

---

**JEWISH FAMILY SERVICE AGENCY OF VANCOUVER  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
AUGUST 31, 2011**

---





**MANNING ELLIOTT**  
CHARTERED ACCOUNTANTS

11th floor, 1050 West Pender Street, Vancouver, BC, Canada V6E 3S7

Phone: 604. 714. 3600 Fax: 604. 714. 3669 Web: manningelliott.com

---

## **INDEPENDENT AUDITOR'S REPORT**

---

To the Members of:  
Jewish Family Service Agency of Vancouver

### Report on the Financial Statements

We have audited the accompanying financial statements of Jewish Family Service Agency of Vancouver, which comprise the statement of financial position as at August 31, 2011, the statement of revenue and expenses, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's 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 the auditor's 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, the auditor considers 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.

### Basis for Qualified Opinion

In common with many charitable organizations, the Society 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 Society and we were unable to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses, assets and net assets.



MANNING ELLIOTT  
CHARTERED ACCOUNTANTS

11th floor, 1050 West Pender Street, Vancouver, BC, Canada V6E 3S7

Phone: 604. 714. 3600 Fax: 604. 714. 3669 Web: manningelliott.com

---

## INDEPENDENT AUDITOR'S REPORT

---

### 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 Service Agency of Vancouver as at August 31, 2011 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Manning Elliott LLP*

Chartered Accountants

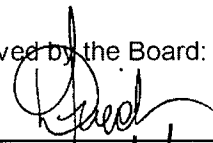
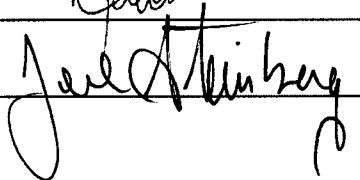
Vancouver, British Columbia

December 7, 2011

**JEWISH FAMILY SERVICE AGENCY OF VANCOUVER**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT AUGUST 31, 2011**

	2011	2010
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ -	\$ 238,272
Accounts receivable	125,443	89,877
Prepaid expenses	36,950	45,957
	162,393	374,106
<b>CAPITAL ASSETS (Note 3)</b>	53,257	18,686
<b>INTERNALLY RESTRICTED CASH AND INVESTMENTS (Note 4)</b>	646,522	630,696
	\$ 862,172	\$ 1,023,488
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Bank indebtedness	\$ 9,065	\$ -
Accounts payable and accrued liabilities	117,080	81,613
Deferred revenue (Note 6)	61,477	122,419
	187,622	204,032
<b>DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 7)</b>	28,234	-
	215,856	204,032
<b>COMMITMENTS (Note 9)</b>		
<b>INVESTED IN CAPITAL ASSETS</b>	25,023	18,686
<b>INTERNALLY RESTRICTED (Note 4)</b>	646,522	630,696
<b>UNRESTRICTED</b>	(25,229)	170,074
	646,316	819,456
	\$ 862,172	\$ 1,023,488

Approved by the Board:

  
 \_\_\_\_\_  
  
 \_\_\_\_\_

Director

Director



**JEWISH FAMILY SERVICE AGENCY OF VANCOUVER**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED AUGUST 31, 2011**

					<b>2011</b>	<b>2010</b>
	Invested in capital assets	Restricted for endowment purposes	Internally restricted (Note 4)	Unrestricted	Total	Total
BALANCE AT BEGINNING OF YEAR	\$ 18,686	\$ -	\$ 630,696	\$ 170,074	\$ 819,456	\$ 855,546
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE) FOR THE YEAR	(11,454)	-	15,826	(177,512)	(173,140)	(27,619)
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS	(32,039)	-	-	32,039	-	-
TRANSFER OF RESTRICTED FUNDS	-	-	-	-	-	(8,471)
ACQUISITION OF CAPITAL ASSETS	38,025	-	-	(38,025)	-	-
DONATION OF CAPITAL ASSETS	8,000	-	-	(8,000)	-	-
AMORTIZATION OF DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS	3,805	-	-	(3,805)	-	-
<b>BALANCE AT END OF YEAR</b>	<b>\$ 25,023</b>	<b>\$ -</b>	<b>\$ 646,522</b>	<b>\$ (25,229)</b>	<b>\$ 646,316</b>	<b>\$ 819,456</b>



