

Consolidated Financial Statements of

**HALIFAX REGIONAL CENTRE FOR
EDUCATION**

And Independent Auditor's Report thereon

Year ended March 31, 2024



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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, 2024
- 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 statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information

(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, 2024, 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 Consolidated 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 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 and Those Charged with Governance 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.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

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.



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- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants

Halifax, Canada

June 24, 2024

HALIFAX REGIONAL CENTRE FOR EDUCATION

Consolidated Financial Statements

Year ended March 31, 2024

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HALIFAX REGIONAL CENTRE FOR EDUCATION

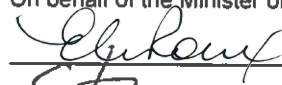
Consolidated Statement of Financial Position

March 31, 2024, with comparative information for 2023

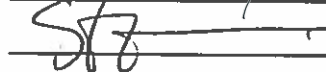
	2024	2023
Financial Assets		
Cash	\$ 12,075,337	\$ 10,042,575
Cash Held by Schools (note 2)	9,411,330	8,615,516
Accounts Receivable:		
Province of Nova Scotia	27,384,949	51,750,567
Province of Nova Scotia - Teachers' Salary Accrual	9,349,500	11,043,397
Province of Nova Scotia - Long-Term Service Awards (note 3)	4,236,389	4,516,860
Province of Nova Scotia - Long-Term Sick Leave Accrual (note 4)	62,793,589	63,117,281
Government of Canada	4,285,601	1,861,613
Other	3,436,412	2,429,728
Total Financial Assets	132,973,107	153,377,537
Liabilities		
Payables and Accruals - Trade	36,118,375	53,869,664
School Based Accrued Liabilities (note 2)	1,118,420	899,756
Payables and Accruals - Government:		
Province of Nova Scotia	1,793,519	499,454
Halifax Regional Municipality	954,297	302,786
Other	56,851	6,535,727
Teachers' Salary Accrual	9,349,500	11,043,397
Employee Pension and Post-Employment Benefits	313,400	373,280
Deferred Revenue	9,589,803	8,828,819
School Based Deferred Revenue (note 2)	5,252,577	4,674,704
Long-Term Service Awards Liability (note 3)	4,236,389	4,516,860
Long-Term Sick Leave Accrual (note 4)	62,793,589	63,117,281
Total Liabilities	131,576,720	154,661,728
Net Financial Assets (Debt)	1,396,387	(1,284,191)
Non-Financial Assets:		
Prepaid Expenses	4,332,964	3,490,256
School Based Prepaid Expenses (note 2)	220,820	96,596
Tangible Capital Assets (note 5)	3,685,337	3,833,904
	8,239,121	7,420,756
Accumulated Surplus	\$ 9,635,508	\$ 6,136,565
Designation of Accumulated Surplus:		
General Fund - Unrestricted	\$ 3,211,372	\$ (501,256)
General Fund - Capital Amortization	3,162,983	3,500,169
School Based Funds (note 2)	3,261,153	3,137,652
Commitments (note 6)		
Contingencies (note 7)		
	\$ 9,635,508	\$ 6,136,565

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, 2024, with comparative information for 2023

				2024	2023
	General Fund Unrestricted	General Fund Capital Amortization	School Based Funds (note 2)	Total	Total
Opening Balance, Beginning of Year	\$ (501,256)	\$ 3,500,169	\$ 3,137,652	\$ 6,136,565	\$ 16,078,317
Excess of Revenue Over Expenditure (Expenditure Over Revenue)	3,375,442	–	123,501	3,498,943	(9,941,752)
Amortization of Tangible Capital Assets	337,186	(337,186)	–	–	–
Closing Balance, End of Year	\$ 3,211,372	\$ 3,162,983	\$ 3,261,153	\$ 9,635,508	\$ 6,136,565

See accompanying notes to consolidated financial statements.

