

**INDEPENDENT MEDIA PRODUCERS NETWORK SOCIETY**

*(Operating as MediaNet)*

**Financial Statements**

**Year Ended September 30, 2022**

**INDEPENDENT MEDIA PRODUCERS NETWORK SOCIETY**

**(Operating as MediaNet)**

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**Year Ended September 30, 2022**

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**INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT**

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To the Members of Independent Media Producers Network Society operating as MediaNet

We have reviewed the accompanying financial statements of Independent Media Producers Network Society, operating as MediaNet, (the Society) that comprise the statement of financial position as at September 30, 2022, and the statements of changes in net assets, revenues and expenses 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 (ASNPO), 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.

*Practitioner's Responsibility*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Independent Media Producers Network Society as at September 30, 2022, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Victoria, B.C.  
September 18, 2023

*Clark Trowsdale LLP*

Chartered Professional Accountants

\* Denotes professional corporation

INDEPENDENT MEDIA PRODUCERS NETWORK SOCIETY

(Operating as MediaNet)

Statement of Financial Position

September 30, 2022

|  | 2022              | 2021             |
|--|-------------------|------------------|
| <b>ASSETS</b>                            |                   |                  |
| <b>CURRENT</b>                           |                   |                  |
| Cash                                     | \$ 77,157         | \$ 68,413        |
| Goods and services tax recoverable       | 798               | 683              |
|  | <u>77,955</u>     | <u>69,096</u>    |
| <b>CAPITAL ASSETS (Note 4)</b>           | <u>27,550</u>     | <u>29,810</u>    |
|  | <u>\$ 105,505</u> | <u>\$ 98,906</u> |
| <b>LIABILITIES</b>                       |                   |                  |
| <b>CURRENT</b>                           |                   |                  |
| Accounts payable and accrued liabilities | \$ 7,136          | \$ 9,177         |
| Employee deductions payable              | 1,767             | 4,879            |
| Deferred revenue (Note 5)                | 32,233            | 18,900           |
|  | <u>41,136</u>     | <u>32,956</u>    |
| <b>NET ASSETS</b>                        | <u>64,369</u>     | <u>65,950</u>    |
|  | <u>\$ 105,505</u> | <u>\$ 98,906</u> |

ON BEHALF OF THE BOARD

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

See notes to financial statements

**INDEPENDENT MEDIA PRODUCERS NETWORK SOCIETY**

*(Operating as MediaNet)*

**Statement of Changes in Net Assets**

**Year Ended September 30, 2022**

|   | 2022             | 2021             |
|---|------------------|------------------|
| <b>Net assets - beginning of year</b>         | <b>\$ 65,950</b> | <b>\$ 13,945</b> |
| Excess (Deficiency) of revenues over expenses | <u>(1,581)</u>   | <u>52,005</u>    |
| <b>Net assets - end of year</b>               | <b>\$ 64,369</b> | <b>\$ 65,950</b> |

