

**The Audited Financial Statements of:**  
**WESTERN COUNTIES REGIONAL LIBRARY**  
**Year ended March 31, 2021**

<b>TABLE OF CONTENTS</b>	<b>Page</b>
Auditors' Report	2-3
Statement of Financial Position	4
Statement of Operations	5
Statement of Changes in Net Assets	6
Statement of Cash Flow	7
Notes to Financial Statements	8-13

## INDEPENDENT AUDITORS' REPORT

**To the Chairman and Members of the Board of the Western Counties Regional Library:**

### **Qualified Opinion**

We have audited the accompanying financial statements of the Western Counties Regional Library, which are comprised of the statement of financial position as at March 31, 2021, the statements of operations, net assets, and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Western Counties Regional Library as at March 31, 2021 and its results of operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### **Basis for Qualified Opinion**

The Western Counties Regional Library provides a management service award which is payable to qualifying management employees upon retirement. The related expense and liability has been accrued by management. We were unable to obtain sufficient audit evidence over completeness of the management service award. Accordingly, our verification of the related expense and liability was limited to the amounts recorded in the records of the Library and we are not able to determine whether any adjustments might be necessary to salaries and benefits, any related effect on excess of revenue over expenditures, net assets, or management service award payable.

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 Library in accordance with the ethical requirements that are relevant to our audit of the financial statements, 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 opinion.

### **Other Information**

Management is responsible for the other information. The other information comprises the Annual Report, but does not include the financial statement and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, our verification of the management service award expense and liability are limited to the amounts recorded in the records of the Library. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

### **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 controls 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 Library'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 Library or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Library'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 auditors' 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 controls 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 Library'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 Library's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Library 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.

Yarmouth, Nova Scotia  
June 3, 2021

*White Perkins Associates*  
Chartered Professional Accountants

WESTERN COUNTIES REGIONAL LIBRARY  
STATEMENT OF FINANCIAL POSITION as at March 31, 2021

	2021	2020
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$576,735	\$365,604
HST receivable	15,876	13,791
Due from Western Counties Regional Library Charitable Association (note 4)	15,122	7,674
Investments (note 5)	661,115	628,240
	<u>1,268,848</u>	<u>1,015,309</u>
<b>EQUIPMENT (note 6)</b>	<u>113,380</u>	<u>23,552</u>
	<u><u>\$1,382,228</u></u>	<u><u>\$1,038,861</u></u>
	2021	2020
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable for library materials committed	\$29,353	\$11,685
Accounts payable and accrued liabilities	10,328	10,593
Management service award payable (note 7)	56,236	81,509
Deferred revenue (note 8)	75,697	10,034
<b>Total liabilities</b>	<u>171,614</u>	<u>113,821</u>
<b>NET ASSETS</b>		
Capital	113,380	23,552
Internally restricted for library development (note 10)	1,097,234	901,488
	<u>1,210,614</u>	<u>925,040</u>
	<u><u>\$1,382,228</u></u>	<u><u>\$1,038,861</u></u>

Approved by:

Director: \_\_\_\_\_

Director: \_\_\_\_\_

Economic dependence (note 11)

Commitment (note 13)

