



Treasurer's Report 2023/2024



Message from the Treasurer

I am pleased to present the East Hants Treasurer's Report and audited consolidated financial statements for the year ending March 31, 2024.

The financial cycle for 2023/2024 began in the fall of 2022 with the development of the operating, water utility and capital budgets. During business planning, staff endeavored to find efficiencies and cost savings wherever possible while ensuring an effective level of service and sustainable programs are delivered for the residents, business owners and visitors of East Hants. The general operating budget for 2023/2024, including area rates, was approximately \$42 million.



East Hants has a strong property assessment base and is fortunate to have a Council that is cognizant of the total tax burden of their taxpayers. With a property assessment CAP increase of 7.7%, Council approved a decrease in the general tax rate in 2023/2024 to minimize the general residential tax burden for homes.

During 2023/2024, Council invested in excess of \$15.8 million in the Municipality's sustainable infrastructure. These investments included the Shubenacadie Wastewater Treatment Plant, the Enfield Water Treatment Plant, equipment for the Waste Management Centre, the Lantz Water Tower, Highway 214 Active Transportation and several playgrounds.

This report includes an assessment of the provincial Financial Condition Indicators. The indicators present a general picture of the Municipality's financial condition and indicate the strengths, trends and risk areas where municipalities should focus. The data is a year behind other data in this report, as it is compiled at the provincial level and released the following year. East Hants is very pleased with the preliminary results of the indicators for 2022/2023.

Consolidated financial statements are meant to reflect the financial position and results of operations of the whole entity. As noted in the Financial Results section of this report, the consolidated financial statements of the Municipality of East Hants are composed of four funds – Capital, Operating, Water Utility and Reserves. One objective of the Financial Results section of this report is to explain the variances from budget to actual, including various planned and unplanned transfers to reserves. These are explained at the consolidated level (all funds together), as well as by General Tax Rate, Urban Service Rate (the largest area rate), Water Utility operations and Reserves.

There are four required financial statements: Statement of Financial Position, Statement of Operations, Statement of Changes in Net Assets and Statement of Cash Flow. We are pleased to also offer several schedules in our financial statements to support the statements and provide clarification to the reader.

A handwritten signature in black ink that reads "Wade Tattrie". The signature is written in a cursive, flowing style.

Wade Tattrie, CPA, CA
Director of Finance



Property Assessment in East Hants

Along with the approved tax rates, the property assessment is the basis for the largest source of revenue for East Hants. The 2023 filed assessment roll showed an increase in assessment for both residential and commercial values. This assessment growth contributes to Council's strategic plan with the goal to provide services, programs and facilities, through direct service delivery and collaboration with others, that allow people and businesses to thrive.

With assessments capped at a 7.7% increase for 2023, 90% of the residential assessment increase was related to an increase in market value of existing properties, including 340 new dwellings and renovations of others.

	2023/2024	2022/2023	2021/2022	2020/2021	2019/2020
Number of Taxable Properties	15,375	15,099	14,854	14,882	14,818
Residential Assessment (000's)*	2,171,709	1,876,332	1,703,625	1,656,968	1,600,405
Resource Assessment (000's)*	61,841	56,851	55,084	53,413	52,097
Commercial Assessment (000's)*	166,763	145,629	149,537	145,589	145,262
Residential/Commercial Split	93.1%/6.9%	93.0%/7.0%	92.2%/7.8%	92.2%/7.8%	91.9%/8.1%
Exempt Assessment (Assessment Act) (000's)*	129,438	127,382	112,477	106,540	99,384
Exempt by Municipal Bylaw (000's)*	13,569	12,988	27,164	25,833	27,953
Farm Acreage	36,579	36,450	36,779	36,861	36,942
Forest Acreage < 50,000 Acres	167,358	169,009	170,937	171,347	172,065
Forest Acreage > 50,000 Acres	56,252	56,465	56,465	57,141	57,101
Uniform Assessment (000's)*	2,099,296	1,914,385	1,864,458	1,800,327	1,737,787

*Items indicated with (000's) are in thousands.

Property Tax in East Hants

East Hants operates with an area rate property tax system, whereby expenses specific to an area are paid only by that area. Services such as wastewater, hydrants, sidewalks and streetlights are charged by area rate whereas general services such as RCMP (as one example of many) are paid for through the General Tax Rate. The general operating budget for 2023/2024, including area rates, was approved by Council at approximately \$42 million.

The individual rates for 2023/2024 compared to 2022/2023 were as follows (rates per \$100 of assessment):

	2023/2024	2022/2023
General tax rate - Residential/Resource	0.810	0.850
General tax rate - Commercial/Business Occupancy	2.570	2.600
Urban service rate (Enfield, Elmsdale, Lantz) – Residential	0.065	0.070
Urban service rate (Milford) - Residential	0.345	0.345
Urban service rate (Shubenacadie) - Residential	0.185	0.211
Urban service rate (Enfield, Elmsdale, Lantz) - Commercial	0.657	0.657
Urban service rate (Milford) – Commercial	1.200	1.200
Urban service rate (Shubenacadie) - Commercial	0.657	0.678
Streetlights - Enfield Horne Settlement	0.016	0.018
Streetlights - Mount Uniacke	0.020	0.020
Streetlights – Nine Mile River	0.020	0.020
Streetlights - Rawdon	0.043	0.043
Wastewater Management Fee (rate per cubic metre of water)	2.20	2.20



Property Tax in East Hants Continued

The following table summarizes five years of property tax information. This data demonstrates the stability of the East Hants tax structure. Variations in the tax rate reflect changing needs from year to year to provide sustainable services within the Municipality.

	2023/2024	2022/2023	2021/2022	2020/2021	2019/2020
Property Tax Rates (per/\$100 of Assessment)					
Residential/Resource Rate	\$0.8100	\$0.8500	\$0.8507	\$0.8507	\$0.8527
Percentage Change	-4.71%	-0.08%	0.00%	-0.23%	-0.93%
Commercial Rate	\$2.57	\$2.60	\$2.60	\$2.60	\$2.60
Tax Revenue					
Residential/Resource	\$18,070,886	\$16,423,062	\$14,954,466	\$14,541,811	\$14,074,166
Commercial	\$4,256,829	\$3,828,266	\$3,648,537	\$3,827,626	\$3,748,409
Other (GIL, Farm, Forest)	\$428,079	\$413,303	\$406,880	\$401,883	\$382,594
Uncollected Taxes (per FCI)*	---	5.00%	4.10%	4.90%	3.50%
Deed Transfer Tax Revenue	\$3,339,352	\$3,363,546	\$3,239,157	\$2,172,194	\$1,544,918

*FCI's not compiled for 2023/2024 and not finalized for 2022/2023

Deed Transfer Tax Allocation by Area	2023/2024		2022/2023		2021/2022	
	Revenue	%	Revenue	%	Revenue	%
Corridor Districts	\$2,212,188	66%	\$2,114,946	63%	\$1,920,011	59%
Rural Districts	386,568	12%	406,575	12%	510,731	16%
Mount Uniacke	740,597	22%	842,025	25%	808,415	25%
Total:	\$3,339,352	100%	\$3,363,546	100%	\$3,239,157	100%

Assessment CAP Program	2023/2024	2022/2023	2021/2022	2020/2021	2019/2020
Assessment Differential due to CAP Program Residential/Resource (000's)	\$497,000	\$250,000	\$178,000	\$169,000	\$165,000
Tax Rate Differential Due to CAP Program	\$0.15	\$0.10	\$0.08	\$0.08	\$0.08
Restated Rate without CAP	\$0.6625	\$0.7527	\$0.7724	\$0.7743	\$0.7753

The table above refers to the Assessment CAP Program, a Provincial program introduced in April 2005 that caps the annual increase in taxable assessment (of eligible residential and resource property) to a maximum of CPI. Various property types have been included in the CAP program making it easier for homeowners to have their residential assessment capped. In 2019, 2020, 2021, 2022 and 2023, assessments were capped at 2.9%, 1%, 0.3%, 5.4% and 7.7% respectively; this has had a profound effect on the distribution of tax burden in East Hants.

The table highlights the amount of assessment that is not taxable and the effect these changes have had on the residential tax rate in East Hants. The differential in the tax rate indicates the amount by which the tax rate could have been reduced had the CAP not been in place. This rate differential means that even though a homeowner has a CAP value on their assessment, they may still be paying more in property tax than they would have otherwise been paying had the program not been put in place. New homeowners and newly constructed or renovated homes (which are not part of the CAP) are most certainly paying a higher tax bill due to the CAP system.

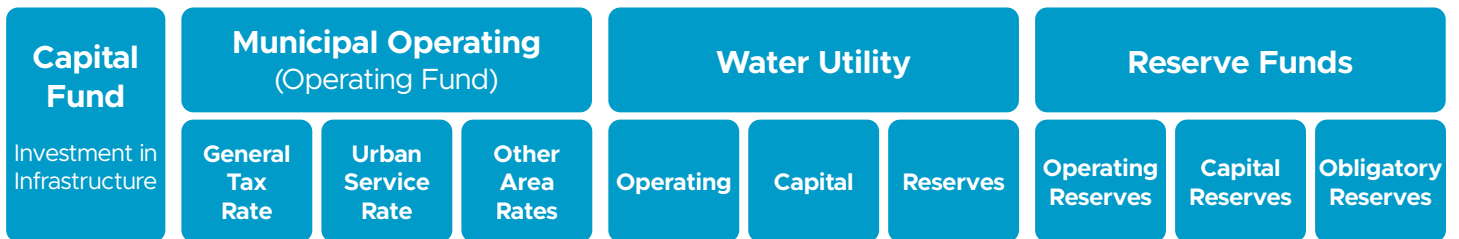


Financial Results 2023/2024

East Hants Annual Report serves as an opportunity to communicate to stakeholders, residents and local businesses regarding the Municipality's 2023/2024 financial and operational performance.

