Consolidated Financial Statements of

HALIFAX REGIONAL CENTRE FOR EDUCATION

And Independent Auditor's Report thereon

Year ended March 31, 2025

INDEPENDENT AUDITOR'S REPORT

To the Minister of Education and Early Childhood Development

Opinion

We have audited the consolidated financial statements of Halifax Regional Centre for Education (the Entity), which comprise:

- the consolidated statement of financial position as at March 31, 2025
- the consolidated statement of accumulated surplus for the year then ended
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statements of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at March 31, 2025, and its results of operations, its consolidated changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Halifax, Canada

June 30, 2025

HALIFAX REGIONAL CENTRE FOR EDUCATION

Consolidated Financial Statements

Year ended March 31, 2025

HALIFAX REGIONAL CENTRE FOR EDUCATION

Consolidated Statement of Financial Position

March 31, 2025, with comparative information for 2024

	2025	2024
Financial Assets		
Cash	$ 4,451,117	$ 12,075,337
Cash Held by Schools (note 2)	10,264,467	9,411,330
Accounts Receivable:		
Province of Nova Scotia	31,122,047	27,384,949
Province of Nova Scotia - Teachers' Salary Accrual	11,925,100	9,349,500
Province of Nova Scotia - Long-Term Service Awards (note 3)	4,114,793	4,236,389
Province of Nova Scotia - Long-Term Sick Leave Accrual (note 4)	62,565,059	62,793,589
Government of Canada	2,999,107	4,285,601
Other	6,152,734	3,436,412
Total Financial Assets	133,594,424	132,973,107
Liabilities		
Payables and Accruals - Trade	31,216,049	36,118,375
School Based Accrued Liabilities (note 2)	1,440,223	1,118,420
Payables and Accruals - Government:		
Province of Nova Scotia	1,690	1,793,519
Halifax Regional Municipality	381,219	954,297
Other	44,714	56,851
Teachers' Salary Accrual	11,925,100	9,349,500
Employee Pension and Post-Employment Benefits	237,400	313,400
Deferred Revenue	16,585,520	9,589,803
School Based Deferred Revenue (note 2)	5,701,398	5,252,577
Long-Term Service Awards Liability (note 3)	4,114,793	4,236,389
Long-Term Sick Leave Accrual (note 4)	62,565,059	62,793,589
Total Liabilities	134,213,165	131,576,720
Net (Debt) Financial Assets	(618,742)	1,396,387
Non-Financial Assets:		
Prepaid Expenses	5,526,086	4,332,964
School Based Prepaid Expenses (note 2)	268,805	220,820
Tangible Capital Assets (note 5)	3,174,392	3,685,337
	8,969,283	8,239,121
Accumulated Surplus	$ 8,350,541	$ 9,635,508
Designation of Accumulated Surplus:		
General Fund - Unrestricted	$ 2,124,196	$ 3,211,372
General Fund - Capital Amortization	2,834,862	3,162,983
School Based Funds (note 2)	3,391,483	3,261,153
Commitments (note 6)		
Contingencies (note 7)		
	$ 8,350,541	$ 9,635,508

See accompanying notes to consolidated financial statements.

On behalf of the Minister of Education and Early Childhood Development:

Deputy Minister of Education and Early Childhood Development

Regional Executive Director of Education

HALIFAX REGIONAL CENTRE FOR EDUCATION

Consolidated Statement of Accumulated Surplus

Year ended March 31, 2025, with comparative information for 2024

	General Fund Unrestricted	General Fund Capital Amortization	School Based Funds (note 2)	2025 Total	2024 Total
Opening Balance, Beginning of Year	$ 3,211,372	$ 3,162,983	$ 3,261,153	$ 9,635,508	$ 6,136,565
Excess of Revenue Over Expenditure (Expenditure Over Revenue)	(1,415,297)	–	130,330	(1,284,967)	3,498,943
Amortization of Tangible Capital Assets	328,121	(328,121)	–	–	–
Closing Balance, End of Year	$ 2,124,196	$ 2,834,862	$ 3,391,483	$ 8,350,541	$ 9,635,508

See accompanying notes to consolidated financial statements.

HALIFAX REGIONAL CENTRE FOR EDUCATION

Consolidated Statement of Operations

Year ended March 31, 2025, with comparative information for 2024

	2025 Budget	2025 Actual	2024 Actual
Revenue:			
Province of Nova Scotia	$538,153,800	$ 634,259,565	$ 556,077,257
Halifax Regional Municipality	194,252,900	207,841,817	187,424,590
Government of Canada	1,249,200	1,891,695	837,254
Regional Operations	20,466,100	20,652,046	20,420,960
School Based Funds (note 2)	8,400,000	9,701,173	9,187,008
School Lunch Program	–	8,359,382	–
	762,522,000	882,705,678	773,947,069
Expenditure:			
Office of the Regional Executive Director	1,470,300	2,411,944	2,185,854
Financial Services	3,660,400	4,053,056	3,634,675
Human Resource Services	3,621,400	3,730,540	3,550,474
Programs and Student Services (Elem/Sec)	589,953,800	679,256,171	585,338,344
Operations Services	118,257,800	129,276,894	130,925,622
Other Programs	37,158,300	47,342,269	35,749,650
School Based Funds Activities (note 2)	8,400,000	9,570,844	9,063,507
School Lunch Program	–	8,348,927	–
	762,522,000	883,990,645	770,448,126
Excess of Revenue Over Expenditure (Expenditure Over Revenue)	$ –	$ (1,284,967)	$ 3,498,943

See accompanying notes to consolidated financial statements.