WESTERN COUNTIES REGIONAL LIBRARY  
STATEMENT OF OPERATIONS  
Year ended March 31, 2021

	Operating	Library Development	2021	2020
<b>REVENUE</b>				
Provincial grants:				
Operating grant	\$1,222,500	\$ -	\$1,222,500	\$1,071,122
Acadian grant	138,000	-	138,000	101,845
Municipal grants	373,500	-	373,500	373,500
Investment income	-	8,739	8,739	14,864
Unrealized gain (loss) on investments	-	46,498	46,498	(10,428)
Fees and recoveries	7,124	-	7,124	20,172
Yarmouth Public Library and Museum (note 4)	25,401	-	25,401	25,550
Miscellaneous grants (notes 4 and 12)	29,857	-	29,857	33,120
Other income	4,223	-	4,223	5,217
	<u>1,800,605</u>	<u>55,237</u>	<u>1,855,842</u>	<u>1,634,962</u>
<b>EXPENSES</b>				
Salaries and benefits	1,132,457	5,895	1,138,352	1,100,245
Library materials	200,176	-	200,176	182,045
Vehicle operations	10,413	-	10,413	16,034
Office supplies	30,649	-	30,649	30,285
Telephone	2,181	-	2,181	2,080
Travel	8,115	-	8,115	20,802
Insurance	15,925	-	15,925	15,695
Interest and bank charges	3,325	-	3,325	3,416
Professional fees	8,225	-	8,225	9,465
Headquarters rent (note 4)	44,400	-	44,400	44,400
Postage	5,578	-	5,578	4,850
Author and program honourariums	317	-	317	406
Lease and service agreements	1,733	-	1,733	1,978
HST expense	12,551	-	12,551	6,474
Computer equipment and maintenance	50,108	-	50,108	33,707
Student wages and benefits	-	-	-	16,336
Program supplies	9,180	-	9,180	4,792
Pandemic supplies	22,442	-	22,442	252
Miscellaneous	11,035	-	11,035	9,402
Depreciation of equipment	17,021	-	17,021	7,210
	<u>1,585,831</u>	<u>5,895</u>	<u>1,591,726</u>	<u>1,509,874</u>
Excess before undernoted	214,774	49,342	264,116	125,088
<b>OTHER REVENUES (EXPENSES)</b>				
Loss on disposition of asset	(2,349)	-	(2,349)	-
Temporary wage subsidy	23,807	-	23,807	-
	<u>21,458</u>	<u>-</u>	<u>21,458</u>	<u>-</u>
<b>EXCESS - revenue over expenses</b>	<u>\$236,232</u>	<u>\$49,342</u>	<u>\$285,574</u>	<u>\$125,088</u>

WESTERN COUNTIES REGIONAL LIBRARY  
STATEMENT OF CHANGES IN NET ASSETS  
Year ended March 31, 2021

	Operating	Capital	Library Development	2021	2020
Net assets at beginning of year	\$ -	\$23,552	\$901,488	\$925,040	\$799,952
Excess (deficiency) - revenue over expenses	253,253	(17,021)	49,342	285,574	125,088
Interfund transfers	(253,253)	106,849	146,404	-	-
NET ASSETS AT END OF YEAR	\$ -	\$113,380	\$1,097,234	\$1,210,614	\$925,040

WESTERN COUNTIES REGIONAL LIBRARY  
STATEMENT OF CASH FLOW  
Year ended March 31, 2021

	2021	2020
<b>CASH PROVIDED BY (USED FOR):</b>		
<b>OPERATIONS</b>		
Excess - revenue over expenses	\$285,574	\$125,088
Add back items which do not involve the use of cash:		
Unrealized (gain) loss on equity investments	(46,498)	10,428
Loss on disposition of asset	2,349	-
Depreciation of equipment	17,021	7,210
	<u>258,446</u>	<u>142,726</u>
Changes in non-cash working capital:		
HST receivable	(2,085)	11,753
Receivable from Western Counties Regional Library Charitable Association	(7,448)	19,949
Accounts payable for library materials committed	17,668	3,610
Accounts payable and accrued liabilities	(265)	(28,132)
Management service award payable	(25,275)	(9,587)
Deferred revenue	65,663	(57,295)
	<u>306,704</u>	<u>83,024</u>
<b>INVESTING</b>		
Additions to investments	(174,834)	(193,338)
Proceeds received on maturity of investments	188,458	192,295
Purchase of equipment	(111,197)	-
Proceeds from sale of equipment	2,000	-
	<u>(95,573)</u>	<u>(1,043)</u>
<b>Increase in cash flow</b>	<b>211,131</b>	<b>81,981</b>
Cash position at beginning of year	<u>365,604</u>	<u>283,623</u>
<b>CASH POSITION AT END OF YEAR</b>	<b><u>\$576,735</u></b>	<b><u>\$365,604</u></b>

WESTERN COUNTIES REGIONAL LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
Year ended March 31, 2021

---

**1. GENERAL**

---

The Western Counties Regional Library operates public libraries in communities throughout Southwestern Nova Scotia. The Library is a registered charity under the Canadian Income Tax Act and accordingly, is exempt from income taxes provided certain requirements are met under the Act.

---

**2. SIGNIFICANT ACCOUNTING POLICIES**

---

**(a) Financial reporting framework**

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

**(b) Cash**

Cash is comprised of cash on hand and cash on deposit.

