

**PICTOU COUNTY PARTNERSHIP**

**Financial Information**

**March 31, 2023**

	Page
<b>MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING</b>	1
<b>INDEPENDENT AUDITOR'S REPORT</b>	2 - 3
<b>FINANCIAL INFORMATION</b>	
Statement of Financial Position	4
Statement of Revenues and Expenditures	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
Notes to Financial Information	8 - 11

---

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

---

The financial statements of Pictou County Partnership have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Pictou County Partnership's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by MacDonald & Murphy Inc., in accordance with Canadian public sector accounting standards.



CEO



Board chairperson

New Glasgow, Nova Scotia  
May 25, 2023

## INDEPENDENT AUDITOR'S REPORT

To the Members of Pictou County Partnership

### *Opinion*

We have audited the financial information of Pictou County Partnership (the Organization), which comprise the statement of financial position as at March 31, 2023, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial information, including a summary of significant accounting policies.

In our opinion, the accompanying financial information present fairly, in all material respects, the financial position of the Organization as at March 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 Organization in accordance with ethical requirements that are relevant to our audit of the financial information 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 and Those Charged with Governance for the Financial Information*

Management is responsible for the preparation and fair presentation of the financial information in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

In preparing the financial information, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Information*

Our objectives are to obtain reasonable assurance about whether the financial information as a whole is 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 generally accepted auditing standards 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 this financial information.

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





Independent Auditor's Report to the Members of Pictou County Partnership *(continued)*

- Identify and assess the risks of material misstatement of the financial information, 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 Organization'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 Organization'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 information 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 Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial information, including the disclosures, and whether the financial information 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.

New Glasgow, Nova Scotia  
May 25, 2023

MacDonald & Murphy Inc.  
Chartered Professional Accountants



MacDonald &  
Murphy Inc.

**PICTOU COUNTY PARTNERSHIP**  
**Statement of Financial Position**  
**March 31, 2023**

	2023	2022
<b>ASSETS</b>		
Cash	\$ 354,068	\$ 359,817
Accounts receivable from government and other sources	50,323	16,600
Harmonized sales tax receivable	15,147	19,888
Prepaid expenses	4,410	3,576
<b>NON-FINANCIAL ASSETS</b>		
Capital assets (Note 3)	19,734	1,706
	<b>\$ 443,682</b>	<b>\$ 401,587</b>
<b>LIABILITIES</b>		
Accounts payable and accruals (Note 4)	\$ 62,895	\$ 29,051
<b>NET ASSETS</b>	<b>380,787</b>	<b>372,536</b>
	<b>\$ 443,682</b>	<b>\$ 401,587</b>

Commitments (Note 10)

**ON BEHALF OF THE BOARD**

\_\_\_\_\_  
 Director

\_\_\_\_\_  
 Director

**PICTOU COUNTY PARTNERSHIP**  
**Statement of Revenues and Expenditures**  
**Year Ended March 31, 2023**

	2023	2022
<b>Revenue</b>		
Municipal contributions <i>(Note 5)</i>	\$ 166,000	\$ 166,000
Province of Nova Scotia, core funding	166,000	166,000
Program funding <i>(Note 6)</i>	333,106	282,331
In-kind donation	2,550	
	<u>667,656</u>	<u>614,331</u>
<b>Expenses</b>		
Advertising, promotion and marketing	7,252	34,825
Amortization	3,356	1,332
Board and meeting expense	1,038	8,416
Donations	102	
Dues, fees and subscriptions	11,870	4,186
HST expense	6,604	8,869
Insurance	2,548	2,357
Interest and bank charges	502	526
Office and IT support	25,049	927
Professional development		9,083
Professional fees	56,810	26,723
Program delivery expenses <i>(Note 7)</i>	166,856	259,971
Regional strategy expenses <i>(Note 8)</i>		59,394
Rental	19,750	10,617
Repairs and maintenance	6,100	2,066
Salaries, wages and related expenses	336,451	126,096
Travel	10,798	2,417
Utilities	4,319	1,317
	<u>659,405</u>	<u>559,122</u>
<b>Excess of revenue over expenses</b>	<u>\$ 8,251</u>	<u>\$ 55,209</u>

**PICTOU COUNTY PARTNERSHIP**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2023**

	<u>2023</u>	<u>2022</u>
<b>Net assets - beginning of year</b>	<b>\$ 372,536</b>	<b>\$ 317,327</b>
<b>Excess of revenue over expenses</b>	<b>8,251</b>	<b>55,209</b>
<b>Net assets - end of year</b>	<b><u>\$ 380,787</u></b>	<b><u>\$ 372,536</u></b>





