

NOVA SCOTIA HEALTH RESEARCH FOUNDATION

Financial Statements

Year Ended March 31, 2019

NOVA SCOTIA HEALTH RESEARCH FOUNDATION

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Year Ended March 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Chief Executive Officers of Nova Scotia Health Research Foundation

Opinion

We have audited the financial statements of Nova Scotia Health Research Foundation (the Foundation), which comprise the statements of operations, change in net financial 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 Foundation as at March 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 Foundation 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 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 Canadian public sector accounting standards, 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 Foundation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

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Independent Auditor's Report to the Chief Executive Officers of Nova Scotia Health Research Foundation
(continued)

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:

- 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 Foundation'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 Foundation'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 Foundation 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.

AC Hunter Tellier Belgrave Adamson

Dartmouth, Nova Scotia
June 12, 2019

AC HUNTER TELLIER BELGRAVE ADAMSON
CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

NOVA SCOTIA HEALTH RESEARCH FOUNDATION

Statement of Operations

Year Ended March 31, 2019

	Budget 2019	2019	2018
REVENUE			
Grant - Province of Nova Scotia	\$ 4,598,000	\$ 4,598,000	\$ 4,981,000
Other revenue (<i>Note 9</i>)	1,362,250	1,388,291	1,226,797
Investment income	75,000	113,328	91,115
Allocation recoveries	70,000	62,104	111,555
	6,105,250	6,161,723	6,410,467
PROGRAM EXPENDITURES			
Project grants	3,352,100	3,415,193	2,865,132
Program salaries	773,796	762,475	699,242
Matching grants	100,000	518,700	1,036,253
Program costs	472,500	506,587	430,764
Fellowship salaries	105,415	176,921	89,211
Innovation salaries	142,020	145,850	140,662
Evaluation salaries	121,644	123,985	119,588
Communications, public awareness and research findings	101,000	121,534	39,565
REAL Knowledge	161,000	65,453	68,464
Electronic grants management system	64,500	37,170	45,726
Peer review of grant applications	35,000	29,311	30,471
Program travel	26,385	22,729	17,239
Professional development	4,750	1,054	1,998
REDI building program	-	-	15,000
Library access	50,000	-	-
	5,510,110	5,926,962	5,599,315
	595,140	234,761	811,152
Administrative salaries	502,490	660,195	454,798
Rent	135,000	136,882	136,801
Amortization	50,000	26,843	36,792
Professional fees	37,500	71,189	36,721
Professional development	59,600	37,682	29,071
Travel and meetings	52,000	28,576	24,680
Office supplies	24,650	8,975	10,587
Telephone, fax and website maintenance	12,500	8,111	8,660
Insurance	6,000	5,038	4,843
	879,740	983,491	742,953
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	(284,600)	(748,730)	68,199

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NOVA SCOTIA HEALTH RESEARCH FOUNDATION**Statement of Operations (continued)****Year Ended March 31, 2019**

	Budget 2019	2019	2018
OTHER INCOME (EXPENSES)			
Realized gain (loss) on disposal of investments	-	108,321	(39,999)
Research Nova Scotia implementation revenue (Note 7)	-	93,461	3,949
Unrealized gain (loss) on investments Research Nova Scotia implementation	-	-	18,841
expense (Note 7)	-	(93,461)	(3,949)
Transfer to Province of Nova Scotia (Note 15)	-	(443,835)	-
	-	(335,514)	(21,158)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (284,600)	\$ (1,084,244)	\$ 47,041

NOVA SCOTIA HEALTH RESEARCH FOUNDATION**Statement of Change in Net Financial Assets****Year Ended March 31, 2019**

	2019	2018
NET FINANCIAL ASSETS - BEGINNING OF YEAR	\$ 983,317	\$ 913,135
Annual surplus (deficit)	(1,084,244)	47,041
Acquisition of tangible capital assets	(14,660)	(12,157)
Transfer of tangible capital assets	82,238	-
Amortization of tangible capital assets	26,843	36,792
Net investment in prepaid expenses	6,506	(1,494)
NET FINANCIAL ASSETS - END OF YEAR	\$ -	\$ 983,317

NOVA SCOTIA HEALTH RESEARCH FOUNDATION**Statement of Financial Position****Year Ended March 31, 2019**

