THE CLEAN NOVA SCOTIA FOUNDATION

Non-Consolidated Financial Statements

Year Ended March 31, 2020

THE CLEAN NOVA SCOTIA FOUNDATION
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Year Ended March 31, 2020

INDEPENDENT AUDITOR'S REPORT

To the Directors of The Clean Nova Scotia Foundation

Qualified Opinion

We have audited the non-consolidated financial statements of The Clean Nova Scotia Foundation (the Foundation), which comprise the non-consolidated statement of financial position as at March 31, 2020, and the non-consolidated statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Foundation derives revenue from donations the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

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 Non-consolidated Financial Statements* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Other Matter

The financial statements of the Foundation for the year ended March 31, 2019 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 19, 2019.

Responsibilities of Management and Those Charged with Governance for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of non-

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consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated 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 non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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.

Lyle Tilley Davidson

Halifax, Nova Scotia
June 16, 2020

CHARTERED PROFESSIONAL ACCOUNTANTS

THE CLEAN NOVA SCOTIA FOUNDATION

Non-Consolidated Statement of Financial Position

March 31, 2020

		2020		2019 *(Restated)*
ASSETS				
CURRENT				
Cash and equivalents	$	3,928,544	$	4,038,425
Accounts receivable *(Notes 3, 11)*		553,040		621,463
Harmonized sales tax recoverable		57,074		65,325
Prepaid expenses		38,404		43,296
		4,577,062		4,768,509
INVESTMENT IN 3326481 NOVA SCOTIA LIMITED *(Note 4)*		100		-
INTANGIBLE ASSETS		530		-
LONG TERM INVESTMENTS *(Note 5)*		25,623		593,193
CAPITAL ASSETS *(Note 6)*		582,323		601,547
ADVANCES TO 3326481 NOVA SCOTIA LIMITED *(Note 11)*		506,300		-
	$	5,691,938	$	5,963,249
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable and accrued liabilities *(Note 8)*	$	241,786	$	499,107
Deferred revenue - current *(Note 9)*		1,216,579		1,109,002
Deferred revenue - NSPI HomeWarming		-		96,355
		1,458,365		1,704,464
DEFERRED REVENUE		-		214,057
		1,458,365		1,918,521
NET ASSETS		4,233,573		4,044,728
	$	5,691,938	$	5,963,249

ON BEHALF OF THE BOARD

Helen Browne *Director*

Mike Marshall *Director*

THE CLEAN NOVA SCOTIA FOUNDATION

Non-Consolidated Statement of Revenues and Expenditures

Year Ended March 31, 2020

	2020	2019 *(Restated)*
REVENUES		
Service contracts and sponsorships	**$ 4,585,784**	$ 4,257,980
Government contracts and grants:		
Federal	**2,281,620**	1,724,096
Provincial	**1,267,313**	467,944
Municipal	**311,940**	65,064
	3,860,873	2,257,104
Donations	**61,523**	42,814
Interest income	**43,324**	57,557
Other income *(Note 11)*	**12,158**	41,303
	117,005	141,674
	8,563,662	6,656,758
EXPENDITURES		
Direct program costs:		
Subcontractor services	**3,958,854**	2,734,564
Compensation and recruitment	**2,180,274**	1,691,971
Consulting and professional services	**434,531**	358,749
Travel	**224,150**	215,241
Materials and safety supplies	**123,001**	122,699
Training and professional development	**62,577**	41,635
Advertising, marketing and promotion	**62,280**	81,037
Meetings and events	**60,641**	48,411
Telecommunications and information technology	**40,442**	64,373
Office supplies	**25,959**	28,922
Other	**23,156**	99
Membership dues and fees	**10,996**	3,313
Amortization	**3,336**	12,064
	7,210,197	5,403,078
General and administration:		
Compensation and recruitment	**621,955**	684,468
Telecommunications and information technology	**143,974**	105,157
Amortization	**128,665**	146,840
Travel	**51,085**	30,954
Consulting and professional services	**44,178**	34,930
Office, shipping and storage supplies	**43,014**	48,866
Occupancy and maintenance	**42,005**	37,921
Meetings and events	**32,204**	28,977
Insurance	**30,389**	27,719
Membership dues and fees	**8,544**	9,975
Marketing and communications	**7,195**	17,342
Training and professional development	**7,075**	5,652
Financial services fees and interest	**4,337**	3,672
	1,164,620	1,182,473
	8,374,817	6,585,551
EXCESS OF REVENUES OVER EXPENDITURES	**$ 188,845**	$ 71,207

