



**Audit & Finance Committee**  
 Thursday, February 26, 2026, at 10:00 a.m.  
 Tides Room, 181 Coldbrook Village Park Drive

**AGENDA**

	Required Action	Responsible	Page
1. Call to Order & Land Acknowledgement		Chair	
2. Roll Call		Chair	-
3. Amendments to Agenda	Decision	All	-
4. Approval of Agenda	Decision	All	-
5. Disclosure of Conflict-of-Interest Issues	Disclosure	All	-
6. Approval of Minutes – December 8, 2025	Decision	Chair/All	3
7. Business arising from the minutes	Decision	Chair	
8. New Business			-
a) Q4 (2024/25) Capital Accountability Report	Presentation & Decision	Tyler Honeywood	8
b) Q3 Capital Accountability Report	Presentation & Decision	Tyler Honeywood	16
c) Q3 Operating Accountability Report	Presentation & Decision	Katrina Roefs	23
d) Budget Preview	Presentation	Katrina Roefs	31
e) Workplan Update	Presentation	Tyler Honeywood	73
9. Other Business			
	Discussion		
10. Next Meeting: TBD			
	Decision	All	
11. Adjournment			

## Land Acknowledgement

The Municipality of the County of Kings is in Mi'kma'ki, the ancestral, unceded, and current territory of the Mi'kmaq Peoples. The Municipality of the County of Kings is a neighbour to Annapolis Valley First Nation and Glooscap First Nation, as well as a diverse urban and rural Indigenous population. We are all treaty people and commit to upholding the Peace and Friendship Treaties and working towards reconciliation in all areas of the Municipality.

**Municipality of the County of Kings**  
**Audit & Finance Committee**  
**December 8, 2025, at 10:00 a.m.**

**Meeting, Date and Time** An Audit & Finance Committee (A&F) meeting was held on Monday December 8<sup>th</sup>, 2025, in Tides Room at 181 Coldbrook Village Park Drive and via Teams.

**Attending** In attendance:

**Committee Members:** Deputy Mayor Everett MacPherson – District 1 (Chair)  
Councillor Doug Gates- District 2  
Councillor Emily Lutz -District 7  
David Crabb – Citizen Member  
Logan Morse- Citizen Member (excused at 11am)

**Staff:** Mike Livingstone – Director of Finance & IT  
Tyler Honeywood, Manager of Financial Reporting  
Katrina Roefs, Financial Analyst  
Susan Gray, Recording Secretary

**Guests:** Jessica Clahane and Lianne Lockhart - Doane Grant Thorton  
**Regrets:** Mayor David Corkum

- 1. Meeting to order:** Councillor MacPherson, Chair, called the meeting to order at 10:03 am and read the Land Acknowledgement statement.
- 2. Roll Call**
- 3. Amendments to the Agenda** Director Livingstone indicated the report for item 9h (Q4 Capital Accountability Report) was not yet available and would be reviewed at the next meeting.
- 4. Approval of the Agenda:** **On the motion of Councillor Gates and Councillor Lutz, the agenda is approved as amended.**  
  
**Motion carried.**
- 5. Disclosure of Conflict-of-Interest Issues:** None.

- 6. Election of Chair and Vice-Chair** Councillor MacPherson stepped down as Chair, Director Livingstone assumed control of the meeting. Director Livingstone called for nominations for Chair. Councillor MacPherson was nominated and accepted the nomination. No other nominations were received. Councillor MacPherson was acclaimed. Chair MacPherson resumed control of the meeting and called for nominations for Vice-Chair. Councillor Lutz was nominated and accepted the nomination. There were no other nominations. Councillor Lutz was acclaimed as Vice-Chair.
- 7. Approval of Minutes** **On the motion of Logan Morse and Councillor Lutz the Minutes of September 15, 2025, were approved as circulated.**
- Motion carried.**
- 8. Business arising from the minutes** None.
- 9. New Business:**
- A. Audited Financial Statements** Jessica Clahane, Doane Grant Thorton, presented the report as shared in the December 8, 2025, Agenda Package.
- B. Review of Report to Audit & Finance** Lianna Lockhart presented the report as shared in the December 8, 2025, Agenda Package.
- C. RFD 2024/2025 Consolidated and Non-Consolidated Financial Statements** Tyler Honeywood, Manager of Financial Reporting, presented the following recommendations.
- RECOMMENDATION**  
**That the Audit & Finance Committee recommends that the Municipal Council approve the March 31, 2025, Consolidated Financial Statements as attached to the December 8, 2025 Audit & Finance Committee agenda package.**
- On the motion of Councillor Gates and Logan Morse the Recommendation was approved. Motion Carried**
- RECOMMENDATION**  
**That the Audit & Finance Committee recommend Municipal Council receive for information the March 31, 2025, Non-Consolidated Financial Statements as attached to the December 8, 2025, Audit & Finance Committee agenda package.**

**On the motion of David Crabb and Councillor Lutz, the Recommendation was approved.**

**Motion carried.**

**D. Hospitality  
Summary Report**

Katria Roefs presented the report as shared in the December 8, 2025 Agenda package.

**RECOMMENDATION:**

**That Audit & Finance Committee receive as information the briefing on the 2024/25 Hospitality Report, as attached to the December 8, 2025 Audit & Finance Committee agenda.**

**On the motion of Councillor Gates and Councillor Lutz, the Recommendation was approved.**

**Motion Carried.**

**E. Business  
Expense  
Summary Report**

Katria Roefs presented the report as shared in the December 8, 2025 Agenda package.

**RECOMMENDATION:**

**That Audit & Finance Committee receive as information the 2024/25 Summary of Remuneration and Expenses for Reportable Individuals, as attached to the December 8, 2025 Audit & Finance Committee agenda.**

**On the motion of David Crabb and Councillor Lutz, the Recommendation was approved.**

**Motion carried.**

**F. Management  
Report on  
Compliance**

Tyler Honeywood presented the report as shared in the December 8, 2025 Agenda package

**RECOMMENDATION**

**That Audit and Finance Committee received as information the 2024/25 Report on Compliance, as attached to the December 8, 2025 Audit and Finance Committee agenda.**

**On the motion of Councillor Lutz and David Crabb the Recommendation was approved.**

**Motion carried.**

**G. Q4 Operating  
Accountability  
Report Fiscal  
2024/2025**

Katria Roefs presented the report as shared in the December 8, 2025, Agenda package.

**RECOMMENDATIONS:**

**1) That Audit & Finance Committee recommend the General Operating Accountability Report (for period ended March 31, 2025) as an information item to Municipal Council.**

**On the motion of Councillor Gates and David Crabb the Recommendation was approved.**

**Motion Carried.**

**2) That Audit & Finance Committee recommend that Council approve the transfer of \$604,678 to the Special Project Reserve 61-4-460-381 relating to unspent funds from approved project budgets.**

**On the motion of Councillor Lutz and David Crabb the Recommendation was approved.**

**Motion Carried.**

**3) That Audit & Finance Committee recommend that Council approve the transfer of \$86,777 to the Municipal Sewer Operating Reserve 61-4-460-130 relating to unspent funds from approved project 22-3407 Laboratory Assessment and project 19-3403 SCADA System.**

**On the motion of Councillor Gates and Councillor Lutz the Recommendation was approved.**

**Motion Carried.**

**4) That Audit & Finance Committee recommend that Council approve the transfer of \$113,520 to the J-Class Paving Special Reserve 61-4-460-382 relating to unspent J-Class paving related budgeted funds.**

**On the motion of Councillor Gates and David Crabb the Recommendation was approved.**

**Motion Carried.**

**H. Q4 Capital  
Accountability  
Report Fiscal  
2024/2025**

Deferred to next meeting.

**I. Q2 Operating  
Accountability**

Katrina Roefs presented the report as shared in the December 8, 2025, Agenda package.

**Report Fiscal  
2025/2026**

**RECOMMENDATION**

**That the Audit & Finance Committee recommend the General Operating Accountability Report (for period ended September 30, 2025) as an information item to Municipal Council.**

**On the motion of Councillor Lutz and David Crabb the Recommendation was approved.**

**Motion Carried.**

**10. Other Business**

Director Livingstone indicated the CAO received a letter from the Deputy Minister advising that certain reporting requirements were beyond their deadline which would impact the timing of the Municipality's receipt of Provincial funding. Any held funding will be released upon submission of the outstanding reports.

**11. Next Meeting:**

TBD.

**12. Adjournment:**

**On the motion of Councillor Gates and Councillor Lutz, the meeting be adjourned.**

**Motion Carried.**

Meeting adjourned at 11:53 am.

Approval:  
**Audit & Finance Committee**

**Month, Day, Year**

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<b>TO</b>	Audit and Finance Committee
<b>PREPARED BY</b>	Kevin Wheaton, Financial Analyst
<b>MEETING DATE</b>	February 26, 2026
<b>SUBJECT</b>	Capital Accountability Report, Fiscal 2024/25 Q4

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## **ORIGIN**

- First introduction to Audit & Finance Committee

## **RECOMMENDATION**

That Audit & Finance Committee recommend the Capital Accountability Report (for period ended March 31, 2025) as an information item to Special Council.

## **INTENT**

To provide a summary of actual year-end results as of March 31, 2025, as well as any material variances from amounts budgeted in the 2024/25 Capital Budget.

## **DISCUSSION**

This report represents activity to the end of March 2025. Discussions have occurred with Managers and Directors across the organization to determine the status of each project as of March 31, 2025. Given the time lag between issuance of this report and Manager/Director discussions, there may be updates to project plans that were not subsequently reflected in this report. Future Capital Accountability Reports can be looked to for more up to date information on project status.

This Capital Accountability Report details the budget amounts, expenditures, and variances from amounts budgeted for fiscal 2024/25, for each capital project as of the March 31, 2025 yearend date.

Each project listed in the Capital Accountability Report is flagged with an icon that labels its status. A green circle indicates the project is complete, or is expected to be completed, on time and on budget. A yellow circle indicates the project has deviated, or is expected to deviate, from the budget, timeline and/or scope; but will be completed. A red circle indicates the project is not expected to move forward in the current or following fiscal year.

The 2024/25 budget included a significant amount of project carryover (\$20,540,746) that was realized in the fiscal 2023/24 year-end actuals. The Capital Accountability Report for 2024/25 Q4 shows significant carryover occurring again, with a remaining budget amount of \$35,698,806 as of March 31, 2025. A large majority of project underspending is in the Municipal Sewer, Regional Sewer, and the Greenwood Water Utility categories. There are also two notable general rate projects with significant budget underspending in 2024/25. Ten projects<sup>1</sup> make up 83.4% (\$29,765,681) of the \$35,698,806 budget variance.

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<sup>1</sup> Project Numbers: 08-1714, 08-3408, 08-3409, 08-3410, 20-3405, 24-3402, 14-4401, 17-4401, 11-2408, 22-3403

## Information Technology

Two projects in this category were complete at year-end, one with budget savings and one with a small budget overage (\$4,473), mostly due to actual costs exceeding forecast amounts for laptop peripherals. The Accounting Software project did not have any work or funds budgeted for 2024/25, as the planned replacement of the existing accounting software package has been put on hold until the current iCity cloud-hosting agreement expires in fiscal 2026/27. The municipality's work on the Fibre/Wireless Hybrid Connectivity project has been delayed, while NS Power continues with "Make Ready" work for the connection of the Greenwood wellfield and Aylesford STP/WTP plants. Consequently, no expenditures were made on this project in 2024/25.

Project Name	Project #	Budget	Actual	Variance (\$)	Variance (%)
<b>Hardware Evergreening</b>	08-1102	62,000	66,473	● <4,473>	7.2%
Fiscal 2024/25 purchases included 24 laptops & peripherals, 2 iPad tablets, 10 Surface tablets & accessories (for Council), 17 cell phones, 25 monitors, 1 printer, and a drone (with accessories). Final budget overage is primarily due to the actual cost of some laptop peripherals (particularly laptop docking stations) exceeding budgeted amounts forecast.					
<b>Network Upgrades</b>	08-1101	107,000	87,270	● 19,730	18.4%
Replacement and configuration of new network switches was completed in Q3 2024/25, as projected. Replacement of network UPS backup batteries was completed in Q3 2024/25. All project work for fiscal 2024/25 was completed.					
<b>Accounting Software</b>	16-1103	-	-	● -	0.0%
No project work was budgeted for fiscal 2024/25. The present accounting system was planned for replacement in 2025/26, however will be further delayed to ensure there is sufficient internal capacity to direct toward the project.					
<b>Fibre/Wireless Hybrid Connectivity</b>	17-1103	277,987	-	● 277,787	100.0%
Make Ready work, for the connection of the Greenwood wellfield and Aylesford STP/WTP plants, has carried over to 2025/26. Construction of these connections is expected to follow in spring 2026 and carry over to fiscal 2026/27.					
<b>Total</b>		446,987	153,743	293,244	65.6%

## Municipal Buildings

Both projects in this category have significant year-end budget variances. The Waterville Warehouse Upgrades project ended the fiscal year with underspending, as installation of a security camera system has carried over to 2025/26 and the addition of insulation to the warehouse building has been deferred to 2026/27. The Municipal Complex - Furniture & Equipment project experienced underspending, as audio system upgrades to Council Chambers has carried over to 2025/26.

Project Name	Project #	Budget	Actual	Variance (\$)	Variance (%)
<b>Waterville Warehouse Upgrades</b>	22-1301	358,203	25,434	● 332,769	92.9%
Construction of gravel yard, fencing, and electronic gate has carried over to fiscal 2025/26, and is expected to be complete in Q3 2025/26. Installation of security camera system has carried over to 2025/26. Installation of climate control system and insulation (warehouse building) has been deferred to 2026/27.					
<b>Municipal Complex – Furniture &amp; Equipment</b>	24-1301	95,000	70,605	● 24,395	25.7%
Additional workstations and furniture were purchased for Admin building in 2024/25. Signage was installed at Coldbrook Village Park Drive (Admin & EPW buildings) in 2024/25 Q2. Upgrades to the audio system (Council chambers) have carried over to fiscal 2025/26.					
<b>Total</b>		453,203	96,039	357,164	78.8%

## Roads and Sidewalks

Both projects in this category have significant year-end budget variances. Construction of the planned asphalt portion of new sidewalk along Hwy 1 in Coldbrook (Coldbrook Village Park Drive to Needs convenience store), under the Pedestrian Infrastructure program, has carried over to 2025/26. Limited activity took place under the Municipal Road Remediation project. A cross culvert was replaced on Rivercrest Lane, Greenwood. Additional road and storm water improvements planned for 2024/25 are now expected to be constructed in 2025/26.

Project Name	Project #	Budget	Actual	Variance (\$)	Variance (%)
<b>Pedestrian Infrastructure</b>	08-1714	1,790,106	663,002	● 1,127,104	63.0%
West Kings School and Scott Drive (Phase 2) sidewalks were substantially complete in 2024/25 Q1-Q2. Construction of concrete portion of sidewalk along Hwy 1 in Coldbrook (Kentville Town Line to Coldbrook Village Park Drive) was complete in 2024/25 Q3. Construction of asphalt portion of sidewalk along Hwy 1 (Coldbrook Village Park Drive to Needs convenience store) will carry over into 2025/26 Q1.					
<b>Municipal Road Remediation</b>	13-1702	200,000	23,825	● 176,175	88.1%
A cross culvert was replaced on Rivercrest Lane, Greenwood in Q3 2024/25. Road and storm water improvements are now planned for Q2/Q3 2025/26.					
<b>Total</b>		1,990,106	686,828	1,303,279	65.5%

## Parks and Recreation

The sole project in this category is the Park Facility Upgrades project, which included upgrades to the swimming pool at the Waterville Youth Centre and security camera installation/signage upgrades at Aylesford Lake Beach. Refurbishment of the swimming pool (Waterville) was completed in 2024/25. Installations of the planned security camera system and upgrades to signage (both at Aylesford Lake Beach) have carried over to 2025/26 and are expected to be completed in 2025/26.

Project Name	Project #	Budget	Actual	Variance (\$)	Variance (%)
<b>Park Facility Upgrades</b>	15-1601	135,000	40,162	● 94,838	70.3%
Refurbishment of the swimming pool at the Waterville Youth Centre was completed in 2024/25. A Standing Offer tender has been prepared for the replacement of signage at most MOK park facilities. This work is anticipated for award and installation during fiscal 2025/26. Installation of security cameras at Aylesford Lake Beach has also carried over to 2025/26.					
<b>Total</b>		135,000	40,162	94,838	70.3%

## Special Projects

Several projects in this category have made significant progress or reached completion by fiscal year-end. Conceptual design work, relating to the proposed Light Manufacturing Park Development (Waterville), was largely completed. The bi-annual assessment of J-Class Roads was deferred to 2025/26 and completed in-house. Under the Municipal Accessibility Upgrades project, automatic door openers were installed throughout the Admin and EPW buildings. The direction of modernization efforts, relating to Kings Transit Authority (KTA) and Valley Waste-Resource Management, was completed in 2024/25 (under budget). The Asset Management/Capacity Building Study was substantially complete at year-end. While there were no expenditures made under the Climate Change Preparedness project, the Municipality has been incorporating alternative energy installations in wastewater treatment plants, as part of recent designs. Several vehicles were purchased for the Municipal Fleet in 2024/25 and include three half-ton trucks and two hybrid half-ton trucks. A crane truck, vactor truck, heavy duty pickup truck, and a SUV (EV) have been purchased in 2025/26. Construction of EV Charging Stations was complete at year-end. Construction of the related Solar/Battery Systems is expected to be completed in 2025/26. Feasibility study work, for Meadowview Solar Garden construction, was performed in 2024/25 and an application to secure a Power Purchase Agreement with NS Power is being finalized for submission into the Nova Scotia Community Solar program.

Other projects in this category have experienced delays due to continued disruption from the cyber incident, significant personnel changes, as well as other factors, and include the Wind, Water – Village of Kingston, Traffic & Pedestrian Study - Coldbrook Village Park, Regional Recreation Facility Study, Active Transportation Infrastructure, Municipal Infrastructure Development Strategy, Light Manufacturing Park Construction, Municipal Entrance Signage, and Property Assessed Clean Energy (PACE) projects. The Fire Service Delivery – Greenwich & Wolfville project, initiated in the 2024/25 budget, has been cancelled.

Project Name	Project #	Budget	Actual	Variance (\$)	Variance%
<b>Wind</b>	18-3403	168,350	-	168,350	100.0%
There has been no response from DND regarding radar mitigation. This project will be reconsidered in the coming fiscal year.					
<b>Light Manufacturing Park Development Study</b>	18-3404	125,000	46,097	78,903	63.1%
Contract for conceptual design of the proposed park has been awarded. Financial feasibility is to be reviewed, following completion of this design work.					
<b>J-Class Road Assessment</b>	18-3406	30,000	-	30,000	100.0%
J-Class road inspection was deferred to 2025/26 Q2 and completed in-house.					
<b>Water - Village of Kingston</b>	18-3407	96,809	1,567	95,242	98.4%
Feasibility study to evaluate options and cost estimates for a new municipal water source for the Village of Kingston is planned to be released in 2025/26 Q3.					
<b>Traffic &amp; Pedestrian Study – Coldbrook Village Park</b>	19-3405	-	-	-	0.00%
No project work was budgeted for fiscal 2024/25. Study was previously deferred to 2026/27, awaiting the completion of a NS Public Works project, examining traffic patterns and access in this area. Additionally, any study work may be dependent on decisions relating to the location of the proposed new Regional Recreation Facility.					
<b>Regional Recreation Facility Study</b>	21-3403	125,000	-	125,000	100.0%
This project will carry forward to ensure funds are available for necessary study work related to the Regional Recreation Facility Study.					
<b>Municipal Accessibility Upgrades</b>	22-3402	175,000	35,012	139,988	80.0%
Automatic door openers were installed throughout the Municipal campus (Admin and EPW buildings) in 2024/25. Upgrades to the ramp/dock, and addition of a covered structure/accessible picnic tables (Aylesford Lake Beach), are now planned for fiscal 2026/27. Further accessibility upgrades to Municipal assets are in planning stages, and these will be based on new accessibility standards released in 2025.					
<b>Active Transportation Infrastructure</b>	22-3403	891,098	-	891,098	100.0%
Overall Harvest Moon Trail (HMT) repairs were completed in 2024/Q1-Q2. Installation of active transportation branded signage, and feasibility study work (Safe Routes to School, Meadowview/North Kentville trail addition, and Kingston/Greenwood pedestrian bridge) have been deferred to fiscal 2025/26. HMT upgrades and extension (easterly towards Wharf Rd and Horton Landing) are now planned for construction in 2025/26 Q2-Q4.					
<b>IMSA Pilot</b>	22-3404	145,083	68,211	76,872	75.3%
This project is anticipated to be complete by the end of fiscal 2025/26.					
<b>Municipal Infrastructure Development Strategy</b>	22-3405	537,506	60,354	477,152	88.8%
Recent developments, most notably the Municipality's participation in the Housing Accelerator Fund program, have resulted in a need to re-evaluate this project going forward.					
<b>Asset Management/Capacity Building Study</b>	22-3408	333,481	66,587	266,894	80.0%
Project is substantially complete. Draft final reports have been provided to the Municipality and are under review.					
<b>Climate Change Preparedness</b>	23-3401	230,000	-	230,000	100.0%
The Municipality has been incorporating alternative energy installations as part of recent designs in wastewater treatment plants, e.g., solar array at the Canning treatment facility.					

