

**River & Sky Arts in the Woods**

**Financial Statements  
(unaudited)**

**Year ended October 31, 2025**



## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To:

The Board of Directors of  
**River & Sky Arts In The Woods**

We have reviewed the accompanying financial statements of **River & Sky Arts in the Woods** that comprise the statement of financial position as at **October 31, 2025**, and the statements of operations, changes in unrestricted net assets (deficiency) 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 River & Sky Arts in the Woods as at October 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**FREELANDT CALDWELL REILLY LLP**

Chartered Professional Accountants

Licensed Public Accountants

Sudbury, Ontario

January 26, 2026

**River & Sky Arts in the Woods**  
**Statement of Financial Position**  
**October 31, 2025 with comparative figures for 2024**

**(unaudited)**

	2025	2024
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 43,200	\$ 15,588
Short-term investment	- -	1,500
Accounts receivable (note 3)	31,712	24,616
Inventory (note 4)	4,785	5,653
Prepaid expenses	3,316	5,267
	83,013	52,624
<b>Capital assets (note 5)</b>	<b>3,696</b>	<b>4,711</b>
	<b>\$ 86,709</b>	<b>\$ 57,335</b>
<b>Liabilities and net assets (deficiency)</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 6)	\$ 44,573	\$ 44,438
Deferred revenue	- -	2,383
Canada Emergency Business Account loan (note 7)	57,669	58,172
	102,242	104,993
<b>Net assets (deficiency)</b>		
<b>Unrestricted net assets (deficiency)</b>	<b>(15,533)</b>	<b>(47,658)</b>
	<b>\$ 86,709</b>	<b>\$ 57,335</b>

**River & Sky Arts in the Woods**  
**Statement of Operations**  
**Year ended October 31, 2025 with comparative figures for 2024**

**(unaudited)**

	2025	2024
<b>Revenues</b>		
Government funding (Schedule 1)	\$ 138,605	\$ 133,079
Ticket sales	133,341	129,626
In-kind goods and services	54,270	25,728
Sponsorships and donations	8,938	1,326
Merchandise sales	8,222	15,115
Vendor fees and sundry sales	8,111	1,770
Membership dues	6,265	7,175
	<hr/> 357,752	<hr/> 313,819
<b>Expenditures</b>		
Artist fees	92,206	78,885
Festival facility and operations	66,599	58,599
Festival leads	37,800	11,680
Technical production	32,215	30,240
Salaries and related benefits	29,510	76,072
Food costs	17,500	7,170
Professional fees	13,056	12,336
Advertising and promotion	12,196	12,000
Royalties	7,885	-
Insurance	4,676	4,676
Merchandise purchases (note 4)	4,397	13,924
Office and administration	3,826	4,912
Rent	2,100	7,200
Amortization	1,017	1,315
Interest and bank charges	626	5,073
Bad debts	200	2,000
Interest on long-term debt	-	2,144
	<hr/> 325,809	<hr/> 328,226
<b>Excess (deficiency) of revenues over expenditures before undernoted item</b>	<b>31,943</b>	<b>(14,407)</b>
<b>Other income</b>		
Interest	182	68
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ 32,125</b>	<b>\$ (14,339)</b>

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## River & Sky Arts in the Woods

### Statement of Changes in Unrestricted Net Assets (Deficiency)

Year ended October 31, 2025 with comparative figures for 2024

(unaudited)

	2025	2024
<b>Deficiency, beginning of year</b>	\$ (47,658)	\$ (33,319)
<b>Excess (deficiency) of revenues over expenditures</b>	<u>32,125</u>	<u>(14,339)</u>
<b>Unrestricted net deficiency, end of year</b>	<u><u>\$ (15,533)</u></u>	<u><u>\$ (47,658)</u></u>

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## River & Sky Arts in the Woods

### Cash Flows Statement

Year ended October 31, 2025 with comparative figures for 2024

(unaudited)

	2025	2024
<b>Cash flows from operating activities</b>		
Excess (deficiency) of revenues over expenditures	\$ 32,125	\$ (14,339)
Adjustment for non-cash item		
Amortization	1,017	1,315
	33,142	(13,024)
Change in non-cash working capital items		
Short-term investment	1,500	-
Accounts receivable	(7,096)	44,697
Inventory	868	395
Prepaid expenses	1,951	(1,820)
Accounts payable and accrued liabilities	133	(22,260)
Deferred revenue	(2,383)	2,383
	28,115	10,371
<b>Cash flows from financing activities</b>		
Repayment of long-term debt	(503)	(1,828)
	(503)	(1,828)
<b>Increase in cash</b>	27,612	8,543
<b>Cash, beginning of year</b>	15,588	7,045
<b>Cash, end of year</b>	\$ 43,200	\$ 15,588

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# River & Sky Arts in the Woods

## Notes to the Financial Statements

Year ended October 31, 2025 with comparative figures for 2024

**(unaudited)**

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### 1. Nature of operations

River & Sky Arts in the Woods (the organization) was incorporated under the laws of the province of Ontario as a not-for-profit corporation without share capital.

