

# Public Accounts

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Volume 1 — Consolidated Financial Statements  
For the fiscal year ended March 31, 2025



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Volume 1 — Consolidated Financial Statements

For the fiscal year ended March 31, 2025



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## Table of Contents

<b>Message from the Minister of Finance and Treasury Board .....</b>	<b>5</b>
Introduction .....	7
<b>Financial Statement Discussion and Analysis</b>	
Financial Highlights of the Consolidated Financial Statements .....	11
Provincial Surplus (Deficit) .....	12
Net Debt .....	13
Revenue .....	15
Expenses .....	19
Financial Assets .....	22
Liabilities .....	24
Non-Financial Assets .....	28
Accumulated Deficits .....	31
Cash Flows .....	33
Presentation of Estimates .....	34
Selected Highlights of the General Revenue Fund .....	37
Revenue Analysis .....	38
Departmental Expenses Analysis .....	44
Tangible Capital Assets .....	51
Additional Appropriations .....	53
Debt Servicing Costs .....	55
Economic Highlights .....	57
<b>Consolidated Financial Statements</b>	
Statement of Responsibility .....	69
Independent Auditor's Report .....	71
Consolidated Statement of Financial Position – Statement 1 .....	79
Consolidated Statement of Operations – Statement 2 .....	80
Consolidated Statement of Changes in Net Debt – Statement 3 .....	81
Consolidated Statement of Remeasurement Gains and Losses – Statement 4 .....	82
Consolidated Statement of Cash Flow – Statement 5 .....	83
Notes to the Consolidated Financial Statements .....	84
Schedules to the Consolidated Financial Statements	
1: Revenue .....	116
2: Expenses .....	117
3: Loans and Investments .....	121
4: Unmatured Debt .....	123
5: Gross Unmatured Debt .....	125
6: Government Business Enterprises .....	126
7: Tangible Capital Assets .....	131
8: Direct Guarantees .....	133
9: Segment Reporting .....	134
10: Government Reporting Entity .....	137



## **Message from the Minister**

Nova Scotia's Public Accounts for the fiscal year ending March 31, 2025 reflect the continuation of our province's growing population and improving economy, and our government's work to address priorities that are important to Nova Scotians.

In 2025, Nova Scotia's real Gross Domestic Product (GDP) grew by an estimated 2.7 per cent, and our population increased by 1.9 per cent.

Government continues to invest in what matters to Nova Scotians, including transformational changes to healthcare, improvements to housing, affordability measures, growing our economy, and responses to extreme weather events.

In the Public Accounts, we present the actual financial results at the end of the fiscal year and compare these to the budget approved at the beginning of the fiscal year.

The Province of Nova Scotia reported a surplus of \$264.8 million for the year ended March 31, 2025 compared to a budgeted deficit of \$467.4 million in Budget 2024-25.

Total consolidated revenues were \$18.22 billion, which was \$1.38 billion or 8.2 per cent higher than the estimate. This was mainly due to increases in personal and corporate income tax revenues, revenue from the tobacco settlement, provincial recoveries, and interest revenue.

Total consolidated expenses were \$17.96 billion, which was \$644.9 million or 3.7 per cent higher than the estimate. This was mainly due to increased support for healthcare services, including increased wages, inflationary pressures, and physician services, increased costs in support of seniors and long-term care and home support services, and increased community support grants, film fund investments, heating rebate grants, disaster relief assistance, and debt servicing costs.

The Province's net debt as of March 31, 2025 was \$20.84 billion. The net debt-to-GDP ratio for 2024-25 was 33.4 per cent, an increase from 32.1 per cent reported a year ago and a slight improvement over the 34.6 per cent estimate.

Detailed analysis of these results is contained within this document.

These consolidated financial statements are in accordance with Canadian public sector accounting standards and have received an unmodified opinion from the Auditor General of Nova Scotia.



Honourable John Lohr  
Minister of Finance and Treasury Board



### Introduction to the Public Accounts

In accordance with the *Finance Act*, the Minister of Finance and Treasury Board for the Province of Nova Scotia (Province) produces the Public Accounts annually to report on the operating results and financial condition of the Province. Volume 1 of the Public Accounts includes general purpose financial statements meant to meet the needs of a variety of users. They are prepared on a consolidated basis, which means that they include the financial information of the departments and public service units of government as well as the Crown corporations, boards, and other entities owned or controlled by the Province.

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards. For purposes of the Province's financial statements, this refers to the Public Sector Accounting Standards (PSAS) of the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada), supplemented where appropriate by other accounting standards of CPA Canada and the International Federation of Accountants.

The 2024-25 Public Accounts *Volume 1 – Consolidated Financial Statements* commences with the Financial Statement Discussion and Analysis (FSD&A) section. The FSD&A is a reporting practice recommended by PSAB, and responsibility for its preparation rests with management. This section presents comparative financial highlights of the consolidated financial statements as well as selected financial highlights of the General Revenue Fund. The FSD&A also includes an overview of the provincial debt and the Nova Scotia economy. The government is responsible for the integrity, objectivity, and fair presentation of the information in the FSD&A. The Controller prepares the FSD&A in accordance with PSAS on behalf of the Minister and the Deputy Minister of Finance and Treasury Board.

The General Revenue Fund is the level at which the annual estimates are prepared in detail for approval by the provincial government. Therefore, the FSD&A includes a section on the Selected Highlights of the General Revenue Fund that provides more detailed information and budget-to-actual analysis on revenues, departmental expenses, tangible capital assets, additional appropriations, and debt servicing costs. The General Revenue Fund is comprised of all departments and public service units of the Nova Scotia Government, as well as the net income of the Province's government business enterprises (GBEs), but excludes the other governmental units (GUs) owned or controlled by the Province and government partnership arrangements (GPAs).

There are two additional publications in the Public Accounts suite of annual financial reports:

- *Volume 2 – Entities and Funds* is a collection of the audited financial statements of various agencies, boards, commissions, other GUs, GBEs, GPAs, and special purpose funds.
- *Volume 3 – Supplementary Information* is produced in accordance with the *Finance Act* as a record of the payments made by the General Revenue Fund during the fiscal year for salaries, travel, grants, and other expenses.







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# **FINANCIAL STATEMENT DISCUSSION AND ANALYSIS**

**For the fiscal year ended March 31, 2025**

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## Financial Highlights of the Consolidated Financial Statements

### Financial Highlights

For the fiscal year ended March 31, 2025

(\$ thousands, except for Net Debt per Capita)

	2021	2022	2023	2024	2025	* 5-Year Trend	Page Ref
<b>Performance Measures</b>	(as restated)						
<b><u>Sustainability</u></b>							
Provincial Surplus (Deficit)	(\$341,595)	\$338,639	\$122,805	\$141,741	\$264,788	↑	12
Provincial Surplus (Deficit) to Nominal GDP	(0.74%)	0.66%	0.22%	0.24%	0.42%	↑	–
Net Debt	\$17,007,841	\$17,155,246	\$17,743,504	\$19,100,212	\$20,843,600	↑	13
Net Debt per Capita	\$17,194	\$17,157	\$17,306	\$18,079	\$19,364	↑	13
Net Debt to Nominal GDP	36.8%	33.4%	32.2%	32.1%	33.4%	↓	14
<b><u>Flexibility</u></b>							
Debt Servicing Costs to Total Revenue	6.0%	4.6%	4.3%	4.7%	4.8%	↓	20
Own Source Revenue to Nominal GDP	16.6%	17.7%	19.4%	18.4%	19.6%	↑	16
<b><u>Vulnerability</u></b>							
Federal Transfers to Total Revenue	37.5%	35.3%	31.3%	33.4%	33.0%	↓	16
<b>Other Financial Indicators</b>							
Total Revenue	\$12,285,867	\$14,047,650	\$15,589,233	\$16,504,370	\$18,220,679	↑	15
Total Expenses	\$12,627,462	\$13,709,011	\$15,466,428	\$16,362,629	\$17,955,891	↑	19
Interest on Unmatured Debt	\$626,599	\$548,585	\$574,630	\$671,015	\$755,805	↑	20
Financial Assets	\$5,495,767	\$7,432,824	\$7,492,614	\$7,179,124	\$7,299,552	↑	22
Total Liabilities	\$22,503,608	\$24,588,070	\$25,236,118	\$26,279,336	\$28,143,152	↑	24
Unmatured Debt	\$14,812,829	\$16,798,296	\$16,607,095	\$17,631,906	\$19,309,590	↑	25
Non-Financial Assets	\$7,508,944	\$8,015,443	\$8,761,310	\$10,176,465	\$12,155,492	↑	28
Accumulated Deficits	\$9,498,897	\$9,139,803	\$8,982,194	\$8,923,747	\$8,688,108	↓	31

\* An upward 5-Year Trend does not necessarily mean a positive or favourable change, and a downward 5-Year Trend does not necessarily mean a negative or unfavourable change.

**Sustainability** indicates a government's ability to maintain existing services and financial obligations without the need to increase revenues or debt borrowings.

**Flexibility** indicates a government's ability to either expand revenues or increase debt borrowings to meet existing services and financial obligations.

**Vulnerability** indicates a government's reliance on revenue sources beyond its direct control or influence and exposure to funding risks.

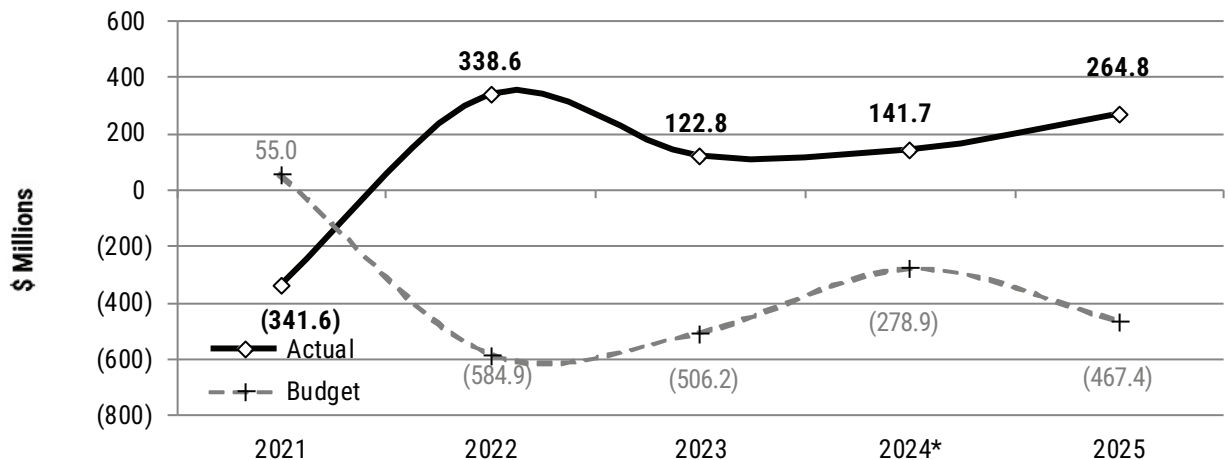


## Provincial Surplus (Deficit)

The provincial surplus (deficit) is the net financial result of the year's operations. For the fiscal year ended March 31, 2025, total revenue was \$18.22 billion (2024 – \$16.50 billion) and total expenses were \$17.96 billion (2024 – \$16.36 billion). The resulting surplus of \$264.8 million was \$732.2 million higher than the budgeted deficit of \$467.4 million and \$123.1 million higher than the prior year's restated surplus of \$141.7 million.

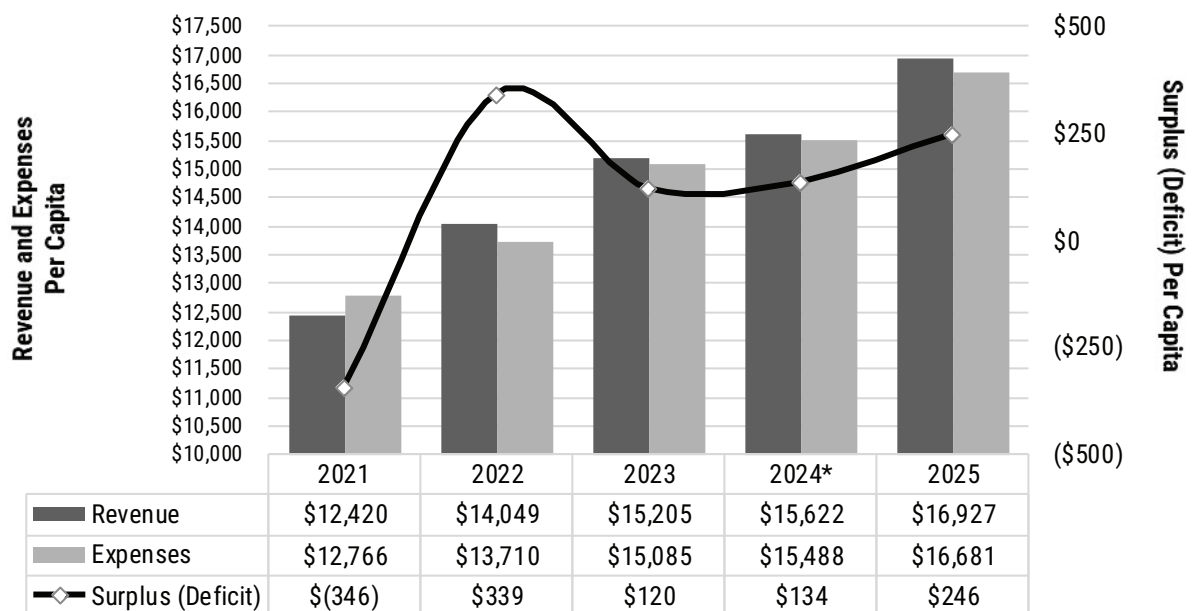
The Province has reported the following net financial results over the past five years:

### Provincial Surplus (Deficit) - 5 Year Trend



### Revenue and Expenses per Capita

The provincial surplus increased by \$112 per capita, from a \$134 surplus in 2024 to a \$246 surplus in 2025. Per capita information for the past five years is shown below.



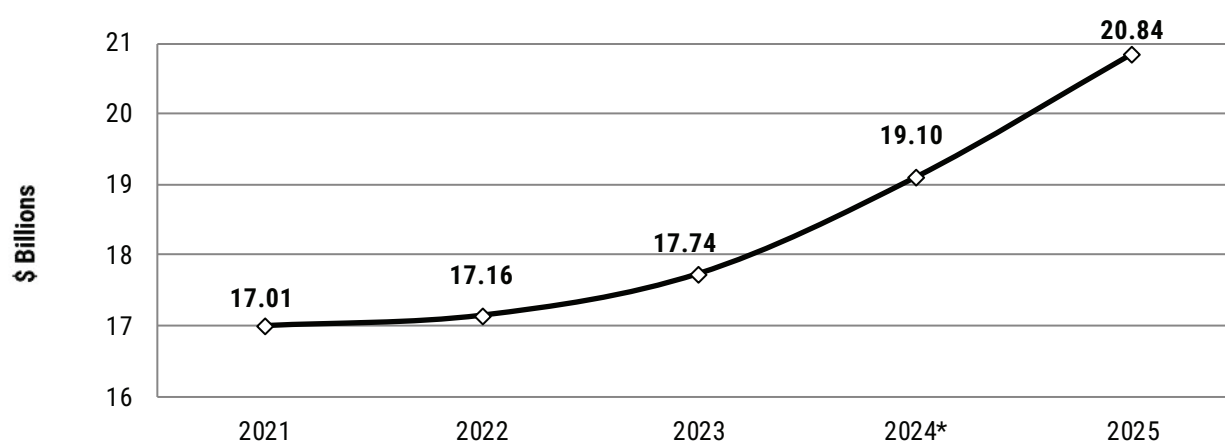
## Financial Highlights of the Consolidated Financial Statements

### Net Debt

Net debt is the result of a government's total liabilities exceeding total financial assets. It reflects the accumulation of annual deficits, surpluses, net remeasurement gains and losses, and net investments in non-financial assets. Net debt represents the liabilities that must be funded by future revenues, including taxation, and remains an obligation for future generations to fund through annual surpluses.

Net debt was \$20.84 billion at March 31, 2025, \$1.74 billion higher than the prior year due to the net acquisitions of tangible capital assets of \$1.97 billion, an increase in supplies inventory of \$16.1 million, and net remeasurement losses of \$29.1 million, partially offset by the \$264.8 million surplus and a decrease in prepaid expenses of \$8.1 million. The Province has reported net debt in the past five years as follows:

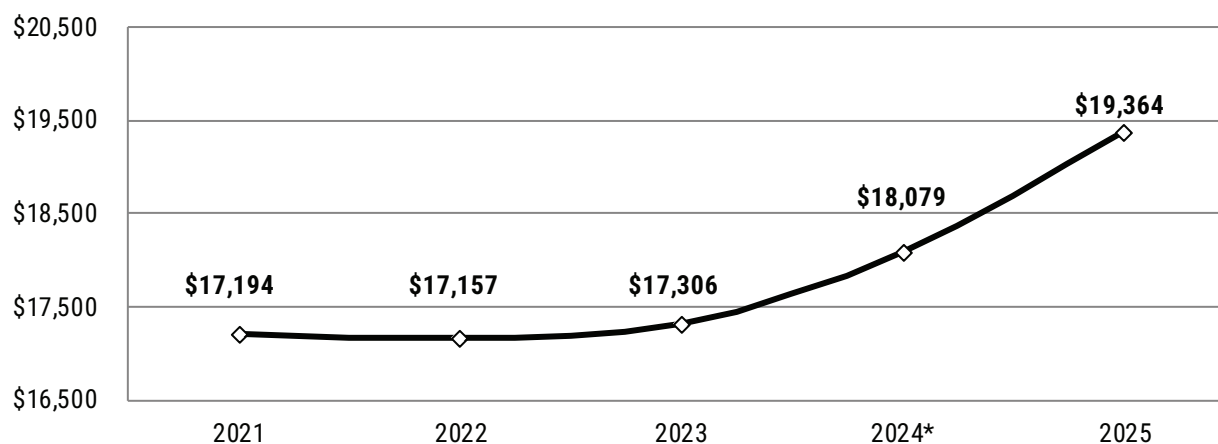
### Net Debt - 5 Year Trend



### Net Debt per Capita

Net debt increased by \$1,285 per capita from \$18,079 in 2024 to \$19,364 in 2025. The increase in net debt per capita is attributed to the increase in the Province's net debt balance, partially offset by the increase in Nova Scotia's population.

### Net Debt per Capita - 5 Year Trend



\* As restated

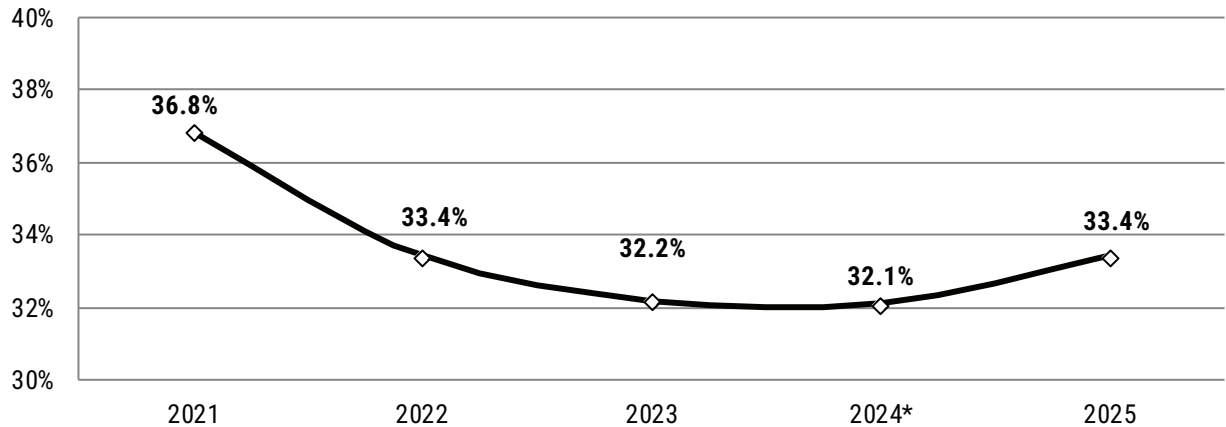


## Public Accounts Volume 1 – Consolidated Financial Statements

### Net Debt to Nominal Gross Domestic Product (GDP)

Net debt as a percentage of nominal GDP measures the level of future financial demands placed on the economy by the Province's spending and taxation policies. A higher ratio means a greater responsibility for future generations. In 2025, this ratio increased by 1.3 percentage points to 33.4 per cent. Over the past five years, it has decreased by 3.4 percentage points from a high of 36.8 per cent in 2021, with a low of 32.1 per cent in 2024.

#### Net Debt to Nominal GDP - 5 Year Trend

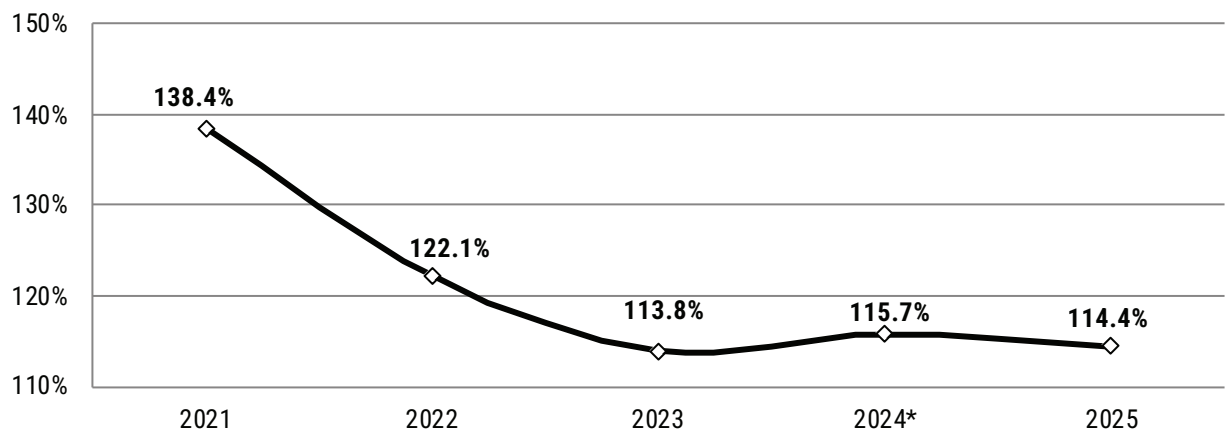


### Net Debt to Total Revenue

Net debt measures the future revenues required to pay for the past deficits, offset by past surpluses, net remeasurement gains and losses, and investments in non-financial assets. An increasing ratio indicates that more time is necessary to repay net debt.

Net debt as a percentage of total revenue decreased 1.3 percentage points from the previous year to 114.4 per cent. Over the past five years, this ratio has decreased 24.0 percentage points from a high of 138.4 per cent in 2021.

#### Net Debt to Total Revenue - 5 Year Trend



\* As restated

## Financial Highlights of the Consolidated Financial Statements

### Revenue

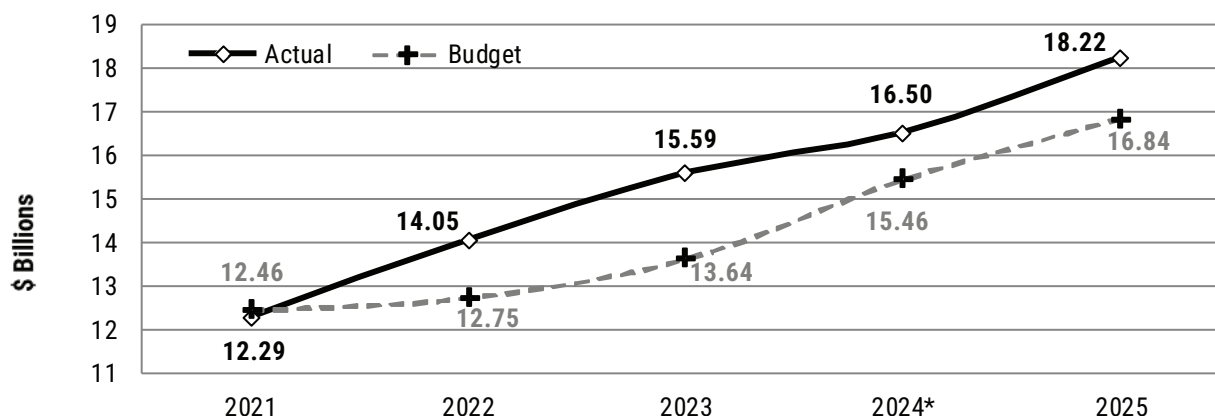
On a consolidated basis, total revenue for the year was \$1.38 billion or 8.2 per cent higher than the estimate and \$1.72 billion or 10.4 per cent higher than the prior year. The increase from estimate was mostly attributable to changes in tax revenues, recoveries, and miscellaneous provincial source revenue. These increases were partially offset by a reduction in other federal transfer revenue. Additional details on GRF revenue variances are provided starting on page 38 of this publication.

### Revenue

(\$ thousands)

	Adjusted Estimate 2025	Actual 2025	Actual 2024	Actual vs Estimate	Actual vs Actual
<b>Provincial Sources</b>			(as restated)		
Tax Revenue					
Income Taxes	4,923,379	5,849,720	4,872,260	926,341	977,460
Sales Taxes	3,181,129	3,154,585	3,332,058	(26,544)	(177,473)
Other Tax Revenue	241,718	298,496	280,749	56,778	17,747
Other Provincial Revenue					
Petroleum Royalties	—	55,324	50	55,324	55,274
Recoveries	492,119	642,301	608,073	150,182	34,228
Revenue of GUs	497,773	526,972	538,841	29,199	(11,869)
Municipal Contributions to RCEs	356,702	356,317	321,039	(385)	35,278
Miscellaneous	403,832	607,020	369,424	203,188	237,596
Net Income from GBEs	473,933	490,867	478,369	16,934	12,498
Investment Income					
Interest Revenue	149,414	205,796	159,840	56,382	45,956
Sinking Fund Earnings	22,414	25,856	24,369	3,442	1,487
	10,742,413	12,213,254	10,985,072	1,470,841	1,228,182
<b>Federal Sources</b>					
Equalization Payments	3,284,338	3,284,338	2,802,849	—	481,489
Other Federal Transfers	2,816,810	2,723,087	2,716,449	(93,723)	6,638
	6,101,148	6,007,425	5,519,298	(93,723)	488,127
<b>Total Revenue</b>	16,843,561	18,220,679	16,504,370	1,377,118	1,716,309

### Total Revenue - 5 Year Trend



\* As restated

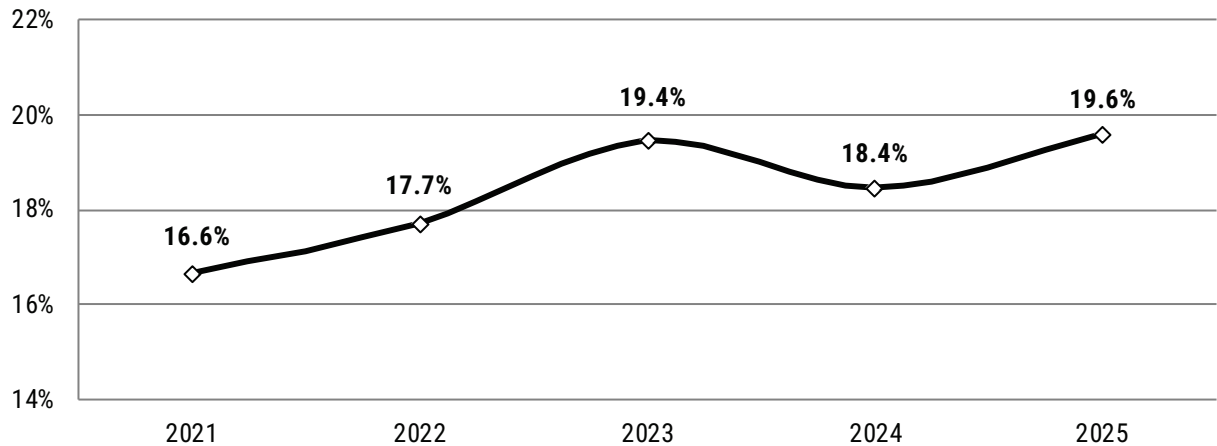




### ***Own Source Revenue to Nominal Gross Domestic Product (GDP)***

Own source revenue as a percentage of nominal GDP measures the extent to which the Province derives income from the provincial economy, either through taxation, user fees, recoveries, or other provincial revenues. This ratio increased by 1.2 percentage points from the previous year to 19.6 per cent. Over the past five years, this ratio has ranged from a high of 19.6 per cent in 2025 to a low of 16.6 per cent in 2021, which shows how the Province's demands on the provincial economy have remained relatively consistent over this period.

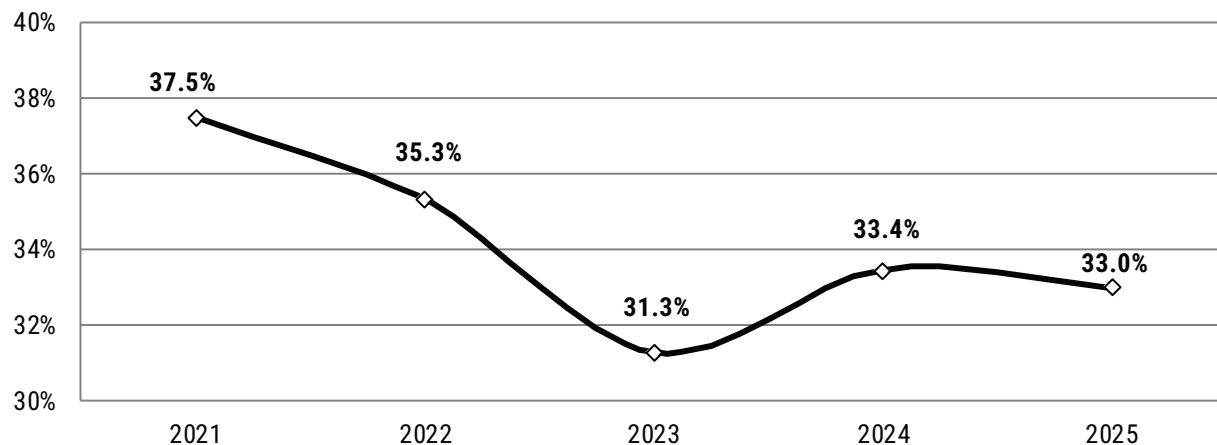
#### **Own Source Revenue to Nominal GDP - 5 Year Trend**



### ***Federal Transfers to Total Revenue***

Federal transfers as a percentage of total revenue measures the extent of funding from the federal government. Some of these transfers are dependent on policy decisions at the federal level and are generally outside the control of the provincial government. Although federal source revenue increased during the year, this ratio decreased by 0.4 percentage points from the previous year to 33.0 per cent due to larger increases in provincial tax revenue and other provincial revenue sources.

#### **Federal Transfers to Total Revenue - 5 Year Trend**

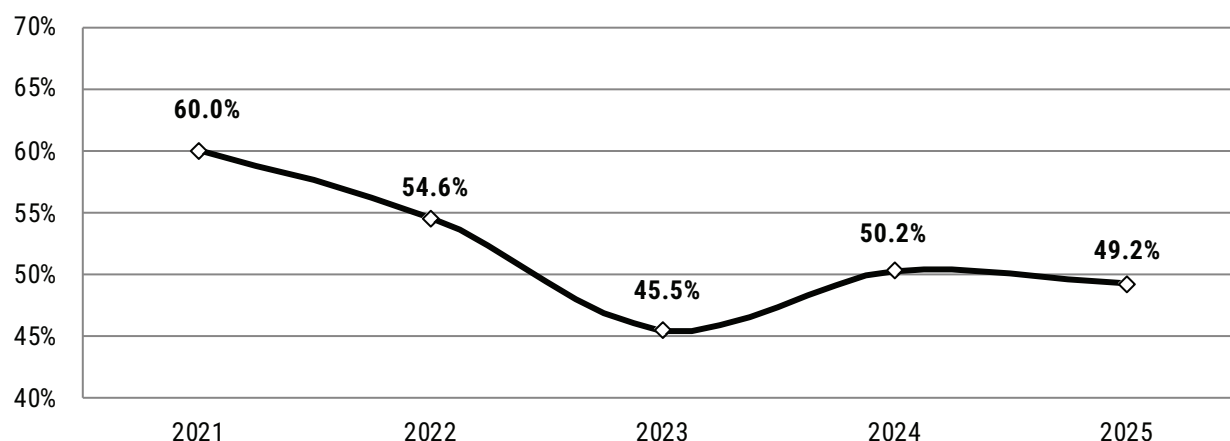


## Financial Highlights of the Consolidated Financial Statements

### Federal Transfers to Own Source Revenue

Federal transfers as a percentage of own source revenue measures the extent of revenue received from the federal government as compared to the amount of revenue generated from within the province. This ratio decreased by 1.0 percentage point from the previous year to 49.2 per cent. Over the past five years, this ratio has decreased by 10.8 percentage points from 60.0 per cent in 2021, with a low of 45.5 per cent in 2023.

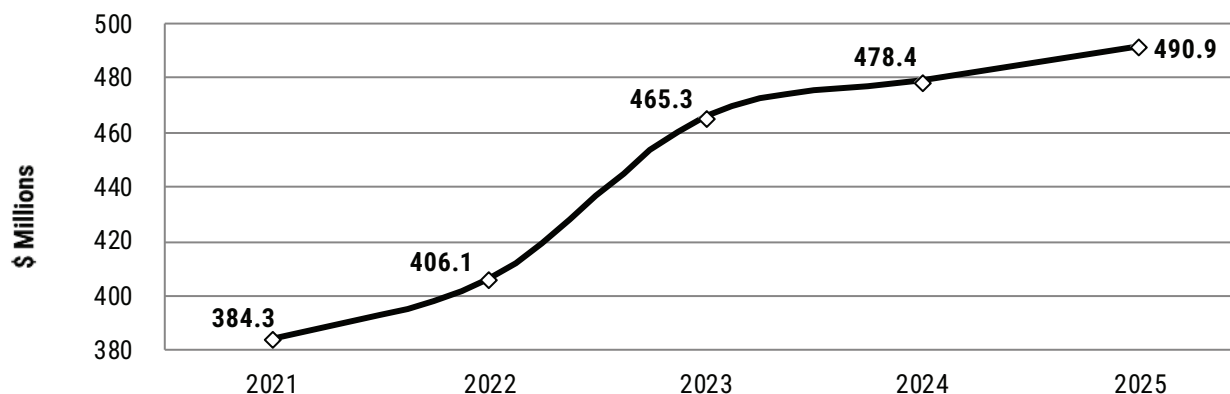
#### Federal Transfers to Own Source Revenue - 5 Year Trend



### Net Income from Government Business Enterprises (GBEs)

Net income from GBEs was \$12.5 million or 2.6 per cent higher than last year and \$16.9 million or 3.6 per cent higher than the estimate. Net income (before Win Tax) from Nova Scotia Gaming Corporation's Casino Nova Scotia and Atlantic Lottery Corporation operations was \$27.7 million or 15.5 per cent higher than the prior year primarily due to increased revenues. This increase was partially offset by decreases in Halifax-Dartmouth Bridge Commission of \$10.1 million, Nova Scotia Liquor Corporation of \$3.6 million, and Highway 104 Western Alignment Corporation of \$1.5 million.

#### Net Income from GBEs - 5 Year Trend

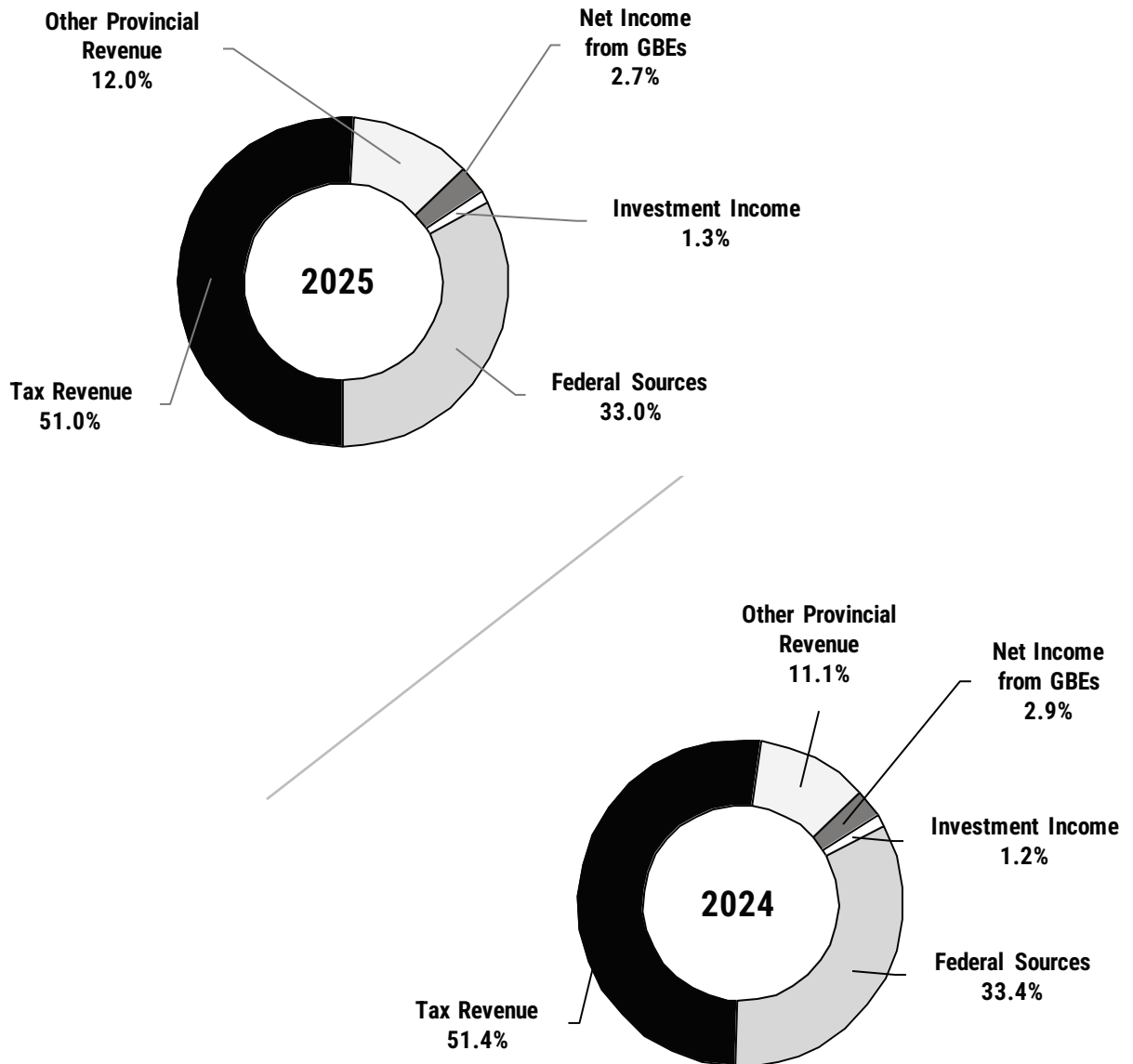




### Revenue by Source

The Province's major revenue sources remained relatively consistent with the prior year, with only slight shifts amongst the different categories. The related breakdowns for fiscal years 2025 and 2024 were as follows:

#### Revenue by Source



## Financial Highlights of the Consolidated Financial Statements

### Expenses

Total consolidated expenses were \$644.9 million or 3.7 per cent higher than the estimate mainly due to increased support for healthcare services, including wages, inflationary pressures from higher patient volumes, and physician services from the new physician funding model, additional costs in support of seniors and long-term care and home support services, community support grants, film fund investments, heating rebate grants, disaster relief assistance, and debt servicing costs.

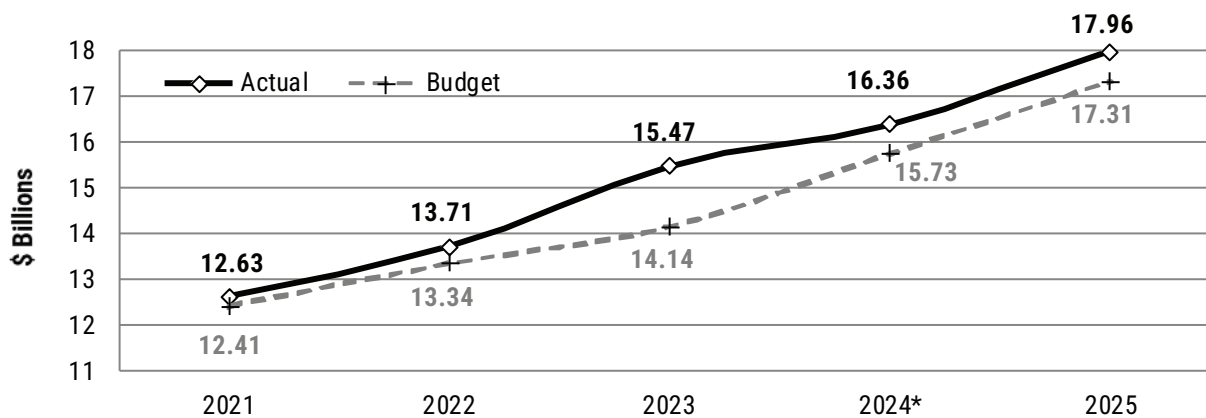
Total expenses were \$1.59 billion or 9.7 per cent higher than the prior year primarily due to increases of \$570.0 million in Health and Wellness, \$224.1 million in Opportunities and Social Development, \$157.5 million in Education and Early Childhood Development, \$93.8 million in debt servicing costs, and net increases of \$547.7 million in all other departments.

Additional details on General Revenue Fund expense variances are provided on page 44.

### Expenses

(\$ thousands)

	Adjusted Estimate 2025	Actual 2025	Actual 2024 <i>(as restated)</i>	Actual vs Estimate	Actual vs Actual
Health and Wellness	5,988,264	6,359,221	5,789,190	370,957	570,031
Education and Early Childhood Development	2,442,637	2,440,009	2,282,490	(2,628)	157,519
Opportunities and Social Development	1,576,904	1,610,816	1,386,676	33,912	224,140
Seniors and Long-Term Care	1,173,003	1,295,527	1,250,913	122,524	44,614
Advanced Education	821,246	859,641	849,569	38,395	10,072
Public Works	717,744	788,528	722,487	70,784	66,041
Growth and Development	444,926	503,132	481,471	58,206	21,661
Justice	468,465	486,485	452,975	18,020	33,510
Debt Servicing Costs	822,863	874,513	780,687	51,650	93,826
Other Expenses	2,854,894	2,738,019	2,366,171	(116,875)	371,848
<b>Total Expenses</b>	<b>17,310,946</b>	<b>17,955,891</b>	<b>16,362,629</b>	<b>644,945</b>	<b>1,593,262</b>



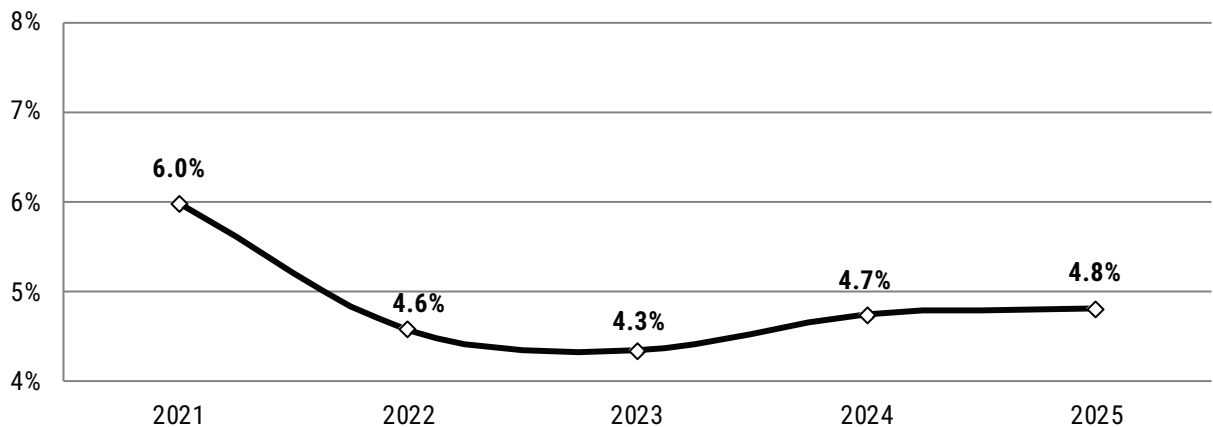
\* As restated



### Debt Servicing Costs to Total Revenue

Debt servicing costs as a percentage of total revenue shows the proportion of every dollar of revenue that is needed to pay interest and thus is not available to provide program initiatives, tax reductions, or debt reduction. A lower ratio means that the Province uses less revenues to meet the interest cost on total debt outstanding, which provides greater flexibility in meeting financial and service commitments in the current year. The ratio of debt servicing costs to total revenue increased by 0.1 percentage points from the previous year to 4.8 per cent. Over the past five years, this ratio decreased by 1.2 percentage points, ranging from a high of 6.0 per cent in 2021 to a low of 4.3 per cent in 2023.

