
FINANCIAL STATEMENTS

**CREATIVE CITY NETWORK
OF CANADA**

Unaudited - See Review Engagement Report

March 31, 2017

***T*OMPKINS, *W*OZNY, *M*ILLER & *C*O.
Chartered Professional Accountants**

A partnership of incorporated professionals.

REVIEW ENGAGEMENT REPORT

To the Directors of
Creative City Network of Canada

We have reviewed the statement of financial position of Creative City Network of Canada as at March 31, 2017 and the statement of operations and changes in net assets, and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted of enquiry, analytical procedures and discussion related to information supplied to us by the Network.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Tompkins, Wozny, Miller & Co.

Vancouver, Canada
September 13, 2017

Chartered Professional Accountants

STATEMENT OF FINANCIAL POSITION

As at March 31

Unaudited - See Review Engagement Report

	2017	2016
	\$	\$
ASSETS		
Current		
Cash	69,330	65,281
Term deposits	55,000	55,000
Prepaid expenses	31,829	24,604
	156,159	144,885
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities [note 3]	3,771	11,818
Deferred revenue [note 4]	78,055	81,334
	81,826	93,152
NET ASSETS	74,333	51,733
	156,159	144,885

See accompanying notes to the financial statements

On behalf of the Board:



Director



Director

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

Year ended March 31

Unaudited - See Review Engagement Report

	2017	2016
	\$	\$
REVENUE		
Summit <i>[schedule]</i>	189,646	134,477
Memberships	95,566	86,940
Regional meeting	5,737	200
CCNC Cultural Statistics Strategy Program	7,306	4,663
Donations	2,133	2,017
Miscellaneous	2,043	3,665
Website and publication sales	286	675
	302,717	232,637
EXPENSES		
Summit <i>[schedule]</i>	149,732	117,873
Salaries and benefits	77,048	103,138
Professional fee - Audit	2,900	2,900
-Accounting	3,836	3,540
Project expenses <i>[Note 8]</i>	19,744	14,887
Rent and utilities	8,464	8,425
Board	4,827	7,127
Website	3,933	4,277
Bank and credit card charges	3,772	2,760
Insurance	1,796	1,745
Telephone and internet	1,969	2,111
Promotion and advertising	1,063	1,612
Office and administration	793	1,142
Professional development	240	1,758
	280,117	273,295
Excess of revenue (expenses) for the year	22,600	(40,658)
Net assets, beginning of year	51,733	92,391
Net assets, end of year	74,333	51,733

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended March 31

Unaudited - See Review Engagement Report

	2017	2016
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue (expenses) for the year	22,600	(40,658)
Changes in non-cash operating working capital items:		
Accounts receivable	30	—
Prepaid expenses	(7,255)	(4,885)
Accounts payable and accrued liabilities	(8,047)	5,192
Deferred revenue	(3,279)	13,971
Cash provided by (used in) operating activities	4,049	(26,380)
INVESTING ACTIVITIES		
Redemption of short term deposits	—	15,000
Cash provided by investing activities	—	15,000
Increase (decrease) in cash for the year	4,049	(11,380)
Cash, beginning of year	65,281	76,661
Cash, end of year	69,330	65,281

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

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1. PURPOSE OF THE SOCIETY

Creative City Network of Canada (the "Network") is a not-for-profit organization that provides support of cultural development in various municipalities, arts organizations and individuals across Canada by facilitating knowledge sharing professional development in the field of local cultural policy, planning and research.

The Network is a registered charitable organization and is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses reported during the year. Significant areas requiring the use of management estimates relate to the determination of the deferred portion of contributions. Actual results could differ from these estimates.

Revenue Recognition

The Network follows the deferral method of accounting for contributions. Externally restricted grants and donations are recognized as revenue in the fiscal year in which the specified expenses are incurred. Unrestricted grants and donations are recognized as revenue when received or receivable if the amount can be reasonably estimated.

Other revenues are recognized as revenue when the related service or goods are provided.

