



Chapter 4: Nova Scotia's Financial Condition

Why we did this work:

- To help Nova Scotians understand the Province's financial results
- To provide independent information on the Province's financial health

Overall comments:

- Unfavourable five-year trend across key sustainability indicators continues
- Some indicators show modest improvement in financial shape in past year
- Interest on debt decreases flexibility in expanding programs or reducing taxes
- Net debt increasing faster than population
- Amount of future revenue needed to pay debt increasing
- Provincial net debt placing increasing burden on economy

What we found:

- Provincial deficit \$135 million less than budgeted
- Tax revenue \$119 million more than planned in 2014-15 budget
- Expenses were \$93 million higher than planned
- Decrease in deficit from prior year due to \$451 million increase in provincial tax revenues
- Increased tax revenues in 2014-15 led to favourable results
- Ratio of debt to revenue decreased from \$1.47 in 2014 to \$1.41 in 2015
- Continuing reliance on federal government equalization payments and other transfers
- Net debt increased by \$2.3 billion or 18% over four years
- Government owes \$15,944 for each Nova Scotian