
CANADA-NOVA SCOTIA OFFSHORE PETROLEUM BOARD

**FINANCIAL STATEMENTS
MARCH 31, 2013**

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CANADA-NOVA SCOTIA OFFSHORE PETROLEUM BOARD:

We have audited the accompanying financial statements, which comprise the statement of financial position of the Canada-Nova Scotia Offshore Petroleum Board as at March 31, 2013 and the statement of operations and accumulated operating surplus, remeasurement gains, changes in net financial assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation and fair presentation of the financial statements 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 Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Canada-Nova Scotia Offshore Petroleum Board as at March 31, 2013, and the results of its operations, remeasurement gains, changes in net financial assets (debt) and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Halifax, Nova Scotia
May 13, 2013


LEVY CASEY CARTER MACLEAN
Chartered Accountants

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CANADA-NOVA SCOTIA OFFSHORE PETROLEUM BOARD

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2013

	<u>2013</u>	<u>2012</u>
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 2,281,387	\$ 1,869,994
Receivables, trade	86,154	5,870
Investments (note 2(i))	<u>2,037,477</u>	<u>1,782,883</u>
	<u>4,405,018</u>	<u>3,658,747</u>
LIABILITIES		
Payables and accruals, trade	1,064,437	998,658
Payable to governments (note 3)	1,494,734	806,490
Deferred grants - GRC	-	102,194
Supplementary employee retirement plan obligation (note 4)	573,752	530,687
Post-retirement health and retiring allowance obligation (note 5)	<u>1,454,169</u>	<u>1,439,276</u>
	<u>4,587,092</u>	<u>3,877,305</u>
Net debt	<u>(182,074)</u>	<u>(218,558)</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	252,610	235,232
Tangible capital assets (page 14)	<u>331,324</u>	<u>386,098</u>
	<u>583,934</u>	<u>621,330</u>
Accumulated surplus	\$ <u>401,860</u>	\$ <u>402,772</u>
Accumulated surplus is comprised of:		
Accumulated operating surplus	\$ 341,201	\$ 357,642
Accumulated remeasurement gains (page 4)	<u>60,659</u>	<u>45,130</u>
	\$ <u>401,860</u>	\$ <u>402,772</u>
Contractual obligations (note 7)		
Contingent liabilities (note 9)		

Approved by the Board

Board member

Board member

CANADA-NOVA SCOTIA OFFSHORE PETROLEUM BOARD

STATEMENT OF OPERATIONS AND ACCUMULATED OPERATING SURPLUS YEAR ENDED MARCH 31, 2013

	(Note 10) <u>Budget</u>	<u>2013</u>	<u>2012</u>
Revenue			
Government grants			
Government of Canada	\$ 3,550,000	\$ 3,610,000	\$ 3,450,000
Government of Nova Scotia	3,550,000	3,610,000	3,350,000
Costs recovered from industry	-	3,511,366	3,225,960
Interest and other	-	26,952	21,850
Deferred GRC grant	-	102,194	-
	<u>7,100,000</u>	<u>10,860,512</u>	<u>10,047,810</u>
Expenses			
Costs recoveries refunded to government (page 15)	-	3,511,366	3,225,960
Regulation of petroleum activities (page 15)	7,100,000	7,152,985	6,585,850
	<u>7,100,000</u>	<u>10,664,351</u>	<u>9,811,810</u>
Operating surplus before other income (expenses)	-	196,161	236,000
Amortization of tangible capital assets (page 14)	-	(248,237)	(320,420)
Net investment income	-	52,783	51,165
	<u>-</u>	<u>(195,454)</u>	<u>(269,255)</u>
Operating surplus (deficit)	-	707	(33,255)
Accumulated operating surplus, beginning of year	-	357,642	806,719
Repayment to Government of Canada	-	(17,148)	(207,911)
Repayment to Government of Nova Scotia	-	-	(207,911)
	<u>-</u>	<u>-</u>	<u>(207,911)</u>
Accumulated operating surplus, end of year	<u>\$ -</u>	<u>\$ 341,201</u>	<u>\$ 357,642</u>

