

Financial Statements

Central Nova Scotia Civic Centre Society
(operating as “Rath Eastlink Community
Centre”)

March 31, 2024

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Central Nova Scotia Civic Centre Society

Management's Responsibility for the Financial Statements

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and supplementary schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 3 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Finance Committee. The Board reviews internal financial statements on a regular basis and external audited financial statements annually. The Finance Committee also discusses any significant financial reporting or internal control matters prior to their approval of the financial statements.

The external auditors, Doane Grant Thornton LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of the Central Nova Scotia Civic Centre Society and meet when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of the Central Nova Scotia Civic Centre Society

Matt Moore
General Manager

Carlos Lazcano, MBA, CPA, CMA
Vice President Finance and Administration

November 20, 2024

Independent auditor's report

Doane Grant Thornton LLP

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To the Directors of Central Nova Scotia Civic Centre Society

Opinion

We have audited the financial statements of Central Nova Scotia Civic Centre Society ("the Society"), which comprise the statement of financial position as at March 31, 2024, the statements of operations, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Central Nova Scotia Civic Centre Society as at March 31, 2024, and its results of its operations, its changes in debt and its 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 Society 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.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Society incurred a deficiency of revenues over expenses of \$1,756,119 during the year ended March 31, 2024 and, as of that date, the Society has an accumulated deficit of \$1,185,503. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Society's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

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 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 these financial statements.

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:

- 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 Society'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 Society'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 Society 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.

Doane Grant Thornton LLP

Truro, Canada
November 20, 2024

Chartered Professional Accountants

Central Nova Scotia Civic Centre Society

Statement of operations

Year ended March 31	2024 Budget	2024 Actual	2023 Actual
Revenues			
Memberships	\$ 767,000	\$ 908,272	\$ 719,820
Rentals	777,150	783,881	723,630
Advertising and sponsorship	180,550	156,049	166,998
Food and beverage	534,000	659,451	656,175
Major events	1,190,000	982,427	712,484
Municipal government transfers (Note 4)	1,200,000	1,200,000	1,200,000
Government transfers (Note 4)	150,000	243,751	878,102
Event management	-	195,080	-
Other revenue	135,000	119,504	37,908
Total revenues	4,933,700	5,248,415	5,095,117
Expenses			
Advertising and promotion	47,500	58,043	49,999
Bad debts	1,000	2,372	105
Board	200	8,144	241
Building maintenance	282,000	259,527	302,491
Cleaning	22,500	34,713	27,181
Dues and subscriptions	6,000	3,238	3,585
Electricity	590,000	677,695	576,477
Equipment supplies and maintenance	76,000	90,772	107,668
Event management expense	-	147,267	-
Food and beverage	253,120	318,254	298,965
Insurance	65,000	68,426	59,871
Interest and bank charges	34,000	47,235	36,748
Major events	880,000	868,067	1,044,022
Other	70,000	42,028	16,805
Pool chemicals	38,000	53,796	39,936
Postage and photocopy	6,000	8,269	6,483
Professional fees	53,000	67,733	58,392
Propane	6,500	2,061	6,601
Salaries and benefits full time	1,616,530	1,660,769	1,669,887
Salaries and benefits part time / casual	653,500	733,067	602,736
Software	30,250	37,553	31,114
Staff training	17,200	14,017	13,967
Supplies	15,000	18,200	22,191
Telephone	15,000	37,577	30,701
Travel and accommodation	8,000	4,172	5,206
Uniforms	5,000	2,651	14,335
Vehicle	12,000	1,192	14,530
Water	22,000	23,569	20,017
Total operating expenses	4,825,300	5,290,407	5,060,254
Excess (deficiency) of revenues over expenses, before amortization	108,400	(41,992)	34,863
Unusual item (Note 9)	-	(1,576,446)	-
Transfer to Municipality and Town	-	(53,400)	(287,529)
Amortization	107,500	(84,281)	(102,485)
Excess (deficiency) of revenues over expenses	\$ 900	\$ (1,756,119)	\$ (355,151)

