

Financial Statements of

THE ROBB NASH PROJECT INC.

August 31, 2023

Independent Auditor's Report

To the Board of Directors of The Robb Nash Project Inc.

Opinion

We have audited the financial statements of The Robb Nash Project Inc., which comprise the statement of financial position as at August 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Robb Nash Project Inc. as at August 31, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The logo for Deloitte Chartered Professional Accountants (CPA) is displayed in a stylized, handwritten font. The word "Deloitte" is written in a large, cursive script, and "CPA" is written in a smaller, simpler font to the right.

Chartered Professional Accountants

January 30, 2024

Winnipeg, Manitoba

TABLE OF CONTENTS

	<u>Page</u>
Statement of Operations	1
Statement of Changes in Net Assets	2
Statement of Financial Position	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 8

THE ROBB NASH PROJECT INC.

Statement of Operations

Year Ended August 31, 2023

	<u>2023</u>	<u>2022</u>
REVENUE		
Donations	\$ 1,022,655	\$ 1,039,102
Performance revenue	6,000	5,375
Gain on disposal of capital assets	323	-
Canadian Emergency Wage Subsidy	-	5,640
Other	1,426	1,485
	<u>1,030,404</u>	<u>1,051,602</u>
EXPENSES		
Operating - Schedule	928,180	1,010,814
Amortization of capital assets	10,872	18,283
	<u>939,052</u>	<u>1,029,097</u>
NET INCOME FOR THE YEAR	<u>\$ 91,352</u>	<u>\$ 22,505</u>

THE ROBB NASH PROJECT INC.
Statement of Changes in Net Assets
Year Ended August 31, 2023

	2023			
	Invested in Capital Assets	General Reserve	Unrestricted Surplus	Total
Balance, beginning of year	9,891	\$ -	\$ 104,306	\$ 114,197
Net (loss) income for the year	(5,413)	-	96,765	91,352
Interfund transfers	-	100,000	(100,000)	-
Balance, end of year	\$ 4,478	\$ 100,000	\$ 101,071	\$ 205,549

	2022			
	Invested in Capital Assets	General Reserve	Unrestricted Surplus	Total
Balance, beginning of year	\$ 28,174	\$ -	\$ 63,518	\$ 91,692
Net (loss) income for the year	(18,283)	-	40,788	22,505
Balance, end of year	\$ 9,891	\$ -	\$ 104,306	\$ 114,197

THE ROBB NASH PROJECT INC.
Statement of Financial Position
August 31, 2023

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT		
Cash	\$ 225,262	\$ 190,710
Investments (Note 3)	32,066	-
Government remittances receivable	3,647	3,308
Prepaid expenses	2,517	3,868
	263,492	197,886
LOAN RECEIVABLE (Note 4)	-	36,784
CAPITAL ASSETS (Note 5)	4,478	9,891
	\$ 267,970	\$ 244,561
LIABILITIES		
CURRENT		
Accounts payable	\$ 2,421	\$ 40,364
LONG-TERM DEBT (Note 7)	60,000	90,000
	62,421	130,364
NET ASSETS		
Invested in capital assets (Note 8)	4,478	9,891
General reserve (Note 9)	100,000	-
Surplus	101,071	104,306
	205,549	114,197
	\$ 267,970	\$ 244,561

..... Director

..... Director

THE ROBB NASH PROJECT INC.**Statement of Cash Flows**

Year Ended August 31, 2023

	<u>2023</u>	<u>2022</u>
OPERATING ACTIVITIES		
Net income for the year	\$ 91,352	\$ 22,505
Items not affecting cash:		
Amortization of capital assets	10,872	18,283
Gain on disposal of capital assets	(323)	-
	101,901	40,788
Changes in non-cash operating working capital items:		
Accounts receivable	-	5,574
Government remittances	(339)	12,188
Prepaid expenses	1,351	(1,692)
Accounts payable	(37,943)	14,463
	64,970	71,321
FINANCING ACTIVITIES		
Repayment of loan	(30,000)	-
Proceeds of loans payable	-	30,000
	(30,000)	30,000
INVESTING ACTIVITIES		
Collection of loan receivable	36,784	-
Proceeds on disposal of capital assets	3,000	-
Purchase of capital assets	(8,136)	-
	(418)	-
NET INCREASE IN CASH POSITION	34,552	101,321
CASH POSITION, BEGINNING OF YEAR	190,710	89,389
CASH POSITION, END OF YEAR	\$ 225,262	\$ 190,710

