

XPACE CULTURAL CENTRE
YEAR ENDED AUGUST 31, 2022
(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, 2022 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 (ASNFPO), 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, 2022 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 (ASNFPO).

Stern Cohen LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
January 27, 2023

XPACE CULTURAL CENTRE
STATEMENT OF REVENUES AND EXPENSES

(Unaudited)

For the year ended August 31,	2022	2021
	\$	\$
Revenues		
OCAD U External Space fees	293,258	283,953
IWSP grants	3,482	5,669
Government grants - Toronto Arts Council	18,000	18,000
Fundraising and donations	552	185
Other income	2,394	39,209
	317,686	347,016
Expenses		
Salaries	137,053	138,138
IWSP wages	4,522	7,558
Employee benefits	21,261	17,631
Programming - reception expenses	36,302	35,902
Programming - hospitality expenses	362	-
Rent	67,305	65,752
Professional fees	14,071	9,392
Office and general	4,806	2,649
Utilities	4,105	4,486
Website	2,042	2,311
Professional development	1,525	2,075
Telephone and internet	936	1,049
Repairs and maintenance	396	-
Security	230	407
Amortization	2,690	2,245
	297,606	289,595
Excess of revenues over expenses for the year	20,080	57,421

See accompanying notes.



XPACE CULTURAL CENTRE
STATEMENT OF CHANGES IN NET ASSETS

(Unaudited)

For the year ended August 31,	2022	2021
	\$	\$
Surplus, beginning of year	174,021	116,600
Excess of revenues over expenses for the year	20,080	57,421
Surplus, end of year	194,101	174,021

See accompanying notes.

XPACE CULTURAL CENTRE
STATEMENT OF CASH FLOW

(Unaudited)

For the year ended August 31,	2022 \$	2021 \$
Operating activities		
Excess of revenues over expenses for the year	20,080	57,421
Item not involving cash		
Amortization	2,690	2,245
Working capital from operations	22,770	59,666
Net change in non-cash working capital balances related to operations	30,068	(5,675)
Cash from operations	52,838	53,991
Investing activities		
Purchase of capital assets	-	(5,424)
Change in cash during the year	52,838	48,567
Cash		
Beginning of year	156,556	107,989
End of year	209,394	156,556

See accompanying notes.



XPACE CULTURAL CENTRE
STATEMENT OF FINANCIAL POSITION


(Unaudited)

As at August 31,	2022	2021
	\$	\$
ASSETS		
Current assets		
Cash	209,394	156,556
Accounts receivable	7,188	45,932
Prepaid expenses and deposits	9,375	3,546
	225,957	206,034
Capital assets (Note 2)	3,000	5,690
	228,957	211,724
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	16,856	37,703
Deferred revenue- Toronto Arts Council	18,000	-
	34,856	37,703
NET ASSETS	194,101	174,021
	228,957	211,724

Other information (Note 3)

See accompanying notes.

Approved on behalf of the Board:

Asra Khan 
Director



XPACE CULTURAL CENTRE
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

AUGUST 31, 2022

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

OCAD SU External Space fees 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.

XPACE CULTURAL CENTRE
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

AUGUST 31, 2022

1. Significant accounting policies (cont'd)

(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%
Website	-	55%

The organization reviews the carrying amounts of its capital assets regularly. If the capital assets no longer have any long-term service potential to the organization, the excess of the net carrying amount over any residual value is recognized as an expense in the statement of operations.

(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.



XPACE CULTURAL CENTRE
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

AUGUST 31, 2022

2. Capital assets

	Cost \$	Accumulated amortization \$	Net	
			2022 \$	2021 \$
Computer equipment	11,117	9,886	1,231	1,758
Website	5,424	3,655	1,769	3,932
	16,541	13,541	3,000	5,690

3. Other information

(a) Commitments

The organization is committed under a net lease for premises until January 2026. Annual rents are approximately as follows:

	\$
2023	70,640
2024	72,640
2025	72,640
2026	75,440
	291,360

XPACE CULTURAL CENTRE
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

AUGUST 31, 2022

3. 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.

(c) Related party transactions

The majority of the members on the board of directors of Xpace Cultural Centre are also on the board of directors of OCAD Student Union concluding that the organizations are under common control. The total related party transactions in the fiscal year were \$nil (2021 - \$nil). OCAD Student Union does pay certain expenses on behalf of the organization such as insurance. These expenses are not expected to be paid back to OCAD Student Union.