



Financial Statements

Public Archives of Nova Scotia

March 31, 2023

# 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	6-12

# Independent Practitioner's Review Engagement Report

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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, 2023, 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, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.



Chartered Professional Accountants

Halifax, Canada  
June 7, 2023

## Public Archives of Nova Scotia

### Statement of Operations

Year ended March 31, 2023	Budget	2023	2022
<b>Revenue</b>			
Reprographic and other recoveries	\$ 52,000	\$ 129,944	\$ 35,509
Funding for special collections maintenance	-	-	-
Income from endowment funds (Note 7)	48,000	43,024	77,844
Amortization of deferred capital contribution (Note 4)	-	6,125	1,131
	<u>100,000</u>	<u>179,093</u>	<u>114,484</u>
<b>Expenses</b>			
Amortization of intangible capital assets	-	6,524	1,131
General operating	20,000	91,165	70,601
Investment management fees	-	31,740	31,261
Professional services	30,000	18,993	14,445
Special collections maintenance	2,000	-	-
Contributions of Department of Communities, Cultures and Heritage	48,000	11,284	46,584
	<u>100,000</u>	<u>159,706</u>	<u>164,022</u>
Annual (deficit) surplus		\$ 19,387	\$ (49,538)
Accumulated surplus – Beginning of year		<u>126,373</u>	<u>175,911</u>
Accumulated surplus – End of year		\$ <u>145,760</u>	\$ <u>126,373</u>

# Public Archives of Nova Scotia

## Statement of Financial Position

March 31

2023

2022

### Assets

Cash and cash equivalents	\$ 296,047	\$ 584,557
Accounts Receivable	2,690	4,964
HST receivable (Note 7)	35,358	29,821
Portfolio investments (Notes 3 and 7)	<u>2,905,800</u>	<u>3,031,278</u>
	<u>\$3,239,895</u>	<u>\$3,650,620</u>

### Liabilities

Accounts payables and accrued liabilities	\$ 23,584	\$ 58,884
Deferral capital contribution (Note 4)	238,875	245,000
Deferred revenue (Note 5)	-	50,000
Endowment obligations (Note 7)	<u>3,086,121</u>	<u>3,170,363</u>
	<u>3,348,580</u>	<u>3,524,247</u>

<b>Net Financial Assets</b>	<u>(108,685)</u>	<u>126,373</u>
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### Non-Financial Assets

Tangible capital assets (Note 6)	<u>254,445</u>	<u>-</u>
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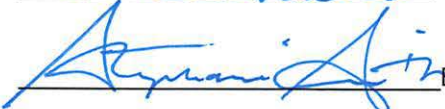
<b>Accumulated Surplus</b>	<u>145,760</u>	<u>126,373</u>
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### Accumulated Surplus is comprised of:

Accumulated operating surplus	<u>145,760</u>	<u>126,373</u>
	<u>\$ 145,760</u>	<u>\$ 126,373</u>

On behalf of Management

 Provincial Archivist

 Executive Director – Communities, Culture and Heritage

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**Public Archives of Nova Scotia**  
**Statement of Change in Net Financial Assets**

March 31, 2023	2023	2022
Annual (deficit) surplus	\$ 19,387	\$ (49,538)
Change in tangible capital assets:		
Capital asset additions	(260,969)	-
Amortization of intangible capital assets	<u>6,524</u>	<u>1,131</u>
Increase (decrease) in net financial assets for the year	(235,058)	(48,407)
Net financial assets beginning of year	<u>126,373</u>	<u>174,780</u>
Net financial assets end of year	<u>\$ (108,685)</u>	<u>\$126,373</u>

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# Public Archives of Nova Scotia

## Statement of Cash Flows

Year ended March 31

2023

2022

Increase (decrease) in cash and cash equivalents

### Operating activities

Annual (deficit) surplus	\$ 19,387	\$ (49,538)
Charges (credits) to annual surplus not involving cash		
Amortization of deferred capital contribution	(6,125)	(1,131)
Amortization of tangible capital assets	<u>6,524</u>	<u>1,131</u>
	<u>19,786</u>	<u>(49,538)</u>