HALIFAX REGIONAL CENTRE FOR EDUCATION

Consolidated Statement of Operations

Year ended March 31, 2024, with comparative information for 2023

	2024 Budget	2024 Actual	2023 Actual
Revenue:			
Province of Nova Scotia	\$529,214,000	\$ 556,076,950	\$ 516,163,480
Halifax Regional Municipality	187,406,700	187,424,590	174,189,343
Government of Canada	1,249,200	837,254	889,167
Regional Operations	19,137,100	20,008,751	17,057,714
School Based Funds (note 2)	–	9,187,008	8,436,377
	<u>737,007,000</u>	<u>773,534,553</u>	<u>716,736,081</u>
Expenditure:			
Office of the Regional Executive Director	1,370,100	2,186,469	1,743,710
Financial Services	3,507,000	3,634,675	3,483,188
Human Resource Services	3,393,500	3,550,474	3,267,243
Programs and Student Services (Elem/Sec)	581,704,500	585,236,406	559,143,187
Operations Services	109,784,600	130,678,599	117,113,031
Other Programs	37,247,300	35,685,480	33,441,252
School Based Funds Activities (note 2)	–	9,063,507	8,486,222
	<u>737,007,000</u>	<u>770,035,610</u>	<u>726,677,833</u>
Excess of Revenue Over Expenditure			
(Expenditure Over Revenue)	\$ –	\$ 3,498,943	\$ (9,941,752)

See accompanying notes to consolidated financial statements.

HALIFAX REGIONAL CENTRE FOR EDUCATION

Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Net (Debt) Financial Assets, Beginning of Year	\$ (1,284,191)	\$ 9,196,934
Changes in the Year:		
Excess of Revenue Over Expenditure (Expenditure Over Revenue)	3,498,943	(9,941,752)
Acquisition of Tangible Capital Assets	(483,645)	(281,954)
Amortization of Tangible Capital Assets	632,212	539,899
Increase in Prepaid Expenses	(966,932)	(797,318)
Increase in Net Financial Assets (Debt)	2,680,578	(10,481,125)
Net Financial Assets (Debt), End of Year	\$ 1,396,387	\$ (1,284,191)

See accompanying notes to consolidated financial statements.

HALIFAX REGIONAL CENTRE FOR EDUCATION

Consolidated Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operations:		
Excess of Revenue Over Expenditure (Expenditure Over Revenue)	\$ 3,498,943	\$ (9,941,752)
Items not involving cash:		
Amortization of Tangible Capital Assets	632,212	539,899
Change in non-cash items:		
Change in Prepaid Expenses	(966,932)	(797,318)
Change in Accounts Receivable	23,233,006	(26,665,265)
Change in Liabilities	(23,085,008)	42,991,713
	3,312,221	6,127,277
Capital:		
Acquisition of Tangible Capital Assets	(483,645)	(281,954)
Increase in Cash and Cash Equivalents	2,828,576	5,845,323
Cash and Cash Equivalents, Beginning of Year	18,658,091	12,812,768
Cash and Cash Equivalents, End of Year	\$ 21,486,667	\$ 18,658,091
Cash and Cash Equivalents consists of:		
Cash	\$ 12,075,337	\$ 10,042,575
Cash Held by Schools	9,411,330	8,615,516
	\$ 21,486,667	\$ 18,658,091

See accompanying notes to consolidated financial statements.

HALIFAX REGIONAL CENTRE FOR EDUCATION

Notes to Consolidated Financial Statements

Year ended March 31, 2024

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. 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.

HALIFAX REGIONAL CENTRE FOR EDUCATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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.

HALIFAX REGIONAL CENTRE FOR EDUCATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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.

HALIFAX REGIONAL CENTRE FOR EDUCATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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:

	2024	2023
Cash	\$ 9,411,330	\$ 8,615,516
Prepaid expenses	220,820	96,596
Total assets	9,632,150	8,712,112
Accrued liabilities	1,118,420	899,756
Deferred revenue	5,252,577	4,674,704
Total liabilities	6,370,997	5,574,460
Accumulated surplus	\$ 3,261,153	\$ 3,137,652

HALIFAX REGIONAL CENTRE FOR EDUCATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

2. School based funds (continued):

	2024	2023
Revenue	\$ 9,187,008	\$ 8,436,377
Expenditure	9,063,507	8,486,222
Excess of Revenue Over Expenditure (Expenditure over Revenue)	123,501	(49,845)
Accumulated surplus, beginning of year	3,137,652	3,187,497
Accumulated surplus, end of year	\$ 3,261,153	\$ 3,137,652

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 3.18% (2023 - 2.96%), 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 \$4,141,082 (2023 - \$4,427,159) and the amount included for Non-teachers' Service Awards is \$95,307 (2023 - \$89,701).

