
CAPITAL PRIDE/LA FIERTÉ DANS LA CAPITALE

FINANCIAL STATEMENTS

OCTOBER 31, 2018

CAPITAL PRIDE/LA FIERTÉ DANS LA CAPITALE

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INDEPENDENT AUDITORS' REPORT

To the Members of Capital Pride/La Fierté Dans La Capitale:

Report on the Financial Statements

We have audited the accompanying financial statements of Capital Pride/La Fierté Dans La Capitale (the "Organization"), which comprise the balance sheet as at October 31, 2018, and the statements of revenue, expenditures and changes in net assets and cash flows for the 11 month period 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 control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

The Organization derives revenue from sponsorships, events, donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization, and we were not able to determine whether any adjustments might be necessary to revenues from sponsorships, events, donations and fundraising, excess of expenditures over revenue, assets, and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Organization as at October 31, 2018, and its results of operations and its cash flows for the 11 month period then ended in accordance with ASNFPO.

Logan Katz LLP

Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Canada
March 20, 2019

CAPITAL PRIDE/LA FIERTÉ DANS LA CAPITALE

BALANCE SHEET

AS AT OCTOBER 31, 2018

	October 31, 2018	November 30, 2017
ASSETS		
CURRENT ASSETS		
Cash	\$ -	\$ 389
Accounts receivable	7,773	5,659
Grants receivable	18,600	3,000
Sales taxes recoverable	18,981	21,817
Prepaid expenses	7,746	10,615
	\$ 53,100	\$ 41,480
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Cheques issued in excess of cash on hand	\$ 1,415	\$ -
Accounts payable and accrued liabilities (Note 4)	44,076	25,534
	45,491	25,534
NET ASSETS		
Unrestricted	7,609	15,946
	\$ 53,100	\$ 41,480

Financial instruments (Note 5)

ON BEHALF OF THE BOARD:


 _____, Director
 Davy Sabourin


 _____, Director
 TARA PATERSON

CAPITAL PRIDE/LA FIERTÉ DANS LA CAPITALE

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN NET ASSETS

FOR THE PERIOD FROM DECEMBER 1, 2017 TO OCTOBER 31, 2018

	October 31, 2018 (11 months)	November 30, 2017 (12 months)
REVENUE		
Sponsorships	\$ 121,118	\$ 75,500
Grants (Note 2)	159,704	105,300
In-kind contributions (Note 3)	146,407	99,810
Events	104,305	64,485
Media and guides	14,067	8,950
Donations and fundraising	1,475	219
	<u>547,076</u>	<u>354,264</u>
EXPENDITURES		
Advertising and promotion	43,034	17,251
Communications and security	29,998	22,389
Events	242,643	136,932
Insurance	4,079	4,450
In-kind expenditures (Note 3)	146,407	99,810
Office and administration	15,982	2,498
Professional fees	8,500	12,435
Subcontractors	44,494	48,902
Wages and benefits	20,276	-
	<u>555,413</u>	<u>344,667</u>
EXCESS OF (EXPENDITURES OVER REVENUE) REVENUE OVER EXPENDITURES	<u>(8,337)</u>	<u>9,597</u>
UNRESTRICTED NETS ASSETS, beginning of the period	<u>15,946</u>	<u>6,349</u>
UNRESTRICTED NETS ASSETS, end of the period	<u>\$ 7,609</u>	<u>\$ 15,946</u>

CAPITAL PRIDE/LA FIERTÉ DANS LA CAPITALE

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM DECEMBER 1, 2017 TO OCTOBER 31, 2018

	October 31, 2018 (11 months)	November 30, 2017 (12 months)
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of (expenditures over revenue) revenue over expenditures	\$ (8,337)	\$ 9,597
Changes in non-cash operating working capital:		
Accounts receivable	(2,114)	(3,382)
Grants receivable	(15,600)	(3,000)
Sales taxes recoverable	2,836	(14,667)
Prepaid expenses	2,869	(7,919)
Accounts payable and accrued liabilities	18,542	15,032
	(1,804)	(4,339)
DECREASE IN CASH	(1,804)	(4,339)
Cash at beginning of period	389	4,728
(CHEQUES ISSUED IN EXCESS OF CASH ON HAND) CASH AT END OF PERIOD	\$ (1,415)	\$ 389

CAPITAL PRIDE/LA FIERTÉ DANS LA CAPITALE

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD FROM DECEMBER 1, 2017 TO OCTOBER 31, 2018

GENERAL

Capital Pride/La Fierté Dans La Capitale (the "Organization") was incorporated without share capital under the Canada Not-for-profit Corporations Act on November 26, 2014. The Organization's mission is to create an environment for advocacy, education and the fostering of a strong and vibrant LGBTQ2+ Community within the Nation's Capital region through an annual event, *Fierté dans la Capital(e) Pride festival*, where it welcomes everyone to participate, celebrate and experience being part of the LGBTQ2+ Community.