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

Accounts receivable	2,274	28,099
HST receivable	(5,535)	(13,256)
Accounts payable and accrued liabilities	(35,300)	415
Deferred revenue funding provided by the province of Nova Scotia	<u>(56,125)</u>	<u>295,000</u>
	<u>(94,686)</u>	<u>310,258</u>

### Investing activities

Purchase of portfolio investments	(260,441)	(255,412)
Proceeds on sale of portfolio investments	261,156	201,965
Purchase of capital assets	(260,969)	-
Investment income in excess of expenditures (expenditures in excess of investment income) from endowment obligations	<u>46,644</u>	<u>77,471</u>
	<u>(213,610)</u>	<u>24,024</u>

Net increase in cash and cash equivalents (288,510) 284,474

### Cash and cash equivalents

Beginning of year	<u>584,577</u>	<u>300,083</u>
End of year	<u>\$ 296,047</u>	<u>\$ 584,557</u>

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# Public Archives of Nova Scotia

## Notes to the Financial Statements

March 31, 2023

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### 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.

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### 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:

Compact mobile shelving	40 years
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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.



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# Public Archives of Nova Scotia

## Notes to the Financial Statements

March 31, 2023

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### 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

All financial instruments are recorded at their cost or amortized cost except for portfolio investments in equity instruments quoted in an active market and derivatives which are recorded at their fair value with unrealized remeasurement gains and losses recorded in the statement of remeasurement gains and losses. Once realized, remeasurement gains and losses are transferred to the statement of operations. Changes in the fair value on restricted assets are recognized as a liability until the criterion attached to the restrictions has been met, upon which the gain or loss is recognized in the statement of operations.

Transaction costs related to financial instruments measured at cost or amortized cost are added to the carrying value of the financial instrument. Transaction costs related to financial instruments recorded at their fair values are expenses as incurred.

Financial liabilities (or par of a financial liability) are removed from the statement of financial position when, and only when, they are discharged or cancelled or expire.

# Public Archives of Nova Scotia

## Notes to the Financial Statements

March 31, 2023

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

#### Measurement of financial instruments (continued)

The following table provides the carrying amount information of the Public Sector Entity's financial instruments by category. The maximum exposure to credit risk for the financial assets would be the carrying values shown below.

Financial instrument	2023		2022	
	Amortized cost/cost	Fair value	Amortized cost/cost	Fair value
Cash	\$ 296,074	\$ -	\$ 584,557	\$ -
Accounts receivable	38,048	-	34,785	-
Investments	697,200	2,208,600	693,932	2,337,346
Accounts payable	23,584	-	58,884	-

The following table provides an analysis of financial instruments that are subsequently measured at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities using the last bid price;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Financial instrument	2023			
	Level 1	Level 2	Level 3	Total
Pooled funds	\$ 111,069	\$ -	\$ -	\$ 111,069
Shares	2,073,111	-	-	\$ 2,073,111
Foreign investments	24,420	-	-	24,420
Total	2,208,600	-	-	2,208,600

Financial instrument	2022			
	Level 1	Level 2	Level 3	Total
Pooled funds	\$ 96,142	\$ -	\$ -	\$ 96,142
Shares	2,211,666	-	-	\$ 2,211,666
Foreign investments	29,538	-	-	29,538
Total	2,337,346	-	-	2,337,346

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

# Public Archives of Nova Scotia

## Notes to the Financial Statements

March 31, 2023

### 5. Deferred revenue

Deferred revenue represents externally restricted funds from the Province of Nova Scotia of \$Nil (2022 - \$50,000) designated for the development and implementation of an online service delivery system for digitized archival materials.

### 6. Tangible Capital Assets

	<u>2023</u>	<u>2022</u>
Compact Mobile Shelving	\$ 260,969	\$ -
Accumulated amortization	<u>(6,524)</u>	<u>-</u>
	<u>\$ 254,445</u>	<u>\$ -</u>

### 7. 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>2023</u>	<u>2022</u>
<b>Balance - beginning of year</b>	<b>\$ 235,371</b>	<b>\$ 210,850</b>
Add:		
Investment income	7,186	4,658
Realized gains (losses)	1,131	645
Changes in unrealized gains (losses)	<b>(18,673)</b>	21,555
Less:		
Accumulated amortization	<u>(2,302)</u>	<u>(2,337)</u>
<b>Balance – end of year</b>	<b>\$ 222,713</b>	<b>\$ 235,371</b>
<b>Comprised of:</b>		
Cash and cash equivalents	37,091	35,821
HST receivable	2,010	1,665
Portfolio investments (Note 3)	<u>183,612</u>	<u>197,885</u>
	<u>\$ 222,713</u>	<u>\$ 235,371</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

# Public Archives of Nova Scotia

## Notes to the Financial Statements

March 31, 2023

### 7. Endowment obligations (continued)

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.

