Public Accounts

Volume 1 — Consolidated Financial Statements

For the fiscal year ended March 31, 2026

NOVA SCOTIA

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For the fiscal year ended March 31, 2026

NOVA SCOTIA

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NOVA SCOTIA

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Message from the Minister

Nova Scotia's Public Accounts for the fiscal year ending March 31, 2026 reflect our government's work to shield Nova Scotians against foreign economic shocks, grow our economy, and support Nova Scotians through a global affordability crisis.

Government continues to make investments to support the services that matter most to Nova Scotians, including healthcare, housing, and seniors' care. We are working to grow our economy in key sectors like defence and natural resources, so Nova Scotians have good jobs and government can invest more in the services we all want and need.

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.

In 2025, our real Gross Domestic Product (GDP) grew by an estimated 2.3 per cent, and our population increased by 1.0 per cent.

The Province of Nova Scotia reported a deficit of $1.41 billion for the year ended March 31, 2026 compared to a budgeted deficit of $897.5 million in Budget 2025-26.

Total consolidated revenues were $17.98 billion, which was $418.1 million, or 2.4 per cent, higher than the estimate. This was mainly due to increases in personal and corporate income tax revenues, provincial recoveries, and other federal transfers.

Total consolidated expenses were $19.39 billion, which was $1.13 billion, or 6.2 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, increased costs in support of natural resources and large-scale forest fires, and increased restructuring costs.

The Province's net debt as of March 31, 2026 was $24.10 billion. The net debt-to-GDP ratio for 2025-26 was 35.0 per cent, an increase from both the 33.4 per cent reported a year ago and 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 2025-26 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.



Financial Statement Discussion and Analysis

For the fiscal year ended March 31, 2026

Financial Highlights

For the fiscal year ended March 31, 2026

($ thousands, except for Net Debt per Capita)

	2022	2023	2024	2025	2026	* 5-Year Trend	Page Ref
Performance Measures				*(as restated)*			
Sustainability							
Provincial Surplus (Deficit)	$338,639	$122,805	$141,741	$264,788	($1,407,039)	⇩	12
Provincial Surplus (Deficit) to Nominal GDP	0.66%	0.22%	0.23%	0.41%	(2.04%)	⇩	--
Net Debt	$17,155,246	$17,743,504	$19,100,212	$20,843,600	$24,096,694	⇧	13
Net Debt per Capita	$17,157	$17,328	$18,139	$19,250	$22,042	⇧	13
Net Debt to Nominal GDP	33.4%	31.6%	31.6%	31.9%	35.0%	⇧	14
Flexibility							
Debt Servicing Costs to Total Revenue	4.6%	4.3%	4.7%	4.8%	4.8%	⇧	20
Own Source Revenue to Nominal GDP	17.7%	19.1%	18.2%	18.7%	16.9%	⇩	16
Vulnerability							
Federal Transfers to Total Revenue	35.3%	31.3%	33.4%	33.0%	35.2%	⇧	16
Other Financial Indicators							
Total Revenue	$14,047,650	$15,589,233	$16,504,370	$18,220,679	$17,979,862	⇧	15
Total Expenses	$13,709,011	$15,466,428	$16,362,629	$17,955,891	$19,386,901	⇧	19
Interest on Unmatured Debt	$548,585	$574,630	$671,015	$755,805	$754,954	⇧	20
Financial Assets	$7,432,824	$7,492,614	$7,179,124	$7,224,220	$7,678,144	⇧	22
Total Liabilities	$24,588,070	$25,236,118	$26,279,336	$28,067,820	$31,774,838	⇧	24
Unmatured Debt	$16,798,296	$16,607,095	$17,631,906	$19,309,590	$21,633,693	⇧	25
Non-Financial Assets	$8,015,443	$8,761,310	$10,176,465	$12,155,492	$14,027,298	⇧	28
Accumulated Deficits	$9,139,803	$8,982,194	$8,923,747	$8,688,108	$10,069,396	⇧	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.*

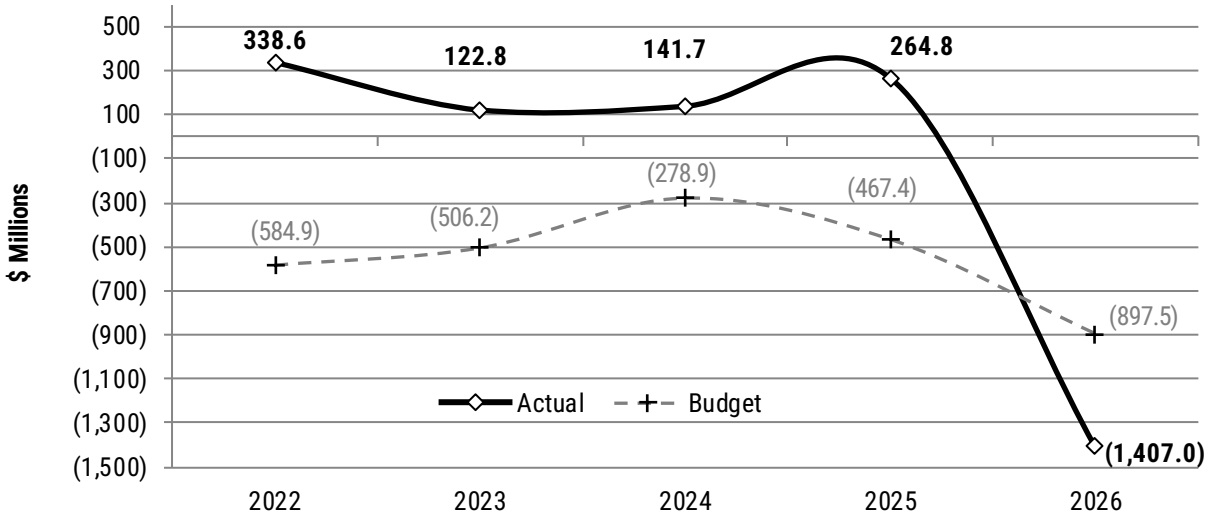
Vulnerability *indicates a government's reliance on revenue sources beyond its direct control or influence and exposure to funding risks.*

Provincial Surplus (Deficit)

The provincial surplus (deficit) is the net financial result of the year's operations. For the fiscal year ended March 31, 2026, total revenue was $17.98 billion (2025 – $18.22 billion) and total expenses were $19.39 billion (2025 – $17.96 billion). The resulting deficit of $1.41 billion was $509.5 million lower than the budgeted deficit of $897.5 million and $1.67 billion lower than the prior year's surplus of $264.8 million.

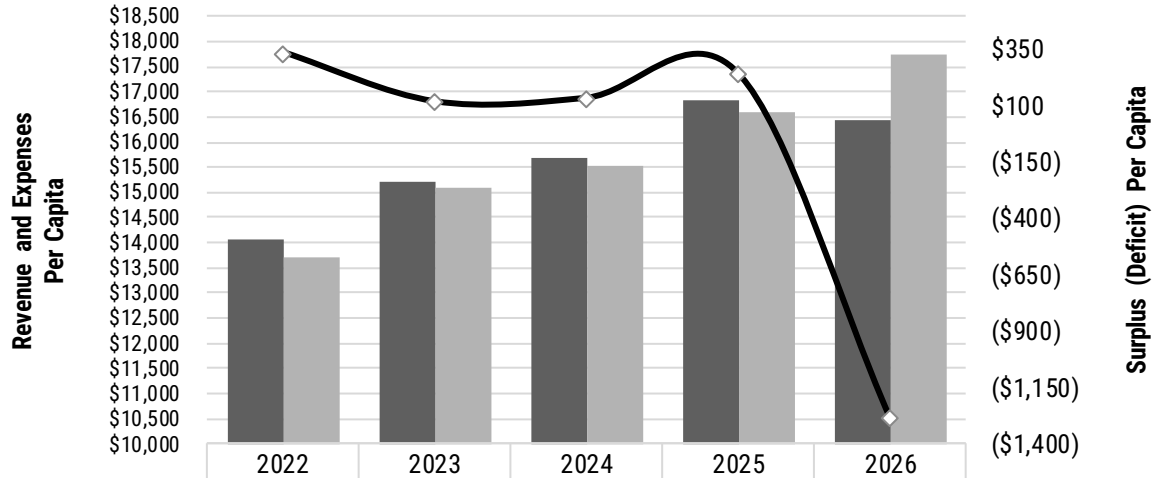
The Province has reported the following net financial results over the past five years:

Provincial Surplus (Deficit) - 5 Year Trend



Revenue and Expenses per Capita

The ratio decreased by $1,532 per capita, from a $245 surplus in 2025 to a $1,287 deficit in 2026. Per capita information for the past five years is shown below.



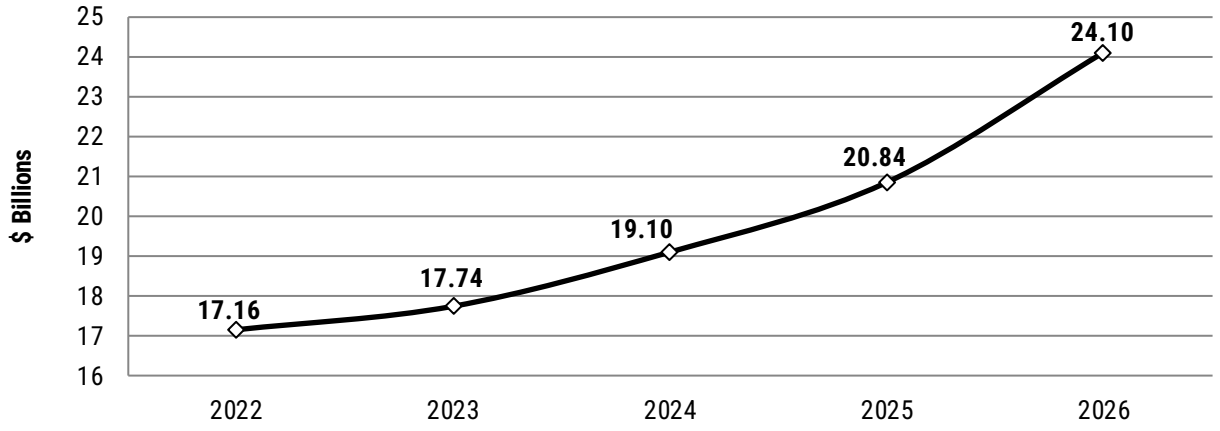
	2022	2023	2024	2025	2026
Revenue	$14,049	$15,223	$15,674	$16,828	$16,447
Expenses	$13,710	$15,103	$15,539	$16,583	$17,734
Surplus (Deficit)	$339	$120	$135	$245	$(1,287)

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 $24.10 billion at March 31, 2026, $3.25 billion higher than the prior year due to the net acquisitions of tangible capital assets of $1.81 billion, a deficit of $1.41 billion, an increase in supplies inventory of $6.8 million, and an increase of prepaid expenses of $54.9 million, partially offset by net remeasurement gains of $25.8 million. The Province has reported net debt in the past five years as follows:

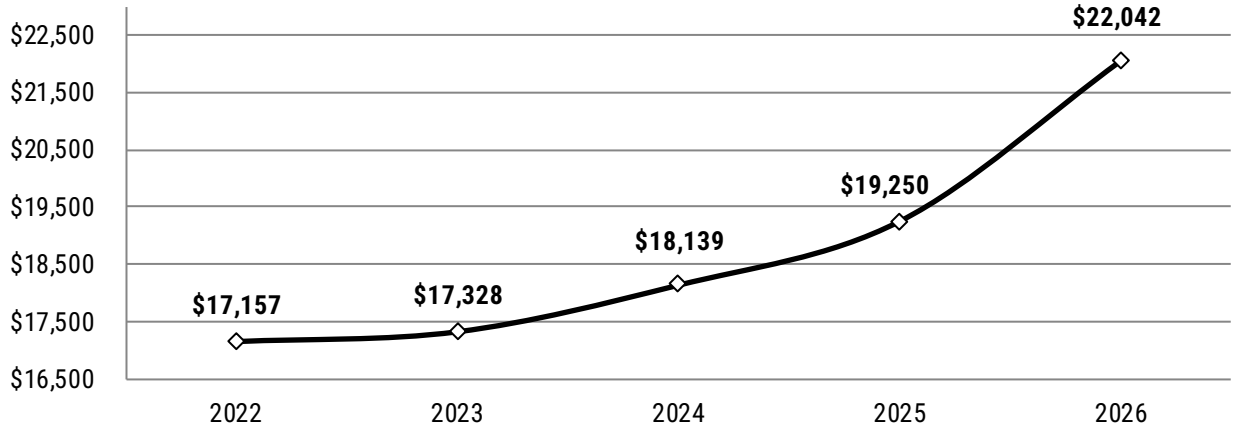
Net Debt - 5 Year Trend



Net Debt per Capita

Net debt increased by $2,792 per capita from $19,250 in 2025 to $22,042 in 2026. The increase in net debt per capita is attributed to the increase in the Province's net debt balance.

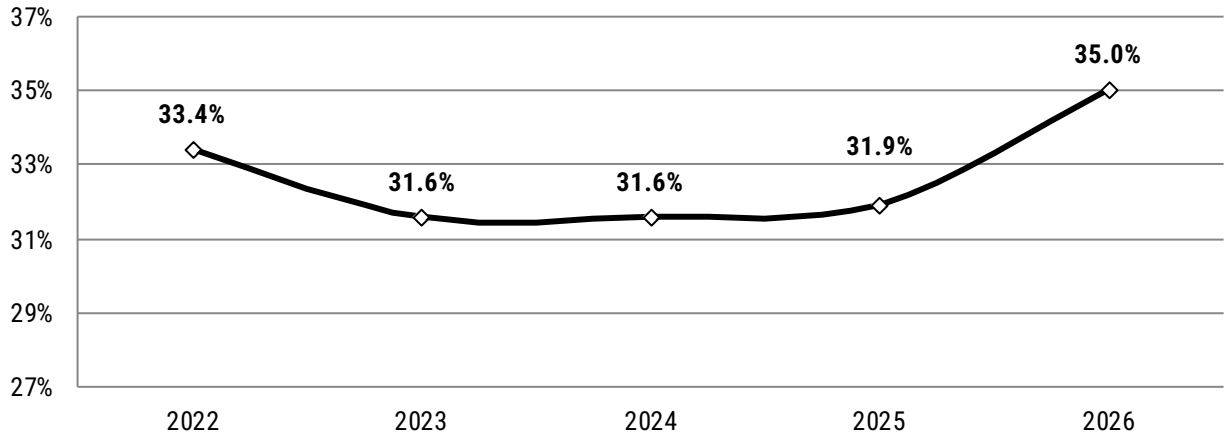
Net Debt per Capita - 5 Year Trend



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 2026, this ratio increased by 3.1 percentage points to 35.0 per cent. Over the past five years, Net Debt to GDP has increased by 1.6 percentage points from a current high of 35.0 per cent, with a low of 31.6 per cent in 2023 and 2024.

Net Debt to Nominal GDP - 5 Year Trend

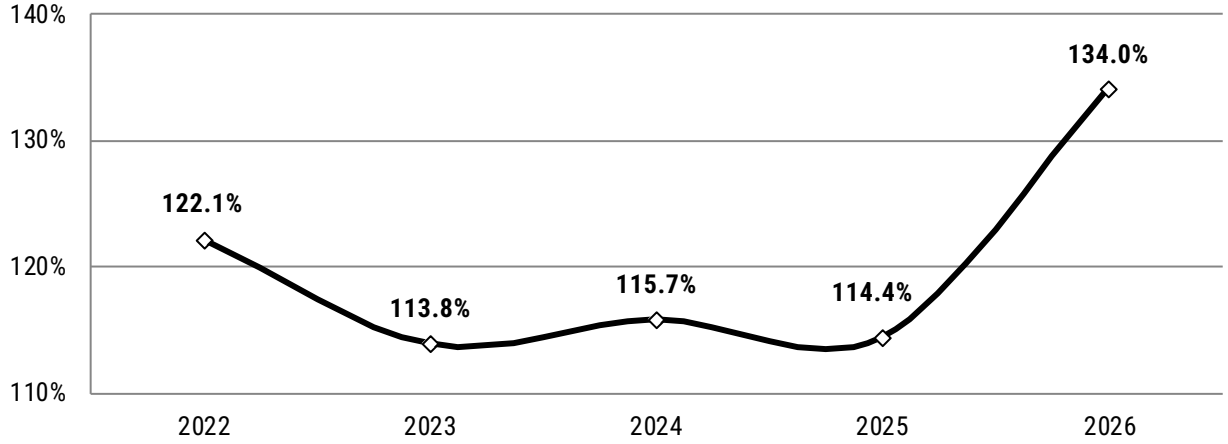


Net Debt to Total Revenue

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 increased 19.6 percentage points from the previous year to 134.0 per cent. Over the past five years, this ratio has increased 11.9 percentage points, with a low of 113.8 per cent in 2023 and a current high of 134.0 per cent.

Net Debt to Total Revenue - 5 Year Trend



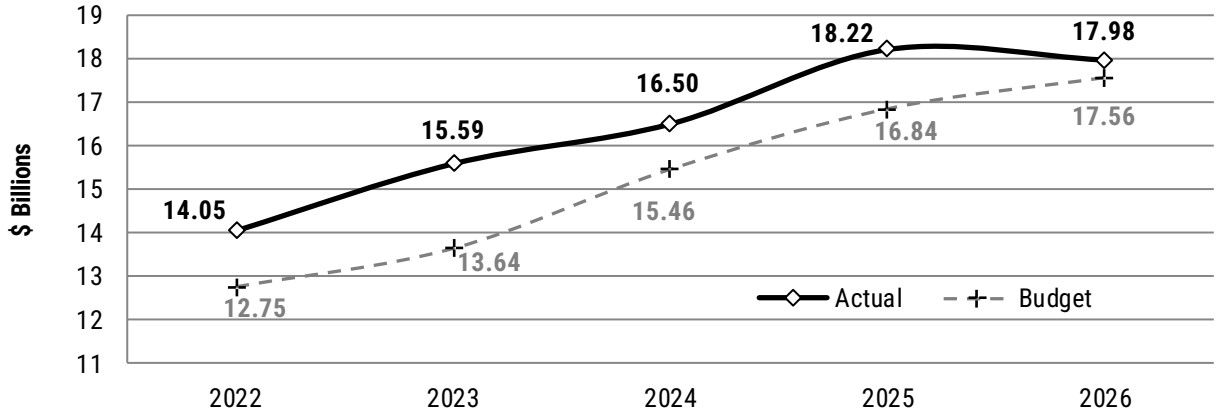
Revenue

On a consolidated basis, total revenue for the year was $418.1 million, or 2.4 per cent, higher than the estimate and $240.8 million, or 1.3 per cent, lower than the prior year. The increase from estimate was mostly attributable to changes in tax revenues, recoveries, and other provincial source revenue. These increases were partially offset by a reduction in revenue from other governmental units and interest revenue. Additional details on GRF revenue variances are provided on page 37 of this publication.

Revenue

($ thousands)	Adjusted Estimate 2026	Actual 2026	Actual 2025	Actual vs Estimate	Actual vs Actual
Provincial Sources					
Tax Revenue					
Income Taxes	5,567,464	5,662,359	5,849,720	94,895	(187,361)
Sales Taxes	3,015,864	3,047,075	3,154,585	31,211	(107,510)
Other Tax Revenue	248,607	279,733	298,496	31,126	(18,763)
Other Provincial Revenue					
Petroleum Royalties	–	–	55,324	–	(55,324)
Recoveries	467,369	683,259	642,301	215,890	40,958
Revenue of GUs	560,050	496,495	526,972	(63,555)	(30,477)
Municipal Contributions to RCEs	386,161	385,830	356,317	(331)	29,513
Miscellaneous	406,830	445,194	607,020	38,364	(161,826)
Net Income from GBEs	465,447	471,418	490,867	5,971	(19,449)
Investment Income					
Interest Revenue	198,662	154,508	205,796	(44,154)	(51,288)
Sinking Fund Earnings	27,143	26,220	25,856	(923)	364
	11,343,597	11,652,091	12,213,254	308,494	(561,163)
Federal Sources					
Equalization Payments	3,464,825	3,464,825	3,284,338	–	180,487
Other Federal Transfers	2,753,302	2,862,946	2,723,087	109,644	139,859
	6,218,127	6,327,771	6,007,425	109,644	320,346
Total Revenue	17,561,724	17,979,862	18,220,679	418,138	(240,817)

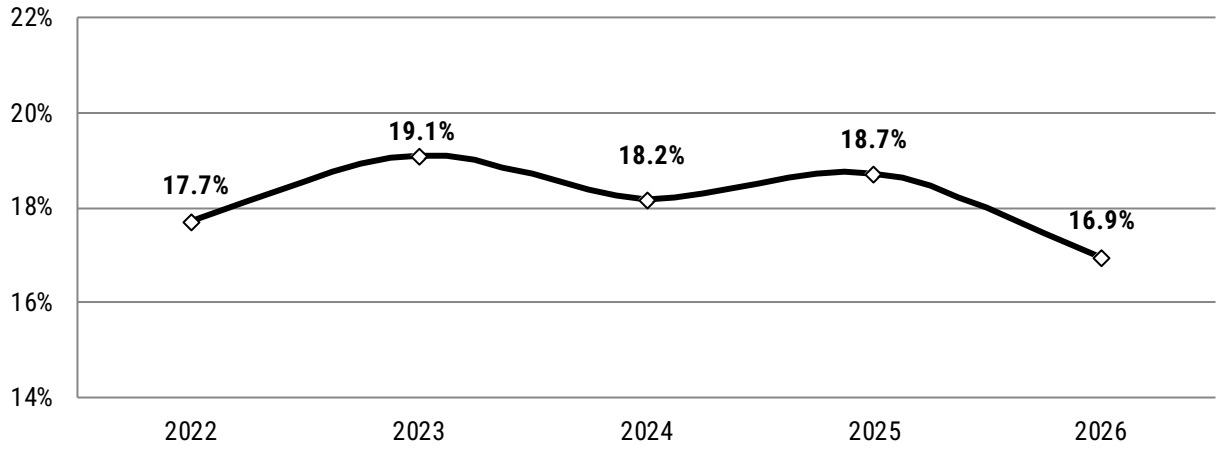
Total Revenue - 5 Year Trend



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 decreased by 1.8 percentage points from the previous year to 16.9 per cent. Over the past five years, this ratio has ranged from a high of 19.1 per cent in 2023 to a current low of 16.9 per cent, which shows how the Province's demands on the provincial economy have remained relatively consistent over this period.

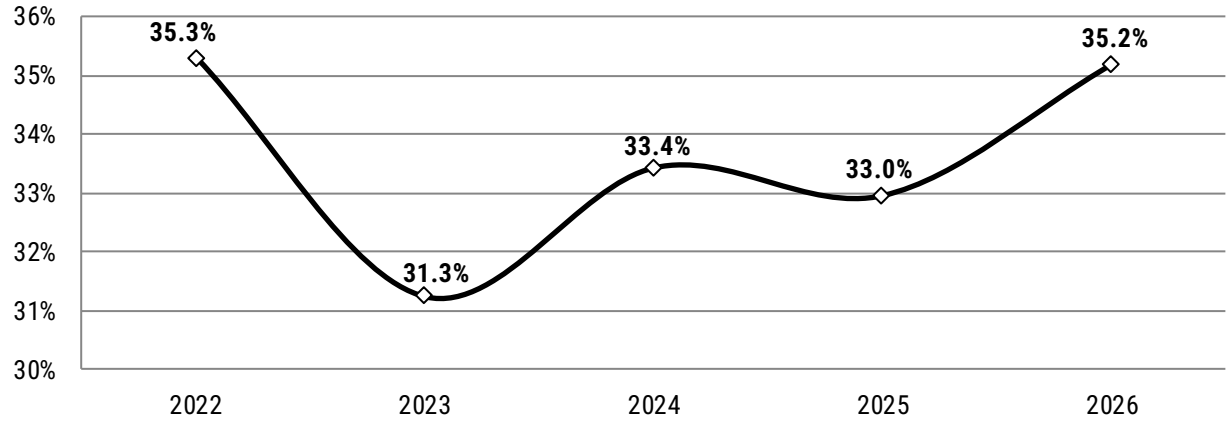
Own Source Revenue to Nominal GDP - 5 Year Trend



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. Federal source revenue increased by $320.3 million, or 5.3 per cent, during the year, while total revenue decreased by $240.8 million, or 1.3 per cent, increasing this ratio by 2.2 percentage points from the previous year to 35.2 per cent.

Federal Transfers to Total Revenue - 5 Year Trend

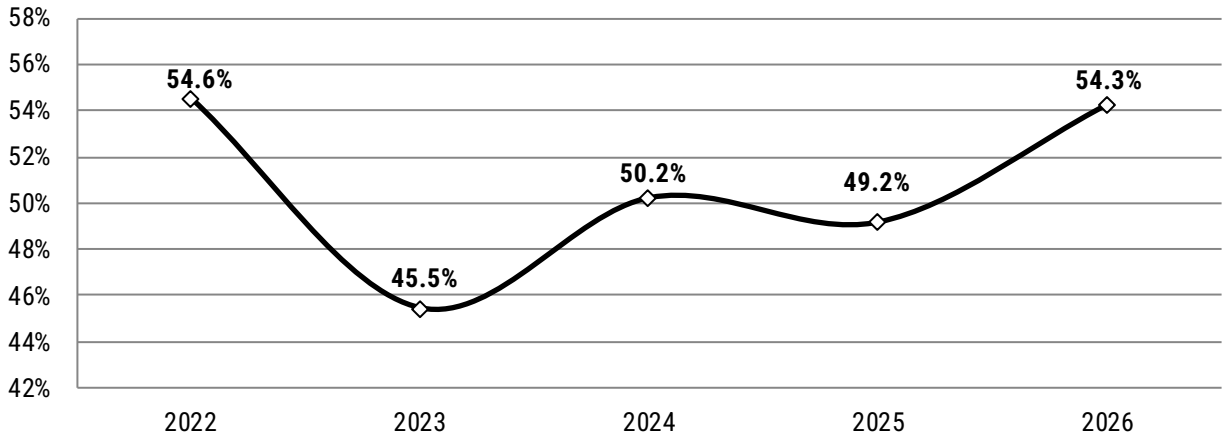


Financial Highlights of the Consolidated Financial Statements

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 increased by 5.1 percentage points from the previous year to 54.3 per cent. Over the past five years, this ratio has decreased by 0.3 percentage points from 54.6 per cent in 2022, with a low of 45.5 per cent in 2023.

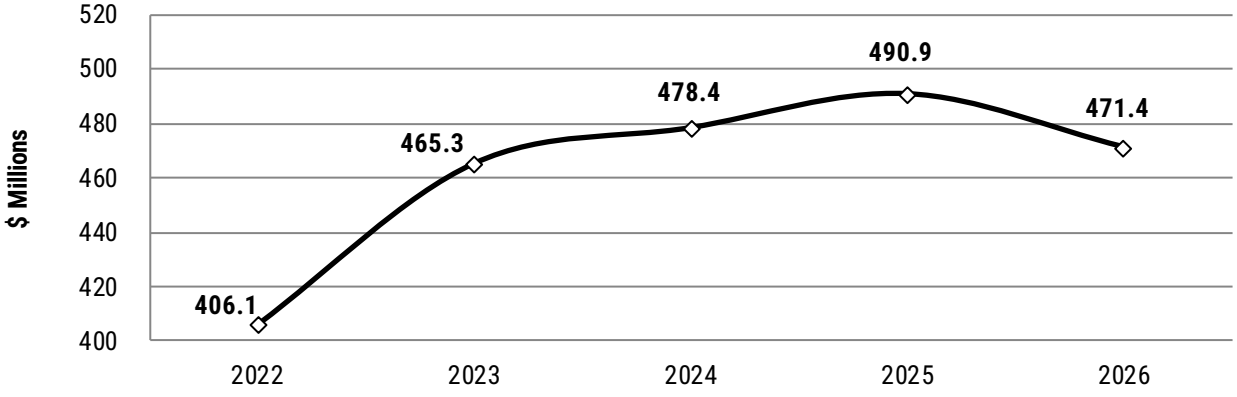
Federal Transfers to Own Source Revenue - 5 Year Trend



Net Income from Government Business Enterprises (GBEs)

Net income from GBEs was $19.5 million, or 4.0 per cent, lower than last year and $6.0 million, or 1.3 per cent, higher than the estimate. Net income from Nova Scotia Gaming Corporation's Casino Nova Scotia and Atlantic Lottery Corporation operations was $7.8 million, or 3.8 per cent, lower than the prior year primarily due to decreased revenues. There were also decreases in the Nova Scotia Liquor Corporation of $11.4 million or 4.2 per cent, and the Highway 104 Western Alignment Corporation of $1.5 million or 27.7 per cent. Halifax-Dartmouth Bridge Commission is no longer accounted for as a GBE since tolls were removed.

