



## Financial Statements

The Nova Scotia Highland Village Society

March 31, 2024

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# Independent Practitioner's Review Engagement Report

To the Board of Directors of  
The Nova Scotia Highland Village Society

We have reviewed the accompanying financial statements of The Nova Scotia Highland Village Society that comprise the statement of financial position as at March 31, 2024 and the statements of revenue and expenditures, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## 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 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.

## 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 The Nova Scotia Highland Village Society 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.

Sydney, Canada  
May 30, 2024



Chartered Professional Accountants

# The Nova Scotia Highland Village Society

## Statement of Revenue and Expenditures

Year ended March 31	2024 Budget (Note 9)	2024 Actual	2023 Actual
<b>Revenue</b>			
Provincial grant - Nova Scotia Museum	\$ 1,018,849	\$ 1,018,849	\$ 738,296
Provincial grant - NSM Special	27,000	6,200	4,900
Admission fees	150,000	206,095	121,849
Food service and fundraising	50,000	52,202	27,326
Miscellaneous	4,000	7,537	2,746
Donations	4,000	4,132	3,766
Interest	500	3,406	1,740
Nova Scotia Transportation and Infrastructure Renewal	27,500	27,500	27,500
Programming	10,000	24,214	9,010
Canada Emergency Wage Subsidy	-	-	2,856
Retail operations (Schedule 1)	140,000	177,506	129,262
Special projects (Schedule 2)	25,550	863,478	218,745
	<u>1,457,399</u>	<u>2,391,119</u>	<u>1,287,996</u>
Retail operations (Schedule 1)	85,000	110,744	81,947
Special projects (Schedule 2)	22,000	714,875	99,924
Cultural interpretation and programming (Schedule 3)	23,500	30,985	22,954
Site and facilities (Schedule 4)	85,000	99,951	85,990
Operating and administrative expenditures (Schedule 5)	1,159,689	1,188,187	934,340
	<u>1,375,189</u>	<u>2,144,742</u>	<u>1,225,155</u>
Excess of revenue over expenditures before other items	<u>82,210</u>	<u>246,377</u>	<u>62,841</u>
<b>Other items</b>			
Depreciation	-	(5,163)	-
Renovation projects	(46,000)	(23,092)	(24,806)
	<u>(46,000)</u>	<u>(28,255)</u>	<u>(24,806)</u>
Excess of revenue over expenditures	<u>\$ 36,210</u>	<u>\$ 218,122</u>	<u>\$ 38,035</u>

# The Nova Scotia Highland Village Society

## Statement of Changes in Net Assets

Year ended March 31

	Unrestricted fund	Internally restricted Replacement reserve	Internally restricted Site development reserve	Internally restricted Unused sick days reserve	Total 2024	Total 2023
Balance, beginning of year	\$ 407,461	\$ 199,909	\$ (352,194)	\$ 20,343	\$ 275,519	\$ 237,484
Excess of revenue over expenditures	218,122	-	-	-	218,122	38,035
Transfer to (from) reserve (net)	<u>(321,194)</u>	<u>-</u>	<u>321,194</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 304,389</u>	<u>\$ 199,909</u>	<u>\$ (31,000)</u>	<u>\$ 20,343</u>	<u>\$ 493,641</u>	<u>\$ 275,519</u>

See accompanying notes and schedules to the financial statements.

**The Nova Scotia Highland Village Society**  
**Statement of Financial Position**

March 31 2024 2023

**Assets**

Current		
Cash	\$ 559,082	\$ 397,099
Receivables (Note 4)	3,728	31,118
Inventory	47,141	42,441
Prepays	<u>4,950</u>	<u>9,721</u>
	614,901	480,379
Equipment (Note 5)	<u>20,653</u>	<u>-</u>
	<u>\$ 635,554</u>	<u>\$ 480,379</u>


**Liabilities**

Current		
Payables and accruals	\$ 32,699	\$ 42,052
Deferred revenue - operating	<u>93,614</u>	<u>162,808</u>
	126,313	204,860
Deferred revenue	<u>15,600</u>	<u>-</u>
	141,913	204,860

