



Financial Statements

Public Archives of Nova Scotia

March 31, 2022

# Contents

	<b>Page</b>
Independent Practitioner's Review Engagement Report	1
Statement of Operations	2
Statement of Financial Position	3
Statement of Changes in Net Financial Assets	4
Statement of Cash Flows	5
Notes to the Financial Statements	6-11

# Independent Practitioner's Review Engagement Report

---

**Grant Thornton LLP**  
Nova Centre, North Tower  
Suite 1000, 1675 Grafton Street  
Halifax, NS  
B3J 0E9

T +1 902 421 1734  
F +1 902 420 1068  
www.GrantThornton.ca

To the Management of Public Archives of Nova Scotia

We have reviewed the accompanying financial statements of Public Archives of Nova Scotia, which comprise the statement of financial position as at March 31, 2022, and the statements of operations and accumulated surplus, change in net assets and Trust balance for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

## Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, 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.

## Practitioner's responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Public Archives of Nova Scotia as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

*Grant Thornton LLP*

Halifax, Canada  
June 9, 2022

Chartered Professional Accountants

# Public Archives of Nova Scotia

## Statement of Operations

Year ended March 31	Budget	2022	2021
<b>Revenue</b>			
Reprographic and other recoveries	\$ 42,000	\$ <b>35,509</b>	\$ 18,496
Funding for special collections maintenance	-	-	35,113
Income from endowment funds (Note 6)	48,000	<b>77,844</b>	94,672
Amortization of deferred capital contribution (Note 4)	-	<b>1,131</b>	2,262
	<u>90,000</u>	<u><b>114,484</b></u>	<u>150,543</u>
<b>Expenses</b>			
Amortization of intangible capital assets	6,500	<b>1,131</b>	2,262
General operating	10,000	<b>70,601</b>	4,805
Investment management fees	-	<b>31,261</b>	42,409
Professional services	29,900	<b>14,445</b>	19,134
Special collections maintenance	1,600	-	23,250
Contributions of Department of Communities, Cultures and Heritage	42,000	<b>46,584</b>	46,168
	<u>90,000</u>	<u><b>164,022</b></u>	<u>138,028</u>
Annual (deficit) surplus		\$ <b>(49,538)</b>	\$ 12,515
Accumulated surplus – Beginning of year		<u><b>175,911</b></u>	<u>163,396</u>
Accumulated surplus – End of year		\$ <u><b>126,373</b></u>	\$ <u>175,911</u>

---

# Public Archives of Nova Scotia

## Statement of Financial Position

March 31

2022

2021

---

### Assets

Cash and cash equivalents	\$ 584,557	\$ 300,083
Accounts Receivable	4,964	33,063
HST receivable (Note 6)	29,821	16,295
Portfolio investments (Notes 3 and 6)	<u>3,031,278</u>	<u>2,733,805</u>
	<u>\$3,650,620</u>	<u>\$3,083,246</u>

---

### Liabilities

Accounts payables and accrued liabilities	\$ 58,884	\$ 58,469
Deferral capital contribution (Note 4)	245,000	1,131
Deferred revenue (Note 5)	50,000	-
Endowment obligations (Note 6)	<u>3,170,363</u>	<u>2,848,866</u>
	<u>3,524,247</u>	<u>2,908,466</u>

<b>Net Financial Assets</b>	<u>126,373</u>	<u>174,780</u>
-----------------------------	----------------	----------------

### Non-Financial Assets

Tangible capital assets	<u>-</u>	<u>1,131</u>
-------------------------	----------	--------------

<b>Accumulated Surplus</b>	<u>126,373</u>	<u>175,911</u>
----------------------------	----------------	----------------

### Accumulated Surplus is surprised of:

Accumulated operating surplus	<u>126,373</u>	<u>175,911</u>
	<u>\$ 126,373</u>	<u>\$ 175,911</u>

---

On behalf of Management

\_\_\_\_\_  
Provincial Archivist

\_\_\_\_\_  
Executive Director – Communities, Culture, Tourism and Heritage

---

## Public Archives of Nova Scotia

### Statement of Change in Net Financial Assets

March 31, 2022	2022	2021
Annual (deficit) surplus	\$ (49,538)	\$ 12,515
Change in tangible capital assets:		
Amortization of intangible capital assets	<u>1,131</u>	<u>2,262</u>
Increase (decrease) in net financial assets for the year	(48,407)	14,777
Net financial assets beginning of year	<u>174,780</u>	<u>160,003</u>
Net financial assets end of year	<u>\$126,373</u>	<u>\$174,780</u>

---

# Public Archives of Nova Scotia

## Statement of Cash Flows

Year ended March 31

2022

2021

Increase (decrease) in cash and cash equivalents

### Operating activities

Annual (deficit) surplus	\$ (49,538)	\$ 12,515
Charges (credits) to annual surplus not involving cash		
Amortization of deferred capital contribution	(1,131)	(2,262)
Amortization of tangible capital assets	<u>1,131</u>	<u>2,262</u>