The 2023/2024 financial results have been prepared on a consolidated basis and by General Tax, Urban Service Rate and Water Utility operations and reserves. This report explains the variance from budget to actual for each of these areas. Also outlined is the status of the three municipal reserve funds. The Capital Fund holds our investment in infrastructure discussed in this report under Investing in our Infrastructure. Our financial reporting structure is depicted below:

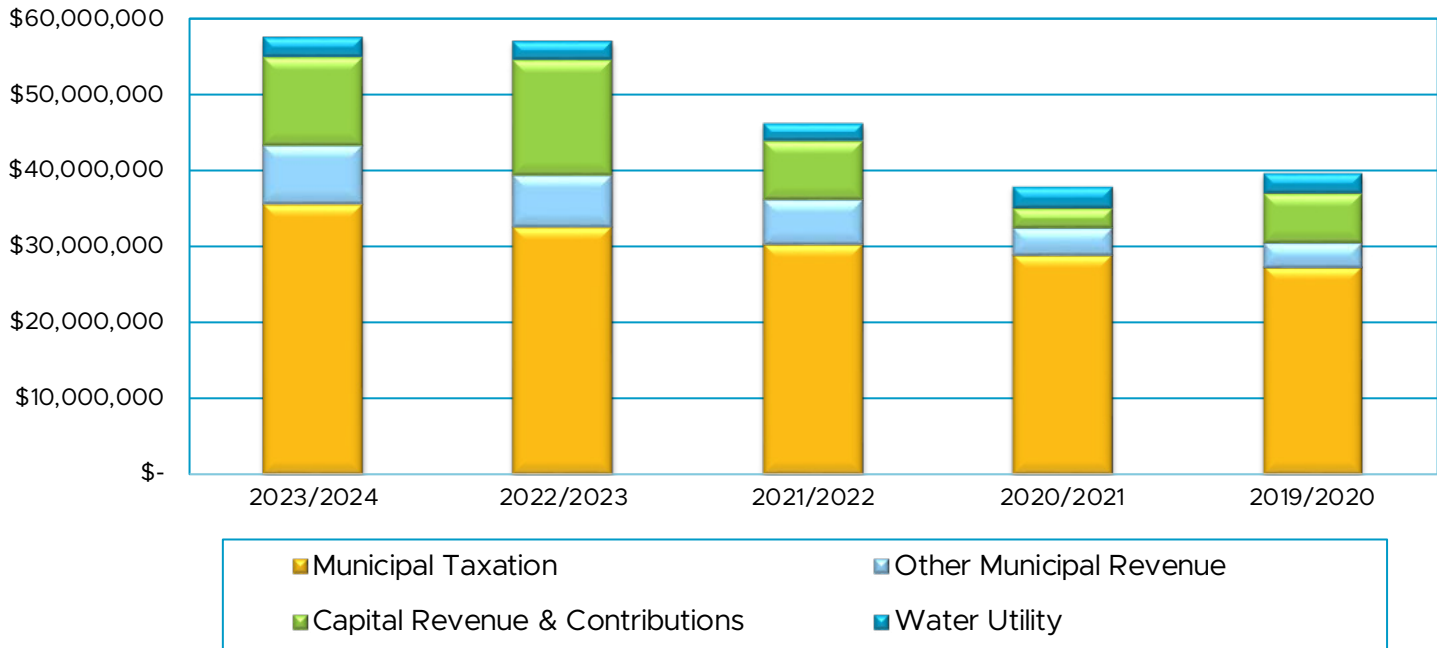
Consolidated Reporting



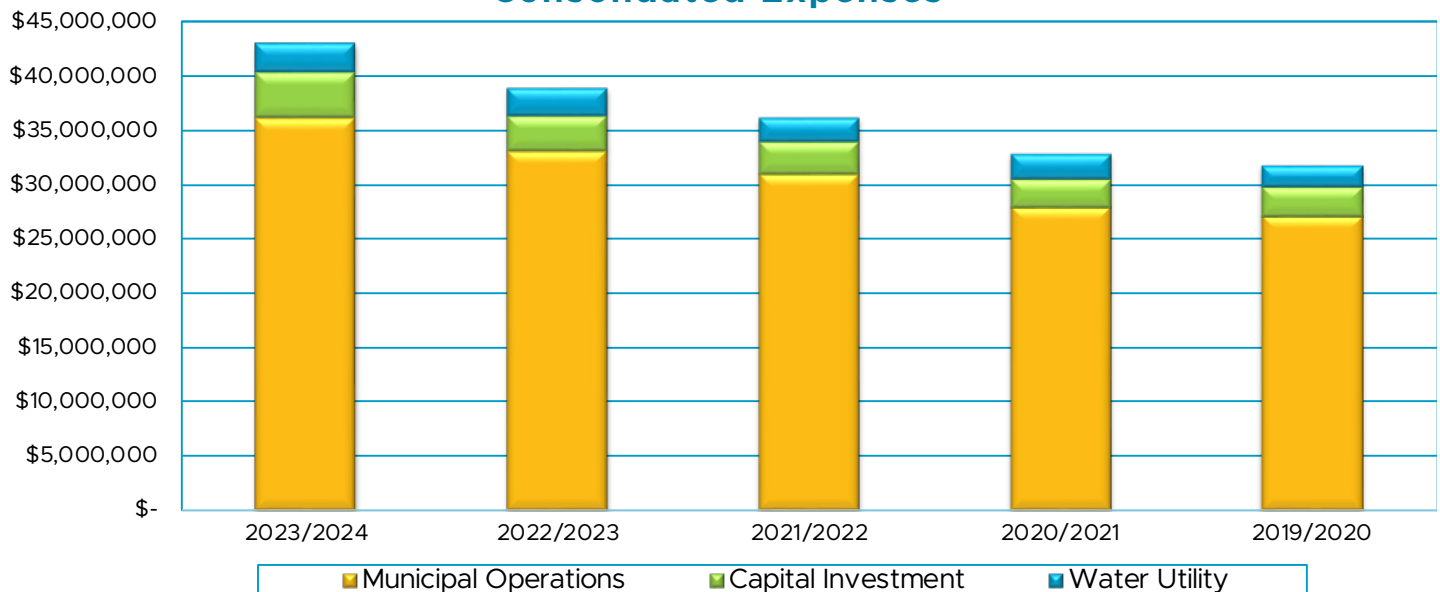
Consolidated Revenues and Expenses

The following charts represent the consolidated revenues and expenses for the Municipality for the previous five years:

Consolidated Revenues



Consolidated Expenses



Comparative Statement of Consolidated Revenues and Expenses

The following is a comparative summary of revenues by type and expenditures by function for fiscal 2023/2024. The financial statements include a detailed Consolidated Schedule of Operations by Function (Page 130 & 131) which gives the reader more details at the expenditure level (break down of expenditures into salaries/benefits, operating costs and fiscal service type expenditures).

Consolidated Revenue								
For years ended March 31 (in thousands of dollars)	Budget 2024		Actual 2024		Actual 2023		Budget to Actual Variance	Actual to Actual Variance
Taxation	\$34,395	64%	\$35,828	62%	\$32,843	58%	\$1,433	\$2,985
Sale of Services	3,417	6%	3,350	6%	3,399	6%	(67)	(49)
Other Revenue from Own Sources	1,265	2%	3,486	6%	2,447	4%	2,221	1,039
Government Grants - Operating	751	1%	779	1%	827	1%	28	(48)
Water Utility	2,507	5%	2,516	5%	2,507	4%	9	9
Revenue before Other	42,335		45,959		42,023		3,624	3,936
Government Grants - Capital	5,424	10%	5,424	9%	3,631	6%	-	1,793
Development/Other Contributions applied and gain on sale of TCA	5,927	11%	6,163	11%	11,415	21%	236	(5,252)
	11,351		11,587		15,046		236	(3,459)
Total Revenue	\$53,686		\$57,546		\$57,069		\$3,860	\$477
Consolidated Expenses								
General Government	\$7,914	17%	\$7,271	17%	\$6,703	17%	\$(643)	\$568
Protective Services	10,451	22%	10,442	24%	8,929	23%	(9)	1,513
Transportation	2,352	5%	1,969	5%	1,907	5%	(383)	62
Environmental Health Services	6,741	15%	6,602	15%	5,424	14%	(139)	1,178
Environmental Development	1,943	4%	1,664	4%	1,568	4%	(279)	96
Education & Social Services	6,494	14%	6,490	15%	5,889	15%	(4)	601
Recreation and Cultural Services	6,470	14%	5,909	14%	6,015	15%	(561)	(106)
Water Utility	3,129	7%	2,747	6%	2,574	7%	(382)	173
Total Expenses	\$45,494		\$43,094		\$39,009		\$(2,400)	\$4,085
Surplus (Deficit)	\$8,192		\$14,452		\$18,060		\$6,260	\$(3,608)

Description	Amount
Variance from Budget to Actual - Consolidated Surplus	
General tax rate variance as per the General Operations section	\$2,111,069
Urban service tax rate variance as per the Urban Service Rate section	47,704
Transfers (see Page 97)	1,677,213
Net gain on the sale/disposal of Municipal assets	117,621
Pension adjustment for the unamortized actuarial loss (Note 11 Financial Report)	(266,752)
Insurance proceeds - Centre Rawdon Hall	157,856
Non-urban streetlights, variance to budgeted surplus	3,741
Water Utility variance as per the Water Utility section	413,751
Interest earned on capital reserves	2,178,693
Asset retirement obligation accretion	(16,631)
Principal payments General Fund - Local Improvement - John Murray Drive (Provincial)	(12,600)
Principal payments General Fund - Lantz Fire Department recoverable	(151,950)
Net Variance from Budget to Actual	\$6,259,715



