
NOVA SCOTIA TALENT TRUST

FINANCIAL STATEMENTS
MARCH 31, 2024

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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF NOVA SCOTIA TALENT TRUST:

Qualified Opinion

We have audited the financial statements of Nova Scotia Talent Trust (the "Talent Trust"), which comprise the statement of financial position as at March 31, 2024, and the statements of operating fund revenue and expenditures, special award fund revenue and expenditures, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Talent Trust as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Talent Trust derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Talent Trust. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenditures, and cash flows from operations for the years ended March 31, 2024 and 2023, current assets as at March 31, 2024 and 2023, and net assets as at April 1 and March 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

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 Talent Trust in accordance with the 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 qualified audit opinion.

Other Matter

The financial statements for the year ended March 31, 2023 were audited by another firm, Levy Casey Carter MacLean, who expressed an unmodified opinion on those financial statements on June 1, 2023. Levy Casey Carter MacLean has since joined with Belliveau Veinotte Inc.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

In preparing the financial statements, management is responsible for assessing the Talent 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 Talent Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Talent 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 judgement 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 Talent 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 Talent 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 Talent 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.

Halifax, Nova Scotia
May 30, 2024

Belliveau Veinotte Inc.

CHARTERED PROFESSIONAL ACCOUNTANTS



NOVA SCOTIA TALENT TRUST

STATEMENT OF FINANCIAL POSITION MARCH 31, 2024

ASSETS

	Operating Fund	Special Award Fund	Total 2024	Total 2023
Current				
Cash	\$ 13,672	\$ -	\$ 13,672	\$ 22,607
Marketable securities	117,029	110,427	227,456	180,037
Receivables	<u>75,610</u>	<u>-</u>	<u>75,610</u>	<u>1,670</u>
	206,311	110,427	316,738	204,314
Collections (note 3)	<u>5,500</u>	<u>-</u>	<u>5,500</u>	<u>5,500</u>
	<u>\$ 211,811</u>	<u>\$ 110,427</u>	<u>\$ 322,238</u>	<u>\$ 209,814</u>

LIABILITIES

Current				
Payables and accruals	\$ 7,505	\$ -	\$ 7,505	\$ 5,517
Deferred donations and grants (note 4)	<u>109,774</u>	<u>-</u>	<u>109,774</u>	<u>14,765</u>
	<u>117,279</u>	<u>-</u>	<u>117,279</u>	<u>20,282</u>

FUND BALANCES

Unrestricted	64,475	110,427	174,902	161,333
Internally restricted (note 5)	<u>30,057</u>	<u>-</u>	<u>30,057</u>	<u>28,199</u>
	<u>94,532</u>	<u>110,427</u>	<u>204,959</u>	<u>189,532</u>
	<u>\$ 211,811</u>	<u>\$ 110,427</u>	<u>\$ 322,238</u>	<u>\$ 209,814</u>

On Behalf of the Board

Director

Director

NOVA SCOTIA TALENT TRUST

STATEMENT OF OPERATING FUND REVENUE AND EXPENDITURES YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
Revenue		
Grants - Arts NS	\$ 115,000	\$ 100,000
- CNSLC	10,000	10,000
- CIF	14,765	-
Donations	39,230	36,084
Raffle and miscellaneous	<u>2,726</u>	<u>2,586</u>
	<u>181,721</u>	<u>148,670</u>
Administrative expenditures		
Board meetings and travel	232	-
Executive director	54,842	54,546
Fundraising and events	13,334	4,250
Insurance	2,518	2,504
Office equipment	348	-
Office supplies and rent	5,506	4,626
Professional fees	20,913	5,969
Promotion	1,841	872
Telephone and internet	<u>622</u>	<u>661</u>
	<u>100,156</u>	<u>73,428</u>
Program expenditures		
Scholarships	72,000	69,500
Scholarship program coordinator	2,416	2,388
Scholarship selection committee	<u>2,688</u>	<u>3,623</u>
	<u>77,104</u>	<u>75,511</u>
Total expenditures	<u>177,260</u>	<u>148,939</u>
Excess (deficiency) of revenue over expenditures before other income (expense)	4,461	(269)
Investment income	3,997	4,584
Unrealized gain (loss) on investments	<u>7,273</u>	<u>(11,240)</u>
Excess (deficiency) of revenue over expenditures	<u>\$ 15,731</u>	<u>\$ (6,925)</u>

