

FINANCIAL STATEMENTS OF
ELECTRIC CITY CULTURE COUNCIL
March 31, 2022

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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To the Members of
Electric City Culture Council

www.bakertilly.ca

We have reviewed the accompanying financial statements of Electric City Culture Council that comprise the statement of financial position as at March 31, 2022, and the statements of changes in net assets, operations 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.

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.

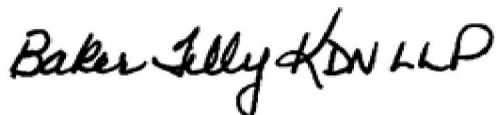
The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

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, 2022, 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.

Other Matter

The financial statements of Electric City Culture Council for the year ended March 31, 2021 were neither audited nor reviewed. Prior year figures have been included with these financial statements for comparative purposes only.



Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
September 25, 2023

ASSURANCE • TAX • ADVISORY

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ELECTRIC CITY CULTURE COUNCIL
STATEMENT OF FINANCIAL POSITION
As at March 31, 2022

	March 31, 2022	March 31, 2021	April 1, 2020 (note 3)
	\$	\$	\$
ASSETS			
Current assets			
Cash	210,950	43,650	96,265
Accounts receivable	6,703	32,209	2,018
Prepaid expenses	2,480	2,949	3,649
HST receivable	6,080	6,422	6,896
	226,213	85,230	108,828
LIABILITIES AND NET ASSETS			
Current liabilities			
Accounts payable and accrued liabilities (note 4)	8,985	7,711	5,642
Deferred revenue (note 5)	142,200	25,000	90,047
	151,185	32,711	95,689
Long-term liabilities			
CEBA note payable (note 6)	40,000	40,000	-
	191,185	72,711	95,689
Net assets	35,028	12,519	13,139
	226,213	85,230	108,828

The accompanying notes are an integral part of these financial statements

ELECTRIC CITY CULTURE COUNCIL

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2022

	Unrestricted Assets \$	Artsweek Reserve \$	Total 2022 \$	Total 2021 \$	Total 2020 \$
Balance - beginning of year	12,519	-	12,519	13,139	12,549
Excess (deficiency) of revenues over expenses for the year	22,509	-	22,509	(620)	590
Transfer to reserves	(17,800)	17,800	-	-	-
Balance - end of year	17,228	17,800	35,028	12,519	13,139

The accompanying notes are an integral part of these financial statements

ELECTRIC CITY CULTURE COUNCIL

STATEMENT OF OPERATIONS

For the year ended March 31, 2022

	2022	2021
	\$	\$
Revenues		
Municipal funding:		
City of Peterborough - Operating/Programming	85,000	85,000
City of Peterborough - Artsweek/Artsweek SHIFT2	6,550	24,687
City of Peterborough - Poet Laureate	2,000	-
Provincial funding:		
Ontario Arts Council - Operating/Programming	14,628	14,628
Covid Support funding - Ontario Small Business Support	10,000	10,000
Federal funding:		
Canada Summer Jobs	4,690	-
Covid Support funding - CEWS and CERS	11,755	16,144
Canadian Heritage - Festivals	17,800	-
CEBA Forgivable note payable	-	20,000
Other grants - CFGP and DBIA	6,600	4,600
Self generated funding:		
Sponsorships	225	455
Fundraising events and individual donations	1,250	680
Memberships and other	352	364
	160,850	176,558
Expenses		
Administrative salaries and benefits	53,701	50,710
Programming salaries and benefits	48,426	36,202
Operating costs	17,037	14,755
Artists, speaker fees, grants and awards	13,436	62,787
Marketing and communication	2,465	2,864
Production and programming costs	2,337	9,135
Volunteer expenses	689	500
Documentation and archive	250	225
	138,341	177,178
Excess (deficiency) of revenues over expenses for the year	22,509	(620)

The accompanying notes are an integral part of these financial statements

ELECTRIC CITY CULTURE COUNCIL

STATEMENT OF CASH FLOWS

For the year ended March 31, 2022

	2022	2021
	\$	\$
CASH PROVIDED FROM (USED FOR)		
Operating activities		
Excess (deficiency) of revenues over expenses for the year	22,509	(620)
Item not affecting cash		
Forgivable portion of CEBA loan	-	(20,000)
	22,509	(20,620)
Change in non-cash working capital items		
Accounts receivable	25,506	(30,191)
Prepaid expenses	469	700
HST receivable	342	474
Accounts payable and accrued liabilities	1,274	2,069
Deferred revenue	117,200	(65,047)
	167,300	(112,615)
Financing activity		
CEBA loan proceeds	-	60,000
Increase (decrease) in cash	167,300	(52,615)
Cash - beginning of year	43,650	96,265
Cash - end of year	210,950	43,650

The accompanying notes are an integral part of these financial statements

ELECTRIC CITY CULTURE COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

1. NATURE OF OPERATIONS

Electric City Culture Council was incorporated without share capital on November 13, 2012 under the laws on Ontario. It's purpose of operation is as a art service organization that develops programs to support and advance the work of professional arts organizations and individual artists in Peterborough and Peterborough County.

