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Financial Statements of

**CANADIAN CONFERENCE OF THE
ARTS**

March 31, 2009

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May 21, 2009

AUDITORS' REPORT

To the Members of
Canadian Conference of the Arts:

We have examined the statement of financial position of Canadian Conference of the Arts as at March 31, 2009 and the statement of operations and changes in net assets for the year then ended. These financial statements are the responsibility of CCA's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, CCA derives donation revenue from numerous individuals and corporations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly our verification of these revenues was limited to the amounts recorded in the accounts of CCA and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, assets and surplus.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves regarding the completeness of revenue as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of CCA as at March 31, 2009 and the results of its operations and changes in net assets for the year then ended in accordance with Canadian generally accepted accounting principles.

Hendry Warren LLP

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Licensed Public Accountants
Ottawa, Ontario

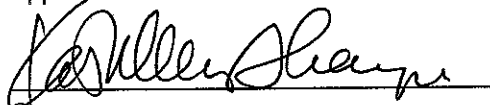
CANADIAN CONFERENCE OF THE ARTS

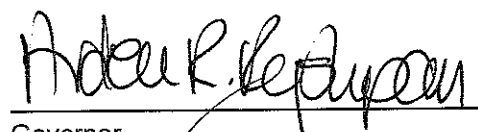
Statement of Financial Position

March 31, 2009, with comparative figures for 2008

	2009	2008
Assets		
Current assets		
Accounts receivable	\$ 50,154	\$ 48,716
Prepaid expenses	15,587	7,209
	65,741	55,925
Capital assets (Note 4)	17,441	-
Endowment funds (Note 5)	155,578	155,578
	\$ 238,760	\$ 211,503
Liabilities and Deficit		
Current liabilities		
Bank indebtedness (Note 6)	\$ 110,620	\$ 34,409
Accounts payable and accrued charges	4,036	7,190
Deferred revenue	-	6,459
Current portion of capital lease obligations	4,917	-
	119,573	48,058
Capital lease obligations (Note 7)	9,131	-
Endowment funds held in trust	155,578	155,578
	284,282	203,636
Commitments (Note 8)		
Deficit		
Invested in capital assets	17,441	-
Unrestricted	(62,963)	7,867
	(45,522)	7,867
	\$ 238,760	\$ 211,503

Approved on behalf of the Board of Governors:


Governor


Governor

CANADIAN CONFERENCE OF THE ARTS

Statement of Operations

Year ended March 31, 2009, with comparative figures for 2008

	2009		2009		2008	
	Budget (unaudited)		Actual		Actual	
Revenue						
Earned revenue (Schedule A)	\$	130,707	\$	124,467	\$	128,717
Contributions (Schedule B)		582,000		459,941		475,562
		712,707		584,408		604,279
Expenses						
Personnel (Schedule C)		389,760		397,084		368,770
Administration (Schedule C)		139,160		140,021		133,683
Ongoing activities (Schedule C)		86,750		52,712		50,190
Special programs (Schedule C)		67,500		47,980		26,183
		683,170		637,797		578,826
(Deficiency) excess of revenue over expenses		29,537		(53,389)		25,453
Net assets (deficit), beginning of year		7,867		7,867		(17,586)
(Deficit) surplus, end of year	\$	37,404	\$	(45,522)	\$	7,867

Statement of Changes in Net Assets

Year ended March 31, 2009, with comparative figures for 2008

	Invested in Capital assets	Unrestricted	Internally Restricted Working Capital Reserve	2009 Total	2008 Total
Balance, beginning of year	\$ -	\$ 7,867	\$ -	\$ 7,867	\$ (17,586)
(Deficiency) excess of revenue over expenses	-	(53,389)	-	(53,389)	25,453
Additions to capital assets	20,929	(20,929)	-	-	-
Amortization	(3,488)	3,488	-	-	-
Balance, end of year	\$ 17,441	\$ (62,963)	\$ -	\$ (45,522)	\$ 7,867

CANADIAN CONFERENCE OF THE ARTS

Notes to the Financial Statements

March 31, 2009, with comparative figures for 2008

1. Purpose of the organization

The Canadian Conference of the Arts (CCA) is a not-for-profit national arts service organization incorporated under federal law (charitable registration number 11883 0371 RR 0001). The major role of CCA is to encourage the federal, provincial and municipal governments, as well as the corporate and private sector, to develop policies which will ensure the continued growth of the arts and cultural industries in Canada.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and reflect the following policies:

Revenue recognition

The CCA follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

Cash donations are recorded upon receipt. Donations of goods and services are recorded at fair market value when received to the extent that they would have been purchased if not donated.

Use of estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the amounts of revenues and expenses during the period. In the opinion of management, these financial statements reflect all adjustments necessary to present fairly the results of the periods presented. Actual results could differ from these reported estimates.

Financial instruments

CCA's financial instruments consist of accounts receivable, bank indebtedness, accounts payable and accrued charges, capital lease obligations and endowment funds.

Endowment funds are classified as available-for-sale and are measured at the fair market value at the end of each fiscal period.

The carrying value of other financial instruments approximates fair value due to the short maturities or the terms of the conditions attached to these instruments. It is management's opinion that CCA is not exposed to significant interest, currency or credit risks arising from these financial instruments.