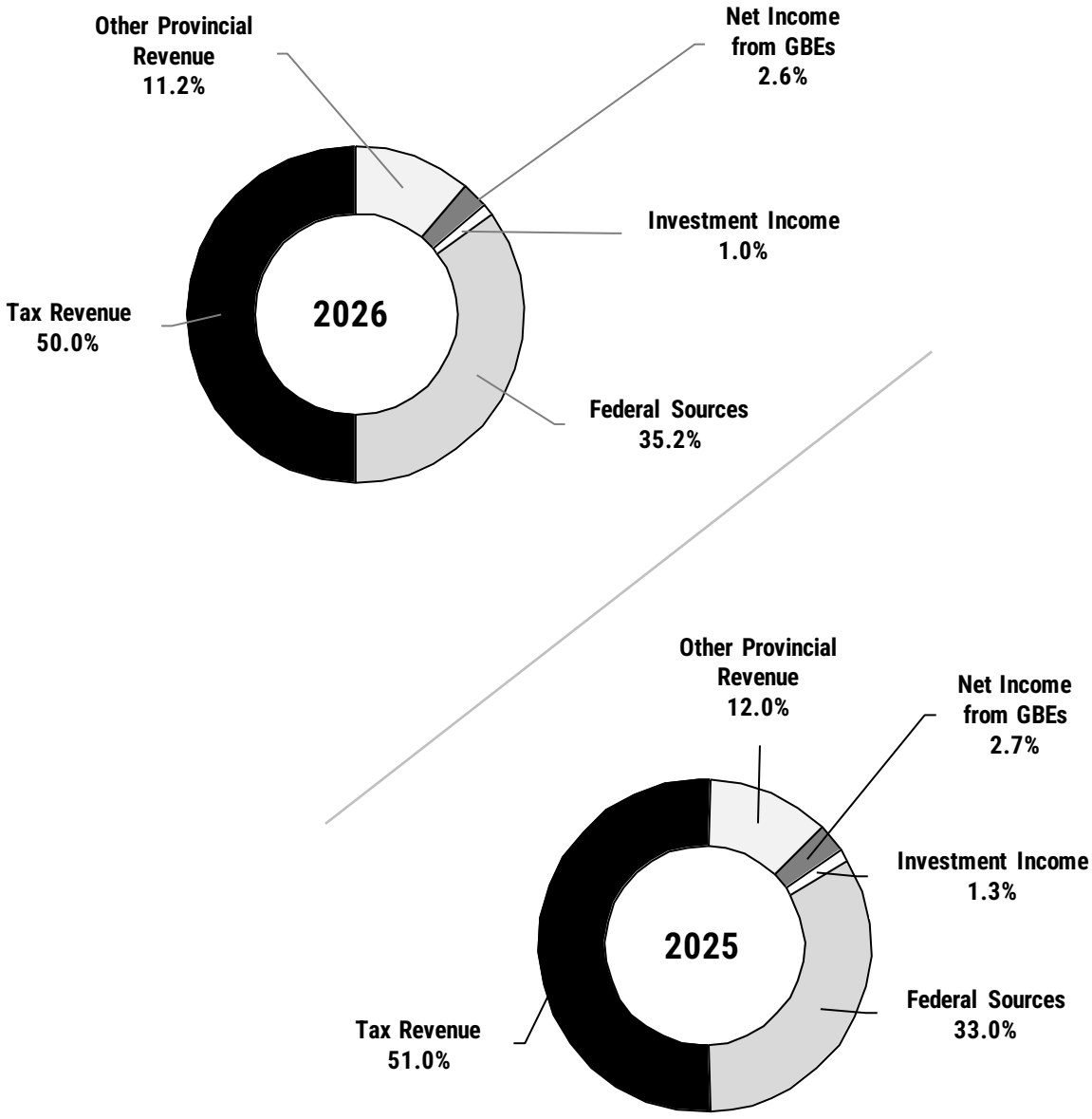
Net Income from GBEs - 5 Year Trend



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 2026 and 2025 were as follows:

Revenue by Source



Expenses

Total consolidated expenses were $1.13 billion, or 6.2 per cent, higher than the estimate 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, increased costs in support of natural resources and large-scale forest fires, and increased restructuring costs.

Total expenses were $1.43 billion, or 8.0 per cent, higher than the prior year primarily due to increases of $474.7 million in Health and Wellness, $215.1 million in Education and Early Childhood Development, $130.0 million in Seniors and Long-Term Care, $482.3 million in Restructuring Costs, and net increases of $128.9 million in all other departments.

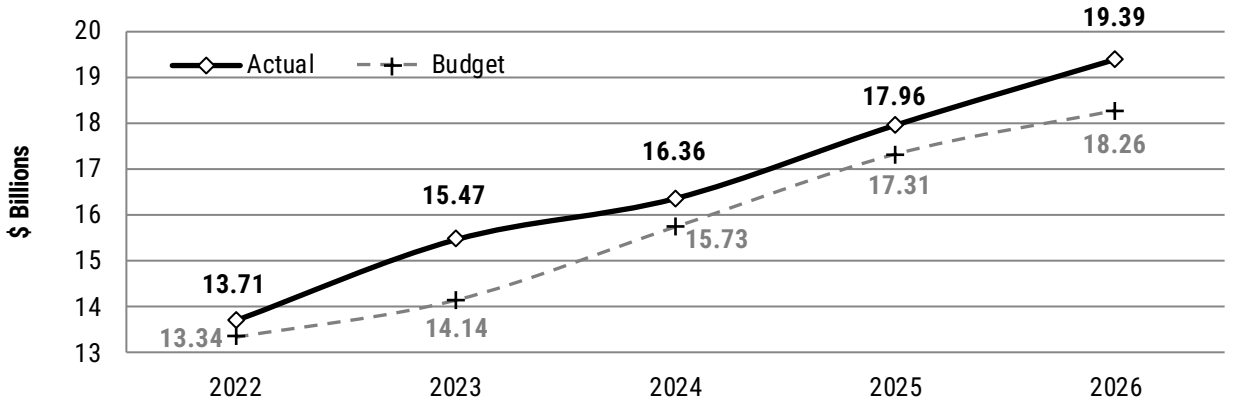
Additional details on General Revenue Fund expense variances are provided on page 42.

Expenses

($ thousands)

	Adjusted Estimate 2026	Actual 2026	Actual 2025	Actual vs Estimate	Actual vs Actual
Health and Wellness	6,408,234	6,833,966	6,359,221	425,732	474,745
Education and Early Childhood Development	2,689,809	2,655,073	2,440,009	(34,736)	215,064
Opportunities and Social Development	1,674,544	1,673,130	1,610,816	(1,414)	62,314
Seniors and Long-Term Care	1,363,033	1,425,571	1,295,527	62,538	130,044
Advanced Education	837,260	854,907	859,641	17,647	(4,734)
Public Works	772,705	806,137	788,528	33,432	17,609
Growth and Development	485,168	481,965	503,132	(3,203)	(21,167)
Justice	492,629	512,508	486,485	19,879	26,023
Debt Servicing Costs	908,509	869,591	874,513	(38,918)	(4,922)
Other Expenses	2,627,332	3,274,053	2,738,019	646,721	536,034
Total Expenses	18,259,223	19,386,901	17,955,891	1,127,678	1,431,010

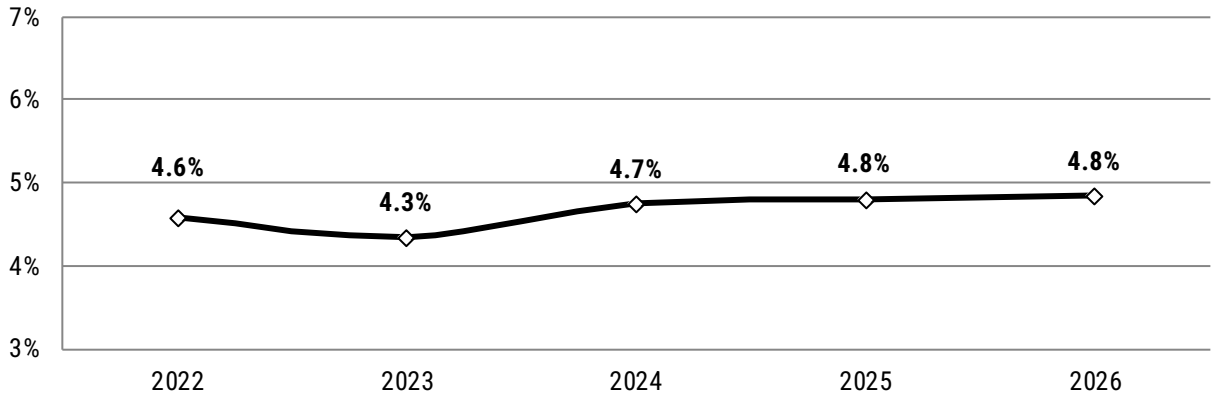
Total Expenses - 5 Year Trend



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 stayed constant compared to prior year at 4.8 per cent. Over the past five years, this ratio increased by 0.2 percentage points, ranging from the current high to a low of 4.3 per cent in 2023.

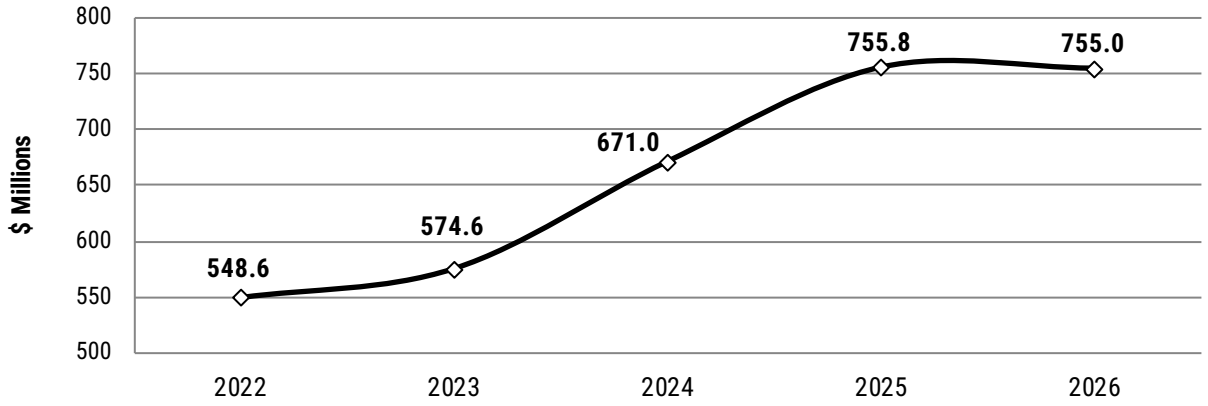
Debt Servicing Costs to Total Revenue - 5 Year Trend



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 decreased by $851.0 thousand to $755.0 million in 2026. 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.

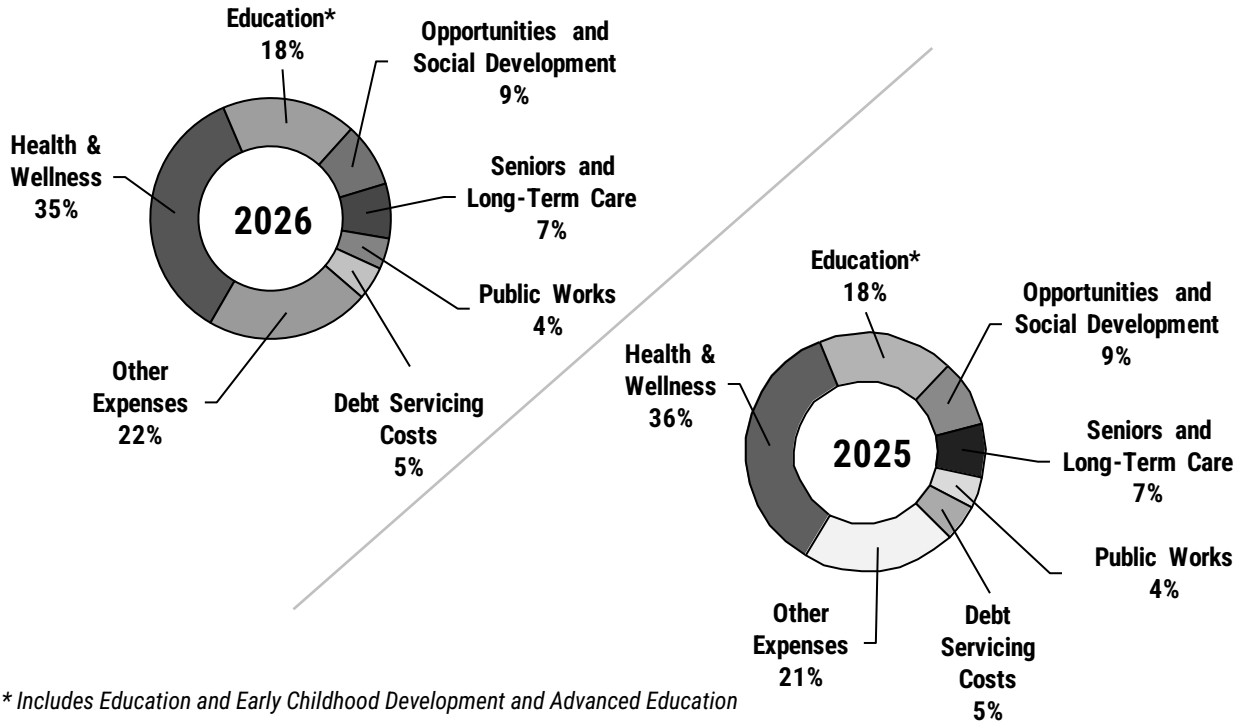
Interest on Unmatured Debt - 5 Year Trend



Financial Highlights of the Consolidated Financial Statements

Expenses by Function

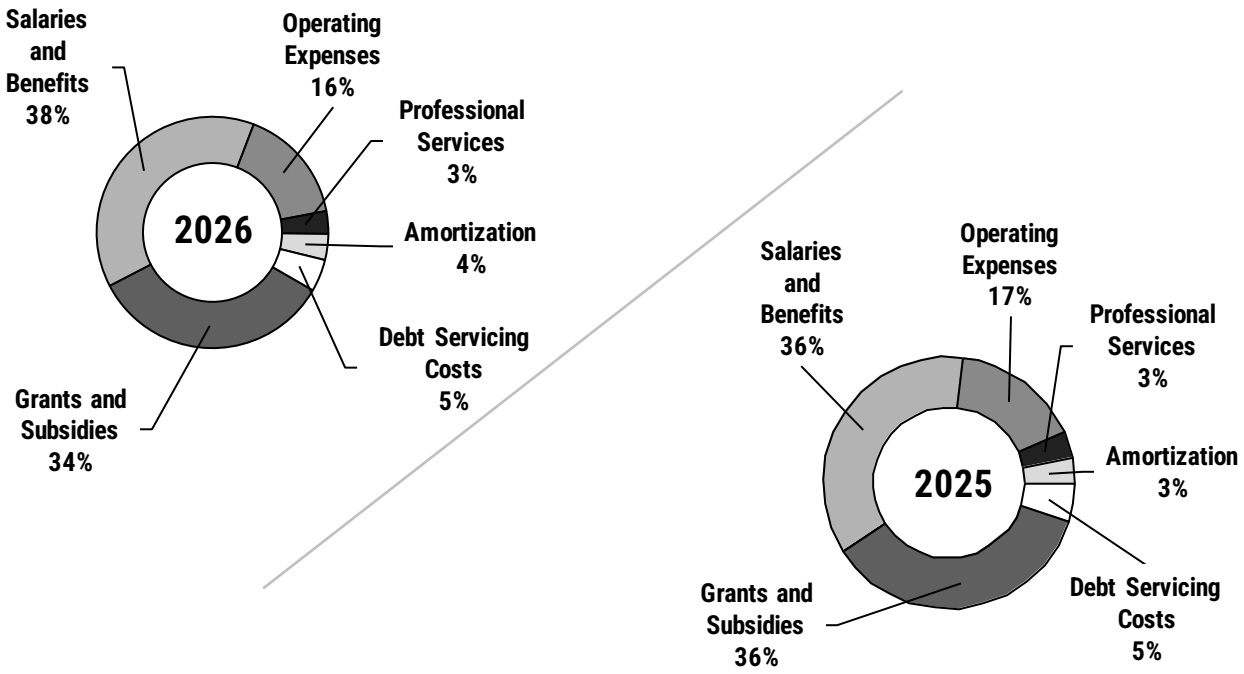
The Province's expenses by major functions remained relatively consistent compared to the prior year. The related breakdowns for fiscal years 2026 and 2025 were as follows:



** Includes Education and Early Childhood Development and Advanced Education*

Expenses By Object

The Province's expenses by object remained fairly consistent compared to the prior year. The related breakdowns for fiscal years 2026 and 2025 were as follows:



Financial Assets

Financial assets consist of assets available to discharge existing liabilities or to finance future operations. Financial assets increased by $453.9 million, or 6.3 per cent, from the prior year to $7.68 billion at the end of 2026. Cash and short-term investments increased by $141.9 million as a result of the operating, investing, capital, and financing activities as explained on page 33. Accounts receivable were $59.9 million higher than the prior year.

Loans receivable increased by $221.8 million mainly due to an increase of $75.5 million in the Fish and Farm Loan Board portfolios, $61.5 million in Finance and Treasury Board for loans to municipalities, and $55.2 million for the Nova Scotia Jobs Fund, and other net increases of $29.6 million.

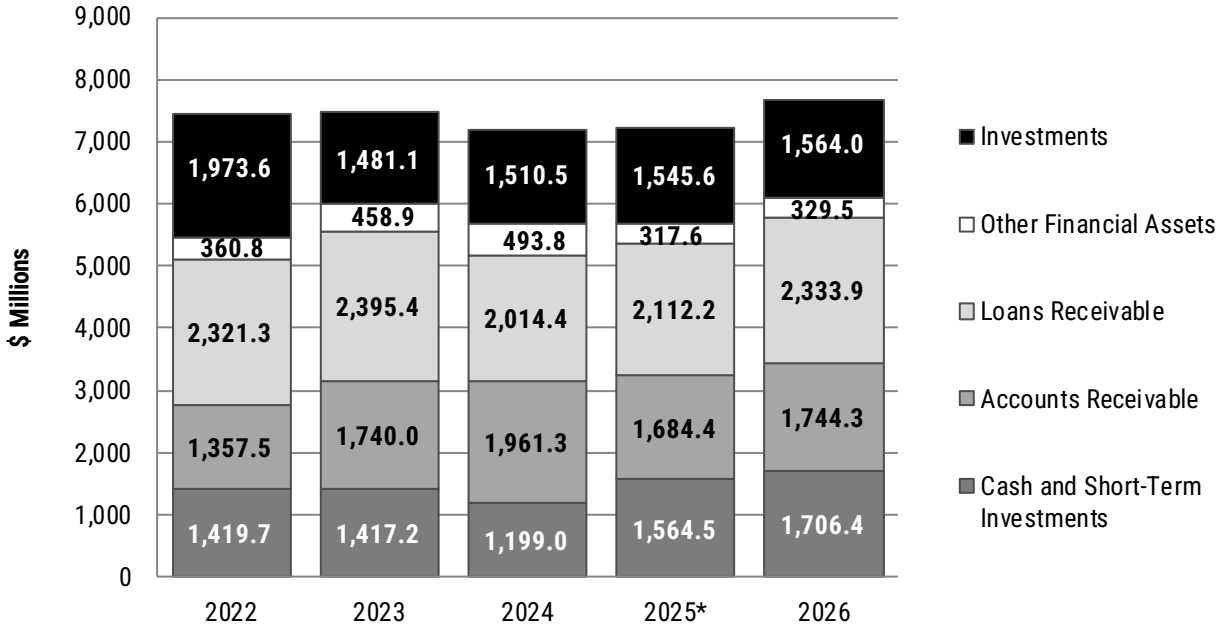
Investments increased by $18.5 million mainly due to an increase of $26.2 million in the Public Debt Management Fund, $7.9 million in Perennia Food and Agriculture Corporation, and $5.1 million in other net increases. These were slightly offset by decreases of $12.3 million in Nova Scotia Power Finance Corporation and $8.4 million in Nova Scotia Health Authority.

Financial Assets

($ thousands)

	Actual 2026	% of Total	Actual 2025	% of Total	Variance Increase (Decrease)
			(as restated)		
Cash and Short-Term Investments	1,706,391	22.2%	1,564,477	21.7%	141,914
Accounts Receivable	1,744,271	22.7%	1,684,407	23.3%	59,864
Loans Receivable	2,333,935	30.4%	2,112,167	29.2%	221,768
Investments	1,564,041	20.4%	1,545,590	21.4%	18,451
Other Financial Assets	329,506	4.3%	317,579	4.4%	11,927
Total Financial Assets	7,678,144	100.0%	7,224,220	100.0%	453,924

Financial Assets - 5 Year Trend



** As restated*

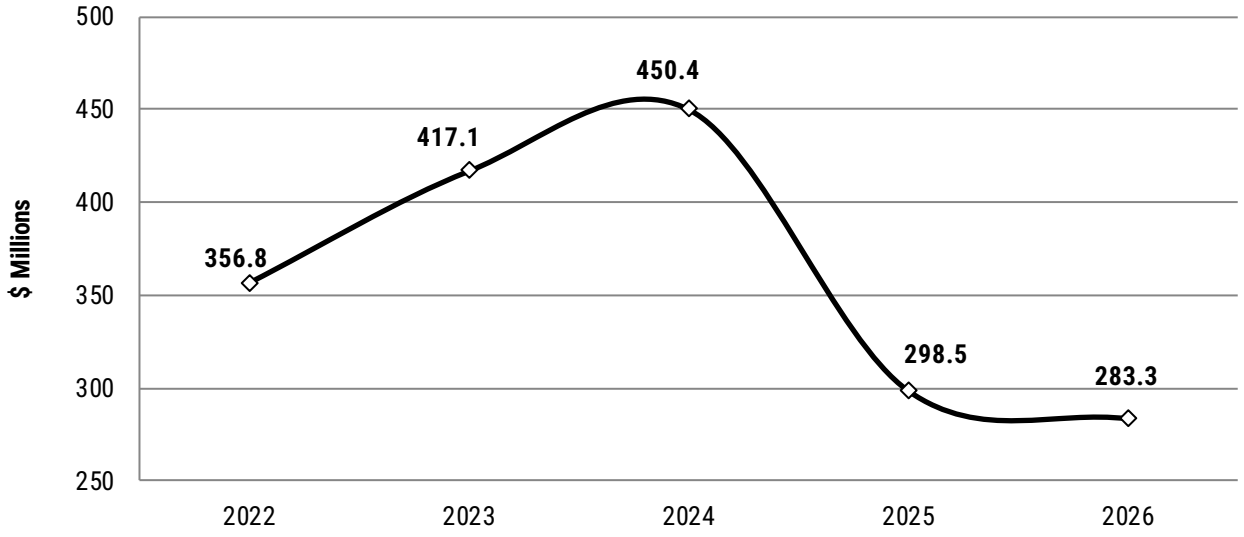
Financial Highlights of the Consolidated Financial Statements

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). 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. Overall investment in the Province's GBEs decreased by $15.2 million in 2026, to $283.3 million, with a decrease of $11.4 million in NSLC and $7.6 million in NSGC, slightly offset by a $3.8 million increase in H104.

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.

Investment in GBEs - 5 Year Trend



Liabilities

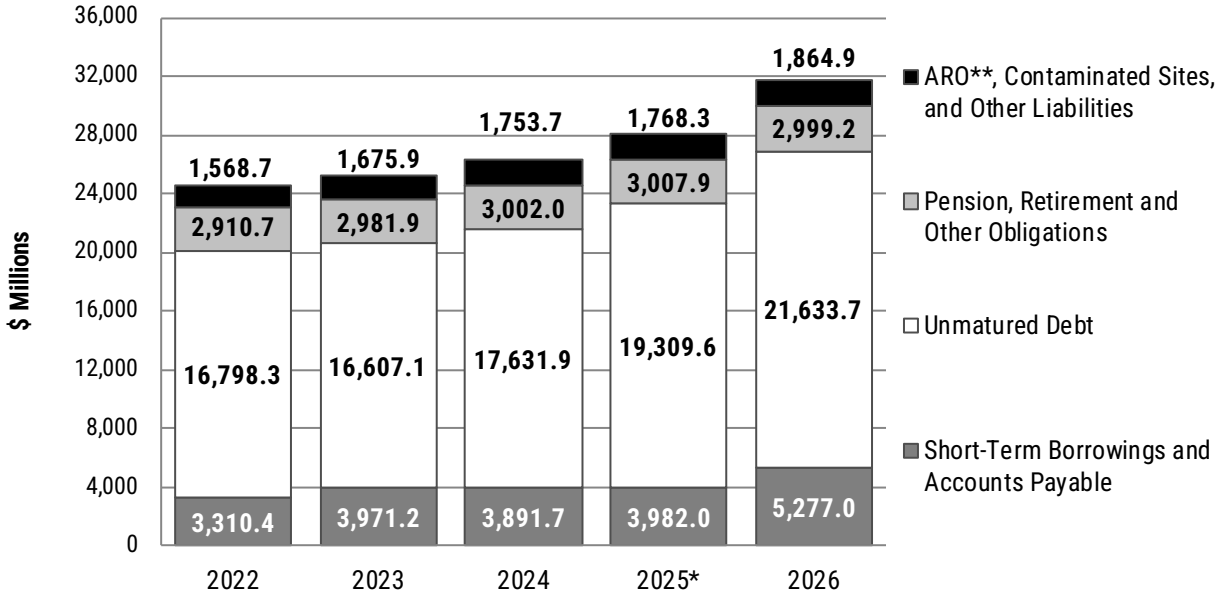
Liabilities, consisting of debts or other monetary obligations owing at year-end and to be settled in the future, increased by $3.71 billion, or 13.2 per cent, from the prior year to $31.77 billion. Unmatured debt increased by $2.32 billion from the prior year mainly due to proceeds of $5.06 billion from debt issued, partially offset by repayments of $2.76 billion. Accounts payable and accrued liabilities increased $896.0 million, and all other liabilities had a net increase of $486.9 million.

Liabilities

($ thousands)

	Actual 2026	% of Total	Actual 2025	% of Total	Variance Increase (Decrease)
			(as restated)		
Bank Advances and Short-Term Borrowings	1,460,707	4.6%	1,061,696	3.8%	399,011
Accounts Payable and Accrued Liabilities	3,816,317	12.0%	2,920,319	10.4%	895,998
Pension, Retirement and Other Obligations	2,999,184	9.4%	3,007,946	10.7%	(8,762)
Asset Retirement Obligations	660,537	2.1%	600,488	2.1%	60,049
Liabilities for Contaminated Sites	619,722	2.1%	613,978	2.2%	5,744
Unmatured Debt	21,633,693	68.1%	19,309,590	68.8%	2,324,103
Other Liabilities	584,678	1.7%	553,803	2.0%	30,875
Total Liabilities	31,774,838	100.0%	28,067,820	100.0%	3,707,018

Liabilities - 5 Year Trend



*** Asset Retirement Obligations*

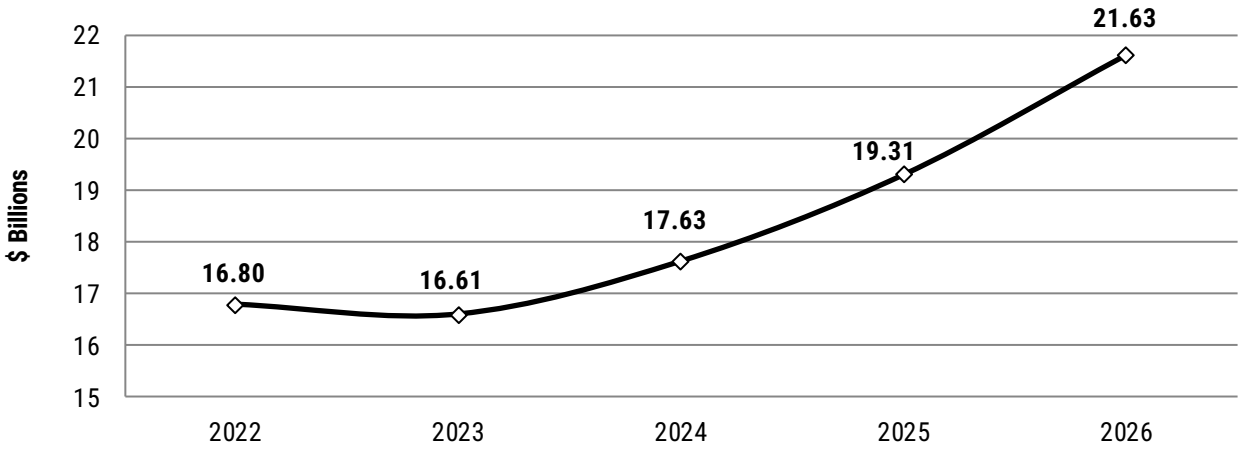
** As restated*

Financial Highlights of the Consolidated Financial Statements

Unmatured Debt

Unmatured debt, net of repurchased Province of Nova Scotia debentures, increased by $2.32 billion to $21.63 billion as at March 31, 2026, of which $21.36 billion related to debt borrowings of the Department of Finance and Treasury Board, $261.4 million of Nova Scotia Power Finance Corporation, and $8.6 million of Nova Scotia Health Authority. Over the past five years, unmatured debt has increased $4.83 billion from $16.80 billion in 2022 to $21.63 billion in 2026. 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.

