

Financial Statements of

Electric City Culture Council

For the year ended March 31, 2023
(Unaudited)

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Independent Practitioner's Review Engagement Report

To the members of Electric City Culture Council

We have reviewed the accompanying financial statements of Electric City Culture Council that comprise the statement of financial position as at March 31, 2023, and the statements of changes in net assets, operations, cash flows and the notes to financial statements 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Electric City Culture Council as at March 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matter

The financial statements of Electric City Culture Council for the year ended March 31, 2022, were reviewed by another practitioner who expressed an unmodified opinion on those statements on September 25, 2023.

Inclusive Accounting Professional Corporation - Kawartha

Authorized to practise public accounting by the Chartered Professional Accountants of Ontario

Peterborough, Ontario
November 4, 2024

Electric City Culture Council
Statement of Financial Position
(Unaudited)

As at March 31	2023	2022
Assets		
Current assets		
Cash	\$ 201,107	\$ 210,950
Accounts receivable	-	6,703
Prepaid expenses	1,692	2,480
Government remittances receivable	6,133	6,080
	\$ 208,932	\$ 226,213
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 3)	\$ 12,222	\$ 8,985
Deferred revenue (note 4)	97,500	142,200
Current portion of loan payable (note 5)	40,000	-
	149,722	151,185
Loan payable (note 5)	-	40,000
	149,722	191,185
Net Assets		
Net assets	59,210	35,028
	\$ 208,932	\$ 226,213

On behalf of the Board

_____ **Director**

_____ **Director**

Electric City Culture Council
Statement of Changes in Net Assets
(Unaudited)

For the year ended March 31, 2023

	Unrestricted Assets	Artsweek Reserve	Total
Balance, beginning of year	\$ 17,228	\$ 17,800	\$ 35,028
Excess of revenue over expenditures for the year	24,182	-	24,182
Balance, end of year	\$ 41,410	\$ 17,800	\$ 59,210

For the year ended March 31, 2022

	Unrestricted Assets	Artsweek Reserve	Total
Balance, beginning of year	\$ 12,519	\$ -	\$ 12,519
Excess of revenue over expenditures for the year	22,509	-	22,509
Transfers to reserves	(17,800)	17,800	-
Balance, end of year	\$ 17,228	\$ 17,800	\$ 35,028

Electric City Culture Council
Statement of Operations
(Unaudited)

For the year ended March 31	2023	2022
Revenue		
City of Peterborough - Operating and Programming	\$ 86,750	\$ 83,000
City of Peterborough - Artsweek	68,450	6,550
City of Peterborough - Grants to Individual Artists	40,000	-
City of Peterborough - Poet Laureate	-	2,000
Provincial funding (note 6)	26,628	26,628
Other grants	6,500	6,600
Federal funding (note 7)	4,701	34,245
Sponsorship, fundraising and memberships	1,211	1,827
	<u>234,240</u>	<u>160,850</u>
Expenditures		
Artist fees, speaker fees, grants and awards	84,724	13,436
Administrative salaries and benefits	55,369	53,701
Programming salaries and benefits	44,492	48,426
Operating costs	20,065	17,726
Marketing and communication	2,285	2,465
Production and programming costs (workshops etc)	2,213	2,337
Documentation and archive	910	250
	<u>210,058</u>	<u>138,341</u>
Excess of revenue over expenditures for the year	\$ 24,182	\$ 22,509

Electric City Culture Council
Statement of Cash Flows
(Unaudited)

For the year ended March 31	2023	2022
Cash provided from (used for)		
Operating activities		
Excess of revenue over expenditures	<u>\$ 24,182</u>	<u>\$ 22,509</u>
Changes in non-cash working capital items:		
Accounts receivable	6,703	25,506
Prepaid expenses	788	469
Government remittances	(53)	342
Accounts payable and accrued liabilities	3,237	1,274
Deferred revenue	<u>(44,700)</u>	<u>117,200</u>
	<u>(34,025)</u>	<u>144,791</u>
Net increase (decrease) in cash position	(9,843)	167,300
Cash position, beginning of year	<u>210,950</u>	<u>43,650</u>
Cash position, end of year	<u>\$ 201,107</u>	<u>\$ 210,950</u>

Electric City Culture Council
Notes to Financial Statements
For the year ended March 31, 2023
(Unaudited)

1. Nature of operations

Electric City Culture Council (The Company) was incorporated under the Ontario Business Corporations Act on November 13, 2012. The Company operates to champion the development of the arts and culture community for the people of the City and County of Peterborough.