HALIFAX REGIONAL CENTRE FOR EDUCATION

Consolidated Statement of Changes in Net (Debt) Financial Assets

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Net Financial Assets (Debt), Beginning of Year	$ 1,396,387	$ (1,284,191)
Changes in the Year:		
Excess of Revenue Over Expenditure (Expenditure Over Revenue)	(1,284,967)	3,498,943
Acquisition of Tangible Capital Assets	–	(483,645)
Amortization of Tangible Capital Assets	510,945	632,212
Increase in Prepaid Expenses	(1,241,107)	(966,932)
Increase in Net Financial Assets (Debt)	(2,015,129)	2,680,578
Net (Debt) Financial Assets, End of Year	$ (618,742)	$ 1,396,387

See accompanying notes to consolidated financial statements.

HALIFAX REGIONAL CENTRE FOR EDUCATION

Consolidated Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operations:		
Excess of Revenue Over Expenditure (Expenditure Over Revenue)	$ (1,284,967)	$ 3,498,943
Items not involving cash:		
Amortization of Tangible Capital Assets	510,945	632,212
Change in non-cash items:		
Change in Prepaid Expenses	(1,241,107)	(966,932)
Change in Accounts Receivable	(7,392,401)	23,233,006
Change in Liabilities	2,636,447	(23,085,008)
	(6,771,083)	3,312,221
Capital:		
Acquisition of Tangible Capital Assets	–	(483,645)
(Decrease) increase in Cash and Cash Equivalents	(6,771,083)	2,828,576
Cash and Cash Equivalents, Beginning of Year	21,486,667	18,658,091
Cash and Cash Equivalents, End of Year	$ 14,715,584	$ 21,486,667
Cash and Cash Equivalents consists of:		
Cash	$ 4,451,117	$ 12,075,337
Cash Held by Schools	10,264,467	9,411,330
	$ 14,715,584	$ 21,486,667

See accompanying notes to consolidated financial statements.

Halifax Regional Centre for Education (HRCE) is an independent legal entity operating as a corporation sole, with the Minister of Education and Early Childhood Development as a sole director as stipulated in the Education Reform (2018) Act. The HRCE provides a full range of educational services for all instructional programs from Pre-Primary through Grade 12 at public schools within the Halifax Regional Municipality. HRCE is registered as a charitable organization under the Income Tax Act and, therefore, is exempt from income tax and may issue official receipts to donors for income tax purposes.

1. Significant accounting policies:

These consolidated financial statements are prepared in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada ("CPA").

The consolidated financial statements have also been prepared to comply with the provisions of Education Reform (2018) Act.

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations controlled by HRCE and accountable to HRCE for the administration of their own financial affairs and resources.

School based funds, which include assets, liabilities, revenues and expenses arising from certain school and student activities that are controlled and administered locally by each school, but for which HRCE is accountable, are reflected in the consolidated financial statements.

Trust funds and their related operations administered by HRCE are not included in the consolidated financial statements as they are not controlled by HRCE.

The consolidated financial statements have been prepared using the following significant accounting policies:

(a) Revenue:

Revenue is recorded on an accrual basis. Grants received, donations and fees collected in advance of the provision or use of related services are deferred. The main components of revenue are funding from the Province of Nova Scotia and the Halifax Regional Municipality. Provincial government transfers representing the year over year change in accrued benefit obligations are recognized as revenue as the transfer has been authorized.

Each year, contributions by volunteers support the delivery of certain programs within schools. Due to the difficulty in determining or otherwise estimating the value of these contributions and because these services are not otherwise purchased, contributed services are not quantified and recognized in these financial statements.

(b) Expenditures:

Expenditures are recorded on an accrual basis and include the cost of supplies inventory purchased during the year. Provisions are made for contingent liabilities when it is likely that a liability exists, and the amounts can be reasonably determined.

1. Significant accounting policies (continued):

(c) Financial instruments:

HRCE's financial instruments consist of cash and cash equivalents, receivables, payables and accruals, and other liabilities. It is management's opinion that HRCE is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted. HRCE does not hold any financial derivatives, equity investments quoted in an active market or other financial instruments that would be designated to the fair value category. During the year, HRCE did not receive any non-cash distributions on investments.

(d) Liabilities:

HRCE accrues teachers' salaries at year-end. As directed by the Province of Nova Scotia, this is offset by a receivable from the Province for the accrued amount. The accrual and offsetting receivable are adjusted annually as required.

Salaries, vacation pay and benefits of non-teaching employees, as well as substitute salary costs, are also accrued at year-end. There is no equivalent offsetting receivable from the Province for these amounts.

(e) Cash and cash equivalents:

Cash and cash equivalents include cash on hand, balances with banks, short-term investments and bank balances held by schools. Bank borrowings, if they occur, are considered to be financing activities during the year.

(f) Net (debt) financial assets:

Net financial assets represent the financial assets of HRCE, less liabilities.