THE CLEAN NOVA SCOTIA FOUNDATION
Non-Consolidated Statement of Changes in Net Assets
Year Ended March 31, 2020

	Unrestricted	Investment in Capital Assets	Capital Projects	Program Development	Program Support	NSYCC	Training	Scholarships	2020	2019 *(Restated)*
NET ASSETS - BEGINNING OF YEAR										
As previously reported	$ 2,177,707	$ 601,547	$ 259,363	$ 338,461	$ 303,917	$ 435,455	$ 33,390	$ -	$ 4,149,840	$ 3,973,521
Prior period adjustments *(Note 12)*	-	-	-		-	(105,112)	-	-	(105,112)	-
As restated	2,177,707	601,547	259,363	338,461	303,917	330,343	33,390	-	4,044,728	3,973,521
Excess (deficiency) of revenues over expenditures	320,846	(132,001)	-	-	-	-	-	-	188,845	71,207
Capital projects	(112,777)	112,777	-	-	-	-	-	-	-	-
NET ASSETS - END OF YEAR	$ 2,385,776	$ 582,323	$ 259,363	$ 338,461	$ 303,917	$ 330,343	$ 33,390	$ -	$ 4,233,573	$ 4,044,728

THE CLEAN NOVA SCOTIA FOUNDATION

Non-Consolidated Statement of Cash Flows

Year Ended March 31, 2020

	2020	2019 (Restated)
OPERATING ACTIVITIES		
Excess of revenues over expenditures	$ 188,845	$ 71,207
Item not affecting cash:		
Amortization	132,001	158,904
	320,846	230,111
Changes in non-cash working capital:		
Accounts receivable	68,421	(141,205)
Harmonized sales tax recoverable	8,251	99,154
Prepaid expenses	4,892	(1,289)
Accounts payable and accrued liabilities	(257,321)	(134,183)
Deferred revenue - current	107,577	635,740
Deferred revenue - NSPI HomeWarming	(96,355)	(231,826)
Deferred revenue - long term	(214,057)	-
	(378,592)	226,391
Cash flow from (used by) operating activities	(57,746)	456,502
INVESTING ACTIVITIES		
Purchase of capital assets	(112,777)	(135,989)
Purchase of intangible assets	(530)	-
Addition to loans and notes receivable	(506,300)	-
Proceeds from sale of marketable securities	567,572	346,717
Investment in 3326481 Nova Scotia Limited	(100)	-
Cash flow from (used by) investing activities	(52,135)	210,728
FINANCING ACTIVITY		
Change in scholarship funding	-	(2,000)
INCREASE (DECREASE) IN CASH FLOW	(109,881)	665,230
Cash - beginning of year	4,038,425	3,373,195
CASH - END OF YEAR	$ 3,928,544	$ 4,038,425

NATURE OF OPERATIONS

The Clean Nova Scotia Foundation (the "Foundation") was established by statute of the Nova Scotian Legislature; the Clean Nova Scotia Foundation Act. 1988. c. 7, s. 1. The Foundation is a Canadian Registered Charity under the Income Tax Act, registration number 11922-7684, and as such is exempt from paying income taxes.

Our Mission:

We provide individuals and communities with the means, knowledge, and opportunity to make responsible environmental choices.

Our Vision:

To cultivate a sustainable society by delivering innovative, effective and education programs that result in meaningful environmental change.