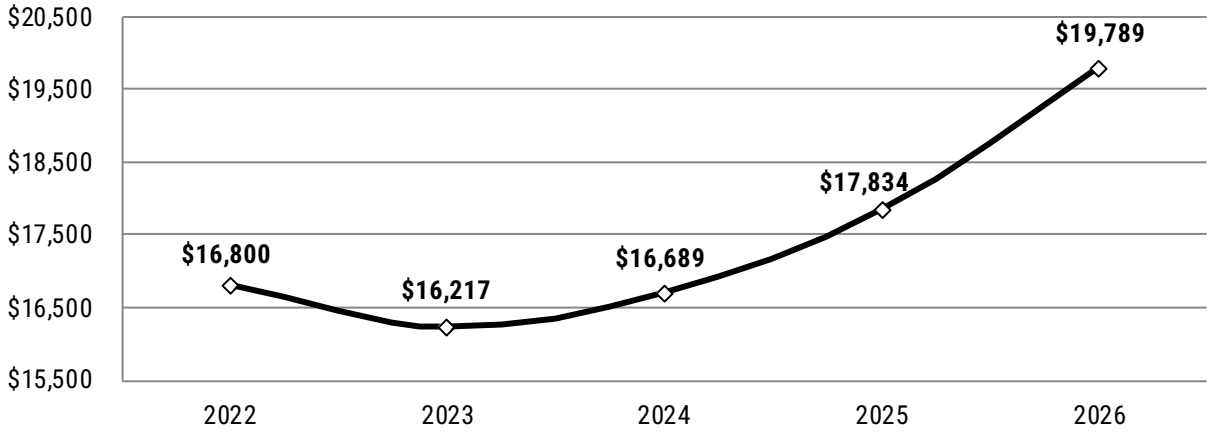
Unmatured Debt - 5 Year Trend



Unmatured Debt per Capita

Unmatured debt increased by $1,955 per capita from $17,834 in 2025 to $19,789 in 2026. Since 2022, unmatured debt per capita increased by $2,989 with a low of $16,217 in 2023 and a current high of $19,789.

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, May 25, 2026 and June 25, 2026, respectively. Morningstar DBRS credit rating agency last updated its credit rating for the Province, November 14, 2025 and tends to update its annual ratings in October each year. The Province's current credit ratings are "A (high)" with a stable outlook from Dominion Bond Rating Service (DBRS), "A+" with a negative outlook from S&P Global Ratings (S&P), and "Aa2" with a stable outlook from Moody's Ratings (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 August 31, 2026)

Province	Moody's	S&P	DBRS
Nova Scotia	Aa2	A+ (neg)	A (high)
New Brunswick	Aa1 (neg)	A+	A (high)
Newfoundland and Labrador	A1 (neg)	A (neg)	A
Prince Edward Island	Aa2 (neg)	A (neg)	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	Aa2 (neg)	A (neg)	AA
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, which can only be used to repay debt. Pre-borrowing for future years may add to the level of these funds.

In fiscal 2025-26, the Department of Finance and Treasury Board borrowed $3,000.0 million in par value ($3,028.1 million in proceeds) of term debt compared to borrowing requirements of $2,970.5 million (before contingency) estimated in Budget 2025-26. In the domestic public market, the Department of Finance and Treasury Board issued $1,400.0 million in debentures maturing December 1, 2055 with a coupon rate of 4.60 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 June 1, 2036 with a coupon rate of 3.90 per cent. The Province also issued $300.0 million of the June 1, 2074 debenture with a coupon rate of 4.75 per cent and $500.0 million of a Floating Rate Note based on the Canadian Overnight Repo Rate Average ("CORRA") maturing June 1, 2032.

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 2026, there were no foreign currency borrowings during the fiscal year (2025 – nil). As at March 31, 2026, 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 2.8 per cent for the fiscal year ended March 31, 2026, down from 3.3 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 97.2 per cent of the total principal in fixed interest rate form (2025 – 96.7 per cent), a significant degree of stability in debt servicing costs is expected in coming years. As at March 31, 2026, the average term to maturity of the gross debt portfolio decreased slightly to 16.1 years (2025 – 16.2 years).

The effect of a 1.0 per cent increase or decrease in interest rates would result in an increase or decrease of $6.2 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 $1.87 billion, or 15.4 per cent, to $14.03 billion at the end of 2026. Over the past five years, total non-financial assets increased from $8.02 billion at the end of 2022 to $14.03 billion at the end of 2026, an increase of $6.01 billion largely in the form of net acquisitions of tangible capital assets. Note that the amounts for 2022 and 2023 have not been restated for the accounting adjustment to long-term care facilities that was made in 2024-25.

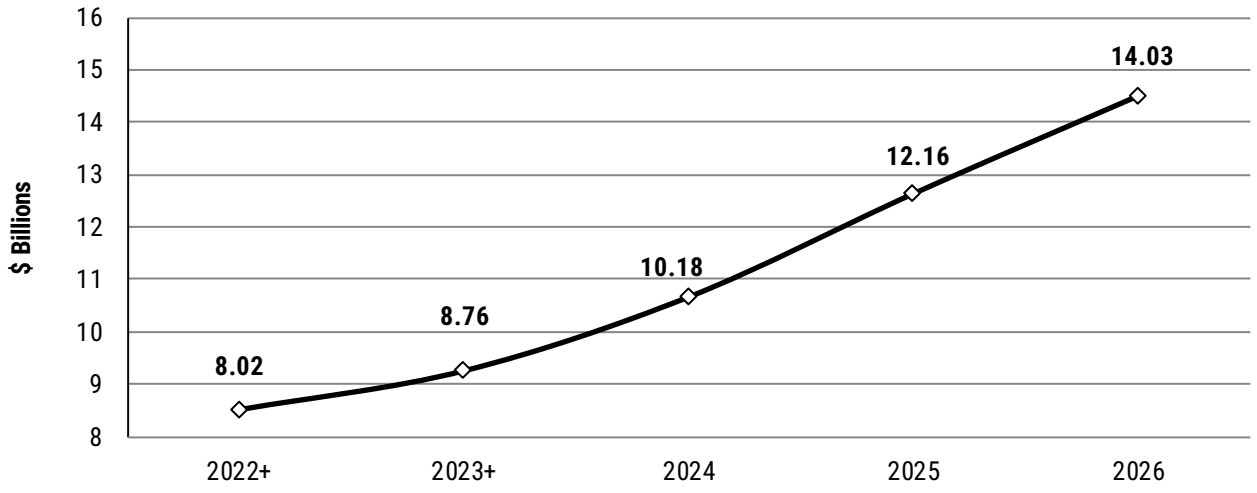
Further details on consolidated tangible capital assets can be found on the next two pages as well as in Schedule 7 of the Public Accounts on pages 127 and 128 of this publication. Additional details on tangible capital assets of the General Revenue Fund are provided on pages 48 and 49 of this publication.

Non-Financial Assets

($ thousands)

	Actual 2026	% of Total	Actual 2025	% of Total	Variance Increase (Decrease)
Tangible Capital Assets	13,770,504	98.1%	11,960,417	98.4%	1,810,087
Inventories of Supplies	147,396	1.1%	140,550	1.2%	6,846
Prepaid Expenses	109,398	0.8%	54,525	0.4%	54,873
Total Non-Financial Assets	14,027,298	100.00%	12,155,492	100.0%	1,871,806

Non-Financial Assets - 5 Year Trend



+ Not adjusted for accounting change to LTC facilities

Tangible Capital Assets

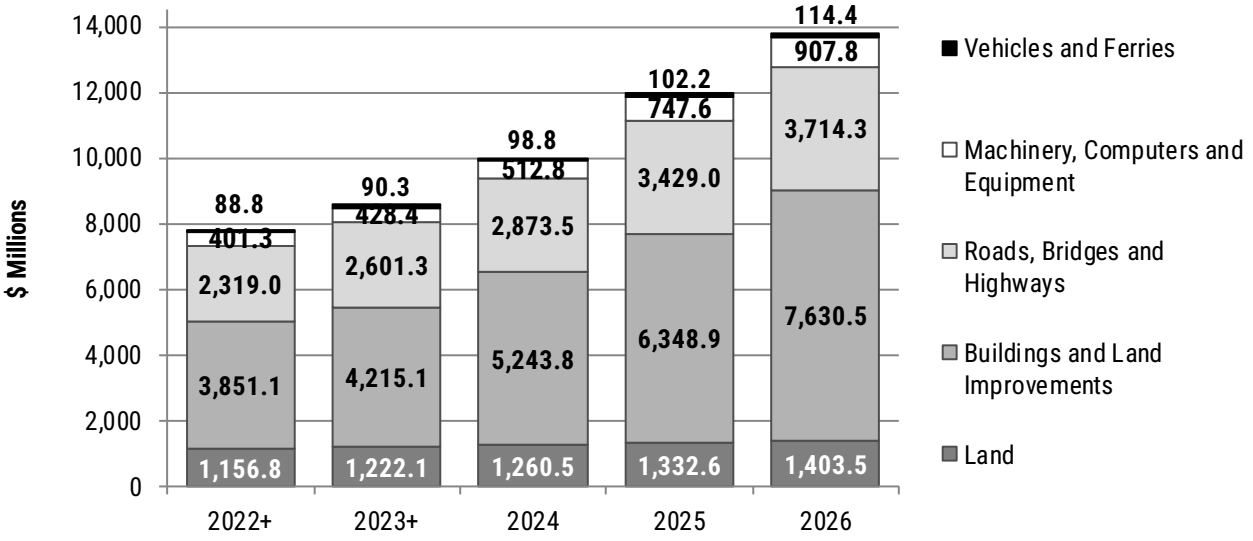
The net book value (acquisition cost less accumulated amortization) of tangible capital assets (TCA) makes up a substantial asset of the Province, totaling $13.77 billion at the end of 2026, an increase of $1.81 billion, or 15.1 per cent, from the previous year. The Buildings and Land Improvements asset class includes all of the provincially owned buildings, schools, hospitals, long-term care facilities financed by the Province, 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 $650.5 thousand in contributed tangible capital assets received during the 2026 fiscal year (2025 – $118.6 thousand).

Tangible Capital Assets (Net Book Value)
($ thousands)

	Actual 2026	% of Total	Actual 2025	% of Total	Variance Increase
Land	1,403,464	10.2%	1,332,605	11.1%	70,859
Buildings and Land Improvements	7,630,539	55.4%	6,348,919	53.1%	1,281,620
Roads, Bridges and Highways	3,714,287	27.0%	3,429,041	28.7%	285,246
Machinery, Computers and Equipment	907,799	6.6%	747,627	6.2%	160,172
Vehicles and Ferries	114,415	0.8%	102,225	0.9%	12,190
Total Tangible Capital Assets	13,770,504	100.0%	11,960,417	100.0%	1,810,087

Tangible Capital Assets - 5 Year Trend



+ Not adjusted for accounting change to LTC facilities

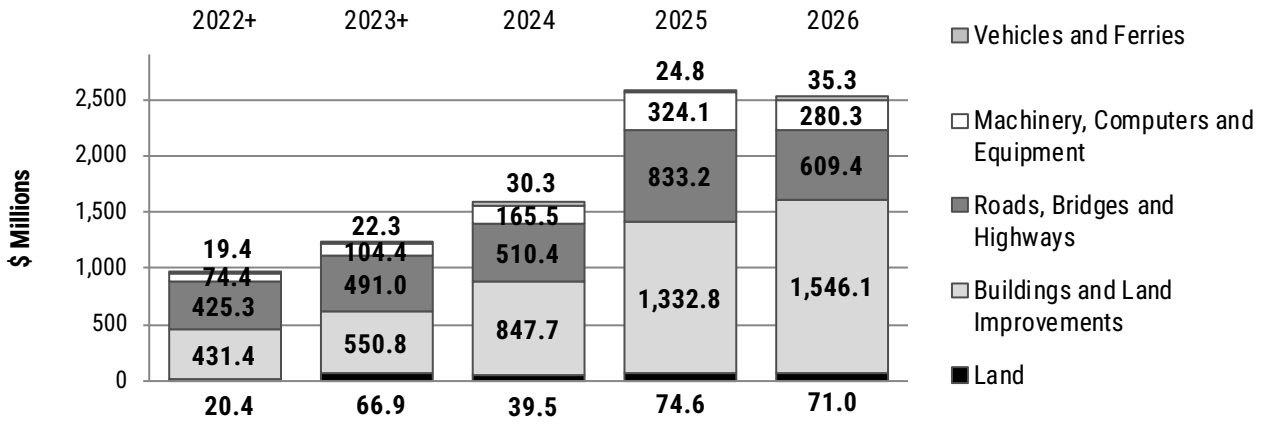
Acquisition and Transfers of Tangible Capital Assets (TCA)

Acquisitions and transfers of TCA totaled $2.54 billion in 2026, which was $188.4 million higher than the estimate and $47.4 million lower than the prior year mainly due to an increase in current year acquisitions in buildings and land improvements of $213.3 million, which is offset by decreases in acquisitions of $223.8 million in roads, bridges and highways and $43.8 million in machinery, computers and equipment.

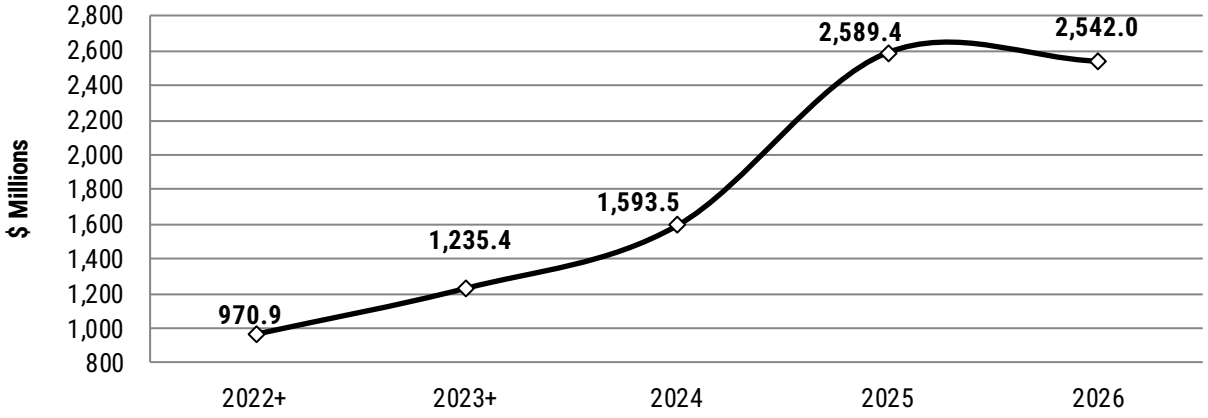
Additions to buildings and land improvements totaled $1.55 billion (2025 — $1.33 billion), of which $1.33 billion related to the construction and improvement of buildings within the General Revenue Fund (GRF) and $215.2 million related to other governmental units.

Land purchases totaled $71.0 million (2025 – $74.6 million) during the year and additions to roads, bridges and highways totaled $609.4 million (2025 – $833.2 million). Additions to machinery, computers and equipment were $280.3 million (2025 – $324.1 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 and Transfers by Asset Class - 5 Year Trend



TCA Acquisitions and Transfers at Gross Cost - 5 Year Trend

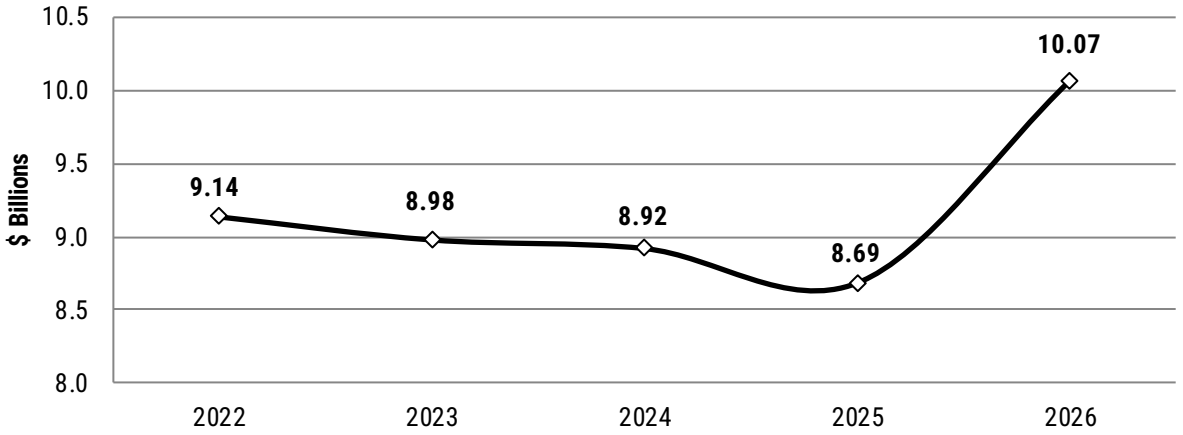


+ Not adjusted for accounting change to LTC facilities

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 $10.07 billion at March 31, 2026, $1.38 billion higher 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:

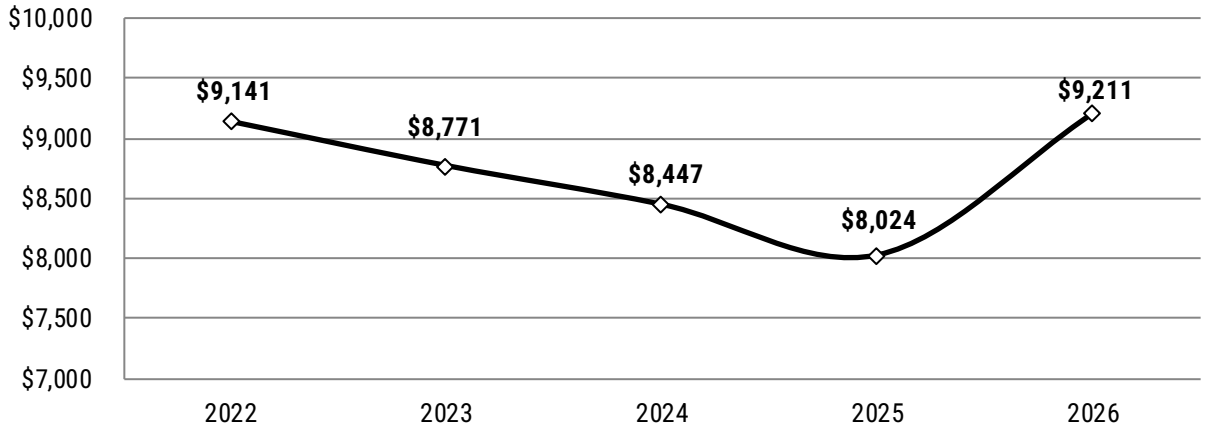
Accumulated Deficits - 5 Year Trend



Accumulated Deficits per Capita

Accumulated deficits increased by $1,187 on a per capita basis from $8,024 in 2025 to $9,211 in 2026. Since 2022, accumulated deficits per capita have increased overall by $70.

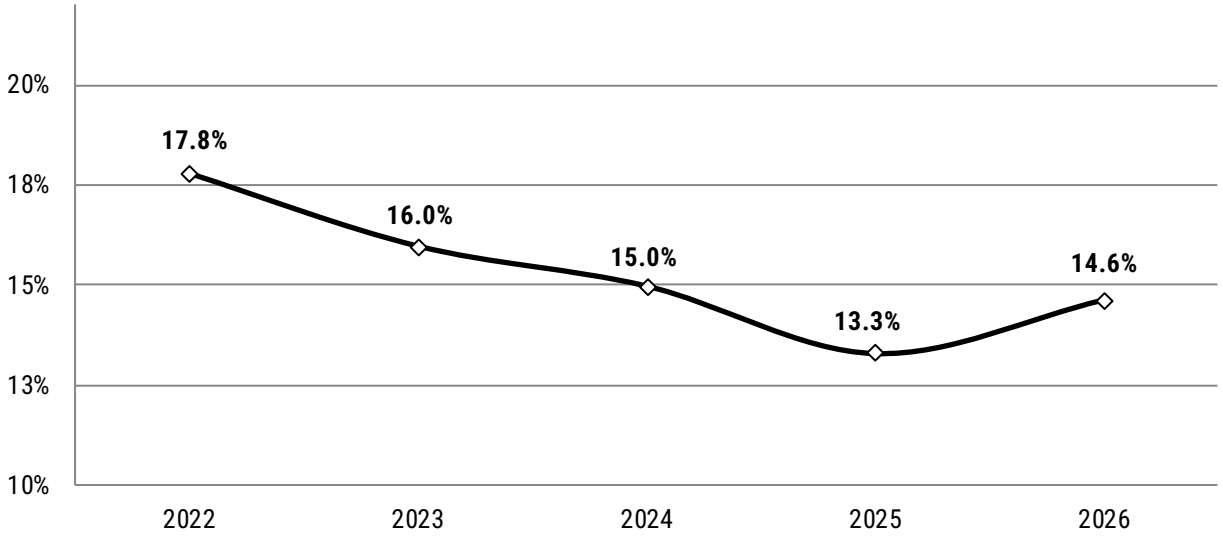
Accumulated Deficits per Capita - 5 Year Trend



Accumulated Deficits to Nominal Gross Domestic Product (GDP)

Accumulated deficits expressed as a percentage of nominal GDP increased 1.3 percentage points from 13.3 per cent in 2025 to 14.6 per cent in 2026 mainly due to the provincial deficit and slightly offset by an increase in GDP from the prior year. Over the past five years, this ratio decreased by 3.2 percentage points with a high of 17.8 per cent in 2022 and a low of 13.3 per cent in 2025.

Accumulated Deficits to Nominal GDP - 5 Year Trend



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 79 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.

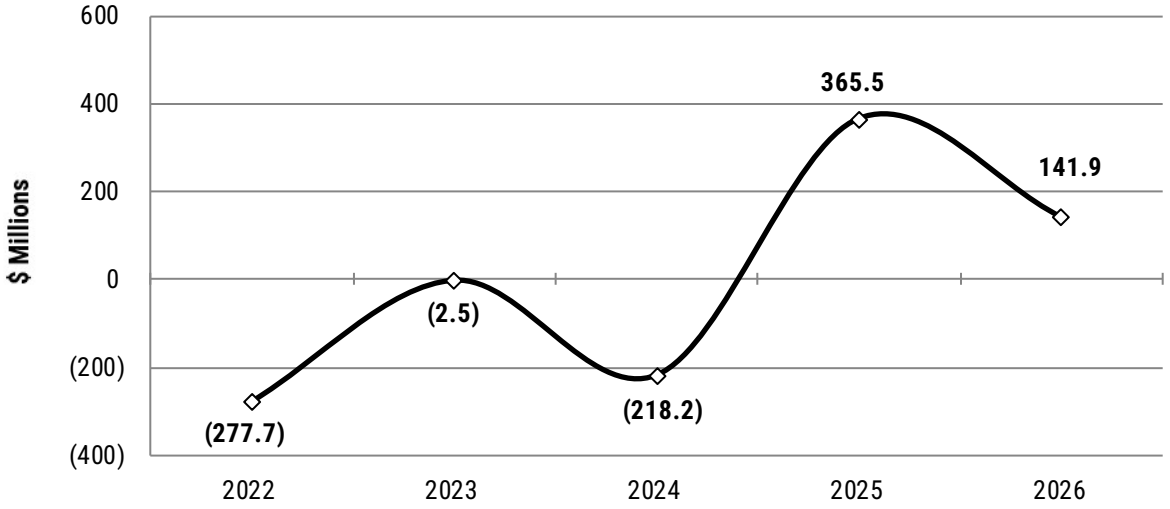
During 2026, the Province's cash position increased by $141.9 million. Cash outflows were used to fund net capital investments of $2.51 billion and finance $214.8 million in net loans and investments. Net cash inflows of $2.30 billion were generated from debt financing activities and $573.2 million from operating activities.

Cash Flows by Activity

($ thousands)

	Actual 2026	Actual 2025	Variance Increase (Decrease)
Operating	573,232	1,361,760	(788,528)
Investing	(214,796)	(83,012)	(131,784)
Capital	(2,514,590)	(2,586,910)	72,320
Financing	2,298,068	1,673,660	624,408
Net Inflows (Outflows)	141,914	365,498	(223,584)

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 86 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 105 to 107.

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 2025-26, tabled on February 18, 2025, 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 133 to 135 of this publication.

Reconciliation of Estimates
Adjusted Estimates of the Consolidated Financial Statements
For the fiscal year ended March 31, 2026
($ thousands)

	Estimate 2026	Adjustments	Adjusted Estimate 2026
Revenue			
Provincial Sources			
Tax Revenue	8,831,935	—	8,831,935
Other Provincial Revenue	831,652	988,758	1,820,410
Net Income from Government Business Enterprises	465,447	—	465,447
Investment Income	215,369	10,436	225,805
	10,344,403	999,194	11,343,597
Federal Sources	6,161,226	56,901	6,218,127
Total Revenue	16,505,629	1,056,095	17,561,724
Expenses			
Departmental Expenses			
Advanced Education	732,171	105,089	837,260
Agriculture	47,946	12,387	60,333
Communities, Culture, Tourism and Heritage	168,120	4,869	172,989
Cyber Security and Digital Solutions	283,921	—	283,921
Education and Early Childhood Development	2,225,951	463,858	2,689,809
Emergency Management	61,060	10,608	71,668
Energy	48,613	—	48,613
Environment and Climate Change	80,124	74,009	154,133
Finance and Treasury Board	48,406	21,300	69,706
Fisheries and Aquaculture	15,095	301	15,396
Growth and Development	400,214	84,954	485,168
Health and Wellness	5,976,833	431,401	6,408,234
Justice	489,245	3,384	492,629
Labour, Skills and Immigration	246,453	(22,416)	224,037
Municipal Affairs	337,882	—	337,882
Natural Resources	112,138	(1,636)	110,502
Opportunities and Social Development	1,676,809	(2,265)	1,674,544
Public Service	525,274	(328,520)	196,754
Public Works	840,141	(67,436)	772,705
Seniors and Long-Term Care	1,462,480	(99,447)	1,363,033
Service Nova Scotia	164,805	82	164,887
Restructuring Costs	551,472	—	551,472
	16,495,153	690,522	17,185,675
Refundable Tax Credits	147,960	—	147,960
Pension Valuation Adjustment	17,079	—	17,079
Debt Servicing Costs	908,509	—	908,509
Total Expenses	17,568,701	690,522	18,259,223
Contingency	200,000	—	200,000
Consolidation and Accounting Adjustments			
General Revenue Fund Consolidation Adjustments	410,313	(410,313)	—
Special Purpose Funds	(4,786)	4,786	—
Other Organizations	(39,954)	39,954	—
Total Adjustments	365,573	(365,573)	—
Provincial Deficit	(897,499)	—	(897,499)

Selected Highlights of the General Revenue Fund
For the fiscal year ended March 31, 2026
($ thousands)

	Estimate 2026	Actual 2026	Actual 2025
General Revenue Fund *			
Revenues			
Ordinary Revenue	14,970,232	15,165,997	15,469,166
Ordinary Recoveries	1,069,950	1,307,459	1,214,020
Net Income from Government Business Enterprises	465,447	471,418	490,867
	16,505,629	16,944,874	17,174,053
Expenses			
Departmental Expenses	16,495,153	17,677,505	16,261,614
Refundable Tax Credits	147,960	165,302	155,908
Pension Valuation Adjustment	17,079	(40,265)	(16,151)
Debt Servicing Costs	908,509	873,058	876,312
	17,568,701	18,675,600	17,277,683
Contingency	200,000	—	—
	(1,263,072)	(1,730,726)	(103,630)
Consolidation and Accounting Adjustments			
General Revenue Fund Consolidation Adjustments	410,313	333,904	351,242
Special Purpose Funds	(4,786)	(1,365)	(2,810)
Other Organizations	(39,954)	(8,852)	19,986
	365,573	323,687	368,418
Provincial Surplus (Deficit)	(897,499)	(1,407,039)	264,788

* *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, 2026 was $439.2 million, or 2.7 per cent, higher than the estimate and $229.2 million, or 1.3 per cent, lower 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.