Capital Fund: Investing in our Infrastructure

The five-year Capital Investment Plan is approved each year by Municipal Council with several single and multi-year capital projects. The plan consolidates capital spending for urban service infrastructure, municipal operations and the East Hants Water Utility. The five-year investment in infrastructure is as follows:

Description	2023/2024	2022/2023	2021/2022	2020/2021	2019/2020
General Government (Municipal Administration, Buildings, Information Systems, Legislative, Human Resource systems)	\$202,775	\$80,342	\$69,611	\$125,378	\$85,028
Transportation (Roads, Sidewalks, LED Streetlights)	702,669	70,677	762,630	25,860	21,233
Environmental Development (Economic Development, Business Parks, Community Development)	2,119,840	348,161	456,695	936,801	1,695,970
Environmental Health (Wastewater, Waste Management, Environmental Stewardship)	5,362,964	1,561,797	1,539,208	1,564,790	748,174
Recreation & Cultural Services (Recreational Facilities, Parks, Tourism, Libraries, Cultural Buildings)	1,825,561	764,762	4,689,526	805,265	11,038,269
Water Utility (Infrastructure and Equipment related to Water Treatment & Distribution)	5,540,999	681,683	1,166,282	81,229	236,088
Total	\$15,754,808	\$3,507,422	\$8,683,952	\$3,539,323	\$13,824,762



Infrastructure Highlights: Completed Projects in 2023/2024

Tourism Infrastructure – Maitland & Walton Playgrounds

New playground installations in Maitland and Walton tourism areas. These playgrounds include accessible surfacing and aim to increase user experiences at key tourism sites.



Project Funding	Total Budget	Actual Expenditures		
		2023/2024	Prior Years	Total
Special Reserves	\$130,000	\$129,836	\$-	\$129,836
Total	\$130,000	\$129,836	\$-	\$129,836

John Murray Drive Playground

This playground was identified as a priority in the East Hants Parks, Open Space & Transportation Master Plan and includes an inclusive swing and a crusher dust walkway.



Project Funding	Total Budget	Actual Expenditures		
		2023/2024	Prior Years	Total
Capital out of Revenue	\$40,000	\$44,680	\$-	\$44,680
External Grant Funding	-	51,435	-	51,435
Special Reserves	20,000	-	18,480	18,480
Open Space	55,000	-	-	-
Total	\$115,000	\$96,115	\$18,480	\$114,596

Capacity Upgrade – Enfield Water Treatment Plant

Expansion to the Regional Water Treatment Plant in Enfield to increase treatment capacity within the East Hants Water System. The completion of this project will allow for additional growth within the serviced areas of East Hants.



Project Funding	Total Budget	Actual Expenditures		
		2023/2024	Prior Years	Total
Water Infrastructure Reserves	\$1,785,627	\$1,477,846	\$249,472	\$1,727,318
Depreciation Reserves	414,373	-	414,373	414,373
Total	\$2,200,000	\$1,477,846	\$663,845	\$2,141,691

Loader Replacement – Waste Management Centre

Purchase of a new loader at the Waste Management Centre. The loader is a crucial part of the waste management operation and is used daily for sorting and loading materials. East Hants retained the existing loader to build capacity and redundancy.



Project Funding	Total Budget	Actual Expenditures		
		2023/2024	Prior Years	Total
SSGF Funding	\$-	\$286,557	\$-	\$286,557
Special Reserves	258,000	-	-	-
Trade-in Value	55,000	-	-	-
Total	\$313,000	\$286,557	\$-	\$286,557

Infrastructure Highlights: Work-in-Progress Projects in 2023/2024

Shubenacadie Wastewater Treatment Plant Replacement

This project is to replace the current aging wastewater treatment plant which will increase capacity and expansion options for both current and future growth demand in Shubenacadie.

Project Funding	Total Budget	Actual Expenditures		
		2023/2024	Prior Years	Total
ICIP Funding	\$3,520,000	\$1,752,781	\$1,767,219	\$3,520,000
Sewer Infra Reserves	3,790,015	3,062,211	737,511	3,799,722
Debt	1,835,000	9,718	-	9,718
Water Infra Reserves	114,295	-	104,558	104,558
Special Reserves	52,370	-	52,370	52,370
Depreciation Reserves	228,320	-	236,261	236,261
External-Other	-	-	19,473	19,473
Total	\$9,540,000	\$4,824,710	\$2,917,392	\$7,742,102

Active Transportation – Highway 214

Create and expand an active transportation trail along Highway 214 to connect strategic locations throughout Elmsdale. This project will enable a safer transportation network for pedestrians and cyclists.

Project Funding	Total Budget	Actual Expenditures		
		2023/2024	Prior Years	Total
CCBF Funding	\$1,253,334	\$1,032,721	\$43,379	\$1,076,100
Special Reserves	454,666	246,002	24,641	270,643
External-Other	-	132,985	-	132,985
Total	\$1,708,000	\$1,411,708	\$68,020	\$1,479,728

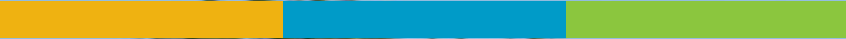
Lantz Water Tower Renewal

Refurbishment of the Lantz water tower including a new interior and exterior coating. This project will extend the life of a crucial asset in the East Hants Water Utility.

Project Funding	Total Budget	Actual Expenditures		
		2023/2024	Prior Years	Total
Depreciation Reserves	\$850,000	\$120,614	\$-	\$120,614
SSGF Funding	-	454,641	-	454,641
Total	\$850,000	\$575,255	\$-	\$575,255



Operating Fund: Municipal Operations



Subsequent to various transfers to reserve and funding adjustments (see General Tax Rate section below), the General Tax Rate surplus was recorded at \$1,028,602 for 2023/2024 and transferred to the Operating Contingency Reserve. The full 2023/2024 surplus of \$1,099,400 can be broken down as follows:

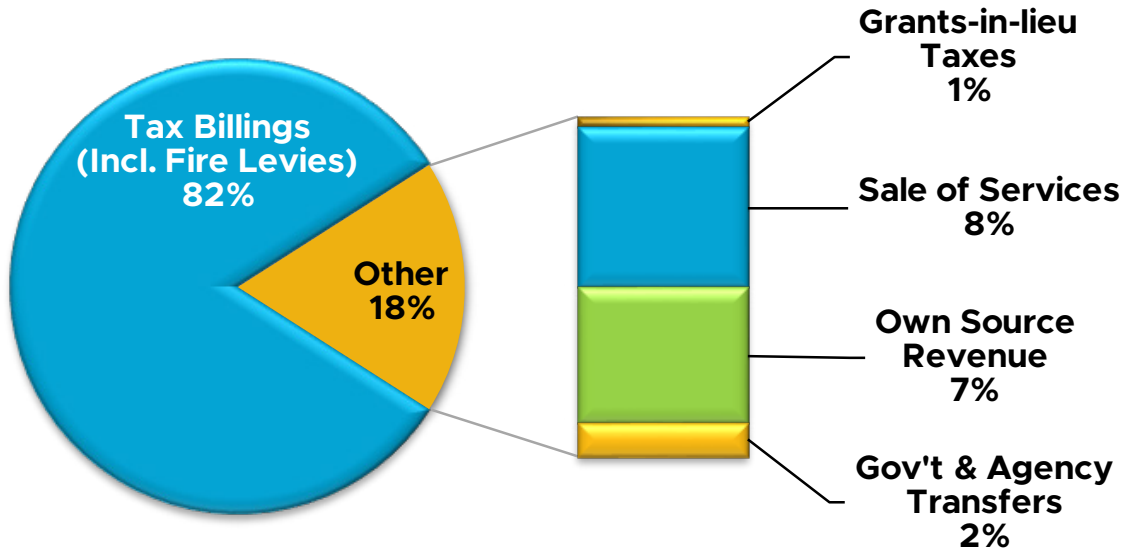
General Operations	\$1,028,602
Urban Service Rates	49,009
Other Lights	21,789
Total	\$1,099,400



