

NOVA SCOTIA CROWN SHARE LAND LEGACY TRUST

Financial Statements

Year Ended January 31, 2024

NOVA SCOTIA CROWN SHARE LAND LEGACY TRUST

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Year Ended January 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Trustees of Nova Scotia Crown Share Land Legacy Trust

Opinion

We have audited the financial statements of Nova Scotia Crown Share Land Legacy Trust (the "trust"), which comprise the statement of financial position as at January 31, 2024, and the statements of revenues and expenditures, changes in net assets 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 the trust as at January 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 trust in accordance with 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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 trust'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 trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the trust'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.

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Independent Auditor's Report to the Trustees of Nova Scotia Crown Share Land Legacy Trust *(continued)*

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 trust'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 trust'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 trust 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.

HBA Chartered Professional Accountants

Dartmouth, Nova Scotia
July 10, 2024

HBA Chartered Professional Accountants

NOVA SCOTIA CROWN SHARE LAND LEGACY TRUST**Statement of Revenues and Expenditures****Year Ended January 31, 2024**

	2024	2023
REVENUE		
Crown share payments	\$ 4,219,246	\$ 5,028,741
Interest income	927,964	84,732
Donations	-	165
	5,147,210	5,113,638
GRANTS AND RELATED EXPENDITURES	4,167,450	5,442,280
EXCESS (DEFICIENCY) OF REVENUE BEFORE EXPENDITURES	979,760	(328,642)
EXPENDITURES		
Advertising and promotion	18,866	-
Professional fees	16,352	12,402
Botanical fieldwork	11,000	19,000
Honorariums	3,450	4,500
Insurance	1,621	1,332
Interest and bank charges	360	171
Office	147	11
	51,796	37,416
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ 927,964	\$ (366,058)

See notes to the financial statements

NOVA SCOTIA CROWN SHARE LAND LEGACY TRUST

Statement of Changes in Net Assets

Year Ended January 31, 2024

	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ 2,513,121	\$ 2,879,179
Excess (deficiency) of revenue over expenditures	927,964	(366,058)
NET ASSETS - END OF YEAR	\$ 3,441,085	\$ 2,513,121


See notes to the financial statements

NOVA SCOTIA CROWN SHARE LAND LEGACY TRUST

Statement of Financial Position

January 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 23,357	\$ 6,242
Guaranteed investment certificates (Note 4)	18,630,000	-
Promissory notes receivable (Note 5)	-	2,607,354
Interest receivable	895,644	7,643
Prepaid expenses	1,607	-
	\$ 19,550,608	\$ 2,621,239
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 328,769	\$ 108,118
Deferred income (Note 6)	15,780,754	-
	16,109,523	108,118
NET ASSETS		
General fund	3,441,085	2,513,121
	\$ 19,550,608	\$ 2,621,239

Signature: 
Amanda Lavers (Jul 22, 2024 15:19 ADT)
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Signature:
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ON BEHALF OF THE BOARD

 Amanda Lavers *Director*

Director

See notes to the financial statements

NOVA SCOTIA CROWN SHARE LAND LEGACY TRUST

Statement of Financial Position

January 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 23,357	\$ 6,242
Guaranteed investment certificates (Note 4)	18,630,000	-
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CURRENT		
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	16,109,523	108,118
NET ASSETS		
General fund	3,441,085	2,513,121
	\$ 19,550,608	\$ 2,621,239

ON BEHALF OF THE BOARD

Don McNeil Director

Don McNeil - July 10, 2024 12:25 ADT

Director

See notes to the financial statements

NOVA SCOTIA CROWN SHARE LAND LEGACY TRUST

Statement of Cash Flows

Year Ended January 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures	\$ 927,964	\$ (366,058)
Changes in non-cash working capital:		
Interest receivable	(888,001)	154,531
Accounts payable and accrued liabilities	220,652	(458,878)
Deferred income	15,780,754	(5,028,741)
Prepaid expenses	(1,608)	1,863
	15,111,797	(5,331,225)
Cash flow from (used by) operating activities	16,039,761	(5,697,283)
INVESTING ACTIVITY		
Redemption of promissory notes; current	2,607,354	5,083,857
INCREASE (DECREASE) IN CASH FLOW	18,647,115	(613,426)
Cash - beginning of year	6,242	619,668
CASH - END OF YEAR	\$ 18,653,357	\$ 6,242
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	\$ (927,964)	\$ (84,732)
Interest paid	\$ 360	\$ 171
CASH CONSISTS OF:		
Cash	\$ 23,357	\$ 6,242
Guaranteed investment certificates	18,630,000	-
	\$ 18,653,357	\$ 6,242

See notes to the financial statements

NOVA SCOTIA CROWN SHARE LAND LEGACY TRUST

Notes to Financial Statements

Year Ended January 31, 2024

1. DESCRIPTION OF BUSINESS

The Nova Scotia Crown Share Land Legacy Trust ("the Trust") is a not-for-profit entity established in accordance with Section 19 of the Environment Act. The Nova Scotia Crown Share Land Legacy Trust was established to hold, invest, and distribute the Trust property to approved beneficiaries. Approved beneficiaries are defined as the Nature Conservancy of Canada, the Nova Scotia Nature Trust and those charitable, non-governmental, nature conservation land trusts that are designated as eligible bodies pursuant to the Conservation Easement Act, SNS, 2001, c.28.