**JEWISH FAMILY SERVICE AGENCY OF VANCOUVER**  
**STATEMENT OF REVENUE AND EXPENSES**  
**FOR THE YEAR ENDED AUGUST 31, 2011**

	<b>2011</b>	<b>2010</b>
<b>REVENUE</b>		
Distributions from endowment funds (Note 8)	\$ 119,898	\$ 138,869
Donations and fundraising	783,382	758,105
Fees for services	451,912	373,309
Government and other grants	333,284	206,348
Holocaust Survivor Emergency Assistance Program	195,566	164,488
Interest and other income	64,846	49,255
Jewish Federation of Greater Vancouver	807,960	808,664
Jewish Immigration Assistance Society	25,500	31,250
United Way	106,117	121,761
	<b>2,888,465</b>	<b>2,652,049</b>
<b>EXPENSES</b>		
Administrative expenses	225,831	154,719
Advertising and promotion	32,771	35,934
Agency costs	6,223	4,200
Amortization	11,454	32,536
Computer system development	14,279	5,096
Financial Aid - Food assistance	135,660	144,290
Financial Aid - Holocaust survivors	177,018	152,489
Financial Aid - Jewish Immigrants	78,313	72,787
Financial Aid - Other	85,248	104,942
Fundraising	128,033	113,049
Kosher meals	17,870	23,814
Programs	81,232	53,454
Rent	205,362	165,513
Salaries and fees	1,804,249	1,593,051
Staff and board development	19,534	12,320
Transportation	18,276	11,144
Foreign exchange loss	20,252	331
	<b>3,061,605</b>	<b>2,679,669</b>
<b>EXCESS OF EXPENSES OVER REVENUE FOR THE YEAR</b>	<b>\$ (173,140)</b>	<b>\$ (27,620)</b>



**JEWISH FAMILY SERVICE AGENCY OF VANCOUVER**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED AUGUST 31, 2011**

	<b>2011</b>	<b>2010</b>
<b>CASH FROM (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of expenses over revenue for the year	\$ (173,140)	\$ (27,620)
Items not involving cash		
Amortization of capital assets	11,454	32,536
Amortization of leasehold improvement allowance	-	(5,472)
Amortization of deferred contributions related to capital assets	(3,805)	-
	(165,491)	(556)
Change in non-cash working capital items:		
Accounts receivable	(35,566)	41,160
Prepaid expenses	9,007	(9,733)
Accounts payable and accrued liabilities	35,467	(17,801)
Deferred revenue	(60,942)	17,950
	(217,525)	31,020
<b>FINANCING ACTIVITIES</b>		
Payment of capital lease obligations	-	(1,603)
Deferred contributions received	24,039	-
	24,039	(1,603)
<b>INVESTING ACTIVITIES</b>		
Acquisition of capital assets	(38,025)	(18,905)
Acquisition of investments	(15,826)	(20,341)
	(53,851)	(39,246)
<b>DECREASE IN CASH DURING THE YEAR</b>	<b>(247,337)</b>	<b>(9,829)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>238,272</b>	<b>248,101</b>
<b>CASH, END OF YEAR</b>	<b>\$ (9,065)</b>	<b>\$ 238,272</b>

**CASH FLOW SUPPLEMENTAL INFORMATION**

Interest income	\$ 13,445	\$ 20,560
-----------------	-----------	-----------



---

## JEWISH FAMILY SERVICE AGENCY OF VANCOUVER

### NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2011

---

#### 1. PURPOSE OF THE ORGANIZATION

The Jewish Family Service Agency of Vancouver ("the Society") 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 Society 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. SIGNIFICANT ACCOUNTING POLICIES

##### 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 at the end of the reporting period. 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) 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.

##### c) Financial Instruments

The Society classifies its financial instruments, comprised of cash, accounts receivable, investments, accounts payable, as held for trading and reports them at fair value. Subsequent changes in fair value of financial instruments are recognized as gains or losses in the statement of operations in the period in which the change in value takes place.

In management's opinion, the Society is not exposed to significant interest rate, foreign exchange or credit risks related to its financial instruments.

##### d) 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

##### e) Long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. An impairment loss is recognized when the carrying amount exceeds the total undiscounted cash flows expected from their use and eventual disposition. To August 31, 2011, no impairment losses have been recorded.





