

## **HALIFAX REGIONAL SCHOOL BOARD**

### **Consolidated Financial Statements – March 31, 2016**

**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, 2016.

**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, 2016.

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 2015-2016 and the Board's financial position as at March 31, 2016. 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 2015-2016 fiscal year are presented using these accounting standards. There have been no changes in accounting practice that have impacted our financial statements in 2015-2016.

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

	<b>March 31/16</b>	<b>March 31/15</b>
Financial Assets	\$164,457,985	\$153,910,824
Non-Financial Assets	8,468,032	8,823,926
	<u>172,926,017</u>	<u>162,734,750</u>
Liabilities	157,144,980	146,759,813
<b>Consolidated Accumulated Surplus</b>	<b><u>\$15,781,037</u></b>	<b><u>\$15,974,937</u></b>

The summarized results of operations for the 2015-2016 fiscal year are:

<b>GENERAL FUND</b>	<b>Budget 2015-2016</b>	<b>Actual 2015-2016</b>	<b>Actual 2014-2015</b>
<b>Revenue</b>			
Province of Nova Scotia	\$300,392,500	\$315,351,380	\$305,871,243
Halifax Regional Municipality	125,835,800	125,835,800	119,856,200
Government of Canada	2,389,100	2,594,656	2,605,856
Board Operations	<u>14,075,500</u>	<u>13,750,949</u>	<u>13,712,991</u>
	\$442,692,900	\$457,532,785	\$442,046,290
<b>Expenditure</b>			
Board Governance	\$ 301,200	\$ 259,080	\$ 266,955
Office of the Superintendent	1,486,600	1,590,399	1,300,390
Financial Services	2,616,900	2,548,223	2,392,499
Human Resource Services	4,557,100	4,296,758	4,167,773
School Administration	333,603,100	348,731,895	331,903,039
Program	20,545,100	19,655,276	19,415,830
Operations Services	71,109,600	71,988,469	75,217,352
Other Programs	<u>8,473,300</u>	<u>8,248,275</u>	<u>7,910,129</u>
	\$442,692,900	\$457,318,375	\$442,573,967
<b>Excess of Revenue over Expenditure/(Expenditure over Revenue)</b>	<u>-</u>	<u>\$214,410</u>	<u>(\$527,677)</u>

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<b>SUPPLEMENTARY FUND</b>	<b>Budget 2015-2016</b>	<b>Actual 2015-2016</b>	<b>Actual 2014-2015</b>
<b>Revenue</b>			
Halifax Regional Municipality	\$16,087,000	\$16,094,400	\$16,559,300
<b>Expenditure</b>			
Classroom Teachers	\$6,684,400	\$6,659,035	\$6,823,067
Special Education	3,933,700	3,914,126	3,949,644
Library and Guidance	2,216,300	2,286,594	2,520,343
Curriculum Leadership	410,800	411,873	409,927
Other Staff	568,100	537,240	524,471
Benefits	1,842,300	1,815,229	1,869,864
Substitutes	338,400	338,400	356,919
Program Support	93,000	101,903	105,065
	<u>\$16,087,000</u>	<u>\$16,094,400</u>	<u>\$16,559,300</u>
Excess of Revenue over Expenditure/(Expenditure over Revenue)	-	-	-
Surplus (Deficit) beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
<b>Surplus (Deficit) end of year</b>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

<b>SCHOOL BASED FUNDS</b>	<b>Actual 2015-2016</b>	<b>Actual 2014-2015</b>
<b>Revenue</b>		
School generated funds	\$16,284,869	\$16,436,510
<b>Expenditure</b>		
School funded activities	<u>16,693,179</u>	<u>16,195,680</u>
Excess of Revenue over Expenditure/(Expenditure over Revenue)	<u>(\$408,310)</u>	<u>\$240,830</u>
Surplus beginning of year	\$6,287,668	\$6,046,838
Excess of Revenue over Expenditure/(Expenditure over Revenue)	<u>(408,310)</u>	<u>240,830</u>
<b>Surplus end of year</b>	<u><u>\$5,879,358</u></u>	<u><u>\$6,287,668</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
<b>Opening Balance, March 31, 2015</b>	<b>\$2,219,033</b>	<b>\$425,373</b>	<b>\$5,058,326</b>	<b>\$6,287,668</b>	<b>\$1,984,537</b>	<b>\$15,974,937</b>
Excess of revenue over expenditure (Expenditure over revenue)	214,410			(408,310)		(193,900)
Use of Program Resources	398,133	(398,133)				
Amortization of Tangible Capital Assets	499,632		(376,204)		(123,428)	
<b>Ending Balance, March 31, 2016</b>	<b>\$3,331,208</b>	<b>\$27,240</b>	<b>\$4,682,122</b>	<b>\$5,879,358</b>	<b>\$1,861,109</b>	<b>\$15,781,037</b>

**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 approval.

**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, 2016.

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

- RECOMMENDATIONS:**
- 1. The Board approve the designation of \$4,682,122 from the General Fund Accumulated Surplus as at March 31, 2016 as General Fund – Capital Amortization to offset future amortization charges for building capital improvements.**
  - 2. The Board approve the designation of \$27,240 from the General Fund Accumulated Surplus as at March 31, 2016 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 \$1,861,109 from the General Fund Accumulated Surplus as at March 31, 2016 as General Fund – Citadel Theatre Amortization to offset future amortization charges for this asset.**

- 4. The Board accept and approve the consolidated financial statements of the Halifax Regional School Board for the fiscal year ended March 31, 2016.**
- 5. The Board accept and approve the audited Annual Report of Salaries and Expenses for the fiscal year ended March 31, 2016.**

**COMMUNICATIONS:**

**From:** Terri Thompson, Director of Financial Services, at 464-2000 Ext 2241 or e-mail at [tthompson@hrsb.ca](mailto:tthompson@hrsb.ca).

**To:** Audit Committee – June 15, 2016  
Board – June 22, 2016