The organization was established to host an outdoor camping festival focused on live music, visual arts and skill development workshops, as well as other outreach shows to support music and arts.

### 2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

#### (a) 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 derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in the statement of operations in the period they occur.

Financial assets measured at amortized cost include cash, short-term investments and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and long-term debt.

##### (ii) Impairment

Financial assets measured at other than fair value 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 the statement of operations. When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in the statement of operations, in the period it is identified and measurable, up to the amount of the previously recognized impairment.

#### (b) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the average cost method.

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# River & Sky Arts in the Woods

## Notes to the Financial Statements

Year ended October 31, 2025 with comparative figures for 2024

**(unaudited)**

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**2. Significant accounting policies, continued**

**(c) Capital assets**

Capital assets are recorded at cost. The organization provides for amortization using the declining balance method at rates designed to amortize the cost of the capital assets over their estimated useful lives. One half of the year's amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal. The annual amortization rates are as follows:

Furniture & fixtures	20%
Tents	30%
Equipment	20-50%
Automotive	30%

**(d) Impairment of long-lived assets**

A long-lived asset is tested for recoverability whenever events or changes in circumstances indicate 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. Any impairment results in a write-down of the asset and a charge to income during the year. An impairment loss is not reversed if the fair value of the related long-lived asset subsequently increases.

**(e) Government assistance**

Government and other grants related to capital assets are accounted for as deferred government assistance and amortized on the same basis as the related capital assets. Operating grants are accounted for as revenue when approved and receivable, in the period in which underlying expenditures are incurred.

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# River & Sky Arts in the Woods

## Notes to the Financial Statements

Year ended October 31, 2025 with comparative figures for 2024

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**(unaudited)**

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**2. Significant accounting policies, continued**

**(f) 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. Any unexpended portion of contributions for specific purposes are reflected as deferred contributions. 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.

Revenue from ticket sales and vendor fees are recognized when the event takes place, as this is when the organization has fulfilled its performance obligations. Ticket sales received in advance of the event are recorded as deferred revenue and recognized as revenue when the event occurs.

Revenue from merchandise and sundry sales are recognized at the point of sale when the risks and rewards of ownership have transferred to the buyer, which is typically when the product is delivered to the customer or at the time of purchase in the case of in-person sales.

The organization recognizes in-kind contributions of goods and services when their fair value can be reasonably estimated and they would otherwise have been purchased. Donated goods and services are recorded as revenue and an offsetting asset or expense at fair value upon receipt.

Membership dues are recognized as revenue when received, provided they are non-refundable and no significant related services are to be provided.

Sponsorships and donations are recognized as revenue when received.

**(g) Use of estimates**

The preparation of financial statements in conformity 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are estimate of allowance for doubtful accounts, net realizable value of inventory, useful lives of capital assets and fair market value of in-kind contributions.

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## River & Sky Arts in the Woods

### Notes to the Financial Statements

Year ended October 31, 2025 with comparative figures for 2024

**(unaudited)**

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**3. Accounts receivable**

	2025	2024
Ontario Media Development Fund	\$ 15,000	\$ 17,500
Northern Ontario Heritage Fund Corporation	15,000	-
Trade accounts receivables	1,311	3,317
HST receivable	401	3,117
Canada Summer Jobs	-	2,942
<u>Less : Allowance for doubtful account</u>	<u>-</u>	<u>(2,260)</u>
	<hr/>	<hr/>
	\$ 31,712	\$ 24,616
	<hr/>	<hr/>

**4. Inventory**

During the year, the amount of inventory expensed as merchandise purchases was \$4,397 (2024 - \$13,924).

**5. Capital assets**

	2025	2024		
	Cost	Accumulated amortization	Net	Net
Furniture & fixtures	\$ 17,280	\$ 14,098	\$ 3,182	\$ 3,984
Tents	6,444	5,987	457	652
Equipment	413	381	32	40
Automotive	1,468	1,443	25	35
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 25,605	\$ 21,909	\$ 3,696	\$ 4,711
	<hr/>	<hr/>	<hr/>	<hr/>

Cost and accumulated amortization for the year ended October 31, 2024 amounted to \$25,605 and \$20,894 respectively.