## Special Projects Continued

<b>Municipal Fleet</b>	23-3403	967,192	354,032	●	613,160	63.4%
Three half-ton pickups were purchased in Apr/May 2024 and two hybrid half-ton pickups were purchased in Nov 2024. A crane truck, vactor truck, heavy duty pick-up truck, and a SUV (EV) have been purchased in 2025/26.						
<b>Municipal Entrance Signage</b>	23-3404	42,600	-	●	42,600	100.0%
In favour of other higher priority projects, there has been limited progress, e.g., preliminary design work on the Municipal Entrance Signage.						
<b>Meadowview Solar Garden</b>	23-3405	200,000	91,597	●	108,403	54.2%
Feasibility study work was performed during fiscal 2024/25. The project team is currently in the process of finalizing the application into the Nova Scotia Community Solar program to secure a Power Purchase Agreement with NSPI.						
<b>EV Charging Station &amp; Solar/Battery Systems</b>	24-3403	923,217	765,054	●	158,163	17.1%
Construction of Phase 1 (EV charging terminals) is complete and being commissioned. Phase 2 (solar/battery system) design is to be completed and tendered in Q3 2025/26.						
<b>Fire Service Delivery - Greenwich &amp; Wolfville</b>	24-3404	200,000	21,434	●	178,566	89.3%
The agreement to merge the fire departments has been shelved and agreements are in place with each department for continued fire services.						
<b>Property Assessed Clean Energy (PACE)</b>	24-3405	15,750	-	●	15,750	100.0%
The Municipality's PACE is on hold until a viable program grant is identified to support to the project.						
<b>Total</b>		5,206,087	1,509,944		3,696,143	71.0%

## Municipal Sewer

Projects in this category, except for Greenwood Sewer Extensions (now cancelled), have experienced delays and carried over to fiscal 2025/26.

Project Name	Project #	Budget	Actual	Variance (\$)	Variance (%)
<b>Lift Station Replacements</b>	08-3408	3,231,991	205,093	● 3,026,897	93.7%
Tender is closing for upgrades to lift stations (CB2, CK4, AT3), with contract award expected in Q2 2025/26. Construction of these upgrades is expected to begin Q3 or Q4 2025/26. Pump control panels for lift stations (AD2, AT8, CB3, CG3, CK5, GP1) were purchased in spring 2024. Two emergency generators have been purchased for lift stations (GW10, WE5), with installation to follow.					
<b>Sewer Treatment Plant Infrastructure Renewal</b>	08-3409	7,764,526	79,184	● 7,685,342	99.0%
Design work continues in 2025/26 Q1 and Q2. Tender for Aylesford and Hants Border to close and be awarded in Q3. Plan to tender Avonport and Aldershot in Q4 2025/26. Canning and Waterville design work is expected to be completed in early 2026. UV equipment (sleeves, bulbs, sensor boards) for STPs (Avonport, Canning, Greenwood, Hants Border) was purchased during 2024/25.					
<b>Sewer Collection Line Replacement</b>	08-3410	1,901,282	268,729	● 1,632,553	85.9%
Construction of sewer main at Mee Road/Governor Court (North Kentville) has started, with anticipated completion at end of Q2 2025/26. Construction of sewer main at Chapel Road (Canning) started in Q2 2025/26, with expected completion in Q2 2026/27. Approximately 30 laterals were installed at various locations throughout the municipality during fiscal 2024/25.					
<b>EPW Equipment &amp; Occupational Health/Safety</b>	10-3409	205,000	51,254	● 153,746	75.0%
An assortment of tools and equipment (including personal protection gear, electric pallet jack, infrared camera, and multi-gas detectors) was purchased during fiscal 2024/25. The purchase of RTK survey equipment and fall restraint upgrades has carried over to 2025/26. Welding and CCTV equipment, budgeted for 2025/26, has been purchased. The purchase of additional tools and equipment will be on-going throughout the balance of fiscal 2025/26.					
<b>SCADA System</b>	19-3403	147,934	47,089	● 100,845	68.2%
Work on development of a SCADA masterplan progressed during 2024/25 and has carried over to the current fiscal year. The purchase of a SCADA server is planned for 2025/26, with additional hardware to be purchased over the next three years.					
<b>Greenwood Sewer Extensions</b>	20-3405	2,135,600	28,001	● 2,107,599	98.7%
Project is not proceeding.					
<b>Municipal Specifications Manual Update</b>	22-3406	52,976	-	● 52,976	100.0%
Modifications to the Municipal Specifications Manual have continued through to 2025/26 Q2, with final adoption expected prior to 2025/26 Q4.					
<b>Laboratory Building</b>	22-3407	160,000	4,171	● 155,829	97.4%
Interior renovations and driveway improvements at the existing laboratory are expected to start in 2025/26 Q4. Location for a new laboratory building has been secured, with property possession occurring December 1, 2025.					
<b>Biosolids Management</b>	24-3401	250,000	-	● 250,000	100.0%
Feasibility studies, to identify viable options for the disposal of biosolids, have been deferred to fiscal 2026/27.					
<b>STP Lagoon Desludging</b>	24-3402	1,952,000	368,831	● 1,583,169	81.1%
Desludging at Hants Border STP was completed in Q3 2024/25. Pricing has been received and plans made to desludge Aylesford and Waterville STP's in Q2 and Q3 2025/26. Desludging prep work at Canning STP is planned for Q4 2025/26.					
<b>Total</b>		17,801,309	1,052,353	● 16,748,955	94.1%

## Regional Sewer

Projects in this category, except for Regional Consulting & Studies which did not have any work budgeted for 2024/25, have experienced delays and carried over to fiscal 2025/26. Significant personnel changes were the main cause of these delays.

Capital upgrades to Regional Sewer infrastructure have continued to be a top priority for the Municipality. Significant progress has been made on the replacement of sewer force main (RG5 to Eaves Hollow). At the Regional STP, bathymetric surveying was completed for lagoon cells (#2 to #5) and construction of a lagoon service road began in spring 2025. Desludging and removal of geo-tubes is planned for lagoon #2. Installation of new blowers and refurbishment of overflow chamber is expected to be completed in 2025/26. New stationary generators for lift stations (RG5, RG6) and Wet Well Wizards for lift stations (RG3, RG5, RG6) have been purchased and installation of this equipment is also expected in 2025/26.

Project Name	Project #	Budget	Actual	Variance (\$)	Variance (%)
<b>Regional Sewer Lines</b>	14-4401	6,184,879	984,387	● 5,200,492	84.1%
Construction of sewer force main replacement progressed during 2024/25, has carried over to 2025/26, and is expected to be complete in Q4 2025/26.					
<b>Regional STP Aeration &amp; Desludging</b>	17-4401	1,600,874	368,045	● 1,232,829	77.0%
Bathymetric surveying was completed for lagoon cells #2-5 in 2024-25/Q2. Service road construction was started by contractor in 2024-25/Q4. Desludging and removal of geo-tubes is planned for lagoon #2. The desludging of cells #3, 4, & 5 has been deferred to future years.					
<b>Regional Equipment</b>	23-4401	64,000	2,381	● 61,619	96.3%
Equipment upgrades were deferred to 2025/26, to be based on the outcome of a plant optimization study. Fencing replacement/upgrades and the replacement of UV bulbs are also planned for fiscal 2025/26.					
<b>Regional Consulting &amp; Studies</b>	23-4402	-	-	● -	0.0%
No project work was budgeted for fiscal 2024/25. Inflow and infiltration studies, planned for 2025/26, have been deferred to a future year.					
<b>Regional Lift Station Upgrades</b>	23-4403	415,000	42,138	● 372,862	89.8%
New stationary generators for lift stations (RG5, RG6) and Wet Well Wizards for lift stations (RG3, RG5, RG6) have been purchased and are expected to be installed in 2025/26 Q1/Q2. A grit-removal chamber study for lift station (RG2) is expected to commence in Q2 2025/26.					
<b>Regional STP Upgrades</b>	23-4404	545,000	58,494	● 486,506	89.3%
Installation of new blowers and rehabilitation of overflow chamber is expected to be complete at end of Q1 2025/26.					
<b>Total</b>		8,809,752	1,455,444	7,354,308	83.5%

## Water Utility

Project work, for two of three projects in the Greenwood Water Utility category, experienced delays and has carried over to 2025/26. Under the Water Distribution System Improvements project, new fire hydrants were installed within the system and new water service was constructed on Bowlby Park Drive (Greenwood). Additional replacement/rehabilitation of valves is planned for 2025/26. Construction of new water transmission main and water treatment plant, under the Production Well project, is currently undergoing Duty to Consult process, and is anticipated to begin 2025/26 Q3.

The third project under this category, Water System Equipment, was complete and underbudget at year-end.

Project Name	Project #	Budget	Actual	Variance (\$)	Variance (%)
<b>Water Distribution System Improvements</b>	10-2403	406,368	38,213	368,155	90.6%
New fire hydrants were installed within the Greenwood Water system in 2024-25/Q2. New water service was installed on Bowlby Park Drive (Greenwood) in 2024-25/Q4. Additional valving investigation is planned for 2025-26 Q2/Q3.					
<b>Water System Equipment</b>	11-2407	145,000	71,593	73,407	50.6%
Water system equipment purchases and upgrades were ongoing through fiscal 2024/25. Project expenditures included the purchase/installation of new expansion tanks and retention tanks for Sandy Court. Water meters (for residential/commercial connections) and sensors/in-line meters (for water analysis/treatment) were also purchased in 2024/25. A consultant has been contracted, in 2025/26, to perform pre-design work for PFAS removal at Sandy Court.					
<b>Production Well</b>	11-2408	6,814,057	1,535,459	5,278,599	77.5%
Water pipe was purchased in Q4 2024/25. New water plant and transmission main construction is undergoing Duty to Consult processes, with construction anticipated to begin late Q3 2025/26.					
<b>Total</b>		<b>7,365,425</b>	<b>1,645,264</b>	<b>5,720,161</b>	<b>77.7%</b>

## FINANCIAL IMPLICATIONS

- The net budget variance for the Capital Program is one of underspending for the current fiscal year. As a result, funding sources will be drawn on at lower levels than originally anticipated.

## STRATEGIC PLAN ALIGNMENT

	Strong Communities	
	Environmental Stewardship	
	Economic Development	
	Good Governance	
	Financial Sustainability	
✓	Other	This report is a core function of the Municipality.

## APPENDICES

- None

## APPROVALS

Tyler Honeywood, Manager of Financial Reporting  
Mike Livingstone, Director of Finance & IT

February 19, 2026  
February 23, 2026

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<b>TO</b>	Audit and Finance Committee
<b>PREPARED BY</b>	Tyler Honeywood, Manager of Financial Reporting
<b>MEETING DATE</b>	February 26, 2026
<b>SUBJECT</b>	Q3 Capital Accountability Report, Fiscal 2025/26

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## **ORIGIN**

- First introduction to Audit & Finance Committee.

## **RECOMMENDATION**

That Audit & Finance Committee recommend the Capital Accountability Report (for period ended December 31, 2025) as an information item to Municipal Council.

## **INTENT**

To provide a summary of actual year-end results as of December 31, 2025, as well as any material variances from amounts budgeted in the 2025/26 Capital Budget.

## **DISCUSSION**

This report represents activity to the end of December 2025, which combined with estimates for Q4 expenditures will form the initial carryover amounts for the 2026/27 Capital Budget. Discussions have occurred with Managers and Directors across the organization to determine the status of each project as of December 31, 2025. Several of these projects are expected to receive substantial billings in Q4 2025/26.

This Capital Accountability Report details the budget amounts, expenditures, and variances from amounts budgeted for fiscal 2025/26.

Each project listed in the Capital Accountability Report is flagged with an icon that labels its status. A green circle indicates the project is complete, or is expected to be completed, on time and on budget. A yellow circle indicates the project has deviated, or is expected to deviate, from the budget, timeline and/or scope; but will be completed. A red circle indicates the project is not expected to move forward in the current or following fiscal year.

The 2025/26 budget included a large project carryover that was a response to headwinds both internally and externally, creating delays on project execution. When carryover was combined with the new additions to the 2025/26 budget the total Capital Budget in progress during 2025/26 amounts to \$64,098,055. The bulk of this work pertains to Municipal Sewer (45.2% of budget) and Regional Sewer (18.3%) as EPW staff aims to ensure sufficient investments are made to maintain future operations and growth in the Municipality. Water Utility (15.4% of budget) accounts for the next largest bucket of investment with significant infrastructure improvements in progress and anticipated for completion at the tail end of fiscal 2026/27. Together, Sewer and Water projects account for 79% of the budget.

Actual tendered prices have revealed substantial inflationary pressures when compared to original budget estimates, which has been a contributing factor in the need to extend project timelines to fully execute project deliverables. Two supplemental budgets, both related to Sewer, were required for previously planned work as cost estimates have fallen short of tendered pricing. The knowledge gained from 2025/26 Procurement events will be reflected in the 2026/27 Capital Budget.

## Information Technology

Project Name	Project #	Budget	Actual	Status	Variance (\$)	Variance (%)
<b>Hardware Evergreening</b>	<b>08-1102</b>	\$ 96,902	\$ 23,322	●	\$ 73,580	75.9%
Fiscal 2025/26 purchases include new tablet computers, replacement and new computers and monitors, cell phone replacements and additions, and a 360 degree camera to assist with photographing of linear assets. Remaining funds are anticipated to be fully spent by Q4 2025/26.						
<b>Network Upgrades</b>	<b>08-1101</b>	<b>98,730</b>	<b>23,917</b>	●	<b>74,813</b>	<b>75.8%</b>
Replacement and configuration of new network switches was completed in Q3 2024/25, as projected. Replacement of network UPS backup batteries was completed in Q3 2024/25. In Q4 2025/26 networking and camera upgrades will be completed at the Municipal Administrative complex, Hants Border STP and Canning STP.						
<b>Accounting Software</b>	<b>16-1103</b>	<b>634,600</b>	-	●	<b>634,600</b>	<b>100.0%</b>
The present accounting system was planned for replacement in 2025/26, however will be further delayed to ensure there is sufficient capacity to direct towards the project. Project is anticipated to fully carryover to fiscal 2026/27.						
<b>Fibre/Wireless Hybrid Connectivity</b>	<b>17-1103</b>	<b>96,265</b>	-	●	<b>96,265</b>	<b>100.0%</b>
Make Ready requests for Greenwood Wellfield and Aylesford STP and WTP plants have been submitted. Construction is anticipated to see some progress billings in Q4 with the bulk of the project expected to carry over to 2026/27.						
<b>Council Chambers A/V Upgrades</b>	<b>25-1101</b>	<b>25,000</b>	<b>7,572</b>	●	<b>17,428</b>	<b>69.7%</b>
Improvements to visual and audio upgrades in Council Chambers are anticipated to be complete by Q4 2025/26.						
<b>Total</b>		<b>\$ 951,497</b>	<b>\$ 54,811</b>		<b>\$ 896,686</b>	<b>94.2%</b>

## Municipal Buildings

Project Name	Project #	Budget	Actual	Status	Variance (\$)	Variance (%)
<b>Waterville Warehouse Upgrades</b>	<b>22-1301</b>	\$ 332,769	-	●	\$ 332,769	100.0%
Security and New Gate have been installed with expectation that billing will occur in Q4 2025/26. Work to continue in Q1 2026/27 with a bulk of this project being carried over to 2026/27.						
<b>Municipal Complex - Furniture &amp; Equipment</b>	<b>24-1301</b>	<b>24,395</b>	-	●	<b>24,395</b>	<b>100.0%</b>
No further purchases are anticipated on this project in 2025/26. Anticipated full amount to be carried over into 2026/27 to support furniture/work station installations.						
<b>Total</b>		<b>\$ 357,164</b>	<b>\$ -</b>		<b>\$ 357,164</b>	<b>100.0%</b>

## Roads and Sidewalks

Project Name	Project #	Budget	Actual	Status	Variance (\$)	Variance (%)
<b>Pedestrian Infrastructure</b>	<b>08-1714</b>	\$ 2,127,104	-	●	\$ 2,127,104	100.0%
No additional work is planned for 2025/26. Currently awaiting permit approval for projects on HWY#1 Coldbrook and Coldbrook Village Park Drive from Province of Nova Scotia. Bulk of the project is anticipated to carryover to 2026/27.						
<b>Municipal Road Remediation</b>	<b>13-1702</b>	<b>376,175</b>	-	●	<b>376,175</b>	<b>100.0%</b>
Repaving and Stormwater Projects completed for 2025/26 with anticipated billings in Q4. Bulk of the project is anticipated to carryover to 2026/27.						
<b>Total</b>		<b>\$ 2,503,279</b>	<b>\$ -</b>		<b>\$ 2,503,279</b>	<b>100.0%</b>

## Parks and Recreation

Project Name	Project #	Budget	Actual	Status	Variance (\$)	Variance (%)
<b>Park Facility Upgrades</b>	<b>15-1601</b>	\$ 234,838	\$ 5,208	●	\$ 229,630	97.8%
Park Facility signage has been fulfilled, additionally a new shed for Aylesford Lake has been purchased with billing anticipated in Q4. The bulk of this project will carryover to fiscal 2026/27.						
<b>Total</b>		\$ 234,838	\$ 5,208		\$ 229,630	97.8%

## Special Projects

Project Name	Project #	Budget	Actual	Status	Variance (\$)	Variance (%)
<b>Wind</b>	<b>18-3403</b>	\$ 168,350	\$ -	●	\$ 168,350	100.0%
Project is on hold while the Municipality awaits a decision from the Department of National Defense regarding the impact of wind turbines on radar. Carryover is anticipated into fiscal 2026/27.						
<b>Light Manufacturing Park Development Study</b>	<b>18-3404</b>	<b>78,903</b>	-	●	<b>78,903</b>	<b>100.0%</b>
Project is currently on hold as the municipality explores an economically viable path forward. Anticipated to carryover to fiscal 2026/27.						
<b>J-Class Road Assessment</b>	<b>18-3406</b>	<b>30,000</b>	-	●	<b>30,000</b>	<b>100.0%</b>
Project expected to be executed with internal resources and technology. Project is complete for 2025/26 and will not carryover.						
<b>Water - Village of Kingston</b>	<b>18-3407</b>	<b>95,242</b>	-	●	<b>95,242</b>	<b>100.0%</b>
Pre-Design/Feasibility is anticipated to be 50% complete by Q4 2025/26 with billing anticipated in Q4. Remaining amounts are anticipated to carryover to fiscal 2026/27.						
<b>Traffic &amp; Pedestrian Study</b>	<b>19-3405</b>	<b>50,000</b>	<b>11,066</b>	●	<b>38,934</b>	<b>77.9%</b>
Currently awaiting the completion of a NS Public Works project, examining traffic patterns and access in the area. Any study work will be dependent on decisions related to the proposed Regional Recreation Facility. A bulk of this project will carryover to fiscal 2026/27.						
<b>Regional Recreation Facility Study</b>	<b>21-3403</b>	<b>125,000</b>	<b>12,769</b>	●	<b>112,230</b>	<b>89.8%</b>
Unspent funds from fiscal 2025/26 are anticipated to carryover to fiscal 2026/27 to support project activity.						
<b>Municipal Accessibility Upgrades</b>	<b>22-3402</b>	<b>309,988</b>	<b>16,315</b>	●	<b>293,673</b>	<b>94.7%</b>
An Accessibility pool lift has been installed for this project, at this point no further work is anticipated for 2025/26. It is anticipated a bulk of this project funding will be carried over to 2026/27 to action Accessibility upgrades.						
<b>Active Transportation Infrastructure</b>	<b>22-3403</b>	<b>1,431,098</b>	<b>46,730</b>	●	<b>1,384,369</b>	<b>96.7%</b>
Work has begun on the Harvest Moon trail, which was delayed by drought conditions in the summer of 2025 which did not allow construction to progress. Applications for the Safe Routes to School, Meadowview Trail, Kingston/Greenwood Bridge assessment are anticipated to carryover to fiscal 2026/27.						
<b>IMSA Pilot</b>	<b>22-3404</b>	<b>76,872</b>	<b>36,592</b>	●	<b>40,280</b>	<b>52.4%</b>
This project is anticipated to be complete by the end of fiscal 2025/26.						
<b>Municipal Infrastructure Development Strategy</b>	<b>22-3405</b>	<b>477,152</b>	<b>55,658</b>	●	<b>421,495</b>	<b>88.3%</b>
Canning STP Aeration Upgrades and New Screening System are substantially complete. Recent developments, notably the Municipality's participation in the Housing Accelerator Fund Program have resulted in a need to re-evaluate this project going forward. Remaining funds are anticipated to carryover to fiscal 2026/27.						
<b>Asset Management/Capacity Building Study</b>	<b>22-3408</b>	<b>266,894</b>	<b>5,229</b>	●	<b>261,665</b>	<b>98.0%</b>
Project is substantially complete. Draft Reports have been provided to the Municipality and are currently under review. It is anticipated that any carryover amount will be carried to fiscal 2026/27.						

