

**CORENET GLOBAL CANADIAN  
CHAPTER**

*REPORT AND FINANCIAL STATEMENTS  
MARCH 31, 2018*

*Draft - July 2, 2018*

# ***INDEPENDENT AUDITORS' REPORT***

***To the Leadership Council,  
CoreNet Global Canadian Chapter***

We have audited the accompanying financial statements of CoreNet Global Canadian Chapter, which comprise the statement of financial position as at March 31, 2018, and 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.

## ***Auditors' 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 whether the financial statements are free of 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 auditors' 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 auditors consider 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, these financial statements present fairly, in all material respects, the financial position of CoreNet Global Canadian Chapter as at March 31, 2018 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**Mississauga, Ontario**

**Chartered Professional Accountants  
Licensed Public Accountants**

Draft - July 2, 2018

**CORENET GLOBAL CANADIAN CHAPTER**

**STATEMENT OF FINANCIAL POSITION**

*As at March 31,*

	2018	2017
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 177,757	\$ 182,160
Accounts receivable	16,145	42,730
HST receivable	9,850	10,268
Prepaid expenses	21,500	16,171
	<b>\$ 225,252</b>	<b>\$ 251,329</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 34,963	\$ 28,098
Deferred revenue (Note 3)	41,712	80,925
	<b>76,675</b>	<b>109,023</b>
<b>NET ASSETS</b>		
<b>Unrestricted net assets</b>	<b>148,577</b>	<b>142,306</b>
	<b>\$ 225,252</b>	<b>\$ 251,329</b>

Approved On behalf of the Leadership Council

\_\_\_\_\_ Director

\_\_\_\_\_ Director

## CORENET GLOBAL CANADIAN CHAPTER

### STATEMENT OF OPERATIONS AND NET ASSETS

For the year ended March 31,

	2018	2017
<b>Revenue</b>		
Education	\$ -	\$ 2,500
Interest and other income	7	-
Membership fees	30,227	25,750
Newsletter royalties	5,196	7,851
Programming	27,624	42,773
Special projects	163,130	165,817
Sponsorship	84,636	87,083
Young leaders	-	1,255
	<b>310,820</b>	<b>333,029</b>
<b>Expenses</b>		
Administrative	126,780	126,207
Education	19,570	8,678
Marketing and communications	17,825	7,387
Membership	-	372
Programming	9,213	46,425
Special projects	124,556	143,053
Sponsorship	-	4,866
Young Leaders	6,605	6,131
	<b>304,549</b>	<b>343,119</b>
<b>Excess of revenues over expenses</b>	<b>6,271</b>	<b>(10,090)</b>
<b>Net assets, beginning of year</b>	<b>142,306</b>	<b>152,396</b>
<b>Net assets, end of year</b>	<b>\$ 148,577</b>	<b>\$ 142,306</b>

## CORENET GLOBAL CANADIAN CHAPTER

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### STATEMENT OF CASH FLOWS

For the year ended March 31,

	2018	2017
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Excess of revenues over expenses	\$ 6,271	\$ (10,090)
Net changes in non-cash working capital amounts:		
Accounts receivable	26,585	28,324
HST receivable	418	(7,245)
Prepaid expenses	(5,329)	(14,666)
Accounts payable and accrued liabilities	6,865	7,872
Deferred revenue	(39,213)	(47,875)
<b>Net decrease in cash during the year</b>	<b>(4,403)</b>	<b>(43,680)</b>
<b>Cash, beginning of the year</b>	<b>182,160</b>	<b>225,840</b>
<b>Cash, end of the year</b>	<b>\$ 177,757</b>	<b>\$ 182,160</b>

**NOTES TO FINANCIAL STATEMENTS**

March 31, 2018

***Organization and purpose***

CoreNet Global Canadian Chapter (the "Chapter") is an unincorporated not-for-profit association. The Chapter operates under a Memorandum of Understanding with CoreNet Global, Inc., a not-for-profit corporation based out of Atlanta, Georgia, USA which is incorporated in the District of Columbia as a 501(c)(6) tax exempt organization.

The purpose of CoreNet Global, Inc. and the Chapter is to promote corporate real estate and infrastructure management through networking forums, state-of-the-art research, education and certification.

**1. *Summary of significant accounting policies***

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

**Revenue recognition**

Sponsorship revenue related to specific events is recognized in the same fiscal period in which the event occurs. Sponsorship revenue not related to events is recognized as revenue on a pro-rata basis over the term of the sponsorship.

Membership fees are recognized on a pro-rata basis over the term of membership.

Interest income is recorded on the accrual basis, as earned.

All other revenue received from members and non-members to attend various events and for continuing professional development is recognized when the event has occurred.

NOTES TO FINANCIAL STATEMENTS

March 31, 2018

1. *Summary of significant accounting policies (continued)*

**Use of estimates**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Such estimates include allowances for doubtful accounts. Actual results could differ from those estimates. On an ongoing basis, management reviews its estimates, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

**Financial instruments**

The Chapter initially measures its financial assets and liabilities at fair value. The Chapter subsequently measures all its financial assets and financial liabilities at amortized cost. The Chapter has not designated any financial asset or financial liability to be measured at fair value.

2. *Financial instruments*

The significant financial risk to which the Chapter is exposed is as follows:

**Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Chapter is exposed to credit risk from sponsors. The Chapter monitors the credit risk and credit rating of sponsors on a regular basis and maintains an allowance where collectibility is doubtful.

3. *Deferred revenue*

	2018	2017
Sponsorship fees	\$ 32,535	\$ 56,250
Golf income	9,177	24,675
	<b>\$ 41,712</b>	<b>\$ 80,925</b>

## **CORENET GLOBAL CANADIAN CHAPTER**

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### **NOTES TO FINANCIAL STATEMENTS**

*March 31, 2018*

#### **4. *CoreNet Global, Inc.***

The Chapter has entered into a Memorandum of Understanding (the "MOU") with CoreNet Global Inc., a non-profit organization incorporated under the laws of the District of Columbia, United States. The MOU sets out the agreed terms under which the Chapter operates as a Chapter of CoreNet Global, Inc.

The Memorandum is dated October 15, 2011 and has a term of 15 years, renewing for successive 15 year terms unless terminated by either party giving 180 days' notice to the other party.

*Draft - July 2, 2018*