

XPACE CULTURAL CENTRE
YEAR ENDED AUGUST 31, 2018
(Unaudited)

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the directors of

XSPACE CULTURAL CENTRE

We have reviewed the accompanying financial statements of Xspace Cultural Centre that comprise the statement of financial position as at August 31, 2018 and the statements of revenues and expenses, changes in net assets and cash flow 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 controls 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 have 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 these financial statements do not present fairly, in all material respects, the financial position of Xspace Cultural Centre as at August 31, 2018 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

Stern Cohen LLP

Chartered Professional Accountants
Chartered Accountants
Licensed Public Accountants
Toronto, Canada
December 13, 2018

XPACE CULTURAL CENTRE
STATEMENT OF REVENUES AND EXPENSES

(Unaudited)

For the year ended August 31,	2018 \$	2017 \$
Revenues		
OCAD SU External Space fees	243,195	245,061
OCAD U Pride 2017	-	7,500
IWSP grants	7,967	1,254
Government grants (Note 2)	29,006	32,887
Fundraising and donations	3,594	6,737
Other income	6,709	5,918
	290,471	299,357
Expenses		
Salaries	125,136	125,749
IWSP wages	11,606	2,589
Employee benefits	16,207	15,863
Professional development	1,314	1,184
Programming - reception expenses	51,713	53,092
Programming - hospitality expenses	5,674	6,854
Programming - Pride 2017	-	7,544
Rent	52,876	47,307
Utilities	4,018	5,518
Telephone and internet	1,889	1,602
Repairs and maintenance	2,711	2,056
Office and general	5,585	5,248
Professional fees	4,617	4,121
Security	617	517
Website	1,371	953
Amortization	1,744	1,474
	287,078	281,671
Excess of revenues over expenses for the year	3,393	17,686

See accompanying notes.

XPACE CULTURAL CENTRE
STATEMENT OF CHANGES IN NET ASSETS

(Unaudited)

For the year ended August 31,	2018 \$	2017 \$
Surplus, beginning of year	66,302	48,616
Excess of revenues over expenses for the year	3,393	17,686
Surplus, end of year	69,695	66,302

See accompanying notes.

XPACE CULTURAL CENTRE
STATEMENT OF CASH FLOW

(Unaudited)

For the year ended August 31,	2018 \$	2017 \$
Operating activities		
Excess of revenues over expenses for the year	3,393	17,686
Item not involving cash		
Amortization	1,744	1,474
Working capital from operations	5,137	19,160
Net change in non-cash working capital balances related to operations	21,244	7,840
Cash from operations	26,381	27,000
Investing activities		
Purchase of capital assets	(2,110)	(2,636)
Change in cash during the year	24,271	24,364
Cash		
Beginning of year	54,464	30,100
End of year	78,735	54,464

See accompanying notes.

XSPACE CULTURAL CENTRE
STATEMENT OF CASH FLOW
(Unaudited)

XSPACE CULTURAL CENTRE
STATEMENT OF FINANCIAL POSITION
(Unaudited)


As at August 31,	2018	2017
	\$	\$
ASSETS		
Current assets		
Cash	78,735	54,464
Accounts receivable	6,482	5,496
Prepaid expenses and deposits	3,402	3,402
	88,619	63,362
Capital assets (Note 3)	5,124	4,758
	93,743	68,120
LIABILITIES		
Current liabilities		
Accounts payable	5,070	1,818
Deferred revenue	18,978	-
	24,048	1,818
NET ASSETS	69,695	66,302
	93,743	68,120

Other information (Note 4)

See accompanying notes.

Approved on behalf of the Board:



Director




XPACE CULTURAL CENTRE
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

AUGUST 31, 2018

Xpace Cultural Centre is a not-for-profit organization incorporated without share capital under the Canada Not-for-Profit Corporations Act (CNCA). The organization is exempt from income taxes under the Income Tax Act of Canada. Xpace Cultural Centre is a membership driven artist-run centre supported by the OCAD Student Union and is dedicated to providing emerging student artists and designers with the opportunity to showcase their work in a professional setting.

1. Significant accounting policies

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFP) and include the following significant accounting policies:

(a) *Revenue recognition*

The organization 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.

Restricted income consists of government grants and the OCAD University International Work Study Program (IWSP) grant.

Unrestricted income consists of the OCAD SU External Space fees which are derived from the students enrolled at OCAD University and are recognized over the academic year. Fundraising and donation revenues and other income is recognized when received or when the event has occurred.

(b) *Amortization*

Capital assets are stated at cost. Amortization is recorded at rates calculated to charge the cost of the assets to operations over their estimated useful lives. Maintenance and repairs are charged to operations as incurred. Gains and losses on disposals are calculated on the remaining net book value at the time of disposal and included in income.

Amortization is charged to operations on a declining basis, at the following annual rates:

Computer equipment - 30%

XSPACE CULTURAL CENTRE
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

AUGUST 31, 2018

1. Significant accounting policies (cont'd)

(c) *Use of estimates*

The preparation of financial statements in conformity with accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenditures during the year. Actual results could differ from these estimates.

(d) *Financial instruments*

The organization initially measures its financial assets and financial liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost except for investments, which are measured at fair value.

The organization's financial instruments that are measured at amortized cost consist of cash, accounts receivable, accounts payable, and deferred revenue.

2. Government grants

	2018	2017
	\$	\$
Cultural Human Resources Council	-	11,371
Employment and Social Development Canada	3,739	3,044
Ontario Arts Council	12,245	10,446
Toronto Arts Council	7,000	-
Young Canada Works	3,522	3,026
Other	2,500	5,000
	29,006	32,887

XPACE CULTURAL CENTRE
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

AUGUST 31, 2018

3. Capital assets

	Cost \$	Accumulated amortization \$	Net	
			2018 \$	2017 \$
Computer equipment	11,117	5,993	5,124	4,758

4. Other information

(a) *Commitments*

The organization is committed under a net lease for premises until January 2023. Annual rents are approximately as follows:

	\$
2019	56,700
2020	56,700
2021	56,700
2022	56,700
2023	23,600
	250,400

XPACE CULTURAL CENTRE
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

AUGUST 31, 2018

4. Other information (cont'd)

(b) Financial instruments

The organization is exposed to the following significant risks:

i) *Liquidity risk*

Liquidity risk is the risk that the organization may not be able to meet its financial obligations as they become due. The organization manages its liquidity risk by monitoring and managing the cash requirements to ensure the organization has sufficient funds to meet its operational requirements.

ii) *Credit risk*

The organization is exposed to credit risk in the event of non-payment by members in connection with its accounts receivable. The exposure to credit risk is the carrying value of accounts receivable on the statement of financial position.