

Peverill & Associates Incorporated

**Dartmouth Learning Network  
Society**

**FINANCIAL STATEMENTS**

**AUGUST 31, 2012**

Dartmouth Learning Network Society

AUGUST 31, 2012

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# Peverill & Associates Incorporated

## AUDITOR'S REPORT

To the Members of:  
Dartmouth Learning Network Society

We have audited the accompanying financial statements of Dartmouth Learning Network Society which comprise the statement of financial position as at August 31, 2012 and the statements of operations and equity, and cash flow statement 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 generally accepted accounting principles 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.

In common with many charitable organizations, Dartmouth Learning Network Society derives revenue from donations and fundraising activities, the completeness of which is not susceptible to complete audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenue, excess of income over expenses, assets or net assets.

### **Opinion**

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of donations and fundraising revenue as referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of Dartmouth Learning Network Society as at August 31, 2012 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Bedford, Nova Scotia  
October 25, 2012

CHARTERED ACCOUNTANTS

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*~ Founded in 1988 ~*

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Dartmouth Learning Network Society

BALANCE SHEET  
AS AT AUGUST 31, 2012

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 39,028	\$ 2,858
Accounts Receivable	10,078	7,185
Prepaid expenses and sundry assets	<u>2,286</u>	<u>2,286</u>
	<u>\$ 51,392</u>	<u>\$ 12,329</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts Payable and Accrued Liabilities	\$ 2,713	\$ 2,473
Deferred Income/Revenue	<u>13,496</u>	<u>-</u>
	<u>16,209</u>	<u>2,473</u>
<b>NET ASSETS</b>		
<b>NET ASSETS</b>	<u>35,183</u>	<u>9,856</u>
	<u>\$ 51,392</u>	<u>\$ 12,329</u>

**APPROVED ON BEHALF OF THE BOARD:**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

## Dartmouth Learning Network Society

STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED AUGUST 31, 2012

	<u>2012</u>	<u>2011</u>
<b>RECEIPTS</b>		
Grants:		
Community Learning Initiative	\$ 110,000	\$ 88,850
Department of Labour	5,136	4,688
Family Learning Initiative	-	10,000
Peter Gzowski Invitational Golf Tournament	1,950	2,750
Province of Nova Scotia (LMA)	189,201	141,499
NS Gaming Association	5,504	8,979
Seniors Project	4,684	4,000
Donations and Fundraising	13,074	17,312
Book Sales	2,494	1,188
Interest and Miscellaneous Income	<u>2,387</u>	<u>3,885</u>
	<u>334,430</u>	<u>283,151</u>
<b>EXPENDITURES</b>		
Audit and Accounting Fees	1,424	1,075
Infrastructure	-	215
Insurance	1,635	1,534
Interest and Bank Charges	262	137
Office Supplies and Learning Materials	13,881	12,516
Other Operating Expenses	4,651	2,673
Other Program Expenses	10,509	10,181
Rent	44,036	39,054
Salaries and Wages	223,860	201,175
Software and Equipment	6,808	8,233
Travel, Training and Conferences	<u>2,037</u>	<u>3,428</u>
	<u>309,103</u>	<u>280,221</u>
<b>EXCESS OF RECEIPTS OVER EXPENDITURES</b>	25,327	2,930
<b>NET ASSETS, beginning of period</b>	<u>9,856</u>	<u>6,926</u>
<b>NET ASSETS, end of period</b>	<u>\$ 35,183</u>	<u>\$ 9,856</u>

Dartmouth Learning Network Society

STATEMENT OF CASH FLOWS

AUGUST 31, 2012

	<u>2012</u>	<u>2011</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Grants, Fundraising, etc.	\$ 345,033	\$ 279,307
Cash Paid to Suppliers and Employees	(308,601)	(278,073)
Interest Paid	<u>(262)</u>	<u>(137)</u>
<b>INCREASE IN CASH</b>	36,170	1,097
<b>CASH, beginning of period</b>	<u>2,858</u>	<u>1,761</u>
<b>CASH, end of period</b>	<u>\$ 39,028</u>	<u>\$ 2,858</u>

## Dartmouth Learning Network Society

### NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2012

#### 1. PURPOSE OF THE ORGANIZATION

The Dartmouth Learning Network (DLN) is a community based, volunteer, non-profit organization that provides opportunities for academic learning to adults via classroom and one-on-one tutoring programs

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue Recognition

Donations from the public are reflected in revenue as funds are received unless they are specifically allocated to a certain period. All other revenue is recorded on the accrual basis.

(b) Contributed Services

The work of the organization is dependant on the voluntary service of many members. The value of these services are not recognized in these financial statements.

(c) Financial Instruments

The organization's financial instruments consist of cash, receivables, payables and accrued liabilities. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

(d) Equipment

In common with many non-profit organizations, with average annual revenues in the current and prior year of less than \$500,000, expenditures for computers, software, furniture and equipment are expensed as incurred rather than capitalized and amortized over their useful lives.

#### 3. COMMITMENTS

The Association is committed to rent payments under a leasing arrangement for premises. The estimated annual payments are currently \$47,472 per year, subject to change annually by mutual agreement of the parties. The lease is for an indefinite duration.

## Dartmouth Learning Network Society

### NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2012

#### **4. FUTURE ACCOUNTING FRAMEWORK CHANGE**

The CICA has issued a new accounting framework applicable to Canadian not-for-profit organizations. Effective for fiscal years beginning on or after January 1, 2012, not-for-profit organizations will have to choose between International Financial Reporting Standards (IFRSs) and Accounting Standards for Not-for-Profit Organizations (ASNPO), whichever is most appropriate. Early adoption of these standards is permitted. The Organization currently plans to adopt the new Accounting Standards for Not-For-Profit organizations, for its fiscal year beginning on September 1, 2012, however the impact of this transition has not yet been determined.

#### **5. ECONOMIC DEPENDENCE**

The organization is economically dependant upon government. Loss of these funding sources would have a major impact upon the organization.

The organization is dependant on volunteers, the loss of which would have a significant impact upon the organization.