**(c) Fund accounting**

The Library uses three funds to record its transactions:

**(i) Operating Fund**

Assets, liabilities, revenues, and expenses related to program delivery and administrative activities are reported through the Operating Fund.

**(ii) Capital Fund**

The Capital Fund includes the Library's property and equipment assets and the related yearly depreciation expense of those assets. Property and equipment asset additions funded through operations are recorded in the Capital Fund under assets and charged to the Operating Fund through an interfund transfer.

**(iii) Library Development Fund**

The Library Development Fund comprises excess funds internally restricted by the Library for the future development of the library. The annual excess or deficiency of revenue over expenses is transferred to the Library Development Fund through an interfund transfer. Annual charges for management service awards are accrued as an expense in the Library Development Fund. The corresponding liability established for future retirement benefits for management is a liability of this fund.

**(d) Revenue recognition**

The Library follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the expenses are incurred. Restricted contributions received, but not yet taken into income, are carried on the Statement of Financial Position as Deferred Revenue. Externally restricted contributions received for property and equipment additions are deferred and amortized on the same basis as the related property and equipment is depreciated.

**(e) Investments**

Investments include both equity and fixed income investments. Equity investments are recorded at their published fair market value. Any unrealized holding gains and losses related to equity investments, being the difference between the cost and the fair market value, are included in the statement of operations. The fixed income investments are recorded at their amortized cost. If the market value of the fixed income investments becomes lower than cost and its decline in value is considered to be other than temporary, the investments are written down to the market value at that point in time. Premiums or discounts incurred at the time of purchasing fixed income investments are amortized over the term of the fixed income investments.



---

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

---

(f) **Equipment**

Equipment is recorded at cost. Contributed equipment is recorded at its fair value at the time of the contribution. Depreciation is provided on the declining balance basis at the following annual rates:

Motor vehicle	10 years
Equipment	45%
Phone system	10 years
Automation equipment	45%

(g) **Library materials**

The Library does not record an inventory of library materials. When library materials are purchased, they are charged as an expense in the Operating Fund in the year of acquisition. Library materials for which purchase orders are outstanding at year end are charged to expense and recorded as accounts payable for library materials committed.

(h) **Measurement uncertainty**

In preparing the Library'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 and reported amounts of revenue and expenses. Actual amounts could differ from these estimates. The carrying value of management service award payable and the estimated useful life of equipment represents management's best estimate.

---

## 3. FINANCIAL INSTRUMENTS

---

The Library's financial instruments consist of cash, HST receivable, investments, accounts payable, and management service award payable. All financial instruments are initially recognized at fair value and subsequently measured at amortized cost, except for equity investments, which are measured at fair value. Changes in fair value are recognized in the statement of operations in the period incurred.

When financial assets are determined to be impaired, the carrying amount is reduced to the greater of the discounted future cash flows expected, or the proceeds that could be realized from the sale of the financial asset. Such impairments can be reversed if the value subsequently improves.

The financial instruments expose the Library to certain financial risks and uncertainties, including:

(a) **Market risk**

The Library's investments in mutual funds exposes the Library to price risks as these investments are subject to price changes in an open market due to market movements, global economic conditions, global markets, and changes to market rates of interest.

---

## 4. RELATED PARTY TRANSACTIONS

---

The Library is related to the Western Counties Regional Library Charitable Association through a shared Board of Directors. In 1982, the Charitable Association was formed to assist in the work of the Library, and to receive gifts, bequests, donations, etc. on behalf of the Western Counties Regional Library.

WESTERN COUNTIES REGIONAL LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
Year ended March 31, 2021

**4. RELATED PARTY TRANSACTIONS (continued)** 2021 2020

Total revenues for the Charitable Association for 2021 were \$49,782 (2020 - \$12,215), expenses \$17,766 (2020 - \$11,636), assets \$521,026 (2020 - \$436,897), liabilities \$167,638 (2020 - \$115,525), net assets \$353,388 (2020 - \$321,372), cash flows from operating activities \$58,256 (2020 - \$1,414), cash flows from investing activities -\$38,357 (2020 - -\$19,702), and cash flows from financing activities nil (2020 - nil).

