

# **Public Archives of Nova Scotia**

Financial Statements  
(Unaudited)  
**March 31, 2015**



June 25, 2015

## **Review Engagement Report**

### **To the Board of Trustees of Public Archives of Nova Scotia**

We have reviewed the statement of financial position of the **Public Archives of Nova Scotia** (the "Archives") as at March 31, 2015 and the statements of operations and accumulated surplus, remeasurement gains (losses), changes in net financial assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the organization.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian public sector accounting standards.

*PricewaterhouseCoopers LLP*

**Chartered Accountants**

---

*PricewaterhouseCoopers LLP*  
Summit Place, 1601 Lower Water Street, Suite 400, Halifax, Nova Scotia, Canada B3J 3P6  
T: +1 (902) 491 7400, F: +1 (902) 422 1166

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

# Public Archives of Nova Scotia

## Statement of Financial Position

(Unaudited)

As at March 31, 2015

	2015 \$	2014 \$
<b>Financial assets</b>		
Cash and cash equivalents	905,308	297,864
Accounts receivable	10,389	10,251
HST receivable	12,682	9,811
Amounts held in trust by Province of Nova Scotia (notes 6 (ii) and 6 (iii))	38,509	38,689
Portfolio investments (notes 3 and 6 (i))	1,258,229	1,220,451
	<u>2,225,117</u>	<u>1,577,066</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	11,300	11,339
HST payable	1,640	1,872
Deferred contributions (note 4)	–	426
Deferred revenues (note 5)	169,529	180,684
Endowment obligations (note 6)	1,942,634	1,294,027
	<u>2,125,103</u>	<u>1,488,348</u>
<b>Net financial assets</b>	100,014	88,718
<b>Non-financial assets</b>		
Tangible capital assets (note 7)	13,180	19,162
<b>Accumulated surplus</b>	<u>113,194</u>	<u>107,880</u>
<b>Accumulated surplus is comprised of:</b>		
Accumulated operating surplus	113,194	107,880
Accumulated remeasurement gains (losses)	–	–
	<u>113,194</u>	<u>107,880</u>

Approved by the Board of Trustees

\_\_\_\_\_ Chair \_\_\_\_\_ Vice Chair

The accompanying notes are an integral part of these financial statements.

## Public Archives of Nova Scotia

### Statement of Operations and Accumulated Surplus (Unaudited)

For the year ended March 31, 2015

	Budget 2015 \$	Actual 2015 \$	Actual 2014 \$
<b>Revenue</b>			
Reprographic and other recoveries	46,000	56,389	48,552
Funding for special collections maintenance	21,700	23,657	18,775
Income from internally restricted funds (note 5)	3,000	604	61
Income from endowment funds (note 6)	18,000	47,095	44,973
Amortization of deferred contributions (note 4)	500	426	424
	<u>89,200</u>	<u>128,171</u>	<u>112,785</u>
<b>Expenditures</b>			
Amortization of tangible capital assets	9,000	5,982	6,514
Archival material	–	6,604	15,278
Conferences and seminars	500	500	–
General operating	22,900	33,262	25,021
Investment management fees	–	19,134	15,303
Professional services	11,400	14,923	20,702
Special collections maintenance	44,300	23,365	27,538
Special projects	–	18,000	–
Travel	1,100	1,087	1,071
	<u>89,200</u>	<u>122,857</u>	<u>111,427</u>
<b>Annual surplus</b>	–	5,314	1,358
<b>Accumulated surplus – Beginning of year</b>	<u>107,880</u>	<u>107,880</u>	<u>106,522</u>
<b>Accumulated surplus – End of year</b>	<u>107,880</u>	<u>113,194</u>	<u>107,880</u>

The accompanying notes are an integral part of these financial statements

**Public Archives of Nova Scotia**

Statement of Remeasurement Gains (Losses)

(Unaudited)