Revenue
($ thousands)

	Estimate 2026	Actual 2026	Actual 2025	Actual vs Estimate Increase (Decrease)	Actual vs Actual Increase (Decrease)
Provincial Sources					
Tax Revenue					
Personal Income Tax	4,730,924	4,743,879	4,471,232	12,955	272,647
Corporate Income Tax	836,540	900,665	942,496	64,125	(41,831)
Harmonized Sales Tax	2,588,233	2,567,300	2,667,054	(20,933)	(99,754)
Tobacco Tax	93,291	92,372	108,335	(919)	(15,963)
Motive Fuel Tax	284,393	278,972	272,370	(5,421)	6,602
Cannabis and Vaping Tax	22,195	23,713	22,122	1,518	1,591
Non-Resident Deed Transfer Tax	27,752	18,189	14,559	(9,563)	3,630
Other Tax Revenue	248,607	276,980	283,898	28,373	(6,918)
Other Provincial Revenue					
Registry of Motor Vehicles	155,425	158,539	155,286	3,114	3,253
Prior Years' Adjustments	–	87,097	576,059	87,097	(488,962)
Other Provincial Sources	176,530	210,024	388,482	33,494	(178,458)
Ordinary Recoveries	424,872	640,437	560,636	215,565	79,801
Other Fees and Charges	62,897	73,383	73,437	10,486	(54)
TCA Cost Shared Revenue	10,278	10,599	8,682	321	1,917
Net Gain (Loss) on Disposal of Crown Assets	1,700	(9,968)	8,266	(11,668)	(18,234)
Net Income from Government Business Enterprises	465,447	471,418	490,867	5,971	(19,449)
Investment Income					
Interest Revenue	188,226	124,992	170,858	(63,234)	(45,866)
Sinking Fund Earnings	27,143	26,220	25,856	(923)	364
Total Provincial Sources	10,344,453	10,694,811	11,240,495	350,358	(545,684)
Federal Sources					
Equalization Payments	3,464,825	3,464,825	3,284,338	–	180,487
Canada Health Transfer	1,409,990	1,435,328	1,357,718	25,338	77,610
Canada Social Transfer	449,055	457,125	440,804	8,070	16,321
Prior Years' Adjustments	–	11,838	542	11,838	11,296
Ordinary Recoveries	645,078	667,022	653,384	21,944	13,638
TCA Cost Shared Revenue	28,717	46,618	28,889	17,901	17,729
Other Federal Sources	163,511	167,307	167,883	3,796	(576)
Total Federal Sources	6,161,176	6,250,063	5,933,558	88,887	316,505
Total Revenue	16,505,629	16,944,874	17,174,053	439,245	(229,179)

General Revenue Fund – Revenue Variance Analysis

Personal Income Tax

Personal Income Tax (PIT) revenue was $13.0 million, or 0.3 per cent, higher than the estimate with small variations in taxable income, average yield rate, and tax credits. Taxable income was down 0.4 per cent for 2025 and 0.6 per cent for 2026 compared to estimate due to a reduction in the 2024 base level. The yield rate was essentially unchanged for 2025 and up 0.4 per cent for 2026.

PIT revenue was $272.6 million, or 6.1 per cent, higher than the prior year.

Corporate Income Tax

Corporate Income Tax (CIT) revenue was $64.1 million, or 7.7 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 3.5 per cent in 2025 and 1.2 per cent in 2026. Nova Scotia's share of national corporate taxable income was essentially unchanged for 2025 and increased by 0.7 per cent for 2026. A shift in taxable income from the small business tax rate to the higher general tax rate also supported higher revenue.

CIT revenue was $41.8 million, or 4.4 per cent, lower than the prior year.

Harmonized Sales Tax

Harmonized Sales Tax (HST) revenue was $20.9 million, or 0.8 per cent, lower than estimate due to a lower overall tax base and higher rebates. The total tax base was down 0.1 per cent in 2025 and 0.4 per cent in 2026, primarily due to a decline in the housing base, which was down 8.4 per cent in 2025 and 11.7 per cent in 2026, more than offsetting an increase in the public sector base, which was up 12.6 per cent in 2025 and 13.2 per cent in 2026. The largest portion of the tax base, consumer expenditures, was down 0.5 per cent in 2025 and 0.3 per cent in 2026. HST rebates increased for public sector bodies, purpose built-rental housing, and Your Energy Rebate Program compared to the estimate.

HST revenue was $99.8 million, or 3.7 per cent, lower than the prior year.

Tobacco Tax

Tobacco Tax revenue was $0.9 million, or 1.0 per cent, lower than the estimate due to a decrease of 5.1 per cent in the consumption of legal cigarettes. Refunds and other adjustments on a net basis partially offset the lower tax revenue associated with cigarettes.

Tobacco Tax revenue was $16.0 million, or 14.7 per cent, lower than the prior year.

Motive Fuel Tax

Motive Fuel Tax revenue was $5.4 million, or 1.9 per cent, lower than the estimate due to decreases of 1.2 per cent in the consumption of gasoline and 2.3 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 2025-26.

Motive Fuel Tax revenue was $6.6 million, or 2.4 per cent, higher than the prior year.

Unless otherwise indicated, the analysis for tax revenue and PYAs is based on the calendar year, not the fiscal year.

Cannabis and Vaping Products Tax

Cannabis and Vaping Products Tax revenue was $1.5 million, or 6.8 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 $1.6 million, or 7.2 per cent, higher than the prior year.

Non-Resident Deed Transfer Tax

Non-Resident Deed Transfer Tax revenue was $9.6 million, or 34.5 per cent, lower than the estimate due to a decrease in average tax per transaction offsetting an increase in volume of transactions.

Non-Resident Deed Transfer Tax revenue was $3.6 million, or 24.9 per cent, higher than the prior year.

Prior Years' Adjustments — Provincial Sources

Prior Years' Adjustments (PYAs) from provincial sources resulted in an increase of $87.1 million reflecting updates to the Province's economic forecast, federal government information on tax returns, revisions to HST forecasts for open years, and forecast updates to Financial Institutions Capital Tax and Large Corporations Tax.

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: $13.1 million for PIT, $4.7 million for CIT, $66.5 million for HST, $2.7 million for Financial Institutions Capital Tax and $21 thousand related to the Large Corporations Tax.

Other Provincial Sources

Other Provincial Sources were $33.5 million, or 19.0 per cent, higher than estimate primarily due to increased revenue for Pharmacare Premiums at the Department of Health and Wellness and the output-based pricing system at the Department of Environment and Climate Change.

Other Provincial Sources was $178.5 million, or 45.9 per cent, lower than the prior year primarily due to no Tobacco Settlement revenue recorded in the current year.

Ordinary Recoveries from Provincial Sources

Ordinary Recoveries from provincial sources were $215.6 million, or 50.7 per cent, higher than estimate primarily due to $102.3 million received from the sale of Northern Pulp timberlands, $91.6 million for corporate prior years' recoveries, $12.8 million in the Department of Cyber Security and Digital Solutions, mainly due to increased IT hardware and software purchases and One Patient One Record support on behalf of related entities, $6.2 million in the Department of Public Works mainly due to third-party highway recoveries, and $4.8 million in the Department of Justice mainly due to additional RCMP billings to municipalities.

Ordinary Recoveries from provincial sources were $79.8 million, or 14.2 per cent, higher than prior year mainly due to $75.5 million for corporate prior years' recoveries and $11.0 million in the Department of Justice mainly due to additional RCMP billings to municipalities. These increases were partially offset by decreases of $5.4 million in the Department of Public Works, mainly due to Highway 104 recoverable work for rest stops, repaving, and bridges, and $5.1 million in the Department of Health and Wellness mainly due to fewer non-resident inpatients.

Net Income from Government Business Enterprises
Net Income from Government Business Enterprises was $6.0 million, or 1.3 per cent, higher than the estimate primarily due to increases of $4.7 million in the Nova Scotia Liquor Corporation and $1.5 million in the Highway 104 Western Alignment Corporation, partially offset by a decrease of $300 thousand in the Nova Scotia Gaming Corporation.

Net Income from Government Business Enterprises was $19.4 million, or 4.0 per cent, lower than the prior year.

Investment Income
Interest Revenue was $63.2 million, or 33.6 per cent, lower than the estimate primarily due to lower-than-anticipated interest rates and reduced investment holdings.

Interest Revenue was $45.9 million, or 26.8 per cent, lower than the prior year.

Equalization Payments
Equalization payments were unchanged from the estimate. Equalization is based upon a one-estimate, one-payment approach.

Equalization payments were $180.5 million, or 5.5 per cent, higher than the prior year.

Canada Health Transfer
Canada Health Transfer (CHT) revenue was $25.3 million, or 1.8 per cent, higher than the estimate. The revised estimate is based on an increase in the Province's share of the national population from 2.58 per cent to 2.62 per cent based on official estimates released by Statistics Canada in September 2025.

CHT revenue was $77.6 million, or 5.7 per cent, higher than the prior year.

Canada Social Transfer
Canada Social Transfer (CST) revenue was $8.1 million, or 1.8 per cent, higher than the estimate. The revised estimate is based on an increase in the Province's share of the national population from 2.58 per cent to 2.62 per cent based on official estimates released by Statistics Canada in September 2025.

CST revenue was $16.3 million, or 3.7 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 $11.8 million due to revised population estimates resulting in an upward revision to Nova Scotia's share of the national population from 2.61 per cent to 2.62 per cent for the 2024–25 CHT and CST entitlement 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 $8.9 million for CHT and positive $2.9 million for CST.

Ordinary Recoveries — Federal Sources

Ordinary Recoveries from federal sources were $21.9 million, or 3.4 per cent, higher than the estimate primarily due to $67.7 million in the Department of Emergency Management, mainly due to wildfire expenses recovered through the Disaster Financial Assistance Arrangements program, $17.1 million in the Department of Growth and Development, mainly due to National Housing Strategy recoveries, and $6.7 million in the Department of Energy, mainly due to the Canada Greener Homes Affordability Program and Off Oil Programming.

These increases were partially offset by decreases of $37.8 million in the Department of Municipal Affairs, mainly due to the timing of Municipal projects under the Investing in Canada Infrastructure Program and $33.4 million in the Department of Education and Early Childhood Development, mainly due to initiatives under the Canada-wide Early Learning Child Care Agreement deferred to next fiscal year.

Ordinary Recoveries from federal sources were $13.6 million, or 2.1 per cent, higher than the prior year primarily due to $13.3 million in the Department of Education and Early Childhood Development, mainly due to the continued implementation of the School Lunch program and cash flow changes under the Canada-wide Early Learning and Childcare Agreement, $11.3 million in the Department of Energy, mainly for Off Oil Programming and Canada Greener Homes Affordability Program, $8.7 million in the Department of Growth and Development, mainly due to recoverable initiatives under the National Housing Strategy, $3.1 million in the Department of Environment and Climate Change, mainly due to projects under the Canada-Nova Scotia Nature Agreement, $2.6 million in the Department of Labour, Skills and Immigration, mainly due to cash flow changes under the Labour Market Transfer Agreements (Workforce Tariff Response) and the Foreign Credential Recognition Program, and $2.6 million in the Department of Natural Resources, mainly due to wildfire prevention and 2 Billion Trees program.

These increases were partially offset by decreases of $27.2 million in the Department of Municipal Affairs, mainly due to timing of Municipal projects under the Investing in Canada Infrastructure Program and $2.2 million in the Department of Public Works, mainly due to changes in the Boat Harbour remediation liability.

General Revenue Fund – Departmental Expenses

Overall, departmental expenses of the General Revenue Fund for the fiscal year ended March 31, 2026 were $1.18 billion, or 7.2 per cent, higher than the estimate and $1.42 billion, or 8.7 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 2026	Actual 2026	Actual 2025	Actual vs Estimate Increase (Decrease)	Actual vs Actual Increase (Decrease)
Advanced Education	732,171	740,391	739,066	8,220	1,325
Agriculture	47,946	51,544	57,658	3,598	(6,114)
Communities, Culture, Tourism and Heritage	168,120	208,351	242,321	40,231	(33,970)
Cyber Security and Digital Solutions	283,921	283,420	246,549	(501)	36,871
Education and Early Childhood Development	2,225,951	2,185,650	1,998,073	(40,301)	187,577
Emergency Management	61,060	77,865	48,825	16,805	29,040
Energy	48,613	58,269	43,752	9,656	14,517
Environment and Climate Change	80,124	72,732	76,400	(7,392)	(3,668)
Finance and Treasury Board	48,406	81,919	228,257	33,513	(146,338)
Fisheries and Aquaculture	15,095	15,093	16,286	(2)	(1,193)
Growth and Development	400,214	402,951	416,365	2,737	(13,414)
Health and Wellness	5,976,833	6,361,451	5,778,476	384,618	582,975
Justice	489,245	509,557	485,014	20,312	24,543
Labour, Skills and Immigration	246,453	230,188	242,527	(16,265)	(12,339)
Municipal Affairs	337,882	278,524	314,508	(59,358)	(35,984)
Natural Resources	112,138	175,963	112,777	63,825	63,186
Opportunities and Social Development	1,676,809	1,677,049	1,613,917	240	63,132
Public Service	525,274	525,804	517,070	530	8,734
Public Works	840,141	882,920	790,161	42,779	92,759
Seniors and Long-Term Care	1,462,480	1,538,811	1,411,236	76,331	127,575
Service Nova Scotia	164,805	174,974	220,613	10,169	(45,639)
Restructuring Costs	551,472	1,144,079	661,763	592,607	482,316
Total Departmental Expenses	16,495,153	17,677,505	16,261,614	1,182,352	1,415,891

Requests 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 50 and 51.

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 approved by the Legislature in the annual Appropriations Act.

Departmental Expenses Compared To Estimate

Communities, Culture, Tourism and Heritage
Department of Communities, Culture, Tourism and Heritage expenses were $40.2 million, or 23.9 per cent, higher than the estimate primarily due to $31.9 million for film and television production incentives and $5.3 million for the Feeding Communities Fund.

Education and Early Childhood Development
Department of Education and Early Childhood Development expenses were $40.3 million, or 1.8 per cent, lower than the estimate primarily due to decreases of $35.9 million in Early Learning and Childcare, mainly related to initiatives under the Canada-wide Early Learning Child Care Agreement which are deferred to next fiscal year, $20.5 million for School Food primarily related to the School Lunch Program, $8.3 million in operating funding for regional centres for education and Conseil scolaire acadien provincial, and $4.7 million in other operating savings.

These decreases were partially offset by increases of $19.5 million for Nova Scotia Teachers Union medical and dental premiums and $9.6 million related to the Teachers' Pension Plan.

Emergency Management
Department of Emergency Management expenses were $16.8 million, or 27.5 per cent, higher than the estimate primarily due to increases of $17.8 million for partially recoverable Disaster Financial Assistance costs (mainly for the summer 2025 large scale wildfires), partially offset by $1.0 million in vacancy and operating savings.

Energy
Department of Energy expenses were $9.7 million, or 19.9 per cent, higher than the estimate primarily due to a $5.0 million contribution to the Subsurface Energy Research and Development Investment Program and $5.0 million for the Canada Greener Homes Affordability Program.

Finance and Treasury Board
Department of Finance and Treasury Board expenses were $33.5 million, or 69.2 per cent, higher than the estimate primarily due to $36.0 million for asset retirement obligations, partially offset by salary and operating savings of $1.3 million and decreases of $1.2 million in wine support programming.

Health and Wellness
Department of Health and Wellness expenses were $384.6 million, or 6.4 per cent, higher than the estimate primarily due to increases of $206.3 million for Nova Scotia Health and IWK inflationary pressures and staffing costs, $136.4 million in Physician Services mainly from increased participation in the Longitudinal Family Medicine funding model and Alternative Payment and Funding Plans, $42.4 million in Pharmaceutical Services and Extended Benefits mainly driven by increased enrollment and drugs costs in Senior's Pharmacare, $17.5 million for increased demand for plasma protein and blood products through Canadian Blood Services, $17.1 million for Emergency Health Services largely due to increased volume in Ambulance Services.

These increases were partially offset by $44.6 million in capital grants and amortization due to changes in the timing of projects.

Justice
The Department of Justice expenses were $20.3 million, or 4.2 per cent, higher than the estimate primarily due to $14.3 million in Correctional Services operational pressures including food, utilities, and staffing costs, $9.1 million in Court Services pressures in operational costs related to staffing, and $2.3 million for the Medical Examiner Service due to higher caseloads. These increases were partially offset by decreases of $4.1 million in RCMP and First Nations policing contracts and $2.0 million in operating savings.

Labour, Skills and Immigration
Department of Labour, Skills and Immigration expenses were $16.3 million, or 6.6 per cent, lower than the estimate primarily due to decreases of $13.5 million related to Action for Growing Skilled Trades, reflecting lower than anticipated utilization, $1.8 million in lower than anticipated Workers Compensation Board costs, which are fully recoverable, and $0.9 million for the Forum of Labour Market Ministers, which is fully recoverable.

Municipal Affairs
Department of Municipal Affairs expenses were $59.4 million, or 17.6 per cent, lower than the estimate primarily due to decreases of $59.9 million related to Federal Infrastructure Program changes in timing of project completion, of which $37.3 million is recoverable, and $3.1 million for Grants in Lieu of Property Tax. These decreases were partially offset by an increase of $3.1 million for Canada Housing Infrastructure Fund (CHIF) projects.

Natural Resources
Department of Natural Resources expenses were $63.8 million, or 56.9 per cent, higher than the estimate primarily due to $32.0 million related to large-scale forest fires, $30.0 million to digitize and modernize Nova Scotia's geoscience assets, $1.1 million for operating expenses related to seasonal wildfire support and forest nursery, and $0.7 million in amortization for a helicopter write-off.

Public Works
Department of Public Works expenses were $42.8 million, or 5.1 per cent, higher than the estimate primarily due to $34.1 million in snow and ice removal costs, $15.4 million for an inflationary adjustment to the Boat Harbour remediation project, $7.5 million for partially recoverable prior years' natural disasters, $3.9 million in general building maintenance, $2.9 million in provincial ferries maintenance costs, $2.9 million for amortization, $2.3 million to Build Nova Scotia for the Halifax Infirmary Expansion Project, $2.0 million in additional highway maintenance, $1.6 million for grants to Link Nova Scotia, and $1.3 million for partially recoverable wildfire related expenses. These increases were partially offset by decreases of $17.3 million to Halifax Harbour Bridges due to timing of project work and $16.2 million to Build Nova Scotia for the Cellular for Nova Scotia project.

Seniors and Long-Term Care
Department of Seniors and Long-Term Care expenses were $76.3 million, or 5.2 per cent, higher than the estimate primarily due to $112.9 million higher home care costs, including increases in client enrolment in home support direct funding, home support utilization, and operational costs, and $29.4 million for amortization related to the first-time recording of long-term care facility assets. These increases were partially offset by decreases of $48.3 million related to the accounting adjustment for loan repayments by long-term care service providers and $18.6 million from lower facility-based care costs, including delayed facility openings.

Service Nova Scotia
Department of Service Nova Scotia expenses were $10.2 million, or 6.2 per cent, higher than the estimate primarily due to $16.2 million for partially recoverable trails repair costs due to damage from natural disasters, $2.0 million for other operating and staffing costs, $1.8 million for self-insured claims, and $1.7 million for the Property Tax Rebate for Seniors. These increases were partially offset by $11.9 million in lower spending under the Heating Assistance Rebate Program.

Restructuring Costs
Restructuring expenses were $592.6 million, or 107.5 per cent, higher than the estimate primarily due to higher corporate initiatives.

Departmental Expenses Compared To Prior Year

Communities, Culture, Tourism and Heritage
Department of Communities, Culture, Tourism and Heritage expenses were $34.0 million, or 14.0 per cent, lower than the prior year primarily due to a decrease of $45.4 million in various community support grants, which was partially offset by an increase of $12.9 million in film and television production incentives.

Cyber Security and Digital Solutions
Department of Cyber Security and Digital Solutions expenses were $36.9 million, or 15.0 per cent, higher than the prior year primarily due to $12.5 million in amortization, $12.5 million for SAP S/4 HANA licence subscriptions and support costs, $6.9 million in partially recoverable One Person One Record costs from Nova Scotia Health Authority, and $2.9 million in staffing costs primarily due to fewer vacancies.

Education and Early Childhood Development
Department of Education and Early Childhood Development expenses were $187.6 million, or 9.4 per cent, higher than the prior year primarily due to increases of $99.0 million in public education funding, mainly from collective agreement wage increases, $27.0 million to continue implementation of the School Lunch Program, $22.2 million in Early Learning and Child Care, from increases of $18.3 million for Early Childhood Educator compensation for cost of living increases and staffing for new spaces, $21.0 million for the Teachers' Pension Plan, $8.9 million for Nova Scotia Teachers Union medical and dental premiums, and $8.1 million in amortization related to school projects.

Emergency Management
Department of Emergency Management expenses were $29.0 million, or 59.5 per cent, higher than the prior year primarily due to $23.7 million required to form the newly created department and $9.3 million in partially recoverable Disaster Assistance Costs mainly for the summer 2025 large scale wildfire expenses. These increases were partially offset by $4.1 million in vacancy and operational savings.

Finance and Treasury Board
Department of Finance and Treasury Board expenses were $146.3 million, or 64.1 per cent, lower than the prior year primarily due to $157.0 million associated with the change in status of the Halifax Dartmouth Bridge Commission, $16.9 million in legal costs associated with the Tobacco Settlement which occurred in 2024-25. These decreases were partially offset by $25.0 million in asset retirement obligation funding to entities in 2025-26.

Health and Wellness
Department of Health and Wellness expenses were $583.0 million, or 10.1 per cent, higher than the prior year primarily due to $258.7 million for Nova Scotia Health and IWK operating costs largely due to inflationary, utilization, and staffing pressures, $102.9 million in Physician Services mainly for higher utilization in Fee for Service, Academic Funding Plans, and Alternative Payment Plans, $92.7 million increase in Other Programs mainly due to increases in Communicable Disease and Prevention driven by expanded vaccine programs, inventory impacts, and increased investments in One Person One Record, $67.6 million increase in capital grants and amortization due to timing of projected cashflows, $42.7 million in Emergency Health Services largely due to higher demand and increased wages in Ambulance Services, and $16.4 million for Pharmaceutical Services and Extended Benefits mainly driven by increased participation in Senior's Pharmacare and Special Drug programs.

Justice
Department of Justice expenses were $24.5 million, or 5.1 per cent, higher than the prior year primarily due to $8.6 million in Court Services pressures for operational expenses related to staffing, $7.9 million in higher RCMP policing agreement costs, $3.4 million in Correctional Services pressures for operations and staffing related costs, $2.3 million in increased funding for Nova Scotia Legal Aid (federally recoverable), and $2.0 million for Restorative Justice program stabilization.

Municipal Affairs
Department of Municipal Affairs expenses were $36.0 million, or 11.4 per cent, lower than the prior year primarily due to $21.3 million related to Federal Infrastructure Program changes in timing of project completion and $15.3 million for a one-time grant for the Cape Breton Regional Municipality water line extension.

Natural Resources
Department of Natural Resources expenses were $63.2 million, or 56.0 per cent, higher than the prior year primarily due to $32.0 million related to large scale forest fires, $30.0 million to digitize and modernize Nova Scotia's geoscience assets, and $4.8 million for operating expenses related to seasonal wildfire support and forest nursery.

Opportunities and Social Development
Department of Opportunities and Social Development expenses were $63.1 million, or 3.9 per cent, higher than the prior year primarily due to increases of $76.6 million in supports for adults with complex needs, $15.8 million for income assistance driven by higher caseloads and indexing, and $7.5 million for staffing pressures and operating costs. These increases were partially offset by decreases of $21.5 million in one-time gender-based violence supports, $8.5 million in implementation costs for the Human Rights Remedy driven by timing of implementation, and $6.6 million in other one-time grants.

Public Works
Department of Public Works expenses were $92.8 million, or 11.7 per cent, higher than the prior year primarily due to increases of $83.0 million for Halifax Harbour Bridges, $37.3 million in amortization, and $14.9 million for snow and ice removal costs. These increases were partially offset by decreases of $9.2 million related to timing changes for the Middle River Pumping Station, $8.3 million in partially recoverable prior year's natural disaster storm costs, $7.0 million in Build Nova Scotia grants for the Cunard, Cellular for Nova Scotia, and Acadia Wharf projects, $6.6 million for Highway 104 Western Alignment Corporation recoverable work for rest stops, repaving, and bridges, $5.4 million reduction in the Boat Harbour remediation project, $4.5 million in partially recoverable Highway 103 Bridgewater Interchange costs, and $2.9 million in fully recoverable Highway 107 Sackville Bedford Burnside work.

Seniors and Long-Term Care
Department of Seniors and Long-Term Care expenses were $127.6 million, or 9.0 per cent, higher than the prior year primarily due to $51.8 million in Home Care costs including increases in client enrolment in home support direct funding, home support utilization, and operational costs, $45.5 million increase in Long-Term Care expenses from facility-based care spending related to new builds, wages, and inflation, $29.4 million for amortization related to the first-time recording of long-term care facility assets, and $25.2 million in attendant care utilization. These increases were partially offset by a $28.9 million decrease related to the accounting adjustment for loan repayments by long-term care service providers.

Service Nova Scotia

Department of Service Nova Scotia expenses were $45.6 million, or 20.7 per cent, lower than the prior year primarily due to $48.8 million in the Heating Assistance Rebate Program as income eligibility and rebate amounts changed compared to the 2024-25 program. This decrease was partially offset by an increase of $2.0 million related to Nova Scotia Archives which was transferred from Communities, Culture, Tourism and Heritage April 1, 2025.

Restructuring Costs

Restructuring expenses were $482.3 million, or 72.9 per cent, higher than the prior year primarily due to higher corporate initiatives.

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 (asset retirement obligations). 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 $633.0 thousand in tangible capital assets received during the 2026 fiscal year (2025 – $118.6 thousand)

Spending on gross capital purchases was $175.3 million, or 9.4 per cent, higher than the estimate primarily due to $326.3 million increase in long-term care facilities as a result of an accounting adjustment and $60.6 million in highways and structures due to timing of projects and 100 series highway repaving work. These increases were partially offset by $45.0 million related to the reduction in contingency to offset long-term care facilities and timing of projects, including $73.1 million for school and modular classroom construction, $36.5 million for public housing infrastructure projects, $27.9 million for IT projects, and $29.0 million for other building infrastructure projects.

Gross Capital Purchases

($ thousands)

	Estimate 2026	Actual 2026	Variance Increase (Decrease)
Advanced Education	6,500	4,182	(2,318)
Agriculture	10,373	6,760	(3,613)
Cyber Security and Digital Solutions	70,866	56,153	(14,713)
Education and Early Childhood Development	221,008	148,138	(72,870)
Emergency Management	3,970	1,200	(2,770)
Environment and Climate Change	3,697	918	(2,779)
Growth and Development	79,864	43,104	(36,760)
Health and Wellness	753,572	760,396	6,824
Justice	10,126	4,433	(5,693)
Municipal Affairs	690	–	(690)
Natural Resources	38,778	33,627	(5,151)
Opportunities and Social Development	9,435	895	(8,540)
Public Service	1,000	–	(1,000)
Public Works			
Highways and Bridges	510,548	572,421	61,873
Buildings and Infrastructure	106,703	89,618	(17,085)
Seniors and Long-Term Care	–	326,320	326,320
Service Nova Scotia	1,158	432	(726)
Contingency	45,000	–	(45,000)
Total Gross Capital Purchases	1,873,288	2,048,597	175,309

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 2025-26 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 and the long-term care facilities are amortized on a straight-line basis over the length of each contract, ranging from 4 to 25 years.