## Special Projects (Continued)

Project Name	Project #	Budget	Actual	Status	Variance (\$)	Variance (%)
<b>Climate Change Preparedness</b>	<b>23-3401</b>	<b>255,000</b>	-		<b>255,000</b>	<b>100.0%</b>
Currently the Municipality is planning for alternative energy installations at Water and Wastewater facilities. It is expected that a bulk of this project will carryover to fiscal 2026/27 to support studies and preliminary design.						
<b>Light Manufacturing Park Construction</b>	<b>23-3402</b>	<b>250,000</b>	-		<b>250,000</b>	<b>100.0%</b>
Project is currently on hold as the municipality explores an economically viable path forward. Anticipated to carryover to fiscal 2026/27.						
<b>Municipal Fleet</b>	<b>23-3403</b>	<b>1,673,160</b>	<b>953,268</b>		<b>719,892</b>	<b>43.0%</b>
Project is substantially complete with the additions of; Vactor truck, Crane truck, a hybrid half ton, two half ton pick-ups and three mid-size SUV's in fiscal 2025/26. It is anticipated that the Municipality will experience cost savings on this current project, with only the trails inspection service vehicle carrying over to fiscal 2026/27.						
<b>HWY 101 Municipal Signage</b>	<b>23-3404</b>	<b>50,000</b>	-		<b>50,000</b>	<b>100.0%</b>
Design work is in progress and remaining project elements will carry forward to 2026/27						
<b>Meadowview Solar Garden</b>	<b>23-3405</b>	<b>108,403</b>	-		<b>108,403</b>	<b>100.0%</b>
Project is anticipated to carry over to fiscal 2026/27 for continued work supporting the application for a Power Purchase Agreement and other project requirements						
<b>EV Charging Station &amp; Solar/Battery Systems</b>	<b>24-3403</b>	<b>518,744</b>	<b>80,444</b>		<b>438,301</b>	<b>84.5%</b>
Phase 1 of the Project (EV charging stations) is now substantially complete. It is anticipated that work pertaining to Phase 2 (Admin Building) of the project will carryover to fiscal 2026/27.						
<b>Wolfville Firehall</b>	<b>24-3404</b>	<b>3,428,566</b>	-		<b>3,428,566</b>	<b>100.0%</b>
This project is currently on hold until Wolfville solidifies there infrastructure plans. The full carryover amount is anticipated into 2026/27.						
<b>Property Assessed Clean Energy</b>	<b>24-3405</b>	<b>20,750</b>	-		<b>20,750</b>	<b>100.0%</b>
The Municipality is still seeking viable grant opportunities to support and enable this project. It is anticipated to be carried over to fiscal 2026/27.						
<b>Total</b>		<b>\$ 9,414,124</b>	<b>\$ 1,218,071</b>		<b>\$ 8,196,053</b>	<b>87.1%</b>

## Municipal Sewer

Project Name	Project #	Budget	Actual	Status	Variance (\$)	Variance (%)
<b>Lift Station Replacements</b>	<b>08-3408</b>	<b>\$ 4,486,897</b>	<b>\$ 195,888</b>		<b>\$ 4,291,009</b>	<b>95.6%</b>
Completion of lift station upgrades, generators and replacement pumps anticipated before the conclusion of 2025/26, with anticipation of increased billings in Q4. Due to construction delays at CB2 and CK4 it is anticipated construction of AD2 will carryover to fiscal 2026/27.						
<b>Sewer Treatment Plant Infrastructure Renewal</b>	<b>08-3409</b>	<b>10,315,342</b>	<b>412,772</b>		<b>9,902,570</b>	<b>96.0%</b>
Design for all projects is complete. Construction of the Aylesford and Hants Border screening facilities is anticipated to be partially complete by the end of 2025/26. Remaining screening buildings will be tendered in 2026/27. Timelines on other screening buildings were extended due to expected budget shortages based on the actual tendered costs of the Aylesford and Hants Boarder facilities.						
<b>Sewer Collection Line Replacement</b>	<b>08-3410</b>	<b>7,119,870</b>	<b>3,190,628</b>		<b>3,929,242</b>	<b>55.2%</b>
Mee Road project is now complete, it is anticipated that Chapel Road will be partially complete by 2025/26 conclusion with completion of the Sewer Infrastructure carrying over to fiscal 2026/27.						
<b>EPW Equipment &amp; Occupational Health/Safety</b>	<b>10-3409</b>	<b>480,159</b>	<b>108,095</b>		<b>372,064</b>	<b>77.5%</b>
RTK Survey equipment, Boats/Barge, Welding equipment, safety, lawn and snow equipment have been completed for fiscal 2025/26. Procurement of shop equipment (equipment trailer, blast cabinet and paint booth) is expected to carryover to fiscal 2026/27.						
<b>SCADA System</b>	<b>19-3403</b>	<b>600,845</b>	<b>4,803</b>		<b>596,041</b>	<b>99.2%</b>
Masterplan is now complete. Expectation that procurement of server equipment will occur in Q4 2025/26 with the possibility of carryover to 2026/27.						
<b>Greenwood Sewer Extensions</b>	<b>20-3405</b>	<b>2,107,599</b>	<b>-</b>		<b>2,107,599</b>	<b>100.0%</b>
Project was abandoned, remaining ICIP funding has been reallocated to Greenwood Water.						
<b>Municipal Specifications Manual Update</b>	<b>22-3406</b>	<b>52,976</b>	<b>-</b>		<b>52,976</b>	<b>100.0%</b>
Project is now complete.						
<b>Laboratory Building</b>	<b>22-3407</b>	<b>1,955,829</b>	<b>-</b>		<b>1,955,829</b>	<b>100.0%</b>
New campus building was purchased in late 2025/26 with plans to begin construction in Q4. It expected that a bulk of billing will occur in Q4 2025/26. The purchase of lab equipment and site improvements are expected to carryover to fiscal 2026/27.						
<b>Biosolids Management</b>	<b>24-3401</b>	<b>250,000</b>	<b>-</b>		<b>250,000</b>	<b>100.0%</b>
No expenditures are anticipated for 2025/26. Economy of scale requires additional partners to ensure feasibility of this project. Full carryover anticipated to fiscal 2026/27.						
<b>STP Lagoon Desludging</b>	<b>24-3402</b>	<b>1,633,169</b>	<b>774,569</b>		<b>858,600</b>	<b>52.6%</b>
Desludging work has been completed for Aylesford STP and Waterville septage lagoons with additional billing still expected in Q4 2025/26. Additional work to desludge Canning will carryover to fiscal 2026/27 to coincide with planned Facility upgrades.						
<b>Total</b>		<b>\$ 29,002,685</b>	<b>\$ 4,686,754</b>		<b>\$ 24,315,931</b>	<b>83.8%</b>

## Regional Sewer

The Municipality is a partner in Regional Sewer and is responsible for 24.7% of Capital Costs, the remainder is shared amongst the other Regional Sewer partners.

Project Name	Project #	Budget	Actual	Status	Variance (\$)	Variance (%)
<b>Regional Sewer Lines</b>	<b>14-4401</b>	<b>\$ 5,200,492</b>	<b>\$ 18,667</b>	<span style="color: green;">●</span>	<b>\$ 5,181,825</b>	<b>99.6%</b>
Regional Forcemain upgrades from RG5 to RSTP in progress and scheduled for completion before 2025/26 concludes, with a bulk of billings expected in Q4. It is anticipated this project will benefit from tendered cost savings.						
<b>Regional STP Aeration and Desludging</b>	<b>17-4401</b>	<b>3,532,829</b>	<b>307,419</b>	<span style="color: orange;">●</span>	<b>3,225,410</b>	<b>91.3%</b>
Desludging Cell #2 is Complete. Aeration upgrades for Cell #1 in progress and scheduled for completion before 2025/26 concludes. Sludge Geotube removal is anticipated to carryover to fiscal 2026/27.						
<b>Regional Equipment</b>	<b>23-4401</b>	<b>361,619</b>	<b>149,677</b>	<span style="color: green;">●</span>	<b>211,942</b>	<b>58.6%</b>
All planned work to be completed by fiscal 2025/26 conclusion. Project is not anticipated to carryover to fiscal 2026/27.						
<b>Regional Consulting and Studies</b>	<b>23-4402</b>	<b>90,000</b>	<b>-</b>	<span style="color: orange;">●</span>	<b>90,000</b>	<b>100.0%</b>
No additional work is anticipated in 2025/26. It is expected this study will carryover to fiscal 2026/27.						
<b>Regional Lift Station Upgrades</b>	<b>23-4403</b>	<b>1,682,862</b>	<b>325,733</b>	<span style="color: orange;">●</span>	<b>1,357,129</b>	<b>80.6%</b>
Optimization study will continue through fiscal 2025/26 with an estimated 40% complete. Remaining amounts to support installations of Wet Well Wizards, Emergency back-up Generators at RG8 and upgrades to grit removal system at RG2 will carryover to fiscal 2026/27.						
<b>Regional STP Upgrades</b>	<b>23-4404</b>	<b>886,506</b>	<b>415,486</b>	<span style="color: green;">●</span>	<b>471,020</b>	<b>53.1%</b>
All foreseen and planned related to aeration is anticipated to be completed by the conclusion of fiscal 2025/26. Annual UV bulb replacement, interior service road upgrades and Regional optimization pre-design studies are anticipated to carryover to fiscal 2026/27.						
<b>Total</b>		<b>\$ 11,754,308</b>	<b>\$ 1,216,983</b>		<b>\$ 10,537,325</b>	<b>89.6%</b>

## Water Utility

Project Name	Project #	Budget	Actual	Status	Variance (\$)	Variance (%)
<b>Water Distribution System Improvements</b>	<b>10-2403</b>	<b>\$ 518,155</b>	<b>\$ -</b>	<span style="color: orange;">●</span>	<b>\$ 518,155</b>	<b>100.0%</b>
All foreseen and planned work is complete for 2025/26. Valve/Hydrant upgrades are anticipated to carryover to fiscal 2026/27.						
<b>Water System Equipment</b>	<b>11-2407</b>	<b>283,407</b>	<b>37,562</b>	<span style="color: orange;">●</span>	<b>245,845</b>	<b>86.7%</b>
All foreseen and planned work is complete for 2025/26. Installation of New Water Meters, and actioning the PFAS study that occurred in 2025/26 is anticipated to carryover to fiscal 2026/27.						
<b>Production Well</b>	<b>11-2408</b>	<b>9,078,599</b>	<b>63,180</b>	<span style="color: green;">●</span>	<b>9,015,419</b>	<b>99.3%</b>
Construction of the Transmission Line is anticipated to be 50% complete by the conclusion of fiscal 2025/26. Water Treatment Plant is anticipated to be 25% complete by end of fiscal 2025/26. It is anticipated that Q4 2025/26 will receive significant billing activity, with any remaining budget carrying over to fiscal 2026/27 to support completion of the Transmission Line and Treatment Plant.						
<b>Total</b>		<b>\$ 9,880,161</b>	<b>\$ 100,742</b>		<b>\$ 9,779,419</b>	<b>99.0%</b>

# Request For Decision

## **FINANCIAL IMPLICATIONS**

- The net budget variance for the Capital Program is one of underspending for the current fiscal year. As a result, funding sources will be drawn on at lower levels than originally anticipated.

## **STRATEGIC PLAN ALIGNMENT**

	Strong Communities	
	Environmental Stewardship	
	Economic Development	
	Good Governance	
	Financial Sustainability	
X	Other	This report is a core function of the Municipality

## **APPENDICES**

- None

## **APPROVALS**

Mike Livingstone, Director of Finance & IT

February 24, 2026

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<b>TO</b>	Audit & Finance Committee
<b>PREPARED BY</b>	Katrina Roefs, Financial Analyst
<b>MEETING DATE</b>	February 26, 2026
<b>SUBJECT</b>	General Operating Accountability Report (Period Ended December 31, 2025)

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## ORIGIN

- First introduction to Audit & Finance Committee

## RECOMMENDATION

That the Audit & Finance Committee recommend the General Operating Accountability Report (for period ended December 31, 2025) as an information item to Municipal Council.

## INTENT

To provide a summary of material variances from amounts budgeted in the 2025/26 Operating Budget to actual results as of December 31, 2025, together with a forecast of the year-end results at March 31, 2026.

## DISCUSSION

This report represents activity to the end of the third quarter for the fiscal 2025/26 year. The forecasted variances are based on information available at the time of this report; events during the year may impact actual outcomes. Details on the variances are contained below; the tables within the report use the following color system to identify the status of each line item.

Legend	
For Revenues	For Expenses
● $\geq 100\%$	● $\leq 100\%$
● Between 90% & 100%	● Between 100% & 110%
● $< 90\%$	● $> 110\%$

Currently we are forecasting a surplus of \$2,269,180 for the 2025/26 year as detailed in Appendix A to this report. Forecasts will be monitored as the Municipality progresses through the year. Recommendations (if required) on interventions to prevent a deficit will be made during forthcoming reports.

### Revenues - \$411,114 forecast above budget

Revenues include property taxes, Property Tax in Lieu from the Federal and Provincial governments, interest revenue, departmental revenue, and transfers from other funds.

	Budget YTD	Actual YTD	Actual as % of Budget	Variance (\$)	Variance (%)	Year-End Budget	Year-End Forecast	Actual as % of Budget	Forecast Variance (\$)
<b>Revenues</b>									
Property Tax Revenue	\$ 53,070,900	\$ 53,062,084	99.98%	\$ (8,816)	(0.0)%	\$ 53,070,900	\$ 53,062,084	100.0%	\$ (8,816)
Property Tax In lieu (PIIT)	3,508,650	128,392	3.66%	(3,380,258)	(96.3)%	3,508,650	3,692,148	105.2%	183,498
Interest on Investments/Taxes	1,425,792	2,519,573	176.71%	1,093,781	76.7 %	1,650,400	1,920,028	116.3%	269,628
Area Rates collected for Other Organizations	-	-	- %	-	- %	5,970,211	5,970,211	100.0%	-
less Area Rates paid to Other Organizations	-	-	- %	-	- %	(5,928,211)	(5,928,211)	100.0%	-
Departmental Revenue	7,465,574	7,135,478	95.58%	(330,095)	(4.4)%	8,086,480	8,053,260	99.6%	(33,220)
Transfers from Other Funds	-	-	- %	-	- %	3,670,586	3,670,610	100.0%	24
<b>Total Revenue</b>	<b>65,470,916</b>	<b>62,845,528</b>	<b>95.99%</b>	<b>(2,625,388)</b>	<b>(24.1)%</b>	<b>70,029,016</b>	<b>70,440,130</b>	<b>100.6%</b>	<b>411,114</b>

Key forecasted variances relate to property tax, interest income, departmental revenue, and transfers from other funds.

## Property Taxes - \$8,816 forecast below budget

Property Tax	Budget YTD	Actual YTD	Actual as % of Budget	Variance (\$)	Variance (%)	Year-End Budget	Year-End Forecast	Actual as % of Budget	Variance (\$)
Residential	\$ 39,332,900	\$ 39,383,145	100.1%	\$ 50,245	0.1%	\$ 39,332,900	\$ 39,383,145	100.1%	\$ 50,245
Commercial	10,364,300	10,330,914	99.7%	(33,386)	(0.3)%	10,364,300	10,330,914	99.7%	(33,386)
Resource	1,861,100	1,834,498	98.6%	(26,602)	(1.4)%	1,861,100	1,834,498	98.6%	(26,602)
Farm Property Acreage	385,100	370,779	96.3%	(14,321)	(3.7)%	385,100	370,779	96.3%	(14,321)
Special Tax Arrangements	-	-	-	-	-	-	-	-	-
NS Power Incorporated	964,500	982,903	101.9%	18,403	1.9%	964,500	982,903	101.9%	18,403
Bell Canada	163,000	159,846	98.1%	(3,154)	(1.9)%	163,000	159,846	98.1%	(3,154)
<b>Total Property Tax Revenue</b>	<b>\$ 53,070,900</b>	<b>\$ 53,062,084</b>	<b>100.0%</b>	<b>\$ (8,816)</b>	<b>(0.0)%</b>	<b>\$ 53,070,900</b>	<b>\$ 53,062,084</b>	<b>100.0%</b>	<b>\$ (8,816)</b>

An allowance for property tax assessment appeals based on historic averages is included when budgeting residential, commercial, and resource property tax, through the year actual appeal rates deviated slightly from these estimates. Farm Property Acreage, NS Power and Bell Canada payments deviated from the amounts budgeted. Information about these amounts is not available in advance of budget approval; therefore, budgets are based on historic averages with some fluctuation expected.

## Payments in Lieu of Taxes - \$183,498 forecast above budget

Payments in Lieu of Taxes	Budget YTD	Actual YTD	Actual as % of Budget	Variance (\$)	Variance (%)	Year-End Budget	Year-End Forecast	Actual as % of Budget	Variance (\$)
Provincial Properties	\$ 262,800	\$ 3,500	1.3%	(259,300)	(98.7)%	\$ 262,800	\$ 278,400	105.9%	\$ 15,600
Federal Properties	3,144,250	-	0.0%	(3,144,250)	(100.0)%	3,144,250	3,288,856	104.6%	144,606
HST Offset Funding	101,600	124,892	122.9%	23,292	22.9%	101,600	124,892	122.9%	23,292
<b>Total Payment in Lieu of Taxes</b>	<b>\$ 3,508,650</b>	<b>\$ 128,392</b>	<b>3.7%</b>	<b>\$ (3,380,258)</b>	<b>(96.3)%</b>	<b>\$ 3,508,650</b>	<b>\$ 3,692,148</b>	<b>105.2%</b>	<b>\$ 183,498</b>

Provincial properties have seen assessment and ownership changes resulting in the revised estimate. The estimate is based on submitted provincial reporting documents, finalized numbers will be available once the forms are provincially reviewed, no significant deviation from forecast is anticipated.

Federal properties have experienced both assessment and ownership changes, contributing to a forecasted variance. The 2025 remittance rate is 87.7%, an increase from the 2024 rate of 84.4%. A historic average remittance rate is used when preparing the budget, as the Municipality has no influence over the rate and does not receive confirmation until payments are processed.

The Province determines the HST Offset grant based on the total HST rebates submitted by all municipalities in Nova Scotia. As a result, the amount received by the Municipality is directly tied to the overall volume of rebates claimed across the province. Due to a one-year lag in the claiming process, the 2025/26 grant reflects rebates earned up to March 31, 2024. Because current-year data is not available during budget preparation, the budgeted amount is based on historical averages.

## Interest Revenue - \$269,628 forecast above budget

Interest on Investments/Taxes	Budget YTD	Actual YTD	Actual as % of Budget	Variance (\$)	Variance (%)	Year-End Budget	Year-End forecast	Actual as % of Budget	Variance (\$)
Interest on Overdue Accounts	\$ 332,320	\$ 440,690	132.6%	\$ 108,370	32.6%	\$ 415,400	\$ 545,690	131.4%	\$ 130,290
Net Operations Interest	1,093,472	2,078,883	190.1%	985,411	90.1%	1,235,000	1,374,338	111.3%	139,338
<b>Total Interest on Investments/Taxes</b>	<b>\$ 1,425,792</b>	<b>\$ 2,519,573</b>	<b>176.7%</b>	<b>\$ 1,093,781</b>	<b>76.7%</b>	<b>\$ 1,650,400</b>	<b>\$ 1,920,028</b>	<b>116.3%</b>	<b>\$ 269,628</b>

Conversations with rate payers suggest the current inflationary environment may be playing a part in the upward trend of delinquency in 2025-26.