See accompanying notes to the financial statements

Central Nova Scotia Civic Centre Society

Statement of financial position

As at March 31

2024

2023

Financial assets

Cash and cash equivalents	\$	868,771	\$	956,482
Receivables		283,364		157,254
Receivable from municipal governments (Note 5)		50,707		51,055
Inventory		28,820		33,483
		<u>1,231,662</u>		<u>1,198,274</u>

Liabilities

Payables and accruals (Note 9)	2,138,397	471,998
Government remittances payable	29,268	13,420
Loans from municipal governments (Note 6)	120,188	112,436
Deferred revenues (Note 7)	859,437	294,236
	<u>3,147,290</u>	<u>892,090</u>

Net (debt) financial assets (Page 7)

(1,915,628) 306,184

Non-financial assets

Prepays	274,911	37,971
Tangible capital assets (Note 8)	455,214	226,461
	<u>730,125</u>	<u>264,432</u>

Accumulated (deficit) surplus (Page 6)

\$ (1,185,503) \$ 570,616

Going Concern (Note 2)

Subsequent event (Note 10)

On behalf of the Society

Director

Director

Central Nova Scotia Civic Centre Society

Statement of accumulated (deficit) surplus

Year ended March 31

	General Operating	General capital reserve (Note 4)	General operating reserve	Investment in capital assets	2024	2023
Beginning of year	\$ -	\$ 196,821	\$ 147,334	\$ 226,461	\$ 570,616	\$ 925,767
Acquisition of capital assets	-	(313,034)	-	313,034	-	-
Excess (deficiency) of revenues over expenses	<u>(1,759,504)</u>	<u>235,000</u>	<u>(147,334)</u>	<u>(84,281)</u>	<u>(1,756,119)</u>	<u>(355,151)</u>
End of year	<u>\$ (1,759,504)</u>	<u>\$ 118,787</u>	<u>\$ -</u>	<u>\$ 455,214</u>	<u>\$ (1,185,503)</u>	<u>\$ 570,616</u>

See accompanying notes to the financial statements

Central Nova Scotia Civic Centre Society

Statement of changes in net debt

Year ended March 31	2024 Budget	2024 Actual	2023 Actual
Excess (deficiency) of revenues over expenses	\$ 108,400	\$ (1,756,119)	\$ (355,151)
Acquisition of tangible capital assets	-	(313,034)	(114,821)
Amortization of tangible assets	<u>107,500</u>	<u>84,281</u>	<u>102,485</u>
	107,500	(1,984,872)	(12,336)
Acquisition of prepaid expenses	-	(405,734)	(327,403)
Use of prepaid expenses	<u>-</u>	<u>168,794</u>	<u>378,138</u>
	-	(236,940)	50,735
Change in net financial assets	<u>900</u>	<u>(2,221,812)</u>	<u>(316,752)</u>
Net financial assets, beginning of year	<u>-</u>	<u>306,184</u>	<u>622,936</u>
Net (debt) financial assets, end of year	\$ <u>900</u>	\$ <u>(1,915,628)</u>	\$ <u>306,184</u>

See accompanying notes to the financial statements

Central Nova Scotia Civic Centre Society

Statement of cash flows

Year ended March 31

2024

2023

Net decrease of cash and cash equivalents related to the following activities

Operating activities

Deficiency of revenues over expenses	\$	(1,756,119)	\$	(355,151)
Amortization		<u>84,281</u>		<u>102,485</u>
		(1,671,838)		(252,666)

Changes in non-cash working capital

Receivables	(126,110)	18,593
Inventory	4,663	(20,020)
Prepays	(236,940)	50,735
Payables and accruals	1,682,247	(10,052)
Due from municipal governments	348	4
Loan from municipal governments	7,752	1,905
Deferred revenue	<u>565,201</u>	<u>74,639</u>
	<u>225,323</u>	<u>(136,862)</u>

Investing activities

Purchase of tangible capital assets	<u>(313,034)</u>	<u>(114,821)</u>
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Net decrease in cash and cash equivalents (87,711) (251,683)

Cash and cash equivalents, beginning of year 956,482 1,208,165

Cash and cash equivalents, end of year \$ 868,771 \$ 956,482

Central Nova Scotia Civic Centre Society

Notes to the financial statements

March 31, 2024

1. Nature of Operations

Central Nova Scotia Civic Centre Society (the "Society") is a government not-for-profit organization incorporated on May 14, 2012. The Society, under an operating agreement with the Town of Truro and the Municipality of the County of Colchester, manages the operations of "Rath Eastlink Community Centre", a multi-use recreational facility located at 625 Abenaki Road, Truro, Nova Scotia for the promotion of physical activity, health, well-being in the community and event attraction and management.