	2019	2018
FINANCIAL ASSETS		
Cash	\$ -	\$ 251,324
Marketable securities (<i>Note 6</i>)	-	4,849,637
Accounts receivable	-	495,035
Interest receivable	-	13,882
Government remittances	-	30,544
Funds held in trust	-	8,987,538
	-	14,627,960
LIABILITIES		
Accounts payable	-	107,522
Deferred revenue (<i>Note 7</i>)	-	808,487
Grants payable - current portion	-	2,584,124
Trust liability	-	8,987,539
	-	12,487,672
Long term grants payable	-	1,156,971
	-	13,644,643
NET FINANCIAL ASSETS	-	983,317
NON-FINANCIAL ASSETS		
Prepaid expenses	-	6,506
Capital assets (<i>Note 8.</i>)	-	94,422
	-	100,928
ACCUMULATED SURPLUS	\$ -	\$ 1,084,245

Commitments (Note 13)**ON BEHALF OF THE BOARD**_____
Director_____
Director

NOVA SCOTIA HEALTH RESEARCH FOUNDATION**Statement of Cash Flows****Year Ended March 31, 2019**

	2019	2018
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ (1,084,244)	\$ 47,041
Item not affecting cash:		
Amortization of property, plant and equipment	26,843	36,792
	(1,057,401)	83,833
Changes in non-cash working capital:		
Accounts receivable	495,035	(427,387)
Interest receivable	13,882	3,461
Accounts payable	(107,525)	(148,373)
Deferred revenue	(808,487)	555,220
Prepaid expenses	6,506	(1,494)
Government remittances	30,544	6,871
Grants payable - current portion	(2,584,124)	(804,757)
Long term grants payable	(1,156,971)	352,176
	(4,111,140)	(464,283)
Cash flow used by operating activities	(5,168,541)	(380,450)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(14,660)	(12,157)
Proceeds on disposal of property, plant and equipment	82,239	-
Cash flow from (used by) investing activities	67,579	(12,157)
FINANCING ACTIVITY		
Marketable securities	4,849,637	356,582
DECREASE IN CASH FLOW	(251,325)	(36,025)
Cash - beginning of year	251,324	287,349
CASH - END OF YEAR	\$ -	\$ 251,324
CASH CONSISTS OF:		
Cash	\$ -	\$ 251,324

NOVA SCOTIA HEALTH RESEARCH FOUNDATION

Notes to Financial Statements

Year Ended March 31, 2019

1. DESCRIPTION OF ENTITY

The Nova Scotia Health Research Foundation, was a not-for-profit organization established by the Health Research Foundation Act of the Province of Nova Scotia (Bill No. 22), given Royal Assent on December 3, 1998 and became effective on January 1, 2000. As stated in the Act, the objects of the Foundation were to assist, collaborate with and fund individuals and organizations conducting health research in the Province including the fields of health policy, health promotion and health care and without limiting the generality of the foregoing, assist health-services research, health outcome research, health public policy research and medical research.

On April 18, 2018 Bill 104 received Royal Assent in the Nova Scotia Legislature. The legislation established Research Nova Scotia Corporation (“the Corporation”) as an arms-length entity to operate as a not-for profit entity beginning on April 1, 2019. The Government of Nova Scotia and the Corporation entered into a transition plan to address the existing commitments of Nova Scotia Research and Innovation Trust (NSRIT) and the Nova Scotia Health Research Foundation (“the Foundation”), both of which were merged into the new Corporation as of April 1, 2019 (see note 15).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Public Sector Accounting standards.

Revenue recognition

The Foundation followed the deferral method of accounting for contributions, whereby unrestricted contributions were recognized as revenue when received or receivable if the amount to be received could be reasonably estimated and collection was reasonably assured.

Certain amounts were received pursuant to legislation, regulation, or agreement, and were only used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts were recognized as revenue in the fiscal year in which the related expenses were incurred, services were performed, or when stipulations were met. Similarly, restricted contributions were recognized as revenue in the year in which the related expenses were incurred and the restrictions were satisfied.

Investment income consisted of dividends and interest income, and realized and unrealized gains and losses. Unrealized gains and losses were recognized as revenue in the statement of operations, deferred, or reported directly in net assets, depending on the nature of any external restrictions imposed on the investment income. Other investment income was reported in the statement of revenues and expenditures.

