Build Nova Scotia
Financial Statements
March 31, 2023

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To the Financial Oversight Committee of Build Nova Scotia:

Opinion

We have audited the financial statements of Build Nova Scotia (the "Corporation"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations and accumulated surplus, changes in net debt and cash flows for the period 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 Corporation as at March 31, 2023, and the results of its operations, changes in its net debt and its cash flows for the period 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 Corporation 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 Corporation’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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation’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.

MNP LLP
Commerce Tower 15 Dorchester St., Suite 500 PO Box 1, Sydney NS, B1P 6G9 T: 902.539.3900 F: 902.564.6062

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 Corporation'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 Corporation'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 Corporation 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.

Sydney, Nova Scotia

MNP LLP

June 29, 2023

Chartered Professional Accountants

MNP

Management's Responsibility for the Financial Statements

The accompanying financial statements of Build Nova Scotia (the "Corporation") are the responsibility of the Corporation's management and have been prepared in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies is described in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Corporation's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The financial statements have been audited by MNP LLP, independent external auditors appointed by the Corporation. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Corporation's financial statements.

David Benoit
President & CEO

Build Nova Scotia
Statement of Financial Position
As at March 31, 2023

		2023
FINANCIAL ASSETS		
Cash and cash equivalents	$	2,241,478
Receivables (note 3)		2,914,851
Receivable from the Province of Nova Scotia (note 4)		4,444,995
Investment in capital leases (note 5)		394,961
		9,996,285
FINANCIAL LIABILITIES		
Payables and accruals (note 6)		5,231,627
Contamination provision (note 7)		139,190
Demand credit facility (note 8)		80,019
Deferred revenue (note 9)		3,365,870
Asset retirement obligation (note 10)		3,606,091
PSSP retirement health benefit obligation (note 11)		1,117,300
		13,540,097
NET DEBT		(3,543,812)
NON-FINANCIAL ASSETS		
Prepaid expenses		1,073,823
Tangible capital assets (note 12)		133,228,632
		134,302,455
ACCUMULATED SURPLUS	$	130,758,643

Nature of operations (note 1)
Commitments (note 18)

See accompanying notes to financial statements.

On behalf of Management

David Benoit, President and CEO, Build Nova Scotia

Build Nova Scotia
Statement of Operations
For the period ended March 31, 2023

	Budget	December 1, 2022 to March 31, 2023
	(Unaudited)	
REVENUES		
Provincial grant revenue	$ 2,200,334	$ 5,813,322
External revenue	1,566,667	1,403,076
Recoveries	5,253,000	3,347,102
Health infrastructure recovery	5,680,334	11,880,739
Sysco recovery	561,000	170,860
Interest and other income	16,667	80,658
	15,278,002	22,695,757
EXPENSES		
Property expenses (Schedule 1)	1,242,400	2,592,274
Corporate expenses (Schedule 2)	3,455,268	3,786,452
Project expenses (Schedule 3)	4,798,333	1,274,516
Health infrastructure expenses (Schedule 4)	5,680,334	11,857,713
	15,176,335	19,510,955
ANNUAL SURPLUS	101,667	3,184,802
Other items		
Net assets on restructuring (note 13)	–	129,410,174
Provincial capital grant revenue	358,667	657,215
Accretion expense (note 10)	–	(26,352)
Amortization (note 12)	(1,124,000)	(1,461,301)
PSSP retirement health benefit expense (note11)	–	(1,117,300)
Gain on sale of capital assets	–	111,405
	(765,333)	127,573,841
ANNUAL (DEFICIT) SURPLUS	(663,666)	130,758,643
ACCUMULATED SURPLUS, BEGINNING OF YEAR	–	–
ACCUMULATED SURPLUS, END OF YEAR	$ (663,666)	$ 130,758,643

See accompanying notes to financial statements.

Build Nova Scotia
Statement of Change in Net Debt
For the period ended March 31, 2023

	December 1, 2022 to March 31, 2023
ANNUAL SURPLUS	$ 130,758,643
Acquisition of tangible capital assets upon restructuring	(133,994,172)
Acquisition of tangible capital assets	(707,216)
Amortization of tangible capital assets	1,472,756
Proceeds on disposal of tangible capital assets	111,405
Gain on disposal of assets	(111,405)
	(2,469,989)
Acquisition of prepaid expense	(1,073,823)
CHANGE IN NET DEBT	(3,543,812)
NET DEBT, BEGINNING OF YEAR	–
NET DEBT, END OF YEAR	$ (3,543,812)

See accompanying notes to financial statements.