Amortization

($ thousands)

	Estimate 2026	Actual 2026	Variance Increase (Decrease)
Advanced Education	22,082	21,216	(866)
Agriculture	2,168	1,617	(551)
Communities, Culture, Tourism and Heritage	1,054	1,055	1
Cyber Security and Digital Solutions	31,343	24,721	(6,622)
Education and Early Childhood Development	99,355	98,467	(888)
Emergency Management	1,699	80	(1,619)
Environment and Climate Change	106	106	—
Fisheries and Aquaculture	16	20	4
Growth and Development	21,948	19,758	(2,190)
Health and Wellness	21,499	18,978	(2,521)
Justice	3,442	2,940	(502)
Labour, Skills and Immigration	36	36	—
Municipal Affairs	132	317	185
Natural Resources	5,166	2,830	(2,336)
Opportunities and Social Development	1,022	1,022	—
Public Service	—	32	32
Public Works	343,085	345,253	2,168
Seniors and Long-Term Care	—	29,383	29,383
Service Nova Scotia	1,088	875	(213)
Total Amortization	555,241	568,706	13,465

Additional Appropriations by Resolution Relative to the *Appropriations Act, 2025*

For the fiscal year ended March 31, 2026

($ thousands)

Res #	Appropriation	Original Estimate	Additional Approved	Actual	Variance	Final Additional Appropriation Required
	Departmental Expenses					
1	Advanced Education	732,171	10,448	740,391	(2,228)	—
2	Agriculture	47,946	3,000	51,544	598	599
3	Communities, Culture, Tourism and Heritage	168,120	39,750	208,351	481	482
4	Cyber Security and Digital Solutions	283,921	6,439	283,420	(6,940)	—
5	Education and Early Childhood Development	2,225,951	5,188	2,185,650	(45,489)	—
6	Emergency Management	61,060	3,024	77,865	13,781	13,781
7	Energy	48,613	5,000	58,269	4,656	4,657
8	Environment and Climate Change	80,124	—	72,732	(7,392)	—
9	Finance and Treasury Board	48,406	—	81,919	33,513	33,514
11	Fisheries and Aquaculture	15,095	—	15,093	(2)	—
12	Growth and Development	400,214	3,050	402,951	(313)	—
13	Health and Wellness	5,976,833	416,078	6,361,451	(31,460)	—
14	Justice	489,245	15,063	509,557	5,249	5,249
15	Labour, Skills and Immigration	246,453	—	230,188	(16,265)	—
16	Municipal Affairs	337,882	—	278,524	(59,358)	—
17	Natural Resources	112,138	64,927	175,963	(1,102)	—
18	Opportunities and Social Development	1,676,809	—	1,677,049	240	240
	Public Service					
19	Elections Nova Scotia	4,770	1,963	6,728	(5)	—
20	Executive Council	17,039	—	16,090	(949)	—
21	Freedom of Information and Protection of Privacy Review Office	1,327	—	1,326	(1)	—
22	Government Contributions to Benefit Plans	8,828	—	9,576	748	749
23	Human Rights Commission	3,080	—	3,064	(16)	—
24	Intergovernmental Affairs	5,498	—	5,140	(358)	—
25	Legislative Services	26,157	3,999	29,746	(410)	—
26	Energy and Regulatory Boards Tribunal	2,334	—	2,334	—	—
27	Nova Scotia Police Complaints Commissioner	453	—	453	—	—
28	Nova Scotia Securities Commission	3,429	—	3,370	(59)	—
29	Office of Addictions and Mental Health	363,793	14,931	361,545	(17,179)	—
30	Office of Equity and Anti-Racism	4,321	—	3,987	(334)	—
31	Office of Healthcare Professionals Recruitment	8,627	—	8,566	(61)	—
32	Office of L'nu Affairs	5,615	—	5,563	(52)	—
33	Office of the Auditor General	6,766	—	5,916	(850)	—
34	Office of the Ombudsman	2,300	—	2,238	(62)	—
35	Public Prosecution Service	32,092	—	31,645	(447)	—
36	Public Service Commission	25,699	—	25,382	(317)	—
37	Office of Service Efficiency	3,146	—	3,137	(9)	—
38	Public Works	840,141	2,328	882,920	40,451	40,452
39	Seniors and Long-Term Care	1,462,480	83,483	1,538,811	(7,152)	—
40	Service Nova Scotia	164,805	8,904	174,974	1,265	1,265
41	Restructuring Costs	551,472	171,975	1,144,079	420,632	420,632
	Total Departmental Expenses	16,495,153	859,550	17,677,505	322,803	521,620

Additional Appropriations by Resolution *(continued)*
Relative to the *Appropriations Act, 2025*
For the fiscal year ended March 31, 2026
($ thousands)

Res #	Appropriation	Original Estimate	Additional Approved	Actual	Variance	Final Additional Appropriation Required
	Other Appropriations					
10	Debt Servicing Costs	908,509	12,880	896,942	(24,447)	—
42	Refundable Tax Credits	147,960	15,876	165,302	1,466	1,466
43	Pension Valuation Adjustment	17,079	—	(38,002)	(55,081)	—
46	Contingency	200,000	—	—	(200,000)	—
	Total Other Appropriations	1,273,548	28,756	1,024,242	(78,063)	1,466
	Statutory Capital					
44	Capital Purchase Requirements	1,873,288	490,024	2,048,595	(314,717)	—
45	Serial Retirements	16,655	—	14,101	(2,554)	—
	Total Statutory Capital	1,889,943	490,024	2,062,696	(317,271)	—
	Total Additional Appropriations		1,378,330			523,086

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	2025-259	2025-375	2026-062	Total
Advanced Education	4,592	—	5,856	10,448
Agriculture	—	3,000	—	3,000
Communities, Culture, Tourism and Heritage	39,750	—	—	39,750
Cyber Security and Digital Solutions	6,439	—	—	6,439
Education and Early Childhood Development	5,188	—	—	5,188
Elections Nova Scotia	—	1,963	—	1,963
Emergency Management	—	3,024	—	3,024
Energy	—	—	5,000	5,000
Growth and Development	3,050	—	—	3,050
Health and Wellness	410,869	5,209	—	416,078
Justice	12,227	2,836	—	15,063
Legislative Services	3,999	—	—	3,999
Natural Resources	—	30,700	34,227	64,927
Office of Addictions and Mental Health	14,931	—	—	14,931
Public Works	—	—	2,328	2,328
Seniors and Long-Term Care	59,240	24,243	—	83,483
Service Nova Scotia	—	8,904	—	8,904
Restructuring Costs	—	171,975	—	171,975
Debt Servicing Costs	12,880	—	—	12,880
Refundable Tax Credits	—	15,876	—	15,876
Capital Purchase Requirements	490,024	—	—	490,024
	1,063,189	267,730	47,411	1,378,330

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

General Revenue Fund – Debt Servicing Costs

Debt servicing costs of the General Revenue Fund were $873.1 million in fiscal 2026, which was $35.5 million, or 3.9 per cent, lower than the estimate and $3.3 million, or 0.4 per cent, lower than the prior year. The decrease in debt servicing costs from the prior year was primarily due to an adjustment from the prior year long-term care accounting treatment, lower interest on short-term borrowings, and lower interest on Pension Retirement and Other Obligations. These decreases were partially offset by an increase in interest on Long-Term Debt Obligations.

General interest was $28.0 million lower than the estimate due to an adjustment from the prior year long-term care accounting adjustment and lower than expected interest rates for short term borrowing.

Debt Servicing Costs

($ thousands)

	Estimate 2026	Actual 2026	Actual 2025	Actual vs Estimate Increase (Decrease)
Interest on Long-Term Debt	740,910	740,759	698,073	(151)
General Interest	59,957	31,908	73,225	(28,049)
Interest on Pension, Retirement and Other Obligations	107,642	100,468	105,176	(7,174)
Debt Servicing Costs – Gross	908,509	873,135	876,474	(35,374)
Less: Interest on Repurchased Own Debt Instruments	–	77	162	77
Debt Servicing Costs – Net	908,509	873,058	876,312	(35,451)

Debenture Debt

The General Revenue Fund's net debenture debt (outstanding debentures less repurchased Province of Nova Scotia debentures) was $20.8 billion in Canadian dollar equivalents at March 31, 2026 (2025 – $18.6 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 $0.4 million of Province of Nova Scotia debentures at March 31, 2026 (2025 — $20.9 million).

Outstanding Debentures – (CDN$ Equivalents)

($ thousands)

	Actual 2026	Actual 2025
Debentures Payable in Canadian Dollars		
Canada Pension Plan Investment Fund	627,441	627,441
Other Issues	20,141,773	17,961,254
Less: Repurchased Own Debt Instruments	(441)	(20,931)
Net Debenture Debt	20,768,773	18,567,764

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 2025-26, the Minister was granted an approval for a $3.47 billion borrowing plan.

During the 2026 fiscal year, the Province borrowed in 7-year, 10-year, 30-year, and 50-year terms in Canadian financial markets. These issues amounted to a total of $3.0 billion in par value ($3.03 billion in proceeds).

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 2025-26 Estimates was tabled February 18, 2025, and used data and information up to November 7, 2024. The 2025-26 Public Accounts economic outlook is based on a forecast with data up to June 22, 2026. Data in the discussion below may have been released beyond this date and will be incorporated into future economic outlooks.

Nova Scotia Economic Outlook: 2025 and 2026

(Per cent change, except where noted)	2025-26 Estimates		2025-26 Public Accounts	
	2025	2026	2025	2026
Real GDP ($ 2017 chained)	2.0%	1.8%	2.3%	1.4%
Nominal GDP	4.7%	4.3%	5.3%	4.1%
Compensation of Employees †	6.1%	4.7%	5.3%	4.1%
Household Income	5.5%	4.3%	5.0%	3.8%
Household Final Consumption	5.3%	4.3%	4.9%	4.5%
Retail Sales	5.3%	4.7%	3.3% [A]	3.8%
Consumer Price Index	2.2%	2.0%	2.1% [A]	3.2%
Investment in Residential Structures	7.7%	3.3%	6.7%	-0.4%
Non-Residential Structures, Machinery, Intellectual Property	9.7%	3.1%	8.5%	5.9%
Net Operating Surplus: Corporations	-6.7%	-1.4%	7.2%	5.5%
Net Mixed Income: Unincorporated	5.4%	2.6%	5.2%	3.3%
Exports of Goods and Services	5.7%	4.8%	3.7%	4.1%
Exports of Goods to Other Countries	1.2%	3.9%	-0.3%	3.9%
Imports of Goods and Services	6.0%	4.1%	5.0%	4.7%
Population at July 1, all ages *(thousands)*	1,085.9	1,094.7	1,093.2 [A]	1,090.5
Population at July 1, ages 18-64 *(thousands)*	662.1	664.3	667.2 [A]	660.7
Labour Force *(thousands)*	556.0	559.9	560.3 [A]	564.2
Employment *(thousands)*	518.9	522.0	523.5 [A]	526.1
Unemployment Rate *(annual average)*	6.7%	6.8%	6.6% [A]	6.8%

[A] ~ *Actual*

[†] Compensation of employees now refers to household sector current accounts, covering all resident households

External Conditions

The global economy remained resilient in 2025, despite a series of shocks. However, the outlook for 2026 faces new challenges, including shifts in U.S. trade policies and the war in the Middle East, which has reignited global inflationary pressures and is expected to slow the recovery.

The International Monetary Fund (IMF) predicts that global headline inflation will increase from an annual average rate of 4.1 per cent in 2025 to 4.7 per cent in 2026. The total impact on the global economy will ultimately depend on how long the U.S.-Iran conflict lasts, its overall scale, and how quickly energy production and transit can return to normal once the war stops. The IMF's World

Economic Highlights

Economic Outlook (July) indicates global economic growth is expected to slow from 3.5 per cent in 2025 to 3.0 per cent in 2026. Growth in the advanced economies was stable in 2025 at 1.9 per cent but is expected to slow to 1.7 per cent in 2026. Real GDP in emerging markets and developing economies is expected to slow, with growth of 4.5 per cent in 2025 falling to 3.8 per cent in 2026.

Economic growth in the Euro Area is expected to recover gradually, but the continued drag from higher energy prices following Russia's invasion of Ukraine, the war in the Middle East, and the real appreciation of the euro are weighing on manufacturing and export competitiveness. The IMF projects that real GDP growth in the Euro Area will slow from 1.4 per cent in 2025 to 0.9 per cent in 2026. Euro Area inflation slowed to 2.9 per cent year-over-year in July 2026. Euro Area food price inflation has slowed in 2026, while energy prices reached 10.3 per cent growth in July. The European Central Bank (ECB) raised its key interest rates in June and again in September 2026 after a year of easement.

The United Kingdom (UK) economy saw 1.4 per cent GDP growth in 2025. The IMF estimates that real GDP growth in the UK will slow to 1.0 per cent in 2026. UK inflation increased to 2.9 per cent in July 2026 and is expected to move toward 4.0 per cent with the effects of higher energy prices. The Bank of England has held its interest rate stable since December 2025 at 3.75 per cent. Labour demand continues to ease, and the unemployment rate has declined, reflecting lower labour force participation.

China's real GDP growth is expected to continue to moderate, with 5.0 per cent growth in 2025 followed by an expected 4.6 per cent in 2026. Chinese economic activity in 2025 was supported by external demand. China-U.S. trade tensions remain highly fluid, but the effective tariff rate set by the U.S. has been lowered. However, China's economy continues to be impacted by weakness in the property sector. Government stimulus measures are expected to offset negative impacts from the Middle East conflict. Inflation is expected to quicken in China but remain at low levels. The People's Bank of China kept lending rates at record lows of 3.0 percent since May 2025.

The Japanese economy recovered in 2025, with real GDP growth of 1.1 percent. The IMF expects Japan's real GDP growth to slow to 0.6 per cent in 2026 as higher energy prices weigh on household purchasing power and business profitability. Japan's inflation accelerated to 2.1 per cent in July 2026, while food prices increased 3.6 per cent year-over-year. On July 31, 2026, the Policy Board of the Bank of Japan maintained its uncollateralized overnight call rate around 1.0 per cent. The Bank of Japan will continue to raise the policy interest rate and adjust the degree of monetary accommodation, given that inflation has been approaching 2.0 per cent and real interest rates remains very low.

The United States' real GDP grew 2.1 per cent in 2025, supported by strong consumer spending, non-residential investment, government spending, as well as exports. The IMF projects growth to be 2.3 per cent in 2026, supported by accommodative financial conditions, cooling domestic demand, and lower immigration, as well as impacts from trade barriers. Job gains have remained low while unemployment has shown little change in recent months. U.S. inflation has accelerated in the first eight months of 2026, reaching 3.4 per cent year-over-year in August. The U.S. Federal Reserve left the federal funds rate unchanged at 3.5 to 3.75 per cent in the first eight months of 2026.

The Canadian economy grew 1.9 per cent in 2025, supported by growth in consumption and government spending. Exports in 2025 declined amid U.S. tariff and trade policy uncertainty. The last quarter growth of 2025 was lifted by gold shipments. Consumer and government spending also supported growth, while tariffs and trade uncertainty continued to weigh on exports and business investment. Population growth has slowed in 2025 with lower government targets for both permanent and non-permanent residents. Housing activity fell in Q4 amid slow population growth and affordability issues. Through most of 2025, inflation stayed between 1.5 per cent and 2.5 per cent, driven lower by energy prices coupled with the removal of consumer carbon tax.

The Canadian economy continues to adjust to U.S. tariff policies as well as uncertainty about the review of the Canada-United States-Mexico Agreement. During the first quarter of 2026, Canada's GDP growth has been impacted by a decline in government spending, a fall in motor vehicle production and a decline in oil and gas investment. Housing affordability and slower population growth continued to weigh on growth in the first quarter. Second quarter growth is expected to be supported by exports of energy and non-commodity goods and residential investments.

Canada's labour market conditions have softened in the first eight months of 2026, with businesses retaining their workers but hesitant to hire more, given persistent uncertainty and soft demand growth. The Canadian unemployment rate was 6.4 per cent in August 2026, with job vacancies returning to pre-pandemic levels and earnings growth slowing. Population has declined in the first half of 2026 with a notable decline among non-permanent residents.

In August 2026, Canada's headline inflation was 3.0 per cent, pushed up through the year by higher energy prices due to the conflict in the Middle East. Canada's consumer price index excluding food and energy was 2.1 per cent in August 2026 and has been trending lower in recent months. The Bank of Canada has held monetary policy steady in 2026 at 2.25 per cent.

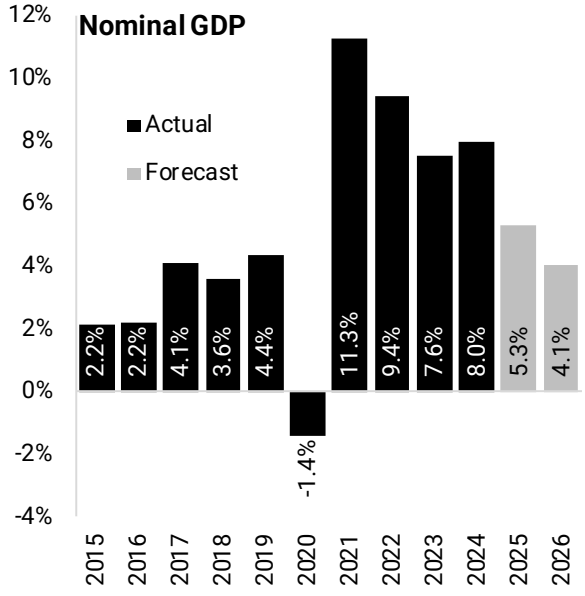
Canada's real GDP outlook remains clouded by uncertain global trade policy and the conflict in the Middle East but, under current measures, is expected to rise by 0.7 per cent in 2026.

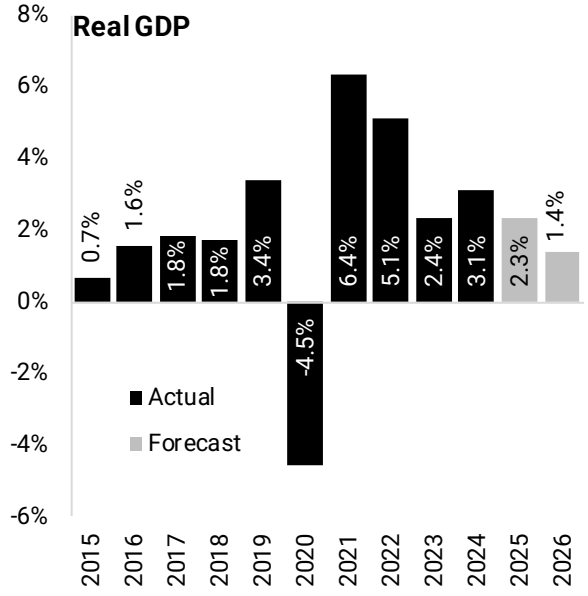
Nova Scotia Economic Performance and Outlook

In 2025, Nova Scotia's real GDP at basic prices is estimated to have grown 2.3 per cent, slowing from growth of 3.1 per cent recorded in 2024. Nominal GDP is estimated to have increased 5.3 per cent in 2025. Economic activity was supported by continued growth in residential investment and government capital spending, while household spending, population growth, labour force growth and employment growth all moderated during the year.

Nova Scotia's real GDP is projected to grow by 1.4 per cent in 2026, with nominal GDP growth of 4.1 per cent. The Province's economy is expected to be supported by household consumption, government capital investment, rebounding exports, and continued, albeit slowing, residential investment. Affordability measures are expected to continue supporting household spending. Population growth has slowed, with immigration and interprovincial migration offset by departures of non-permanent residents. Business investment is expected to continue growing, led by non-residential machinery and intellectual property investment. Inflation is expected to rise in 2026 due to the war in Iran and the surge in global oil prices early in the year.

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

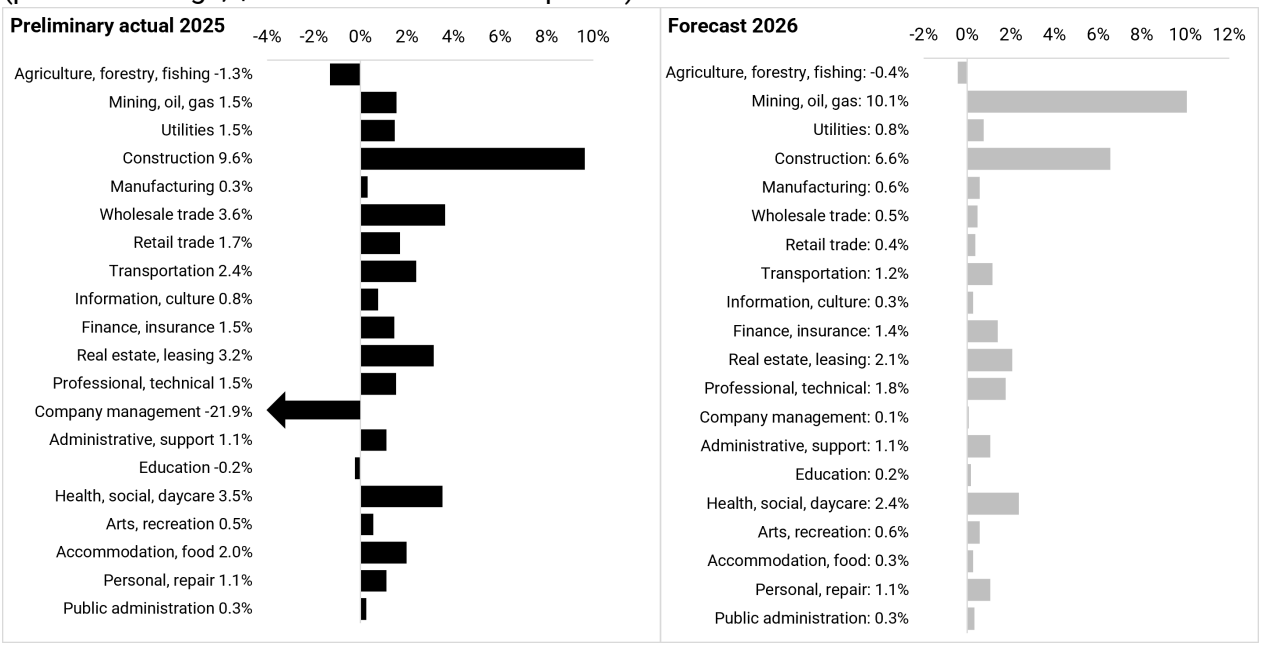
Economic Highlights

Real GDP in Nova Scotia's goods-producing industries was up 3.9 per cent in 2025, following growth of 4.7 per cent in 2024. Growth was led by construction (+9.6 per cent), with more modest gains in utilities (+1.5 per cent) and manufacturing (+0.3 per cent). Manufacturing performance was mixed, with durable manufacturing (+1.5 per cent) offsetting a decline in non-durable manufacturing (-0.7 per cent). Among Nova Scotia's resource industries, fishing and aquaculture, as forestry and logging real GDP declined, while there were marginal gains in agriculture. Mining, quarrying, and oil and gas extraction (+1.5 per cent) increased modestly, while support activities for mining and quarrying also increased.

Nova Scotia's goods-producing sector is expected to grow 3.0 per cent in 2026. Construction (+6.6 per cent) and manufacturing (+0.6 per cent) are expected to continue supporting Nova Scotia's goods-producing sector, along with ongoing investment, major infrastructure projects, and continued shipbuilding activity at the Halifax Shipyard. Mining, quarrying, and oil and gas extraction is expected to experience the fastest growth at 10.1 per cent. Resource industries, including agriculture, forestry, and fishing and aquaculture are expected to face ongoing challenges amid trade uncertainty and evolving export market conditions. Some recovery in the seafood sector is expected this year as Chinese tariffs on seafood exporters have been removed.

Real GDP from Nova Scotia's service-producing industries grew 1.9 per cent in 2025, with continued growth across most service industries. Growth in trade sectors, including wholesale (+3.6 per cent) and retail (+1.7 per cent) picked up in 2025. Finance and insurance (+1.5 per cent) and real estate, rental and leasing (+3.2 per cent) continued to grow alongside housing demand. Among service industries, the fastest growth was reported in wholesale trade (+3.6 per cent), health care and social assistance (+3.5 per cent), and real estate, rental and leasing (+3.2 per cent). Finance and insurance (+1.5 per cent) and professional, scientific and technical services (+1.5 per cent) also continued to expand in 2025.

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

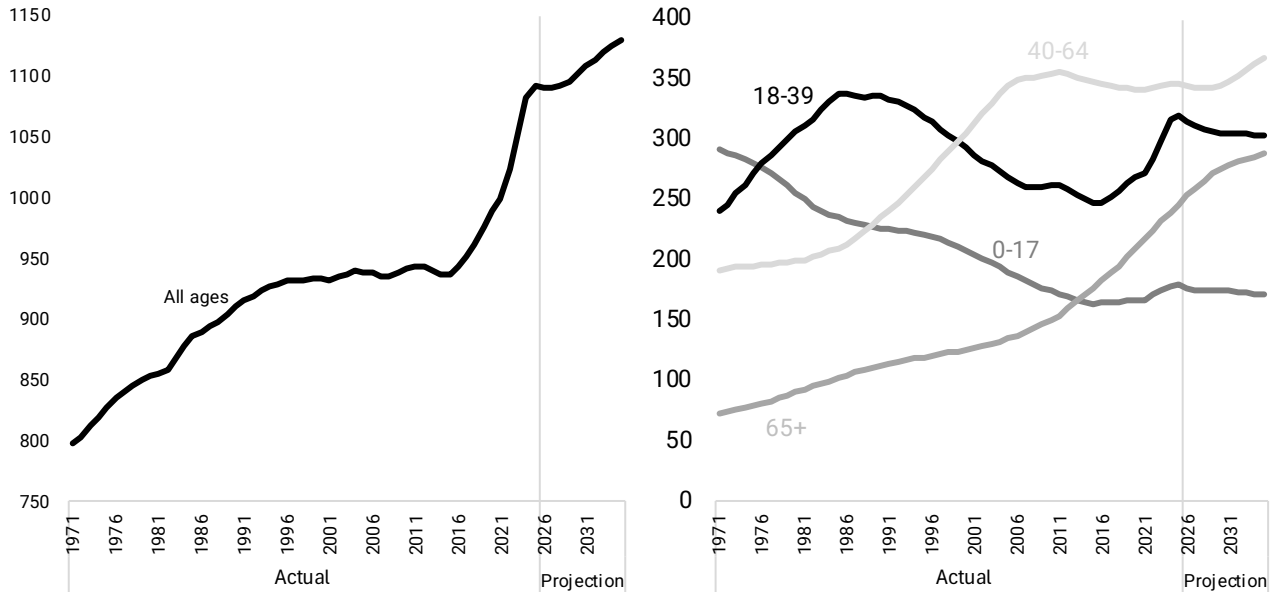


Source: Statistics Canada, table 36-10-0222-01; Nova Scotia Department of Finance and Treasury Board projections

Nova Scotia's service-producing sector is expected to grow 1.2 per cent in 2026, supported by household spending, tourism activity, ongoing demand for housing and health services, and continued public sector activity. Growth is expected to be led by real estate, rental and leasing, health care, and finance and insurance.

Nova Scotia's population increased by 1.0 per cent (+10,476 persons) in the 12 months ending July 1, 2025, reaching an estimated 1,093,245 people. Population growth has moderated compared with the strong gains recorded from 2022 through 2024. Growth remained supported by strong immigration and positive net interprovincial migration, while contributions from non-permanent residents were considerably smaller than in previous years. Net interprovincial migration remained positive, although inflows from other provinces eased from the exceptionally strong levels recorded between 2022 and 2024. As of July 1, 2025, 22.6 per cent of Nova Scotia's population was aged 65 years and over.

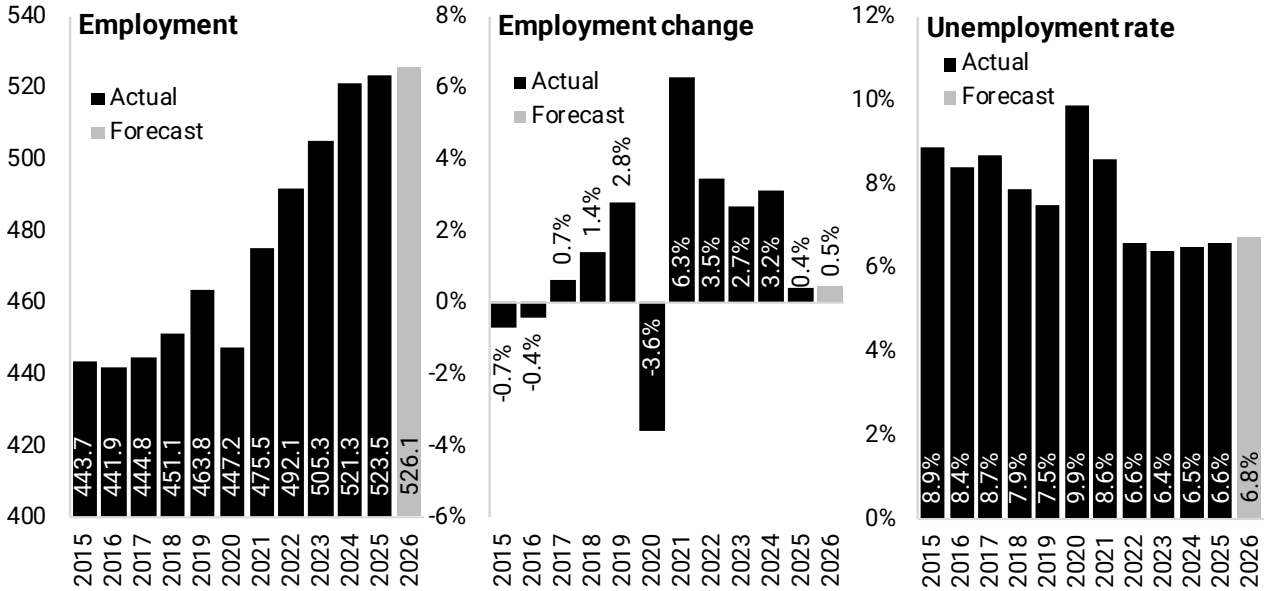
Nova Scotia Population
('000s, July 1)



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

Nova Scotia's labour market growth slowed in 2025, although unemployment remained low by historical standards. Employment growth slowed to 0.4 per cent, adding 2,200 jobs, while the labour force increased by 0.5 per cent. The unemployment rate edged up to 6.6 per cent in 2025 from 6.5 per cent in 2024. Job vacancies declined 3.9 per cent in 2025, while the average vacancy rate fell to 3.0 per cent from 3.2 per cent, indicating some easing in labour market tightness. In the first six months of 2026, vacancies were down 2.7 per cent from the same period in 2025, while the average vacancy rate edged down to 2.8 per cent.