In addition to the Charitable Association, the Library is also related to the following Libraries through shared Board members:

Shelburne Library Building Association  
Yarmouth Public Library and Museum

During the year, the Library had the following transactions with its related parties:

**Western Counties Regional Library Charitable Association**

Donation included under miscellaneous grants	\$15,122	\$8,482
Increase (decrease) in accounts receivable	\$7,448	(\$19,949)

**Yarmouth Public Library and Museum**

Recorded under Yarmouth Public Library and Museum revenue		
Grants received from Yarmouth Public Library and Museum Book Fund	\$10,000	\$10,000
Recovered salaries for janitorial services recorded under Yarmouth Public	15,401	15,550
	<u>\$25,401</u>	<u>\$25,550</u>

Headquarters rent expense	\$44,400	\$44,400
---------------------------	----------	----------

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The balance due on these transactions are detailed as follows:

Due from Western Counties Regional Library Charitable Association	<u>\$15,122</u>	<u>\$7,674</u>
---	-----------------	----------------

			Market	Carrying Value	
5. INVESTMENTS			2021	2021	2020
Fixed income	Rate	Date of Maturity			
RBC cashable GIC	0.75%	May 2021	\$38,280	\$38,280	\$ -
RBC non-cashable GIC	Prime plus 0.001%	Jan 2021	-	-	28,549
RBC cashable GIC	0.80%	Apr 2021	41,624	41,624	-
RBC non-cashable GIC	2.10%	Apr 2020	-	-	41,195
RBC non-cashable GIC	2.10%	Apr 2020	-	-	40,081
RBC non-cashable GIC	Prime plus 0.001%	Oct 2020	-	-	40,974
RBC cashable GIC	0.80%	Apr 2021	28,622	28,622	-
RBC non-cashable GIC	1.65%	May 2020	-	-	37,659
RBC cashable GIC	0.75%	Jun 2021	9,000	9,000	-
RBC cashable GIC	0.80%	Apr 2021	40,496	40,496	-
RBC cashable GIC	0.80%	Apr 2021	10,261	10,261	-
			<u>168,283</u>	<u>168,283</u>	<u>188,855</u>

WESTERN COUNTIES REGIONAL LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
Year ended March 31, 2021

	Market	Carrying Value	
5. INVESTMENTS (continued)	2021	2021	2020
<b>Mutual funds</b>			
Canadian mutual funds	492,832	492,832	439,782
<b>Total</b>	<u>\$661,115</u>	<u>\$661,115</u>	<u>\$628,240</u>

6. EQUIPMENT			2021	2020
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Motor vehicle	\$60,788	\$20,369	\$40,419	\$18,641
Equipment	187,466	187,031	435	808
Phone system	5,994	3,594	2,400	2,999
Automation equipment	359,860	321,362	38,498	1,104
	<u>614,108</u>	<u>532,356</u>	<u>81,752</u>	<u>23,552</u>
Assets under construction				
Leasehold improvements	12,900	-	12,900	-
Website development	18,728	-	18,728	-
	<u>\$645,736</u>	<u>\$532,356</u>	<u>\$113,380</u>	<u>\$23,552</u>

## 7. POST EMPLOYMENT OBLIGATIONS

The Library's employees are eligible for post employment benefits, which are dependent on whether the employee is a member of the Union or is management.

### Union defined contribution pension plan

The Library contributes to its unionized employees' pension plan, matching the defined contributions based on a percentage of the employee's wage. As at March 31, 2021 there were no required future contributions in respect to past service and all contributions required under the plan have been funded. Contributions to this plan for the year totalled \$29,903 (2020 - \$26,897).

### Management defined contribution pension plan

The Library contributed to a defined contribution pension plan for its management employees, matching the employee's contribution which is based on a percentage of the employee's wage. As at March 31, 2021 there were no required future contributions in respect to past service and all contributions required under the plan have been funded. Contributions to this plan for the year totalled \$22,767 (2020 - \$21,906).