Interest earned on bank balances is forecast to exceed budget by \$139,338. This positive variance is largely due to higher-than-expected bank balances, driven by delays in project spending and the receipt of grant funds that remained on deposit. Interest earnings remain closely tied to the Bank of Canada (BOC) rate, which saw two

reductions during the fiscal year to date totaling 0.50%. The budget had also assumed two decreases, but at a slightly lower combined rate of 0.33%. As a result, actual rate cuts have generally aligned with budget expectations, aside from timing differences.

## Departmental Revenue - \$33,220 forecast under budget

Departmental Revenue	Budget YTD	Actual YTD	Actual as % of Budget	Variance (\$)	Variance (%)	Year-End Budget	Year-End Forecast	Actual as % of Budget	Variance (\$)
Intermunicipal Service Agreements	\$ -	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -
Legislative	-	-	-	-	-	-	-	-	-
Administrative	158,729	35,838	22.6%	(122,891)	(77.4)%	208,600	188,400	90.32%	(20,200)
Finance & IT	365,425	311,575	85.3%	(53,850)	(14.7)%	390,800	389,100	99.56%	(1,700)
Engineering & Public Works	6,347,511	6,305,164	99.3%	(42,347)	(0.7)%	6,720,780	6,703,060	99.74%	(17,720)
Planning Services	10,587	8,540	80.7%	(2,047)	(19.3)%	14,700	14,700	100.00%	-
Building & Enforcement	298,348	234,275	78.5%	(64,073)	(21.5)%	396,300	391,300	98.74%	(5,000)
Development Services	267,074	240,086	89.9%	(26,988)	(10.1)%	337,400	348,800	103.38%	11,400
Emergency Management & Fire Protection	17,900	-	0.0%	(17,900)	(100.0)%	17,900	17,900	100.00%	-
<b>Total Departmental Revenue</b>	<b>\$ 7,465,574</b>	<b>\$ 7,135,478</b>	<b>4.6%</b>	<b>\$(330,095)</b>	<b>(4.4)%</b>	<b>\$ 8,086,480</b>	<b>\$ 8,053,260</b>	<b>99.6%</b>	<b>\$(33,220)</b>

Administration has a forecast variance related to grant funding from other levels of government tied to recreation programming and student funding.

The variance under Engineering and Public Works is due to lower-than-expected sewer connection fees, while septage waste disposal fees are trending higher than budgeted. Service fees for supporting the Canning Water Utility also contribute to the variance, as delays in finalizing the new contract have resulted in continued billing in line with the former service agreement for the 2025/26 fiscal year.

The variance under Building and Enforcement relates to lower-than-expected fine revenue remitted from the province year to date.

Development Services will recognize additional Housing Accelerator Fund revenue as an offset to the permitting software implementation expense.

## Expenditures - \$1,858,066 forecast below budget

Expenditures, with a total budget of \$70,029,016 including the amended snow-clearing allocation, are detailed in the sections below.

	Budget YTD	Actual YTD	Actual as % of Budget	Variance (\$)	Variance (%)	Year-End Budget	Year-End Forecast	Actual as % of Budget	Forecast Variance (\$)
Expenditures			0.0%						
Education Contribution	12,938,642	\$ 12,777,066	98.8%	(161,576)	(1.2)%	\$ 17,145,900	17,036,120	99.4%	(109,780)
RCMP & Prosecution	7,753,475	7,747,615	99.9%	(5,860)	(0.1)%	10,313,700	10,341,050	100.3%	27,350
Other Mandatory Services	1,989,229	1,555,446	78.2%	(433,783)	(21.8)%	2,078,900	2,073,960	99.8%	(4,940)
Inter-Municipal Service Agreements	5,739,700	5,742,660	100.1%	2,960	0.1%	6,953,300	6,693,870	96.3%	(259,430)
Salaries, Wages, Benefits	8,494,441	7,146,462	84.1%	(1,347,979)	(15.9)%	11,084,900	10,322,000	93.1%	(762,900)
Materials, Supplies, Utilities	3,097,562	2,301,526	74.3%	(796,036)	(25.7)%	4,170,590	4,245,790	101.8%	75,200
Purchased Services	2,228,596	1,597,127	71.7%	(631,469)	(28.3)%	3,967,573	3,228,210	81.4%	(739,363)
Special Projects	-	-	-	-	-	2,845,310	2,845,310	100.0%	-
Fire Protection Funding	2,631,645	2,659,982	101.1%	28,337	1.1%	2,924,050	2,924,050	100.0%	-
Grants	3,775,321	2,498,053	66.2%	(1,277,268)	(33.8)%	4,161,860	3,072,660	73.8%	(1,089,200)
Debt & Transfers to Reserves	4,382,189	3,915,005	89.3%	(467,184)	(10.7)%	4,382,933	5,387,930	122.9%	1,004,997
<b>Total Expenditures</b>	<b>\$ 53,030,800</b>	<b>\$ 47,940,942</b>	<b>90.4%</b>	<b>\$(5,089,858)</b>	<b>(136.4)%</b>	<b>\$ 70,029,016</b>	<b>\$ 68,170,950</b>	<b>97.3%</b>	<b>(1,858,066)</b>

## Mandatory Payments - \$87,370 forecast below budget

Mandatory payments include all amounts paid pursuant to the *Municipal Government Act (MGA)*; the *Libraries Act*; the *Police Act*; and the Provincial Municipal Service Exchange Agreement.



Mandatory Payments	Budget YTD	Actual YTD	Actual as % of			Year-End Budget	Year-End Forecast	Actual as % of	
			Budget	Variance (\$)	Variance (%)			Budget	Variance (\$)
Property Valuation Services	\$ 846,201	\$ 642,720	76.0%	\$ (203,481)	(24.0)%	\$ 846,200	\$ 856,960	101.3%	\$ 10,760
Regional Library	258,528	248,700	96.2%	(9,828)	(3.8)%	348,200	331,600	95.2%	(16,600)
Regional Centre for Education	12,938,642	12,777,066	98.8%	(161,576)	(1.2)%	17,145,900	17,036,120	99.4%	(109,780)
Municipal Contribution to Roads	884,500	664,026	75.1%	(220,474)	(24.9)%	884,500	885,400	100.1%	900
RCMP & Prosecution Services	7,753,475	7,747,615	99.9%	(5,860)	(0.1)%	10,313,700	10,341,050	100.3%	27,350
<b>Total Mandatory Payments</b>	<b>\$ 22,681,346</b>	<b>\$ 22,080,127</b>	<b>97.3%</b>	<b>\$ (601,219)</b>	<b>(2.7)%</b>	<b>\$ 29,538,500</b>	<b>\$ 29,451,130</b>	<b>99.7%</b>	<b>\$ (87,370)</b>

The Municipal contribution to mandatory payments have a combined forecasted variance of \$87,370 below budget. These variances arise because of information that is not available at the time of budget approval, all are set using the best information available, but variability is expected.

The education contribution is calculated based on a percentage of the total Uniform Assessment of the Municipality, the three local towns, and the former Town of Hantsport, divided by student enrollment. Following budget approval, one town underwent a significant adjustment to its Uniform Assessment, resulting in a reduction to the total contribution amount, which was then redistributed among all participating units.

A small allowance was included in the 2026/27 operating budget as a precaution in case the Province updated the library funding formula. Since no changes were implemented, the forecast reflects the actual amount invoiced.

### Intermunicipal Service Agreements – \$259,430 forecast below budget

Intermunicipal Service Agreements	Budget YTD	Actual YTD	Actual as % of			Year-End Budget	Year-End Forecast	Actual as % of	
			Budget	Variance (\$)	Variance (%)			Budget	Variance (\$)
Kings Transit Authority (KTA)	\$ 1,041,845	\$ 1,055,551	101.3%	\$ 13,706	1.3 %	\$ 1,225,700	\$ 1,240,700	101.2%	\$ 15,000
Valley Waste Resource Management (VWRM)	4,547,648	4,547,714	100.0%	66	0.0 %	5,512,300	5,237,870	95.0%	(274,430)
Valley Community Fibre Network Authority (VCFNA)	-	-	-	-	-	15,000	15,000	100.0%	-
Valley Region Economic Network (VREN)	111,000	111,026	100.0%	26	0.0 %	148,000	148,000	100.0%	-
Regional Emergency Management Org. (REMO)	39,207	28,368	72.4%	(10,839)	(27.6)%	52,300	52,300	100.0%	-
<b>Total Intermunicipal Service Agreements</b>	<b>\$ 5,739,700</b>	<b>\$ 5,742,660</b>	<b>100.1%</b>	<b>\$ 2,960</b>	<b>0.1 %</b>	<b>\$ 6,953,300</b>	<b>\$ 6,693,870</b>	<b>96.3%</b>	<b>\$ (259,430)</b>

Forecasts have been provided for Valley Waste Resource Management (VWRM) and Kings Transit Authority (KTA) information from other entities is not yet available.

### Salaries & Benefits - \$762,900 forecast below budget

The Municipality's 2025/26 operating budget includes 106 full time equivalent positions with total salaries and benefits budgeted at \$11,084,900.

Salaries & Benefits	Budget YTD	Actual YTD	Actual as % of			Year-End Budget	Year-End Forecast	Actual as % of	
			Budget	Variance (\$)	Variance (%)			Budget	Variance (\$)
Council	\$ 467,474	\$ 457,375	97.8%	\$ (10,099)	(2.2)%	\$ 607,900	\$ 607,900	100.0%	\$ -
Administration	1,137,733	912,261	80.2%	(225,472)	(19.8)%	1,479,500	1,358,736	91.8%	(120,764)
Human Resources	160,456	142,314	88.7%	(18,142)	(11.3)%	245,900	241,400	98.2%	(4,500)
Economic Development	76,909	78,594	102.2%	1,685	2.2 %	100,000	100,000	100.0%	-
Community Development	650,149	663,199	102.0%	13,050	2.0 %	872,500	899,622	103.1%	27,122
Finance	1,032,467	901,780	87.3%	(130,687)	(12.7)%	1,342,600	1,306,192	97.3%	(36,408)
Information Technology	645,811	580,953	90.0%	(64,858)	(10.0)%	839,800	815,715	97.1%	(24,085)
Engineering	355,581	264,803	74.5%	(90,778)	(25.5)%	477,700	396,802	83.1%	(80,898)
Environmental Services	99,203	90,154	90.9%	(9,049)	(9.1)%	129,000	129,000	100.0%	-
Municipal Sewer	1,285,023	1,054,506	82.1%	(230,517)	(17.9)%	1,671,000	1,585,314	94.9%	(85,686)
Municipal Complex	81,974	81,533	99.5%	(441)	(0.5)%	106,600	112,499	105.5%	5,899
Parks and Trails	143,506	119,231	83.1%	(24,275)	(16.9)%	145,900	145,623	99.8%	(277)
Roads & Sidewalks	174,334	140,753	80.7%	(33,581)	(19.3)%	226,700	199,908	88.2%	(26,792)
Building & Enforcement	1,078,295	859,510	79.7%	(218,785)	(20.3)%	1,402,200	1,273,254	90.8%	(128,946)
Planning Services	471,706	391,105	82.9%	(80,601)	(17.1)%	613,400	574,236	93.6%	(39,164)
Development Services	532,919	324,560	60.9%	(208,359)	(39.1)%	693,000	453,489	65.4%	(239,511)
Emergency Management	100,901	83,832	83.1%	(17,069)	(16.9)%	131,200	122,310	93.2%	(8,890)
<b>Total Salaries &amp; Benefits</b>	<b>\$ 8,494,441</b>	<b>\$ 7,146,462</b>	<b>84.1%</b>	<b>\$ (1,347,979)</b>	<b>(15.9)%</b>	<b>\$ 11,084,900</b>	<b>\$ 10,322,000</b>	<b>93.1%</b>	<b>\$ (762,900)</b>

Despite incorporating a vacancy allowance based on historic trends into the budget, staff turnover, contract settlement, and the timing of filling of vacant positions is the key variance driver.

## Materials, Supplies, and Utilities \$75,200 forecast over budget

Materials, Supplies, & Utilities	Budget YTD	Actual YTD	Actual as % of Budget	Variance (\$)	Variance (%)	Year-End Budget	Year-End Forecast	Actual as % of Budget	Variance (\$)
Council	\$ 147,437	\$ 144,651	98.1%	(\$ 2,786)	(1.9)%	\$ 191,500	\$ 160,400	83.8%	(\$ 31,100)
Administration	35,252	16,568	47.0%	(18,684)	(53.0)%	45,400	38,800	85.5%	(6,600)
Human Resources	11,750	3,108	26.5%	(8,642)	(73.5)%	13,500	9,700	71.9%	(3,800)
Economic Development	1,172	1,132	96.5%	(40)	(3.5)%	1,300	1,300	100.0%	-
Community Development	159,323	108,117	67.9%	(51,206)	(32.1)%	232,250	232,250	100.0%	-
Finance	117,899	106,009	89.9%	(11,890)	(10.1)%	130,680	130,680	100.0%	-
Information Technology	44,132	34,320	77.8%	(9,812)	(22.2)%	64,100	59,900	93.4%	(4,200)
Engineering	156,525	128,944	82.4%	(27,581)	(17.6)%	216,200	216,200	100.0%	-
Environmental Services	10,291	9,970	96.9%	(321)	(3.1)%	37,600	37,600	100.0%	-
Municipal Sewer	2,030,753	1,471,190	72.4%	(559,563)	(27.6)%	2,731,400	2,769,803	101.4%	38,403
Municipal Complex	84,238	37,134	44.1%	(47,104)	(55.9)%	127,700	127,697	100.0%	(3)
Parks and Trails	82,536	72,276	87.6%	(10,260)	(12.4)%	85,600	85,600	100.0%	-
Roads & Sidewalks	112,296	2,316	2.1%	(109,980)	(97.9)%	158,360	158,360	100.0%	-
Building & Enforcement	76,314	55,619	72.9%	(20,695)	(27.1)%	98,600	91,100	92.4%	(7,500)
Planning Services	14,331	1,683	11.7%	(12,648)	(88.3)%	18,400	9,900	53.8%	(8,500)
Development Services	11,084	105,072	948.0%	93,988	848.0%	14,300	112,800	788.8%	98,500
Emergency Management	2,229	3,418	153.3%	1,189	53.3%	3,700	3,700	100.0%	-
<b>Total Materials, Supplies, Utilities</b>	<b>\$ 3,097,562</b>	<b>\$ 2,301,526</b>	<b>74.3%</b>	<b>(\$ 796,036)</b>	<b>(25.7)%</b>	<b>\$ 4,170,590</b>	<b>\$ 4,245,790</b>	<b>101.8%</b>	<b>\$ 75,200</b>

The variance under Information Technology relates to projected savings in toner and purchased software costs.

Municipal sewer is projected to have variances in relation to maintenance and administrative overhead based on current-year activity compared to the same periods in prior years.

Building & Enforcement have a positive variance related primarily to vehicle and travel costs.

Planning Services is expected to see savings related to advertising, updates to the MGA now allow for advertising to take place on the Municipal Website, which results in savings on other forms of media.

Development Services has an overage related to the implementation of new permitting software, this was originally budgeted under IT purchased services and reallocated to align with the Housing Accelerator Funds. The software will be funded fully through the Housing Accelerator Fund grant.

## Purchased Services \$739,363 forecast below budget

Purchased Services	Budget YTD	Actual YTD	Actual as % of Budget	Variance (\$)	Variance (%)	Year-End Budget	Year-End Forecast	Actual as % of Budget	Variance (\$)
Council	\$ -	\$ 31	-	\$ 31	-	\$ -	\$ -	-	\$ -
Administration	563,099	430,488	76.4%	(132,611)	(23.6)%	710,900	673,710	94.8%	(37,190)
Human Resources	50,345	23,203	46.1%	(27,142)	(53.9)%	53,900	25,210	46.8%	(28,690)
Economic Development	8,490	3,813	44.9%	(4,677)	(55.1)%	27,000	22,000	81.5%	(5,000)
Community Development	47,992	24,492	51.0%	(23,500)	(49.0)%	58,650	54,150	92.3%	(4,500)
Finance	77,644	20,468	26.4%	(57,176)	(73.6)%	140,150	143,830	102.6%	3,680
Information Technology	468,711	393,400	83.9%	(75,311)	(16.1)%	600,400	527,500	87.9%	(72,900)
Engineering	44,973	49,300	109.6%	4,327	9.6%	58,100	57,080	98.2%	(1,020)
Environmental Services	102,072	28,021	27.5%	(74,051)	(72.5)%	135,800	78,700	58.0%	(57,100)
Municipal Complex	70,383	81,058	115.2%	10,675	15.2%	119,200	119,200	100.0%	-
Parks and Trails	204,603	115,586	56.5%	(89,017)	(43.5)%	204,600	136,460	66.7%	(68,140)
Roads & Sidewalks	194,689	169,630	87.1%	(25,059)	(12.9)%	1,320,963	878,860	66.5%	(442,103)
Building & Enforcement	166,472	110,194	66.2%	(56,278)	(33.8)%	221,960	195,510	88.1%	(26,450)
Planning Services	39,000	28,834	73.9%	(10,166)	(26.1)%	52,000	52,000	100.0%	-
Development Services	40,670	15,632	38.4%	(25,038)	(61.6)%	49,000	49,000	100.0%	-
Emergency Management	149,453	102,977	68.9%	(46,476)	(31.1)%	214,950	215,000	100.0%	50
<b>Total Purchased Services</b>	<b>\$ 2,228,596</b>	<b>\$ 1,597,127</b>	<b>71.7%</b>	<b>(\$ 631,469)</b>	<b>(28.3)%</b>	<b>\$ 3,967,573</b>	<b>\$ 3,228,210</b>	<b>81.4%</b>	<b>(\$ 739,363)</b>

The variance under Administration is attributed to insurance savings, which were slightly below budget estimates. Advertising, training, legal fees are forecast to have variances based on current-year activity compared to the same periods in prior years and Q4 forecast spending.

Human Resources has variances related to recruitment, engagement, and bargaining expenses, which fluctuate annually based on staff turnover, event activity, and the timing and duration of collective bargaining.

Information Technology has savings related to software license and maintenance contracts, including the reallocation of the Permitting software to the Development department.

The variance under Environmental Services is due to lower-than-expected external consulting needs and costs for monitoring and well decommissioning at the former landfill site coming in below original estimates.

Parks and Trails had savings around trails maintenance, this was the first-year having trail maintenance as an internal cost and the budget therefore was based entirely on best estimates. Actual spending was impacted by the lengthy woods/trail ban imposed by the province.

Road maintenance is driving the variance under Roads and Sidewalks, as the seasonal closure of asphalt plants has shifted remaining work into 2026/27. J-Class Roads are also underspent by \$367,100, as only 0.25km of the 1.89km submitted for paving received Provincial approval. The resulting surplus will be transferred to the related operating reserve at year-end.

Building and Enforcement has a forecast variance related to animal control costs, and internal accessibility support costs. The budget for accessibility accommodations was based on an estimate and is driven by demand/public requests. This was the first year and so far, demand has been low.

Economic Development, Community Development, Finance, Engineering, and Emergency Management have small variances spread across multiple accounts with no individually significant items.

### Grants \$1,089,200 forecast below budget

Grants & Funding to External Parties	Actual as % of		Year-End		Actual as % of				
	Budget YTD	Actual YTD	Budget	Variance (\$)	Variance (%)	Budget	Year-End Forecast	Budget	Variance (\$)
Property Tax Exemptions	\$ 1,401,518	\$ 1,309,157	93.4%	\$ (92,361)	(6.6)%	\$ 1,427,200	\$ 1,343,000	94.1%	\$ (84,200)
Community Active Living Grants	178,786	189,530	106.0%	10,744	6.0%	214,000	214,000	100.0%	-
Community Enhancement Grants	194,200	193,500	99.6%	(700)	(0.4)%	194,200	194,200	100.0%	-
Major Grant Programs	600,000	426,809	71.1%	(173,191)	(28.9)%	600,000	600,000	100.0%	-
Recreation Grants	145,118	70,000	48.2%	(75,118)	(51.8)%	205,000	205,000	100.0%	-
Other Grant Programs	243,589	112,270	46.1%	(131,319)	(53.9)%	246,900	246,900	100.0%	-
Infrastructure Programs	787,500	-	0.0%	(787,500)	(100.0)%	1,050,000	45,000	4.3%	(1,005,000)
Funding to External Service Providers	224,610	196,786	87.6%	(27,824)	(12.4)%	224,560	224,560	100.0%	-
<b>Total Grants &amp; Funding to External Parties</b>	<b>\$ 3,775,321</b>	<b>\$ 2,498,053</b>	<b>66.2%</b>	<b>\$ (1,277,268)</b>	<b>(33.8)%</b>	<b>\$ 4,161,860</b>	<b>\$ 3,072,660</b>	<b>73.8%</b>	<b>\$ (1,089,200)</b>

All grant programs awarded year-to-date have been fully subscribed. The variance under property tax exemptions is driven primarily by personal exemptions, with 1,425 applications processed compared to 1,530 budgeted. Application volumes are also lower than in recent years (1,488 in 2024 and 1,580 in 2023), largely due to strengthened eligibility verification controls. There is also a small variance in exemptions for day cares and not-for-profit groups, reflecting assessed values.

