



Financial Statements

(Unaudited)

Annapolis Valley Apple Blossom Festival

August 31, 2016

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Review Engagement Report

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To the Directors of
Annapolis Valley Apple Blossom Festival

We have reviewed the balance sheet of Annapolis Valley Apple Blossom Festival as at August 31, 2016 and the statements of operations and surplus 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.

Kentville, Canada
September 22, 2016



Chartered Professional Accountants

Annapolis Valley Apple Blossom Festival

Statements of Operations and Surplus

(Unaudited)

Year ended August 31

	2016	2015
Revenue		
Blossom Brew Fest	\$ 4,793	\$ -
Booster fees	15,975	15,955
Grants	12,000	11,000
Leadership competition	3,681	2,708
Parades	10,200	7,900
Patrons	9,525	17,769
Publicity	1,000	1,000
Sanctioned events	<u>5,234</u>	<u>3,400</u>
	<u>62,408</u>	<u>59,732</u>
Expenditures		
Administration	12,585	12,581
Blossom Brew Fest	2,968	-
Leadership competition	14,325	13,740
Parades	8,529	11,237
Patrons	1,445	1,190
Publicity	6,060	9,289
Salaries and benefits	8,447	10,829
Sanctioned events	<u>8,133</u>	<u>11,013</u>
	<u>62,492</u>	<u>69,879</u>
Deficiency of revenue over expenditures	<u>\$ (84)</u>	<u>\$ (10,147)</u>
Surplus, beginning of year	\$ 30,261	\$ 40,882
Deficiency of revenue over expenditures	(84)	(10,147)
Capital assets funded through current operations	<u>-</u>	<u>(474)</u>
Surplus, end of year	<u>\$ 30,177</u>	<u>\$ 30,261</u>

Annapolis Valley Apple Blossom Festival

Balance Sheet

(Unaudited)
August 31

	2016	2015
Assets		
Current		
Cash	\$ 21,205	\$ 18,949
Short-term investment	4,302	4,280
Receivables	2,300	6,400
Harmonized sales tax receivable	3,019	3,308
Prepays	<u>1,350</u>	<u>-</u>
	32,176	32,937
Furniture and fixtures	<u>2,475</u>	<u>2,475</u>
	<u>\$ 34,651</u>	<u>\$ 35,412</u>
<hr/>		
Liabilities		
Current		
Payables and accruals	<u>\$ 1,998</u>	<u>\$ 2,675</u>
Surplus		
Investment in capital assets (Note 3)	2,476	2,476
Surplus	<u>30,177</u>	<u>30,261</u>
	<u>32,653</u>	<u>32,737</u>
	<u>\$ 34,651</u>	<u>\$ 35,412</u>

On behalf of the board

Director
 Director

Annapolis Valley Apple Blossom Festival

Statement of Cash Flows

(Unaudited)

Year ended August 31

2016

2015

Increase (decrease) in cash and cash equivalents

Operating

Deficiency of revenue over expenditures	\$ (84)	\$ (10,147)
Change in non-cash working capital items		
Short-term investment	(22)	(50)
Receivables	4,100	(6,400)
Harmonized sales tax	289	(114)
Prepays	(1,350)	-
Payables and accruals	<u>(677)</u>	<u>(3,681)</u>
	2,256	(20,392)

Financing

Capital assets funded through current operations	<u>-</u>	<u>(474)</u>
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Increase (decrease) in cash **2,256** (20,866)

Cash

Beginning of year	<u>18,949</u>	<u>39,815</u>
End of year	<u>\$ 21,205</u>	<u>\$ 18,949</u>

Annapolis Valley Apple Blossom Festival

Notes to the Financial Statements

(Unaudited)
August 31, 2016

1. Nature of operations

The Festival is a not-for-profit organization, which manages and organizes the annual Annapolis Valley Apple Blossom Festival. The Festival is a registered charity under the *Income Tax Act* and as such is tax exempt.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Part III of the CPA Canada Handbook - Canadian accounting standards for not-for-profit organizations.

Revenue recognition

The Annapolis Valley Apple Blossom Festival follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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. Pledged amounts are not recognized until the uncertainty surrounding their ultimate collection is eliminated.

Grant revenue is recognized as received or receivable if the amount to be received can be reasonably estimated.

Capital assets

Capital assets are recorded at cost in the year of purchase. The Festival does not record amortization on its furniture and equipment. The cost of the asset is relieved at the end of its estimated useful life.

Donated services and goods

There has been a substantial amount of time and goods donated to the Festival, which are not reflected in the financial statements because of the difficulty of determining their fair value. Only cash donations are reflected in the revenue section of the financial statements.

Use of estimates

In preparing the Festival's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and reported amounts of revenue and expenses. Actual amounts could differ from these estimates.

Annapolis Valley Apple Blossom Festival

Notes to the Financial Statements

(Unaudited)
August 31, 2016

2. Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, bank overdrafts, and highly liquid temporary money market instruments with original maturities of three months or less. Bank borrowings are considered to be financing activities.

Financial instruments

The Festival's financial instruments are measured at fair value when issued or acquired. At each reporting date, the Festival measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets). The financial instruments measured at amortized cost are cash and cash equivalents, short-term investments, receivables and payables.

For financial assets measured at cost or amortized cost, the Festival regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Festival determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

3. Investment in capital assets

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 2,476	\$ 2,002
Add: Current year addition	<u>-</u>	<u>474</u>
Balance, end of year	<u>\$ 2,476</u>	<u>\$ 2,476</u>

4. Financial instruments

The Festival is exposed to risk related to its financial instruments as follows:

Credit risk

The Festival has determined that the financial assets with credit risk exposure are accounts receivable since failure of any of these parties to fulfil their obligations could result in a financial loss for the Festival.

Liquidity risk

The Festival's liquidity risk represents the risk that the Festival could encounter difficulty in meeting obligations associated with its financial liabilities. The Festival is therefore exposed to liquidity risk with respect to its payables.
