

## Financial Statements

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

**March 31, 2025**

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## Central Nova Scotia Civic Centre Society

### ***Management's Responsibility for the Financial Statements***

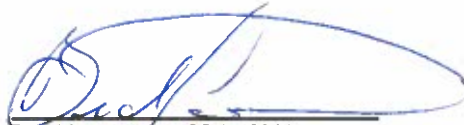
The financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and supplementary 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  
\_\_\_\_\_  
Brad Lawrence, CPA, CMA  
Chief Financial Officer

August 7, 2025

## Independent auditor's report

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**Doane Grant Thornton LLP**  
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To the Directors of Central Nova Scotia Civic Centre Society

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### **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, 2025, 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, 2025, 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 \$90,930 during the year ended March 31, 2025 and, as of that date, the Society has an accumulated deficit of \$1,276,433. 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  
August 7, 2025

Chartered Professional Accountants

# Central Nova Scotia Civic Centre Society

## Statement of operations

| Year ended March 31                                       | 2025<br>Budget   | 2025<br>Actual     | 2024<br>Actual        |
|-----------------------------------------------------------|------------------|--------------------|-----------------------|
| <b>Revenues</b>                                           |                  |                    |                       |
| Memberships                                               | \$ 878,000       | \$ 886,778         | \$ 908,272            |
| Rentals                                                   | 825,000          | 794,136            | 783,881               |
| Advertising and sponsorship                               | 220,000          | 180,777            | 156,049               |
| Food and beverage                                         | 714,000          | 1,268,592          | 659,451               |
| Major events (Note 4)                                     | 2,450,000        | 2,102,177          | 982,427               |
| Municipal government transfers – operating grant (Note 4) | 1,500,000        | 1,500,000          | 1,200,000             |
| Government transfers (Note 4)                             | 235,000          | 1,333,308          | 243,751               |
| Event management                                          | -                | -                  | 195,080               |
| Other revenue                                             | 705,000          | 40,165             | 119,504               |
| <b>Total revenues</b>                                     | <b>7,527,000</b> | <b>8,105,933</b>   | <b>5,248,415</b>      |
| <b>Expenses</b>                                           |                  |                    |                       |
| Advertising and promotion                                 | 135,000          | 58,679             | 58,043                |
| Bad debts                                                 | 1,000            | 300                | 2,372                 |
| Board                                                     | 8,000            | 1,307              | 8,144                 |
| Building maintenance and contract services                | 315,000          | 347,976            | 259,527               |
| Cleaning                                                  | 47,000           | 44,235             | 34,713                |
| Dues and subscriptions                                    | 6,000            | 5,606              | 3,238                 |
| Electricity                                               | 720,000          | 752,967            | 677,695               |
| Equipment supplies and maintenance                        | 180,000          | 99,207             | 90,772                |
| Event management expense                                  | -                | 550                | 147,267               |
| Food and beverage                                         | 305,000          | 631,438            | 318,254               |
| Insurance                                                 | 90,000           | 79,060             | 68,426                |
| Interest and bank charges                                 | 65,000           | 155,154            | 47,235                |
| Major events                                              | 2,085,000        | 1,931,905          | 868,067               |
| Other                                                     | 58,500           | 17,102             | 42,028                |
| Pool chemicals                                            | 49,500           | 66,315             | 53,796                |
| Postage and photocopy                                     | 9,300            | 7,364              | 8,269                 |
| Professional fees                                         | 100,000          | 145,069            | 67,733                |
| Propane                                                   | 6,500            | 7,839              | 2,061                 |
| Salaries and benefits full time                           | 1,992,987        | 2,377,188          | 1,660,769             |
| Salaries and benefits part time / casual                  | 910,000          | 1,086,207          | 733,067               |
| Software                                                  | 51,000           | 56,515             | 37,553                |
| Staff training                                            | 15,000           | 9,470              | 14,017                |
| Supplies                                                  | 43,000           | 67,442             | 18,200                |
| Telephone                                                 | 26,000           | 43,844             | 37,577                |
| Travel and accommodation                                  | 33,000           | 3,598              | 4,172                 |
| Uniforms                                                  | 27,000           | 8,979              | 2,651                 |
| Vehicle                                                   | 16,000           | 28,317             | 1,192                 |
| Water                                                     | 22,000           | 24,663             | 23,569                |
| <b>Total operating expenses</b>                           | <b>7,316,787</b> | <b>8,058,296</b>   | <b>5,290,407</b>      |
| <b>Excess (deficiency) of revenues over expenses,</b>     |                  |                    |                       |
| before amortization                                       | 210,213          | 47,637             | (41,992)              |
| Unusual item (Note 6)                                     | -                | -                  | (1,576,446)           |
| Transfer to Municipality and Town                         | -                | -                  | (53,400)              |
| Amortization                                              | (130,000)        | (138,567)          | (84,281)              |
| <b>Excess (deficiency) of revenues over expenses</b>      | <b>\$ 80,213</b> | <b>\$ (90,930)</b> | <b>\$ (1,756,119)</b> |