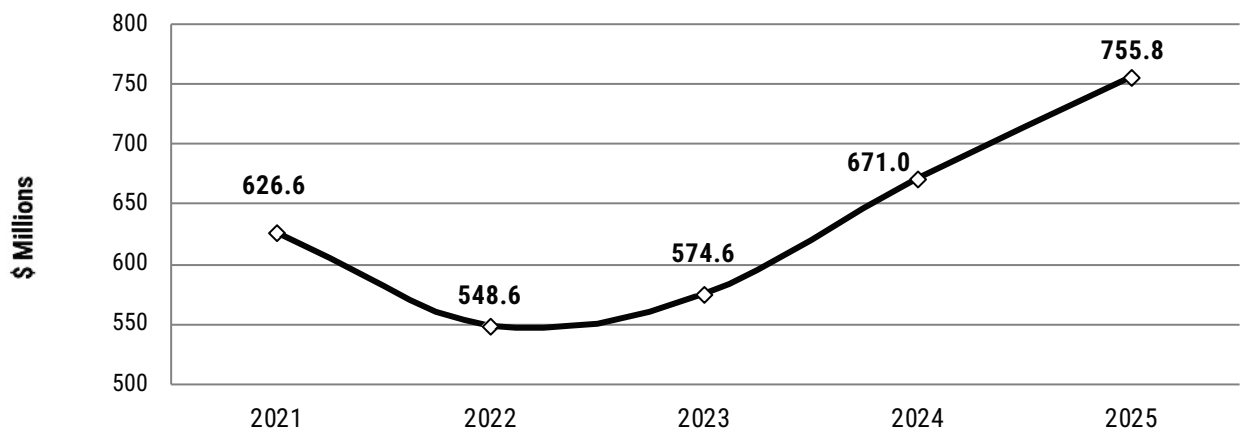
#### Debt Servicing Costs to Total Revenue - 5 Year Trend



### Interest on Unmatured Debt

Interest on unmatured debt is the cost associated with servicing past borrowing obligations, including capital leases and long-term debt under Public-Private Partnership (P3) agreements. Interest on unmatured debt increased by \$84.8 million to \$755.8 million in 2025. Over the past five years, interest on unmatured debt ranged from a high of \$755.8 million in 2025 to a low of \$548.6 million in 2022.

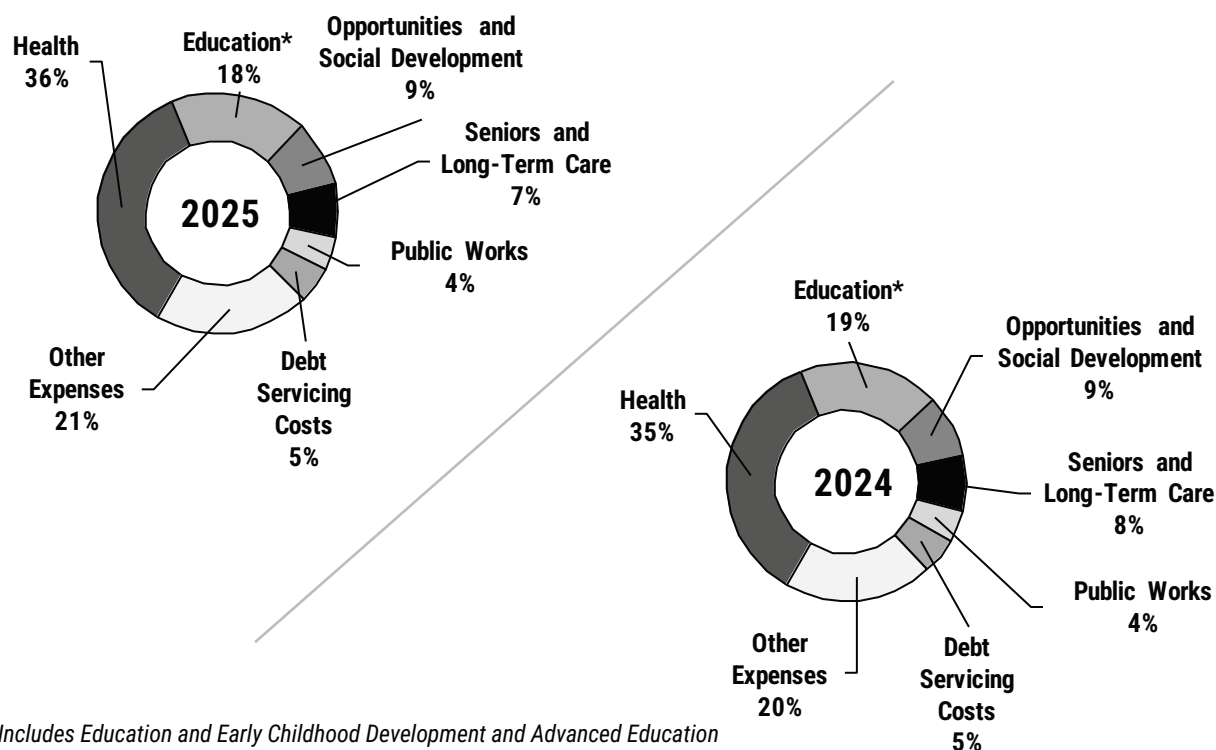
#### Interest on Unmatured Debt - 5 Year Trend



## Financial Highlights of the Consolidated Financial Statements

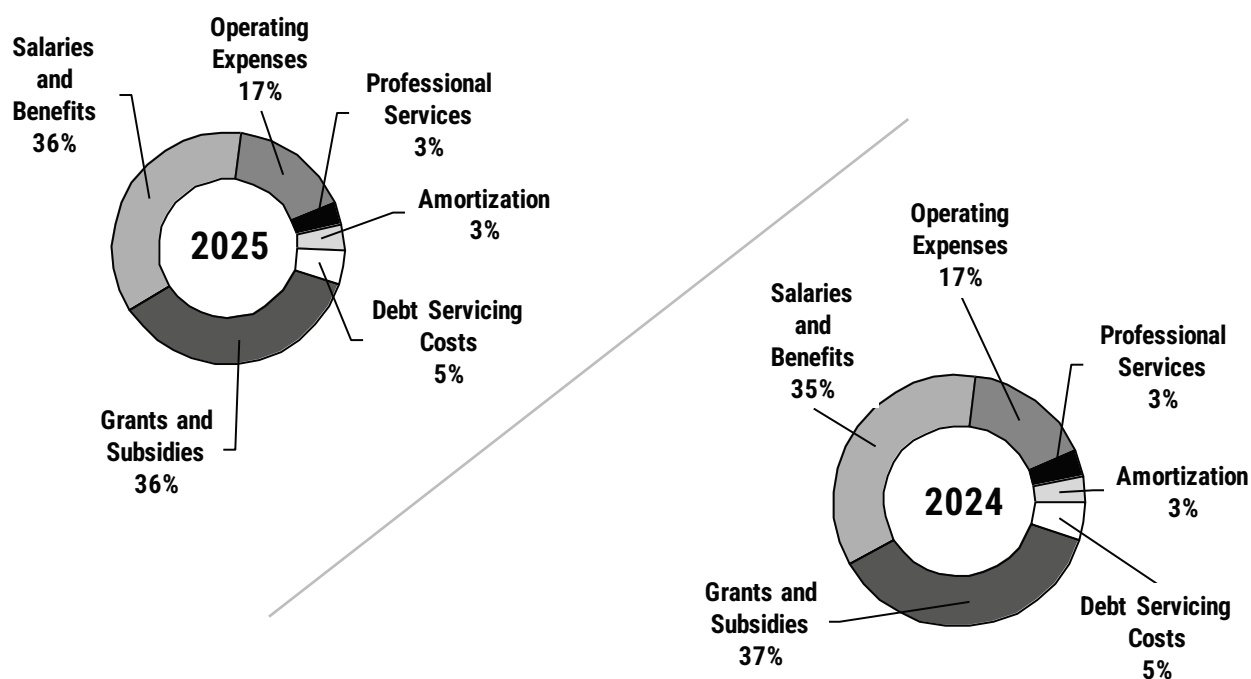
### Expenses by Function

The Province's expenses by major functions remained relatively consistent compared to the prior year. The related breakdowns for fiscal years 2025 and 2024 were as follows:



### Expenses By Object

The Province's expenses by object remained fairly consistent compared to the prior year. The related breakdowns for fiscal years 2025 and 2024 were as follows:





## Financial Assets

Financial assets consist of assets available to discharge existing liabilities or to finance future operations. Financial assets increased by \$120.4 million or 1.7 per cent from the prior year to \$7.30 billion at the end of 2025. Cash and short-term investments increased by \$365.5 million as a result of the operating, investing, capital, and financial activities as explained on page 33. Accounts receivable were \$201.6 million lower than the prior year.

Loans receivable increased by \$97.7 million mainly due to increases of \$90.8 million in Finance and Treasury Board for loans to municipalities, \$108.7 million in Invest Nova Scotia for the purchase of a fuel adjustment mechanism receivable from Nova Scotia Power Incorporated, and other net loans receivable increases of \$43.2 million. These were partially offset by a decrease of \$145.0 million from the extinguishment of the Halifax-Dartmouth Bridge Commission loan.

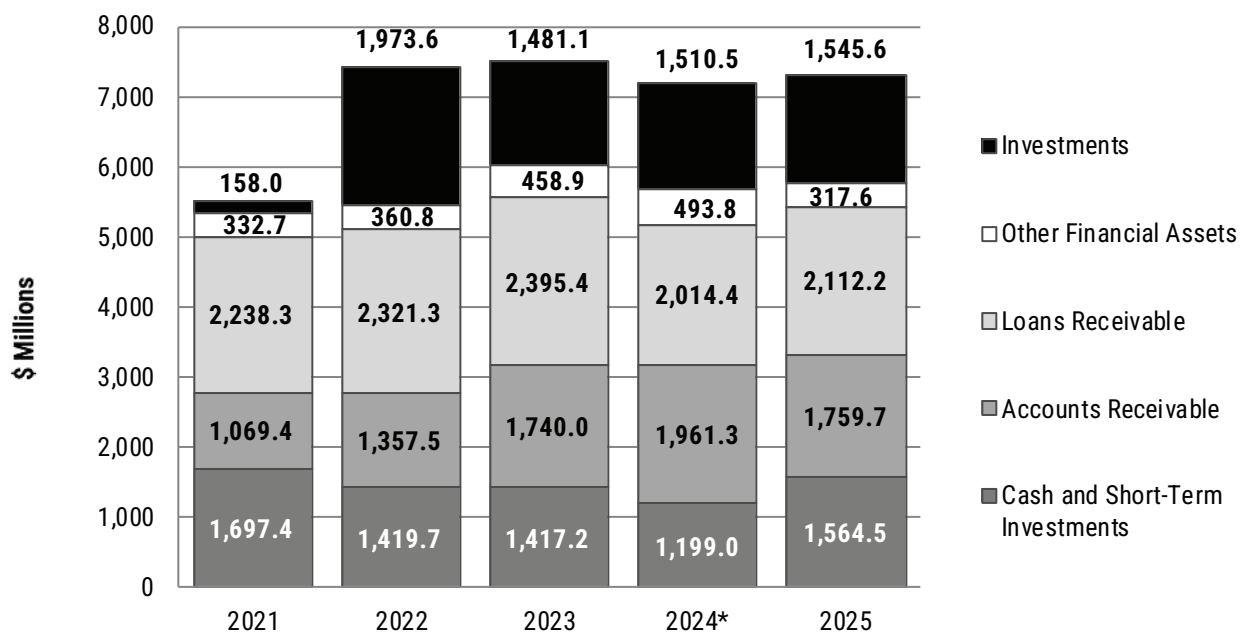
Investments increased by \$35.1 million mainly due to an increase of \$25.9 million in the Public Debt Management Fund. Other financial assets decreased by \$176.3 million primarily due to a decrease of \$152.0 million in investments in Government Business Enterprises.

### Financial Assets

(\$ thousands)

	Actual 2025	% of Total	Actual 2024	% of Total	Variance Increase (Decrease)
			(as restated)		
Cash and Short-Term Investments	1,564,477	21.4%	1,198,979	16.7%	365,498
Accounts Receivable	1,759,739	24.1%	1,961,330	27.3%	(201,591)
Loans Receivable	2,112,167	28.9%	2,014,448	28.1%	97,719
Investments	1,545,590	21.2%	1,510,522	21.0%	35,068
Other Financial Assets	317,579	4.4%	493,845	6.9%	(176,266)
<b>Total Financial Assets</b>	<b>7,299,552</b>	<b>100.0%</b>	<b>7,179,124</b>	<b>100.0%</b>	<b>120,428</b>

### Financial Assets - 5 Year Trend



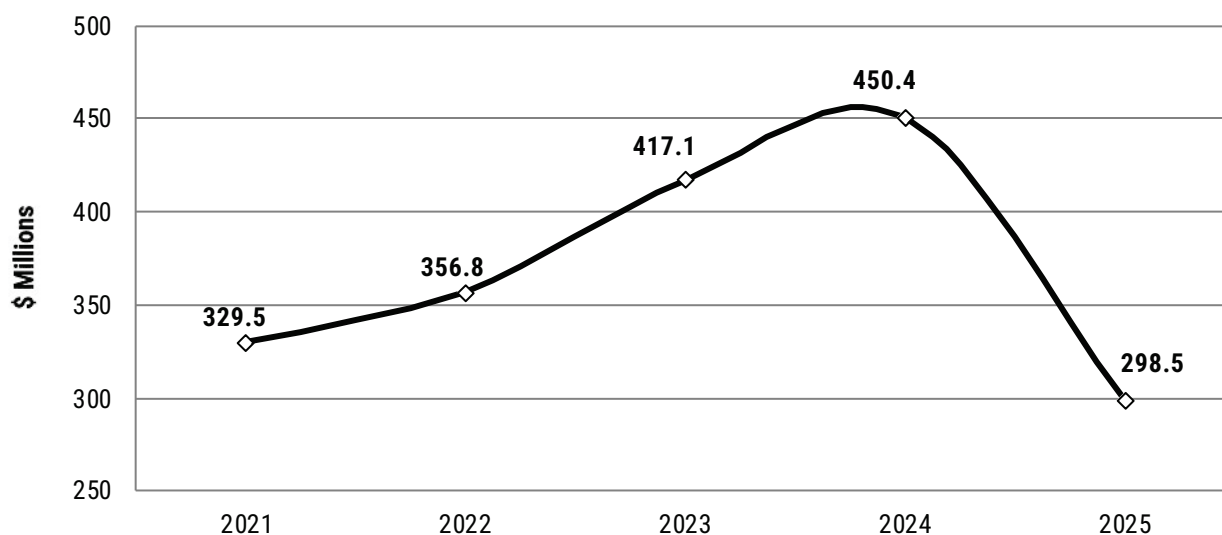
## Financial Highlights of the Consolidated Financial Statements

### ***Investment in Government Business Enterprises***

Other financial assets include the Province's financial position in four government business enterprises (GBEs) – Nova Scotia Liquor Corporation (NSLC), Nova Scotia Gaming Corporation's Casino Nova Scotia (CNS) and Atlantic Lottery Corporation (ALC) operations, and Highway 104 Western Alignment Corporation (H104). Investment in these four GBEs had continually improved over the past several years; however, Halifax-Dartmouth Bridge Commission lost its GBE status as at March 31, 2025 that resulted in a decrease of \$165.5 million in fiscal 2025, which was partially offset by increases in the other above-mentioned GBEs of \$13.5 million.

As publicly accountable enterprises, GBEs follow International Financial Reporting Standards (IFRS). More detailed information about the Province's GBEs is provided in Schedule 6 of the Public Accounts starting on page 126 of this publication.

### **Investment in GBEs - 5 Year Trend**







## Public Accounts Volume 1 – Consolidated Financial Statements

### Liabilities

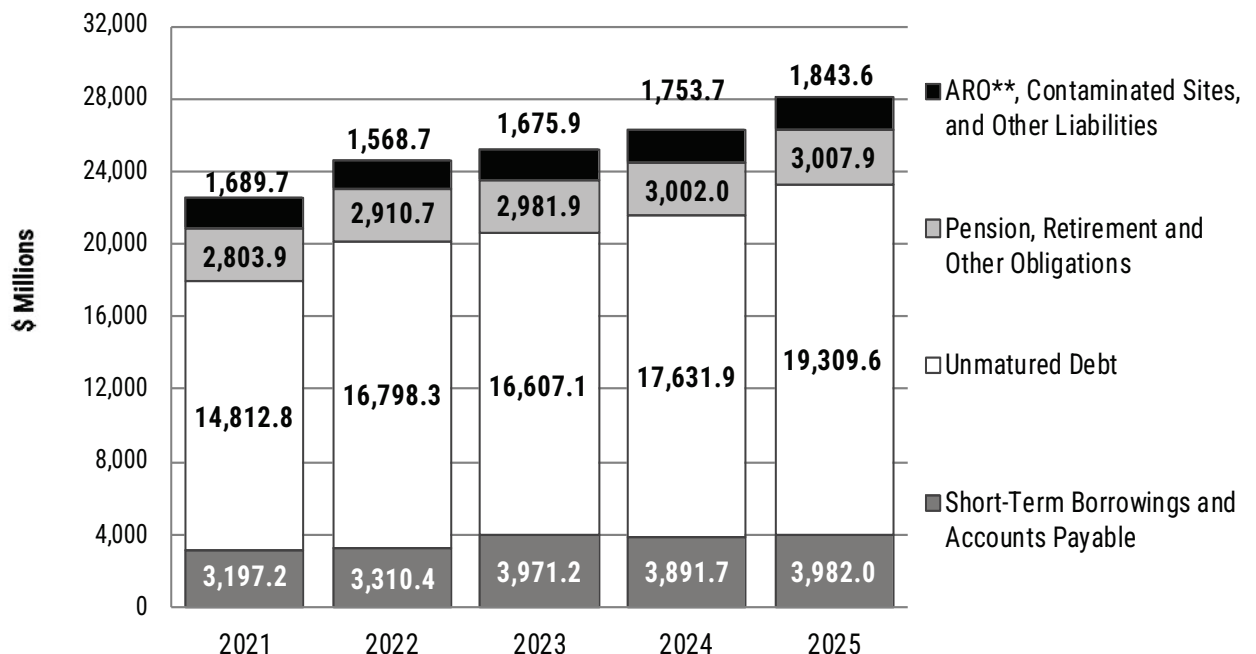
Liabilities, consisting of debts or other monetary obligations owing at year-end and to be settled in the future, increased by \$1.86 billion or 7.1 per cent from the prior year to \$28.1 billion. Unmatured debt increased by \$1.68 billion from the prior year mainly due to proceeds of \$2.60 billion from debt issued, partially offset by repayments of \$924.7 million. Accounts payable and accrued liabilities increased \$143.0 million, and all other liabilities had a net increase of \$43.1 million.

### Liabilities

(\$ thousands)

	Actual 2025	% of Total	Actual 2024	% of Total	Variance Increase (Decrease)
Bank Advances and Short-Term Borrowings	1,061,696	3.8%	1,114,439	4.2%	(52,743)
Accounts Payable and Accrued Liabilities	2,920,319	10.4%	2,777,301	10.6%	143,018
Pension, Retirement and Other Obligations	3,007,946	10.7%	3,002,024	11.4%	5,922
Asset Retirement Obligations	600,488	2.1%	591,982	2.3%	8,506
Liabilities for Contaminated Sites	613,978	2.2%	600,276	2.3%	13,702
Unmatured Debt	19,309,590	68.6%	17,631,906	67.1%	1,677,684
Other Liabilities	629,135	2.2%	561,408	2.1%	67,727
<b>Total Liabilities</b>	<b>28,143,152</b>	<b>100.0%</b>	<b>26,279,336</b>	<b>100.0%</b>	<b>1,863,816</b>

### Liabilities - 5 Year Trend



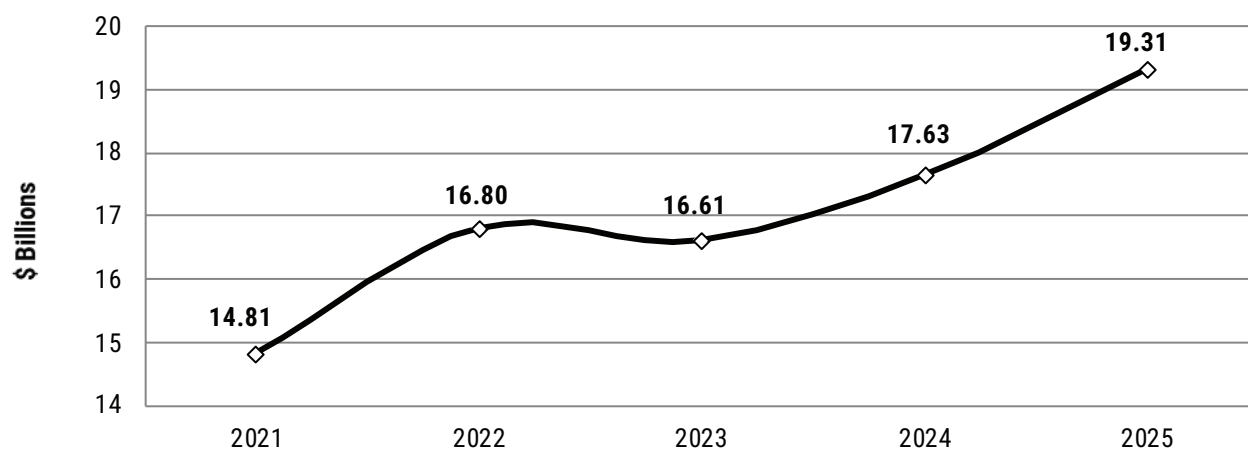
\*\* Asset Retirement Obligations

## Financial Highlights of the Consolidated Financial Statements

### Unmatured Debt

Unmatured debt, net of repurchased Province of Nova Scotia debentures, increased by \$1.68 billion to \$19.31 billion as at March 31, 2025, of which \$18.80 billion related to debt borrowings of the Department of Finance and Treasury Board, \$273.7 million of Nova Scotia Power Finance Corporation, \$186.7 million of the Department of Public Works, \$45.5 million of the Department of Growth and Development, and \$5.0 million of Nova Scotia Health Authority. Over the past five years, unmatured debt has increased \$4.50 billion from \$14.81 billion in 2021 to \$19.31 billion in 2025. Upon adoption of PS 3450, *Financial Instruments*, on April 1, 2022, netting of sinking fund assets was no longer permitted. 2022 amounts have been reclassified to reflect this change; however, 2021 and prior years are still being reported net of sinking fund assets.

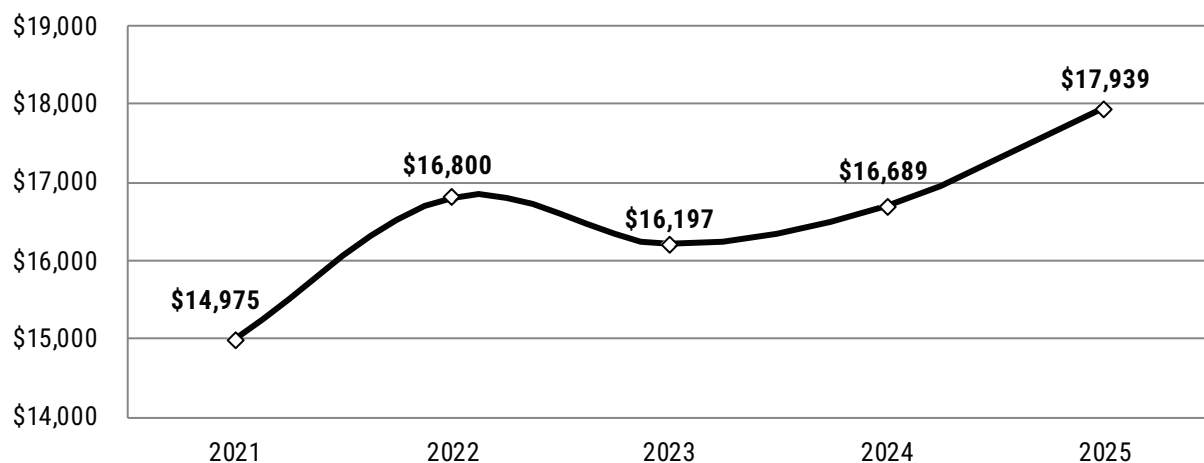
### Unmatured Debt - 5 Year Trend



### Unmatured Debt per Capita

Unmatured debt increased by \$1,250 per capita from \$16,689 in 2024 to \$17,939 in 2025. Over the past five years, unmatured debt per capita increased by \$2,964 from a low of \$14,975 in 2021 to a high of \$17,939 in 2025. As mentioned above, 2021 is still being recognized net of sinking fund assets.

### Unmatured Debt per Capita - 5 Year Trend





## Credit Ratings

The Province's credit ratings were confirmed by major credit rating agencies Moody's and S&P on May 13, 2025 and June 12, 2025 respectively. Morningstar DBRS credit rating agency last updated its credit rating for the Province on November 5, 2024 and tends to update its annual ratings in November each year. The Province's current credit ratings are "A (high)" with a stable outlook from Dominion Bond Rating Service (DBRS), "AA-" with a negative outlook from Standard and Poor's (S&P), and "Aa2" with a stable outlook from Moody's Investor Services Inc. (Moody's). The following table summarizes the Province's credit ratings relative to its provincial and federal peers. Note that (neg) refers to a negative outlook and (pos) refers to a positive outlook, indicating the rating agency may change the respective province's credit rating over the next year.

### Canadian Provincial Credit Ratings (as at September 2, 2025)

Province	Moody's	S&P	DBRS
Nova Scotia	Aa2	AA- (neg)	A (high)
New Brunswick	Aa1	A+	A (high)
Newfoundland and Labrador	A1	A	A
Prince Edward Island	Aa2	A	A
Quebec	Aa2	A+	AA (low)
Ontario	Aa3	AA-	AA
Manitoba	Aa2	A+	A (high)
Saskatchewan	Aa1	AA	AA (low)
Alberta	Aa2	AA-	AA
British Columbia	Aa1 (neg)	A+ (neg)	AA (high) (neg)
Canada	Aaa	AAA	AAA

## Capital Markets Issuance Initiatives

The Province borrows funds in the capital markets on an ongoing basis to refinance maturing debt, fund budgetary deficits, acquire tangible capital assets, and lend monies to Crown corporations. In broad terms, budgetary deficits tend to increase the annual borrowing requirements, while surpluses serve to reduce the Province's borrowing needs. However, the relationship is not exact as there may be a number of cash flow timing differences.

The Province maintains the ability to pre-borrow funds for future requirements should financial market conditions be favourable to do so, or may postpone borrowing in term debt markets if financial market conditions are unfavourable. The Province maintains discretionary sinking funds in the form of a pool of liquid assets to assist in the refinancing of maturing debt, these funds can only be used to repay debt. Pre-borrowing for future years may add to the level of these funds.

In fiscal 2025, the Department of Finance and Treasury Board borrowed \$2,500.0 million in par value (\$2,531.6 million in proceeds) of term debt compared to borrowing requirements of \$2,598.2 million estimated in Budget 2024-25. In the domestic public market, the Department of Finance and Treasury Board issued \$900.0 million in debentures maturing December 1, 2054 with a coupon rate of 4.75 per cent, \$400.0 million in debentures maturing June 1, 2035 with a coupon rate of 3.85 per cent, and \$400.0 million in debentures maturing December 1, 2055 with a coupon rate of 4.60 per cent. The Province also issued \$300.0 million of a new June 1, 2074 debenture with a coupon of 4.75 per cent and \$500.0 million of a new Floating Rate Note based on the Canadian Overnight Repo Rate Average (CORRA) maturing June 1, 2032.

## Financial Highlights of the Consolidated Financial Statements

### ***Financial Risk Management***

In order to fully access global capital markets, the Province maintains the ability to borrow in currencies other than the Canadian dollar, including the US dollar global market by filing the necessary documentation with the Securities and Exchange Commission in the United States.

### **Foreign Currency Risk**

In fiscal 2025, there were no foreign currency borrowings during the fiscal year (2024 – nil). As at March 31, 2025, the Province did not hold any foreign currency denominated debt or investments.

### **Interest Rate Risk**

As a net debtor in financial markets, the Province is exposed to the risks posed by movements in interest rates. The Province is exposed to interest rate risk as maturing debenture issues are refinanced at current market rates. Some exposure to fluctuating short-term interest rates is maintained in the debt portfolio to lower expected debt servicing costs. The Province has policies in place that set exposure limits on interest rate risk. Control is maintained over this exposure through the active management by the Province of its gross debt and sinking fund asset portfolios.

The debt portfolio's exposure to floating interest rates was 3.3 per cent for the fiscal year ended March 31, 2025, down from 4.0 per cent a year earlier. The Province is able to exercise control of this variable in the portfolio by maintaining access to both floating and fixed interest rate instruments in capital markets and through the use of derivatives. With 96.7 per cent of the total principal in fixed interest rate form (2024 – 96.0 per cent), a significant degree of stability in debt servicing costs is expected in coming years. As at March 31, 2025, the average term to maturity of the gross debt portfolio increased to 16.3 years (2024 – 14.0 years).

The effect of a 1.0 per cent increase or decrease in interest rates would result in an increase or decrease of \$6.5 million in debt servicing costs on floating financial instruments outstanding at the end of the fiscal year and fixed income securities maturing within 12 months.



## Non-Financial Assets

Non-financial assets are a significant component of the Province's financial position and are assets to be used for the provision of services in the future. Non-financial assets consist primarily of tangible capital assets but also include inventories of supplies and prepaid expenses.

Total non-financial assets increased by \$1.98 billion or 19.4 per cent to \$12.16 billion at the end of 2025. Over the past five years, total non-financial assets increased from \$7.51 billion at the end of 2021 to \$12.16 billion at the end of 2025, an increase of \$4.65 billion largely in the form of net acquisitions of tangible capital assets. Note that the amounts for 2021, 2022, and 2023 have not been restated for the accounting adjustment to long-term care facilities.

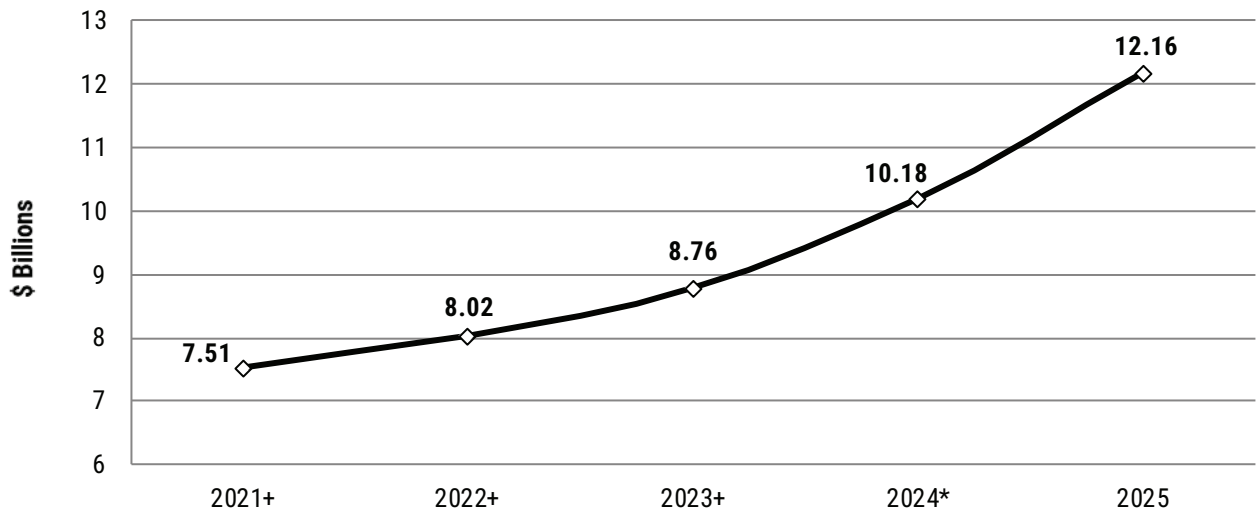
Further details on consolidated tangible capital assets can be found on the next two pages as well as in Schedule 7 of the Public Accounts on pages 131 and 132 of this publication. Additional details on tangible capital assets of the General Revenue Fund are provided on pages 51 and 52 of this publication.

### Non-Financial Assets

(\$ thousands)

	Actual 2025	% of Total	Actual 2024 <i>(as restated)</i>	% of Total	Variance Increase (Decrease)
Tangible Capital Assets	11,960,417	98.4%	9,989,399	98.2%	1,971,018
Inventories of Supplies	140,550	1.2%	124,402	1.2%	16,148
Prepaid Expenses	54,525	0.4%	62,664	0.6%	(8,139)
<b>Total Non-Financial Assets</b>	<b>12,155,492</b>	<b>100.0%</b>	<b>10,176,465</b>	<b>100.0%</b>	<b>1,979,027</b>

### Non-Financial Assets - 5 Year Trend



\* As restated

+ Not adjusted for accounting change to LTC facilities

## Financial Highlights of the Consolidated Financial Statements

### Tangible Capital Assets

The net book value (acquisition cost less accumulated amortization) of tangible capital assets (TCA) makes up a substantial asset of the Province, totaling \$11.96 billion at the end of 2025, an increase of \$1.97 billion or 19.7 per cent from the previous year. The Buildings and Land Improvements asset class includes all of the provincially owned buildings, schools, hospitals, including the leased correctional forensic facility and the Halifax Convention Centre.

The Province records the receipt of contributed tangible capital assets at fair market value on the date of contribution. Where an estimate of fair value cannot be made, the asset would be recognized at nominal value. There were \$118.6 thousand in contributed tangible capital assets received during the 2025 fiscal year (2024 – \$288.0 thousand).

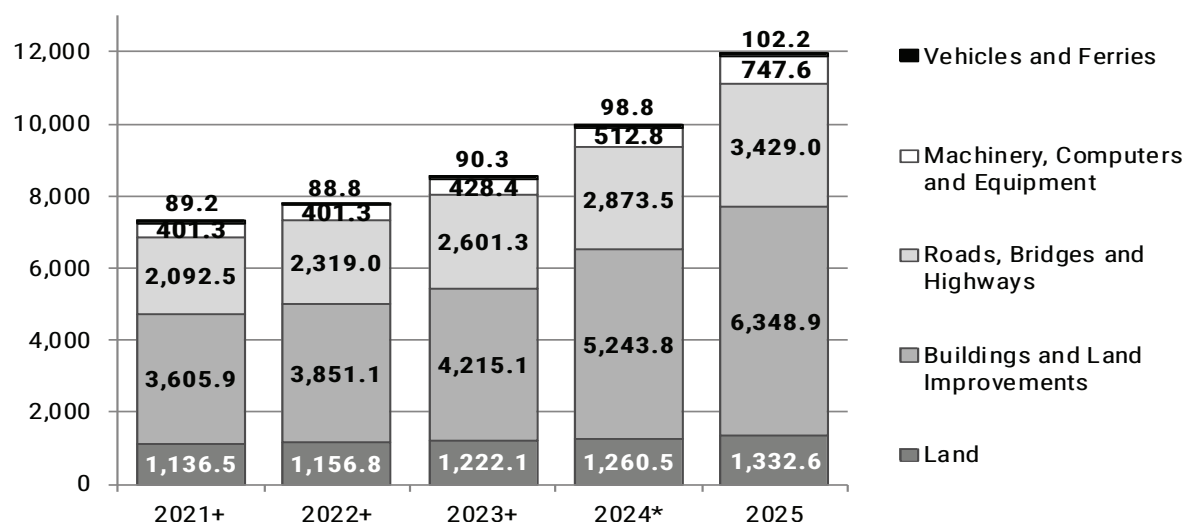
The table and chart below summarize the Province's TCA portfolio by major asset class and show the differences in each class compared to the prior year.

#### Tangible Capital Assets (Net Book Value)

(\$ thousands)

	Actual 2025	% of Total	Actual 2024	% of Total	Variance Increase
			(as restated)		
Land	1,332,605	11.1%	1,260,454	12.6%	72,151
Buildings and Land Improvements	6,348,919	53.1%	5,243,833	52.5%	1,105,086
Roads, Bridges and Highways	3,429,041	28.7%	2,873,523	28.8%	555,518
Machinery, Computers and Equipment	747,627	6.2%	512,745	5.1%	234,882
Vehicles and Ferries	102,225	0.9%	98,844	1.0%	3,381
<b>Total Tangible Capital Assets</b>	<b>11,960,417</b>	<b>100.0%</b>	<b>9,989,399</b>	<b>100.0%</b>	<b>1,971,018</b>

#### Tangible Capital Assets - 5 Year Trend



\* As restated

+ Not adjusted for accounting change to LTC facilities



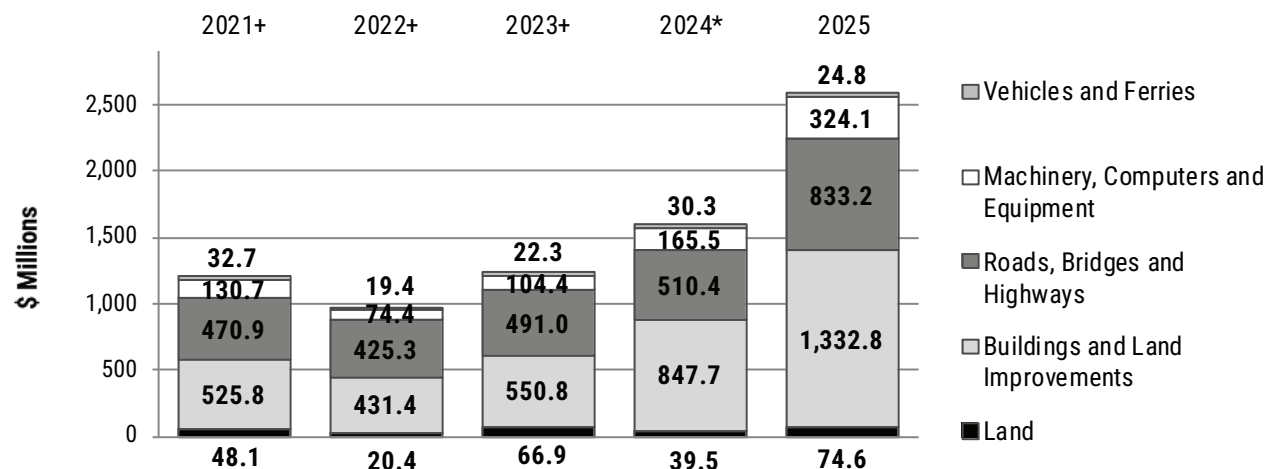
## Acquisition of Tangible Capital Assets (TCA)

Acquisitions and transfers of TCA totaled \$2.59 billion in 2025, which was \$960.2 million higher than the estimate and \$996.0 million higher than the prior year mainly due to increases in current year acquisitions in buildings and land improvements of \$485.1 million, which is driven primarily by a \$324.9 million change in the Department of Seniors and Long-Term Care for long-term care facilities; \$322.8 million in roads, bridges and highways, which is driven primarily by Halifax-Dartmouth Bridge Commission (HDBC) TCA of \$263.6 million which was fully consolidated once the entity no longer qualified as Government Business Enterprise (GBE); and \$158.6 million in machinery, computers and equipment.

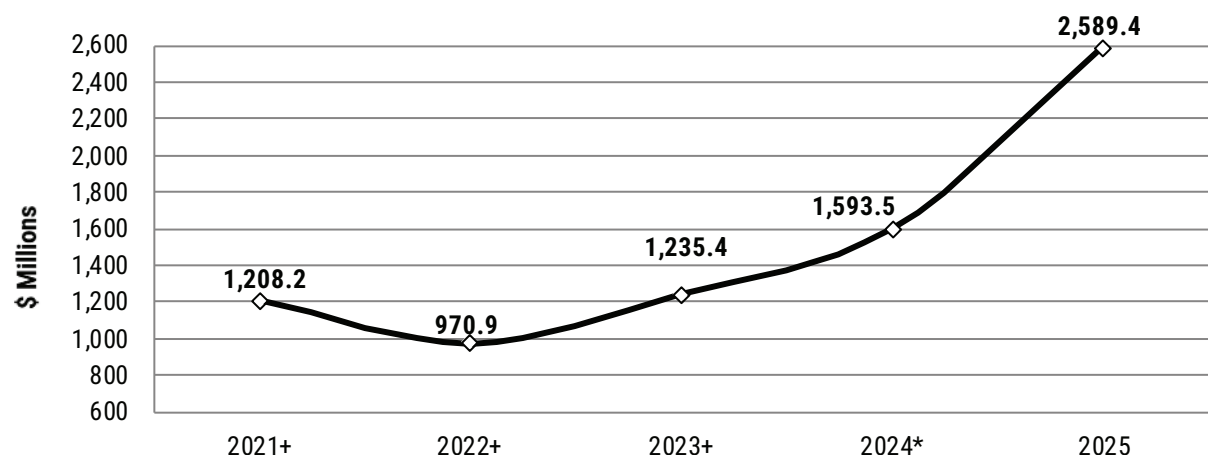
Additions to buildings and land improvements totaled \$1.33 billion (2024 – \$847.7 million), of which \$1.18 billion related to the construction and improvement of buildings within the General Revenue Fund (GRF) and \$154.7 million related to other governmental units.

Land purchases totaled \$74.6 million (2024 – \$39.5 million) during the year and additions to roads, bridges and highways totaled \$833.2 million (2024 – \$510.4 million). Additions to machinery, computers and equipment were \$324.1 million (2024 – \$165.5 million). Over the past five years, TCA acquisitions ranged from a low of \$970.9 million in 2022 to a high of \$2.59 billion in 2025.

