

Halifax Regional School Board
Consolidated Financial Statements – March 31, 2017

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, 2017.

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, 2017.

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 2016-2017 and the Board's financial position as at March 31, 2017. The statements present results for both the General Fund and Supplementary Fund, as well as a summary for School Based Funds.

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 2016-2017 fiscal year are presented using these accounting standards. There have been no changes in accounting practice that have impacted our financial statements in 2016-2017.

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

	March 31/17	March 31/16
Financial Assets	\$168,486,894	\$164,457,985
Non-Financial Assets	<u>8,092,697</u>	<u>8,468,032</u>
	176,579,591	172,926,017
Liabilities	<u>161,068,920</u>	<u>157,144,980</u>
Consolidated Accumulated Surplus	<u><u>\$15,510,670</u></u>	<u><u>\$15,781,037</u></u>

The summarized results of operations for the 2016-2017 fiscal year are:

GENERAL FUND	Budget 2016-2017	Actual 2016-2017	Actual 2015-2016
Revenue			
Province of Nova Scotia	\$302,664,900	\$301,528,579	\$315,351,380
Halifax Regional Municipality	131,935,300	131,935,300	125,835,800
Government of Canada	2,535,500	2,706,449	2,594,656
Board Operations	<u>14,675,300</u>	<u>14,765,088</u>	<u>13,750,949</u>
	\$451,811,000	\$450,935,416	\$457,532,785
Expenditure			
Board Governance	\$ 316,700	\$ 262,928	\$ 259,080
Office of the Superintendent	1,716,100	1,938,654	1,590,399
Financial Services	2,692,500	2,637,819	2,548,223
Human Resource Services	2,567,800	2,577,731	2,425,247
School Administration	341,749,000	341,786,611	348,731,895
Program	24,118,500	21,241,811	21,526,787
Operations Services	69,780,400	70,864,746	71,988,469
Other Programs	<u>8,870,000</u>	<u>8,761,552</u>	<u>8,248,275</u>
	\$451,811,000	\$450,071,852	\$457,318,375
Excess of Revenue over Expenditure/(Expenditure over Revenue)	<u><u>-</u></u>	<u><u>\$863,564</u></u>	<u><u>\$214,410</u></u>

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SUPPLEMENTARY FUND	Budget 2016-2017	Actual 2016-2017	Actual 2015-2016
Revenue			
Halifax Regional Municipality	\$15,548,800	\$15,548,900	\$16,094,400
Expenditure			
Classroom Teachers	\$6,428,700	\$6,356,172	\$6,659,035
Special Education	3,909,300	3,872,558	3,914,126
Library	2,233,200	2,305,508	2,286,594
Curriculum Leadership	150,800	150,909	411,873
Other Staff	549,100	563,623	537,240
Benefits	1,855,800	1,878,759	1,815,229
Substitutes	328,900	328,900	338,400
Program Support	93,000	92,471	101,903
	<u>\$15,548,800</u>	<u>\$15,548,900</u>	<u>\$16,094,400</u>
Excess of Revenue over Expenditure/(Expenditure over Revenue)	-	-	-
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 2016-2017	Actual 2015-2016
Revenue		
School generated funds	\$13,553,836	\$16,284,869
Expenditure		
School funded activities	<u>14,687,767</u>	<u>16,693,179</u>
Excess of Revenue over Expenditure/(Expenditure over Revenue)	<u><u>(\$1,133,931)</u></u>	<u><u>(\$408,310)</u></u>
Surplus beginning of year	\$5,879,358	\$6,287,668
Excess of Revenue over Expenditure/(Expenditure over Revenue)	<u>(1,133,931)</u>	<u>(408,310)</u>
Surplus end of year	<u><u>\$4,745,427</u></u>	<u><u>\$5,879,358</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, 2016	\$3,331,208	\$27,240	\$4,682,122	\$5,879,358	\$1,861,109	\$15,781,037
Excess of revenue over expenditure (Expenditure over revenue)	863,564			(1,133,931)		(270,367)
Use of Program Resources	(96,102)	96,102				
Amortization of Tangible Capital Assets	465,684		(355,688)		(109,996)	
Ending Balance, March 31, 2017	\$4,564,354	\$123,342	\$4,326,434	\$4,745,427	\$1,751,113	\$15,510,670

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.

Funding Details

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, 2017.

Appendices

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

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Recommendations

1. The Governing Board approve the designation of \$4,326,434 from the General Fund Accumulated Surplus as at March 31, 2017 as General Fund – Capital Amortization to offset future amortization charges for building capital improvements.
2. The Governing Board approve the designation of \$123,342 from the General Fund Accumulated Surplus as at March 31, 2017 as General Fund - Program Resources (Schools) to facilitate the on-going management of school instructional supplies and materials budget carry-forwards.
3. The Governing Board approve the designation of \$1,751,113 from the General Fund Accumulated Surplus as at March 31, 2017 as General Fund – Citadel Theatre Amortization to offset future amortization charges for this asset.
4. The Governing Board accept and approve the consolidated financial statements of the Halifax Regional School Board for the fiscal year ended March 31, 2017.
5. The Governing Board accept and approve the audited Annual Report of Salaries and Expenses for the fiscal year ended March 31, 2017.

Communications

AUDIENCE	RESPONSIBLE	TIMELINE
Audit Committee	Director, Financial Services	June 21, 2017
Governing Board	Chair, Audit Committee	June 21, 2017

Contact

For further information please contact:

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