

NOVA SCOTIA CROWN SHARE LAND LEGACY TRUST

Financial Statements

Year Ended January 31, 2023

NOVA SCOTIA CROWN SHARE LAND LEGACY TRUST

Index to Financial Statements

Year Ended January 31, 2023

	Page
INDEPENDENT AUDITOR'S REPORT	3 - 4
FINANCIAL STATEMENTS	
Statement of Revenues and Expenditures	5
Statement of Changes in Net Assets	6
Statement of Financial Position	7
Statement of Cash Flows	8
Notes to Financial Statements	9 - 11

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, 2023, 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, 2023, 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.

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:

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

- 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
June 29, 2023

HBA Chartered Professional Accountants

NOVA SCOTIA CROWN SHARE LAND LEGACY TRUST**Statement of Revenues and Expenditures****Year Ended January 31, 2023**

	2023	2022
REVENUE		
Crown share payments	\$ 5,028,741	\$ 784,765
Interest income	84,732	60,585
Donations	165	-
	5,113,638	845,350
GRANTS AND RELATED EXPENDITURES	5,442,280	752,047
EXCESS (DEFICIENCY) OF REVENUE BEFORE EXPENDITURES	(328,642)	93,303
EXPENDITURES		
Botanical fieldwork	19,000	20,032
Professional fees	12,402	9,293
Honorariums	4,500	1,801
Insurance	1,332	1,434
Interest and bank charges	171	105
Office	11	53
	37,416	32,718
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ (366,058)	\$ 60,585

See notes to the financial statements

NOVA SCOTIA CROWN SHARE LAND LEGACY TRUST

Statement of Changes in Net Assets

Year Ended January 31, 2023

	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 2,879,179	\$ 2,818,592
Excess (deficiency) of revenue over expenditures	(366,058)	60,585
NET ASSETS - END OF YEAR	\$ 2,513,121	\$ 2,879,177

See notes to the financial statements

NOVA SCOTIA CROWN SHARE LAND LEGACY TRUST

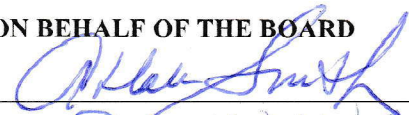

Statement of Financial Position

January 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 6,242	\$ 19,668
Interest receivable	7,643	162,174
Guaranteed investment certificate (Note 5)	-	600,000
Promissory notes receivable (Note 4)	2,607,354	7,691,211
Prepaid expenses	-	1,863
	\$ 2,621,239	\$ 8,474,916
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 108,118	\$ 566,996
Deferred income (Note 6)	-	5,028,741
	108,118	5,595,737
NET ASSETS		
General fund	2,513,121	2,879,179
	\$ 2,621,239	\$ 8,474,916

SUBSEQUENT EVENT (Note 7)

ON BEHALF OF THE BOARD

 Director
 Director

See notes to the financial statements

NOVA SCOTIA CROWN SHARE LAND LEGACY TRUST**Statement of Cash Flows****Year Ended January 31, 2023**

	2023	2022
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures	\$ (366,058)	\$ 60,585
Changes in non-cash working capital:		
Interest receivable	154,531	228,721
Accounts payable and accrued liabilities	(458,878)	(2,188,239)
Deferred income	(5,028,741)	(784,765)
Prepaid expenses	1,863	(66)
	(5,331,225)	(2,744,349)
Cash flow used by operating activities	(5,697,283)	(2,683,764)
INVESTING ACTIVITIES		
Redemption of promissory notes; current	5,083,857	(432,078)
Proceeds from redemption of promissory notes; long term	-	1,732,772
Cash flow from investing activities	5,083,857	1,300,694
DECREASE IN CASH FLOW	(613,426)	(1,383,070)
Cash - beginning of year	619,668	2,002,738
CASH - END OF YEAR	\$ 6,242	\$ 619,668
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	\$ (84,732)	\$ (60,585)
Interest paid	\$ 171	\$ 105
CASH CONSISTS OF:		
Cash	\$ 6,242	\$ 19,668
Guaranteed investment certificate	-	600,000
	\$ 6,242	\$ 619,668

See notes to the financial statements

NOVA SCOTIA CROWN SHARE LAND LEGACY TRUST

Notes to Financial Statements

Year Ended January 31, 2023

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, 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, 2023

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

Cash

Cash includes cash 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, 2023.

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 Certificate). 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.

4. PROMISSORY NOTES RECEIVABLE

	2023	2022
Current portion of Province of Nova Scotia promissory notes	\$ 2,607,354	\$ 7,691,211

The Trust holds a promissory note issued by the Province of Nova Scotia, which bears interest at rate 4.28%. The note matures on February 3, 2023 and is carried as a current asset.

5. GUARANTEED INVESTMENT CERTIFICATE

The Trust held a guaranteed investment certificate for \$600,000 which borne interest at 0.50%. The GIC matured on June 21, 2022, and was not reinvested.

6. DEFERRED REVENUE

In compliance with the deferral method of accounting for contributions as disclosed in note 2, the Trust has recorded \$nil (2022 - \$5,028,741) in deferred revenues as detailed below:

The Trust received a total of \$23,440,005 from the Province of Nova Scotia in the form of Crown Share Payments during the January 31, 2009 fiscal year. In the current year, the Trustees have recognized the remaining 2022 deferred balance totaling \$5,028,741 (2022 - \$784,765) as revenue relating to grants awarded in the year.

As stated in the trust indenture, a maximum of 6% (2022 - 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, \$37,416 (2022 - \$32,718) was reported as unrestricted revenue for this purpose. A total of \$443,190 (2022 - \$405,774) has been reported as unrestricted revenue since the Trust was created.

NOVA SCOTIA CROWN SHARE LAND LEGACY TRUST

Notes to Financial Statements

Year Ended January 31, 2023

7. SUBSEQUENT EVENT

Subsequent to year end, in February 2023, the Trust received \$20,000,000 from the Province of Nova Scotia to continue to its mandate to hold, invest and distribute Trust property to approved beneficiaries.