Contributed Services

Volunteers contribute time to assist the Network in carrying out its activities. Because the fair value of contributed services cannot be reliably determined, they are not recognized in the financial statements.

Measurement of Financial Instruments

The Network initially measures its financial assets and financial liabilities at fair value.

The Network subsequently measures all its financial assets and financial liabilities at amortized cost.

NOTES TO FINANCIAL STATEMENTS

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets measured at amortized cost include cash, term deposits and accounts receivable. Financial liabilities measured at amortized cost includes accounts payable and accrued liabilities.

Cash

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the year-end and highly liquid short-term deposits.

The Network has available a \$65,000 line of credit at a interest rate of prime plus 2.50%. At March 31, 2017 no balance was drawn on the line of credit.

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2017	2016
	\$	\$
Operations	7,227	6,244
Government remittance - GST (receivable) payable	(6,078)	5,574
Government remittance - Payroll taxes	2,622	—
	3,771	11,818

4. DEFERRED REVENUE

	Deferred, Beginning of Year	Received or Receivable	Earned During the Year	Deferred, End of Year
	\$	\$	\$	\$
Summit registration and sponsorship	5,855	—	5,855	—
Cultural Statistics Strategy	6,737	1,706	6,737	1,706
Memberships	68,742	76,349	68,742	76,349
	81,334	78,055	81,334	78,055

5. REVENUE

In-kind Revenue and Expense

The in-kind revenue and expenses are off-setting non-monetary transactions for the value of donated goods and services provided by the host city for the summit.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

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5. REVENUE (CONT'D)

CCNC Cultural Statistics Strategy Program

CCNC is the coordinating body for municipal government participation in the Cultural Statistics Strategy (CSS), led by Canadian Heritage. CCNC administers a flow through of funds to Canadian Heritage for the CSS and, in return, provides municipal partners with statistical information.

6. FINANCIAL INSTRUMENTS

The Network is exposed to various risks through its financial instruments. The following analysis presents the Network's exposures to significant risk as at March 31, 2017.

Credit Risk

The Network is exposed to credit risk with respect to its cash, term deposit and accounts receivable. The Network assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive based on their net realizable value. Cash and term deposit are held with a Canadian credit union.

Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. The Network is reliant on the timing of summit-related revenues, membership revenues and other donors to have sufficient cash to pay liabilities as they arise.

Interest Rate Risk

The Network has interest rate risk on its bank accounts and term deposit. Changes in the bank's prime lending rate or other rates can cause fluctuations in interest payments and cash flows. The Network does not use derivative financial instruments to alter the effects of this risk.

7. SUBCONTRACT RELATED TO SUMMIT

	2017
	\$
Sponsorship Coordinator	5,035
Admin Support	102
	5,137

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

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8. PROJECT EXPENSES

	2017	2016
	\$	\$
Communications	10,505	675
Awards Program	8,253	7,102
Admin Support	678	—
Consultants/Presenters	308	6,786
Teleconferencing	—	324
	19,744	14,887

9. COMPARATIVE INFORMATION

Certain of the comparative figures have been reclassified to confirm with the current year's financial statement presentation.

SCHEDULE OF REVENUE and EXPENSES

Year ended March 31

Unaudited - See Review Engagement Report

	2017	2016
	\$	\$
SUMMIT-RELATED REVENUES		
Registration fees	98,005	84,716
Sponsorship	38,350	13,450
Host contribution	27,182	6,382
In-kind revenue <i>[note 5]</i>	20,109	25,429
Grants	6,000	4,500
	189,646	134,477
SUMMIT-RELATED EXPENSES		
Audio visual	14,268	16,648
Administrative	24,856	20,342
Honoraria	8,875	9,473
Host municipality	32,082	18,220
Meals	45,747	35,012
Summit delivery	12,875	11,469
Summit Subcontractors <i>[note 7]</i>	5,137	—
Travel and accommodation - staff	1,386	3,885
- speakers	4,506	2,824
	149,732	117,873
Paid in cash	129,623	92,444
In-kind <i>[note 5]</i>	20,109	25,429
	149,732	117,873