Nova Scotia Labour Markets
(Employment in '000s)

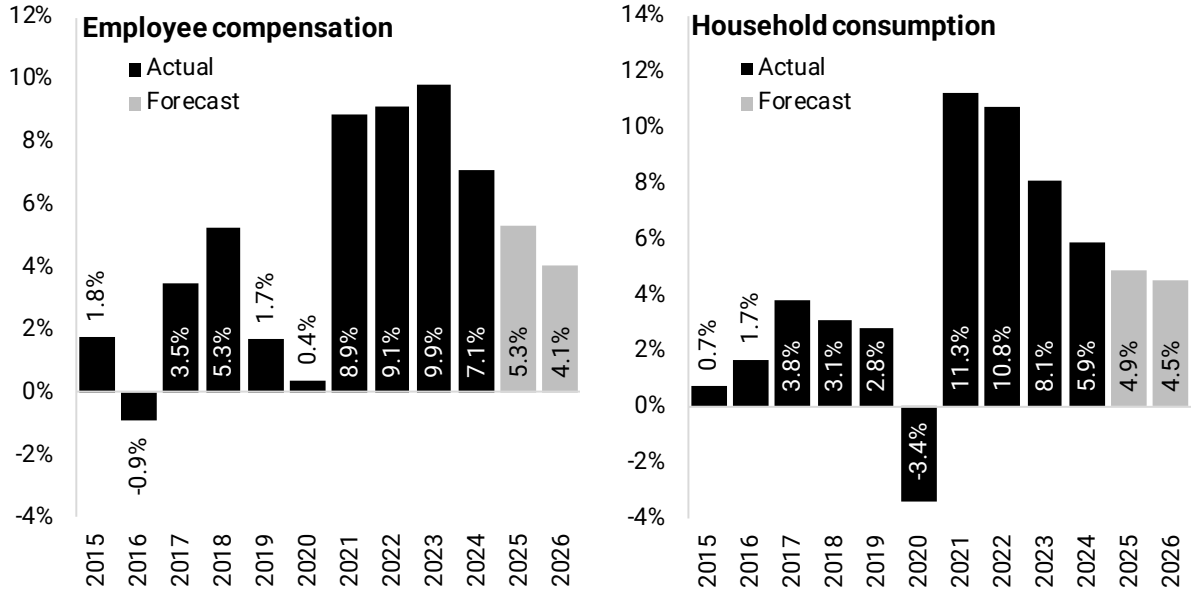


Source: Statistics Canada, table 14-10-0327-01; Nova Scotia Department of Finance and Treasury Board projections

Household income continued to expand in 2025, supporting consumer spending throughout the year. Household income is estimated to have increased 5.0 per cent to $66.5 billion, while compensation of employees rose 5.3 per cent to $36.7 billion. Current transfers received by households increased 5.1 per cent, while personal income taxes rose by a more modest 2.1 per cent. As a result, household disposable income increased 6.6 per cent in 2025, supporting household purchasing power despite elevated debt servicing costs. Household income growth is forecast to ease to 3.8 per cent in 2026, while disposable income is expected to ease to 4.1 per cent as economic growth and labour market conditions moderate.

Household spending growth moderated in 2025, with household final consumption expenditure increasing 3.4 per cent. Retail sales grew 3.3 per cent to reach $22.5 billion, with the strongest gains reported by clothing stores, miscellaneous retailers, and motor vehicle and parts dealers. New motor vehicle sales totalled 55,227 units in 2025, up 12.2 per cent from 2024. Receipts at food services and drinking places increased 6.9 per cent in 2025, reflecting continued strength in tourism-related activity and consumer spending. In 2026, household spending is expected to moderate as population growth slows and households continue adjusting to elevated debt servicing costs.

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



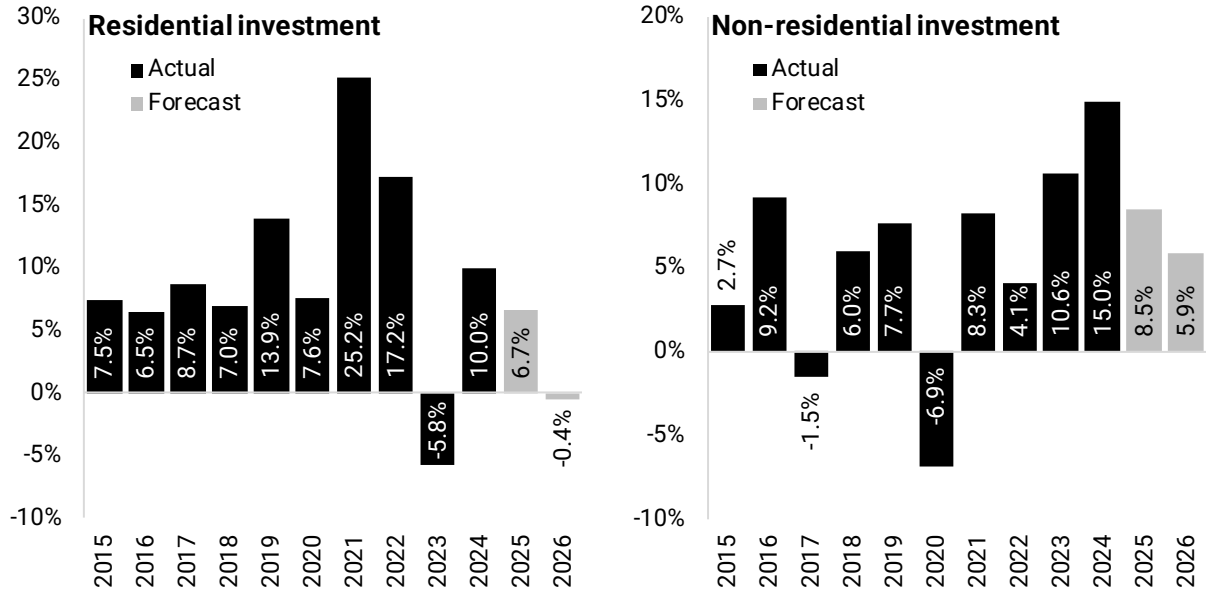
Source: Statistics Canada, tables 36-10-0558-01, 36-10-0222-01; Nova Scotia Department of Finance and Treasury Board projections

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

Nova Scotia's inflation remained moderate in 2025 following the substantial slowdown recorded in 2024. Annual consumer price inflation averaged 2.1 per cent in 2025, while inflation excluding food and energy averaged 2.9 per cent. The higher rate of core inflation reflected continued price pressures for shelter and other services even as lower energy prices restrained growth in the overall consumer price index. Inflationary pressures re-emerged in 2026 following the outbreak of war in Iran, which contributed to higher energy and transportation costs. Consumer price inflation reached 5.1 per cent in August 2026, driven largely by energy price inflation of 22.1 per cent. Excluding food and energy, inflation was 3.5 per cent in August 2026 and has edged higher in recent months, suggesting that inflation pressures have broadened beyond energy-related prices.

Business fixed capital investment is projected to have grown 5.2 per cent in 2025, decelerating from its 5.8 per cent growth in 2024. Investment in residential building construction slowed to 6.7 per cent growth in 2025, following growth of 10.0 per cent in 2024, while non-residential building construction investment also strengthened to 4.6 per cent growth in 2025, following a contraction of 1.3 per cent in 2024. Broader capital expenditures across Nova Scotia's industries increased 7.8 per cent in 2025, while government capital expenditures rose 13.9 per cent.

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

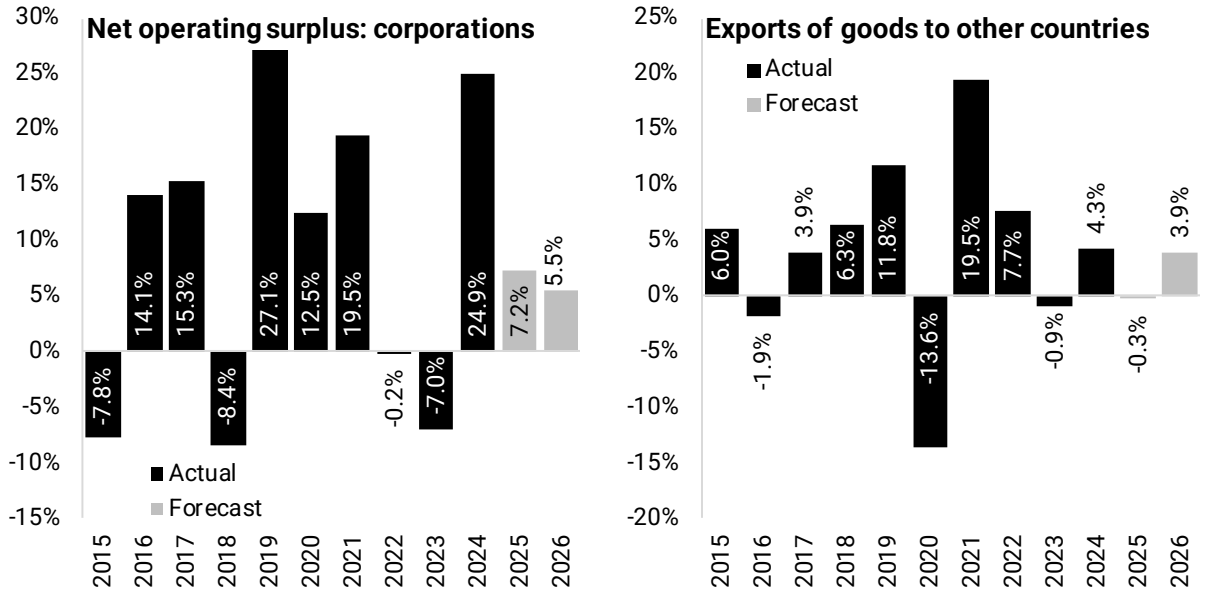
Note: Non-residential investment includes business, government, and non-profit fixed capital formation (excluding residential).

Nova Scotia's international goods exports declined 0.4 per cent in 2025 to $6.61 billion on a customs basis. Export performance was affected by ongoing trade uncertainty and China's 25 per cent tariffs on Canadian seafood, including lobster. Exports to the United States, Nova Scotia's largest export market, declined 0.4 per cent to $4.58 billion, while exports to China declined 26.2 per cent to $508.0 million. Farm, fishing and intermediate food products remained Nova Scotia's largest export category, while the largest increases by dollar value were reported in electronics and electrical equipment and motor vehicles and parts.

International goods exports were down 1.5 per cent in the first seven months of 2026 compared with the same period in 2025, reflecting lower exports to the US (-0.2 per cent) and China (-17.5 per cent), as well as declines in rubber and seafood products. The removal of Chinese tariffs on Canadian seafood is expected to improve export conditions for Nova Scotian producers through the year.

After increasing 24.9 per cent in 2024, net operating surplus of corporations is estimated to have grown by 7.2 per cent in 2025. The moderation from the previous year reflects a return to more modest growth following a period of stronger gains. Corporate operating surplus is forecast to rise a further 5.5 per cent in 2026, supported by continued business activity, though at a slower pace than in recent years.

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 2025 and 2026 form the basis for the final revenues presented in the 2025-26 Public Accounts, many of them are still projections. Further economic and administrative data will be released relating to 2025, and economic performance in later 2026 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.

Economic Highlights

Nova Scotia Key Economic Indicators		ACTUAL				FORECAST	
($ millions current, unless otherwise indicated)		**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Nominal Gross Domestic Product (GDP) at Market Prices		51,385	56,228	60,487	65,338	68,819	71,612
	% Change	*11.3%*	*9.4%*	*7.6%*	*8.0%*	*5.3%*	*4.1%*
Real GDP at Market Prices *($ millions, chained 2017)*		46,290	48,663	49,819	51,378	52,578	53,326
	% Change	*6.4%*	*5.1%*	*2.4%*	*3.1%*	*2.3%*	*1.4%*
Compensation of Employees †		27,145	29,623	32,546	34,862	36,723	38,218
	% Change	*8.9%*	*9.1%*	*9.9%*	*7.1%*	*5.3%*	*4.1%*
Household Income		49,752	52,469	58,391	63,322	66,519	69,017
	% Change	*4.9%*	*5.5%*	*11.3%*	*8.4%*	*5.0%*	*3.8%*
Household Final Consumption Expenditure		34,726	38,474	41,601	44,062	46,216	48,301
	% Change	*11.3%*	*10.8%*	*8.1%*	*5.9%*	*4.9%*	*4.5%*
Retail Sales		19,265	20,605	21,267	21,808	22,524	23,378
	% Change	*16.6%*	*7.0%*	*3.2%*	*2.5%*	*3.3%*	*3.8%*
Consumer Price Index *(all items, Index 2002 = 100)*		143.5	154.3	160.5	164.2	167.6	173.0
	% Change	*4.1%*	*7.5%*	*4.0%*	*2.3%*	*2.1%*	*3.2%*
Investment in Residential Structures		4,901	5,746	5,412	5,952	6,351	6,323
	% Change	*25.2%*	*17.2%*	*-5.8%*	*10.0%*	*6.7%*	*-0.4%*
Non-Residential Investment *		6,760	7,037	7,785	8,952	9,713	10,288
	% Change	*8.3%*	*4.1%*	*10.6%*	*15.0%*	*8.5%*	*5.9%*
Net Operating Surplus: Corporations		4,826	4,818	4,480	5,597	6,002	6,332
	% Change	*19.5%*	*-0.2%*	*-7.0%*	*24.9%*	*-6.7%*	*-6.7%*
Net Mixed Income: Unincorporated		5,725	6,175	7,355	8,346	8,779	9,070
	% Change	*8.1%*	*7.9%*	*19.1%*	*13.5%*	*5.2%*	*3.3%*
Exports of Goods and Services		17,513	20,752	21,577	22,465	23,301	24,249
	% Change	*14.4%*	*18.5%*	*4.0%*	*4.1%*	*3.7%*	*4.1%*
Exports of Goods to Other Countries		6,666	7,176	7,111	7,414	7,392	7,679
	% Change	*19.5%*	*7.7%*	*-0.9%*	*4.3%*	*-0.3%*	*3.9%*
Imports of Goods and Services		31,698	36,513	37,879	39,372	41,337	43,295
	% Change	*14.6%*	*15.2%*	*3.7%*	*3.9%*	*5.0%*	*4.7%*
Population *(all ages, thousands at July 1)*		999.9	1,024.0	1,053.0	1,082.8	1,093.2	1,090.5
	% Change	*1.1%*	*2.4%*	*2.8%*	*2.8%*	*1.0%*	*-0.2%*
Population *(ages 18-64, thousands at July 1)*		614.5	627.5	645.0	664.3	667.2	660.7
	% Change	*0.5%*	*2.1%*	*2.8%*	*3.0%*	*0.4%*	*-1.0%*
Labour Force *(thousands)*		520.2	526.6	539.6	557.5	560.3	564.2
	% Change	*4.8%*	*1.2%*	*2.5%*	*3.3%*	*0.5%*	*0.7%*
Participation Rate *(per cent)*		62.5%	61.8%	61.5%	61.8%	61.3%	61.8%
	Change	*2.1%*	*-0.7%*	*-0.3%*	*0.3%*	*-0.5%*	*0.5%*
Employment *(thousands)*		475.5	492.1	505.3	521.3	523.5	526.1
	% Change	*6.3%*	*3.5%*	*2.7%*	*3.2%*	*0.4%*	*0.5%*
Employment Rate *(per cent)*		57.1%	57.7%	57.6%	57.8%	57.3%	57.7%
	Change	*2.7%*	*0.6%*	*-0.1%*	*0.2%*	*-0.5%*	*0.4%*
Unemployment Rate *(per cent)*		8.6%	6.6%	6.4%	6.5%	6.6%	6.8%
	Change	*-1.3%*	*-2.0%*	*-0.2%*	*0.1%*	*0.1%*	*0.2%*

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

* 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.



CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended March 31, 2026

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, 2026.

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



Robert Bourgeois, CPA, CA
Controller

Halifax, Nova Scotia
September 10, 2026

Auditor General of Nova Scotia

5161 George Street
Royal Centre, Suite 400
Halifax, Nova Scotia
B3J 1M7

Independent Auditor's Report

To the Members of the Legislative Assembly of Nova Scotia

Report on the Audit of the Consolidated Financial Statements

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, 2026, and the consolidated statement of operations, 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, 2026, 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.

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, 2026. 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.

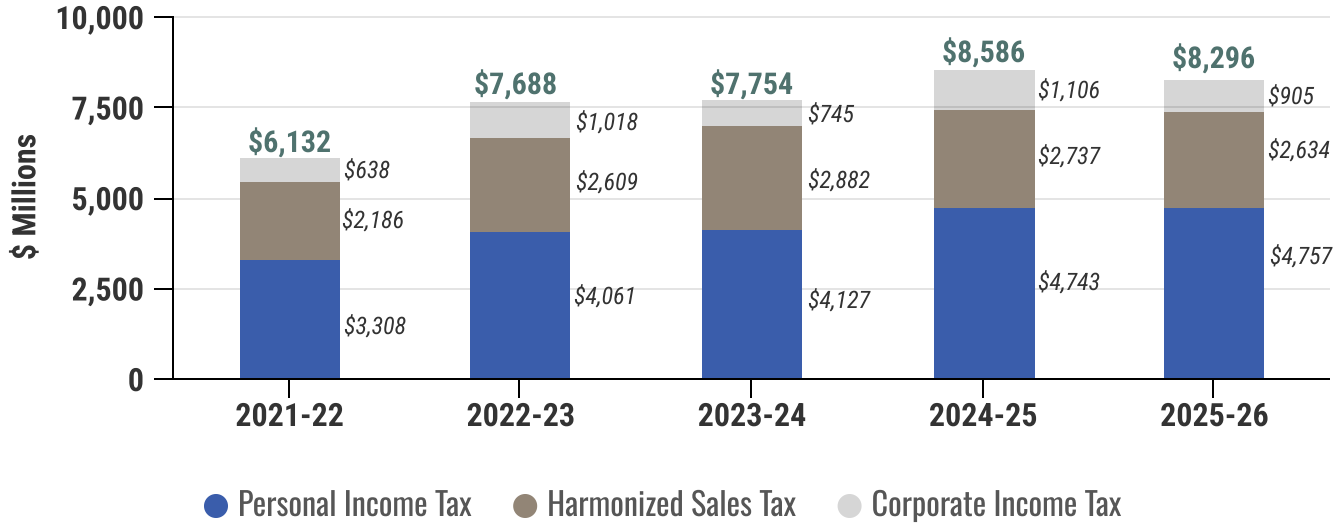
HOW WE ADDRESSED THIS MATTER

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.

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.

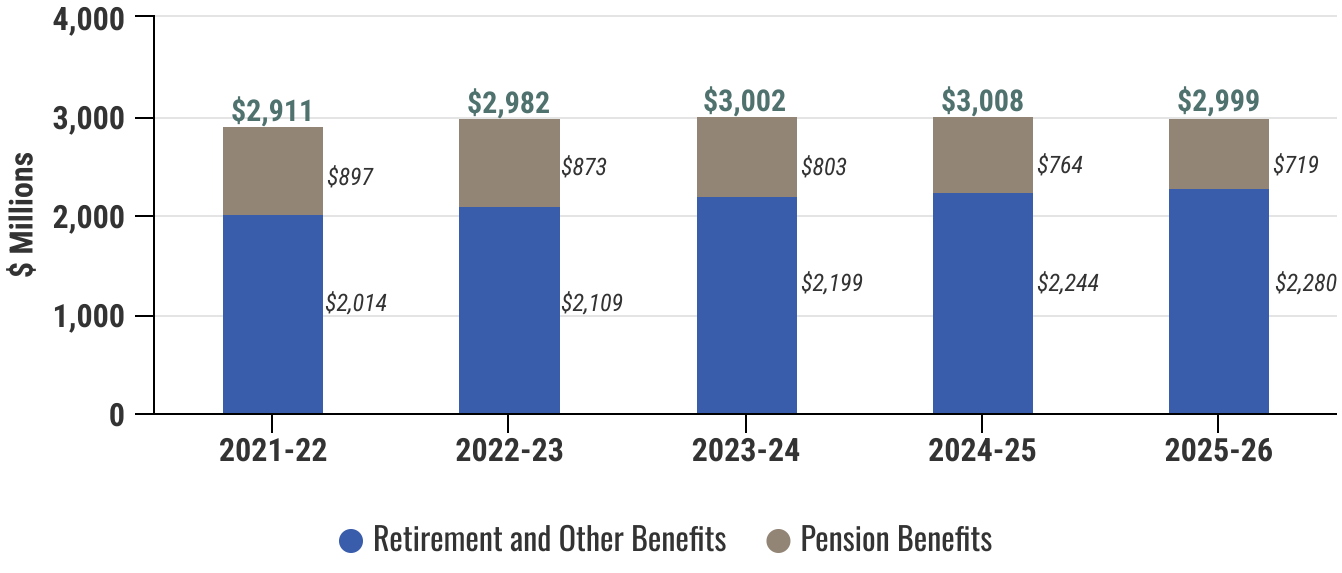
HOW WE ADDRESSED THIS MATTER

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)



Other Information

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 Executive Deputy Minister of Finance and Treasury Board).

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

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

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.

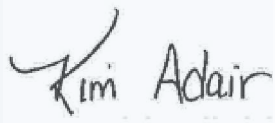
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- 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 10, 2026

Statement 1

Province of Nova Scotia
Consolidated Statement of Financial Position
As at March 31, 2026
($ thousands)

	2026	2025
		(as restated)
Financial Assets		
Cash and Short-Term Investments	1,706,391	1,564,477
Accounts Receivable (Note 17)	1,744,271	1,684,407
Inventories for Resale	3,516	3,602
Loans Receivable (Schedule 3)	2,333,935	2,112,167
Investments (Schedule 3)	1,564,041	1,545,590
Investment in Government Business Enterprises (Schedule 6)	283,314	298,459
Derivative Financial Assets (Note 13)	16,315	15,518
Assets Held for Sale	26,361	–
	7,678,144	7,224,220
Liabilities		
Bank Advances and Short-Term Borrowings	1,460,707	1,061,696
Accounts Payable and Accrued Liabilities	3,816,317	2,920,319
Deferred Revenue (Note 4)	321,864	308,972
Accrued Interest	250,031	223,430
Pension, Retirement and Other Obligations (Note 5)	2,999,184	3,007,946
Asset Retirement Obligations (Note 10)	660,537	600,488
Liabilities for Contaminated Sites (Note 11)	619,722	613,978
Unmatured Debt (Schedules 4 and 5)	21,633,693	19,309,590
Derivative Financial Obligations (Note 13)	12,783	21,401
	31,774,838	28,067,820
Net Debt	(24,096,694)	(20,843,600)
Non-Financial Assets		
Tangible Capital Assets (Schedule 7)	13,770,504	11,960,417
Inventories of Supplies	147,396	140,550
Prepaid Expenses	109,398	54,525
	14,027,298	12,155,492
Accumulated Deficits	(10,069,396)	(8,688,108)
Accumulated Deficits are comprised of:		
Accumulated Operating Deficits	(10,123,475)	(8,716,436)
Accumulated Remeasurement Gains	54,079	28,328
	(10,069,396)	(8,688,108)
Restricted Assets (Note 3)		
Contingencies and Contractual Obligations/Rights (Note 12)		
Public Private Partnerships (P3s) (Note 14)		
Trust Funds Under Administration (Note 15)		
Subsequent Events (Note 19)		

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

NOVA SCOTIA

Statement 2

Province of Nova Scotia
Consolidated Statement of Operations
For the fiscal year ended March 31, 2026
($ thousands)

	Adjusted Estimate 2026	Actual 2026	Actual 2025
Revenue (Schedule 1)			
Provincial Sources			
Tax Revenue	8,831,935	8,989,167	9,302,801
Other Provincial Revenue	1,820,410	2,010,778	2,187,934
Net Income from Government Business Enterprises (Schedule 6)	465,447	471,418	490,867
Investment Income	225,805	180,728	231,652
	11,343,597	11,652,091	12,213,254
Federal Sources	6,218,127	6,327,771	6,007,425
Total Revenue	17,561,724	17,979,862	18,220,679
Expenses (Schedule 2)			
Advanced Education	837,260	854,907	859,641
Agriculture	60,333	79,465	59,658
Communities, Culture, Tourism and Heritage	172,989	211,217	244,034
Cyber Security and Digital Solutions	283,921	280,372	241,493
Education and Early Childhood Development	2,689,809	2,655,073	2,440,009
Emergency Management	71,668	78,956	51,551
Energy	48,613	58,142	43,738
Environment and Climate Change	154,133	149,185	148,313
Finance and Treasury Board	69,706	86,311	68,683
Fisheries and Aquaculture	15,396	14,379	13,246
Growth and Development	485,168	481,965	503,132
Health and Wellness	6,408,234	6,833,966	6,359,221
Justice	492,629	512,508	486,485
Labour, Skills and Immigration	224,037	199,441	214,949
Municipal Affairs	337,882	278,524	314,508
Natural Resources	110,502	176,664	117,532
Opportunities and Social Development	1,674,544	1,673,130	1,610,816
Public Service	196,754	207,308	201,742
Public Works	772,705	806,137	788,528
Seniors and Long-Term Care	1,363,033	1,425,571	1,295,527
Service Nova Scotia	164,887	174,187	215,028
Restructuring Costs	551,472	1,144,079	661,765
Pension Valuation Adjustment (Note 5)	17,079	(40,265)	(16,151)
Refundable Tax Credits	147,960	165,302	155,907
Net Loss on Disposal of Crown Assets	–	10,786	2,023
Debt Servicing Costs (Note 7)	908,509	869,591	874,513
Total Expenses (Note 8)	18,259,223	19,386,901	17,955,891
Contingency	200,000	–	–
Provincial Surplus (Deficit)	(897,499)	(1,407,039)	264,788
Accumulated Operating Deficits, Beginning of Year		(8,716,436)	(8,981,224)
Accumulated Operating Deficits, End of Year		(10,123,475)	(8,716,436)

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

Statement 3

Province of Nova Scotia
Consolidated Statement of Changes in Net Debt
For the fiscal year ended March 31, 2026
($ thousands)

	Adjusted Estimate 2026	Actual 2026	Actual 2025
Net Debt, Beginning of Year	(20,843,600)	(20,843,600)	(19,100,212)
Changes in the Year			
Provincial Surplus (Deficit)	(897,499)	(1,407,039)	264,788
Acquisitions and Transfers of Tangible Capital Assets	(2,353,594)	(2,542,000)	(2,589,440)
Amortization of Tangible Capital Assets	681,200	703,651	611,531
Disposals of Tangible Capital Assets	—	28,262	6,891
Acquisitions of Inventories of Supplies	—	(6,846)	(16,148)
Use (Acquisitions) of Prepaid Expenses	—	(54,873)	8,139
Net Remeasurement Gains (Losses)	—	25,751	(29,149)
Total Changes in the Year	(2,569,893)	(3,253,094)	(1,743,388)
Net Debt, End of Year	(23,413,493)	(24,096,694)	(20,843,600)

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

NOVA SCOTIA

Statement 4

Province of Nova Scotia
Consolidated Statement of Remeasurement Gains and Losses
For the fiscal year ended March 31, 2026
($ thousands)

	2026	2025
Accumulated Remeasurement Gains, Beginning of Year	28,328	57,477
Unrealized Gains (Losses) During the Year		
Portfolio Investments in an Active Market	993	(3,275)
Derivative Financial Instruments	9,375	(36,172)
Other Comprehensive Income from Government Partnership Arrangements	372	182
Other Comprehensive Income from Government Business Enterprises (Schedule 6)	14,942	6,411
	25,682	(32,854)
Realized Gains (Losses) Reclassified to the Statement of Operations During the Year		
Portfolio Investments in an Active Market	60	3,800
Derivative Instruments	40	(46)
Designated Fair Value Financial Instruments	(31)	(49)
	69	3,705
Net Remeasurement Gains (Losses) For the Year	25,751	(29,149)
Accumulated Remeasurement Gains, End of Year	54,079	28,328
Accumulated Remeasurement Gains comprised of:		
Portfolio Investments in an Active Market	3,248	2,195
Derivative Financial Instruments	3,201	(6,183)
Other Comprehensive Loss from Government Partnership Arrangements	(180)	(552)
Other Comprehensive Income from Government Business Enterprises	47,810	32,868
	54,079	28,328

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

Statement 5

Province of Nova Scotia
Consolidated Statement of Cash Flow
For the fiscal year ended March 31, 2026
($ thousands)

	2026	2025
Operating Transactions		
Provincial Surplus (Deficit)	(1,407,039)	264,788
Net Remeasurement Gains (Losses) for the Year	25,751	(29,149)
Sinking Fund and Public Debt Management Fund Earnings	(26,220)	(25,856)
Amortization of Premiums and Discounts on Unmatured Debt	17,417	16,322
Net Income from Government Business Enterprises (Schedule 6)	(471,418)	(490,867)
Profit Distributions from Government Business Enterprises	486,563	642,825
Amortization of Tangible Capital Assets (Schedule 7)	703,651	611,531
Loss on Disposal of Tangible Capital Assets	852	4,361
Net Change in Other Items (Note 9)	1,243,675	367,805
	573,232	1,361,760
Investing Transactions		
Repayment of Loans Receivable	435,873	369,590
Advances and Investments	(678,785)	(491,443)
Write-offs	28,116	38,841
	(214,796)	(83,012)
Capital Transactions		
Acquisitions of Tangible Capital Assets	(2,542,000)	(2,589,440)
Proceeds from Disposal of Tangible Capital Assets	27,410	2,530
	(2,514,590)	(2,586,910)
Financing Transactions		
Debentures and Other Debt Issued	5,059,191	2,598,318
Repayment of Debentures and Other Long-Term Obligations	(2,761,123)	(924,658)
	2,298,068	1,673,660
Cash Inflows	141,914	365,498
Cash Position, Beginning of Year	1,564,477	1,198,979
Cash Position, End of Year	1,706,391	1,564,477
Cash Position Represented by:		
Cash and Short-Term Investments	1,706,391	1,564,477

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, 2026

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, 2026

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 2025-26 Estimates, tabled on February 18, 2025, 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	Provide rights	At point of sale	Drivers Licence / Vehicle Permit
Licences			Insurance Agents License / Direct Sellers License
Incorporation Fees			Certificate of Incorporation / Certificate of Registration
Vital Statistics			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, 2026

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, 2026

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 2.76 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:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	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)
Level 3	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, 2026

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

Assets Held for Sale are measured at their net carrying value upon reclassification from Tangible Capital Assets. An asset is classified as held for sale when management has approved a plan to sell the asset, the asset is available for immediate sale in its present condition, the asset is actively and publicly marketed for sale, an active market exists for the asset, and the sale is expected to be completed within one year of the financial statement date.

