Financial Statements of

CONSERVE NOVA SCOTIA

March 31, 2009

Deloitte.

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Auditors' Report

To the Minister of Energy
Province of Nova Scotia

We have audited the balance sheet of Conserve Nova Scotia as at March 31, 2009 and the statement of operations for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Halifax, Nova Scotia
July 8, 2009

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CONSERVE NOVA SCOTIA
Balance Sheet
March 31, 2009

		2009		2008
ASSETS				
Current				
Cash	**$**	**400**	$	100
Receivable from the Province of Nova Scotia		**11,164,394**		5,556,118
	$	**11,164,794**	$	5,556,218
LIABILITIES				
Current				
Due to the Province of Nova Scotia	**$**	**-**	$	100
Accounts payable and accrued liabilities		**11,164,794**		5,556,118
	$	**11,164,794**	$	5,556,218

CONSERVE NOVA SCOTIA
Statement of Operations
Year ended March 31, 2009

		2009		2008
Revenues				
Province of Nova Scotia	**$**	**20,026,684**	$	9,149,538
Recoveries		**218,468**		35,156
Fees and other charges		**-**		223
		20,245,152		9,184,917
Expenditures				
Program grants and assistance		**18,079,585**		6,865,104
Professional services		**350,209**		727,325
Salaries and benefits		**939,886**		716,940
General office		**654,084**		626,092
Travel		**30,756**		39,198
Furniture and equipment		**27,199**		107,681
Office rentals		**53,811**		51,372
Other		**109,622**		51,205
		20,245,152		9,184,917
Excess of revenues over expenditures	**$**	**-**	$	-

1. DESCRIPTION OF BUSINESS

On September 27th, 2006, Conserve Nova Scotia (the "Agency") was designated a special operating agency under the Public Service Act of the Province of Nova Scotia. Conserve Nova Scotia's mandate is to persuade Nova Scotians to decrease their environmental foot print through a wide range of new and existing programs, to reduce energy consumption or become energy efficient in their day to day activities. Prior to April 1, 2007, the activities of the Agency were conducted through the Province of Nova Scotia, Department of Energy.

The Agency is dependent on the Province of Nova Scotia to provide sufficient funds to continue operations.

2. CHANGES IN ACCOUNTING POLICIES

Adoption of accounting policies

On April 23, 2008, the Canadian Institute of Chartered Accountants ("CICA") amended Section 3855, "Financial Instruments – Recognition and Measurement" of the CICA Handbook. The amended section allows Not-for-Profit organizations to exempt themselves from accounting for certain non-financial contracts as derivatives under Section 3855 and also to exempt themselves from accounting for certain derivative features embedded in non-financial contracts, leases and insurance contracts as embedded derivatives under Section 3855. These amendments to Section 3855 apply to fiscal years beginning on or after August 1, 2008, with earlier adoption permitted.

The Agency has elected early adoption of these amendments to Section 3855 effective for its fiscal year beginning on April, 1, 2008. This change in accounting policy is required to be applied retrospectively with restatement of prior years. The Agency did not have any non-financial contracts that were required to be accounted for as derivatives under Section 3855, nor any derivative features embedded in non-financial contracts, leases and insurance contracts that were required to be accounted for as embedded derivatives under Section 3855. This change in accounting policy did not have an impact on the current or prior year's financial statements.

On April 1, 2008, Conserve Nova Scotia adopted Capital Disclosures, Section 1535 of the CICA Handbook. The adoption of this new standard has not resulted in any change in how the Agency accounts for its transactions, but does require additional disclosure, which is presented in Note 5.

The CICA deferred indefinitely the requirement of Not-for-Profit organizations to implement sections 3862 and 3863 of the CICA Handbook. Section 3862 requires the disclosure of information about: (a) the significance of financial instruments for the Agency's financial position and performance and (b) the nature and extent of risks arising from the financial instruments to which the Agency is exposed during the period and at the balance sheet date, and how the Agency manages those risks. Section 3863 establishes standards for presentation of financial instruments and non-financial derivatives.

The Agency has elected to defer application of these standards and as such continues to follow the disclosure requirements of section 3861.

2. CHANGES IN ACCOUNTING POLICIES

Future accounting policy changes

In September 2008, the CICA issued amendments to several of the existing sections in Section 4400 of the CICA Handbook – Financial Statements by Not-for-Profit Organizations. Changes apply to annual financial statements relating to fiscal years beginning on or after January 1, 2009. Accordingly, the Agency will have to adopt the amended standards for its fiscal year beginning April 1, 2009. The amendments include a) additional guidance in the applicability of Section 1100, Generally Accepted Accounting Principles; b) removal of the requirement to report separately net assets invested in capital assets; c) requirement to disclose revenues and expenses in accordance with EIC 123, Reporting Revenue Gross as a Principal Versus Net as an Agent; d) requirement to include a statement of cash flows in accordance with Section 1540, Cash Flow Statements; e) requirement to apply Section 1751, Interim Financial Statements, when preparing interim financial statements in accordance with GAAP; f) requirement for non-for-profit organizations that recognize capital assets to amortize and assess these capital assets for impairment in the same manner as other entities reporting on a GAAP basis; g) requirement to disclose related party transactions in accordance with Section 3840; Related Party Transactions; and h) new disclosure requirements regarding the allocation of general support costs. Management is assessing the impact of these changes on its financial statements.

3. ACCOUNTING POLICIES

The financial statements of the Agency are prepared in accordance with accounting standards for not-for-profit organizations published by the CICA and reflect the following significant accounting policies:

Cash

Cash is comprised of petty cash.

Financial instruments

The Agency has classified its financial instruments as follows:

Asset / Liability	Classification	Measurement
Cash	Held-for-trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Significant estimates used in these financial statements include the valuation of accrued liabilities relating to program grants and assistance. Actual results could differ from those estimates.

3. ACCOUNTING POLICIES (continued)

Revenue recognition

The Agency recognizes revenue from the Province of Nova Scotia when eligible expenditures are incurred.

Statement of cash flows

Management has chosen not to present a statement of cash flow as the information which would be contained therein is available in the statements presented.

4. FINANCIAL INSTRUMENTS

Fair value

The fair value of cash, receivable from the Province of Nova Scotia, and current liabilities approximates their carrying values due to their short-term maturity.

5. CAPITAL MANAGEMENT

Conserve Nova Scotia has no internal capital because it relies on the Province of Nova Scotia to fund its programs and operations.