



P.O. Box 1749  
Halifax, Nova Scotia  
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## **Item No. 5**

**Audit Committee  
September 17, 2025**

**TO:** Chair and Members of Audit Committee

**SUBMITTED BY:** Brad Anguish, Acting Chief Administrative Officer

**DATE:** September 5, 2025

**SUBJECT:** Year End Financial Statements & Fourth Quarter Financial Report

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### **ORIGIN**

Staff has committed to provide Council with financial reports including:

- Audited Consolidated Financial Statements, Statement of General Rate Surplus, and Trust Financial Statements in accordance with section 48(2) of the Halifax Charter;
- a report of the General Rate surplus/deficit;
- a report detailing District Capital expenditures in accordance with the District Funds Administrative Order 2017-009-ADM;
- a report detailing District Activity expenditures in accordance with the District Funds Administrative Order 2017-009-ADM;
- a report detailing Recreation Area Rate expenditures in accordance with the Recreation Area Report Policy approved by Council on May 14, 2002; and,
- a report detailing HRM's Reserve Fund balances in accordance with the Financial Reserves Administrative Order 2014-015-ADM;
- a report detailing Hospitality expenses in accordance with Section 79A of the Halifax Regional Municipality Charter

### **EXECUTIVE SUMMARY**

This report presents the Consolidated Financial Statements and the Statement of General Rate Surplus of the Halifax Regional Municipality (HRM), along with the financial statements of the Miscellaneous Trust Funds, for the year ended March 31, 2025. It also includes the fourth-quarter financial report. Together, these documents provide a comprehensive view of HRM's year-end financial position and performance, highlight key areas of financial activity and variances, and incorporate KPMG's audit findings report.

### **RECOMMENDATION**

It is recommended that the Audit Committee recommend that Halifax Regional Council approve:

- 1) The Consolidated Financial Statements of the Halifax Regional Municipality for the year ended March 31, 2025;
- 2) The Statement of General Rate Surplus of the Halifax Regional Municipality for the year ended March 31, 2025;
- 3) Transfers to reserves of the following amounts to reduce the general rate surplus to zero:

- Q416 Operating Stabilization Reserve - \$3.5M
- 4) The financial statements of the Halifax Regional Municipality Miscellaneous Trust Funds for the year ended March 31, 2025; and,
- 5) The appointment of KPMG to be the External Auditor for the fiscal year ended March 31, 2026.
- 6) The Fourth Quarter report for 2024/25 on District Capital, District Activity, Recreation Area Rates, Hospitality Expenses, and Expenses for Reportable Individuals.

## **DISCUSSION**

At March 31, 2025, HRM had a General Rate surplus of \$3.5M. In order to bring the final general rate surplus to zero, it is recommended that the entire surplus is transferred to the Options Reserve, Q421. Per the Provincial Financial Reporting and Accounting Manual, the surplus of a municipality is to be placed into an operating reserve. The Options Reserve, Q421, receives any year-end surplus, and can then be used to fund operating costs, offset deficits, or fund new operating initiatives and/or capital expenditures.

The business units have a surplus of \$1.0M, due in large part to greater than planned permitting and fee revenues (\$5.5M) and transit fares (\$1.9M), Parks and Recreation fees (\$1.7M), increased recoveries (\$7.2M). Offsetting these were increased costs of overtime, primarily in Police (\$5.3M), Transit (\$4.2M) and Fire (\$2.7M). Contract Services were up, in part due to increased snow clearing contracts (\$900K), traffic management (\$600K) and in Parks and Recreation for security and repairs (\$1.3M).

Fiscal Services ended the year with a \$2.5M surplus, primarily driven by increased Deed Transfer Taxes (\$3.3M).

### **District Capital Funds:**

The report of expenditures from Councillors' District Capital Funds is included as Attachment #5 and shows that \$2.4M of the \$3.1M budget has been spent or committed, leaving \$645K available to carry forward.

### **District Activity Funds:**

The report of expenditures from Councillors' District Activity Funds is included as Attachment #6 and shows that \$65.9K of the \$72K budgeted has been spent.

### **Recreation Area Rate Accounts:**

The details of the Recreation Area Rate Accounts are in Attachment #7. These Accounts began the year with a surplus of \$1.1M, \$1.1M in area rate revenue has been earned and \$1.2M has been spent, leaving a surplus of \$1.0M.

### **Reserves Statement:**

The reserve balances at March 31, 2025 are \$450.5M. Of this balance, \$59.1M remains uncommitted. The details are included in Attachment #8.

### **Hospitality Expenses Summary:**

The quarterly Hospitality Expenses Summary is included as Attachment #8. For the three-month period ended March 31, 2025, there were \$8.1K of hospitality expenses, resulting in a year to date total of \$12.4K.

### **Mayor, Councillors and CAO's Expenses:**

The report, included as Attachment #10, summarizes the expenses made by the municipality on behalf of or reimbursed to the Mayor, Councillor and CAO for the quarter.

### **Climate-Related Financial Disclosures:**

Established in 2015 by the Financial Stability Board, the Task Force on Climate-Related Financial Disclosures (TCFD) is a framework that provides voluntary disclosure recommendations around four pillars (Governance, Strategy, Risk Management and Metrics & Targets) for organizations to communicate the material impact of climate change on their operations to key partners.