### TCA Acquisitions by Asset Class - 5 Year Trend



### TCA Acquisitions at Gross Cost - 5 Year Trend

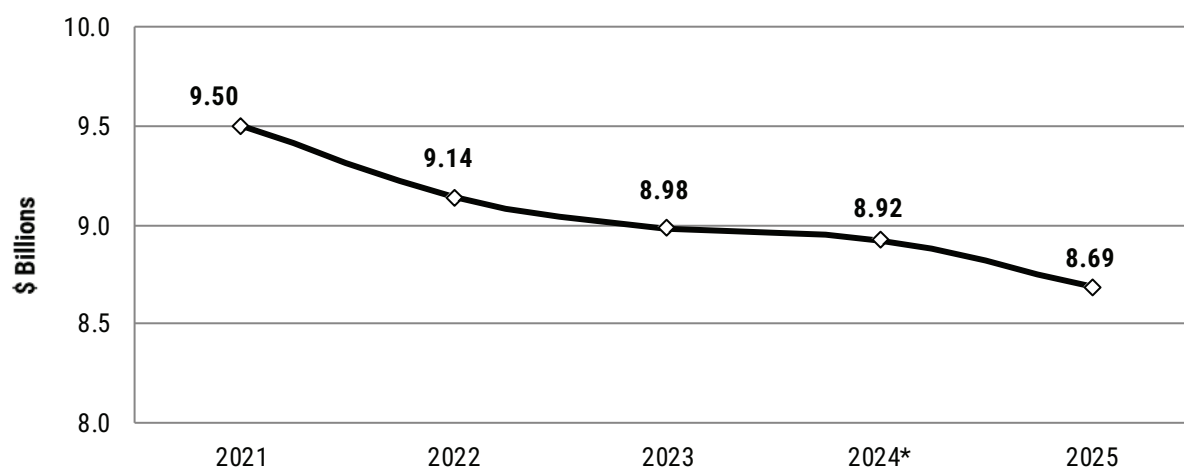


## Financial Highlights of the Consolidated Financial Statements

### Accumulated Deficits

Accumulated deficits represent the difference between the Province's liabilities and both financial and non-financial assets. They are the sum of all past surpluses, deficits, and remeasurement gains and losses incurred to date, calculated in accordance with current accounting policies. Accumulated deficits are a secondary measure of the Province's financial position. The accumulated deficits were \$8.69 billion at March 31, 2025, \$230.0 million lower than a year ago as a result of the provincial surplus and net remeasurement gains for the year. The Province has reported accumulated deficits in the past five years as follows:

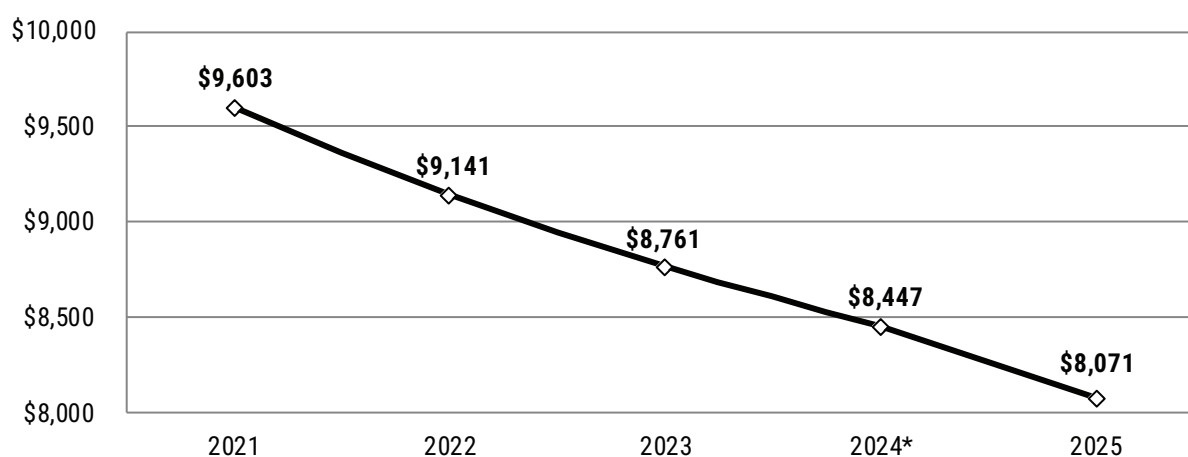
#### Accumulated Deficits - 5 Year Trend



### Accumulated Deficits per Capita

Accumulated deficits decreased by \$376 on a per capita basis from \$8,447 in 2024 to \$8,071 in 2025. Since 2021, accumulated deficits per capita have decreased overall by \$1,532.

#### Accumulated Deficits per Capita - 5 Year Trend



\* As restated

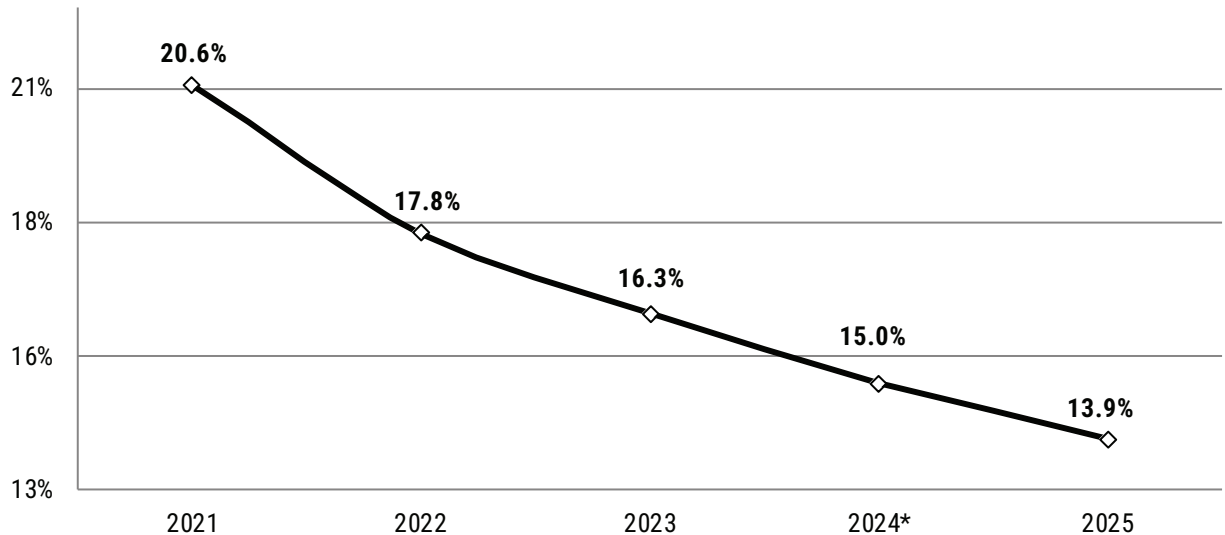




**Accumulated Deficits to Nominal Gross Domestic Product (GDP)**

Accumulated deficits expressed as a percentage of nominal GDP decreased 1.1 percentage points from 15.0 per cent in 2024 to 13.9 per cent in 2025 mainly due to the provincial surplus and an increase in GDP from the prior year. Over the past five years, this ratio decreased by 6.7 per cent from a high of 20.6 per cent in 2021 to a low of 13.9 per cent in 2025.

**Accumulated Deficits to Nominal GDP - 5 Year Trend**



\* As restated

## Financial Highlights of the Consolidated Financial Statements

### Cash Flows

The Province's consolidated financial statements are reported on the accrual basis in accordance with Canadian public sector accounting standards, whereby the timing of transactions may vary from when actual cash is paid or received. The Consolidated Statement of Cash Flow (Statement 5) on page 83 of this publication summarizes the increases and decreases in the Province's cash flows in terms of the sources and uses of cash identified within the following activities: operating, investing, capital, and financing.

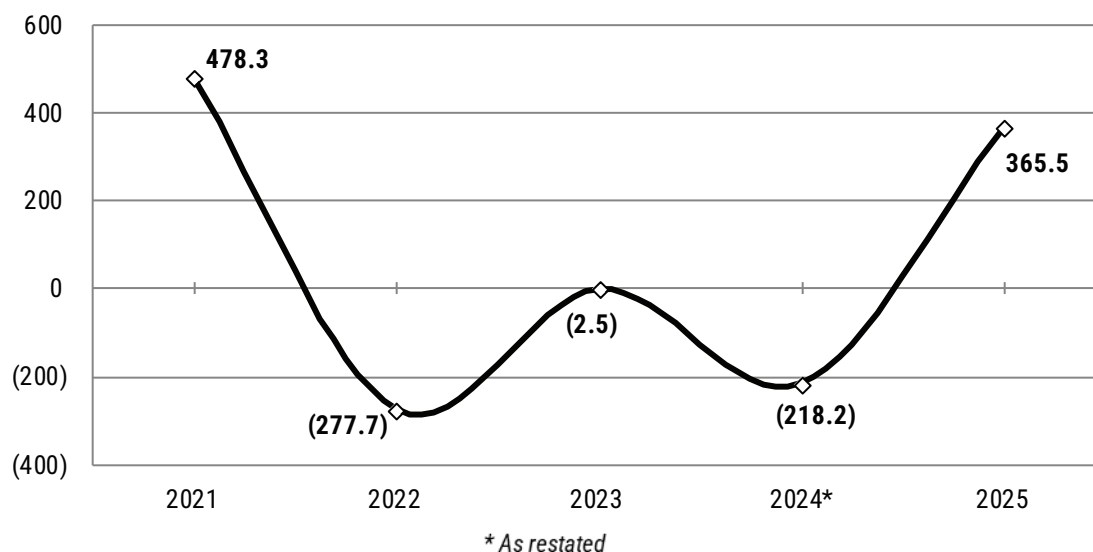
During 2025, the Province's cash position increased by \$365.5 million. Cash outflows were used to fund net capital investments of \$2.59 billion and finance \$83.0 million in net loans and investments. Cash inflows of \$1.67 billion were generated from debt financing activities and \$1.36 billion from operating activities.

### Cash Flows by Activity

(\$ thousands)

	Actual 2025	Actual 2024 <i>(as restated)</i>	Variance Increase (Decrease)
Operating	1,361,760	445,952	915,808
Investing	(83,012)	(89,530)	6,518
Capital	(2,586,910)	(1,592,803)	(994,107)
Financing	1,673,660	1,018,157	655,503
<b>Net Inflows (Outflows)</b>	<b>365,498</b>	<b>(218,224)</b>	<b>583,722</b>

### Net Cash Flows - 5 Year Trend



### Risks

The Province is subject to various forms of risks inherent in the nature of certain financial statement elements and financial markets. Exposure to risk from the use of accounting and other estimates in recording certain transactions is discussed in Note 1 e) of the consolidated financial statements on page 90 of this publication. Financial risks, including foreign currency risk and interest rate risk, were discussed on page 27, as well as in Note 13 of the Public Accounts on pages 109 to 111.



### Presentation of Estimates

The annual budget, referred to as the Estimates, represents the financial plan of the Province of Nova Scotia in a format that facilitates departmental management of the revenue and expense transactions of the General Revenue Fund, as well as the debate and appropriations process thereon in the House of Assembly.

In order to present comparative Estimates on the Consolidated Statement of Operations, as well as in the preceding pages of variance analyses, the original Estimates as presented in Budget 2024-25, tabled on February 29, 2024, have been adjusted on a line-by-line basis for consolidation purposes. The table on the subsequent page illustrates how the consolidation and accounting adjustments from the original Estimates are reallocated to gross up the related revenue and expense lines for presentation on the Consolidated Statement of Operations.

When consolidating the governmental units into these financial statements, the Province adjusts those entities' accounting policies to conform with its own so the amounts can be combined on a consistent basis. Also, significant inter-entity transactions are eliminated. For example, grant expenses recorded in departmental expenses are eliminated with the corresponding grant revenue in the related governmental unit. This transfer between the two related entities does not increase or decrease the net financial position of the Province on a consolidated basis. After eliminations, the remaining revenues and expenses represent transactions with external parties not controlled by the Province. Only transactions with these outside parties represent the increase and decrease in the Province's financial position.

A listing of the Province's governmental units can be found in Schedule 10 of the Public Accounts on pages 137 to 139 of this publication.

## Financial Highlights of the Consolidated Financial Statements

### Reconciliation of Estimates

### Adjusted Estimates of the Consolidated Financial Statements

For the fiscal year ended March 31, 2025

(\$ thousands)

	Estimate 2025	Adjustments	Adjusted Estimate 2025
<b>Revenue</b>			
<b>Provincial Sources</b>			
Tax Revenue	8,346,226	—	8,346,226
Other Provincial Revenue	819,242	931,184	1,750,426
Net Income from Government			
Business Enterprises	473,933	—	473,933
Investment Income	162,824	9,004	171,828
	9,802,225	940,188	10,742,413
<b>Federal Sources</b>	6,041,572	59,576	6,101,148
<b>Total Revenue</b>	15,843,797	999,764	16,843,561
<b>Expenses</b>			
Departmental Expenses			
Advanced Education	725,539	95,707	821,246
Agriculture	46,682	12,034	58,716
Communities, Culture, Tourism and Heritage	171,845	3,363	175,208
Cyber Security and Digital Solutions	276,224	—	276,224
Education and Early Childhood Development	1,999,180	443,457	2,442,637
Emergency Management	30,391	9,418	39,809
Energy	37,873	—	37,873
Environment and Climate Change	73,876	69,714	143,590
Finance and Treasury Board	48,790	18,900	67,690
Fisheries and Aquaculture	15,951	301	16,252
Growth and Development	370,250	74,676	444,926
Health and Wellness	5,536,898	451,366	5,988,264
Justice	464,719	3,746	468,465
Labour, Skills and Immigration	241,644	(22,063)	219,581
Municipal Affairs	396,515	—	396,515
Natural Resources	103,715	732	104,447
Opportunities and Social Development	1,579,169	(2,265)	1,576,904
Public Service	517,397	(178,807)	338,590
Public Works	716,170	1,574	717,744
Seniors and Long-Term Care	1,362,710	(189,707)	1,173,003
Service Nova Scotia	161,138	78	161,216
Restructuring Costs	659,765	—	659,765
	15,536,441	792,224	16,328,665
Refundable Tax Credits	126,316	—	126,316
Pension Valuation Adjustment	33,102	—	33,102
Debt Servicing Costs	822,863	—	822,863
<b>Total Expenses</b>	16,518,722	792,224	17,310,946
	(674,925)	207,540	(467,385)
<b>Consolidation and Accounting Adjustments</b>			
General Revenue Fund Consolidation Adjustments	231,032	(231,032)	—
Special Purpose Funds	(3,459)	3,459	—
Other Organizations	(20,033)	20,033	—
<b>Total Adjustments</b>	207,540	(207,540)	—
<b>Provincial Deficit</b>	(467,385)	—	(467,385)



## Selected Highlights of the General Revenue Fund

### Selected Highlights of the General Revenue Fund

For the fiscal year ended March 31, 2025

(\$ thousands)

	Estimate 2025	Actual 2025	Actual 2024
<b>General Revenue Fund *</b>			<i>(as restated)</i>
<b>Revenues</b>			
Ordinary Revenue	14,225,841	15,469,166	13,865,220
Ordinary Recoveries	1,144,023	1,214,020	1,157,689
Net Income from Government Business Enterprises	473,933	490,867	478,369
	<u>15,843,797</u>	<u>17,174,053</u>	<u>15,501,278</u>
<b>Expenses</b>			
Departmental Expenses	15,536,441	16,261,614	14,720,182
Refundable Tax Credits	126,316	155,908	125,224
Pension Valuation Adjustment	33,102	(16,151)	51,467
Debt Servicing Costs	822,863	876,312	782,520
	<u>16,518,722</u>	<u>17,277,683</u>	<u>15,679,393</u>
	(674,925)	(103,630)	(178,115)
<b>Consolidation and Accounting Adjustments</b>			
General Revenue Fund Consolidation Adjustments	231,032	351,242	360,975
Special Purpose Funds	(3,459)	(2,810)	81
Other Organizations	(20,033)	19,986	(41,200)
	<u>207,540</u>	<u>368,418</u>	<u>319,856</u>
<b>Provincial Surplus (Deficit)</b>	<u>(467,385)</u>	<u>264,788</u>	<u>141,741</u>

\* The General Revenue Fund (GRF) is comprised of the Province's departments, public service units, special operating agencies, as well as the net income from government business enterprises. The GRF excludes the governmental units and special purpose funds owned or controlled by the Province, as well as the Province's share of government partnership arrangements.



## General Revenue Fund – Revenue

In total, revenue of the General Revenue Fund for the fiscal year ending March 31, 2025 was \$1.33 billion or 8.4 per cent higher than the estimate and \$1.67 billion or 10.8 per cent higher than the prior year. The table below shows the current year estimate, current and prior year actual revenue, and current year variances compared to estimate and prior year. The analysis that follows this table includes explanations, by source, for the more significant variances.

<b>Revenue</b> (\$ thousands)	<b>Estimate 2025</b>	<b>Actual 2025</b>	<b>Actual 2024</b> <i>(as restated)</i>	<b>Actual vs Estimate Increase (Decrease)</b>	<b>Actual vs Actual Increase (Decrease)</b>
<b>Provincial Sources</b>					
Tax Revenue					
Personal Income Tax	4,174,435	4,471,232	3,951,415	296,797	519,817
Corporate Income Tax	748,944	942,496	673,756	193,552	268,740
Harmonized Sales Tax	2,755,642	2,667,054	2,615,601	(88,588)	51,453
Tobacco Tax	114,084	108,335	132,188	(5,749)	(23,853)
Motive Fuel Tax	278,243	272,370	285,789	(5,873)	(13,419)
Cannabis and Vaping Tax	21,687	22,122	20,441	435	1,681
Non-Resident Deed Transfer Tax	11,473	14,559	11,204	3,086	3,355
Other Tax Revenue	241,718	283,898	265,277	42,180	18,621
Other Provincial Revenue					
Registry of Motor Vehicles	147,916	155,286	149,667	7,370	5,619
Prior Years' Adjustments	–	576,059	529,446	576,059	46,613
Other Provincial Sources	174,087	388,482	157,878	214,395	230,604
Ordinary Recoveries	415,410	560,636	544,982	145,226	15,654
Other Fees and Charges	67,103	73,437	63,507	6,334	9,930
TCA Cost Shared Revenue	13,751	8,682	8,695	(5,069)	(13)
Net Gain (Loss) on Disposal of Crown Assets	975	8,266	81	7,291	8,185
Net Income from Government					
Business Enterprises	473,933	490,867	478,369	16,934	12,498
Investment Income					
Interest Revenue	140,410	170,858	136,393	30,448	34,465
Sinking Fund Earnings	22,414	25,856	24,369	3,442	1,487
<b>Total Provincial Sources</b>	<b>9,802,225</b>	<b>11,240,495</b>	<b>10,049,058</b>	<b>1,438,270</b>	<b>1,191,437</b>
<b>Federal Sources</b>					
Equalization Payments	3,284,338	3,284,338	2,802,849	–	481,489
Canada Health Transfer	1,378,600	1,357,718	1,357,400	(20,882)	318
Canada Social Transfer	447,583	440,804	433,520	(6,779)	7,284
Prior Years' Adjustments	–	542	7,369	542	(6,827)
Ordinary Recoveries	728,613	653,384	612,707	(75,229)	40,677
TCA Cost Shared Revenue	41,405	28,889	75,800	(12,516)	(46,911)
Other Federal Sources	161,033	167,883	162,575	6,850	5,308
<b>Total Federal Sources</b>	<b>6,041,572</b>	<b>5,933,558</b>	<b>5,452,220</b>	<b>(108,014)</b>	<b>481,338</b>
<b>Total Revenue</b>	<b>15,843,797</b>	<b>17,174,053</b>	<b>15,501,278</b>	<b>1,330,256</b>	<b>1,672,775</b>

### General Revenue Fund – Revenue Variance Analysis

#### Personal Income Tax

Personal Income Tax (PIT) revenue was \$296.8 million or 7.1 per cent higher than the estimate due to higher projections for both taxable income and the yield rate. Taxable income was up 4.5 per cent for 2024 and 6.3 per cent for 2025 compared to estimate due to higher income levels. The yield rate was up 1.9 per cent for 2024 and 1.4 per cent for 2025.

PIT revenue was \$519.8 million or 13.2 per cent higher than the prior year.

#### Corporate Income Tax

Corporate Income Tax (CIT) revenue was \$193.6 million or 25.8 per cent higher than the estimate. The level of corporate taxable income attributable to Nova Scotia was higher since national corporate taxable income increased by 16.2 per cent in 2024 and 13.7 per cent in 2025. This increase was supported by an increase in the Province's share of national corporate taxable income, which was up 5.2 per cent in 2024 and 0.1 per cent in 2025, and a decline in the small business share of taxable income.

CIT revenue was \$268.7 million or 39.9 per cent higher than the prior year.

#### Harmonized Sales Tax

Harmonized Sales Tax (HST) revenue was \$88.6 million or 3.2 per cent lower than the estimate due to higher rebates, including the temporary HST tax relief provided from December 14, 2024 to February 15, 2025. The total tax base was up 1.6 per cent for 2024 and 3.0 per cent for 2025, primarily as a result of stronger consumer expenditures (up 2.5 per cent for 2024 and 3.7 per cent for 2025). The taxable housing base declined 14.4 per cent in 2024 and 10.9 in 2025 from the estimate.

HST revenue was \$51.5 million or 2.0 per cent higher than the prior year.

#### Tobacco Tax

Tobacco Tax revenue was \$5.7 million or 5.0 per cent lower than the estimate due to a decrease of 11.9 per cent in the consumption of legal cigarettes and 43.7 per cent in the consumption of legal fine cut tobacco. Refunds and other adjustments on a net basis partially offset the lower tax revenue associated with cigarettes and fine cut tobacco.

Tobacco Tax revenue was \$23.9 million or 18.0 per cent lower than the prior year.

#### Motive Fuel Tax

Motive Fuel Tax revenue was \$5.9 million or 2.1 per cent lower than the estimate due to decreases of 0.2 per cent in the consumption of gasoline and 0.5 per cent in the consumption of diesel oil. Refunds and other adjustments on a net basis further lowered motive fuel tax revenue in fiscal year 2024-25.

Motive Fuel Tax revenue was \$13.4 million or 4.7 per cent lower than the prior year.





### **Cannabis and Vaping Products Tax**

Cannabis and Vaping Products Tax revenue was \$0.4 million or 2.0 per cent higher than the estimate as the market, availability of options, and consumer preferences continue to mature.

Cannabis and Vaping Products Tax revenue was \$1.7 million or 8.2 per cent higher than the prior year.

### **Non-Resident Deed Transfer Tax**

Non-Resident Deed Transfer Tax revenue was \$3.1 million or 26.9 per cent higher than the estimate due to an increase in the average value of transactions offsetting a decline in the volume of transactions.

Non-Resident Deed Transfer Tax revenue was \$3.4 million or 29.9 per cent higher than the prior year.

### **Prior Years' Adjustments – Provincial Sources**

Prior Years' Adjustments (PYAs) from provincial sources resulted in an increase of \$576.1 million reflecting updates to the Province's economic forecast, federal government information on tax returns and taxation changes for PIT and CIT, revisions to HST forecasts for open years, and forecast updates to Financial Institutions Capital Tax, Large Corporations Capital Tax, and Petroleum Royalties.

PYAs are not budgeted but are recorded in the current year as actual or more current information becomes available and impacts the accounting estimates of revenues recorded in prior years.

PYAs from provincial sources were attributed as follows: \$272.1 million for PIT, \$163.9 million for CIT, \$70.1 million for HST, \$55.3 million for Petroleum Royalties, and \$14.7 million for Financial Institutions Capital Tax. These were partially offset by a negative PYA of \$94 thousand related to the Large Corporations Capital Tax.

### **Other Provincial Sources**

Other Provincial Sources were \$214.4 million or 123.2 per cent higher than estimate and \$230.6 million or 146.1 per cent higher than prior year primarily due to Tobacco Settlement revenue of \$203.1 million.

### **Ordinary Recoveries from Provincial Sources**

Ordinary Recoveries from provincial sources were \$145.2 million or 35.0 per cent higher than estimate primarily due to \$115.2 million for corporate prior years' recoveries, \$24.5 million in the Department of Health and Wellness from out-of-province recoveries and Third Party Auto Levy recoveries, and \$9.9 million in the Department of Cyber Security and Digital Solutions from increased IT hardware and software purchases on behalf of related entities. These increases were partially offset by a decrease of \$6.6 million in the Department of Growth and Development mainly due to lower public housing recoveries under the new Municipal Service Exchange Agreement.

Ordinary Recoveries from provincial sources were \$15.7 million or 2.9 per cent higher than the prior year primarily due to \$20.7 million for corporate prior years' recoveries, \$9.5 million in the Department of Health and Wellness from out-of-province recoveries and Third Party Auto Levy recoveries, \$5.2 million in the Department of Labour, Skills and Immigration related to recoveries under the Workers' Compensation Board's Occupational Health and Safety framework and the Workforce Development Agreement, and \$4.3 million in the Department of Cyber Security and Digital Solutions from IT hardware and software purchases on behalf of related entities.

## Selected Highlights of the General Revenue Fund

### Ordinary Recoveries from Provincial Sources (cont.)

These increases were partially offset by decreases of \$15.5 million in the Department of Growth and Development mainly due to \$12.7 million in lower public housing recoveries under the new Municipal Service Exchange Agreement and \$1.5 million in lower NS Jobs Fund Recoveries, and \$7.1 million in the Department of Justice mainly due to lower correctional facilities recoveries under the new Municipal Service Exchange Agreement.

### Net Income from Government Business Enterprises

Net Income from Government Business Enterprises was \$16.9 million or 3.6 per cent higher than estimate primarily due to increases of \$10.6 million in the Nova Scotia Liquor Corporation, \$9.4 million in the Nova Scotia Gaming Corporation, and \$3.5 million in the Highway 104 Western Alignment Corporation, partially offset by a decrease of \$6.6 million in the Halifax-Dartmouth Bridge Commission.

Net Income from Government Business Enterprises was \$12.5 million or 2.6 per cent higher than the prior year.

### Investment Income

Interest Revenue was \$30.4 million or 21.7 per cent higher than the estimate primarily due to higher realized interest rates and higher investment holdings. This was partially offset by a reduction of \$19.3 million as a result of the long-term care accounting adjustment.

Interest Revenue was \$34.5 million or 25.3 per cent higher than the prior year.

### Sinking Fund Earnings

Sinking Fund Earnings were \$3.4 million or 15.4 per cent higher than the estimate primarily due to interest rates being higher than expected.

Sinking Fund Earnings were \$1.5 million or 6.1 per cent higher than the prior year primarily due to higher interest rates and larger investment holdings.

### Equalization Payments

Equalization payments were unchanged from the estimate. Equalization is based upon the Province's election to receive payments calculated according to the Expert Panel approach. This is a one-estimate, one-payment approach.

Equalization payments were \$481.5 million or 17.2 per cent higher than the prior year.

### Canada Health Transfer

Canada Health Transfer (CHT) revenue was \$20.9 million or 1.5 per cent lower than the estimate. The revised estimate is based on a decline in the Province's share of the national population from 2.65 per cent to 2.61 per cent based on official estimates released by Statistics Canada in September 2024.

CHT revenue was \$318.0 thousand higher, relatively unchanged from the prior year, which included the provincial share of the \$2.0 billion top-up funding for fiscal year 2023-24 that was provided to provinces and territories as part of the *Working Together to Improve Health Care for Canadians* plan.



### Canada Social Transfer

Canada Social Transfer (CST) revenue was \$6.8 million or 1.5 per cent lower than the estimate. The revised estimate is based on a decline in the Province's share of the national population from 2.65 per cent to 2.61 per cent based on official estimates released by Statistics Canada in September 2024.

CST revenue was \$7.3 million or 1.7 per cent higher than the prior year.

### Prior Years' Adjustments – Federal Sources

Prior Years' Adjustments (PYAs) from federal sources resulted in an increase to revenue of \$0.5 million primarily reflecting the reimbursement of previous deductions made in respect of the Canada Health Act offsetting revisions to federal population estimates impacting fiscal year 2023-24 CHT and CST entitlements before they were finalized during the year.

PYAs are not budgeted but are recorded in the current year as actual or more current information becomes available for prior years still open for re-estimation. Federal PYA revenues include a positive \$1.2 million for CHT and negative \$0.6 million for CST.

### Ordinary Recoveries – Federal Sources

Ordinary Recoveries from federal sources were \$75.2 million or 10.3 per cent lower than the estimate primarily due to \$71.2 million in the Department of Municipal Affairs from project delays in federal infrastructure programs and \$48.6 million in the Department of Education and Early Childhood Development from cash flow changes under the Canada-wide Early Learning and Child Care Agreement.

These decreases were partially offset by increases of \$29.7 million in the Department of Emergency Management for increased federal disaster assistance recoveries related to the July 2024 flooding, February 2024 snow storm in Cape Breton Regional Municipality (CBRM), and other prior year storms, \$4.9 million in the Department of Environment and Climate Change from the new Canada-Nova Scotia Nature Agreement, \$2.8 million in the Department of Opportunities and Social Development from the Unsheltered Homelessness and Encampments Initiative, \$2.4 million in the Department of Energy from the Code Accelerator Fund, and \$2.4 million in the Department of Natural Resources from the 2 Billion Trees program.

Ordinary Recoveries from federal sources were \$40.7 million or 6.6 per cent higher than the prior year primarily due to \$29.3 million in the Department of Municipal Affairs from the timing of federal infrastructure projects, \$14.9 million in the Department of Education and Early Childhood Development from a \$17.8 million increase in the Canada-wide Early Learning and Child Care Agreement partially offset by a \$2.8 million reduction in the Canada-Nova Scotia Agreement on Minority Language Education and Second Official Language Instruction, \$12.8 million in the Department of Energy from \$10.7 million in Off Oil Programs and \$0.9 million for the Code Accelerator Fund, and \$12.1 million in the Department of Emergency Management for federal disaster assistance from the July 2024 flooding event and February 2024 CBRM snow storm.

These increases were partially offset by \$30.4 million in the Department of Labour, Skills and Immigration mainly due to a \$21.2 million reduction of incremental funding in the Labour Market Transfer Agreements and \$10.3 million from the completion of the Canadian Apprenticeship Service Program agreement with Employment and Social Development Canada.

## Selected Highlights of the General Revenue Fund

### Other Federal Sources

Revenue from other federal sources was \$6.9 million or 4.3 per cent higher than the estimate primarily due to increases of \$8.1 million in the Proof of Vaccination Fund in the Department of Health and Wellness and \$1.61 million for the Long-Term Care Aging with Dignity program in the Department of Seniors and Long-Term Care. These increases were partially offset by a decrease of \$2.9 million for Mass Casualty Report funding in the Office of Addictions and Mental Health.

Revenue from other federal sources was \$5.3 million or 3.3 per cent higher than the prior year primarily due to increases of \$7.7 million in the Proof of Vaccination Fund in the Department of Health and Wellness, \$7.0 million in the Office of Addictions and Mental Health funding under Bilateral Health Agreements, and \$3.4 million for the Long-Term Care Aging with Dignity program in the Department of Seniors and Long-Term Care. These increases were partially offset by decreases of \$8.2 million in the Department of Health and Wellness under Bilateral Health Agreements, \$2.6 million in Infoway Funding for Personal Health Records, and \$2.0 million in Investing in Canada Infrastructure Program (ICIP) funding in the Department of Education and Early Childhood Development.



## General Revenue Fund – Departmental Expenses

Overall, departmental expenses of the General Revenue Fund for the fiscal year ended March 31, 2025 were \$725.2 million or 4.7 per cent higher than the estimate and \$1.54 billion or 10.5 per cent higher than the prior year. The table below shows the current year estimate, current and prior year actual expenses, and current year variances compared to estimate and prior year. The analysis that follows this table includes explanations, by department, for the more significant variances.

### Departmental Expenses

(\$ thousands)

	Estimate 2025	Actual 2025	Actual 2024 <i>(as restated)</i>	Actual vs Estimate Increase (Decrease)	Actual vs Actual Increase (Decrease)
Advanced Education	725,539	739,066	743,330	13,527	(4,264)
Agriculture	46,682	57,658	57,461	10,976	197
Communities, Culture, Tourism and Heritage	171,845	242,321	209,067	70,476	33,254
Cyber Security and Digital Solutions	276,224	246,549	230,565	(29,675)	15,984
Education and Early Childhood Development	1,999,180	1,998,073	1,884,298	(1,107)	113,775
Emergency Management	30,391	48,825	117,141	18,434	(68,316)
Energy	37,873	43,752	30,367	5,879	13,385
Environment and Climate Change	73,876	76,400	51,729	2,524	24,671
Finance and Treasury Board	48,790	228,257	33,716	179,467	194,541
Fisheries and Aquaculture	15,951	16,286	17,392	335	(1,106)
Growth and Development	370,250	416,365	621,266	46,115	(204,901)
Health and Wellness	5,536,898	5,778,476	5,178,565	241,578	599,911
Justice	464,719	485,014	450,670	20,295	34,344
Labour, Skills and Immigration	241,644	242,527	230,815	883	11,712
Municipal Affairs	396,515	314,508	341,816	(82,007)	(27,308)
Natural Resources	103,715	112,777	158,713	9,062	(45,936)
Opportunities and Social Development	1,579,169	1,613,917	1,389,659	34,748	224,258
Public Service	517,397	517,070	459,646	(327)	57,424
Public Works	716,170	790,161	717,423	73,991	72,738
Seniors and Long-Term Care	1,362,710	1,411,236	1,391,239	48,526	19,997
Service Nova Scotia	161,138	220,613	220,475	59,475	138
Restructuring Costs	659,765	661,763	184,829	1,998	476,934
<b>Total Departmental Expenses</b>	<b>15,536,441</b>	<b>16,261,614</b>	<b>14,720,182</b>	<b>725,173</b>	<b>1,541,432</b>

The original budget and prior year actuals have been reclassified to reflect departmental restructuring that occurred on December 12, 2024, under Order in Council 2024-425. Emergency Management was also established as a new department through legislation on September 20, 2024.

Request for final additional appropriations for year-end adjustments must be submitted to the Governor in Council no later than 15 days after the date of the tabling of these Public Accounts. These amounts are summarized by appropriation on pages 53 and 54.

The table above provides the expenses by department prior to consolidation for comparison to the budget and prior fiscal year, on the same basis as the Estimates, as approved by the Legislature in the annual Appropriations Act.

### Departmental Expenses Compared To Estimate

#### Advanced Education

Department of Advanced Education expenses were \$13.5 million or 1.9 per cent higher than the estimate primarily due to \$3.7 million to Mount Saint Vincent University for the Doctor of Psychology Program, \$3.0 million for the Mabou Housing project, \$2.3 million for the Tartan Downs Housing project, \$1.3 million to the Atlantic Veterinary College for a new funding agreement, \$1.3 million in expenses related to recovery fees for the Student Loan Program, and \$0.9 million in student bursaries due to higher utilization.

#### Agriculture

Department of Agriculture expenses were \$11.0 million or 23.5 per cent higher than the estimate primarily due to \$5.0 million for the Beef Initiative Program, \$5.0 million for the Innovation and Technology Adoption Program, and \$1.0 million for the Institutional Procurement Program.

#### Communities, Culture, Tourism and Heritage

Department of Communities, Culture, Tourism and Heritage expenses were \$70.5 million or 41.0 per cent higher than the estimate primarily due to \$50.0 million for various community support grants and \$19.0 million for film investments.

#### Cyber Security and Digital Solutions

Department of Cyber Security and Digital Solutions expenses were \$29.7 million or 10.7 per cent lower than the estimate primarily due to \$20.3 million resulting from a reallocation of certain costs for the Enterprise Resource Planning System (SAP) Modernization Project from operating to capital, \$6.1 million of vacancy savings, and \$2.7 million less amortization due to project delays.

#### Emergency Management

Department of Emergency Management expenses were \$18.4 million or 60.7 per cent higher than the estimate primarily due to \$11.1 million for the Disaster Financial Assistance Program (primarily the July 2024 flood event) and \$5.4 million for expanded trunked mobile services for Public Safety and Field Communications.

#### Finance and Treasury Board

Department of Finance and Treasury Board expenses were \$179.5 million or 367.8 per cent higher than the estimate primarily due to \$157.0 million associated with the debt forgiveness of the Halifax Dartmouth Bridge Commission as a result of its change in status from a government business enterprise, \$16.9 million in tobacco settlement legal fees, and \$11.2 million for revised asset retirement obligation estimates. These increases were partially offset by \$3.5 million in savings from wine support programming and \$2.1 million for miscellaneous operating and salary savings.

#### Growth and Development

Department of Growth and Development expenses were \$46.1 million or 12.5 per cent higher than the estimate primarily due to \$25.6 million related to Nova Scotia Jobs Fund for revised valuations and loss claim updates, \$19.8 million related to the Nova Scotia Provincial Housing Agency, \$7.4 million under the Repair and Accessibility Programs, \$5.0 million for Neptune BioInnovation funding, and \$4.2 million for Nova Scotia Loyal. These increases were partially offset by \$9.5 million in Invest Nova Scotia for payroll rebates and \$8.1 million for the Rent Supplement Program.





### Health and Wellness

Department of Health and Wellness expenses were \$241.6 million or 4.4 per cent higher than the estimate primarily due to \$86.4 million in Physician Services from expanded use of the new physician funding model and establishment of the Physician Retirement Fund, \$83.6 million for Nova Scotia Health inflationary pressures and staffing costs, \$25.8 million in Pharmaceutical Services and Extended Benefits mainly due to lower than expected drug rebates and increased utilization of cancer and diabetes insipidus drugs, \$18.8 million in information technology systems including Google Health and Your Health NS, \$13.9 million for Emergency Health Services largely due to LifeFlight and Air Medical transport, uncollectible ambulance user fees, and capital expenditure reallocations to operating, \$10.6 million for plasma protein/fresh blood products through Canadian Blood Services, \$7.5 million for IWK inflationary and staffing pressures, and \$4.3 million for Medavie contract services. These increases are partially offset by \$9.3 million in capital grants and amortization due to shifts in cash flows.

### Justice

Department of Justice expenses were \$20.3 million or 4.4 per cent higher than the estimate primarily due to \$7.2 million for casual and relief staff and WCB costs for Correctional Services, Victim Services, and Sheriff Services, \$4.0 million in increased funding to Nova Scotia Legal Aid for legal aid certificate funding, \$3.8 million for inflationary pressures in Correctional Services, \$2.2 million in increased Nova Scotia Legal Aid federal funding, and \$1.5 million for Medical Examiner Service resulting from increased caseload.

### Municipal Affairs

Department of Municipal Affairs expenses were \$82.0 million or 20.7 per cent lower than the estimate primarily due to \$111.7 million related to Federal Infrastructure Program cash flow changes, of which \$73.7 million is recoverable. Offsetting these decreases were increases of \$15.3 million for Cape Breton Regional Municipality water line extension, \$11.8 million for Growth and Renewal for Infrastructure Development program, and \$2.7 million for Grants in Lieu of Property Tax.

### Opportunities and Social Development

Department of Opportunities and Social Development expenses were \$34.7 million or 2.2 per cent higher than the estimate primarily due to \$23.8 million for one-time gender based violence supports, \$14.0 million related to staffing and other operating costs, \$11.9 million in grants to support homeless and improve food security, \$9.4 million due to Income Assistance utilization and Nova Scotia Child Benefit, \$6.4 million decreased drug rebates from the Pharmacare Program, \$3.9 million for grants to provide digital access to low income Nova Scotians, and \$2.9 million for initiatives supporting Prevention and Early Intervention and Youth programming. These increases were partially offset by \$30.0 million mainly due to changes in timing of initiatives for the Human Rights Remedy and \$7.6 million decreased utilization of employment support services grants.

### Public Works

Department of Public Works expenses were \$74.0 million or 10.3 per cent higher than the estimate primarily due to \$20.8 million for Boat Harbour remediation, \$19.6 million in snow and ice removal costs, \$15.8 million for partially recoverable prior-years' weather related events, \$8.6 million for the Middle River Pumping Station, \$5.8 million in major infrastructure amortization costs, \$4.9 million in highway maintenance costs, \$4.0 million in building maintenance costs, \$2.9 million for Cunard and Acadia Wharf development projects through Build Nova Scotia, \$2.8 million in provincial ferries maintenance costs, \$2.6 million for the Halifax Infirmary Expansion Project temporary parking solution, \$2.0 million for the fully recoverable Highway 107 Sackville Bedford Burnside project, and \$1.3 million for the partially recoverable Highway 103 Bridgewater Interchange. These increases were partially offset by a \$10.8 million decrease in the Municipal Service Exchange Agreement for roads, and \$7.0 million decrease in the Cellular for Nova Scotia Program through Build Nova Scotia due to timing.

## Selected Highlights of the General Revenue Fund

### Seniors and Long-Term Care

Department of Seniors and Long-term Care expenses were \$48.5 million or 3.6 per cent higher than the estimate primarily due to \$42.8 million for increased participation in the Home Support Direct Funding Program, \$17.7 million for special needs, wound care, attendant care, and other client specific expense claims in Long-Term Care (LTC), \$9.7 million for the renewal of LTC service agreements, \$9.7 million for utilization of the Red Cross HELP program (Health Equipment Loan Program), \$4.8 million for home support nursing, supplies, and drugs, \$4.4 million for Nova Scotia Health healthcare bargaining unit compensation, \$3.2 million for the Care Giver Benefit program due to increased enrollment, \$2.6 million for the Seniors Care Grant, and \$2.0 million due to increased utilization of the Home Oxygen Program. These increases were partially offset by a decrease of \$20.4 million due to delays in new LTC facility openings, a net recovery of \$19.9 million in expenses as a result of the LTC accounting adjustment, and a \$12.9 million decrease in usage of travel nurse staff.

### Service Nova Scotia

Department of Service Nova Scotia expenses were \$59.5 million or 36.9 per cent higher than the estimate primarily due to \$36.9 million in heating rebate grants, \$12.8 million in partially recoverable expenses due to damage from weather-related events, \$7.5 million for self-insured claims partially recoverable on behalf of related entities, and \$1.3 million for Property Tax Rebate for Seniors grants.





## Departmental Expenses Compared To Prior Year

### Communities, Culture, Tourism and Heritage

Department of Communities, Culture, Tourism and Heritage expenses were \$33.3 million or 15.9 per cent higher than prior year primarily due to \$20.7 million increased film investments and \$10.1 million in additional community grants.

### Education and Early Childhood Development

Department of Education and Early Childhood Development expenses were \$113.8 million or 6.0 per cent higher than prior year primarily due to increases of \$67.9 million for Early Learning and Child Care, mainly for initiatives under the Canada-wide Early Learning and Child Care Agreement, \$34.2 million related to implementation of the School Lunch Program, \$8.8 million in amortization related to school projects, and \$6.3 million for the Pre-Primary Program. These increases were partially offset by decreases of \$3.6 million under the federally funded Official Languages in Education Protocol Agreement, including complementary projects.

### Emergency Management

Department of Emergency Management expenses were \$68.3 million or 58.3 per cent lower than prior year primarily due to \$66.2 million for partially recoverable disaster assistance due to more weather events in 2023 and 2024, offset by \$4.1 million reduced trunked mobile radio costs.

### Energy

Department of Energy expenses were \$13.4 million or 44.1 per cent higher than prior year primarily due to \$10.7 million for Off Oil programming and \$2.5 million in start-up costs for the Independent Energy System Operator.

### Environment and Climate Change

Department of Environment and Climate Change expenses were \$24.7 million or 47.7 per cent higher than prior year primarily due to the planned adjustment to Climate Change Plan funding of \$21.9 million and an increase in recoverable expenses of \$2.2 million.

