

Financial statements of

**Veterans Transition Network**

March 31, 2014

# Veterans Transition Network

March 31, 2014

## Table of contents

Independent Auditor's Report .....	1-2
Statement of operations and net assets.....	3
Statement of financial position .....	4
Statement of cash flows .....	5
Notes to the financial statements .....	6-7

## **Independent Auditor's Report**

To the Board of Directors of  
Veterans Transition Network

We have audited the accompanying financial statements of Veterans Transition Network, which comprise the statement of financial position as at March 31, 2014, the statements of operations and net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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.

### **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 management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Veterans Transition Network as at March 31, 2014 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Deloitte LLP*

Chartered Accountants  
June 16, 2014

# Veterans Transition Network

## Statement of operations and net assets year ended March 31, 2014

	2014 (365 days)	2013 (328 days)
	\$	\$
<b>Revenue</b>		
Grant	380,000	370,000
Program	509,263	-
Donations	51,645	-
Other	479	1,524
	<b>941,387</b>	<b>371,524</b>
<b>Expenses</b>		
Accommodation	15,898	2,336
Accounting and audit	14,466	10,500
Bank charges and interest	91	43
Events	-	567
Insurance	9,884	3,857
Legal	13,709	19,914
Marketing	7,714	6,139
Meals and entertainment	6,367	1,845
Network and hosting	-	1,124
Office	22,259	160
Program delivery	537,205	91,530
Salaries and wages	154,467	70,728
Travel	31,767	24,322
	<b>813,827</b>	<b>233,065</b>
Excess of revenue over expenses	127,560	138,459
Net assets, beginning of year	138,459	-
<b>Net assets, end of year</b>	<b>266,019</b>	<b>138,459</b>

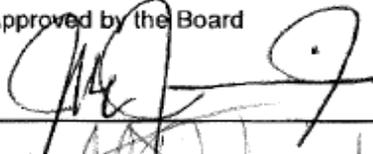
The accompanying notes to the financial statements are an integral part of this financial statement.

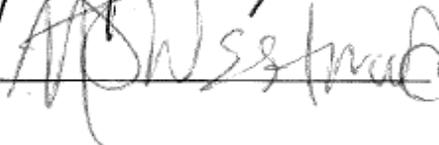
# Veterans Transition Network

Statement of financial position  
as at March 31, 2014

	2014	2013
	\$	\$
<b>Assets</b>		
Current assets		
Cash	192,579	130,533
Accounts receivable	144,177	-
Prepaid expenses	6,049	8,177
	<b>342,805</b>	138,710
Investment	-	190,721
Intangible asset	1,446	1,446
	<b>344,251</b>	330,877
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	23,232	62,418
Deferred contributions (Note 3)	55,000	130,000
	<b>78,232</b>	192,418
Commitment (Note 4)		
<b>Net assets</b>	<b>266,019</b>	138,459
	<b>344,251</b>	330,877

Approved by the Board

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

The accompanying notes to the financial statements are an integral part of this financial statement.

# Veterans Transition Network

## Statement of cash flows year ended March 31, 2014

	2014 (365 days)	2013 (328 days)
	\$	\$
<b>Operating activities</b>		
Excess of revenue over expenses	127,560	138,459
Net changes in non-cash working capital		
Accounts receivable	(144,177)	-
Prepaid expenses	2,128	(8,177)
Accounts payable and accrued liabilities	(39,186)	62,418
Deferred contributions	(75,000)	130,000
	<b>(128,675)</b>	<b>322,700</b>
<b>Investing activities</b>		
Purchase of investment	-	(190,721)
Purchase of intangible asset	-	(1,446)
Sale of investment	190,721	-
	<b>190,721</b>	<b>(192,167)</b>
Net increase in cash	<b>62,046</b>	130,533
Cash, beginning of year	<b>130,533</b>	-
<b>Cash, end of year</b>	<b>192,579</b>	<b>130,533</b>

The accompanying notes to the financial statements are an integral part of this financial statement.

# Veterans Transition Network

## Notes to the financial statements

March 31, 2014

---

### 1. Purpose of the Organization

Veterans Transition Network (the "Organization") was established in May 2012 as a registered charity, incorporated under the Canada Not-for-profit Corporations Act. The purpose of the Organization is to provide timely, effective and comprehensive group services to assist soldiers and to help soldiers transition to civilian life serving to launch them into their best possible future.

### 2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNFPO") and, in management's opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

#### *Revenue recognition*

The Organization follows the deferral method of accounting for contributions. Restricted contributions and grants are recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions and grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Donations received in kind are recorded at fair market value determined at the date the donation is made.

Other income is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### *Financial instruments*

Financial assets and financial liabilities are initially recognized in the statement of financial position at fair value when the Organization becomes a party to the contractual provisions of the financial instrument. Equity instruments that are quoted in an active market are subsequently recorded at fair value. All other financial instruments are measured at cost or amortized cost unless management has elected to record at fair value. The Organization has not elected to carry any such financial instruments at fair value.

The Organization assesses at each statement of financial position date whether a financial asset carried at cost is impaired. If there is objective evidence that an impairment loss exists, the amount of the loss is measured as the difference between the carrying amount of the asset and its fair value. The carrying amount of the asset is reduced to its fair value and the amount of the loss is recognized in the statement of operations and net assets.

The Organization does not participate in hedging activities.

#### *Transaction costs*

Transaction costs related to financial instruments measured at fair value are expensed in the statement of operations and net assets as incurred. Transaction costs related to the other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of operations and net assets as interest income or expense.

#### *Intangible asset*

The intangible asset is a trademark that has an indefinite life. Intangible assets with an indefinite life are accounted for at cost and are tested for impairment whenever events or changes in circumstances indicate that they might be impaired. When the carrying amount of an item exceeds its fair value, an impairment loss is recognized in the excess of revenue over expenses in an amount equal to the excess.

# Veterans Transition Network

## Notes to the financial statements

March 31, 2014

---

### 2. Significant accounting policies (continued)

#### *Contributed materials and services*

Contributed materials and services are recognized in the financial statements when their fair value can be reasonably estimated and when the Organization would have otherwise purchased them. Contribution of time by volunteers is not recorded as an expense as the dollar amount is not reasonably determinable.

#### *Use of estimates*

The financial statements have been prepared in conformity with ASNFPO, which require management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. In the opinion of management, these financial statements reflect, within reasonable limits of materiality, all adjustments necessary to present fairly the results for the years presented. Actual results could differ from these estimates. Assumptions are used in estimating accrued liabilities. Management reviews its estimates annually based on current available information.

### 3. Deferred contributions

Deferred contributions related to operations comprise funding received in the current period for future period operations.

	<b>Balance, beginning of year</b>	<b>Contributions received and receivable</b>	<b>Utilizations</b>	<b>2014 Balance, end of year</b>
	\$	\$	\$	\$
Bell True Patriot Love Fund	-	55,000	-	55,000
Atlantic Canada programming	130,000	-	(130,000)	-
	<b>130,000</b>	<b>55,000</b>	<b>(130,000)</b>	<b>55,000</b>

	<b>Balance, May 7, 2012</b>	<b>Contributions received and receivable</b>	<b>Utilizations</b>	<b>2013 Balance, end of period</b>
	\$	\$	\$	\$
Atlantic Canada programming	-	130,000	-	130,000

### 4. Commitment

The Organization has a two-year lease agreement in respect of office space under a premise lease which expires on April 30, 2015. The minimum annual payment is \$6,427 plus occupancy costs.