Build Nova Scotia
Statement of Cash Flows
For the period ended March 31, 2023

	December 1, 2022 to March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES	
Annual surplus	$ 130,758,643
Transfer of cash upon restructuring	2,776,738
Transfer of net assets upon restructuring	(129,410,174)
Accretion expense	26,352
Amortization	1,472,756
Gain on disposal of assets	(111,405)
Remeasurement of contamination provision	19,384
PSSP retirement health benefit	1,117,300
	6,649,594
Change in non-cash operating working capital	
Receivables	2,875,173
Receivable from the Province of Nova Scotia	(13,855,818)
Prepaid expenses	(135,248)
Payables and accruals	835,934
Contamination provision	62,647
Deferred revenue	(502,866)
	(10,720,178)
FINANCING	
Draw down on credit facility	80,019
Decrease in capital lease receivable	27,854
	107,873
INVESTING	
Purchase of tangible capital assets	(707,216)
Proceeds from maturity of investment	6,800,000
Proceeds on disposal of tangible capital assets	111,405
	6,204,189
INCREASE IN CASH AND CASH EQUIVALENTS	2,241,478
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	–
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,241,478

See accompanying notes to financial statements.

1. Nature of operations

Build Nova Scotia (the "Corporation"), is a provincial Crown corporation overseeing opportunities to transform Nova Scotia's provincial lands and properties in ways that drive the economy forward and improve quality of life for all Nova Scotians. Build Nova Scotia stewards projects and properties that support healthy communities, build pride and momentum, and stimulate our economy. These places become a magnet for investment and create the conditions for business and community to grow.

Effective December 1, 2022, Develop Nova Scotia was amalgamated with Nova Scotia Lands Inc. in accordance with the Build Nova Scotia Act, passed by royal assent November 9, 2022. As a result of this amalgamation, effective December 1, 2022, all shares of the former Corporations were cancelled and all matters, affairs and actions of the former corporations are assigned to Build Nova Scotia. Further, all assets of the former corporations, including all the rights, titles and interests of the former Corporation are vested in Build Nova Scotia and all obligations and liabilities of the former Corporation are the obligations and liabilities of Build Nova Scotia.

2. Summary of significant accounting policies

(a) Basis of Presentation

These financial statements have been prepared in accordance with Canadian public sector accounting standards

(b) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, cash held in banks and bank overdrafts.

(c) Financial instruments

Initial measurement

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.

Financial instruments consist of cash and cash equivalents, receivables, receivables from Province of Nova Scotia and Federal government, payables and demand credit facility.

Subsequent measurement

At each reporting date, the Corporation measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for investments, which must be measured at fair value. The Corporation uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of revenues and expenses. The financial instruments measured at amortized cost are cash and cash equivalents, receivables, payables and accruals and demand credit facility.

2. Summary of significant accounting policies (continued)

Impairment

For financial assets measured at cost or amortized cost, the Corporation regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Corporation determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest or credit risks arising from financial instruments.

(d) Non-Financial assets

Tangible capital assets have useful lives extending beyond the accounting period, are held for use in the production or supply of goods and services and are not intended for sale in the ordinary course of operations. Tangible capital assets are recorded at net historical cost and include all costs directly attributable to the acquisition. Contributed tangible capital assets are recorded at fair value at the date of acquisition.

The cost, less residual value, of the tangible capital assets, excluding land and water lots, are amortized over their estimated useful lives on a straight-line basis.

	Basis	Rate
Buildings/railroads	Straight-line	10-50 years
Wharves and walkways	Straight-line	20-50 years
Equipment	Straight-line	3-10 years
Site infrastructure (paving/monuments/playground)	Straight-line	5-20 years
Vehicles	Straight-line	3-5 years
Leaseholds	Straight-line	Term of lease
Technology	Straight-line	4 years
Capital lease		As related class

Assets under construction are not amortized as they are not available for use.

On an annual basis, the Corporation reviews the carrying amounts of properties held and used in the fulfilling of its mandate. This includes both revenue producing properties, as well as properties held for the greater public use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write downs are accounted for as expenses in the statement of operations.

2. Summary of significant accounting policies (continued)

There are ongoing negotiations for potential development projects throughout Nova Scotia. The outcome of these negotiations and the possible financial impact on fair value of the existing land and buildings is indeterminable at this time.

Prepaids include prepaid insurance, which is charged to expense within the period(s) expected to benefit from it.