### Management service award benefit

The Library also provides future retirement benefits to management through a management service award program. In order to be eligible for the Management Service Award, an employee must meet one of the following criteria: reach 55 years of age and have 15 years of service in management, or reach the age of 60 with 10 years of service in management. The amount of the award is based upon three months salary at the salary rate in effect upon the date of retirement. Eligible employees also receive three days of salary for each year they work beyond their required years of service to a maximum of five calendar months. The accrued benefit obligation as at March 31, 2021 was \$56,236 and the Library has set aside \$59,757 at year-end to cover this liability. The economic assumptions used to calculate the liability represent the Library's best estimates for expected rates for:

WESTERN COUNTIES REGIONAL LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
Year ended March 31, 2021

**7. POST EMPLOYMENT OBLIGATIONS (continued)**

Inflation	2.0%
Salary increase rate	1.0%
Discount on accrued benefit obligation	3.03%
Expected long-term rate of return on assets	2.2%

<b>8. DEFERRED REVENUE</b>	2021	Additions	Distributions	2020
Summer reading club	\$383	\$ -	\$317	\$700
Wellness grant	1,000	-	-	1,000
Community Technology Grant	29,380	29,380	-	-
Today & Tomorrow Grant	38,600	45,695	7,095	-
Kathryn Acker book fund	6,000	-	2,000	8,000
Donations for a particular purpose	334	-	-	334
	<u>\$75,697</u>	<u>\$75,075</u>	<u>\$9,412</u>	<u>\$10,034</u>

<b>9. NET ASSETS - CAPITAL FUND</b>	2021	2020
Fund balance at beginning of year	\$23,552	\$30,762
Deficiency - revenue over expenses	17,021	7,210
Interfund transfers		
Equipment additions funded through Library Development Fund	106,849	-
	<u>\$113,380</u>	<u>\$23,552</u>

<b>10. NET ASSETS - LIBRARY DEVELOPMENT FUND</b>	2021	2020
Fund balance at beginning of year	\$901,488	\$769,190
Excess (deficiency) - revenue over expenses	49,342	(1,444)
Interfund transfers		
Equipment additions, net of sales, funded through the Library Development Fund	(106,849)	-
Operating Fund excess - revenue over expenses internally restricted	253,253	133,742
	<u>\$1,095,790</u>	<u>\$901,488</u>

**11. ECONOMIC DEPENDENCE**

The Library's operations are funded primarily through grants from the Province of Nova Scotia and the eleven municipalities of Southwest Nova Scotia, which accounts for 92% of the Library's revenue. The Library's operations are dependent on continued support from these funders.

WESTERN COUNTIES REGIONAL LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
Year ended March 31, 2021

---

<b>12. ONE CARD NS</b>	2021	2020
------------------------	------	------

---

Included in Miscellaneous grants for the year ended March 31, 2020 are receipts and disbursements received and made on behalf of another Library totalling \$241,680 for the feasibility of a provincial single card system for public libraries. These receipts and disbursements have been netted within Miscellaneous grants on the Statement of Operations. The receipts and disbursements are as follows:

<b>REVENUE</b>		
Provincial grant	\$ -	\$241,680
<b>EXPENDITURES</b>		
Feasibility study	-	(241,680)
	<u>\$ -</u>	<u>\$ -</u>

---



---

**13. COMMITMENT**

---

In December 2020, the Board approved the re-design and development of its headquarters space to meet health and safety requirements, as well as improve accessibility. The project has an anticipated cost of \$45,879. \$12,000 in costs have been incurred as at March 31, 2021, and the project is on budget. The project is being financed through the Library Development Fund.

---

**14. AFFECTS OF COVID-19**

---

The COVID-19 pandemic presented a number of operational challenges to the Library, which restricted normal delivery of services. Public Health measures required the Library to close its branches from March 15 through June 29, 2020. Once the branches were permitted to open, programming had to be curtailed to comply with restrictions by Order of the Medical Officer of Health. The branch closures and the Order restricted travel between branches and also hampered management's ability to hire programming staff. All of these restrictions resulted in wages, travel, and vehicle operating expenses in fiscal 2021 coming in well under budget. Despite the limited services delivered due to COVID-19, a new funding formula resulted in increased funding from the Province of Nova Scotia. The increased funding and reduced expenses resulted in a usually high surplus.

The Library anticipates that as the Province of Nova Scotia implements its reopening plan operations, operating expenses will return to a level approximating normal. In addition, the Province has frozen funding for the next four fiscal years. With fixed funding and increasing operating expenses, Library anticipates the surplus of revenue over expenses will return to normal levels over the next two fiscal years.