

Audit Committee Report to the LCAHS Board of Directors

April 19th, 2024

In a slight variation on the Lake Charlotte Area Heritage Society's terms of reference for the audit committee, the 2024 committee was struck consisting of four board members and two additional volunteers from the society membership. This was done to ensure continuity and overlap with the new Treasurer and the previous one. The committee held four meetings, three via zoom and one in person meeting at the Society's offices. All members were provided with access to the 2023 general ledger, bank statements, credit card statements, online sales and purchases, and expense claims. Because of the large volume of information, 100s of pages, the work was divided up equally among the audit team.

A list of questions was devised by the Committee and submitted to the Executive Director. Documentation for specific items was requested and made readily available. The Executive Director was present for at least a portion of two of the meetings and provided prompt detailed emailed or in person answers to all of our questions.

Following a thorough audit and review of the 2023 financial statements, as provided by our professional accountant, we are satisfied that the financial status and quality control of the LCAHS is in good order. The committee again thanks the Executive Director and her staff for excellent work in managing and controlling the organization with almost a million dollars in assets and a complex budget with multiple projects and funding sources. We would also like to thank Thea for her cooperation and assistance during this audit process.

Respectfully submitted,

Maureen MacDonald, Society Member

Keiver Read, Society Member

Darrell Boutilier, Society Director

Darlene Meade, Society Director

Nancy Lobban, Society Treasurer

Kristy Sanders, Society Chair

LAKE CHARLOTTE AREA HERITAGE SOCIETY
Compiled Financial Information
Year Ended December 31, 2023

LAKE CHARLOTTE AREA HERITAGE SOCIETY
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Year Ended December 31, 2023

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COMPILATION ENGAGEMENT REPORT

To the Members of Lake Charlotte Area Heritage Society

On the basis of information provided by management, we have compiled the statement of financial position of Lake Charlotte Area Heritage Society as at December 31, 2023, and the statements of revenues and expenditures, changes in fund balances and cash flows for the year then ended, and Note 2, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Halifax, Nova Scotia
April 5, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

LAKE CHARLOTTE AREA HERITAGE SOCIETY

Statement of Financial Position

December 31, 2023

	Operating Fund 2023	Special Projects Fund 2023	Capital Fund 2023	Total 2023	Total 2022
	\$	\$	\$	\$	\$
ASSETS					
CURRENT					
Cash & term deposits	148,994	-	-	148,994	163,136
Accounts receivable	35,956	-	-	35,956	22,993
Due from Operating fund	-	70,807	-	70,807	36,792
Inventory	37,675	-	-	37,675	32,335
Wages recoverable	1,342	-	-	1,342	-
	223,967	70,807	-	294,774	255,256
PROPERTY, PLANT AND EQUIPMENT <i>(Net of accumulated amortization) (Note 4)</i>	-	-	688,164	688,164	725,629
LONG TERM INVESTMENTS	29,657	-	-	29,657	28,516
	253,624	70,807	688,164	1,012,595	1,009,401
LIABILITIES AND FUND BALANCES					
CURRENT					
Accounts payable	10,736	-	-	10,736	12,238
Wages payable	-	-	-	-	13
Due to Special Projects	70,807	-	-	70,807	36,792
	81,543	-	-	81,543	49,043
FUND BALANCES	172,081	70,807	688,164	931,052	960,360
	253,624	70,807	688,164	1,012,595	1,009,403

ON BEHALF OF THE BOARD

Director

Director

See notes to financial information

LAKE CHARLOTTE AREA HERITAGE SOCIETY

Statement of Revenues and Expenditures

Year Ended December 31, 2023

	Operating Fund \$	Special Projects Fund \$	Capital Fund \$	2023 \$	2022 \$
REVENUES					
Federal Government funding	44,556	68,727	-	113,283	81,188
Provincial Government funding	65,472	-	-	65,472	61,312
Municipal Government funding	23,266	5,000	-	28,266	26,717
Operations and fundraising	200,395	-	-	200,395	224,810
Donations	10,899	-	-	10,899	12,547
Interest and dividends	4,967	-	-	4,967	3,939
Sponsorships	8,050	-	-	8,050	7,100
	357,605	73,727	-	431,332	417,613
DIRECT COSTS					
Purchases	95,870	13,978	-	109,848	115,018
Direct wages	114,121	16,157	-	130,278	83,358
	209,991	30,135	-	240,126	198,376
GROSS PROFIT	147,614	43,592	-	191,206	219,237
EXPENDITURES					
Advertising and promotion	10,158	893	-	11,051	11,964
Amortization	-	-	37,465	37,465	40,854
Business taxes, licenses and memberships	3,360	1,194	-	4,554	2,377
Insurance	9,624	-	-	9,624	9,689
Interest and bank charges	5,661	-	-	5,656	6,379
Meetings and conventions	2,717	594	-	3,311	2,509
Office & computer	10,901	1,573	-	12,474	4,323
Professional fees	1,935	-	-	1,935	1,935
Repairs and maintenance	6,137	3,972	-	10,109	15,303
Salaries and wages	118,056	1,351	-	119,407	113,945
Utilities	4,928	-	-	4,928	7,276
	173,477	9,577	37,465	220,514	216,554
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(25,863)	34,015	(37,465)	(29,308)	2,683

