



THE GEORGINA CENTRE  
FOR ARTS AND CULTURE

# Annual General Meeting

The Georgina Centre for  
Arts and Culture

149 High St, Sutton, ON L0E 1R0

Monday, September 18, 2023

7:00 pm

[www.thegcac.ca](http://www.thegcac.ca)

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## Welcome Message from the Board Chair, Linda Lyons

### A WARM WELCOME FROM OUR BOARD CHAIR

Thank you and welcome to our Annual General Meeting Report. It is my distinct pleasure to offer this information on behalf of the team at the Georgina Centre for Arts and Culture (GCAC). Every year, GCAC hosts an AGM to wrap up the year that has passed, acknowledge our achievements, approve our audited financial statement, honour retiring board members, welcome new ones, recognize the strength and contribution of our staff and thank our community partners for their dedication in supporting arts and culture in Georgina and beyond.

As I celebrate my first year as Board Chair, I am very proud of what we have been able to accomplish during this past year of change. We re-opened our doors and invited the community back into our gallery space with our awe-inspiring exhibits, programming, and events. Exhibitions in 2022/23 featured “Georgina Unmasked” in March’ “7 Stories Awards Event” in May; our “Pride Exhibit” in June; “The Juried Art Show” in July to the “GCAC Permanent Collection” in September.

We are about creating an inclusive community. As part of the Pride celebrations, we invited the 2SLGBTQI+ artists and creators to submit their works of art and we featured our artist of the month, Mila Darker, a new and upcoming talent. The All Pride & No Prejudice show and Family Day BBQ were well organized by our own Grant Peckford!

GCAC is filled with music during our Open Mic’s on the first Sunday of every month, and talent for our monthly Artist drop-in! The summer camp kids have filled the Centre with laughter and excitement.

This year we said farewell to outstanding Board Members: Brian Gibbs in 2022 and Anita David and Bill Majors in 2023. Both Anita and Bill have dedicated over 6 years to GCAC and were presented with Lifetime Members at our AGM last year. We are pleased to welcome Madalyn Calzavara as our newest Director.

We have experienced great change, and with each year and every adaptation, we just keep getting better at what we do: inspiring growth through the power of art and culture. None of this would be possible without the support of our members, donors, partners, and funders in 2022/23. We thank the Town of Georgia, Ontario Trillium Foundation, and the Government of Canada for their crucial financial support. We are also grateful to the many partners we collaborated with, most notably The Briars, Blue Heron Book Store, the Messhall Eatery, York Regional Police, and the Writers Community of York Region. Thank you for continuing to support our mission to inspire growth through the power of art and culture. And it would not be possible without you.

***THANK YOU!***

Linda R Lyons  
Board Chair

## Message from our Executive Director

I am thrilled and honoured to have been selected for the role as Executive Director with The Georgina Centre for Arts and Culture, starting my exciting work managing daily operations of the organization this past May. At the same time, Charlotte Hale was brought on as Artistic Director, and quite quickly became a valuable asset to this organization and its programs, with which her values and experience so firmly align. I would be remiss if I did not include Sarah Benjamin, our Administrative Coordinator, to whom we owe a debt of gratitude for supporting us as we dug into the operations and programming. Together, this small but mighty team is looking forward to many years of building exciting opportunities for artists and appreciators, creating a unique and innovative community hub that draws locals and visitors alike.

We couldn't do this incredible work without the support of our Board of Directors and the volunteers that work tirelessly, contributing an average of 90 hours a month towards the strategic direction and successful operation of the organization, and for the love of art.

We are also grateful for the strong partnership we have with the Town of Georgina. Recognizing that culture is important to the quality of life of its residents, the Town works with us to provide opportunities that encompass the range of modes of participation, whether it be as creator or passive observer. We will move into the new year working towards more detailed and accurate organization performance indicators, including participation, growth, distribution, and impact.

We have begun a revitalization of the gallery, continuing the path of its strategic direction towards strengthening our foundation, engaging our community, growing revenue streams, and building capacity. This includes:

**Exhibitions** - We will host at least eight dynamic exhibitions a year that inspire and educate, sharing work from a broad range of artists, and have created a rotating permanent collection gallery and an Indigenous gallery.

**Workshops/Camps** - We believe in the reinvigoration of arts education. Interest in the arts is only achieved through trial, and mastery of skill through practice. Workshops and camps are geared towards aspiring and practicing artists of all ages and have been running since July.