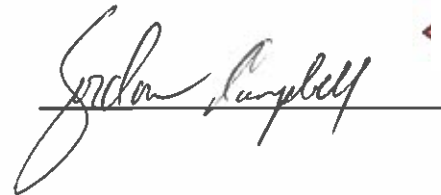
**Surplus**

<b>Net assets (Page 3)</b>	<u>493,641</u>	<u>275,519</u>
	<u>\$ 635,554</u>	<u>\$ 480,379</u>

Contingency (Note 6)  
 Commitment (Note 7)

On behalf of the Board  


Director



Director

# The Nova Scotia Highland Village Society

## Statement of Cash Flows

Year ended March 31

2024

2023

Increase (decrease) in cash

### Operating

Excess of revenue over expenditures	\$ 218,122	\$ 38,035
Item not affecting cash		
Amortization	<u>5,163</u>	<u>-</u>
	<b>223,285</b>	38,035
Change in non-cash working capital items		
Receivables	27,390	272,511
Inventory	(4,700)	135
Prepays	4,771	(4,425)
Payables and accruals	(9,278)	(514,822)
Deferred revenue	<u>(53,669)</u>	<u>(31,324)</u>
	<b>187,799</b>	(239,890)

### Investing

Purchase of equipment	<u>(25,816)</u>	<u>-</u>
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Increase (decrease) in cash **161,983** (239,890)

Cash

Beginning of year	<u>397,099</u>	<u>636,989</u>
End of year	<u>\$ 559,082</u>	<u>\$ 397,099</u>

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# The Nova Scotia Highland Village Society

## Notes to the Financial Statements

March 31, 2024

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### 1. Nature of operations

The Nova Scotia Highland Village Society operates the Baile nan Gàidheal | Highland Village, a living history museum and cultural centre for Gaelic language and culture in Nova Scotia. The Museum is a locally managed site of the Nova Scotia Museum. The Society manages the site on behalf of the Province of Nova Scotia. The assets (i.e. land, buildings, artifacts, furnishings, equipment, etc.) are owned by the Province of Nova Scotia. The Society is incorporated under the Societies Act of the Province of Nova Scotia and is a registered charity with the Canada Revenue Agency.

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### 2. Basis of accounting and summary of significant accounting policies

#### Basis of presentation

The Society has prepared these financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

#### Basis of accounting

The Operating Fund (unrestricted) is used for the general operations of Baile nan Gàidheal | Highland Village, a part of the Nova Scotia Museum. Income and expenses from the fund are guided by the annual budget approved by the Society's Board of Trustees.

The Replacement Reserve Fund is used to support the financing of special projects to advance the work of the Highland Village. The Board may also authorize transfers from the fund to the operating account to cover emergency or unforeseen expenditures or shortfalls in the operating budget of the Society. All expenditures must be approved by the Board.

The Site Development Reserve Fund is an internally restricted fund that was established to support the Highland Village's \$3.6 million site development plan, which includes the proceeds of the Society's fundraising efforts.

The Sick Days Reserve Fund is used to cover wage expenses for replacement staff up to the value of the accrued unused sick days for the staff person being replaced.

#### Cash and cash equivalents

Cash and cash equivalents includes cash on hand, balances with banks, and highly liquid temporary money market instruments with original maturities of one year or less.

#### Revenue recognition

The Society uses the deferral method for externally restricted contributions, which primarily consist of government grants toward special programs. Grant revenue is recognized when the criteria set out in the grant have been fulfilled.

Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Revenue on retail sales is recognized at the point of sale, when the customer receives and pays for the goods.



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# The Nova Scotia Highland Village Society

## Notes to the Financial Statements

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March 31, 2024

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### 2. Basis of accounting and summary of significant accounting policies (continued)

#### Government assistance

The Society recognizes government assistance toward current expenses in the statement of earnings. When government assistance relates to future expenses, the Society defers the assistance and recognizes it in the statement of earnings as the related expenses are incurred.