For the year ended March 31, 2015

---

	2015 \$	2014 \$
<b>Accumulated remeasurement gains (losses) – Beginning of year</b>	–	–
Unrealized gain (loss) arising during the year on investments	–	–
<b>Accumulated remeasurement gains (losses) – End of year</b>	<u>–</u>	<u>–</u>

The accompanying notes are an integral part of these financial statements

## Public Archives of Nova Scotia

### Statement of Changes in Net Financial Assets

(Unaudited)

For the year ended March 31, 2015

---

	2015 \$	2014 \$
<b>Annual surplus</b>	5,314	1,358
<b>Changes in tangible capital assets</b>		
Amortization of tangible capital assets	5,982	6,514
<b>Increase in net financial assets for the year</b>	11,296	7,872
<b>Net financial assets – Beginning of year</b>	88,718	80,846
<b>Net financial assets – End of year</b>	100,014	88,718

The accompanying notes are an integral part of these financial statements

# Public Archives of Nova Scotia

## Statement of Cash Flows

(Unaudited)

For the year ended March 31, 2015

	2015 \$	2014 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Annual surplus	5,314	1,358
Charges (credits) to annual surplus not involving cash		
Amortization of deferred contributions	(426)	(424)
Amortization of tangible capital assets	5,982	6,514
	10,870	7,448
Net change in non-cash working capital balances related to operations		
Decrease (increase) in accounts receivable	(138)	(3,239)
Increase (decrease) in HST payable, related to operations	(232)	1,622
Increase (decrease) in accounts payable and accrued liabilities	(39)	(69)
	10,461	5,762
<b>Investing activities</b>		
Decrease (increase) in HST receivable, related to endowment obligations	(2,871)	(2,295)
Purchase of portfolio investments	(102,877)	(170,877)
Proceeds on sale of portfolio investments	101,510	158,973
Receipts of funds from the Estate of Roberta Jollimore	–	35,797
Receipts of funds from the Estate of Evelyn Fergusson	591,772	–
Investment income in excess of expenditures of internally restricted funds	1,586	1,631
Investment income in excess of expenditures of endowment obligations	7,863	7,813
	596,983	31,042
<b>Net change in cash and cash equivalents during the year</b>	607,444	36,804
<b>Cash and cash equivalents – Beginning of year</b>	297,864	261,060
<b>Cash and cash equivalents – End of year</b>	905,308	297,864

The accompanying notes are an integral part of these financial statements

# Public Archives of Nova Scotia

Notes to Financial Statements

(Unaudited)

For the year ended March 31, 2015

---

## 1 Status and nature of activities

The Public Archives of Nova Scotia (the “Archives”), a provincially-owned entity, is primarily responsible for acquiring and preserving the corporate memory of government and documentary heritage of the Province of Nova Scotia. The Archives is both a deposit library for publications of the Government of Nova Scotia and a historical research facility.

## 2 Significant accounting policies

### Basis of presentation

These financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards (“PSAS”) for government agencies as recommended by the Public Sector Accounting Board (“PSAB”) of the Canadian Institute of Chartered Accountants (“CICA”).

The financial statements have been prepared using the following significant accounting policies:

### Cash and cash equivalents

Cash and cash equivalents include balances held at financial institutions, cash held within the investment portfolio and investment savings accounts which are equivalent to cash.

### Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together, with the accumulated surplus, provides the change in net financial assets for the year.

### Tangible capital assets

Tangible capital assets are recorded at cost. When an asset no longer contributes to the Archives’ ability to provide services, its carrying amount is written down to its residual value.

Tangible capital assets are amortized using the straight-line method over the following years:

Computer software	10 years
Computer and microfilm equipment	5 years
Furniture and other office equipment	10 years

Deferred contributions related to assets are amortized to annual surplus on the same basis as the assets to which they relate are amortized.



# Public Archives of Nova Scotia

Notes to Financial Statements

(Unaudited)

For the year ended March 31, 2015

---

## 2 Significant accounting policies (continued)

### Portfolio investments

Portfolio investments are externally restricted by the terms of the Estate of Shirley A. Blakeley and are under the administration of the Board of Trustees.