See accompanying notes to the financial statements

# Central Nova Scotia Civic Centre Society

## Statement of financial position

| As at March 31                                 | 2025                  | 2024                  |
|------------------------------------------------|-----------------------|-----------------------|
| <b>Financial assets</b>                        |                       |                       |
| Cash and cash equivalents                      | \$ 1,219,329          | \$ 868,771            |
| Receivables                                    | 870,192               | 283,364               |
| Receivable from municipal governments (Note 5) | 50,412                | 50,707                |
| Inventory                                      | 23,131                | 28,820                |
|                                                | <u>2,163,064</u>      | <u>1,231,662</u>      |
| <b>Liabilities</b>                             |                       |                       |
| Payables and accruals                          | 627,494               | 2,138,397             |
| Government remittances payable                 | 47,613                | 29,268                |
| Loans from municipal governments (Note 6)      | 1,751,519             | 120,188               |
| Deferred revenues (Note 7)                     | 2,140,996             | 859,437               |
|                                                | <u>4,567,622</u>      | <u>3,147,290</u>      |
| <b>Net debt (Page 7)</b>                       | <u>(2,404,558)</u>    | <u>(1,915,628)</u>    |
| <b>Non-financial assets</b>                    |                       |                       |
| Prepays                                        | 493,178               | 274,911               |
| Tangible capital assets (Note 8)               | 634,947               | 455,214               |
|                                                | <u>1,128,125</u>      | <u>730,125</u>        |
| <b>Accumulated deficits (Page 6)</b>           | \$ <u>(1,276,433)</u> | \$ <u>(1,185,503)</u> |

Going Concern (Note 2)  
 Commitment (Note 9)  
 Subsequent event (Note 10)  
 Contingencies (Note 11)

On behalf of the Society

 Director

 Director

# Central Nova Scotia Civic Centre Society

## Statement of accumulated debt

Year ended March 31

|                                               | General<br>Operating  | General<br>capital<br>reserve<br>(Note 4) | General<br>operating<br>reserve | Investment<br>in capital<br>assets | 2025                  | 2024                  |
|-----------------------------------------------|-----------------------|-------------------------------------------|---------------------------------|------------------------------------|-----------------------|-----------------------|
| Beginning of year                             | \$ (1,759,504)        | \$ 118,787                                | \$ -                            | \$ 455,214                         | \$ (1,185,503)        | \$ 570,616            |
| Acquisition of capital assets                 | (199,513)             | (118,787)                                 | -                               | 318,300                            | -                     | -                     |
| Excess (deficiency) of revenues over expenses | <u>47,637</u>         | -                                         | -                               | <u>(138,567)</u>                   | <u>(90,930)</u>       | <u>(1,756,119)</u>    |
| End of year                                   | <u>\$ (1,911,380)</u> | <u>\$ -</u>                               | <u>\$ -</u>                     | <u>\$ 634,947</u>                  | <u>\$ (1,276,433)</u> | <u>\$ (1,185,503)</u> |

