

HALIFAX REGIONAL SCHOOL BOARD

Consolidated Financial Statements – March 31, 2014

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, 2014.

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, 2014.

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 2013-2014 and the Board's financial position as at March 31, 2014. 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 2013-2014 fiscal year are presented using these accounting standards. There have been no changes in accounting practice that have impacted our financial statements in 2013-2014.

HALIFAX REGIONAL SCHOOL BOARD
Consolidated Financial Statements – March 31, 2014 - Report 14-06-1479

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

	March 31/14	March 31/13
Financial Assets	\$145,146,852	\$132,889,417
Non-Financial Assets	9,286,374	9,993,686
	<u>154,433,226</u>	<u>142,883,103</u>
Liabilities	138,171,442	126,809,298
Consolidated Accumulated Surplus	<u>\$16,261,784</u>	<u>\$16,073,805</u>

The summarized results of operations for the 2013-2014 fiscal year are:

GENERAL FUND	Budget 2013-2014	Actual 2013-2014	Actual 2012-2013
Revenue			
Province of Nova Scotia	\$281,699,700	\$289,493,911	\$284,699,589
Halifax Regional Municipality	113,875,200	113,875,200	106,256,000
Government of Canada	2,545,600	2,715,330	2,683,409
Board Operations	<u>12,096,800</u>	<u>12,940,462</u>	<u>12,631,590</u>
	\$410,217,300	\$419,024,903	\$406,270,588
Expenditure			
School Administration	\$305,013,000	\$315,085,685	\$304,662,939
Program	18,673,600	17,690,254	16,916,784
Board Services	1,632,700	1,516,774	1,753,321
Operations Services	70,797,300	71,392,693	69,462,475
Financial Services	9,773,800	9,615,366	8,982,534
Human Resource Services	<u>4,326,900</u>	<u>4,176,572</u>	<u>4,187,164</u>
	\$410,217,300	\$419,477,344	\$405,965,216
Excess (Deficiency) of Revenue over Expenditure	<u>-</u>	<u>(\$452,441)</u>	<u>\$305,372</u>

HALIFAX REGIONAL SCHOOL BOARD
Consolidated Financial Statements – March 31, 2014 - Report 14-06-1479

SUPPLEMENTARY FUND	Budget 2013-2014	Actual 2013-2014	Actual 2012-2013
Revenue			
Halifax Regional Municipality	\$17,059,700	\$17,011,100	\$17,534,326
Expenditure			
Classroom Teachers	\$7,056,800	\$6,906,023	\$7,391,665
Special Education	3,965,400	3,958,151	4,384,892
Library and Guidance	2,922,000	3,018,167	2,929,358
Curriculum Leadership	411,000	395,453	402,564
Other Staff	490,500	514,591	466,132
Benefits	1,742,200	1,843,117	1,761,345
Substitutes	378,800	275,263	96,717
Program Support	93,000	100,335	101,653
	<u>\$17,059,700</u>	<u>\$17,011,100</u>	<u>\$17,534,326</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 2013-2014	Actual 2012-2013
Revenue		
School generated funds	\$16,050,531	\$16,253,543
Expenditure		
School funded activities	<u>15,410,111</u>	<u>15,721,742</u>
Excess (deficiency) of revenue over expenditure	<u>\$640,420</u>	<u>\$531,801</u>
Surplus beginning of year	\$5,406,418	\$4,874,617
Excess (deficiency) of revenue over expenditure	<u>640,420</u>	<u>531,801</u>
Surplus end of year	<u><u>\$6,046,838</u></u>	<u><u>\$5,406,418</u></u>

HALIFAX REGIONAL SCHOOL BOARD
Consolidated Financial Statements – March 31, 2014 - Report 14-06-1479

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, 2013	\$2,156,559	\$323,663	\$5,897,940	\$5,406,418	\$2,289,225	\$16,073,805
Excess (deficiency) of revenue over expenditure	(452,441)			640,420		187,979
Use of Program Resources	(117,160)	117,160				
Amortization of Tangible Capital Assets	600,915		(437,066)		(163,849)	
Ending Balance, March 31, 2014	\$2,187,873	\$440,823	\$5,460,874	\$6,046,838	\$2,125,376	\$16,261,784

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, 2014.

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

- RECOMMENDATIONS:**
- 1. The Board approve the designation of \$5,460,874 from the General Fund Accumulated Surplus as at March 31, 2014 as General Fund – Capital Amortization to offset future amortization charges for building capital improvements.**
 - 2. The Board approve the designation of \$440,823 from the General Fund Accumulated Surplus as at March 31, 2014 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 \$2,125,376 from the General Fund Accumulated Surplus as at March 31, 2014 as General Fund – Citadel Theatre Amortization to offset future amortization charges for this asset.**

HALIFAX REGIONAL SCHOOL BOARD
Consolidated Financial Statements – March 31, 2014 - Report 14-06-1479

- 4. The Board accept and approve the consolidated financial statements of the Halifax Regional School Board for the fiscal year ended March 31, 2014.**
- 5. The Board accept and approve the audited Annual Report of Salaries and Expenses for the fiscal year ended March 31, 2014.**

COMMUNICATIONS:

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

To: Audit Committee – June 25, 2014
Board – June 25, 2014

Filename: ktucker/Consolidated Financial Statements – March 31, 2014 14-06-1479
Date last revised: June 20, 2014