The Village Infrastructure Capital Enhancement Fund (VICE) was introduced in the 2025/26 budget and is in its initial year. The program is designed to allocate a set amount annually to assist with capital projects being undertaken by Villages. The unspent funds each year will be reserved for individual village's future use. In this initial year, based on agreements, and submitted projects, the bulk of the funds are anticipated to transfer to reserve for future use. This expense variance (\$1,005,000) is offset by a transfer to reserve, leading to no net impact on the 2025/26 operating surplus.

## **Deed Transfer Tax**

The Municipality implemented [By-law 108 Deed Transfer Tax](#) in December 2025. The amounts collected through the Deed Transfer Tax will be reported in each quarterly accountability report to provide updated information on the related reserve balance. As of January 31, 2026, total collections amount to \$50,625. For the 2025/26 fiscal year, it is forecast that \$85,000 will be collected, along with approximately \$330 in interest, resulting in a projected reserve balance of \$85,330 as of March 31, 2026.

## **FINANCIAL IMPLICATIONS**

- The forecast operating surplus will be finalized after year-end and distributed using the guidelines set out in FIN-05-014 Surplus Allocation Policy.
- Any municipal sewer surplus at year-end is required, under the Surplus Allocation Policy, to be transferred to the Sewer Capital Reserve.

## **STRATEGIC PLAN ALIGNMENT**

	Strong Communities	
	Environmental Stewardship	
	Economic Development	
	Good Governance	
	Financial Sustainability	
X	Other	This report is a core function of the Municipality.

## **ALTERNATIVES**

- There are no recommended alternatives.

## **IMPLEMENTATION**

- Staff will continue to monitor actual results and report on forecast variances.

## **ENGAGEMENT**

- No specific public engagement has been undertaken in relation to this Accountability Report.

## **APPENDICES**

- Appendix A: Operating Variance Report December 31, 2025.

## **APPROVALS**

Tyler Honeywood, Manager of Financial Reporting  
Mike Livingstone, Director of Finance & IT

February 19, 2026  
February 19, 2026

## Appendix A – Operating Variance Report, December 31, 2025

	Budget YTD	Actual YTD	Actual as % of Budget	Variance (\$)	Variance (%)	Year-End Budget	Year-End Forecast	Actual as % of Budget	Forecast Variance (\$)
<b>Revenues</b>									
Property Tax Revenue	\$ 53,070,900	\$ 53,062,084	99.98%	\$ (8,816)	(0.0)%	\$ 53,070,900	\$ 53,062,084	100.0%	\$ (8,816)
Property Tax In lieu (PIIT)	3,508,650	128,392	3.66%	(3,380,258)	(96.3)%	3,508,650	3,692,148	105.2%	183,498
Interest on Investments/Taxes	1,425,792	2,519,573	176.71%	1,093,781	76.7 %	1,650,400	1,920,028	116.3%	269,628
Area Rates collected for Other Organizations	-	-	- %	-	- %	5,970,211	5,970,211	100.0%	-
less Area Rates paid to Other Organizations	-	-	- %	-	- %	(5,928,211)	(5,928,211)	100.0%	-
Departmental Revenue	7,465,574	7,135,478	95.58%	(330,095)	(4.4)%	8,086,480	8,053,260	99.6%	(33,220)
Transfers from Other Funds	-	-	- %	-	- %	3,670,586	3,670,610	100.0%	24
<b>Total Revenue</b>	<b>65,470,916</b>	<b>62,845,528</b>	<b>95.99%</b>	<b>(2,625,388)</b>	<b>(24.1)%</b>	<b>70,029,016</b>	<b>70,440,130</b>	<b>100.6%</b>	<b>411,114</b>
<b>Expenditures</b>									
			0.0%						
Education Contribution	12,938,642	\$ 12,777,066	98.8%	(161,576)	(1.2)%	\$ 17,145,900	17,036,120	99.4%	(109,780)
RCMP & Prosecution	7,753,475	7,747,615	99.9%	(5,860)	(0.1)%	10,313,700	10,341,050	100.3%	27,350
Other Mandatory Services	1,989,229	1,555,446	78.2%	(433,783)	(21.8)%	2,078,900	2,073,960	99.8%	(4,940)
Inter-Municipal Service Agreements	5,739,700	5,742,660	100.1%	2,960	0.1 %	6,953,300	6,693,870	96.3%	(259,430)
Salaries, Wages, Benefits	8,494,441	7,146,462	84.1%	(1,347,979)	(15.9)%	11,084,900	10,322,000	93.1%	(762,900)
Materials, Supplies, Utilities	3,097,562	2,301,526	74.3%	(796,036)	(25.7)%	4,170,590	4,245,790	101.8%	75,200
Purchased Services	2,228,596	1,597,127	71.7%	(631,469)	(28.3)%	3,967,573	3,228,210	81.4%	(739,363)
Special Projects	-	-	-	-	- %	2,845,310	2,845,310	100.0%	-
Fire Protection Funding	2,631,645	2,659,982	101.1%	28,337	1.1 %	2,924,050	2,924,050	100.0%	-
Grants	3,775,321	2,498,053	66.2%	(1,277,268)	(33.8)%	4,161,860	3,072,660	73.8%	(1,089,200)
Debt & Transfers to Reserves	4,382,189	3,915,005	89.3%	(467,184)	(10.7)%	4,382,933	5,387,930	122.9%	1,004,997
<b>Total Expenditures</b>	<b>\$ 53,030,800</b>	<b>\$ 47,940,942</b>	<b>90.4%</b>	<b>(5,089,858)</b>	<b>(136.4)%</b>	<b>\$ 70,029,016</b>	<b>\$ 68,170,950</b>	<b>97.3%</b>	<b>(1,858,066)</b>
<b>Surplus (Deficit)</b>	<b>\$ 12,440,116</b>	<b>\$ 14,904,586</b>		<b>\$ 2,464,470</b>	<b>19.8 %</b>	<b>\$ -</b>	<b>\$ 2,269,180</b>		<b>\$ 2,269,180</b>
<b>Surplus (Deficit) as a percent of total budget</b>									<b>3.3 %</b>

# Budget Preview 2026-27



MUNICIPALITY *of the*  
COUNTY *of* KINGS

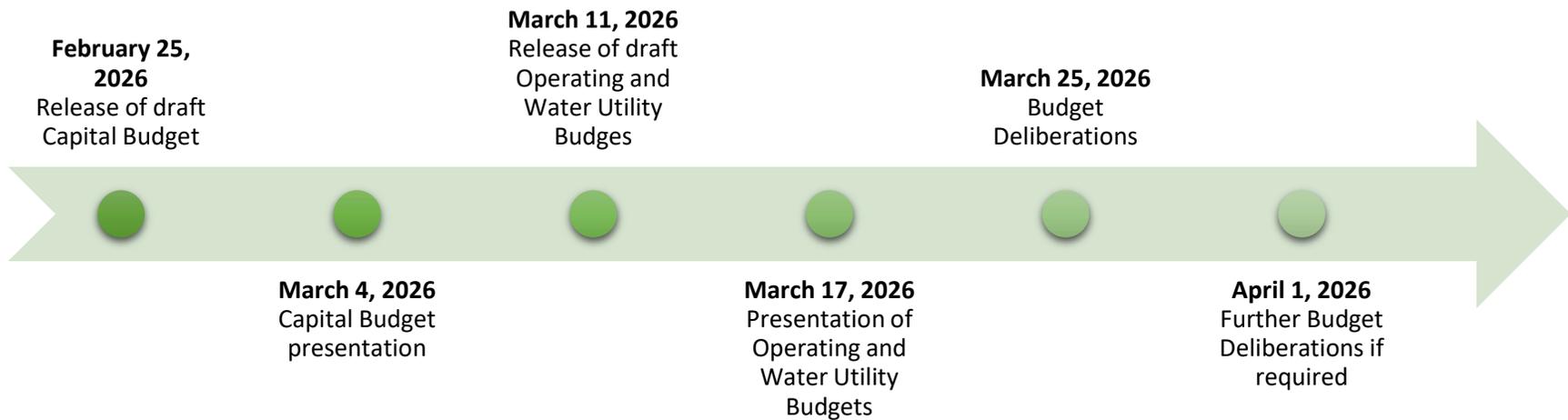


Municipality of the County of Kings

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## Introduction

This document provides an overview of key components of the 2026/27 operating and utility budgets. Release of budget documents and Council deliberation will follow the schedule below. Information in this document is based on best estimates at the time of preparation. Changes may occur before completion of the final draft.



## Municipal Tax and Annual Assessment Lift

Revenue growth is driven by assessment lift, reflecting increases in both the residential and commercial assessment bases for 2026/27. Assessment growth has leveled out compared to the peak observed in 2023/24 of 12.6%. Growth in residential assessment since 2023/24 has remained steady between 7% and 8.5%. A detailed analysis of assessment values, property tax rates, and resulting revenues is provided beginning on page 2 of this report.

Increases in the cost of living is an ever-present factor impacting residents of the Municipality. Ratepayer relief is available through the personal property tax reduction program. For 2026/27/27 the program offers exemptions

up to \$630, a \$50 increase from 2025/26, with an income threshold of \$48,000. The Municipality's residential tax rate is competitive with other municipal units both provincially and locally and is among the most affordable across rural Nova Scotia municipalities, see pages 13 and 14. The Municipality's property tax affordability is further demonstrated by the calculation of residential tax effort in figure nine (page 15). The Municipality's current residential tax effort of 2.3% aligns the Provincial average and is well below the 4% provincial threshold for moderate risk.

A significant portion of residential assessment growth is subject to the Province's Capped Assessment Program (CAP). The CAP program sets an upper limit on assessment growth for qualifying properties based on the measurement of Nova Scotia October CPI rate for all items. For 2026/27 this upper limit is 2.6% as shown in figure 4 on page 9. Additional assessment growth related to property sales, new construction, major renovations, and properties that are ineligible for CAP have resulted in overall assessment lift of 7.9%.

Commercial assessments grew by 3.4% as demonstrated in figure six (page 13). The Municipality's commercial tax base is highly concentrated, with a single large commercial account representing 12.6% of total commercial assessment. Additionally, the highest-assessed five percent of commercial accounts contribute more than 50.9% of all commercial tax revenue. As a result, any adjustments to the commercial tax rate would disproportionately affect larger commercial enterprises.

Adjustments to the residential tax rate have a minimal impact on the average residential account. The average assessment of a single-family dwelling in 2026/27 is \$218,409, which equates to an average bill of \$1,863 (excluding area rate charges). A one cent rate fluctuation represents \$21.84 on the average bill and impacts total residential tax revenue by \$519,684. The Municipality's residential tax rate is below provincial and local municipal averages, and the 2026/27 budget proposes to maintain the rate.

There are several key factors that have been considered in the proposal to hold the tax rate in 2026/27:

- Inflationary pressures on general municipal expenditures;
- Provincial mandatory costs will increase in response to assessment growth as predicted in past budgets;
- The landscape for capital assets is expanding to include accessibility, climate change, and housing demand;
- Incorporating asset management best practices into the funding of capital reserves.

### **Inflationary Pressure**

The Government of Canada and the Bank of Canada continue to operate under a flexible inflation-targeting framework, with a primary objective of maintaining inflation at 2%, the mid-point of the 1% - 3% control range. The current framework remains in effect through December 31, 2026, and the Bank of Canada has confirmed that the 2% target will remain unchanged as part of the upcoming framework renewal, citing its effectiveness in anchoring inflation expectations in an increasingly volatile global environment.<sup>1</sup>

Inflation rates have declined from post-pandemic highs but remains a key source of uncertainty for multi-year budgeting. On an annual average basis, CPI increased by 2.1% in 2025, down from 2.4% in 2024<sup>2</sup>, reflecting easing goods and energy prices, partially offset by continued strength in service-related costs.

The Bank of Canada has cautioned that structural pressures—including supply-chain disruptions, trade uncertainty, housing constraints, and climate-related impacts—may contribute to greater inflation variability over the medium term. As a result, sustained inflation continues to erode the real purchasing power of municipal

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<sup>1</sup> Bank of Canada, *Renewing Canada's Monetary Policy Framework*: <https://www.bankofcanada.ca/core-functions/monetary-policy/renewing-canadas-monetary-policy-framework/>, accessed February 6, 2026

<sup>2</sup> Statistics Canada, "Consumer Price Index: Annual Review, 2025," released January 19, 2026; <https://www150.statcan.gc.ca/n1/daily-quotidien/260119/dq260119b-eng.htm>, accessed February 6, 2026

revenues and increase pressure on operating and capital costs, reinforcing the importance of prudent financial planning.

### **Mandatory Costs Increase**

Mandatory costs imposed by the Province of Nova Scotia are projected to grow by 4.9% for fiscal 2026/27. The Municipality faces increases in part due to rising uniform assessment, which factors into the calculation for the contribution to the Annapolis Valley Regional Centre for Education, which will increase by almost \$710,000 in 2026/27.

### **Future Capital**

At the time this budget preview was prepared the draft Capital Budget was not yet complete. Consistent with recent budgets the 2026/27 Capital Budget will be made up of many distinct capital initiatives of varying scale and delivering on both strategic priorities as well as core critical municipal infrastructure. The Municipality's capital budget will also routinely incorporate more spending in the areas of accessibility, climate change mitigation and adaptation, and projects to support population growth and housing.

### **Capital Reserve Stability**

The status of the Municipality's capital reserves has been a key consideration in budgets going back to 2023/24 and will remain a key consideration in the budget for 2026/27.

The Municipality continues to work toward attaining the Policy recommended balance, which is only the first step to achieving a sustainable long-term capital replacement program. The second step to achieving long-term capital reserve sustainability is to consider Policy revisions that address the difference between replacement cost and historical cost.

The 2023/24 budget was the first step in the multi-year approach to addressing reserve deficits compared to the target of accumulated depreciation. Efforts continued in 2025/26 and will need to continue into 2026/27.

**Deed Transfer Tax**

2026/27 is the first budget cycle following the Municipality’s implementation of Deed Transfer Tax (DTT) on December 13, 2025. Historical property sale data indicates the Municipality could collect around four million dollars in annual DTT revenue, however in this first full year of implementation a more conservative budget value is being proposed under the assumption that there will be a large number of pre-bylaw arranged sales.

All DTT revenue collected in 2026/27 will be allocated to a dedicated reserve in accordance with Policy FIN-05-029 Deed Transfer Tax Reserve.

**Property Tax Rates and Trends**

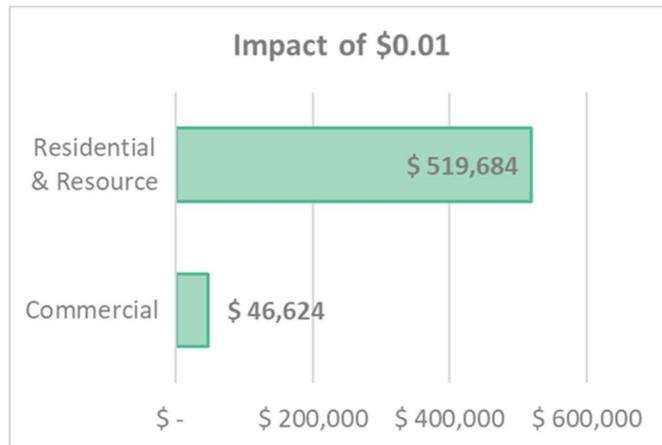
The following rates are in place for properties in the Municipality:

01	Residential - <i>per \$100 of assessment</i>	0.853
02	Commercial - <i>per \$100 of assessment</i>	2.287
03	Resource - <i>per \$100 of assessment</i>	0.853
04	Non Profit - <i>per acre</i>	38.84
05	Agriculture Land - <i>per acre</i>	0.00
06	Forest Commercial - <i>per acre</i>	0.40
07	Forest Resource - <i>per acre</i>	0.25



The following table illustrates the impact on property tax revenue that would result from a one cent rate change to the tax rates.

Figure 1: Tax rate impact (\$0.01)



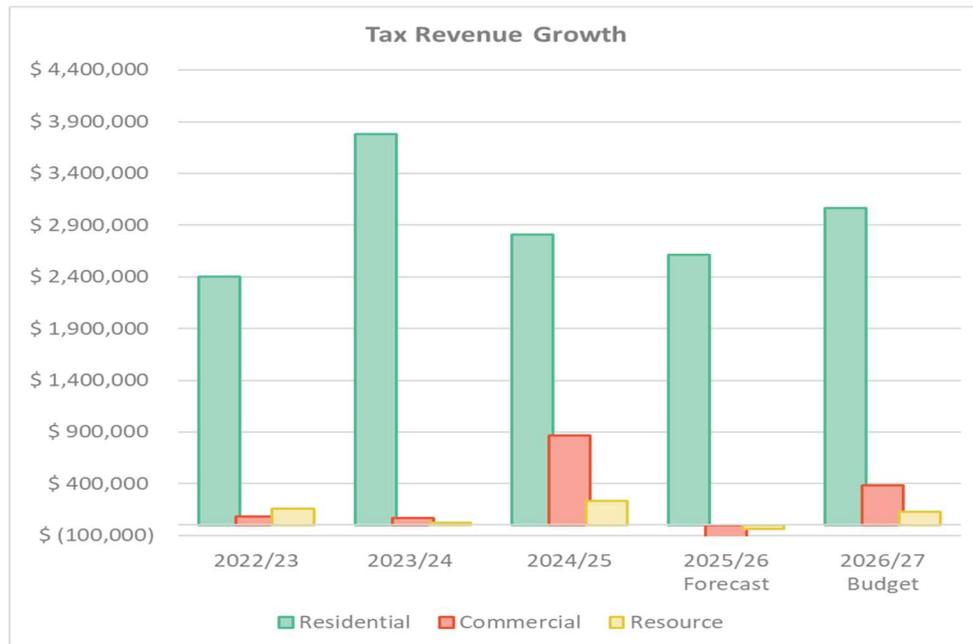
The average residential taxable assessment is \$218,409 per single family dwelling which equates to an average bill of \$1,863 (excluding area rate charges). Based on the average residential assessment there would be a variance of \$21.84 from changing the rate by one cent.

**Annual Growth in Property Tax Revenue**

Shown below, property tax revenue is calculated based on current year assessments (per \$100 of assessment), minus an average value of appeals multiplied by the existing tax rate. Growth in residential assessments stands to be the most significant contributor to the increase in revenues.

Figure 2 demonstrates revenue for each class of property over five years. All increases relate to assessment growth only.

Figure 2: Annual Property Tax Growth<sup>3</sup>



Property Class	2026/27 Budget Growth
Residential	7.9%
Commercial	3.4%
Resource	5.6%

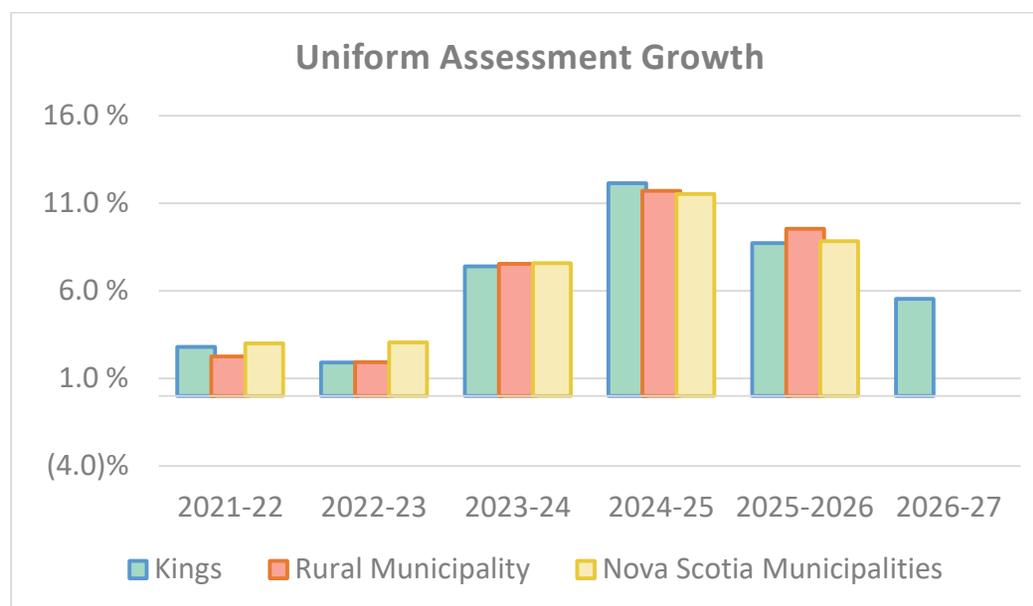
<sup>3</sup> This table factors in estimated assessment appeals

### Uniform Assessment Growth

Uniform Assessment (UA) is the Municipality’s total taxable property assessment plus the value of funds received through special property tax arrangements. UA is a determining factor for several cost-sharing arrangements, grants, and mandatory Provincial expenses such as the contribution toward education costs. For 2026/27 the Municipality’s UA is \$5,555,125,246.