See accompanying notes to the financial statements

## Central Nova Scotia Civic Centre Society

### Statement of changes in net debt

| Year ended March 31                            | 2025<br>Budget     | 2025<br>Actual        | 2024<br>Actual        |
|------------------------------------------------|--------------------|-----------------------|-----------------------|
| Excess (deficiency) of revenues over expenses  | \$ 80,213          | \$ (90,930)           | \$ (1,756,119)        |
| Acquisition of tangible capital assets         | -                  | (318,300)             | (313,034)             |
| Amortization of tangible assets                | <u>130,000</u>     | <u>138,567</u>        | <u>84,281</u>         |
|                                                | (49,787)           | (270,663)             | (1,984,872)           |
| Acquisition of prepaid expenses                | -                  | (2,876,515)           | (405,734)             |
| Use of prepaid expenses                        | <u>-</u>           | <u>2,658,248</u>      | <u>168,794</u>        |
|                                                | -                  | (218,267)             | (236,940)             |
| Change in net debt                             | <u>(49,787)</u>    | <u>(488,930)</u>      | <u>(2,221,812)</u>    |
| Net (debt) financial assets, beginning of year | <u>-</u>           | <u>(1,915,628)</u>    | <u>306,184</u>        |
| Net debts, end of year                         | \$ <u>(49,787)</u> | \$ <u>(2,404,558)</u> | \$ <u>(1,915,628)</u> |

See accompanying notes to the financial statements

# Central Nova Scotia Civic Centre Society

## Statement of cash flows

Year ended March 31

2025

2024

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

### Operating activities

|                                      |    |                |    |               |
|--------------------------------------|----|----------------|----|---------------|
| Deficiency of revenues over expenses | \$ | (90,930)       | \$ | (1,756,119)   |
| Amortization                         |    | <u>138,567</u> |    | <u>84,281</u> |
|                                      |    | 47,637         |    | (1,671,838)   |

### Changes in non-cash working capital

|                                 |                  |                |
|---------------------------------|------------------|----------------|
| Receivables                     | (586,828)        | (126,110)      |
| Inventory                       | 5,689            | 4,663          |
| Prepays                         | (218,267)        | (236,940)      |
| Payables and accruals           | (1,492,558)      | 1,682,247      |
| Due from municipal governments  | 295              | 348            |
| Loan from municipal governments | 1,631,331        | 7,752          |
| Deferred revenue                | <u>1,281,559</u> | <u>565,201</u> |
|                                 | <u>668,858</u>   | <u>225,323</u> |

### Investing activities

|                                     |                  |                  |
|-------------------------------------|------------------|------------------|
| Purchase of tangible capital assets | <u>(318,300)</u> | <u>(313,034)</u> |
|-------------------------------------|------------------|------------------|

Net increase (decrease) in cash and cash equivalents 350,558 (87,711)

Cash and cash equivalents, beginning of year 868,771 956,482

Cash and cash equivalents, end of year \$ 1,219,329 \$ 868,771

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# Central Nova Scotia Civic Centre Society

## Notes to the financial statements

March 31, 2025

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### 1. Nature of Operations

Central Nova Scotia Civic Centre Society (the "Society") is a 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. In addition, the Society has modified its bylaws to provide services under event planning and management. The Society has entered into a term operating agreement with the Province of Nova Scotia to manage the Nova Scotia Provincial Exhibition complex a multi-use recreational and events facility located at 73 Ryland Avenue, Bible Hill, Nova Scotia for the promotion of agriculture, physical activity, health, well-being in the community and event attraction and management.

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### 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 on July 18, 2024 requiring the repayment of \$1,576,446 in Canada Emergency Wage Subsidy (CEWS) government funding, including penalties and interest (Note 6). This financial liability has been accrued in the financial statements as at March 31, 2024, contributing to the net debt of \$2,404,558 (2024 - \$1,915,528) accumulated deficit of \$1,276,433 (2024 - \$1,185,503) and an operating deficit of 90,930 (2024 - \$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. As of August 7, 2025, the notice of objection is still under review by CRA.

