

SweetWater Music Festival Treasurer's Report for the 12 months ending November 30, 2021

Financial statements are appended.

SweetWater financial operations have been reviewed by a firm of licensed public accountants who have expressed the opinion that the fund balances and the operations and cash flows for the year ended November 30, 2021 are free from material misstatement and in accordance with Canadian accounting standards for not for profit organizations.

Statement of Financial Position

Assets, liabilities and unrestricted net assets are up 48% from 2020. This is a temporary situation, as the Support Workers Grant received in 2021 was not fully spent, resulting in a larger deferred item and corresponding cash increases. All other current assets and liabilities have been satisfied subsequent to the year-end.

The Legacy Fund and the Sustainability Fund are held by Ontario Arts Fund, the Trustees. As a result, we do not see either of these amounts reflected in the SweetWater assets and liabilities. Referring to Note 2 (c) and Note 5 in the Notes to the Financial Statements will provide information on how these Trusts interact with SweetWater, and comparative balances in each fund.

Statement of Operations and Changes in Fund Balances

	2021	2020
Total Revenue	\$132,061	\$96,851
Artistic Director cost	13,320	12,553
Costs of online and in person events	71,801	37,855
Administration	15,679	16,777
Marketing, fundraising, community outreach	25,554	15,380
Net surplus	\$5,707	\$ 14,286

In fiscal year 2020, we ran a different type of program than in 2021 due to Covid 19 restrictions then in place, so the years are not comparable in terms of organizational activity. Fiscal 2021 was a return to the more traditional forms while keeping the popular events from 2020; Community Concerts and online presentations. The increase in Marketing, fundraising and community reflect an assignment of online costs for online presentations to the community that had previously been accounted for as part of the online events. These events were also expanded in 2021.

The reduction in Net Surplus is somewhat illusory. It was a much larger program in 2021, due to the removal of Covid restrictions and having received a grant of \$31,250 to subsidize musicians and their technical requirements. Consequently, our online programming was increased. About half of this grant will be available for programming in 2022. This situation accounts for a high cash balance at year-end as well.

As I leave the post of Treasurer, once again I would like to offer my personal thanks to our General Manager for his reliable and accurate work on organizational finance and administration, and to our bookkeeper Catherine Gignac for her exemplary services. Both these individuals have been fundamental to the effective operations and internal controls of SweetWater during 2021. Both Paul and Catherine have been of great personal assistance to me while carrying out my role, and I am very grateful for their assistance.

Respectfully submitted,

Jill Willington, Treasurer, SweetWater Music Festival

April 17, 2022

SWEETWATER MUSIC FESTIVAL

FINANCIAL STATEMENTS

AS AT NOVEMBER 30, 2021

SWEETWATER MUSIC FESTIVAL

FINANCIAL STATEMENTS

AS AT NOVEMBER 30, 2021

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Sweetwater Music Festival

We have reviewed the accompanying financial statements of Sweetwater Music Festival that comprise the statement of financial position as at November 30, 2021, and the statements of operations and changes in fund balances and of 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 Sweetwater Music Festival as at November 30, 2021, 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.



SWEETWATER MUSIC FESTIVAL
STATEMENT OF FINANCIAL POSITION

AS AT NOVEMBER 30, 2021

2021	2020
\$	\$

ASSETS

CURRENT

Cash	53,683	38,016
Accounts receivable	4,848	536
Government receivable	621	1,618
Prepaid expense	2,067	1,733
	<hr/>	<hr/>
	61,219	41,903
	<hr/>	<hr/>
	61,219	41,903
	<hr/>	<hr/>

LIABILITIES

CURRENT

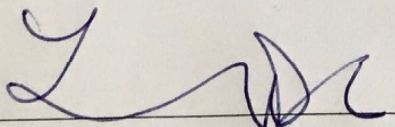
Accounts payable	494	321
Accrued charges	11,521	7,974
Deferred contribution Note (3)	15,000	5,111
	<hr/>	<hr/>
	27,015	13,406

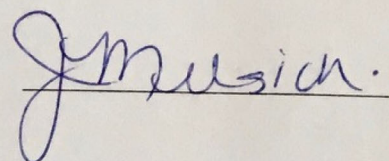
NET ASSETS

UNRESTRICTED

34,204	28,497
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61,219	41,903
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Approved:

 Director

 Director

SWEETWATER MUSIC FESTIVAL
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED NOVEMBER 30, 2021

