

HALIFAX REGIONAL SCHOOL BOARD

Consolidated Financial Statements – March 31, 2015

PURPOSE: To present for Audit Committee and Board approval, the consolidated financial statements of the Halifax Regional School Board as at and for the fiscal year ended March 31, 2015.

BACKGROUND: Sections 83 and 84 of the Education Act require school boards to prepare financial statements each fiscal year and for the Board's external auditor (currently KPMG) to present audited financial statements, and their report thereon, to the Board within 3 months of the end of the fiscal year. The audit has now been completed as at and for the fiscal year ended March 31, 2015.

The Board is also required to prepare an Annual Report of Salaries and Expenses which is audited by the external auditor.

CONTENT: The consolidated financial statements present the results of operations for the fiscal year 2014-2015 and the Board's financial position as at March 31, 2015. The statements present results for both the General Fund and Supplementary Fund.

School Boards in Nova Scotia prepare financial statements in accordance with Canadian accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

The financial statements for the 2014-2015 fiscal year are presented using these accounting standards. There have been no changes in accounting practice that have impacted our financial statements in 2014-2015.

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In summary, the consolidated financial position of the HRSB is:

	March 31/15	March 31/14
Financial Assets	\$153,032,828	\$145,146,852
Non-Financial Assets	8,823,926	9,286,374
	<u>161,856,754</u>	<u>154,433,226</u>
Liabilities	145,881,817	138,171,442
Consolidated Accumulated Surplus	<u>\$15,974,937</u>	<u>\$16,261,784</u>

The summarized results of operations for the 2014-2015 fiscal year are:

GENERAL FUND	Budget 2014-2015	Actual 2014-2015	Actual 2013-2014
Revenue			
Province of Nova Scotia	\$297,635,900	\$304,718,605	\$289,535,064
Halifax Regional Municipality	119,856,200	119,856,200	113,875,200
Government of Canada	3,032,000	2,605,856	2,715,330
Board Operations	13,071,500	13,987,633	12,899,309
	<u>\$433,595,600</u>	<u>\$441,168,294</u>	<u>\$419,024,903</u>
Expenditure			
School Administration	\$323,129,800	\$331,273,654	\$315,085,685
Program	20,307,800	19,167,219	17,690,254
Board Services	1,657,000	1,567,345	1,516,774
Operations Services	73,307,900	75,217,352	71,392,693
Financial Services	10,820,100	10,302,628	9,615,366
Human Resource Services	4,373,000	4,167,773	4,176,572
	<u>\$433,595,600</u>	<u>\$441,695,971</u>	<u>\$419,477,344</u>
Excess (Deficiency) of Revenue over Expenditure	<u>-</u>	<u>(\$527,677)</u>	<u>(\$452,441)</u>

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SUPPLEMENTARY FUND	Budget 2014-2015	Actual 2014-2015	Actual 2013-2014
Revenue			
Halifax Regional Municipality	\$16,501,200	\$16,559,300	\$17,011,100
Expenditure			
Classroom Teachers	\$6,894,700	\$6,823,067	\$6,906,023
Special Education	3,889,300	3,949,644	3,958,151
Library and Guidance	2,517,100	2,520,343	3,018,167
Curriculum Leadership	401,700	409,927	395,453
Other Staff	549,000	524,471	514,591
Benefits	1,803,300	1,869,864	1,843,117
Substitutes	353,100	356,919	275,263
Program Support	93,000	105,065	100,335
	<u>\$16,501,200</u>	<u>\$16,559,300</u>	<u>\$17,011,100</u>
Excess (Deficiency) of revenue over expenditure	-	-	-
Surplus (Deficit) beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Surplus (Deficit) end of year	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

SCHOOL BASED FUNDS	Actual 2014-2015	Actual 2013-2014
Revenue		
School generated funds	\$16,436,510	\$16,050,531
Expenditure		
School funded activities	<u>16,195,680</u>	<u>15,410,111</u>
Excess (deficiency) of revenue over expenditure	<u>\$240,830</u>	<u>\$640,420</u>
Surplus beginning of year	\$6,046,838	\$5,406,418
Excess (deficiency) of revenue over expenditure	<u>240,830</u>	<u>640,420</u>
Surplus end of year	<u><u>\$6,287,668</u></u>	<u><u>\$6,046,838</u></u>

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The continuity of the various components of accumulated surplus is as follows:

	General Fund Unrestricted	General Fund Program Resources (Schools)	General Fund Capital Amortization	School Based Funds	General Fund Citadel Theatre Amortization	TOTAL
Opening Balance, March 31, 2014	\$2,187,873	\$440,823	\$5,460,874	\$6,046,838	\$2,125,376	\$16,261,784
Excess (deficiency) of revenue over expenditure	(527,677)			240,830		(286,847)
Use of Program Resources	15,450	(15,450)				
Amortization of Tangible Capital Assets	543,387		(402,548)		(140,839)	
Ending Balance, March 31, 2015	\$2,219,033	\$425,373	\$5,058,326	\$6,287,668	\$1,984,537	\$15,974,937

Annual Report of Salaries and Expenses

Section 65 of the Education Act requires school boards to publish an Annual Report of Salaries and Expenses. This report is required to be audited by the Board's external auditors.

This report has been audited by KPMG and is presented to the Audit Committee and Board for information.

COST: N/A

FUNDING: N/A

TIMELINE: The financial statements are required to be submitted to the Minister of Education and Early Childhood Development within 90 days of year-end. Therefore, approval by the Board is required by June 30, 2015.

APPENDICES: The financial statements will be presented by Board staff and KPMG to the Audit Committee.

- RECOMMENDATIONS:**
- 1. The Board approve the designation of \$5,058,326 from the General Fund Accumulated Surplus as at March 31, 2015 as General Fund – Capital Amortization to offset future amortization charges for building capital improvements.**
 - 2. The Board approve the designation of \$425,373 from the General Fund Accumulated Surplus as at March 31, 2015 as General Fund - Program Resources (Schools) to facilitate the on-going management of school instructional supplies and materials budget carry-forwards.**
 - 3. The Board approve the designation of \$1,984,537 from the General Fund Accumulated Surplus as at March 31, 2015 as General Fund – Citadel Theatre Amortization to offset future amortization charges for this asset.**

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- 4. The Board accept and approve the consolidated financial statements of the Halifax Regional School Board for the fiscal year ended March 31, 2015.**
- 5. The Board accept and approve the audited Annual Report of Salaries and Expenses for the fiscal year ended March 31, 2015.**

COMMUNICATIONS:

From: Terri Thompson, Director of Financial Services, at 464-2000 Ext 2241 or e-mail at tthompson@hrsb.ca; or Kathryn Burlton, Manager of Accounting and Purchasing, at 464-2000 Ext 2843 or e-mail at kburlton@hrsb.ca.

To: Senior Staff – June 9, 2015
Audit Committee – June 17, 2015
Board – June 17, 2015

Filename: ktucker/Consolidated Financial Statements – March 31, 2015 - 20 15-06-14
Date last revised: June 10, 2017