CANADA-NOVA SCOTIA OFFSHORE PETROLEUM BOARD

**STATEMENT OF REMEASUREMENT GAINS
YEAR ENDED MARCH 31, 2013**

	<u>2013</u>	<u>2012</u>
Accumulated remeasurement gain (loss), beginning of the year	\$ 45,130	\$ (1,433)
Unrealized gain arising during the year on investments	<u>15,529</u>	<u>46,563</u>
Accumulated remeasurement gains, end of year	<u>\$ 60,659</u>	<u>\$ 45,130</u>

CANADA-NOVA SCOTIA OFFSHORE PETROLEUM BOARD

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)
YEAR ENDED MARCH 31, 2013

	<u>2013</u>	<u>2012</u>
Operating surplus (deficit)	\$ 707	\$ (33,255)
Repayment to Government of Canada	(17,148)	(207,911)
Repayment to Government of Nova Scotia	<u>-</u>	<u>(207,911)</u>
	<u>(16,441)</u>	<u>(449,077)</u>
Change in tangible capital assets		
Acquisition of tangible capital assets	(2,753)	(160,420)
Acquisition of GRC tangible capital assets	(190,710)	(8,281)
Amortization of tangible capital assets	<u>248,237</u>	<u>320,420</u>
Increase in tangible capital assets	<u>54,774</u>	<u>151,719</u>
Change in other non-financial assets		
Acquisition of prepaid expense	<u>(17,378)</u>	<u>(43,040)</u>
Net remeasurement gains (page 4)	<u>15,529</u>	<u>46,563</u>
Increase (decrease) in net financial assets (debt)	36,484	(293,835)
Net financial assets (debt), beginning of the year	<u>(218,558)</u>	<u>75,277</u>
Net debt, end of the year	<u>\$ (182,074)</u>	<u>\$ (218,558)</u>

CANADA-NOVA SCOTIA OFFSHORE PETROLEUM BOARD

STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2013

	<u>2013</u>	<u>2012</u>
Operating Activities		
Operating surplus (deficit)	\$ 707	\$ (33,255)
Amortization of tangible capital assets	248,237	320,420
Loss on disposal of investments	6,318	-
Repayment to Government of Canada	(17,148)	(207,911)
Repayment to Government of Nova Scotia	-	(207,911)
Increase in supplementary employee retirement plan obligation	43,065	38,273
Increase in post-retirement health and retiring allowance obligation	<u>14,893</u>	<u>108,043</u>
	296,072	17,659
Net change in non-cash working capital balances related to operations (note 6)	<u>554,166</u>	<u>415,377</u>
	<u>850,238</u>	<u>433,036</u>
Investing Activities		
Increase in accrued interest on investments	(952)	(139)
Purchase of investments	(609,803)	(387,714)
Proceeds on disposal of investments	<u>364,951</u>	<u>223,603</u>
	<u>(245,804)</u>	<u>(164,250)</u>
Capital Activities		
Purchase of		
Leasehold improvements	-	(37,856)
Furniture and equipment	-	(4,065)
Computer equipment	(2,753)	(76,365)
Computer equipment - GRC	(115,724)	(8,281)
Computer software	-	(42,134)
Computer software - GRC	<u>(74,987)</u>	<u>-</u>
	<u>(193,464)</u>	<u>(168,701)</u>
Increase in cash and cash equivalents during year	410,970	100,085
Cash and cash equivalents, beginning of year	<u>1,873,326</u>	<u>1,773,241</u>
Cash and cash equivalents, end of year	<u>\$ 2,284,296</u>	<u>\$ 1,873,326</u>
Represented by:		
Cash	\$ 2,281,387	\$ 1,869,994
Investment cash	<u>2,909</u>	<u>3,332</u>
	<u>\$ 2,284,296</u>	<u>\$ 1,873,326</u>

CANADA-NOVA SCOTIA OFFSHORE PETROLEUM BOARD

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2013

1. Purpose of organization

The Canada-Nova Scotia Offshore Petroleum Board was formed to administer the relevant provisions of the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Acts as enacted by the Parliament of Canada and the Legislature of Nova Scotia. The Board is funded primarily by grants from the Federal and Provincial Governments in equal contributions. The Board also collects and remits to the Governments cost recovery charges assessed against industry from regulatory reviews, up to a maximum of 50% of the Board's approved budget. The Board is a non-profit organization and is, therefore, exempt from income tax under Section 149 of the Income Tax Act.

2. Significant accounting policies

(a) Basis of presentation

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA) and reflect the following significant accounting policies.

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and cash held within the investment portfolio.