CANADIAN CONFERENCE OF THE ARTS

Notes to the Financial Statements

March 31, 2009, with comparative figures for 2008

Capital assets

Capital assets are recorded at cost and are amortized over their estimated useful lives at the following annual rates and methods:

Asset	Basis	Rate
Computer equipment	Straight-line	3 years
Equipment under capital lease	Straight-line	3 years
Office furniture and equipment	Straight-line	5 years

One-half of the annual amount is claimed in the year of acquisition.

3. Economic dependence

The Organization receives a substantial portion of its operating funds from the Government of Canada and is economically dependent on its continuing support of the organization's mission.

4. Capital assets

			2009	2008
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 53,209	\$ 52,341	\$ 868	\$ -
Equipment under capital lease	19,887	3,314	16,573	-
Office furniture and fixtures	7,615	7,615	-	-
	\$ 80,711	\$ 63,270	\$ 17,441	\$ -

CANADIAN CONFERENCE OF THE ARTS

Notes to the Financial Statements

March 31, 2009, with comparative figures for 2008

5. Endowment funds

- a) The Canadian Conference of the Arts established the Canadian Conference of the Arts - Arts Endowment Fund (the Fund) at the Ontario Arts Foundation (the Foundation) under the terms of the Arts Endowment Fund (AEF) Program. AEF was a program of the Government of Ontario through the Ministry of Culture and is administered by the Ontario Arts Foundation.

The Fund is held in perpetuity for the Canadian Conference of the Arts and investment income is received for use in operations. The market value of the Fund as at March 31, 2009 was \$141,899.

- b) The Canadian Conference of the Arts holds an endowment fund with a market value of \$155,578 at March 31, 2009. The interest paid annually is designated to fund the Chalmer's conference.

6. Bank indebtedness

At March 31, 2009, available short-term bank credit facilities consisted of an operating line of credit with Royal Bank in the amount of \$100,000, bearing interest at RBC bank prime plus 2.0%. Bank indebtedness is secured by a general security agreement representing a first charge on all of the organization's assets.

	2009	2008
Draws against line of credit	\$ (91,000)	\$ (11,000)
Bank balances and cash on hand, net of outstanding items	(19,620)	(23,409)
	<u>\$ (110,620)</u>	<u>\$ (34,409)</u>

7. Capital lease obligations

	2009	2008
National Leasing capital lease, at an implicit interest rate of 17.2%, secured by a charge on specific equipment, repayable in monthly instalments of \$580, due September 2011.	\$ 14,048	\$ -
Less amounts due within one year	4,917	-
	<u>\$ 9,131</u>	<u>\$ -</u>

CANADIAN CONFERENCE OF THE ARTS

Notes to the Financial Statements

March 31, 2009, with comparative figures for 2008

Principal repayments required in the next three years are as follows:

2010	\$	4,917
2011		5,831
2012		3,300
	\$	14,048

8. Commitments

CCA has lease obligations for the rental of office equipment and office premises, with payments as follows for the next five years and after:

	Equipment	Premises	Total
2010	\$ 17,892	\$ 58,152	\$ 76,044
2011	6,683	45,650	52,333
2012	5,664	46,618	52,282
2013	1,888	48,278	50,166
2014	-	48,970	48,970
After	-	20,404	20,404
	\$ 32,127	\$ 268,072	\$ 300,199

9. Cash flow statement

A cash flow statement has not been included as it would not provide any additional meaningful information.

10. Comparative figures

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

CANADIAN CONFERENCE OF THE ARTS
Schedule of Earned Revenue

Schedule A

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
Earned revenue		
Administration fees	\$ 13,625	\$ 12,500
Interest	-	310
Membership fees	101,910	108,778
Publication sales	1,604	1,779
Registration fees	7,328	5,350
	\$ 124,467	\$ 128,717

CANADIAN CONFERENCE OF THE ARTS

Schedule B

Schedule of Contributions

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
Federal Government		
Department of Canadian Heritage	\$ 390,000	\$ 390,000
Provincial and Municipal Governments		
British Columbia	9,700	5,000
Ontario Arts Council	15,000	10,270
Organizations and Other	45,241	70,292
	<u>459,941</u>	<u>475,562</u>

CANADIAN CONFERENCE OF THE ARTS

Schedule C

Schedule of Personnel, Administration and Ongoing Activities Expenses

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
Personnel		
Salaries	\$ 364,220	\$ 335,942
Benefits	32,864	32,828
	\$ 397,084	\$ 368,770
Administration		
Amortization	\$ 3,488	\$ 2,841
Furniture and equipment	25,573	24,604
Library	284	685
Other	12,420	13,867
Professional fees	11,497	8,753
Stationery and supplies	4,676	4,576
Tenancy	80,714	78,357
Interest on equipment under capital lease	1,369	-
	\$ 140,021	\$ 133,683
Ongoing activities		
Awards	\$ 934	\$ 360
Board meetings	37,666	15,323
Committee meetings	3,191	4,776
Communications	3,974	2,974
Membership	1,575	6,579
Travel and hospitality	177	988
Symposium	4,470	18,797
Newsletter and annual report	725	393
	\$ 52,712	\$ 50,190
Special programs	47,980	26,183