Build Nova Scotia
Financial Statements
March 31, 2026

Build Nova Scotia
Financial Statements
For the year ended March 31, 2026

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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, 2026, and the statements of operations and accumulated surplus, changes in net debt, cash flows and the related schedules 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 Corporation as at March 31, 2026, and the results of its operations, changes in net debt 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 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.

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.

MNP LLP

Sydney, Nova Scotia
June 30, 2026

Chartered Professional Accountants

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, 2026

	2026	2025
FINANCIAL ASSETS		
Cash and cash equivalents	$ 8,747,372	$ 15,845,347
Receivables (note 3)	4,882,440	4,294,011
Receivable from the Province of Nova Scotia (note 4)	14,009,650	–
Investment in capital leases (note 5)	99,525	211,739
	27,738,987	20,351,097
FINANCIAL LIABILITIES		
Payable to the Province of Nova Scotia (note 4)	-	706,488
Payables and accruals (note 6)	20,512,799	13,166,608
Contamination provision (note 7)	114,539	141,390
Deferred revenue (note 9)	3,396,661	3,423,890
Asset retirement obligation (note 10)	4,206,028	3,774,173
PSSP retirement health benefit obligation (note 11)	863,300	1,278,500
	29,093,327	22,491,049
NET DEBT	(1,354,340)	(2,139,952)
NON-FINANCIAL ASSETS		
Prepaid expenses	528,803	823,995
Tangible capital assets (note 12)	126,399,912	129,516,611
	126,928,715	130,340,606
ACCUMULATED SURPLUS	$ 125,574,375	128,200,654

Commitments (note 16)
Contingencies (note 17)

See accompanying notes to financial statements.

On behalf of Management

David Benoit, President and CEO, Build Nova Scotia

Build Nova Scotia
Statement of Operations and Accumulated Surplus
For the year ended March 31, 2026

	Budget (Note 19)	2026	2025
REVENUES			
Province of Nova Scotia			
Grant revenue	$ 8,974,000	$ 8,055,691	$ 5,365,427
Recoveries	36,593,000	19,981,084	20,954,092
Health infrastructure recoveries	16,505,000	19,219,212	19,352,799
External revenue	5,000,000	6,766,417	5,884,047
Sysco recovery	250,000	206,190	223,043
Interest and other income	300,000	356,572	389,135
	67,622,000	54,585,166	52,168,543
EXPENSES			
Property expenses (Schedule 1)	7,500,000	6,589,647	5,198,126
Corporate expenses (Schedule 2)	5,489,000	9,124,259	6,795,204
Project expenses (Schedule 3)	37,948,000	19,510,901	20,720,935
Health infrastructure expenses (Schedule 4)	16,505,000	19,219,212	19,352,799
	67,442,000	54,444,019	52,067,064
ANNUAL SURPLUS BEFORE OTHER ITEMS	180,000	141,147	101,479
Other items			
Province of Nova Scotia capital grant revenue	1,450,000	1,128,500	5,130,230
Accretion expense (note 10)	-	(86,804)	(86,340)
Amortization (note 12)	(5,222,000)	(4,656,177)	(4,108,449)
PSSP retirement health benefit recovery (expense) (note 11)	(110,000)	415,200	(73,900)
Gain on sale of assets	-	85,332	721,520
Return of gain on sale of assets	-	(85,332)	(721,520)
Recovery related to asset retirement obligation funding	-	431,855	-
	(3,882,000)	(2,767,426)	861,541
ANNUAL (DEFICIT) SURPLUS	(3,702,000)	(2,626,279)	963,020
ACCUMULATED SURPLUS, BEGINNING OF YEAR	128,200,654	128,200,654	127,237,634
ACCUMULATED SURPLUS, END OF YEAR	$ 124,498,654	$ 125,574,375	$ 128,200,654

See accompanying notes to financial statements.

Build Nova Scotia
Statement of Changes in Net Debt
For the year ended March 31, 2026

	Budget	2026	2025
ANNUAL SURPLUS (DEFICIT)	$ (3,702,000)	$ (2,626,279)	$ 963,020
Increase in tangible capital assets	(1,450,000)	(1,539,478)	(5,118,584)
Amortization of tangible capital assets	5,220,000	4,656,177	4,108,449
Proceeds on disposal of assets	-	85,332	1,639,311
Gain on sale of assets	-	(85,332)	(721,520)
	68,000	490,420	870,676
Change in prepaid expenses	-	295,192	(43,067)
CHANGE IN NET DEBT	68,000	785,612	827,609
NET DEBT, BEGINNING OF YEAR	(2,139,952)	(2,139,952)	(2,967,561)
NET DEBT, END OF YEAR	$ (2,071,952)	$ (1,354,340)	$ (2,139,952)

See accompanying notes to financial statements.