Figure 3 compares the historical change in UA for the Municipality of the County of Kings, Rural Municipalities, and all Nova Scotia municipalities.

Figure 3: Change in Uniform Assessment



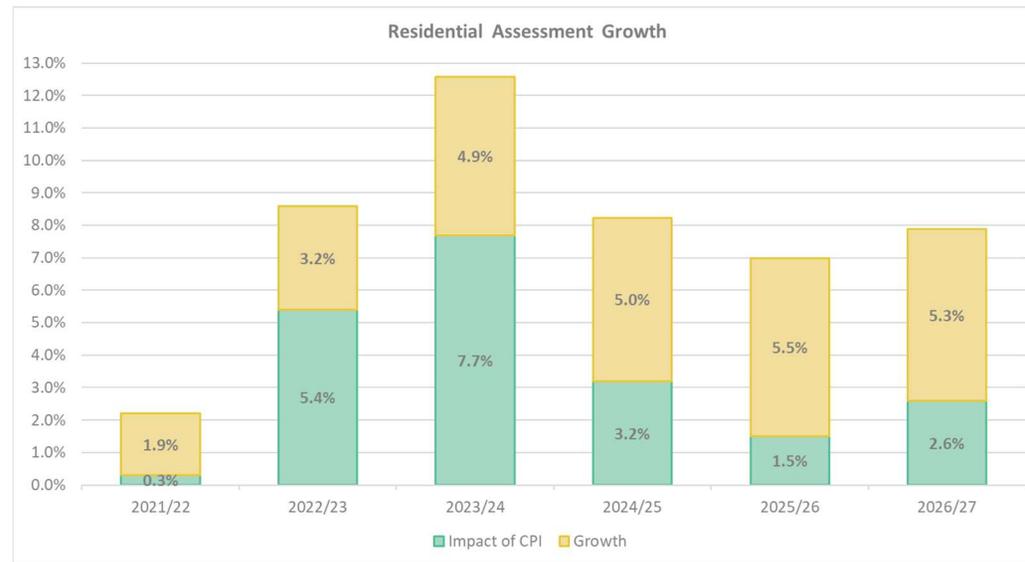
The Municipality has 5.5% growth in its UA for the 2026/27 fiscal year (calculated one year in lag). Information about other municipalities is not yet available.

### Residential Assessment Growth

The following section demonstrates trends in residential assessment growth. Nova Scotia’s Capped Assessment Program (CAP) legislation places an upper limit on the annual increase for residential property assessments. CAP is based on the Nova Scotia October Consumer Price Index and applies to a large majority of properties. Properties that were purchased or newly constructed in the year covered by the Assessment Roll or have had a major renovation are not subject to CAP.

Figure 4 distinguishes assessment growth between the CAP portion and the remaining growth from property sales, new construction, and major renovations. Most homeowners experience an assessment increase and resulting growth in property taxes due to the increase of the CAP rate each year. For 2026/27, the CAP increase has been set at 2.6%. Additional growth related to property sales, new construction, and major renovation resulted in total assessment growth of 7.9%.

Figure 4: Annual Residential Assessment Growth<sup>4</sup>



*The increase in CAP assessment for 2026/27 will result in an increase of \$45.43 on the annual tax bill of the Municipality’s average residential property assessment.*

<sup>4</sup> This table does not factor in assessment appeals

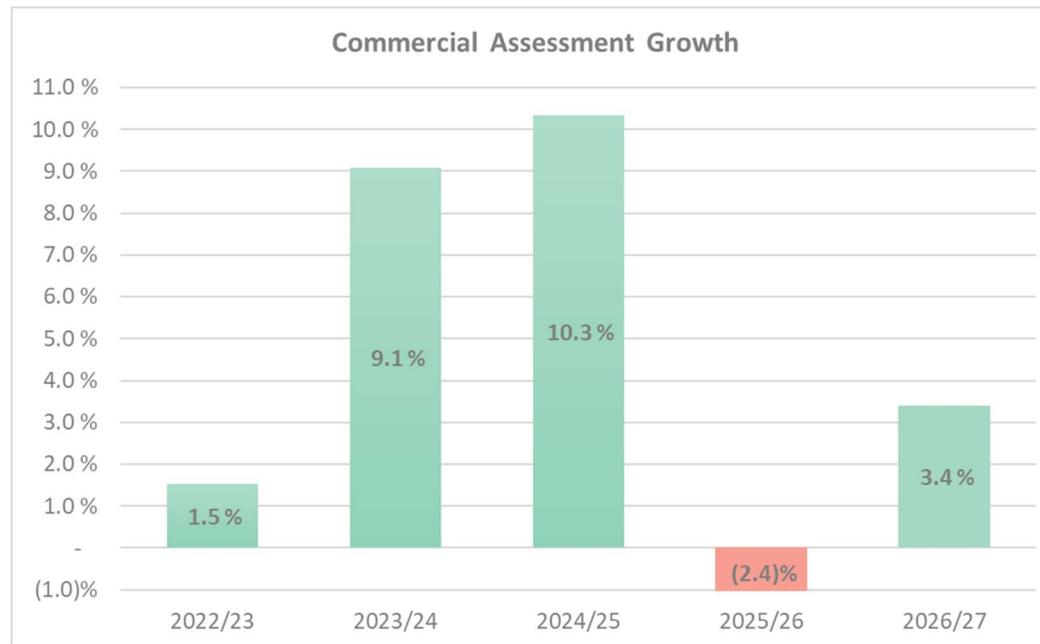


### Commercial Assessment Growth

Commercial property is not subject to CAP legislation. Assessments are based on a combination of market value on January 1 of the previous year (the Base Date of the assessment) and the condition of the property on December 1 of the previous year (the State Date). For example: a commercial property assessment in February 2026 would be based on market value determined as of January 2025 and the property’s condition as of December 2025. For properties where value is closely tied to the ability to generate income, such as office buildings and retail establishments, there is an option for an income-based approach to calculate assessed value.

Figure 6 demonstrates the five-year history of commercial assessments. For fiscal 2026/27, commercial assessments within the Municipality have increased by 3.4%.

Figure 6: Annual Commercial Assessment<sup>8</sup>



<sup>8</sup> This table does not factor in assessment appeals.

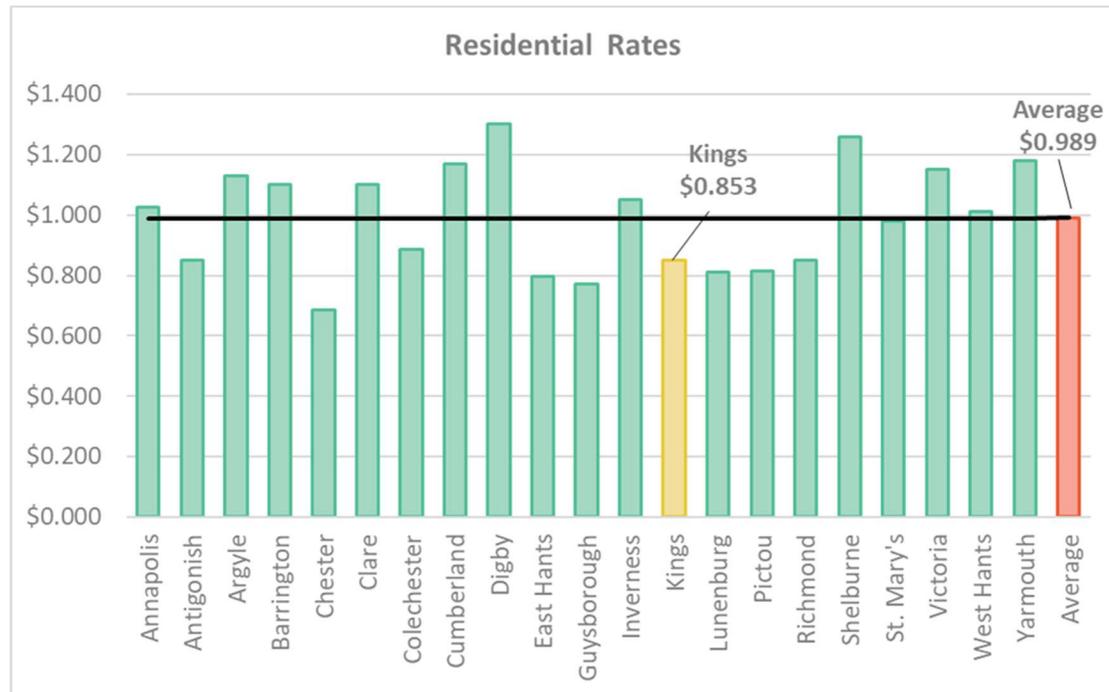
Following a decrease of \$11.0 million, or 2.4%, in 2025, the Municipality's 2026 commercial assessment roll has increased by \$15.5 million, or 3.4%. This growth in the assessment roll came from two sources; 19 new commercial assessment accounts were added to the 2026 roll that represent \$5.3 million in assessed value, and approximately 600 accounts had increases in assessed value that totaled just under \$18.0 million. The increases have been offset by the removal of 18 commercial accounts with a total assessed value of \$2.0 million, and one-third of commercial accounts had decreases in assessed value that represent a decrease of \$6.1 million.

81 accounts were assessed at \$1.0 million or above, an increase of eight from 2025. This group of accounts make up 57.7% of the total commercial assessment roll, and those accounts were responsible for 46.7% of the total increase in commercial assessment in the Municipality.

**Residential Property Tax Rates**

The 2026/27 operating budget proposes to maintain the residential property tax rate at \$0.853/\$100 of assessed value. The residential rate for Kings is 13.9 cents below the provincial average of \$0.989/\$100 for rural municipalities.

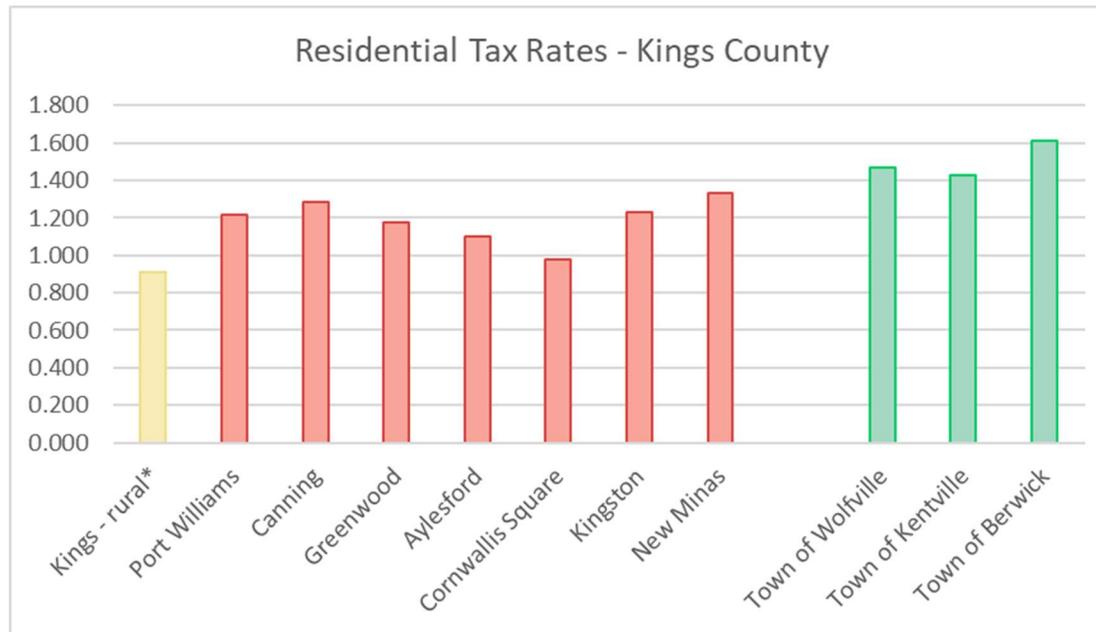
Figure 7: Residential Tax Rates 2025/26<sup>9</sup>



<sup>9</sup> The rates included in the figure are as approved for fiscal 2025/26 and do not include area or village rates.

The residential rate Of \$0.853/\$100 of assessment is a base rate. Properties located in various areas of the Municipality are also subject to specific area rates. Figure 8 compares tax rates including area rates, for properties in various areas of the Municipality including the three local Towns.

Figure 168: Residential Tax Rates by Location within the County of Kings<sup>10</sup>



<sup>10</sup> \* The Kings rural rate includes an average fire capital area rate.

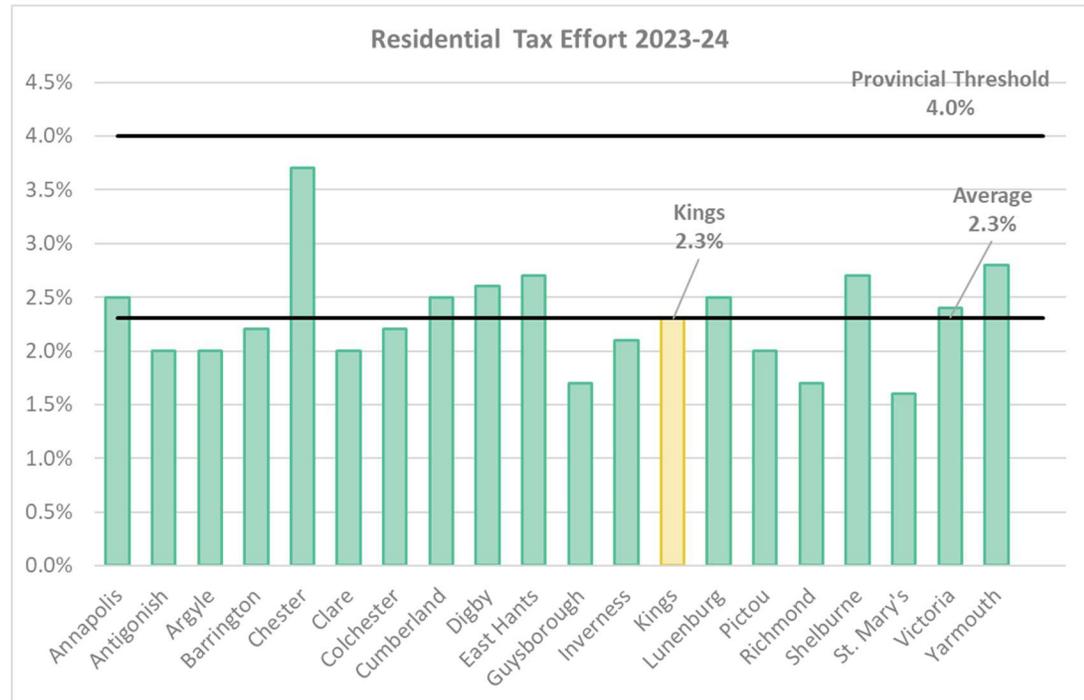
\*\* The rates included in the figure are as approved for fiscal 2025/26

**Residential Tax Effort**

Residential tax effort is the average property tax burden per household in the Municipality. This is calculated as total residential property tax, including the sewer rate, divided by the number of dwelling units expressed as a percentage of the median household income in the Municipality.

This indicator reflects the Municipality’s capacity to adjust tax rates in relation to the overall tax burden borne by residents. A higher percentage indicates that households are allocating a greater share of their annual income to property taxes. The Province considers a residential tax effort below 4% to be low risk. The Municipality’s residential tax effort was 2.3% in 2023/24, aligning with the rural average and remaining well within the provincial threshold. Based on audited financial information and preliminary provincial reporting, the tax effort increased modestly to 2.5% in the 2024/25 fiscal year.

Figure 9: Residential Tax Effort<sup>11</sup>

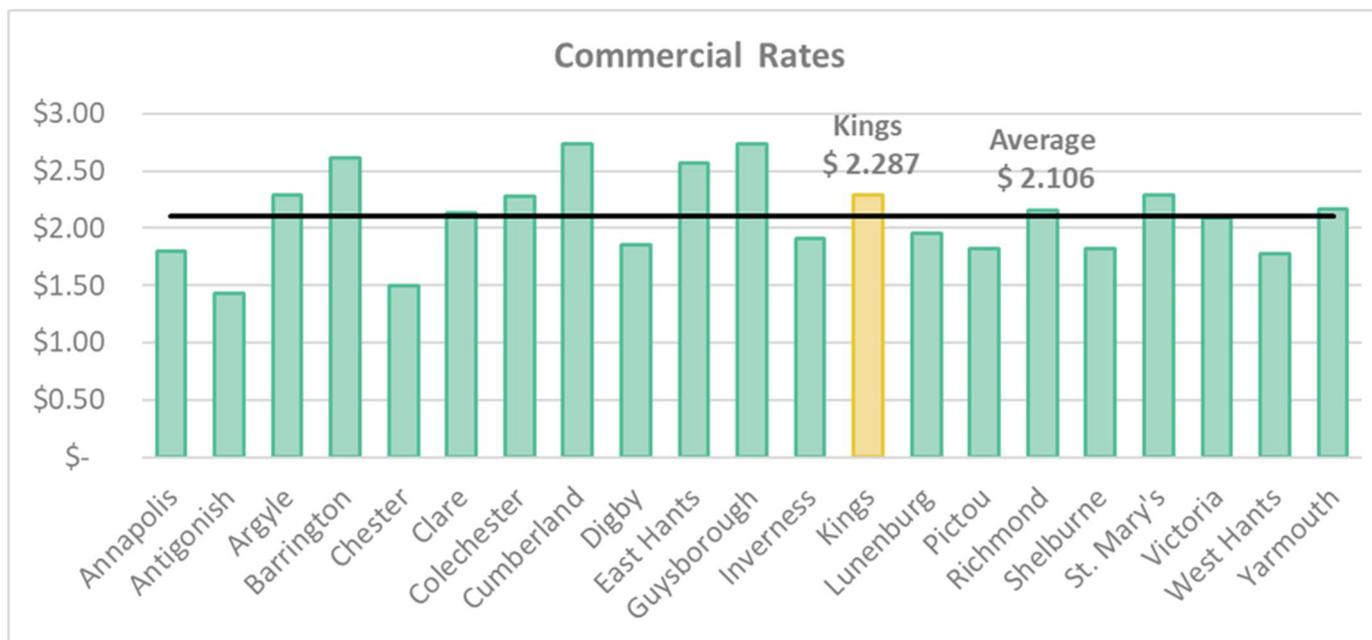


<sup>11</sup> Residential tax effort relates to the 2020/21 fiscal year which is the latest available published data, Municipal Fiscal Statistics, accessed February 20, 2026; [https://data.novascotia.ca/Municipalities/Municipal-Fiscal-Statistics-Financial-Condition-In/44ah-ugrd/data\\_preview](https://data.novascotia.ca/Municipalities/Municipal-Fiscal-Statistics-Financial-Condition-In/44ah-ugrd/data_preview)

**Commercial Property Tax Rates**

The 2026/27 operating budget proposes to maintain the commercial property tax rate at \$2.287/\$100 of assessed value. The Municipality’s commercial tax rate is 18.1 cents above the provincial average, \$2.106/\$100 of assessed value, for rural municipalities based on 2025/26 approved rates.