As a not-for-profit entity, under section 149.1 (1) of the Income Tax Act, the Trust is exempt from income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Revenue Recognition

The Trust recognizes contributions using the deferral method of accounting. Contributions are recognized as revenue in the period in which the related expenses are incurred.

Investment income consists of interest income and is recognized in the period earned.

Financial instruments

Measurement

The Trust initially measures its financial assets and financial liabilities at fair value.

The Trust subsequently measures its financial assets and financial liabilities at amortized cost. Amortized cost is the amount at which a financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment.

Financial assets measured at amortized cost include cash, promissory notes, guaranteed investment certificates, and interest receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down is recognized in excess of revenue over expenditures. Any previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess (deficiency) of revenue over expenditures.

Accounting estimates

Accounting estimates are included in financial statements to approximate the effect of past business transactions or events, or to approximate the present status of an asset or liability. Examples include accruals for disbursements and audit fees. It is possible that changes in future conditions could require changes in the recognized amounts for accounting estimates. Should an adjustment become necessary, it would be reported in earnings in the period in which it became known.

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NOVA SCOTIA CROWN SHARE LAND LEGACY TRUST

Notes to Financial Statements

Year Ended January 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Cash

Cash includes bank balances held with financial institutions less outstanding cheques plus outstanding deposits. Guaranteed investment certificates are recorded at cost.

3. FINANCIAL INSTRUMENTS

The trust is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the trust's risk exposure and concentration as of January 31, 2024.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Trust is exposed to credit risk from investments (promissory notes and guaranteed investment certificates). The Trust investments are with accredited institutions - Nova Scotia Department of Finance and Treasury Board, and Royal Bank of Canada, respectively, which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The trust is exposed to this risk mainly in respect of its receipt of funds from its funders and accounts payable.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the trust manages exposure through its normal operating and financing activities. The trust is exposed to interest rate risk primarily through its prime-linked interest rates on guaranteed investment certificates.

4. GUARANTEED INVESTMENT CERTIFICATES

	2024	2023
Royal Bank of Canada GIC - prime less 2% matures on February 16, 2025	\$ 5,000,000	\$ -
Royal Bank of Canada GIC - prime less 2% matures on February 16, 2025	5,000,000	-
Royal Bank of Canada GIC - prime less 2% matures on February 16, 2025	5,000,000	-
Royal Bank of Canada GIC - prime less 2% matures on February 16, 2025	3,630,000	-
	\$ 18,630,000	\$ -

The Trust purchased guaranteed investment certificates for \$20,000,000 which bore interest at prime less 2%. The GICs will mature on February 16, 2025. During the year, \$1,370,000 of GICs were redeemed.

NOVA SCOTIA CROWN SHARE LAND LEGACY TRUST

Notes to Financial Statements

Year Ended January 31, 2024

5. PROMISSORY NOTES RECEIVABLE

	2024	2023
Current portion of Province of Nova Scotia promissory notes	\$ -	\$ 2,607,354

The Trust held a promissory note issued by the Province of Nova Scotia, which bore interest at rate 4.28%. The note matured on February 3, 2023 and was carried as a current asset.

The promissory note was reinvested on February 3, 2023 at an interest rate of 4.45%. The note matured on February 28, 2023 and was immediately reinvested at an interest rate of 4.49%, which matured on March 17, 2023. It was not subsequently reinvested.

6. DEFERRED REVENUE

	2023	Funding received	Revenue recognized	2024
Crown Share Payments	\$ -	\$ 20,000,000	\$ (4,219,246)	\$ 15,780,754

The Trust received a total of \$20,000,000 from the Province of Nova Scotia in the form of Crown Share Payments during the January 31, 2024 fiscal year to hold, invest, and distribute funds to approved beneficiaries.

Deferred revenues are recognized when the associated expenses are incurred.

As stated in the trust indenture, a maximum of 6% (2023 - 6%) of the funds received can be allocated as unrestricted funds over the life of the trust to cover the costs of administration of the fund. In the current year, \$51,796 (2023 - \$37,416) was reported as unrestricted revenue for this purpose. A total of \$494,986 (2023 - \$443,190) has been reported as unrestricted revenue since the Trust was created.

7. ECONOMIC DEPENDENCE

The trust receives 100% of its funding from the Province of Nova Scotia. Should this entity substantially change its dealings with the trust, management is of the opinion that continued viable operations would be doubtful.







2024 NSCSLT - Balance Sheet - Trustees to sign

Final Audit Report

2024-07-19

Created:	2024-07-19
By:	Amanda Avery (amanda@hbacpa.ca)
Status:	Signed
Transaction ID:	CBJCHBCAABAAAdSONDwNMSCTI6M5IMWbAEId_RA9NWGa

"2024 NSCSLT - Balance Sheet - Trustees to sign" History

-  Document created by Amanda Avery (amanda@hbacpa.ca)
2024-07-19 - 2:12:32 PM GMT
-  Document emailed to mcneildg@hotmail.com for signature
2024-07-19 - 2:12:46 PM GMT
-  Email viewed by mcneildg@hotmail.com
2024-07-19 - 2:54:48 PM GMT
-  Signer mcneildg@hotmail.com entered name at signing as Don McNeil
2024-07-19 - 3:25:00 PM GMT
-  Document e-signed by Don McNeil (mcneildg@hotmail.com)
Signature Date: 2024-07-19 - 3:25:02 PM GMT - Time Source: server
-  Agreement completed.
2024-07-19 - 3:25:02 PM GMT