

APPENDIX A

THE CLAYTON BELLAMY FOUNDATION FOR THE ARTS

Financial Statements

Year Ended March 31, 2024



PROFESSIONAL CORPORATION *Chartered Professional Accountants*



INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of The Clayton Bellamy Foundation for the Arts

We have reviewed the accompanying financial statements of The Clayton Bellamy Foundation for the Arts (the Foundation) that comprise the statement of financial position as at March 31, 2024, and the statements of revenues and expenditures, changes in net assets 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 (ASNPO), 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.

Emphasis of Matter - Comparative Information

We draw attention to Note 2 to the financial statements which describes that The Clayton Bellamy Foundation for the Arts adopted ASNPO on April 1, 2023 with a transition date of April 1, 2022. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at March 31, 2023 and April 1, 2022, and the statements of revenues and expenditures, changes in net assets and cash flows for the year ended March 31, 2023 and related disclosures. Our conclusion is not modified in respect of this matter.

We were not engaged to report on the comparative information, and as such, it is neither audited nor reviewed.

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PROFESSIONAL CORPORATION *Chartered Professional Accountants*

Independent Practitioner's Review Engagement Report to the Members of The Clayton Bellamy Foundation for the Arts (*continued*)

Basis for Qualified Conclusion

In common with many not-for-profit organizations, the Foundation derives revenue from fundraising activities, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2024, current assets and net assets as at March 31, 2024.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the *Basis for Qualified Conclusion* paragraph, 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 The Clayton Bellamy Foundation for the Arts as at March 31, 2024, 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 (ASNPO).

Other Matter

The financial statements of The Clayton Bellamy Foundation for the Arts for the year ended March 31, 2023 were compiled by another practitioner and are presented for comparative purposes only.

Tay & Company Professional Corporation


CHARTERED PROFESSIONAL ACCOUNTANTS

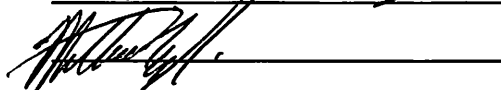
Bonnyville, Alberta
September 5, 2024

THE CLAYTON BELLAMY FOUNDATION FOR THE ARTS
Statement of Financial Position
March 31, 2024

	March 31 2024	March 31 2023	April 1 2022
ASSETS			
CURRENT			
Cash	\$ 685,417	\$ 547,683	\$ 6,755
Term deposit (Note 4)	287,000	-	-
Accounts receivable	3,554	-	-
Interest receivable	9,978	680	-
Goods and services tax recoverable	28,556	78	153
Prepaid expenses	922	2,372	-
	1,015,427	550,813	6,908
CAPITAL ASSETS (Note 5)	755,994	54,694	68,368
	\$ 1,771,421	\$ 605,507	\$ 75,276
LIABILITIES AND NET ASSETS			
CURRENT			
Accounts payable	\$ 151,475	\$ 1,000	\$ -
Holdbacks payable (Note 6)	63,662	-	-
	215,137	1,000	-
NET ASSETS			
Share capital (Note 7)	16	16	10
General fund	203,388	(5,873)	(3,802)
Restricted fund	596,886	555,670	10,700
Equity in capital assets	755,994	54,694	68,368
	1,556,284	604,507	75,276
	\$ 1,771,421	\$ 605,507	\$ 75,276

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

THE CLAYTON BELLAMY FOUNDATION FOR THE ARTS
Statement of Revenues and Expenditures
Year Ended March 31, 2024

	General Fund	Restricted Fund	2024	2023
REVENUES				
Donations	\$ -	\$ 734,834	\$ 734,834	\$ 255,155
Grants	-	-	-	285,000
Fundraising	315,038	-	315,038	838
Interest	9,462	15,283	24,745	680
Miscellaneous	-	-	-	3,476
Sponsorships	-	10,000	10,000	-
	324,500	760,117	1,084,617	545,149
EXPENSES				
Advertising and promotion	3,262	-	3,262	508
Amortization	9,777	-	9,777	13,674
Memberships, fees and dues	89	-	89	89
Insurance	-	1,015	1,015	157
Interest and bank charges	332	-	332	63
Office	484	-	484	433
Grant writing	-	1,000	1,000	-
Bursaries	2,500	-	2,500	-
Website	1,813	-	1,813	-
Fundraising	101,853	-	101,853	-
Professional fees	4,266	-	4,266	1,000
Rental	125	-	125	-
Travel	514	-	514	-
	125,015	2,015	127,030	15,924
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	199,485	758,102	957,587	529,225
OTHER INCOME				
Loss on disposal of capital assets	(5,809)	-	(5,809)	-
EXCESS OF REVENUES OVER EXPENSES	\$ 193,676	\$ 758,102	\$ 951,778	\$ 529,225