(g) Non-financial assets:

Tangible capital assets having useful lives extending beyond the accounting period are held for use in the operation of HRCE and are not intended for sale in the ordinary course of operations. Tangible capital assets are recorded at net historical cost (or estimated cost when the actual cost is unknown) and include all costs directly attributable to the acquisition, construction, development and installation of the tangible capital asset, except interest. Tangible capital assets include land, building betterments, leasehold improvements, furniture and equipment, computer hardware, and motor vehicles. Tangible capital assets paid for by the Province either through direct payment or cost recovery are excluded as per the provincial School Board Financial Handbook.

1. Significant accounting policies (continued):

(g) Non-financial assets (continued):

All tangible capital assets recorded prior to the March 31, 2005 fiscal year have been removed from the consolidated financial statements. Capital assets purchased by the HRCE since April 1, 2005 are recorded as assets and amortized according to the Province of Nova Scotia's tangible capital assets accounting policy thresholds. These thresholds are as follows:

Building betterments	$ 150,000	Amortization:	5%	Declining balance
Motor vehicles	15,000	Amortization:	35%	Declining balance
Computer hardware	25,000	Amortization:	50%	Declining balance
Furniture and equipment	250,000	Amortization:	30%	Declining balance
Leasehold improvements	150,000	Amortization:		Straight-line over lease term

Under an agreement with the municipal councils at that time, all school buildings and land on hand at January 1, 1982 remain assets of the municipality, but are under the operational control of HRCE until such time as HRCE no longer requires the asset for school purposes. If assets are declared surplus by HRCE, control will revert back to the Halifax Regional Municipality. Accordingly, as the school buildings prior to 1982 are not considered owned by HRCE and schools subsequent to 1982 are owned by the Province of Nova Scotia or other parties, HRCE has not recorded any school buildings in these financial statements.

HRCE has made additions to school buildings, legal title to which is held by the Halifax Regional Municipality or the Province of Nova Scotia. Under the Education Reform (2018) Act of Nova Scotia, should the buildings in question be disposed of, HRCE will be entitled to a portion of any net proceeds of disposition. Due to the uncertainty of the receipt of any net proceeds by HRCE, they will not be recorded by HRCE until received.

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

(h) Pension, post-employment benefits and compensated absences:

The contributions to a multiemployer, defined benefit pension plan are expensed when contributions are due.

1. Significant accounting policies (continued):

(h) Pension, post-employment benefits and compensated absences (continued):

The costs of post-employment benefits and compensated absences are actuarially determined using the projected benefits method prorated on service and management's best estimate of retirement ages of employees, salary escalation and expected absences. Liabilities are actuarially determined using discount rates that are consistent with the market rates of high quality debt instruments. Any gains or losses from changes in assumptions or experience are amortized over the estimated average remaining service period for active employees.

HRCE provides enhanced pension benefits to certain employees who had retired from HRCE at amalgamation. HRCE recognizes the actuarial liability of these post-employment benefits and amortizes it over the remaining period of the pension enhancement.

(i) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(j) Liability for Contaminated Sites:

HRCE accrues a liability to estimate the cost to remediate contaminated sites to the level necessary to allow the property to meet the environmental standard appropriate to its current use or status. This relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination. The liability is based on estimates and assumptions using the best information available to management.

2. School based funds:

	2025	2024
Cash	$ 10,264,299	$ 9,411,330
Prepaid expenses	268,805	220,820
Total assets	10,533,104	9,632,150
Accrued liabilities	1,440,223	1,118,420
Deferred revenue	5,701,398	5,252,577
Total liabilities	7,141,621	6,370,997
Accumulated surplus	$ 3,391,483	$ 3,261,153

2. School based funds (continued):

	2025	2024
Revenue	$ 9,701,173	$ 9,187,008
Expenditure	9,570,843	9,063,507
Excess of Revenue Over Expenditure (Expenditure over Revenue)	130,330	123,501
Accumulated surplus, beginning of year	3,261,153	3,137,652
Accumulated surplus, end of year	$ 3,391,483	$ 3,261,153

3. Long-term service awards:

Qualifying employees receive a service award upon retirement, disability, death or termination, when entitled to a vested pension. The employment contracts prescribe the formulae used in calculating the service award as well as the period over which the payment is to be made.

The Province of Nova Scotia assumed responsibility for the payment of service awards to qualifying employees, but regions in Nova Scotia are required to recognize the projected liability with respect to these service awards. The projected liability is offset by a corresponding receivable from the Province. The amount of the projected liability has been determined by the Nova Scotia Department of Finance, based on an actuarial valuation. The Province of Nova Scotia used Eckler to determine the Teachers' Service Award benefit obligation and used the projected unit credit method, based on service accrued to August 1, 2015 to determine the benefit obligation, since benefits have been curtailed effective August 1, 2015. Key assumptions used in the determination of the benefit obligation included a discount rate of 3.67% (2024 – 3.18%), a retirement age using 50% at Rule 85, remainder at earlier of 35 years of credited service, age 62 with 10 years of credited service and age 65 with 2 years of credited service. The non-teachers' Service Award benefit obligation was determined by Eckler.

Between 2017 and 2020, eligible employees (teachers and non-teaching employees) were provided with an opportunity to elect for an early service payout in lieu of their service award. This one-time election for each group of employees has ended and all elected amounts have been paid out as of March 31, 2021. The election uptake was 91% for teachers and 63% for non-teachers. The amount included for Teachers' Service Awards is $4,021,681 (2023 - $4,141,082) and the amount included for Non-teachers' Service Awards is $93,112 (2023 - $95,307).

