

XPACE CULTURAL CENTRE
YEAR ENDED AUGUST 31, 2023
(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, 2023 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, 2023 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 18, 2024

XPACE CULTURAL CENTRE
STATEMENT OF REVENUES AND EXPENSES

(Unaudited)

For the year ended August 31,	2023	2022
	\$	\$
Revenues		
OCAD U External Space fees	316,616	293,258
IWSP grants	4,557	3,482
Government grants - Toronto Arts Council	18,000	18,000
Fundraising and donations	1,382	552
Other income	3,360	2,394
	343,915	317,686
Expenses		
Salaries	153,098	137,053
Rent	72,262	67,305
Employee benefits	20,079	21,261
Programming - reception expenses	18,398	36,302
Professional fees	13,131	14,071
Repairs and maintenance	7,112	396
IWSP wages	6,076	4,522
Office and general	6,586	4,806
Utilities	4,084	4,105
Website	3,308	2,042
Programming - hospitality expenses	3,259	362
Professional development	1,499	1,525
Telephone and internet	1,009	936
Security	590	230
Amortization	1,701	2,690
	312,192	297,606
Excess of revenues over expenses for the year	31,723	20,080

See accompanying notes.

XPACE CULTURAL CENTRE
STATEMENT OF CHANGES IN NET ASSETS

(Unaudited)

For the year ended August 31,	2023	2022
	\$	\$
Surplus, beginning of year	194,101	174,021
Excess of revenues over expenses for the year	31,723	20,080
Surplus, end of year	225,824	194,101

See accompanying notes.

XPACE CULTURAL CENTRE
STATEMENT OF CASH FLOW

(Unaudited)

For the year ended August 31,	2023 \$	2022 \$
Operating activities		
Excess of revenues over expenses for the year	31,723	20,080
Item not involving cash		
Amortization	1,701	2,690
Working capital from operations	33,424	22,770
Net change in non-cash working capital balances related to operations	1,078	30,068
Cash from operations	34,502	52,838
Investing activities		
Purchase of capital assets	(2,390)	-
Change in cash during the year	32,112	52,838
Cash		
Beginning of year	209,394	156,556
End of year	241,506	209,394

See accompanying notes.

XPACE CULTURAL CENTRE
STATEMENT OF FINANCIAL POSITION

(Unaudited)

As at August 31,	2023 \$	2022 \$
ASSETS		
Current assets		
Cash	241,506	209,394
Accounts receivable	12,186	7,188
Prepaid expenses and deposits	3,609	9,375
	257,301	225,957
Capital assets (Note 2)	3,689	3,000
	260,990	228,957
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	17,166	16,856
Deferred revenue - Toronto Arts Council	18,000	18,000
	35,166	34,856
NET ASSETS	225,824	194,101
	260,990	228,957

Other information (Note 3)

See accompanying notes.

Approved on behalf of the Board:



Director

XPACE CULTURAL CENTRE
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

AUGUST 31, 2023

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 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, 2023

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.

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, 2023

2. Capital assets

	Cost \$	Accumulated amortization \$	Net	
			2023 \$	2022 \$
Computer equipment	13,507	10,614	2,893	1,231
Website	5,424	4,628	796	1,769
	18,931	15,242	3,689	3,000

3. Other information

(a) *Commitments*

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

	\$
2024	72,640
2025	72,640
2026	75,440
	220,720

XPACE CULTURAL CENTRE
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

AUGUST 31, 2023

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 (2022 - \$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.