THE CLAYTON BELLAMY FOUNDATION FOR THE ARTS
Statement of Changes in Net Assets
Year Ended March 31, 2024

	General Fund	Restricted Fund	Equity in capital assets	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ (5,874)	\$ 555,670	\$ 54,694	\$ 604,490	\$ 75,265
Excess of revenues over expenses	193,676	758,102	-	951,778	529,225
Transfer of amortization expense	9,777	-	(9,777)	-	-
Transfer of loss on capital assets	5,809	-	(5,809)	-	-
Transfer of restricted funds for theatre construction	-	(716,886)	716,886	-	-
NET ASSETS - END OF YEAR	\$ 203,388	\$ 596,886	\$ 755,994	\$ 1,556,268	\$ 604,490

THE CLAYTON BELLAMY FOUNDATION FOR THE ARTS
Statement of Cash Flows
Year Ended March 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 951,778	\$ 529,225
Items not affecting cash:		
Amortization of capital assets	9,777	13,674
Loss on disposal of capital assets	5,809	-
	967,364	542,899
Changes in non-cash working capital:		
Term deposit	(287,000)	-
Accounts receivable	(3,554)	-
Interest receivable	(9,298)	(680)
Accounts payable	150,474	1,000
Prepaid expenses	1,450	(2,372)
Goods and services tax payable	(28,478)	75
Holdbacks payable	63,662	-
	(112,744)	(1,977)
Cash flow from operating activities	854,620	540,922
INVESTING ACTIVITY		
Purchase of capital assets	(716,886)	-
Cash flow from (used by) investing activity	(716,886)	-
FINANCING ACTIVITY		
Proceeds from share capital	-	6
Cash flow from financing activity	-	6
INCREASE IN CASH FLOW	137,734	540,928
Cash - beginning of year	547,683	6,755
CASH - END OF YEAR	\$ 685,417	\$ 547,683

THE CLAYTON BELLAMY FOUNDATION FOR THE ARTS

Notes to Financial Statements

Year Ended March 31, 2024

1. PURPOSE OF THE FOUNDATION

The Clayton Bellamy Foundation for the Arts (the "Foundation") is a private not-for-profit organization incorporated under the Alberta Companies Act. Management has determined that they are exempt from payment of income tax under Section 149(1) of the Income Tax Act.

The Foundation supports education and community-based programs in the province of Alberta by providing financial support to arts programs in need and by advocating the benefits and importance of arts education. The foundation has undertaken to construct and operate a performing arts centre located within the Bonnyville Centralized High School (the "BCHS") of the Northern Lights Public Schools Division (the "NLSD"). With this theatre, The Foundation and the NLSD realize common objectives to foster the development of performing arts and to provide Bonnyville and surrounding area with the opportunity to witness and participate in a wide range of cultural activities.

2. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

During the year the Foundation adopted Canadian accounting standards for not-for-profit organizations (ASNPO). These financial statements are the first prepared in accordance with these standards. Property, plant and equipment were not amortized over the useful life of the assets in previous years. For the 2024 fiscal year, these assets have been recorded at net book value. As a result of adopting this policy retrospectively, property, plant and equipment have been restated to \$68,368 at the date of transition. The changes have been applied retrospectively, resulting in changes to beginning equity and restatement of certain assets and liabilities as described below.

a) The statement of financial position at April 1, 2022 has been restated as follows:

	April 1 2022	Adjustment	Restated
Capital assets	\$ 75,964	\$ (7,596)	\$ 68,368

b) The balance of net assets at April 1, 2022 was adjusted as follows:

	April 1 2022
Net assets, beginning, as previously reported	\$ 82,861
Adjustments to beginning net assets:	
Restatement of capital assets at net book value	(7,596)
Net assets, beginning, as restated.	\$ 75,265

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THE CLAYTON BELLAMY FOUNDATION FOR THE ARTS
Notes to Financial Statements
Year Ended March 31, 2024

2. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS *(continued)*

- c) Excess of revenues over expenses for the year ended March 31, 2023 which was previously reported using Canadian generally accepted accounting principles, has been restated as follows:

	March 31 2023	Adjustment	Restated
Revenue	\$ 545,149	\$ -	\$ 545,149
Expenses	(2,250)	-	(2,250)
Income before amortization and other items	542,899	-	542,899
Amortization	-	(13,674)	(13,674)
Excess of revenues over expenses	\$ 542,899	\$ (13,674)	\$ 529,225

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Fund accounting

The Clayton Bellamy Foundation for the Arts follows the restricted fund method of accounting for contributions. For financial reporting purposes, the fund balances have been classified into the following funds:

- a. The General Fund accounts for the Foundation's program delivery, general fundraising, granting and administrative activities. This fund reports unrestricted resources available for immediate use, and is used to support the Foundation's operations and funding for financial support of arts programs and education. It includes funds that have been internally restricted by the board of directors, who may also reverse the internal restriction.
- b. The Restricted Fund includes those funds that have been designated by the donor or grant conditions for specific purposes.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and investments maturing in less than 90 days. As at March 31, 2024, there were no cash equivalents.