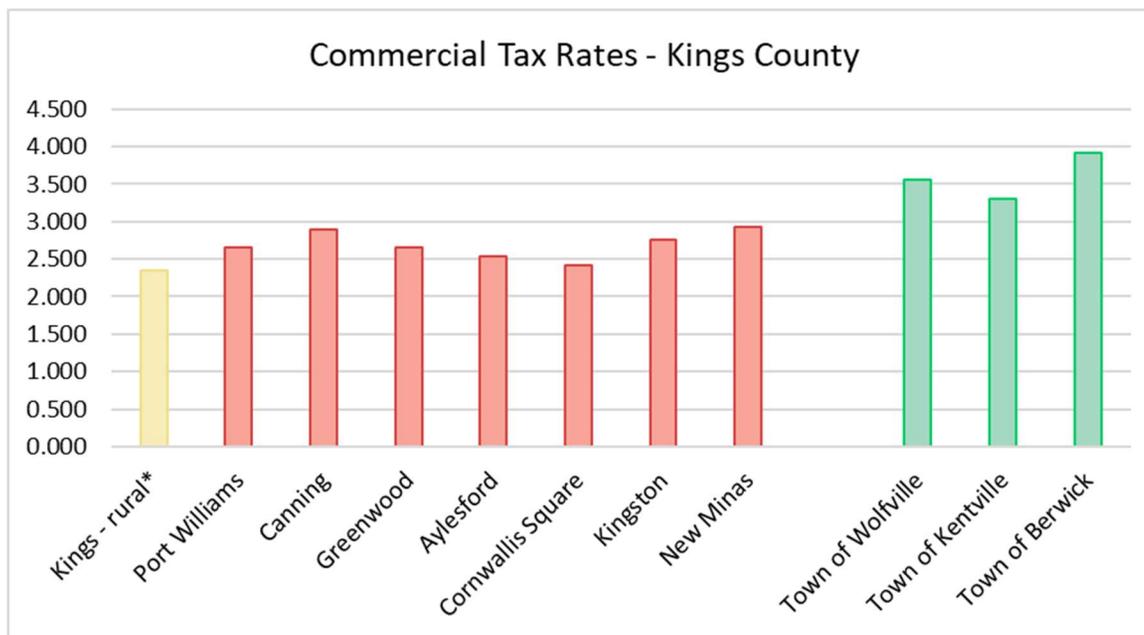
Figure 10: Commercial Tax Rates 2025/26<sup>12</sup>



<sup>12</sup> The rates included in the figure are as approved for fiscal 2025/26 and do not include area rates.

The commercial rate of \$2.287/\$100 of assessment is a base rate. Properties located in various areas of the Municipality are also subject to specific area and village rates. Figure 19 on the following page compares tax rates, including area rates, for properties in various areas of the Municipality including the three local Towns.

Figure 11: Commercial Tax Rates by Location within the County of Kings<sup>13</sup>



The Municipality’s commercial tax base is highly concentrated, with a single large commercial account representing 12.6% of total commercial assessment. Additionally, the highest-assessed five percent of

<sup>13</sup> The Kings rural rate includes an average fire capital area rate.  
The rates included in the figure are as approved for fiscal 2025/26.

commercial accounts contribute more than 50.9% of all commercial tax revenue. As a result, any adjustments to the commercial tax rate would disproportionately affect larger commercial enterprises.

## Expenditures

### Mandatory Payments

Mandatory payments include those made pursuant to the *Municipal Government Act (MGA)*, the *Libraries Act*, the *Police Act*, and the Provincial Municipal Service Exchange Agreement.

Mandatory payments have a 4.9% budgeted increase in 2026/27, driven primarily by the increased contribution to education by the Municipality. Uniform Assessment factors largely in the calculation of the education contribution. The Municipality will have 5.5% growth in UA for the 2026/27 fiscal year.

RCMP & Prosecution Services are also projected to have significant increases. The budget is based on a two-year historical growth rate which aligns with recent annual increases. The Nova Scotia Department of Justice could not provide an actual budget figure in advance of the Municipal budget; therefore, best estimates were utilized.



	<b>Proposed Budget 2026/27</b>	<b>Approved Budget 2025/26</b>	<b>Change %</b>	<b>Forecast Actual 2025/26</b>	<b>Actual 2024/25</b>	<b>Actual 2023/24</b>
Contributions to Provincial Services						
Property Valuation Services	\$ 878,900	\$ 846,200	3.9 %	\$ 856,960	\$ 832,020	\$ 814,810
Correctional Services	-	-	- %	-	-	633,890
Regional Housing	-	-	- %	-	-	300,840
Regional Library	374,700	348,200	7.6 %	331,600	331,600	331,600
Regional Centre for Education	17,854,000	17,145,900	4.1 %	17,036,120	15,667,360	14,082,580
Municipal Highway Contribution	912,800	884,500	3.2 %	885,400	869,690	841,040
RCMP & Prosecution Services	10,997,700	10,313,700	6.6 %	10,341,050	9,690,970	9,137,630
<b>Total Contributions</b>	<b>31,018,100</b>	<b>29,538,500</b>	<b>5.0 %</b>	<b>29,451,130</b>	<b>27,391,640</b>	<b>26,142,390</b>

Assessment Services

Property Valuation Services Corporation (PVSC) provides assessment services to Nova Scotia municipalities. Municipal contributions to PVSC are based on a formula specified in the *Property Valuation Services Corporation Act*, s. 35(4) which shares the total cost of assessment services among municipalities based on their percentage of total Uniform Assessment and number of assessment accounts.

<b>Year</b>	<b>Actual</b>	<b>Change (\$)</b>	<b>Change (%)</b>
2026/27 Estimate	\$ 878,900	\$ 21,940	2.6 %
2025/26 Forecast	856,960	24,944	3.0 %
2024/25	832,016	17,207	2.1 %
2023/24	814,809	(9,722)	(1.2)%
2022/23	815,115	(12,185)	(1.5)%
<b>Average</b>	<b>\$ 839,560</b>	<b>\$ 8,437</b>	<b>1.01%</b>

Regional Library

The Annapolis Valley Regional Library serves residents of the Municipality of the County of Kings, County of Annapolis, West Hants Regional Municipality, and the Towns of Wolfville, Berwick, Kentville, Annapolis Royal, and Middleton. The library funding model is set by the Province and establishes the required municipal contributions.

Regional Library funding has not changed under the Provincially established funding model, which sets municipal contribution requirements; however, in 2026/27 a provisional increase of 7.6% has been included should the province update the funding model.

<b>Year</b>	<b>Actual</b>	<b>Change (\$)</b>	<b>Change (%)</b>
2026/27 Estimate	\$ 374,700	\$ 26,500	7.6 %
2025/26 Forecast	348,200	16,600	5.0 %
2024/25	331,600	-	- %
2023/24	331,600	26,348	8.6 %
2022/23	305,252	-	- %
<b>Average</b>	<b>\$ 338,270</b>	<b>\$ 13,890</b>	<b>4.25%</b>

Education Contribution

The Municipality is required to make annual contributions to the Annapolis Valley Regional Centre for Education (AVRCE). The AVRCE is partially funded by the Municipality of the County of Kings, the West Hants Regional Municipality, the Municipality of the County of Annapolis, and the Towns of Wolfville, Kentville, Berwick, Middleton, and Annapolis Royal.

<b>Year</b>	<b>Actual</b>	<b>Change (\$)</b>	<b>Change (%)</b>
2026/27 Estimate	\$ 17,854,000	817,880	4.8 %
2025/26 Forecast	17,036,120	1,368,764	8.7 %
2024/25	15,667,356	1,584,780	11.3 %
2023/24	14,082,576	950,826	7.2 %
2022/23	13,131,750	313,650	2.4 %
<b>Average</b>	<b>\$ 15,554,360</b>	<b>\$ 1,007,180</b>	<b>6.9%</b>

Provincially owned local roads maintenance contribution

The Municipality’s contribution to the general maintenance of local roads owned by the Province of Nova Scotia has been estimated in accordance with the 1995 Provincial-Municipal Service Exchange Agreement which calculates costs on a per kilometer basis on specific roads named in that Agreement.

<b>Year</b>	<b>Actual</b>	<b>Change (\$)</b>	<b>Change (%)</b>
2026/27 Estimate	\$ 912,800	\$ 27,400	3.1 %
2025/26 Forecast	885,400	15,710	1.8 %
2024/25	869,690	28,652	3.4 %
2023/24	841,038	49,898	6.3 %
2022/23	791,140	36,240	4.8 %
<b>Average</b>	<b>\$ 860,014</b>	<b>\$ 31,580</b>	<b>3.88%</b>

Policing

The Municipality funds 45 RCMP officers along with a portion of shared services.

Municipalities are required to pay for prosecution services relating to summary offences for which they collect fine revenue. The prosecution fees are based on a prescribed formula tied to the number of summary offence tickets issued and fine revenue collected.

RCMP

<b>Year</b>	<b>Actual</b>	<b>Change (\$)</b>	<b>Change (%)</b>
2026/27 Estimate	\$ 10,927,200	658,950	6.4%
2025/26 Forecast	10,268,250	642,266	6.7%
2024/25	9,625,984	558,709	6.2%
2023/24	9,067,275	(222,524)	-2.4%
2022/23	9,289,799	1,588,954	20.6%
<b>Average</b>	<b>\$ 9,835,702</b>	<b>\$ 645,271</b>	<b>7.5%</b>

Prosecution Services

<b>Year</b>	<b>Actual</b>	<b>Change (\$)</b>	<b>Change (%)</b>
2026/27 Estimate	\$ 70,500	\$ (2,300)	-3.2%
2025/26 Forecast	72,800	7,811	12.0 %
2024/25	64,989	(5,365)	(7.6)%
2023/24	70,354	3,850	7.0 %
2022/23	76,121	17,481	29.8 %
<b>Average</b>	<b>\$ 70,953</b>	<b>\$ 4,295</b>	<b>7.6%</b>

### Inter-Municipal Service Agreements (IMSAs)

Section 60(4) *Municipal Government Act* allows municipalities and other listed bodies to jointly provide a municipal service by agreement, and in some instances, through the incorporation of the agreement (creation of a body corporate).

The Municipality considers the below noted IMSAs to be government partnerships between the Municipality and the other municipal owners. Under PSAS, and to the extent of the Municipality's financial participation, the annual operating results and financial position of the IMSAs are proportionately consolidated into the Municipality's financial statements:

- Tidal Transit Authority – 40.3%
- Valley Region Solid Waste-Resource Authority – 58.4%
- Valley Community Fibre Network Authority – 66.4%
- Valley Regional Enterprise Network – 50.2%
- Kings County Regional Emergency Management Organization – 61.2%<sup>14</sup>
- Meadowview Community Solar Garden Authority – 48.0%<sup>15</sup>

Due to the scale of the Municipality's financial involvement or the structuring of the corporate by-laws, the operation of these entities and resulting surpluses or deficits can have a material impact on the Municipality's financial position. To account for the potential impact of IMSA operating results, the Municipality maintains an Operating Reserve, with one reserve designated specifically for the largest IMSA, Valley Region Solid Waste-Resource Authority.

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<sup>14</sup> REMO is administered under a non-incorporated Agreement and is not consolidated in the Municipality's audited financial statements due to the immaterial size of the organization.

<sup>15</sup> Meadowview Community Solar Garden Authority is a newly formed organization and has had limited activity to date; as a result, there are no municipal contributions required for the 2026/27 fiscal year.

Tidal Transit Authority (TTA)

Tidal Transit Authority is a public transit system owned and funded, net of other revenues, by the Municipality and the Municipality of Annapolis, the District of Digby and Towns of Berwick, Kentville, Middleton and Wolfville. TTA provides fixed route public transportation services.

The Municipality's 2026/27 contribution to the TTA totals \$1,616,500, representing a 31.9% increase over the prior year. The increase is attributable to rising route operation and fleet maintenance costs, as well as enhanced capital contributions to support planned fleet renewal.

Valley Region Solid Waste-Resource Management Authority (VWRM)

VWRM is an Inter-Municipal Service corporation owned by six municipalities created for the purpose of managing solid waste-resource in the region.

The Municipality's contribution to VWRM decreased 16.3% in 2026/27 to \$4,615,300. Key budget influences include:

- Extended Producer Responsibility Regulations for Recycling
- New revenue from handling and transporting residential recycling through the EPR program
- Additional revenue from ground wood processing
- Increased tipping fee revenue, driven primarily by residual volumes from the Scotia Recycling facility
- An estimated \$80,000 increase in Diversion Credits
- Implementation costs associated with the EPR program
- Higher costs related to major service contracts
- Elimination of the spring and fall cleanup program, with alternative options provided
- Staffing adjustments required to meet service level expectations

Valley Community Fibre Network Authority (VCFNA)

The Authority is incorporated per s.60(4) MGA, and comprises the Municipality of the County of Kings, West Hants Regional Municipality, and the Towns of Wolfville and Berwick. The present-day operation of the Network is primarily based on the leasing of dark fibre.

Valley Regional Enterprise Network (VREN)

The mission of the VREN is to lead and enable regional economic growth and prosperity. Parties to the VREN IMSA include the Glooscap First Nation, West Hants Regional Municipality, Municipality of the County of Kings, and the Towns of Berwick, Kentville, Wolfville, and Middleton. Municipal contributions are matched by the Province. A Board of Directors made up of individuals from the private sector govern the VREN.

Kings County Regional Emergency Management Organization (REMO)

Kings REMO is an unincorporated IMSA with the purpose of providing comprehensive emergency services to the region, render mutual aid with respect to personnel and equipment during an emergency, and for joint provision of service and facilities by the Partnering Municipal Units per Part III MGA and Section 10 *Emergency Management Act*.

Inter-Municipal Service Agreements (Municipal Corporations) Budget

	Proposed Budget 2026/27	Approved Budget 2025/26	Change %	Forecast Actual 2025/26	Actual 2024/25	Actual 2023/24
<b>Revenues</b>						
Transfer from Other Funds	\$ -	\$ 873,400	(100.0)%	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>-</b>	<b>873,400</b>	<b>- %</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Contributions</b>						
Tidal Transit Authority	1,616,500	1,225,700	31.9 %	1,240,700	1,104,500	1,026,430
Valley Waste Resource Management	4,613,700	5,512,300	(16.3)%	5,237,870	4,385,410	3,817,190
Valley Community Fibre Network	14,000	15,000	(6.7)%	15,000	13,980	14,760
Valley Regional Enterprise Network	148,000	148,000	- %	148,000	148,030	148,030
Regional Emergency Management Organization	74,500	52,300	42.4 %	52,300	50,240	51,190
<b>Total Contributions</b>	<b>6,466,700</b>	<b>6,953,300</b>	<b>(7.3)%</b>	<b>6,693,870</b>	<b>5,702,160</b>	<b>5,554,409</b>
<b>Tax Levy Requirement</b>	<b>\$ 6,466,700</b>	<b>\$ 6,079,900</b>	<b>6.0 %</b>	<b>\$ 6,693,870</b>	<b>\$ 5,702,160</b>	<b>\$ 5,502,989</b>



## Staffing Summary

The Municipality’s 2026/27 operating budget includes 106 full-time equivalent (FTE) positions allocated among the divisions as follows:

Division	2026/27 Budget	2025/26 Budget	New Positions	Reallocations	2024/25
<b>Administration (Offices of the CAO and Deputy CAO)</b>					
Administration Services	14.70	13.00	-	1.7	11.00
Human Resources	2.00	2.00	-	-	2.00
Economic Development	1.00	1.00	-	-	1.00
Community Development	6.30	6.30	-	-	6.30
<b>Finance and Information Technology</b>					
Finance	11.90	13.60	-	(1.7)	12.60
Information Technology	8.05	8.05	-	-	8.05
<b>Engineering &amp; Public Works, Lands &amp; Parks</b>					
Engineering	4.55	4.25	-	0.30	4.75
Municipal Building	1.00	1.00	-	-	1.00
Municipal Parks & Trails	2.00	2.00	-	-	1.00
Municipal Roads & Sidewalks	2.20	2.30	-	(0.10)	1.95
Climate Resilience	1.15	1.10	-	0.05	2.55
<b>Sewer and Water Utility</b>					
	24.35	24.60	-	(0.25)	23.00
<b>Land Use Planning &amp; Inspection Services</b>					
Building & Enforcement	13.65	13.65	-	-	12.65
Planning Services	5.50	5.50	-	-	11.00
Development Services	6.50	6.50	-	-	-
Emergency Management	1.15	1.15	-	-	1.15
<b>Total</b>	<b>106.00</b>	<b>106.00</b>	<b>-</b>	<b>-</b>	<b>100.00</b>

The existing staffing complement is sufficient to support planned deliverables and maintain 2026/27 service levels, supported by inter-departmental reallocations that improve alignment of staffing duties.

Grant Programs and Funding to External Service Providers

The Municipality offers a range of funding opportunities to support initiatives that help strengthen and enhance quality of life across our community of communities. The budget for fiscal 2026/27 expends more than \$4,300,000 for various programs and funding streams.

The [Community Grants Policy](#) provides additional details on grant programs summarized in the following figure. The new grant program, Village Infrastructure Capital Enhancement (VICE), introduced in 2025/26 has replaced former arrangements between the incorporated Villages and the Municipality concerning allocations of the Federal Canada Community-Building Fund.

	Proposed Budget 2026/27	Approved Budget 2025/26	Change %	Forecast Actual 2025/26	Actual 2024/25	Actual 2023/24
Property Tax Reductions	\$ 1,561,200	\$ 1,427,200	9.4 %	\$ 1,343,000	\$ 1,368,870	\$ 1,274,750
Community Active Living Grants	214,000	214,000	- %	214,000	191,830	165,430
Community Enhancement Grants	226,500	194,200	16.6 %	194,200	176,730	162,180
Major Grant Programs	600,000	600,000	- %	600,000	481,250	309,820
Infrastructure Programs	1,050,000	1,050,000	-	1,050,000	-	-
Recreation Grants	205,000	205,000	- %	205,000	197,770	181,500
Other Grant Programs	279,600	246,900	13.2 %	246,900	222,730	227,860
Funding to External Service Providers	216,120	224,550	(3.8)%	224,560	248,660	239,210
<b>Total Grant Funding</b>	<b>\$ 4,352,420</b>	<b>\$ 4,161,850</b>	<b>4.6 %</b>	<b>\$ 4,077,660</b>	<b>\$ 2,887,840</b>	<b>\$ 2,560,750</b>



Property Tax Reductions

<b>Property Tax Reductions</b>	<b>Proposed Budget 2026/27</b>	<b>Approved Budget 2025/26</b>	<b>Change %</b>	<b>Forecast Actual 2025/26</b>	<b>Actual 2024/25</b>	<b>Actual 2023/24</b>
Personal Property Tax Reductions	\$ 917,000	\$ 887,000	3.4 %	\$ 805,000	\$ 836,690	\$ 866,620
Not for Profit Property Tax Exemptions	635,700	531,500	19.6 %	529,300	523,030	400,070
Day Care Property Tax Exemptions	8,500	8,700	(2.3)%	8,700	9,150	8,060
<b>Total Property Tax Exemptions</b>	<b>\$ 1,561,200</b>	<b>\$ 1,427,200</b>	<b>9.4%</b>	<b>\$ 1,343,000</b>	<b>\$ 1,368,870</b>	<b>\$ 1,274,750</b>

Personal Property Tax Reductions – [FIN-05-009](#)

Personal property tax reductions are available to property owners within the Municipality who qualify based on specific income thresholds. Eligible recipients who complete the annual application process receive a rebate to their property tax account. Pursuant to the Policy, the eligible household income threshold increased to \$48,000 and the maximum exemption to \$630 for 2026/27 (2025/26 - \$580). Over the past three fiscal years, the Municipality has increased the income threshold and maximum reduction significantly following a policy review and amendment. This has resulted in an increase in the number of applications received from residents, peaking at 1,580 in 2023, and therefore has required an expanded annual budget. Based on current and projected application volumes the 2026/27 budget anticipates 1,455 applications.

Non-Profit Tax Exemption – [FIN-05-026](#)

By-law 99 establishes tax exemptions for qualified properties used solely by non-profit organizations. The recommended budget is based on properties listed in the policy and related 2026 assessed values.

Day Care Commercial Tax Reduction – [By-law 104](#)

Day care facilities that meet the eligibility criteria established in By-law 104 are eligible for a tax reduction from the commercial rate of \$2.287 to the residential rate of \$0.853.

Community Active Living Grants

Grants in this category support active living across Kings County and may be awarded to organizations that deliver recreation programs or maintain community recreation infrastructure, including parks, trails, and playgrounds.

<b>Community Active Living Grants</b>	<b>Proposed Budget 2026/27</b>	<b>Approved Budget 2025/26</b>	<b>Change %</b>	<b>Forecast Actual 2025/26</b>	<b>Actual 2024/25</b>	<b>Actual 2023/24</b>
Park, Playground, Trail Maintenance and Development	\$ 150,000	\$ 150,000	- %	\$ 150,000	\$ 132,830	\$ 130,640
Youth Travel Assistance Program	-	-	- %	-	9,000	9,000
Direct Participant Programming Assistance	9,000	9,000	- %	9,000	-	-
Community Recreation Programming Assistance	55,000	55,000	- %	55,000	50,000	25,790
<b>Total Community Active Living Grant</b>	<b>\$ 214,000</b>	<b>\$ 214,000</b>	<b>- %</b>	<b>\$ 214,000</b>	<b>\$ 191,830</b>	<b>\$ 165,430</b>



Community Enhancement Grants

Grants in this category assist in the provision of community related activities and other local initiatives that enhance community life.