(c) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the operating surplus or deficit and the net remeasurement gains or losses, provides the change in net financial assets or net debt for the year.

(d) Tangible capital assets

Tangible capital assets are recorded at cost which includes all costs directly attributable to the acquisition, construction, development, installation or betterment of the tangible capital asset. The Board capitalizes assets with a value greater than \$2,500 and a useful life greater than one year. Amortization is recorded using the straight-line method over four years for furniture, fixtures and equipment and over three years for computer equipment and software. Leasehold improvements are amortized over the life of the lease.

CANADA-NOVA SCOTIA OFFSHORE PETROLEUM BOARD

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2013

2. Significant accounting policies (continued)

(e) Use of estimates

Uncertainty in the determination of the amount at which an item is recorded in the financial statements is known as measurement uncertainty. Such uncertainty exists when there could be a material difference between the recognized amount and another reasonably possible amount, as there is whenever estimates are used. The preparation of the financial statements in conformity with Canadian public sector accounting standards, requires management to make estimates and assumptions that affect the reporting 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 period. The supplementary employee retirement plan obligation and the post-retirement health and retiring allowance obligation are items requiring the use of significant estimates because actual results may differ significantly from the various assumptions about plan members and economic conditions in the marketplace.

Estimates are based upon the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements and actual results could differ from these estimates.

(f) Revenue recognition

Revenues are recorded on the accrual basis. Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. Government transfers are recognized when the transfer is authorized and eligibility criteria are met except, when and to the extent, stipulations by the transferor gives rise to an obligation that meets the definition of a liability. Stipulations by the transferor may require that the funds only be used for providing specific services or the acquisition of tangible capital assets. For transfers with stipulations an equivalent amount of revenue is recognized as the liability is settled. Cost recoveries from industry are recognized when invoiced. Investment income is recorded as earned.

(g) Supplementary employee retirement plan obligation

The projected benefit method prorated on services has been used to determine the accrued benefit obligation and current service cost. The objective under this method is to expense each participant's benefits under the plan as they would accrue, taking into consideration future salary increases and the plan's benefit allocation formula.

Obligations are attributed to the period beginning on the employee's date of joining the plan and ending on the earlier of the date of termination, death or retirement.

The Board's fiscal year end date is March 31 and the measurement date of the plan's assets and obligations is March 31.

(h) Post-retirement health and retiring allowance obligation

Employees of the Board participate in the Province of Nova Scotia Pensioners Extended Health Plan upon retirement. This plan provides health care coverage to age 65. Employees are also eligible for one week of salary for each year of pensionable service, to a maximum of 26 weeks for Board staff who retire upon becoming eligible for retirement. These retirement benefits are recorded on an accrual basis based on an actuary's estimate.

Obligations are attributed to the period beginning on the member's date of hire and ending on the date the member reaches first full year of eligibility for benefits for the post-retirement health program and date of retirement for the retiring allowance program.

The Board's fiscal year end date is March 31 and the measurement date of the programs' obligations is March 31.

CANADA-NOVA SCOTIA OFFSHORE PETROLEUM BOARD

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2013

2. Significant accounting policies (continued)

(i) Investments

The Board has designated its investment portfolio to fund the Board's obligations for supplementary employee retirement plans and post-retirement health and retiring allowances.

(j) Financial instruments

All financial instruments are measured using either the amortized cost method or the fair value method. Financial instruments included in the amortized cost category are recorded at either cost or amortized cost using the effective interest rate method. Transaction costs are included in the initial cost of financial instruments recognized using the cost method. Financial instruments included in the fair value category are initially recorded at fair value with each subsequent change in fair value recognized in the statement of remeasurement gains and losses until such time that the financial instrument is derecognized. When the financial instrument is derecognized the accumulated remeasurement gain or loss is reversed and recognized on the statement of operations. Transaction costs associated with financial instruments in the fair value category are expensed when incurred.

Accounts receivable, payables and accruals, payable to governments, supplementary employee retirement plan obligation and post-retirement health and retiring allowance obligations are recorded using the cost method. Cash and investments are recorded using the fair value method utilizing quoted prices in active markets to determine the fair value.