Our Values:

Achieving our mission and attaining our vision depends on the efforts of hundreds of employees, volunteers, and community partners. Some of us make our contribution by engaging directly in delivery programs; others, by supporting and enabling those core activities in essential ways. Whatever our individual roles. and wherever we work within the Foundation, we owe it to one another to uphold certain basic values of the community. These include:

- We are honest with our partners, the public and with each other.
- We innovate and develop programs through the talents and creative ideas of each employee.
- We value teamwork; we foster collaboration.
- We treat each other with respect.
- We deliver the best outcomes and highest quality service through the dedicated effort of every team member.
- We value a fun working environment.

The more we embrace these values in our daily lives, the more we create and sustain a culture of trust, cooperation, innovation and mutual understanding and advance a commitment to the environment and our communities, which all of us share.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The non-consolidated financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

The Clean Nova Scotia Foundation follows the deferral method of accounting for contributions, which includes donations and government grants.

The Foundation receives donations and grants from a number of different sources to cover operating, research, and capital expenditures. The operating portion of the contributions are recorded as revenue in the period to which they relate. The capital portions of the contributions are recorded as deferred contribution and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets. When a portion of a contribution relates to a future period, it is deferred and recognized in the subsequent period.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized.

Service contract revenue is generally recognized according to the percentage of completion method, based primarily on contract cost incurred to date compared to total estimates contract cost. Changes to total estimated contract costs or losses, if any, are recognized in the period in which they are determined. Pre-contract costs are expensed as incurred. Revenue recognized in excess of amounts billed is classified as current assets under account revenue. Amounts billed to clients in excess of revenue recognized to date are classified as current liability under deferred revenue. The Foundation anticipates that the majority of incurred cost associated with contract work in process will be billed and collected in the following fiscal year.

Fund accounting

A multi-column format is used to present the Statement of Changes in Net Assets. Internally restricted funds presented in the Statement of Changes in Net Assets are used for specific initiatives as approved by the Board of Directors and are described below:

- The Capital Projects Fund is used to acquire or develop capital assets.
- The Program Development Fund provides resources to develop new program delivery and administrative models, explore new environmental and education initiatives, and encourage innovation through applied research in environmental and behavioural sciences.
- The Program Support Fund is used to bridge a program between funding contracts or wind program down at the end of its service life.
- The NYSCC Fund provides resources to support the Nova Scotia Youth Conservation Corps, a program which provides post-secondary students with summer employment and work experience in environmental topic areas.
- The Training Fund is used to develop staff competencies through internally developed training programs and external professional development courses.
- The Scholarship Fund provides a $2,000 annual post-graduate environmental research scholarship.

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1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. The areas that are most subject to estimation and judgement include the useful lives of capital assets, accrued liabilities, and allowance for doubtful accounts.

Contributed services

The fair value of contributed services cannot be reasonably determined and are therefore not reflected in these financial statements.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued, except for transactions with related parties which are recorded at the exchange amount. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Cash and equivalents

Cash and equivalents consists of cash on hand, Canadian dollar denominated deposits held in Canadian financial institutions in chequing and guaranteed principal money market accounts, Canadian guaranteed investment certificates and the current portion of investments which will come due within the next fiscal period. Interest income accruing on deposits is recorded in interest income on an accrual basis.

Investments

Investments are secondary market Canadian guaranteed investment certificates, where the Foundation has the intention and the ability to hold the certificates until their maturity date. Maturity dates vary, but do not extend beyond five years. These investments are initially recorded at fair value and are subsequently measured at amortized cost using the effective interest method. Interest income and amortization of premiums and discounts are recorded in interest income.

Accounts receivable

Accounts receivable are recorded at amortized cost.

Investments in subsidiaries

The Foundation's investment in subsidiaries are accounted for by the cost method. The Foundation owns 100% of the outstanding voting shares of 3326481 Nova Scotia Limited.