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THE CLAYTON BELLAMY FOUNDATION FOR THE ARTS

Notes to Financial Statements

Year Ended March 31, 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Equipment	20%	declining balance method
Leasehold improvements	5 years	straight-line method

The Foundation regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use. As at the year-end date, the theatre remains under construction and is not yet in use; therefore, no amortization has been taken on leasehold improvements.

Revenue recognition

The Clayton Bellamy Foundation for the Arts follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the Restricted Fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income earned is recognized as revenue of the Restricted Fund when such income is specifically restricted by the donor or in the grant conditions. Other investment income is recognized as revenue of the General Fund when earned.

Government grants

Government grants are recorded when there is a reasonable assurance that the Foundation had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Net assets

- a) Net assets invested in capital represent the organization's net investment in capital assets which is comprised of the amortized amount of capital assets purchased or received as in-kind donations.
- b) Restricted fund net assets are funds which have been designated for a specific purpose by the donor or grant provider.
- c) General fund net assets comprise the excess of revenue over expenses accumulated by the organization each year, net of transfers, and are available for general purposes.

THE CLAYTON BELLAMY FOUNDATION FOR THE ARTS

Notes to Financial Statements

Year Ended March 31, 2024

4. TERM DEPOSIT

The term deposit is invested in a redeemable guaranteed investment certificate which is deposited with a Canadian Chartered bank, matures on July 5, 2024 and bears interest at 4.70% per annum.

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Equipment	\$ 67,896	\$ 28,788	\$ 39,108	\$ 54,694
Leasehold improvements	716,886	-	716,886	-
	\$ 784,782	\$ 28,788	\$ 755,994	\$ 54,694

Leasehold improvements are the capital expenditures for the construction of the performing arts theatre within the Bonnyville Centralized High School. As at March 31, 2024, the theatre is under construction and not in use. No amortization has been taken.

6. HOLDBACKS PAYABLE

A ten percent holdback was withheld on the construction invoices for the theatre. These amounts will be paid within 60 days of the approval of substantial performance of the contract. The contract is projected to be completed December 2024.

7. SHARE CAPITAL

Authorized:

10,000 Class "A" common voting shares

	2024	2023
Issued:		
16 Class "A" common voting shares	\$ 16	\$ 16

8. RELATED PARTIES

The Foundation shares five board members with the Lakeland Sports & Recreation Association ("LSRA"), a registered charity. The LSRA is contemplating a revision of its mandate to focus on fundraising activities for the Foundation.

The President of the Foundation's board of directors is the son of one of the board members and the nephew of another.

9. COMMITMENT

As at March 31, 2024, the Foundation had commitments of \$2,536,868 for the construction of a theatre and \$98,500 for the architect fees related to the construction of the theatre, for a total of \$2,635,368. The Foundation has already spent \$715,421 and expects to spend an additional amount of approximately \$1,919,947 with respect to the completion of the new theatre.

THE CLAYTON BELLAMY FOUNDATION FOR THE ARTS
Notes to Financial Statements
Year Ended March 31, 2024

10. LEASEHOLD COMMITMENT

On April 1, 2024, the Foundation entered into an operating agreement with the Northern Lights Public Schools Division to operate the performing arts theatre located within the BCHS. The operating agreement is in effect until March 31, 2025 and is renewable annually. There is no lease amount payable. The agreement requires the Foundation to pay for liability insurance, utilities and maintenance expenses related to theatre operations, and to employ qualified persons to assume the duties of theatre operation. Any excess of revenues over operational and maintenance expenses of the theatre is restricted to use on future expenditures relating to the theatre. Such revenues include fees and charges for the use of the theatre and revenues raised from fundraising specific to the theatre.

11. FINANCIAL INSTRUMENTS

The Foundation is exposed to various risks through its financial instruments. The following analysis provides information about the Foundation's risk exposure and concentration as of March 31, 2024.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Foundation is exposed to credit risk from donor payees. The Foundation has an insignificant amount of receivables which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of fluctuating receipt of funds from donors and other related sources, in meeting its capital asset expenditure commitments.

Interest rate risk

Interest rate risk arises from the possibility that the value of a financial instrument might be adversely affected by a change in the interest rates. The short-term interest bearing term deposit held by the Foundation has a limited exposure to interest rate risk due to the short-term maturity.

Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant other price risks arising from these financial instruments.

12. COMPARATIVE FIGURES

The prior year comparative figures were compiled by another firm of Chartered Professional Accountants. Some of the comparative figures have been reclassified to conform to the current year's presentation.