3. Payable to government

	<u>2013</u>	<u>2012</u>
Federal government - cost recovery funds	\$ 747,367	\$ 403,245
Provincial government - cost recovery funds	<u>747,367</u>	<u>403,245</u>
	<u>\$ 1,494,734</u>	<u>\$ 806,490</u>

4. Pension obligations

(a) Supplementary employee retirement plan (SERP)

The Board Supplementary Employee Retirement Plan provides benefits to its employees who are members of the Public Service Superannuation Plan (PSSP). Employees are eligible for membership in this plan once their pensionable earnings have reached a level such that their benefits under the PSSP are limited by the maximum pension limits under the Income Tax Act.

The Board measures its accrued benefit obligations and the fair value of plan assets for accounting purposes as at March 31 of each year. The most recent actuarial valuation of the retirement plan for funding purposes was as of March 31, 2013. An updated actuarial valuation will be done at least every three years.

CANADA-NOVA SCOTIA OFFSHORE PETROLEUM BOARD

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2013

4. Pension obligations (continued)

The Board has adopted the recommendations of Section 3250 of the Public Sector Accounting Standards Handbook. The following is required for disclosure purposes:

	<u>2013</u>	<u>2012</u>
<u>Components of Supplementary Employee Retirement Plan Cost</u>		
Current service cost	\$ 27,095	\$ 25,592
Interest cost	25,947	23,877
Plan amendments	-	-
Amortization of net actuarial losses	<u>2,254</u>	<u>876</u>
Supplementary Employee Retirement Plan Cost	<u>\$ 55,296</u>	<u>\$ 50,345</u>
 <u>Weighted-Average Assumptions for Expense</u>		
Discount rate	<u>4.75 %</u>	<u>4.75 %</u>
Rate of compensation increase	<u>2.50 %</u>	<u>2.50 %</u>
 <u>Weighted-Average Assumptions for Disclosure</u>		
Discount rate	<u>4.75 %</u>	<u>4.75 %</u>
Rate of compensation increase	<u>2.50 %</u>	<u>2.50 %</u>
 <u>Change in Accrued Benefit Obligation</u>		
Accrued benefit obligation at the end of the prior year	\$ 538,829	\$ 495,919
Current service cost	27,095	25,592
Interest cost	25,947	23,877
Plan amendments	-	-
Benefits paid	(12,231)	(12,072)
Actuarial loss	<u>-</u>	<u>5,513</u>
Accrued benefit obligation at the end of the year	<u>\$ 579,640</u>	<u>\$ 538,829</u>
 <u>Reconciliation of Funded Status to Accrued Benefit Liability</u>		
Benefit obligation at end of year	\$ 579,640	\$ 538,829
Unamortized net actuarial loss	<u>(5,888)</u>	<u>(8,142)</u>
Accrued benefit liability	<u>\$ 573,752</u>	<u>\$ 530,687</u>

(b) Multiemployer defined benefit pension plan

The Board contributes to a pension plan under the Public Service Superannuation Act administered by the Province of Nova Scotia. The Board matches employees' contributions calculated as follows: 8.4% (2012 - 8.4%) on that part of their salary that is equal to or less than the "Year's Maximum Pensionable Earnings" (YMPE) under the Canada Pension Plan and 10.9% (2012 - 10.9%) on the part of their salary that is in excess of the YMPE. The Board has recognized contributions of \$313,693 in 2013 (2012 - \$310,387). There is no further liability with respect to past service at March 31, 2013.

CANADA-NOVA SCOTIA OFFSHORE PETROLEUM BOARD

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2013

5. Post-retirement health and retiring allowance obligations

The Board provides other retirement benefits to its employees by participating in the Province of Nova Scotia's post-retirement health insurance program and also provides retiring allowance benefits to those employees who retire from the Board. Both benefits are funded on a pay-as-you-go basis. The Board funds on a cash basis as contributions are made.

An actuarial valuation was prepared for the first time for the fiscal year ended March 31, 2008. The most recent valuation has been prepared for the fiscal year ended March 31, 2013. The valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, medical inflation rates, wage and salary increases, and employee turnover and mortality. The assumptions used reflect the Board's best estimates.