HALIFAX REGIONAL CENTRE FOR EDUCATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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 3.18% (2023 - 2.96%), and sick leave utilization based on an analysis of historical sick leave usage from 2018 – 2019 and from 2021 – 2023 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 \$57,073,878 (2023 - \$58,155,245) and the amount included for Non-teachers' Sick Leave Accrual is \$5,719,711 (2023 - \$4,962,036).

5. Tangible capital assets:

			2024	2023
	Cost	Accumulated amortization	Net book value	Net book value
Buildings	\$ 6,441,786	\$ 3,464,795	\$ 2,976,991	\$ 3,133,674
Furniture and equipment	1,411,030	1,401,461	9,569	13,671
Vehicles	1,890,889	1,368,533	522,356	333,738
Computer hardware	178,355	178,355	–	–
Leasehold improvements	2,646,025	2,469,604	176,421	352,821
	<u>\$ 12,568,085</u>	<u>\$ 8,882,748</u>	<u>\$ 3,685,337</u>	<u>\$ 3,833,904</u>

HALIFAX REGIONAL CENTRE FOR EDUCATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

6. Commitments:

- (a) HRCE has entered into equipment and building space leases expiring over various periods ending September 28, 2029. 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
2024-2025	\$ 1,715,173	\$ 165,966	\$ 1,881,139
2025-2026	1,240,953	165,877	1,406,830
2026-2027	766,733	165,877	932,610
2027-2028	426,070	163,172	589,242
2028-2029	76,142	78,175	154,317

- (b) HRCE has contracted for the provision of transportation services until July 15, 2025. The approximate annualized cost of these contracts over the next two years is as follows:

2024-2025	\$ 25,424,738
2025-2026	7,687,490

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:

2024-2025	\$ 2,899,716
2025-2026	1,241,632
2026-2027	297,609
2027-2028	110,269
2028-2029	115,783

HALIFAX REGIONAL CENTRE FOR EDUCATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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 (the "Exchange") with all Regional Centres for Education in Nova Scotia, the Conseil scolaire acadien provincial (CSAP) and the Nova Scotia Community College. The Exchange covers property, liability and errors and omissions insurance for all subscribers for claims within a self-insured retention per occurrence with an annual aggregate per policy. From time to time, HRCE may receive claims against the organization, which would be covered through this insurance.

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 \$1,617,000,000 at December 31, 2023. The HRCE is not responsible to fund any portion of this deficit.

Total pension expense for Teaching employees was \$44,916,400 (2023 - \$43,375,400).

(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 \$12,896,200 (2023 - \$12,348,664) 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 going concern access of \$85,503,000 at December 31, 2022. The HRCE is not responsible to fund any portion of the deficit.

HALIFAX REGIONAL CENTRE FOR EDUCATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

9. Bank indebtedness:

HRCE has an operating line of credit of \$6,679,000 (March 31, 2023 – \$6,679,000) available with interest at prime minus 0.75% (March 31, 2023 – prime minus 0.75%). As of March 31, 2024 and 2023, 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.

Halifax Regional Centre for Education
 General Fund
 Statement of Operations
 Year ended March 31, 2024, with comparative information for 2023
 (Unaudited)