The Society's ability to continue as a going concern is dependent upon continuing availability of existing funding and financing. Management obtained interim loans from each of the Municipality of the County of Colchester and the Town of Truro at a 50/50 split for \$1,629,846, including interest to provide funds to repay Canada Revenue Agency to stop further interest until the determination. The terms of the loans are dependant on the outcome. The loan with the Town of Truro will be forgiven if the Notice of Objection is unsuccessful. The loan with the Municipality of the County of Colchester will determine alternative repayment terms, if the appeal is not successful (Note 6). The Society is 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.

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# Central Nova Scotia Civic Centre Society

## Notes to the financial statements

March 31, 2025

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### 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 Canada Emergency Wage Subsidy accrual, inventory valuation and useful lives of tangible capital assets.

#### 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.

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# Central Nova Scotia Civic Centre Society

## Notes to the financial statements

March 31, 2025

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### 3. Summary of significant accounting policies (continued)

#### Revenue recognition (continued)

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.

#### 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.

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# Central Nova Scotia Civic Centre Society

## Notes to the financial statements

March 31, 2025

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### 3. Summary of significant accounting policies (continued)

#### Financial instruments (continued)

##### *Subsequent measurement (continued)*

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.

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*.

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### 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.

# Central Nova Scotia Civic Centre Society

## Notes to the financial statements

March 31, 2025

### 4. Government transfers – Municipal (continued)

Transfers from municipal governments for operating funding are comprised of:

|                                          | 2025<br>Budget      | 2025<br>Actual      | 2024<br>Actual      |
|------------------------------------------|---------------------|---------------------|---------------------|
| Town of Truro                            | \$ 750,000          | \$ 750,000          | \$ 600,000          |
| Municipality of the county of Colchester | 750,000             | 750,000             | 600,000             |
|                                          | <u>\$ 1,500,000</u> | <u>\$ 1,500,000</u> | <u>\$ 1,200,000</u> |

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

|                            | Town of Truro | Municipality of<br>the County of<br>Colchester |
|----------------------------|---------------|------------------------------------------------|
| Repair reimbursements      | \$ 111,857    | \$ 111,857                                     |
| Event funding              | 75,000        | 92,409                                         |
| IT services/support        | (50,927)      | -                                              |
| Interest on long-term debt | 1,019         | 1,019                                          |

|                                                                    | 2025                | 2024              |
|--------------------------------------------------------------------|---------------------|-------------------|
| <b>Government transfers</b>                                        |                     |                   |
| Farm Loans Board                                                   | \$ 100,000          | \$ -              |
| Province of Nova Scotia - Communities Economic<br>Development Fund | 1,179,991           | -                 |
| Province of Nova Scotia                                            | -                   | 236,250           |
| Province of Nova Scotia Community Economic Development Fund        |                     |                   |
| Capital contribution                                               | 53,317              | -                 |
| Municipal                                                          | -                   | 7,501             |
|                                                                    | <u>\$ 1,333,308</u> | <u>\$ 243,751</u> |

### Government transfers major events

|                                                                   |                   |                  |
|-------------------------------------------------------------------|-------------------|------------------|
| Atlantic Canada Opportunities                                     | \$ 150,000        | \$ -             |
| Federal government                                                | -                 | 33,333           |
| Perennia                                                          | 25,000            | -                |
| Province of Nova Scotia Community, Cultural, Tourism and Heritage | 150,000           | -                |
| Province of Nova Scotia                                           | 50,000            | -                |
|                                                                   | <u>\$ 375,000</u> | <u>\$ 33,333</u> |

Certain government transfers are included in major events on the statement of operations.

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## Central Nova Scotia Civic Centre Society

### Notes to the financial statements

March 31, 2025

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#### 5. Receivable from (payable to) municipal governments

|                                          | <u>2025</u>        | <u>2024</u>        |
|------------------------------------------|--------------------|--------------------|
| Municipality of the County of Colchester |                    |                    |
| Government transfers                     | \$ <u>(21,148)</u> | \$ <u>(21,148)</u> |
|                                          | <u>(21,148)</u>    | <u>(21,148)</u>    |
| Town of Truro                            |                    |                    |
| Government transfers                     | 79,156             | 79,156             |
| Trade, net                               | <u>(7,596)</u>     | <u>(7,301)</u>     |
|                                          | <u>71,560</u>      | <u>71,855</u>      |
|                                          | \$ <u>50,412</u>   | \$ <u>50,707</u>   |