See notes to financial statements



**INDEPENDENT MEDIA PRODUCERS NETWORK SOCIETY**

*(Operating as MediaNet)*

**Statement of Revenues and Expenses**

**Year Ended September 30, 2022**

|  | 2022           | 2021           |
|--|----------------|----------------|
| <b>REVENUES</b>  |                |                |
| <b>PUBLIC GRANT REVENUE</b>  |                |                |
| BC Arts Council Grant  | \$ 26,000      | \$ 78,000      |
| BC Arts Council Resilience Supplement                                | 22,500         | -              |
| Canada Council Equipment Grant                                       | 6,667          | 8,961          |
| Canada Council Operating Grant                                       | 60,000         | 60,000         |
| Canada Council Project Grant   | 46,000         | 21,415         |
| CRD Operating Grant  | 19,000         | 19,000         |
| Gaming Commission Direct Access Grant                                | 18,900         | 18,900         |
| Other Federal Grants   | 4,765          | 9,501          |
|  | <u>203,832</u> | <u>215,777</u> |
| <b>PRIVATE SOURCE REVENUE</b>  |                |                |
| Foundations and Private Corporations                                 | 18,755         | 41,101         |
| Fundraising  | 440            | 200            |
|  | <u>19,195</u>  | <u>41,301</u>  |
| <b>EARNED REVENUE (Note 6)</b>                                       |                |                |
|  | <u>6,317</u>   | <u>1,708</u>   |
|  | <u>229,344</u> | <u>258,786</u> |
| <b>EXPENSES</b>  |                |                |
| <b>ADMINISTRATION</b>  |                |                |
| Accounting, bookkeeping & bank fees                                  | 9,495          | 6,659          |
| Amortization   | 13,525         | 11,445         |
| Facilitators   | -              | 12,954         |
| Meals and travel   | 846            | 410            |
| Office   | 3,774          | 5,752          |
| Rent   | 14,145         | 18,026         |
| Salaries and benefits  | 48,249         | 36,911         |
|  | <u>90,034</u>  | <u>92,157</u>  |
| <b>PROGRAMMING</b>   |                |                |
| Artists' fees  | 34,797         | 8,774          |
| Equipment support  | 4,836          | 4,741          |
| Presentation expenses  | 21,139         | 13,822         |
| Promotion  | 2,424          | 5,387          |
| Salaries and benefits  | 65,197         | 84,288         |
| Workshops and artist development                                     | 12,498         | 17,812         |
|  | <u>140,891</u> | <u>134,824</u> |
|  | <u>230,925</u> | <u>226,981</u> |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS</b> |                |                |
|  | <u>(1,581)</u> | <u>31,805</u>  |

*(continues)*

See notes to financial statements

**INDEPENDENT MEDIA PRODUCERS NETWORK SOCIETY**

**(Operating as MediaNet)**

**Statement of Revenues and Expenses (continued)**

**Year Ended September 30, 2022**

|  | <b>2022</b>       | <b>2021</b>      |
|--|-------------------|------------------|
| <b>OTHER INCOME</b>                                  |                   |                  |
| Gain on disposal of capital assets                   | -                 | 200              |
| Government COVID-19 subsidies                        | -                 | 20,000           |
|  | -                 | 20,200           |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b> | <b>\$ (1,581)</b> | <b>\$ 52,005</b> |

See notes to financial statements

**INDEPENDENT MEDIA PRODUCERS NETWORK SOCIETY**  
**(Operating as MediaNet)**  
**Statement of Cash Flows**  
**Year Ended September 30, 2022**

|   | 2022             | 2021             |
|---|------------------|------------------|
| <b>OPERATING ACTIVITIES</b>                   |                  |                  |
| Excess (deficiency) of revenues over expenses | \$ (1,581)       | \$ 52,005        |
| Items not affecting cash:                     |                  |                  |
| Amortization of capital assets                | 13,525           | 11,445           |
| Gain on disposal of capital assets            | -                | (200)            |
|   | <u>11,944</u>    | <u>63,250</u>    |
| Changes in non-cash working capital:          |                  |                  |
| Accounts receivable                           | -                | 1,334            |
| Goods and services tax payable                | (115)            | 223              |
| Prepaid expenses                              | -                | 3,075            |
| Accounts payable and accrued liabilities      | (2,041)          | 6,008            |
| Employee deductions payable                   | (3,112)          | 914              |
| Deferred revenue                              | 13,333           | (87,251)         |
|   | <u>8,065</u>     | <u>(75,697)</u>  |
| Cash flow from (used by) operating activities | <u>20,009</u>    | <u>(12,447)</u>  |
| <b>INVESTING ACTIVITIES</b>                   |                  |                  |
| Purchase of capital assets                    | (11,265)         | (15,704)         |
| Proceeds on disposal of capital assets        | -                | 200              |
| Cash flow used by investing activities        | <u>(11,265)</u>  | <u>(15,504)</u>  |
| <b>FINANCING ACTIVITY</b>                     |                  |                  |
| Canada Emergency Business Account             | -                | (40,000)         |
| <b>INCREASE (DECREASE) IN CASH FLOW</b>       | <b>8,744</b>     | <b>(67,951)</b>  |
| Cash - beginning of year                      | <u>68,413</u>    | <u>136,364</u>   |
| <b>CASH - END OF YEAR</b>                     | <b>\$ 77,157</b> | <b>\$ 68,413</b> |

See notes to financial statements



# INDEPENDENT MEDIA PRODUCERS NETWORK SOCIETY

(Operating as MediaNet)

Notes to Financial Statements

Year Ended September 30, 2022

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## 1. PURPOSE OF THE SOCIETY

The Independent Media Producers Network Society (the "Society"), operating as MediaNet, is a local not for profit organization founded in 1981 to promote creative collaboration, mutual support and information exchange among people working in the mediums of video and film. Its mandate is:

- To preserve and promote the practice of the media arts in Greater Victoria and Vancouver Island and maintain high standards in the artistic field, by making available to artists the specialized tools or facilities needed to practice their craft.
- To advance education by providing structured learning activities such as courses, instructional seminars, and workshops about media arts.
- To advance the public's appreciation of the arts by producing public art exhibitions, presentations, and art events, and by providing a forum for qualified artists to exhibit, present, or perform their artistic works through participation in such events.