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 2.28 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.

Province of Nova Scotia
Notes to the Consolidated Financial Statements
As at March 31, 2026

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

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 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 unmatured 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 31st. 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.

Province of Nova Scotia
Notes to the Consolidated Financial Statements
As at March 31, 2026

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

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.

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.

Province of Nova Scotia
Notes to the Consolidated Financial Statements
As at March 31, 2026

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

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 $4.76 billion (2025 – $4.74 billion), Corporate Income Tax (CIT) revenue of $905 million (2025 – $1.11 billion), and Harmonized Sales Tax (HST) revenue of $2.63 billion (2025 – $2.74 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 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 $3.00 billion (2025 – $3.01 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 $660.5 million (2025 – $600.5 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 $619.7 million (2025 – $614.0 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 $13.77 billion (2025 – $11.96 billion), 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.

Province of Nova Scotia
Notes to the Consolidated Financial Statements
As at March 31, 2026

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

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.

Two additional accounting standards issued by the Public Sector Accounting Board have not been applied in preparing these financial statements. The Province is assessing the impact that these standards will have on the consolidated financial statements:

- *PS 3251 Employee Benefits,* effective April 1, 2029, will replace two existing standards setting foundational guidance for the recognition, measurement, presentation, and disclosure of all employee benefits.

- *PS 3150 Tangible Capital Assets,* effective April 1, 2030, has been amended to incorporate government not-for-profit standards.

2. Accounting Changes

Correction to Department of Education and Early Childhood Development Accounts Receivable
During the year, the Province identified an overstatement of accounts receivable and deferred revenue related to the Canada-Nova Scotia Canada-wide Early Learning and Child Care Agreement. Accounts receivable and deferred revenue were reduced by $75.3 million for the year-ending March 31, 2025. This correction has no impact on Net Debt, Accumulated Deficits, or the prior year Provincial Surplus.

3. Restricted Assets

As at March 31, 2026, assets of $131.9 million (2025 – $122.0 million) were designated for restricted purposes by external parties. Restricted cash and short-term investments totaled $27.2 million (2025 – $13.1 million), comprised of: $18.2 million for Nova Scotia Health Authority (NSHA) research and other purposes (2025 – $nil), $5.0 million for gas market development as part of the Nova Scotia Market Development Initiative Fund (2025 – $4.8 million), $3.7 million for endowment and scholarship funds (2025 – $7.6 million), and $0.3 million for the Independent Production Fund (2025 – $0.6 million).

Restricted investments totaled $104.8 million (2025 – $108.9 million), comprised of: $63.4 million for NSHA research and other purposes (2025– $72.2 million) and $41.4 million for endowment funds (2025 – $36.7 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.

Province of Nova Scotia
Notes to the Consolidated Financial Statements
As at March 31, 2026

4. Deferred Revenue

($ thousands)	2026	2025 *(as restated)*
Annapolis Valley Regional Centre for Education	3,120	2,900
Build Nova Scotia	2,565	2,532
Canada - Affordable Housing Fund	7,035	8,247
Canada - CMHC National Housing Strategy	28,086	38,452
Canada - CMHC Social Housing Agreement	1,446	2,340
Canada Community-Building Fund (formerly Federal Gas Tax Fund)	5,503	5,429
Canada - COVID-19 Proof of Vaccination Fund	6,438	6,438
Canada - Nova Scotia Canada-Wide Early Learning and Child Care Agreement	25,474	7,544
Canada - Nova Scotia Home and Community Care and Mental Health and Addictions Services Funding Agreement	2,238	2,375
Conseil scolaire acadien provincial	1,933	3,347
Halifax Regional Centre for Education	7,805	7,431
Izaak Walton Killam Health Centre – Capital, Research, and Other Restricted Funds	37,554	37,342
Nova Scotia Community College	49,261	46,983
Nova Scotia Health Authority – Capital, Research, and Other Restricted Funds	80,155	67,468
Nova Scotia School Lunch Program	—	3,032
Perennia Food and Agriculture Incorporated	1,264	4,133
Public Archives of Nova Scotia	3,905	3,644
Resource Recovery Fund Board Inc. – Unearned Revenue from Container Deposits, Paint Levies, and Tire Deposits	24,399	23,779
Seniors Pharmacare	15,014	15,254
Social Infrastructure Fund	2,315	2,315
Other Externally Restricted Funds	16,354	17,987
Total Deferred Revenue	321,864	308,972

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) are defined benefit plans with plan assets primarily composed of Canadian and foreign equities, government and corporate bonds, debentures, secured mortgages, and real estate.

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

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, 2026, the PSSP was 105.5 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, 2026 to December 31, 2030 was completed in the first half of 2025. Based on the PSSP's December 31, 2024 funding ratio of 114.6 per cent, 2.61 per cent 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 2026 were $131.6 million (2025 – $111.6 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, 2026, the total accrued benefit liability associated with this plan was $671.9 million (2025 – $748.0 million).

As at December 31, 2025, the TPP was 86.8 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 $31.5 million to the TPP in 2026 (2025 – $44.5 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 2026 were $172.1 million (2025 – $185.3 million).

During the year, the weighted average actual rate of return on TPP plan assets was 6.34 per cent (2025 – 6.95 per cent). The total market value of plan assets at March 31, 2026 was $6.5 billion (2025 – $6.2 billion). The liability recorded in 2026 for the TPP was based on the most recent actuarial valuation performed at December 31, 2024, extrapolated to March 31, 2026.

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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, 2025, the NSHEPP was 110.8 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, 2025, which indicated a funding surplus of $1.3 billion (2025 – $0.8 billion). The Province's contributions to this plan in 2026 were $184.2 million (2025 – $166.6 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, 2026. 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, 2026 was $312.9 million (2025 – $276.7 million). Employer contributions in 2026 were $8.2 million (2025 – $7.4 million).

The Province has several other unfunded defined benefit pension plans. The liabilities for these other plans recorded in 2026 were based on the most recent actuarial valuations performed between September 30, 2023 and December 31, 2024 and extrapolated to March 31, 2026.

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 liabilities for these termination benefits recorded in 2026 were based on the most recent actuarial valuations performed at December 31, 2024 and extrapolated to March 31, 2026.

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 liabilities for these post-employment benefit plans recorded in 2026 were based on the most recent actuarial valuations performed between March 31, 2023 and December 31, 2024 and extrapolated to March 31, 2026.

Province of Nova Scotia
Notes to the Consolidated Financial Statements
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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 2026 were $11.6 million (2025 – $9.7 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 2026 were based on the most recent actuarial valuations performed between June 30, 2023 and March 31, 2024 and extrapolated to March 31, 2026.

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 2026 were based on the most recent actuarial valuations performed between March 31, 2024 and March 31, 2025 and extrapolated to March 31, 2026.

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

b) Summary of Balances *($ thousands)*	**Teachers' Pension Plan**	**Other Pension Plans**	**Total Pension Benefits**	**Retirement Health Benefits**	**Other Benefits**	**Total Other Benefits**	**2026 Total**	**2025 Total**
Projected Benefit Obligation, Beginning of Year	3,539,164	699,304	4,238,468	1,369,544	357,480	1,727,024	5,965,492	6,019,975
Current Benefit Cost	81,087	27,122	108,209	49,154	43,487	92,641	200,850	195,614
Interest Cost	226,441	32,368	258,809	51,929	13,390	65,319	324,128	312,889
Actuarial Losses (Gains)	(32,539)	11,722	(20,817)	(98,310)	(28,858)	(127,168)	(147,985)	(226,412)
Benefit/Premium Payments	(230,838)	(44,157)	(274,995)	(32,763)	(39,601)	(72,364)	(347,359)	(343,559)
Other	1,145	(47)	1,098	(116)	16,867	16,751	17,849	3,309
Plan Amendments	—	—	—	—	—	—	—	3,676
Projected Benefit Obligation, End of Year	3,584,460	726,312	4,310,772	1,339,438	362,765	1,702,203	6,012,975	5,965,492
Market Related Value of Plan Assets, Beginning of Year	3,126,821	371,843	3,498,664	—	—	—	3,498,664	3,297,547
Expected Return on Plan Assets	205,551	21,338	226,889	—	—	—	226,889	210,486
Actuarial Gains (Losses)	(25,622)	11,448	(14,174)	—	—	—	(14,174)	46,845
Benefit Payments	(230,838)	(44,245)	(275,083)	—	—	—	(275,083)	(271,384)
Other	1,145	(943)	202	—	—	—	202	717
Employer Contributions	86,066	40,630	126,696	—	—	—	126,696	133,621
Employee Contributions	70,560	11,534	82,094	—	—	—	82,094	80,832
Market Related Value of Plan Assets, End of Year	3,233,683	411,605	3,645,288	—	—	—	3,645,288	3,498,664
Net Benefit Plans Deficiency, End of Year	350,777	314,707	665,484	1,339,438	362,765	1,702,203	2,367,687	2,466,828
Unamortized Net Actuarial Gains (Losses)	(14,850)	34,000	19,150	532,896	45,478	578,374	597,524	517,042
Valuation Allowance	—	33,973	33,973	—	—	—	33,973	24,076
Accrued Benefit Liability, End of Year	335,927	382,680	718,607	1,872,334	408,243	2,280,577	2,999,184	3,007,946

Province of Nova Scotia
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5. Pension, Retirement and Other Obligations *(continued)*

c) Net Benefit Plans Expense

($ thousands)	Teachers' Pension Plan	Other Pension Plans	Total Pension Benefits	Retirement Health Benefits	Other Benefits	Total Other Benefits	2026 Total	2025 Total
Current Benefit Cost	81,087	27,122	108,209	49,154	43,487	92,641	200,850	195,614
Employee Contributions	(70,560)	(11,534)	(82,094)	—	—	—	(82,094)	(80,832)
Employer Contributions *	86,066	—	86,066	—	—	—	86,066	92,655
Plan Amendments	—	—	—	—	—	—	—	3,676
Amortization of Net Actuarial Losses (Gains)	16,595	(4,324)	12,271	(31,849)	(33,786)	(65,635)	(53,364)	(21,495)
Other	—	391	391	427	16,867	17,294	17,685	2,002
Increase in Valuation Allowance	—	9,897	9,897	—	—	—	9,897	6,080
Interest Cost	226,441	32,368	258,809	51,929	13,390	65,319	324,128	312,889
Expected Return on Plan Assets	(205,551)	(21,338)	(226,889)	—	—	—	(226,889)	(210,486)
Employer Contributions to Multi-Employer Plans	—	315,786	315,786	—	11,605	11,605	327,391	287,888
Net Benefit Plans Expense	134,078	348,368	482,446	69,661	51,563	121,224	603,670	587,991
Recorded as:								
Fringe Benefits Expense	140,586	331,837	472,423	25,188	49,085	74,273	546,696	501,739
Pension Valuation Adjustment	(27,398)	5,501	(21,897)	(7,456)	(10,912)	(18,368)	(40,265)	(16,151)
Net Pension Interest Cost	20,890	11,030	31,920	51,929	13,390	65,319	97,239	102,403
Net Benefit Plans Expense	134,078	348,368	482,446	69,661	51,563	121,224	603,670	587,991

* *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.*

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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)	2026 Accrued Benefit (Asset) Liability	2025 Accrued Benefit (Asset) Liability	2026 Net Benefit Plans Expense	2025 Net Benefit Plans Expense
Pension Benefits				
Public Service Superannuation Plan *	—	—	131,631	111,612
Teachers' Pension Plan	335,927	373,983	134,078	150,529
Health Employees Pension Plan *	—	—	184,155	166,601
Educational Non-Teaching Plans	(6,283)	(6,494)	11,171	6,998
Members of the Legislative Assembly Pension Plan	129,343	126,608	8,560	13,140
Sysco Pension Plan	80,491	88,151	1,119	(70)
Supplementary Pensions	179,129	181,869	11,732	12,572
Total Pension Benefits	718,607	764,117	482,446	461,382
Other Benefits				
Public Service Superannuation Plan Health Benefits	318,954	325,877	(1,331)	6,106
Teachers' Pension Plan Health Benefits	1,130,731	1,094,864	54,213	59,399
Health Sector Retirement Health Benefits	286,814	280,335	13,351	12,814
Other Retirement Health Benefits	135,835	134,864	3,428	4,190
Self-Insured Workers' Compensation Plan	163,426	160,979	18,336	14,125
Public Service Long Term Disability Plan *	—	—	11,605	9,675
Accumulated Sick Leave Benefits	219,210	217,904	23,006	20,836
Retirement Allowances	25,607	29,006	(1,384)	(536)
Total Other Benefits	2,280,577	2,243,829	121,224	126,609
Pension, Retirement and Other Obligations	2,999,184	3,007,946	603,670	587,991

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

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

e) Actuarial Assumptions

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

	2026		2025	
	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	4.56%	–	4.41%	–
NSECSB	3.87%	–	4.07%	–
Rate of compensation increase	0.00% - 2.50% + merit	1.50% - 2.50% + merit	0.0% - 3.5% + merit	1.5% - 3.0% + merit
Discount rates:				
TPP	6.65%		6.50%	
NSECSB	5.95%		6.15%	
Other Plans		4.06%		3.67%

Other Assumptions

- 7.0 per cent annual rate increase in the cost per person of covered health care benefits for 2025-26, 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 2025-26, 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 14.9 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)	2026					
	Pension Benefits		Other Benefits		Total	
Possible change in obligations due to:						
a) Discount Rate – 0.5% Decrease	232,560	5.9%	148,048	8.6%	380,608	6.7%
b) Salary Growth Rate – 1.0% Increase	143,255	3.6%	20,724	1.2%	163,979	2.9%
c) Health Care Cost Trend Rate – 1.0% Increase	n/a	n/a	309,289	18.1%	309,289	5.4%

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.

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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)	2026			2025		
	Current	**PYA**	**Total**	**Current**	**PYA**	**Total**
Provincial Sources						
Personal Income Tax	4,743,879	13,117	4,756,996	4,471,232	272,059	4,743,291
Corporate Income Tax	900,665	4,698	905,363	942,496	163,933	1,106,429
Harmonized Sales Tax	2,567,300	66,529	2,633,829	2,667,054	70,145	2,737,199
Petroleum Royalties	—	—	—	—	55,324	55,324
Financial Institutions Capital Tax [1]	76,985	2,732	79,717	75,056	14,692	89,748
Large Corporations Tax [1]	—	21	21	—	(94)	(94)
		87,097			576,059	
Federal Sources						
Canada Health Transfer	1,435,328	8,937	1,444,265	1,357,718	1,173	1,358,891
Canada Social Transfer	457,125	2,901	460,026	440,804	(631)	440,173
		11,838			542	

[1] *Included in Other Tax Revenue in Schedule 1*

7. Debt Servicing Costs

($ thousands)	**2026**	**2025**
CDN$ Denominated Debt	724,231	681,891
Pension, Retirement and Other Obligations	97,239	102,403
Capital Leases	6,976	7,392
Public Private Partnerships (P3s)	9,630	9,950
Other Debt	14,117	56,572
Amortization of Premiums and Discounts on Unmatured Debt	17,417	16,322
Amortization of Foreign Exchange Gains	(19)	(17)
Total Debt Servicing Costs	869,591	874,513

Debt servicing costs have been offset with associated interest revenue of $0.4 million (2025 – $0.2 million) on repurchased debt instruments.

For the year ended March 31, 2026, total debt servicing costs for the Province's government business enterprises were $4.5 million (2025 – $9.5 million), see Schedule 6.

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8. Expenses by Object

($ thousands)	2026	2025
Grants and Subsidies	6,593,353	6,452,072
Salaries and Employee Benefits	7,445,281	6,439,690
Operating Goods and Services	3,145,952	2,984,448
Professional Services	616,686	589,458
Amortization	703,651	611,531
Debt Servicing Costs	869,591	874,513
Other	12,387	4,179
Total Expenses by Object	19,386,901	17,955,891

9. Cash Flow— Net Change in Other Items

($ thousands)	2026	2025 *(as restated)*
Decrease (Increase) in Accounts Receivable	(59,864)	276,923
Decrease in Inventories for Resale	86	389
Increase in Assets Held for Sale	(26,361)	—
Increase (Decrease) in Bank Advances and Short-Term Borrowings	399,011	(52,743)
Increase in Accounts Payable and Accrued Liabilities	895,998	143,018
Increase (Decrease) in Deferred Revenue	12,892	(56,010)
Increase in Accrued Interest	26,601	36,107
Increase (Decrease) in Pension, Retirement and Other Obligations	(8,762)	5,922
Increase in Asset Retirement Obligations	60,049	8,506
Increase in Liabilities for Contaminated Sites	5,744	13,702
Increase in Inventories of Supplies	(6,846)	(16,148)
Decrease (Increase) in Prepaid Expenses	(54,873)	8,139
Total Net Change in Other Items	1,243,675	367,805

10. Asset Retirement Obligations

The Province owns and operates various assets that are subject to asset retirement obligations. As at March 31, 2026, a total liability for asset retirement obligations of $660.5 million (2025 – $600.5 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
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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, see Note 1 e).

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 $526.3 million (2025 – $473.5 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 $124.9 million (2025 – $119.4 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 (2025 – $1.3 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 $8.0 million (2025 – $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.

10. Asset Retirement Obligations *(continued)*

The tables below show the continuity of Asset Retirement Obligations:

($ thousands)

	2026				
	Asbestos	Lead	Fuel Tanks	Other	Total
Balance, Beginning of Year	473,488	119,401	1,275	6,324	600,488
Liabilities Incurred During Year	1,011	141	10	—	1,162
Liabilities Settled During Year	(2,023)	(714)	(180)	(39)	(2,956)
Changes in Estimated Costs	53,781	6,101	160	1,694	61,736
Accretion Expense	20	—	—	87	107
Balance, End of Year	526,277	124,929	1,265	8,066	660,537

	2025				
	Asbestos	Lead	Fuel Tanks	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
Balance, End of Year	473,488	119,401	1,275	6,324	600,488

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	177,698	612,706
Other	7	3,680
Unrecorded Assets	—	44,151
Total	177,705	660,537

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, 2026, a total liability for contaminated sites of $619.7 million (2025 – $614.0 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

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11. Liabilities for Contaminated Sites *(continued)*

measured on an undiscounted basis. The Province has identified and continues to track approximately 205 sites in total. Of these, 97 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 $419.0 million (2025 – $405.7 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 $45.8 million (2025 – $49.8 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 $141.3 million (2025 – $144.0 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 $90.7 million (2025 – $90.3 million) has been recognized for these seven sites. A liability of $50.6 million (2025 – $53.5 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 four former coal mine sites and one former gold mine site 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, 2026

11. Liabilities for Contaminated Sites *(continued)*

Other Contaminated Sites
A liability of $13.6 million (2025 — $14.5 million) has been recognized for various other contaminated sites associated with highway maintenance, commercial, and industrial operations.

For the remaining 108 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, 2026 was $165.2 million (2025 – $222.7 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, 2026

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

b) Contingent Assets

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 Energy and Regulatory Boards Tribunal to overturn the penalty. The Court decision has not been made yet as of March 31, 2026. This $10 million penalty has not been recognized in these consolidated financial statements.

c) Contractual Obligations

As at March 31, 2026, the Province had contractual obligations as follows:

($ thousands)				
Fiscal Year	**General Revenue Fund**	**Governmental Units**	**Government Business Enterprises**	**Total Contractual Obligations**
2027	4,827,887	448,654	—	5,276,541
2028	3,517,782	272,393	—	3,790,175
2029	2,635,485	183,870	—	2,819,355
2030	1,773,583	145,027	—	1,918,610
2031	1,505,242	98,893	—	1,604,135
2032 to 2036	6,248,596	1,041,876	—	7,290,472
2037 to 2041	3,688,236	—	—	3,688,236
2042 to 2046	3,722,915	—	—	3,722,915
2047 and thereafter	5,526,473	—	—	5,526,473
	33,446,199	2,190,713	—	35,636,912

These contractual obligations are comprised of $33.45 billion from the General Revenue Fund, and $2.2 billion from governmental units. Included are contractual obligations for the Department of Seniors and Long-Term Care of $20.29 billion for service agreements with long-term care facilities, $6.54 billion for the Department of Health and Wellness (DHW) for future commitments related to P3 arrangements (of which $2.86 billion is for the capital portion and $3.68 billion for the operating and maintenance portion), $1.29 billion for the Department of Justice for the Royal Canadian Mounted Police (RCMP) policing services, $956.1 million for the Department of Public Works for various school, health, and highway projects, $945.4 million for DHW relating to medical transportation services, $831.5 million for the Department of Opportunities and Social Development for Disability Support Program Homes Contracts, and $398.6 million for the Department of Advanced Education for various bilateral agreements with various universities.

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

d) Operating Leases

As at March 31, 2026, the Province was contractually obligated under various operating leases. Future minimum annual lease payments were as follows:

($ thousands) Fiscal Year	General Revenue Fund	Governmental Units	Government Business Enterprises	Total Lease Payments
2027	85,981	52,570	79	138,630
2028	68,019	45,822	81	113,922
2029	61,878	40,809	83	102,770
2030	55,446	38,156	—	93,602
2031	30,765	33,866	—	64,631
2032 to 2036	62,758	129,338	—	192,096
2037 to 2041	6,290	11,347	—	17,637
2042 to 2046	1,533	6,956	—	8,489
	372,670	358,864	243	731,777

e) Contractual Rights

As at March 31, 2026, the Province had contractual rights as follows:

($ thousands) Fiscal Year	General Revenue Fund	Governmental Units	Government Business Enterprises	Total Contractual Rights
2027	660,568	—	—	660,568
2028	480,333	—	—	480,333
2029	287,879	—	—	287,879
2030	268,014	—	—	268,014
2031	247,456	—	—	247,456
2032 to 2036	3,754	—	—	3,754
2037 to 2041	2,381	—	—	2,381
2042 to 2046	913	—	—	913
	1,951,298	—	—	1,951,298

These contractual rights are comprised of $1.09 billion for the Department of Education and Early Childhood Development for Early Learning and Child Care programs and other federal funding programs, $255.9 million for the Department of Municipal Affairs for various funding commitments under the Investing in Canada Infrastructure Program and Canada Community Building Fund, $135.2 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, $95.8 million for the Department of Labour, Skills and Immigration for the Labour Market Development program, and $93.1 million for the Department of Growth and Development for federal funding initiatives under the National Housing Strategy.

Province of Nova Scotia
Notes to the Consolidated Financial Statements
As at March 31, 2026

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, 2026, 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 0.16 years to 19.65 years, a notional principal value of $1.02 billion and a mark to market value of ($3.5) 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, 2026

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

($ thousands)

Maturity Date	Current Currency	Current Notional	Fair Value[1]
Derivative Financial Assets			
2027	CDN$	–	–
2028	CDN$	94	–
2029	CDN$	202,975	2,679
2030	CDN$	2,588	6
2031	CDN$	10,463	195
2032 and thereafter	CDN$	471,911	13,435
Total		688,031	16,315
Derivative Financial Obligations			
2027	CDN$	3,271	(20)
2028	CDN$	1,649	(5)
2029	CDN$	3,490	(42)
2030	CDN$	4,389	(16)
2031	CDN$	–	–
2032 and thereafter	CDN$	323,105	(12,700)
Total		335,904	(12,783)

[1] Fair value is based on the Mark to Market, an indication of the swap's market value as at March 31, 2026. It is also the equivalent of the present value of future cash flows based on market conditions at March 31, 2026.

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, 2026, a one per cent increase or decrease in interest rates would result in a $6.2 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, 2026, the Province has no material foreign exchange exposure.

Province of Nova Scotia
Notes to the Consolidated Financial Statements
As at March 31, 2026

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)

Fair Value Hierarchy	Fair Value	Cost / Amortized Cost	Total
Cost/Amortized Cost			
Investments	–	1,178,679	1,178,679
Level 1			
Investments	347,340	–	347,340
Level 2			
Investments	38,022	–	38,022
	385,362	1,178,679	1,564,041
Derivative Financial Assets	16,315		16,315
Derivative Financial Obligations	(12,783)	–	(12,783)
Total	388,894	1,178,679	1,567,573

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, 2026

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 Infirmary Expansion Project Acute Care Tower
The Halifax Infirmary 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)	2026	2025
Nova Scotia Credit Union Deposit Insurance Corporation [1]	60,879	55,211
Public Trustee [2]	88,637	80,840
Miscellaneous Trusts [3]	76,796	70,507
Total Trust Funds Under Administration	226,312	206,558

[1] *Represents trust with December 31 year-end.*
[2] *Financial statements of these funds are available in Public Accounts – Volume 2.*
[3] *Miscellaneous trusts include a large number of relatively small funds.*

Province of Nova Scotia
Notes to the Consolidated Financial Statements
As at March 31, 2026

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, 2025 were $6.5 billion (2024 – $6.2 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, 2026, the total net assets available for benefits were $8.7 billion (2025 – $8.3 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, 2025 were $163.9 million (2024 – $159.1 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, 2026, 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, 2026

17. Accounts Receivable

($ thousands)	2026	2025
		(as restated)
Gross Accounts Receivable	1,764,781	1,699,916
Allowance for Doubful Accounts	(20,510)	(15,509)
Net Accounts Receivable	1,744,271	1,684,407

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 in the 2024-25 fiscal year (gross of legal fees totalling $19.2 million). No amount was recognized in the 2025-26 fiscal year.

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.

Province of Nova Scotia
Notes to the Consolidated Financial Statements
As at March 31, 2026

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.

An auction for the timberlands was held on November 27, 2025, and the third-party successful bidder was approved by the Supreme Court of British Columbia on December 16, 2025. Subsequent to year-end, information became available confirming that the successful bid was sufficient for the Province to recover the full amount of its $102.3 million statement of claim. As this information provided evidence of conditions that existed at March 31, 2026, the Province recognized revenue of $102.3 million in the fiscal year ended March 31, 2026.

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 reclassifications are mainly the departmental restructurings and name changes. The more significant reclassifications are attributed to the departmental restructurings that were announced and made effective in December 2025, under Order in Council 2025-366 and April 2025, under Order in Council 2025-115. For the purposes of these Public Accounts and comparability with Budget 2025-26, the name changes have been reflected, and the estimates and prior year actual figures of the affected departments have been reclassified.