2. Going Concern

These financial statements have been prepared in accordance with accounting principles applicable to a going concern, which contemplates that the Society will continue its operations in the foreseeable future and will realize its assets and settle its liabilities in the normal course of operations.

However, several adverse conditions may cast significant doubt on this assumption. As a result of an audit by the Canada Revenue Agency (CRA), the Society received a notice of determination and notice of reassessment for wage subsidy July 18, 2024 the repayment of \$1,576,446 in Canada Emergency Wage Subsidy (CEWS) government funding, including penalties and interest (Note 9). This financial liability has been accrued in the financial statements as at March 31, 2024, contributing to the net debt of \$1,915,528 and an operating deficit of \$1,756,119. The Society has engaged external legal counsel and have filed a notice of objection prior to the October 16, 2024 CRA deadline.

The Society's ability to continue as a going concern is dependent upon securing funding to settle this obligation and the continuing availability of existing funding and financing. Management is exploring its options to obtain the funding and continuing to address the need to increase revenue and control costs. As the outcome of management's actions is dependent on future events, there is no certainty that management will be able to successfully resolve these issues. Should the Society be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The financial statements do not reflect adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classification that would be necessary if the going concern assumption was inappropriate. However, such adjustments could be material.

3. Summary of significant accounting policies

Basis of presentation

The financial statements of Central Nova Scotia Civic Centre Society are the representations of management prepared in accordance with Canadian accounting standards for governments as established by the Canadian Public Sector Accounting Board ("PSAB") of Chartered Professional Accountants (CPA) Canada.

Use of estimates

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires the Society's management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenue and expenditures during the year. Actual results could differ from those reported. These estimates are reviewed periodically and adjustments made to excess of revenues over expenses as appropriate in the year they become known. Estimates for the Society include valuation allowances on receivables, inventory valuation and useful lives of tangible capital assets.

Central Nova Scotia Civic Centre Society

Notes to the financial statements

March 31, 2024

3. Summary of significant accounting policies (continued)

Fund accounting

Funds within the financial statements consist of the operating, capital and reserve funds for the general operations of the Society.

Reserves for future expenses

Certain amounts, as approved by the Board of Directors are set aside in reserve funds. The general capital reserve fund has been set up for future capital expenditures in accordance with the terms of the operating agreement. The general operating reserve has been set up to sustain financial operations in the event of unbudgeted expenses and/or losses in operating revenues.

Budget figures

The budget figures contained in these financial statements were approved by the Board of Directors in its original fiscal plan.

Revenue recognition

Membership fees are recognized in revenue over the period of the membership. Any advance payments received are classified as deferred revenue on the statement of financial position.

Rental income is recognized on a straight-line basis over the term of the lease or at the time room facilities are rented.

Advertising and sponsorship revenues are recognized over the term of the advertising/sponsorship contracts and/or when earned as long as amounts can be reasonably estimated and collection is reasonably assured.

Food and beverage revenue is recognized at the point of sale, when the customer receives and pays for the goods.

Major event revenues are recognized after the completion of the event. Any advance payments received are classified as deferred revenue on the statement of financial position.

Unconditional and conditional transfers from governments for operating and capital purposes are recognized as revenue in the period in which all eligibility criteria and/or stipulations have been met and the amounts are authorized. Any funding received prior to satisfying these conditions is deferred until conditions have been met. When revenue is received without eligibility credits or stipulations, it is recognized when the transfer is authorized.

All non-government externally restricted contributions or grants are matched to related expenses. Any resulting excess is recorded as deferred revenue until the related expense is incurred. Unrestricted revenues and investment income are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Inventory

Inventory is valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks.

