

**Nova Scotia Lands Inc.**  
**Financial Statements**

*November 30, 2022*

To the Financial Oversight Committee of Nova Scotia Lands Inc.:

## Opinion

We have audited the financial statements of Nova Scotia Lands Inc. (the "Company"), which comprise the statement of financial position as at November 30, 2022, and the statements of financial activities, changes in net financial assets (liabilities) and cash flows for the eight month 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 Company as at November 30, 2022, and the results of its financial activities, changes in its net financial assets (liabilities) and its cash flows for the eight month 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 Company 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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.

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 Company'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 Company'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 Company 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  
May 29, 2023

*MNP LLP*  
Chartered Professional Accountants

**Nova Scotia Lands Inc.**  
**Statement of Financial Position**

*As at November 30, 2022*

	November 30 2022	March 31 2022
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	\$ 2,013,818	\$ 169,541
Short-term investments	6,800,000	6,800,000
Receivables (Note 3)	4,932,686	3,171,470
Investment in capital leases (Note 4)	422,815	688,873
	14,169,319	10,829,884
<b>FINANCIAL LIABILITIES</b>		
Payables and accruals (Note 5)	2,692,560	2,876,581
Due to Province of Nova Scotia	10,242,280	6,947,029
Contamination provision (Note 6)	83,511	386,550
Asset retirement obligation (Note 7)	1,200,000	-
	14,218,351	10,210,160
<b>NET FINANCIAL ASSETS (LIABILITIES)</b>	(49,032)	619,724
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 8)	8,419,049	7,659,200
Prepays	616,134	699,510
	9,035,183	8,358,710
<b>TOTAL NET ASSETS</b>	\$ 8,986,151	\$ 8,978,434
<b>COMPANY POSITION</b>		
Capital stock (Note 9)	\$ 1	\$ 1
Accumulated surplus	8,986,150	8,978,433
	\$ 8,986,151	\$ 8,978,434

Commitments (Note 12)  
Contingency (Note 14)

See accompanying notes to financial statements.

On behalf of management



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President and CEO, Build Nova Scotia

**Nova Scotia Lands Inc.**  
**Statement of Financial Activities**

*For the eight-month period ended November 30, 2022, with comparative figures for the year ended March 31, 2022*

	Budget (Unaudited)	November 30 2022	March 31 2022
<b>REVENUES</b>			
Grant – Province of Nova Scotia	\$ 1,846,000	\$ 1,846,000	\$ 3,380,000
Sysco recovery	1,122,000	889,698	1,870,470
Rental and lease income	128,667	206,088	305,422
Recoveries	10,180,000	4,495,716	8,107,497
Gain on sale of assets	–	475,830	1,067,183
Interest and other income	33,333	94,273	44,459
Health infrastructure recovery	11,360,667	8,833,805	14,547,225
Net assets on restructuring (Note 15)	–	–	1,262,031
	<u>24,670,667</u>	<u>16,841,410</u>	<u>30,584,287</u>
<b>EXPENSES</b>			
Electricity	784,667	493,749	1,420,174
General and administration	1,244,668	361,833	504,675
Amortization of tangible capital assets	203,333	208,422	285,535
Property taxes	243,333	236,912	370,802
Professional fees	3,497,333	2,082,687	3,446,476
Grand Lake operating expenses	70,000	60,320	98,344
Contamination (Note 6)	–	(286,776)	9,127
Remediation and demolition	6,029,333	1,992,836	4,711,416
Wages and salary	1,237,333	2,652,890	3,930,578
Health infrastructure expenses (Schedule)	11,360,667	9,030,820	14,502,618
	<u>24,670,667</u>	<u>16,833,693</u>	<u>29,279,745</u>
<b>ANNUAL SURPLUS</b>	–	7,717	1,304,542
<b>ACCUMULATED SURPLUS, BEGINNING OF PERIOD</b>		8,978,433	7,673,891
<b>ACCUMULATED SURPLUS, END OF PERIOD</b>		<u>\$ 8,986,150</u>	<u>\$ 8,978,433</u>

See accompanying notes to financial statements.