(e) Income taxes

As a Provincial Crown corporation, the Corporation is exempt from income taxes under the provisions of the Income Tax Act.

(f) Deferred revenue

Certain amounts are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenses are incurred, services are performed or when stipulations are met.

(g) Asset retirement obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

a) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;

b) The past transaction or event giving rise to the liability has occurred;

c) It is expected that future economic benefits will be given up; and

d) A reasonable estimate of the amount can be made.

The liability for the closure and decommissioning of wharves has been recognized based on estimated future expenses. The liability associated with the remediation of contaminants present within a number of buildings owned by the Corporation has also been recognized based on estimated future expenses on closure of the sites and post-closure care.

(h) Revenue recognition

Revenues are recognized in the period in which the transaction or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis except when accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

The Corporation accounts for leases with its tenants as operating leases as all the risks and benefits of ownership are retained. Revenue is recognized when services are provided under the terms of each lease. Recovery and other revenues are recorded on an accrual basis as earned, and collectability is reasonably assured.

2. Summary of significant accounting policies (continued)

Government recoveries are recognized as revenue when expenses are incurred, and collectability is reasonably assured.

The Corporation receives amounts which it will use to fund future development projects. As a result, these amounts have been recorded as deferred revenue, and will be recognized as expenses are incurred on the future development projects.

Provincial and federal grant revenues are accounted for as government transfers. Government transfers are recognized as revenue when the transfer is authorized, and all eligibility criteria are met, except when and to the extent that the transfer stipulations give rise to an obligation that meets the definition of a liability. The assistance is accounted for as a deferred capital grant when amounts have been received but not all eligibility criteria have been met.

(f) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

Amortization is based on the estimated useful lives of capital assets.

Accounts receivables are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Contamination provision and asset retirement obligations are recognized based upon assumptions and estimates related to the amount and timing of costs for future removal and site restoration.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenues over expenses in the years in which they become know.

(i) Non-monetary transactions

Non-monetary transactions are measured at the fair value of the assets or goods and services received or provided, whichever is more reliably determined.

3. Receivables

		2023
Trade receivables	$	1,731,520
Sydney Steel Corporation		1,188,218
		2,919,738
Less allowance for doubtful accounts		(4,887)
	$	2,914,851

4. Receivable from the Province of Nova Scotia

		2023
Receivable from the Province of Nova Scotia	$	4,444,995

Receivable from the Province of Nova Scotia relates to insurance proceeds for a loss incurred on the Lunenburg asset in 2014 as a result of a fire of $831,457, net trade receivable of $7,447, and asset retirement obligation receivable of $3,606,091. The province has accepted responsibility to fund the asset retirement obligation as the ARO is accreted to a max value of $4,435,750.

5. Investment in capital leases

The Corporation entered into capital lease arrangements to sell real and depreciable property. The capital leases are usually for 10-year periods with no implicit interest rates, unless otherwise agreed upon.

		2023
Aqualitas, with lease term from June 2017 to May 2027	$	211,711
Lunenburg Shipwrights, with lease term from January 2018 to December 2027		109,250
Membertou First Nations, with lease term from April 2019 to March 2024		74,000
	$	394,961

6. Payables and accruals

		2023
Trade payables and accruals	$	3,814,472
Harmonized sales tax payable		184,700
Salaries and benefits payable		620,216
Marketing payable		140,794
Other		471,445
	$	5,231,627

Trade payables and accruals as at March 31, 2023 is comprised of $3,313,605 in operational expenditures and $500,867 in capital costs.

7. Contamination provision

The contamination provision relates to the estimated cost to remediate the contamination located on lands acquired by the Corporation. The majority of the provision is related to the contamination at the Trenton Commercial Park, which resulted from over a century of industrial operations on the site. The basis of determining the estimate of the liability relies on management's assessment, which is compiled based on expert reports obtained by the site's former operator. The assessment is supported by a third-party review of the contamination provision prepared on July 19, 2019.

7. Contamination provision (continued)

The contamination provision has been discounted at a rate of 5% to reflect the fact that the expenditures will be made over several years. The Company has accepted responsibility to fund the remediation of the lands and has estimated the gross contamination provision.

	2023
Balance, beginning of period	$ –
Acquired upon restructuring	170,736
Expenditures during the period	(12,162)
Change in estimate of provision	(19,384)
	$ 139,190

8. Demand credit facility

The Corporation has a revolving demand facility, held with the Royal Bank of Canada. This facility is limited to $6,000,000 in available credit, of which $5,919,981 unused as at March 31, 2023. This credit facility bears interest at prime plus 0.85%. As security over this facility, the Corporation has provided a borrowing resolution regarding banking and security.