#### Use of estimates

In preparing the Society's financial statements, management is required 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 reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates.

#### Inventory

The cost of inventories is comprised of directly attributable costs and includes the purchase price, plus other costs incurred in bringing the inventories to their present location and condition, such as freight. The cost is reduced by the value of rebates and allowances received from vendors. The Society estimates net realizable value as the amount that inventories are expected to be sold. Inventories are written down to net realizable value when the cost of inventories is not estimated to be recoverable due to obsolescence, damage or declining selling prices. When circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in selling price, the amount of the write-down previously recorded is reversed. Costs that do not contribute to bringing inventories to their present location and condition, such as storage and administrative overheads, are specifically excluded from the cost of inventories and are expensed in the period incurred.

The cost of inventory recognized as an expense during fiscal 2024 was \$110,745 (2023 – \$81,947). No write-down of inventories below their cost to their net realizable value was made in fiscal 2024. There were no reversals of inventories written down previously that are no longer estimated to sell below cost.

#### Financial instruments

The Society considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Society accounts for the following as financial instruments:

- cash and cash equivalents
- receivables
- payables and accruals
- deferred revenue

A financial asset or liability is recognized when the Society becomes party to contractual provisions of the instrument.

The Society's financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

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# The Nova Scotia Highland Village Society

## Notes to the Financial Statements

March 31, 2024

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### 2. Basis of accounting and summary of significant accounting policies (continued)

#### Financial instruments (continued)

Financial assets and financial liabilities are subsequently measured according to the following methods:

<u>Financial instrument</u>	<u>Subsequent measurement</u>
Cash and cash equivalents	Amortized cost (which approximates fair value)
Receivables	Amortized cost
Payables and accruals	Amortized cost
Deferred revenue	Amortized cost

The Society removes financial liabilities, or a portion of it, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of write-downs or reversals are recognized in net income.

#### Contributed services and materials

Because of the difficulty of determining their fair value, contributed services and materials are not recognized in the financial statements.

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### 3. Wages and benefits

	<b>2024</b> <b>Budget</b> <b>(Note 9)</b>	2024 Actual	2023 Actual
	<u>          </u>	<u>          </u>	<u>          </u>
Gross wages	<b>\$ 1,050,975</b>	\$ 1,096,995	\$ 838,098
Less: grants			
Nova Scotia Department of Labour and Advanced Education	<b>(13,377)</b>	(13,377)	(17,836)
Service Canada	<b>(13,900)</b>	(12,972)	(24,395)
Canadian Heritage	<b>(12,009)</b>	(14,572)	-
	<b><u>\$ 1,011,689</u></b>	<b><u>\$ 1,056,074</u></b>	<b><u>\$ 795,867</u></b>

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# The Nova Scotia Highland Village Society

## Notes to the Financial Statements

March 31, 2024

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<b>4. Receivables</b>	<u>2024</u>	<u>2023</u>
Department of Canadian Heritage	\$ -	\$ 13,500
Harmonized sales tax	899	14,432
Other	<u>2,829</u>	<u>3,186</u>
	<u>\$ 3,728</u>	<u>\$ 31,118</u>

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<b>5. Equipment</b>			<u>2024</u>	<u>2023</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Equipment	\$ 25,816	\$ 5,163	\$ 20,653	\$ -
Vehicles	<u>29,517</u>	<u>29,517</u>	<u>-</u>	<u>-</u>
	<u>\$ 55,333</u>	<u>\$ 34,680</u>	<u>\$ 20,653</u>	<u>\$ -</u>

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### **6. Contingency**

Under terms of the Society's human resource management policy, employees are able to accumulate unused sick days to a maximum of 120 days. In the event that an employee is not able to work for an extended period due to illness, the Society would be required to pay the employee based on the number of unused sick days accrued, as well as being required to hire replacement staff, thereby significantly increasing the wage expense for that period. As of March 31, 2024, the Society's employees have accrued a total of 636 (2023 - 892) unused sick days, and management has estimated a total cost of \$119,633 (2023 - \$137,968), which is in excess of the \$20,343 (2023 - \$20,343) in the sick day reserve. An estimate of the potential liability cannot be made as it is not possible to determine which employees, if any, will have to use their unused sick days due to future illness.

