
**JEWISH FAMILY SERVICE AGENCY OF VANCOUVER
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
AUGUST 31, 2012**





MANNING ELLIOTT
CHARTERED ACCOUNTANTS

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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 ("The Agency"), which comprise the statement of financial position as at August 31, 2012, the statement of changes in net assets, the statement of revenue and expenses, and the 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.

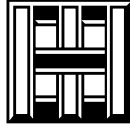
Auditor's Responsibility

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 Agency 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 Agency and we were unable to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses, assets and net assets.



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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, 2012 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Society Act, we report that, in our opinion, the Agency's financial statements are presented on a basis consistent with that of the previous year.

Manning Elliott LLP

Chartered Accountants

Vancouver, British Columbia

December 3, 2012

JEWISH FAMILY SERVICE AGENCY OF VANCOUVER
STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2012

	2012	2011
ASSETS		
CURRENT ASSETS		
Cash	\$ 10,313	\$ -
Accounts receivable	151,342	125,443
Prepaid expenses	35,926	36,950
	197,581	162,393
CAPITAL ASSETS (Note 3)	40,920	53,257
INTERNALLY RESTRICTED CASH AND INVESTMENTS (Note 4)	426,542	646,522
	\$ 665,043	\$ 862,172
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Bank indebtedness	\$ -	\$ 9,065
Accounts payable and accrued liabilities	92,055	117,080
Deferred revenue (Note 6)	21,642	61,477
	113,697	187,622
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 7)	25,385	28,234
	139,082	215,856
COMMITMENTS (Note 9)		
INVESTED IN CAPITAL ASSETS	15,535	25,023
INTERNALLY RESTRICTED (Note 4)	426,542	646,522
UNRESTRICTED	83,884	(25,229)
	525,961	646,316
	\$ 665,043	\$ 862,172

Approved by the Board:

_____ Director

_____ Director



JEWISH FAMILY SERVICE AGENCY OF VANCOUVER
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED AUGUST 31, 2012

				2012	2011
	Invested in capital assets	Internally restricted (Note 4)	Unrestricted	Total	Total
BALANCE AT BEGINNING OF YEAR	\$ 25,023	\$ 646,522	\$ (25,229)	\$ 646,316	\$ 819,456
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE) FOR THE YEAR	-	5,020	(125,375)	(120,355)	(173,140)
TRANSFER OF RESTRICTED FUNDS	-	(225,000)	225,000	-	-
ACQUISITION OF CAPITAL ASSETS	3,116	-	(3,116)	-	-
AMORTIZATION OF DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS	2,849	-	(2,849)	-	-
AMORTIZATION OF CAPITAL ASSETS	(15,453)	-	15,453	-	-
BALANCE AT END OF YEAR	\$ 15,535	\$ 426,542	\$ 83,884	\$ 525,961	\$ 646,316



JEWISH FAMILY SERVICE AGENCY OF VANCOUVER
STATEMENT OF REVENUE AND EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2012

	2012	2011
REVENUE		
Distributions from endowment funds (Note 8)	\$ 110,605	\$ 119,898
Donations and fundraising	793,289	783,382
Fees for services	634,208	451,912
Government and other grants	234,765	333,284
Holocaust Survivor Emergency Assistance Program	200,410	195,566
Interest and other income	31,771	64,846
Jewish Federation of Greater Vancouver	855,901	807,960
Jewish Immigration Assistance Society	24,500	25,500
United Way	105,085	106,117
	2,990,534	2,888,465
EXPENSES		
Administrative expenses	174,210	225,831
Advertising and promotion	14,154	32,771
Agency costs	6,000	6,223
Amortization	15,453	11,454
Computer system development	8,036	14,279
Financial Aid - Food assistance	141,635	135,660
Financial Aid - Holocaust survivors	196,695	177,018
Financial Aid - Jewish Immigrants	62,586	78,313
Financial Aid - Other	68,255	85,248
Fundraising	140,872	128,033
Kosher meals	16,793	17,870
Programs	49,692	81,232
Rent	200,748	205,362
Salaries and fees	1,996,266	1,804,249
Staff and board development	7,633	19,534
Transportation	15,699	18,276
Foreign exchange (gain) loss	(3,838)	20,252
	3,110,889	3,061,605
EXCESS OF EXPENSES OVER REVENUE FOR THE YEAR	\$ (120,355)	\$ (173,140)



