

**10 GARDEN SHARED SPACE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**10 CARDEN SHARED SPACE**  
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**YEAR ENDED DECEMBER 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of: 10 Carden Shared Space

### Opinion

We have audited the accompanying financial statements of 10 Carden Shared Space, which comprise the statement of financial position as at December 31, 2023 and the statements of operations and 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, these financial statements present fairly, in all material respects, the financial position of 10 Carden Shared Space as at December 31, 2023 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.

### Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of 10 Carden Shared Space 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.

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

Management is responsible for the preparation and fair presentation of the 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.

In preparing the 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 but to do so.

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

### Auditor's 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 auditor's 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 judgement 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 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 auditor's 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 auditor's 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 our audit.

Guelph, Ontario

Chartered Professional Accountants  
Licensed Public Accountants

**10 CARDEN SHARED SPACE**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2023**

	<b>2023</b>	<b>2022</b> (note 12)
<b>ASSETS</b>		
<b>CURRENT</b>		
Short term investments	\$ 519,554	\$ 780,971
Accounts receivable	230,712	372,625
Government remittances recoverable	185,282	27,080
Prepaid expenses	7,765	19,385
Due from 42 Carden Shared Space (note 9)	<u>23,591</u>	<u>26,511</u>
	966,904	1,226,572
<b>LOANS RECEIVABLE</b> (note 4)	340,818	115,000
<b>CAPITAL ASSETS</b> (note 5)	1,078,076	379,972
<b>INVESTMENTS - 42 CARDEN SHARED SPACE</b> (note 9)	<u>2,501</u>	<u>2,501</u>
	<u><u>\$ 2,388,299</u></u>	<u><u>\$ 1,724,045</u></u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Bank overdraft	\$ 85,443	\$ 103,961
Accounts payable and accrued liabilities	178,949	131,528
Deferred contributions (note 7)	1,142,116	808,652
Current portion of long term debt (note 6)	<u>40,000</u>	<u>40,000</u>
	1,446,508	1,084,141
<b>DEFERRED CAPITAL CONTRIBUTIONS</b> (note 8)	<u>761,906</u>	<u>538,164</u>
	<u><u>2,208,414</u></u>	<u><u>1,622,305</u></u>
<b>NET ASSETS</b>		
<b>NET ASSETS - UNRESTRICTED</b>	<u>179,885</u>	<u>101,740</u>
	<u><u>\$ 2,388,299</u></u>	<u><u>\$ 1,724,045</u></u>

**APPROVED ON BEHALF OF THE BOARD:**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**10 CARDEN SHARED SPACE****STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS****FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>2023</b>	<b>2022</b> (note 12)
<b>REVENUES</b>		
Project grants (note 10)	\$ 1,254,456	\$ 887,305
Consulting and facilitation (note 9)	152,807	57,460
Guelph Farmers' Market (note 15)	149,821	106,406
Operating grants (note 10)	141,885	189,462
Shared event space	88,102	67,269
Nourish kitchen program	79,840	65,349
Coworking	40,785	35,980
Memberships	22,994	15,367
Harvest Impact	21,854	0
Events and connecting	14,150	6,010
Donations and sponsorships	11,080	30,391
Interest	10,062	21,699
Miscellaneous	3,258	11,854
	<u>1,991,094</u>	<u>1,494,552</u>
<b>EXPENDITURES</b>		
Wages and employee benefits	941,157	883,425
Project and program	471,028	327,997
Rent and maintenance (note 9)	142,366	128,131
Guelph Farmers' Market	83,391	26,929
Network and placemaking	66,191	25,693
Amortization	24,337	8,236
Discounts - Boost and theme-based	21,212	16,802
Professional fees	20,843	15,918
Interest and bank charges	16,819	8,080
Nourish kitchen program	16,114	1,707
Board and team development	12,229	5,116
Insurance	7,199	6,745
Bad debts	(6,894)	917
	<u>1,815,992</u>	<u>1,455,696</u>
<b>SURPLUS BEFORE OTHER INCOME</b>	<u>175,102</u>	<u>38,856</u>
<b>OTHER INCOME (EXPENSES)</b>		
Flow through projects income (note 14)	1,431,546	1,224,175
Flow through projects expenses (note 14)	(1,428,503)	(1,223,705)
Participation in 42 Carden Shared Space (note 9)	(100,000)	(110,000)
Government subsidies	0	70,580
	<u>(96,957)</u>	<u>(38,950)</u>
<b>EXCESS (SHORTFALL) OF REVENUES OVER EXPENDITURES for the year</b>	78,145	(94)
<b>NET ASSETS, beginning of year</b>	<u>101,740</u>	<u>101,834</u>
<b>NET ASSETS, end of year</b>	<u>\$ 179,885</u>	<u>\$ 101,740</u>