2. Summary of significant accounting policies

(a) *Cash and cash equivalents*

Cash and cash equivalents consist of balances held in Canadian financial institutions, petty cash and amounts held in a PayPal account.

(b) *Contributed services*

Directors volunteer their time to assist in the Organization's activities. These services materially benefit the Organization; however, a reasonable estimate of the time spent and its fair market value cannot be made and accordingly, these contributed services are not recognized in the financial statements.

(c) *Deferred revenue*

Deferred revenue represents restricted funding related to expenditures in a subsequent period.

(d) *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 received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Grants and subsidies, including COVID supports, are recognized in the financial statements as revenues in the period in which events giving rise to the funds received occur, providing the funds received are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Ultimate reimbursement of these accounts is based upon their acceptance by the various funders.

(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.

Electric City Culture Council
Notes to Financial Statements
For the year ended March 31, 2023
(Unaudited)

2. Summary of significant accounting policies — continued

(f) *Financial instruments*

The Organization measures its financial assets and financial liabilities at fair value at the acquisition date, except for financial assets and financial liabilities acquired in related party transactions. Transaction costs related to the acquisition of financial instruments subsequently measured at fair value are recognized in excess of revenue over expenditures when incurred. The carrying amounts of financial instruments not subsequently measured at fair value are adjusted by the amount of the transaction costs directly attributable to the acquisition of the instrument.

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

3. Accounts payable and accrued liabilities

	2023	2022
Accounts payable	\$ 4,525	\$ 4,498
Accrued expenses	7,088	3,706
Source deductions payable	609	781
	\$ 12,222	\$ 8,985

4. Deferred revenue

	Balance, beginning of year	Received	Recognized	Balance, end of year
City Operating Grant	\$ 63,950	\$ 92,000	\$ -	\$ 69,000
Artsweek Funding	68,250	25,000	(68,250)	25,000
City Poet Laureate Grant	-	2,000	-	2,000
DBIA Artsweek Grant	-	6,000	(4,500)	1,500
Ontario Small Business Relief	10,000	-	(10,000)	-
	\$ 142,200	\$ 125,000	\$ (82,750)	\$ 97,500

Electric City Culture Council
Notes to Financial Statements
For the year ended March 31, 2023
(Unaudited)

5. Loan payable

	2023	2022
CEBA loan, \$60,000 received, \$20,000 forgiven if repaid by January 18, 2024, otherwise fully repayable at 5% interest over a 36 month period, forgivable portion recognized as revenue in a prior year	\$ 40,000	\$ 40,000
Less: current portion	40,000	-
	\$ -	\$ 40,000

Minimum principal repayments over the next year are as follows:

2024	\$ 40,000
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6. Provincial Funding

	2023	2022
Ontario Arts Council - Operating/Programming	\$ 14,628	\$ 14,628
COVID Support Funding - Small Business Support	10,000	10,000
Ontario Arts Council - DEI Fund	2,000	2,000
	\$ 26,628	\$ 26,628

Electric City Culture Council
Notes to Financial Statements
For the year ended March 31, 2023
(Unaudited)

7. Federal Funding

	<u>2023</u>	<u>2022</u>
Canadian Summer Jobs Grant	\$ 4,701	\$ 4,690
Heritage Canada Festivals	-	17,800
COVID Support Funding - CEWS and CERS	-	11,755
	<u>\$ 4,701</u>	<u>\$ 34,245</u>

8. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

Liquidity risk

The Organization does have a liquidity risk in the accounts payable and accrued liabilities of \$12,222 (2022 - \$8,985). Liquidity risk is the risk that the Organization cannot repay its obligations when they become due to its creditors. The Organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the Organization is low and is not material.