**Events** - Culture is defined by the Oxford Dictionary as "the arts and other manifestations of human intellectual achievement regarded collectively." We have a full calendar of host speakers, music, and reader series events, reaching a broad range of art, music, and literature-minded people in our community.

Our aim is to provide an experience that showcases all that Georgina has to offer, weaving a collective narrative that connects guests to their surroundings, strengthens local economy, and builds community. On behalf of The Georgina Centre for Arts and Culture staff and volunteers, thank you for your continued participation and we hope you join us in the gallery.

Christine Arnold  
Executive Director

**The Georgina Centre for Arts and Culture  
2023 Annual General Meeting  
149 High Street, Sutton West  
Monday, September 18<sup>th</sup> 7:00 PM  
Agenda**

1. Meeting called to order
2. Welcome & Opening remarks – Board Chair, Linda Lyons
3. Approval of Agenda
4. Reading and Approval of AGM Minutes dated September 19, 2022
5. Message from the Board Chair - Linda Lyons
6. Statement from The Town of Georgina
7. Message from the Executive Director - Christine Arnold
8. Reports of Committees:
  - Financial
    - Presentation and acceptance of Audited Financial Statements for the year ended December 31, 2022
    - Financial Statement Highlights – Board Treasurer, Dennison Harcharan
    - Appointment of Auditors for 2023
  - Board of Directors
    - Introduction of new Board Members
9. New Business
10. Closing Remarks – Linda Lyons
11. Adjournment

**Annual General Meeting  
of the  
Georgina Centre for Arts and Culture  
Wednesday, September 19, 2022**

(Minutes recorded and prepared by Dee Lawrence)

**CALL TO ORDER:** Bill Major, Chair of the Board of Directors, called the meeting to order at 7:04 p.m.

**WELCOME AND OPENING REMARKS:** Bill Major made the observation that this is the first time the membership has been able to meet in person in three years because of the Covid 19 pandemic restrictions.

All board members [Bill Major, Meaghan McKinzey (Treasurer), Dee Lawrence, Brian Gibbs, Linda Lyons, Jodi Pridham – Manager of Client, Cultural and Community Services for the Town of Georgina, Dave Neeson – Town of Georgina Ward 3 Councillor, and Jeanne Faria – Executive Director] introduced themselves to the membership who were present, with the exception of Anita David (Vice Chair) and Brett Hill (Secretary), who were unable to be with us and sent their regrets.

Bill Major offered a moment of reflection in remembrance of the late Queen Elizabeth II who passed away Sept. 8, and for whom Sept. 19 has been declared a National Day of Mourning. Bill expressed gratitude to the late Queen for her good service and the stability that she brought to us. He reminded us that for some, this is a challenging time because the monarchy represents the colonial influences that have shaped our nation. Bill hoped that the late Queen Elizabeth II will now rest in peace, and prayed that King Charles III's reign will follow in the footsteps of his mother, and will be a positive influence in the world.

**APPROVAL OF AGENDA:** Moved by Sheila Dobson; Seconded by Elizabeth (Widit) McLean.

Motion Carried.

**READING AND APPROVAL OF AGM MINUTES DATED AUGUST 18, 2021:**

Motion to approve the Minutes made by Widit McLean; Seconded by Tom Zsolt.  
Motion Carried.

**MESSAGE FROM THE BOARD CHAIR:** Bill Major stated that this has been a year of change, and that we are not yet where we want to be, but we're moving along and making some progress. Our biggest ongoing challenge is communication between the GCAC and the community/membership. We need a reciprocal partnership *with* the community.

Bill extended gratitude to Dave Neeson, our Town Council representative, for his six years of service on the GCAC Board of Directors, as he sought to co-ordinate our efforts with the Town of Georgina in order to facilitate help and secure support for the Arts & Culture Centre. Dave is stepping down from the Board now, and this is the final meeting he will be

attending.

There was also applause from our membership for our outgoing Chair, Bill Major, in recognition of his six years of service and leadership navigating through many challenging situations.

**STATEMENT FROM TOWN COUNCILLOR:** Dave Neeson began by saying that the Town of Georgina is a partner of the GCAC, and always will be. He highlighted the many volunteer hours that Bill Major, Anita David and Meaghan McKinzey have contributed to the stability and success of the GCAC, especially in the early days six years ago. They put in a lot of blood, sweat and tears to bring the GCAC back to a place of growth. Dave said he will continue to support the work of the GCAC going forward, despite not being on the Board anymore.