### Net change in non-cash working capital balances related to operations

Accounts receivable	28,099	33,703
HST receivable	415	6,923
Accounts payable and accrued liabilities	(13,526)	9,270
Deferred revenue funding provided by the province of Nova Scotia	<u>295,000</u>	<u>(38,601)</u>

### Investing activities

Purchase of portfolio investments	(255,412)	(411,154)
Proceeds on sale of portfolio investments	201,965	462,961
Investment income in excess of expenditures (expenditures in excess of investment income) from endowment obligations	<u>77,471</u>	<u>(20,977)</u>
	<u>24,024</u>	<u>30,830</u>

Net increase in cash and cash equivalents 284,474 54,640

Cash and cash equivalents

Beginning of year	<u>300,083</u>	<u>245,443</u>
End of year	<u>\$ 584,557</u>	<u>\$ 300,083</u>

---

# Public Archives of Nova Scotia

## Notes to the Financial Statements

March 31, 2022

---

### 1. Nature of operations

The Public Archives of Nova Scotia, 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 accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS) for government agencies as recommended by the Public Sector Accounting board of the Canadian Accounting Standards Board.

#### Cash and cash equivalents

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

#### 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 and microfilm equipment	5 years
----------------------------------	---------

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

#### Portfolio investments

Portfolio investments consist of securities that are held by the archives for which their use is externally restricted by the terms of the Estates of the donors and are under the administration of management.

Fixed income investments are measured at amortized cost using the effective interest rate method. Transaction costs are included in the initial cost of the investment.

Equity investments that are quoted in an active market are measured at fair value. Subsequent changes in fair value are recognized as described under the Financial Instruments section. Transaction costs are expenses as incurred.

#### 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.



---

# Public Archives of Nova Scotia

## Notes to the Financial Statements

March 31, 2022

---

### 2. Significant accounting policies (continued)

#### Revenue recognition (continued)

Externally restricted inflows, which include designated contributions from the public, bequest 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 the internal projects not complete at year end are shown as deferred revenue to the extent that contributions exceed expected expenditures to date on these projects.

Income from unrestricted investments, which includes realized and unrealized gains and losses, dividends interest, 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, as at the date of the financial statements and the reported amounts of revenue 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.

### Financial instruments and risk management

#### Measurement of financial instruments

Financial instruments are initially measured at fair value. Subsequently, all financial instruments are measured at amortized cost, other than portfolio investments quoted in an active market, which are measured at fair value. Financial instruments subsequently measured at amortized cost include accounts receivable, fixed income investments and accounts payable and accrued liabilities.

For the financial instruments subsequently measured at fair value, changes in fair value are recognized as follows:

- Externally restricted financial instruments

As an increase or decrease in endowment obligations.

- Unrestricted financial instruments

As remeasurement gains or losses through the statement of remeasurement gains (losses). When the financial instruments are 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.

---

# Public Archives of Nova Scotia

## Notes to the Financial Statements

March 31, 2022

---

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

#### Measurement of financial instruments (continued)

The Archives is subject to the following risks with respect to financial instruments:

#### Concentration of credit risk

Financial instruments which potentially subject the Archives to credit risk consist primarily of accounts receivable. The Archives has assessed its credit risk as being low and no provision has been provided as an allowance for doubtful accounts receivable in these financial statements.

#### Interest rate risk

Interest rate risk is the risk the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Archives are not exposed to significant interest rate risk.

#### Liquidity risk

Liquidity risk is the risk that the Archives will encounter problems in raising funds to meet its commitments at maturity the Archives is exposed to liquidity risk through its accounts payable and accrued liabilities. Management believes it has sufficient working capital to meet those obligations as they arise.

#### Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at March 31, 2022, the Archives held the following balances in US dollars which have been expressed in Canadian dollars:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 9,158	\$ 11,535
Portfolio investments, at market value	767,376	614,012

---

### 3. Portfolio investments

	<u>2022</u>	<u>2021</u>
Fixed income investments, at amortized cost (market value \$682,602 (2021 - \$832,811))	\$ 693,932	\$ 821,146
Investments quoted instruments, at market value (cost \$1,437,362 (2021 - \$1,356,222))	<u>2,337,346</u>	<u>1,912,659</u>
	<u>\$ 3,031,278</u>	<u>\$ 2,733,805</u>

---

### 4. Deferred capital contribution

Deferred contributions related to tangible capital assets represent contributions received for the purchase of computer and microfilm equipment as well as for the fabrication and installation of a compact mobile shelving system. The balance of the deferred capital contribution is as follows:

	<u>2022</u>	<u>2021</u>
Capital contribution	\$ 256,310	\$ 11,310
Accumulated amortization	<u>(11,310)</u>	<u>(10,179)</u>
	<u>\$ 245,000</u>	<u>\$ 1,131</u>

---

# Public Archives of Nova Scotia

## Notes to the Financial Statements

March 31, 2022

---

### 5. Deferred revenue

Deferred revenue represents externally restricted funds from the Province of Nova Scotia of \$50,000 (2021 - \$nil) designated for the development and implementation of an online service delivery system for digitized archival materials.