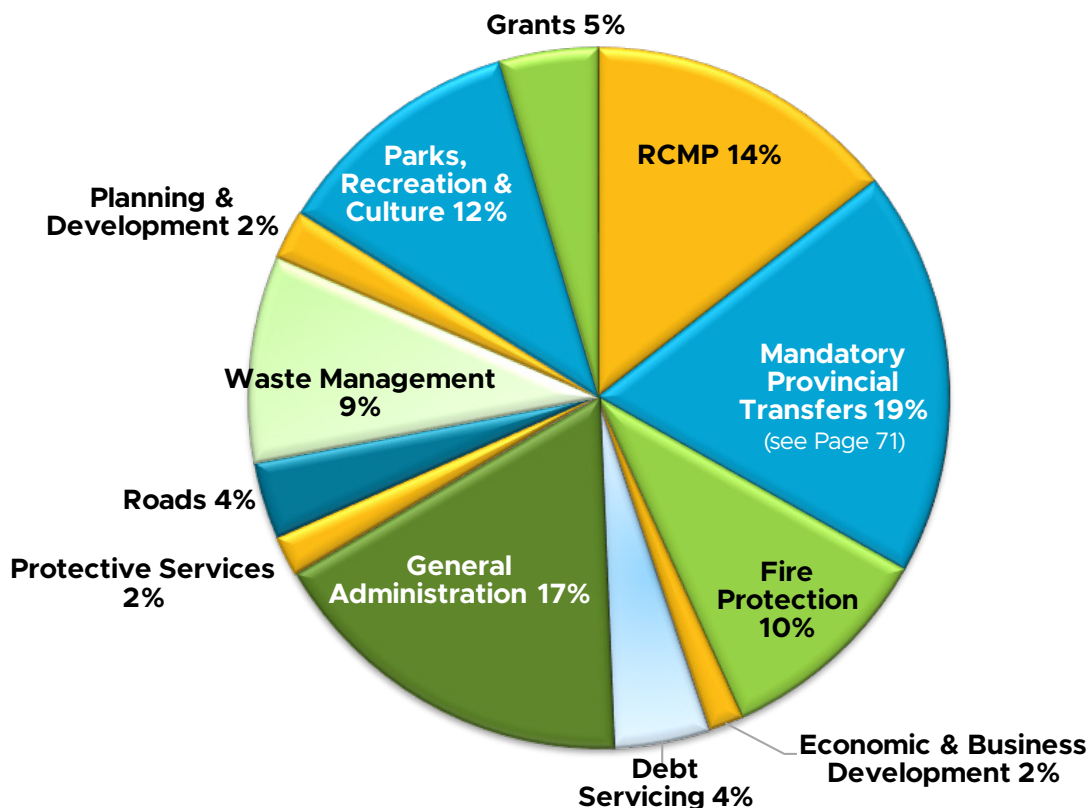
General Tax Rate

The following pie charts represent the general tax rate revenues and expenses for the Municipality for 2023/2024 (excluding transfers to reserve, amortization expense, pension accounting and landfill closure entries):

2023/2024 General Operations Revenues



2023/2024 General Operations Expenditures



2023/2024 General Tax Rate Continued

The total General Tax Rate budget for 2023/2024 was set at \$38.5 million. The table below reflects a positive variance of \$2,111,069 (5.5% of budget), prior to the unplanned transfers to and from reserves. The significant variances in general operations revenue and expenses from budget to actual are outlined and discussed in the following table:

(Increases) / Decreases in Revenue	
Deed transfer tax	\$(1,464,352)
Tipping fee, scrap metal & RRFB diversion credit revenue	(265,761)
East Hants Arena Association (EHAA) includes \$60K grant from East Hants	(198,995)
Tourism grant/student employment funding	(48,154)
Interest on investments & receivables net of financing fees	(43,388)
Planning & building permits	(34,282)
Fines and other revenue	(7,419)
Nova Scotia Power & government GILs offset by Bell & HST Offset grants	(3,000)
Tax inquiries	(1,716)
Net property tax revenue, including planned amount for assessment appeals of \$60,000	5,348
LEMC tenant revenue net of rent expense	49,052
Administration fees	65,730
Aquatics (closure from flood \$399.5K) offset by additional day camp & tourism program revenues	389,735
Variance from Budget to Actual - Revenue	\$(1,557,202)
Increases / (Decreases) in Expenses	
Aquatics (incl. wages, heating fuel, power, chemicals, snow removal & bank fees offset by repairs)	\$(682,248)
Wages & honorariums	(116,663)
Various operational items -primarily for community events	(36,674)
Snow removal, contracts, professional fees	(35,438)
Computer hardware, software & support	(24,332)
Insurance	(23,376)
Training education, travel & meeting expense	(20,964)
Building & property maintenance, security & safety	(20,783)
Miscellaneous items (includes office supplies, postage, publications & operational materials)	(18,379)
Promotion & advertising	(15,998)
Tax exemptions & municipal grants	(5,482)
Business development	(3,212)
Vehicle fuel	(1,667)
Power, heating fuel and water (primarily power)	3,116
Bad debt on receivables	4,241
Provincial mandated costs (Corrections, Education, Provincial Housing)	15,000
Solid waste costs (waste, organics & recycling)	31,183
Grants primarily \$60K for the East Hants Arena Association	64,910
East Hants Arena Association	332,899
Variance from Budget to Actual - Expense	\$(553,867)

Variance from Budget to Actual	\$(2,111,069)
Decrease in transfer from Operations to Capital	(1,069)
Original planned deficit	8,881
Net Surplus End of Year	\$(2,103,257)
Surplus transferred as follows:	
Transfer to reserves surplus	\$1,028,602
Sportsplex Revitalization capital project Council Motion May 2024	350,000
Hospital balloon payments (future debt payments)	340,615
Waste Management overall surplus - \$190.8K reserves not required for deficit	191,484
Mount Uniacke recreation Council Motion May 2024	119,000
Rural Fire Department Capital Fund Council Motion May 2024	80,000
Sustainability funding (savings in payroll)	75,095
Fire Training Facility - Noel	47,782
Fire Training Facility - Noel (funded from reserves)	(47,782)
Computer support (surplus from ADP payroll fees)	23,425
Office equipment	15,092
Aquatics Centre signage	7,846
Accessibility aids	6,000
East Hants Arena Association deficit	(133,902)
Total	\$2,103,257

Mandatory Provincial Transfers

East Hants is required by provincial regulation to collect for provincial services in our tax rate. As outlined in 2023/2024 General Operations Expenditures graph on Page 69, these mandatory provincial contributions represent approximately 19% of East Hants' annual general operating expenditures. In 2023/2024, the budgeted contributions to provincial services made up \$0.2899 cents of the \$0.81 general tax rate (36%).

Municipal Contribution:	2023/2024	2022/2023	2021/2022	2020/2021	2019/2020
Education	\$6,398,652	\$5,835,048	\$5,682,864	\$5,487,396	\$5,296,776
Social Services	91,039	54,228	92,697	60,755	62,197
Corrections	299,209	292,963	292,216	291,481	290,053
Regional Library	169,300	169,300	169,300	141,986	141,986
Total	\$6,958,200	\$6,351,539	\$6,237,077	\$5,981,618	\$5,791,012

Urban Service Rate

The Urban Service Rate (USR) is the largest of our area rates; charged to residents in the “Corridor” area (Shubenacadie to Enfield), this rate is reported on separately as it affects a significant number of residents and Councillors. The rate covers all urban services (streetlights, wastewater, hydrants and sidewalks) with the exception of some sub-urban streetlights.

The total USR operating budget for 2023/2024 was set at \$3.4 million. The final surplus was \$49,009 which was transferred to the USR Contingency Reserve. The significant variances from budget for the Urban Service Rate are outlined and discussed in the following table:

(Increases) / Decreases in Revenues	
Urban service rate tax levies - primarily related to Wastewater Management Fee revenue	\$(36,247)
Wastewater servicing capacity study revenue from obligatory reserves	(35,082)
Irving Oil servicing agreement	(11,223)
Sewer hook-up & usage revenue, net of reserves transfer	(1,421)
Variance from Budget to Actual - Revenue	\$(83,973)
Increases / (Decreases) in Expenses	
Other general operations - primarily from savings in contracts offset by debt interest	\$(23,760)
Wages & benefits – savings	(19,975)
Computer & admin support - costs savings for administration, finance and IT support	(18,190)
Public fire protection	(11,741)
Operational materials & small equipment	(5,277)
Plant & grounds maintenance for wastewater properties	13,344
Wastewater servicing capacity study	35,082
Wastewater repairs - July flooding	66,786
Variance from Budget to Actual - Expense	\$36,269
Variance from Budget to Actual	\$(47,704)
Original planned surplus	(1,305)
Net USR Surplus End of Year	\$(49,009)

Reserves - Urban Service Rate

Reserve funds are funds set aside to help offset future financing requirements; these are drawn upon to finance capital and operating expenditures as designated by Council. Urban type services are very infrastructure intensive, requiring significant funding for most capital projects. For this reason, reserve fund balances are a fundamental component of managing the financial stability of the USR. The following amounts are being held in reserve at March 31, 2024, for the USR systems:

For Capital Purposes	Amount	For Operating or Capital Purposes	Amount
Wastewater	\$42,183	Sidewalks	\$1,510,717
Stormwater	2,885	Wastewater	2,177,277
Total	\$45,068	Contingency	1,102,559
		Total	\$4,790,553

Council has approved a plan to reduce debt payments in the Urban Service Rate by setting aside \$218,400 in the sidewalk operating reserves to fund future sidewalk debt payments. The wastewater reserves are restricted to desludging, lagoon vegetative growth, and lift station pump and forcemain upgrades.



East Hants Water Utility

The East Hants Water Utility (EHWU) serves 3,096 customers in the communities of Shubenacadie, Lantz, Elmsdale and Enfield. The Utility also operates a bulk water station in Enfield that serves water haulers and residents throughout the region. The Municipality is accountable to the Nova Scotia Utility and Review Board (NSUARB) for all matters relating to water utility accounting and rate setting. East Hants received approval from the NSUARB to increase rates for three years beginning July 1, 2017. These approved rates will remain in effect until the next rate review.