4. Long-term teachers' and non-teachers' sick leave accrual:

Qualifying employees are entitled to a prescribed number of sick leave days for use over their employment term. The Province of Nova Scotia has prepared an estimate of the non-vesting accumulated sick leave accrual for the teaching and non-teaching staff of all Regional Centres for Education in the Province and has assumed responsibility for the funding of this liability. As a result the Regional Centres for Education are not responsible for the future funding of this liability.

The Regional Centres for Education in Nova Scotia are required to recognize in their respective financial statements the liability and the offsetting recovery from the Province of Nova Scotia and the yearly changes in the accumulated sick leave accrual related to the teaching and non-teaching staff. The Teachers' Sick Leave benefit obligation is calculated by Eckler on behalf of the Province of Nova Scotia. In determining the benefit obligation the projected unit credit method was used to allocate the expected benefit accrued for the period earned. Key assumptions used in the determination of the benefit obligation included a discount rate of 3.67% (2023 –3.18%), and sick leave utilization based on an analysis of historical sick leave usage from 2018-2019 through 2020/21 and 2021-2022 through 2023-2024 determined by gender and age group ranging from annual usage of 7.9 days to 32.2 days. Non-teachers' Sick Leave benefit obligation was calculated by Eckler.

The amount included for Teachers' Sick Leave Accrual is $56,029,637 (2024 - $57,073,878) and the amount included for Non-teachers' Sick Leave Accrual is $6,535,422 (2024 - $5,719,709).

5. Tangible capital assets:

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Buildings	$ 6,441,786	$ 3,613,644	$ 2,828,142	$ 2,976,991
Furniture and equipment	1,411,030	1,404,332	6,698	9,569
Vehicles	1,820,481	1,480,950	339,531	522,356
Computer hardware	178,355	178,355	–	–
Leasehold improvements	2,646,025	2,646,004	21	176,421
	$ 12,497,677	$ 9,323,285	$ 3,174,392	$ 3,685,337

6. Commitments:

(a) HRCE has entered into equipment and building space leases expiring over various periods ending March 30, 2030. Operating costs within the leases are also payable, adjusting annually as operating costs fluctuate. The operating costs are not reflected here. The committed amounts payable over the next five years are:

	Buildings	Equipment	Total
2025-2026	$ 1,711,553	$ 433,848	$ 2,145,401
2026-2027	1,707,933	433,848	2,141,781
2027-2028	1,367,270	432,142	1,798,412
2028-2029	1,017,342	346,146	1,363,488
2029-2030	941,200	83,188	1,024,388

(b) HRCE has contracted for the provision of transportation services until June 30, 2030. The approximate annualized cost of these contracts over the next five years is as follows:

2025-2026	$ 30,932,099
2026-2027	33,756,831
2027-2028	19,951,968
2028-2029	14,200,822
2029-2030	14,590,302

The actual contract price will fluctuate based on various provisions in the agreement including school bus utilization and fuel prices.

(c) HRCE has entered into service contracts for a variety of operational services such as sprinkler system inspections, mail and courier service, snow and ice removal, after hours security, and audit services. These service contracts generally run for three years with two one year options to renew. The committed amounts payable over the next four years are:

2025-2026	$ 1,701,508
2026-2027	382,315
2027-2028	110,269
2028-2029	115,783

6. **Commitments (continued):**

(d) HRCE issued 113 term teaching contracts to new Bachelor of Education graduates for the 2025-2026 school year.

7. **Contingencies:**

(a) HRCE has recorded actual and estimated expenditures relating to known environmental matters in its properties. The liabilities for such expenditures may fluctuate in future years as a result of changes in estimates. Changes will be recognized in the period the estimate changes. The future liability relating to unknown environmental matters in properties is not determinable at this time.

(b) HRCE is a subscriber to a self-insurance plan with the Nova Scotia School Insurance Exchange with all Regional Centres for Education in Nova Scotia, the Conseil scolaire acadien provincial (CSAP), and the Nova Scotia Community College.

8. **Pension plans:**

(a) Teachers:

HRCE's teachers are members of a pension plan established by the Province of Nova Scotia pursuant to the Teachers' Pension Act. The Teachers' Pension Plan is administered by the Teachers' Pension Plan Trustee Inc. The Province of Nova Scotia and the Nova Scotia Teachers' Union are jointly responsible for funding this plan and accordingly no provision is included in HRCE's financial statements for the related pension amount.

The most recent Teachers' Pension Plan valuation presented a funding deficit of $1,441,690,000 at December 31, 2024. The HRCE is not responsible to fund any portion of this deficit.

Total pension expense for Teaching employees was $46,456,900 (2024 - $44,916,400).

(b) Non-teachers:

HRCE's non-teaching employees participate in a multi-employer pension plan administered by the Halifax Regional Municipality Pension Committee. Employer pension costs of $19,640,373 (2024 - $12,896,200) are included in these consolidated financial statements which represent the cost of employer contributions for current service of participating employees during the year. Employees and the employer both contribute at the rate of 12.21% of pensionable earnings.

The most recent Halifax Regional Municipality Pension valuation presented a funding surplus of $137,645,000 at December 31, 2023.

