MASS CULTURE CANADA

FINANCIAL STATEMENTS

MARCH 31, 2026

Rashidi LLP | CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Members of
Mass Culture Canada

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mass Culture Canada ("the organization"), which comprise the statement of financial position as at March 31, 2026, the statement of operations, the statement of changes in net assets, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Mass Culture Canada as at March 31, 2026, 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 for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' 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 opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing these 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.

Auditors' 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 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.

- 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 than 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.

Rashidi LLP

Richmond Hill, Ontario
June 30, 2026

Chartered Professional Accountants
Licensed Public Accountants

MASS CULTURE CANADA

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2026

ASSETS

	2026	2025
Current		
Cash	$ 995,494	$ 994,756
Accounts receivable	44,191	-
Grants receivable	1,434	-
HST recoverable	10,128	6,424
Prepaid expenses	145	150
	$ 1,051,392	**$ 1,001,330**

LIABILITIES AND NET ASSETS

Current		
Accounts payable and accrued liabilities	$ 25,116	$ 4,661
Payroll source deductions payable	6,409	5,765
Funds held in trust (Note 6)	5,320	-
Deferred grants (Note 2)	397,500	459,980
Deferred revenue	226,772	233,933
	661,117	704,339
Net assets	390,275	296,991
	$ 1,051,392	**$ 1,001,330**

Approved By The Board:

Director ***Director***

(The accompanying notes are an integral part of these financial statements)

MASS CULTURE CANADA

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2026

	2026	2025
Revenue		
Programs and services	$ 156,933	$ 136,713
Public sector funding (Note 3)	138,685	227,517
Private sector funding	134,493	144,900
Research and partnerships	96,974	49,103
Interest and other income	22,127	24,308
	549,212	582,541
Expenses		
Salaries and benefits	276,594	196,092
Programs and services	152,373	201,856
Professional fees	10,087	11,063
Marketing and fundraising	9,241	27,794
Administrative expenses	7,633	6,665
	455,928	443,470
Excess of revenue over expenses	**$ 93,284**	**$ 139,071**

(The accompanying notes are an integral part of these financial statements)

MASS CULTURE CANADA

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2026

	Unrestricted	Management Contingency (Note 1g)	Strategic Engagement & Research (Note 1g)	2026	2025
Balance, beginning of year	$ 58,991	$ 138,000	$ 100,000	$ 296,991	$ 157,920
Excess (deficiency) of revenue over expenses	93,284	-	-	93,284	139,071
Interfund Transfers (Note 1g)	(55,000)	55,000	-	-	-
Balance, end of year	**$ 97,275**	**$ 193,000**	**$ 100,000**	**$ 390,275**	**$ 296,991**

(The accompanying notes are an integral part of these financial statements)

MASS CULTURE CANADA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2026

	2026	2025
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses	$ 93,284	$ 139,071
Changes in non-cash working capital items		
Accounts receivable	(44,191)	-
Grants receivable	(1,434)	-
HST recoverable	(3,704)	5,485
Prepaid expenses	5	342
Accounts payable and accrued liabilities	20,455	(1,830)
Payroll source deductions payable	644	(1,654)
Funds held in trust (Note 6)	5,320	-
Deferred grants (Note 2)	(62,480)	203,200
Deferred revenue	(7,161)	22,990
	(92,546)	228,533
Increase (decrease) in cash during the year	738	367,604
Cash, beginning of the year	994,756	627,152
Cash, end of the year	**$ 995,494**	**$ 994,756**

(The accompanying notes are an integral part of these financial statements)

MASS CULTURE CANADA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2026

PURPOSE OF THE ORGANIZATION:

Mass Culture Canada ("the organization") was incorporated on October 10, 2018 without share capital under the Canada Not-for-profit Corporations Act and commenced operations on September 10, 2019. The organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada). The organization's charitable number is 118830371 RR0001.

The organization is committed to ensuring all communities have the ability to mobilize and benefit from arts and culture research.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The organization's significant accounting policies are as follows:

a) Revenue recognition

The Organization uses the deferral method in accounting for contributions which include donations, grants and other contributions.

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.

Project grants and contributions are recognized as revenue in the year in which the related expenses are incurred. Grants approved but not received at the end of an accounting period are accrued. Where a portion of the grant relates to a future period, it is deferred and recognized in that subsequent period.

All other income including membership fees and recovery of costs are recognized as revenue when earned and the related services are provided.

b) Expense recognition

Expenses are recognized on the accrual basis.

c) Financial instruments

The organization initially records all financial instruments at fair market value, and subsequently records them at amortized cost.