HST recovery

As a registered charity, the Foundation was entitled to a rebate of 50% of the HST paid on eligible expenses. The practice of the Foundation was to record expenditures net of refundable HST.

Accounting estimates

Accounting estimates were 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 expense accruals and the estimated useful life of an asset. 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 HEALTH RESEARCH FOUNDATION

Notes to Financial Statements

Year Ended March 31, 2019

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

Cash

Cash includes cash less outstanding cheques plus outstanding deposits.

Investments

Marketable securities were carried at fair market value and consist of cash and cash equivalents, fixed income investments and investments in mutual funds.

Grants payable

Grants payable were carried at the contract amount. Amounts payable beyond one year from the date of the Statement of Financial Position were classified as long term.

Property, plant and equipment

Equipment and furniture	20%	declining balance method
Computer hardware and software	30%	declining balance method
Grant management system	30%	declining balance method
Leasehold improvements	10 years	straight-line method

3. FINANCIAL INSTRUMENTS

Equity investments and fixed income securities were carried at fair value.

Due to their short-term nature, all other financial instruments were considered to be carried at amounts which approximate their fair value.

When available, fair value was determined by reference to the bid price at the end of the year in an active market. When the bid price was not available, or the market for a financial instrument is not active, fair value was determined by reference to published price quotations and to the fair value of other financial instruments which bear similar risks and returns.

The Foundation does not enter into hedging activities and does not engage in derivative transactions.

Concentration of Credit Risk

Substantially all of the Foundation's bank accounts were with one financial institution.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Foundation managed exposure through its normal operating and financing activities. The Foundation was exposed to interest rate risk primarily through its floating interest rate on its short-term investments. Management managed its interest rate risk by investing in fixed income marketable securities with varying maturity dates and terms.

Market Price Risk

Market price risk is the risk that the value of a financial instrument might be adversely affected by a change in the stock price of its investment holdings. The Foundation was exposed to market price risk primarily through price fluctuations on its short-term investments. Management managed its risk by diversifying its portfolio through a mix of investment types designed to achieve the optimal return within reasonable risk tolerances.

NOVA SCOTIA HEALTH RESEARCH FOUNDATION

Notes to Financial Statements

Year Ended March 31, 2019

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Consistent with similar government not-for-profit organizations, Nova Scotia Health Research Foundation's risk management policies were part of the overall management of the entity's operations. Management's direct involvement in day-to-day operations identified risks and variations from expectations leading to changes in risk management activities, requirements and actions. Management did not enter into hedging transactions to manage risk. As a part of the overall management of the entity's operations, management considered avoidance of undue concentrations of risk, and employed appropriate investment and credit management policies to manage the Foundation's exposure.

5. DISTRIBUTION OF FUNDING

The annual provincial grant made to the Foundation was provided from funds appropriated by the Nova Scotia legislature. The distribution of the funding was outlined in the Health Research Foundation Regulations, as amended by Cabinet on August 5, 2005. The Regulations specified that funding be distributed in accordance with the objects of the Foundation as follows:

- a) 30% shall be spent on medical research;
- b) 10% shall be spent on health-outcome research;
- c) 10% shall be spent on health-services research;
- d) 10% shall be spent on health public-policy research;
- e) a minimum of 20% may be spent on any or all of the following:
 - (i) innovative health research programming and capacity development,
 - (ii) increasing the public knowledge and awareness of the Foundation,
 - (iii) communicating research findings,
 - (iv) targeting health research priorities; and
- f) a maximum of 20% may be spent on administering the Foundation.

If in any of the categories a) through d), less than the total money allocated was spent, the remaining portion was reallocated to one of the remaining categories a) through d) in a manner determined by the Board.

6. MARKETABLE SECURITIES

The Foundation had an investment policy in place which restricted the types of investments it can hold. The Foundation was not permitted to invest in unsecured instruments or non-interest bearing accounts. The Foundation was not permitted to invest directly in mortgages, equities, real estate, foreign investments, and derivative securities. The Foundation was permitted to invest in mutual funds that hold these classes of investments.