9. **Bank indebtedness:**

HRCE has an operating line of credit of $6,957,000 available with interest at prime minus 0.75%. As of March 31, 2025, this line of credit had not been utilized.

10. Unallocated transactions:

These consolidated financial statements do not include certain expenditures paid and services provided on behalf of HRCE by the Province of Nova Scotia, including, but not limited to:

- Early Retirement Program payments; and
- Certain IT systems and support.

11. Comparative figures:

Certain 2024 comparative figures have been reclassified to conform with the Financial statement presentation adopted for the current year.

Halifax Regional Centre for Education
General Fund
Statement of Operations
Year ended March 31, 2025, with comparative information for 2024
(Unaudited)

	2025 Budget	2025 Actual	2024 Actual
Revenue			
Province of Nova Scotia	$ 538,153,800	$ 634,259,564	$ 556,077,257
Halifax Regional Municipality	194,252,900	194,256,917	173,833,800
Government of Canada	1,249,200	1,891,695	837,254
Regional Operations	20,466,100	20,652,046	20,420,960
School Lunch Program	-	8,359,382	-
	754,122,000	859,419,604	751,169,271
Expenditures			
Office of Regional Executive Director	1,470,300	2,411,944	2,185,854
Financial Services	3,660,400	4,053,056	3,634,675
Human Resource Services	3,621,400	3,730,540	3,550,474
Programs and Student Services (Elem/Sec)	589,953,800	664,260,586	571,736,984
Operations Services	118,257,800	129,276,894	130,925,622
Other Programs	37,158,300	47,342,269	35,749,650
School Lunch Program	-	8,348,927	-
	754,122,000	859,424,216	747,783,259
Excess of Revenue over Expenditure (Expenditure over Revenue)	$ -	$ (4,612)	$ 3,386,011
Accumulated Surplus, Beginning of Year		$ 6,374,355	$ 2,998,913
Excess of Revenue over Expenditure (Expenditure over Revenue)		(4,612)	3,386,011
Excess (Deficiency) of Revenue Over Expenditure (Supplementary Fund)		(1,410,685)	(10,569)
Accumulated Surplus, End of Year		$ 4,959,058	$ 6,374,355
Designation of Accumulated General Fund Surplus			
General Fund - Unrestricted		$ 2,124,196	$ 3,211,372
General Fund - Capital Amortization		2,834,862	3,162,983
		$ 4,959,058	$ 6,374,355

Halifax Regional Centre for Education
General Fund
Detail of Revenue
Year ended March 31, 2025, with comparative information for 2024
(Unaudited)

	2025 Budget	2025 Actual	2024 Actual
Province of Nova Scotia			
Provincial Funding	503,800,500	600,247,908	525,679,362
Provincial Initiatives and Grants	34,353,300	34,011,656	30,397,895
	$ 538,153,800	$ 634,259,564	$ 556,077,257
Halifax Regional Municipality			
Mandatory Education Funding	194,252,900	194,256,917	173,833,800
	$ 194,252,900	$ 194,256,917	$ 173,833,800
Government of Canada			
French Special Projects	1,140,200	1,767,062	609,386
Other Projects	109,000	124,633	227,868
	$ 1,249,200	$ 1,891,695	$ 837,254
Regional Operations			
EXCEL - Before & After School Program	12,347,300	10,988,770	10,968,448
Investment Income	200,000	1,079,996	1,122,954
Miscellaneous	2,502,200	3,001,487	3,130,624
International Services	4,887,100	4,834,365	4,581,951
Facilities Rental	529,500	747,429	616,982
	$ 20,466,100	$ 20,652,046	$ 20,420,960
School Lunch Program			
School Lunch Program	-	8,359,382	-
	$ -	$ 8,359,382	$ -
Total Revenue	$ 754,122,000	$ 859,419,604	$ 751,169,271

Halifax Regional Centre for Education
General Fund
Detail of Expenditure
Year ended March 31, 2025, with comparative information for 2024
(Unaudited)

	2025 Budget	2025 Actual	2024 Actual
Office of Regional Executive Director			
Salaries	$ 943,100	$ 1,001,749	$ 976,927
Benefits	192,200	220,421	203,746
Professional Services	250,000	1,053,689	930,081
Supplies and Materials	69,000	89,150	65,749
Other Non Salary Expenditures	16,000	46,935	9,351
Total Office of Regional Executive Director	$ 1,470,300	$ 2,411,944	$ 2,185,854
Financial Services			
Administration			
Salaries	2,102,700	2,357,249	2,083,800
Benefits	571,100	606,519	541,985
Liability Insurance	804,800	927,567	833,277
Supplies and Materials	128,200	101,046	119,938
Professional Services	43,600	44,644	44,220
Service Fees	5,000	14,656	10,300
Travel	5,000	1,373	1,154
Total Financial Services	$ 3,660,400	$ 4,053,056	$ 3,634,675
Human Resource Services			
Administration			
Salaries	2,612,100	2,774,316	2,590,067
Benefits	653,800	707,566	666,631
Supplies and Materials	193,600	162,643	192,502
Staff Development	132,800	115,881	118,334
Travel	5,000	2,873	1,715
Pension Top-ups	24,100	(32,739)	(18,775)
Total Human Resource Services	$ 3,621,400	$ 3,730,540	$ 3,550,474