	<u>2013</u>	<u>2012</u>
<u>Components of Post-Retirement Health and Retiring Allowance Cost</u>		
Current service cost (employer portion)	\$ 78,943	\$ 73,968
Interest cost	70,849	67,155
Actuarial loss	<u>6,817</u>	<u>4,969</u>
Post-Retirement Health and Retiring Allowance Cost	<u>\$ 156,609</u>	<u>\$ 146,092</u>
<u>Weighted-Average Assumptions for Expense</u>		
Discount rate	<u>4.75 %</u>	<u>4.75 %</u>
Rate of compensation increase	<u>2.50 %</u>	<u>2.50 %</u>
Initial weighted average health care trend rate	<u>6.67 %</u>	<u>6.83 %</u>
Ultimate weighted average health care trend rate	<u>4.50 %</u>	<u>4.50 %</u>
Year ultimate rate reached	<u>2025</u>	<u>2025</u>
<u>Weighted-Average Assumptions for Disclosure</u>		
Discount rate	<u>4.75 %</u>	<u>4.75 %</u>
Rate of compensation increase	<u>2.50 %</u>	<u>2.50 %</u>
Initial weighted average health care trend rate	<u>6.50 %</u>	<u>6.67 %</u>
Ultimate weighted average health care trend rate	<u>4.50 %</u>	<u>4.50 %</u>
Year ultimate rate reached	<u>2025</u>	<u>2025</u>
<u>Change in Accrued Benefit Obligation</u>		
Accrued benefit obligation at the end of the prior year	\$ 1,522,926	\$ 1,395,827
Current service cost (employer portion)	78,943	73,968
Interest cost	70,849	67,155
Benefits paid	(141,716)	(38,049)
Actuarial loss	<u>-</u>	<u>24,025</u>
Accrued benefit obligation at the end of the year	<u>\$ 1,531,002</u>	<u>\$ 1,522,926</u>
<u>Reconciliation of Funded Status to Accrued Benefit Liability</u>		
Deficit at the end of year	\$ 1,531,002	\$ 1,522,926
Unamortized net actuarial loss	<u>(76,833)</u>	<u>(83,650)</u>
Accrued benefit liability	<u>\$ 1,454,169</u>	<u>\$ 1,439,276</u>

CANADA-NOVA SCOTIA OFFSHORE PETROLEUM BOARD

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2013

6. Net change in non-cash working capital balances related to operations

	<u>2013</u>	<u>2012</u>
Increase (decrease) in cash from changes in:		
Receivables	\$ (80,285)	\$ 91,128
Prepaid expenses	(17,378)	(43,040)
Payables and accruals	65,779	367,578
Payable to governments	688,244	(289)
Deferred grants - GRC	<u>(102,194)</u>	<u>-</u>
	<u>\$ 554,166</u>	<u>\$ 415,377</u>

7. Contractual obligations

The Board has entered into various lease agreements for premises and equipment. The approximate minimum payments required over the next five fiscal years are as follows:

2014	\$ 314,126
2015	\$ 302,321
2016	\$ 285,794
2017	\$ 285,794
2018	\$ 116,361

8. Financial instruments

The following are the significant risks that the Board is exposed to through its financial instruments:

(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 carrying amount of financial assets represents the maximum credit exposure. The Board's main credit risks relate to its accounts receivable. In order to reduce its credit risk, the Board has adopted credit policies which include the analysis of the financial position of its regulated entities and the regular review of their credit limits. The Board does not have a significant exposure to any individual regulated entity or counterpart. Management reviews accounts receivable on a case by case basis to determine if an allowance is necessary to reflect an impairment in collectability.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Board has investments in guaranteed investment certificates, debentures, bonds, mid and medium term notes and high-interest savings accounts which bear interest at fixed rates ranging between 2.0% and 6.821%. Consequently, the Board's exposure to interest rate risk on these investments is minimal.

CANADA-NOVA SCOTIA OFFSHORE PETROLEUM BOARD

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2013

8. Financial instruments (continued)

(c) Market rate risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The debentures, bonds and mid and medium term notes held in the Board's investment portfolio expose the Board to market risk as such investments are subject to price changes in the open market.

(d) Liquidity risk

Liquidity risk is the risk that the Board will encounter difficulty in meeting its obligations associated with its financial liabilities as they become due. The Board's ability to meet its obligations depends on the receipt of funds whether in the form of revenue or advances.

9. Contingent liabilities

The Board has been served notification of the following two legal proceedings:

- (a) An application has been submitted to the Supreme Court of Nova Scotia for an order quashing the Board's decision to cancel an exploration license due to the license holder's failure to post the required work deposit.
- (b) An application has been submitted to the Supreme court of Nova Scotia for a declaratory judgement stating that the Board has no authority to request, hold, or distribute information the applicant obtained from conducting seismic surveys in the Nova Scotia offshore area. An injunction prohibiting the Board from disclosing such information collected from such surveys has also been requested.

