

XPACE CULTURAL CENTRE
YEAR ENDED AUGUST 31, 2019
(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, 2019 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 (ASNFP), 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, 2019 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 (ASNFP).

Stern Cohen LLP

Chartered Professional Accountants
Chartered Accountants
Licensed Public Accountants
Toronto, Canada
December 19, 2019

XSPACE CULTURAL CENTRE
STATEMENT OF REVENUES AND EXPENSES

(Unaudited)

For the year ended August 31,	2019 \$	2018 \$
Revenues		
OCAD SU External Space fees	263,950	243,195
IWSP grants	4,839	7,967
Government grants (Note 2)	31,209	29,006
Fundraising and donations	3,389	3,594
Other income	11,883	6,709
	315,270	290,471
Expenses		
Salaries	127,473	125,136
IWSP wages	6,496	11,606
Employee benefits	17,403	16,207
Professional development	2,037	1,314
Programming - reception expenses	54,799	51,713
Programming - hospitality expenses	6,255	5,674
Rent	57,572	52,876
Utilities	4,907	4,018
Telephone and internet	957	1,889
Repairs and maintenance	172	2,711
Office and general	2,013	5,585
Professional fees	3,495	4,617
Security	554	617
Website	1,502	1,371
Amortization	1,537	1,744
	287,172	287,078
Excess of revenues over expenses for the year	28,098	3,393

See accompanying notes.

XPACE CULTURAL CENTRE
STATEMENT OF CHANGES IN NET ASSETS

(Unaudited)

For the year ended August 31,	2019 \$	2018 \$
Surplus, beginning of year	69,695	66,302
Excess of revenues over expenses for the year	28,098	3,393
Surplus, end of year	97,793	69,695

See accompanying notes.

XPACE CULTURAL CENTRE
STATEMENT OF CASH FLOW

(Unaudited)

For the year ended August 31,	2019 \$	2018 \$
Operating activities		
Excess of revenues over expenses for the year	28,098	3,393
Item not involving cash		
Amortization	1,537	1,744
Working capital from operations	29,635	5,137
Net change in non-cash working capital balances related to operations	1,931	21,244
Cash from operations	31,566	26,381
Investing activities		
Purchase of capital assets	-	(2,110)
Change in cash during the year	31,566	24,271
Cash		
Beginning of year	78,735	54,464
End of year	110,301	78,735

See accompanying notes.

XPACE CULTURAL CENTRE
STATEMENT OF FINANCIAL POSITION

(Unaudited)

As at August 31,	2019 \$	2018 \$
ASSETS		
Current assets		
Cash	110,301	78,735
Accounts receivable	4,398	6,482
Prepaid expenses and deposits	3,402	3,402
	118,101	88,619
Capital assets (Note 3)	3,587	5,124
	121,688	93,743
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	5,895	5,070
Deferred revenue	18,000	18,978
	23,895	24,048
NET ASSETS	97,793	69,695
	121,688	93,743

Other information (Note 4)

See accompanying notes.

Approved on behalf of the Board:



 Director

XPACE CULTURAL CENTRE
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

AUGUST 31, 2019

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) *Capital assets*

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%

XPACE CULTURAL CENTRE
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

AUGUST 31, 2019

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. Significant items subject to such estimates include the estimated useful life of capital assets. 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 accrued liabilities, and deferred revenue.

2. Government grants

	2019	2018
	\$	\$
Employment and Social Development Canada	-	3,739
Ontario Arts Council	4,731	12,245
Toronto Arts Council	15,000	7,000
Young Canada Works	6,478	3,522
Other	5,000	2,500
	31,209	29,006

XPACE CULTURAL CENTRE
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

AUGUST 31, 2019

3. Capital assets

	Cost \$	Accumulated amortization \$	Net	
			2019 \$	2018 \$
Computer equipment	11,117	7,530	3,587	5,124

4. Other information

(a) *Commitments*

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

	\$
2020	58,200
2021	58,200
2022	58,200
2023	24,250
	198,850

(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.

XPACE CULTURAL CENTRE
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

AUGUST 31, 2019

4. Other information (cont'd)

(c) *Related party transactions*

The majority of the members on the board of directors of Xpace are also on the board of directors of OCAD Student Union concluding that the organization is under common control. The total related party transactions in the fiscal year were \$0 (2018 - \$0). OCAD Student Union does pay certain expenses on behalf of the organization such as accounting fees and insurance. These expenses are not expected to be paid back to OCAD Student Union and are not reflected in these financial statements.