Halifax Regional Centre for Education
General Fund
Detail of Expenditure
Year ended March 31, 2025, with comparative information for 2024
(Unaudited)

	2025 Budget	2025 Actual	2024 Actual
Programs and Student Services (Elem/Sec)			
Salaries - School Based Teachers			
Classroom	237,838,800	274,780,132	232,145,079
Resource and Learning Centre	41,069,400	44,529,829	39,651,101
Student Support	23,424,900	26,147,688	22,084,002
School Counsellors	12,837,800	14,221,968	12,320,919
Principals and Vice Principals	32,430,700	35,036,372	31,880,309
Substitutes	12,000,000	22,419,851	16,457,022
	$ 359,601,600	$ 417,135,840	$ 354,538,432
Salaries - School Based Non-Teachers			
Educational Program Assistants	41,291,500	43,502,897	37,851,869
Educational Program Assistants	-	87	-
School Administrative Assistants	7,131,600	7,926,442	7,311,084
Student Support	4,364,600	4,181,481	3,425,833
Student Supervision	2,436,800	2,412,035	2,238,343
	$ 55,224,500	$ 58,022,942	$ 50,827,130
Salaries - Regional Support Teachers			
Student Services	12,723,900	13,616,525	11,849,201
Regional Administration	7,472,900	7,516,748	7,090,952
	$ 20,196,800	$ 21,133,273	$ 18,940,153
Salaries - Regional Support Non-Teachers			
Regional Administration	650,300	495,413	526,070
Student Services Supports	521,100	363,007	327,765
Schools Plus	7,717,300	7,285,089	6,359,002
	$ 8,888,700	$ 8,143,510	$ 7,212,837
Benefits			
Statutory	30,703,600	33,735,021	29,043,121
Medical/Dental/Salary Continuation	30,141,600	35,828,819	31,852,484
Service Awards/Future Benefit Expense	-	(112,250)	(95,873)
Sick Leave	-	(2,131,343)	(2,153,867)
Pension/Other Expense	53,156,200	60,596,146	52,578,947
	$ 114,001,400	$ 127,916,393	$ 111,224,812

Halifax Regional Centre for Education
General Fund
Detail of Expenditure
Year ended March 31, 2025, with comparative information for 2024
(Unaudited)

	2025 Budget	2025 Actual	2024 Actual
Program Resources			
Classroom Supplies and Equipment	$ 6,551,700	$ 6,603,378	$ 6,542,074
School Technology	726,500	378,343	440,457
Data Lines	445,800	515,037	530,777
Circuit/Resource Travel	241,500	383,340	347,314
Textbook Credit Allocation	3,042,500	3,042,500	3,005,300
Other Non Salary Expenditures	1,752,300	928,648	862,474
Provincial Program Initiatives and Projects	6,806,700	7,099,019	6,724,959
	$ 19,567,000	$ 18,950,265	$ 18,453,354
Student Services Resources			
Supplies and Materials	433,100	190,947	189,567
Provincial Initiatives	2,303,900	1,910,799	1,464,167
Travel	142,000	134,229	139,543
Contracted Services	1,450,700	1,381,314	1,576,473
	$ 4,329,700	$ 3,617,288	$ 3,369,750
Professional Development	4,328,300	5,144,583	3,171,883
International Services	3,435,300	3,887,830	3,691,012
Adult and Community Education			
Summer School	15,000	50,680	(5,074)
Nova Scotia Student Adult Learning	365,500	257,982	312,697
	$ 380,500	$ 308,662	$ 307,623
Total Programs and Student Services (Elem/Sec)	589,953,800	664,260,586	571,736,984
Operations Services			
Administration			
Salaries	2,287,700	2,449,899	2,173,982
Benefits	613,400	623,618	571,428
Travel	40,000	71,599	56,611
Other Non Salary Expenditures	51,000	76,910	42,965
	$ 2,992,100	$ 3,222,026	$ 2,844,985

Halifax Regional Centre for Education
General Fund
Detail of Expenditure
Year ended March 31, 2025, with comparative information for 2024
(Unaudited)

	2025 Budget	2025 Actual	2024 Actual
Custodial Services			
Salaries	17,653,000	18,751,760	19,265,707
Benefits	5,916,900	6,187,246	6,179,570
Supplies and Equipment	1,002,400	1,739,065	1,831,361
Building Rental Expense	2,950,300	3,131,528	3,102,135
Contracted Services	1,896,200	2,353,336	2,519,494
	$ 29,418,800	$ 32,162,935	$ 32,898,267
Maintenance Services			
Salaries	2,517,900	2,439,652	2,425,440
Benefits	845,200	859,169	826,520
Supplies and Equipment	6,651,900	13,896,649	10,047,351
TCA Expense (Vehicle)	181,400	182,825	295,026
Vehicle Operating Expense	425,000	500,214	357,533
	$ 10,621,400	$ 17,878,508	$ 13,951,870
Plant Operations			
Insurance	2,776,500	3,916,996	2,823,983
Electricity	6,155,500	7,623,678	7,232,908
Heating Fuel	11,133,800	8,809,310	9,972,752
Water/Sewer	1,225,700	1,491,922	1,440,483
Municipal Levys		60,348	379,823
Other		(252,138)	
	$ 21,291,500	$ 21,650,116	$ 21,849,948
Capital Projects	1,345,200	3,035,042	4,445,605
Student Transportation			
Salaries and Benefits and Operating Costs	1,337,500	1,264,826	1,148,980
Service Contracts	41,495,500	41,804,734	39,461,203
	$ 42,833,000	$ 43,069,560	$ 40,610,183
Technology Services			
Salaries	2,997,700	3,374,436	3,020,027
Benefits	811,100	890,351	801,972
Technology Refresh	2,658,800	-	-
Supplies and Equipment	1,287,700	1,396,280	8,368,199