**STATEMENT FROM THE MAYOR:** Margaret Quirk shared that it was nice to be back to experiencing in-person interaction with others in the community. She commented that we have lots of talent here in Georgina to showcase, and it is nice to be able to focus on the work that our local artists create. Margaret wished Jeanne Faria well in her position as Executive Director.

Bill Major responded that the ongoing support we receive from the Town of Georgina is VITAL to our success as an Arts and Culture Centre.

**MESSAGE FROM THE EXECUTIVE DIRECTOR:** Jeanne Faria said that the first thing she did as E.D. was to take the pulse of what was happening in our community. She organized a “round table” discussion to determine what’s working and what’s not working. She has been searching out new and emerging local artists, and there has been a great response to their work.

There is a new Artist-in-Residence program beginning at the GCAC, and Andrea MacLeod has been chosen as the first artist to fulfill that role. A new Guest Curator program has also been initiated and a gentleman will be acting as our first guest curator very soon. A variety of voices are being presented. We are using local talent to facilitate cultural programming. A positive letter was read from a participant in the witchcraft programming that was offered recently, and she wrote that she was very happy about the experience she had here. Several members have expressed appreciation for creating an inclusive atmosphere at the GCAC, and local artist Theresa Cooney, who exhibited some of her artwork at the Centre earlier this year, said she feels at home here, and was grateful for the welcome she received.

**FINANCIAL REPORT:**

- a) **Financial Statement Highlights:** Meaghan McKinzey reported that the Board was able to capitalize on various supports to help us maintain staff throughout the Covid pandemic. We were able to keep staff employed to help focus on other priorities. We received donations through Canada Helps and from Magna in 2020, and an Ontario Small Business Grant and a Trillium Grant in 2021. We were able to realize *some* retail sales in 2021. Without this kind of support, it would have been a more difficult

year financially. We were very fortunate to get government assistance to help us through these challenging pandemic years.

**b) Presentation of Audited Financial Statements for the year ended December 31, 2021:**

Meaghan introduced Amanda De Rudder, the auditor from the firm Ascend, LLP based in Calgary, who gave the Auditors' Report to us over a virtual connection, appearing to the membership via a large screen. There were no questions from the floor regarding the Auditor's Report, which was accepted by the membership. Meaghan thanked Amanda for joining us virtually for the AGM.

Meaghan informed the membership that we need \$220,000. annually to run the GCAC, and the Town provides us with a grant for half of that (\$110,000.), so we need to bring in an additional \$110,000. on a yearly basis to keep operating.

**c) Appointment of Auditors:** Meaghan made the motion to delay the appointment of an auditor for next year, to give us some time to search for some other firms to tender, with a particular emphasis on looking locally for an auditor who can offer a more reasonable fee for service, since Ascend, LLP in Calgary have just raised their fees quite a bit. Tom Zsolt seconded the motion. Motion Carried.

**GOVERNANCE BOARD: Presentation and acceptance of revised/updated By-Laws**

Linda Lyons explained that in 2022, we began working to update the by-laws which had not been revised since 2016. The by-laws now reflect current terminology, and have been made easier to read. The by-laws are a living document, and lawyer Iain Donnell has approved these changes and has agreed that we are in compliance. Widit McLean asked if the clause pertaining to "a member must be in good standing 3 months prior to the AGM in order to be able to vote" represents a change in the by-laws? The answer is "yes". Tom Zsolt moved that we accept the by-law revisions as presented. Seconded by Widit McLean. Motion Carried.

**Announcements – Introduction of New Board Members:** Outgoing Board Chair Bill Major introduced Linda Lyons as a recent addition to the board, and our new Chair of the Board of Directors. Linda stated that she is committed to this Board and its success. Linda has 30 yrs. of leadership experience at IBM, has been a Gala Chair, and on the Executive of the non-profit organization ACT-CO (Association of Community Theatres – Central Ontario) where she has gained much experience driving Arts and Culture, and fundraising. Linda's family has vacationed in Georgina during the summer months for many years, as a result of their involvement with the Salvation Army. She and her family currently reside in Whitby.

