

**Kind Space**  
**Financial Statements**  
December 31, 2017

## **Independent Auditor's Report**

To the Members of  
Kind Space

I have audited the accompanying financial statements of Kind Space, which comprise the statement of financial position as at December 31, 2017, and the statements of operations 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, 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.

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 auditor's 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 auditor considers 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, Kind Space derives a material amount of revenue from donations and fundraising activities. I was not able to obtain sufficient appropriate audit evidence about the completeness of the reported amounts for accounts receivable, donation and fundraising revenue, revenue in excess of expenditure and changes to net assets because there is no direct relationship between assets or services given up in exchange for amounts received or receivable. Consequently, I was unable to determine whether any adjustments to these amounts were necessary.

## Independent Auditor's Report, continued

### Qualified Opinion

Except as noted in the above paragraph, in my opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Ottawa, ON  
May 30, 2018

*Numeris CPA*

**Numeris CPA**  
Chartered Professional Accountant  
Licensed Public Accountant

**Kind Space  
Statement of Financial Position  
As at December 31, 2017**

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 39,194	\$ 41,327
Accounts receivable	2,004	5,447
HST receivable	2,753	2,702
Prepaid expenses	<u>5,689</u>	<u>5,689</u>
	<u>\$ 49,640</u>	<u>\$ 55,165</u>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 8,694	\$ 8,464
Deferred revenue (note 3)	-	31,704
Government remittances payable	<u>961</u>	<u>2,073</u>
	9,655	42,241
<b>Unrestricted net assets</b>	<u>39,985</u>	<u>12,924</u>
	<u>\$ 49,640</u>	<u>\$ 55,165</u>

On behalf of the Board

\_\_\_\_\_ Member

\_\_\_\_\_ Member

**Kind Space  
Statement of Operations  
and Changes in Net Assets  
Year ended December 31, 2017**

	2017	2016
<b>Revenues</b>		
Grants (note 4)	\$ 134,206	\$ 135,110
Donations	9,740	14,339
Fees for rentals and services	3,214	3,550
Miscellaneous income	270	-
Interest income	32	-
Fundraising	-	1,545
Forgiveness of debt interest (note 5)	-	2,814
	147,462	157,358
<b>Expenditures</b>		
Administration		
Salaries and related benefits	21,386	16,292
Rent	11,382	9,380
Professional fees	11,096	11,591
Office	5,829	3,466
Insurance	3,980	3,977
Interest and bank charges	1,039	1,819
Telephone and utilities	709	1,255
	55,421	47,780
Program		
Rent - Programs	34,143	31,404
Salaries and benefits- programs	21,387	16,293
Outreach, library and other programs	8,266	8,887
Foundation law expenses	1,071	-
Fundraising campaigns	113	138
	64,980	56,722
	120,401	104,502
<b>Excess of revenues over expenditures</b>	27,061	52,856
<b>Balance, beginning of year</b>	12,924	(39,932)
<b>Balance, end of year</b>	\$ 39,985	\$ 12,924

See accompanying notes to the financial statements

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**Kind Space**  
**Statement of Cash Flows**  
**Year ended December 31, 2017**

	<u>2017</u>
<b>Operating activities</b>	
Excess of revenues over expenditures	\$ 27,061
Change in non-cash working capital items	
Accounts receivable	3,443
HST receivable	(51)
Accounts payable and accrued liabilities	230
Deferred revenue	(31,704)
Government remittances payable	<u>(1,112)</u>
<b>Net decrease in cash</b>	(2,133)
<b>Cash, beginning of year</b>	<u>41,327</u>
<b>Cash, end of year</b>	<u>\$ 39,194</u>

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See accompanying notes to the financial statements

**1. Nature of operations**

Kind Space was incorporated on March 29, 1984 under the Canada Corporation Act as a not-for-profit organization and is a Registered Charity under the Income Tax Act..

Kind Space is a volunteer-based social service agency which fosters the health and wellness of all lesbian, gay, bisexual, trans, two spirit, queer/questioning, intersex, asexual, etc. (LGBT2SQIA+) people in the Ottawa/Outaouais region. Kind Space works to identify and address the needs of these groups through community development; the provision of online, referral and library resources; advocacy for safer sex practices, sex positive dialogue, an understanding of LGBT2SQIA+ issues with the public; and the delivery of respectful and inclusive services and programs provided in a safe environment that affirms equality and is free of discrimination.

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**2. Significant accounting policies**

The organization applies the Canadian accounting standards for not-for-profit organizations.

**(a) Revenue recognition**

Kind Space follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the 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.

**(b) Financial instruments**

The organization's financial instruments consist of accounts receivable, prepaid expenses, accounts payable and accrued liabilities. Unless otherwise noted it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

**(c) Capital assets**

The organization expenses its capital assets. During the current year, capital expenditures included \$ - (2016 - \$ -).

**(d) Contributed services**

Directors, committee members and owners volunteer their time to assist in the corporation's activities. While these services benefit the corporation considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

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**Kind Space**  
**Notes to the Financial Statements**  
**December 31, 2017**

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**2. Significant accounting policies, continued**

**(e) Use of estimates**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

**(f) Allocated expenses**

A portion of rent expense is allocated to program expenses based on management's estimate of the relative use of square footage. A portion of salaries and benefits is allocated to program expenses based on the estimate of the level of related effort.

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**3. Deferred revenue**

The deferred revenue is related to Kind Space's advance receipt of the first quarter installment of its 2017 funding support from the City of Ottawa.

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**4. Grants**

	<u>2017</u>	<u>2016</u>
City of Ottawa	\$ 132,112	\$ 124,329
	1,092	-
Community Walk Home	1,000	-
Etc. Funds	2	3,373
Ottawa Airport Authority	-	3,258
JustChange	-	1,000
Emergency Fund	-	3,150
	<u>\$ 134,206</u>	<u>\$ 135,110</u>

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**5. Forgiveness of Debt Interest**

Management was able to negotiate a forgiveness of debt interest in final settlement of Kind Spaces's financial obligations to the Canada Revenue Agency and the Ontario Aids Bureau.

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**Kind Space**  
**Notes to the Financial Statements**  
**December 31, 2017**

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**6. Lease commitments**

The organization is committed to a lease agreement for office space that expires on June 30, 2021 and is shared with Planned Parenthood Ottawa, including operating costs and recoverable HST are estimated as follows:

2018	\$ 48,800
2019	48,800
2020	48,800
2021	<u>24,400</u>
	<u>\$ 170,800</u>

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**7. Economic dependence**

The organization receives the majority of its revenue through a funding agreement from City of Ottawa. The organization's continued operations are dependent on this funding agreement and on satisfying the terms of the agreement.

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