2. 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 expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured.

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

Expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes expenses in the period the goods or services are acquired and a legal liability is incurred.

(b) Management estimates

The preparation of financial statements in accordance 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 date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Key areas where management has made complex or subjective judgments (often as a result of matters that are inherently uncertain) include, among others, revenues, accounts payable, and deferred revenue. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

ELECTRIC CITY CULTURE COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Financial instruments

(i) Measurement of financial instruments

The organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The organization subsequently measures its financial assets and financial liabilities at amortized cost, except for investments quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and CEBA note payable.

The organization doesn't have any financial instruments measured at fair value.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income.

(d) Deferred revenue

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

3. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING

The financial statements for the year ended March 31, 2022 were prepared in accordance with the Canadian Accounting Standards for Not-for-profit organizations and provisions set out in Section 1500 "First-Time Adoption".

There was no material impact as a result of adopting these standard at the date of transition April 1, 2020.

ELECTRIC CITY CULTURE COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2022 \$	March 31, 2021 \$
Accounts payable	4,498	4,953
Accrued expenses	3,706	1,945
Income tax payable	363	390
CPP payable	306	306
EI payable	112	117
	8,985	7,711

5. DEFERRED REVENUE

	Balance, beginning of year \$	Received \$	Recognized \$	Balance, end of year \$
City operating grant	-	63,950	-	63,950
Artsweek funding	25,000	50,000	(6,750)	68,250
Ontario Small Business Relief	-	10,000	-	10,000
	25,000	123,950	(6,750)	142,200

6. CANADA EMERGENCY BUSINESS ACCOUNT LOAN (CEBA)

The amount of \$40,000 represents the unforgivable balance of the \$60,000 interest-free loan received under the Government of Canada COVID response programs. 33% of the loan will be eligible for loan forgiveness, up to \$20,000, if the loan is fully repaid on or before January 18, 2024. As at the year end date, \$20,000 has been included in other income and represents the maximum forgivable portion of the loan. If the unforgiven balance of the loan is not fully repaid by January 18, 2024 the remaining principal balance will be repayable and will bear interest at a rate of 5% per annum beginning on January 19, 2024. The loan is due in full December 31, 2026.

ELECTRIC CITY CULTURE COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2022

7. 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.

(a) Liquidity risk

The organization does have a liquidity risk in the accounts payable and accrued liabilities of \$8,985 (2021 - \$7,711). 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. In the opinion of management the liquidity risk exposure to the organization is low and is not material.

(b) Credit risk

The organization does have credit risk in accounts receivable of \$6,703 (2021 - \$32,209). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The organization reduces its exposure to credit risk by performing credit valuations on a regular basis; granting credit upon a review of the credit history of the applicant and creating an allowance for bad debts when applicable. The organization maintains strict credit policies and limits in respect to counterparties. In the opinion of management the credit risk exposure to the organization is low and is not material.

8. UNCERTAINTY CAUSED BY COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the organization's environment and in the global markets due to the possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the organization's operations.

The extent of the impact of this outbreak and related containment measures on the organization's operations cannot be reliably estimated at this time.

ELECTRIC CITY CULTURE COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

9. PETERBOROUGH ARTS ALIVE

Peterborough Arts Alive is a COVID-19 emergency grant program that supported 15 local arts organization in the County of Peterborough. This program was formed through the partnership of Electric City Culture Council and Community Foundation of Greater Peterborough, to raise funds to provide critical support for organizations that were negatively impacted by the COVID-19 pandemic that they may prepare to reopen and ensure sustainability going forward.

Community Foundation of Greater Peterborough acted as the charitable "host" and all donations and contributions were recorded in their books and records. As such there are no expenses or revenue related to this program in the financial statements of this organization. Electric City Culture Council designed and delivered the program, organized and conducted the jury, issued grant letters and monitored follow up reports.