

**SWEETWATER MUSIC FESTIVAL**

**FINANCIAL STATEMENTS**

**AS AT NOVEMBER 30, 2017**

**SWEETWATER MUSIC FESTIVAL**

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**AS AT NOVEMBER 30, 2017**

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**King & Associates LLP**  
Chartered Professional Accountants

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## REVIEW ENGAGEMENT REPORT

**To the Members of  
Sweetwater Music Festival**

We have reviewed the statement of financial position of Sweetwater Music Festival as at November 30, 2017 and the statements of operations and changes in fund balances and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the organization.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Owen Sound, Ontario  
March 14, 2018

Chartered Professional Accountants  
Licensed Public Accountants

# SWEETWATER MUSIC FESTIVAL

## STATEMENT OF FINANCIAL POSITION

AS AT NOVEMBER 30, 2017

	2017 \$	2016 \$
<u>ASSETS</u>		
CURRENT		
Cash	9,560	5,275
Investments	1	1
Accounts receivable	1,276	-
Government receivable	2,292	381
Prepaid expense	1,359	1,359
	<u>14,488</u>	<u>7,016</u>
<u>LIABILITIES</u>		
CURRENT		
Government remittances	-	104
Accrued charges	2,500	4,500
Deferred contribution	-	1,500
	<u>2,500</u>	<u>6,104</u>
<u>NET ASSETS</u>		
INTERNALLY RESTRICTED - J. MEDLEY MEMORIAL FUNDS	1,400	1,400
UNRESTRICTED	<u>10,588</u>	<u>(488)</u>
	<u>11,988</u>	<u>912</u>
	<u>14,488</u>	<u>7,016</u>

Approved:

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Director

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Director

# **SWEETWATER MUSIC FESTIVAL**

## **STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES**

**FOR THE YEAR ENDED NOVEMBER 30, 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>REVENUE</b>		
Donations	31,512	28,529
Grants	32,976	32,723
Ticket sales	27,044	16,590
Program advertising	2,485	3,013
Miscellaneous	-	40
Interest income	2	4
Fundraising	8,750	7,471
	<u>102,769</u>	<u>88,370</u>
<b>EXPENDITURES</b>		
Administration	27,127	22,208
Amortization	-	221
Artist fees	43,026	39,739
Education	2,277	350
Fundraising	3,315	2,970
Marketing	8,471	7,977
Professional fees	1,549	2,000
Technical and production	5,928	3,901
Trillium	-	5,929
	<u>91,693</u>	<u>85,295</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>11,076</b>	<b>3,075</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>(488)</b>	<b>(3,563)</b>
<b>NET ASSETS, END OF YEAR</b>	<b><u>10,588</u></b>	<b><u>(488)</u></b>

# **SWEETWATER MUSIC FESTIVAL**

## **STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED NOVEMBER 30, 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures	11,076	3,075
Transactions not requiring a current cash payment :		
Amortization	-	221
Cash provided by operations	11,076	3,296
<b>Change in non-cash working capital items</b>		
(Increase) in accounts receivable	(1,276)	-
Decrease in prepaid expense	-	3,032
(Increase) decrease in government receivable	(1,911)	3,302
(Decrease) in government remittances	(104)	(889)
(Decrease) in accrued charges	(2,000)	(3,500)
(Decrease) in deferred contribution	(1,500)	(4,429)
<b>INCREASED CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>4,285</b>	<b>812</b>
<b>CASH POSITION, beginning of year</b>	<b>5,276</b>	<b>4,464</b>
<b>CASH POSITION, end of year</b>	<b>9,561</b>	<b>5,276</b>
<b>Cash position is comprised of:</b>		
Cash	9,560	5,275
Short term investments	1	1
	<b>9,561</b>	<b>5,276</b>

**SWEETWATER MUSIC FESTIVAL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT NOVEMBER 30, 2017**

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**1. PURPOSE OF THE ORGANIZATION**

The Sweetwater Music Festival (the "Festival"), is incorporated without share capital under the Corporations Act of Ontario. It provides and promotes high quality classical music through its annual concert and workshops held in Leith and Owen Sound, Ontario.

The Festival is a registered charity and, as such, is exempt from income tax and may issue official receipts for tax purposes.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Accounting**

The financial statements have been prepared using the Canadian accounting standards for not-for-profit organizations.

**(b) Financial Instruments**

The Festival's financial instruments consist of cash, investments, receivables, accrued charges, and government remittances. Financial instruments are recorded at fair value when acquired or issued and are subsequently reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate declines in values.

**(c) Revenue Recognition**

The Festival follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recorded as revenue when received. Endowment contributions are recognized as direct increase in net assets. Interest is recorded as earned.

Ticket sales and advertising revenues are recognized in the fiscal period when the related performance occurs provided the amount of revenue can be reasonably estimated and collection is reasonably assured. Fundraising revenue is included in revenue at the time the related event occurs.

**(d) Contributed Services**

Volunteers contribute services each year to assist the Festival in carrying out its activities. Contributed services are not recognized in the financial statements due to the difficulty in determining their fair value.

**(e) 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 amount 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 expenditures during the reporting period. Actual results could differ from these estimates as additional information becomes available in the future and adjustments, if any, are recorded as that information becomes known.

**SWEETWATER MUSIC FESTIVAL**  
**NOTES TO THE FINANCIAL STATEMENTS**

**AS AT NOVEMBER 30, 2017**

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**3. DEFERRED CONTRIBUTION**

During 2016 the Community Foundation Grey Bruce (CFGB) donated \$3,000 to provide outreach related to the Access Music Project. Half was used in 2016 and the other half was deferred to 2017.

The following shows the activity in this deferred contribution during 2017:

Opening balance	\$ 1,500
Advances	1,726
Expenditures	<u>(3,226)</u>
Closing balance	<u><u>-</u></u>

**4. FINANCIAL INSTRUMENTS**

The Festival is not exposed to interest rate, market, currency nor other price risks related to its financial instruments. It is, however, exposed to liquidity risk.

Liquidity risk is the risk that the Festival will encounter difficulty in meeting obligations associated with financial liabilities that arise mainly in respect to obligations incurred to operate the music festival. The Festival expects to meet these obligations as they come due by management of its working capital provided by government funding, ticket sales, donations and fundraising.