

Financial statements of

**Veterans Transition Network**

March 31, 2013

# Veterans Transition Network

March 31, 2013

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## 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, 2013 and the statements of operations and net assets and cash flows for the 328-day period from the date of incorporation on May 7, 2012 to March 31, 2013, 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, 2013 and the results of its operations, changes in net assets and its cash flows for the 328-day period from the date of incorporation on May 7, 2012 to March 31, 2013 in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Accountants  
June 16, 2013

# Veterans Transition Network

Statement of operations and net assets

328-day period from the date of incorporation on May 7, 2012  
to March 31, 2013

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\$

<b>Revenue</b>	
Grant	370,000
Other	1,524
	<hr/> 371,524
<b>Expenses</b>	
Accommodation	2,336
Accounting and audit	10,500
Bank charges and interest	43
Events	567
Insurance	3,857
Legal	19,914
Marketing	6,139
Meals and entertainment	1,845
Network and hosting	1,124
Office	160
Program delivery	91,530
Salaries and wages	70,728
Travel	24,322
	<hr/> 233,065
<b>Excess of revenue over expenses and net assets, end of period</b>	<hr/> <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, 2013

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## Assets

### Current assets

Cash	130,533
Prepaid expenses	8,177
	<u>138,710</u>

Investment (Note 3)	190,721
Intangible asset (Note 2)	1,446
	<u>330,877</u>

## Liabilities

### Current liabilities

Accounts payable and accrued liabilities	62,418
Deferred contributions (Note 4)	130,000
	<u>192,418</u>

Commitments (Note 5)

<b>Net assets</b>	<b>138,459</b>
	<u><b>330,877</b></u>

Approved by the Board

  
\_\_\_\_\_  
Director

  
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Director

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

# Veterans Transition Network

## Statement of cash flows

328-day period from the date of incorporation on May 7, 2012  
to March 31, 2013

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	\$
<b>Operating activities</b>	
Excess revenue over expenses	138,459
Net changes in non-cash working capital	
Prepaid expenses	(8,177)
Accounts payable and accrued liabilities	62,418
Deferred contributions	130,000
	<hr/> 322,700
<b>Investing activities</b>	
Purchase of investment	(190,721)
Purchase of intangible asset	(1,446)
	<hr/> (192,167)
<b>Net increase in cash and cash, end of period</b>	<hr/> <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, 2013

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## 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 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 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, 2013

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## 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 Canadian accounting standards for not-for-profit organizations, 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. Investment

The investment is a Guaranteed Investment Certificate with an effective interest rate of 1.15% per annum and a maturity date of March 12, 2015.

Included in this balance is \$130,000 that was externally restricted for the delivery of programming in Atlantic Canada.

## 4. Deferred contributions

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

	Beginning of period	Contributions received and receivable	Utilizations	End of period
	\$	\$	\$	\$
Atlantic Canada programming	-	130,000	-	130,000

## 5. Commitments

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.