**Nova Scotia Lands Inc.**  
**Statement of Changes in Net Financial Assets (Liabilities)**  
*For the eight-month period ended November 30, 2022, with comparative  
figures for the year ended March 31, 2022*

	November 30 2022	March 31 2022
<b>ANNUAL SURPLUS</b>	\$ 7,717	\$ 1,304,542
Change in non-financial assets		
Gain on sale of assets	(475,830)	(1,067,183)
Acquisition of tangible capital assets	(22,105)	(297,573)
Proceeds from sale of tangible capital assets	706,756	1,219,569
Amortization of tangible capital assets	231,330	315,974
Asset retirement obligation	(1,200,000)	-
Decrease (increase) in prepaids	83,376	(678,732)
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS (LIABILITIES)</b>	(668,756)	796,597
<b>NET FINANCIAL ASSETS (LIABILITIES), BEGINNING OF PERIOD</b>	619,724	(176,873)
<b>NET FINANCIAL ASSETS (LIABILITIES), END OF PERIOD</b>	\$ (49,032)	\$ 619,724

See accompanying notes to financial statements.

**Nova Scotia Lands Inc.**  
**Statement of Cash Flows**

*For the eight-month period ended November 30, 2022, with comparative figures for the year ended March 31, 2022*

	November 30 2022	March 31 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Annual surplus	\$ 7,717	\$ 1,304,542
Items not involving cash		
Gain on sale of tangible capital assets	(475,830)	(1,067,183)
Amortization of tangible capital assets	231,330	315,974
Decrease in contamination provision	(303,039)	(21,066)
Change in non-cash operating working capital		
Receivables	(1,761,216)	(1,722,810)
Prepays	83,376	(678,732)
Payables and accruals	(184,021)	293,158
Due to Province of Nova Scotia	3,295,251	6,947,029
	893,568	5,370,912
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in capital lease receivables	266,058	233,226
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in short-term investments	–	(6,800,000)
Purchase of tangible capital assets	(22,105)	(297,573)
Proceeds on sale of tangible capital assets	706,756	1,219,569
	684,651	(5,878,004)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,844,277	(273,866)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	169,541	443,407
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	\$ 2,013,818	\$ 169,541
Supplemental cash flow information		
Increase in tangible capital assets as a result of the asset retirement obligation	\$ 1,200,000	\$ –

See accompanying notes to financial statements.

## **NATURE OF OPERATIONS**

Nova Scotia Lands Inc. is a crown corporation owned by the Province of Nova Scotia. It was incorporated on March 30, 2007, with its principal role being to manage the commercial development of the remediated areas of the former Sydney Steel Corporation site, Port Mersey Commercial Park and Trenton Commercial Park. The Company is also responsible for the operations of the Grand Lake pumping station in Sydney, Nova Scotia.

Effective December 1, 2022, the Company was amalgamated with Develop Nova Scotia Limited in accordance with the Build Nova Scotia Act, passed by royal assent on November 9, 2022. As a result of this amalgamation, effective December 1, 2022, all shares of the former companies are cancelled and all matters, affairs and actions of the former companies are assigned to Build Nova Scotia.

As a result of the amalgamation on December 1, 2022, all assets of the Company, including all the rights, titles and interests are vested in Build Nova Scotia and all obligations and liabilities are the obligations and liabilities of Build Nova Scotia.

## **1. CHANGE IN ACCOUNTING POLICY**

Effective April 1, 2022, the Company adopted PS 3280 – Asset retirement obligations as set out in the Canadian public sector accounting standards. The standard was adopted on the prospective basis at the date of adoption as the event giving rise to the obligation arose prior to April 1, 2022 and has not been previously recognized.

The Company recognized the undiscounted obligation on April 1, 2022 that represents the decommissioning and contamination removal of the administrative buildings located at the Port Mersey location. The buildings have estimated useful lives of 40 years.

The cumulative effect in the current year as of April 1, 2022, of adopting the above-noted change in accounting policy is to increase tangible capital assets and financial liabilities by \$1,200,000.

## **2. 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 include balances with banks.

### **(c) Financial instruments**

#### **Measurement of financial instruments**

The Company initially measures its financial assets and financial liabilities at cost or amortized cost and subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and cash equivalents, short-term investments and receivables.