At March 31, 2024, the Utility showed an accumulated fund balance of \$1,539,004. Operating results for 2023/2024 reflect a negative change in fund balance (operating deficit) of \$206,297. This deficit is explained in the following table:



(Increases) / Decreases in Revenues

Obligatory reserves - water capacity study	\$(33,926)
Interest & penalty revenue	(6,120)
Bulk water revenue	(4,004)
Increase in water meter connections, installations and disconnections	(3,867)
Public fire protection	11,741
Water billing revenue - increase in base charge (\$8.5K) offset by water consumption decrease (\$47.4K)	38,862
Variance from Budget to Actual - Revenue	\$2,686

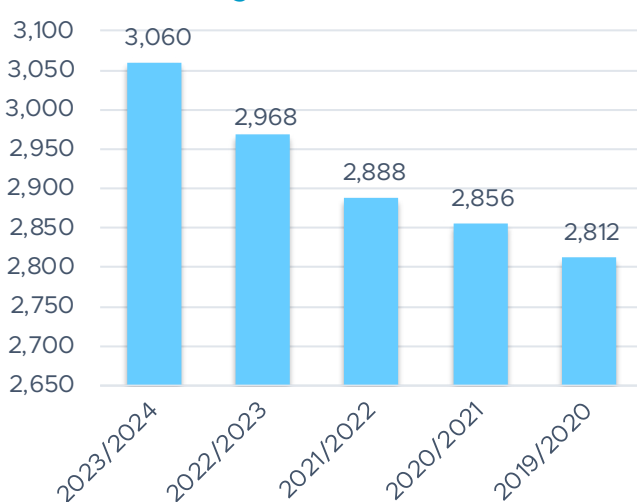
Increases / (Decreases) in Expenses

Financing of previously purchased land	\$(225,379)
Professional fees for Nova Scotia Environment requirements & rate review	(187,125)
Wages & benefits	(56,671)
Other operating costs - primarily savings in postage, advertising, allsystems & recovery of bad debt	(55,206)
Equipment & property and grounds maintenance	(38,845)
Computer & admin support - costs savings for administration, finance and IT support	(31,546)
Snow removal	(20,286)
Amortization - completion of EHWU capital projects	(10,118)
Vehicle - primarily repairs	(3,072)
Fuel & power	25,400
Contracts - high costs of watermain breaks & water capacity study	52,740
Operational materials - primarily increase in chemicals	133,671
Variance from Budget to Actual - Expense	\$(416,437)

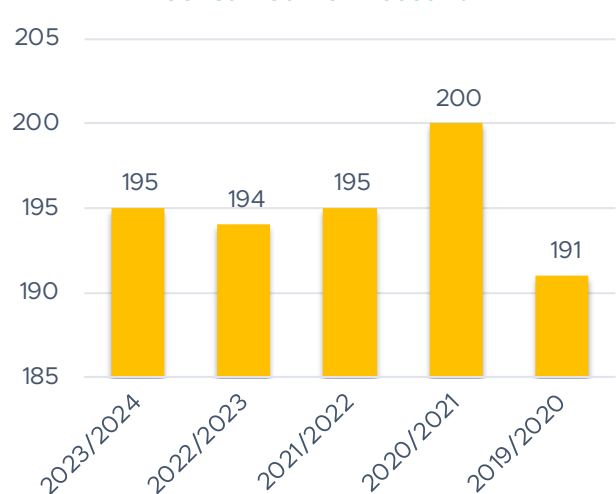
Variance from Budget to Actual

Variance from Budget to Actual	\$(413,751)
Decrease in transfer from Operations to Capital for water meters	(1,271)
Original planned deficit	621,319
Net Deficit End of Year	\$206,297

Average Number of Accounts



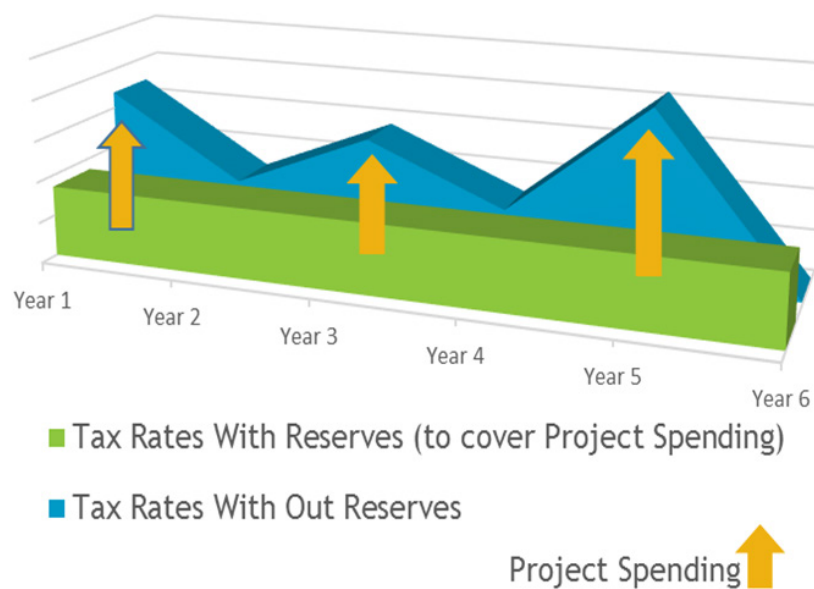
Average Number of Cubic Meters Consumed Per Account



Reserves

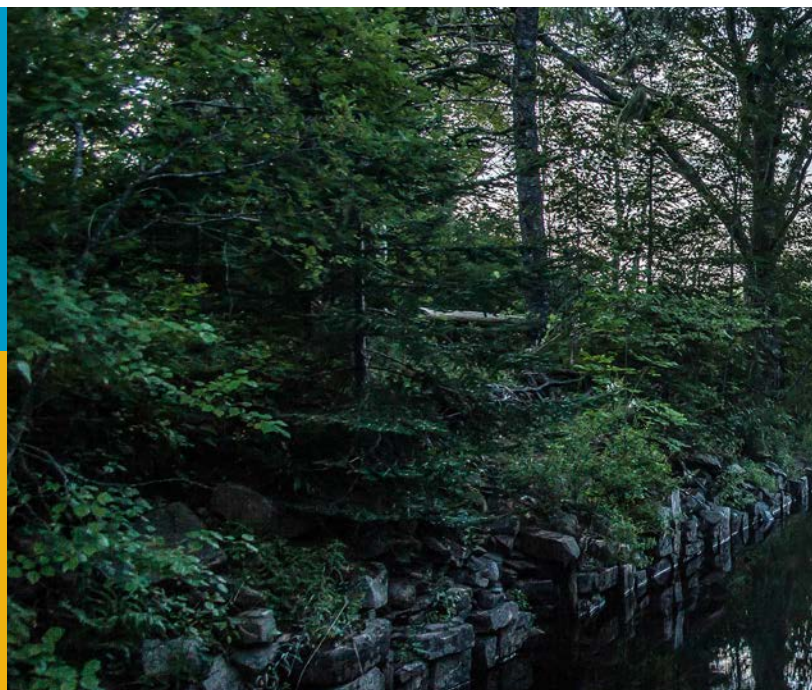
Reserve funds are established by Council by setting aside money to help offset future financing requirements. When required, the funds are drawn upon to finance capital and operating expenditures as designated by Council. Using reserve funds to minimize tax rate fluctuations is a fundamental component of financial management for East Hants.

Operating and capital reserves are consolidated within the Accumulated Surplus position on the Statement of Financial Position (Page 102); Obligatory reserves are reported in the liabilities section of the Statement of Financial Position (Page 102).



Importance of Reserves

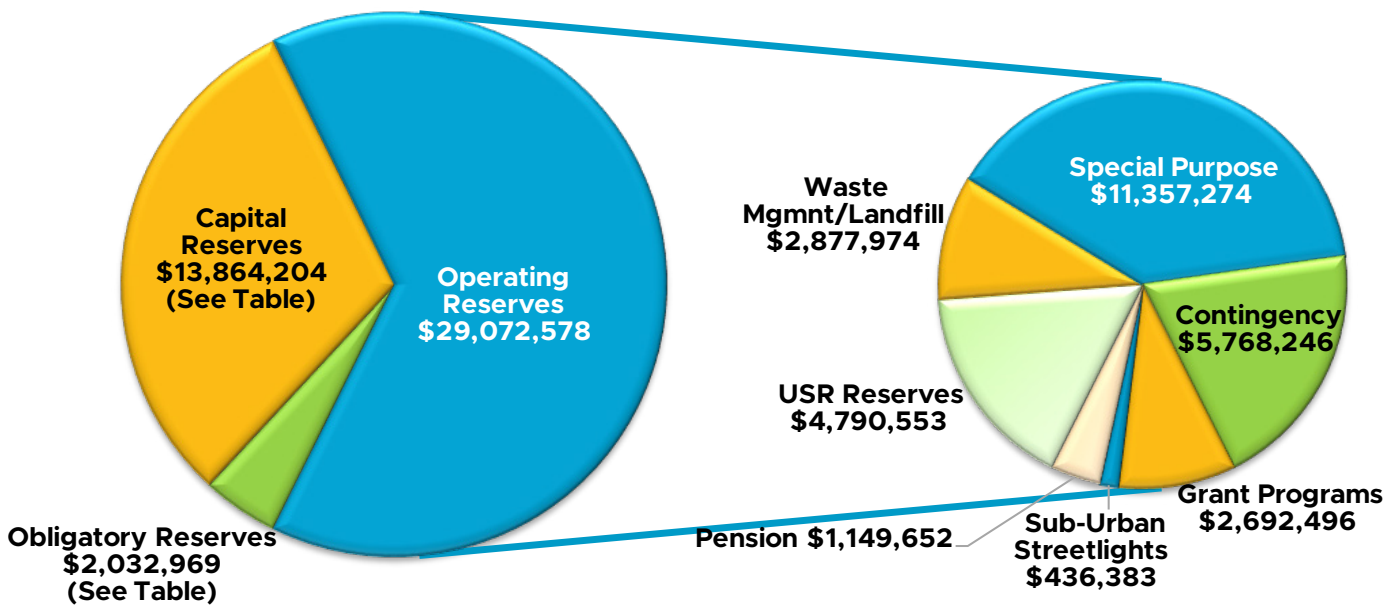
Reserves are key to the financial success of the Municipality and Council's ability to respond to the needs of East Hants residents and future development. Council strives to balance the desire to keep the tax burden as low as possible with the need for healthy reserve balances to ensure financial stability into the future.



