

**CORENET GLOBAL CANADIAN
CHAPTER**

*REPORT AND FINANCIAL STATEMENTS
MARCH 31, 2016*

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, 2016, 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, 2016 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
September 7, 2016

Gilmore + Company LLP
Chartered Professional Accountants
Licensed Public Accountants

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STATEMENT OF FINANCIAL POSITION

As at March 31,

	2016	2015
ASSETS		
Current		
Cash	\$ 225,840	\$ 78,667
Short-term investments	-	142,037
Accounts receivable	71,054	48,021
HST receivable	3,023	562
Prepaid expenses	1,505	24,101
	\$ 301,422	\$ 293,388
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 20,226	\$ 16,362
Deferred revenue (Note 3)	128,800	110,482
	149,026	126,844
NET ASSETS		
Unrestricted net assets	152,396	166,544
	\$ 301,422	\$ 293,388

Approved On behalf of the Leadership Council

_____ Director

_____ Director

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STATEMENT OF OPERATIONS AND NET ASSETS

For the year ended March 31,

	2016	2015
Revenue		
Education	\$ 1,000	\$ -
Interest and other income	142	4,481
Membership fees	32,062	26,150
Newsletter royalties	1,967	-
Programming	60,886	32,488
Special projects	150,358	132,184
Sponsorship	100,312	102,294
Young leaders	6,900	21,771
	353,627	319,368
Expenses		
Administrative	133,643	125,061
Education	12,601	13,077
Marketing and communications	8,903	5,876
Membership	1,965	3,119
Programming	41,585	53,431
Special projects	148,623	136,400
Sponsorship	10,519	5,252
Young Leaders	9,936	8,013
	367,775	350,229
Deficiency of revenues over expenses	(14,148)	(30,861)
Net assets, beginning of year	166,544	197,405
Net assets, end of year	\$ 152,396	\$ 166,544

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STATEMENT OF CASH FLOWS

For the year ended March 31,

	2016	2015
Cash provided by (used in):		
Operating activities		
Deficiency of revenues over expenses	\$ (14,148)	\$ (30,861)
Net changes in non-cash working capital amounts:		
Accounts receivable	(23,033)	3,909
HST receivable	(2,461)	(562)
Prepaid expenses	22,596	(9,963)
Accounts payable and accrued liabilities	3,864	12,047
HST payable	-	(811)
Deferred revenue	18,318	(24,195)
	5,136	(50,436)
Investing activity		
Redemption of short-term investments	142,037	49,478
Net increase (decrease) in cash during the year	147,173	(958)
Cash, beginning of the year	78,667	79,625
Cash, end of the year	\$ 225,840	\$ 78,667

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NOTES TO FINANCIAL STATEMENTS

March 31, 2016

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.

Short-term investments

Short-term investments are stated at cost plus accrued interest, due to their held to maturity nature, and consist of a Guaranteed Investment Certificate maturing August 11, 2015. Interest earned on the short-term investment ranges from 0.10% per annum to 3.45% per annum.

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NOTES TO FINANCIAL STATEMENTS

March 31, 2016

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*

	2016	2015
Sponsorship fees	\$ 62,500	\$ 62,958
Golf income	66,300	47,524
	<u>\$ 128,800</u>	<u>\$ 110,482</u>

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March 31, 2016

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.