### Finance and Treasury Board

Department of Finance and Treasury Board expenses were \$194.5 million or 577.0 per cent higher than prior year primarily due to \$157.0 million associated with the debt forgiveness of the Halifax Dartmouth Bridge Commission as a result of its change in status from a government business enterprise, \$16.9 million in tobacco settlement legal fees, \$11.2 million for revised asset retirement obligation estimates, \$6.5 million in commercial wine support programming, and \$2.9 million in wage adjustments.

### Growth and Development

Department of Growth and Development expenses were \$204.9 million or 33.0 per cent lower than the prior year primarily due to decreases of \$231.5 million related to the transfer of Housing Nova Scotia opening balances and assets to the Department, \$13.0 million in the Nova Scotia Jobs Fund for revised valuations and loss claim updates, and \$11.3 million in Affordable and Community programs. These decreases were partially offset by \$17.2 million related to the Nova Scotia Provincial Housing Agency, \$11.9 million for the Rent Supplement Program, \$6.0 million for a transfer of housing properties to the Preston Area Housing Fund, \$5.0 million for Neptune BioInnovation Funding, \$4.2 million for Nova Scotia Loyal, \$3.4 million for the Community Economic Development Fund for revised timing of claims, and \$3.2 million to Invest Nova Scotia for payroll rebates.

## Selected Highlights of the General Revenue Fund

### Health and Wellness

Department of Health and Wellness expenses were \$599.9 million or 11.6 per cent higher than prior year primarily due to \$186.8 million in Physician Services mainly for expanded usage of the new physician funding model and establishment of the Physician Retirement Fund, \$175.3 million for Nova Scotia Health operating costs largely due to inflationary, utilization, and staffing pressures, \$119.2 million in Health Transformation investments, \$67.0 million for capital grants and amortization of various projects, \$49.6 million for Pharmaceutical Services and Extended Benefits mainly from lower than anticipated drug rebates and increased utilization of cancer and diabetes insipidus drugs, \$33.1 million for IT Systems primarily for Google Health and Your Health NS, \$22.0 million for IWK inflationary and staffing pressures, \$17.3 million in Emergency Health Services largely due to LifeFlight and Air Medical transport, uncollectible ambulance user fees, and capital expenditure reallocations to operating, \$6.5 million in increased utilization for plasma protein/fresh blood products collected through Canadian Blood Services, \$4.8 million in Medavie contract increases, \$4.0 million for Good Manufacturing Practice BioLabs East, and \$1.6 million for the Physician Assessment Centre of Excellence. These increases were partially offset by decreases of \$85.9 million in Public Health due to lower infection, prevention, and control and immunization programming expenses and \$1.5 million in communicable diseases and prevention.

### Justice

Department of Justice expenses were \$34.3 million or 7.6 per cent higher than prior year primarily due to \$11.7 million in policing services for RCMP, \$7.5 million for Correctional Services, Victim Services, and Sheriff Services casual and relief staff for operational requirements, \$4.9 million for Correctional Services, Court Services, and Medical Examiner Service operating pressures due to investments in the Courts Digital Transformation, increased courthouse lease rates, food and utility costs, and Medical Examiner caseloads, \$4.6 million to Nova Scotia Legal Aid for amending regulations and fees and additional federal funding, and \$1.3 million for the First Nations Inuit Policing program.

### Municipal Affairs

Department of Municipal Affairs expenses were \$27.3 million or 8.0 per cent lower than prior year primarily due to \$102.4 million in the Municipal Capital Growth Fund, a one-time program in 2023-24, partially offset by increases of \$26.8 million for Growth and Renewal for Infrastructure Development program, \$26.2 million in Federal infrastructure program cash flow changes, of which \$23.8 million is recoverable, \$15.3 million for Cape Breton Regional Municipality water line extension, \$3.8 million for Grants in Lieu of Property Tax, and \$3.1 million for Municipal Operating Grants.

### Natural Resources

Department of Natural Resources expenses were \$45.9 million or 28.9 per cent lower than the prior year primarily due to \$30.2 million of contaminated site remediation, \$13.0 million related to large scale wildfires, and \$2.7 million in various silviculture and parks decreases.

### Opportunities and Social Development

Department of Opportunities and Social Development expenses were \$224.3 million or 16.1 per cent higher than the prior year mainly due to \$94.9 million from changes in timing of initiatives for the Human Rights Remedy and increasing community capacity to support adults with complex needs, \$50.1 million in disability supplement, \$29.5 million in one-time Gender Based Violence supports, \$19.8 million for Income Assistance indexing of benefits and utilization, \$18.8 million for initiatives to support homelessness and improve food security, \$7.1 million related to various staffing and other operating costs, \$5.4 million in lower drug rebates for the Pharmacare Program, and \$1.4 million to support children in care. These expenses were partially offset by \$2.7 million in decreased utilization of employment support services grants.



### Public Service

Public Service expenses were \$57.4 million or 12.5 per cent higher than prior year primarily due to \$34.2 million in Office of Addictions and Mental Health mainly attributable to \$8.9 million for Nova Scotia Health operating pressures and wage increases, \$5.8 million for the community wellness framework (new initiative for 2024-25), \$4.9 million related to Health Services Insurance Act initiatives, \$4.4 million related to health human resources initiatives, \$3.6 million for Mass Casualty Commission initiatives, \$3.3 million for early intervention services, \$1.9 million for universal mental health initiatives and \$1.4 million for addiction services, \$14.2 million due to the 42nd Provincial General Election held in November 2024, and \$6.1 million net increase in multiple other offices.

### Public Works

Department of Public Works expenses were \$72.7 million or 10.1 per cent higher than prior year primarily due to \$38.8 million in major infrastructure amortization costs from the increased size of the capital asset portfolio, \$10.7 million for the Middle River Pumping Station, \$9.1 million in snow and ice removal costs, \$8.3 million to Build Nova Scotia for the Cellular Nova Scotia program, \$5.9 million for Boat Harbour remediation, \$4.5 million related to the Cunard and Acadia Wharf development projects, \$4.0 million to Bay Ferries for the NS to Maine ferry services, \$2.6 million for the Halifax Infirmary Expansion Project temporary parking solution, and \$1.8 million for the fully recoverable Highway 107 Sackville Bedford Burnside project. These increases were partially offset by \$5.0 million for partially recoverable prior year weather events, \$4.1 million in delays to recoverable Highway 104 improvements, and \$3.4 million for the partially recoverable Highway 103 Bridgewater Interchange.

### Restructuring Costs

Restructuring expenses were \$476.9 million or 258.0 per cent higher than the prior year primarily due to higher corporate initiatives.

## Selected Highlights of the General Revenue Fund

### General Revenue Fund – Tangible Capital Assets

#### Gross Capital Purchases

In accordance with Canadian public sector accounting standards, the Province capitalizes tangible capital assets (TCA) at their gross cost (or estimated cost when the actual cost is unknown). This includes all costs directly related to the acquisition, design, construction, development, installation, and betterment of the asset. Cost also includes the estimated cost of legally required retirement activities of a tangible capital asset. Capital contributions from external sources are recognized as revenue in the year the asset is purchased or constructed. A percentage of an asset's original cost is charged to expense in each year of its useful life. This charge, called amortization, does not begin until the asset is available for use.

Departments are required to budget for TCA purchases and the resulting amortization. The costs of the gross capital purchases are appropriated as the Capital Purchase Requirements in the annual Estimates and the departmental details, as noted below. Gross capital purchases also include contributions of tangible capital assets received from external parties. These tangible capital asset contributions are recognized at their fair market value on the contribution date. There were \$118.6 thousand in tangible capital assets received during the 2025 fiscal year (2024 – \$288.0 thousand).

Spending on gross capital purchases was \$607.4 million or 45.5 per cent higher than the estimate primarily due to a \$324.9 increase in long-term care facilities as a result of an accounting adjustment, \$262.7 million in health infrastructure projects including the advancing of the Halifax Infirmary Expansion Project (HIEP) enabling works projects, \$99.1 million due to cost escalations on highways and structures, and \$43.7 million from a reallocation to capitalize a portion of the enterprise resource planning system (SAP) modernization costs. These increases were partially offset by reallocating the \$70.0 million contingency to support in-year approvals and \$53.0 million in project delays in other building infrastructure projects.

#### Gross Capital Purchases

(\$ thousands)

	Estimate 2025	Actual 2025	Variance Increase (Decrease)
Advanced Education	48,778	50,205	1,427
Agriculture	8,343	6,202	(2,141)
Communities, Culture, Tourism and Heritage	—	2	2
Cyber Security and Digital Solutions	29,754	67,271	37,517
Education and Early Childhood Development	214,440	210,261	(4,179)
Emergency Management	6,379	1,510	(4,869)
Environment and Climate Change	1,301	1,426	125
Growth and Development	47,130	46,968	(162)
Health and Wellness	288,850	551,506	262,656
Justice	1,788	2,198	410
Natural Resources	37,417	22,391	(15,026)
Opportunities and Social Development	7,309	3,054	(4,255)
Public Service	1,000	(3)	(1,003)
Public Works			
Highways and Bridges	483,226	582,276	99,050
Buildings and Infrastructure	86,749	70,816	(15,933)
Seniors and Long-Term Care	—	324,938	324,938
Service Nova Scotia	1,530	324	(1,206)
Contingency	70,000	—	(70,000)
<b>Total Gross Capital Purchases</b>	<b>1,333,994</b>	<b>1,941,345</b>	<b>607,351</b>



## Public Accounts Volume 1 – Consolidated Financial Statements

Included in the gross capital purchases in 2024-25 are acquisitions under P3 arrangements totaling \$466.8 million (\$462.1 million for healthcare infrastructure and \$4.7 million for highways).

### Amortization

The schedule below reflects the current year's estimate and actual amortization charged to operations of the General Revenue Fund for tangible capital assets acquired in 2024-25 and prior fiscal years. Annual amortization expense is calculated on a declining balance basis for most assets of the General Revenue Fund.

The declining balance amortization rates of the more common tangible capital assets are as follows:

Buildings and Land Improvements	5 - 30 per cent
Machinery, Computers and Equipment	20 - 50 per cent
Vehicles and Ferries	15 - 35 per cent
Roads, Bridges and Highways	5 - 15 per cent

Capital leases of the General Revenue Fund are amortized on a straight-line basis over the length of each lease, ranging from 4 to 25 years.

### Amortization

(\$ thousands)

	Estimate 2025	Actual 2025	Variance Increase (Decrease)
Advanced Education	16,533	16,174	(359)
Agriculture	1,655	1,639	(16)
Communities, Culture, Tourism and Heritage	1,235	1,241	6
Cyber Security and Digital Solutions	14,903	12,236	(2,667)
Education and Early Childhood Development	97,159	89,022	(8,137)
Emergency Management	410	244	(166)
Environment and Climate Change	142	142	—
Fisheries and Aquaculture	24	30	6
Growth and Development	10,723	19,215	8,492
Health and Wellness	18,876	16,290	(2,586)
Justice	4,370	3,262	(1,108)
Labour, Skills and Immigration	48	48	—
Municipal Affairs	418	294	(124)
Natural Resources	3,774	2,683	(1,091)
Opportunities and Social Development	1,229	1,229	—
Public Works	301,497	307,484	5,987
Seniors and Long-Term Care	—	28,491	28,491
Service Nova Scotia	1,132	1,043	(89)
<b>Total Amortization</b>	<b>474,128</b>	<b>500,767</b>	<b>26,639</b>

## Selected Highlights of the General Revenue Fund

### Additional Appropriations by Resolution Relative to the *Appropriations Act, 2024* For the fiscal year ended March 31, 2025 (\$ thousands)

						Final
						Additional
Res		Original	Additional			Appropriation
#	Appropriation	Estimate	Approved	Actual	Variance	Required
<b>Departmental Expenses</b>						
1	Advanced Education	725,539	14,536	739,066	(1,009)	—
2	Agriculture	46,682	—	57,658	10,976	10,977
3	Communities, Culture, Tourism and Heritage	171,845	83,184	242,321	(12,708)	—
5	Cyber Security and Digital Solutions	276,224	—	246,549	(29,675)	—
7	Education and Early Childhood Development	1,999,180	17,900	1,998,073	(19,007)	—
15,38	Emergency Management	30,391	18,293	48,825	141	141
16	Energy	37,873	2,937	43,752	2,942	2,942
8	Environment and Climate Change	73,876	7,660	76,400	(5,136)	—
9	Finance and Treasury Board	48,790	—	228,257	179,467	179,467
11	Fisheries and Aquaculture	15,951	—	16,286	335	335
6,15	Growth and Development	370,250	16,784	416,365	29,331	29,332
12	Health and Wellness	5,536,898	231,643	5,778,476	9,935	9,935
13	Justice	464,719	12,187	485,014	8,108	8,109
14	Labour, Skills and Immigration	241,644	4,236	242,527	(3,353)	—
15	Municipal Affairs	396,515	—	314,508	(82,007)	—
16	Natural Resources	103,715	4,909	112,777	4,153	4,154
4	Opportunities and Social Development	1,579,169	—	1,613,917	34,748	34,748
<b>Public Service</b>						
17	Communications Nova Scotia	6,960	—	6,640	(320)	—
18	Elections Nova Scotia	5,412	15,950	19,776	(1,586)	—
19	Executive Council	11,371	—	11,133	(238)	—
20	Freedom of Information and Protection of Privacy Review Office	1,281	—	1,214	(67)	—
21	Government Contributions to Benefit Plans	9,134	—	6,798	(2,336)	—
22	Human Rights Commission	3,044	—	3,044	—	—
23	Intergovernmental Affairs	5,744	—	5,656	(88)	—
24	Legislative Services	25,543	—	26,632	1,089	1,090
25	Nova Scotia Police Complaints Commissioner	2,230	—	2,230	—	—
26	Nova Scotia Securities Commission	444	—	444	—	—
27	Nova Scotia Utility and Review Board	3,271	—	3,241	(30)	—
28	Office of Addictions and Mental Health	359,619	10,505	349,874	(20,250)	—
13	Office of Equity and Anti-Racism	3,968	—	3,680	(288)	—
29	Office of Healthcare Professionals Recruitment	8,098	—	6,462	(1,636)	—
30	Office of L'nu Affairs	4,255	—	4,140	(115)	—
31	Office of the Auditor General	6,278	—	5,738	(540)	—
32	Office of the Ombudsman	2,200	—	2,123	(77)	—
33	Public Prosecution Service	32,075	—	31,955	(120)	—
34	Public Service Commission	23,833	—	23,698	(135)	—
35	Office of Service Efficiency	2,637	—	2,592	(45)	—
36	Public Works	716,170	34,232	790,161	39,759	39,759
37	Seniors and Long-Term Care	1,362,710	68,344	1,411,236	(19,818)	54
38	Service Nova Scotia	161,138	63,105	220,613	(3,630)	—
39	Restructuring Costs	659,765	—	661,763	1,998	1,998
<b>Total Departmental Expenses</b>		<b>15,536,441</b>	<b>606,405</b>	<b>16,261,614</b>	<b>118,768</b>	<b>323,041</b>





**Additional Appropriations by Resolution** *(continued)*  
**Relative to the Appropriations Act, 2024**  
**For the fiscal year ended March 31, 2025**  
(\$ thousands)

Res #	Appropriation	Original Estimate	Additional Approved	Actual	Variance	Final Additional Appropriation Required
<b>Other Appropriations</b>						
10	Debt Servicing Costs	822,863	46,447	876,312	7,002	7,002
40	Refundable Tax Credits	126,316	52,536	155,908	(22,944)	–
41	Pension Valuation Adjustment	33,102	–	(16,151)	(49,253)	–
	<b>Total Other Appropriations</b>	<b>982,281</b>	<b>98,983</b>	<b>1,016,069</b>	<b>(65,195)</b>	<b>7,002</b>
<b>Statutory Capital</b>						
42	Capital Purchase Requirements	1,333,994	268,713	1,941,345	338,638	338,638
43	Serial Retirements	17,422	–	16,565	(857)	–
	<b>Total Statutory Capital</b>	<b>1,351,416</b>	<b>268,713</b>	<b>1,957,910</b>	<b>337,781</b>	<b>338,638</b>
	<b>Total Additional Appropriations</b>		<b>974,101</b>			<b>668,681</b>

**Additional Appropriations Approved During the Fiscal Year**

Additional appropriations were approved during the year by Governor in Council. The details of these additional requests, by Order in Council (OIC), were as follows:

Appropriation by OIC	2024-365	2024-434	2025-38	Total
Advanced Education	1,288	–	13,248	14,536
Communities, Culture, Tourism and Heritage	1,393	64,079	17,712	83,184
Education and Early Childhood Development	7,280	10,620	–	17,900
Elections Nova Scotia	1,121	14,829	–	15,950
Emergency Management	3,520	8,470	6,303	18,293
Energy	–	2,937	–	2,937
Environment and Climate Change	7,660	–	–	7,660
Growth and Development	4,833	–	11,951	16,784
Health and Wellness	178,380	53,263	–	231,643
Justice	6,901	5,286	–	12,187
Labour, Skills, and Immigration	2,441	1,795	–	4,236
Natural Resources	3,331	1,578	–	4,909
Office of Addictions and Mental Health	–	–	10,505	10,505
Public Works	23,331	–	10,901	34,232
Seniors and Long-Term Care	48,847	19,497	–	68,344
Service Nova Scotia	50,324	12,781	–	63,105
Debt Servicing Costs	31,737	5,350	9,360	46,447
Refundable Tax Credits	–	52,536	–	52,536
Capital Purchase Requirements	76,073	–	192,640	268,713
	<b>448,460</b>	<b>253,021</b>	<b>272,620</b>	<b>974,101</b>

Note: Section 28(4) of the Finance Act requires that any final additional appropriation required for year-end adjustments be made to Governor in Council no later than 15 days after the date of the tabling of the Public Accounts

\* The original Budget 2024-25 has been restated to reflect departmental restructuring that occurred on December 12, 2024, under Order in Council 2024-425. Emergency Management was also established as a new department through legislation on September 20, 2024.

## Selected Highlights of the General Revenue Fund

### General Revenue Fund – Debt Servicing Costs

Debt servicing costs of the General Revenue Fund were \$876.3 million in 2024-25, which was \$53.4 million or 6.5 per cent higher than the estimate and \$93.8 million or 12.0 per cent higher than the prior year. The increase in debt servicing costs from the prior year was primarily due to the rise in outstanding debt and an increase in interest on Pension, Retirement, and Other Obligations.

General interest was \$9.8 million higher than the estimate due to higher than expected interest rates.

#### Debt Servicing Costs

(\$ thousands)

	Estimate 2025	Actual 2025	Actual 2024	Actual vs Estimate Increase (Decrease)
Interest on Long-Term Debt	656,459	698,073	605,590	41,614
General Interest	63,447	73,225	80,908	9,778
Interest on Pension, Retirement and Other Obligations	102,957	105,176	96,293	2,219
<b>Debt Servicing Costs – Gross</b>	<b>822,863</b>	<b>876,474</b>	<b>782,791</b>	<b>53,611</b>
Less: Interest on Repurchased Own Debt Instruments	–	162	271	162
<b>Debt Servicing Costs – Net</b>	<b>822,863</b>	<b>876,312</b>	<b>782,520</b>	<b>53,449</b>

#### Debenture Debt

The General Revenue Fund's net debenture debt (outstanding debentures less repurchased Province of Nova Scotia debentures) was \$18.6 billion in Canadian dollar equivalents at March 31, 2025 (2024 – \$16.9 billion).

The Province, in an effort to manage settlement cashflows, will often seek to repurchase some of its maturing debt in capital markets, usually within six months to one year prior to the maturity date of the debt instrument. The Province repurchased \$20.9 million Province of Nova Scotia debentures at March 31, 2025 (2024 – \$nil).

#### Outstanding Debentures – (CDN\$ Equivalents)

(\$ thousands)

	Actual 2025	Actual 2024
Debentures Payable in Canadian Dollars		
Canada Pension Plan Investment Fund	627,441	713,203
Other Issues	17,961,254	16,200,762
Less: Repurchased Own Debt Instruments	(20,931)	–
<b>Net Debenture Debt</b>	<b>18,567,764</b>	<b>16,913,965</b>





## General Revenue Fund – Annual Borrowing Plan

Pursuant to Section 35 of the *Finance Act*, the Minister of Finance and Treasury Board must prepare and submit to Governor in Council for approval an annual borrowing plan at least once in each fiscal year. In 2024-25, the Minister was granted an approval for a \$2.90 billion borrowing plan.

During the 2025 fiscal year, the Province borrowed in 7-year, 10-year, 30-year terms, and 50-year terms in Canadian public financial markets. These issues amounted to a total of \$2.50 billion in par value (\$2.53 billion in proceeds).

## Economic Highlights

### Economic Highlights

In advance of receiving statements of actual tax revenues collected, the Department of Finance and Treasury Board relies on economic forecasts and their relationships with historical administrative tax data to estimate tax revenues for each fiscal year.

Nominal Gross Domestic Product (GDP) is the broadest measure of the potential tax base, and subcomponents of nominal GDP provide indications of growth in specific tax bases including household income, consumer expenditures, and residential construction.

The economic outlook prepared as part of the 2024-25 Estimates was tabled February 29, 2024 and used data and information up to November 8, 2023. The 2024-25 Public Accounts economic outlook is based on a forecast with data up to June 20, 2025. Data in the discussion below may have been released beyond this date and will be incorporated into future economic outlooks.

### Nova Scotia Economic Outlook: 2024 and 2025

	2024-25 Estimates		2024-25 Public Accounts	
	2024	2025	2024	2025
<i>(Per cent change, except where noted)</i>				
Real GDP (\$ 2017 chained)	1.7%	1.9%	2.7%	1.4%
Nominal GDP	3.9%	3.3%	4.8%	3.7%
Compensation of Employees	3.7%	3.7%	5.6%	5.7%
Household Income	4.6%	3.7%	6.0%	4.8%
Household Final Consumption	4.7%	3.1%	5.0%	4.3%
Retail Sales	2.3%	3.1%	2.5%	3.9%
Consumer Price Index	2.7%	1.9%	2.3%	1.6%
Investment in Residential Structures	5.1%	3.4%	14.2%	7.6%
Non-Residential Structures, Machinery, Intellectual Property	7.3%	3.4%	18.8%	9.3%
Net Operating Surplus: Corporations	17.3%	15.4%	-32.2%	-6.7%
Net Mixed Income: Unincorporated	3.2%	2.7%	7.0%	3.8%
Exports of Goods and Services	3.5%	3.4%	5.1%	4.2%
Exports of Goods to Other Countries	2.4%	1.7%	2.2%	1.4%
Imports of Goods and Services	5.4%	2.9%	9.5%	5.6%
Population at July 1, all ages ( <i>thousands</i> )	1,083.1	1,104.8	<sup>A</sup> 1,076.4	1,085.9
Population at July 1, ages 18-64 ( <i>thousands</i> )	661.9	672.7	<sup>A</sup> 659.7	662.1
Labour Force ( <i>thousands</i> )	545.6	559.3	<sup>A</sup> 557.5	561.5
Employment ( <i>thousands</i> )	505.5	515.2	<sup>A</sup> 521.3	523.9
Unemployment Rate ( <i>annual average</i> )	7.4%	7.9%	<sup>A</sup> 6.5%	6.7%

<sup>A</sup> ~ Actual

### External Conditions

Despite geopolitical and trade tensions, global economic activity remained steady in 2024 as monetary policy easing progressed. The outlook for 2025 remains characterized by significant uncertainty. Growth has been resilient in the face of trade disruptions and geopolitical tensions, but the composition of activity reflects tariff distortions rather than underlying strength.

The International Monetary Fund (IMF) predicts that global headline inflation will slow from an annual average rate of 5.6 per cent in 2024 to 4.2 per cent in 2025. Advanced economies are expected to return to inflation targets faster than emerging market and developing economies.



## Public Accounts Volume 1 – Consolidated Financial Statements

In the IMF's July World Economic Outlook, global economic growth is expected to slow from 3.3 per cent in 2024 to 3.0 per cent in 2025. Growth in the advanced economies was stable in 2024 at 1.8 per cent but is expected to slow to 1.5 per cent in 2025. Real GDP in emerging markets and developing economies is expected to slow, following growth of 4.3 per cent in 2024 with 4.1 per cent in 2025.

Economic growth in the Euro Area is expected to recover gradually, with easing financing conditions and growing domestic demand outweighing near-term trade uncertainty. The IMF projects that real GDP growth in the Euro Area will gradually accelerate from 0.9 per cent in 2024 to 1.0 per cent in 2025. Euro Area inflation slowed to 2.0 per cent year-over-year in August of 2025. European food prices have begun to increase again in early 2025, while energy prices are not showing signs of returning to growth rates seen in 2021 and 2022. Inflation in Europe is expected to be subdued over the short term as currency appreciation, one-off fiscal measures, and easing labour cost growth contribute to stabilizing prices. The European Central Bank (ECB) has eased interest rates over the last year but left its three key ECB interest rates unchanged in September.

The United Kingdom (UK) economy is expected to continue recovering with real GDP growth of 1.1 per cent for 2024. The IMF estimates that real GDP growth in the UK will accelerate to 1.2 per cent in 2025. The Bank of England continued its path of monetary easing and reduced its Bank Rate in August. UK inflation increased to 3.8 per cent in August 2025, higher than expected on increased food price inflation and previous increases in energy prices. Wage pressures are expected to ease as job vacancies have declined, and recruitment difficulties have eased.

China's real GDP growth is expected to continue to moderate, with 5.0 per cent growth in 2024 followed by an expected 4.8 per cent in 2025. Chinese economic activity was above expectations in early 2025 as trade increased ahead of US-China tariffs. Subsequent export declines are expected to be partially offset by inventory accumulation. The outcome of ongoing negotiations and trade deadlines, and the overall impact of tariffs remains uncertain. A prolonged property market slump and sluggish domestic demand growth are expected to continue weighing on China's economic growth. The People's Bank of China kept lending rates at record lows in September.

The Japanese economy slowed in 2024, with just 0.2 per cent real GDP growth. The IMF expects Japan's real GDP growth to accelerate to 0.7 per cent in 2025. Near-term economic growth in Japan is expected to moderate on slowing exports and declining domestic corporate profits. Japan's inflation decelerated to 3.0 per cent in July 2025. While pressures on core CPI are expected to wane, food price inflation was 7.5 per cent in July 2025. Japan's inflation rates expected to rise on projected labour shortages. On July 31, 2025, the Policy Board of the Bank of Japan maintained its uncollateralized overnight call rate.

The United States' real GDP grew 2.8 per cent in 2024, supported by strong consumer spending and business investment, enabled by loosening monetary policy. In 2025, growth is projected to be 1.6 per cent on looser financial conditions, cooling domestic demand, and lower immigration, as well as ongoing tariff impacts. US labour markets have started to show signs of weakness, though the US unemployment rate remains low. US inflation has started to accelerate and was 2.9 per cent year-over-year in August 2025. The US Federal Reserve resumed monetary policy easing in September. The Federal Reserve's holdings of Treasury securities, agency debt, and agency mortgage-backed securities continue to be reduced.

The Canadian economy grew 1.6 per cent in 2024. Growth was based on gains across most industries, with the notable exception of manufacturing. Canada's growth in 2024 was fastest for mining, oil, and gas. Canada's household consumption growth was stronger than expected, while business investment picked up. Household consumption is expected to slow in 2025 as some government incentives end, and rising uncertainty is expected to hold back business investment.

## Economic Highlights

During the first half of 2025, Canada's GDP growth has been impacted by volatility in international trade as a result of shifting US and Chinese tariff policies. This has resulted in distortions in exporting industries, as importers increased activity in advance of tariff implementation to build up inventories. Canada's labour market conditions have softened in the first eight months of 2025, as employment has not kept up with labour force growth. The Canadian unemployment rate was 7.1 per cent in August 2025, with job vacancies returning to pre-pandemic levels and earnings growth slowing.

Canada's headline inflation was 1.9 per cent in August 2025, as all-items inflation has been close to the Bank of Canada's 2.0 per cent target for much of 2024 and early 2025. Energy prices have been a significant driver of lower inflation in 2025, as removal of the consumer carbon price and lower fuel prices resulted in energy prices that were 8.3 per cent lower in August 2025 than in August 2024. Canada's consumer price index excluding food and energy was 2.4 per cent in August 2025, and has been trending higher in recent months. The Bank of Canada has resumed monetary easing, lowering its benchmark interest rate to 2.5 per cent in September 2025.

Canada's real GDP outlook remains clouded by uncertain global trade policy, but under current measures is expected to rise by 1.3 per cent in 2025.

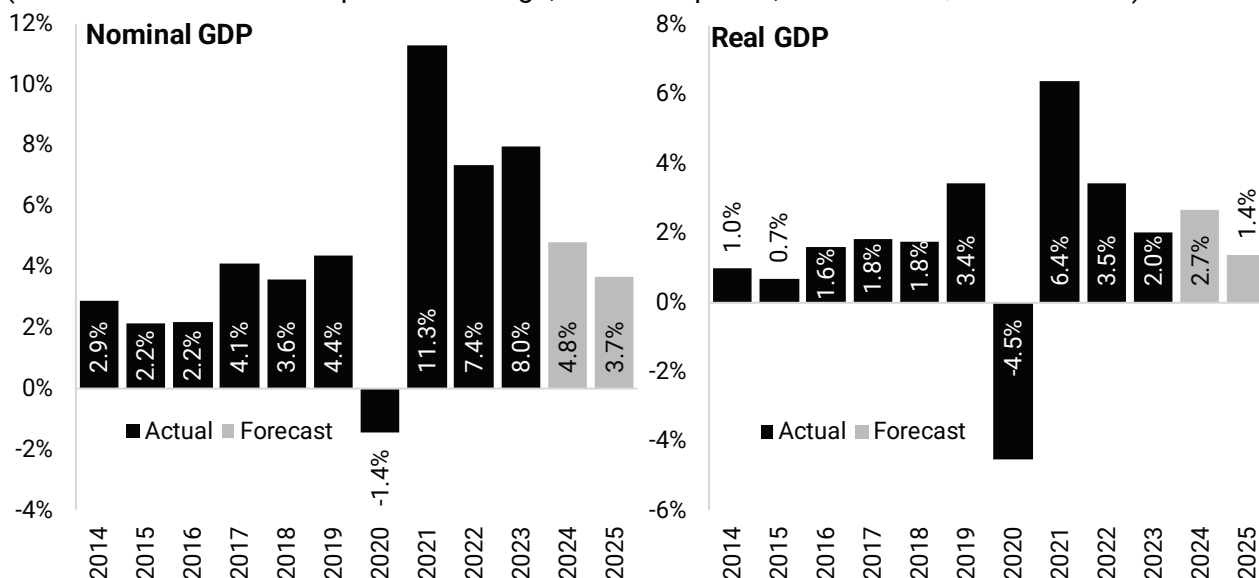
### Nova Scotia Economic Performance and Outlook

Nova Scotia's real GDP is estimated to have grown 2.7 per cent (basic prices) in 2024 following growth of 2.0 per cent (market prices) in 2023. Economic activity picked up due to strength in residential and government investment. Household consumption slowed but remained strong through the year, and inflation continued to ease, with upward pressure from shelter costs. Labour markets remained strong as population growth began to slow. Nominal GDP is estimated to have increased 4.8 per cent in 2024.

In 2025, Nova Scotia's real GDP is projected to grow 1.4 per cent while nominal GDP is projected to rise 3.7 per cent. Nova Scotia's economy is expected to be driven by household spending supported by tax cuts, as well as continued government capital investment. The population is projected to continue growing, though at a slower pace than the rapid growth observed in the three years prior. Nova Scotia household spending is expected to be supported by affordability measures put in place over the previous year. Business investment is expected to grow in Nova Scotia as major project spending ramps up. Nova Scotia's inflation is expected to be below the Bank of Canada's 2.0 per cent target due to the removal of the consumer carbon price.

### Nova Scotia Economic Outlook

(Gross Domestic Product per cent change, at market prices, real GDP in \$2017 chained)



Source: Statistics Canada, table 36-10-0222-01; Nova Scotia Department of Finance and Treasury Board projections



## Public Accounts Volume 1 – Consolidated Financial Statements

Real GDP in Nova Scotia's goods-producing industries was up 3.8 per cent in 2024 following a decline of 1.7 per cent in 2023. Growth was concentrated among construction, manufacturing, and utilities. Construction activity increased 7.0 per cent on a rebound in residential construction (+7.6 per cent) and continued growth in non-residential projects (+29.0 per cent), while engineering construction declined (-0.6 per cent), and repair construction was little changed.

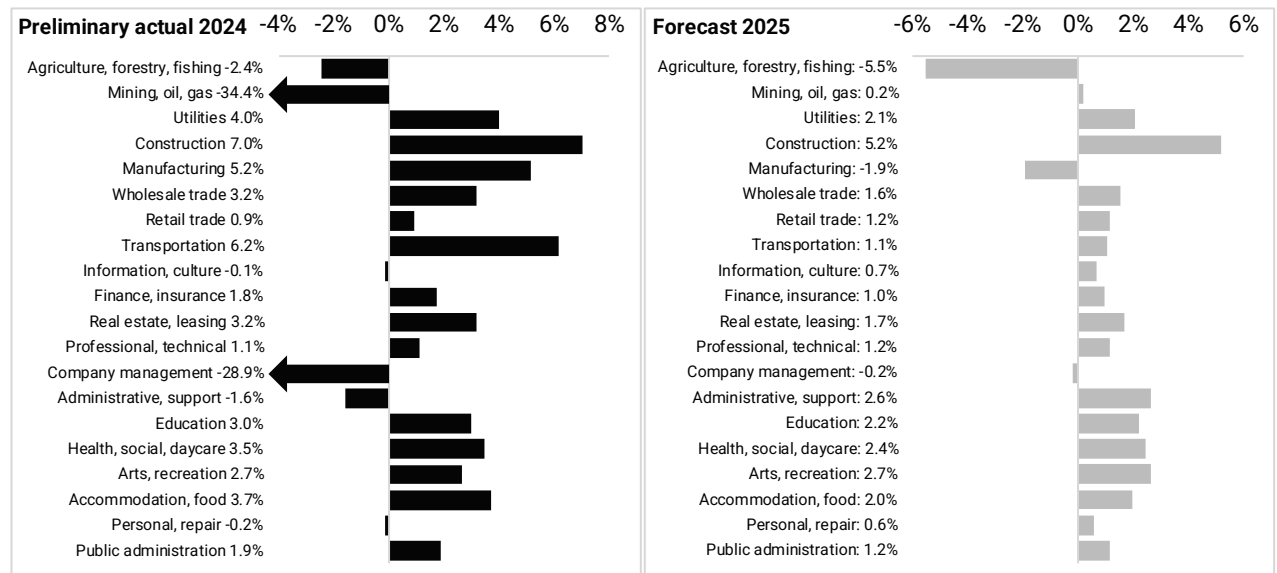
Manufacturing real GDP grew 5.2 per cent with growth in food and beverages, wood products, rubber products, ship and boat building, aerospace, and computer and electronic products. Fishing real GDP declined for the third consecutive year (-7.2 per cent), partially offset by growth in agriculture (+6.9 per cent) and forestry (+6.2 per cent). Mining real GDP declined 34.4 per cent in 2024.

Construction and manufacturing are expected to support Nova Scotia's goods-producing sector in 2025, with continued growth in residential construction and ongoing work at the Halifax Shipyard. Resource industries, including agriculture, forestry, and fishing are expected to be weak amidst tariff uncertainty with major trading partners.

Real GDP from Nova Scotia's service-producing industries grew 2.4 per cent in 2024 with broad based growth to support a growing population. Trade sectors, including wholesale (+3.2 per cent) and retail (+0.9 per cent) posted gains in 2024. Finance and insurance (+1.8 per cent) and real estate, rental and leasing (+3.2 per cent) continued to grow amidst housing market pressures. Professional and technical services continued to grow (+1.1 per cent), albeit at a slower pace than the three years prior. Public sector real GDP grew 2.7 per cent in 2024.

Service-sector real GDP growth is expected to slow for most sectors in 2025. Population growth will continue to support demographically sensitive sectors such as education, health care and social assistance, as well as personal and repair services. Tourism recovery offers additional expected support for service industries.

### Nova Scotia Real GDP by Industry (per cent change, \$2017 chained at basic prices)



Source: Statistics Canada, table 36-10-0222-01; Nova Scotia Department of Finance and Treasury Board projections

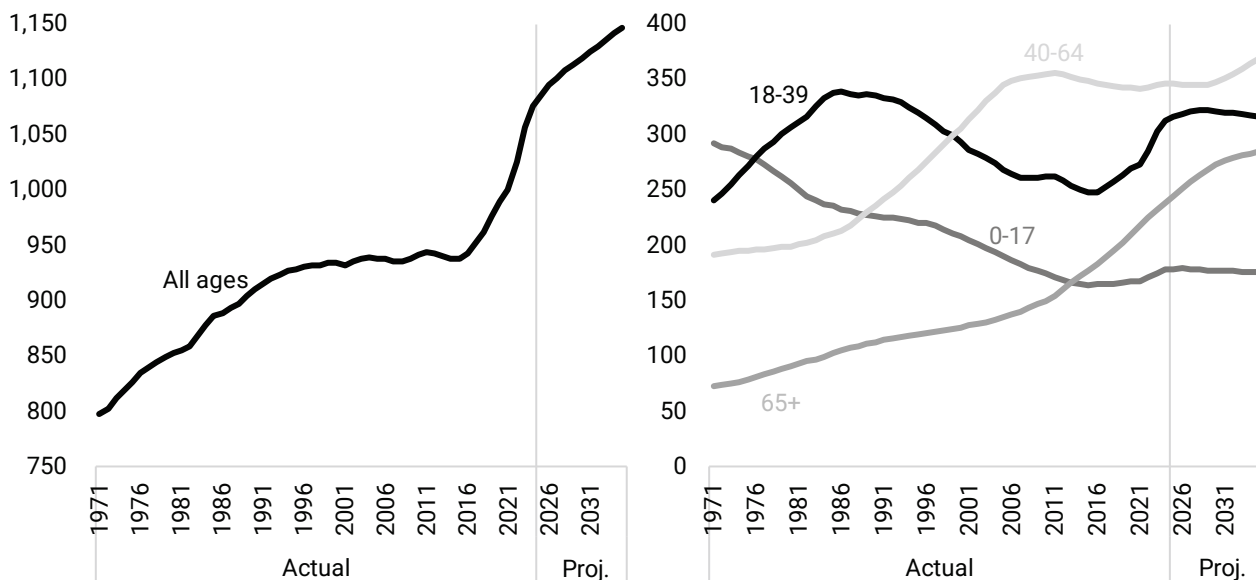
## Economic Highlights

Nova Scotia's population increased by 1.9 per cent or 19,888 people in the 12 months ending on July 1, 2024. Nova Scotia's population growth slowed through 2024 compared to the pace recorded in the two years prior. Nova Scotia's population was at an all-time high of 1,080,418 as of April 1, 2025. Continued strength in immigration and positive net interprovincial migration have contributed to recent population growth as contributions from non-permanent residents have slowed. Over the past year, in-migration from other provinces has slowed at a faster pace than out-migration, resulting in smaller net-inflows than were recorded in the years following the onset of the pandemic. The aging of the baby-boomer cohort continues; 22.2 per cent of Nova Scotia's population was aged 65 or older as of July 1, 2024.

Nova Scotia's population growth is projected to slow in coming years as the Federal government reduces inflows from international migration.

### Nova Scotia Population

('000s, July 1)

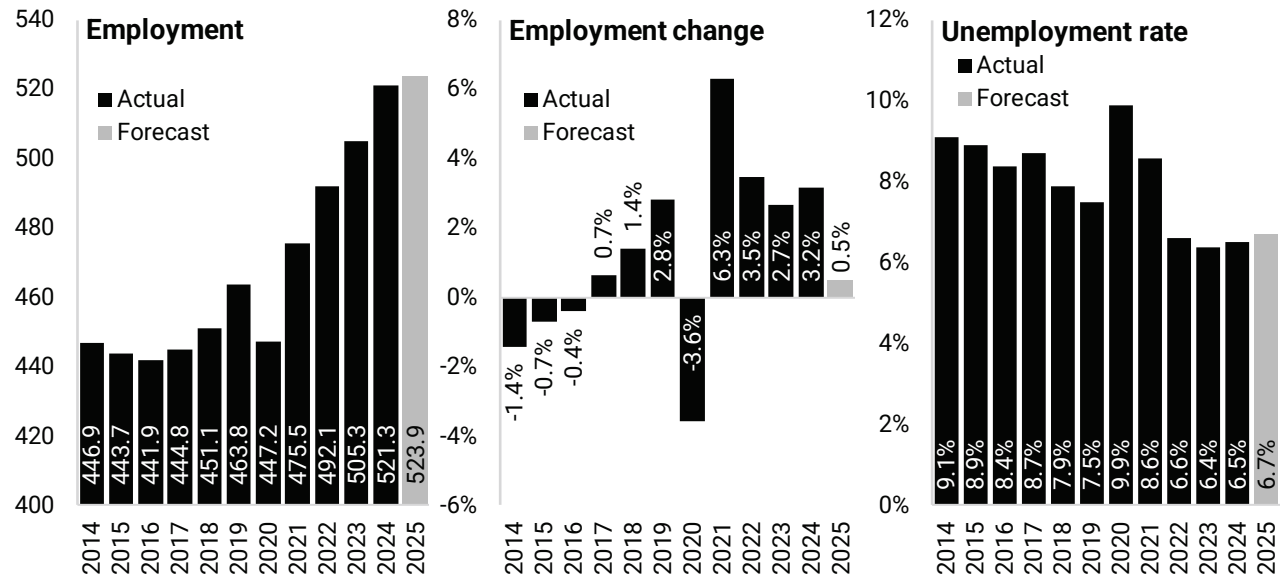


Source: Statistics Canada, table 17-10-0005-01; Nova Scotia Department of Finance and Treasury Board projections

Nova Scotia's labour market remained strong in 2024. Employment growth accelerated to nearly keep pace with labour force growth, which also accelerated. In 2024, employment grew 3.2 per cent and the unemployment rate edged up to 6.5 per cent, remaining historically low. The labour market slowed in the first eight months of 2025 with labour force and employment growth slowing to 0.7 per cent and 0.6 per cent, respectively. The unemployment rate averaged 6.6 per cent over the first eight months of 2025. Job vacancy rates remain on a downward trend as of the second quarter of 2025 indicating increasing slack in the labour market as more job seekers compete for positions.