---

### 6. Endowment obligations

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

#### Roberta Jollimore 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 Roberta Jollimore and is under the administration of management. The capital and income earned by this fund may be used at the discretion of the provincial archivist and management for the purchase of books, maps, manuscripts, pictures, publications or other archival materials or in any other way in which the provincial archivist and management consider to be beneficial to the Archives.

	<u>2022</u>	<u>2021</u>
<b>Balance - beginning of year</b>	\$ 210,850	\$ 175,417
Add:		
Investment income	4,658	3,807
Realized gains (losses)	645	1,826
Changes in unrealized gains (losses)	21,555	31,809
Less:		
Accumulated amortization	<u>(2,337)</u>	<u>(2,009)</u>
<b>Balance – end of year</b>	<u>\$ 235,371</u>	<u>\$ 20,850</u>
<b>Comprised of:</b>		
Cash and cash equivalents	35,821	14,400
HST receivable	1,665	1,314
Portfolio investments (Note 3)	<u>197,885</u>	<u>195,136</u>
	<u>\$ 235,371</u>	<u>\$ 20,850</u>

#### Dr. Phyllis R. Blakeley Fund

This endowment fund, consisting of cash and cash equivalents, HST receivable, portfolio investments and accounts payable and accrued liabilities, is externally restricted by the terms of the Estate of Shirley A. Blakeley and is under the administration of management. The capital and income earned by this fund may be used at the discretion of the provincial archivist and management 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.

# Public Archives of Nova Scotia

## Notes to the Financial Statements

March 31, 2022

### 6. Endowment obligations (continued)

	<u>2022</u>	<u>2021</u>
<b>Balance - beginning of year</b>	<b>\$ 1,443,842</b>	<b>\$ 1,288,046</b>
Add:		
Investment income	42,927	42,655
Realized gains (losses)	8,650	3,635
Changes in unrealized gains (losses)	155,079	191,593
Less:		
Expenditures	(62,673)	(81,491)
Foreign exchange gains (losses)	<u>(1,703)</u>	<u>(596)</u>
<b>Balance – end of year</b>	<b><u>\$ 1,586,122</u></b>	<b><u>\$ 1,443,842</u></b>
<b>Comprised of:</b>		
Cash and cash equivalents	25,285	59,976
HST receivable	13,013	10,933
Portfolio investments (Note 3)	1,594,408	1,409,000
Accounts payable and accrued liabilities	<u>(46,584)</u>	<u>(36,067)</u>
	<b><u>\$ 1,586,122</u></b>	<b><u>\$ 1,443,842</u></b>

#### Gwendolyn V. Shand Fund

This endowment fund, consisting of cash and cash equivalents, HST receivable and portfolio investments, 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.

	<u>2022</u>	<u>2021</u>
<b>Balance - beginning of year</b>	<b>\$ 29,547</b>	<b>\$ 23,773</b>
Add:		
Investment income	659	505
Realized gains (losses)	17	-
Changes in unrealized gains (losses)	2,370	5,554
Less:		
Expenditures	<u>(330)</u>	<u>(285)</u>
<b>Balance – end of year</b>	<b><u>\$ 32,263</u></b>	<b><u>\$ 29,547</u></b>
<b>Comprised of:</b>		
Cash and cash equivalents	5,884	1,040
HST receivable	182	103
Portfolio investments (Note 3)	<u>26,197</u>	<u>28,404</u>
	<b><u>\$ 32,263</u></b>	<b><u>\$ 29,547</u></b>

# Public Archives of Nova Scotia

## Notes to the Financial Statements

March 31, 2022

### 6. Endowment obligations (continued)

#### C. Bruce Fergusson Fund

This endowment fund, consisting of cash and cash equivalents, HST receivable and portfolio investments 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.

	<u>2022</u>	<u>2021</u>
<b>Balance - beginning of year</b>	<b>\$ 1,164,627</b>	<b>\$ 978,531</b>
Add:		
Investment income	27,854	26,694
Realized gains (losses)	2,216	5,278
Changes in unrealized gains (losses)	135,916	163,874
Foreign exchange gain (loss)	(1,501)	1,138
Less:		
Expenditures	<u>(12,504)</u>	<u>(10,888)</u>
<b>Balance – end of year</b>	<b><u>\$ 1,316,608</u></b>	<b><u>\$ 1,164,627</u></b>
<b>Comprised of:</b>		
Cash and cash equivalents	93,207	56,001
HST receivable	10,612	7,361
Portfolio investments (Note 3)	<u>1,212,789</u>	<u>1,101,265</u>
	<b><u>\$ 1,316,608</u></b>	<b><u>\$ 1,316,607</u></b>