River & Sky Arts in the Woods

Financial Information

Year ended October 31, 2022

COMPILATION ENGAGEMENT REPORT

To: The management of
River & Sky Arts in the Woods

On the basis of information provided by management, we have compiled the statement of financial position of **River & Sky Arts in the Woods** as at **October 31, 2022**, the statement of operations for the year then ended, and note 1, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Freelandt Caldwell Reilly LLP

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September 27, 2023

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River & Sky Arts in the Woods
Statement of Financial Position
October 31, 2022 with comparative figures for 2021

	2022	2021
Assets		
Current		
Cash	$ 28,523	$ 41,198
Accounts receivable	85,955	54,849
Inventory	2,216	1,835
Prepaid expenses	3,351	3,069
	120,045	100,951
Equipment	5,150	6,744
	$ 125,195	$ 107,695
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities	$ 25,205	$ 22,780
Deferred revenue	28,125	36,575
Canadian Emergency Business Account (note 2)	40,000	40,000
	93,330	99,355
Net assets		
Unrestricted net assets	31,865	8,340
	$ 125,195	$ 107,695

River & Sky Arts in the Woods
Statement of Operations
Year ended October 31, 2022 with comparative figures for 2021

	2022	2021
Revenues		
Ticket sales	$ 118,481	$ 17,035
Ontario Trillium Fund	75,950	3,725
Northern Ontario Heritage Fund Corporation	60,209	15,000
Ontario Media Development Corporation	60,000	20,500
Other federal and provincial grants	27,425	11,667
Canada Heritage Grant	27,000	20,000
Funding and donations	16,800	1,202
Ontario Arts Council	15,477	15,477
In-kind goods and services	6,859	6,038
Membership dues	4,919	3,854
	413,120	114,498
Expenditures		
Salaries and related benefits	117,688	47,654
Production costs	99,960	51,372
Artist fees	65,375	34,614
Volunteer costs	37,350	146
Materials and supplies	19,136	4,512
Professional fees	16,843	6,343
Office and administration	11,275	5,751
Advertising and promotion	9,680	6,769
In-kind donation expense	6,859	6,038
Insurance	3,835	2,984
Amortization	1,594	2,156
	389,595	168,339
Excess (deficiency) of revenues over expenditures before undernoted items	23,525	(53,841)
Other income		
Canadian emergency business account - debt forgiveness	-	20,000
Government of Canada wage subsidy	-	12,650
	-	32,650
Excess (deficiency) of revenues over expenditures	$ 23,525	$ (21,191)

1. Basis of accounting

The basis of accounting applied in the preparation of the statement of financial position of River & Sky Arts in the Woods as at October 31, 2022 and the statement of operations for the year then ended is the historical cost basis and reflects cash transactions with the addition of the following:

- Accounts receivable
- Inventory, which is recorded at the lower of cost and net realizable value
- Prepaid expenses
- Equipment, which is amortized using the declining balance method at rates that are consistent with those used for income tax purposes, with one half year's amortization taken in the year of addition and no amortization taken in the year of disposal
- Accounts payable and accrued liabilities
- Deferred revenue, which represents amounts collected in excess of revenue recognized in the period
- Revenue for ticket sales is recognized when the event has occurred and the income is earned
- Revenue for grants and other contributions is recognized when stipulations under the agreements are performed and the revenue is ultimately earned

2. Canadian Emergency Business Account

River & Sky received a $60,000 on-demand loan from the Royal Bank of Canada in the form of the Canada Emergency Business loan ("CEBA"). $20,000 of this balance will be forgiven as long as the entity meets certain terms and conditions specified by the government of Canada. The $40,000 is required to be paid in full by December 31, 2023 in order to be eligible for partial loan forgiveness. The CEBA loans are subject to audit by the government with adjustments, if any, repayable to the government. In the event of non-compliance the full amount of the loan, including the forgivable portion, will be repayable.

Estimated principal repayments are as follows:

2023	$	40,000