Bill also introduced Brian Gibbs as our new Vice Chair. Brian's background is in documentary film, theatre for kids and adults, and in music and dance. He enthusiastically supports change, and is relying on our members and volunteers to help make the GCAC the hub of a thriving artistic community.



Bill recommended two new prospective board members to the membership for their approval:

- 1) Tom Zsolt – an engineer, businessman, and photographer who graduated from Western University 40 years ago. His wife Jennifer is a painter.
  
- 2) Dennison Harcharan – has worked in government agencies, and in the oil and gas industry. He has agreed to take on the role of Treasurer. Originally from Trinidad, he and his family moved to Georgina in April 2022.

Widit McLean moved to approve the appointments of Tom Zsolt and Dennison Harcharan to the GCAC Board of Directors; Seconded by Sheila Dobson.  
Motion Carried.

**MEMBERSHIP – Lifetime Members:**

Executive Director Jeanne Faria appointed two new lifetime members to the GCAC. Receiving lifetime memberships were **Bill Major** for his outstanding dedication to the community of Georgina and to this Arts and Culture Centre; and **Anita David** for her tireless work over the past six years spent sustaining and strengthening this artistic community. Both Bill and Anita have been extremely generous with their time and have worked very hard as an extraordinary team to help rebuild the GCAC. They have been incredibly supportive and passionate about securing a place for the Arts to thrive in Georgina for generations to come.

**Volunteer Recognition:** Lynda Quirino, Volunteer Co-ordinator, recognized Bette Banks and Marion Reidner as outstanding volunteers at the GCAC, and the Board and membership expressed their gratitude to Bette and Marion for the many hours they have dedicated to assisting with various events and activities. They responded by saying it was nice to be appreciated and made to feel that they have a special place at the GCAC.

**CLOSING REMARKS:** In reflecting on the impact the GCAC has had through the years on this community, Bill Major shared a story about a young woman he met during the PRIDE celebrations this past June. She revealed that she got her creative inspiration here at the Centre when she was just 4 years old, and is now a student at the Ontario College of Art and Design. It is stories like these that remind us of the importance of our work here at the GCAC and the difference it can make in the lives of others, and in the culture of our community.

Tom Zsolt made the Motion to Adjourn the Annual General Meeting at 8:28 p.m.

**Schedule A –**

**Audited Financial Statements**

**Year end 2022**

**Georgina Arts Council  
(Georgina Centre for Arts & Culture)**

**Financial Statements**

**December 31, 2022**



## **Independent Auditor's Report**

To the Board of Directors of

### **Georgina Arts Council**

#### **Qualified Opinion**

We have audited the financial statements of Georgina Arts Council (Georgina Centre for Arts & Culture) (the "Organization), which comprise the statement of financial position as at **December 31, 2022**, the statements of operations, changes in net assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### **Basis for Qualified Opinion**

In common with many not-for-profit organizations, the Organization derives revenue from donations, 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. Therefore, we were not able to determine whether any adjustments might be necessary to the donation and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2022 and 2021, current assets as at December 31, 2022 and 2021, and net assets as at January 1 and December 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended December 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

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 the Organization 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 qualified opinion.

#### **Emphasis of Matter**

Without qualifying our opinion, we draw attention to note 11 in the financial statements, which indicate that the Organization is economically dependent on revenue received from government funding without which the Organization would not be able to discharge its liabilities. Our opinion has not been modified in respect to this matter.

#### **Other Matter**

The financial statements of the Organization for the year ended December 31, 2021 were audited by another auditor who expressed a qualified opinion on those statements on May 30, 2022.

# **Georgina Arts Council**

## **(Georgina Centre for Arts & Culture)**

### **Independent Auditor's Report**

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#### **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 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 judgment 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 the 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.

**Georgina Arts Council  
(Georgina Centre for Arts & Culture)**

**Independent Auditor's Report**

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- 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.