See notes to financial information

LAKE CHARLOTTE AREA HERITAGE SOCIETY
Statement of Changes in Fund Balances
Year Ended December 31, 2023

	Operating Fund \$	Special Projects Fund \$	Capital Fund \$	2023 \$	2022 \$
FUND BALANCES - BEGINNING OF YEAR	206,374	36,792	717,194	960,360	957,677
Deficiency of revenues over expenditures	(25,858)	34,015	(37,465)	(29,308)	2,683
Interfund transfers	(8,435)	-	8,435	-	-
FUND BALANCES - END OF YEAR	172,081	70,807	688,164	931,052	960,360

LAKE CHARLOTTE AREA HERITAGE SOCIETY

Statement of Cash Flows

Year Ended December 31, 2023

	2023 2023 \$	2022 2022 \$
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	(29,308)	2,683
Items not affecting cash:		
Amortization of property, plant and equipment	37,465	40,854
Dividend recognition	-	(1,413)
	8,157	42,124
Changes in non-cash working capital:		
Accounts receivable	(12,963)	20,364
Inventory	(5,340)	(1,093)
Accounts payable	(1,502)	(814)
Wages payable	(1,355)	-
	(21,160)	18,457
Cash flow from (used by) operating activities	(13,003)	60,581
INVESTING ACTIVITY		
Addition to investments	(1,139)	(10,000)
Cash flow used by investing activity	(1,139)	(10,000)
INCREASE (DECREASE) IN CASH FLOW	(14,142)	50,581
Cash - beginning of year	163,136	112,556
CASH - END OF YEAR	148,994	163,137
CASH CONSISTS OF:		
Cash	148,994	163,136

See notes to financial information

LAKE CHARLOTTE AREA HERITAGE SOCIETY

Notes to Compiled Financial Information

Year Ended December 31, 2023

(Unaudited - See Notice To Reader)

1. Purpose of the organization

Lake Charlotte Area Heritage Society (the "organization") was registered under the Nova Scotia Societies Act in 1995. It was formed to research, preserve, and make accessible the heritage of the Eastern Shore communities in the Halifax Regional Municipality. It does this through the recreated 1940s era Memory Lane Heritage Village and the Eastern Shore Archives. The Society is a non-profit organization under paragraph 149(1)(l) of the Income Tax Act and is a registered charity with Canada Revenue Agency, and as such is not subject to federal or provincial income taxes. As a registered charity the organization is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

2. Basis of accounting

The basis of accounting applied in the preparation of the statement of financial position of Lake Charlotte Area Heritage Society as at December 31, 2023, and the statements of revenues and expenditures, changes in fund balances and cash flows for the year then ended is on the historical cost basis and reflects cash transactions with the addition of:

- accounts receivable
- inventory valued at cost
- investments recorded at cost
- property, plant and equipment amortized over their useful lives
- accounts payable and accrued liabilities

3. Summary of significant accounting policies

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Fund accounting

Lake Charlotte Area Heritage Society follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to Lake Charlotte Area Heritage Society's capital assets.

Cash equivalents

Highly liquid investments with maturities of one year or less at date of purchase are classified as cash equivalents.

Revenue recognition

Lake Charlotte Area Heritage Society follows the restricted fund method of accounting for contributions.

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

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LAKE CHARLOTTE AREA HERITAGE SOCIETY

Notes to Compiled Financial Information

Year Ended December 31, 2023

(Unaudited - See Notice To Reader)

3. Summary of significant accounting policies (continued)

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

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Buildings	5%	declining balance method
Equipment	20%	declining balance method
Computer equipment	20%	declining balance method
Alarms and fire suppression	10%	declining balance method
Artifacts	10%	declining balance method
Interpretative	10%	declining balance method
Solar panels	10%	declining balance method

The organization regularly reviews its property, plant and equipment to eliminate obsolete items. Government grants are treated as a reduction of property, plant and equipment cost.

Property, plant and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

4. Property, plant and equipment

	Cost	Accumulated	2023	2022
	\$	amortization	Net book	Net book
		\$	value	value
			\$	\$
Land	126,369	-	126,369	126,369
Buildings	1,184,496	711,371	473,122	498,533
Equipment	114,985	100,297	14,688	18,359
Computer equipment	52,663	47,626	5,037	6,296
Landscaping	14,606	9,782	4,824	4,824
Interpretative signage	23,940	22,030	1,910	2,122
Artifacts	51,178	45,656	5,522	6,135
Alarms and fire suppression	31,671	23,904	7,767	8,630
Solar panels	82,855	33,930	48,925	54,361
	1,682,763	994,596	688,164	725,629

LAKE CHARLOTTE AREA HERITAGE SOCIETY

Notes to Compiled Financial Information

Year Ended December 31, 2023

(Unaudited - See Notice To Reader)

5. SPECIAL PROJECTS FUND

The organization receives funds for special projects in advance of related expenses. These funds are currently from the municipal and federal governments and are recognized as revenue when received and are held as cash in the operating bank accounts for use in the next period.

6. ENDOWMENT

The Society is the beneficiary of the Eastern Shore Heritage Preservation Fund, an endowment held by the Community Foundation of Nova Scotia. Society received \$3,659 in interest revenue from the fund during the year (2022- \$2,597).

7. PROPERTY TAXES

The Society makes an annual application to the Halifax Regional Municipality for exemption of property taxes. For 2023, the amount of property taxes waived was \$11,877