	2021	2020
	\$	\$
REVENUE		
Earned revenue	19,848	5,905
Private funding	70,110	62,749
Public funding Note (6)	42,103	28,197
	<u>132,061</u>	<u>96,851</u>
EXPENDITURES		
Artistic festival and concerts	85,401	50,408
Marketing	13,889	9,166
Resource development	1,602	1,199
Education and outreach programs	9,783	5,016
Administration	15,679	16,783
	<u>126,354</u>	<u>82,572</u>
EXCESS OF REVENUE OVER EXPENDITURES	5,707	14,279
NET ASSETS, BEGINNING OF YEAR	<u>28,497</u>	<u>14,218</u>
NET ASSETS, END OF YEAR	<u><u>34,204</u></u>	<u><u>28,497</u></u>

SWEETWATER MUSIC FESTIVAL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED NOVEMBER 30, 2021

	2021	2020
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue over expenditures	5,707	14,279
Cash provided by operations	5,707	14,279
Change in non-cash working capital items		
(Increase) in accounts receivable	(4,311)	(356)
(Increase) in prepaid expense	(333)	-
Decrease in government receivable	997	471
Increase in accounts payable	170	198
Increase in accrued charges	3,548	6,070
Increase in deferred contribution	9,889	3,111
INCREASED CASH PROVIDED BY OPERATING ACTIVITIES	15,667	23,773
CASH POSITION, beginning of year	38,016	14,243
CASH POSITION, end of year	53,683	38,016
Cash position is comprised of:		
Cash	53,683	38,016

SWEETWATER MUSIC FESTIVAL
NOTES TO THE FINANCIAL STATEMENTS
AS AT NOVEMBER 30, 2021

1. PURPOSE OF THE ORGANIZATION

The Sweetwater Music Festival (the "Festival"), is incorporated without share capital under the Corporations Act of Ontario. The Festival showcases the best musicians from across Canada and around the world performing classical, jazz and contemporary music in Owen Sound and Meaford, 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, investor account, 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. Distributions from the Trust Funds held at the Ontario Arts Foundation (Note 5) are recognized in the year in which they are received.

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 received.

(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, 2021

3. DEFERRED CONTRIBUTION

During 2021 the Ontario Arts Council funds of \$5,111 received in the prior year were used for operations. Additional funds advanced in the current year of \$5,111 were also spent.

During 2021 Canadian Heritage awarded a grant in the amount of \$31,250 to help the organization carry out its activities under the Canada Arts Presentation Fund Program, Support for Workers in Live Arts and Music Sector Fund. During 2021 \$16,250 of the amount received was used.

The following shows the activity in these deferred contributions during 2021:

Opening balance	\$ 5,111
Advances	36,361
Expenditures	<u>(26,472)</u>
Closing balance	\$ <u>15,000</u>

4. FINANCIAL INSTRUMENTS

The Festival is exposed to interest rate, market, currency and other price risks related to its financial instruments. It is exposed to liquidity risk.

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Festival is exposed to interest rate risk arising from changes in interest rates affecting the value of the funds held in trust by the Ontario Arts Foundation.

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.

5. FUNDS IN TRUST WITH ONTARIO ARTS FOUNDATION (OAF)

The Festival initiated the Mark Fewer Legacy Fund Trust (MFLF) and the Sweetwater Operating Fund Trust (SWOF) in June, 2019. The investment income earned in any year in the funds will be distributed by OAF. The percentage rate their Board determines is set to provide stable funding over the long term to arts organizations.

The capital in the MFLF is held in perpetuity. The capital in the SWOF may be encroached upon as the Festival Board of Directors may determine.

As a co-applicant with OAF, the Festival may apply for funds equal to up to 100% of the donations received to the MFLF in any year through the Cultural Incentives Branch of the Government of Canada. The Festival has not applied to OAF for matching funds for the year ended November 30, 2021. The SWOF donations are not eligible for these matching funds.

At year end the MFLF contained capital of \$9,464 (2020 - \$7,252) and the SWOF, \$1,301 (2020 - \$1,000) and the Canadian Heritage, \$5,832 (2020 - \$2,680). This year a distribution of \$2,120 from OAF was received in respect of the year ended November 30, 2020.

SWEETWATER MUSIC FESTIVAL
NOTES TO THE FINANCIAL STATEMENTS
AS AT NOVEMBER 30, 2021

6. PUBLIC SECTOR GRANTS

	<u>2021</u>		<u>2020</u>
Ontario Arts Council	\$ 10,222	\$	10,222
Canadian Heritage	30,000		16,000
Municipality of Meaford	1,850		1,850
Other grants	31		125
	<u>\$ 42,103</u>	\$	<u>28,197</u>