	<u>2023</u>	<u>2022</u>
<b>Balance - beginning of year</b>	\$ 1,586,122	\$ 1,443,842
Add:		
Investment income	48,413	42,927
Realized gains (losses)	31,823	8,650
Changes in unrealized gains (losses)	(116,659)	155,079
Less:		
Expenditures	(27,421)	(62,673)
Foreign exchange gains (losses)	<u>8,929</u>	<u>(1,703)</u>
<b>Balance – end of year</b>	<b><u>\$ 1,531,208</u></b>	<b><u>\$ 1,586,122</u></b>
<b>Comprised of:</b>		
Cash and cash equivalents	19,421	25,285
HST receivable	15,438	13,013
Portfolio investments (Note 3)	1,507,633	1,594,408
Accounts payable and accrued liabilities	<u>(11,284)</u>	<u>(46,584)</u>
	<b><u>\$ 1,531,208</u></b>	<b><u>\$ 1,586,122</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>2023</u>	<u>2022</u>
<b>Balance - beginning of year</b>	\$ 32,263	\$ 29,547
Add:		
Investment income	993	659
Realized gains (losses)	-	17
Changes in unrealized gains (losses)	(3,317)	2,370
Less:		
Expenditures	<u>(307)</u>	<u>(330)</u>
<b>Balance – end of year</b>	<b><u>\$ 29,632</u></b>	<b><u>\$ 32,263</u></b>
<b>Comprised of:</b>		
Cash and cash equivalents	6,295	5,884
HST receivable	229	182
Portfolio investments (Note 3)	<u>23,108</u>	<u>26,197</u>
	<b><u>\$ 29,632</u></b>	<b><u>\$ 32,263</u></b>

# Public Archives of Nova Scotia

## Notes to the Financial Statements

March 31, 2023

### 7. 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>2023</u>	<u>2022</u>
<b>Balance - beginning of year</b>	<b>\$ 1,316,607</b>	<b>\$ 1,164,627</b>
Add:		
Investment income	37,216	27,854
Realized gains (losses)	8,253	2,216
Changes in unrealized gains (losses)	(76,543)	135,916
Foreign exchange gain (loss)	(12,959)	(1,501)
Less:		
Expenditures	<u>29,994</u>	<u>(12,504)</u>
<b>Balance – end of year</b>	<b><u>\$ 1,302,568</u></b>	<b><u>\$ 1,316,608</u></b>
<b>Comprised of:</b>		
Cash and cash equivalents	98,566	93,207
HST receivable	12,555	10,612
Portfolio investments (Note 3)	<u>1,191,447</u>	<u>1,212,789</u>
	<b><u>\$ 1,302,568</u></b>	<b><u>\$ 1,316,608</u></b>

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# Public Archives of Nova Scotia

## Notes to the Financial Statements

March 31, 2023

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

#### Measurement of financial instruments (continued)

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, 2023, the Archives held the following balances in US dollars which have been expressed in Canadian dollars:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 9,670	\$ 9,158
Portfolio investments, at market value	721,993	767,376

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### 3. Portfolio investments

	<u>2023</u>	<u>2022</u>
Fixed income investments, at amortized cost (market value \$684,741 (2022 - \$682,602))	\$ 697,200	\$ 693,932
Investments quoted instruments, at market value (cost \$1,516,672 (2022 - \$1,437,362))	<u>2,208,600</u>	<u>2,337,346</u>
	<u>\$ 2,905,800</u>	<u>\$ 3,031,278</u>

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### 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>2023</u>	<u>2022</u>
Capital contribution	\$ 245,000	\$ 245,000
Accumulated amortization	<u>(6,125)</u>	<u>-</u>
	<u>\$ 238,875</u>	<u>\$ 245,000</u>