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### **7. Commitment**

The land and all fixed assets in use by the Society with the exception of specific equipment are the property of the Province of Nova Scotia. Use of the property and related assets is subject to the terms of the agreement signed April 1, 2019 between the Society and the Province of Nova Scotia. The Society is permitted to use the property only for the purpose of operating a museum. The current agreement is in effect until March 31, 2044, at which point it may be renewed if both parties wish to do so.

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# The Nova Scotia Highland Village Society

## Notes to the Financial Statements

March 31, 2024

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### 8. Site development deficit

The deficit in the site development reserve is the result of a current shortfall in funding for the capital expansion project. This deficit will be offset by the anticipated collection of existing donation commitments.

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### 9. Budget amounts

The 2024 budget amounts on the Statement of revenue and expenditures and the Schedules to the financial statements, are presented for information purposes only, are unreviewed and not covered by the review report of Grant Thornton LLP, Chartered Professional Accountants, dated May 30, 2024.

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### 10. Financial instruments

The Society is exposed to various risks through its financial instruments. The following analysis provides a measure of the Society's risk exposures and concentrations at March 31, 2024.

#### (a) Fair values

The book value of cash and cash equivalents, receivables, and payables and accruals approximates fair value as of March 31, 2024, due to their short-term maturity.

#### Credit risk

The Society does have credit risk in receivables. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

#### (b) Liquidity risk

The Society does have liquidity risk in payables and accruals. Liquidity risk is the risk that the Society will encounter difficulty in meeting the obligations associated with its financial liabilities. The Society is exposed to this risk mainly in respect of its payables and accruals.

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### 11. Remuneration

Pursuant to the Public Sector Compensation Disclosure Act, the Nova Scotia Highland Village Society is required to disclose individuals with compensation greater than \$100,000. There are no board members, officers, employees, contractors, or consultants with compensation greater than \$100,000.

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# The Nova Scotia Highland Village Society

## Notes to the Financial Statements

March 31, 2024

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### **12. Contributed services**

A substantial number of volunteers contribute a significant amount of their time each year, culminating in 691 volunteer hours in the current year (2023 - 1,545). Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

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**The Nova Scotia Highland Village Society**  
**Schedule of Retail Operations**

Year ended March 31	<b>2024 Budget</b>	2024 Actual	2023 Actual
Gift shop Sales	<b>\$ 140,000</b>	\$ 177,506	\$ 129,262
Cost of goods sold	<u>85,000</u>	<u>110,744</u>	<u>81,947</u>
Gross profit on sales	<b><u>\$ 55,000</u></b>	<b><u>\$ 66,762</u></b>	<b><u>\$ 47,315</u></b>

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## The Nova Scotia Highland Village Society Schedule of Special Projects

Year ended March 31	2024 Budget (Note 9)	2024 Actual	2023 Actual
<b>Gaelic outreach projects</b>			
Office of Gaelic Affairs	\$ 6,550	\$ 101,914	\$ 25,500
Expenditures			
Project expenses	<u>8,000</u>	<u>114,842</u>	<u>26,158</u>
Net (cost) revenue	\$ <u>(1,450)</u>	\$ <u>(12,928)</u>	\$ <u>(658)</u>
<b>Infrastructure development</b>			
Atlantic Canada Opportunities Agency	\$ -	\$ -	\$ 4,538
Nova Scotia Public Works	-	-	4,545
Nova Scotia Museum	14,000	15,000	4,545
Other revenue	<u>-</u>	<u>152,580</u>	<u>134,339</u>
	14,000	167,580	143,422
Expenditures			
Project expenses	<u>14,000</u>	<u>10,575</u>	<u>18,166</u>
Net (cost) revenue	\$ <u>-</u>	\$ <u>157,005</u>	\$ <u>125,256</u>
<b>Strategic development</b>			
Revenue	\$ -	\$ 513,860	-
Expenditures			
Project expenses	<u>-</u>	<u>513,860</u>	<u>9,777</u>
Net (cost) revenue	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(9,777)</u>
<b>Exhibition development</b>			
Communities, Culture, Tourism & Heritage	\$ -	\$ 26,689	\$ 45,823
Expenditures			
Project expenses	<u>-</u>	<u>26,689</u>	<u>45,823</u>
Net (cost) revenue	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

