Grant Thornton

Consolidated Financial Statements

Waterfront Development Corporation Limited

March 31, 2013

Contents

Grant Thornton

Management statement on financial reporting

Grant Thornton LLP
Suite 1100,Cogswell Tower
2000 Barrington Street
Halifax, NS B3J 3K1

T (902) 421-1734
F (902) 420-1068
www.GrantThornton.ca

To the Shareholder of
Waterfront Development Corporation Limited

The accompanying consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Management is also responsible to ensure that all information reproduced in the annual report is consistent with the statements. In carrying out its responsibilities, management maintains appropriate systems of internal controls designed to ensure that the financial information produced is relevant and reliable and that the Corporation's assets are appropriately accounted for and adequately safeguarded.

Ultimate responsibility for the consolidated financial statements rests with the Board of Directors. A Finance, Audit and Risk Management Committee of non-management Directors is appointed by the Board to review the consolidated financial statements in detail with management and to report to the Directors prior to their approval of the consolidated financial statements for publication. The Directors have established standards of conduct for employees to prevent conflicts of interest and unauthorized disclosure of confidential information.

The auditors review the consolidated financial statements in detail and meet separately with both the Finance, Audit and Risk Management Committee and management to review their findings. Grant Thornton LLP, Chartered Accountants report directly to the shareholder.

Colin MacLean, President	John Holm, Chair - Board of Directors
Date	Date

Grant Thornton

Independent auditor's report

Grant Thornton LLP
Suite 1100
2000 Barrington Street
Halifax, NS
B3J 3K1

T (902) 421-1734
F (902) 420-1068
www.GrantThornton.ca

To the Shareholder of
Waterfront Development Corporation Limited

We have audited the accompanying consolidated financial statements of Waterfront Development Corporation Limited (the "Corporation"), which comprise the consolidated statement of financial position as at March 31, 2013, and the consolidated statement of operations, 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 consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated 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.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated 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 from 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 Corporation's preparation and fair presentation of the consolidated 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 Corporation'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, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at March 31, 2013, and the consolidated statement of operations, changes in net financial assets (debt), and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Grant Thornton LLP

Halifax, Canada
June 18, 2013

Chartered Accountants

Waterfront Development Corporation Limited
Consolidated statement of operations

Year ended March 31	Budget	2013	2012
Revenue			
Rents	$ 3,534,000	$ **3,471,109**	$ 3,580,266
Provincial grant revenue (note 18)	5,033,000	**714,078**	273,300
Recoveries	274,000	**312,883**	330,279
Investment income	-	**835**	24,028
Other income	-	**18,268**	7,792
	8,841,000	**4,517,173**	4,215,765
Expenses			
Property expenses (Schedule 1)	2,043,600	**2,064,007**	2,188,015
Corporate expenses (Schedule 2)	2,047,400	**1,950,649**	1,892,695
Lunenburg real estate and development projects (Schedule 3)	-	**(164,439)**	(221,350)
Tall Ships Nova Scotia Festival (Schedule 4)	-	**(2,994)**	-
	4,091,000	**3,847,223**	3,859,360
Annual surplus (note 18)	4,750,000	**669,950**	356,405
Accumulated surplus, beginning of year	31,742,598	**31,742,598**	31,386,193
Accumulated surplus, end of year	$ 36,492,598	$ **32,412,548**	$ 31,742,598

See accompanying notes to the consolidated financial statements.