### Nova Scotia Labour Markets (Employment in '000s)



Source: Statistics Canada, table 14-10-0327-01; Nova Scotia Department of Finance and Treasury Board projections

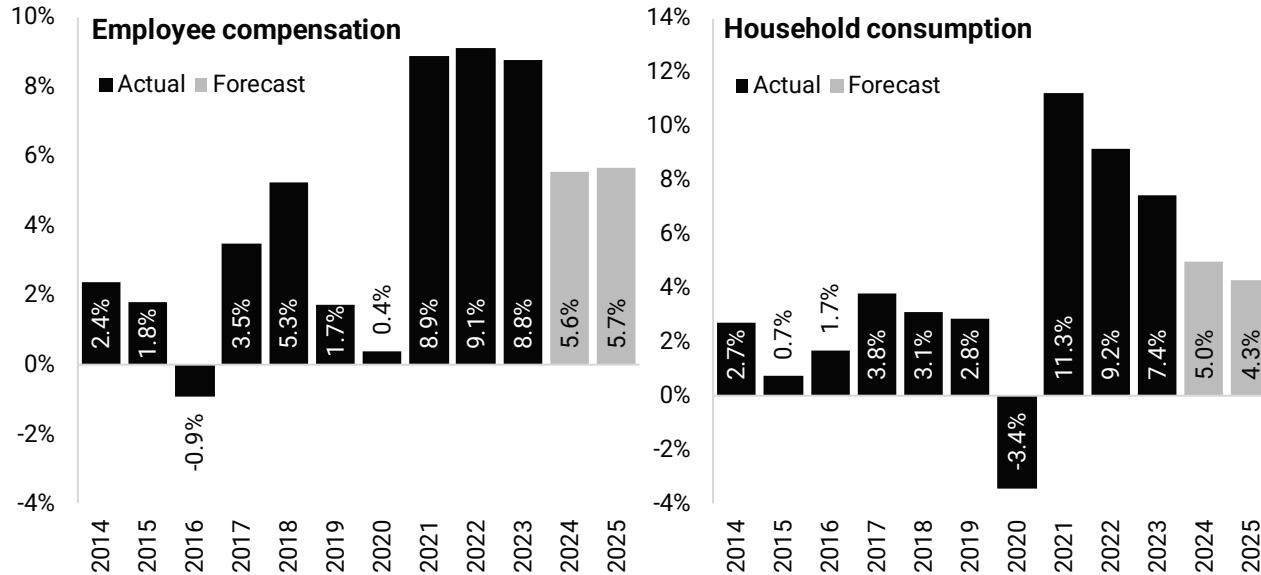
Compensation of employees increased 5.6 per cent in 2024 for Nova Scotia households. Payroll employment increased 2.0 per cent in 2024. Average weekly wages increased 5.1 per cent on average, remaining above the inflation rate for the year. Growth in property (+5.2 per cent) and net mixed income (+7.0 per cent) are estimated to have slowed in 2024. Transfers received by households increased 7.2 per cent in 2024, the same pace set in 2023. Household income is estimated to have increased 6.0 per cent in 2024. In 2025, employee compensation growth is expected to remain stable as wage growth outpaces employment growth. Household income is projected to grow 4.8 per cent in 2025 as stronger wage gains offset weaker employment growth.

Household spending slowed to 5.0 per cent growth in 2024 as high prices eroded purchasing power and population growth slowed. Retail sales grew 2.5 per cent in 2024 with gains in most store types. The fastest growth rates were among motor vehicle and parts dealers, general merchandise, gasoline stations, and clothing and accessories. New motor vehicle sales accelerated, posting 16.8 per cent growth to reach 49,245 units in 2024. Food services and drinking place receipts rose 4.5 per cent in 2024 and continued strong growth in early 2025. In 2025, household spending is expected to further slow as population growth slows and mortgages renewed at higher rates bite into disposable income.



## Economic Highlights

### Nova Scotia Employee Compensation and Household Consumption (per cent change, nominal)



Source: Statistics Canada, tables 36-10-0558-01, 36-10-0222-01; Nova Scotia Department of Finance and Treasury Board projections

Note: Compensation of employees now refers to household sector current accounts, covering all resident households

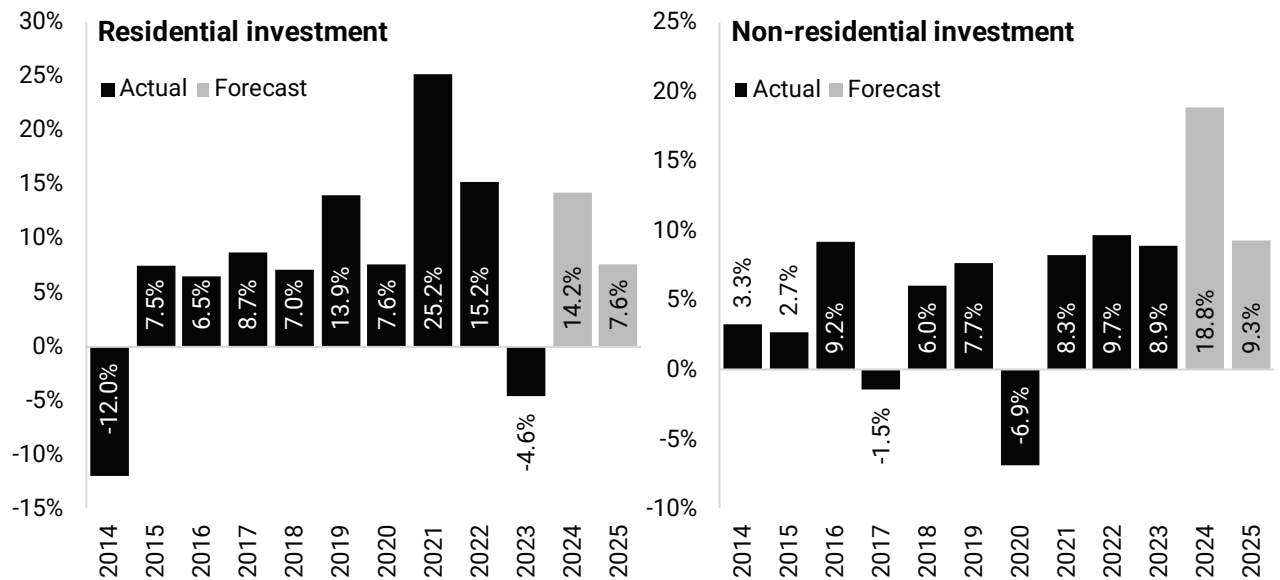
Nova Scotia's inflation continued to slow in 2024. Nova Scotia's consumer price index (CPI) increased 2.3 per cent in 2024 with the energy price index up 1.6 per cent, the food index up 3.1 per cent, and the shelter index up 4.8 per cent. In 2025, consumer price growth has continued to slow, aided by the removal of the consumer carbon tax in April. Tariff policies enacted between Canada and the US are generating some upward pressure on consumer prices. In August 2025, Nova Scotia's CPI grew 2.2 per cent year-over-year, while CPI excluding food and energy rose 3.1 per cent. Food price inflation was 3.3 per cent in August 2025, while energy prices declined 6.7 per cent and shelter price inflation slowed to 4.3 per cent. Inflation rates are expected to remain below 2.0 per cent for the rest of the year, reflecting the removal of the consumer carbon tax and lower energy prices.

Business investment in Nova Scotia is projected to have accelerated in 2024 as residential investment rebounded. Investment in residential buildings (construction put in place) is estimated to have grown 14.2 per cent in 2024 following a decline of 4.6 per cent in 2023. Investment was up for both single detached homes and multiple unit dwellings as housing starts reached their highest level since 1986. Growth in housing starts was driven by multiples, while starts for single detached houses declined in 2024. Investment in residential structures is projected to grow 7.6 per cent in 2025. Business sector non-residential investment growth decelerated again in 2024 for all asset categories, while government capital investment accelerated with notable investment in machinery and equipment. Non-residential investment is projected to grow 9.3 per cent in 2025 with contributions from major projects and a deceleration in government capital expenditures.





## Nova Scotia Construction and Investment (per cent change, nominal)



Source: Statistics Canada, table 36-10-0222-01; Nova Scotia Department of Finance and Treasury Board projections

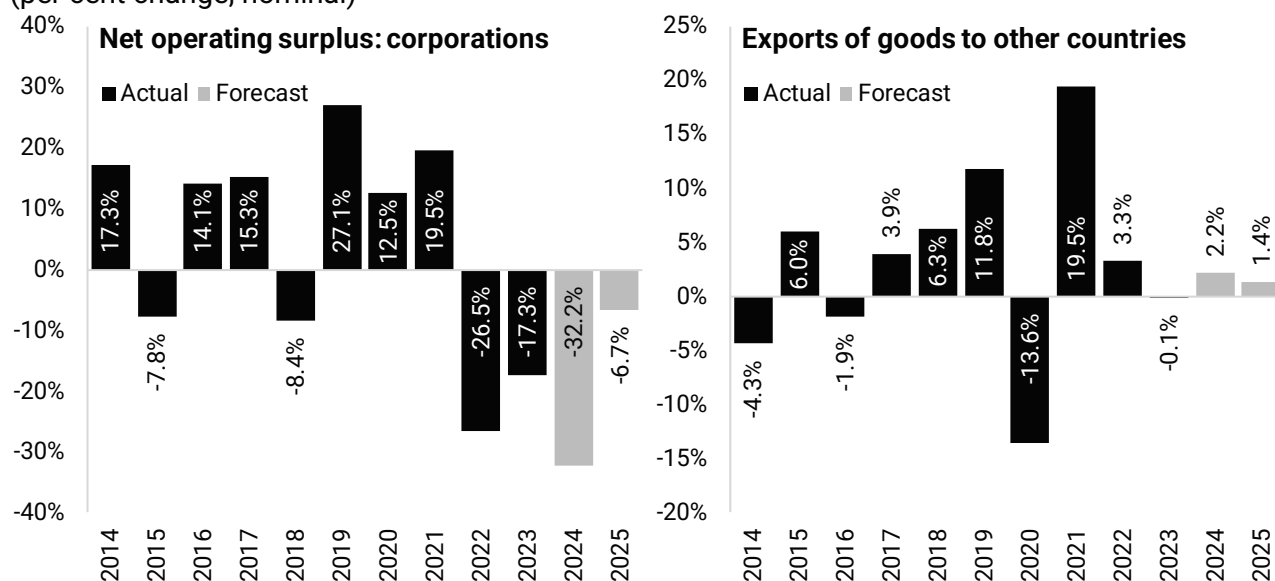
Note: Non-residential investment includes business, government and non-profit fixed capital formation (excluding residential).

Nova Scotia's international goods exports grew 2.2 per cent in 2024 (on customs-basis). Seafood exports fell 3.2 per cent to \$2.38 billion primarily due to lower exports of lobster. Shipments rose to the United States (+5.2 per cent) and European Union (+1.9 per cent) while exports to China declined (-10.4 per cent). Exports to China remain below pre-pandemic levels (which included wood pulp) in 2024. Tourism activity remained below pre-pandemic levels in 2024 as high prices held back visitation. Non-resident visitors were down 2.0 per cent compared to 2023 and remain below 2019 levels. In the first seven months of 2025, domestic goods exports are up 1.0 per cent over the same period of 2024, despite headwinds from Chinese tariffs on seafood and US trade uncertainty.

Nova Scotia's corporations reported a second consecutive decline in net operating surplus in 2023. With rising wages and limited export growth, this decline is projected to continue in 2024 and 2025.

## Economic Highlights

### Nova Scotia Profits and Exports (per cent change, nominal)



Source: Statistics Canada, tables 36-10-0221-01, 36-10-0222-01; Nova Scotia Department of Finance and Treasury Board projections

### Risks and Adjustments

Although the economic indicators for 2024 and 2025 form the basis for the final revenues presented in the 2024-25 Public Accounts, many of them are still projections. Further economic and administrative data will be released relating to 2024, and economic performance in later 2025 remains a source of uncertainty. New data may result in adjusted revenues in respect to the taxation years reported in this document and will be reflected in subsequent fiscal years as prior years' adjustments. As a result, differences may arise between the tax revenues for personal income tax, corporate income tax, and harmonized sales tax reported in these Public Accounts and actual revenues for each taxation year.



## Public Accounts Volume 1 – Consolidated Financial Statements

### Nova Scotia Key Economic Indicators

(\$ millions current, unless otherwise indicated)	ACTUAL				FORECAST	
	2020	2021	2022	2023	2024	2025
Nominal Gross Domestic Product (GDP) at Market Prices	46,165	51,385	55,173	59,574	62,436	64,746
% Change	-1.4%	11.3%	7.4%	8.0%	4.8%	3.7%
Real GDP at Market Prices (\$ millions, chained 2017)	43,513	46,290	47,888	48,849	50,149	50,835
% Change	-4.5%	6.4%	3.5%	2.0%	2.7%	1.4%
Compensation of Employees <sup>†</sup>	24,929	27,145	29,623	32,227	34,017	35,952
% Change	0.4%	8.9%	9.1%	8.8%	5.6%	5.7%
Household Income	47,413	49,752	52,606	57,886	61,384	64,342
% Change	0.0%	4.9%	5.7%	10.0%	6.0%	4.8%
Household Final Consumption Expenditure	31,212	34,726	37,911	40,730	42,767	44,592
% Change	-3.4%	11.3%	9.2%	7.4%	5.0%	4.3%
Retail Sales	16,524	19,265	20,605	21,267	21,806	22,653
% Change	-2.4%	16.6%	7.0%	3.2%	2.5%	3.9%
Consumer Price Index (all items, Index 2002 = 100)	137.9	143.5	154.3	160.5	164.2	166.8
% Change	0.3%	4.1%	7.5%	4.0%	2.3%	1.6%
Investment in Residential Structures	3,915	4,901	5,648	5,387	6,152	6,620
% Change	7.6%	25.2%	15.2%	-4.6%	14.2%	7.6%
Non-Residential Investment <sup>*</sup>	6,243	6,760	7,413	8,075	9,597	10,486
% Change	-6.9%	8.3%	9.7%	8.9%	18.8%	9.3%
Net Operating Surplus: Corporations	4,037	4,826	3,545	2,932	1,987	1,855
% Change	12.5%	19.5%	-26.5%	-17.3%	-32.2%	-6.7%
Net Mixed Income: Unincorporated	5,295	5,725	6,293	7,258	7,766	8,061
% Change	1.0%	8.1%	9.9%	15.3%	7.0%	3.8%
Exports of Goods and Services	15,309	17,513	19,005	20,746	21,800	22,712
% Change	-12.0%	14.4%	8.5%	9.2%	5.1%	4.2%
Exports of Goods to Other Countries	5,579	6,666	6,887	6,883	7,034	7,130
% Change	-13.6%	19.5%	3.3%	-0.1%	2.2%	1.4%
Imports of Goods and Services	27,660	31,698	35,648	37,528	41,111	43,433
% Change	-6.7%	14.6%	12.5%	5.3%	9.5%	5.6%
Population (all ages, thousands at July 1)	989.2	999.9	1,025.3	1,056.5	1,076.4	1,085.9
% Change	1.4%	1.1%	2.5%	3.0%	1.9%	0.9%
Population (ages 18-64, thousands at July 1)	611.5	614.5	628.6	648.7	659.7	662.1
% Change	0.7%	0.5%	2.3%	3.2%	1.7%	0.4%
Labour Force (thousands)	496.5	520.2	526.6	539.6	557.5	561.5
% Change	-1.0%	4.8%	1.2%	2.5%	3.3%	0.7%
Participation Rate (per cent)	60.4%	62.5%	61.8%	61.5%	61.8%	61.6%
Change	-1.5%	2.1%	-0.7%	-0.3%	0.3%	-0.2%
Employment (thousands)	447.2	475.5	492.1	505.3	521.3	523.9
% Change	-3.6%	6.3%	3.5%	2.7%	3.2%	0.5%
Employment Rate (per cent)	54.5%	57.1%	57.7%	57.6%	57.8%	57.5%
Change	-2.9%	2.7%	0.6%	-0.1%	0.2%	-0.3%
Unemployment Rate (per cent)	9.9%	8.6%	6.6%	6.4%	6.5%	6.7%
Change	2.4%	-1.3%	-2.0%	-0.2%	0.1%	0.2%

<sup>†</sup> Compensation of employees now refers to household sector current accounts, covering all resident households

<sup>\*</sup> Non-Residential Investment includes investments in non-residential structures, machinery and equipment, intellectual property products, and government and non-profit sectors.

Forecasted numbers are shaded, all other data are actual. Unless otherwise indicated, the analysis included in the Economic Highlights is based on the calendar year, not the fiscal year.



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# **CONSOLIDATED FINANCIAL STATEMENTS**

**For the fiscal year ended March 31, 2025**

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### **Statement of Responsibility for the Consolidated Financial Statements of the Province of Nova Scotia**

Responsibility for the integrity, objectivity, and fair presentation of the consolidated financial statements of the Province of Nova Scotia rests with the government. These financial statements are prepared on behalf of the Minister and Deputy Minister of Finance and Treasury Board by the Controller in accordance with Canadian public sector accounting standards.

The consolidated financial statements include a Consolidated Statement of Financial Position, Consolidated Statement of Operations, Consolidated Statement of Changes in Net Debt, Consolidated Statement of Remeasurement Gains and Losses, Consolidated Statement of Cash Flow, and notes and schedules to the consolidated financial statements. They present fairly, in all material respects, the financial position and the results of operations for the year ended March 31, 2025.

Management maintains a system of internal accounting and administrative controls, which give consideration to costs, benefits and risks, in order to provide reasonable assurance that transactions are appropriately authorized and executed in accordance with prescribed legislation and regulations, assets are safeguarded, and financial records are properly maintained. In preparing the consolidated financial statements, the Controller obtains financial information from the departments, funds, agencies, and Crown-controlled corporations as necessary.

Under the mandate in Section 19 of the Auditor General Act, the Auditor General of Nova Scotia provides an independent opinion on the consolidated financial statements prepared by the government.

Approved by:

Kelliann Dean  
Executive Deputy Minister of Finance and Treasury Board

Rob Bourgeois, CPA, CA  
Controller

Halifax, Nova Scotia  
September 19, 2025



# Independent Auditor's Report

To the Members of the Legislative Assembly of Nova Scotia:

## Report on the Audit of the Consolidated Financial Statements

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### Opinion

I have audited the consolidated financial statements of the Province of Nova Scotia, which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statement of operations and accumulated deficits, consolidated statement of changes in net debt, consolidated statement of remeasurement gains and losses, and consolidated statement of cash flow for the year then ended, and notes and schedules to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Province of Nova Scotia as at March 31, 2025, and the consolidated results of its operations, consolidated changes in its net debt, consolidated remeasurement gains and losses, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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### Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of my report. I am independent of the Province of Nova Scotia in accordance with the ethical requirements that are relevant to my audit of the consolidated financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



# Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements of the Province of Nova Scotia for the year ended March 31, 2025. In applying my professional judgment to determine key audit matters, I considered those matters that are complex, have a high degree of uncertainty, or are important to the public because of their significance.

The key audit matters were addressed in the context of my audit of the consolidated financial statements of the Province of Nova Scotia as a whole, and in forming my opinion thereon. I do not provide a separate opinion on these matters.

## KEY AUDIT MATTER

### Major tax revenues (PIT, CIT, HST)

Major tax revenues include personal income tax (PIT), corporate income tax (CIT), and harmonized sales tax (HST) and were determined to be a key audit matter because:

- Major tax revenues are material and are based on management’s best estimates using statistical models and assumptions; and
- Significant uncertainty is present in these estimates, as they involve forecasting future economic and tax filing data since there is a delay in when the Province receives actual results (i.e. once personal tax returns are filed).

Major tax revenues are disclosed in:

- Note 1, Financial Reporting and Accounting Policies; and
- Schedule 1, Revenue.

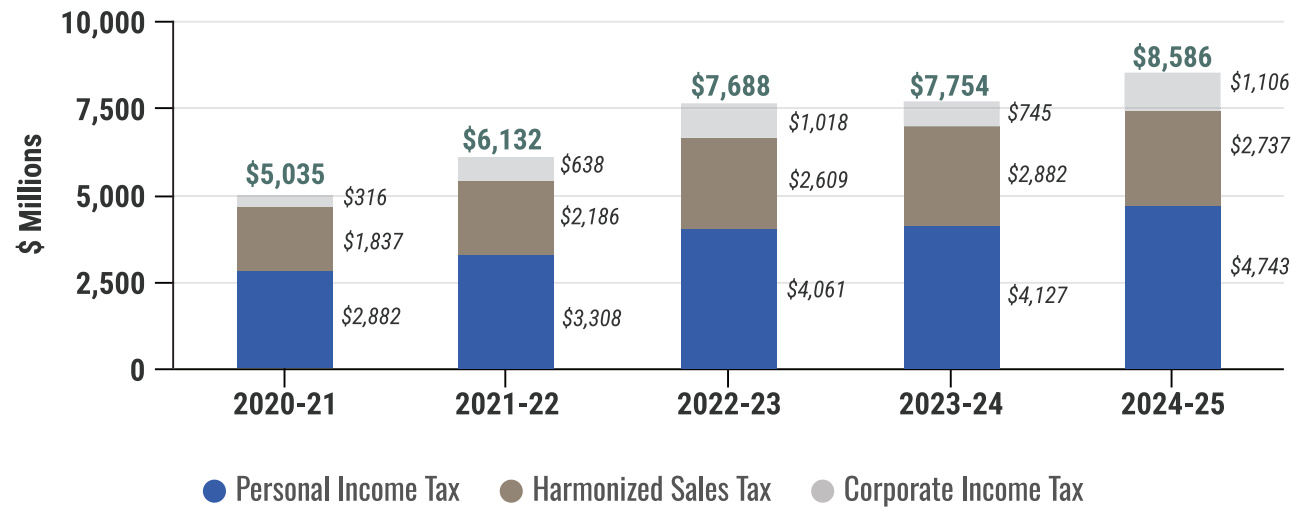
## HOW WE ADDRESSED THIS MATTER

We concluded that major tax revenues are fairly stated, in all material respects, and are disclosed appropriately in accordance with Canadian public sector accounting standards.

### The matter was addressed by:

- Obtaining an understanding of the systems, processes, and controls over major tax revenues, and assessing the appropriateness of the method used to make the estimate.
- Performing variance analysis over significant balances including retrospective review to assess the accuracy of previous estimates made and potential impact to current year results.
- Testing the underlying data used in the various tax revenue estimation models and reviewing evidence to support the key assumptions.
- Reviewing the estimate for indications of management bias.
- Engaging the services of an auditor's specialist to assist with the audit of these complex estimates of major tax revenues.

Major tax revenues: Five-year history (\$ millions)



## KEY AUDIT MATTER

### Pension, retirement and other obligations

Pension, retirement, and other obligations are a key audit matter because:

- The Province's liability is material and is determined by an actuarial expert;
- Significant uncertainty exists as the liability is based on detailed actuarial assumptions which are subject to change in the future; and
- Amounts recorded in the financial statements may materially change as assumptions vary.

Pension, retirement, and other obligations are disclosed in:

- Note 1, Financial Reporting and Accounting Policies; and
- Note 5, Pension, Retirement and Other Obligations.

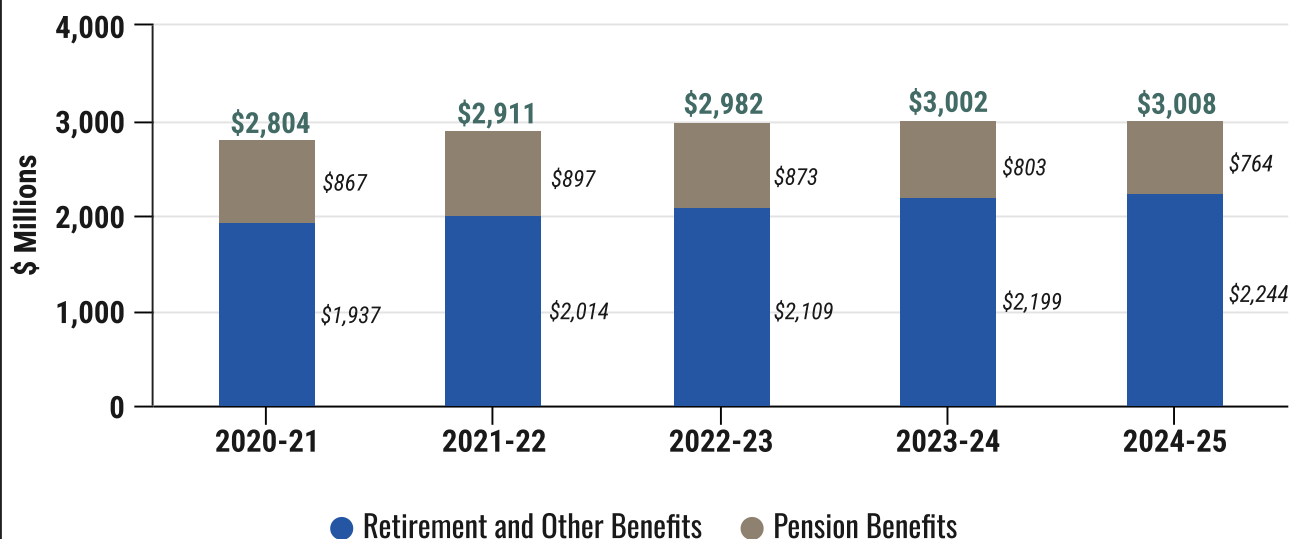
## HOW WE ADDRESSED THIS MATTER

We concluded that pension, retirement, and other obligations are fairly stated, in all material respects, and are disclosed appropriately in accordance with Canadian public sector accounting standards.

### The matter was addressed by:

- Obtaining an understanding of the systems, processes, and controls used to value the liability and assessing the appropriateness of the method used.
- Reviewing the valuation of the liability, including key assumptions, for indications of management bias.
- Testing the underlying employee data used in the valuation of the Province's liability and reviewing evidence to support the key assumptions used.
- Relying on the work of the Province's consulting actuary.

**Pension, retirement and other obligations: Five-year history** (\$ millions)



KEY AUDIT MATTER

Liabilities for contaminated sites

Liabilities for contaminated sites are a key audit matter because:

- The liabilities are subject to significant uncertainty, are material and are estimates of the future costs required to complete the necessary clean-up of the Province’s contaminated sites;
- The Province identified 203 contaminated and other environmental sites which are at various stages of evaluation. A liability of \$614 million has been recorded for 103 sites; and
- In the future, as additional environmental investigations are completed and more information becomes available, the Province may need to revise current estimates and account for additional liabilities related to these sites.

Liabilities for contaminated sites are disclosed in:

- Note 1, Financial Reporting and Accounting Policies; and
- Note 11, Contaminated Sites.

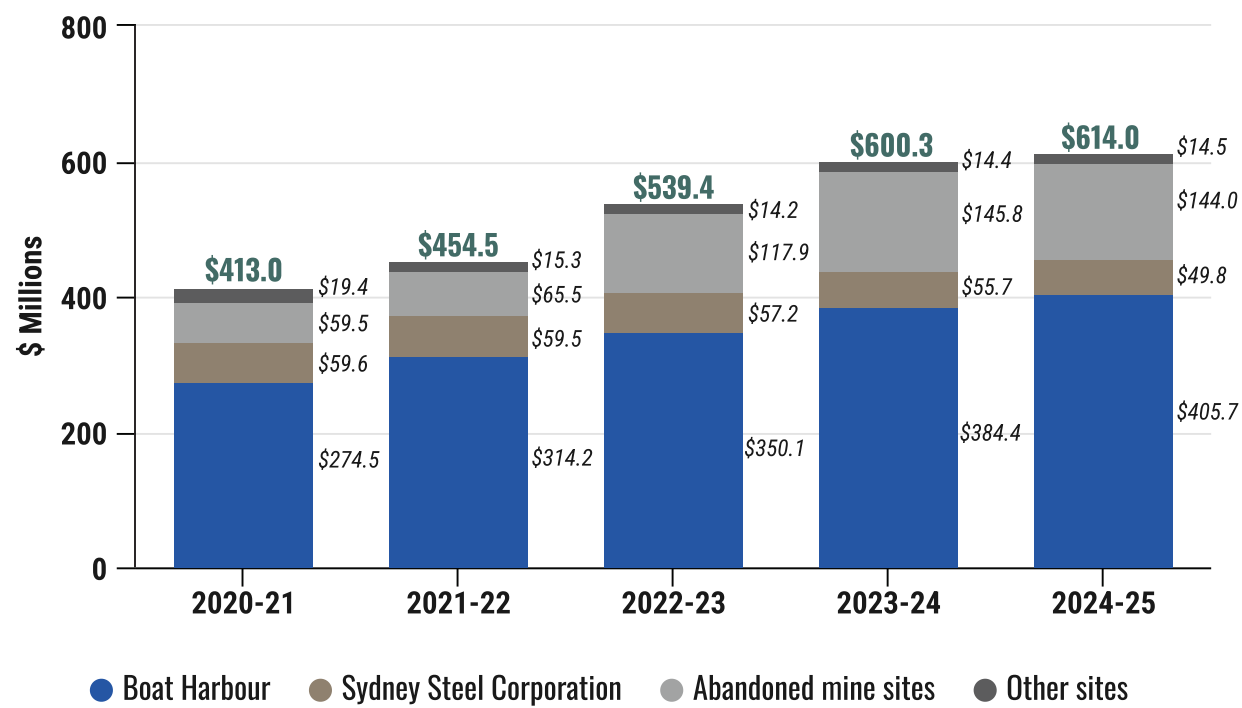
HOW WE ADDRESSED THIS MATTER

We concluded that liabilities for contaminated sites are fairly stated, in all material respects, and are disclosed appropriately in accordance with Canadian public sector accounting standards.

The matter was addressed by:

- Obtaining an understanding of the systems, processes, and controls relating to identifying and evaluating contaminated sites, and assessing the appropriateness of the method used to estimate the liability.
- Reviewing the Province’s estimate of the liabilities for contaminated sites for indications of management bias.
- Assessing the reasonability of clean-up costs for contaminated sites, including changes to the Province’s estimated costs to clean up Boat Harbour.
- Assessing the Province’s accounting for liabilities associated with the clean up of abandoned mine sites based on the criteria for recognition in accordance with Canadian public sector accounting standards.
- Reviewing the Province’s disclosure of the uncertainty associated with this liability to ensure it is appropriate in accordance with Canadian public sector accounting standards.

Liabilities for Contaminated Sites: Five-year history (\$ millions)



KEY AUDIT MATTER

HOW WE ADDRESSED THIS MATTER

Accounting for Long-term Care Facilities

Liabilities for Long-term Care Facilities are a key audit matter because:

- The Province provides significant financial assistance to long-term care homes to facilitate the construction and development of their facilities, enabling them to provide healthcare services to Nova Scotians. Loans to long-term care service providers are significant to the Province’s financial statements, and the facilities serve an important function in providing necessary services to Nova Scotians.
- The relationship between the Province and the long-term care service providers is complex. There are a large number of service providers operating in facilities fully financed by the Province. An accounting assessment of these relationships in 2024-25 resulted in a change in accounting to adjust the loans receivable from long-term care service providers and record the related long-term care facilities as tangible capital assets.
- A significant level of effort was involved to assess these relationships and determine that the accounting for the loans receivable and related tangible capital assets was appropriate in accordance with Canadian public sector accounting standards.

Changes to the accounting for Long-term Care Facilities are disclosed in:

- Note 2, Accounting Changes; and
- Schedule 3, Loans and Investments.

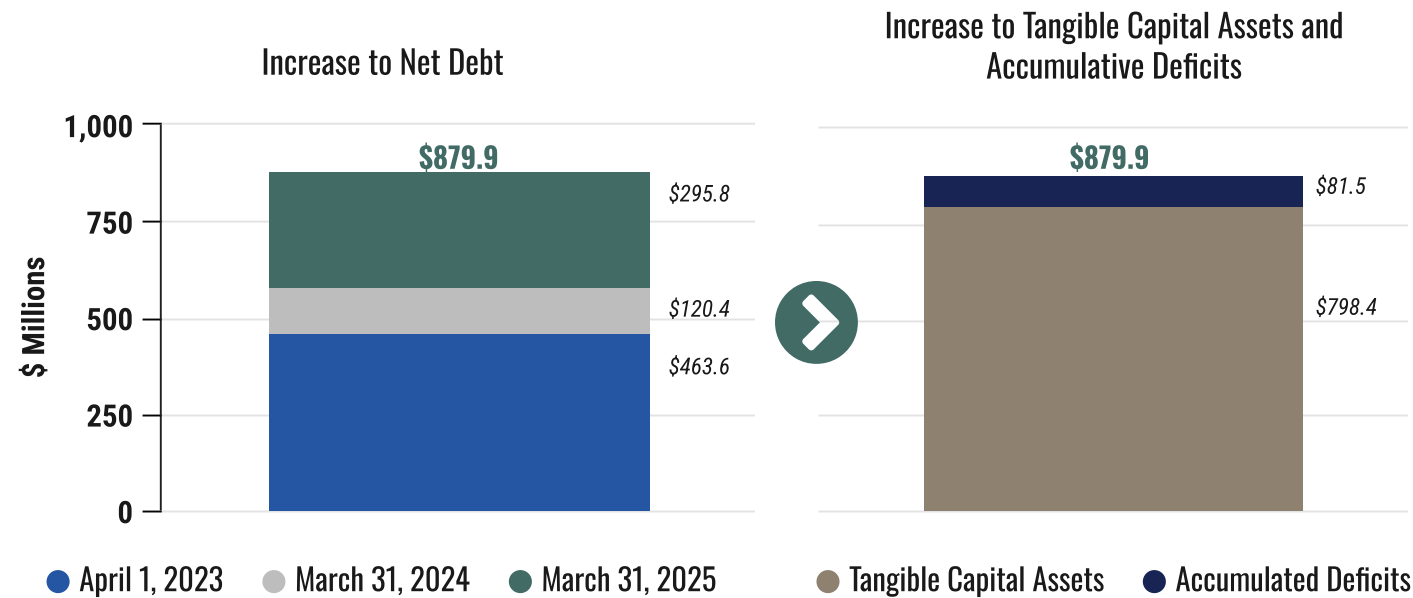
The assessment determined that a direct funding relationship existed between the Province and the Long-term Care service providers and that the Province benefits and bears many of the risks associated with control of the facilities used to provide those services. As a result, loans to long-term care service providers recorded within the Department of Growth and Development totaling \$879.9M were expensed and the corresponding long-term care facilities recorded as Tangible Capital Assets totaling a net book value of \$798.4M. These adjustments were made retroactively on the Province’s financial statements.

We concluded that loans receivable and tangible capital assets related to long-term care facilities are fairly stated, in all material respects, and are disclosed appropriately in accordance with Canadian public sector accounting standards.

The matter was addressed by:

- Obtaining an understanding of the various agreements and substance of the arrangements between the Province and Long-Term Care Facilities funded by the Province, including the accounting implications.
- Analyzing the application of relevant accounting standards and substance of the transactions to draw correct conclusions on the most appropriate accounting treatment.
- Assessing the Province’s accounting for loans and the associated long-term care facilities based on the criteria for recognition in accordance with Canadian public sector accounting standards.

Impact of Long-term Care Facilities Accounting Adjustment, to March 31, 2025 (\$ millions)



\*Amounts include retroactive adjustments

## Other Information

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Management is responsible for the other information. The other information comprises the information included in Volume 1 of the Public Accounts of Nova Scotia, but does not include the consolidated financial statements and my auditor's report thereon, which I obtained prior to the date of this auditor's report, and the Form 18-K Securities and Exchange Commission filing, which is expected to be made available to us after that date.

My opinion on the consolidated financial statements does not cover the other information and I do not and will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

When I read the Form 18-K Securities and Exchange Commission filing, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance (the Minister and Deputy Minister of Finance and Treasury Board).

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Province of Nova Scotia's ability to continue as a going concern, disclosing, as applicable, matters related to going concern assumption. The going concern basis of accounting has been used in the preparation of the consolidated financial statements, as the Province of Nova Scotia continues to operate as a going concern.

Those charged with governance are responsible for overseeing the Province of Nova Scotia's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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My objectives are to obtain reasonable assurance about whether the 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 my 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 consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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 Province of Nova Scotia'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 Province of Nova Scotia's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Province of Nova Scotia to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Province of Nova Scotia to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision, and performance of the group audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the Province's financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**Kim Adair, FCPA, FCA, ICD.D**  
**Auditor General of Nova Scotia**

**Halifax, Nova Scotia**  
**September 19, 2025**



# Consolidated Financial Statements

## Statement 1

### Province of Nova Scotia Consolidated Statement of Financial Position As at March 31, 2025 (\$ thousands)

	2025	2024 (as restated)
<b>Financial Assets</b>		
Cash and Short-Term Investments	1,564,477	1,198,979
Accounts Receivable (Note 17)	1,759,739	1,961,330
Inventories for Resale	3,602	3,991
Loans Receivable (Schedule 3)	2,112,167	2,014,448
Investments (Schedule 3)	1,545,590	1,510,522
Investment in Government Business Enterprises (Schedule 6)	298,459	450,417
Derivative Financial Assets (Note 13)	15,518	39,437
	<u>7,299,552</u>	<u>7,179,124</u>
<b>Liabilities</b>		
Bank Advances and Short-Term Borrowings	1,061,696	1,114,439
Accounts Payable and Accrued Liabilities	2,920,319	2,777,301
Deferred Revenue (Note 4)	384,304	364,982
Accrued Interest	223,430	187,323
Pension, Retirement and Other Obligations (Note 5)	3,007,946	3,002,024
Asset Retirement Obligations (Note 10)	600,488	591,982
Liabilities for Contaminated Sites (Note 11)	613,978	600,276
Unmatured Debt (Schedules 4 and 5)	19,309,590	17,631,906
Derivative Financial Obligations (Note 13)	21,401	9,103
	<u>28,143,152</u>	<u>26,279,336</u>
<b>Net Debt</b>	<u>(20,843,600)</u>	<u>(19,100,212)</u>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Schedule 7)	11,960,417	9,989,399
Inventories of Supplies	140,550	124,402
Prepaid Expenses	54,525	62,664
	<u>12,155,492</u>	<u>10,176,465</u>
<b>Accumulated Deficits</b>	<u>(8,688,108)</u>	<u>(8,923,747)</u>
<b>Accumulated Deficits are comprised of:</b>		
Accumulated Operating Deficits	(8,716,436)	(8,981,224)
Accumulated Remeasurement Gains	28,328	57,477
	<u>(8,688,108)</u>	<u>(8,923,747)</u>
Accounting Changes (Note 2)		
Restricted Assets (Note 3)		
Contingencies and Contractual Obligations/Rights (Note 12)		
Public Private Partnerships (P3s) (Note 14)		
Trust Funds Under Administration (Note 15)		

The accompanying notes and schedules are an integral part of these Consolidated Financial Statements





## Statement 2

### Province of Nova Scotia Consolidated Statement of Operations For the fiscal year ended March 31, 2025 (\$ thousands)

	Adjusted Estimate 2025	Actual 2025	Actual 2024 <i>(as restated)</i>
<b>Revenue (Schedule 1)</b>			
<b>Provincial Sources</b>			
Tax Revenue	8,346,226	9,302,801	8,485,067
Other Provincial Revenue	1,750,426	2,187,934	1,837,427
Net Income from Government			
Business Enterprises (Schedule 6)	473,933	490,867	478,369
Investment Income	171,828	231,652	184,209
	10,742,413	12,213,254	10,985,072
<b>Federal Sources</b>	6,101,148	6,007,425	5,519,298
<b>Total Revenue</b>	16,843,561	18,220,679	16,504,370
<b>Expenses (Schedule 2)</b>			
Advanced Education	821,246	859,641	849,569
Agriculture	58,716	59,658	72,642
Communities, Culture, Tourism and Heritage	175,208	244,034	210,638
Cyber Security and Digital Solutions	276,224	241,493	225,679
Education and Early Childhood Development	2,442,637	2,440,009	2,282,490
Emergency Management	39,809	51,551	118,246
Energy	37,873	43,738	30,367
Environment and Climate Change	143,590	148,313	155,556
Finance and Treasury Board	67,690	68,683	71,257
Fisheries and Aquaculture	16,252	13,246	13,775
Growth and Development	444,926	503,132	481,471
Health and Wellness	5,988,264	6,359,221	5,789,190
Justice	468,465	486,485	452,975
Labour, Skills and Immigration	219,581	214,949	205,891
Municipal Affairs	396,515	314,508	341,783
Natural Resources	104,447	117,532	161,025
Opportunities and Social Development	1,576,904	1,610,816	1,386,676
Public Service	338,590	201,742	177,160
Public Works	717,744	788,528	722,487
Seniors and Long-Term Care	1,173,003	1,295,527	1,250,913
Service Nova Scotia	161,216	215,028	217,493
Restructuring Costs	659,765	661,765	184,829
Pension Valuation Adjustment (Note 5)	33,102	(16,151)	51,467
Refundable Tax Credits	126,316	155,907	125,224
Net Loss on Disposal of Crown Assets	—	2,023	3,139
Debt Servicing Costs (Note 7)	822,863	874,513	780,687
<b>Total Expenses (Note 8)</b>	17,310,946	17,955,891	16,362,629
<b>Provincial Surplus (Deficit)</b>	(467,385)	264,788	141,741
<b>Accumulated Operating Deficits, Beginning of Year</b>			
As Previously Reported		(8,899,163)	(9,042,776)
Accounting Changes (Note 2)		(82,061)	(80,189)
<b>As Restated</b>		(8,981,224)	(9,122,965)
<b>Accumulated Operating Deficits, End of Year</b>		(8,716,436)	(8,981,224)

The accompanying notes and schedules are an integral part of these Consolidated Financial Statements

## Consolidated Financial Statements

### Statement 3

**Province of Nova Scotia**  
**Consolidated Statement of Changes in Net Debt**  
**For the fiscal year ended March 31, 2025**  
*(\$ thousands)*

	Adjusted Estimate 2025	Actual 2025	Actual 2024
			<i>(as restated)</i>
<b>Net Debt, Beginning of Year</b>			
As Previously Reported	(18,516,207)	(18,516,207)	(17,743,504)
Accounting Changes (Note 2)	—	(584,005)	(463,585)
As Restated	<u>(18,516,207)</u>	<u>(19,100,212)</u>	<u>(18,207,089)</u>
<b>Changes in the Year</b>			
Provincial Surplus (Deficit)	(467,385)	264,788	141,741
Acquisitions and Transfers of Tangible Capital Assets	(1,629,269)	(2,589,440)	(1,593,480)
Amortization of Tangible Capital Assets	581,129	611,531	541,196
Disposals of Tangible Capital Assets	—	6,891	3,438
Use (Acquisitions) of Inventories of Supplies	—	(16,148)	33,686
Use (Acquisitions) of Prepaid Expenses	—	8,139	(16,599)
Net Remeasurement Losses	—	(29,149)	(3,105)
<b>Total Changes in the Year</b>	<u>(1,515,525)</u>	<u>(1,743,388)</u>	<u>(893,123)</u>
<b>Net Debt, End of Year</b>	<u>(20,031,732)</u>	<u>(20,843,600)</u>	<u>(19,100,212)</u>

*The accompanying notes and schedules are an integral part of these Consolidated Financial Statements*



Statement 4

**Province of Nova Scotia**  
**Consolidated Statement of Remeasurement Gains and Losses**  
**For the fiscal year ended March 31, 2025**  
(\$ thousands)

	2025	2024
<b>Accumulated Remeasurement Gains, Beginning of Year</b>	57,477	60,582
<b>Unrealized Gains (Losses) During the Year</b>		
Portfolio Investments in an Active Market	(3,275)	291
Derivative Financial Instruments	(36,172)	(6,183)
Other Comprehensive Loss from Government Partnership Arrangements	182	251
Other Comprehensive Loss from Government Business Enterprises (Schedule 6)	6,411	771
	<u>(32,854)</u>	<u>(4,870)</u>
<b>Realized Gains (Losses) Reclassified to the Statement of Operations During the Year</b>		
Portfolio Investments in an Active Market	3,800	2,308
Derivative Instruments	(46)	(543)
Designated Fair Value Financial Instruments	(49)	—
	<u>3,705</u>	<u>1,765</u>
<b>Net Remeasurement Losses For the Year</b>	<u>(29,149)</u>	<u>(3,105)</u>
<b>Accumulated Remeasurement Gains, End of Year</b>	<u>28,328</u>	<u>57,477</u>
<b>Accumulated Remeasurement Gains comprised of:</b>		
Portfolio Investments in an Active Market	2,195	1,670
Derivative Financial Instruments	(6,183)	30,084
Other Comprehensive Loss from Government Partnership Arrangements	(552)	(734)
Other Comprehensive Income from Government Business Enterprises	32,868	26,457
	<u>28,328</u>	<u>57,477</u>

## Consolidated Financial Statements

### Statement 5

**Province of Nova Scotia**  
**Consolidated Statement of Cash Flow**  
**For the fiscal year ended March 31, 2025**  
*(\$ thousands)*

	2025	2024
		<i>(as restated)</i>
<b>Operating Transactions</b>		
Provincial Surplus	264,788	141,741
Net Remeasurement Losses for the Year	(29,149)	(3,105)
Sinking Fund and Public Debt Management Fund Earnings	(25,856)	(24,369)
Amortization of Premiums and Discounts on Unmatured Debt	16,322	15,245
Net Income from Government Business Enterprises (Schedule 6)	(490,867)	(478,369)
Profit Distributions from Government Business Enterprises	642,825	445,053
Amortization of Tangible Capital Assets (Schedule 7)	611,531	541,196
Loss on Disposal of Tangible Capital Assets	4,361	2,761
Net Change in Other Items (Note 9)	367,805	(194,201)
	<u>1,361,760</u>	<u>445,952</u>
<b>Investing Transactions</b>		
Repayment of Loans Receivable	369,590	372,770
Advances and Investments	(491,443)	(607,962)
Write-offs	38,841	145,662
	<u>(83,012)</u>	<u>(89,530)</u>
<b>Capital Transactions</b>		
Acquisitions of Tangible Capital Assets	(2,589,440)	(1,593,480)
Proceeds from Disposal of Tangible Capital Assets	2,530	677
	<u>(2,586,910)</u>	<u>(1,592,803)</u>
<b>Financing Transactions</b>		
Debentures and Other Debt Issued	2,598,318	1,517,863
Repayment of Debentures and Other Long-Term Obligations	(924,658)	(499,706)
	<u>1,673,660</u>	<u>1,018,157</u>
<b>Cash Inflows (Outflows)</b>	365,498	(218,224)
Cash Position, Beginning of Year	1,198,979	1,417,203
Cash Position, End of Year	<u>1,564,477</u>	<u>1,198,979</u>
<b>Cash Position Represented by:</b>		
Cash and Short-Term Investments	<u>1,564,477</u>	<u>1,198,979</u>

The accompanying notes and schedules are an integral part of these Consolidated Financial Statements



**Province of Nova Scotia**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2025**

**1. Financial Reporting and Accounting Policies**

The Province's consolidated financial statements are prepared in accordance with Canadian public sector accounting standards using the following significant accounting policies:

**a) Government Reporting Entity**

The government reporting entity (GRE) includes government components within the General Revenue Fund, other governmental units (GUs), government business enterprises (GBEs), and the Province's share of government partnership arrangements (GPAs). GUs and GBEs are government-controlled entities. Control is the power to govern financial and operating policies of another organization with the expected benefits or risks from the other organization's activities. Control exists even if the government chooses not to exercise it, as long as the ability to govern remains. Control must exist at the financial statement date without the need to amend legislation or agreements. GPAs represent entities for which decision making and significant risks and benefits are shared with other parties outside of the GRE.