**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Financial liabilities measured at amortized cost include payables and accruals and due to Province of Nova Scotia.

**Impairment**

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in income. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

Unless otherwise noted, the Company is not subject to significant credit, market or liquidity risks arising from these instruments.

(d) Net financial assets (liabilities)

Net financial assets represent the financial assets of the Company less financial liabilities.

(e) Tangible capital 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.

Tangible capital assets are amortized using the following methods and annual rates:

	Basis	Rate
Buildings	Straight-line	40 years
Railroad lines	Straight-line	40 years
Equipment	Straight-line	5 years
Vehicles	Straight-line	5 years
Site infrastructure	Straight-line	15 years
Leaseholds	Straight-line	4.75 years
Technology	Straight-line	4 years

(f) Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the Company to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The best estimate of the liability includes all costs directly attributable to asset retirement activities. The best estimate of an asset retirement obligation incorporates a present value technique, when reasonably determinable, to the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the Company reviews the carrying amount of the liability. The Company recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The Company continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

### (g) Accumulated surplus

Accumulated surplus represents the financial and non-financial assets of the Company less liabilities. This represents the accumulated balance of surplus arising from the operations of the Company.

### (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.

Grants are recognized as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Grants are recorded as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

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

Revenue from rental services is recognized when the services are provided. Amounts received in advance of the provision of services are recorded as advances on rent.

### (i) 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 reported amounts of assets, liabilities, the disclosure of contingencies and the reported amounts of revenues and expenses in the financial statements and accompanying notes. Significant items subject to management's estimates and assumptions include the valuation of receivables, carrying value of tangible capital assets, the carrying value of the contamination provision, and asset retirement obligations. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

**Nova Scotia Lands Inc.**  
**Notes to Financial Statements**  
*November 30, 2022*

**3. RECEIVABLES**

	November 30 2022	March 31 2022
Sydney Steel Corporation	\$ 2,447,345	\$ 2,122,661
Other receivables	2,026,887	632,848
Escrow fund	210,031	206,329
HST receivable	88,155	118,489
Accrued interest	84,562	7,601
Trade	63,074	73,783
Staff claims	6,632	20,176
Deposit Pictou wharf	6,000	6,000
Allowance for doubtful accounts	-	(16,417)
	<b>\$ 4,932,686</b>	<b>\$ 3,171,470</b>

**4. INVESTMENT IN CAPITAL LEASES**

The Company entered into capital lease arrangements to sell real and depreciable property. The capital leases are for ten-year periods with no implicit interest rates.

**5. PAYABLES AND ACCRUALS**

	November 30 2022	March 31 2022
Trade payables and accruals	\$ 1,623,092	\$ 2,346,923
HST advance payments	414,468	214,760
Vacation accrual	408,404	-
Deposit on sale of land	85,997	123,131
Remediation liability of Brooklyn Power Corporation Inc. site	43,833	43,833
Contract holdbacks	40,123	27,684
Deferred recoveries	30,500	30,500
Environmental monitoring – Port Mersey	25,886	37,000
Environmental liability - Port Mersey ASB site	17,507	50,000
Advances on rent	2,750	2,750
	<b>\$ 2,692,560</b>	<b>\$ 2,876,581</b>

**6. CONTAMINATION PROVISION**

The contamination provision relates to the estimated cost to remediate the contamination located on lands acquired by the Company on March 29, 2019. The contamination 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.

**Nova Scotia Lands Inc.**  
**Notes to Financial Statements**  
*November 30, 2022*

**6. CONTAMINATION PROVISION (CONTINUED)**

The amount recorded in the financial statements has been discounted at a rate of 4.5% (March 31, 2022 - 4.5%) 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.

	November 30 2022	March 31 2022
Balance, beginning of period	\$ 386,550	\$ 407,616
Expenditures during the period	(16,263)	(30,193)
Accretion expense	17,395	10,190
Change in estimate of provision	(304,171)	(1,063)
<b>Balance, end of period</b>	<b>\$ 83,511</b>	<b>\$ 386,550</b>

**7. ASSET RETIREMENT OBLIGATION**

The Company acquired the Port Mersey Commercial Park located on the south shore of Nova Scotia from the Province of Nova Scotia and is obligated to perform closure and post-closure activities upon retirement. The timing of the retirement for the commercial park has not yet been determined. The Company recognized a liability for the asset retirement obligation and a corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of buildings. The asset retirement cost is amortized on a straight-line basis over the useful life of the buildings.