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1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Accounts payable and accrued liabilities and deferred revenue

Accounts payable and accrued liabilities and deferred revenue are recorded at amortized cost.

Capital assets

Purchased capital assets is stated at cost. Donated capital assets are recorded at fair value at the date of acquisition. Repairs and maintenance costs are charged to expense. Betterments, which extend the estimates useful life of an asset, are capitalized.

The carrying value of capital assets is reviewed each reporting period to determine whether there is any indication of impairment. Whenever events or changes in circumstances indicate a capital asset no longer has long term service potential to the Foundation, the excess of its net carrying amount over any residual value would be recognized as an expense. Such a write down is not reversed if the service potential subsequently improves. The assessment of fair values required the use of estimates and assumptions for discount rates, future capital requirements and operating performance. Changes in any of the assumptions of estimates used in determining the fair value of the assets could impact the impartment analysis.

Capital assets are amortized based on their useful life using the following rates and methods:

Buildings	6%	declining balance
Motor vehicles	30%	declining balance
Furniture and equipment	20%	declining balance
Computer and network hardware	3 years	straight-line
ERP system	5 years	straight-line
Developed software	3 years	straight-line

A half year's amortization is taken in the year of acquisition. Amortization to the nearest whole month is taken in the year of disposal

Impairment of long lived assets

The Foundation tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

2. FINANCIAL INSTRUMENTS

The Foundation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The Foundation's financial instruments consists of the following: cash, accounts receivable, long term investments, Advances to 3326481 Nova Scotia Limited, and accounts payable and accrued liabilities. The following analysis provides information about the Foundation's risk exposure and concentration as of March 31, 2020.

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2. FINANCIAL INSTRUMENTS *(continued)*

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Foundation's principal financial assets are cash, investments, and accounts receivable, which are subject to credit risk. Cash and investment-related credit exposure is minimized by dealing mostly with credit worthy counterparties such as highly rated financial institutions. The Foundation is exposed to credit risk from customers with respect to accounts receivable. Management believes that accounts receivable-related credit risk is minimized by the creditworthiness of the Foundation's principal clients being government or government-regulated entities.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its receipt of funds from its customers and accounts payable and accrued liabilities. The Foundation monitors its cash balances generated from operations to meet its requirements.

Fair value

The fair value of investments, accounts receivable, contract work in process, accounts payable and accrued liabilities approximates their carrying values due to their short maturity.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Foundation is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Foundation manages exposure through its normal operating and financing activities. The Foundation is exposed to interest rate risk primarily through its guaranteed investment certificates.

3. ACCOUNTS RECEIVABLE

Accounts receivable are stated net of doubtful accounts which are estimated at $nil (2019 - $nil).

	2020	2019
Trade accounts receivable	**$ 385,189**	$ 112,633
Related party receivable - 3326481 Nova Scotia Limited	**10,573**	-
Accounts receivable other	**4,693**	5,000
Holdback receivable	**-**	47,035
Accrued revenue	**152,585**	456,795
	$ 553,040	$ 621,463

Included in accrued revenue is Canadian Employment Wage Subsidy funding of $80,360 for the portion related to fiscal 2020.

4. INVESTMENT IN 3326481 NOVA SCOTIA LIMITED

	2020	2019
Share capital subscription - 3326481 NS ltd	$ 100	$ -

During the year, the Foundation incorporated 3326481 Nova Scotia Limited and subscribed to 100% of the common shares. The purpose of this subsidiary corporation is the purchase of 122 Portland Street, which is located next door to the current Foundation office. Clean Nova Scotia has invested in this corporation for the purpose of future expansion or appreciation of property value.

The investment in 3326481 Nova Scotia Limited is carried at cost.

5. LONG TERM INVESTMENTS

Investment in a guaranteed investment certificate maturing March 2022 bearing interest of 1.8%. Investments in guaranteed investment certificates and mutual funds which mature within the next fiscal year and have been presented as cash equivalents.