### Revenue recognition

Revenue is recognized in the period when received or receivable to the extent that amounts to be received can be estimated and collection is reasonably assured.

Externally restricted inflows, which include designated contributions from the public, bequests and Government support, are recognized as revenue in the period in which the resources are used for the purpose or purposes specified. Externally restricted inflows received before this criterion has been met are recorded as deferred revenue until the resources are used for the purpose or purposes specified.

Contributions received for internal projects not completed at year-end are shown as deferred revenue to the extent that contributions exceed expenditures to date on these projects.

Income from unrestricted investments which includes realized gains or losses from sale of securities dividends and interest income, is recognized as revenue when earned.

### Use of estimates

Uncertainty in the determination of the amount at which an item is recorded in the financial statements is known as measurement uncertainty. Such uncertainty exists when there could be a material difference between the recognized amount and another reasonably possible amount, as exists whenever estimates are used. The preparation of the financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenditures during the year.

Estimates are based upon the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements and actual results could differ from those estimates.

# Public Archives of Nova Scotia

## Notes to Financial Statements

(Unaudited)

For the year ended March 31, 2015

---

### 2 Significant accounting policies (continued)

#### Financial instruments

All financial instruments are measured using either the amortized cost method or the fair value method.

Financial instruments included in the amortized cost category, including fixed income investments, are recorded at either cost or amortized cost using the effective interest method. Transaction costs are included in the initial cost of financial instruments recognized using the cost method.

Financial instruments included in the fair value category, including investments available-for-sale, are initially recorded at fair value with each subsequent change in fair value recognized as follows:

- i) Internally or externally restricted financial instruments

As an increase or decrease in endowment obligations.

- ii) Unrestricted financial instruments

In the statement of remeasurement gains and losses until such time that the financial instrument is derecognized. When the financial instrument is derecognized the accumulated remeasurement gains or losses are reversed and recognized on the statement of operations and accumulated surplus. Transaction costs associated with financial instruments in the fair value category are expensed when incurred.

Fair value is determined utilizing quoted prices in active markets.

Accounts receivable, HST receivable and accounts payable and accrued liabilities are recorded at amortized cost.

### 3 Portfolio investments

Portfolio investments are comprised of:

	2015 \$	2014 \$
Fixed income investments, held to maturity, at amortized cost (market value \$504,649 (2014 - \$495,795))	461,984	461,984
Investments available-for-sale, at market value (cost \$576,476 (2014 - \$562,446))	796,245	758,467
	<u>1,258,229</u>	<u>1,220,451</u>

# Public Archives of Nova Scotia

## Notes to Financial Statements

(Unaudited)

For the year ended March 31, 2015

---

### 4 Deferred contributions

Deferred contributions related to tangible capital assets represent restricted contributions for the purchase of computer and other equipment. The change in the deferred contributions' balance for the year is as follows:

	2015 \$	2014 \$
<b>Balance – Beginning of year</b>	426	850
Less: Amount amortized to revenue	(426)	(424)
<b>Balance – End of year</b>	<u>–</u>	<u>426</u>

### 5 Deferred revenues

Deferred revenues represent internally restricted funds designated for the following purposes:

i) Charles Bruce Fergusson Fund

This fund, consisting of amounts held in trust by the Province of Nova Scotia, is internally restricted by the Archives to be used to purchase rare books, manuscripts, prints, watercolours, oil paintings and outstanding photographs for the Archives.

	2015 \$	2014 \$
<b>Balance – Beginning of year</b>	12,741	12,608
Add: Investment income	–	133
Less: Transfer to endowment obligation (note 6 (iii))	(12,741)	–
<b>Balance – End of year</b>	<u>–</u>	<u>12,741</u>

ii) Roberta Jollimore Fund

This fund, consisting of cash and cash equivalents, is internally restricted by the Archives to be used as designated by the Archives, which is currently being evaluated.