Waterfront Development Corporation Limited
Consolidated statement of financial position

March 31	2013	2012
Financial assets		
Cash	$ **196,914**	$ -
Receivables (note 3)	**844,837**	782,752
Mortgage receivable (note 4)	**-**	199,000
	1,041,751	981,752
Liabilities		
Bank indebtedness	**-**	48,271
Payables and accruals (note 5)	**1,265,780**	1,349,420
Loan payable (note 6)	**1,680,000**	1,245,000
Deferred revenue (note 7)	**3,995,591**	4,337,194
Deferred proceeds on sale of property	**-**	275,000
	6,941,371	7,254,885
Net financial assets (debt)	**(5,899,620)**	(6,273,133)
Non-financial assets		
Tangible capital assets (note 8)	**38,248,833**	37,822,312
Prepaids	**63,335**	193,419
	38,312,168	38,015,731
Accumulated surplus (note 9)	$ **32,412,548**	$ 31,742,598

Commitments (note 14)

On behalf of the Board

_______________ Director _______________ Director

See accompanying notes to the consolidated financial statements

Waterfront Development Corporation Limited
Consolidated statement of change in net financial assets (debt)

March 31	Budget	2013	2012
Annual surplus (note 18)	$ 4,750,000	$ **669,950**	$ 356,405
Acquisition of tangible capital assets (note18)	(5,518,000)	**(1,259,020)**	(948,056)
Amortization of tangible capital assets (note 19)	751,000	**832,499**	769,540
	$ (4,767,000)	$ **(426,520)**	$ (178,516)
Acquisition of prepaid expense	$ -	$ **(155,779)**	$ (309,978)
Use of prepaid expense	-	**285,862**	167,093
	-	**130,083**	(142,885)
(Increase) decrease in net financial assets (debt)	(17,000)	**373,513**	35,004
Net financial assets (debt) beginning of year	(6,273,133)	**(6,273,133)**	(6,308,137)
Net financial assets (debt) end of year	$ (6,290,133)	$ **(5,899,620)**	$ (6,273,133)

See accompanying notes to the consolidated financial statements

Waterfront Development Corporation Limited
Consolidated statement of cash flows

Year ended March 31		2013		2012
Increase (decrease) in cash and cash equivalents				
Operating				
Annual surplus	$	**669,950**	$	356,405
Amortization		**832,499**		769,540
		1,502,449		1,125,945
Change in non-cash operating working capital (note 11)		**(15,641)**		(116,267)
		1,486,808		1,009,678
Financing				
Decrease in mortgage receivable		**199,000**		901,622
Increase (decrease) in loans payable		**435,000**		(725,647)
		634,000		175,975
Investing				
Purchase of property and equipment		**(1,259,020)**		(948,056)
Deferred revenue		**(341,603)**		978,291
Deferred proceeds on the sale of property		**(275,000)**		(964,072)
		(1,875,623)		(933,837)
Net increase in cash and cash equivalents		**245,185**		251,816
Cash and cash equivalents (bank indebtedness) Beginning of year		**(48,271)**		(300,087)
End of year	$	**196,914**	$	(48,271)

See accompanying notes to the consolidated financial statements.

1. Nature of operations

The Corporation was declared a Provincial Crown Corporation by order of His Honour the Lieutenant Governor on March 30, 1976.

The Corporation's mission is to service as champion of a dynamic vision and to plan, coordinate, promote and develop properties, events and activities on designated waterfronts around Halifax Harbour and other locations as determined by the shareholder as detailed in the order in Council No. 2005-373 dated August 19, 2005.

On September 20, 2005, the Corporation purchased significant holdings in the Town of Lunenburg, as well as a numbered company, 3104102 N.S. Limited, which held additional properties in the Town. This was done in cooperation with the Province to protect the working waterfront in Lunenburg.

2. Summary of significant accounting policies

The following consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. Significant accounting policies are as follows:

Basis of accounting
These financial statements are prepared on a consolidated basis in accordance with Canadian public sector accounting standards. As such, the financial position and results of operations of the 100% owned subsidiary, 3104102 N.S. Limited, are consolidated into these financial statements.

Basis of consolidation
The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity, which is composed of all organizations, which are controlled by Waterfront Development Corporation Limited. See note 12 for a description of the controlled organization.

Revenue recognition
Rent and recovery revenues are recorded on an accrual basis as earned.