Build Nova Scotia
Statement of Cash Flows
For the year ended March 31, 2026

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual surplus (deficit)	$ (2,626,279)	$ 963,020
Accretion expense	86,804	86,340
Amortization	4,656,177	4,108,449
Gain on sale of assets	(85,332)	(721,520)
Remeasurement of contamination provision	-	55,000
PSSP retirement health benefit (recovery) expense	(415,200)	73,900
	1,616,170	4,565,189
Change in non-cash operating working capital		
Receivables	(588,429)	(1,511,886)
Amounts due to/from the Province of Nova Scotia	(14,716,138)	1,362,094
Prepaid expenses	295,192	(43,067)
Payables and accruals	7,346,191	8,408,439
Contamination provision expenditures	(26,851)	(25,044)
Deferred revenue	(27,229)	52,330
	(7,717,264)	8,242,866
FINANCING		
Payments received on leases receivable	112,214	86,611
	112,214	86,611
INVESTING		
Purchase of tangible capital assets	(1,194,427)	(5,118,584)
Proceeds on sale of assets	85,332	1,639,311
	(1,109,095)	(3,479,273)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,097,975)	9,415,393
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	15,845,347	6,429,954
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 8,747,372	$ 15,845,347

Supplementary cash flow information

Remeasurement of asset retirement obligation	$ 345,051	$ –

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.

2. Summary of significant accounting policies (continued)

Financial instruments consist of cash and cash equivalents, receivables, payables and accruals 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). 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.

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.

2. Summary of significant accounting policies (continued)

On an annual basis, the Corporation reviews the carrying amounts of tangible capital assets 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.

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) Employee benefits

The corporation offers a post-employment health benefit plan to its retired employees.

The cost of providing benefits is actuarially determined using the Projected Unit Credit Method, prorated on service (PUCM) at each reporting date. Under this method the total benefit payable at retirement is allocated on a pro-rata basis over all years of service to full eligibility. Actuarial gains and losses are to be amortized over the expected average remaining service life ("EARSL") of active employees. The discount rate used to determine obligation is on the government's cost of borrowing at the end of reporting period.

The defined benefit asset or liability recognized on the statement of financial position represents the actual deficit or surplus in the defined benefit plan.

The benefit costs consists of the following:

- Service costs comprising current service costs, past-service costs (including unvested amounts) resulting from plan amendments or curtailments, and gains or losses on settlement. Service costs are recognized immediately in profit or loss.
- Net interest expense which is recognized in profit or loss and calculated by applying the discount rate to the net obligation.
- Remeasurements comprising actuarial gains or losses excluding amounts included in interest.

(f) Income taxes

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

2. Summary of significant accounting policies (continued)

(g) 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.

(h) 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 retirement of the assets.

(i) 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.

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.

(j) Government transfers

The Corporation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Corporation recognizes revenues as the liability is settled.

2. Summary of significant accounting policies (continued)

(k) 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.

(l) 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.

(m) Segment information

The corporation is a diversified entity that provides a wide range of services. For management reporting purposes, the operations and activities are organized and reported by segment. The services provided by these segments are as follows:

Health Infrastructure Segment
This segment comprises revenues and associated operating expenditures related to the delivery and management of health infrastructure projects. Activities within this segment include the planning, execution, and oversight of infrastructure initiatives that support public health objectives.

Property Segment
The property segment generates external revenue primarily through lease arrangements with tenants. Segment expenditures include property-related operating costs such as utilities, repairs, and maintenance necessary to sustain the functionality and occupancy of the assets.

Corporate Segment

The corporate segment encompasses general administrative functions and overhead. This includes expenditures related to office operations, administrative wages, and other centralized support services that are not directly attributable to projects

Project Segment
This segment includes project-based activities. Which covers strategic infrastructure projects as the arise. Key expenditures include wages, engineering services, and professional fees. Revenue is primarily derived from cost recoveries associated with these project activities.

3. Receivables

	2026	2025
Trade receivables	$ 1,920,987	$ 1,660,866
Sydney Steel Corporation	2,134,185	1,842,125
Harmonized sales tax recoverable	845,476	809,228
	4,900,648	4,312,219
Less allowance for doubtful accounts	(18,208)	(18,208)
	$ 4,882,440	$ 4,294,011

4. Receivable from (payable to) the Province of Nova Scotia

	2026	2025
For payments made on behalf of the Corporation	$ (1,028,239)	$ (13,254,842)
Net trade receivable	10,000,404	7,942,724
Insurance proceeds receivable	831,457	831,457
Asset retirement obligation costs receivable	4,206,028	3,774,173
	$ 14,009,650	$ (706,488)

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.