NOVA SCOTIA TALENT TRUST

STATEMENT OF SPECIAL AWARD FUND REVENUE AND EXPENDITURES
YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
Revenue		
Donations	\$ 22,950	\$ 24,722
Investment income	<u>4,246</u>	<u>3,154</u>
	27,196	27,876
Expenditures		
Special awards	<u>(27,500)</u>	<u>(48,500)</u>
Deficiency of revenue over expenditures	<u>\$ (304)</u>	<u>\$ (20,624)</u>

NOVA SCOTIA TALENT TRUST

STATEMENT OF CHANGES IN FUND BALANCES YEAR ENDED MARCH 31, 2024

	<u>Operating</u>	<u>Special Award</u>	<u>Internally Restricted</u>	<u>Total 2024</u>	<u>Total 2023</u>
Balance, beginning of year	\$ 52,406	\$ 108,927	\$ 28,199	\$ 189,532	\$ 217,081
Excess (deficiency) of revenue over expenditures	13,873	(304)	1,858	15,427	(27,549)
Interfund transfer (note 5)	<u>(1,804)</u>	<u>1,804</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	\$ <u>64,475</u>	\$ <u>110,427</u>	\$ <u>30,057</u>	\$ <u>204,959</u>	\$ <u>189,532</u>

NOVA SCOTIA TALENT TRUST

STATEMENT OF CASH FLOWS YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
Operating activities		
Cash received from donors and grants	\$ 229,229	\$ 187,157
Investment income	7,625	7,468
Unrealized gain (loss) on investments	7,273	(11,240)
Cash paid to suppliers and contractors	(106,143)	(76,647)
Scholarships and special awards granted	<u>(99,500)</u>	<u>(118,000)</u>
Net cash inflow (outflow) from operating activities	<u>38,484</u>	<u>(11,262)</u>
Increase (decrease) in cash and marketable securities during the year	38,484	(11,263)
Cash and marketable securities, beginning of year	<u>202,644</u>	<u>213,907</u>
Cash and marketable securities, end of year	<u>\$ 241,128</u>	<u>\$ 202,644</u>
Represented by:		
Cash	\$ 13,672	\$ 22,607
Marketable securities	<u>227,456</u>	<u>180,037</u>
	<u>\$ 241,128</u>	<u>\$ 202,644</u>

NOVA SCOTIA TALENT TRUST

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024

1. Purpose of the organization

Nova Scotia Talent Trust ("NSTT") was established pursuant to the provisions of the Nova Scotia Companies Act and its purpose is to assist in the education and advancement of Nova Scotians in the arts. The NSTT is a registered charity and is exempt from income tax pursuant to section 149(f) of the Income Tax Act.

2. Significant accounting policies

(a) Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(b) Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and balances with financial institutions.

(c) Fund accounting

The Operating Fund holds all grants, unrestricted contributions, and miscellaneous revenue items. General scholarships and operating expenses are disbursed from this fund.

The Special Award Fund holds all amounts donated for the specific purpose of funding the NSTT's special awards. Each year scholarship recipients are considered for fifteen special awards. Special Awards are issued at the discretion of the Scholarship Selection Committee and are provided in addition to scholarship amounts.

Any interfund balances are non-interest bearing with no set terms of repayment.

(d) Revenue recognition

The NSTT follows the restricted fund method of accounting for contributions. Under this approach, unrestricted operating contributions are recorded as revenue in the Operating Fund in the period in which they are received. Where a portion of a contribution relates to a future period's operating expenses, it is deferred and recognized in the subsequent period. Contributions which are externally restricted for the purpose of paying out special awards are recognized as revenue in the Special Award Fund.

Restricted investment income is recognized as revenue in the Special Award Fund when earned. Unrestricted investment income is recognized as revenue in the Operating Fund when earned.

Miscellaneous revenue items are recognized as revenue in the Operating Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(e) Contributed services

Volunteer services contributed on behalf of the NSTT in carrying out its operating activities are not recognized in these financial statements due to the difficulty in determining their value.

NOVA SCOTIA TALENT TRUST

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2024

2. Significant accounting policies (continued)

(f) Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates, as additional information becomes available in the future.

(g) Marketable securities

The NSTT's marketable securities are initially recognized, and subsequently measured at fair value without adjustments for transaction costs that would be incurred on disposals. Changes in fair value are recognized in fund revenue and expenditures in the period of change.