*Clarkson Rouble LLP*

**Mississauga, Ontario  
June 12, 2023**

**Clarkson Rouble LLP  
Chartered Professional Accountants  
Licensed Public Accountants**

**Georgina Arts Council**  
**(Georgina Centre for Arts & Culture)**

**Statement of Financial Position**  
**As at December 31**

	2022	2021
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 146,423	\$ 82,020
Guaranteed investment certificates	40,710	40,204
Canada Emergency Wage Subsidy receivable	-	6,457
Inventory	476	408
Deposits and prepaid expenses	528	5,865
HST receivable	3,161	3,234
	191,298	138,188
<b>Capital assets (Note 2)</b>	42,991	34,149
<b>Art collection (Note 3)</b>	1,379,004	1,379,004
	<b>\$ 1,613,293</b>	<b>\$ 1,551,341</b>

**Liabilities**

<b>Current</b>		
CEBA loan (Note 11)	\$ 40,000	\$ 40,000
Accounts payable and accrued liabilities	19,327	17,819
Deferred revenue (Note 4)	90,000	28,265
Current portion of long-term debt (Note 5)	6,454	6,365
	155,781	92,449
<b>Long-term debt (Note 5)</b>	20,519	26,425
	176,300	118,874

**Net Assets**

<b>General Fund</b>	14,998	19,314
<b>Capital Fund</b>	1,421,995	1,413,153
	1,436,993	1,432,467
	<b>\$ 1,613,293</b>	<b>\$ 1,551,341</b>

*See accompanying notes to financial statements*

**On behalf of the Board:**

\_\_\_\_\_  
Director Director

**Georgina Arts Council**  
**(Georgina Centre for Arts & Culture)**

**Statement of Revenue and Expenses**  
**Year Ended December 31**

	<b>2022</b>	<b>2021</b>
<b>Revenue</b>		
Grants (Note 6)	\$ 161,765	\$ 158,865
Gallery	15,208	13,768
Events and other programming	11,124	-
Classes and camp fees	5,491	25,970
Donations	2,395	6,720
Memberships	680	1,245
Room rental	-	510
Interest	506	204
	<u>197,169</u>	<u>207,282</u>
<b>Expenses</b>		
Salaries and wages	107,245	119,988
Office and general	13,933	16,970
Professional fees	12,080	9,360
Insurance	9,283	9,425
Gallery commissions and expenses	9,201	8,938
Utilities	8,103	6,246
Materials and event expenses	5,912	2,704
Repairs and maintenance	5,519	8,115
Program expenses	5,411	5,617
Amortization	4,666	2,107
Interest and bank charges	4,606	2,707
Telephone	3,633	3,625
Advertising and promotion	3,051	18,830
	<u>192,643</u>	<u>214,632</u>
<b>Other Income</b>		
Canadian Emergency Wage Subsidy (Note 11)	-	28,940
Forgiveness of long-term debt (Note 11)	-	20,000
	<u>-</u>	<u>48,940</u>
<b>Excess of revenue over expenses</b>	<b>\$ 4,526</b>	<b>\$ 41,590</b>

*See accompanying notes to financial statements*



**Georgina Arts Council**  
**(Georgina Centre for Arts & Culture)**

**Statement of Changes in Net Assets**  
**Year Ended December 31**

	<b>Capital Fund</b>	<b>General Fund</b>	<b>2022 Total Net Assets</b>
Balance, beginning of year	\$1,413,153	\$ 19,314	\$1,432,467
Excess of revenue over expenses	(4,666)	9,192	4,526
Purchase of tangible capital assets	13,508	(13,508)	-
<b>Balance, end of year</b>	<b>\$1,421,995</b>	<b>\$ 14,998</b>	<b>\$1,436,993</b>

	<b>Capital Fund</b>	<b>General Fund</b>	<b>2021 Total Net Assets</b>
Balance, beginning of year	\$1,413,873	\$ (22,996)	\$1,390,877
Excess of revenue over expenses	(2,107)	43,697	41,590
Purchase of tangible capital assets	1,387	(1,387)	-
<b>Balance, end of year</b>	<b>\$1,413,153</b>	<b>\$ 19,314</b>	<b>\$1,432,467</b>