The Municipality has approximately \$45 million in operating, capital and obligatory (infrastructure) reserves. Of this amount, \$13.9 million is set aside for capital work and \$29.1 million is being held in operating reserves, which can be used for operating or capital purposes. The Municipality of East Hants also has \$2 million in obligatory reserves, money collected specifically for open space and for sewer & water infrastructure.

Each reserve fund is further broken down for specific uses. For a detailed list of Reserve Fund balances, see Page 127, Schedule of Reserve Operations. The following graph summarizes the funds:

2023/2024 Reserves Held for Future Use - \$45M



Types of Reserves

Special Reserves: Monies set aside for a specific purpose, both Capital and Operating

Contingency Reserves: Surplus funds set aside for unanticipated expenditures

Obligatory Reserves: Infrastructure reserves (trunk sewer, water fees and open space)

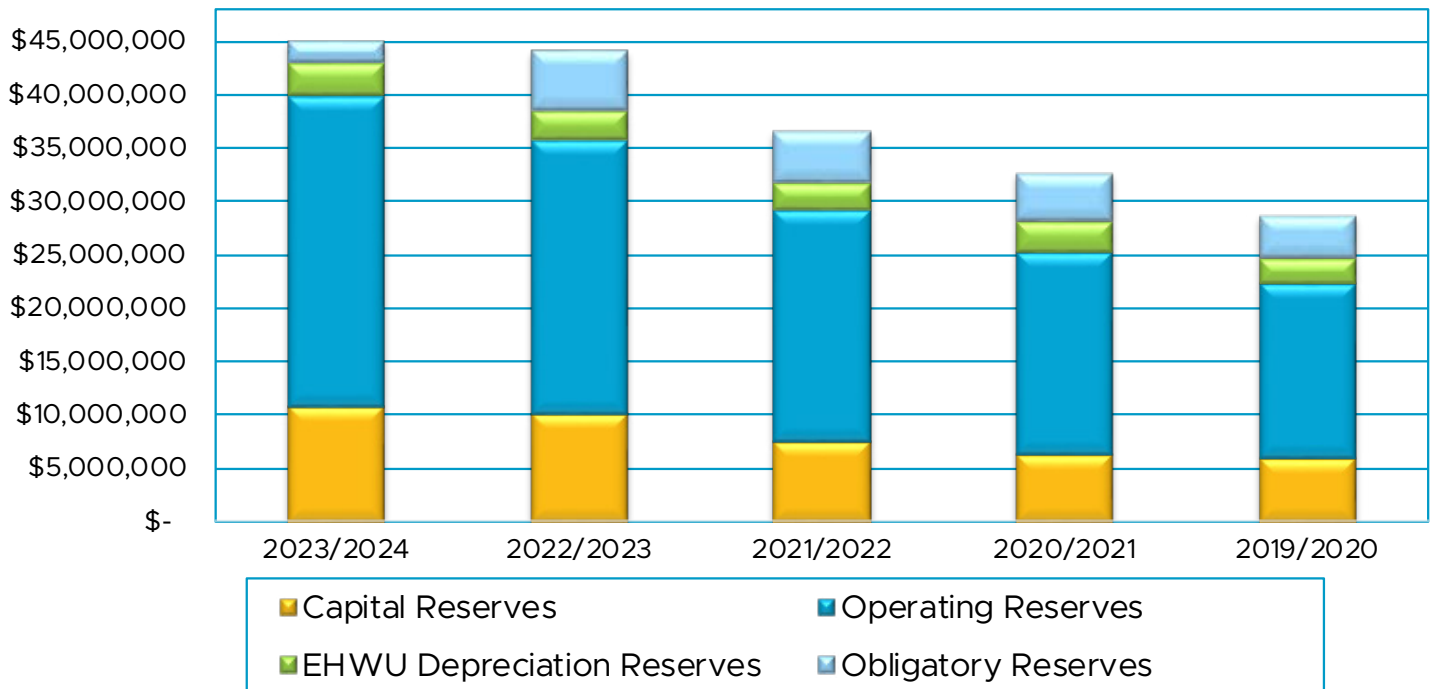
Depreciation Reserves: Water Utility

Reserves Continued

Capital Reserves	Amount	Obligatory Reserves	Amount
Water System Infrastructure	\$3,089,095	Sewer Infrastructure	\$330,691
USR Capital Reserves	45,068	Water Infrastructure	811,289
Business Park Expenditures	1,459,835	Open Space	890,989
Canada Community Building Fund	5,909,413		
Sustainable Services Growth Fund	430,667		
Housing Accelerator Fund	1,480,215		
Landfill Site Post Closure	147,390		
Other	1,297,751		
Road Paving	4,770		
Total	\$13,864,204		\$2,032,969

The chart below summarizes the reserve balances of the Municipality over the past five years:

East Hants Five-Year Reserves Comparison





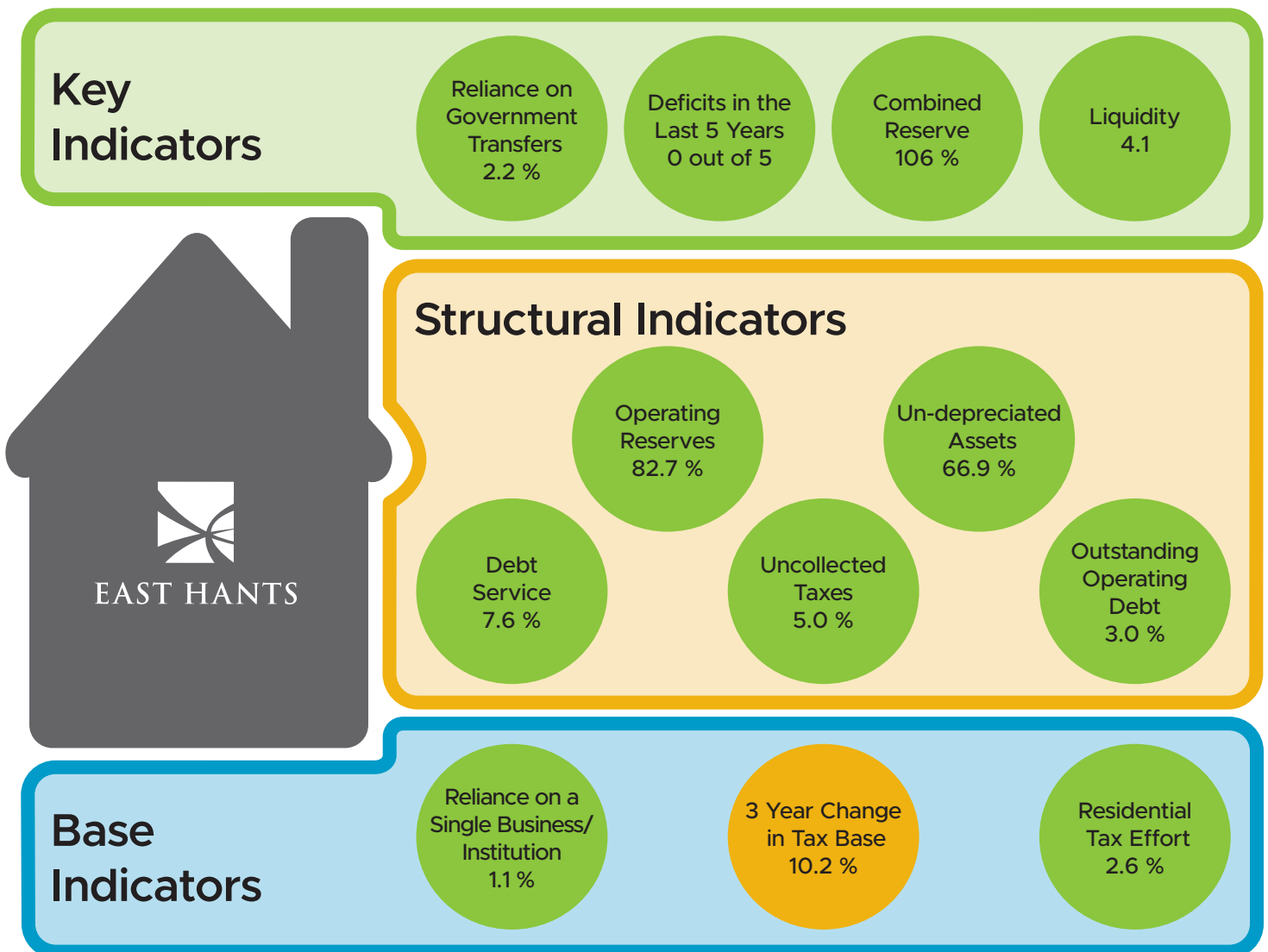
Financial Condition Indicators

The Financial Condition Index helps municipal councils and other stakeholders make sense of municipal financial information by providing a variety of sources in a single document. The index is organized into three financial indicators that focus on the Municipality's strengths, trends and risk areas.

Thresholds are based on jurisdictional scans, literature reviews, and municipal consultations. A **green** circle around the indicator indicates low risk, **yellow** indicates moderate risk and **red** indicators are a predictor of high risk situations (none below).

Annually the Province of Nova Scotia provides a report of the Financial Condition Indicators for all municipalities in the province. The East Hants' preliminary results (below) were very favourable.

