
CAPITAL PRIDE/LA FIERTÉ DANS LA CAPITALE

FINANCIAL STATEMENTS

OCTOBER 31, 2019

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:

Qualified Opinion

We have audited the financial statements of Capital Pride/La Fierté dans la Capitale (the "Organization"), which comprise the balance sheet as at October 31, 2019, and the statements of revenue and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at October 31, 2019, and its results of operations and its cash flows for the year then ended accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

Basis for Qualified Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In common with many not-for-profit organizations, 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 revenue over expenditures, assets and net assets.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with ASNFPPO, 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.

In preparing these financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.



INDEPENDENT AUDITORS' REPORT (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Organization to cease to continue as a going concern.



INDEPENDENT AUDITORS' REPORT (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Canada
DATE

CAPITAL PRIDE/LA FIERTÉ DANS LA CAPITALE

BALANCE SHEET

AS AT OCTOBER 31, 2019

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash	\$ 38,408	\$ -
Accounts receivable	22,069	7,773
Grants receivable	18,600	18,600
Sales taxes recoverable	26,575	18,981
Prepaid expenses	7,976	7,746
	\$ 113,628	\$ 53,100
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Cheques issued in excess of cash on hand	\$ -	\$ 1,415
Accounts payable and accrued liabilities (Note 4)	66,281	44,076
Deferred revenue	32,050	-
	98,331	45,491
NET ASSETS		
Unrestricted	15,297	7,609
	\$ 113,628	\$ 53,100

Financial instruments (Note 5)

Subsequent event (Note 6)

ON BEHALF OF THE BOARD:

_____, Director

_____, Director

CAPITAL PRIDE/LA FIERTÉ DANS LA CAPITALE

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN NET ASSETS

YEAR ENDED OCTOBER 31, 2019

	2019	2018
	(12 months)	(11 months)
REVENUE		
Sponsorships	\$ 142,927	\$ 121,118
Grants (Note 2)	294,729	159,704
In-kind contributions (Note 3)	80,973	146,407
Events	152,154	104,305
Media and guides	17,557	14,067
Donations and fundraising	3,356	1,475
	691,696	547,076
EXPENDITURES		
Advertising and promotion	37,247	43,034
Bad debts	2,840	-
Communications and security	40,392	29,998
Events	439,086	242,643
Insurance	2,230	4,079
In-kind expenditures (Note 3)	80,973	146,407
Office and administration	16,820	15,982
Professional fees	8,900	8,500
Subcontractors	35,425	44,494
Wages and benefits	20,095	20,276
	684,008	555,413
EXCESS OF REVENUE OVER EXPENDITURES		
(EXPENDITURES OVER REVENUE)	7,688	(8,337)
UNRESTRICTED NETS ASSETS, beginning of the year	7,609	15,946
UNRESTRICTED NETS ASSETS, end of the year	\$ 15,297	\$ 7,609

CAPITAL PRIDE/LA FIERTÉ DANS LA CAPITALE

STATEMENT OF CASH FLOWS

YEAR ENDED OCTOBER 31, 2019

	2019	2018
	(12 months)	(11 months)
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenditures (expenditures over revenue)	\$ 7,688	\$ (8,337)
Changes in non-cash operating working capital:		
Accounts receivable	(14,296)	(2,114)
Grants receivable	-	(15,600)
Sales taxes recoverable	(7,594)	2,836
Prepaid expenses	(230)	2,869
Accounts payable and accrued liabilities	22,205	18,542
Deferred revenue	32,050	-
INCREASE (DECREASE) IN CASH	39,823	(1,804)
(Cheques issued in excess of cash on hand) cash at beginning of year	(1,415)	389
CASH (CHEQUES ISSUED IN EXCESS OF CASH ON HAND) AT END OF YEAR	\$ 38,408	\$ (1,415)

CAPITAL PRIDE/LA FIERTÉ DANS LA CAPITALE

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED OCTOBER 31, 2019

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 (ASNFPO) 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.

CAPITAL PRIDE/LA FIERTÉ DANS LA CAPITALE

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED OCTOBER 31, 2019

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 (2018 - \$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

YEAR ENDED OCTOBER 31, 2019

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:

	2019						2018	
	(12 months)						(11 months)	
	Canada Summer Jobs Program	Federal Economic Development Agency of Ontario	Grands Événements Canadiens	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 YEAR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted contributions received	8,732	34,485	3,000	146,050	62,462	40,000	294,729	159,704
Amounts recognized as revenue	(8,732)	(34,485)	(3,000)	(146,050)	(62,462)	(40,000)	(294,729)	(159,704)
BALANCE AT END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CAPITAL PRIDE/LA FIERTÉ DANS LA CAPITALE

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED OCTOBER 31, 2019

3. NON-MONETARY TRANSACTIONS

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

Advertising and promotion	\$	17,118
Events		50,501
Occupancy		13,354
		<hr/>
	\$	80,973

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.

CAPITAL PRIDE/LA FIERTÉ DANS LA CAPITALE

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED OCTOBER 31, 2019

6. SUBSEQUENT EVENT

In January 2020, the World Health Organization declared the COVID-19 coronavirus outbreak to constitute a public health emergency of international concern. The COVID-19 outbreak has caused a disruption in the operations of the Organization. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Organization's funders, employees and vendors all of which are uncertain and cannot be predicted. As such, the extent to which COVID-19 may impact the Organization's financial condition or results of operations cannot be reasonably estimated at this time.