	2026	2025
Aqualitas, with lease term from June 2017 to May 2027	$ 59,275	$ 110,089
Lunenburg Shipwrights, with lease term from January 2018 to December 2027	40,250	63,250
Membertou First Nation, with lease term from July 2023 to July 2028	-	38,400
	$ 99,525	$ 211,739

6. Payables and accruals

	2026	2025
Trade payables and accruals	$ 18,771,361	$ 11,812,931
Salaries and benefits payable	905,902	635,142
Marketing payable	660,557	444,667
Other	174,979	273,868
	$ 20,512,799	$ 13,166,608

Trade payables and accruals as at March 31, 2026 is comprised of $17,638,184 (2025 - $10,687,668) in operational expenditures and $1,133,177 (2025 - $1,125,263) 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 the former operator. The assessment is supported by a third-party review of the contamination provision prepared on July 19, 2019.

The contamination provision has been discounted at a rate of 5% (2025 - 5%) to reflect the fact that the expenditures will be made over several years. The Corporation has accepted responsibility to fund the remediation of the lands and has estimated the gross contamination provision.

	2026	2025
Balance, beginning of year	$ 141,390	$ 111,434
Expenditures during the year	(26,851)	(25,044)
Change in estimate of provision	-	55,000
Balance, end of year	$ 114,539	$ 141,390

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 $6,000,000 is unused as at March 31, 2026 (2025 - $6,000,000). This credit facility bears interest at prime plus 0.85%.

9. Deferred revenue

Deferred revenues are set aside for specific purposes as required either by legislation, regulation, or agreement as follows:

	2025			2026
	Balance at March 31, 2025	Receipts during period	Related expense incurred	Balance at March 31, 2026
Development projects	$ 2,480,598	$ -	$ (3,875)	$ 2,476,723
Proceeds from insurance	831,456	-	-	831,456
Prepaid rent liability	111,836	88,482	(111,836)	88,482
	$ 3,423,890	$ 88,482	$ (115,712)	$ 3,396,661

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.

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 0 to 37 years (2025 - 0 to 38 years). Estimated costs have been discounted to the present value using discount rates ranging from 0% to 3.5% per annum.

10. Asset retirement obligation (continued)

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

	2026	2025
Balance, beginning of year	$ 3,774,173	$ 3,687,833
Accretion expense	86,804	86,340
Change in estimate of provision	345,051	-
Balance, end of year	$ 4,206,028	$ 3,774,173

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 most recent actuarial valuation was performed for March 31, 2026. The significant assumptions used are as follows:

Discount rate for calculation of net benefit costs	4.06% (2025 - 3.67%)
Health costs escalation rate	7.00% (2025 - 7.00%)
Health costs escalation rate reduced to 4.00% per annum over 20 years after 2026 fiscal year	

	2026	2025
Benefit obligation, beginning of year	$ 1,278,500	$ 1,204,600
Current service costs	96,700	98,000
Interest on accrued employee benefits	50,000	41,800
Employee benefits paid during the year	(6,200)	(7,000)
Actuarial loss (gain)	(463,700)	53,400
Actuarial gain due to change in discount rate	(92,000)	(112,300)
Benefit obligation, end of year	$ 863,300	$ 1,278,500

The sensitivity to changes in the weighted principal assumptions is as follows. A 0.5% decrease in discount rate would increase obligation to $950,800 (2025 - $1,337,100). A 1% increase in health costs escalation rate would increase the obligation to $1,045,400 (2025 - $ 1,421,600)

12. Tangible capital assets

	COST				AMORTIZATION				2026	2025
	Balance beginning of year	Additions	Disposals and Write-downs	Balance end of year	Balance beginning of year	Additions	Disposals	Balance end of year	Net book value	Net book value
Land	$ 39,618,697	$ –	$ –	$ 39,618,697	$ –	$	$ –	$ –	$ 39,618,697	$ 39,618,697
Buildings/railroad lines	39,205,315	347,972	–	39,553,287	14,745,887	1,134,926	–	15,880,813	23,672,474	24,459,428
Wharves and walkways	62,030,547	89,022	–	62,119,569	9,268,990	1,350,779	–	10,619,769	51,499,800	52,761,557
Equipment	14,194,302	777,206	–	14,971,508	10,165,104	1,003,021	–	11,168,125	6,803,383	4,029,198
Site infrastructure	8,712,035	–	–	8,712,035	2,781,067	1,167,451	–	3,948,518	4,763,517	5,930,968
Capital leases	14,297	–	–	14,297	14,294	–	–	14,294	3	3
Water lots	2,460,219	–	–	2,460,219	–	–	–	–	2,460,219	2,460,219
Assets under construction	256,541	325,278	–	581,819	–	–	–	–	581,819	256,541
	$166,491,953	$1,539,478	$ –	$168,031,431	$ 36,975,342	$ 4,656,177	$ –	$ 41,631,519	$ 126,399,912	$129,516,611

13. 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 the year were $1,234,439 (2025 - $866,213) 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.

