

**XPACE CULTURAL CENTRE**  
**YEAR ENDED AUGUST 31, 2016**  
(Unaudited)

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## REVIEW ENGAGEMENT REPORT

To the directors of

**XSPACE CULTURAL CENTRE**

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We have reviewed the statement of financial position of Xspace Cultural Centre as at August 31, 2016 and the statements of revenue and expenses, changes in net assets and cash flow for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the organization.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

The previous year's comparative financial statements were not subject of a review engagement and were issued by management.

*Stern Cohen LLP*

Chartered Professional Accountants  
Chartered Accountants  
Licensed Public Accountants  
Toronto, Canada  
April 26, 2017

**XPACE CULTURAL CENTRE**  
**STATEMENT OF REVENUE AND EXPENSES**

(Unaudited)

For the year ended August 31,	2016 \$	2015 \$
<b>Revenue</b>		
OCAD SU External Space fees	220,078	225,058
IWSP grants	3,478	4,819
Government grants	17,870	-
Fundraising and donations	4,210	4,290
Other income	2,878	6,451
	<b>248,514</b>	<b>240,618</b>
<b>Expenses</b>		
Salaries	120,339	117,254
IWSP wages	5,844	7,293
Employee benefits	16,736	18,470
Professional development	1,579	1,476
Programming - reception expenses	28,078	40,364
Programming - hospitality expenses	4,673	7,018
Rent	44,422	40,758
Utilities	3,592	4,011
Telephone and internet	1,295	1,491
Repairs and maintenance	1,130	2,574
Office and general	3,633	4,443
Professional fees	2,500	-
Security	737	368
Website	1,323	226
Amortization	1,027	1,323
	<b>236,908</b>	<b>247,069</b>
<b>Excess (deficiency) of revenue over expenses for the year</b>	<b>11,606</b>	<b>(6,451)</b>

See accompanying notes.

**XPACE CULTURAL CENTRE**  
**STATEMENT OF CHANGES IN NET ASSETS**

(Unaudited)

For the year ended August 31,	2016 \$	2015 \$
<b>Surplus, beginning of year as previously stated</b>	<b>37,010</b>	40,059
Adjustment to correct prior period error	-	3,402
<b>Surplus, beginning of year restated</b>	<b>37,010</b>	43,461
Excess (deficiency) of revenue over expenses for the year	<b>11,606</b>	(6,451)
<b>Surplus, end of year</b>	<b>48,616</b>	37,010

See accompanying notes.

**XPACE CULTURAL CENTRE**  
**STATEMENT OF CASH FLOW**

(Unaudited)

For the year ended August 31,	2016 \$	2015 \$
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses for the year	11,606	(6,451)
Items not involving cash		
Amortization	1,027	1,323
Working capital from (required by) operations	12,633	(5,128)
Net change in non-cash working capital balances related to operations	(13,929)	769
Cash required by operations	(1,296)	(4,359)
<b>Investing activities</b>		
Purchase of capital assets	(2,401)	-
Investments, net	-	5,329
	(2,401)	5,329
<b>Change in cash during the year</b>	<b>(3,697)</b>	<b>970</b>
<b>Cash</b>		
Beginning of year	33,797	32,827
End of year	30,100	33,797

Other information:

See accompanying notes.

**XSPACE CULTURAL CENTRE**  
**STATEMENT OF FINANCIAL POSITION**

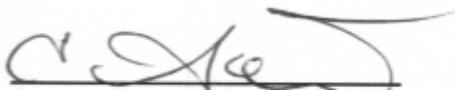
(Unaudited)

As at August 31,	2016 \$	2015 \$
<b>ASSETS</b>		
Current assets		
Cash	30,100	33,797
Accounts receivable	10,445	-
Prepaid expenses and deposits	6,975	6,128
	47,520	39,925
Capital assets (Note 2)	3,596	2,222
	<b>51,116</b>	<b>42,147</b>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	2,500	5,137
<b>NET ASSETS</b>	<b>48,616</b>	<b>37,010</b>
	<b>51,116</b>	<b>42,147</b>

Other information (Note 3)

See accompanying notes.

Approved on behalf of the Board:

  
Director

**XSPACE CULTURAL CENTRE**  
**NOTES TO FINANCIAL STATEMENTS**

(Unaudited)

**AUGUST 31, 2016**

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Xspace 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. Xspace 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 (ASNFPO) 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 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 the services have been rendered or 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 at the following annual rates:

Computer equipment            -    30%



**XPACE CULTURAL CENTRE**  
**NOTES TO FINANCIAL STATEMENTS**

(Unaudited)

**AUGUST 31, 2016**

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**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 and accounts payable.

**2. Capital assets**

	Cost \$	Accumulated amortization \$	Net	
			2016 \$	2015 \$
Computer equipment	6,371	2,775	3,596	2,222



**XPACE CULTURAL CENTRE**  
**NOTES TO FINANCIAL STATEMENTS**

(Unaudited)

**AUGUST 31, 2016**

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**3. Other information**

*(a) Commitments*

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

	\$
2017	47,100
2018	47,100
2019	47,100
2020	47,100
2021	47,100
Thereafter	66,700
	<u>302,200</u>

*(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.