Effective March 29, 2019 the Foundation transferred investments consisting of cash, fixed income investments, and mutual funds to the Province of Nova Scotia (see note 15). As at March 31, 2019 the total market value of the investments was \$NIL (2018 - \$4,849,637) and the book value of the investments was \$NIL (2018 - \$4,822,528).

NOVA SCOTIA HEALTH RESEARCH FOUNDATION

Notes to Financial Statements

Year Ended March 31, 2019

7. DEFERRED REVENUE

In compliance with the deferral method of accounting for contributions as disclosed in note 2, the Foundation recorded \$NIL (2018 - \$808,487) deferred revenues. The balance of deferred revenue transferred to the Province of Nova Scotia on March 31, 2019 (see note 15) is detailed below:

	2018	Funds received	Revenue recognized (RNST funds disbursed)	2019
Strategy for Children and Youth	\$ 84,832	\$ -	\$ (31,185)	\$ 53,647
Early Years Centres	-	50,000	(18,700)	31,300
National Alliance of Provincial Health Research Organizations	51,160	131,905	(121,228)	61,837
Mental Health and Addictions Workforce Competency Profile	5,368	-	-	5,368
Evidence Review Synthesis Centres	219,009	700,000	(562,377)	356,632
Fellowship recovery	1,164	-	(1,164)	-
Poverty Indicators	22,960	-	(22,960)	-
Department of Health & Wellness grant recoveries	225,489	20,000	(116,697)	128,792
Department of Labour & Advanced Education remuneration	27,454	-	(27,454)	-
Research Nova Scotia Implementation Funds	171,052	-	(93,461)	77,591
Nova Scotia Status of Women Grant	-	600,000	-	600,000
Research Nova Scotia Trust funds	-	1,146,969	(1,146,947)	22
	\$ 808,488	\$ 2,648,874	\$ (2,142,173)	\$ 1,315,189

The Foundation received funding from the Department of Community Services to work together with The Strategy for Children and Youth to improve the evaluation, research and knowledge translation activities related to the strategy.

The Foundation received funding from the Margaret and Wallace McCain Family Foundation to manage, administer, and to support research and evaluation of the Early Years Centres in Nova Scotia.

The Foundation received funding from the National Alliance of Provincial Health Research Organizations (NAPHRO) to coordinate and support the work of the Alliance.

The Foundation received funding from the Department of Health and Wellness to complete work related to the Mental Health and Addictions Workforce Competency Profile in partnership with the Nova Scotia Health Authority.

The Foundation received funding from the Public Health Agency of Canada to fund Evidence Review Synthesis Centres that support the Canadian Task Force on Preventive Health Care guidelines and recommendations.

The Foundation recovered unused funds from a fellowship that will be applied to a future grant competition from the same institution.

The Foundation received funding from the Department of Community Services to fund research into poverty indicators and inventory available programs aimed at reducing poverty.

NOVA SCOTIA HEALTH RESEARCH FOUNDATION

Notes to Financial Statements

Year Ended March 31, 2019

7. DEFERRED REVENUE (continued)

The Foundation recovered unused funds from projects completed without utilizing their budget allocation, to be allocated to specific projects identified by the Department of Health & Wellness.

The Foundation received funding from the Department of Labour & Advanced Education to facilitate staffing related to the Nova Scotia Research and Innovation Trust.

The Foundation received funding from the Province of Nova Scotia, to support the start-up and implementation of Research Nova Scotia. See additional information in note 15.

The Foundation received funding from the Council on the Status of Women to manage a multi-year grant program.

The Foundation administered grants on behalf of Research Nova Scotia Trust. No revenues or expenses were recognized related to these funds.

As of March 31, 2019 the balance of deferred revenues was transferred to the Province of Nova Scotia.

8. PROPERTY, PLANT AND EQUIPMENT

	2019		2018	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Equipment and furniture	\$ -	\$ -	\$ 122,007	\$ 104,884
Computer hardware and software	-	-	229,395	205,503
Leasehold improvements	-	-	106,113	106,113
Grant management system	-	-	163,252	109,845
	\$ -	\$ -	\$ 620,767	\$ 526,345
Net book value	\$ -	\$ -	\$ 94,422	

9. OTHER REVENUE

	2019	2018
External Grants and Projects	\$ 829,691	\$ 896,646
Evaluation Services Cost Recovery Program	393,117	118,395
NAPHRO Funds	121,227	108,490
REAL Knowledge Program Cost Recovery	44,256	103,266
	\$ 1,388,291	\$ 1,226,797

10. INCOME TAX STATUS

According to Bill 22, which was given Royal Assent effective January 1, 2000, the Foundation and its property were exempt from taxation imposed by or under the authority of an enactment of the Province of Nova Scotia. The Foundation was a registered charitable organization under the Income Tax Act and was therefore exempt from income taxes.

