and access to net assets for growth opportunities; and
c) generating predictable cash flows for the continuing operations of the organization.

The organization manages the capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets.  The Board of Directors does not establish quantitative return on capital criteria; but rather promotes year over year sustainable surpluses in order to maintain operations.  The organization is not subject to any externally imposed capital requirements.