Revenue generated as a result of property development is applied as a reduction in the cost. The Corporation receives amounts from third parties for dumping fill on a Corporation property. These amounts have been offset against accumulated development costs related to the property and the excess has been recorded as deferred revenue.

Government assistance is recognized as revenue when the transfer is authorized, any eligibility criteria are met, and reasonable estimates of the amounts can be made. The assistance is accounted for as a deferred capital grant when amounts have been received but not all eligibility criteria have been met.

Tangible capital assets including capital leases
Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, renovation and development of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

2. Summary of significant accounting policies (continued)

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight line basis over their estimated useful lives as follows:

Buildings	10-50 years
Wharves and walkways	50 years
Equipment	5 years
Paving	10-50 years
Capital lease	45 years
Monuments	10 years

On an annual basis, the Corporation reviews the carrying amounts of properties 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 consolidated statement of operations.

There are ongoing negotiations for potential development projects on the Bedford, Dartmouth, Halifax, and Lunenburg waterfronts. The outcome of these negotiations and the possible financial impact on fair value of the existing land and buildings is indeterminable at this time.

Measurement uncertainty
The preparation of consolidated 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 consolidated financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the useful life of capital assets, rates for amortization, and allowance for doubtful accounts.

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

Mortgage receivable
Mortgage receivable is recorded at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt. Interest is accrued on the mortgage receivable to the extent it is deemed collectable.

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.

2. Summary of significant accounting policies (continued)

Liability for contaminated sites
Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

i. an environmental standard exists;
ii. contamination exceeds the environmental standard;
iii. the Corporation is directly responsible for or accepts responsibility; and
iv. a reasonable estimate of the amount can be made.

There are no environmental liabilities that warrant being recognized in the financial statements.

Prepaids
Prepaids include prepaid insurance and prepaids relating to the Tall Ships festival (fiscal 2012 only), and are charged to expense over the periods expected to benefit from it.

Income taxes
As a Provincial Crown Corporation, the Corporation is exempt from income taxes under the provisions of the Income Tax Act.

Cash and cash equivalents and bank indebtedness
Cash and cash equivalents are comprised of cash on hand, cash held in banks and bank overdrafts.

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.

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), except for investments, which must be measured at fair value. The Corporation uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the consolidated statement of revenues and expenses. The financial instruments measured at amortized cost are cash and cash equivalents, receivables, payables and accruals and loan payable.

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.

2. Summary of significant accounting policies (continued)

Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest or credit risks arising from financial instruments.

Investments
Investments are recorded at market value.

3. Receivables

	2013	2012
Receivables	$ 886,824	$ 828,542
Less: provision for doubtful accounts	(41,987)	(45,790)
	$ 844,837	$ 782,752

4. Mortgage receivable

	2013	2012
Mortgage receivable bearing interest at 3%, collected during the year	$ -	$ 199,000

5. Payables and accruals

	2013	2012
Payables and accruals	$ 1,094,239	$ 1,146,922
Salaries and benefits payable	56,735	39,023
Marketing payable	53,278	61,571
Other	61,528	101,904
	$ 1,265,780	$ 1,349,420

6. Loan payable

	2013	2012
Demand loan	$ 1,680,000	$ 1,245,000

Cash flow resulting from the Bedford waterfront project has been used to temporarily repay the revolving operating line loan. If segregated funding was required or costs incurred to finance related developments and activities, the total debt would be increased from $1,680,000 to $5,130,934 through additional borrowings and other available funding as illustrated below:

	2013	2012
Demand loan	$ 1,680,000	$ 1,245,000
Bedford waterfront project (note 7)	3,450,934	4,023,085
	$ 5,130,934	$ 5,268,085

7. Deferred revenue

Deferred revenues are set aside for specific purposes as required either by legislation, regulation or agreement as at March 31, 2013:

	Balance at beginning of year	Receipts during year	Transferred to revenue	Balance at end of year
Deposits for project developments and programs	$ 20,000	$ 250,547	$ (20,000)	$ 250,547
Bedford waterfront project	4,023,085	185,355	(757,506)	3,450,934
Development of Halifax waterfront	294,110	-	-	294,110
	$ 4,337,195	$ 435,902	$ (777,506)	$ 3,995,591

The Corporation received a deposit from Southwest Properties Limited for future development of the Cunard Block property. The Corporation receives amounts from third parties for dumping fill in Bedford. The intent is to develop the Bedford waterfront property and utilize this long term deferred revenue in that development over future periods. The Corporation received amounts from a third party as part of a development agreement for the Halifax waterfront; the intent is to use these funds in the development of the waterfront in future periods.

8. Tangible capital assets

March 31, 2013

	Land	Buildings	Wharves and walkways	Equipment	Paving	Capital lease	Monument	Lunenburg (note 12)	Playground	2013 Total
Cost										
Opening balance	$ 20,218,853	$ 9,714,913	$ 8,779,212	$ 1,851,151	$ 448,133	$ 1,704,472	$ 309,718	$ 4,638,883	$ -	$ 47,692,335
Additions	591,922	56,935	74,581	152,131	-	-	-	164,438	234,083	1,274,091
Disposals							(15,071)			(15,071)
Closing balance		9,798,849	8,853,793	2,003,281	448,134	1,704,472	294,647	4,803,320	234,083	48,951,355
Accumulated Amortization										
Opening balance	-	5,349,868	1,700,443	930,294	190,489	1,313,153	96,824	288,952	-	9,870,023
Amortization	-	221,845	207,389	247,285	7,643	35,528	42,555	59,261	10,993	832,498
Disposals	-									
Closing balance	-	1,907,831	1,907,831	1,177,577	198,132	1,348,681	139,379	348,214	10,993	10,702,521
Net book value	$ 20,810,776	$ 4,227,135	$ 6,945,961	$ 825,704	$ 250,002	$ 355,790	$ 155,268	$ 4,455,106	$ 223,090	$ 38,248,833

March 31, 2012

	Land	Buildings	Wharves and walkways	Equipment	Paving	Capital lease	Other	Lunenburg (note 12)	2012 Total
Cost									
Opening balance	$ 20,079,191	$ 9,689,690	$ 8,567,858	$ 1,570,799	$ 435,016	$ 1,704,472	$ 331,511	$ 4,365,742	$ 46,744,279
Additions	139,662	52,223	211,354	280,352	13,117	-	-	316,171	1,012,879
Disposals	-	-	-	-	-	-	(21,793)	(43,030)	(64,823)
Closing balance	20,218,853	9,741,913	8,779,212	1,851,151	448,133	1,704,472	309,718	4,638,883	47,692,335
Accumulated Amortization									
Opening balance	-	5,129,201	1,517,590	704,564	183,021	1,277,625	51,320	237,162	9,100,483
Amortization	-	220,667	182,853	225,730	7,468	35,528	45,504	51,790	769,540
Disposals	-	-	-	-	-	-	-	-	-
Closing balance	-	5,349,868	1,700,443	930,294	190,489	1,313,153	96,824	288,952	9,870,023
Net book value	$ 20,218,853	$ 4,392,045	$ 7,078,769	$ 920,857	$ 257,644	$ 391,319	$ 212,894	$ 4,349,931	$ 37,822,312

The capital lease is a prepaid long term lease from the Federal Department of Public Works for a term of 45 years from 1977, with three ten-year renewal options.

9. Accumulated surplus

The accumulated surplus is made up as follows:

	2013	2012
Accumulated surplus	$ 18,664,719	$ 17,994,769
Contributed surplus	13,747,826	13,747,826
Share capital	3	3
	$ 32,412,548	$ 31,742,598

	2013	2012
Authorized:		
5,000 shares without nominal or par value		
Issued:		
3 shares	$ 3	$ 3

The shares are held in trust by one representative of the Province for the Queen in Right of the Province of Nova Scotia.