**PICTOU COUNTY PARTNERSHIP**

**Statement of Cash Flows**

**Year Ended March 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>Operating activities</b>		
Excess of revenue over expenses	\$ 8,251	\$ 55,209
Item not affecting cash:		
Amortization of capital assets	<u>3,356</u>	<u>1,332</u>
	<u>11,607</u>	<u>56,541</u>
Changes in non-cash working capital:		
Accounts receivable from government and other sources	(33,723)	59,203
Accounts payable and accruals	33,844	(21,490)
Prepaid expenses	(834)	5,784
HST AR	<u>4,741</u>	<u>(903)</u>
	<u>4,028</u>	<u>42,594</u>
	<u>15,635</u>	<u>99,135</u>
<b>Investing activity</b>		
Purchase of capital assets	<u>(21,384)</u>	
<b>Increase (decrease) in cash flow</b>	<u>(5,749)</u>	<u>99,135</u>
<b>Cash - beginning of year</b>	<u>359,817</u>	<u>260,682</u>
<b>Cash - end of year</b>	<u>\$ 354,068</u>	<u>\$ 359,817</u>

## 1. Purpose of the Organization

Pictou County Partnership (the "Organization" and previously named Pictou County Regional Enterprise Network) was incorporated under the Municipal Government Act and became operational on August 2, 2018. The Organization is exempt from income tax under section 149(1)(l) of the Income Tax Act.

The Organization's purpose is to drive the economic development in Pictou County by working with the other Regional Enterprise Networks to share information and ideas to enhance the economic prosperity for Nova Scotia. They will develop, implement and monitor a regional strategy reflective of the provincial and regional partners economic development priorities.

## 2. Summary of significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (PSAS) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

### Cash

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date.

### Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life at the following rates and methods:

Computer equipment	55%
Furniture and fixtures	20%
Leasehold improvements	3 years straight-line method

The Organization regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital asset cost.

### Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, all financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

### 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.

(continues)

**2. Summary of significant accounting policies (continued)**

**Revenue recognition**

Pictou County Partnership 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.

Other revenue is recognized as services performed and collection is reasonably assured.

**3. Capital assets**

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	\$ 4,385	\$ 3,966	\$ 419	\$ 931
Furniture and fixtures	14,474	2,038	12,436	775
Leasehold improvements	8,255	1,376	6,879	
	<u>\$ 27,114</u>	<u>\$ 7,380</u>	<u>\$ 19,734</u>	<u>\$ 1,706</u>

**4. Accounts payable and accruals**

	2023	2022
Trade accounts payable	\$ 29,454	\$ 1,354
Accruals	19,402	17,175
CRA source deduction payable	14,039	10,522
	<u>\$ 62,895</u>	<u>\$ 29,051</u>

**5. Municipal contributions**

An Inter-Municipal Agreement between Pictou Landing First Nation, Municipality of the County of Pictou, Town of New Glasgow, Town of Pictou, Town of Stellarton, Town of Trenton and Town of Westville is effective from August 2, 2018 and the Municipalities agree to commit to a five-year term of funding the Organization. The funding provided in the current year is as follows:

	2023	2022
Municipality of the County of Pictou	\$ 52,757	\$ 52,757
Town of New Glasgow	30,717	30,717
Town of Stellarton	21,484	21,484
Town of Westville	20,383	20,383
Town of Pictou	19,545	19,545
Town of Trenton	18,194	18,194
Pictou Landing First Nation	2,920	2,920
	<u>\$ 166,000</u>	<u>\$ 166,000</u>



**6. Program funding**

	2023	2022
Immigration, Refugees and Citizenship Canada	\$ 158,966	\$ 187,028
Province of Nova Scotia	109,084	42,500
Other	65,056	35,240
Atlantic Canada Opportunities Agency		17,563
	<u>\$ 333,106</u>	<u>\$ 282,331</u>

**7. Program delivery expenses**

	2023	2022
Advertising, promotion and marketing	\$ 37,798	\$ 5,367
Dues, fees and subscriptions	1,757	
HST expense		4,130
Office and printing	1,566	13,689
Professional fees		94,944
Rent		5,276
Salaries and wages	102,281	132,886
Seminars and events	5,244	
Technology expenditures	1,944	
Telephone	899	3,080
Travel	15,367	599
	<u>\$ 166,856</u>	<u>\$ 259,971</u>

**8. Regional strategy expenses**

	2023	2022
Virtual Reality Project	\$	\$ 59,394

**9. Financial instruments**

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of March 31, 2023.

**Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from funding partners. The Organization's funding derives from local, provincial and federal government sources that provide funding based on contractual agreements which mitigates the risk of non payment.

(continues)



**9. Financial instruments (continued)**

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Organization is not exposed to significant risks as all funds are transacted in Canadian funds and there is no external debt or investments that would be impacted by interest rate risk.

**10. Commitments**

The Organization has a lease agreement for office space. Assuming the lease for the premises remains unchanged, the minimum monthly lease payments for the period of April 1, 2023 to April 1, 2026 will be \$2,150 plus applicable taxes (HST).