See notes to the financial statements

**10 CARDEN SHARED SPACE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>2023</b>	<b>2022</b> (note 12)
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Excess (shortfall) of revenues over expenditures for the year	\$ 78,145	\$ (94)
Items not requiring an outlay of cash		
Amortization	24,337	8,236
Deferred capital contributions	<u>(11,794)</u>	<u>0</u>
	90,688	8,142
Changes in non-cash working capital		
Accounts receivable	141,913	(226,404)
Prepaid expenses	11,620	(10,392)
Due from 42 Carden Shared Space	2,920	(42,680)
Accounts payable and accrued liabilities	47,421	21,839
Government remittances recoverable/payable	(158,202)	(42,562)
Deferred contributions	<u>333,464</u>	<u>(102,956)</u>
	<u>469,824</u>	<u>(395,013)</u>
<b>CASH PROVIDED BY FINANCING ACTIVITIES</b>		
Deferred capital contributions	<u>235,536</u>	<u>538,164</u>
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>		
Purchase of capital assets	(722,441)	(347,027)
Loans receivable	<u>(225,818)</u>	<u>(115,000)</u>
	<u>(948,259)</u>	<u>(462,027)</u>
<b>NET DECREASE IN CASH</b>	(242,899)	(318,876)
<b>NET CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>677,010</u>	<u>995,886</u>
<b>NET CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 434,111</u>	<u>\$ 677,010</u>
<b>CASH AND CASH EQUIVALENTS CONSISTS OF:</b>		
(Bank overdraft)	\$ (85,443)	\$ (103,961)
Short term investments	<u>519,554</u>	<u>780,971</u>
	<u>\$ 434,111</u>	<u>\$ 677,010</u>

**10 CARDEN SHARED SPACE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**1. NATURE OF OPERATIONS**

10 Carden Shared Space is a provincial not for profit organization incorporated without share capital. 10 Carden Shared Space is exempt from income tax. Its purpose is to support members working in social change fields. The organization is a platform for those working across sectors and engaging in collaborative work to improve the community. Its tangible offering is downtown coworking and event meeting space, offering students, professionals and researchers working within Guelph a place to gather, exchange ideas and work for change. The organization also offers a range of community-oriented programming including one-on-one mentorship, promotion of social causes, learning and workshops and community animation forming intentional collaborations. Benefits extend to the deepening of community relationships, the opening of new opportunities, and discovery of new ways to solve problems.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations 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 they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Guelph Farmers' Market, sponsorships, shared event space, nourish kitchen program, coworking fees and other income are recognized as revenue in the period earned.

Membership fees are recognized as revenue when received or receivable and collection is reasonably assured.

(b) CASH AND CASH EQUIVALENTS

The organization's policy is to disclose bank balances under cash and cash equivalents, including term deposits with a maturity of three months or less from the date of acquisition.

(c) CAPITAL ASSETS

Capital assets are recorded at cost and amortized on the basis of their estimated useful life using the following methods and rates:

Furniture and fixtures	- 20 % declining balance basis
Leaseholds	- 6 years straight line basis

(d) IMPAIRMENT OF LONG LIVED ASSETS

Long lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.



**10 CARDEN SHARED SPACE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(e) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for not for profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant areas requiring management's estimates include contributions deferred to future periods. Actual results could differ from those estimates.

