

NOVA SCOTIA LANDS INC.

**ANNUAL ACCOUNTABILITY REPORT
FOR THE FISCAL YEAR 2014-2015**

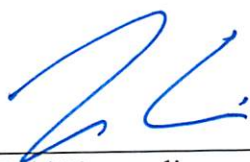
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1.0 Accountability Statement

The accountability report of Nova Scotia Lands Inc. (NSLI) for the year ended March 31, 2015, is prepared pursuant to the *Provincial Finance Act* and government policies and guidelines. These authorities require the reporting of outcomes against the NSLI's Business Plan information for the fiscal year 2014-2015. The reporting of Nova Scotia Lands Inc. outcomes necessarily includes estimates, judgments and opinion by NSLI's management.

This accountability report is the responsibility of NSLI's management and is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in NSLI's Business Plan for the year.



Labi Kousoulis
Minister, Department of Internal Services



Gary Campbell
President, Nova Scotia Lands Inc.

2.0 Message from Nova Scotia Lands Inc.

I am pleased to present Nova Scotia Lands Inc.'s Accountability Report for the 2014-2015 fiscal year. This report provides an overview of NSLI's priorities and accomplishments.

Nova Scotia Lands Inc. provides a variety of services to support the provincial government in decommissioning and redevelopment of the former Sydney Steel (Sysco) plant site and other former industrial lands. NSLI continues to work with levels of both provincial and federal government, in the administration of the cost share agreement for the cleanup of the Sydney Tar Ponds and Coke Ovens site.

I hope you will find the information helpful in understanding the NSLI's progress in remediation and redevelopment of provincial industrial properties.

Sincerely,



Labi Kousoulis
Minister, Department of Internal Services

3.0 Introduction

The Annual Accountability Report is a report on the progress achieved by NSLI towards the goals, priorities, performance measures and financial targets established in the 2014-2015 Business Plan and are available at <http://www.nslands.ca>.

Nova Scotia Lands Inc. was established in August 2006 to finalize the decommissioning of the Sydney Steel (Sysco) plant, redevelop the 180 hectare (445 acres) site, assist in the remediation of the Sydney Tar Ponds and provide the Province with technical support in the remediation of other provincially owned contaminated sites. NSLI's mission is to prioritize for action, assess and, where necessary, remediate provincially owned properties, with the objective of returning these lands to reusable condition, with no substantial safety or environmental concerns.

As a Crown corporation, NSLI reports to a Board of Directors. The minister responsible for the Crown corporation is the Minister of Internal Services. NSLI maintains its office at Sydney, Nova Scotia, along with a presence at the department's Head Office in Halifax.

3.1 Report Structure

This report is organized into two main sections. The first section outlines NSLI's progress and accomplishments against the priorities identified in the 2014-2015 Business Plan. The next section provides details regarding performance measures and the results achieved. The financial results of Nova Scotia Lands Inc. are reported on in the Audited Financial Statements. These statements are available at <http://www.nslands.ca>.

Financial Statements. These statements are available at <http://www.nslands.ca>.

4.0 Priorities and Accomplishments

Nova Scotia Lands Inc. secures the majority of its funding via files on a number of different portfolios, including the Sysco provision, Bowater file, and the MV Miner file. Progressively as remediation of the Tar Ponds and SYSCO sites closes, NS Lands have expanded operations on a number of files to the point that much of NS Lands activities are now off site.

The work of NSLI includes activities of Harbourside Commercial Park Inc. and the management of the former Tar Ponds site, now Open Hearth Park and Harbourside East.

In addition to the ongoing activities that support the development of Harbourside Commercial Park and the management of Open Hearth Park, NSLI can report the follow accomplishments:

Former Sysco Site

No further environmental site assessments are needed, however ongoing monitoring is required. In addition NSLI continues to provide any prospective purchasers with site condition reports. In the reporting period, two such reports were accomplished. Site monitoring was completed and results were found acceptable to NSE.

Assume Management of Former Tar Ponds and Coke Ovens Sites

The LTMM for the former Tar Ponds area has been completed and is being implemented. The former Coke Ovens site has seen completion of site works and development as Harbourside East. On these sites, NSLI has undertaken required monitoring, and results of this work has been found acceptable by NSE. Open Hearth Park has seen a considerable increase in usage by the community during the reporting period with events such as: both major and minor music concerts, school events, governor general events, charitable activities by nonprofit groups (several and significant) and multitude sports activities, etc. Searchable/retrievable data archive system is now complete and residing at NSLI for on-going use.

NS Sites Review and Prioritization

New sites were identified and reviewed for prioritization, and while no specific significant actions were undertaken this identification and prioritization action builds capacity and positions NSLI for future activity.