Halifax Regional Centre for Education
General Fund
Detail of Expenditure
Year ended March 31, 2025, with comparative information for 2024
(Unaudited)

	2025 Budget	2025 Actual	2024 Actual
Technology Insurance	61,700	88,314	53,420
Technology Services: Travel	55,000	356,097	81,185
Technology Services: Service Contracts	1,277,100	1,153,586	1,345,875
Technology Services: Telephone/Fax/Data	105,300	67,161	94,809
	$ 9,254,400	$ 7,326,225	$ 13,765,487
Facilities Rental	501,400	932,481	559,276
Total Operations Services	**118,257,800**	**129,276,894**	**130,925,622**
Other Programs			
Excel - Before and After School			
Excel - Before and After School: Salaries	10,973,800	10,877,496	10,398,141
Excel - Before and After School: Benefits	1,453,100	1,533,264	1,413,964
Excel - Before and After School: Other	681,400	543,352	614,264
	$ 13,108,300	$ 12,954,112	$ 12,426,368
Pre-Primary Program			
Pre-Primary Program: Salaries	16,584,800	27,041,692	17,354,402
Pre-Primary Program: Benefits	4,925,100	5,734,238	4,807,831
Pre-Primary Program: Other	2,540,100	1,612,227	1,161,049
	$ 24,050,000	$ 34,388,156	$ 23,323,282
Total Other Programs	**37,158,300**	**47,342,269**	**35,749,650**
School Lunch Program	-	8,348,927	-
Total Expenditures	**$ 754,122,000**	**$ 859,424,216**	**$ 747,783,259**

Halifax Regional Centre for Education
Supplementary Fund
Statement of Operations and Surplus
Year ended March 31, 2025, with comparative information for 2024
(Unaudited)

	2025 Budget	2025 Actual	2024 Actual
Revenue			
Halifax Regional Municipality	$ (13,572,900)	$ (13,584,900)	$ (13,590,790)
Expenditure	13,572,900	14,995,585	13,601,360
Excess (Deficiency) of Revenue Over Expenditure	$ -	$ 1,410,685	$ 10,570
Surplus (Deficit) Beginning of Year		$ -	$ -
Excess (Deficiency) of Revenue Over Expenditure		$ 1,410,685	$ 10,570
Surplus (Deficit) End of Year		$ (1,410,685)	$ (10,570)

Halifax Regional Centre for Education
Supplementary Fund
Detail of Revenue and Expenditure
Year ended March 31, 2025, with comparative information for 2024
(Unaudited)

	2025 Budget	2025 Actual	2024 Actual
Revenue			
Supplementary Funding	$ 13,572,900	$ 13,584,900	$ 13,590,790
Expenditure			
Music and Arts			
School Based Music and Art	1,525,900	1,562,595	1,489,588
Family of Schools Fine Arts Specialists	1,804,600	2,008,154	1,726,111
Regional Fine Arts Specialists	674,400	717,960	695,343
Regional Music	1,820,200	2,065,806	1,809,125
Halifax Regional Arts Leadership	637,700	516,106	525,782
Halifax Regional Arts Support	159,600	180,285	161,398
Statutory	663,900	423,623	386,438
Medical/Dental/Salary Continuation	281,700	72,533	65,567
Pension	322,400	19,580	16,041
Subsitutues	207,100	207,002	207,198
Program Support	1,284,000	1,233,094	1,192,879
	$ 9,381,500	$ 9,006,737	$ 8,275,470
Other Enhancements			
Library Support Specialists	2,505,700	3,152,211	2,821,848
Social Workers	1,536,000	1,718,144	1,524,071
Educational Program Assistants	-	-	-
Statutory	109,700	483,715	423,525
Medical/Dental/Salary Continuation	-	239,557	196,796
Pension	-	367,927	336,162
Program Support	40,000	27,288	23,488
	$ 4,191,400	$ 5,988,842	$ 5,325,890
Benefits			
Statutory	-	5	-
Total Expenditures	$ 13,572,900	$ 14,995,584	$ 13,601,360

Halifax Regional Centre for Education
School Based Funds
Statement of Operations and Surplus
Year ended March 31, 2025, with comparative information for 2024
(Unaudited)

	2025 Budget	2025 Actual	2024 Actual
Revenue			
School Generated Funds	$ 8,400,000	$ 9,701,173	$ 9,187,008
Expenditure			
School Funded Activities	8,400,000	9,570,844	9,063,507
Excess of Revenue Over Expenditure (Expenditure Over Revenue)	$ -	$ 130,330	$ 123,502
Consolidated Surplus, Beginning of Year		3,261,153	3,137,652
Excess of Revenue Over Expenditure (Expenditure Over Revenue)		130,330	123,502
Consolidated Surplus, End of Year		$ 3,391,483	$ 3,261,154