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# River & Sky Arts in the Woods

## Notes to the Financial Statements

Year ended October 31, 2025 with comparative figures for 2024

**(unaudited)**

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### 6. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are amounts owing to the Chair of the Board of Directors ("the Chair") of \$14,443 (2024 - \$nil). The amounts are from out-of-pocket expenses incurred by the Chair on behalf of the organization, incurred in the normal course of operations and measured at the exchange amount.

Included in accounts payable and accrued liabilities are amounts owing to Ontario Cultural Attraction Fund of \$3,000 (2024 - \$nil), in accordance with the funding agreement.

### 7. Canada Emergency Business Account loan

	2025	2024
Canada Emergency Business Account ("CEBA") loan bearing interest at 5% per annum.	\$ 57,669	\$ 58,172
<u>Less current portion</u>	<u>57,669</u>	<u>58,172</u>
	\$ -	\$ -

During the year the year, the CEBA loan was assigned from RBC to Export Development Canada ("EDC"). Collection of loans assigned to EDC is being administrated by the Canada Revenue Agency. The organization is in the process of arranging a payment plan, which at the report date remains unfinalized, accordingly the debt is classified as a current liability. The loan was interest free for the period from December 1, 2024 to October 31, 2025.

### 8. In kind goods and services

In-kind contributions recognized in the year have been recorded at fair value as contribution revenue with a corresponding amount included in in-kind goods and services. The related in-kind expenses have been classified within expenditures consistent with the nature of the underlying goods and services received.

	2025	2024
Festival leads	\$ 23,000	\$ 5,280
Festival facility and operations	21,270	10,100
Advertising and promotion	6,000	6,000
Professional fees	3,000	-
Merchandise purchase	700	4,000
Technical production	300	-
Office and administration	-	348
	\$ 54,270	\$ 25,728

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# River & Sky Arts in the Woods

## Notes to the Financial Statements

Year ended October 31, 2025 with comparative figures for 2024

**(unaudited)**

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### 9. Comparative figures

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2025 financial statements.

### 10. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring financial risks to or from another party. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments. The organization is exposed to the following risks associated with its financial instruments:

#### (a) Credit risk

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 is exposed to credit risk relating to its cash, short-term investment and accounts receivable balances.

The organization minimizes credit risk associated with cash and short-term investment by ensuring that these financial assets are held with a large reputable financial institution with a high credit rating.

The organization is exposed to credit risk associated with its accounts receivable balances of \$31,712 (2024 - \$24,616), which includes amounts receivable from government organizations. The organization measures its exposure to credit risk by monitoring collections and how long the amounts have been outstanding creating an allowance for bad debts when applicable.

#### (b) Liquidity risk

Liquidity risk is the risk that the organization cannot repay its obligations when they become due to its creditors. The organization has liquidity risk in the accounts payable and accrued liabilities and Canada Emergency Bank Account loan of \$102,242 (2024 - \$102,610). The organization manages liquidity risk by negotiating extended payment terms with lenders, suppliers and creditors when necessary and monitoring due dates.

#### (c) Interest rate risk

The organization's long-term debt is subject to a fixed rate of interest and therefore, is only exposed to interest rate risk at maturity of the loan or renewal of terms of the loan agreement. This exposure may have an impact on its earnings in future periods. The organization does not use derivative instruments to reduce its exposure to interest rate risk.

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**River & Sky Arts in the Woods**  
**Notes to the Financial Statements**  
**Year ended October 31, 2025 with comparative figures for 2024**

**(unaudited)**

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**10. Financial instruments, continued**

**(d) Currency risk**

The organization is exposed to currency risk. Currency risk is the risk that the organization has currency risk exposure on its accounts payable in US Dollars (“USD”). At October 31, 2025, the organization had accounts payable denominated in USD of US\$750; CAD\$1,050 (2024 - \$nil). The organization does not use hedging instruments to reduce its exposure to currency risk.

**River & Sky Arts in the Woods****Schedule of Government Funding****Year ended October 31, 2025 with comparative figures for 2024****(unaudited)**

	2025	2024
Ontario Media Development Corporation	\$ 60,000	\$ 70,000
Canadian Heritage Grant	24,818	24,818
Canada Summer Jobs	16,310	22,784
Ontario Arts Council	15,477	15,477
Northern Ontario Heritage Fund Corporation	15,000	-
Ontario Cultural Attraction Fund	7,000	-
	<hr/> \$ 138,605	<hr/> \$ 133,079