Central Nova Scotia Civic Centre Society

Notes to the financial statements

March 31, 2024

3. Summary of significant accounting policies (continued)

Financial instruments

The Society has adopted Handbook Section PS3450 "Financial instruments" and is required to designate its financial instruments into one of the following two categories: (i) fair value; or (ii) cost or amortized cost.

The Society's financial instruments consist of cash and cash equivalents, accounts receivable, government remittance receivables and payables, receivables from municipal governments, payables and accruals, loans from municipal governments and deferred revenues. The Society measures its financial instruments as follows:

Initial measurement

Financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Subsequent measurement

At each reporting date, the Society measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for investments, which must be measured at fair value. The Society uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the consolidated statement of revenues and expenses. The financial instruments measured at amortized cost are cash and cash equivalents, receivables, payables and accruals and loan payable.

For financial assets measured at cost or amortized cost, the Society regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Society 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.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest or credit risks arising from financial instruments.

Remeasurement gains and losses

Under PSAS, the Commission is required to present a statement of remeasurement gains and losses. As the Society has no remeasurement gains and losses, this statement has not been presented.

Tangible capital assets

The recreational facility, including all significant assets required to operate the facility are owned on a 50% / 50% basis by the Municipality of the County of Colchester and the Town of Truro.

The County and the Town have agreed that any resulting fiscal surplus is to be set up as an internally restricted capital reserve for future years. The Society purchased tangible capital assets during the year using this internally restricted capital reserve. Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, development or betterment of the assets.

Per the operating agreement, capital assets are the responsibility of the Central Nova Scotia Civic Centre Society, unless otherwise agreed to by the Municipality and the Town.

Central Nova Scotia Civic Centre Society

Notes to the financial statements

March 31, 2024

3. Summary of significant accounting policies (continued)

Tangible capital assets (continued)

The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Equipment	1- 7 years
Computer	3 -5 years

Income taxes

The Society is exempt from income taxes under Section 149(l)(l) of the *Canadian Income Tax Act*.

4. Government transfers – Municipal

On March 26, 2013, the Society entered into an operating agreement with the Municipality of the County of Colchester and the Town of Truro for the management, promotion, development, operation and administration of the Society. In 2017, this operating agreement was amended.

Under the above operating agreement, in the event of a net surplus at the end of any fiscal year, any surplus from combining the Operating and Capital Reserve funds to a maximum of \$400,000 shall be placed in reserve by the operating Organization for ongoing and future capital expenditures, as well as to fund operations if required.

If, at any time, the balance in the combined Capital and Operating Reserves exceeds \$400,000, the difference shall be transferred to the operating account and that amount shall be deducted from the next fiscal year's annual operating grant to be paid by the Municipality and the Town in equal amounts, unless otherwise agreed to by the units.

Transfers from municipal governments for operating funding are comprised of:

	<u>2024</u> <u>Budget</u>	<u>2024</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Town of Truro	\$ 600,000	\$ 600,000	\$ 600,000
Municipality of the county of Colchester	600,000	600,000	600,000
	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>

Central Nova Scotia Civic Centre Society

Notes to the financial statements

March 31, 2024

4. Government transfers – Municipal (continued)

The following additional transfers from (to) municipal governments occurred in the normal course of operations:

	<u>Town of Truro</u>	<u>Municipality of the County of Colchester</u>
ACOA Comfort Centre	\$ -	\$ 75,000
WJAC Challenge	16,666	16,666
IT services/support	(27,500)	(27,500)
Capital	(26,700)	(26,700)

Government transfers

	<u>2024</u>	<u>2023</u>
Federal Government	\$ 33,333	\$ 407,420
Minister of Employment and Social Development	-	25,989
Municipal	7,501	179,305
Province of Nova Scotia	236,250	263,454
Province of Nova Scotia – Community Culture Tourism and Heritage	153,333	-
Miscellaneous	-	1,934

5. Receivable from (payable to) municipal governments

	<u>2024</u>	<u>2023</u>
Municipality of the County of Colchester		
Government transfers	\$ (21,148)	\$ (21,148)
	<u>(21,148)</u>	<u>(21,148)</u>
Town of Truro		
Government transfers	79,156	79,156
Trade, net	<u>(7,301)</u>	<u>(6,953)</u>
	<u>71,855</u>	<u>72,203</u>
	\$ <u>50,707</u>	\$ <u>51,055</u>