The Company estimated the amount of the liability using undiscounted future expenditures estimated to retire the tangible capital asset. The liability has not been discounted as the timing of future expenditures could not be reasonably determinable as a result of significant variances in potential timing of costs to be incurred. The significant assumptions used to determine the best estimate of the liability include:

- The square footage of the building,
- The estimated cost per square foot to remove asbestos and demolish the building, and
- The assumption that there is no current legislation from the Province of Nova Scotia for the expected timing of removal of asbestos and demolition.

	November 30 2022	March 31 2022
Balance, beginning of period	\$ -	\$ -
Liabilities incurred	1,200,000	-
<b>Balance, end of period</b>	<b>\$ 1,200,000</b>	<b>\$ -</b>

As of November 30, 2022, the Company expects to receive recoveries from the Province of Nova Scotia of \$1,200,000 which will be recognized associated with the asset retirement obligations for the Port Mersey property.

**Nova Scotia Lands Inc.**  
**Notes to Financial Statements**  
*For the period ended November 30, 2022*

**8. TANGIBLE CAPITAL ASSETS**

									November 30 2022	March 31 2022
	Cost beginning of year	Additions	Disposals and write down	Cost end of year	Amortization beginning of year	Additions	Disposals	Amortization end of year	Net book value	Net book value
Land	\$ 2,145,126	\$ –	\$ 71,160	\$ 2,073,966	\$ –	\$ –	\$ –	\$ –	\$ 2,073,966	\$ 2,145,126
Buildings	4,434,748	1,200,000	172,719	5,462,029	723,290	91,033	12,953	801,370	4,660,659	3,711,458
Railroad lines	1,220,548	–	–	1,220,548	457,709	20,342	–	478,051	742,497	762,839
Equipment	1,943,136	7,080	–	1,950,216	1,867,108	24,012	–	1,891,110	59,096	76,028
Vehicles	492,801	–	–	492,801	328,382	34,065	–	362,447	130,354	164,419
Site infrastructure	831,661	–	–	831,661	110,888	36,963	–	147,851	683,810	720,773
Leaseholds – Halifax	14,297	–	–	14,297	7,775	2,007	–	9,782	4,515	6,522
Technology – Health Division	121,766	15,025	–	136,792	49,731	22,908	–	72,640	64,152	72,035
	\$ 11,204,083	\$ 1,222,105	\$ 243,879	\$ 12,182,309	\$ 3,544,883	\$ 231,330	\$ 12,953	\$ 3,763,260	\$ 8,419,049	\$ 7,659,200

**Nova Scotia Lands Inc.**  
**Notes to Financial Statements**  
*November 30, 2022*

**9. CAPITAL STOCK**

Authorized

The Company is authorized to issue 10,000,000, 5% Class A non-cumulative, voting, non-retractable preference shares, redeemable by the Company at par with par value of \$1 each and 100,000 common shares with par value of \$1 each.

Issued and outstanding

	November 30 2022	March 31 2022
1 Common share	\$ 1	\$ 1

**10. RELATED PARTY TRANSACTIONS**

During the period, the Company recognized revenue from the following related parties:

	November 30 2022	March 31 2022
Province of Nova Scotia		
Operating grant	\$ 1,866,000	\$ 3,380,000
Health infrastructure	8,833,805	14,502,618
Department of Public Works	2,904,335	6,641,924
Department of Natural Resources and Renewables	1,095,436	1,071,241
Department of Environment	-	256,990
Economic Development	54,860	-
Other	10,000	-
Sydney Steel Corporation	889,698	1,881,398

During the period, the Company incurred expenses of \$475,830 (March 2022 - \$1,189,667) to the Province of Nova Scotia in relation to gains recognized on the sale of properties.

Sydney Steel Corporation is controlled by the Province of Nova Scotia and considered a related party by virtue of common control.

All related party transactions are in the normal course of operations and are measured at the exchange amount with approximate fair market value.