*See accompanying notes to financial statements*

**Georgina Arts Council**  
**(Georgina Centre for Arts & Culture)**

**Statement of Cash Flows**  
**Year Ended December 31**

	2022	2021
<b>Operating activities</b>		
Excess of revenue over expenses	\$ 4,526	\$ 41,590
Items not requiring an outlay of cash		
Amortization of capital assets	4,666	2,107
Forgiveness of long-term debt (Note 11)	-	(20,000)
	9,192	23,697
Cash generated from (used for)		
Operating working capital		
Canada Emergency Wage Subsidy receivable	6,457	(4,655)
Inventory	(68)	(236)
Prepaid expenses	5,337	(4,606)
HST receivable	73	794
Accounts payable and accrued expenses	1,508	4,820
Deferred revenue	61,735	5,265
<b>Increase from operating activities</b>	84,234	25,079
<b>Investing activity</b>		
Net purchase of capital assets	(13,508)	(1,387)
Purchase of guaranteed investment certificates	(506)	(40,204)
<b>Decrease from investing activity</b>	(14,014)	(41,591)
<b>Financing activities</b>		
CEBA loan	-	60,000
Repayment of long-term debt	(5,817)	(6,618)
<b>(Decrease) increase from financing activities</b>	(5,817)	53,382
<b>Increase in cash</b>	64,403	36,870
<b>Cash, beginning of year</b>	82,020	45,150
<b>Cash, end of year</b>	\$ 146,423	\$ 82,020

*See accompanying notes to financial statements*

# **Georgina Arts Council**

## **(Georgina Centre for Arts & Culture)**

### **Notes to Financial Statements**

#### **December 31, 2022**

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Georgina Arts Council (the "Organization"), operating as Georgina Centre for Arts & Culture, is a not-for-profit organization incorporated provincially under the Not-for-profit Corporations Act of Ontario by letters patent and without share capital on May 4, 1999. As a registered charity, the Organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The objectives for which the Organization was incorporated are:

- (a) promoting interest in arts and crafts;
- (b) establishing and granting prizes, awards and distinctions;
- (c) promoting lectures, classes and seminars in arts and crafts and related activities;
- (d) providing facilities for instruction in arts and crafts;
- (e) developing and fostering community spirit; and
- (f) such other complementary purposes not inconsistent with these objectives

### **1. Summary of significant accounting policies**

These financial statements have been prepared in accordance with the accounting standards for not-for-profit organizations.

#### **a) Fund accounting**

The Organization follows the restricted fund method of accounting.

The General Fund accounts for all resources over which the board of directors has discretionary control to use in carrying on the day-to-day operations of the Organization.

The Capital Fund reports the net book value of the tangible capital assets and the appraised value of the art collection and the debt associated with their purchase if applicable. Uses of operating funds for acquisition of tangible capital assets and principal debt service payments are accounted for as an allocation to the Capital Fund.

#### **b) Cash**

Cash consists of balances with financial institutions

#### **c) Short term investments**

Short-term investments consists of a short-term guaranteed investment certificate bearing interest of 4.5%. The guaranteed investment certificate is recorded at fair market value and matures within one year.

#### **d) Inventory**

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. Inventory consists of Indigenous retail items.

**Georgina Arts Council  
(Georgina Centre for Arts & Culture)**

**Notes to Financial Statements  
December 31, 2022**

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**e) Capital assets**

Capital assets are recorded at cost. The Organization amortizes its capital assets using the declining balance method at rates designed to amortize the cost of the capital assets over their estimated future lives. The annual amortization rates are as follows:

Building improvements	- 4%
Furniture and fixtures	- 20%
Piano	- 0%
Camera	- 20%
Computer equipment	- 45% and 55%
CCTV security	- 20%
Database	- 100%

The Organization regularly reviews its tangible capital assets to eliminate obsolete items. Government grants for assets are recorded as revenue in the year received.

Tangible capital assets acquired during the year but not available for use are not amortized until they are placed into use.

Amortization is recognized beginning in the month the property and equipment is available for use until the asset is disposed of or use is discontinued.

**f) Impairment of long-lived assets**

A long lived asset is tested for impairment whenever events or changes in circumstances indicated that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value. There were no indicators of impairment in the current or prior year.

**g) Donated Materials and Services**

Donated capital and investments are recorded in the financial statements at fair value on the date of the donation. Donated materials and services are not recorded because the fair market value is not readily determinable. With the exception of volunteer time, such material and services are not significant.

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**Notes to Financial Statements  
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**1. Summary of significant accounting policies (continued)**

**h) Revenue recognition**

The Organization follows the restricted fund method of accounting for contributions.

Restricted contributions related to the purchase of tangible capital assets and artwork are recognized in the Capital Fund in the year received. Restricted contributions for which no appropriate fund exists are deferred and recognized as revenue of the General Fund in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

**i) Financial instruments**

*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, except for short term investments, which are 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.

Financial assets measured at fair value include short term investments. Equity instruments that are quoted in an active market are measured at fair value. The Organization has elected to carry guaranteed investment certificates at fair value.