6. CAPITAL ASSETS

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Property and equipment				
Buildings	$ 695,853	$ 356,701	$ 339,152	$ 360,800
Equipment	515,210	358,948	156,262	171,554
Motor vehicles	166,498	114,438	52,060	19,747
Computer equipment	99,669	81,716	17,953	20,360
	1,477,230	911,803	565,427	572,461
Intangible assets				
ERP system	324,688	307,792	16,896	20,683
Developed software	50,163	50,163	-	8,403
	374,851	357,955	16,896	29,086
	$ 1,852,081	$ 1,269,758	$ 582,323	$ 601,547

7. ROYAL BANK OPERATING LINE OF CREDIT

The Foundation has negotiated a revolving demand facility in the amount of $500,000, at a variable rate of interest equal to the Royal Bank Prime rate, with a seasonal bulge or an additional $500,000. between November 1st to January 1st each year. It is secured by a first ranking security interest (collateral) in the investments and cash and equivalents, to a limit of $2,000,000. The outstanding balance at March 31, 2020 is $nil (2019 - $nil).

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are $7,958 in government remittances payable (2019 - $30,541).

9. DEFERRED REVENUE

	2020	2019
Clean Leaders	$ 588,343	$ 255,113
Clean Transportation	380,481	554,560
PACE marketing	86,000	-
EnviroEd	58,518	36,118
SDGA - NS Environment	50,737	-
Clean Innovation Challenge	32,500	80,000
PFLN EnviroEd	20,000	-
Rope recycling	-	20,000
FCM 2050	-	100,000
Solar Garden Feasibility	-	50,000
Coastal Restoration Fund	-	13,211
	$ 1,216,579	$ 1,109,002

10. ECONOMIC DEPENDENCE

The Foundation's operations are sustained using contributions and service contracts with various funders. The service contract with Nova Scotia Power Incorporated and Efficiency Nova Scotia for the Home Warming programs accounts for 46% of revenue at March 31, 2020 (2019 - 57%) and is set to expire on December 31, 2024.

11. RELATED PARTIES

	2020	2019
Related party transactions		
3326481 Nova Scotia Limited		
subsidiary corporation		
Interest income	$ 6,300	$ -
Trade accounts receivable	10,573	-

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Trade accounts receivable from 3326481 Nova Scotia Limited are non-interest bearing with repayment anticipated during fiscal 2021.

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11. RELATED PARTIES *(continued)*

Advances to 3326481 Nova Scotia Limited

	2020	2019
3326481 Nova Scotia Limited $500,000 promissory note receivable bearing interest at 1.68% per annum calculated semi-annually, repayable in monthly interest only payments of $700. The loan matures on June 25, 2039 and is secured by a collateral mortgage over 122 Portland Street and assignment of fire insurance and rents.	**$ 506,300**	$ -

Accrued interest of $6,300 is expected to be repaid during fiscal 2021. The principal balance of $500,000 is due in full as at the maturity date of June 25, 2039.

12. PRIOR PERIOD ADJUSTMENT

During the year it was determined that in the prior period, $105,112 transferred from the Unrestricted fund to the NSYCC fund which should have been recorded to deferred revenue. As a result, deferred revenue - current was understated by $105,112. The effect of this prior period adjustment for the fiscal 2019 year was that the deferred revenue - current increased by $105,112; excess of revenue over expenditures and net assets decreased by $105,112 and the NSYCC fund decreased by $105,112.

13. COMPARATIVE FIGURES

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

14. SUBSEQUENT EVENT

During March 2020 the Governments of Canada and Nova Scotia, as well as foreign governments instituted emergency measures as a result of the COVID-19 virus. Subsequent to year end the virus has had a major impact on Canadian and international securities and currency markets and consumer activity which may impact the company's financial position, its results of operations and its cash flows significantly. As these are subsequent events, these financial statements do not reflect such impact. As at the date of our report, it is also not possible to accurately quantify or estimate the impact.