The Organization is a not-for-profit organization and, as such, is exempt from income taxes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which related expenditures 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.

Sponsorship, events, and media and guides revenue are recognized in the period in which the event occurs. Receipts of these revenues, which relate to the subsequent fiscal year, are recorded as deferred revenue on the balance sheet.

Grants revenue represents funds received from federal, provincial and/or municipal governments for specific initiatives administered by the Organization. Grants are recognized as revenue when costs are incurred towards the initiative. Grants that have not been fully spent at year end are reported as deferred contributions.

Donations and fundraising are recognized as revenue when the amount to be received can be reasonably estimated and collection is ultimately assured.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and held on deposit with a Canadian chartered bank. In the current year the Organization has issued cheques in excess of cash and cash equivalents.

CAPITAL PRIDE/LA FIERTÉ DANS LA CAPITALE

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD FROM DECEMBER 1, 2017 TO OCTOBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments

Measurement of financial instruments

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

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable and grants receivable.

Financial liabilities measured at amortized cost include cheques issued in excess of cash on hand, accounts payable and accrued liabilities.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of revenue, expenditures and changes in net assets. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of revenue, expenditures and changes in net assets. The accounts receivable is net of an allowance for doubtful accounts of \$Nil (2017 - \$Nil).

Transaction Costs

Transaction costs are comprised primarily of legal, accounting, underwriters' fees and other costs directly attributable to the acquisition, issuance or disposal of financial assets or financial liabilities. Transaction costs related to financial assets or financial liabilities that are measured at amortized cost are netted against the carrying value of the financial asset or liability.

Contributed Services and In-Kind

Volunteers contribute countless hours per year to assist the Organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed volunteer services are not recognized in the financial statements.

Use of Estimates

These financial statements have been prepared by management in accordance with ASNFPO and accordingly, require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from these estimates. The significant estimates in the financial statements include the allowance for doubtful accounts and the amount of certain accrued liabilities.

CAPITAL PRIDE/LA FIERTÉ DANS LA CAPITALE

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD FROM DECEMBER 1, 2017 TO OCTOBER 31, 2018

2. GOVERNMENT ASSISTANCE

Government assistance consists of contributions that are received from government agencies pursuant to grant agreements which outline the specific terms and conditions regarding their use toward event expenditures. Any contributions which are not disbursed in accordance with the terms and conditions of the agreements are refundable to their respective government agencies.

The following is a summary of the current year government assistance:

	October 31, 2018		November 30, 2017					
	(11 months)		(12 months)					
	Ministry of Employment and Social Development Authority, Inc.	Ottawa Tourism and Convention Authority, Inc.	Ontario Cultural Attractions Fund	Ministry of Canadian Heritage and Official Languages	Ontario Ministry of Tourism, Culture and Sport	City of Ottawa Cultural Funding Support	Total	Total
BALANCE AT BEGINNING OF PERIOD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted contributions received	7,546	10,000	28,000	22,000	65,658	26,500	159,704	105,300
Amounts recognized as revenue	(7,546)	(10,000)	(28,000)	(22,000)	(65,658)	(26,500)	(159,704)	(105,300)
BALANCE AT END OF PERIOD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CAPITAL PRIDE/LA FIERTÉ DANS LA CAPITALE

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD FROM DECEMBER 1, 2017 TO OCTOBER 31, 2018

3. NON-MONETARY TRANSACTIONS

During the year, the Organization received various services related to the following activities without monetary consideration:

Advertising and promotion	\$	66,553
Events		66,500
Occupancy		13,354
	\$	146,407

These services were recorded in the statement of revenue, expenditures and changes in net assets at fair value as in-kind contributions and in-kind expenditures. Fair value is the amount of consideration agreed to between the parties who are transacting at arm's length.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Organization does not have government remittances owing at year end. The Organization is entitled to rebates on the Goods and Services Tax as well as the Harmonized Sales Tax paid on expenses.

5. FINANCIAL INSTRUMENTS

Risks

The Organization is exposed to various risks through its financial instruments, without being exposed to credit, currency, interest rate or concentrations of risk. The following analysis provides a measure of the Organization's risk exposure at the balance sheet date:

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Organization manages its liquidity risk by monitoring its operating requirements through the use of budget and cash forecasts.