	2015 \$	2014 \$
<b>Balance – Beginning of year</b>	167,943	130,648
Add:		
Receipt of funds from the Estate of Roberta Jollimore	–	35,797
Investment income	1,586	1,559
Less:		
Expenditures	–	(61)
<b>Balance – End of year</b>	<u>169,529</u>	<u>167,943</u>

# Public Archives of Nova Scotia

## Notes to Financial Statements

(Unaudited)

For the year ended March 31, 2015

---

### 6 Endowment obligations

Endowment obligations represent externally restricted funds designated for the following purposes:

i) Dr. Phyllis R. Blakeley Fund

This endowment fund, consisting of cash and cash equivalents, HST receivable and portfolio investments, is externally restricted by the terms of the Estate of Shirley A. Blakeley and is under the administration of the Board of Trustees. The capital and income earned by this fund may be used at the discretion of a committee of the Board of Trustees for the purchase of books, maps, manuscripts, pictures, publications or other archival materials for the promotion of historical research, or in any other way in which the committee in their discretion considers the income may be used to the benefit of Nova Scotia History.

	2015 \$	2014 \$
<b>Balance – Beginning of year</b>	1,268,079	1,201,068
Add:		
Investment income	51,147	52,918
Realized gain	12,460	–
Change in unrealized gains	23,749	62,014
Less:		
Expenditures	(47,095)	(44,973)
Realized loss	–	(2,948)
<b>Balance – End of year</b>	<u>1,308,340</u>	<u>1,268,079</u>
<b>Comprised of:</b>		
Cash and cash equivalents	37,429	37,817
HST receivable	12,682	9,811
Portfolio investments (note 3)	1,258,229	1,220,451
	<u>1,308,340</u>	<u>1,268,079</u>

ii) Gwendolyn V. Shand Fund

This endowment fund, consisting of amounts held in trust by the Province of Nova Scotia, is externally restricted by the Estate of Gwendolyn V. Shand to be used for any special project such as the purchase of important manuscripts or paintings of historical interest.

	2015 \$	2014 \$
<b>Balance – Beginning of year</b>	25,948	25,675
Add: Investment income	285	273
<b>Balance – End of year</b>	<u>26,233</u>	<u>25,948</u>

# Public Archives of Nova Scotia

## Notes to Financial Statements

(Unaudited)

For the year ended March 31, 2015

### 6 Endowment obligations (continued)

#### iii) C. Bruce Fergusson Trust

This endowment fund, consisting of cash and cash equivalents and amounts held in trust by the Province of Nova Scotia, is externally restricted by the Estates of C. Bruce Fergusson and Hilda Evelyn Fergusson. The conditions of the endowment are that no more than one-half of the income from the Trust and not any part of its principal shall be used for the purchase of acquisitions for the holding of the Archives that fall within its mandate and which can include but are not limited to: personal and family papers, diaries, letters, broadsides, manuscript material, rare books, pamphlets, monographs, published and near print material, historical photographic prints and negatives, maps, plans, drawings, lithographs, paintings, documentary art and audio-visual materials.

	2015	2014
	\$	\$
<b>Balance – Beginning of year</b>	–	–
Add:		
Transfer from deferred revenue (note 5 (i))	12,741	–
Receipt of funds from the Estate of Hilda Evelyn Fergusson	591,772	–
Investment income	4,152	–
Less:		
Expenditures	(604)	–
<b>Balance – End of year</b>	<u>608,061</u>	–
<b>Comprised of:</b>		
Cash and cash equivalents	595,785	–
Amounts held in trust by Province of Nova Scotia	12,276	–
	<u>608,061</u>	–

### 7 Tangible capital assets

	2015		2014	
	Cost	Accumulated amortization	Net	Net
	\$	\$	\$	\$
Computer software	24,345	18,506	5,839	8,174
Computer and microfilm equipment	26,751	19,679	7,072	10,578
Furniture and other office equipment	4,488	4,219	269	410
	<u>55,584</u>	<u>42,404</u>	<u>13,180</u>	<u>19,162</u>