14. Related party transactions

During the year, the Corporation transacted business with various Departments and Crown Corporations of the Province of Nova Scotia which are considered related parties 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 $100,743 (2025 - $100,743).

b) Revenues received from related parties include operating and capital grants in the amount of $55,744,245 (2025 – $50,097,169).

c) Consulting and legal services paid for on behalf of the Corporation by related parties of $27,388 (2025 - $25,000).

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

15. 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 Corporation’s risk exposures and concentrations at March 31, 2026.

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 Corporation’s main credit risk is related to accounts receivable. The Corporation 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 Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation manages its liquidity risk by constantly monitoring forecasted and actual cash flow and expenditures.

16. Commitments

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

Yamaha Marine Stock Room

Amount Committed: $831,457

Relates to an agreement with the Province of Nova Scotia. Corresponds to receipt of proceeds that are contingent on the stock room being replaced. The completion date of this project is unknown.

Port Mersey

Amount Committed: $1,000,000 annually

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.

Public Housing Development

Amount Committed: $211,000,000 over the next five years

Build Nova Scotia is committed to the delivery of housing development projects over a five-year period in accordance with the agreement entered into with the Province of Nova Scotia. These projects relate to the construction and delivery of new housing units across the province. Build Nova Scotia is acting as an agent on behalf of the province in delivering these housing initiatives. Accordingly, project expenditures are recoverable from the province and are presented net against associated recovery revenue. In the current year, the Corporation incurred $7,153,568 in construction expenditures related to these projects.

17. Contingencies

Remediation agreements

The Corporation 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.

Legal Matters

The Corporation has been identified in several legal matters. The outcome of the matters is not determinable and settlement, if any, will be accounted for as a charge to operations in the period of settlement.

18. Budget Information

The disclosed budget information has been approved by Management on March 26,2025.

19. Schedule of segment disclosure

	Property	Corporate	Projects	Health Infrastructure	2026 Total
REVENUE					
Grant revenue	$ –	$ 8,055,691	$ –	$ –	$ 8,055,691
Recoveries	262,700	219,965	19,498,419		19,981,084
Health Infrastructure revenue	–	–	–	19,219,212	19,219,212
External revenue	6,766,417	–	–	–	6,766,417
Sysco recovery	–	–	206,190	–	206,190
Interest & Other income	–	356,572	–	–	356,572
	7,029,117	8,632,228	19,704,609	19,219,212	54,585,166
EXPENSES					
Salaries, contracts and employment benefits	–	6,284,619	3,719,681	14,461,627	24,465,927
Professional fees		858,456	2,633,798	2,304,411	5,796,665
Repairs and remediation costs	3,101,686	–	1,503,546	–	4,605,232
Contractor project costs	–	–	11,350,832	–	11,350,832
Other operational costs	3,487,961	1,981,184	303,044	2,453,174	8,225,363
	6,589,647	9,124,259	19,510,901	19,219,212	54,444,019
	$ 439,470	$ (492,031)	$ 193,708	$ –	$ 141,147

19. Schedule of segment disclosure (continued)

					2025
	Property	Corporate	Projects	Health Infrastructure	Total
REVENUE					
Grant revenue	$ –	$ 5,365,427	$ –	$ –	$ 5,365,427
Recoveries	386,554	895	20,566,643	–	20,954,092
Health Infrastructure revenue	–	–	–	19,352,799	19,352,799
External revenue	5,884,047	–	–	–	5,884,047
Sysco recovery	–	–	223,043	–	223,043
Interest & Other income	–	389,135	–	–	389,135
	6,270,601	5,755,457	20,789,686	19,352,799	52,168,543
EXPENSES					
Salaries, contracts and employment benefits	–	3,534,471	4,228,255	11,985,301	19,748,027
Professional fees	–	1,430,258	3,040,472	2,893,209	7,363,939
Repairs and remediation costs	2,060,278	–	1,649,821	–	3,710,099
Contractor project costs	–	–	11,276,750	–	11,276,750
Other operational costs	3,137,848	1,830,475	525,637	4,474,289	9,968,249
	5,198,126	6,795,204	20,720,935	19,352,799	52,067,064
	$ 1,072,475	$ (1,039,747)	$ 68,751	$ –	$ 101,479

20. 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.