Halifax Regional Centre for Education
Supplementary Details of Tangible Capital Assets
Year Ended March 31, 2025
(Unaudited)

	Buildings	Leasehold Improvements	Vehicles	Furniture & Equipment	Computer Hardware	Total
Cost of Tangible Assets						
Opening Costs	$ 6,441,786	$ 2,646,025	$ 1,890,889	$ 1,411,030	$ 178,355	$ 12,568,085
Additions	-	-	-	-	-	-
Disposals	-	-	(70,407)	-	-	(70,407)
Closing Costs	$ 6,441,786	$ 2,646,025	$ 1,820,482	$ 1,411,030	$ 178,355	$ 12,497,678
Accumulated Amortization						
Opening Balance	$ 3,464,794	$ 2,469,604	$ 1,368,533	$ 1,401,461	$ 178,355	$ 8,882,747
Disposals	-	-	(70,407)	-	-	(70,407)
Amortization Expense	148,850	176,400	182,825	2,871	-	510,945
Closing Balance	$ 3,613,644	$ 2,646,004	$ 1,480,951	$ 1,404,332	$ 178,355	$ 9,323,286
Net Book Value	$ 2,828,142	$ 21	$ 339,531	$ 6,698	$ -	$ 3,174,393
Net Book Value, Beginning of Year	$ 2,976,992	$ 176,421	$ 522,356	$ 9,569	$ -	$ 3,685,338
Net Book Value, End of Year	$ 2,828,142	$ 21	$ 339,531	$ 6,698	$ -	$ 3,174,393
Increase (Decrease) in NBV	$ (148,850)	$ (176,400)	$ (182,825)	$ (2,871)	$ -	$ (510,945)

Halifax Regional Centre for Education
Schedule of Trust Funds
Year Ended March 31, 2025
(Unaudited)

	Cash	Equity Fund	Balance Beg of Year	Donations	Interest Earned	Awards Paid	Balance End of Year
Abbie J Lane	9,768	9,768	10,260	-	508	1,000	9,768
Adam Cashen Memorial	13	13	12	-	1	-	13
Air India Scholarship Fund	6,736	6,736	6,419	-	317	-	6,736
Almar H Shatford	19,100	19,100	18,392	-	907	200	19,100
Anne Martell Memorial Scholarship	58,618	58,618	692	93,484	1,669	37,227	58,618
Annie Coombs	34,767	34,767	33,611	-	1,657	500	34,767
Annie M Piercey	6,442	6,442	6,138	-	304	-	6,442
Avery & Irene Jackson	12,383	12,383	12,185	-	598	400	12,383
Brian Earle Wagner Memorial	10,000	10,000	-	10,000	-	-	10,000
Chalmers Doane Scholarship	23,993	23,993	-	23,993	-	-	23,993
Christopher Maxwell	838	838	799	-	40	-	838
Citadel High Scholarship Fund (refer to as "J	57,284	57,284	55,307	-	2,727	750	57,284
Cole Harbour High Arts Award	5,050	5,050	4,812	-	238	-	5,050
Dartmouth High Reunion	-	-	426	-	21	447	-
Dennis Tulley Memorial Bursary	445	445	424	-	21	-	445
Doane Hatfield	811	811	773	-	38	-	811
Donald Keith	7,608	7,608	7,732	-	377	500	7,608
Dugger & Marion McNeil	22,876	22,876	23,726	-	1,150	2,000	22,876
Edith Cavell Prize	1,765	1,765	1,682	-	83	-	1,765
Frank Balcom	50,232	50,232	47,864	-	2,368	-	50,232
George Perrin	12,520	12,520	11,930	-	590	-	12,520
Harold T Barrett	12,547	12,547	11,955	-	591	-	12,547
Irwin & Marie Miller Scholarship	17,040	17,040	16,522	-	817	300	17,040
James R Pineo	121,654	121,654	116,402	-	5,752	500	121,654
John Travers Cornwell	6,760	6,760	7,405	-	355	1,000	6,760
Josephine Godin-LePage	7,006	7,006	6,675	-	330	-	7,006
Karen Oxley Kennedy Scholarship	23,993	23,993	-	23,993	-	-	23,993
Kaye Dimock Pottie Scholarship	23,993	23,993	-	23,993	-	-	23,993
Lahey Bursary	304	304	289	-	14	-	304

Halifax Regional Centre for Education
Schedule of Trust Funds
Year Ended March 31, 2025
(Unaudited)

	Cash	Equity Fund	Balance Beg of Year	Donations	Interest Earned	Awards Paid	Balance End of Year
Maisie McMahon Bursary	159,008	159,008	152,478	-	7,531	1,000	159,008
Mengie Shulman	2,113	2,113	2,014	-	100	-	2,113
PAWEECA Scholarship	3,213	3,213	3,062	-	151	-	3,213
Peter O'Hearn Scholarship in Science & En	37	37	228	-	9	200	37
REA Burns Scholarship	3	3	3	-	0	-	3
Stan Carew	24,471	24,471	25,215	32	1,224	2,000	24,471
Surjit Verma Scholarship Fund	11,220	11,220	11,173	-	547	500	11,220
Petropolis	-	-	-	-	-	1,500	-
	754,610	**754,610**	**596,604**	**175,496**	**31,035**	**50,024**	**754,610**