At this time, the outcome of these legal proceedings is not determinable. No liability has been recognized in these financial statements with regard to the above mentioned claims due to their uncertainty. Neither proceeding involves a claim for damages against the Board.

10. Budget information

Due to extraordinary unbudgeted expenses during the fiscal year, a budget amendment was submitted to and approved by both the the Government of Canada and the Government of Nova Scotia in the amount of \$60,000 from each government. The additional \$120,000 brought the total amended budget to \$7,220,000. The original budget of \$7,100,000 is presented in the statement of operations.

The budget figures presented are for comparison purposes and are unaudited. Amortization was not contemplated in development of the budget and, as such, has not been included.

11. Comparative figures

In some cases, the comparative figures have been reclassified to conform with the current year's presentation.

CANADA-NOVA SCOTIA OFFSHORE PETROLEUM BOARD

**SCHEDULE OF TANGIBLE CAPITAL ASSETS
YEAR ENDED MARCH 31, 2013**

COST				
	<u>Opening</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending</u>
Leasehold improvements	\$ 639,095	\$ -	\$ -	\$ 639,095
Leasehold improvements - GRC	671,782	-	-	671,782
Furniture and fixtures	441,503	-	-	441,503
Computer equipment	1,064,637	2,753	-	1,067,390
Computer equipment - GRC	979,745	115,724	-	1,095,469
Computer software	667,255	-	-	667,255
Computer software - GRC	202,791	74,987	-	277,778
Equipment	<u>168,035</u>	<u>-</u>	<u>-</u>	<u>168,035</u>
	<u>\$4,834,843</u>	<u>\$ 193,464</u>	<u>\$ -</u>	<u>\$5,028,307</u>

	ACCUMULATED AMORTIZATION				NET BOOK VALUE	
	<u>Opening</u>	<u>Amortization</u>	<u>Disposals</u>	<u>Closing</u>	<u>2013</u>	<u>2012</u>
Leasehold improvements	\$ 509,050	\$ 36,243	\$ -	\$ 545,293	\$ 93,802	\$ 130,045
Leasehold improvements - GRC	592,523	79,259	-	671,782	-	79,259
Furniture and fixtures	432,874	3,573	-	436,447	5,056	8,630
Computer equipment	943,194	77,286	-	1,020,480	46,910	121,443
Computer equipment - GRC	972,844	22,048	-	994,892	100,577	6,901
Computer software	627,435	17,330	-	644,765	22,490	39,820
Computer software - GRC	202,791	12,498	-	215,289	62,489	-
Equipment	<u>168,035</u>	<u>-</u>	<u>-</u>	<u>168,035</u>	<u>-</u>	<u>-</u>
	<u>\$4,448,746</u>	<u>\$ 248,237</u>	<u>\$ -</u>	<u>\$4,696,983</u>	<u>\$ 331,324</u>	<u>\$ 386,098</u>

CANADA-NOVA SCOTIA OFFSHORE PETROLEUM BOARD

SCHEDULE OF EXPENSES YEAR ENDED MARCH 31, 2013

	(Note 10) <u>Budget</u>	<u>2013</u>	<u>2012</u>
Cost recoveries refunded to government			
Government of Canada	\$ -	\$ 1,755,683	\$ 1,612,980
Government of Nova Scotia	<u>-</u>	<u>1,755,683</u>	<u>1,612,980</u>
Total cost recoveries refunded to government	\$ <u>-</u>	\$ <u>3,511,366</u>	\$ <u>3,225,960</u>
Regulation of petroleum activities			
Personnel, consulting and Board members	\$ 4,957,000	\$ 5,162,562	\$ 4,699,691
General office and support	1,331,500	1,175,903	1,096,889
Office and laboratory premise costs	616,500	592,615	582,833
Supplementary employee retirement plan cost	41,000	55,296	50,345
Post-retirement health and retiring allowance cost	144,000	156,609	146,092
Diving certification	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Total regulation of petroleum activities (note 10)	\$ <u>7,100,000</u>	\$ <u>7,152,985</u>	\$ <u>6,585,850</u>