Trust funds that are administered by the Province but not controlled are excluded from the GRE and disclosed in Note 15.

**b) Principles of Consolidation**

A government component is not a separate entity but is an integral part of government, such as a department, agency, or public service unit within the General Revenue Fund, or a special purpose fund. A GU is a government organization that is not a GBE, GPA, or government component. GUs include certain boards, commissions, service organizations, and government not-for-profit entities. Government components and GUs are consolidated on a line-by-line basis after adjusting their accounting policies to be consistent with those described in Note 1 d). Significant inter-organization balances and transactions are eliminated.

A GBE is a self-sustaining organization with the delegated financial and operating authority whose principal activity and source of revenue are to sell goods and services outside of the Province's GRE. GBEs are accounted for on the modified equity basis, without adjusting accounting principles to conform with those of the Province. Total net assets of all GBEs are reported as Investment in Government Business Enterprises on the Consolidated Statement of Financial Position. Total net income from all GBEs is reported separately as revenue on the Consolidated Statement of Operations.

A GPA is a contractual arrangement between the government and a party or parties outside of the GRE. The partners have clearly defined common goals, make a financial investment, share control of decision making, and share, on an equitable basis, the significant risks and benefits of the government partnership. Government business partnerships are self-sustaining GPAs with the delegated financial and operating authority whose principal activity and source of revenue are to sell goods and services outside of the Province's GRE. The Province accounts for its interest in GPAs and government business partnerships using the modified equity method.

A listing of the organizations within the Province's GRE is provided in Schedule 10.

**Province of Nova Scotia**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2025**

**1. Financial Reporting and Accounting Policies (continued)**

**c) Presentation of Estimates**

Annually, the Province prepares the Estimates, which are presented to the House of Assembly for the fiscal year commencing April 1. The Estimates form the basis of the *Appropriations Act* and are prepared primarily for managing and overseeing the General Revenue Fund based upon the government's policies, programs, and priorities. Consolidation impacts are summarized in the Estimates and included on a net basis as Consolidation and Accounting Adjustments.

For consolidation purposes, the 2024-25 Estimates, tabled on February 29, 2024, were adjusted line-by-line by grossing up the associated revenues and expenses with those of the Province's governmental units. This classification provides proper comparability in these consolidated financial statements.

**d) Significant Accounting Policies**

**Revenue**

Revenue is recorded on an accrual basis in the fiscal year when the events giving rise to the revenue occurs. Revenue from transactions with no performance obligations is recognized when the authority to claim or retain an economic inflow is in place and the events giving rise to the revenue have occurred. Revenue from transactions with performance obligations is recognized when those performance obligations have been satisfied. The following are typical performance obligations in relation to the Province's general revenues:

Key Revenue Stream	Common Performance Obligations	Recognition	Examples
Registry of Motor Vehicles  Licences  Incorporation Fees  Vital Statistics	Provide rights	At point of sale	Drivers Licence / Vehicle Permit  Insurance Agents License / Direct Sellers License  Certificate of Incorporation / Certificate of Registration  Birth Certificate / Marriage Certificate
Royalties	Provide rights	Over production contract	Royalties on Minerals Petroleum Royalties
Recoveries	Qualifying / eligible expenses for recovery	When recovery conditions are satisfied	Federal funding agreements, RCMP policing costs
Tuition and Memberships	Provision of access / instruction	As access and / or instruction is provided	NSCC Courses Art Gallery of Nova Scotia Memberships
Fines	None	When collectible under the Act	Statutory fines



**Province of Nova Scotia**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2025**

**1. Financial Reporting and Accounting Policies (*continued*)**

Revenue from personal and corporate income taxes, as well as harmonized sales taxes, is recorded in the year in which the taxable event occurs based on estimates using statistical models. These estimates consider certain non-refundable tax credits and other adjustments from the federal government. Adjustments to tax revenues recognized in prior years, as a result of actual or more current economic data and federal government information, are recorded in the current year. Non-refundable personal and corporate income tax credits are tax concessions (relief of taxes owing) that reduce corresponding tax revenues. Refundable personal and corporate income tax credits are transfers made through the tax system (financial benefits other than relief of taxes owing) and are recorded as expenses.

Government transfers received for operating purposes are recognized in the period during which the transfer is authorized and all eligibility criteria (if any) are met, except when and to the extent that the transfer stipulations create an obligation that meets the definition of a liability. Transfers meeting the definition of a liability are recorded as deferred revenue and recognized as revenue as the stipulations are satisfied.

Government transfers received for capital purposes and contributed assets are recognized as revenue in the period the tangible capital assets are acquired. Capital transfers received in advance of project completion are recorded as deferred revenue and recognized as revenue as the related eligible expenditures are incurred.

Investment income includes interest, amortization of premiums or discounts using the effective interest method, and realized fair value gains and losses on portfolio investments.

**Expenses**

Expenses are recorded on the accrual basis in the fiscal year when the events giving rise to the expenses occur and are reported in more detail in Note 8, Expenses by Object.

Grants and other government transfers are recognized as expenses in the period at the earlier of: 1) transfer being authorized and recipient meeting all eligibility criteria, and 2) time of payment.

Provisions are made for probable losses on certain loans, investments, loan guarantees, accounts receivable, advances, forgivable loans, and contingent liabilities when it is likely that a liability exists and the amount can be reasonably determined. At least annually, provisions are updated as estimates are revised.

Debt servicing costs include interest on debentures issued, pension, retirement and other obligations, capital leases, long-term debt from Public Private Partnership (P3) arrangements, amortization of premiums and discounts using the effective interest method, and realized fair value gains and losses on derivatives and foreign currency transactions. Debt servicing costs are recorded net of interest revenue associated with repurchased Province of Nova Scotia debentures.

## Province of Nova Scotia Notes to the Consolidated Financial Statements As at March 31, 2025

### 1. Financial Reporting and Accounting Policies (*continued*)

#### Financial Assets

Cash and Short-Term Investments are recorded at cost, which approximates market value, and include cash on hand, demand deposits, R-1 (low, middle, high) rated federal and provincial government bills or promissory notes, bankers' acceptances, term deposits, and commercial paper. Terms of investments are generally 1 to 90 days. The weighted average interest rate of short-term investments was 2.72 per cent at year-end.

Accounts Receivable are recorded at the principal amount less valuation allowances.

Inventories for Resale are held for sale in the ordinary course of operations and are recorded at the lower of cost and net realizable value.

Loans Receivable are recorded at cost less adjustments for concessionary assistance and any prolonged impairment in value. Investments not traded on an active market, including the Public Debt Management Fund, are recorded at amortized cost using the effective interest method less adjustments for concessionary assistance and any prolonged impairment in value. Concessionary assistance consists of subsidies provided by the Province and is recognized as an expense at the loan issuance or investment date. Loans usually bear interest at approximate market rates and normally have fixed repayment schedules. Any write-down, due to loss in value, reflected in a loan or investment is not reversed if there is a subsequent increase in value. Any write-off must be approved by Governor in Council.

Equity investments traded on an active market are measured at fair value. Unrealized changes in fair value are recognized in the Consolidated Statement of Remeasurement Gains and Losses until they are realized and then reclassified to the Consolidated Statement of Operations.

Derivative financial instruments, including embedded derivatives, are recorded at fair value.

Fair value is the estimated amount for which a financial instrument could be exchanged between willing parties in an arm's length transaction based on the current market conditions. Fair value measurements are classified using the Fair Value Hierarchy:

<b>Level 1</b>	Quoted prices (unadjusted) in active markets for identical assets or liabilities
<b>Level 2</b>	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
<b>Level 3</b>	Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is recorded in the Consolidated Statement of Operations, and any applicable unrealized gain or loss is adjusted through the Consolidated Statement of Remeasurement Gains and Losses.





**Province of Nova Scotia**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2025**

**1. Financial Reporting and Accounting Policies (*continued*)**

**Liabilities**

Bank Advances and Short-Term Borrowings are recorded at cost, which approximates market value, and have initial maturities of one year or less. The weighted average interest rate of short-term Canadian dollar borrowings was 2.77 per cent at year-end.

Deferred Revenue is recorded when funds received are externally restricted for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized as revenue as the stipulations are met, funds are used for their intended purpose, or related eligible capital expenditures are incurred.

Pension, Retirement and Other Obligations include various employee future benefit plans, where the Province is responsible for the provision of benefits. Liabilities for these plans are calculated using the projected benefit actuarial method using accounting assumptions that reflect the Province's best estimates. This actuarial method attributes the estimated cost of benefits to the periods of employee service. The net liability represents accrued employee benefits less the market-related value of plan assets (if applicable) and the balance of unamortized experience gains and losses. Market-related values are determined in a rational and systematic manner, recognizing asset market value gains and losses over a five-year period.

Asset Retirement Obligations are recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset, the past transaction or event giving rise to the liability has occurred, the Province expects to give up future economic benefits, and a reasonable estimate of the amount can be made. These liabilities include direct costs related to asset retirement activities, including post-retirement operation, maintenance, and monitoring that are integral to the retirement of the tangible capital asset. They are measured based on the best estimate of the expenditures required to complete the retirement activities using the information available at year-end.

Upon initial recognition, asset retirement costs are capitalized as part of the carrying amount of the related tangible capital assets. These capitalized costs are amortized on the same basis as the related tangible capital assets, and any accretion expense is recognized in the Consolidated Statement of Operations. Asset retirement costs related to unrecognized tangible capital assets or tangible capital assets no longer in productive use are expensed immediately.

Carrying amounts of asset retirement obligations are reviewed at each financial reporting date. Changes to the liabilities arising from revisions to either the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or decrease to the carrying amounts of the related tangible capital assets.

Liabilities for Contaminated Sites are recognized when an existing environmental standard is exceeded, the Province is directly responsible or accepts responsibility, the Province expects to remediate and give up future economic benefits, and a reasonable estimate of the amounts can be made. Contaminated sites are a result of any chemical, organic, radioactive material, or live organism being introduced directly or via the air into soil, water, or sediment that exceeds an environmental standard. These liabilities include the costs directly attributable to remediation activities, including costs related to post-remediation operation, maintenance, and monitoring that are an integral part of the remediation strategy. They are measured based on the best estimate of the expenditures required to

### Province of Nova Scotia Notes to the Consolidated Financial Statements As at March 31, 2025

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#### 1. Financial Reporting and Accounting Policies (*continued*)

complete the remediation. The carrying amounts of liabilities for contaminated sites are reviewed at each financial reporting date and updated as additional information is available. Any revisions to the amounts previously recognized are accounted for in the period in which the revisions are made.

Unmatured Debt is comprised of debentures and various loans in Canadian and foreign currencies, capital leases, and long-term debt related to Public-Private Partnership (P3) assets. Premiums and discounts, as well as underwriting commissions, relating to the issuance of debentures are included in the item's opening carrying value. Debt is recorded at amortized cost using the effective interest method, net of repurchased Province of Nova Scotia debentures. Under P3 arrangements, the Province uses private sector partners to design, build, finance, and maintain certain infrastructure assets. Assets procured through P3s are recognized as tangible capital assets, and the related long-term obligations are recognized as other unmaturing debt in these consolidated financial statements as the assets are constructed.

Unrealized Foreign Exchange Translation Gains and Losses result when assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange in effect at March 31<sup>st</sup>. Unrealized foreign exchange translation gains and losses are recognized in the Consolidated Statement of Remeasurement Gains and Losses. Once settled, the realized foreign exchange gains and losses are recognized in the Consolidated Statement of Operations and the unrealized balances are reversed from the Consolidated Statement of Remeasurement Gains and Losses.

Contingent Liabilities, including provisions for losses on loan guarantees, are potential obligations that may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense is recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the consolidated financial statements. In cases where an accrual is made, but exposure exists beyond the amount accrued, this excess exposure would also be disclosed, unless the impact is immaterial or the disclosure would have an adverse effect on the outcome of the contingency.

#### **Net Debt**

Net Debt is the difference between the Province's liabilities and financial assets, which is the accumulation of all past annual surpluses and deficits, net changes in remeasurement gains and losses, and cumulative net acquisitions of non-financial assets.

#### **Non-Financial Assets**

Tangible Capital Assets have useful lives extending beyond the accounting period, are held for use in the production and supply of goods and services, and are not intended for sale in the ordinary course of operations. They are recorded at gross historical cost (or estimated cost when the actual cost is unknown) and include all costs directly attributable to the acquisition, design, construction, development, installation, and betterment of the tangible capital asset, as well as interest related only to the financing of P3 assets during construction. Cost also includes the estimated cost of legally required activities to retire a tangible capital asset. Tangible capital assets include land, land improvements, buildings, major equipment and software, vehicles, ferries, roads, highways, and bridges.



**Province of Nova Scotia**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2025**

**1. Financial Reporting and Accounting Policies (*continued*)**

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Province's ability to provide services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. Net write-downs are accounted for as amortization expense and are not reversed.

Contributed tangible capital assets received are recorded at their fair market value on the date of contribution, except in circumstances where the value cannot be reasonably determined, in which case they are recognized at nominal value. Tangible capital assets do not include intangibles or assets acquired by right, such as forests, water, and mineral resources, or works of art and historical treasures. Tangible capital assets are amortized to expense over the useful lives of the assets. The amortization methods and rates applied by the other governmental units are not adjusted to the methods and rates used by the General Revenue Fund.

Inventories of Supplies are held for consumption or use by the Province in the course of its operations and are recorded at the lower of cost and current replacement cost.

Prepaid Expenses are cash disbursements for goods or services, other than tangible capital assets and inventories of supplies, that will provide economic benefits in one or more future periods. The prepaid amount is recognized as an expense in the year the good or service is used or consumed.

Purchased intangible assets, which are non-physical assets acquired through an arm's length exchange transaction between willing parties, are recognized as non-financial assets. This excludes software, which is recognized as a tangible capital asset.

**Accumulated Deficits**

Accumulated Deficits are the difference between the Province's Net Debt and non-financial assets. This represents the cumulative balance of net surpluses and deficits arising from the operations of the Province and accumulated remeasurement gains and losses.

**e) Measurement Uncertainty**

Measurement uncertainty exists in determining certain amounts included in these consolidated financial statements. Many items are measured using management's best estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Uncertainty exists whenever estimates are used because actual results may differ materially from the Province's estimates.

Material measurement uncertainty exists in the estimation of tax revenues, pension, retirement and other obligations, asset retirement obligations, liabilities for contaminated sites, and the value of tangible capital assets.

Personal Income Tax (PIT) revenue of \$4.74 billion (2024 – \$4.13 billion), Corporate Income Tax (CIT) revenue of \$1.11 billion (2024 – \$744.9 million), and Harmonized Sales Tax (HST) revenue of \$2.74 billion (2024 – \$2.88 billion), see Schedule 1, may be subject to future revisions based on changes to key tax revenue inputs. Changes to tax revenue inputs can be based on new or revised information, possible differences between the

**Province of Nova Scotia**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2025**

**1. Financial Reporting and Accounting Policies (continued)**

estimated and actual economic growth, and other assumptions used in statistical modelling to accrue these revenues. When these changes affect revenue estimates of prior years, they are classified as prior years' adjustments (PYAs), see Note 6. Revisions to tax revenue inputs and variances in actual experience can result in significant estimate changes. Some of the key variable inputs related to tax revenues include, but are not limited to, the following:

Personal Income Tax	Corporate Income Tax	Harmonized Sales Tax
Personal taxable income levels	National corporate taxable income levels as provided by Finance Canada	Personal consumer expenditure levels
Provincial taxable income yield	Nova Scotia's share of national taxable income	Provincial GDP
Tax credits uptake	Tax credits uptake	Rebate levels
		Residential housing investment

Pension, Retirement and Other Obligations of \$3.01 billion (2024 – \$3.00 billion), see Note 5, are subject to uncertainty because actual results may differ significantly from the Province's long-term assumptions about plan members, return on investment of pension fund assets, health care cost trend rates for retiree benefits, the Province's long-term cost of borrowing, and other economic conditions.

Asset retirement obligations of \$600.5 million (2024 – \$592.0 million), see Note 10, require estimates regarding the useful lives of the affected tangible capital assets, amount of regulated materials, and expected retirement costs, including the timing and duration of those retirement costs.

Liabilities for contaminated sites of \$614.0 million (2024 – \$600.3 million), see Note 11, may differ significantly from anticipated remediation plans once the actual nature and extent of the remediation activities, methods, and site contamination are known.

The net book value of tangible capital assets of \$11.96 billion (2024 – \$9.99 billion, as restated), see Schedule 7, is subject to uncertainty because of differences between estimated and actual useful lives.

Other areas requiring the use of management estimates include allowances for doubtful accounts and the valuation of loans receivable and investments.

**f) Future Changes in Accounting Standards**

The Public Sector Accounting Board (PSAB) has issued: *The Conceptual Framework for Financial Reporting in the Public Sector* and PS 1202, *Financial Statement Presentation*, effective April 1, 2026. These standards will replace the existing conceptual framework and financial reporting model, PS 1000, *Financial Statement Concepts*, and PS 1100, *Financial Statement Objectives*, along with PS 1201, *Financial Statement Presentation*. These new standards have not been applied in preparing these statements but are expected to significantly impact the presentation of the consolidated financial statements.



**Province of Nova Scotia**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2025**

**2. Accounting Changes**

Accounting changes were made during the year that have the following impacts:

(\$ thousands)

	2025			2024	
	Net Debt	Accumulated Deficits	Provincial Surplus	Net Debt	Accumulated Deficits
	April 1, 2024	April 1, 2024		April 1, 2023	April 1, 2023
Adjustment to Loans Receivable	(584,005)	(82,061)	(1,872)	(463,585)	(80,189)

Adjustment to Loans Receivable

During the year, the relationship between the Province and its long-term care (LTC) service providers was reassessed. The assessment determined that a direct funding relationship existed with those that have been provided with mortgages from the Province and that the Province benefits and bears certain risks associated with control of the corresponding facilities. As a result, it was determined all loans receivable to LTC service providers recorded within the Department of Growth and Development should have been expensed and the corresponding long-term care facilities should have been recorded as tangible capital assets within the Department of Seniors and Long-Term Care. Consequently, financial assets were overstated, and non-financial assets were understated, inadvertently, dating back to 2004. The Province has recorded this adjustment retroactively. As a result, the opening accumulated deficits increased by \$80.2 million, opening net debt increased by \$463.6 million, and the provincial surplus decreased by \$1.9 million.

**3. Restricted Assets**

As at March 31, 2025, assets of \$122.0 million (2024 – \$113.3 million) were designated for restricted purposes by external parties. Restricted cash and short-term investments totaled \$13.1 million (2024 – \$16.7 million), comprised of: \$7.6 million for endowment and scholarship funds (2024 – \$4.5 million), \$4.8 million for gas market development as part of the Nova Scotia Market Development Initiative Fund (2024 – \$4.6 million), \$0.6 million for the Independent Production Fund (2024 – \$0.8 million), \$nil for future investments of the Nova Scotia First Fund (2024 – \$5.0 million), and \$nil for Nova Scotia Health Authority (NSHA) research and other purposes (2024 – \$1.7 million).

Restricted investments totaled \$108.9 million (2024 – \$96.6 million), comprised of: \$72.2 million for NSHA research and other purposes (2024 – \$65.9 million) and \$36.7 million for endowment funds (2024 – \$30.7 million).

Externally restricted inflows not spent by year-end create a liability that will be settled by using the restricted assets for their intended purposes. The restricted assets described in this note are segregated from other assets and will be used as prescribed in a future period.

## Notes to the Consolidated Financial Statements

### Province of Nova Scotia Notes to the Consolidated Financial Statements As at March 31, 2025

#### 4. Deferred Revenue

(\$ thousands)

	2025	2024
Annapolis Valley Regional Centre for Education	2,900	3,193
Build Nova Scotia	2,532	2,480
Canada - Affordable Housing Fund	8,247	9,000
Canada - CMHC National Housing Strategy	38,452	32,630
Canada - CMHC Social Housing Agreement	2,340	12,226
Canada Community-Building Fund (formerly Federal Gas Tax Fund)	5,429	7,419
Canada - COVID-19 Proof of Vaccination Fund	6,438	6,438
Canada - Nova Scotia Canada-Wide Early Learning and Child Care Agreement	82,876	68,028
Canada - Nova Scotia Home and Community Care and Mental Health and Addictions Services Funding Agreement	2,375	4,050
Conseil scolaire acadien provincial	3,347	4,500
Halifax Regional Centre for Education	7,431	6,630
Izaak Walton Killam Health Centre – Capital, Research, and Other Restricted Funds	37,342	36,536
Nova Scotia Community College	46,983	42,550
Nova Scotia Health Authority – Capital, Research, and Other Restricted Funds	67,468	67,646
Nova Scotia School Lunch Program	3,032	–
Perennia Food and Agriculture Incorporated	4,133	2,268
Public Archives of Nova Scotia	3,644	3,296
Resource Recovery Fund Board Inc. – Unearned Revenue from Container Deposits, Paint Levies, and Tire Deposits	23,779	23,097
Seniors Pharmacare	15,254	15,680
Social Infrastructure Fund	2,315	2,315
Other Externally Restricted Funds	17,987	15,000
<b>Total Deferred Revenue</b>	<b>384,304</b>	<b>364,982</b>

#### 5. Pension, Retirement and Other Obligations

The Province provides its employees a variety of pension, retirement, post-employment, compensated absences (accumulated sick leave), and special termination benefits. Most plans are unfunded and are economically dependent on the Province. Except as otherwise noted, the cost of benefits is recognized in the periods the employee provides service. For benefits that do not vest or accumulate, a liability is recognized when an event occurs that obligates the Province to pay benefits.

##### a) Description of Obligations

###### Pension Benefit Plans

The Province participates in multiple funded pension plans. The Nova Scotia Public Service Superannuation Plan (PSSP) and the Nova Scotia Teachers' Pension Plan (TPP)





**Province of Nova Scotia**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2025**

**5. Pension, Retirement and Other Obligations (*continued*)**

are defined benefit plans with plan assets primarily composed of Canadian and foreign equities, government and corporate bonds, debentures, secured mortgages, and real estate. These plans are jointly funded with the Province matching contributions from employees. Retirement benefits paid are based on an employee's length of service, rate of pay, and inflation adjustments.

The PSSP operates under the responsibility of the Public Service Superannuation Plan Trustee Inc. (PSSPTI). PSSPTI is a body corporate comprised of 13 board members – six represent the Province as the employer, six represent the employees, and an independent chairperson. The Province's responsibility regarding this plan is limited to its pension expense for employer contributions paid to the PSSP, which are equal to the employee contributions. The contribution rate is set by PSSPTI pursuant to the legislated funding policy and is set for a five-year cycle.

As at March 31, 2025, the PSSP was 106.8 per cent funded. Indexing is based on a funded health review occurring every five years. The most recent funded health review for the period from January 1, 2021 to December 31, 2025 was completed in 2019-20. Based on the PSSP's December 31, 2019 funding ratio of 98.5 per cent, no indexing will be paid during the following five-year cycle and no changes to contributions will be made. The Province's employer contributions to the PSSP in 2025 were \$111.6 million (2024 – \$105.5 million).

The TPP operates under the responsibility of the Teachers' Pension Plan Trustee Inc. (TPPTI). TPPTI is a body corporate comprised of nine board members – four nominated by the Nova Scotia Teachers' Union (NSTU), four nominated by the Province, and one Chair agreed to by both parties. Under a joint governance structure, the Province and NSTU membership equally share all surpluses and deficits of the plan. The Province accounts for one-half of all components of the accrued benefit liability associated with this plan in these consolidated financial statements. In addition, the Province recognizes one-half of the components associated with the net benefit plan expense associated with this plan. As at March 31, 2025, the total accrued benefit liability associated with this plan was \$748.0 million (2024 – \$817.5 million).

As at December 31, 2024, the TPP was 81.1 per cent funded. The *TPP Regulations* stipulate that when the most recent actuarial valuation shows an actuarial deficit of more than 10.0 per cent, no indexing shall be provided to those pensioners under the variable indexing provision (those who retired on or after August 1, 2006, and those who retired prior to August 1, 2006 but elected to participate in the variable indexing provision). In accordance with Regulation 27C(1), the Province contributed an additional \$44.5 million to the TPP in 2025 (2024 – \$87.0 million) based on the present value of the forgone indexing as determined by the TPP's actuary. The Province's total contributions to the TPP in 2025 were \$185.3 million (2024 – \$209.4 million).

During the year, the weighted average actual rate of return on TPP plan assets was 6.95 per cent (2024 – 7.86 per cent). The total market value of plan assets at March 31, 2025 was \$6.3 billion (2024 – \$5.9 billion). The liability recorded in 2025 for the TPP was based on the most recent actuarial valuation performed at December 31, 2023, extrapolated to March 31, 2025.

**Province of Nova Scotia**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2025**

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**5. Pension, Retirement and Other Obligations (*continued*)**

The Province is also a participating employer of the Nova Scotia Health Employee's Pension Plan (NSHEPP), a multiemployer defined benefit pension plan, funded by employer and employee contributions. As at December 31, 2024, the NSHEPP was 107.0 per cent funded. As the Province does not sponsor this plan, the annual net benefit plan expense is limited to the amount of required contributions provided for employees' services rendered during the year. The most recent actuarial valuation was performed on July 1, 2024 and extrapolated to December 31, 2024, which indicated a funding surplus of \$0.8 billion (2024 – \$2.2 billion). The Province's contributions to this plan in 2025 were \$166.6 million (2024 – \$152.2 million).

The Province is responsible for the Pension Plan for the Non-Teaching Employees of the Nova Scotia Education Entities, providing pension benefits to the non-teaching employees of the participating Regional Centres for Education (RCEs) and the Conseil scolaire acadien provincial (CSAP). The Province fully accounts for the accrued benefit asset and net benefit plan expense of this plan. The most recent actuarial valuation was performed on December 31, 2022 and extrapolated to March 31, 2025. As at December 31, 2022, the plan was 114.2 per cent funded, and the total market value of the plan assets at March 31, 2025 was \$276.7 million (2024 – \$247.8 million). Employer contributions in 2025 were \$7.4 million (2024 – \$6.5 million).

The Province has several other unfunded defined benefit pension plans. The liabilities for these other plans recorded in 2025 were based on the most recent actuarial valuations performed between December 31, 2022 and December 31, 2024 and extrapolated to March 31, 2025.

**Special Termination Benefits**

The Province offered early retirement incentive programs to members of the PSSP and TPP in 1986 and 1994, respectively. Qualified members were offered additional years of pensionable service if they elected to retire early. The cost of these benefits was accrued in the year the employee accepted the early retirement option and continue to be calculated using actuarial valuations.

The 2025 liabilities for these termination benefits were based on the most recent actuarial valuations performed at December 31, 2022 and extrapolated to March 31, 2025.

**Post-Employment Benefits**

The Province sponsors two unfunded post-employment benefit plans: a Self-Insured Workers' Compensation Plan and retirement health benefits, some of which contain a life insurance provision. Retirement health benefits vary depending on the negotiated collective agreements. The Province pays 65.0 per cent and 100.0 per cent of the cost of retirement health benefits for the PSSP and TPP retirees, respectively.

For the Self-Insured Workers' Compensation Plan, the amount recorded in these consolidated financial statements represents the actual amount of benefits paid during the year plus the actuarial estimate of future payments based on claims ongoing at year-end.

The 2025 liabilities for these post-employment benefit plans were based on the most recent actuarial valuations performed between June 30, 2023 and December 31, 2024 and extrapolated to March 31, 2025.





**Province of Nova Scotia**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2025**

**5. Pension, Retirement and Other Obligations (*continued*)**

The Province also participates in the Nova Scotia Public Service Long Term Disability Plan (LTD Plan). The Province does not sponsor the LTD Plan, as a result, the Province does not account for any net position of the LTD Plan in these consolidated financial statements. The LTD Plan is managed and administered, under joint trusteeship, by a Board of Trustees appointed by the two plan sponsors: five nominated by the Province, five nominated by the Nova Scotia Government and General Employees Union (NSGEU), and one Chair agreed to by both sponsors. The LTD Plan is funded equally by employer and employee contributions. The most recent actuarial valuation was performed at December 31, 2024, and indicated a funded ratio of 115.4 per cent. The Province's contributions to this plan in 2025 were \$9.7 million (2024 – \$8.6 million).

**Accumulated Sick Leave Benefits**

The Province's RCEs and CSAP, health authorities, and Nova Scotia Community College (NSCC) collective agreements contain sick leave provisions that accumulate but do not vest. The Province measures and records a liability associated with the accumulated sick leave benefits (ASLBs) anticipated to be used in future years. The Province's ASLBs are unfunded, meaning there are no assets set aside to cover the related costs of these benefits in the future.

Due to the nature of these benefits, a liability and expense are measured using actuarial valuations to estimate their financial value. An actuarial assumption is developed to reflect the probability of employees using ASLB "banked days". This involves a detailed analysis of several years of data to determine historical usage. A historical usage pattern is not based on the data group as a whole but takes into account a number of specific factors such as, but not limited to, gender, age, and type of contract or job functions, each of which may impact the anticipated amount of accumulated sick leave time to be taken in the future. As a result, the anticipated usage assumption may involve a number of criteria and circumstances that then must be applied to the data in coordination with other actuarial assumptions such as the discount rate, retirement age assumptions, future salary increases, mortality rates, etc.

The liabilities for ASLBs recorded in 2025 were based on the most recent actuarial valuations performed between June 30, 2023 and March 31, 2024 and extrapolated to March 31, 2025.

**Retirement Allowances**

The Province sponsors retirement allowance plans for which benefits are paid upon retirement based on an employee's length of service and rate of pay. These retirement allowance plans were discontinued for unionized staff and non-union civil servant/management employees on April 1, 2015 and August 11, 2015 (discontinuation dates), respectively, and no new members will be admitted into the plans. Effective April 1, 2020, service accumulation ceased for public service awards for those entitled to receive a service award under the *Public Service Award Regulations* made under the *Provincial Court Act*. Any remaining retirement allowances will be paid upon retirement based on accumulated service as of the discontinuation dates and salary upon retirement.

The liabilities for these retirement allowance plans recorded in 2025 were based on the most recent actuarial valuations performed between March 31, 2022 and July 31, 2024 and extrapolated to March 31, 2025.

**Province of Nova Scotia**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2025**

**5. Pension, Retirement and Other Obligations (continued)**

b) Summary of Balances (\$ thousands)	2025						2024	
	Teachers' Pension Plan		Other Pension Plans		Total Pension Benefits		Total Other Benefits	
	Plan				Benefits		Benefits	Total
Projected Benefit Obligation, Beginning of Year	3,418,244	693,886	4,112,130	1,551,304	1,907,845	6,019,975	5,862,834	
Current Benefit Cost	77,275	23,867	101,142	51,284	94,472	195,614	189,946	
Interest Cost	218,605	30,566	249,171	51,944	63,718	312,889	297,285	
Actuarial Losses (Gains)	51,743	(11,626)	40,117	(252,217)	(266,529)	(226,412)	681	
Benefit/Premium Payments	(228,230)	(43,117)	(271,347)	(32,625)	(72,212)	(343,559)	(332,331)	
Other	1,527	2,052	3,579	(149)	(270)	3,309	1,560	
Plan Amendments	—	3,676	3,676	—	—	3,676	—	
<b>Projected Benefit Obligation, End of Year</b>	<b>3,539,164</b>	<b>699,304</b>	<b>4,238,468</b>	<b>1,369,541</b>	<b>1,727,024</b>	<b>5,965,492</b>	<b>6,019,975</b>	
Market Related Value of Plan Assets,								
Beginning of Year	2,967,260	330,287	3,297,547	—	—	3,297,547	3,153,662	
Expected Return on Plan Assets	190,775	19,711	210,486	—	—	210,486	202,239	
Actuarial Gains (Losses)	32,184	14,661	46,845	—	—	46,845	(9,766)	
Benefit Payments	(228,230)	(43,154)	(271,384)	—	—	(271,384)	(265,203)	
Other	1,527	(810)	717	—	—	717	888	
Employer Contributions	92,655	40,966	133,621	—	—	133,621	145,404	
Employee Contributions	70,652	10,180	80,832	—	—	80,832	70,323	
<b>Market Related Value of Plan Assets, End of Year</b>	<b>3,126,823</b>	<b>371,841</b>	<b>3,498,664</b>	<b>—</b>	<b>—</b>	<b>3,498,664</b>	<b>3,297,547</b>	
Net Benefit Plans Deficiency, End of Year	412,341	327,463	739,804	1,369,541	1,727,024	2,466,828	2,722,427	
Unamortized Net Actuarial Gains (Losses)	(38,361)	38,598	237	466,399	516,805	517,042	265,239	
Valuation Allowance	—	24,076	24,076	—	—	24,076	14,358	
<b>Accrued Benefit Liability, End of Year</b>	<b>373,980</b>	<b>390,137</b>	<b>764,117</b>	<b>1,835,940</b>	<b>2,243,829</b>	<b>3,007,946</b>	<b>3,002,024</b>	

**Province of Nova Scotia**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2025**

**5. Pension, Retirement and Other Obligations (continued)**

**c) Net Benefit Plans Expense**  
*(\$ thousands)*

	2025				2024			
	Teachers' Pension Plan	Other Pension Plans	Total Pension Benefits	Retirement Health Benefits	Other Benefits	Total Other Benefits	Total	Total
Current Benefit Cost	77,275	23,867	101,142	51,284	43,188	94,472	195,614	189,946
Employee Contributions	(70,652)	(10,180)	(80,832)	—	—	—	(80,832)	(70,323)
Employer Contributions *	92,655	—	92,655	—	—	—	92,655	104,707
(Gain) Loss on Curtailment	—	—	—	—	—	—	—	—
Plan Amendments	—	3,676	3,676	—	—	—	3,676	—
Amortization of Net Actuarial Losses (Gains)	23,422	(4,016)	19,406	(20,483)	(20,418)	(40,901)	(21,495)	11,213
Other	—	2,357	2,357	(234)	(121)	(355)	2,002	80
Increase in Valuation Allowance	—	6,080	6,080	—	—	—	6,080	6,080
Interest Cost	218,605	30,566	249,171	51,944	11,774	63,718	312,889	297,285
Expected Return on Plan Assets	(190,775)	(19,711)	(210,486)	—	—	—	(210,486)	(202,239)
Employer Contributions to Multi-Employer Plans	—	278,213	278,213	—	9,675	9,675	287,888	266,264
<b>Net Benefit Plans Expense</b>	<b>150,530</b>	<b>310,852</b>	<b>461,382</b>	<b>82,511</b>	<b>44,098</b>	<b>126,609</b>	<b>587,991</b>	<b>603,013</b>
<b>Recorded as:</b>								
Fringe Benefits Expense	140,828	289,199	430,027	24,854	46,858	71,712	501,739	456,500
Pension Valuation Adjustment	(18,128)	10,798	(7,330)	5,713	(14,534)	(8,821)	(16,151)	51,467
Net Pension Interest Cost	27,830	10,855	38,685	51,944	11,774	63,718	102,403	95,046
<b>Net Benefit Plans Expense</b>	<b>150,530</b>	<b>310,852</b>	<b>461,382</b>	<b>82,511</b>	<b>44,098</b>	<b>126,609</b>	<b>587,991</b>	<b>603,013</b>

\* This represents one-half of the employer contributions made by the Province to the TPP. Included in the figures above are one-half of all transactions associated with the TPP to reflect the Province's share of this plan under joint trusteeship.

## Notes to the Consolidated Financial Statements

### Province of Nova Scotia Notes to the Consolidated Financial Statements As at March 31, 2025

#### 5. Pension, Retirement and Other Obligations (*continued*)

##### d) Plan Composition

The table below shows the composition of the plan balances and net benefit plans expense.

(\$ thousands)

	2025	2024	2025	2024
	Accrued Benefit (Asset) Liability	Accrued Benefit (Asset) Liability	Net Benefit Plans Expense	Net Benefit Plans Expense
<b>Pension Benefits</b>				
Public Service Superannuation Plan *	—	—	111,612	105,472
Teachers' Pension Plan	373,983	408,761	150,529	154,928
Health Employees Pension Plan *	—	—	166,601	152,172
Educational Non-Teaching Plans	(6,494)	(6,206)	6,998	9,581
Members of the Legislative Assembly Pension Plan	126,608	119,399	13,140	8,538
Sysco Pension Plan	88,151	97,372	(70)	(3,318)
Supplementary Pensions	181,869	183,667	12,572	10,083
<b>Total Pension Benefits</b>	<b>764,117</b>	<b>802,993</b>	<b>461,382</b>	<b>437,456</b>
<b>Other Benefits</b>				
Public Service Superannuation Plan Health Benefits	325,877	325,232	6,106	5,056
Teachers' Pension Plan Health Benefits	1,094,864	1,054,295	59,399	68,072
Health Sector Retirement Health Benefits	280,335	273,649	12,814	20,051
Other Retirement Health Benefits	134,864	132,794	4,190	4,389
Self-Insured Workers' Compensation Plan	160,979	163,587	14,125	47,735
Public Service Long Term Disability Plan *	—	—	9,675	8,620
Accumulated Sick Leave Benefits	217,904	217,561	20,836	12,398
Retirement Allowances	29,006	31,913	(536)	(764)
<b>Total Other Benefits</b>	<b>2,243,829</b>	<b>2,199,031</b>	<b>126,609</b>	<b>165,557</b>
<b>Pension, Retirement and Other Obligations</b>	<b>3,007,946</b>	<b>3,002,024</b>	<b>587,991</b>	<b>603,013</b>

\* Province does not sponsor these plans; the annual net benefit plan expense is limited to the employer contributions paid by the Province.



**Province of Nova Scotia**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2025**

**5. Pension, Retirement and Other Obligations (continued)**

**e) Actuarial Assumptions**

The significant assumptions used to measure the Province's benefit plan obligations are:

	2025		2024	
	Pension Benefits	Other Benefits	Pension Benefits	Other Benefits
Long-term inflation rate	2.00%	2.00%	2.00%	2.00%
Expected real rate of return on plan assets				
TPP	4.41%		4.46%	
NSECSB	4.07%		3.73%	
Rate of compensation increase	0.0% - 3.5% + merit	1.5% - 3.0% + merit	0.0% - 3.5% + merit	1.5% - 3.0% + merit
Discount rates:				
TPP	6.50%		6.55%	
NSECSB	6.15%		5.80%	
Other Plans		3.67%		3.18%

**Other Assumptions**

- 7.0 per cent annual rate increase in the cost per person of covered health care benefits for 2024-25, decreasing to an ultimate rate of 4.0 per cent per annum over 20 years
- 7.0 per cent annual rate increase in the cost per person of covered prescription drugs for 2024-25, decreasing to an ultimate rate of 4.0 per cent per annum over 20 years

Actuarial assumptions are reviewed and assessed on an annual basis, taking into account various changing conditions and reflecting the Province's best estimate of performance over the long term.

The net unamortized actuarial gains (losses) are amortized on a straight-line basis over the expected average remaining service life (EARSL) of the related employee groups ranging from 6.0 to 16.0 years. The Province's weighted-average EARSL is 14.7 years.

**f) Sensitivity Analysis**

Changes in actuarial assumptions can result in significantly different estimates of the projected benefit obligations. The table below indicates the possible changes to these obligations for the more significant benefit plans as a result of slightly different key actuarial assumptions.

(\$ thousands)

	2025					
	Pension Benefits		Other Benefits		Total	
Possible change in obligations due to:						
a) Discount Rate – 0.5% Decrease	216,979	5.9%	196,840	10.5%	413,819	7.4%
b) Salary Growth Rate – 1.0% Increase	129,918	3.5%	13,635	0.7%	143,553	2.6%
c) Health Care Cost Trend Rate – 1.0% Increase	n/a	n/a	382,269	20.4%	382,269	6.9%

The sensitivity analyses are based on a change in one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

## Notes to the Consolidated Financial Statements

### Province of Nova Scotia Notes to the Consolidated Financial Statements As at March 31, 2025

#### 6. Prior Years' Adjustments (PYAs)

PYAs resulting from measurement uncertainty, see Note 1 e), reflect updates to the Province's forecasts and revisions to information obtained from the federal government relating to prior years. The current year revenues and corresponding PYAs are reported in Schedule 1 as follows:

(\$ thousands)	2025			2024		
	Current	PYA	Total	Current	PYA	Total
<b>Provincial Sources</b>						
Personal Income Tax	4,471,232	272,059	4,743,291	3,951,415	175,981	4,127,396
Corporate Income Tax	942,496	163,933	1,106,429	673,756	71,108	744,864
Harmonized Sales Tax	2,667,054	70,145	2,737,199	2,615,601	266,835	2,882,436
Petroleum Royalties	—	55,324	55,324	—	50	50
Financial Institutions Capital Tax <sup>1</sup>	75,056	14,692	89,748	70,505	18,556	89,061
Large Corporations Tax <sup>1</sup>	—	(94)	(94)	—	(3,084)	(3,084)
		<u>576,059</u>			<u>529,446</u>	
<b>Federal Sources</b>						
Canada Health Transfer	1,357,718	1,173	1,358,891	1,357,400	4,980	1,362,380
Canada Social Transfer	440,804	(631)	440,173	433,520	2,389	435,909
		<u>542</u>			<u>7,369</u>	

<sup>1</sup> Included in Other Tax Revenue in Schedule 1

#### 7. Debt Servicing Costs

(\$ thousands)	2025	2024
CDN\$ Denominated Debt	681,891	591,413
Pension, Retirement and Other Obligations	102,403	95,046
Capital Leases	7,392	7,797
Public Private Partnerships (P3s)	9,950	6,132
Other Debt	56,572	65,673
Amortization of Premiums and Discounts on Unmatured Debt	16,322	15,245
Amortization of Foreign Exchange Gains	(17)	(619)
<b>Total Debt Servicing Costs</b>	<u>874,513</u>	<u>780,687</u>

Debt servicing costs have been offset with associated interest revenue of \$0.2 million (2024 – \$0.3 million) on repurchased debt instruments.