1. SIGNIFICANT ACCOUNTING POLICIES: (Continued)

c) Financial instruments (Continued)

The organization's financial instruments consist of cash, short term investments, accounts receivable, accounts payable and accrued liabilities.

d) Use of 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 disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reported

Significant items subject to such estimates and assumptions include year-end accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

e) Contributed services

The Organization derives benefit from members acting as volunteers and directors. Since these services are not normally purchased by the Organization and because of the difficulty in determining the fair value, donated services are not recognized in the financial statements. Contributed goods are also not recognized in these financial statements.

f) Income taxes

The organization is a not-for-profit organization under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

g) Internally restricted net assets:

The Organization has internally restricted net assets to be used for specific purposes. These funds are not available for operations without approval of the Board. The internally restricted reserve funds are as follows:

Management contingency reserve

The management contingency reserve fund is designated to provide for extraordinary expenses that exceed or fall outside of the Organization's operating budget or to fund the Organization's obligations in extreme circumstances as determined and approved by the Board. The minimum amount of $93,000 or such other amount as may be determined by the Board shall be maintained in this fund. During the fiscal year, the Board approved a reserve fund transfer of $55,000 (2025 - $45,000) from the unrestricted to the management contingency reserve fund.

1. SIGNIFICANT ACCOUNTING POLICIES: (Continued)

g) Internally restricted net assets: (Continued)

Strategic Engagement and Research Reserve

The Strategic Engagement & Research Reserve was created in fiscal 2025 and is designated to provide medium-term sustainability of the Organization's mission by ensuring resources are available to support a variety of activities that have immediate impact and are outside of its operational capacity. The Strategic Engagement & Research Reserve is an internally restricted reserve of the Board which aims to address the data and research needs and opportunities of the arts and culture sector. The minimum amount of $100,000 or such other amount as may be determined by the Board shall be maintained in this fund. During fiscal 2025, the Board approved a transfer of $100,000 from unrestricted net assets to the Strategic Engagement & Research Reserve Fund. No transfers to or from the reserve fund were approved during fiscal 2026.

2. DEFERRED GRANTS:

The balance of deferred grants is comprised as follows:

	2026	2025
Canada Council - Project	$ 348,700	$ 397,500
Canadian Conference for the Arts	48,800	-
Ontario Trillium Foundation - Project	-	62,480
	$ 397,500	**$ 459,980**

Continuity of deferred grants for the year is as follows:

	2026	2025
Deferred contributions, beginning of year	$ 459,980	$ 256,780
Add: cash received from contributions	76,205	430,717
Less: contribution revenue recognized	(138,685)	(227,517)
Deferred contributions, end of year	**$ 397,500**	**$ 459,980**

3. PUBLIC SECTOR FUNDING:

	2026	2025
Canada Council - Project	$ 95,000	$ 85,500
Canada Summer Jobs	23,685	5,017
Ontario Arts Council - Project	20,000	-
Canadian Heritage	-	130,000
Cultural Human Resources Council - Project	-	7,000
	$ 138,685	**$ 227,517**

4. CAPITAL MANAGEMENT AND ECONOMIC DEPENDENCE:

The Organization includes cash, accounts receivable, accounts payable and accrued charges, deferred grants and net assets in its capital management consideration. The Organization's objectives when managing capital are to safeguard its ability to continue as a going concern and continue to execute its mandate.

The Organization monitors these items to assess its ability to fulfil its ongoing financial obligations. The Organization relies primarily on project grants to fund its operations and makes adjustments to its budgeted expenditures in light of changes. The Organization is not subject to externally imposed capital requirements.

The Organization is dependent on grants and contribution revenues for continued operations.

5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT:

a) Interest Rate Risk

Interest rate risk is the risk of potential financial loss caused by fluctuations in fair value of future cash flow of financial instruments due to changes in market interest rates.

b) Credit Risk

Credit risk is the potential for financial loss should a counter-party in a transaction fail to meet its obligations. Due to the nature of the contributions and general operations, the Organization does not face any significant concentration of credit risk.

5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT: (Continued)

c) Liquidity Risk (Continued)

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization manages this risk by preparing and monitoring detailed forecasts of cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.

The organization’s financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is management’s opinion that the organization is not exposed to significant interest, credit or liquidity risks. The fair value of these financial instruments approximates their carrying values.

The extent of the organization's exposure to the above risks did not change during 2026.

6. FUNDS HELD IN TRUST:

During the year, the Organization acted as charitable trustee and administrator for the Public Imagination Network ("PIN") in connection with a project funded by the Metcalf Foundation. Under the terms of the arrangement, the Organization received and administered funding on behalf of PIN and disbursed funds in accordance with the approved project budget. As at March 31, 2026, funds held in trust totaling $5,320 (2025 - $NIL) remained available for future project activities and are not available for the Organization's general operating purposes.

7. RECLASSIFICATION OF COMPARATIVE FIGURES:

Certain comparative figures have been reclassified to conform with the current year's presentation.