	2024 Budget	2024 Actual	2023 Actual
Revenue			
Province of Nova Scotia	\$ 529,214,000	\$ 556,076,950	\$ 516,163,480
Halifax Regional Municipality	173,833,800	173,833,800	161,102,490
Government of Canada	1,249,200	837,254	889,167
Regional Operations	19,137,100	20,008,751	17,057,714
	<u>723,434,100</u>	<u>750,756,755</u>	<u>695,212,851</u>
Expenditure			
Office of the Reg Exec Director	1,370,100	2,186,469	1,743,710
Financial Services	3,507,000	3,634,675	3,483,188
Human Resource Services	3,393,500	3,550,474	3,267,243
Programs and Student Services (Elem/Sec)	568,131,600	571,645,616	546,056,334
Operations Services	109,784,600	130,678,599	117,113,031
Other Programs	37,247,300	35,685,480	33,441,252
	<u>723,434,100</u>	<u>747,381,313</u>	<u>705,104,758</u>
Excess of Revenue over Expenditure (Expenditure over Revenue)	<u>\$ -</u>	<u>\$ 3,375,442</u>	<u>\$ (9,891,907)</u>
Accumulated Surplus, Beginning of Year		\$ 2,998,913	\$ 12,890,820
Excess of Revenue over Expenditure (Expenditure over Revenue)		3,375,442	(9,891,907)
Accumulated Surplus, End of Year		<u>\$ 6,374,355</u>	<u>\$ 2,998,913</u>
Designation of Accumulated General Fund Surplus			
General Fund - Unrestricted		\$ 3,211,372	\$ (501,256)
General Fund - Capital Amortization		3,162,983	3,500,169
		<u>\$ 6,374,355</u>	<u>\$ 2,998,913</u>

Halifax Regional Centre for Education
 General Fund
 Detail of Revenue
 Year ended March 31, 2024, with comparative information for 2023
 (Unaudited)

	2024	2024	2023
	Budget	Actual	Actual
Province of Nova Scotia			
Provincial Funding	\$ 495,306,500	\$ 525,352,891	\$ 479,532,848
Provincial Initiatives and Grants	\$ 33,907,500	\$ 30,724,059	\$ 36,630,632
Provincial Initiatives			
	<u>\$ 529,214,000</u>	<u>\$ 556,076,950</u>	<u>\$ 516,163,480</u>
Halifax Regional Municipality			
Mandatory Contribution	173,833,800	173,833,800	161,102,490
	<u>\$ 173,833,800</u>	<u>\$ 173,833,800</u>	<u>\$ 161,102,490</u>
Government of Canada			
French Special Projects	1,140,200	609,386	697,021
Minority Official Language	-	-	-
Other Projects	109,000	227,868	192,146
	<u>\$ 1,249,200</u>	<u>\$ 837,254</u>	<u>\$ 889,167</u>
Regional Operations			
Investment Income	200,000	1,122,954	791,727
Facilities Rental	529,500	616,982	308,773
EXCEL - Before and After School Program	12,347,300	10,968,704	10,336,541
International Services	3,643,500	4,581,951	3,354,259
Miscellaneous	2,416,800	2,718,160	2,266,414
	<u>\$ 19,137,100</u>	<u>\$ 20,008,751</u>	<u>\$ 17,057,714</u>
Total Revenue	<u>\$ 723,434,100</u>	<u>\$ 750,756,755</u>	<u>\$ 695,212,851</u>

Halifax Regional Centre for Education
 General Fund
 Detail of Expenditure
 Year ended March 31, 2024, with comparative information for 2023
 (Unaudited)

	2024 Budget	2024 Actual	2023 Actual
<u>OFFICE OF THE REG EXEC DIRECTOR</u>			
Salaries	842,900	976,728	704,434
Benefits	192,200	203,746	163,291
Supplies and Materials	69,000	65,749	57,274
Professional Services	250,000	930,894	795,396
Other Non Salary Expenditures	16,000	9,352	23,315
Total Office of the Reg Exec Director	<u>1,370,100</u>	<u>2,186,469</u>	<u>1,743,710</u>

FINANCIAL SERVICES

Administration

Salaries	2,046,000	2,083,800	2,063,201
Benefits	549,300	541,985	533,256
Supplies and Materials	128,200	119,938	99,406
Travel	5,000	1,155	1,704
Liability Insurance	729,900	833,277	729,595
Professional Services	43,600	44,220	48,667
Service Fees	5,000	10,300	7,359
Total Financial Services	<u>3,507,000</u>	<u>3,634,675</u>	<u>3,483,188</u>