Environmental Assessment, Remediation and Redevelopment of Other Sites

Physical assessments on selected sites were completed or on-going and significant actions continued at Pictou Wharf, former Bowater site and the MV Miner site. In Pictou, all work related to the utilities was completed, this includes electrical, water and compressed air availability at the wharf. At the Bowater site, demolition and cleanup was completed, and the Port Mersey Commercial Park was established under Harbourside, and six leases were signed with tenants. As well, significant wharf repair work was successfully completed and in excess of \$210,000.00 was generated through commercial activity at the site wharf. Work on the MV Miner was initiated, and by years end, 80% of the derelict vessel was successfully removed from the environment. This after environmental assessment and control actions were undertaken at the site and in conjunction with successful community liaison efforts.

Sydney River and Grand Lake Water Systems

NSLI continues to review and maintain these important water supply systems. At Sydney River ongoing monitoring and minor repair work was completed. At Grand Lake, ongoing monitoring and repair work was completed. The Grand Lake system continues to be a critical part of the Harbourside Commercial park system, providing vital water supply to tenants and users and generating some revenue.

5.0 Performance Measures

This section provides detailed information on the outcomes and performance measures of Nova Scotia Lands Inc.

Outcomes and measures outlined in the 2014-2015 Business Plan included the following targets.

The status of these targets is:

Outcome	2014/15 Target	Status
Environmental assessments	100%	Additional assessments based on land sales. Two site condition reports completed in 2014/15 based on potential property sales
Design of long term monitoring plan	100%	LTMM plan for former STPA site is completed and is accepted by NSE
Capping operation of contaminated material cell	100%	Complete, this project was brought to successful completion and actions completed were accepted by NSE
Coke Ovens capping engineering oversight	100%	Complete, this project was brought to successful completion in that all actions were completed and accepted by NSE
Coke Ovens surface capping (south)	100%	Complete, this project was completed and accepted by NSE. In addition, activities related to use of the park ramped up and exceeded expectations by year end in terms of measurable usage (visitors)
Coke Ovens surface capping (north)	100%	Complete, this project's physical works were completed and transfer to NSLI occurred.
Develop covenants	100%	Ongoing

Outcome	2014/15 Target	Status
Long Term Maintenance and Monitoring Program (25 yr plan)	100%	First year of LTMM for former STPA site is completed/implemented and is within prescribed budgets
Archive data related to cleanup of sites	100%	Completed, all data relative to the cleanup of sites is now deposited in a searchable/retrievable data archive system residing with NSLI
Identify health and safety issues	All main H&S issues dealt with	Ongoing – Full time safety officers at both Port Mersey and SYSCO, Harbourside sites. Regular weekly and monthly reporting
Pictou Wharf redevelopment	100%	Electrical power approved by Emera. (electrical providers)
Manage Bowater (Renova) site	100%	Completion of demolition. Sale of all redundant assets. Establishment of 6 leases valued at combined total of \$47,000 /yr. Establishment of commercial wharf operations. Income 2014 - \$210,000
MV Miner Salvage/Disposal	80%	RFP and award completed. Environmental cleanup completed. 80% of MV Miner removal completed. Remaining work includes removal of scrap and demobilization.

6.0 Financial Results

	Budget 2014/15 (\$000s)	Actual 2014/15 (\$000s)	Variance (\$000s)
Revenue:			
Management Fee from HCPI	91	106	15 ¹
Miscellaneous Recoveries	3860	3932	72 ²
Recovery From SYSCO	869	1455	586 ³
Province of Nova Scotia	0	12651	12651 ⁴
Total Revenue	4820	18144	(13324)
Expenses:			
Payroll	1050	1890	840 ⁵
General and Administrative Expenses	300	759	459 ⁶
MV Miner	0	10723	10723 ⁷
Project Management	100	514	414 ⁸
Security Services	100	380	280 ⁹
Non SYSCO Projects	2475	3464	989 ¹⁰
SYSCO LTMM	300	300	0
SYSCO Capital	495	114	(381) ¹¹
Total Expenses	4820	18144	13324
Net Income	0	0	0

¹ Management Fee: Best estimate at time.

² Miscellaneous Recoveries: Port Mersey: ERDT 1,050,000, Internal services 1,556,000, Brooklyn Power 750,000,

³ Recovery from SYSCO: Construction of NSL Maintenance Building.

⁴ Province of Nova Scotia: MV Miner 10,722,735. Boat Harbour 580,320

⁵ Payroll: Port Mersey payroll included.

⁶ General and Administrative Expenses: Discretionary grants 204,000

⁷ MV Miner: not include in budget, 10,723.00

⁸ Project Management: Professional services for Boat Harbour, Port Mersey

⁹ Security Services: includes Port Mersey

¹⁰ Non SYSCO Projects: LTMM in Open Hearth Park

¹¹ SYSCO Capital: Various paving deferred 185,000. Less overburden than expected on slag sales and royalties 150,000. High Tank Farm 43,000.