The Society is incorporated under the Societies Act of British Columbia and is registered as a charitable organization (exempt from income taxes) under the Income Tax Act of Canada.

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

### Cash and cash equivalents

Cash consists of cash and current assets with high liquidity (i.e. assets convertible into cash within 90 days).

### Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. The Society provides for amortization at the following rates and methods:

|                    |         |                      |
|--------------------|---------|----------------------|
| Equipment          | 5 years | straight-line method |
| Computer equipment | 3 years | straight-line method |

The Society regularly reviews its capital assets to eliminate obsolete items.

Contributed capital assets are recorded at fair market value at the date of contribution.

### Revenue recognition

The Society follows the deferral method of accounting for contributions.

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# INDEPENDENT MEDIA PRODUCERS NETWORK SOCIETY

(Operating as MediaNet)

## Notes to Financial Statements

Year Ended September 30, 2022

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

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for the purchase of capital assets are recognized as revenue on the same basis as the amortization expense related to the capital assets. Unrestricted contributions are recognized as revenue on the accrual basis when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Revenues consist of grants, donations, fundraising and earned revenue.

#### Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

#### 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 expenses 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.

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### 3. FINANCIAL RISKS AND CONCENTRATION OF RISKS

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of September 30, 2022.

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its accounts payable, employee deductions payable and deferred revenue. The Society prepares a budget and cash forecasts to ensure it meets its obligations.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant other price risks arising from these financial instruments.

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### 4. CAPITAL ASSETS

|                        | Cost             | Accumulated<br>amortization | 2022<br>Net book<br>value | 2021<br>Net book<br>value |
|------------------------|------------------|-----------------------------|---------------------------|---------------------------|
| Equipment              | \$ 34,946        | \$ 22,955                   | \$ 11,991                 | \$ 18,630                 |
| Computer equipment     | 30,928           | 17,656                      | 13,272                    | 8,240                     |
| Leasehold improvements | 3,267            | 980                         | 2,287                     | 2,940                     |
|                        | <u>\$ 69,141</u> | <u>\$ 41,591</u>            | <u>\$ 27,550</u>          | <u>\$ 29,810</u>          |

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**INDEPENDENT MEDIA PRODUCERS NETWORK SOCIETY**

*(Operating as MediaNet)*

**Notes to Financial Statements**

**Year Ended September 30, 2022**

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**5. DEFERRED REVENUE**

Deferred revenue represents unspent resources externally restricted for specific programs and operating funding received in the current year that is related to the subsequent year. The deferred revenue balances are as follows:

|                                       | <u>2022</u>      | <u>2021</u>      |
|---------------------------------------|------------------|------------------|
| Gaming Commission Direct Access Grant | \$ 18,900        | \$ 18,900        |
| Canada Council Equipment Grant        | 13,333           | -                |
|                                       | <u>\$ 32,233</u> | <u>\$ 18,900</u> |

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**6. EARNED REVENUE**

|                                  | <u>2022</u>     | <u>2021</u>     |
|----------------------------------|-----------------|-----------------|
| Equipment rentals                | \$ 1,339        | \$ 561          |
| Membership fees                  | 385             | 200             |
| Miscellaneous                    | 268             | 947             |
| Workshops & artistic development | 4,325           | -               |
|                                  | <u>\$ 6,317</u> | <u>\$ 1,708</u> |

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**7. COMMITMENTS**

The Society entered into a premises lease agreement on November 1, 2020 on a month-to-month basis. Basic monthly rent payments, not including GST are \$1,150.

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**8. ECONOMIC DEPENDENCE**

The Society derives 51% (2021 - 43%) of its revenue through funding from the Government of Canada and 29% (2021 - 35%) through funding from the Government of British Columbia.

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