HUMAN RESOURCE SERVICES

Administration

Salaries	2,421,000	2,590,067	2,383,391
Benefits	617,000	666,631	593,429
Supplies and Materials	193,600	192,502	131,788
Staff Development	132,800	118,334	138,499
Travel	5,000	1,715	1,781
Pension Top-Ups	24,100	-18,775	18,355
Total Human Resource Services	<u>3,393,500</u>	<u>3,550,474</u>	<u>3,267,243</u>

PROGRAMS AND STUDENT SERVICES (ELEM/SEC)

Salaries - School Based Teachers

Classroom	229,734,300	232,140,584	224,596,909
Resource and Learning Centre	40,528,700	39,651,355	38,402,336
Student Support	22,512,400	22,087,002	20,453,146
School Counsellors	12,723,700	12,320,919	11,257,063
Principals and Vice Principals	30,655,700	31,880,644	30,144,099
Substitutes	12,000,000	16,555,591	17,080,152
	<u>348,154,800</u>	<u>354,636,095</u>	<u>341,933,705</u>

Halifax Regional Centre for Education
 General Fund
 Detail of Expenditure
 Year ended March 31, 2024, with comparative information for 2023
 (Unaudited)

	2024 Budget	2024 Actual	2023 Actual
Salaries - School Based Non-Teachers			
Educational Program Assistants	38,646,200	37,851,775	35,866,684
School Administrative Assistants	6,896,600	7,310,110	6,740,851
Student Support	2,315,300	2,238,343	2,235,170
Student Supervision	4,458,500	3,427,752	2,736,206
	<u>52,316,600</u>	<u>50,827,980</u>	<u>47,578,911</u>
Salaries - Regional Support Teachers			
Student Services	12,583,300	11,846,132	11,578,749
Regional Administration	7,173,500	7,102,713	6,912,952
	<u>19,756,800</u>	<u>18,948,845</u>	<u>18,491,701</u>
Salaries - Regional Support Non-Teachers			
Regional Administration	599,800	526,070	495,474
Student Services Supports	500,800	311,227	346,222
Schools Plus	7,047,600	6,359,001	6,102,715
	<u>8,148,200</u>	<u>7,196,298</u>	<u>6,944,411</u>
Benefits			
Statutory	29,933,300	29,048,597	26,793,436
Medical/Dental/Salary Continuation	28,582,800	31,369,128	28,269,718
Service Awards/Future Benefit Expense	0	-329,365	-579,155
Pension/Other Expense	49,908,400	52,576,044	49,615,003
	<u>108,424,500</u>	<u>112,664,404</u>	<u>104,099,002</u>
Program Resources			
Classroom Supplies and Equipment	6,428,500	4,302,505	6,463,128
School Technology	726,500	440,457	636,328
Data Lines	445,800	530,777	441,842
Circuit/Resource Travel	241,500	393,350	275,652
Textbook Credit Allocation	3,005,300	3,005,300	3,002,900
Other Non Salary Expenditures	1,752,300	1,068,084	519,470
Provincial Program Initiatives and Projects	6,495,800	7,057,772	5,843,449
	<u>19,095,700</u>	<u>16,798,245</u>	<u>17,182,769</u>
Student Services Resources			
Supplies and Materials	433,100	427,088	410,268
Provincial Initiatives	2,303,900	1,242,937	1,301,306
Travel - Student Services	142,000	139,945	124,060
Contracted Services	1,450,700	1,576,473	1,904,259
	<u>4,329,700</u>	<u>3,386,443</u>	<u>3,739,893</u>
Professional Development			
	4,181,200	3,188,671	3,039,484

Halifax Regional Centre for Education
 General Fund
 Detail of Expenditure
 Year ended March 31, 2024, with comparative information for 2023
 (Unaudited)