For the year ended March 31, 2025, total debt servicing costs for the Province's government business enterprises were \$9.5 million (2024 – \$8.0 million).



**Province of Nova Scotia**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2025**

**8. Expenses by Object**

(\$ thousands)

	<b>2025</b>	<b>2024</b>
		<i>(as restated)</i>
Grants and Subsidies	6,452,072	5,981,871
Salaries and Employee Benefits	6,439,690	5,785,127
Operating Goods and Services	2,984,448	2,713,478
Professional Services	589,458	553,326
Amortization	611,531	541,196
Debt Servicing Costs	874,513	780,687
Other	4,179	6,944
<b>Total Expenses by Object</b>	<b>17,955,891</b>	<b>16,362,629</b>

**9. Cash Flow— Net Change in Other Items**

(\$ thousands)

	<b>2025</b>	<b>2024</b>
Decrease (Increase) in Accounts Receivable	201,591	(221,307)
Decrease in Inventories for Resale	389	203
Decrease in Bank Advances and Short-Term Borrowings	(52,743)	(69,539)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	143,018	(9,916)
Increase (Decrease) in Deferred Revenue	19,322	(838)
Increase in Accrued Interest	36,107	25,324
Increase in Pension, Retirement and Other Obligations	5,922	20,101
Increase (Decrease) in Asset Retirement Obligations	8,506	(16,196)
Increase in Liabilities for Contaminated Sites	13,702	60,880
(Increase) Decrease in Inventories of Supplies	(16,148)	33,686
Decrease (Increase) in Prepaid Expenses	8,139	(16,599)
<b>Total Net Change in Other Items</b>	<b>367,805</b>	<b>(194,201)</b>

**10. Asset Retirement Obligations**

The Province owns and operates various assets that are subject to asset retirement obligations. As at March 31, 2025, a total liability for asset retirement obligations of \$600.5 million (2024 – \$592.0 million) has been recorded in these consolidated financial statements. The Province has not set aside assets designated for settling asset retirement obligations.



**Province of Nova Scotia**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2025**

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**10. Asset Retirement Obligations (*continued*)**

The Province's estimates for the decommissioning of assets at retirement are based on engineering reports developed using available data such as environmental reports, building management reports, and internal data and records, which were supplemented as required by the past experience of internal experts in relation to these types of regulated materials. Given the nature of these obligations, significant measurement uncertainty exists in both the amount and timing of the estimates (Note 1e).

These estimates have been measured on an undiscounted basis and consist of several types of asset retirement obligations as follows:

*Asbestos Abatement*

Many provincially owned buildings are known or expected to contain asbestos, which represents a health hazard upon demolition of the building. The Province is legally required to perform abatement activities upon renovation or demolition of these buildings. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. The estimated total liability for asbestos abatement is \$473.5 million (2024 – \$465.6 million).

*Lead*

The provincially owned buildings are also known or expected to contain lead-based materials such as drywall, plaster, painted wood, pipe insulation, and flooring materials, which represent health hazards upon handling of those materials. The Province is legally required to dispose of these materials in a regulated manner. The estimated total liability related to the proper disposal of lead-containing materials is \$119.4 million (2024 – \$118.7 million).

*Underground Fuel Storage Tanks*

According to legislation, the Province is required to decommission provincially owned underground fuel storage tanks in a prescribed manner at the time of their replacement or at the end of their useful life. The estimated total liability related to the decommissioning of underground fuel storage tanks is \$1.3 million (2024 – \$1.4 million).

*Other*

The Province has a number of other regulated building materials, such as mercury, polychlorinated biphenyls (PCBs), and refrigerants, as well as gravel pits that arise due to contractual obligations. The estimated total liability related to these other materials is \$6.3 million (2024 – \$6.3 million).

Amortization is calculated on a declining balance basis for most assets with asset retirement obligations of the General Revenue Fund. Amortization is generally calculated on a straight-line basis for most assets with asset retirement obligations of the governmental units. Amortization rates are identified in Schedule 7.



**Province of Nova Scotia**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2025**

**10. Asset Retirement Obligations (continued)**

The tables below show the continuity of Asset Retirement Obligations:  
(\$ thousands)

						2025
	Asbestos	Lead	Fuel Tanks	Medical Equipment	Other	Total
Balance, Beginning of Year	465,618	118,731	1,395	—	6,238	591,982
Liabilities Incurred During Year	—	—	—	—	—	—
Liabilities Settled During Year	(2,213)	(442)	(120)	—	—	(2,775)
Changes in Estimated Costs	10,083	1,112	—	—	—	11,195
Accretion Expense	—	—	—	—	86	86
<b>Balance, End of Year</b>	<b>473,488</b>	<b>119,401</b>	<b>1,275</b>	<b>—</b>	<b>6,324</b>	<b>600,488</b>

						2024
	Asbestos	Lead	Fuel Tanks	Medical Equipment	Other	Total
Balance, Beginning of Year	466,069	123,028	6,440	5,490	7,151	608,178
Liabilities Incurred During Year	640	160	—	—	75	875
Liabilities Settled During Year	(1,160)	(374)	(318)	(590)	—	(2,442)
Changes in Estimated Costs	42	(4,089)	(4,728)	(4,900)	(1,036)	(14,711)
Accretion Expense	27	6	1	—	48	82
<b>Balance, End of Year</b>	<b>465,618</b>	<b>118,731</b>	<b>1,395</b>	<b>—</b>	<b>6,238</b>	<b>591,982</b>

**Asset Retirement Obligations and the associated Tangible Capital Asset Class:**

(\$ thousands)

Asset Type and Class	Asset Net Book Value	ARO Liability
Buildings and Land Improvements	163,028	554,094
Other	—	2,342
Unrecorded Assets	—	44,052
<b>Total</b>	<b>163,028</b>	<b>600,488</b>

**11. Liabilities for Contaminated Sites**

Various provincially owned sites throughout the province are known to be or are at risk of being contaminated. Studies are ongoing to assess the nature and extent of damage to develop remediation plans. Provisions for these costs are recorded when it is determined a liability exists and a reasonable estimate of the remediation costs can be made. As at March 31, 2025, a total liability for contaminated sites of \$614.0 million (2024 – \$600.3 million) has been recorded in these consolidated financial statements.

The Province's estimates for remediation are based on environmental studies, engineering reports, and if appropriate, extrapolation techniques similar to those used for other contaminated sites with which the Province was involved. These estimates have been

**Province of Nova Scotia**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2025**

**11. Liabilities for Contaminated Sites (*continued*)**

measured on an undiscounted basis. The Province has identified and continues to track approximately 203 sites in total. Of these, 103 were identified as sites where action is likely and for which a liability was recorded, including the following:

*Boat Harbour in Pictou County*

A liability of \$405.7 million (2024 – \$384.4 million) has been recognized for the remediation of effluent on site. At this stage in the process, the Province continues to test and refine its current remediation strategy, and as a result, there remains significant measurement uncertainty related to this estimate.

The federal government has committed to reimbursing the Province for up to \$100.0 million in eligible remediation costs incurred on this project. This federal commitment has not been reflected as part of the Boat Harbour remediation liability but has been disclosed as a contractual right in Note 12 e) and is expected to result in revenue in future periods as the remediation is completed.

*Sydney Steel Corporation (SYSCO) including Sydney Tar Ponds/Coke Ovens Site*

A liability of \$49.8 million (2024 – \$55.7 million) has been recognized for future decommissioning, demolition, and remediation of SYSCO's and adjacent sites, including the long-term maintenance and monitoring of the Sydney Tar Ponds/Coke Ovens site expected until 2039.

*Abandoned Mine Sites*

The Province is responsible for the risk management and potential remediation of certain historic abandoned mines that exist on Crown land. For most of these mine sites, the companies that caused the contamination no longer exist. The mining operations were primarily comprised of gold and other metals, coal, gypsum, and limestone. The risk of contamination at these sites primarily comes from mine tailings and other possible contaminants that were left on site.

A liability of \$144.0 million (2024 – \$145.8 million) has been recognized for the remediation of abandoned mine sites. The Province has identified seven former mine sites (five gold, one coal, one celestite) where contamination is known to exceed an environmental standard. A liability of \$90.3 million (2024 – \$89.2 million) has been recognized for these seven sites. A liability of \$53.5 million (2024 – \$56.6 million) has also been recognized for the remaining 53 former mine sites based on the Province's assessment of risk using past experience and assessments performed on other similar sites. While remediation is expected in the future, further testing and evaluation is required to determine the extent of contamination and possible site management options. These liabilities will be revised when the extent of future remediation is known, and the future costs can be more precisely measured.

At year-end, detailed site assessments were underway for five additional former gold mine sites located on Crown lands where contamination is expected to exceed an environmental standard. The Province will continue to provide notification in accordance with the *Contaminated Sites Regulations* as required.



**Province of Nova Scotia**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2025**

**11. Liabilities for Contaminated Sites (*continued*)**

*Other Contaminated Sites*

A liability of \$14.5 million (2024 – \$14.4 million) has been recognized for various other contaminated sites associated with highway maintenance, commercial, and industrial operations.

For the remaining 100 identified sites, no liability for remediation has been recorded either because they have a minimal risk of requiring future remediation or the extent of contamination and possible remediation activities are unknown. They are at various stages of contamination evaluation, and studies will continue to assess the nature and extent of contamination to develop remediation plans and record a liability, if necessary. For the sites with minimal contamination, the Province does not expect to give up any future economic benefits as there is likely no significant environmental impact or risks to human health.

**12. Contingencies and Contractual Obligations/Rights**

**a) Contingent Liabilities**

**Lawsuits**

The Province is involved in various legal proceedings arising from government activities. These disputes have resulted from breaches of contract, damages suffered by individuals or property, and related elements. These claims include items with pleading amounts and items where an amount is not specified. While the total amount claimed in these actions may be significant, their outcomes are not certain.

When a loss due to a lawsuit is likely to occur and the amount can be reasonably estimated, the amount is recorded as an accrued liability and an expense. The accrued liability for pending litigation in process as at March 31, 2025 was \$222.7 million (2024 – \$130.9 million).

**Guarantees**

Guarantees by the Province are authorized by various acts of legislature and provided through specific agreements and programs to repay promissory notes, bank loans, lines of credit, mortgages, and other securities. Provisions for losses on guarantees are recorded when it is likely that a loss will occur. The amount of the loss provisions represents the Province's best estimate of future payments. Estimates take into consideration the nature of the loan guarantees, loss experience, and current conditions. The provisions are reviewed on an ongoing basis and changes in the provisions are recorded as expenses in the year they become known. Details on guarantees authorized, utilized, and accrued are presented in Schedule 8.

**Other Contingent Liabilities**

The Province also has contingent liabilities in the form of indemnities. The Province's potential liability, if any, cannot be determined at this time.

**Province of Nova Scotia**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2025**

**12. Contingencies and Contractual Obligations/Rights (continued)**

**b) Contingent Gains**

The Province may receive funds in the future from recoveries of various types of claims paid out and other agreements pending the occurrence of certain events. Recoveries are recorded once the contingent events occur, are measurable, and collectability is reasonably assured.

On April 6, 2023, the Province issued an order for Nova Scotia Power Incorporated (NSPI) to pay a \$10.0 million penalty for not meeting its renewable electricity targets under the *Renewable Electricity Regulations*. NSPI has requested the Nova Scotia Utility and Review Board to overturn the imposed penalty. The Court decision is expected by November 2025. Pending the decision of the appeal, this \$10.0 million penalty has not been recognized in these consolidated financial statements.

**c) Contractual Obligations**

As at March 31, 2025, the Province had contractual obligations as follows:

(\$ thousands)

<b>Fiscal Year</b>	<b>General Revenue Fund</b>	<b>Governmental Units</b>	<b>Government Business Enterprises</b>	<b>Total Contractual Obligations</b>
2026	3,272,210	457,875	1,569	3,731,654
2027	3,126,768	281,449	—	3,408,217
2028	2,775,660	176,928	—	2,952,588
2029	1,789,883	135,468	—	1,925,351
2030	1,289,350	97,955	—	1,387,305
2031 to 2035	5,430,064	175,129	—	5,605,193
2036 to 2040	3,038,321	—	—	3,038,321
2041 to 2045	2,858,782	—	—	2,858,782
2046 and thereafter	4,789,096	—	—	4,789,096
	<u>28,370,134</u>	<u>1,324,804</u>	<u>1,569</u>	<u>29,696,507</u>

These contractual obligations are comprised of \$28,370.1 million from the General Revenue Fund, \$1,324.8 million from governmental units, and \$1.6 million from government business enterprises. Included are contractual obligations for the Department of Seniors and Long-Term Care of \$15,663.4 million for service agreements with long-term care facilities, \$7,070.8 million for the Department of Health and Wellness (DHW) for future commitments related to P3 arrangements (of which \$3,384.7 million is for the capital portion and \$3,686.1 million for the operating and maintenance portion), \$1,437.4 million for the Department of Justice for the Royal Canadian Mounted Police (RCMP) policing services, \$607.9 million for the Department of Public Works for various school, health, and other construction projects, \$543.3 million for DHW relating to medical transportation services, and \$507.1 million for the Department of Municipal Affairs for various funding commitments under the Investing in Canada Infrastructure Program.



**Province of Nova Scotia**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2025**

**12. Contingencies and Contractual Obligations/Rights (*continued*)**

**d) Operating Leases**

As at March 31, 2025, the Province was contractually obligated under various operating leases. Future minimum annual lease payments were as follows:

(\$ thousands)

<b>Fiscal Year</b>	<b>General Revenue Fund</b>	<b>Governmental Units</b>	<b>Government Business Enterprises</b>	<b>Total Lease Payments</b>
2026	78,284	41,959	75	120,318
2027	64,131	37,623	79	101,833
2028	48,271	30,876	81	79,228
2029	43,435	26,215	—	69,650
2030	36,377	23,685	—	60,062
2031 to 2035	41,900	70,137	—	112,037
2036 to 2040	4,000	11,429	—	15,429
2041 to 2045	2,333	7,006	—	9,339
	<u>318,731</u>	<u>248,930</u>	<u>235</u>	<u>567,896</u>

**e) Contractual Rights**

As at March 31, 2025, the Province had contractual rights as follows:

(\$ thousands)

<b>Fiscal Year</b>	<b>General Revenue Fund</b>	<b>Governmental Units</b>	<b>Government Business Enterprises</b>	<b>Total Contractual Rights</b>
2026	788,308	—	—	788,308
2027	620,365	—	—	620,365
2028	441,148	—	—	441,148
2029	254,965	—	—	254,965
2030	221,286	—	—	221,286
2031 to 2035	233,250	—	—	233,250
2036 to 2040	2,381	—	—	2,381
2041 to 2045	1,389	—	—	1,389
	<u>2,563,092</u>	<u>—</u>	<u>—</u>	<u>2,563,092</u>

These contractual rights are comprised of \$1,299.9 million for the Department of Education and Early Childhood Development for Early Learning and Child Care programs and other federal funding programs, \$323.5 million for the Department of Municipal Affairs for various funding commitments under the Investing in Canada Infrastructure Program, \$150.2 million for the Department of Public Works for various federal funding programs, including \$100.0 million for the reimbursement of remediation costs associated with the Boat Harbour site in Pictou County as described in Note 11, \$134.1 million for the Department of Growth and Development for federal funding initiatives under the National Housing Strategy, and \$83.5 million for the Department of Health and Wellness for federal funding under the Working to Improve Health Care for Canadians program.

### Province of Nova Scotia Notes to the Consolidated Financial Statements As at March 31, 2025

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#### 13. Risk Management and Financial Instruments

As a result of borrowing in both Canadian and foreign financial markets and being a party to financial instruments, the Province is exposed to credit risk, liquidity risk, and market risks (including interest rate risk and foreign exchange risk). The Province employs various risk management strategies and operates within fixed risk exposure limits to ensure exposure to risk is managed in a prudent and cost effective manner. A variety of strategies are used, including the use of derivative financial instruments (derivatives). Derivatives are financial contracts, the value of which is derived from underlying instruments. The Province uses derivatives to hedge and to mitigate foreign exchange risk and interest rate risk. The Province does not use derivatives for speculative purposes.

##### **Credit Risk**

Credit risk exposure is attributed to the risk that a counterparty to a financial instrument will cause a financial loss to the Province. The Province's exposure is held in its cash, receivables, investments, and derivative financial instruments.

For certain loans, credit risk is managed through collateral security pledged by the borrowers and the appropriate provision for loan losses. Additionally, the risk of counterparty default is managed through evaluation of accounts receivable, loans receivable, and investment balances. When evaluation of these balances indicates a counterparty may be unable to fulfill their commitment, the Province recognizes an allowance for doubtful accounts or valuation allowance as required.

The use of derivatives introduces credit risk, which is the risk of a counterparty defaulting on contractual derivative obligations in which the Province has an unrealized gain. The Province manages its credit risk exposure from derivatives by, among other activities, dealing only with high credit quality counterparties and regularly monitoring compliance to credit limits. The Province's policy requires that a minimum credit rating for counterparties to derivative transactions be "A-" with a stable outlook as determined by the major credit rating agencies. The Province uses derivatives to manage the fixed and floating interest rate mix of its debt portfolio. Interest rate contracts include swap agreements and options on swaps. These contracts are used to vary the amounts and periods for which interest rates on borrowings are fixed or floating.

As at March 31, 2025, the Province has 30 interest rate swap contracts to convert certain interest payments from fixed to floating and from floating to fixed. These swaps have terms remaining of 0.25 years to 19.15 years, a notional principal value of \$953.3 million and a mark to market value of (\$5.9) million. Notional amounts represent the volume of outstanding derivative contracts and are not indicative of credit risk.

The table below presents the credit risk and maturity profile associated with the derivative financial instrument portfolio measured using observable market data at year-end.

**Province of Nova Scotia**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2025**

**13. Risk Management and Financial Instruments (*continued*)**

(\$ thousands)

<b>Maturity Date</b>	<b>Current Currency</b>	<b>Current Notional</b>	<b>Fair Value<sup>1</sup></b>
<b>Derivative Financial Assets</b>			
2026	CDN\$	—	—
2027	CDN\$	—	—
2028	CDN\$	108	—
2029	CDN\$	203,309	5,920
2030	CDN\$	—	—
2031 and thereafter	CDN\$	307,839	9,598
<b>Total</b>		<b>511,256</b>	<b>15,518</b>
<b>Derivative Financial Obligations</b>			
2026	CDN\$	8,393	(40)
2027	CDN\$	3,890	(41)
2028	CDN\$	1,828	(7)
2029	CDN\$	3,887	(85)
2030	CDN\$	8,353	(67)
2031 and thereafter	CDN\$	415,676	(21,161)
<b>Total</b>		<b>442,027</b>	<b>(21,401)</b>

<sup>1</sup> Fair value is based on the Mark to Market, an indication of the swap's market value as at March 31, 2025. It is also the equivalent of the present value of future cash flows based on market conditions at March 31, 2025.

The Province's carrying amounts for financial assets best represent its maximum exposure to credit risk.

**Liquidity Risk**

Liquidity risk is the risk that the Province will not be able to meet its financial commitments over the short term. To reduce liquidity risk, the Province maintains liquid reserves (cash and cash equivalents) at levels that will meet cash requirements in the near future and will give the Province flexibility in the timing of issuing debt. In addition, the Province has a short-term note program, uncommitted bank lines, and discretionary sinking funds as alternative sources of liquidity. This risk is also managed by distributing debt maturities over many years and having up to 50.0 per cent of long-term debt with a maturity of over 15.0 years.

**Market Risk**

Interest rate risk is the risk that debt servicing costs will vary unfavourably due to fluctuations in interest rates. As at March 31, 2025, a one per cent increase or decrease in interest rates would result in a \$6.5 million increase or decrease in operating results on floating financial instruments outstanding at the end of the fiscal year and fixed income securities maturing within 12 months. As discussed under Credit Risk, the Province uses derivatives to manage the fixed and floating interest rate mix of its debt portfolio.

Foreign exchange risk is the risk that the cash flows needed to repay the interest and principal on loans in foreign currencies will vary due to fluctuations in foreign exchange rates. As at March 31, 2025, the Province has no material foreign exchange exposure.



**Province of Nova Scotia**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2025**

**13. Risk Management and Financial Instruments (continued)**

**Fair Value**

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Financial instruments were measured using a commonly used valuation model that includes all factors market participants would consider in pricing a transaction and is consistent with economic methodologies for financial instruments. The following table presents the financial instruments recorded at fair value in the Consolidated Statement of Financial Position, classified using the fair value hierarchy described in Note 1 d).

(\$ thousands)

<b>Fair Value Hierarchy</b>	<b>Fair Value</b>	<b>Cost / Amortized Cost</b>	<b>Total</b>
<b>Cost/Amortized Cost</b>			
Investments	–	1,145,918	1,145,918
<b>Level 1</b>			
Investments	365,884	–	365,884
<b>Level 2</b>			
Investments	33,788	–	33,788
	399,672	1,145,918	1,545,590
Derivative Financial Assets	15,518	–	15,518
Derivative Financial Obligations	(21,401)	–	(21,401)
<b>Total</b>	<b>393,789</b>	<b>1,145,918</b>	<b>1,539,707</b>

There have been no significant transfers between Level 1 and Level 2 of the fair value hierarchy. There were no fair value measurements classified as Level 3.

**14. Public Private Partnerships (P3)**

The Province is party to three public private partnership (P3s) arrangements for the procurement of tangible capital assets:

*Highway 104 Sutherland's River Twinning Project*

The Highway 104 Sutherland's River Twinning (H104 P3) Project is for the design, construction, financing, operation, and maintenance of a highway, including construction of new interchanges and bridges, between Sutherland's River, Pictou County and Antigonish. The private sector partner will operate and maintain the highway for 20 years post substantial completion. The project began construction in May 2020 and substantial completion was reached on August 31, 2023.

The H104 P3 monthly service payments are subject to deductions for availability and quality failures. The agreement allows for termination under limited circumstances including in the event of private sector partner default, relief event that causes any failure by a Party to perform any of its obligations as defined in the project agreement, force majeure, or at the Province's convenience. Both parties are to use commercially reasonable efforts to remedy any failures to perform.





**Province of Nova Scotia**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2025**

**14. Public Private Partnerships (P3) (continued)**

*Bayers Lake Community Outpatient Centre Project*

The Bayers Lake Community Outpatient Centre (BLCOC) Project is for the design, construction, financing, operation, and maintenance of a healthcare facility. The private sector partner will maintain the facility for 30 years post substantial completion. The project began construction in November 2020 and substantial completion was reached on August 15, 2023. The facility opened for operation on November 20, 2023.

The BLCOC monthly service payments are subject to deductions for availability, service, quality, and system failures. The agreement allows for termination similar to the above noted for the H104 P3 arrangement.

*Halifax Infirmity Expansion Project Acute Care Tower*

The Halifax Infirmity Expansion Project Acute Care Tower (HIEP ACT) Project is for the design, construction, financing, and maintenance of a healthcare facility. The private sector partner will maintain the facility for 30 years post substantial completion. The project closed in February 2025 and substantial completion is anticipated to occur in November 2030.

The HIEP ACT monthly service payments are subject to deductions for availability, service, quality, and system failures. The agreement allows for termination similar to the above noted for the H104 P3 arrangement.

The Province retains ownership of the tangible capital assets acquired under these P3 arrangements. Assets acquired are recognized at cost and amortized over their estimated useful lives using the declining balance method, as reported in Schedule 7. P3 liabilities are recognized at the same amount as the related asset and subsequently measured at amortized cost using the effective interest method. The liabilities are settled through future cash payments and are reported in Schedules 4 and 5. Operating and/or maintenance costs within the P3 arrangements have been recognized as expenses in the period to which they relate. Future commitments related to these P3 arrangements are disclosed in Note 12 (c).

**15. Trust Funds Under Administration**

Trust fund assets solely administered by the Province are as follows:

(\$ thousands)	2025	2024
Nova Scotia Credit Union Deposit Insurance Corporation <sup>1</sup>	55,211	48,126
Public Trustee <sup>2</sup>	80,840	81,242
Miscellaneous Trusts <sup>3</sup>	70,507	67,286*
<b>Total Trust Funds Under Administration</b>	<b>206,558</b>	<b>196,654</b>

<sup>1</sup> Represents trust with December 31 year-end.

<sup>2</sup> Financial statements of these funds are available in Public Accounts – Volume 2.

<sup>3</sup> Miscellaneous trusts include a large number of relatively small funds.

\* Amount was updated from the prior year based on the most current information.

**Province of Nova Scotia**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2025**

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**15. Trust Funds Under Administration (*continued*)**

**Other Trusts**

The Nova Scotia Teachers' Union and the Province agreed to joint trusteeship of the Teachers' Pension Plan (TPP) effective April 1, 2006. Under joint trusteeship, the trustee of the Plan is the Teachers' Pension Plan Trustee Inc. (TPPTI), of which the Province appoints four of nine members. TPPTI is responsible for the administration of the trust fund and investment management of fund assets. The total net assets available for benefits as at December 31, 2024 were \$6.2 billion (2023 – \$5.8 billion).

The Public Service Superannuation Plan operates under the responsibility of the Public Service Superannuation Plan Trustee Inc. (PSSPTI), of which the Province appoints six of the 13 members. Due to changes made to the *Public Service Superannuation Act* effective April 1, 2013, the Province no longer has any responsibility for this plan. As at March 31, 2025, the total net assets available for benefits were \$8.3 billion (2024 – \$7.9 billion).

The Nova Scotia Public Service Long Term Disability Plan (LTD Plan) operates as a joint trusteeship between the Province and the Nova Scotia Government and General Employees Union (NSGEU), of which the Province appoints five of 11 trustees. The Trustees are responsible for the administration of the trust fund and investment management of fund assets, and all liability for benefits resides exclusively with the LTD Plan's trust fund. The total net assets available for benefits as of December 31, 2024 were \$159.1 million (2023 – \$154.6 million).

**16. Related Party Transactions**

Included in these consolidated financial statements are insignificant transactions with various provincial Crown corporations, agencies, boards, and commissions. Significant related party transactions have been eliminated for purposes of consolidated reporting. Parties are deemed to be related to the General Revenue Fund due to common control or ownership by the Province.

Related parties also include key management personnel having the authority and responsibility for planning, directing, and controlling the activities of the Province, their close family members, and any entities closely affiliated with these individuals. Key management personnel for the Province have been identified as the Premier, Cabinet Ministers, other MLAs appointed to Treasury and Policy Board, Deputy Ministers, Associate Deputy Ministers, and the senior leaders and Board members of the Province's controlled entities. The Province may enter into transactions with these individuals and entities in the normal course of business measured at the exchange amount.

For the year ended March 31, 2025, there were no transactions to report between the Province and key management personnel, their close family members, or any entities affiliated with them at a price different than fair market value or under terms different than what two unrelated parties would agree to.

The most significant unadjusted related party transactions are described in more detail in Schedule 6 – Government Business Enterprises.



**Province of Nova Scotia**  
**Notes to the Consolidated Financial Statements**  
**As at March 31, 2025**

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**17. Tobacco Settlement**

On March 6, 2025, the Ontario Superior Court of Justice approved a \$32.5 billion settlement agreement in Canada under the Companies' Creditors Arrangement Act arising from litigation against three major tobacco companies for healthcare-related costs. The total settlement will be payable partly by an upfront lump-sum payment and the balance through annual payments. The annual payments will be a percentage of these tobacco companies' after-tax income and depend on the profit they earn in each subsequent year. The percentage commences with 85 per cent of the net after-tax income for the first five years, reduced by 5 per cent for each increment of five years. The annual payments are reduced to 70 per cent of the net after tax income starting in year 16 until the total amount is paid. Under the terms of the settlement, \$24.7 billion is payable to the Provinces and Territories with the upfront payment being \$6.4 billion.

Nova Scotia's share of the Provinces and Territories portion is approximately 3.17 per cent which represents \$784.8 million of the total settlement with \$203.1 million being the upfront payment and the balance to be paid over the settlement period. The Province recognized \$203.1 million as accounts receivable and miscellaneous revenue (Schedule 1) in this fiscal year, which is gross of legal fees payable totalling \$19.2 million. The remaining balance of the settlement has not been recognized given the significant uncertainty related to the amount of future annual payments from these tobacco companies based on their long-term financial performance and estimated future profits that may be affected by economic, regulatory and the changing market preferences for combustible tobacco products. Subsequently, revenue will be recognized annually when there is certainty of the amounts, determined by these tobacco companies' annual after-tax profit.

**18. Contributed Services**

Volunteers contribute a significant amount of their time each year to support the delivery of certain programs and services within the health and education sectors. The fair value of these contributed services is not readily determinable and, as such, they are not recognized in these consolidated financial statements.

**19. Subsequent Events**

*Northern Pulp Group of Companies Settlement Agreement*

On July 14, 2025, the Northern Pulp Group of Companies (NP Group) announced that the establishment of a new mill operation in Nova Scotia was not economically feasible. Under the settlement agreement, if the NP Group did not proceed with a new mill, the proceeds of the sale of the timberlands owned by Northern Timber Nova Scotia Corporation (NT) would be used to pay, in full and final satisfaction, all provincial debts and obligations in the priority set out in the settlement agreement. As a result, the NP Group, under the supervision of the Companies' Creditors Arrangement Act (CCAA) Monitor, commenced a process to sell the timberlands.

### Province of Nova Scotia Notes to the Consolidated Financial Statements As at March 31, 2025

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#### 19. Subsequent Events (*continued*)

On August 21, 2025, the Supreme Court of British Columbia approved a \$104.0 million stalking horse bid, which established a benchmark value for the sale. Between August 27, 2025 and November 20, 2025, other parties may submit competitive bids. The successful bid will be announced on November 28, 2025. Although it is still possible that sale proceeds may be available to the Province, uncertainty is high, and at the current stalking horse bid, the Province would not be able to recover on its NT loan. As a result, the Province has recognized a loan valuation reserve of \$15.0 million as at March 31, 2025 to reduce the value of the associated loans receivable to nil.

#### *Nova Scotia Independent Energy System Operator (IESO) Guarantee*

On July 15, 2025, the Province approved entering into a guarantee agreement and postponement of claim in favour of the Royal Bank of Canada (RBC) that will guarantee amounts owing to RBC from IESO, up to a maximum aggregate principal amount of \$170 million USD. IESO is a newly formed entity, independent from the Province, that was established following the proclamation of the *More Access to Energy Act* with the objective to manage multiple parts of the electricity system in Nova Scotia, including transferring some responsibilities from Nova Scotia Power Incorporated. In addition to its functions to undertake planning, system studies, and hourly management of the electric grid, the IESO is responsible for procuring new energy resources to meet the requirements of the system. The guarantee will be made to enable the IESO to secure access to 100 megawatts of new natural gas generating capacity located in New Brunswick for Nova Scotia electricity ratepayers. This will be the first procurement being led by the IESO.

#### 20. Comparative Figures

Certain of the prior year's figures have been reclassified to conform to the presentation format adopted in the current year. The more significant reclassifications are attributed to the departmental restructurings and name changes that were announced and made effective in December 2024, under Order in Council 2024-425. For the purposes of these Public Accounts and comparability with Budget 2024-25, the name changes have been reflected, and the estimates and prior year actual figures of the affected departments have been reclassified.



## Table of Contents

### Schedule 1

#### Province of Nova Scotia Revenue For the fiscal year ended March 31, 2025 (\$ thousands)

	2025	2024 (as restated)
<b>Provincial Sources</b>		
Tax Revenue		
Personal Income Tax *	4,743,291	4,127,396
Corporate Income Tax *	1,106,429	744,864
Harmonized Sales Tax *	2,737,199	2,882,436
Tobacco Tax	108,335	132,188
Motive Fuel Tax	272,370	285,789
Cannabis and Vaping Products Tax	22,122	20,441
Non-Resident Deed Transfer Tax	14,559	11,204
Other Tax Revenue *	298,496	280,749
	<u>9,302,801</u>	<u>8,485,067</u>
Other Provincial Revenue		
Recoveries	642,301	608,073
Other Revenue of Governmental Units	526,972	538,841
Municipal Contributions to Regional Centres for Education	356,317	321,039
Petroleum Royalties *	55,324	50
Registry of Motor Vehicles	155,286	149,667
Other Government Charges	72,242	62,438
Miscellaneous (Note 17)	370,506	157,319
Net Gain on Disposal of Crown Assets	8,986	—
	<u>2,187,934</u>	<u>1,837,427</u>
Net Income from Government Business Enterprises (Schedule 6)	<u>490,867</u>	<u>478,369</u>
Investment Income		
Interest Revenue	205,796	159,840
Sinking Fund and Public Debt Management Fund Earnings	25,856	24,369
	<u>231,652</u>	<u>184,209</u>
<b>Total Provincial Sources</b>	<u>12,213,254</u>	<u>10,985,072</u>
<b>Federal Sources</b>		
Equalization Payments	3,284,338	2,802,849
Canada Health Transfer *	1,358,891	1,362,380
Canada Social Transfer *	440,173	435,909
Recoveries	653,384	612,707
TCA Cost Shared Revenue	28,889	75,800
Other Federal Transfers	241,750	229,653
<b>Total Federal Sources</b>	<u>6,007,425</u>	<u>5,519,298</u>
<b>Total Revenue</b>	<u>18,220,679</u>	<u>16,504,370</u>

\* See Note 6 for details of Prior Years' Adjustments

## Schedules to the Consolidated Financial Statements

### Schedule 2

#### Province of Nova Scotia

#### Expenses

For the fiscal year ended March 31, 2025

(\$ thousands)

	2025	2024
<b>Advanced Education</b>		
Department of Advanced Education	559,515	570,096
Nova Scotia Community College	300,126	279,473
	<u>859,641</u>	<u>849,569</u>
<b>Agriculture</b>		
Department of Agriculture	39,644	49,156
Nova Scotia Crop and Livestock Insurance Commission	3,533	7,028
Nova Scotia Harness Racing Fund	1,552	1,091
Perennia Food and Agriculture Corporation	14,929	15,367
	<u>59,658</u>	<u>72,642</u>
<b>Communities, Culture, Tourism and Heritage</b>		
Department of Communities, Culture, Tourism and Heritage	236,192	202,623
Art Gallery of Nova Scotia	4,910	5,028
Gaels Forward Fund	20	18
Public Archives of Nova Scotia	132	150
Schooner Bluenose Foundation	—	82
Sherbrooke Restoration Commission	2,733	2,689
Vive l'Acadie Community Fund	47	48
	<u>244,034</u>	<u>210,638</u>
<b>Cyber Security and Digital Solutions</b>		
Department of Cyber Security and Digital Solutions	241,493	225,679
	<u>241,493</u>	<u>225,679</u>
<b>Education and Early Childhood Development</b>		
Department of Education and Early Childhood Development	249,115	362,583
Annapolis Valley Regional Centre for Education	218,824	195,669
Cape Breton-Victoria Regional Centre for Education	218,189	196,152
Chignecto Central Regional Centre for Education	327,796	287,364
Conseil scolaire acadien provincial	145,725	124,969
Halifax Regional Centre for Education	879,674	766,426
Nova Scotia Education Common Services Bureau	1,956	2,357
Nova Scotia School Insurance Program	16,019	14,643
South Shore Regional Centre for Education	127,587	109,334
Strait Regional Centre for Education	131,675	116,757
Tri-County Regional Centre for Education	123,449	106,236
	<u>2,440,009</u>	<u>2,282,490</u>
<b>Emergency Management</b>		
Department of Emergency Management	41,887	111,275
Nova Scotia E911 Cost Recovery Fund	9,664	6,971
	<u>51,551</u>	<u>118,246</u>



**Province of Nova Scotia**  
**Expenses (continued)**  
**For the fiscal year ended March 31, 2025**  
(\$ thousands)

	2025	2024
<b>Energy</b>		
Department of Energy	43,738	30,367
<b>Environment and Climate Change</b>		
Department of Environment and Climate Change	75,948	51,729
Green Fund	—	36,071
Nova Scotia Environmental Trust	—	37
Resource Recovery Fund Board Inc.	72,365	67,719
	148,313	155,556
<b>Finance and Treasury Board</b>		
Department of Finance and Treasury Board	57,008	33,634
Nova Scotia Gaming Corporation	11,675	37,623
	68,683	71,257
<b>Fisheries and Aquaculture</b>		
Department of Fisheries and Aquaculture	13,246	13,487
Nova Scotia Sportfish Habitat Fund	—	288
	13,246	13,775
<b>Growth and Development</b>		
Department of Growth and Development	261,107	262,081
Nova Scotia Provincial Housing Agency	186,639	161,642
Invest Nova Scotia	55,386	57,748
	503,132	481,471
<b>Health and Wellness</b>		
Department of Health and Wellness	1,890,249	1,781,895
Izaak Walton Killam Health Centre	422,192	389,988
Nova Scotia Health Authority	4,046,780	3,617,307
	6,359,221	5,789,190
<b>Justice</b>		
Department of Justice	442,546	417,840
CorFor Capital Repairs and Replacement Fund	291	703
Nova Scotia Legal Aid Commission	41,757	32,448
Workers Compensation Appeals Tribunal	1,891	1,984
	486,485	452,975
<b>Labour, Skills and Immigration</b>		
Department of Labour, Skills and Immigration	214,869	205,782
Occupational Health and Safety Trust Fund	80	109
	214,949	205,891
<b>Municipal Affairs</b>		
Department of Municipal Affairs	314,508	341,783

## Schedules to the Consolidated Financial Statements

### Schedule 2

**Province of Nova Scotia**  
**Expenses (continued)**  
**For the fiscal year ended March 31, 2025**  
(\$ thousands)

	2025	2024 (as restated)
<b>Natural Resources</b>		
Department of Natural Resources	112,777	158,379
Acadia Coal Company Limited Fund	2	—
Crown Land Mine Remediation Fund	16	76
Crown Land Silviculture Fund	1,750	—
Habitat Conservation Fund	218	158
Off-highway Vehicle Infrastructure Fund	2,419	1,904
Pengrowth Nova Scotia Energy Scholarship Fund	—	155
Species-at-risk Conservation Fund	350	353
	<u>117,532</u>	<u>161,025</u>
<b>Opportunities and Social Development</b>		
Department of Opportunities and Social Development	<u>1,610,816</u>	<u>1,386,676</u>
<b>Public Service</b>		
Public Service Units	189,686	166,339
Mi'kmaw Youth Fund	35	35
Nova Scotia Utility and Review Board	12,021	10,786
	<u>201,742</u>	<u>177,160</u>
<b>Public Works</b>		
Department of Public Works	743,434	685,288
Build Nova Scotia	42,621	34,747
Joint Regional Transportation Agency	2,473	2,452
	<u>788,528</u>	<u>722,487</u>
<b>Seniors and Long-Term Care</b>		
Department of Seniors and Long-Term Care	<u>1,295,527</u>	<u>1,250,913</u>
<b>Service Nova Scotia</b>		
Department of Service Nova Scotia	<u>215,028</u>	<u>217,493</u>
<b>Restructuring Costs</b>	<u>661,765</u>	<u>184,829</u>
<b>Pension Valuation Adjustment</b>	<u>(16,151)</u>	<u>51,467</u>
<b>Refundable Tax Credits</b>	<u>155,907</u>	<u>125,224</u>
<b>Net Loss on Disposal of Crown Assets</b>	<u>2,023</u>	<u>3,139</u>





**Province of Nova Scotia**  
**Expenses (continued)**  
**For the fiscal year ended March 31, 2025**  
(\$ thousands)

	2025	2024
<b>Debt Servicing Costs</b>		
General Revenue Fund	856,275	763,986
Annapolis Valley Regional Centre for Education	384	345
Art Gallery of Nova Scotia	10	9
Build Nova Scotia	42	36
Cape Breton-Victoria Regional Centre for Education	348	309
Chignecto Central Regional Centre for Education	637	551
Conseil scolaire acadien provincial	240	210
Halifax Regional Centre for Education	1,461	1,394
Invest Nova Scotia	1,294	82
Izaak Walton Killam Health Centre	909	698
Nova Scotia Community College	2,996	2,718
Nova Scotia Utility and Review Board	26	25
Nova Scotia Gaming Corporation	3	10
Nova Scotia Health Authority	8,981	9,251
Nova Scotia Legal Aid Commission	424	475
Nova Scotia Provincial Housing Agency	18	17
Resource Recovery Fund Board Inc.	114	14
South Shore Regional Centre for Education	(16)	172
Strait Regional Centre for Education	212	184
Tri-County Regional Centre for Education	155	201
	<u>874,513</u>	<u>780,687</u>
<b>Total Expenses</b>	<u>17,955,891</u>	<u>16,362,629</u>

## Schedules to the Consolidated Financial Statements

### Schedule 3

#### Province of Nova Scotia Loans and Investments

As at March 31, 2025

(\$ thousands)

	Loans	Provisions	Net 2025	Net 2024
<b>Loans Receivable</b>				(as restated)
Advanced Education – Student Loans Direct Lending	220,604	98,820	121,784	126,381
Agriculture and Rural Credit Act	314,024	9,219	304,805	275,286
Finance and Treasury Board – Loans to Municipalities	903,791	–	903,791	812,954
Fisheries Development Act	351,603	2,655	348,948	326,455
Growth and Development - Housing Loans *	116,744	4,256	112,488	–
Halifax-Dartmouth Bridge Commission	–	–	–	145,000
Invest Nova Scotia	118,552	5,732	112,820	4,167
Municipal Affairs and Housing – Housing Loans	–	–	–	87,946
Nova Scotia Jobs Fund	324,311	117,965	206,346	234,964
Other	1,606	421	1,185	1,295
<b>Total Loans Receivable</b>	<b>2,351,235</b>	<b>239,068</b>	<b>2,112,167</b>	<b>2,014,448</b>
	Investments	Provisions	Net 2025	Net 2024
<b>Investments</b>				
Art Gallery of Nova Scotia	7,364	–	7,364	6,700
Finance and Treasury Board – Public Debt Management Fund	1,019,436	–	1,019,436	993,576
Finance and Treasury Board – Other	4,781	–	4,781	–
Invest Nova Scotia	98,653	29,625	69,028	79,448
Nova Scotia Community College	52,052	–	52,052	36,212
Nova Scotia Health Authority	71,767	–	71,767	65,874
Nova Scotia Power Finance Corporation	273,655	–	273,655	285,931
Nova Scotia School Insurance Program	6,630	–	6,630	6,244
Perennia Food and Agriculture Corporation	14,362	–	14,362	9,749
Public Archives of Nova Scotia	3,440	–	3,440	3,165
Resource Recovery Fund Board Inc.	23,075	–	23,075	23,623
<b>Total Investments</b>	<b>1,575,215</b>	<b>29,625</b>	<b>1,545,590</b>	<b>1,510,522</b>

\* See Note 2 for change in long-term care loans receivable.

