

Peverill & Associates Incorporated

**Dartmouth Learning Network
Society**

FINANCIAL STATEMENTS

MARCH 31, 2014

Dartmouth Learning Network Society

MARCH 31, 2014

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Peverill & Associates Incorporated

INDEPENDANT 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 March 31, 2014 and the statements of operations, statement of net assets, and cash flow statement for the period March 31, 2014, 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.

In common with many similar organizations, the society derives its revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our examination of revenue from these sources was limited to accounting for any amounts recorded in the accounts for the society, and we were not able to determine whether any adjustments might be necessary to revenues, excess (deficiency) of revenue over expenditures, assets and equity.

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 March 31, 2014 and its financial performance and its cash flows for the period then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Bedford, Nova Scotia
June 5, 2014
CHARTERED ACCOUNTANTS

~ Founded in 1988 ~

Wardour Centre, Suite 206, 15 Dartmouth Road, Bedford, Nova Scotia B4A 3X6
Phone: (902) 468-9634 Fax: (902) 468-9635 Toll Free: 1-877-901-9634

Dartmouth Learning Network Society

BALANCE SHEET
AS AT MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
ASSETS		
CURRENT		
Cash	\$ 96,902	\$ 187,034
Accounts Receivable	9,869	6,088
Prepaid Expenses and Sundry Assets	<u>3,895</u>	<u>2,286</u>
	<u>\$ 110,666</u>	<u>\$ 195,408</u>
LIABILITIES		
CURRENT		
Accounts Payable and Accrued Liabilities	\$ 2,882	\$ 3,220
Deferred Grants (Note 4)	<u>30,000</u>	<u>132,003</u>
	<u>32,882</u>	<u>135,223</u>
NET ASSETS		
NET ASSETS	<u>77,784</u>	<u>60,185</u>
	<u>\$ 110,666</u>	<u>\$ 195,408</u>

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

Dartmouth Learning Network Society

STATEMENT OF OPERATIONS

FOR THE SEVEN MONTH PERIOD ENDED MARCH 31, 2014
COMPARATIVES FOR THE YEAR ENDED AUGUST 31, 2013

	<u>2014</u>	<u>2013</u>
RECEIPTS		
Grants:		
Community Learning Initiative	\$ 65,916	\$ 113,000
Peter Gzowski Invitational Golf Tournament	-	1,806
Province of Nova Scotia (LMA)	141,965	185,210
NS Gaming Association	-	13,496
Donations and Fundraising	3,038	13,646
Book Sales	-	380
Interest and Miscellaneous Income	<u>4,913</u>	<u>2,902</u>
	<u>215,832</u>	<u>330,440</u>
 EXPENDITURES		
Audit and Accounting Fees	1,863	4,965
Insurance	-	1,434
Interest and Bank Charges	22	171
Office Supplies and Learning Materials	12,045	21,739
Other Operating Expenses	4,294	11,920
Other Program Expenses	4,598	7,455
Rent	28,881	47,471
Salaries and Wages	137,849	205,146
Software and Equipment	2,769	2,804
Travel, Training and Conferences	<u>5,912</u>	<u>2,333</u>
	<u>198,233</u>	<u>305,438</u>
 EXCESS OF RECEIPTS OVER EXPENDITURES	 17,599	 25,002
 NET ASSETS, beginning of period	 <u>60,185</u>	 <u>35,183</u>
 NET ASSETS, end of period	 <u>\$ 77,784</u>	 <u>\$ 60,185</u>

Dartmouth Learning Network Society

STATEMENT OF CASH FLOWS

MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Grants, Fundraising, etc.	\$ 110,048	\$ 452,937
Cash Paid to Suppliers and Employees	(200,158)	(304,760)
Bank Charges Paid	<u>(22)</u>	<u>(171)</u>
(DECREASE) INCREASE IN CASH	(90,132)	148,006
CASH, beginning of period	<u>187,034</u>	<u>39,028</u>
CASH, end of period	<u><u>\$ 96,902</u></u>	<u><u>\$ 187,034</u></u>

Dartmouth Learning Network Society

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2014

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) Basis of Presentation

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles for Not-for-Profit organizations.

(b) 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.

(c) 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.

(d) 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.

(e) 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.

(f) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. Actual results could differ from those estimates.

Dartmouth Learning Network Society

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2014

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.

4. DEFERRED REVENUE

Grants received during this period were intended to cover the fiscal year running from April 1, 2014 to March 31, 2015.

5. ECONOMIC DEPENDENCE

The organization is economically dependent 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.

6. CHANGE OF YEAR END

In the 2014 year, the Network changed it's year end from August to March so that their fiscal year would be consistent with their grants. Due to this change, the prior year reflects seven months of activity.