(f) FINANCIAL INSTRUMENTS

The organization initially measures its financial assets and liabilities at fair value, except for a related party transaction which is recorded at cost and measured using the carrying amount or exchange amount depending on the circumstances.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, unless otherwise noted below.

Cost in a related party transaction with no repayment terms is determined using the consideration transferred or received by the organization in the transaction.

Impairment

For financial assets measured at cost or amortized cost, the organization determines whether there are indications of possible impairment. When there are, and the organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be 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 income.

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight-line method.

(g) CONTRIBUTED MATERIALS AND SERVICES

During the year, a number of organizations and individuals donate materials to the organization and a number of volunteers contribute a significant amount of their time. Because of the difficulty in determining the fair value, contributed materials and services are not recorded in the financial statements.

(h) DEFERRED CONTRIBUTIONS

Deferred contributions include funds received for specific uses for which the related expenditures have not been incurred.

**10 CARDEN SHARED SPACE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**3. FINANCIAL INSTRUMENTS**

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from the financial instruments.

The extent of the organization's exposure to these risks did not change in 2023 compared to the previous period.

The organization does not have a significant exposure to any individual customer or counterpart.

Credit risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the organization by failing to discharge an obligation. The organization's credit risk is mainly related to accounts receivable and loans receivable. The organization provides credit to its clients in the normal course of its operations.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to liquidity risk as a result of accounts payable and accrued liabilities and long term debt. The organization controls liquidity risk by management of working capital, cash flows and the availability of borrowing facilities.

**4. LOANS RECEIVABLE**

In the year, the organization issued \$396,000 (2022 - \$115,000) in loans to various organizations, as part of the Harvest Impact Loan program. Loans ranging from \$2,500 to \$40,000 were issued with interest rates between 0% to 7%.

**5. CAPITAL ASSETS**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net 2023</b>	<b>Net 2022</b>
Furniture and fixtures	\$ 122,426	\$ 26,135	\$ 96,291	\$ 49,294
Leaseholds	<u>993,579</u>	<u>11,794</u>	<u>981,785</u>	<u>330,678</u>
	<u>\$ 1,116,005</u>	<u>\$ 37,929</u>	<u>\$ 1,078,076</u>	<u>\$ 379,972</u>

During the year, the organization held assets not in use in the amount of \$833,022 (2022 - \$347,028).

**6. LONG TERM DEBT**

	<b>2023</b>	<b>2022</b>
Canada Emergency Business Account loan, non-interest bearing, principal due January 18, 2024, unsecured. Repaid January 2024	\$ 40,000	\$ 40,000
Less current portion:		
Cash repayments required within 12 months	<u>40,000</u>	<u>40,000</u>
	<u>\$ 0</u>	<u>\$ 0</u>

## 10 CARDEN SHARED SPACE

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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#### 7. DEFERRED CONTRIBUTIONS

Deferred contributions, which consist of the unexpended portion of project grants received that relates to future periods less related expenditures, is as follows:

	2023	2022
Balance, beginning of the year	\$ 808,652	\$ 911,608
Less amount recognized as revenue in the year	(2,329,893)	(1,757,760)
Plus amount received related to the following year	<u>2,663,357</u>	<u>1,654,804</u>
Balance, end of year	<u>\$ 1,142,116</u>	<u>\$ 808,652</u>

#### 8. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions are recognized as revenue at the same basis as the amortization of the underlying capital asset.

	2023	2022
Balance, beginning	\$ 538,164	\$ 0
Plus amount received related to the following year	235,536	538,164
Less amount recognized as revenue	<u>(11,794)</u>	<u>0</u>
	<u>\$ 761,906</u>	<u>\$ 538,164</u>

#### 9. RELATED PARTY TRANSACTIONS

10 Carden Shared Space and 42 Carden Shared Space are related entities through common control. The By Laws of 42 Carden Shares Space grant 10 Carden Shared Space, a founding member, eight votes on any question submitted to any member meetings. The Board of Directors of 42 Carden Shared Space is a minimum of one and maximum of ten.