The Organization does not have any financial liabilities measured at fair value and has not elected to recognize any financial liabilities at fair value.

*Transaction costs*

The Organization recognizes its transaction costs in net income in the period incurred except for financial instruments that will not be subsequently measured at fair value. The carrying amounts of these instruments are adjusted by the transaction costs that are directly attributable to their issuance.

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**1. Summary of significant accounting policies (continued)**

**j) Measurement uncertainty**

The preparation of the Organization's financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimated life of capital assets, valuation of accrued liabilities, deferred contributions and Art Collections are the most significant items that involve use of estimates.

**2. Capital assets**

	2022			2021	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	
Building improvements	\$ 95,081	\$ 75,910	\$ 19,171	\$ 19,969	
Furniture and fixtures	13,010	8,032	4,978	4,393	
Piano	9,200	-	9,200	9,200	
Camera	740	740	-	72	
Computer equipment	23,780	14,138	9,642	174	
CCTV security	5,511	5,511	-	341	
	<b>\$ 147,322</b>	<b>\$ 104,331</b>	<b>\$ 42,991</b>	<b>\$ 34,149</b>	

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**3. Art collection**

As Artwork is prone to appreciating in value, no depreciation has been taken. Note that artwork has been recorded at its appraised value when donated as a gift in kind.

	<b>2022</b>	<b>2021</b>
Purchased art	\$ 356,532	\$ 356,532
Donated art:		
Paintings from Smith and Chiarandini	358,700	358,700
Sky Spirit painting	200,000	200,000
104 stonecut prints and 21 woodcut prints by Stanley Lewis	98,200	98,200
Paintings	46,500	46,500
Stanley Lewis paintings	24,000	24,000
Strength, Nobility and Power painting	23,000	23,000
Mother and Child painting	22,000	22,000
21 photographs by Tom Zsolt	20,450	20,450
Norval Morrisseau paintings	20,000	20,000
Whale Bone carving of Inuk	20,000	20,000
32 art prints by Tom Zsolt	18,100	18,100
Cycles art collection	18,000	18,000
Paintings	16,252	16,252
Red cedar transformation mask of Sea Eagle	16,000	16,000
Marcel Bellerive paintings	14,200	14,200
Wolf family totem pole	12,500	12,500
Marcel Bellerive paintings	11,100	11,100
Stanley Lewis paintings	10,000	10,000
Cedar thunderbird mask	9,000	9,000
Painted cedar portrait of Indian Man	8,500	8,500
Bronze Maquette for Universal Man Sculpture	8,000	8,000
Argillte Dogfish Woman frontlet	8,000	8,000
10 photographs by Tom Zsolt	7,600	7,600
Steatite caving of Raven Looking at the Moon	6,000	6,000
York Wilson Paintings	5,045	5,045
Painted Wood Spirit mask	4,000	4,000
Kay Murray-Weber collection	3,200	3,200
Sylvia Singer paintings	3,000	3,000
Soapstone carving of a Man and two Seals	2,400	2,400
Soapstone carving of Shaman Spirit	2,300	2,300
Soapstone carving of Mother and Child	2,000	2,000
Viking warrior statue	1,600	1,600
Copper mask	1,400	1,400
Cedar Old Woman portrail mask	1,000	1,000
Cedar masks	425	425
	<b>\$ 1,379,004</b>	<b>\$1,379,004</b>

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**Notes to Financial Statements**  
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**4. Deferred revenue**

Deferred revenue consists of contributions and grants received for a specific purpose that have not been spent at year end.

	<b>2022</b>	<b>2021</b>
Central Counties Tourism grant	\$ 90,000	\$ -
Trillium funds	-	27,235
Other	-	1,030
	<u>\$ 90,000</u>	<u>\$ 28,265</u>

**5. Long-term debt**

	<b>2022</b>	<b>2021</b>
Town of Georgina loan, bearing interest at 1.5%, repayable in blended monthly installments of \$568, due December 2026, secured by specified artwork with a net book value of \$64,400.	\$ 26,973	\$ 32,790
Less: current portion	6,454	6,365
	<u>\$ 20,519</u>	<u>\$ 26,425</u>

Scheduled debt repayments to the maturity date are as follows:

2023	\$ 6,454
2024	6,552
2025	6,650
2026	6,750
2027	567
	<u>\$ 26,973</u>



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**6. Grants**

	<b>2022</b>	<b>2021</b>
Grant revenue		
Town of Georgina	\$ 110,000	\$ 110,000
Ontario Small Business grant	20,000	20,000
Ontario Trillium	31,765	28,865
	<hr/> \$ 161,765	<hr/> \$ 158,865

**7. Economic Dependence**

The Organization receives 55% (2021 - 43%) of its revenue through a funding agreement with the Town of Georgina. The Organization's continued operations are dependent on this funding agreement and on satisfying the terms of the agreement. It is management's opinion that the Organization would need to obtain other funding to maintain operations if this source was no longer available.