	2024 Budget	2024 Actual	2023 Actual
International Services	3,343,600	3,691,012	2,676,165
Adult and Community Education			
Summer School	15,000	-5,074	28,550
Nova Scotia Student Adult Literacy	365,500	312,697	341,743
	<u>380,500</u>	<u>307,623</u>	<u>370,293</u>
Total Programs and Student Services (Elem/Sec)	<u>568,131,600</u>	<u>571,645,616</u>	<u>546,056,335</u>
 <u>OPERATIONS SERVICES</u>			
Administration			
Salaries	2,366,400	2,173,982	2,272,396
Benefits	601,300	571,428	566,137
Travel	40,000	56,611	48,319
Other Non Salary Expenditures	51,000	42,964	31,953
	<u>3,058,700</u>	<u>2,844,985</u>	<u>2,918,805</u>
 Custodial Services			
Salaries	16,581,600	19,312,953	17,317,574
Benefits	5,547,900	6,187,365	5,776,119
Supplies and Equipment	1,002,400	1,831,457	1,504,933
Building Rental Expense	2,950,300	2,852,893	2,967,112
Contracted Services	1,896,200	2,519,495	2,002,596
	<u>27,978,400</u>	<u>32,704,163</u>	<u>29,568,334</u>
 Maintenance Services			
Salaries	2,248,600	2,425,440	2,162,918
Benefits	763,800	826,520	764,143
Supplies and Equipment	6,651,900	10,047,674	9,118,045
Vehicle Operating Expense	425,000	359,334	612,606
TCA Expense (Vehicle)	181,400	295,026	192,709
	<u>10,270,700</u>	<u>13,953,994</u>	<u>12,850,421</u>
 Plant Operations			
Insurance	2,517,500	2,823,983	2,513,847
Utilities - Electricity	6,155,500	7,232,908	6,707,899
Utilities - Heating Fuel	10,343,900	9,972,752	11,153,287
Utilities - Water / Sewer	1,225,700	1,820,305	1,420,014
	<u>20,242,600</u>	<u>21,849,948</u>	<u>21,795,047</u>
 Capital Projects	 1,345,200	 4,445,605	 3,467,248

Halifax Regional Centre for Education
 General Fund
 Detail of Expenditure
 Year ended March 31, 2024, with comparative information for 2023
 (Unaudited)

	2024 Budget	2024 Actual	2023 Actual
Student Transportation			
Salaries and Benefits and Operating Costs	1,307,400	1,148,980	1,300,363
Service Contracts	38,761,900	39,461,203	38,442,337
	<u>40,069,300</u>	<u>40,610,183</u>	<u>39,742,700</u>
Technology Services			
Salaries	2,778,100	3,020,027	2,698,641
Benefits	770,000	801,972	738,852
Supplies and Equipment	1,287,700	8,368,199	1,145,197
Technology Insurance	60,000	53,420	
Travel	55,000	81,185	62,855
Service Contracts	1,277,100	1,345,875	1,456,264
Telephone/Fax/Data	105,300	94,809	134,616
	<u>6,333,200</u>	<u>13,765,487</u>	<u>6,236,425</u>
Facilities Rentals	486,500	504,234	534,051
Total Operations Services	<u>109,784,600</u>	<u>130,678,599</u>	<u>117,113,031</u>
<u>OTHER PROGRAMS</u>			
Excel - Before and After School			
Salaries	10,765,500	10,398,141	9,081,230
Benefits	1,400,400	1,413,964	1,202,088
Other	681,400	583,206	512,465
	<u>12,847,300</u>	<u>12,395,311</u>	<u>10,795,783</u>
Pre-Primary Program			
Salaries	16,584,800	17,352,900	16,695,061
Benefits	4,925,100	4,807,841	4,758,418
Other	2,890,100	1,129,428	1,191,990
	<u>24,400,000</u>	<u>23,290,169</u>	<u>22,645,469</u>
Total Other Programs	<u>37,247,300</u>	<u>35,685,480</u>	<u>33,441,252</u>
TOTAL EXPENDITURES	<u>723,434,100</u>	<u>747,381,314</u>	<u>705,104,758</u>

Halifax Regional Centre for Education
 Supplementary Fund
 Statement of Operations and Surplus
 Year ended March 31, 2024, with comparative information for 2023
 (Unaudited)

	2024 Budget	2024 Actual	2023 Actual
Revenue			
Halifax Regional Municipality	\$ 13,572,900	\$ 13,590,790	\$ 13,086,853
Expenditure	<u>13,572,900</u>	<u>13,590,790</u>	<u>13,086,853</u>
Excess (Deficiency) of Revenue Over Expenditure	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Surplus (Deficit) Beginning of Year		\$ -	\$ -
Excess (Deficiency) of Revenue Over Expenditure		<u>-</u>	<u>-</u>
Surplus (Deficit), End of Year		<u>\$ -</u>	<u>\$ -</u>