9. Deferred revenue

Deferred revenues are set aside for specific purposes as required either by legislation, regulation or agreement as at March 31, 2023:

				2023
	Acquired upon restructuring	Receipts during period	Related expense incurred	Balance at end of period
Development projects	$ 2,390,098	$ –	$ –	$ 2,390,098
Proceeds from insurance	831,456	–	–	831,456
Prepaid rent liability	76,947	67,369	–	144,316
Operating grant received in advance	570,235	–	570,235	–
	$ 3,868,736	$ 67,369	$ 570,235	$ 3,365,870

Development Projects

The Corporation is involved in long-term development projects whereby certain revenues related to these projects are deferred until the project is fully activated.

9. Deferred revenue (continued)

Receivable from Province of Nova Scotia for insurance proceeds

The Corporation has recorded a long-term receivable and deferred revenue for insurance proceeds related to the loss incurred on the Lunenburg asset in 2014. Revenues will be recognized as the related expenses are incurred to construct a new asset.

Prepaid Rent Liability

The Corporation has some tenants who paid their annual rent in full or have chosen to prepay performance rents, thus creating a liability until the service is provided in full.

10. Asset retirement obligation

The Corporation's asset retirement obligation consists of the liability for the closure and decommissioning of wharves and remediation of contaminants present within a number of buildings owned by the Corporation. These contaminants represent a health hazard upon demolition and therefore there is a legal obligation for removal of these contaminants on decommissioning. These buildings and wharves have expected useful lives ranging from 2-40 years. Estimated costs have been discounted to the present value using discount rates ranging from 0% to 3.5% per annum.

Changes to the asset retirement obligation in the year are as follows:

		2023
Opening balance	$	–
Acquired upon restructuring		3,579,739
Accretion expense		26,352
Closing balance	$	3,606,091

11. PSSP Retirement health benefit obligation

The corporation is required to carry an obligation related to the future payment of retirement health benefits. This obligation was traditionally held by the Province of Nova Scotia and was transferred to the Corporation at March 31, 2023. The Corporation will engage actuarial services to adjust this liability every 5 years. The most recent actuarial valuation was performed for March 31, 2023:

Discount rate for calculation of net benefit costs	2.96%
Discount rate for disclosure at end of period	2.96%
Health costs escalation rate	4.00%

		2023
Benefit obligation, beginning of year	$	–
Current service costs		37,800
Other (past service costs at December 1, 2022		1,071,200
Interest on accrued employee benefits		10,700
Employee benefits paid during the year		(2,400)
Benefit obligation, end of year	$	1,117,300

12. Tangible capital assets

2023

	COST				AMORTIZATION				
	Acquired on Restructuring	Additions	Disposals and Write-downs	Ending	Acquired on Restructuring	Additions	Disposals	Ending	Net book value
Land	$ 40,166,294	$ –	$ –	$ 40,166,294	$ –	$ –	$ –	$ –	$ 40,166,294
Buildings/railroad lines	39,810,431	–	–	39,810,431	12,074,389	442,388	–	12,516,777	27,293,654
Wharves and walkways	59,904,026	589,280	–	60,493,306	6,083,795	463,829	–	6,547,624	53,945,682
Equipment	14,054,608	50,000	–	14,104,608	7,559,195	442,652	–	8,001,847	6,102,761
Site infrastructure	4,716,639	–	–	4,716,639	1,545,561	122,885	–	1,668,446	3,048,193
Capital leases	1,718,769	–	(1,704,472)	14,297	1,714,254	1,002	(1,704,472)	10,784	3,513
Water lots	2,383,329	–	–	2,383,329	–	–	–	–	2,383,329
Assets under construction	217,270	67,936	–	285,206	–	–	–	–	285,206
	$162,971,366	$ 707,216	$ (1,704,472)	$161,974,110	$ 28,977,194	$ 1,472,756	$ (1,704,472)	$ 28,745,478	$ 133,228,632

13. Restructuring Transaction

On December 1, 2022, Develop Nova Scotia (DNS) was amalgamated with Nova Scotia Lands Inc. (NSLI) in accordance with the Build Nova Scotia Act, passed by royal assent November 9, 2022. As a result of this amalgamation, effective December 1, 2022, all shares of the former Corporations were cancelled and all matters, affairs and actions of the former corporations are assigned to Build Nova Scotia (BNS).