**8. Financial instruments risk exposure**

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations at the balance sheet date.

***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 arising primarily from its long term debt obligations. The Organization's ability to meet obligations is dependent on the receipt of funds from its donors, fees, as well as other related sources of revenue. The Organization mitigates this risk by continuously monitoring actual daily cash flows and longer term cash forecasted cash flows and monitoring maturity profiles of financial assets and liabilities. The Organization has not had issues with meeting obligations in the past.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant credit risk or market risk arising from these financial instruments.

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**9. Commitments**

The Organization entered into an agreement on January 1, 2016 with the Town of Georgina. The Town of Georgina will provide the Organization the building to operate out of and the Organization will:

- Provide art programming on behalf of the town;
- Maintain a registered charity status;
- Provide annual schedule exhibitions, events, programs, outreach activities and educational activities that contribute to achieving specific goals;
- The Organization shall continue to develop and maintain effective partnerships with local and regional arts organizations and professionals, local businesses, and community organizations to continue to deliver a diverse range of arts programming;
- The Organization will continue to be committed to providing, as a public use, the opportunity for all to participate in arts programming that are both accessible and affordable;
- The Organization shall operate in a fiscally responsible manner and maintain fiscal and operational stability of the Organization

The contract expires December 31, 2026.

**10. Contingent Liabilities**

For the purpose of the accompanying financial statements, contingent liabilities have been evaluated by management.

The Organization obtained a Canada Emergency Business Account (CEBA) loan (Note 11) in the amount of \$60,000. The loan has a forgivable amount up to \$20,000. As a result, \$20,000 was recognized in income in the prior year. If the Organization defaults on the requirements to pay the remaining balance by December 31, 2023, the amount of \$20,000 will be added to the loan balance and will become part of the two year term loan bearing interest at 5%.

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**11. COVID-19 and Government assistance related to COVID-19**

On March 11, 2020, the World Health Organization declared an outbreak of a novel coronavirus (COVID-19) as a global pandemic, which has led to a significant impact on the Canadian and global economies. The Organization was closed to the public from March 2020 to late September 2020 and then from September 2020 to June 2021. The Organization was able to reopen in June of 2021 with limited hours of operation and capacity limits. In January 2022 the Province ordered numerous business closures and the Organization was opened to the public May 21, 2022. As the Organization operates within a Town of Georgina building, it took direction from the Town in closing down to limit the spread of the virus. The full impact of the Covid-19 outbreak continues to evolve at the date of this report. An estimate of the financial effect on the organization cannot be made at this time.

The Organization applied for and received Government assistance related to the COVID-19 pandemic under the Canada Emergency Wage Subsidy (CEWS) program. The CEWS program provides varying wage subsidy rates based on government outlined subsidy periods commencing March 15, 2020. For the fiscal year ended December 31, 2022, the organization was eligible for \$Nil (2022 - \$28,940) in subsidies from the CEWS program which is recognized in the statement of operations.

The Organization also applied for and received a loan of \$60,000 under the Canada Emergency Business Account (CEBA) program. The loan is a non-interest bearing loan with no principal repayments and if the company repays at least \$40,000 of the principal amount prior to December 31, 2023, the remaining \$20,000 of the principal amount will be forgiven. If the CEBA loan is not repaid in full by December 31, 2023 interest will be charged and will accrue on the outstanding amount at a fixed rate of 5% calculated daily and compounded monthly with a maturity date of December 31, 2025. The Organization expects to repay the loan prior to December 31, 2023 and therefore recognized the forgivable amount of \$20,000 in the prior year in the Statement of Operations. The \$20,000 forgivable portion has been disclosed as a contingent liability in Note 10.

**12. Comparative amounts**

Certain of the prior year comparative amounts have been re-classified to conform to the current year's financial statement presentation.