All loans have been recognized at cost or amortized cost. Investments are recognized at fair value, cost, or amortized cost, as classified in Note 13.

The provisions listed above include \$2.5 million (2024 – \$2.5 million) for possible guarantee payouts from the *Nova Scotia Jobs Fund Act* and \$7.3 million (2024 – \$7.3 million) for the Debt Reduction Assistance Program related to the student loans portfolio of the Department of Advanced Education.



**Province of Nova Scotia**  
**Loans and Investments (continued)**  
**As at March 31, 2025**

Maturity dates for loans range from calendar year 2025 to 2057, with some loans having no set maturity date. Interest rates for loans range from 0.0 to 12.0 per cent, with some loans having variable interest rates. Most investments have no set maturity dates or interest rates.

The security on loans can include life insurance, company assets, personal guarantees, or the value of the parent company, if applicable. Security can range from an unsecured position to a fully secured position.

Some loans have forgivable conditions; however, reasonable expectation of recovery remains.

**Designated Investments**

The portfolio of investments held by the Nova Scotia Power Finance Corporation are defeasance assets to indemnify the long-term debt held by the Corporation. The Province has recognized defeasance assets equivalent to the outstanding long-term debt of the Nova Scotia Power Finance Corporation included in Schedule 4.

The Public Debt Management Fund is considered an unrestricted sinking fund. While these funds are not restricted by debt covenants, they are bound by legislation under the *Finance Act* to be used to pay or retire debentures, securities, or other debt instruments of the Province. The terms to maturity of the investments within this unrestricted sinking fund are summarized in Schedule 4.

**Allowance for Impaired Loans and Investments**

Loans and investments are considered impaired when there is no longer reasonable assurance of the timely collection of the full amount of principal and interest. The allowance is comprised of two components, the specific allowance for individually identified impaired loans and investments and a general allowance for unidentified impaired loans and investments. The specific allowance for individually impaired loans and investments was established based on a review of impaired loans and investments. Specific allowances are determined by reviewing specific accounts that are in arrears or have been returned as defaulted. The collective allowance for unidentified impaired loans and investments is based on management's best estimate of the loss that is likely to be experienced on impaired loans and investments that were not known to be impaired at the financial statement date. The collective allowance was determined based on management's judgment and reviews of historic write-offs.

**Loans Past Due but Not Impaired**

A loan is considered past due when a counterparty has not made a payment by the contractual due date. The following table presents the carrying value of loans that are past due but not classified as impaired because they have not met the aging threshold for impairment, or other factors such as credit rating, loan security, and collection efforts are expected to result in repayment. Loans that are past due but not impaired are as follows:

(\$ thousands)				2025	2024
1-30 days	31-60 days	61-90 days	91 + days	Total	Total
1,109	5,768	3,346	23,122	33,345	41,904

## Schedule 4

**Province of Nova Scotia**  
**Unmatured Debt**  
**As at March 31, 2025**  
(\$ thousands)

			2025	2024
	Gross Unmatured Debt	Repurchased Own Debt Instruments	Net Unmatured Debt	Net Unmatured Debt
General Revenue Fund *	19,051,840	20,931	19,030,909	17,342,604
Nova Scotia Health Authority	5,019	–	5,019	3,371
Nova Scotia Education Common Services Bureau	7	–	7	–
Nova Scotia Power Finance Corporation	273,655	–	273,655	285,931
<b>Total Unmatured Debt</b>	<b>19,330,521</b>	<b>20,931</b>	<b>19,309,590</b>	<b>17,631,906</b>

\* The General Revenue Fund now includes the unmaturred debt of Housing Nova Scotia due to the restructuring of that entity effective April 1, 2023.

**Gross Unmatured Debt**

All debt is presented in Canadian dollars. The Province does not hold debt denominated in foreign currencies at year-end.

Gross Unmatured Debt consists of the outstanding current and long-term debt of the Province's General Revenue Fund and governmental units. Current and long-term debt of the government business enterprises is reflected as part of Investment in Government Business Enterprises on the Consolidated Statement of Financial Position and further detailed in Schedule 6.

**Repurchased Own Debt Instruments**

As at March 31, 2025, the Province held a carrying value of \$20.9 million (2024 – \$nil) of its own debentures. When a government repurchases its own debt instruments, the repurchased instruments offset the original liabilities on the statement of financial position and this represents the Net Unmatured Debt of the Province.

Similarly, any interest revenue and interest expense associated with these repurchased debt instruments are offset in the Consolidated Statement of Operations.

**Nova Scotia Power Finance Corporation**

As per the Nova Scotia Power Corporation Privatization Agreement (Agreement), Nova Scotia Power Finance Corporation provides for defeasance of its debt. The portfolio of defeasance assets consists of Nova Scotia Power Corporation, other provincial governments, and Federal bonds, coupons, and residuals. As at March 31, 2025, the carrying value of the fully defeased long-term debt of Nova Scotia Power Finance Corporation is \$273.7 million (2024 – \$285.9 million) with a par value of \$200.0 million (2024 – \$200.0 million). The related defeasance assets recognized by the Nova Scotia Power Finance Corporation are included in Schedule 3.

Should there be a deficiency in defeasance assets, as part of the Agreement, Nova Scotia Power Incorporated is obligated to indemnify Nova Scotia Power Finance Corporation against all costs which Nova Scotia Power Finance Corporation may suffer or incur as a consequence of a deficiency in defeasance assets. Nova Scotia Power Incorporated is responsible for managing the portfolio of defeasance assets and is obligated to match its cashflows with the principal and interest streams of the related debt.



**Province of Nova Scotia**  
**Unmatured Debt (continued)**  
**As at March 31, 2025**  
(\$ thousands)

**Debt Repayments**

Projected net principal debt repayments, capital lease payments, and payments related to Public-Private Partnership (P3) arrangements for the next five years and thereafter are as follows:

	<b>Net Principal Repayments</b>	<b>Capital Lease Payments</b>	<b>P3 Payments</b>	<b>Total Payments</b>
2026	824,025	7,837	7,928	839,790
2027	8,935	5,213	8,260	22,408
2028	1,205,734	4,027	8,606	1,218,367
2029	1,058,637	4,178	8,966	1,071,781
2030	1,110,731	4,152	9,342	1,124,225
2031 and thereafter	14,692,574	84,137	256,308	15,033,019
	<u>18,900,636</u>	<u>109,544</u>	<u>299,410</u>	<u>19,309,590</u>

Net principal repayments are comprised of the principal amounts due on loans, debentures, and long-term debt related to leased capital assets and assets acquired under P3 arrangements.

In addition, the Province has approximately \$1.019 billion (2024 – \$993.6 million) in unrestricted sinking funds held in the Public Debt Management Fund. While these funds are not restricted by debt covenants, they are bound by legislation under the *Finance Act* to be used to pay or retire debentures, securities, or other debt instruments of the Province. Sinking fund assets are now recorded on a gross basis in investments further detailed in Schedule 3. The use of these funds is evaluated each year based on a detailed analysis of cash requirements and market conditions. These unrestricted sinking funds consist of cash and cash equivalents, primarily of Canadian financial institution bankers' acceptances, provincial commercial paper, and longer term investments of fixed and/or floating federal, federal agency, and provincial term credits.

The term to maturity of these unrestricted sinking funds are summarized as follows:

	<b>2025</b>	<b>2024</b>
<b>Term to Maturity</b>		
Cash and Cash Equivalents	296,413	305,712
1 to 3 years	569,965	511,748
3 to 5 years	153,058	176,116
<b>Public Debt Management Fund</b>	<u>1,019,436</u>	<u>993,576</u>

## Schedule 5

**Province of Nova Scotia**  
**Gross Unmatured Debt**  
**As at March 31, 2025**  
(\$ thousands)

	CDN \$ Amount	Maturity Dates	Interest Rates
<b>Debentures</b>			
General Revenue Fund *	18,588,695	2026 to 2075	1.10% to 6.60%
Nova Scotia Power Finance Corporation	273,655	2031	11.00%
<b>Total Debentures</b>	<u>18,862,350</u>		
<b>Loans</b>			
General Revenue Fund – Other Debt	59,210	2026 to 2049	0.00% to 21.50%
Nova Scotia Education Common Services Bureau	7	2029	10.27%
<b>Total Loans</b>	<u>59,217</u>		
<b>Capital Leases and P3 Arrangements</b>			
General Revenue Fund – Capital Leases	104,525	2027 to 2043	6.82% to 6.86%
General Revenue Fund – P3 Arrangements	299,410	2043 to 2060	3.95% to 6.06%
Nova Scotia Health Authority – Capital Leases	5,019	2027 to 2031	3.14% to 3.95%
<b>Total Capital Leases and P3 Arrangements</b>	<u>408,954</u>		
<b>Gross Unmatured Debt</b>	<u>19,330,521</u>		

\* The General Revenue Fund includes the unmatured debt of Housing Nova Scotia due to the restructuring of that entity effective April 1, 2023.

### Call, Redemption and Other Features

#### General Revenue Fund

Canadian debentures include \$627.4 million in Canada Pension Plan (CPP) debentures, which are redeemable in whole or in part before maturity, on six months' notice, at the option of the Minister of Finance of Canada. All debt is presented in Canadian dollars. The Province does not hold debt denominated in foreign currencies at year-end.

Long-term debt obligations arising from P3 arrangements are recognized as unmatured debt as the underlying tangible capital assets are constructed. The remaining balance will be repaid over the term of the contracts. A listing of P3 arrangements can be found in Note 14.

The interest rates shown for the outstanding debentures reflect the fixed interest rates only. There are debentures that have floating interest rates. Floating interest rates are adjusted on a quarterly basis.



**Province of Nova Scotia  
Government Business Enterprises  
As at March 31, 2025**  
(\$ thousands)

					2025	2024
	Halifax- Dartmouth Bridge Commission	Highway 104 Western Alignment Corporation	Nova Scotia Gaming Corporation	Nova Scotia Liquor Corporation	Total	Total
Cash	—	2,097	36,701	47,596	86,394	80,052
Accounts Receivable	—	1,673	10,515	6,011	18,199	16,154
Inventory	—	—	4,255	80,213	84,468	84,536
Investments	—	70,572	27,684	—	98,256	112,919
Tangible Capital Assets	—	37,842	63,894	104,381	206,117	493,856
Other Assets	—	1,073	4,744	8,524	14,341	11,921
<b>Total Assets</b>	—	113,257	147,793	246,725	507,775	799,438
Accounts Payable	—	10,051	27,339	69,701	107,091	104,766
Unmatured Debt	—	—	34,342	42,020	76,362	212,016
Other Liabilities	—	1,231	2,646	21,986	25,863	32,239
<b>Total Liabilities</b>	—	11,282	64,327	133,707	209,316	349,021
<b>Equity</b>	—	101,975	83,466	113,018	298,459	450,417
<b>Total Liabilities and Equity</b>	—	113,257	147,793	246,725	507,775	799,438
<b>Total Revenue</b>	37,849	15,594	385,636	894,760	1,333,839	1,305,170
Debt Servicing Costs	4,756	451	1,754	2,550	9,511	8,035
Other Expenses	34,358	9,884	177,198	612,021	833,461	818,766
<b>Total Expenses</b>	39,114	10,335	178,952	614,571	842,972	826,801
<b>Net Income</b>	(1,265)	5,259	206,684	280,189	490,867	478,369
Other Comprehensive Income	—	—	3,488	2,923	6,411	771
<b>Comprehensive Income</b>	(1,265)	5,259	210,172	283,112	497,278	479,140

**Halifax-Dartmouth Bridge Commission**

The Halifax-Dartmouth Bridge Commission (HDBC), operating as Halifax Harbour Bridges, was created in 1950 by a special statute of the Province of Nova Scotia (now the *Halifax-Dartmouth Bridge Commission Act*). The purpose of HDBC is to construct, maintain, and operate bridges and their necessary approaches across the Halifax Harbour, between the communities of Halifax and Dartmouth, and across the North West Arm.

HDBC currently operates and maintains two toll bridges across the Halifax Harbour: the Angus L. Macdonald Bridge and A. Murray MacKay Bridge. Effective March 31, 2025, Halifax-Dartmouth Bridge Commission lost its GBE status and became a Governmental Unit. Since the change occurred as a result of an observable event, revenues and expenses that occurred prior to this change have been consolidated as a Government Business Enterprise, using the modified equity method. As part of the entity change, all long-term loan and line of credit agreements between HDBC and the Province were extinguished on March 31, 2025.



**Province of Nova Scotia**  
**Government Business Enterprises (*continued*)**  
**As at March 31, 2025**

**Highway 104 Western Alignment Corporation**

The Highway 104 Western Alignment Corporation (H104) was established for the purpose of financing, designing, constructing, operating, and maintaining a 45 km stretch of highway (referred to as the Cobequid Pass) between Masstown and Thomson Station in the counties of Colchester and Cumberland, Nova Scotia.

H104's main source of revenue is tolls. H104's mandate is to manage toll revenue collection and to fund annual and long-term maintenance. On December 16, 2021, the *Highway 104 Western Alignment Regulations* were amended by Order in Council 2021-288, with respect to the classification of vehicles and exemption of vehicles registered in Nova Scotia. As a result, the payment of tolls is no longer required for vehicles with Nova Scotia registered license plates effective December 16, 2021.

**Related Party Transactions**

Government grants cover certain expenses incurred and costs of assets. They are recognized initially as deferred revenue at fair value when there is reasonable assurance that they will be received and H104 will comply with the conditions associated with them. Grants to cover expenses incurred are recognized in profit or loss on a systematic basis in the same periods in which the expenses are recognized. Grants to cover the cost of an asset are deferred and amortized to operations over the expected project life or useful life of the asset using the straight-line method.

Transactions with various Crown corporations, ministries, agencies, boards, and commissions related to H104 by virtue of common control by the Province are included in the financial statements of H104 and are routine operating transactions carried out as part of H104's normal day-to-day operations. These transactions are individually insignificant, and collectively, include maintenance services of \$1.5 million (2024 – \$1.5 million), as well as costs related to the Annual Roadway Maintenance Agreement.

**Annual Roadway Maintenance Agreement**

The Annual Roadway Maintenance Agreement is a 30-year agreement between H104 and the Department of Public Works for the provision of annual roadway maintenance services and is renewed annually. The annual fee was \$1.6 million for the current fiscal year (2024 – \$1.5 million). During the year, H104 also incurred management fees of \$371.8 thousand (2024 – \$443.9 thousand) to the Province on the tenders the Province manages on behalf of the Corporation. These costs are capitalized to property, plant and equipment.

**Nova Scotia Gaming Corporation**

The Nova Scotia Gaming Corporation (NSGC) was incorporated on February 15, 1995 by Chapter 4 of the Acts of 1994-95, the *Gaming Control Act*. The principal activities of NSGC are to develop, undertake, organize, conduct, and manage casinos and other lottery business on behalf of the Province of Nova Scotia. Revenues of NSGC are derived from two casinos, located in Halifax and Sydney, as well as ticket and video lottery sales. NSGC is the party with the authority to operate casinos in Nova Scotia under the Criminal Code (Canada) and *Gaming Control Act* (Nova Scotia).





**Province of Nova Scotia**  
**Government Business Enterprises (*continued*)**  
**As at March 31, 2025**

**Nova Scotia Gaming Corporation (*continued*)**

On December 1, 2022, the Province passed legislation that resulted in the removal of the Board of Directors of NSGC, whereby transitioning the status of NSGC from a Government Business Enterprise (GBE) to an Other Government Organization (OGO) under Public Sector Accounting Standards. The corporation continues to exist but with no staff. NSGC has three distinct and separate operating segments – casino operations, lottery sales, and corporate services. As a result of the restructuring, NSGC reassessed its accounting and determined that Casino Nova Scotia (CNS) is a government business enterprise and Atlantic Lottery Corporation (ALC) is a government business partnership.

For the 2024-25 fiscal year, NSGC is being accounted for in the following manner:

- Line-by-line consolidation for the corporate services segment
- Modified equity method for CNS and ALC.

(\$ thousands)

			2025	2024
	Casino Nova Scotia	Atlantic Lottery Corporation	Total	Total
Cash	28,194	8,507	36,701	32,176
Accounts Receivable	485	10,030	10,515	8,021
Inventory	234	4,021	4,255	4,705
Investments	–	27,684	27,684	24,196
Tangible Capital Assets	33,533	30,361	63,894	59,146
Other Assets	2,641	2,103	4,744	2,957
<b>Total Assets</b>	<b>65,087</b>	<b>82,706</b>	<b>147,793</b>	<b>131,201</b>
Accounts Payable	5,109	22,230	27,339	24,621
Unmatured Debt	2,302	32,040	34,342	26,874
Other Liabilities	1,894	752	2,646	2,371
<b>Total Liabilities</b>	<b>9,305</b>	<b>55,022</b>	<b>64,327</b>	<b>53,866</b>
<b>Equity</b>	<b>55,782</b>	<b>27,684</b>	<b>83,466</b>	<b>77,335</b>
<b>Total Liabilities and Equity</b>	<b>65,087</b>	<b>82,706</b>	<b>147,793</b>	<b>131,201</b>
<b>Total Revenue</b>	<b>103,522</b>	<b>282,114</b>	<b>385,636</b>	<b>370,124</b>
Debt Servicing Costs	–	1,754	1,754	1,618
Other Expenses	61,895	115,303	177,198	189,513
<b>Total Expenses</b>	<b>61,895</b>	<b>117,057</b>	<b>178,952</b>	<b>191,131</b>
<b>Net Income</b>	<b>41,627</b>	<b>165,057</b>	<b>206,684</b>	<b>178,993</b>
Other Comprehensive Income	–	3,488	3,488	812
<b>Comprehensive Income</b>	<b>41,627</b>	<b>168,545</b>	<b>210,172</b>	<b>179,805</b>

**Province of Nova Scotia**  
**Government Business Enterprises (*continued*)**  
**As at March 31, 2025**

**Nova Scotia Gaming Corporation (*continued*)**

**Disputed Harmonized Sales Tax Assessments**

ALC received Notices of Assessment from Canada Revenue Agency (CRA) for Harmonized Sales Tax (HST) in respect of the operation of video lottery terminals located on First Nation reserves in Nova Scotia for the periods June 1, 2009 to October 31, 2013. Through ALC, NSGC has remitted, on a without prejudice basis, the amount of the assessments to avoid the accumulation of interest and penalties. Remittances up to and including March 31, 2023, totaled \$94.1 million. The CRA agreed to a settlement of 80 percent recovery of remittances during the year ended March 31, 2024. As a result, ALC adjusted self-assessed HST for periods beginning April 1, 2023 ensuring that no further recoveries would be required.

During the year ended March 31, 2025, amounts totaling \$55.6 million were received from CRA as recovery of amounts previously remitted for the periods June 1, 2009 to October 31, 2013 and some periods between November 1, 2013 to March 31, 2023. The total amount remitted with an expected recovery up to March 31, 2025 is \$8.9 million and is presented on the consolidated statement of financial position as a non-current asset, and \$1.7 million is presented on the consolidated statement of net income in cost of sales. Interest received from CRA on the recovery amounts totaled \$10.4 million and is presented as interest income on the consolidated statement of net income. Settlement discussions are ongoing for the remaining periods.

**Due to Atlantic Gaming Equipment Limited**

As at March 31, 2025, the amount due to Atlantic Gaming Equipment Limited was \$31.6 million (2024 – \$26.4 million), of which \$6.0 million (2024 – \$5.4 million) was classified as current. This liability represents a portion of ALC's debt used in the acquisition of property, plant and equipment operated on behalf of NSGC. The amount owing has no fixed terms of repayment, is non-interest bearing, and is due on demand if NSGC withdraws from the ALC Unanimous Shareholders Agreement.

**Other Comprehensive Income**

During the year, NSGC reported \$3.5 million in other comprehensive income (OCI) related to its share of ALC's OCI (2024 – \$0.8 million). As at March 31, 2025, accumulated OCI was \$27.7 million (2024 – \$24.2 million).

**Nova Scotia Liquor Corporation**

The Nova Scotia Liquor Corporation (NSLC) was created June 1, 2001, by Chapter 4 of the *Government Restructuring (2001) Act*, via continuance of the Nova Scotia Liquor Commission as a body corporate. NSLC derives its mandate from the *Liquor Control Act*, Chapter 260 of the Revised Statutes of Nova Scotia, 1989 and the *Nova Scotia Cannabis Control Act* passed in the Nova Scotia Legislature on April 17, 2018. NSLC is Nova Scotia's largest retailer of liquor and cannabis products and its network includes over 100 retail stores, e-commerce, 64 agency stores, four private wine and specialty stores, and one standalone cannabis store. The Corporation serves as a wholesaler to more than 2,000 bars and restaurants across the province.

**Related Party Transactions**

During the year, remittances to the Minister of Finance and Treasury Board totaled \$281.0 million (2024 – \$274.0 million), which are disclosed in NSLC's statement of changes in equity. All other transactions with the Province are deemed to be collectively insignificant to NSLC's financial statements.

**Province of Nova Scotia  
Government Business Enterprises (*continued*)  
As at March 31, 2025**

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**Nova Scotia Liquor Corporation (*continued*)****Lease Obligations**

The Corporation leases properties for its retail stores. Lease contracts are typically made for fixed periods of 2 to 20 years but many have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. As at March 31, 2025, NSLC has total lease obligations of \$42.0 million (2024 – \$39.8 million), of which \$5.2 million is considered current. Net minimum lease payments are due as follows: \$5.9 million in 2026, an average of \$5.6 million per year from 2027 to 2031, an average of \$1.5 million per year from 2032 to 2036, and an average of \$0.1 million per year from 2037 to 2041.

**Equity**

Upon conversion to International Financial Reporting Standards (IFRS) in 2012, NSLC reclassified its payable to the Minister of Finance and Treasury Board from a liability to equity. NSLC's equity was \$113.0 million (2024 – \$110.9 million) at year-end. NSLC's main objectives for managing capital are to ensure sufficient liquidity in support of its financial obligations to achieve its business plans and to continue as a self-sufficient entity in order to provide continuous remittances to the Province.

**Other Comprehensive Income**

During the year, NSLC reported \$2.9 million in other comprehensive income (OCI) related to actuarial losses on defined benefit plans (2024 – \$41.0 thousand). As at March 31, 2025, accumulated OCI was \$13.2 million (2024 – \$10.3 million).

# Schedules to the Consolidated Financial Statements

## Schedule 7

### Province of Nova Scotia Tangible Capital Assets As at March 31, 2025 (\$ thousands)

						2025	2024 (as restated)
	Land	Buildings and Land Improve- ments	Machinery, Computers and Equipment	Vehicles and Ferries	Roads, Bridges and Highways	Total	Total
<b>Costs</b>							
Opening Costs	1,260,454	9,225,550	1,677,889	280,352	5,898,691	18,342,936	16,846,368
Transfers	9,237	(2,650)	70,601	—	374,721	451,909	988
Additions	65,334	1,340,502	270,919	24,765	569,613	2,271,133	1,594,195
Disposals	(2,420)	(28,679)	(47,219)	(11,826)	(483)	(90,627)	(98,615)
<b>Closing Costs</b>	<u>1,332,605</u>	<u>10,534,723</u>	<u>1,972,190</u>	<u>293,291</u>	<u>6,842,542</u>	<u>20,975,351</u>	<u>18,342,936</u>
<b>Accumulated Amortization</b>							
Opening							
Accumulated							
Amortization	—	(3,981,717)	(1,165,144)	(181,508)	(3,025,168)	(8,353,537)	(7,905,815)
Transfers	—	(5,087)	(17,400)	—	(111,115)	(133,602)	(1,703)
Disposals	—	25,612	45,977	11,666	481	83,736	95,177
Amortization							
Expense	—	(224,612)	(87,996)	(21,224)	(277,699)	(611,531)	(541,196)
<b>Closing</b>							
<b>Accumulated Amortization</b>	<u>—</u>	<u>(4,185,804)</u>	<u>(1,224,563)</u>	<u>(191,066)</u>	<u>(3,413,501)</u>	<u>(9,014,934)</u>	<u>(8,353,537)</u>
<b>Net Book Value</b>	<u>1,332,605</u>	<u>6,348,919</u>	<u>747,627</u>	<u>102,225</u>	<u>3,429,041</u>	<u>11,960,417</u>	<u>9,989,399</u>
Opening Balance	1,260,454	5,243,833	512,745	98,844	2,873,523	9,989,399	8,940,553
Closing Balance	1,332,605	6,348,919	747,627	102,225	3,429,041	11,960,417	9,989,399
<b>Increase in Net Book Value</b>	<u>72,151</u>	<u>1,105,086</u>	<u>234,882</u>	<u>3,381</u>	<u>555,518</u>	<u>1,971,018</u>	<u>1,048,846</u>



**Province of Nova Scotia**  
**Tangible Capital Assets (*continued*)**  
**As at March 31, 2025**

Amortization is calculated on a declining balance basis for most assets of the General Revenue Fund. The amortization rates of the more common tangible capital assets are as follows:

Buildings and Land Improvements	5 - 30 per cent
Machinery, Computers and Equipment	20 - 50 per cent
Vehicles and Ferries	15 - 35 per cent
Roads, Bridges and Highways	5 - 15 per cent

Capital leases and long-term care buildings of the General Revenue Fund are amortized on a straight-line basis over the length of each agreement, ranging from 4 to 25 years.

Amortization is generally calculated on a straight-line basis for assets of the governmental units. The estimated useful lives of the more common tangible capital assets are as follows:

Buildings (including Leasehold Improvements) and Land Improvements	2 - 60 years
Machinery, Computers and Equipment	1 - 60 years
Vehicles and Ferries	3 - 7 years

Capital leases of the governmental units are amortized on a straight-line basis over the length of each lease, ranging from 5 to 45 years.

Capital leases are included in the various asset classes as at March 31, 2025 as follows:

	<b>Cost</b>	<b>Accumulated Depreciation</b>
Buildings and Land Improvements	\$227.1 million	\$101.6 million
Machinery, Computers and Equipment	\$2.2 million	\$1.0 million
Vehicles and Ferries	\$30.2 million	\$16.1 million

Social Housing assets are included in Buildings and Land Improvements and relate to the Department of Growth and Development. These assets are amortized using the declining balance method. The net book value of these assets is \$283.4 million (2024 – \$255.6 million).

Included in the closing costs of the various classes as at March 31, 2025 are costs for assets under construction, which have not yet been amortized. These costs relate to Buildings and Land Improvements of \$1.251 billion; Machinery, Computers and Equipment of \$312.7 million; Vehicles and Ferries of \$23.9 million; and Roads, Bridges and Highways of \$230.9 million.

Of the current year P3 expenditures, 99.0 per cent relates to health care infrastructure and 1.0 per cent relates to highways. Additional detail on the three P3 arrangements can be found in Note 14. P3 arrangements are included in the following asset classes:

	<b>Cost</b>	<b>Accumulated Depreciation</b>
Buildings and Land Improvements	\$569.8 million	\$7.6 million
Roads, Bridges and Highways	\$406.4 million	\$52.6 million

## Schedules to the Consolidated Financial Statements

### Schedule 8

**Province of Nova Scotia**  
**Direct Guarantees**  
**As at March 31, 2025**  
(\$ thousands)

		2025	2024
	Foreign Exchange Rate	Authorized	Utilized
		Utilized	Utilized
<b>Bank Loans</b>			
Department of Advanced Education – Student Loan Program		7	11
Department of Growth and Development – Forestry Contractor Relief Program		5,000	631
Department of Growth and Development – Small Business Loan Guarantee Program		20,000	14,451
Department of Public Works (US\$)	0.696	7,188	–
Nova Scotia Jobs Fund Act		41,733	34,704
<b>Total Bank Loan Guarantees</b>		73,928	49,797
<b>Mortgages</b>			
Canada Mortgage and Housing Corporation Indemnities		2,793	4,225
<b>Total Mortgage Guarantees</b>		2,793	4,225
<b>Total Direct Guarantees</b>		76,721	54,022
<b>Less: Provision for Guarantee Payout</b>			
Department of Growth and Development – Forestry Contractor Relief Program		(158)	(158)
Department of Growth and Development – Small Business Loan Guarantee Program		(1,443)	(1,767)
Canada Mortgage and Housing Corporation Indemnities		(2,585)	(2,585)
Nova Scotia Jobs Fund Act		(2,500)	(2,500)
		(6,686)	(7,010)
<b>Less: Provision for Student Debt Reduction Program</b>			
Department of Advanced Education – Student Loan Program		(7)	(8)
<b>Net Direct Guarantees</b>		41,135	47,004
<i>(Not provided for in these consolidated financial statements)</i>			



**Province of Nova Scotia**  
**Segment Reporting**  
**For the fiscal year ended March 31, 2025**

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Segment reporting is designed to assist users in identifying the resources allocated to support the major activities of government and to better understand the performance of segments.

The following schedules provide segment information for the 2025 and 2024 fiscal years. Segment results represent the activities of that segment and include any inter-segment transactions. Inter-segment eliminations are shown in a separate column and show the reconciliation to total consolidated amounts. The Province has determined that the following segments represent the major activities of government.

**Health**

The provision of such services and institutions to the public that will lead to a higher state of personal health.

**Education**

The provision of all aspects and phases of training to equip people with necessary skills to pursue productive lives. This includes: Primary to Grade 12, post-secondary, and advanced education.

**Infrastructure & Public Works**

The provision of the means to facilitate the effective and efficient movement of persons and property. This includes the net results of the Halifax-Dartmouth Bridge Commission and the Highway 104 Western Alignment Corporation.

**Social Services**

The provision of services and assistance to economically and/or socially disadvantaged persons requiring aid.

**Natural Resources & Economic Development**

The provision for the maintenance and upkeep, efficient extraction, processing, and utilization of the natural attributes of the province with the aim of creating employment, supporting labour, and contributing to the material well-being of residents.

**Other Government**

Revenues and expenses that relate to activities that are not identified as a separate segment or cannot be directly allocated on a reasonable basis to individual segments because they support a wide range of service delivery activities. This includes certain items from the General Revenue Fund such as general tax revenues, Public Debt Management Fund earnings, debt servicing costs, and the pension valuation adjustment.

## Schedule 9

**Province of Nova Scotia**  
**Segment Reporting (continued)**  
**For the fiscal year ended March 31, 2025**  
*(\$ thousands)*

	Health		Education		Infrastructure & Public Works		Social Services	
	2025	2024	2025	2024	2025	2024	2025	2024
<i>(as restated)</i>								
<b>Revenue</b>								
<b>Provincial Sources</b>								
Tax Revenue	108,335	132,188	—	—	272,370	285,783	—	—
Other Provincial Revenue	1,002,528	973,044	564,691	524,977	35,706	37,531	225,820	195,767
Net Income from GBES	—	—	—	—	3,994	15,606	—	—
Investment Income	7,902	7,420	18,572	21,649	40	21	2,233	670
<b>Federal Sources</b>	1,549,469	1,539,376	388,519	502,185	16,834	60,871	308,992	297,643
<b>Total Revenue</b>	2,668,234	2,652,028	971,782	1,048,811	328,944	399,812	537,045	494,080
<b>Expenses</b>								
Grants and Subsidies	1,474,206	1,381,648	1,039,950	969,736	71,763	56,234	2,835,776	2,650,320
Salaries and Employee Benefits	3,192,449	2,741,802	2,026,893	1,948,608	148,646	143,062	241,525	200,088
Operating Goods and Services	1,684,674	1,391,468	460,867	425,493	179,817	219,660	220,261	182,129
Professional Services	194,575	160,669	36,806	41,397	81,529	29,849	27,547	13,004
Amortization	112,341	127,526	112,931	96,694	307,490	267,840	30,636	2,267
Debt Servicing Costs	9,890	9,978	6,418	6,084	—	—	442	492
Other	2,023	2,798	—	6	—	—	—	—
<b>Total Expenses</b>	6,670,158	5,815,889	3,683,865	3,488,018	789,245	716,645	3,356,187	3,048,300
<b>Segment Result</b>	(4,001,924)	(3,163,861)	(2,712,083)	(2,439,207)	(460,301)	(316,833)	(2,819,142)	(2,554,220)



Schedule 9

**Province of Nova Scotia**  
**Segment Reporting (continued)**  
**For the fiscal year ended March 31, 2025**  
*(\$ thousands)*

	Natural Resources & Economic Development		Other Government		Inter-Segment Eliminations		Total
	2025	2024	2025	2024	2025	2024	2025
			<i>(as restated)</i>				<i>(as restated)</i>
<b>Revenue</b>							
<b>Provincial Sources</b>							
Tax Revenue	414	430	8,921,682	8,066,666	–	–	9,302,801
Other Provincial Revenue	252,119	156,752	841,358	617,647	(734,288)	(668,291)	2,187,934
Net Income from GBEs	–	–	486,873	462,763	–	–	490,867
Investment Income	(13,590)	2,948	216,797	151,827	(302)	(326)	231,652
<b>Federal Sources</b>	220,064	45,691	3,523,547	3,073,532	–	–	6,007,425
<b>Total Revenue</b>	459,007	205,821	13,990,257	12,372,435	(734,590)	(668,617)	18,220,679
							16,504,370
<b>Expenses</b>							
Grants and Subsidies	430,113	117,713	1,177,860	1,421,622	(577,596)	(615,402)	6,452,072
Salaries and Employee Benefits	186,128	163,291	652,147	598,068	(8,098)	(9,792)	6,439,690
Operating Goods and Services	194,115	239,523	375,673	280,347	(130,959)	(25,142)	2,984,448
Professional Services	22,256	32,961	227,798	277,304	(1,053)	(1,858)	589,458
Amortization	29,647	16,406	18,486	30,463	–	–	611,531
Debt Servicing Costs	1,450	132	873,197	780,424	(16,884)	(16,423)	874,513
Other	2,110	4,088	46	52	–	–	4,179
<b>Total Expenses</b>	865,819	574,114	3,325,207	3,388,280	(734,590)	(668,617)	17,955,891
							16,362,629
<b>Segment Result</b>	(406,812)	(368,293)	10,665,050	8,984,155	–	–	264,788
							141,741

**Province of Nova Scotia**  
**Government Reporting Entity**  
**As at March 31, 2025**

The General Revenue Fund is comprised of the Province's departments, public service units, special operating agencies, and the net income from government business enterprises, which are consolidated with the special purpose funds, governmental units, and a proportionate share of the government partnership arrangements to form the Province's government reporting entity.

**Departments and Public Service Units**

*(Consolidation Method)*

Advanced Education  
 Agriculture  
 Communities, Culture, Tourism and Heritage  
     Nova Scotia Independent Production Fund  
 Cyber Security and Digital Solutions  
 Education and Early Childhood Development  
 Emergency Management <sup>1</sup>  
 Energy <sup>2</sup>  
 Environment and Climate Change  
 Finance and Treasury Board  
     Muggah Creek Remediation Fund  
     Public Debt Management Fund  
     SYSCO Decommissioning Fund  
 Fisheries and Aquaculture  
 Growth and Development <sup>2</sup>  
     Community Economic Development Fund  
     Nova Scotia Jobs Fund  
 Health and Wellness  
 Justice  
 Labour, Skills and Immigration  
 Municipal Affairs <sup>2</sup>  
 Natural Resources <sup>2</sup>  
 Opportunities and Social Development <sup>2</sup>  
 Public Service  
     Communications Nova Scotia <sup>3</sup>  
     Elections Nova Scotia  
     Executive Council  
     Freedom of Information and Protection  
       of Privacy Review Office  
     Human Rights Commission

**Public Service (continued)**

Intergovernmental Affairs  
 Legislative Services  
 Nova Scotia Police Complaints Commissioner  
 Nova Scotia Securities Commission  
 Office of Addictions and Mental Health  
 Office of Equity and Anti-Racism <sup>4</sup>  
 Office of Healthcare Professionals  
     Recruitment  
 Office of L'nu Affairs  
 Office of the Auditor General  
 Office of the Ombudsman  
 Office of Service Efficiency <sup>2</sup>  
 Public Prosecution Service  
 Public Service Commission  
 Public Works  
 Seniors and Long-Term Care  
 Service Nova Scotia

**Special Operating Agencies**

*(Consolidation Method)*

Nova Scotia Apprenticeship Agency  
 Nova Scotia Home for Colored Children  
     Restorative Inquiry  
 Physician Assessment Centre of Excellence <sup>5</sup>  
 Public Safety Field Communications Agency <sup>6</sup>  
 Sydney Tar Ponds Agency (inactive)

<sup>1</sup> New Department established through legislation on September 20th, 2024.

<sup>2</sup> Various Department changes through OIC 2024-425, effective Dec 12, 2024.

<sup>3</sup> Office abolished through OIC 2025-34, and all matters moved to Executive Council, effective February 10, 2025.

<sup>4</sup> Moved from the Department of Justice to the Public Service on June 17, 2024, by OIC 2024-246

<sup>5</sup> Designated as a Special Operating Agency on October 7, 2024, by OIC 2024-367. Name changed through OIC 2025-2.

<sup>6</sup> Designated as a Special Operating Agency on February 18, 2025, by OIC 2025-49.



**Province of Nova Scotia**  
**Government Reporting Entity (continued)**  
**As at March 31, 2025**

**Special Purpose Funds**  
*(Consolidation Method)*

Acadia Coal Company Limited Fund  
 CorFor Capital Repairs and Replacements Fund  
 Crown Land Mine Remediation Fund  
 Crown Land Silviculture Fund  
 Democracy 250 (inactive)  
 Gàidheil Air Adhart (Gaels Forward Fund)  
 Gaming Addiction Treatment Trust Fund  
 Green Fund <sup>1</sup>  
 Habitat Conservation Fund  
 Mi'kmaw Youth Fund  
 Nova Scotia Coordinate Referencing System Trust Fund  
 Nova Scotia E911 Cost Recovery Fund  
 Nova Scotia Environmental Trust  
 Nova Scotia Government Acadian Bursary Program Fund  
 Nova Scotia Harness Racing Fund  
 Nova Scotia Market Development Initiative Fund  
 Nova Scotia Securities Commission Fund <sup>2</sup>  
 Nova Scotia Sportfish Habitat Fund  
 Occupational Health and Safety Trust Fund  
 Off-highway Vehicle Infrastructure Fund  
 P3 Schools Capital and Technology Refresh Fund <sup>3</sup>  
 Pengrowth Nova Scotia Energy Scholarship Fund  
 Scotia Learning Technology Refresh Fund  
 Select Nova Scotia Fund  
 Species-at-risk Conservation Fund  
 Sustainable Forestry Fund  
 Vive l'Acadie Community Fund

**Government Business Enterprises**  
*(Modified Equity Method)*

Halifax-Dartmouth Bridge Commission <sup>4</sup>  
 Highway 104 Western Alignment Corporation  
 Atlantic Lottery Corporation (25% ownership) <sup>5</sup>  
 Casino Nova Scotia <sup>5</sup>  
 Nova Scotia Liquor Corporation

**Government Partnership Arrangements**  
*(Modified Equity Method) <sup>6</sup>*

Atlantic Provinces Special Education Authority  
 (approximately 32% share)  
 Canada-Nova Scotia Offshore Energy Regulator  
 (50% share) <sup>7</sup>  
 Canadian Sports Centre Atlantic  
 (approximately 8% share)  
 Council of Atlantic Premiers  
 (approximately 30% share)  
 Halifax Convention Centre Corporation  
 (50% share)

<sup>1</sup> De-designation of the Green Fund as a special purpose fund through OIC 2024-240, effective December 11, 2024.

<sup>2</sup> Reclassified to Special Purpose Fund from Trust Under Administration.

<sup>3</sup> Includes refresh funds related to P3 schools.

<sup>4</sup> HDBC lost its GBE status on March 31, 2025 as a result of an observable event. All assets and liabilities are fully consolidated, and revenues and expenses are recognized using the modified equity method.

<sup>5</sup> Government Business Partnership Arrangement and Government Business Enterprise of Nova Scotia Gaming Corporation,

<sup>6</sup> GPAs do not meet the threshold of materiality and cost-benefit to use the proportionate consolidation. Proportionate share is subject to change each year based on changes to funding levels or residual interest.

<sup>7</sup> Name change from Canada-Nova Scotia Offshore Petroleum Board through Section 13 of Bill 471, effective January 31, 2025.

**Province of Nova Scotia**  
**Government Reporting Entity (*continued*)**  
**As at March 31, 2025**

**Governmental Units**

(Consolidation Method)

Annapolis Valley Regional Centre for Education	Nova Scotia Health Authority
Art Gallery of Nova Scotia	Provincial Drug Distribution Program
Arts Nova Scotia	Nova Scotia Legal Aid Commission
Build Nova Scotia	Nova Scotia Power Finance Corporation
Cape Breton-Victoria Regional Centre for Education	Nova Scotia Primary Forest Products Marketing Board
Check Inns Limited (inactive)	
Chignecto Central Regional Centre for Education	Nova Scotia Provincial Housing Agency <sup>3</sup>
Conseil scolaire acadien provincial	Nova Scotia School Insurance Exchange
Creative Nova Scotia Leadership Council	Nova Scotia School Insurance Program Association
Halifax-Dartmouth Bridge Commission <sup>1</sup>	Nova Scotia Strategic Opportunities Fund Inc. (inactive)
Halifax Regional Centre for Education	
Housing Nova Scotia (inactive) <sup>2</sup>	Nova Scotia Utility and Review Board
Invest Nova Scotia	Peggy's Cove Commission
Izaak Walton Killam Health Centre	Perennia Food and Agriculture Corporation
Joint Regional Transportation Authority	Public Archives of Nova Scotia
Nova Scotia Arts Council (inactive)	Resource Recovery Fund Board Inc.
Nova Scotia Boxing Authority	Schooner Bluenose Foundation (Inactive) <sup>4</sup>
Nova Scotia Community College	Sherbrooke Restoration Commission
Nova Scotia Community College Foundation	South Shore Regional Centre for Education
Nova Scotia Crop and Livestock Insurance Commission	Strait Regional Centre for Education
Nova Scotia Education Common Services Bureau	Sydney Environmental Resources Limited (inactive)
Nova Scotia Farm Loan Board	Sydney Steel Corporation
Nova Scotia Fisheries and Aquaculture Loan Board	Tri-County Regional Centre for Education
Nova Scotia Gaming Corporation	Upper Clements Family Theme Park Limited (inactive)
Interprovincial Lottery Corporation (10% ownership)	Workers Compensation Appeals Tribunal
Nova Scotia Gaming Equipment Limited	3052155 Nova Scotia Limited (inactive)

<sup>1</sup> Effective March 31, 2025, Halifax-Dartmouth Bridge Commission lost its GBE status and became a Governmental Unit. Since the change occurred as a result of an observable event, revenues and expenses that occurred prior to this change have been consolidated as a GBE, using the modified equity method.

<sup>2</sup> Effective April 1, 2023, all remaining assets and liabilities of Housing Nova Scotia were transferred to the Minister of Municipal Affairs and Housing. Housing Nova Scotia Act has been repealed but not proclaimed in force. Entity listed as inactive.

<sup>3</sup> Created by the Housing Supply and Services Act, Nova Scotia Provincial Housing Agency amalgamates the five regional housing authorities, which were wound up on December 1, 2022.

<sup>4</sup> Schooner Bluenose Foundation Act has been repealed but not proclaimed in force. Entity listed as inactive.