Effective December 1, 2022, all assets of the former corporations, including all the rights, titles and interests of the former Corporation are vested in Build Nova Scotia and all obligations and liabilities of the former Corporation are the obligations and liabilities of Build Nova Scotia.

The Carrying value of the assets transferred to BNS transferred from DNS and NSLI on December 1, 2022 are as follows:

	DNS	Lands	Total
Financial Assets			
Cash	$ 762,920	$ 2,013,818	$ 2,776,738
Short-term investments	–	6,800,000	6,800,000
Receivables	857,338	4,932,686	5,790,024
Due from Province of Nova Scotia	831,457	–	831,457
Investment in capital leases	–	422,815	422,815
	2,451,715	14,169,319	16,621,034
Financial Liabilities			
Payables and accruals	1,676,781	2,692,560	4,369,341
Due to Province of Nova Scotia	–	10,242,280	10,242,280
Contamination provision	–	83,511	83,511
Deferred revenue	3,868,736	–	3,868,736
Asset retirement obligation	2,379,739	1,200,000	3,579,739
	7,925,256	14,218,351	22,143,607
Net Debt	(5,473,541)	(49,032)	(5,522,573)
Non-Financial Assets			
Prepaid expenses	322,441	616,134	938,575
Tangible capital assets	125,575,123	8,419,049	133,994,172
Total Net Assets	$ 120,424,023	$ 8,986,151	$ 129,410,174

14. Employee pension plan

Build Nova Scotia employees participate in the Public Service Superannuation Fund (the "Plan"), a contributory defined benefit pension plan administered by the Public Service Superannuation Plan Trustee Inc., which provides pension benefits based on length of service and earnings. Contributions to the Plan are required by both the employees and the employer. Total contributions for period December 1, 2022 to March 31, 2023 were $362,249.51 and are recognized as an expense during the year. The Corporation is not responsible for any underfunded liability, nor does the Corporation have access to any surplus that may arise in the Plan.

15. Related party transactions

During the year, the Corporation transacted business with various Departments and Crown Corporations of the Province of Nova Scotia, as well as Sydney Steel Corporation, which is controlled by the Province of Nova Scotia and is considered a related party by virtue of common control. These transactions included the following:

a) Rent charged to these entities for use of the Corporation's assets in the amount of $101,476.

b) Revenues received from related parties include operating and capital grants in the amount of $21,451,406

c) Consulting and legal services paid for on behalf of the Corporation by related parties of $18,333.

d) Payables, paid on behalf of the corporation by related parties of $1,879,886.

All transactions with related parties are in the normal course of operations and are transacted at the exchange amount agreed to by related parties.

16. Employee compensation

Section 3 of the Public Sector Compensation Disclosure Act of the Province of Nova Scotia requires public sector bodies to publicly disclose the amount of compensation it pays or provides, directly or indirectly, to any person in the fiscal year if the compensation to that person is one hundred thousand dollars or more including compensation paid to, or for the benefit of, each of its board members, officers, employees, contractors and consultants.

Section 4 of the Act requires that the information reported be disclosed in the body of the audited financial statements of the Corporation or in a statement prepared for the purposes of the Act and certified by its auditors. The Corporation has chosen to disclose this required information as part of its audited financial statements.

16. Employee compensation (continued)

For April 1, 2022, to March 31, 2023, the following employees received compensation of $100,000 or more, when combined with compensation received from the former entities that merged to form Build Nova Scotia:

Jennifer Angel, President & CEO of Develop Nova Scotia	$247,230
Alexander Mitchell, VP, Clinical	242,456
John Fahie, Executive Director, Operations and Support Services	159,941
Joseph Dunford, Senior Director, Project Delivery & Construction Services	157,168
Gordon Stevens, COO & VP Finance	152,815
Greg McGrath, Senior Director, Technical	144,510
Donnie Burke, Executive Director	142,629
Kenneth Swain, Executive Director, Boat Harbour	141,223
Andrew Feener, Director, P3 Project Delivery	136,059
Joyce Diamond, Director, Legal Services	133,720
Nicholas Goodine, Senior Director, Project Delivery	133,266
Shawn McNutt, Director, Corporate Finance	130,018
Andrew Campbell, Director, Project Transaction & Procurement	126,490
Ray Levy, Director, Project Delivery	126,442
Kristin O'Toole, Director, Planning & Development	122,263
Lauren Alexander, Director, Finance & Corporate Services	119,825
Nancy Soliman, Project Manager	117,296
Bonnie Dobson, Director, Human Resources	116,956
Todd Brayman, Director, Operations & Procurement	114,948
Paul Frank, Senior Architect	111,662
Marie Therese Leblanc, Senior Architect	111,250
Stephanie Nowe-Morries, Senior Architect	111,250
Matthew Neville, Principal Planner	110,558
Christine O'Donnell, Project Manager	110,452
Carl Baillie, Project Manager	110,230
Tim Coolen, ICAT Technical Project Manager	110,230
Omar Khartabil, Project Manager	110,230
Gerald McCarron, Project Director, Parks & Lands	109,530
Craig Roberts, Project Manager	109,282
Christian Boudreau, Project Manager	107,472
Douglas Balcom, Mechanical Engineer	107,433
Angela Swaine, Senior Project Manager, Boat Harbour	107,359
Randolph Vallis, Project Manager, Boat Harbour	104,503