10 Carden Shared Space owns a community bond Series A in 42 Carden Shared Space with a cost of \$2,501 (2022 - \$2,501).

All transactions are recorded at the exchange value. The value corresponds to the consideration agreed upon by the parties and is determined based on the costs incurred.

10 Carden Shared Space leases floor space from 42 Carden Shared Space and perform building management services. During the year, the organization had the following transactions:

	2023	2022
Building management - 42 Carden Shared Space	12,500	15,000
Rent expense	(129,727)	(107,911)
Contribution to 42 Carden Shared Space	(100,000)	(110,000)

The amounts due from related parties are as follows:

	2023	2022
42 Carden Shared Space	<u>\$ 23,591</u>	<u>\$ 26,511</u>

The advances to (from) related parties are non-interest bearing, unsecured and are due on demand.

**10 CARDEN SHARED SPACE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**10. PROJECT AND OPERATING GRANTS**

Project and operating grants consist of funding from the following:

	<b>2023</b>	<b>2022</b>
Project grants	\$ 1,254,456	\$ 887,305
Operating grants	<u>141,885</u>	<u>189,462</u>
	<u>\$ 1,396,341</u>	<u>\$ 1,076,767</u>
Federal	\$ 426,946	\$ 450,183
Municipal	864,927	584,784
Other	<u>104,468</u>	<u>41,800</u>
	<u>\$ 1,396,341</u>	<u>\$ 1,076,767</u>

**11. COMMITMENTS**

The organization has an operating lease for the premises. Future minimum lease payments for the headquarters are as follows:

2024	\$ 130,950
2025	132,192
2026	133,452
2027	<u>134,730</u>
	<u>\$ 531,324</u>

During the prior year, the organization entered into a six year lease with the City of Guelph for the Guelph Farmers' Market. Commencing on January 1, 2023, base rent will be owed to the City based on the total amount of annual vendor fees and rental charges received. The City will be paid between 0% - 20% of these fees, depending on the annual total, the first payment was due April 1, 2024.

**12. CORRESPONDING FIGURES**

Certain figures presented for corresponding purposes have been reclassified to conform to the current year's presentation.

**13. FLOW THROUGH FUNDS**

The organization has two flow through funds held by the Guelph Community Foundation. Under the terms of the flow through funds, the capital cannot be withdrawn and only the related income can be distributed to the organization. The flow through funds are controlled by the Guelph Community Foundation, and are not included in the organization's assets. The market value of the flow through funds held is as follows:

	<b>2023</b>	<b>2022</b>
Harvest Impact Fund	\$ 11,128	\$ 10,416
Change Fund	<u>18,624</u>	<u>18,432</u>
	<u>\$ 29,752</u>	<u>\$ 28,848</u>

The distribution from the flow through funds during the year was \$481 (2022 - \$0).

**10 CARDEN SHARED SPACE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**14. INDIGENOUS FOOD SOVEREIGNTY AND SECURITY**

The Indigenous Food Sovereignty and Security includes the following projects within the flow through income and expense:

	<b>Income</b>	<b>Expense</b>
Nii'kinaaganaa (All Our Relations - ARAH)	\$ 100,000	\$ 100,000
Medicine Bundles	14,667	14,667
Nii'kinaaganaa (All Our Relations - CRRF)	19,302	19,302
Walking Together to Glean and Forage	<u>2,750</u>	<u>1,111</u>
	<u>\$ 136,719</u>	<u>\$ 135,080</u>

**15. GUELPH FARMERS' MARKET**

Revenue for the Guelph Farmers' Market consists of the following:

	<b>2023</b>	<b>2022</b>
Farmers' Market - Saturday	\$ 130,497	\$ 87,356
Farmers' Market - Thursday	5,384	0
Non-rental programs	11,484	19,050
Community & member use	<u>2,456</u>	<u>0</u>
	<u>\$ 149,821</u>	<u>\$ 106,406</u>

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