NOVA SCOTIA HEALTH RESEARCH FOUNDATION

Notes to Financial Statements

Year Ended March 31, 2019

11. ECONOMIC DEPENDENCE

The Province of Nova Scotia provided the Foundation with funding necessary to provide grant support. The Foundation's ability to issue research grants was dependant on receiving adequate funding from the Province of Nova Scotia.

12. LEASE COMMITMENTS

The Foundation leased office space under an operating lease arrangement. As of March 31, 2019 the Province of Nova Scotia assumed this liability of the Foundation (see note 15). Minimum lease payments in the agreement, were as follows:

2020	\$	136,703
2021		136,703
2022		<u>102,527</u>
	\$	<u>375,933</u>

13. PENSION OBLIGATIONS

The Foundation participated in a defined benefit pension plan sponsored and administered by the Health Association Nova Scotia (HANS) a multi-employer plan available to all its members. Contributions were made to the pension fund by employees based on 7.82% or 10.18% and by the Foundation based on 9.22% or 11.58% of pensionable earnings, depending on income level. In the year, the Foundation contributed \$124,969 (2018 - \$128,714) to the pension.

An actuarial valuation for funding purposes was performed at July 1, 2017 by Mercer. At that time, the fund was fully funded. The Foundation had no additional obligations to the pension plan beyond their ongoing contribution requirements as described in the preceding paragraph.

14. PUBLIC SECTOR COMPENSATION DISCLOSURES ACT

The Public Sector Compensation Disclosure Act requires the Foundation to disclose the amount of compensation paid to any employee earning in excess of \$100,000 per year. For the fiscal year ended March 31, 2019 the following employees received total compensation in excess of \$100,000.

Section heading

Krista Connell	\$	179,738
Marilyn MacNeil		121,598
Nancy Carter		102,210
Meredith Campbell		102,210

NOVA SCOTIA HEALTH RESEARCH FOUNDATION

Notes to Financial Statements

Year Ended March 31, 2019

15. MERGER

On April 18, 2018 Bill 104 received Royal Assent in the Nova Scotia Legislature. The legislation established Research Nova Scotia Corporation ("the Corporation") as an arms-length entity to operate as a not-for profit entity beginning on April 1, 2019. The Government of Nova Scotia and the Corporation entered into a transition plan to address the existing commitments of Nova Scotia Research and Innovation Trust and the Nova Scotia Health Research Foundation ("the Foundation"), both of which were merged into the new Corporation as of April 1, 2019.

As outlined in the Province of Nova Scotia Legislation, the Province requested that as of March 31, 2019 the Foundation transfer all assets and liabilities to a "qualified donee" according to the CRA regulations (i.e. the Province of Nova Scotia). On March 29, 2019 the Foundation transferred its remaining cash balance of \$725,566 to the Province. An additional entry was made on March 31, 2019 transferring the remaining assets and liabilities of the Foundation to the Province. These transfers were recognized as an expense in the year ended March 31, 2019.

At the request of the Province of Nova Scotia, all commitments and responsibilities, inclusive of the responsibility of funding administrator, were passed to the Province of Nova Scotia at the time the funds were transferred into their possession.

As of March 29, 2019, the Foundation held \$11,584,531 in cash, on behalf of Research Nova Scotia Innovation Trust (RNSIT) and recognized the respective "Trust liability" in the Statement of Financial Position. The funds were physically transferred into the possession of the Province of Nova Scotia on March 29, 2019 and as a result, the Foundation offset the \$11,584,531 in RNSIT cash with the \$11,584,531 in trust liability. No impact to the March 31, 2019 Statement of Operations has been recorded as a result.

16. GOING CONCERN

The accompanying financial statements have not been prepared on the going concern assumption, as the Foundation was merged into Research Nova Scotia effective April 1, 2019 (note 15).

17. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.