**JEWISH FAMILY SERVICE AGENCY OF VANCOUVER**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2011**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Revenue recognition

The Society 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 receivable can be reasonably estimated and collection is reasonably assured. Unrestricted investment income is recognized as revenue when earned. Contributions towards expenditures that will be incurred in future years are reported as deferred revenue.

g) Contributed services and materials

The Society 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.

h) Recent accounting pronouncements

For the fiscal year commencing September 1, 2012, the Society will be required adopt Canadian accounting standards for not-for-profit organizations ("ASNPO") or International Financial Reporting Standards ("IFRS"). Management anticipates that the Society will adopt ASNPO and has not yet determined its effect on the Society's financial statements.

3. CAPITAL ASSETS

			<b>2011</b>	<b>2010</b>
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 155,581	\$ 123,466	\$ 32,115	\$ 2,543
Equipment	53,104	38,746	14,358	7,127
Leasehold improvements	64,863	58,079	6,784	9,016
	<u>\$ 273,548</u>	<u>\$ 220,291</u>	<u>\$ 53,257</u>	<u>\$ 18,686</u>

Included in capital assets is donated equipment of \$8,000

4. INTERNALLY RESTRICTED CASH AND INVESTMENTS

	<b>2011</b>	<b>2010</b>
Cash	\$ 75,000	\$ 75,000
Non-redeemable guaranteed investment certificate of the Canadian Imperial Bank of Commerce, due January 2013 at the rate of 2.39% per annum	571,522	555,696
	<u>\$ 646,522</u>	<u>\$ 630,696</u>

The Society holds \$75,000 as a contingency reserve fund and \$500,000, plus reinvested income which has accumulated to \$71,522 (2010: \$55,696), as a capital reserve fund for the acquisition of real estate. These amounts are not available for other purposes without approval of the board of directors.



---

**JEWISH FAMILY SERVICE AGENCY OF VANCOUVER**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2011**

---

5. LINE OF CREDIT

The Society has an operating line of up to \$150,000, secured by an agreement under the Personal Property Security Act and bearing interest at the credit union's prime interest rate plus 1%. At August 31, 2011 and 2010 the line of credit was not in use.

6. DEFERRED REVENUE

Deferred revenue is comprised of funding received in the current year relating to the subsequent fiscal year. Changes in the deferred contribution balance are as follows

	<b>2011</b>	<b>2010</b>
Balance, beginning of the year	\$ 122,419	\$ 104,469
Less: Amounts recognized as revenue in the year	(112,051)	(80,840)
Add: Amounts received relating to the following year	51,109	98,790
<b>Balance, end of year</b>	<b>\$ 61,477</b>	<b>\$ 122,419</b>

7. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

	<b>2011</b>	<b>2010</b>
Contributions received in the year	\$ 32,039	\$ -
Less: Amount recognized as revenue in the year	(3,805)	-
	<b>\$ 28,234</b>	<b>\$ -</b>

8. ENDOWMENT FUNDS

The Society 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 Society annually for use in its operations.

The market value of the investments held through the endowment funds is as follows:

	<b>2011</b>	<b>2010</b>
Jewish Community Foundation	\$1,009,157	\$1,019,706
Vancouver Foundation	580,148	542,438
	<b>\$1,589,305</b>	<b>\$1,562,144</b>

9. COMMITMENTS

Commitments under leases for premises and equipment are as follows:

2012	\$ 109,212
2013	109,212
2014	108,696
2015	53,712



---

**JEWISH FAMILY SERVICE AGENCY OF VANCOUVER**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2011**

---

10. ECONOMIC DEPENDENCE

The Society is economically dependent upon the Jewish Federation of Greater Vancouver for operating funds as they comprise 26% (2010: 30%) of total revenue.

11. CAPITAL MANAGEMENT

The capital structure of the Society consists of net assets invested in capital assets, funds restricted for endowment purposes, internally restricted net assets and unrestricted net assets.

The primary objectives of the Society's capital management are to maintain flexibility between enabling it to operate efficiently and generating predictable cash flows for continuing operations. The board does not establish quantitative return on capital criteria; but rather promotes year over year sustainable surpluses in order to maintain operations.