17. Financial instrument risk

In the normal course of operations, the Corporation is exposed to a number of risks in relation to financial instruments. The following analysis provides a measure of the Company's risk exposures and concentrations at March 31, 2023.

Credit risk

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. The Company's main credit risk is related to accounts receivable. The Company monitors the components of accounts receivable on an ongoing basis and records an allowance for doubtful accounts based on its assessment of individual accounts and their eventual collectability.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages its liquidity risk by constantly monitoring forecasted and actual cash flow and expenditures.

18. Commitments

Build Nova Scotia is committed to the completion of major projects under various development and revitalization contracts and capital grant agreements as follows:

In Agreement with	Project Name	Amount Committed	Description	Completion Date
Province of Nova Scotia	Cunard Block	$4,189,800	Public space component to Southwest Properties Development. Total capital grant $4,475,000	2023-2024
Province of Nova Scotia	Yamaha Marine Stock Room	$831,457	Corresponds to receipt of proceeds that are contingent on this being replaced	Unknown
Province of Nova Scotia	Charlotte St. Redesign, Sydney	$2,000,000	Revitalization of Charlotte Street, in Sydney. Total project $3,000,000 in $1,000,000 annual installments from 2023-2025.	2024-2025
Renova Scotia Bioenergy Inc.	Port Mersey	$1,000,000 annual	Escrow agreement with Emera Energy Inc., Brooklyn Power Corporation Inc., and others dated as of July 22, 2013, regarding environmental remediation, as amended. The Corporation shall pay Brooklyn Power Corporation $33,500 per month towards fixed operating costs. In addition, the Corporation shall purchase steam from Brooklyn Power Corporation as needed for use in its operations of the Port Mersey site. These payments in aggregate must total a minimum of $1 million per year. Port Mersey are recorded in the financial statements of Build Nova Scotia.	N/A

19. Contingency

The Company has performed activities under the terms of a remediation agreement which are subject to the mutual approval of the parties involved. Any additional costs required, and settlement of receivables is contingent on approval of the work performed. The outcome of the matter is not determinable and discrepancy upon settlement, if any, will be accounted for as a charge to operations in the period of settlement.

20. Budget

The budget figures represent the combined prorated approved budgets of Develop Nova Scotia and Nova Scotia Lands for the period from December 1, 2022 to March 31, 2023. On amalgamation, there was no revised budget prepared for Build Nova Scotia.

Build Nova Scotia
Schedule 1 – Property Expenses
For the period ended March 31, 2023

	2023
Utilities	$ 1,190,527
Property taxes	346,533
Repairs and maintenance	277,825
Landscaping and waste removal	264,518
Insurance	161,792
Security	127,314
Cleaning and other	124,831
Marine repairs and maintenance	78,509
Equipment and supplies	20,425
	$ 2,592,274

Schedule 2 – Corporate Expenses
For the period ended March 31, 2023

	2023
Salaries, contracts and benefits	$ 2,209,850
Professional fees	
Programs	1,010,250
Legal fees	43,622
Audit	37,054
Consulting	9,583
Office operations	342,674
Marketing and communications	128,532
Bad debts	4,887
	$ 3,786,452

Build Nova Scotia
Schedule 3 – Project Expenses
For the period ended March 31, 2023

	2023
Remediation and demolition	$ 354,966
Professional fees	897,732
Grand Lake operating expenses	41,202
Contamination – change in estimate of provision	(19,384)
	$ 1,274,516

Schedule 4 – Health Infrastructure Expenses
For the period ended March 31, 2023

	2023
P3 operating	$ 7,337,743
Salaries and employee benefits	3,853,712
General and administrative	374,739
Professional services	162,595
Other costs	96,866
Travel	32,058
	$ 11,857,713