NOVA SCOTIA

Schedule 1

Province of Nova Scotia
Revenue
For the fiscal year ended March 31, 2026
($ thousands)

	2026	2025
Provincial Sources		
Tax Revenue		
Personal Income Tax *	4,756,996	4,743,291
Corporate Income Tax *	905,363	1,106,429
Harmonized Sales Tax *	2,633,829	2,737,199
Tobacco Tax	92,372	108,335
Motive Fuel Tax	278,972	272,370
Cannabis and Vaping Products Tax	23,713	22,122
Non-Resident Deed Transfer Tax	18,189	14,559
Other Tax Revenue *	279,733	298,496
	8,989,167	9,302,801
Other Provincial Revenue		
Recoveries	683,259	642,301
Other Revenue of Governmental Units	496,495	526,972
Municipal Contributions to Regional Centres for Education	385,830	356,317
Petroleum Royalties *	—	55,324
Registry of Motor Vehicles	158,539	155,286
Other Government Charges	73,383	72,242
Miscellaneous (Note 17)	213,272	370,506
Net Gain on Disposal of Crown Assets	—	8,986
	2,010,778	2,187,934
Net Income from Government Business Enterprises (Schedule 6)	471,418	490,867
Investment Income		
Interest Revenue	154,508	205,796
Sinking Fund and Public Debt Management Fund Earnings	26,220	25,856
	180,728	231,652
Total Provincial Sources	11,652,091	12,213,254
Federal Sources		
Equalization Payments	3,464,825	3,284,338
Canada Health Transfer *	1,444,265	1,358,891
Canada Social Transfer *	460,026	440,173
Recoveries	667,022	653,384
TCA Cost Shared Revenue	46,618	28,889
Other Federal Transfers	245,015	241,750
Total Federal Sources	6,327,771	6,007,425
Total Revenue	17,979,862	18,220,679

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

Schedule 2

Province of Nova Scotia
Expenses
For the fiscal year ended March 31, 2026
($ thousands)

	2026	2025
Advanced Education		
Department of Advanced Education	553,825	559,515
Nova Scotia Community College	301,082	300,126
	854,907	859,641
Agriculture		
Department of Agriculture	40,934	39,644
Nova Scotia Crop and Livestock Insurance Commission	17,617	3,533
Nova Scotia Harness Racing Fund	1,369	1,552
Perennia Food and Agriculture Corporation	19,545	14,929
	79,465	59,658
Communities, Culture, Tourism and Heritage		
Department of Communities, Culture, Tourism and Heritage	202,163	236,192
Art Gallery of Nova Scotia	5,888	4,910
Gaels Forward Fund	22	20
Public Archives of Nova Scotia	168	132
Sherbrooke Restoration Commission	2,913	2,733
Vive l'Acadie Community Fund	63	47
	211,217	244,034
Cyber Security and Digital Solutions		
Department of Cyber Security and Digital Solutions	280,372	241,493
Education and Early Childhood Development		
Department of Education and Early Childhood Development	391,576	249,115
Annapolis Valley Regional Centre for Education	235,550	218,824
Cape Breton-Victoria Regional Centre for Education	227,232	218,189
Chignecto Central Regional Centre for Education	337,257	327,796
Conseil scolaire acadien provincial	148,416	145,725
Halifax Regional Centre for Education	910,356	879,674
Nova Scotia Education Common Services Bureau	1,994	1,956
Nova Scotia School Insurance Program	14,193	16,019
South Shore Regional Centre for Education	128,567	127,587
Strait Regional Centre for Education	133,977	131,675
Tri-County Regional Centre for Education	125,955	123,449
	2,655,073	2,440,009
Emergency Management		
Department of Emergency Management	70,458	41,887
Nova Scotia E911 Cost Recovery Fund	8,498	9,664
	78,956	51,551

Schedule 2

Province of Nova Scotia
Expenses *(continued)*
For the fiscal year ended March 31, 2026
($ thousands)

	2026	2025
Energy		
Department of Energy	58,142	43,738
Environment and Climate Change		
Department of Environment and Climate Change	72,345	75,948
Resource Recovery Fund Board Inc.	76,840	72,365
	149,185	148,313
Finance and Treasury Board		
Department of Finance and Treasury Board	46,944	57,008
Halifax-Dartmouth Bridge Commission	26,279	—
Nova Scotia Gaming Corporation	13,088	11,675
	86,311	68,683
Fisheries and Aquaculture		
Department of Fisheries and Aquaculture	14,372	13,246
Nova Scotia Sportfish Habitat Fund	7	—
	14,379	13,246
Growth and Development		
Department of Growth and Development	262,810	261,107
Invest Nova Scotia	54,587	55,386
Nova Scotia Provincial Housing Agency	164,568	186,639
	481,965	503,132
Health and Wellness		
Department of Health and Wellness	2,030,472	1,890,249
Izaak Walton Killam Health Centre	476,348	422,192
Nova Scotia Health Authority	4,323,397	4,046,780
Physician Assessment Centre of Excellence	3,749	—
	6,833,966	6,359,221
Justice		
Department of Justice	462,916	442,546
CorFor Capital Repairs and Replacement Fund	472	291
Nova Scotia Legal Aid Commission	47,014	41,757
Workers Compensation Appeals Tribunal	2,106	1,891
	512,508	486,485
Labour, Skills and Immigration		
Department of Labour, Skills and Immigration	199,090	214,869
Occupational Health and Safety Trust Fund	351	80
	199,441	214,949
Municipal Affairs		
Department of Municipal Affairs	278,524	314,508

Schedule 2

Province of Nova Scotia
Expenses *(continued)*
For the fiscal year ended March 31, 2026
($ thousands)

	2026	2025
Natural Resources		
Department of Natural Resources	172,051	112,777
Acadia Coal Company Limited Fund	—	2
Crown Land Mine Remediation Fund	—	16
Crown Land Silviculture Fund	1,569	1,750
Habitat Conservation Fund	267	218
Nova Scotia Market Development Initiative Fund	15	—
Off-highway Vehicle Infrastructure Fund	2,280	2,419
Pengrowth Nova Scotia Energy Scholarship Fund	132	—
Species-at-risk Conservation Fund	350	350
	176,664	117,532
Opportunities and Social Development		
Department of Opportunities and Social Development	1,673,130	1,610,816
Public Service		
Public Service Units	194,062	189,686
Energy and Regulatory Boards Tribunal	13,209	12,021
Mi'kmaw Youth Fund	37	35
	207,308	201,742
Public Works		
Department of Public Works	754,547	743,434
Build Nova Scotia	46,670	42,621
Link Nova Scotia	4,920	2,473
	806,137	788,528
Seniors and Long-Term Care		
Department of Seniors and Long-Term Care	1,425,571	1,295,527
Service Nova Scotia		
Department of Service Nova Scotia	174,187	215,028
Restructuring Costs	1,144,079	661,765
Pension Valuation Adjustment	(40,265)	(16,151)
Refundable Tax Credits	165,302	155,907
Net Loss on Disposal of Crown Assets	10,786	2,023

Schedule 2

Province of Nova Scotia
Expenses *(continued)*
For the fiscal year ended March 31, 2026
($ thousands)

	2026	2025
Debt Servicing Costs		
General Revenue Fund	850,694	856,275
Annapolis Valley Regional Centre for Education	437	384
Art Gallery of Nova Scotia	12	10
Build Nova Scotia	50	42
Cape Breton-Victoria Regional Centre for Education	398	348
Chignecto Central Regional Centre for Education	733	637
Conseil scolaire acadien provincial	263	240
Energy and Regulatory Boards Tribunal	26	26
Halifax Regional Centre for Education	1,733	1,461
Halifax-Dartmouth Bridge Commission	17	—
Invest Nova Scotia	102	1,294
Izaak Walton Killam Health Centre	1,020	909
Nova Scotia Community College	3,169	2,996
Nova Scotia Gaming Corporation	—	3
Nova Scotia Health Authority	10,127	8,981
Nova Scotia Legal Aid Commission	482	424
Nova Scotia Provincial Housing Agency	20	18
Resource Recovery Fund Board Inc.	156	114
South Shore Regional Centre for Education	(194)	(16)
Strait Regional Centre for Education	235	212
Tri-County Regional Centre for Education	111	155
	869,591	874,513
Total Expenses	19,386,901	17,955,891

Schedule 3

Province of Nova Scotia
Loans and Investments
As at March 31, 2026
($ thousands)

	Loans	Provisions	Net 2026	Net 2025
Loans Receivable				
Advanced Education – Student Loans Direct Lending	228,568	100,604	127,964	121,784
Agriculture and Rural Credit Act	340,485	8,104	332,381	304,805
Finance and Treasury Board – Loans to Municipalities	965,289	–	965,289	903,791
Fisheries Development Act	399,815	2,911	396,904	348,948
Growth and Development – Housing Loans	152,964	4,256	148,708	112,488
Invest Nova Scotia	101,614	1,437	100,177	112,820
Nova Scotia Jobs Fund	300,289	38,787	261,502	206,346
Other	1,251	241	1,010	1,185
Total Loans Receivable	2,490,275	156,340	2,333,935	2,112,167

	Investments	Provisions	Net 2026	Net 2025
Investments				
Art Gallery of Nova Scotia	7,318	–	7,318	7,364
Finance and Treasury Board – Public Debt Management Fund	1,045,650	–	1,045,650	1,019,436
Finance and Treasury Board – Other	3,032	–	3,032	4,781
Invest Nova Scotia	99,744	27,411	72,333	69,028
Nova Scotia Community College	51,140	–	51,140	52,052
Nova Scotia Health Authority	63,365	–	63,365	71,767
Nova Scotia Power Finance Corporation	261,379	–	261,379	273,655
Nova Scotia School Insurance Program	6,978	–	6,978	6,630
Perennia Food and Agriculture Corporation	22,217	–	22,217	14,362
Public Archives of Nova Scotia	3,713	–	3,713	3,440
Resource Recovery Fund Board Inc.	26,916	–	26,916	23,075
Total Investments	1,591,452	27,411	1,564,041	1,545,590

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 (2025 – $2.5 million) for possible guarantee pay-outs from the *Nova Scotia Jobs Fund Act.* Other provisions include $nil (2025 – $7.3 million) for the Debt Reduction Assistance Program related to the student loans portfolio of the Department of Advanced Education, which ended in 2025-26.

Maturity dates for loans range from calendar year 2026 to 2058, with some loans having no set maturity date. Interest rates for loans range from 0.0 to 10.7 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 ranges from an unsecured position to a fully secured position.

Some loan agreements have forgiveable conditions; however, reasonable expectation of recovery remains.

Schedule 3

Province of Nova Scotia
Loans and Investments *(continued)*
As at March 31, 2026

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 term 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 identified based on review of specific accounts in arrears or once 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)

					2026	2025
1-30 days	31-60 days	61-90 days	91 + days	Total	Total
3,312	8,858	2,702	21,230	36,102	33,345

Schedule 4

Province of Nova Scotia
Unmatured Debt
As at March 31, 2026
($ thousands)

	Gross Unmatured Debt	Repurchased Own Debt Instruments	2026 Net Unmatured Debt	2025 Net Unmatured Debt
General Revenue Fund	21,364,195	441	21,363,754	19,030,909
Nova Scotia Health Authority	8,555	—	8,555	5,019
Nova Scotia Education Common Services Bureau	5	—	5	7
Nova Scotia Power Finance Corporation	261,379	—	261,379	273,655
Total Unmatured Debt	21,634,134	441	21,633,693	19,309,590

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, 2026, the Province held a carrying value of $441 thousand (2025 – $20.9 million) 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, 2026, the carrying value of the fully defeased long-term debt of Nova Scotia Power Finance Corporation is $261.4 million (2025 – $273.7 million) with a par value of $200.0 million (2025 – $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.

Schedule 4

Province of Nova Scotia
Unmatured Debt *(continued)*
As at March 31, 2026
($ 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:

	Net Principal Repayments	Capital Lease Payments	P3 Payments	Total Payments
2027	14,490	6,586	8,260	29,336
2028	1,197,925	4,980	8,606	1,211,511
2029	1,073,480	4,904	8,966	1,087,350
2030	1,109,811	4,834	9,342	1,123,987
2031	1,206,107	4,911	10,377	1,221,395
2032 and thereafter	16,477,533	80,692	401,889	16,960,114
	21,079,346	106,907	447,440	21,633,693

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 $1.05 billion (2025 – $1.02 billion) 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:

	2026	2025
Term to Maturity		
Cash and Cash Equivalents	277,464	296,413
1 to 3 years	599,772	569,965
3 to 5 years	168,414	153,058
Public Debt Management Fund	1,045,650	1,019,436

Schedule 5

Province of Nova Scotia
Gross Unmatured Debt
As at March 31, 2026
($ thousands)

	CDN $ Amount	Maturity Dates	Interest Rates
Debentures			
General Revenue Fund	20,769,214	2028 to 2075	1.10% to 6.60%
Nova Scotia Power Finance Corporation	261,379	2031	11.00%
Total Debentures	21,030,593		
Loans			
General Revenue Fund – Other Debt	49,189	2026 to 2049	0.00% to 21.50%
Nova Scotia Education Common Services Bureau	5	2029	10.27%
Total Loans	49,194		
Capital Leases and P3 Arrangements			
General Revenue Fund – Capital Leases	98,352	2027 to 2043	6.82% to 6.86%
General Revenue Fund – P3 Arrangements	447,440	2043 to 2061	3.95% to 6.05%
Nova Scotia Health Authority – Capital Leases	8,555	2027 to 2033	3.14% to 3.95%
Total Capital Leases and P3 Arrangements	554,347		
Gross Unmatured Debt	21,634,134		

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.

Schedule 6

Province of Nova Scotia
Government Business Enterprises
As at March 31, 2026
($ thousands)

	Highway 104 Western Alignment Corporation	Nova Scotia Gaming Corporation	Nova Scotia Liquor Corporation	2026 Total	2025 Total
Cash	1,956	35,371	28,934	66,261	86,394
Accounts Receivable	442	9,152	7,271	16,865	18,199
Inventory	—	3,579	85,652	89,231	84,468
Investments	70,132	41,762		111,894	98,256
Tangible Capital Assets	35,239	57,934	110,751	203,924	206,117
Other Assets	1,103	4,429	8,621	14,153	14,341
Total Assets	108,872	152,227	241,229	502,328	507,775
Accounts Payable	2,244	26,685	71,118	100,047	107,091
Unmatured Debt	—	46,969	45,985	92,954	76,362
Other Liabilities	853	2,691	22,469	26,013	25,863
Total Liabilities	3,097	76,345	139,572	219,014	209,316
Equity	105,775	75,882	101,657	283,314	298,459
Total Liabilities and Equity	108,872	152,227	241,229	502,328	507,775
Total Revenue	14,947	376,555	902,742	1,294,244	1,333,839
Debt Servicing Costs	1	1,891	2,629	4,521	9,511
Other Expenses	11,146	175,820	631,339	818,305	833,461
Total Expenses	11,147	177,711	633,968	822,826	842,972
Net Income	3,800	198,844	268,774	471,418	490,867
Other Comprehensive Income	—	14,078	864	14,942	6,411
Comprehensive Income	3,800	212,922	269,638	486,360	497,278

Schedule 6

Province of Nova Scotia
Government Business Enterprises *(continued)*
As at March 31, 2026

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 $1.6 million (2025 – $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 (2025– $1.6 million). During the year, H104 also incurred management fees of $21.3 thousand (2025 – $371.8 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).

Schedule 6

Province of Nova Scotia
Government Business Enterprises *(continued)*
As at March 31, 2026

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 2025-26 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)	Casino Nova Scotia	Atlantic Lottery Corporation	2026 Total	2025 Total
Cash	25,359	10,012	35,371	36,701
Accounts Receivable	466	8,686	9,152	10,515
Inventory	347	3,232	3,579	4,255
Investments	–	41,762	41,762	27,684
Tangible Capital Assets	14,628	43,306	57,934	63,894
Other Assets	2,399	2,030	4,429	4,744
Total Assets	43,199	109,028	152,227	147,793
Accounts Payable	4,941	21,744	26,685	27,339
Unmatured Debt	2,137	44,832	46,969	34,342
Other Liabilities	2,002	689	2,691	2,646
Total Liabilities	9,080	67,265	76,345	64,327
Equity	34,119	41,763	75,882	83,466
Total Liabilities and Equity	43,199	109,028	152,227	147,793
Total Revenue	91,989	284,566	376,555	385,636
Debt Servicing Costs	–	1,891	1,891	1,754
Other Expenses	57,653	118,167	175,820	177,198
Total Expenses	57,653	120,058	177,711	178,952
Net Income	34,336	164,508	198,844	206,684
Other Comprehensive Income	–	14,078	14,078	3,488
Comprehensive Income	34,336	178,586	212,922	210,172

Schedule 6

Province of Nova Scotia
Government Business Enterprises *(continued)*
As at March 31, 2026

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 per cent recovery of remittances during the year ended March 31, 2025. 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, 2026 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 for March 31, 2025. Settlement discussions are ongoing for the remaining periods.

Due to Atlantic Gaming Equipment Limited
As at March 31, 2026, the amount due to Atlantic Gaming Equipment Limited was $44.4 million (2025 – $31.6 million), of which $7.0 million (2025– $6.0 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 $14.1 million in other comprehensive income (OCI) related to its share of ALC's OCI (2025 – $3.5 million). As at March 31, 2026, accumulated OCI was $41.8 million (2025 – $27.7 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, 62 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 (2025 – $281.0 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.

Schedule 6

Province of Nova Scotia
Government Business Enterprises *(continued)*
As at March 31, 2026

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, 2026, NSLC has total lease obligations of $46.0 million (2025 – $42.0 million), of which $6.0 million is considered current. Net minimum lease payments are due as follows: $6.6 million in 2027, an average of $5.8 million per year from 2028 to 2032, an average of $1.7 million per year from 2033 to 2037, and an average of $0.3 million per year from 2038 to 2042.

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 $101.7 million (2025 – $113.0 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 $0.9 million in other comprehensive income (OCI) related to actuarial gains on defined benefit plans (2025 – $2.9 million). As at March 31, 2026, accumulated OCI was $14.1 million (2025 – $13.2 million).

Schedule 7

Province of Nova Scotia
Tangible Capital Assets
As at March 31, 2026
($ thousands)

	Land	Buildings and Land Improve-ments	Machinery, Computers and Equipment	Vehicles and Ferries	Roads, Bridges and Highways	2026 Total	2025 Total
Costs							
Opening Costs	1,332,605	10,534,723	1,972,190	293,291	6,842,542	20,975,351	18,342,936
Transfers	–	(2,280)	(66,114)	278	73,485	5,369	451,909
Additions	71,009	1,548,336	346,398	34,998	535,890	2,536,631	2,271,133
Disposals	(150)	(60,294)	(55,224)	(15,252)	(12)	(130,932)	(90,627)
Closing Costs	1,403,464	12,020,485	2,197,250	313,315	7,451,905	23,386,419	20,975,351
Accumulated Amortization							
Opening Accumulated Amortization	–	(4,185,804)	(1,224,563)	(191,066)	(3,413,501)	(9,014,934)	(8,353,537)
Transfers	–	–	–	–	–	–	(133,602)
Disposals	–	40,089	47,513	15,056	12	102,670	83,736
Amortization Expense	–	(244,231)	(112,401)	(22,890)	(324,129)	(703,651)	(611,531)
Closing Accumulated Amortization	–	(4,389,946)	(1,289,451)	(198,900)	(3,737,618)	(9,615,915)	(9,014,934)
Net Book Value	1,403,464	7,630,539	907,799	114,415	3,714,287	13,770,504	11,960,417
Opening Balance	1,332,605	6,348,919	747,627	102,225	3,429,041	11,960,417	9,989,399
Closing Balance	1,403,464	7,630,539	907,799	114,415	3,714,287	13,770,504	11,960,417
Increase in Net Book Value	70,859	1,281,620	160,172	12,190	285,246	1,810,087	1,971,018

Schedule 7

Province of Nova Scotia
Tangible Capital Assets *(continued)*
As at March 31, 2026

Amortization is calculated on a declining balance basis for most assets of the General Revenue Fund. The amortization percentages 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, 2026 as follows:

	Cost	Accumulated Depreciation
Buildings and Land Improvements	$227.1 million	$110.9 million
Machinery, Computers and Equipment	$6.0 million	$2.8 million
Vehicles and Ferries	$31.7 million	$14.3 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 $310.2 million (2025 – $283.4 million).

Included in the closing costs of the various classes as at March 31, 2026 are costs for assets under construction, which have not yet been amortized. These costs relate to Buildings and Land Improvements of $2.88 billion; Machinery, Computers and Equipment of $408.8 million; Vehicles and Ferries of $29.1 million; and Roads, Bridges and Highways of $258.6million.

Of the current year P3 expenditures, 99.9 per cent relates to health care infrastructure and 0.01 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.

	Cost	Accumulated Depreciation
Buildings and Land Improvements	$1,105.8 million	$12.5 million
Roads, Bridges and Highways	$406.4 million	$76.6 million

Schedule 8

Province of Nova Scotia
Direct Guarantees
As at March 31, 2026
($ thousands)

	Foreign Exchange Rate	Authorized	2026 Utilized	2025 Utilized
Bank Loans				
Department of Advanced Education – Student Loan Program		6	6	7
Department of Growth and Development – Forestry Contractor Relief Program		5,000	410	494
Department of Growth and Development – Small Business Loan Guarantee Program		20,000	8,451	11,744
Department of Growth & Development - First-Time Homeowners Program		87,900	772	–
Department of Public Works (US$)	0.717	6,970	–	–
Nova Scotia Independent Energy System Operator		37,500	–	–
Nova Scotia Jobs Fund Act		40,434	30,719	32,790
Total Bank Loan Guarantees		197,810	40,358	45,035
Mortgages				
Canada Mortgage and Housing Corporation Indemnities		1,497	1,497	2,793
Total Mortgage Guarantees		1,497	1,497	2,793
Total Direct Guarantees		199,307	41,855	47,828
Less: Provision for Guarantee Payout				
Department of Growth and Development – Forestry Contractor Relief Program			(158)	(158)
Department of Growth and Development – Small Business Loan Guarantee Program			(1,443)	(1,443)
Canada Mortgage and Housing Corporation Indemnities			(2,585)	(2,585)
Nova Scotia Jobs Fund Act			(2,500)	(2,500)
			(6,686)	(6,686)
Less: Provision for Student Debt Reduction Program				
Department of Advanced Education – Student Loan Program			–	(7)
Net Direct Guarantees			35,169	41,135

Schedule 9

Province of Nova Scotia
Segment Reporting
For the fiscal year ended March 31, 2026

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 2026 and 2025 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, 2026
($ thousands)

	Health		Education		Infrastructure & Public Works		Social Services	
	2026	2025	2026	2025	2026	2025	2026	2025
Revenue								
Provincial Sources								
Tax Revenue	116,085	108,335	–	–	278,972	272,370	–	–
Other Provincial Revenue	1,017,961	1,002,528	570,099	564,691	29,379	35,706	220,894	225,820
Net Income from GBEs	–	–	–	–	3,800	3,994	–	–
Investment Income	5,405	7,902	16,622	18,572	362	40	2,221	2,233
Federal Sources	1,595,583	1,549,469	224,993	388,519	20,170	16,834	506,700	308,992
Total Revenue	2,735,034	2,668,234	811,714	971,782	332,683	328,944	729,815	537,045
Expenses								
Grants and Subsidies	1,556,707	1,474,206	873,327	1,039,950	71,807	71,763	3,007,901	2,835,776
Salaries and Employee Benefits	3,751,437	3,192,449	2,272,484	2,026,893	148,548	148,646	285,230	241,525
Operating Goods and Services	1,863,636	1,684,674	459,610	460,867	188,135	179,817	177,404	220,261
Professional Services	179,703	194,575	11,340	36,806	58,831	81,529	20,937	27,547
Amortization	126,434	112,341	127,322	112,931	357,561	307,490	31,268	30,636
Debt Servicing Costs	11,147	9,890	6,884	6,418	17	–	502	442
Other	983	2,023	–	–	916	–	–	–
Total Expenses	7,490,047	6,670,158	3,750,967	3,683,865	825,815	789,245	3,523,242	3,356,187
Segment Result	(4,755,013)	(4,001,924)	(2,939,253)	(2,712,083)	(493,132)	(460,301)	(2,793,427)	(2,819,142)

Schedule 9

Province of Nova Scotia
Segment Reporting *(continued)*
For the fiscal year ended March 31, 2026
($ thousands)

	Natural Resources & Economic Development		Other Government		Inter-Segment Eliminations		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
Revenue								
Provincial Sources								
Tax Revenue	331	414	8,593,779	8,921,682	—	—	8,989,167	9,302,801
Other Provincial Revenue	240,363	252,119	697,440	841,358	(765,358)	(734,288)	2,010,778	2,187,934
Net Income from GBEs	—	—	467,618	486,873	—	—	471,418	490,867
Investment Income	13,088	(13,590)	143,385	216,797	(355)	(302)	180,728	231,652
Federal Sources	262,877	220,064	3,717,448	3,523,547	—	—	6,327,771	6,007,425
Total Revenue	516,659	459,007	13,619,670	13,990,257	(765,713)	(734,590)	17,979,862	18,220,679
Expenses								
Grants and Subsidies	365,149	430,113	1,404,737	1,177,860	(686,275)	(577,596)	6,593,353	6,452,072
Salaries and Employee Benefits	253,213	186,128	739,036	652,147	(4,667)	(8,098)	7,445,281	6,439,690
Operating Goods and Services	224,111	194,115	290,831	375,673	(57,775)	(130,959)	3,145,952	2,984,448
Professional Services	42,217	22,256	303,770	227,798	(112)	(1,053)	616,686	589,458
Amortization	11,248	29,647	49,818	18,486	—	—	703,651	611,531
Debt Servicing Costs	308	1,450	867,617	873,197	(16,884)	(16,884)	869,591	874,513
Other	675	2,110	9,813	46	—	—	12,387	4,179
Total Expenses	896,921	865,819	3,665,622	3,325,207	(765,713)	(734,590)	19,386,901	17,955,891
Segment Result	(380,262)	(406,812)	9,954,048	10,665,050	—	—	(1,407,039)	264,788

Schedule 10

Province of Nova Scotia
Government Reporting Entity
As at March 31, 2026

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
- Energy
- 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
  - Community Economic Development Fund
  - Nova Scotia Jobs Fund
- Health and Wellness
- Justice
- Labour, Skills and Immigration
- Municipal Affairs
- Natural Resources
- Opportunities and Social Development
- Public Service
  - 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
  - Office of Healthcare Professionals Recruitment
  - Office of L'nu Affairs
  - Office of the Auditor General
  - Office of the Ombudsman
  - Office of Service Efficiency
  - 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
- Public Safety Field Communications Agency
- Sydney Tar Ponds Agency (inactive)

Schedule 10

Province of Nova Scotia
Government Reporting Entity *(continued)*
As at March 31, 2026

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
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
Nova Scotia Sportfish Habitat Fund
Occupational Health and Safety Trust Fund
Off-highway Vehicle Infrastructure Fund
P3 Schools Capital and Technology Refresh Fund [1]
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)

Highway 104 Western Alignment Corporation
Atlantic Lottery Corporation (25% ownership) [2]
Casino Nova Scotia [2]
Nova Scotia Liquor Corporation

Government Partnership Arrangements
(Modified Equity Method) [3]

Atlantic Provinces Special Education Authority (approximately 32% share)
Canada-Nova Scotia Offshore Energy Regulator (50% share)
Canadian Sports Centre Atlantic (approximately 8% share)
Council of Atlantic Premiers (approximately 46% share)
Halifax Convention Centre Corporation (50% share)

[1] *Includes refresh funds related to P3 schools.*
[2] *Government Business Partnership Arrangement and Government Business Enterprise of Nova Scotia Gaming Corporation.*
[3] *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.*

Schedule 10

Province of Nova Scotia
Government Reporting Entity *(continued)*
As at March 31, 2026

Governmental Units
(Consolidation Method)

Annapolis Valley Regional Centre for Education
Art Gallery of Nova Scotia
Arts Nova Scotia
Build Nova Scotia
Cape Breton-Victoria Regional Centre for Education
Check Inns Limited (inactive)
Chignecto Central Regional Centre for Education
Conseil scolaire acadien provincial
Creative Nova Scotia Leadership Council
Energy and Regulatory Boards Tribunal [1]
Halifax-Dartmouth Bridge Commission
Halifax Regional Centre for Education
Housing Nova Scotia (inactive) [2]
Invest Nova Scotia
Izaak Walton Killam Health Centre
Link Nova Scotia [3]
Nova Scotia Arts Council (inactive)
Nova Scotia Boxing Authority
Nova Scotia Community College [4]
  Nova Scotia Community College Foundation
Nova Scotia Crop and Livestock Insurance Commission
Nova Scotia Education Common Services Bureau
Nova Scotia Farm Loan Board
Nova Scotia Fisheries and Aquaculture Loan Board
Nova Scotia Gaming Corporation
  Interprovincial Lottery Corporation (10% ownership)
  Nova Scotia Gaming Equipment Limited
Nova Scotia Health Authority
  Provincial Drug Distribution Program
Nova Scotia Legal Aid Commission
Nova Scotia Power Finance Corporation
Nova Scotia Primary Forest Products Marketing Board
Nova Scotia Provincial Housing Agency
Nova Scotia School Insurance Exchange
Nova Scotia School Insurance Program Association
Nova Scotia Strategic Opportunities Fund Inc. (inactive)
Peggy's Cove Commission
Perennia Food and Agriculture Corporation
Physician Assessment Centre of Excellence [5]
Public Archives of Nova Scotia [6]
Resource Recovery Fund Board Inc.
Schooner Bluenose Foundation (Inactive) [7]
Sherbrooke Restoration Commission
South Shore Regional Centre for Education
Strait Regional Centre for Education
Sydney Environmental Resources Limited (inactive)
Sydney Steel Corporation
Tri-County Regional Centre for Education
Upper Clements Family Theme Park Limited (inactive)
Workers Compensation Appeals Tribunal
3052155 Nova Scotia Limited (inactive)

[1] *Through Bill 404, the Energy Reform (2024) Act, Nova Scotia Utility and Review Board was re-organized and renamed to the Energy and Regulatory Boards Tribunal, effective April 1, 2025.*

[2] *The Housing Nova Scotia Act was repealed in force on July 15, 2025 through Order in Council 2025-212.*

[3] *The Joint Regional Transportation Authority was renamed to Link Nova Scotia through updated legislation under the Link Nova Scotia Act*

[4] *Responsibility transferred from the Minister of Advanced Education to the Minister of Labour, Skills and Immigration through Order in Council 2025-366.*

[5] *Designation as a Special Operating Agency revoked on October 31, 2025, by Order in Council 2025-301. Criteria for a Governmental Unit is met.*

[6] *Responsibility transferred from the Minister of Communities, Culture, Tourism and Heritage to the Minister of Service Nova Scotia through Order in Council 2025-115.*

[7] *The Schooner Bluenose Foundation Act was repealed in force on June 17, 2025 through Order in Council 2025-180.*


NOVA SCOTIA