For April 1, 2025, to March 31, 2026, the following employees received compensation of $100,000 or more.

Received by	Compensation
David Benoit	$ 250,690
Joyce Diamond	220,789
Bonnie Dobson	220,465
Jonathan Veale	201,380
Michael Morgan	198,120
Andrew Feener	177,130
Donald Burke	173,510
Scott Jackson	170,681
Nicholas Goodine	167,154
Kristin O'Toole	165,481
Kenneth Swain	148,621
Roy MacDonald	144,083
Andrew Campbell	144,080
Michael Munday	144,080
Nancy Soliman	144,340
Gail MacDonald	139,021
Denis Pellichero	137,956
Eva Hislop	136,816
Teri-Lynn Chetwynd	135,713
Peter MacDonald	133,945
Angela Swaine	133,201
Sabine Wilkie	129,797
Nicholas MacMillan	127,740
Ryan Flinn	125,898
Paul Frank	127,072
Omar Khartabil	125,558
Robbi Hill	125,419
Richard Rout	125,419
Cory Macphee	123,895
David Finlayson	123,580
Randolph Vallis	123,580

20. Employee compensation (continued)

Received by	Compensation
Clifford Delaney	122,280
Beverley Kays	120,945
Kelly Rose	120,060
Kevin Kline	120,060
Kyle Miller	120,021
Michael Shoveller	118,105
Catherine Kieran	115,566
George Carr	114,051
Alexandria Chaddock	114,819
James Webster	112,666
Daniel Khan	111,612
Jessica McNeil	111,471
Shady Tawadrous	110,431
Craig Reath	109,976
Theodore Plomske	110,447
Rory Hastey	110,045
Juliet Egbulefu	109,725
Lana LeBlanc	109,582
Lauren Dunn	108,825
Darren Lawless	108,825
Curtis McInnis	107,870
Madison LeVatte	106,941
Karen Borgal	106,171
Hamzeh Khammash	105,035
Ibrahim Yousef	104,993
Leah Baillie	104,158
Courtney Ordway	104,039
Robyn Seale	103,921
Kimberley Conway	103,410
Courtney McCardle	102,494
Russell White	102,091
Scott Lewis	102,958
Patrick Hickey	101,791
Moetree Gophane	101,667
Qi Liu	101,688

Build Nova Scotia

Schedule 1 – Property Expenses

For the year ended March 31, 2026

	2026	2025
Utilities	$ 1,532,938	$ 1,488,697
Property taxes	517,199	570,260
Repairs and maintenance	2,117,327	1,335,449
Landscaping and waste removal	366,070	430,316
Insurance	228,554	222,841
Security	339,072	373,037
Cleaning and other	747,640	356,806
Marine repairs and maintenance	618,289	294,513
Equipment and supplies	122,558	126,207
	$ 6,589,647	$ 5,198,126

Schedule 2 – Corporate Expenses

For the year ended March 31, 2026

	2026	2025
Salaries, contracts, and benefits	$ 6,284,619	$ 3,534,471
Professional fees		
Programs	-	1,009,320
Legal fees	32,764	193,323
Audit	54,520	52,250
Consulting	771,172	175,365
Office operations	1,412,356	1,280,415
Marketing and communications	568,828	548,294
Bad debts	-	1,766
	$ 9,124,259	$ 6,795,204

Build Nova Scotia

Schedule 3 – Project Expenses

For the year ended March 31, 2026

	2026	2025
Repairs, remediation and demolition	$ 1,503,545	$ 1,594,821
Salaries, contracts, and benefits	3,719,681	4,228,255
Professional fees	2,633,798	3,040,472
Contractor costs	11,350,832	11,276,750
Other costs	303,045	433,400
Grand Lake operating expenses	-	92,237
Contamination – change in estimate of provision	-	55,000
	$ 19,510,901	$ 20,720,935

Schedule 4 – Health Infrastructure Expenses

For the year ended March 31, 2026

	2026	2025
P3 operating	$ -	$ 2,965,691
Salaries, contracts, and benefits	14,461,627	11,985,301
General and administrative	2,161,036	1,131,600
Professional services	2,304,411	2,893,209
Other costs	145,678	245,653
Travel	146,460	131,345
	$ 19,219,212	$ 19,352,799