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#### 6. Loans from municipal governments

|                                                                                               | <u>2025</u>         | <u>2024</u>       |
|-----------------------------------------------------------------------------------------------|---------------------|-------------------|
| Municipality of the County of Colchester – facilities                                         | \$ 71,781           | \$ 72,113         |
| Town of Truro – facilities                                                                    | 47,854              | 48,075            |
| Municipality of the County of Colchester, interim loan<br>bearing interest at 1.5%/ per annum | 815,942             | -                 |
| Town of Truro interim loan bearing, interest at 1.5%/ per annum                               | <u>815,942</u>      | <u>-</u>          |
|                                                                                               | \$ <u>1,751,519</u> | \$ <u>120,188</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 4.71% during the term of the loans to May 15, 2028. For the year ended March 31, 2025, the actual interest rate charged was 4.71%. 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 15<sup>th</sup> and May 15<sup>th</sup>. As at March 31, 2025, the total amount payable to the Town and County related to these loans amounted to \$119,636, which was paid in May 2025.

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.

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 was recorded as a liability as of March 31, 2024.

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# Central Nova Scotia Civic Centre Society

## Notes to the financial statements

March 31, 2025

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### 6. Loans from municipal governments

The Municipality of Colchester and the Town of Truro provided interim loans to the Society of (\$814,923 each) during the year solely for the payment of Canada Revenue Agency obligations in relation to the Canada Wage Subsidy (CEWS) claim until the outcome is determined.

Repayment terms as per the loan agreement with the Municipality of the County of Colchester state, repayment shall be required pending CRA's decision on the RECC's appeal, if the appeal is unsuccessful alternative repayment terms may be discussed.

Repayment terms as per the loan agreement with the Town of Truro states, in the event the ruling of the Notice of Objection with Canada Revenue Agency is not successful the repayment of the grant will be forgiven.

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### 7. Deferred revenues

|                                       | <u>2025</u>         | <u>2024</u>       |
|---------------------------------------|---------------------|-------------------|
| Grants                                | \$ 209,310          | \$ 73,750         |
| Loft suites                           | 18,333              | 18,333            |
| Major events                          | 825,717             | 507,309           |
| Tangible capital assets grant funding | 750,000             | -                 |
| Memberships                           | 162,388             | 158,037           |
| Sponsorship                           | 175,248             | 102,008           |
|                                       | <u>\$ 2,140,996</u> | <u>\$ 859,437</u> |

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### 8. Tangible Capital Assets

|           | <u>Cost</u>         | <u>Accumulated<br/>Amortization</u> | <u>Net Book<br/>Value<br/>2025</u> | <u>Net Book<br/>Value<br/>2024</u> |
|-----------|---------------------|-------------------------------------|------------------------------------|------------------------------------|
| Equipment | \$ 1,403,806        | \$ 769,098                          | \$ 634,708                         | \$ 454,016                         |
| Computer  | 36,709              | 36,470                              | 239                                | 1,198                              |
|           | <u>\$ 1,440,515</u> | <u>\$ 805,568</u>                   | <u>\$ 634,947</u>                  | <u>\$ 455,214</u>                  |

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### 9. Commitment

During the year, the Society entered into commitments to purchase bleachers totalling \$1,169,457. The amount of the bleachers is being funded by the Innovative Community Fund from Atlantic Canada Opportunities Agency and the Province of Nova Scotia. Communities, Cultural, Tourism and Heritage for the amount of \$1,100,000.

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### 10. Subsequent Event

Subsequent to year end, certain Board of Directors – community board members, eight (8), were dismissed and eight (8) new Board of Directors community board members were appointed. The newly appointed board first met on June 16, 2025.

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## **Central Nova Scotia Civic Centre Society**

### **Notes to the financial statements**

March 31, 2025

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#### **11. Contingencies**

The Society may from time to time be involved in legal proceedings, claims and litigation that arise in the normal course of business and which the Society believes would not reasonably be expected to have a material adverse effect on its financial position.