The information in this report has been calculated using East Hants data for 2021/2022 and 2022/2023, with the recommended thresholds being provided by the Province. Below is a preliminary snapshot of East Hants indicators along with comments that are important to our stakeholders for understanding the results. The indicators for 2023/2024 will be calculated by the Province once the Financial Information Returns for all municipal units are filed. The detailed discussion of the results can be found on the East Hants website: easthants.ca/municipal-budget



Key Indicators

	2022/2023	2021/2022	Recommended Threshold
Reliance on Government Transfers	2.2%	5.2%	Below 15%
Deficits in the Last 5 Years	0/5	0/5	0/5
Combined Reserve	106%	93.6%	Above 40%
Liquidity	4.1	3.9	Above 1.5

Reliance on Government Transfers (%)

The Municipality of East Hants receives government operating grants for Solid Waste Programs, Farm Property Acreage and application based funding agreements. The Municipality of East Hants does not receive any Equalization funding from the Province.

Deficits in the Last 5 Years (#)

Municipalities must prepare balanced operating budgets. Any deficits must be repaid in the following budget year. East Hants incurred surpluses for this period and is therefore assessed at a low risk.

Combined Reserve (%)

The Municipality of East Hants sets aside funds each year for reserves in order to plan ahead and ensure large capital investments and operating expenditures can be met without an increased tax burden for residents. This indicator measures East Hants' combined reserve (includes operating, capital and water reserves) as a percentage of total operating and amortization costs. At 106% in 2022/2023, East Hants is above the target (40%) and has limited its future risk by maintaining a healthy reserve balance.

Liquidity (#)

This indicator is calculated as Short Term Operating Assets divided by Short Term Operating Liabilities.

For East Hants, short term assets include cash, taxes receivable and other monies owing from external sources (grants, HST, Deed Transfer Tax, etc.). The short term liabilities include amounts owing for payroll, trade payables (amounts owing to suppliers at the end of the fiscal year) and deferred revenue (monies paid on taxes in advance, for swimming lessons, etc.).

Financial Condition Indicators Continued

Structural Indicators

	2022/2023	2021/2022	Recommended Threshold
Undepreciated Assets	66.9%	66.2%	Above 50%
Debt Service	7.6%	10.9%	Below 10%
Outstanding Operating Debt	3.0%	3.4%	Below 25%
Uncollected Taxes	5.0%	4.1%	Below 10%
Operating Reserves	82.7%	75.9%	Above 20%

Undepreciated Assets (%)

The Municipality's significant investment in infrastructure over the past few years has resulted in a higher % for this indicator. New infrastructure has a higher book value and a greater remaining useful life than older infrastructure. Normal depreciation offset by additions to capital infrastructure has kept this percentage consistent year-over-year.

Debt Service (%)

The indicators around debt can be slightly misleading for a rural municipality investing heavily in urban infrastructure. The debt service ratio is driven by a high investment in capital infrastructure as compared to other rural municipalities. East Hants continues to focus on debenture repayments in an effort to increase overall financial health.

Outstanding Operating Debt (%)

This indicator is calculated by measuring East Hants' annual borrowing amount (debt) as compared to its borrowing limit, which is 50% of the combination of taxes levied and transfers from government. At 3%, East Hants is comfortably below the threshold limit of 25%.

Uncollected Taxes (%)

The Municipality of East Hants has a full-time Collection Officer and actively collects through payment arrangements, tax sale and adherence to Council collection policies. The Uncollected Tax Calculation is favourable for both 2021/2022 and 2022/2023 due to the efficient collection of taxes.

Operating Reserves (%)

Reserve funds are established by Council by setting aside money to help offset future financing obligations; when required, the funds are drawn upon to finance capital and operating expenditures as designated by Council. Using reserve funds to minimize tax rate fluctuations (due to significant one-time budgeted expenditures, unanticipated expenditures and revenue shortfalls) is a fundamental component of financial management for East Hants.

Base Indicators

	2022/2023	2021/2022	Recommended Threshold
Reliance on a Single Business or Institution	1.1%	1.1%	Below 10%
Three Year Change in Tax Base	10.2%	10.3%	18.3% or Above
Residential Tax Effort	2.6%	2.4%	Below 4%

Reliance on a Single Business or Institution (%)

The ratio for reliance on a single business is low due to the variation of industry represented in East Hants, large amount of farm and forest lands, and significant residential assessment. This indicator is favourable for East Hants for both 2021/2022 and 2022/2023.

Three Year Change in Tax Base (%)

The Municipality of East Hants has a lower percentage for this indicator due to the high rate of inflation between 2020 and 2023. Assessments grew by over 10% in both 2021/2022 and 2022/2023; which demonstrates strong growth. However, inflation over the same period was very high at 18.3%.

Residential Tax Effort (%)

The ratio for both the 2021/2022 and 2022/2023 years meets the threshold set by the Province. East Hants tax effort for both years was focused on mitigating residential tax burden increases, while still providing a high level of service.



Municipal Grant Program

The Municipal Grant Program supports several non-profit community groups in the delivery of their programs and services. The details of all grants issued by Council in 2023/2024 are:

Recipient	Cost Covered	Amount
Annual Maintenance Grants for Municipally Owned Properties:		
East Hants Museum Society (Tin Smith)	2023/2024 Annual maintenance at Tin Smith Museum	\$13,000
Walton Area Development Association	2023/2024 Annual maintenance at Walton Lighthouse	5,000
Sub-Total		\$18,000

Annual Staffing Grants for Municipally Owned and/or Leased Tourism Properties:		
Walton Area Development Association	2023/2024 Staffing Grant	\$3,000
Sub-Total		\$3,000

Beautification Grants:		
Admiral Rock Memorial Association	Beautification Grant	\$350
Beth Ouellette	Beautification Grant	162
CHArt Society	Beautification Grant	350
East Hants Community Learning	Beautification Grant	500
East Hants Ground Search & Rescue	Beautification Grant	1,000
East Hants Historical Society	Beautification Grant	350
Elmsdale Beautification Society	Beautification Grant	1,500
Enfield in Bloom	Beautification Grant	5,300
Grace United Church Hall	Beautification Grant	250
Hardwood Lands Cemetery	Beautification Grant	500
Hardwood Lands Hall Committee	Beautification Grant	1,000
Lantz Recreation Society	Beautification Grant	1,000
Maitland Volunteer Fire Dept. Aux	Beautification Grant	350
Milford Recreation Association	Beautification Grant	1,000
Milford Volunteer Fire Dept.	Beautification Grant	1,000
Shubenacadie Community Development	Beautification Grant	1,500
St Paul's Anglican Church	Beautification Grant	350
Tennecape Community Club	Beautification Grant	1,000
Uniacke & District Legion Branch 165	Beautification Grant	700
Walton United Church Cemetery	Beautification Grant	500
Sub-Total		\$18,662



Recipient	Cost Covered	Amount
Charitable Organization Tax Exemptions:		
Anglican Church	2023/2024 Taxes Bylaw F-400	\$584
C W Saunders Lodge Hall 125	2023/2024 Taxes Bylaw F-400	1,799
Community Hall Noel	2023/2024 Taxes Bylaw F-400	2,300
Community Hall Upper Rawdon	2023/2024 Taxes Bylaw F-400	4,133
Corridor Community Options	2023/2024 Taxes Bylaw F-400	26,513
East Gore Community Club	2023/2024 Taxes Bylaw F-400	4,310
East Hants Ground Search and Rescue	2023/2024 Taxes Bylaw F-400	2,891
East Hants Historical Society	2023/2024 Taxes Bylaw F-400	903
East Noel Community Club	2023/2024 Taxes Bylaw F-400	871
East Walton Community Hall	2023/2024 Taxes Bylaw F-400	1,408
Enfield & District Lion's Club Association	2023/2024 Taxes Bylaw F-400	3,181
Gore District Volunteer Fire Department	2023/2024 Taxes Bylaw F-400	2,331
Hall Foresters Maitland	2023/2024 Taxes Bylaw F-400	1,527
Hants North Community Food Bank	2023/2024 Taxes Bylaw F-400	2,238
Lantz Recreation Society	2023/2024 Taxes Bylaw F-400	3,630
Lion's Memorial Park Society	2023/2024 Taxes Bylaw F-400	825
Maitland & District Development Association	2023/2024 Taxes Bylaw F-400	1,583
Milford Recreation Association	2023/2024 Taxes Bylaw F-400	9,718
Minasville Community Centre	2023/2024 Taxes Bylaw F-400	1,999
Municipality of East Hants leased to E.H. Horne School Preservation Society	2023/2024 Taxes Bylaw F-400	7,101
Municipality of East Hants - Enfield Earth Keepers	2023/2024 Taxes Bylaw F-400	2,115
Nine Mile River & District Volunteer Fire Department	2023/2024 Taxes Bylaw F-400	438
Northern Hants Benevolent	2023/2024 Taxes Bylaw F-400	3,405
Rainbow Community Club Hall	2023/2024 Taxes Bylaw F-400	3,390
Shubenacadie Community Development Association	2023/2024 Taxes Bylaw F-400	3
Stanley & Mosherville Hall Association	2023/2024 Taxes Bylaw F-400	846
Stanley Sport Aviation Association	2023/2024 Taxes Bylaw F-400	1,928
Tennecape Community Club	2023/2024 Taxes Bylaw F-400	1,758
The CHArt Society	2023/2024 Taxes Bylaw F-400	5,484
Tot's Academy Child Care Society	2023/2024 Taxes Bylaw F-400	14,345
Trustees of N M R Community Hall	2023/2024 Taxes Bylaw F-400	3,989
Trustees of The Hardwood Land	2023/2024 Taxes Bylaw F-400	4,940
Uniacke & District Fire Department	2023/2024 Taxes Bylaw F-400	310
Uniacke Lodge No 128 A F & A M	2023/2024 Taxes Bylaw F-400	3,025
Water Utility East Hants	2023/2024 Taxes Bylaw F-400	206,375
Sub-Total		\$332,198