**11. FINANCIAL INSTRUMENTS**

The Company is exposed to various risks through its financial instruments and includes the following significant risks at November 30, 2022:

a) 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.

## 11. FINANCIAL INSTRUMENTS (CONTINUED)

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. The Company has receivables of \$1,515,515 from the Province of Nova Scotia which represent 31% of total receivables (March 2022 - \$749,107 and 24%). The Company believes that there is no unusual exposure associated with the collection of these receivables.

b) 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.

c) Cash concentration risk

The Company is exposed to concentration risk as all of its cash is held with one financial institution. To minimize this risk, the Company places its cash with a high-quality financial institution in Canada.

## 12. COMMITMENTS

In conjunction with the asset purchase agreement between the Company and Renova Scotia Bioenergy Inc., the Company has assumed:

The escrow agreement with Emera Energy Inc., Brooklyn Power Corporation Inc., and others dated as of July 22, 2013, regarding environmental remediation, as amended.

As per the steam agreement with Emera Energy Inc. dated July 22, 2013, the Company shall pay Brooklyn Power Corporation \$33,500 per month towards fixed operating costs. In addition, the Company 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.

This agreement shall be coterminous with the Power Purchase Agreement between Brooklyn Power Corporation and Nova Scotia Power Inc. dated June 30, 1992, as amended, or replaced from time to time.

All other assumed contracts per the asset purchase agreement between the Company and Renova Scotia Bioenergy Inc. relate to activities and contracts carried out in the normal course of operations.

By way of an operating agreement, the Company has assigned the responsibility of operating and maintaining the Port Mersey site, including execution of the steam agreement, to Nova Scotia Lands Inc. All associated revenues and expenses relating to Port Mersey are recorded in the financial statements of Nova Scotia Lands Inc.

**13. REMUNERATION**

Pursuant to the Public Sector Compensation Disclosure Act the Company is required to disclose individuals with compensation greater than \$100,000. These individuals are as follows:

	Position	Salary and benefits
Joseph Dunford	Senior Director of Project Delivery & Construction	\$ 102,169
Alexander Mitchell	Vice-President of Clinical	157,064
John Fahie	Executive Director of Operations & Support	104,880

**14. 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.

**15. RESTRUCTURING TRANSACTION**

On April 1, 2021, the shares of Nova Scotia Lands Inc. (NSLI) were cancelled and the capital of NSLI was added to the capital of Harbourside Commercial Park Inc. (HCPI). HCPI acquired NSLI and the new company was named Nova Scotia Lands Inc. All assets and liabilities of the former NSLI, including all contractual rights and obligations, were transferred to the new Company at the carrying amount. In accordance with Canadian Public Sector Accounting Standard 3430 Restructuring Transactions, the comparative figures are those of former HCPI. The Companies were combined as a result of their closely related operations as crown corporations.



**15. RESTRUCTURING TRANSACTION (CONTINUED)**

The carrying value of the assets transferred to HCPI from NSLI on April 1, 2021, are as follows:

**FINANCIAL ASSETS**

Cash	\$	6,878,037
Short-term investments		—
Receivables		7,212,146
		14,090,183

**FINANCIAL LIABILITIES**

Payables and accruals		4,291,564
Deferred recoveries		30,500
Due to Province of Nova Scotia		8,999,876
		13,321,940

**NET FINANCIAL ASSETS**

768,243

**NON-FINANCIAL ASSETS**

Prepaid expenses		426,387
Tangible capital assets		67,401

**TOTAL NET ASSETS**

\$ 1,262,031

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On April 1, 2021, NSLI had amounts receivable from HCPI of \$2,316,568. These balances were eliminated as a result of the restructuring transaction.

**Nova Scotia Lands Inc.**  
**Schedule – Health Infrastructure Expenses**  
*For the eight-month period ended November 30, 2022*

	November 30 2022	March 31 2022
Salaries and employee benefits	\$ 7,562,821	\$ 11,314,906
General and administrative	648,103	1,005,260
Other costs	106,745	188,805
Professional services	287,525	428,788
Travel	60,319	63,425
P3 Operating	365,307	1,501,434
	<b>\$ 9,030,820</b>	<b>\$ 14,502,618</b>