
CAPITAL PRIDE/LA FIERTÉ DANS LA CAPITALE

FINANCIAL STATEMENTS

NOVEMBER 30, 2016

CAPITAL PRIDE/LA FIERTÉ DANS LA CAPITALE

CONTENTS

NOVEMBER 30, 2016

	Page
Independent Auditors' Report	1
Balance Sheet	2
Statement of Revenues, Expenditures and Changes in Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 8

INDEPENDENT AUDITORS' REPORT

To the Members of Capital Pride/La Fiert  Dans La Capitale:

Report on the Financial Statements

We have audited the accompanying financial statements of Capital Pride/La Fiert  Dans La Capitale (the "Organization"), which comprise the balance sheet as at November 30, 2016, and the statements of revenue, expenditures and changes in net assets and cash flows 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 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 audit opinion.

Basis for Qualified Opinion

The Organization derives revenue from events and donations, sponsorships 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 events and donations and fundraising, excess of revenue over expenditures, assets and net assets.

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 November 30, 2016, and its results of operations and its cash flows for the year then ended in accordance with ASNFPO.



Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Canada
July 10, 2017

CAPITAL PRIDE/LA FIERTÉ DANS LA CAPITALE

BALANCE SHEET

AS AT NOVEMBER 30, 2016

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash	\$ 4,728	\$ 35,171
Accounts receivable	2,277	-
Sales taxes recoverable	12,533	-
Prepaid expenses	2,696	2,825
	<u>\$ 22,234</u>	<u>\$ 37,996</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued liabilities (Note 4)	\$ 10,502	\$ 12,782
Sales taxes payable	-	1,739
	<u>10,502</u>	<u>14,521</u>

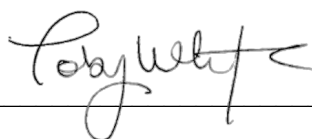
NET ASSETS

Unrestricted	11,732	23,475
	<u>\$ 22,234</u>	<u>\$ 37,996</u>

Financial instruments (Note 5)

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 NOVEMBER 30, 2016

	2016	2015
REVENUE		
Sponsorships (Note 3)	\$ 196,979	\$ 141,567
Grants (Note 2)	74,250	36,000
Events	65,013	56,132
Media and guides	10,800	6,850
Donations and fundraising (Note 3)	15,881	14,145
	<u>362,923</u>	<u>254,694</u>
EXPENDITURES		
Advertising and promotion (Note 3)	105,557	92,482
Bad debts	1,500	-
Communications and security	13,410	14,830
Events	142,144	51,166
Insurance	5,031	1,863
Occupancy (Note 3)	13,354	15,189
Office and administration	7,050	5,217
Professional fees	12,196	10,000
Subcontractors	74,424	40,472
	<u>374,666</u>	<u>231,219</u>
EXCESS OF (EXPENDITURES OVER REVENUE) REVENUE OVER EXPENDITURES	(11,743)	23,475
UNRESTRICTED NETS ASSETS, beginning of the year	<u>23,475</u>	<u>-</u>
UNRESTRICTED NETS ASSETS, end of the year	<u>\$ 11,732</u>	<u>\$ 23,475</u>

CAPITAL PRIDE/LA FIERTÉ DANS LA CAPITALE

STATEMENT OF CASH FLOWS

YEAR ENDED NOVEMBER 30, 2016

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of (expenditures over revenue) revenue over expenditures	\$ (11,743)	\$ 23,475
Changes in non-cash operating working capital:		
Accounts receivable	(2,277)	-
Sales taxes recoverable	(14,272)	1,739
Prepaid expenses	129	(2,825)
Accounts payable and accrued liabilities	(2,280)	12,782
	(30,443)	35,171
(DECREASE) INCREASE IN CASH	(30,443)	35,171
Cash at beginning of year	35,171	-
CASH AT END OF YEAR	\$ 4,728	\$ 35,171

CAPITAL PRIDE/LA FIERTÉ DANS LA CAPITALE

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED NOVEMBER 30, 2016

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 Rainbow 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 Rainbow 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 statement of financial position.

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 NOVEMBER 30, 2016

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 and accounts receivable.

Financial liabilities measured at amortized cost include 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 amounts receivable is net of an allowance for doubtful accounts of \$Nil (2015 - \$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.

CAPITAL PRIDE/LA FIERTÉ DANS LA CAPITALE

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED NOVEMBER 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

2. GOVERNMENT ASSISTANCE

During the year, the City of Ottawa provided the Organization with one-time funding in the form of three grants, totaling \$51,750, to run and administrate numerous events, information sessions, advocacy and associated actions in support of the Organization's mission. The total amount has been recorded as grant revenue in the statement of revenue, expenditures and changes in net assets for the year.

During the year, Celebrate Ontario provided the Organization with one-time funding in the form of a \$22,500 grant to run and administrate numerous events, information sessions, advocacy and associated actions in support of the Organization's mission. The total amount has been recorded as grant revenue in the statement of revenue, expenditures and changes in net assets for the year.

3. NON-MONETARY TRANSACTIONS

During the year, the Organization received various advertising and promotional services for their annual event without monetary consideration. These services were recorded in the statement of revenue, expenditures and changes in net assets at fair value as sponsorship revenue and advertising and promotion expenses. Fair value is the amount of consideration agreed to between the parties who are transacting at arm's length. The amount recognized for these transactions was \$83,419 (2015 - \$73,761).

CAPITAL PRIDE/LA FIERTÉ DANS LA CAPITALE

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED NOVEMBER 30, 2016

3. NON-MONETARY TRANSACTIONS (continued)

In addition, the Organization was granted use of office space and related occupancy expenses for the current year without monetary consideration. These services were recorded in the statement of revenue, expenditures and changes in net assets at fair value as donations and fundraising revenue and occupancy expenses. Fair value is the amount of consideration agreed to between the parties who are transacting at arm's length. The amount recognized for this transaction was \$13,354 (2015 - \$14,145).

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 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 and long term debt. The Organization manages its liquidity risk by monitoring its operating requirements through the use of budget and cash forecasts.

6. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year presentation.