(h) Financial instruments

The NSTT initially measures its financial assets and financial liabilities at fair value, adjusted by the amount of transaction costs directly attributable to the instrument. Other than the investments noted above, the NSTT subsequently measures its financial assets and financial liabilities at amortized cost.

3. Collections held

During 2014 the NSTT received a painting of Portia White with an appraised value of \$5,500. The painting has been added to the NSTT's permanent collection and a charitable donation issued for its value. The painting is currently on display at Government House.

4. Deferred donations and grants

Deferred contributions represent funding received in the current year that relates to the subsequent year or an expenditure not yet incurred. Changes in the deferred contributions balance are as follows:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 14,765	\$ 1,000
Less: amount recognized as revenue in the year	(14,765)	(1,000)
Add: amount received related to the subsequent year	<u>109,774</u>	<u>14,765</u>
Balance, end of year	<u>\$ 109,774</u>	<u>\$ 14,765</u>

5. Restricted equity

The NSTT's Board has designated \$28,000 of the unrestricted equity as a reserve for future contingencies.

NOVA SCOTIA TALENT TRUST

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024

6. Interfund transfers

Interfund transfers occur when amounts specifically donated for a particular special award are insufficient to cover the full value of the award. In such cases, operating funds are transferred to the Special Award Fund in order to compensate for the deficiency.

7. Financial instruments

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The NSTT's marketable securities expose the NSTT to market risk as such investments are subject to price changes in the open market. The NSTT does not use derivative financial instruments to alter the effects of this risk.

8. The Judith A. Grant Bursary

The Trust has been named as a residual beneficiary of an estate. As a result it will receive annual income for the benefit of a student or students enrolled in a music program of any of the colleges or universities located in the Atlantic Provinces. The recipient students shall be selected by the Trust and may be eligible for renewal of the bursary in a subsequent year. The selection is based on musical talent, academic accomplishment and financial need. If no recipient is selected in any year, the net income from investment shall be accumulated and be available for a bursary in a subsequent year. The annual income entitlement for the current fiscal year was \$89,774 which has been deferred on the statement of financial position as it had not yet been awarded.

9. Economic dependence

NSTT is economically dependent upon the Province of Nova Scotia through the Department of Communities, Culture, and Heritage/Arts Nova Scotia. The Department provides the NSTT with grants which accounted for approximately 63% (2023 - 62%) of its revenue. These grants are needed to cover all of the administrative costs and some of the NSTT's annual scholarship disbursements.

NOVA SCOTIA TALENT TRUST

**SCHEDULE OF SPECIAL AWARD FUNDS
YEAR ENDED MARCH 31, 2024**

	<u>Balance</u> <u>March 31, 2023</u>	<u>Contributions</u> <u>Received</u>	<u>Investment</u> <u>Income</u>	<u>Special</u> <u>Awards</u> <u>Granted</u>	<u>Interfund</u> <u>Transfers</u> <u>(note 6)</u>	<u>Balance</u> <u>March 31, 2024</u>
Charlotte Wilson Hammond (VANS)	\$ 11,315	\$ 1,176	\$ 462	\$ (1,000)	\$ -	\$ 11,953
James Burchill	-	8,000	-	(8,000)	-	-
Janice Merritt Flemming	-	1,000	-	(1,000)	-	-
Kenneth Elloway	5,146	960	210	(1,000)	-	5,316
Lieutenant Governor's	-	100	-	(1,500)	1,400	-
Portia White	224	1,000	9	(1,000)	-	233
Raymond Simpson	11,191	1,152	457	-	-	12,800
RBC Emerging Artists	-	2,500	-	(2,500)	-	-
RBC Emerging Artists BIPOC	-	2,500	-	(2,500)	-	-
Robert George Jackson	23,860	1,000	974	(2,000)	-	23,834
Shelagh MacKenzie	726	1,446	-	(1,000)	-	1,172
Theatre Nova Scotia	-	96	-	(500)	404	-
Yue Lih & Marion Kuo	1,925	1,925	-	(1,000)	-	2,850
Susan Wood	16,664	-	680	(1,500)	-	15,844
Peggy Corkum	20,151	-	822	(1,000)	-	19,973
Sheila Piercey	15,489	-	632	(2,000)	-	14,121
	<u>2,236</u>	<u>95</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,331</u>
	<u>\$ 108,927</u>	<u>\$ 22,950</u>	<u>\$ 4,246</u>	<u>\$ (27,500)</u>	<u>\$ 1,804</u>	<u>\$ 110,427</u>