Central Nova Scotia Civic Centre Society

Notes to the financial statements

March 31, 2024

6. Loans from municipal governments

	<u>2024</u>	<u>2023</u>
Municipality of the County of Colchester	\$ 72,113	\$ 67,462
Town of Truro	<u>48,075</u>	<u>44,974</u>
	<u>\$ 120,188</u>	<u>\$ 112,436</u>

On May 15, 2013, the Town of Truro and the Municipality of the County of Colchester obtained loans from a third party financial institution amounting to \$680,000 and \$1,020,000, respectively, for the renovation of the facilities within the Rath Eastlink Community Centre that are being rented by Nova Scotia Health Authority (NSHA). Interest rates range from 1.330% to 2.979% during the term of the loans to May 15, 2028. For the year ended March 31, 2024, the actual interest rate charged was 2.98%. Under the Memorandum of Agreement, these loans are to be repaid through the proceeds from the NSHA rent collected by the Society. The Society forwards these payments to the Town and County every November 15th and May 15th. As at March 31, 2024, the total amount payable to the Town and County related to these loans amounted to \$120,188, which was paid in May 2024.

The Society is expected to pay the Town and County the following amounts from fiscal 2025 to fiscal 2029, which include the principal and interest, from NSHA rent to be collected:

2025	147,593
2026	144,252
2027	141,273
2028	138,435
2029	135,863

The terms of the Municipality of the County of Colchester third party loan were extended subsequent to year end. As a result, the 2025 required repayments will be \$147,593.

7. Deferred revenues

	<u>2024</u>	<u>2023</u>
Grants	\$ 73,750	\$ -
Loft suites	18,333	18,333
Major events	507,309	69,515
Memberships	158,037	107,150
Sponsorship	<u>102,008</u>	<u>99,238</u>
	<u>\$ 859,437</u>	<u>\$ 294,236</u>

Central Nova Scotia Civic Centre Society

Notes to the financial statements

March 31, 2024

8. Tangible Capital Assets

	Cost	Accumulated Amortization	Net Book Value 2024	Net Book Value 2023
Equipment	\$ 1,085,506	\$ 631,490	\$ 454,016	\$ 222,926
Computer	<u>36,709</u>	<u>35,512</u>	<u>1,198</u>	<u>3,535</u>
	<u>\$ 1,122,215</u>	<u>\$ 667,002</u>	<u>\$ 455,214</u>	<u>\$ 226,461</u>

Note that as at year end there was \$222,897 in capital assets that were not available for use included in the cost of tangible capital assets.

9. Unusual Item

Subsequent to year end, the amounts claimed by the Society for the Canada Wage Subsidy (CEWS) during the 2022, 2021 and 2020 fiscal years were disallowed by CRA. This resulted in an obligation owing back to the Canada Revenue agency in the amount of \$1,280,415.26 plus interest of \$296,031. This amount is recorded as a liability as of March 31, 2024.

10. Subsequent Event

Subsequent to year end, the Society secured \$2 million in funding as payment for the Event Management Contract at the Nova Scotia Provincial Exhibition Complex to be used over five years.

11. Change in accounting policy

Effective April 1, 2023, the Society adopted new Public Sector Accounting Standards Section PS 3400 *Revenues*. New Section PS 3400 *Revenue* establishes standards on how to account for and report on revenue. It does not apply to revenues for which specific standards already exist, such as government transfers, tax revenue or restricted revenues. The Section distinguishes between revenue that arises from transactions that include performance obligations (i.e., exchange transactions) and transactions that do not have performance obligations (i.e., non-exchange transactions). Revenue from transactions with performance obligations will be recognized when (or as) the performance obligation is satisfied by providing the promised goods or services to the payor. Revenue from transactions with no performance obligations will be recognized when a public sector entity has the authority to claim or retain the revenue and identifies a past transaction or event that gives rise to an asset. The adoption of this new standard did not have a significant impact on the financial results of the Society.