<b>Community Enhancement Grants</b>	<b>Proposed</b>	<b>Approved Budget</b>	<b>Change %</b>	<b>Forecast Actual</b>		
	<b>Budget 2026/27</b>	<b>2025/26</b>		<b>2025/26</b>	<b>Actual 2024/25</b>	<b>Actual 2023/24</b>
Festivals and Special Events	\$ 50,000	\$ 50,000	- %	\$ 50,000	\$ 49,730	\$ 48,000
Councillor Grants to Organizations	91,500	89,200	2.6 %	89,200	72,000	64,610
Community Hall Assistance	75,000	55,000	36.4 %	55,000	55,000	49,570
District Activity Fund	10,000	-	100.0 %	-	-	-
<b>Total Community Enhancement Grants</b>	<b>\$ 226,500</b>	<b>\$ 194,200</b>	<b>16.6 %</b>	<b>\$ 194,200</b>	<b>\$ 176,730</b>	<b>\$ 162,180</b>

The budget for the Councillor Grants to Organizations stream has been indexed in line with the annual Consumer Price Index.

A District Activity Fund is being introduced which is intended to provide Members of Council with a clear, transparent, and efficient way to allocate modest financial support to eligible non-profit organizations located within, or providing a direct benefit to, their districts.

Major Grant Programs

Kings Vision Grants contribute to the Municipality’s vision of being a community of communities where all people belong. This grant assists organizations undertaking major capital projects that align with one of the five Key Strategic Priorities of the Municipality’s Strategic Plan.

<b>Major Grant Program</b>	<b>Proposed</b>	<b>Approved Budget</b>	<b>Change %</b>	<b>Forecast Actual</b>		
	<b>Budget 2026/27</b>	<b>2025/26</b>		<b>2025/26</b>	<b>Actual 2024/25</b>	<b>Actual 2023/24</b>
Kings Vision Grants	\$ 600,000	\$ 600,000	- %	\$ 600,000	\$ 481,250	\$ 309,820
<b>Total Major Grant Program</b>	<b>\$ 600,000</b>	<b>\$ 600,000</b>	<b>- %</b>	<b>\$ 600,000</b>	<b>\$ 481,250</b>	<b>\$ 309,820</b>

### Infrastructure Programs

A new program providing ongoing support to Village infrastructure projects was introduced in 2025/26 which is designed to replace the current allocation of funds from the Federal Canada Community-Building Fund (CCBF). The objective of the program, the Village Infrastructure Capital Enhancement program, has been designed to provide fair and equitable funding while reducing administrative burden, and providing consistent and predictable funding to the Villages.

Unspent funds under this program will be carried forward for future use by the recipient village.

<b>Village Infrastructure Enhancement Fund</b>	<b>Proposed Budget 2026/27</b>	<b>Approved Budget 2025/26</b>	<b>Change %</b>	<b>Forecast Actual 2025/26</b>	<b>Actual 2024/25</b>	<b>Actual 2023/24</b>
Village project spending	\$ 70,000	\$ 45,000	55.6 %	\$ 45,000	\$ -	\$ -
Reserve contribution for future projects	980,000	1,005,000	(2.5)%	1,005,000	-	-
<b>Total Infrastructure Programs</b>	<b>\$ 1,050,000</b>	<b>\$ 1,050,000</b>	<b>- %</b>	<b>\$ 1,050,000</b>	<b>\$ -</b>	<b>\$ -</b>



Recreation Related Grants

Recreation Grant Programs	Proposed	Approved Budget	Change %	Forecast Actual	Actual 2024/25	Actual 2023/24
	Budget 2026/27	2025/26		2025/26		
Town and Village Recreation Funding	\$ 125,000	\$ 125,000	- %	\$ 125,000	\$ 125,000	\$ 125,000
Recreation Directors Salary Grant	80,000	80,000	- %	80,000	72,770	56,500
Total Community Enhancement Grants	\$ 205,000	\$ 205,000	- %	\$ 205,000	\$ 197,770	\$ 181,500

Town and Village Recreation Funding, [FIN-05-019](#):

Through this policy, funding is provided to support town or village owned/operated recreation facilities and programs that serve Kings County residents, demonstrating Council's ongoing commitment to supporting quality recreation services to the community.

Recreation Directors Salary Grant:

Villages, or Commission serving a Village, with full-time recreation directors are eligible to receive funding for half of eligible salary costs up to a maximum of \$20,000 per year.



Other Grant Programs

<b>Other Grant Programs</b>	<b>Proposed Budget 2026/27</b>	<b>Approved Budget 2025/26</b>	<b>Change %</b>	<b>Forecast Actual 2025/26</b>	<b>Actual 2024/25</b>	<b>Actual 2023/24</b>
Library Operating Grants	\$ 87,500	\$ 86,700	0.9 %	\$ 86,700	\$ 83,020	\$ 81,720
School Crossing Guard Funding	77,100	45,200	70.6 %	45,200	29,710	36,140
First Nations Communities Grant	10,000	10,000	- %	10,000	10,000	10,000
School Food Program	100,000	100,000	- %	100,000	100,000	100,000
Graduation Assistance Program	5,000	5,000	- %	5,000	-	-
<b>Total Community Enhancement Grants</b>	<b>\$ 279,600</b>	<b>\$ 246,900</b>	<b>13.2 %</b>	<b>\$ 246,900</b>	<b>\$ 222,730</b>	<b>\$ 227,860</b>

Library Grants

Each Annapolis Valley Regional Library branch located within the County of Kings receives funds to assist with operating costs specific to that location. Berwick and Kentville have Agreements for a portion of their facility costs, and the other libraries are granted \$5,000 for operations. This is in addition to the Annapolis Valley Regional Library Contribution as set out in Provincial formula.

Crosswalk Guard – ADMIN-01-004

This program provides funds to organizations, Villages, and Towns for the provision of crosswalk guard services to assist in the safety of elementary school students. This policy is undergoing review; therefore additional contingent funds have been included in the budget.

First Nations Communities Contribution

This is an annual grant of \$10,000 that is used to provide Glooscap First Nation and Annapolis Valley First Nation with \$5,000 each to be used for legacy projects, or to support with community events such as their annual Mawio'mi.

School Food Funding Program – Policy FIN-05-022:

The Municipality recognizes the value and importance of school food programs and access to nutritious and healthy food to improve student health, well-being, and success at school. This Policy provides support to help ensure school food programs are properly resourced, making nutritious food more accessible to all students - especially those that need it most.

Graduation Event Assistance Program

The Municipality provides funding for events to celebrate the achievements of graduating students at each of the five high schools located within the County.



Funding to External Service Partners

The Municipality has funding agreements with several external organizations who provide unique services to residents.

Funding of External Organizations	Proposed	Approved Budget	Change %	Forecast Actual	Actual 2024/25	Actual 2023/24
	Budget 2026/27	2025/26		2025/26		
Valley Search & Rescue	\$ 57,700	\$ 57,300	0.7 %	\$ 57,300	\$ 56,700	\$ 56,100
Kings County Senior Safety	26,600	26,100	1.9 %	26,100	25,500	25,000
Kings Point to Point Transit	85,670	84,820	1.0 %	84,820	83,790	83,110
Trans County Transportation	31,850	31,530	1.0 %	31,530	31,220	30,910
Valley Community Learning Association	-	10,800	(100.0)%	10,810	13,500	16,190
Kings Historical Society	14,300	14,000	2.1 %	14,000	-	-
Annapolis Valley Trails Coalition	-	-	- %	-	37,950	27,900
<b>Total Funding of External Organizations</b>	<b>\$ 216,120</b>	<b>\$ 224,550</b>	<b>-3.8%</b>	<b>\$ 224,560</b>	<b>\$ 248,660</b>	<b>\$ 239,210</b>

Valley Search and Rescue (VSAR)

Valley Search and Rescue is the Emergency Response organization responsible for wilderness and remote search and rescue operations within Kings County. VSAR also provides mutual aid to assist elsewhere in the province, and throughout Canada. Other services provided include urban searches, civil and natural disaster response, and public education. When activated by REMO, the VSAR operations base functions as a comfort centre for the community. VSAR is staffed entirely by highly trained volunteer professionals.

Kings County Seniors Safety Society

The Kings County Seniors’ Safety Society is a registered not-for-profit organization with the purpose of providing oversight and programming for safety and education initiatives that assist seniors living independently in Kings County.

Alternative Transportation

Trans County Transportation Society and Kings Point to Point Transit Society are non-profit organizations providing safe, reliable community-based transportation.

King’s Historical Society

The society was established in 1978 with the mission to collect, preserve, and interpret the cultural and natural history of Kings County, Nova Scotia.



# Wastewater

## Municipal Sewer

The Municipal Sewer system provides service to properties in 18 communities throughout the Municipality. The system consists of eight wastewater treatment plants, and 72 pumping stations with more than 150 pumps that convey wastewater from residences and businesses to treatment facilities.

Municipal Sewer is accounted for within a separate subset of accounts within the Municipality's Operating Fund.



Municipal Sewer	Proposed	Approved Budget	Change %	Forecast Actual		
	Budget 2026/27	2025/26		2025/26	Actual 2024/25	Actual 2023/24
Activity Revenue	\$ 5,969,500	\$ 5,820,700	2.6 %	\$ 5,829,410	\$ 5,584,610	\$ 5,127,220
Transfer from Operating Reserve	-	40,000	(100.0)%	40,000	-	20,950
<b>Total Revenue</b>	<b>5,969,500</b>	<b>5,860,700</b>	<b>1.9 %</b>	<b>5,869,410</b>	<b>5,584,610</b>	<b>5,148,170</b>
<b>Expenditures</b>						
Salaries & Benefits	1,652,300	1,671,000	(1.1)%	1,585,310	1,347,795	1,270,125
Maintenance	400,620	376,900	6.3 %	422,390	417,925	365,190
Vehicle	157,780	173,320	(9.0)%	173,320	131,025	139,840
Lift Station & Treatment Plant	1,304,900	1,202,900	8.5 %	1,202,900	992,875	943,995
Administration	940,600	978,280	(3.9)%	971,190	528,170	586,630
Debt Service	150,300	170,100	(11.6)%	170,100	183,620	235,895
Transfer to Reserves	1,363,000	1,288,200	5.8 %	1,288,230	1,554,385	1,467,165
<b>Total Expenditures</b>	<b>5,969,500</b>	<b>5,860,700</b>	<b>1.9 %</b>	<b>5,813,440</b>	<b>5,155,795</b>	<b>5,008,840</b>
<b>Surplus (deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>- %</b>	<b>\$ 55,970</b>	<b>\$ 428,815</b>	<b>\$ 139,330</b>

Activity Revenues, which include residential, commercial, and other sources, are increasing by 2.6%. In addition to a rate escalation in line with NS October CPI for all items, discussed further below, there are approximately 298 additional connections, as well as sales of service agreements which are directly tied to specific costs.

Transfers from sewer operating reserve in 2025/26 related to funds held for a specific project and does not continue into 2026/27.

Salaries, Wages and Benefits reflect estimates for non-union rate increases set out in policy [HR-06-019 Non-Union Salary Administration](#), unionized increases per the Collective Agreement, and an allowance for vacancy. There has been no change to overall FTE positions, some reallocations between utilities and departments have taken place.

The maintenance and vehicle budgets represent the best estimate of annual requirements and activity levels and are based on a review of historical spending, inflationary indexing, and planned upcoming maintenance projects. Vehicles are decreasing in line with fuel costs, and updates to the fleet which have resulted in lower maintenance costs.

Lift Station and Treatment Plant power increases are primarily driven by rising power rates, along with increased consumption at some locations due to equipment upgrades and changes. Additionally, the cost of disposal services has increased based on updated contract pricing, and the service fee paid to Regional Sewer has been adjusted.

Administrative costs include liability insurance, overhead supplies, training, clothing, laboratory related expenses, telephone, and an administrative fee for services provided by the Municipality. Budgets reflect actual usage.

Transfer to reserves accounts for 22.8% of the budget. These transfers are required to ensure funds will be available for future capital requirements and to smooth future rate impacts.



# Audit & Finance Committee Work Plan Update February 26, 2026

Description	Approach	Target Date	Update: February 26, 2026
<p><b>Legislated Responsibilities (yearend)</b></p> <ul style="list-style-type: none"> <li>• Review of financial statements</li> <li>• Review management letter</li> <li>• Review internal control letter</li> <li>• Review auditors report</li> <li>• Review remuneration &amp; expenses</li> <li>• Review hospitality expenses</li> <li>• Review compliance report</li> <li>• Recommendation of Appointment of Municipal Auditor</li> </ul>	<p>The Audit &amp; Finance Committee will receive a presentation from the Municipal Auditor on the consolidated financial statements and audit engagement. Along with the financial statement presentation the Audit &amp; Finance Committee will review documents submitted by the Municipal Auditor which may include:</p> <ul style="list-style-type: none"> <li>• Financial statements and audit report/opinion</li> <li>• Management letter</li> <li>• Internal control letter</li> <li>• Municipal Auditors Report to the Audit &amp; Finance committee</li> </ul> <p>In conjunction with the Municipal Auditors' presentation the Audit &amp; Finance Committee will receive briefings from staff on the following items:</p> <ul style="list-style-type: none"> <li>• Summary of remuneration and expenses for reportable individuals</li> <li>• Summary of hospitality expenses</li> <li>• Report on compliance</li> </ul> <p>Part of this review is to include assessment of the Municipal Auditor and considerations for annual appointment of the Municipal Auditor.</p>	<p><b>Annually</b> on or before the Provincial filing deadline of <b>September 30.</b></p>	<p>Review of Audited Financial Statements and Auditors report was presented to the Audit and Finance committee on December 8<sup>th</sup> 2025 by the Municipal Auditor. Delays driven by staff turnover resulted in the Municipality missing the Provincial filing deadline of September 30<sup>th</sup> 2025. This was communicated to all stakeholders in advance.</p> <p>Financial Statements have now been filed with all stakeholders and uploaded to the Municipal website.</p>
<p><b>Audit Debrief</b></p> <p>Follow up discussion of the consolidated financial statements and management letters as prepared and presented by the Municipal Auditor.</p>	<p>Following the financial statement presentation by the Municipal Auditor, a debrief session will take place that will address at a minimum any management letter points and/or identified weaknesses in internal controls.</p>	<p><b>Annually</b> at the meeting following presentation of reports from the Municipal Auditor.</p>	<p>Audit debrief was presented by the Municipal Auditor during December 8<sup>th</sup> 2025 Audit and Finance committee.</p>

Description	Approach	Target Date	Update: February 26, 2026
<p><b>Review of Financial Condition Indicators</b> A legislated responsibility of the audit committee.</p>	<p>The Audit &amp; Finance Committee will receive a presentation from staff on the Municipality's Financial Condition Indicators once they are published by the Province.</p>	<p><b>Annually</b> following release by the Province.</p>	<p>The 2023/24 FCIs were provided by the Province in late December 2025. A Presentation and discussion on the report will be brought to A&amp;F committee at the next regularly scheduled meeting.</p>
<p><b>Financial Policy Review</b> Prioritized review of finance policies including presentations and discussions on proposed changes to finance policy</p>	<p>This process will begin with a prioritization of policy review and required updates to bring finance policies in line with their documented review schedules. Some policies require improved clarity, contain outdated terms or references, or may not be required. Development of new financial policies is another area for consideration.</p> <p>Policies currently under review include:</p> <ul style="list-style-type: none"> <li>● FIN-05-001 Capital Budget</li> <li>● FIN-05-006 Procurement</li> <li>● FIN-05-012 Tangible Capital Assets</li> </ul>	<p>The policies currently under review are targeted for completion prior to <b>December 31, 2026</b>.</p>	<p>FIN-05-001 Capital Budget is being examined for a potential recommendation to repeal.</p> <p>FIN-05-012 Tangible Capital Assets is still under review and appears to require updates in several areas.</p> <p>FIN-05-006 Procurement is now finalized, with internal training in progress.</p>
<p><b>Risk Assessment and Fraud Prevention Program</b> Establish a Risk (including fraud risk) Identification, Assessment, and Analysis program to determine areas of significant risk.</p>	<p>Establishment of a formal risk assessment would determine the areas of focus for internal control reviews, and the development of standard operating procedures.</p> <p>Develop fraud prevention procedures and develop a formal fraud program (policy, reporting, education) which considers:</p> <ul style="list-style-type: none"> <li>● Code of conduct</li> <li>● Employee support programs</li> <li>● Clear lines of authority</li> <li>● Robust internal control system including documented list of controls</li> <li>● Effective oversight &amp; monitoring</li> </ul> <p>Periodic update from management to the Audit Committee on allegations/complaints. Reports to include:</p> <ul style="list-style-type: none"> <li>● Nature &amp; volume of allegations/complaints</li> <li>● Responses to allegations/complaints</li> </ul>	<p><b>TBD</b></p>	<p>To date there has been no progress on this initiative due to other higher priority items.</p>

Description	Approach	Target Date	Update: February 26, 2026
<p><b>Budget Development Process</b> Budgets for the Municipality are to be developed in an ordered and timely manner.</p>	<p>Reports will be presented to the Audit &amp; Finance Committee to comply with their responsibility to monitor financial risk management; FRAM section 53(d)(ii).</p> <p>The annual Budget is to be prepared in accordance with a pre-established timeline that sets out key milestones and decision points leading up to Council deliberation and approval.</p> <p>The staff process for collection of information, forecast of spending requirements, and compilation of budget detail should follow a standard process and include consultation with staff across all departments as well as the public through established channels of engagement.</p> <p>The annual Council and Committee meeting schedule for budget related items will be recommended for approval by Council by the Audit &amp; Finance Committee.</p> <p>Feedback will also be provided to staff by the Audit &amp; Finance Committee on the annual budget process, materials, presentations, etc. following approval of the annual budget.</p>	<p>Committee consideration and recommendation to Municipal Council, <b>annually</b> before <b>October 31</b>.</p>	<p>The Proposed 2026/27 Budget Timeline was presented on October 21, 2025 to Committee of the Whole.</p> <p>Strong progress has been made on the 2026/27 Budget and presentation is not expected to deviate from the original plan.</p> <p>Budget deliberations are scheduled for March 25<sup>th</sup>, 2026 and April 1<sup>st</sup>, 2026 (second date only if required).</p>
<p><b>Accountability Reporting</b></p>	<p>A quarterly report will be presented which will identify significant variances and provide a yearend forecast of financial results.</p> <p>The Audit &amp; Finance Committee will also consider whether there is a need to receive first quarter Accountability Reports</p>	<p>Reports received at the second committee meeting subsequent to quarter end.</p> <p>Quarter 4 accountability reports will be presented once yearend audited financial statements have been approved by Council.</p>	<p>Fourth quarter Operating Accountability Reports were presented to the Audit &amp; Finance Committee in conjunction with the year-end audited financial statements.</p> <p>Third quarter Accountability Reports have been presented at the February 26, 2026 A&amp;F meeting, as well as the fourth quarter Capital Accountability Report.</p>

Description	Approach	Target Date	Update: February 26, 2026
<p><b>Process &amp; Controls Review</b> Review of processes and controls in select transaction lines</p>	<p>Processes and controls are currently in place for finance activities and are reviewed annually as part of the financial statement audit, but a more detailed examination could be warranted within certain transaction lines.</p> <p>The Risk Assessment and Fraud Prevention Program will need to be completed before activities can be prioritized in this component of the work plan.</p>	<p>For consideration upon completion of the Risk Assessment and Fraud Prevention Program</p>	<p>Two improvements have been made in the current fiscal year for this deliverable;</p> <p>IT has internally developed both a digital Accounts Payable and Purchase Order system that will help ensure data integrity and access to information for staff. This will increase the efficiency of sign-off and help support prompt payment initiatives.</p>
<p><b>Performance Based Audit Program</b> Development of a Cyclical Audit Program for various activities of the Municipality</p>	<p>A step beyond the Process &amp; Controls Review for various transaction streams, this program will examine both financial and non-financial processes to evaluate operational efficiency and areas for improvement.</p> <p>The Risk Assessment and Fraud Prevention Program will need to be completed before activities can be prioritized in this component of the work plan.</p>	<p>For consideration upon completion of the Risk Assessment and Fraud Prevention Program</p>	<p>This workplan item is on hold until completion of the Risk Assessment and Fraud Prevention Program.</p>
<p><b>Program Reviews</b> Review of program delivery and cost-recovery methods offered and/or used by the Municipality in the provision of services. This includes the examination of related fees and charges.</p>	<p>Review of select programs intended to identify and better understand resource requirements, opportunities for enhanced efficiency, and potential technology solutions. Where appropriate Activity Based Costing techniques will be utilized to determine appropriate chargeback formula for Municipal services provided to third parties.</p>	<p>September 30<sup>th</sup>, 2026</p>	<p>Current review is underway for cost recovery for both Waterville Sewer commercial dumping rates and EPW support to other Municipalities.</p>