Recipient	Cost Covered	Amount
Community Grants:		
Bell Park Development Association	Trail Development	\$1,500
Ben Orchard	Athlete Travel - Rugby	100
Brenna Boutilier	Athlete Travel - Volleyball	100
Corridor Minor Baseball	Sound System, Umbrellas/Stands	1,500
Corridor Volleyball Club	Coaching Education	1,200
Darryl Drover	Athlete Travel - Volleyball	100
East Hants Crime Prevention	Christmas Parade Insurance	500
East Hants Mastodons Fast Pitch	U15 Nationals Travel	1,200
East Walton Community Club	Front Step Repairs	1,500
Elmsdale Beatification Society	Park Maintenance	1,500
Enfield, Elmsdale & Dist. Lions Club	Park Maintenance, Walkway Installation	1,500
Empire Trails Association	Trail Maintenance	1,500
Fall River Fury Volleyball Club	Athlete Travel	1,100
Gordana Kolic	Athlete Travel - Volleyball	100
Hants East Rural High School - Boys Hockey	Event Hosting, RCMP Charity Game	750
Hants North Baseball Association	Travel to U13 AAA Atlantic's	1,300
Inner Strength TKD- Jonah Priddle	Athlete Travel - Taekwondo	\$100
Kids Action Group	Equipment - Infant/Toddler Carriers	986
Lions Memorial Park Society	Park Maintenance & Santa in the Park Event	1,750
Mawikuit'k Society	2023 Freedom March	750
Milford Recreation Association	Maintenance and Milford Meltdown Community Event	1,500
Mount Uniacke Mustangs	Field Maintenance Equipment	1,500
Nine Mile River Trails Association	Trail Maintenance	1,686
Nova Scotia U23 Selects	Athlete Travel	500
Off Leash East Hants Society	Grounds Maintenance	1,500
Shubenacadie Fire & Emergency Services	Tree Lighting & Fireworks	250
Shubenacadie Hay Days Society	Event Hosting	712
The Rising Tide New Horizon Group	Window Replacement	1,500
Uniacke Baptist Church	Heat Pump Install	1,377
Sub-Total		\$29,561

Recipient	Cost Covered	Amount
Community Partnership Grants:		
Corridor Community Options for Adults	Grant 2023/2024 Council Motion C23(36)	\$15,000
East Hants Community Learning	Grant 2023/2024 Council Motion C23(36)	50,000
East Hants Family Resource Centre	Grant 2023/2024 Council Motion C23(36)	20,000
East Hants Historical Society	Grant 2023/2024 Council Motion C23(36)	16,158
East Hants Sport Heritage Society	Grant 2023/2024 Council Motion C23(36)	5,000
East Hants Youth Links	Grant 2023/2024 Council Motion C23(36)	6,000
Kids Action Program	Grant 2023/2024 Council Motion C23(36)	10,000
Sub-Total		\$122,158

District Recreation Fund:		
EH Horne School Preservation Society	Painting & Flooring	\$13,949
East Gore Community Club	Roof Replacement	12,293
Empire Trails Association	Bridge Replacement	14,002
Gore Volunteer Fire Dept.	Furnace Replacement & Upgrade	9,200
Lions Memorial Park Society	Washroom Building	5,175
M & M Recreation	Completion of 2022 Ballfield Upgrades	684
Milford Recreation Association	Siding Repairs, Trail Benches & Picnic Tables	19,076
Nine Mile River Community Hall & Club	Solar Project	3,598
Nine Mile River Trails Association	Completion of 2022 Trail Project	527
Rainbow Community Club	Roof Project	5,400
Uniacke District Home	Completion of 2020 Project	1,000
Sub-Total		\$84,904

Dr. JT Snow Bursary:		
Chignecto Regional Centre for Education	High School Bursary	\$1,000
Hants East Rural High School	High School Bursary	1,000
Windsor & Area Education Fund Association (Avon View High School)	High School Bursary	1,000
Sub-Total		\$3,000

Recipient	Cost Covered	Amount
EMO Grants:		
East Hants Ground Search & Rescue	2023/2024 Annual Operating Grant & Comfort Centre Exp.	\$28,290
East Hants Special Hazards Response Unit	2023/2024 Annual Operating Grant	7,142
Milford Recreation Association	2023/2024 Comfort Centers/ Shelters Funding	10,000
Noel Volunteer Fire Department	2023/2024 Generator Purchase	3,543
Sub-Total		\$48,975

Fire Department Annual Operating Grants:		
Gore Volunteer Fire Department	2023/2024 annual operating grant	\$11,149
Kennetcook Volunteer Fire Department	2023/2024 annual operating grant	11,149
Maitland & District Volunteer Fire Department	2023/2024 annual operating grant	11,149
Noel & District Volunteer Fire Department	2023/2024 annual operating grant	11,149
Rawdon District Volunteer Fire Department	2023/2024 annual operating grant	11,149
Walton Volunteer Fire Department	2023/2024 annual operating grant	11,149
Fire Training Facility - Noel	2023/2024 annual operating grant	177,218
Sub-Total		\$244,112



Recipient	Cost Covered	Amount
General Government Grants:		
4H Nova Scotia	General Government Grant 2023/2024 CM C23(241) Pro Show	\$500
After Trauma Empowerment Network	NFP Insurance Grant 2023/2024 CM C23(42)	1,500
Bell Park Development Association	NFP Insurance Grant 2023/2024 CM C23(42)	403
C.E.H. Regional Library	General Government Grant 2023/2024 CM C23(140) Library Contr.	2,000
Canoe Kayak Nova Scotia	NFP Insurance Grant 2023/2024 CM C23(42)	430
Caring & Sharing Food Bank	General Government Grant 2023/2024 CM C23(37) & C23(42)	1,840
CHART Society	NFP Insurance Grant 2023/2024 CM C23(42)	1,500
COAT Association	General Government Grant 2023/2024 CM C23(37)	2,000
Corridor Community Options	General Government Grant 2023/2024 CM C22(181)	309,075
East Gore Community Hall	NFP Insurance Grant 2023/2024 CM C23(42)	679
East Hants Arena Association	General Government Grant 2023/2024 C24(25)	60,000
East Walton Community Club	General Government Grant 2023/2024 CM C23(42)	499
Empire Trails Association	NFP Insurance Grant 2023/2024 CM C23(42)	1,500
Enfield Heritage Centre Association	NFP Insurance Grant 2023/2024 CM C23(42)	650
Enfield, Elmsdale & District Lion's Club	Lion's club Enfield playground (Benevity RBC donation)	1,400
Halifax East Hants 4-H Council	General Government Grant 2023/2024 CM C23(239)Trophy Sponsorship	100
Hants County Christmas	General Government Grant 2023/2024 CM C23(37)	1,000
Hants County Exhibition	General Government Grant 2023/2024 CM C23(37)	500
Hants North Baseball Association	General Government Grant 2023/2024 CM C23(42)	1,500
Hants North Community Food Bank	General Government Grant 2023/2024 CM C23(37)	1,000

Recipient	Cost Covered	Amount
General Government Grants continued:		
Hardwood lands Community Centre	NFP Insurance Grant 2023/2024 CM C23(42)	893
Indian Brook Food Bank	General Government Grant 2023/2024 CM C23(37)	1,000
Kids Action Program	General Government Grant 2023/2024 CM C23(37)	1,000
Lions Memorial Park Society	NFP Insurance Grant 2023/2024 CM C23(42)	1,500
Milford Recreation Association	Insurance Grant 2023/2024 CM C23(42)	1,500
Minasville Community Hall	General Government Grant 2023/2024 CM C23(42)	603
Mount Uniacke Community Improvement Committee	NFP Insurance Grant 2023/2024 CM C23(42)	866
Mount Uniacke Mustangs	NFP Insurance Grant 2023/2024 CM C23(42)	925
Nine Mile River Trails Association	NFP Insurance Grant 2023/2024 CM C23(42)	685
Off Leash East Hants Society	Insurance Grant 2023/2024 CM C23(42)	1,500
Rawdon Gold Mines Hall	RGM Community Hall CM C23(42)	909
Rotary Club of Sackville and Area	Recycle your Cycle '23 CM C23(190)	500
Shubenacadie Community Development	NFP Insurance Grant 2023/2024 CM C23(42)	1,500
Shumilacke Food Bank Society	General Government Grant 2023/2024 CM C23(37)	1,000
Tennecape Community Hall	NFP Insurance Grant 2023/2024 CM C23(42)	864
The Rising Tide New Horizon Group	NFP Insurance Grant 2023/2024 CM C23(42)	1,500
Wish Givers	General Government Grant 2023/2024 CM C23(37)	1,000
Sub-Total		\$405,821

Heritage Incentive Program:		
40 Academy St	Repainting	\$2,000
Charles Burns	Window Replacement	2,000
CHArt Society	Repainting	2,000
Sub-Total		\$6,000

Recipient	Cost Covered	Amount
MTAP Program:		
Various	Individual tax assistance based on Municipal Tax Assistance Program Council policy	\$123,321
Sub-Total		\$123,321

Provincial Recreation Grants:		
Hants North Recreation & Development Association	Recreation Grant	\$15,554
Lantz Recreation Society	Recreation Grant	19,648
Nine Mile River Trail Association	Recreation Grant	134,359
Walton Shore Fire Department	Recreation Grant	40,862
Sub-Total		\$210,422

Recreation Access Program:		
Various	Individual program assistance based on Recreation Access Council policy	\$5,887
Sub-Total		\$5,887

Tourism Grants:		
CHArt Society	Tourism	\$7,200
East Hants Historical Society	Tourism	5,000
Maitland District Development Association	Tourism	17,000
Walton Area Development Association	Insurance and Tourism	5,491
Sub-Total		\$34,691

Grand Total		\$1,690,709
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