10. Employee pension plan

The Corporation is a participant in a Multi-Employer Pension Plan, the Nova Scotia Public Service Superannuation Plan. During the year the Corporation made contributions to the plan in the amount of $86,457.

Any unfunded liability of the Plan applicable to the Corporation is not determinable and should not be significant as its participation includes only eleven employees.

11. Supplemental cash flow information

	2013	2012
Change in non-cash operating working capital		
Receivables	$ (62,085)	$ (50,670)
Prepaids	130,083	(142,885)
Payables and accruals	(83,639)	77,288
	$ (15,641)	$ (116,267)

12. Lunenburg investment

In fiscal 2006, the Corporation acquired real estate properties in the Town of Lunenburg by way of a 100% share purchase of 3104102 N.S. Limited and direct asset purchases.

The Province provides an annual operating grant to cover any shortfall between revenues and expenditures and tangible capital asset construction or purchases.

The Lunenburg assets consist of land, buildings and wharves. These assets have been shown as a separate line item within the Tangible Capital Assets schedule in note 8 to the financial statements. This is to recognize these assets as a unique group whose title with the Corporation may not necessarily be long term in nature, depending on decisions of the Province.

13. Related party transactions

During the year, the Corporation transacted business with various Departments and Crown Corporations of the Province of Nova Scotia. These transactions included rent charged to these entities for use of the Corporation's assets. Other revenues received from related parties include operating grants. Various expenditures were incurred by the Corporation for transactions with these same related parties for payroll benefits, consulting and legal services.

14. Commitments

(i) The Corporation has entered into an agreement with an existing combined residential and commercial building on the Halifax waterfront to allow partial early conversion of the complex into condominium units. The Corporation will receive total compensation of $500,000, the timing of payments being contingent on the sale of condo units. Payment will be either by way of direct cash payment to the Corporation or by the construction of amenities on the Halifax waterfront by the vendor of the condo units. The Corporation has committed to use the direct cash compensation received on the construction of amenities on the Halifax waterfront. In the current fiscal year, the Corporation has recognized nil (2012 - $12,252) as deferred revenue. The Corporation has cumulatively recognized $314,573 as deferred revenue and expended $20,464 on amenities for a net deferred balance of $294,110 (refer to note 7).

(ii) During the year, the Corporation issued a request for proposals for the development of the property known as Cunard Block. Southwest Properties Limited was selected as the preferred proponent based on the proposals received. Negotiations are currently proceeding regarding the land lease for the site and the Regulatory Approvals agreement. The Corporation will be responsible for the design and construction of the public space component of the development, estimated to cost $3 million. Southwest Properties will be contributing a portion of the cost and a provincial grant will be requested. As of April 2013, construction is anticipated to commence in July 2014.

15. Employee compensation

As required under the Public Sector Compensation Disclosure Act for the Province of Nova Scotia, the following are total gross compensation in excess of $100,000 for individual employees of the Corporation:

Colin MacLean, President and CEO	$ 150,384
Jennifer Angel, VP Operations and Marketing	$ 112,690

16. Capital management

The Corporation's objectives when managing capital are:

a) To maintain financial strength through sound stewardship of core assets and long-term development and financial planning such that it is able to continue designing and developing great waterfronts; and
b) To ensure a return on and use of public assets that strikes a balance between allowing the Corporation to be self sufficient while providing for public enjoyment of their waterfronts.

The above objectives are considered in annual budgets and property development planning.

17. Credit facility

In fiscal 2013, the Corporation renewed its credit facility agreement with the Royal Bank of Canada. The facility provides a $6 million revolving operating line at RBC prime rate, less 1%. The facility expires on June 15, 2017.

18. Budgeted figures

During the year the Corporation had budgeted for a significant capital expenditure to be incurred relating to the development of a specific waterfront development block. The expenditure had been approved for a grant from the Province of Nova Scotia. The developer has delayed the project and therefore the expenditure and related grant were not incurred in fiscal 2013.