THE ROBB NASH PROJECT INC.
Notes to the Financial Statements
August 31, 2023

1. INCORPORATION

The Robb Nash Project Inc. (the “Organization”) was incorporated without share capital on February 14, 2012. The Organization is principally involved in providing a rock concert experience geared towards helping young people. The Organization is a registered charity under the Income Tax Act and accordingly is exempt from income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

a) Revenue recognition

The Organization follows the deferral method of accounting for contributions. 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. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

The Organization recognizes other revenue when persuasive evidence of an arrangement exists, delivery of the service has occurred, the price to the buyer is fixed or determinable and collection is reasonably assured.

b) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates:

Equipment	3 years
-----------	---------

c) Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

THE ROBB NASH PROJECT INC.
Notes to the Financial Statements
August 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when the Organization becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost. Investments are measured at fair value.

Transaction costs related to financial instruments are measured at fair value and expensed as incurred. Transaction costs related to the other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of operations and changes in net assets.

With respect to financial assets measured at cost or amortized cost, the Organization recognizes in the statement of operations, an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in the statement of operations in the period the reversal occurs.

e) 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The area requiring the use of significant estimates relates to the useful life of capital assets. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

3. INVESTMENTS

	<u>2023</u>	<u>2022</u>
Mutual funds, at cost	\$ 32,066	\$ -

The market value of the investment in mutual funds at August 31, 2023 is \$32,066.

THE ROBB NASH PROJECT INC.
Notes to the Financial Statements
August 31, 2023

4. LOAN RECEIVABLE

	<u>2023</u>	<u>2022</u>
Loan to employee, bearing no interest, repaid during the year	\$ -	\$ 36,784

5. CAPITAL ASSETS

	<u>2023</u>			<u>2022</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Equipment	\$ 57,317	\$ 52,839	\$ 4,478	\$ 9,891

6. CREDIT FACILITIES

The Organization has available the following credit facilities:

- A revolving demand facility available of up to \$75,000. The facility bears interest at the Royal Bank of Canada Prime Rate plus 2.50% and is due on demand.

The revolving demand facility is secured by general security agreements. At the end of the year, the Organization had not drawn on this credit facility.

7. LONG-TERM DEBT

	<u>2023</u>	<u>2022</u>
Canada Emergency Business Account loan, bearing no interest, no principal repayments required before January 18, 2024	\$ 60,000	\$ 60,000
Unsecured private loan, bearing interest at prime plus 0.05%, no repayment terms	-	30,000
	<u>\$ 60,000</u>	<u>\$ 90,000</u>

8. NET INVESTMENT IN CAPITAL ASSETS

	<u>2023</u>	<u>2022</u>
a) Invested in capital assets is calculated as follows:		
Capital assets	\$ 4,478	\$ 9,891
Amounts financed by deferred contributions	-	-
	<u>\$ 4,478</u>	<u>\$ 9,891</u>

THE ROBB NASH PROJECT INC.
Notes to the Financial Statements
August 31, 2023

8. NET INVESTMENT IN CAPITAL ASSETS (continued)

b) Changes in net assets invested in capital assets is calculated as follows:

	<u>2023</u>	<u>2022</u>
Amortization of deferred contributions related to capital assets	\$ -	\$ -
Amortization of capital assets	(10,872)	(18,283)
Gain on disposal of capital assets	323	-
	<u>(10,549)</u>	<u>(18,283)</u>
Purchase of capital assets	8,136	-
Proceeds on disposal of capital assets	(3,000)	-
	<u>\$ (5,413)</u>	<u>\$ (18,283)</u>

9. TRANSFERS TO RESERVES

The General Reserve was established in 2023 to be used for general use, programs and shortfalls. In the current year, the Organization transferred \$100,000 from Unrestricted net assets to the General Reserve.

10. RELATED PARTY TRANSACTIONS

The loan receivable amount is due from an employee of the Organization. This transaction is measured at the exchange amount. This amount has been fully paid in the current year.