JEWISH FAMILY SERVICE AGENCY OF VANCOUVER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2012

	2012	2011
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Excess of expenses over revenue for the year	\$ (120,355)	\$ (173,140)
Items not involving cash		
Amortization of capital assets	15,453	11,454
Amortization of deferred contributions related to capital assets	(2,849)	(3,805)
	(107,751)	(165,491)
Change in non-cash working capital items:		
Accounts receivable	(25,899)	(35,566)
Prepaid expenses	1,024	9,007
Accounts payable and accrued liabilities	(25,025)	35,467
Deferred revenue	(39,835)	(60,942)
	(197,486)	(217,525)
FINANCING ACTIVITIES		
Deferred contributions received	-	24,039
INVESTING ACTIVITIES		
Acquisition of capital assets	(3,116)	(38,025)
Sale (acquisition) of investments, net	219,980	(15,826)
	216,864	(53,851)
INCREASE (DECREASE) IN CASH DURING THE YEAR	19,378	(247,337)
CASH, BEGINNING OF YEAR	(9,065)	238,272
CASH, END OF YEAR	\$ 10,313	\$ (9,065)

CASH FLOW SUPPLEMENTAL INFORMATION

Interest income	\$ 2,948	\$ 13,445
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JEWISH FAMILY SERVICE AGENCY OF VANCOUVER

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2012

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. 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. 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 Agency 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 Agency 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, 2012, no impairment losses have been recorded.



JEWISH FAMILY SERVICE AGENCY OF VANCOUVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2012

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) 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 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 Agency 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 Agency will be required to adopt Canadian accounting standards for not-for-profit organizations ("ASNPO") or International Financial Reporting Standards ("IFRS"). Management anticipates that the Agency will adopt ASNPO and has not yet determined its effect on the Agency's financial statements.

3. CAPITAL ASSETS

			2012	2011
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 158,613	\$ 133,228	\$ 25,385	\$ 32,115
Equipment	35,953	24,971	10,982	14,358
Leasehold improvements	64,863	60,310	4,553	6,784
	\$ 259,429	\$ 218,509	\$ 40,920	\$ 53,257

4. INTERNALLY RESTRICTED CASH AND INVESTMENTS

	2012	2011
Cash	\$ -	\$ 75,000
Non-redeemable guaranteed investment certificate of the Canadian Imperial Bank of Commerce, due January 2013 at the variable rate of 1.25% per annum	426,542	571,522
	\$ 426,542	\$ 646,522

The Agency holds a capital reserve fund of \$350,000, plus reinvested income which has accumulated to \$76,542 (2011: \$71,522), 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, 2012

5. LINE OF CREDIT

The Agency 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, 2012, the Agency has used \$84,331.54 (2011: \$Nil) of the line of credit.

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

	2012	2011
Balance, beginning of the year	\$ 61,477	\$ 122,419
Less: Amounts recognized as revenue in the year	(53,490)	(112,051)
Add: Amounts received relating to the following year	13,655	51,109
Balance, end of year	\$ 21,642	\$ 61,477

7. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

	2012	2011
Balance, beginning of year	\$ 28,234	\$ 32,039
Less: Amount recognized as revenue in the year	(2,849)	(3,805)
	\$ 25,385	\$ 28,234

8. ENDOWMENT FUNDS

The Agency 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 Agency annually for use in its operations.

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

	2012	2011
Jewish Community Foundation	\$1,016,851	\$1,009,157
Vancouver Foundation	236,607	580,148
	\$1,253,458	\$1,589,305

9. COMMITMENTS

Commitments under leases for premises and equipment are as follows:

2013	\$ 109,200
2014	108,700
2015	54,700



JEWISH FAMILY SERVICE AGENCY OF VANCOUVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2012

10. ECONOMIC DEPENDENCE

The Agency is economically dependent upon the Jewish Federation of Greater Vancouver for operating funds as they comprise 29% (2011: 28%) of total revenue.

11. CAPITAL MANAGEMENT

The capital structure of the Agency 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 Agency'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.