Halifax Regional Centre for Education
 Supplementary Fund
 Detail of Revenue and Expenditure
 Year ended March 31, 2024, with comparative information for 2023
 (Unaudited)

	2024 Budget	2024 Actual	2023 Actual
REVENUES:			
Supplementary Funding	\$13,572,900	\$13,590,790	\$13,086,853
EXPENDITURES:			
Music and Arts			
School Based Music and Art	1,525,900	1,490,099	1,467,623
Family of Schools Fine Arts Specialists	1,804,600	1,726,111	1,544,686
Regional Fine Arts Specialists	674,400	695,343	608,536
Regional Music	1,820,200	1,809,125	1,717,140
Halifax Regional Arts Leadership	637,700	525,782	587,768
Halifax Regional Arts Support	159,600	161,398	161,646
	<u>6,622,400</u>	<u>6,407,858</u>	<u>6,087,399</u>
Benefits			
Statutory	398,700	386,430	354,161
Medical/Dental/Salary Continuation	68,300	65,567	59,478
Pension	20,500	16,040	14,564
	<u>487,500</u>	<u>468,037</u>	<u>428,203</u>
Substitutes	<u>207,100</u>	<u>207,100</u>	<u>182,400</u>
Program Support	<u>1,284,000</u>	<u>1,180,830</u>	<u>982,389</u>
Subtotal - Music and Arts	8,601,000	8,263,825	7,680,391
Other Enhancements			
Library Support Specialists	2,505,700	2,821,848	2,722,968
Social Workers	1,536,000	1,524,071	1,462,160
Additional Teachers	0	-509	235,872
Resource Teachers	0	0	-5,332
Educational Program Assistants	0	0	0
	<u>4,041,700</u>	<u>4,345,410</u>	<u>4,415,668</u>
Benefits			
Statutory	374,900	423,563	415,030
Medical/Dental/Salary Continuation	213,400	196,796	212,214
Pension	301,900	336,162	333,985
	<u>890,200</u>	<u>956,521</u>	<u>961,229</u>
Substitutes	<u>0</u>	<u>470</u>	<u>8,300</u>
Program Support	<u>40,000</u>	<u>24,564</u>	<u>21,265</u>
Subtotal - Other Enhancements	4,971,900	5,326,965	5,406,462
Total Expenditures	<u>13,572,900</u>	<u>13,590,790</u>	<u>13,086,853</u>

Halifax Regional Centre for Education
 School Based Funds
 Statement of Operations and Surplus
 Year ended March 31, 2024, with comparative information for 2023
 (Unaudited)

	2024 Actual	2023 Actual
Revenue		
School Generated Funds	\$ 9,187,008	\$ 8,436,377
Expenditure		
School Funded Activities	<u>9,063,507</u>	<u>8,486,222</u>
Excess of Revenue Over Expenditure (Expenditure Over Revenue)	<u>\$ 123,501</u>	<u>\$ (49,845)</u>
Consolidated Surplus, Beginning of Year	\$ 3,137,652	\$ 3,187,497
Excess of Revenue Over Expenditure (Expenditure Over Revenue)	<u>123,501</u>	<u>(49,845)</u>
Consolidated Surplus, End of Year	<u>\$ 3,261,153</u>	<u>\$ 3,137,652</u>

Halifax Regional Centre for Education
 Supplementary Details of Tangible Capital Assets
 Year Ended March 31, 2024

