

**PICTOU COUNTY PARTNERSHIP**  
**Financial Information**  
**March 31, 2024**



MacDonald &  
Murphy Inc.

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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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.

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CEO

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Board chairperson

New Glasgow, Nova Scotia  
June 18, 2024



MacDonald &  
Murphy Inc.

## 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, 2024, 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, 2024, 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:

(continues)



MacDonald &  
Murphy Inc.



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  
June 18, 2024

*MacDonald & Murphy Inc.*  
Chartered Professional Accountants



MacDonald &  
Murphy Inc.

**PICTOU COUNTY PARTNERSHIP**  
**Statement of Financial Position**  
**March 31, 2024**

	2024	2023 <i>Revised (Note 10)</i>
<b>ASSETS</b>		
Cash	\$ 168,268	\$ 354,068
Accounts receivable from government and other sources	62,309	69,258
Harmonized sales tax receivable	17,938	15,147
Prepaid expenses		4,410
 <b>NON-FINANCIAL ASSETS</b>		
Capital assets (Note 3)	<u>22,605</u>	<u>19,734</u>
	<u><b>\$ 271,120</b></u>	<u><b>\$ 462,617</b></u>
 <b>LIABILITIES</b>		
Accounts payable and accruals (Note 4)	\$ 64,633	\$ 62,896
 <b>NET ASSETS</b>		
	<u>206,487</u>	<u>399,721</u>
	<u><b>\$ 271,120</b></u>	<u><b>\$ 462,617</b></u>

Commitments (Note 9)

**ON BEHALF OF THE BOARD**

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**PICTOU COUNTY PARTNERSHIP**  
**Statement of Revenues and Expenditures**  
**Year Ended March 31, 2024**

	2024	2023 <i>Revised (Note 10)</i>
<b>Revenue</b>		
Municipal contributions (Note 5)	\$ 250,000	\$ 166,000
Province of Nova Scotia, core funding	196,000	166,000
Program funding (Note 6)	322,029	352,041
Other revenues	20,072	
In-kind donation		2,550
	<u>788,101</u>	<u>686,591</u>
<b>Expenses</b>		
Advertising, promotion and marketing	27,476	7,252
Amortization	6,649	3,356
Board and meeting expense	33,398	1,038
Donations	1,110	102
Dues, fees and subscriptions	13,661	11,870
HST expense	11,289	6,604
Insurance	2,630	2,548
Interest and bank charges	719	503
Office and IT support	42,651	25,049
Professional fees	49,068	56,810
Program delivery expenses (Note 7)	300,431	166,856
Rental	21,150	19,750
Repairs and maintenance	9,573	6,100
Salaries, wages and related expenses	410,484	336,451
Travel	37,722	10,798
Utilities	13,324	4,319
	<u>981,335</u>	<u>659,406</u>
<b>Excess (deficiency) of revenue over expenses</b>	<u>\$ (193,234)</u>	<u>\$ 27,185</u>

**PICTOU COUNTY PARTNERSHIP**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2024**

	<b>2024</b>	2023 <i>Revised (Note 10)</i>
Net assets - beginning of year	\$ 399,721	\$ 372,536
Deficiency of revenue over expenses	<u>(193,234)</u>	<u>27,185</u>
Net assets - end of year	<u>\$ 206,487</u>	<u>\$ 399,721</u>



**PICTOU COUNTY PARTNERSHIP**

**Statement of Cash Flows**

**Year Ended March 31, 2024**

	<b>2024</b>	<b>2023</b> <i>Revised (Note 10)</i>
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses	\$ (193,234)	\$ 27,185
Item not affecting cash:		
Amortization of capital assets	<u>6,649</u>	<u>3,356</u>
	<u>(186,585)</u>	<u>30,541</u>
Changes in non-cash working capital:		
Accounts receivable from government and other sources	6,949	(52,658)
Accounts payable and accruals	1,737	33,845
Prepaid expenses	4,410	(834)
Harmonized sales tax receivable	<u>(2,791)</u>	<u>4,741</u>
	<u>10,305</u>	<u>(14,906)</u>
	<u>(176,280)</u>	<u>15,635</u>
<b>Investing activity</b>		
Purchase of capital assets	<u>(9,520)</u>	<u>(21,384)</u>
<b>Decrease in cash flow</b>	<b>(185,800)</b>	<b>(5,749)</b>
<b>Cash - beginning of year</b>	<u><b>354,068</b></u>	<u><b>359,817</b></u>
<b>Cash - end of year</b>	<u><b>\$ 168,268</b></u>	<u><b>\$ 354,068</b></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 public sector accounting standards (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 public sector accounting standards 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.

### 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	2024 Net book value	2023 Net book value
Computer equipment	\$ 4,385	\$ 4,196	\$ 189	\$ 419
Furniture and fixtures	20,579	5,136	15,443	12,436
Leasehold improvements	11,670	4,697	6,973	6,879
	<u>\$ 36,634</u>	<u>\$ 14,029</u>	<u>\$ 22,605</u>	<u>\$ 19,734</u>

4. Accounts payable and accruals

	2024	2023
Trade accounts payable	\$ 31,937	\$ 29,454
Accruals	13,434	19,403
CRA source deduction payable	19,262	14,039
	<u>\$ 64,633</u>	<u>\$ 62,896</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, 2023 and the Municipalities agree to commit to a one-year term of funding the Organization. The funding provided in the current year is as follows:

	2024	2023
Municipality of the County of Pictou	\$ 79,176	\$ 52,757
Town of New Glasgow	47,378	30,717
Town of Stellarton	31,870	21,484
Town of Westville	30,547	20,383
Town of Pictou	29,318	19,545
Town of Trenton	27,330	18,194
Pictou Landing First Nation	4,381	2,920
	<u>\$ 250,000</u>	<u>\$ 166,000</u>



**6. Program funding**

	2024	2023 <i>Revised (Note 10)</i>
Atlantic Canada Opportunities Agency	\$ 34,239	\$
Immigration, Refugees and Citizenship Canada	132,264	176,484
Province of Nova Scotia	124,175	110,500
Other	31,351	65,057
	<u>\$ 322,029</u>	<u>\$ 352,041</u>

**7. Program delivery expenses**

	2024	2023
Advertising, promotion and marketing	\$ 26,996	\$ 37,798
Dues, fees and subscriptions	1,516	1,757
Office and printing	2,539	1,566
Professional fees	17,739	
Project Expenses	12,179	
Rent	9,900	
Salaries and wages	206,106	102,281
Seminars and events	3,265	5,244
Technology expenditures	1,953	1,944
Telephone	782	899
Travel	17,456	15,367
	<u>\$ 300,431</u>	<u>\$ 166,856</u>

**8. 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, 2024.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its receipt of funds from its funders and other related sources, and accounts payable.

**9. 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, 2024 to April 1, 2026 will be \$2,900 plus applicable taxes (HST).



**10. Comparative figures**

Certain comparative figures have been reclassified to conform with current year presentation.

The comparative period has been adjusted to include revenue for program funding that has been received subsequent to the period ending March 31, 2023. These amounts, totaling \$18,934, have been included in the project revenue for March 31, 2023 resulting in an increase of the net income from previously disclosed from \$8,251 to \$27,185.