

**EDMONTON SCREEN INDUSTRIES OFFICE
SOCIETY**

Financial Statements

Eight Month Period Ended December 31, 2017

EDMONTON SCREEN INDUSTRIES OFFICE SOCIETY

Index to Financial Statements

Eight Month Period Ended December 31, 2017

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Revenues and Expenditures	2
Statement of Changes in Net Assets	3
Statement of Financial Position	4
Statement of Cash Flow	5
Notes to Financial Statements	6 - 7



KINGSTON
ROSS
PASNAK^{LLP}

Suite 1500, 9888 Jasper Avenue
Edmonton, Alberta T5J 5C6
T. 780.424.3000 | F. 780.429.4817 | W. krpgroup.com

February 14, 2018
Edmonton, Alberta

INDEPENDENT AUDITOR'S REPORT

To the Members of Edmonton Screen Industries Office Society

We have audited the accompanying financial statements of Edmonton Screen Industries Office Society, which comprise the statement of financial position as at December 31, 2017 and the statements of revenues and expenditures, changes in net assets and cash flow for the eight month period 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.

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.

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, the financial statements present fairly, in all material respects, the financial position of Edmonton Screen Industries Office Society as at December 31, 2017 and the results of its operations and its cash flow for the period then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Kingston Ross Pasknak LLP

Chartered Professional Accountants

EDMONTON SCREEN INDUSTRIES OFFICE SOCIETY
Statement of Revenues and Expenditures
Eight Month Period Ended December 31, 2017

REVENUES

Government grant \$ 265,000

EXPENDITURES

Recruitment fees 27,776
Contractor fees 8,750
Accounting fees 7,470
Legal fees 7,147
Travel 3,388
Insurance 2,336
Goods and Services Tax 1,285
Advertising and promotion 575
Office 305
Business taxes, licenses and memberships 63
Telephone and utilities 50
Interest and bank charges 6

59,151

EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS **205,849**

OTHER INCOME

Interest income 1,426

EXCESS OF REVENUES OVER EXPENDITURES **\$ 207,275**

EDMONTON SCREEN INDUSTRIES OFFICE SOCIETY

Statement of Changes in Net Assets

Eight Month Period Ended December 31, 2017

	Unrestricted	Internally Restricted	2017
NET ASSETS - BEGINNING OF PERIOD	\$ -	\$ -	\$ -
Excess of revenue over expenditures	207,275	-	207,275
NET ASSETS - END OF PERIOD	\$ 207,275	\$ -	\$ 207,275

EDMONTON SCREEN INDUSTRIES OFFICE SOCIETY

Statement of Financial Position

December 31, 2017

ASSETS

CURRENT

Cash and cash equivalents	\$ 223,080
Goods and Services Tax recoverable	1,285

\$ 224,365

LIABILITIES AND NET ASSETS

CURRENT

Accounts payable and accrued liabilities	\$ 17,090
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LEASE COMMITMENT (Note 4)

NET ASSETS

Unrestricted	207,275
Internally restricted	-

207,275

\$ 224,365

ON BEHALF OF THE BOARD

	Director
	Director

See notes to financial statements
Edmonton Screen Industries Office Society

EDMONTON SCREEN INDUSTRIES OFFICE SOCIETY

Statement of Cash Flow

Eight Month Period Ended December 31, 2017

OPERATING ACTIVITIES

Excess of revenues over expenditures	\$ 207,275
Changes in non-cash working capital:	
Accounts payable and accrued liabilities	17,090
Goods and Services Tax payable	(1,285)

15,805

INCREASE IN CASH

223,080

CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD

-

CASH AND CASH EQUIVALENTS - END OF PERIOD

\$ 223,080

CASH AND CASH EQUIVALENTS CONSIST OF:

Cash	\$ 106,663
Term deposits	116,417

\$ 223,080

EDMONTON SCREEN INDUSTRIES OFFICE SOCIETY

Notes to Financial Statements

Eight Month Period Ended December 31, 2017

1. PURPOSE OF THE SOCIETY

Edmonton Screen Industries Office Society (the "Society") is a not-for-profit organization incorporated provincially under the Societies Act of Alberta on May 10, 2017. As a not-for-profit organization, the Society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Society operates to support the development, growth, and sustainability of Edmonton as a centre of excellence in storytelling, creativity, innovation, collaboration and production across all sectors of the screen media industries.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Significant accounting policies observed in the preparation of the financial statements are summarized below.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit plus highly liquid short term investments, less cheques issued and outstanding. Highly liquid short term investments consist of term deposits that are valued at cost plus accrued interest and have maturities at the date of purchase of sixty days or less. These term deposits have annual rates of return ranging from 1.40% to 1.45%.

Revenue recognition

Edmonton Screen Industries Office Society follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted investment income is recognized as revenue when earned.

Government grants

Government grants are recorded when there is a reasonable assurance that the Society had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(continues)

EDMONTON SCREEN INDUSTRIES OFFICE SOCIETY

Notes to Financial Statements

Eight Month Period Ended December 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

All financial instruments are initially measured at fair value, and, unless otherwise noted, the Society subsequently measures its financial instruments at amortized cost.

Donated services

Donated services include volunteer hours in fulfilling the Society's mission. Due to the difficulty in determining the value of donated services, the Society chooses not to record these amounts in the financial statements.

3. GOVERNMENT GRANT

The Society has entered into a Subsidy Agreement (the "Agreement") to receive grant funding from the City of Edmonton for a total of \$530,000 over a three year period. During the year, \$265,000 of this amount was received by the Society. The remaining \$265,000 will be received as follows:

- (a) \$238,500 upon receipt by the City of Edmonton of a strategic business plan, audited financial statements for 2017 and a report of specific performance indicators as outlined in the Agreement; and,
- (b) \$26,500 upon receipt by the City of Edmonton of audited financial statements for 2018, a report on specific performance indicators as outlined in the Agreement and new sustainable funding for program development.

4. LEASE COMMITMENT

The Society uses office space provided by the Edmonton Arts Council under a sub-lease arrangement for which no consideration was paid in the period. Under the terms of the arrangement, the Society will be billed for office space as well as shared goods and services on a quarterly basis.

Future minimum lease payments are unknown as at December 31, 2017.

5. RELATED PARTY TRANSACTIONS

The following is a summary of the Society's related party transactions:

Calder Bateman Communications
(Board member common representation)
Media services

\$ 575

This transaction is in the normal course of operations and is measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.