	Buildings	Leasehold Improvements	Vehicles	Furniture & Equipment	Computer Hardware	Total
Cost of Tangible Assets						
Opening Costs	\$ 6,441,786	\$ 2,646,025	\$ 1,455,305	\$ 1,411,030	\$ 178,355	\$ 12,132,501
Additions	-	-	483,645	-	-	483,645
Disposals	-	-	(48,060)	-	-	(48,060)
Closing Costs	\$ 6,441,786	\$ 2,646,025	\$ 1,890,889	\$ 1,411,030	\$ 178,355	\$ 12,568,085
Accumulated Amortization						
Opening Balance	\$ 3,308,111	\$ 2,293,204	\$ 1,121,567	\$ 1,397,359	\$ 178,355	\$ 8,298,596
Disposals	-	-	(48,060)	-	-	(48,060)
Amortization Expense	156,684	176,400	295,026	4,102	-	632,212
Closing Balance	\$ 3,464,795	\$ 2,469,604	\$ 1,368,533	\$ 1,401,461	\$ 178,355	\$ 8,882,748
Net Book Value	\$ 2,976,991	\$ 176,421	\$ 522,356	\$ 9,569	\$ -	\$ 3,685,337
Net Book Value, Beginning of Year	\$ 3,133,675	\$ 352,821	\$ 333,738	\$ 13,671	\$ -	\$ 3,833,905
Net Book Value, End of Year	\$ 2,976,991	\$ 176,421	\$ 522,356	\$ 9,569	\$ -	\$ 3,685,337
Increase (Decrease) in NBV	\$ (156,684)	\$ (176,400)	\$ 188,618	\$ (4,102)	\$ -	\$ (148,568)

Halifax Regional Centre for Education
Schedule of Trust Funds
Year Ended March 31, 2024

	Cash	Equity Fund	Balance Beg of Year	Donations	Interest Earned	Awards Paid	Balance End of Year
Abbie J Lane	10,260	10,260	9,717	-	543	-	10,260
Adam Cashen Memorial	12	12	9	-	3	-	12
Air India Scholarship Fund	6,419	6,419	6,079	-	340	-	6,419
Almar H Shatford	18,392	18,392	17,809	-	983	400	18,392
Anne Martell Memorial Scholarship	692	692	52,824	-	1,888	54,020	692
Annie Coombs	33,610	33,610	32,794	-	1,816	1,000	33,610
Annie M Piercey	6,137	6,137	5,813	-	324	-	6,137
Avery & Irene Jackson	12,184	12,184	11,540	-	644	-	12,184
Christopher Maxwell	798	798	757	-	41	-	798
Citadel High Scholarship Fund (refer to as "Joel Harnish")	55,307	55,307	52,379	-	2,928	-	55,307
Cole Harbour High Arts Award	4,813	4,813	4,557	-	256	-	4,813
Dartmouth High Reunion	426	426	1,271	-	55	900	426
Dennis Tulley Memorial Bursary	422	422	401	-	21	-	422
Doane Hatfield	773	773	732	-	41	-	773
Donald Keith	7,731	7,731	7,322	-	409	-	7,731
Dugger & Marion McNeil	23,725	23,725	22,469	-	1,256	-	23,725
Edith Cavell Prize	1,682	1,682	1,593	-	89	-	1,682
Frank Balcom	47,864	47,864	45,330	-	2,534	-	47,864
George Perrin	11,932	11,932	11,299	-	633	-	11,932
Harold T Barrett	11,956	11,956	11,322	-	634	-	11,956
James R Pineo	116,402	116,402	112,686	-	6,216	2,500	116,402
John Travers Cornwell	7,405	7,405	7,976	-	429	1,000	7,405
Josephine Godin-LePage	6,676	6,676	6,563	-	363	250	6,676
Lahey Bursary	289	289	274	-	15	-	289
Maisie McMahon Bursary	152,477	152,477	145,352	-	8,125	1,000	152,477
Marie Miller Scholarship	16,523	16,523	15,647	-	876	-	16,523
Mengie Shulman	2,014	2,014	1,907	-	107	-	2,014
PAWEECA Scholarship	3,061	3,061	4,826	-	235	2,000	3,061
Peter O'Hearn Scholarship in Science & Engineering	229	229	2,669	-	60	2,500	229
REA Burns Scholarship	3	3	3	-	-	-	3
Stan Carew	25,215	25,215	25,806	-	1,409	2,000	25,215
Surjit Verma Scholarship Fund	11,173	11,173	11,072	-	601	500	11,173
	596,602	596,602	630,798	-	33,874	68,070	596,602