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## The Nova Scotia Highland Village Society Schedule of Special Projects

Year ended March 31	2024 Budget (Note 9)	2024 Actual	2023 Actual
<b>NSM M8 Online Store project</b>			
Communities, Culture, Tourism & Heritage Expenditures	\$ -	\$ 47,435	\$ -
Project expenses	<u>-</u>	<u>48,909</u>	<u>-</u>
Net (cost) revenue	<u>\$ -</u>	<u>\$ (1,474)</u>	<u>\$ -</u>
<b>Festival &amp; Event Subsidies</b>			
Atlantic Canada Opportunities Agency	\$ 5,000	\$ 5,000	\$ 3,000
Municipality of Victoria County	<u>-</u>	<u>1,000</u>	<u>1,000</u>
	5,000	6,000	4,000
Expenditures			
Project expenses	<u>-</u>	<u>-</u>	<u>-</u>
Net (cost) revenue	<u>\$ 5,000</u>	<u>\$ 6,000</u>	<u>\$ 4,000</u>
Net (cost) revenue of special projects	<u>\$ 3,550</u>	<u>\$ 148,603</u>	<u>\$ 118,821</u>

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## The Nova Scotia Highland Village Society Schedule of Cultural Interpretation and Programming

Year ended March 31	2024 Budget (Note 9)	2024 Actual	2023 Actual
An Rubha	\$ 3,500	\$ 3,661	\$ 3,523
Animation program	2,500	4,393	3,484
Collections management	500	1,004	482
Costume program	1,500	954	1,047
Farm program	6,000	6,686	6,218
Library and research	2,000	2,565	1,448
Special programs and workshops	<u>7,500</u>	<u>11,722</u>	<u>6,752</u>
	<u>\$ 23,500</u>	<u>\$ 30,985</u>	<u>\$ 22,954</u>

## The Nova Scotia Highland Village Society Schedule of Site and Facilities

Year ended March 31	2024 Budget (Note 9)	2024 Actual	2023 Actual
Custodial services and supplies	\$ 6,000	\$ 5,401	\$ 6,120
Grounds maintenance	18,000	23,429	16,914
Repairs and maintenance	38,000	50,359	38,171
Security	1,000	1,218	3,577
Utilities	<u>22,000</u>	<u>19,544</u>	<u>21,208</u>
	<u>\$ 85,000</u>	<u>\$ 99,951</u>	<u>\$ 85,990</u>

## The Nova Scotia Highland Village Society

### Schedule of Operating and administrative expenditures

Year ended March 31	2024 Budget (Note 9)	2024 Actual	2023 Actual
Advertising and promotion	\$ 30,000	\$ 22,261	\$ 33,530
Bank and credit charges	1,000	3,002	3,335
Fundraising events	31,000	31,287	22,166
Governance	8,000	5,728	5,638
Memberships and subscriptions	3,000	2,300	3,744
Occupational health and safety	4,000	4,240	10,416
Office equipment, rental, and servicing	4,000	3,519	2,379
Office supplies	12,000	13,463	12,671
Postage	4,000	2,734	3,184
Professional fees	17,000	19,877	16,393
Telephone	8,000	8,795	8,751
Training	4,000	3,202	5,830
Travel	18,000	10,240	10,436
Volunteer recognition	4,000	1,465	-
Wages and benefits (Note 3)	<u>1,011,689</u>	<u>1,056,074</u>	<u>795,867</u>
	<b><u>\$ 1,159,689</u></b>	<b><u>\$ 1,188,187</u></b>	<b><u>\$ 934,340</u></b>