19. Amortization

The fiscal 2013 budget was prepared and approved during the time that the Public Sector Accounting Standards Board was in the process of re-evaluating its recommended treatment of accounting for grants to acquire capital assets. This impacted the resulting amortization expense on the underlying assets. The impact to the Corporation in fiscal 2013 was a higher amortization than had been budgeted. The accounting treatment has since been determined and is not expected to result in uncertain budgeting in future periods.

20. Comparative figures

Certain of the comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

Waterfront Development Corporation Limited
Schedule 1 - Property expenses

Year ended March 31		Budget		2013		2012
Expense						
Amortization (note 19)	$	751,000	$	**773,238**	$	717,750
Repairs and maintenance		323,800		**263,246**		405,171
Landscaping and waste removal		166,000		**170,978**		269,386
Wages and labour		224,500		**278,970**		201,693
Security		166,500		**164,692**		159,119
Utilities		151,000		**156,810**		149,746
Equipment and supplies		97,500		**110,011**		108,835
Insurance		92,400		**96,207**		91,825
Miscellaneous		46,900		**22,715**		60,634
Property taxes		24,000		**27,140**		23,856
Total expenditures	$	2,043,600	$	**2,064,007**	$	2,188,015

Waterfront Development Corporation Limited
Schedule 2 - Corporate expenses

Year ended March 31		Budget		2013		2012
Expense						
Salaries, contracts and benefits	$	1,167,000	$	**1,180,777**	$	1,155,763
Professional fees						
Programs		305,000		**138,830**		204,818
Audit		25,000		**19,400**		18,360
Consulting		30,000		**39,751**		44,400
Legal fees		40,000		**3,279**		2,482
Office operations		215,900		**236,587**		217,229
Waterfront promotions and public relations		183,500		**225,896**		184,835
Directors' fees and expenses		50,000		**35,577**		42,394
Doubtful accounts		6,000		**47,745**		7,651
Loan interest		25,000		**22,811**		14,763
Total expenditures	$	2,047,400	$	**1,950,649**	$	1,892,695

Waterfront Development Corporation Limited
Schedule 3 - Revenue and expense for the Lunenburg real estate and development projects

Year ended March 31		Budget		**2013**		2012
Revenue						
Rents	$	225,000	$	**367,266**	$	374,493
Operating grant		374,200		**340,648**		364,784
		599,200		**707,914**		739,277
Expense						
Administration		2,500		**2,173**		1,063
Amortization (note 19)		-		**59,261**		51,790
Professional fees		60,000		**46,527**		76,488
Operating		536,700		**435,514**		345,555
		599,200		**543,475**		474,896
Excess of revenue over expenditures before other items	$	-	$	**164,439**	$	264,381
Other items						
Loss on sale of property		-		**-**		35,852
Sale proceeds payment to Province of Nova Scotia		-		**-**		7,179
Excess of revenue over expenditures	$	-	$	**164,439**	$	221,350

Waterfront Development Corporation Limited
Schedule 4 - Revenue and expense for the Tall Ships Nova Scotia Festival

Year ended March 31		Total event budget		Total event actual		**2013**		2012
Revenue								
Tall ships revenues	$	950,000	$	484,086	$	**484,086**	$	-
Government grants		1,860,000		1,857,954		**1,471,139**		386,815
		2,810,000		2,342,040		**1,955,225**		386,815
Expense								
Administration and management		200,000		415,328		**218,523**		196,805
Marketing		260,000		332,486		**212,435**		120,051
Operations		1,825,000		1,261,182		**1,191,223**		69,959
Public Programming		525,000		330,050		**330,050**		-
		2,810,000		2,339,046		**1,952,231**		386,815
Excess of revenue over expenditures	$	-	$	2,994	$	**2,994**	$	-