The municipality has completed its second year of climate-related financial disclosures aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework in fiscal year 2024-25. Recognizing that fully implementing the TCFD recommendations is a multi-year journey, this continued, proactive approach—undertaken ahead of any mandatory requirements under Public Sector Accounting Standards—supports the ongoing integration of climate considerations into financial decision-making and risk management across the municipality.

### **Appointment of External Auditors**

Appointment of External Auditors Under the terms of reference of the Audit and Finance Standing Committee, the Committee is required to “review the qualifications, independence, quality of service and performance of the External Auditors annually and recommend to the Council the appointment or discharge of the External Auditors”.

KPMG LLP was the successful proponent to the RFP for External Audit Services in 2023. The proposal covered the fiscal years from 2022/23 to 2027/28. KPMG has completed the audit of the 2024/25 Consolidated Financial Statements, Miscellaneous Trust Funds, and General Rate Surplus in accordance with the requirements of the RFP.

### **FINANCIAL IMPLICATIONS**

Explained in the report.

### **RISK CONSIDERATION**

No risks identified.

### **COMMUNITY ENGAGEMENT**

No community engagement required.

### **ENVIRONMENTAL IMPLICATIONS**

No environmental implications identified.

### **ALTERNATIVES**

1. Audit Committee may not choose to approve the proposed recommendations. This is not the recommended option.
2. Audit Committee may approve the proposed recommendations subject to requested modifications. This is not the recommended option.

### **LEGISLATIVE AUTHORITY**

HRM Charter, section 48(2) outlines the responsibilities of the Audit Committee which include:

- 48(2)(a) – a detailed review of the financial statements of the Municipality with the Auditor;  
48(2)(b) – an evaluation of internal controls systems and any management letter with the Auditor; and,  
48(2)(c) – a review of the conduct and adequacy of the audit.

In addition, HRM Charter, section 46 outlines the appointment and requirements of the Municipal Auditor and the need to file the Auditor's report with Council and the Minister by September 30<sup>th</sup> in each year.

Audit Committee Terms of Reference states that the Committee is responsible for: reviewing, in detail, the financial statements of the Municipality with the External Auditors, evaluating internal control systems and management letters with the External Auditors, and, review with management and the External Auditor and recommend to Regional Council for approval, the annual audited financial statements.

The Audit Committee, under its Terms of Reference shall "review the qualification, independence, quality of service and performance of the External Auditors annually and recommend to the Council the appointment or discharge of the External Auditors".

HRM Charter, section 120(6) – The Municipality may maintain other reserve funds for such purposes as the Council may determine; Reserve Administrative Order 2014-015 (5) The Audit & Finance Standing Committee shall review and recommend to the Council for its consideration all impacts to the Reserves.

The attachments included are necessary for the Audit Committee and the Municipal Auditor to satisfy their responsibilities and requirements.

Halifax Regional Municipality Council approved, December 11, 2012, that all budget increases are to be presented to the Audit and Finance Standing Committee, prior to submission to Council.

Halifax Charter, section 93(1) - The Council shall make estimates of the sums that are required by the Municipality for the fiscal year; Halifax Charter, section 79A (1), subject to subsections (2) to (4), the Municipality may only spend money for municipal purposes if (a) the expenditure is included in the Municipality's operating budget or capital budget or is otherwise authorized by the Municipality; Halifax Charter, section 35(2)(d)(i) - The CAO can only authorize budgeted expenditures or within the amount determined by Council by policy; Halifax Charter, section 120(6) - The Municipality may maintain other reserve funds for such purposes as the Council may determine; Halifax Regional Municipality policy on Changes to Cost Sharing for Capital Projects - Changes requiring Council approval; and the Halifax Regional Municipality Administrative Order 2014-015 Respecting Reserve Funding Strategies - No reserve funds will be expended without the CAO's recommendation and Council approval.

## **ATTACHMENTS**

1. Consolidated Financial Statements of the Halifax Regional Municipality for the Year ended March 31, 2025.
2. General Rate Surplus of the Halifax Regional Municipality for the Year ended March 31, 2025.
3. Financial Statements of the Halifax Regional Municipality Miscellaneous Trust Funds for the Year ended March 31, 2025.
4. HRM Audit Findings Report – KPMG
5. Report of Expenditures in the Councillors' District Capital Funds to March 31, 2025.
6. Report of Expenditures in the Councillors' District Activity Funds to March 31, 2025.
7. Report of Changes in the Recreation Area Rate Accounts to March 31, 2025.
8. Halifax Regional Municipality Reserve Funds at March 31, 2025.
9. Quarterly Hospitality Expenses Summary, January 1, 2024 to March 31, 2025.
10. Mayor, Councillors' and CAO's Expense Summary, January 1, 2025 to March 31, 2025.



11. HRM Climate-Related Financial Disclosures Report for the year ended March 31, 2025.

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A copy of this report can be obtained online at <http://www.halifax.ca>, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by:        Danielle Paris, Manager Accounting Operations, 902.225.3519  
                                     Dave Harley, Director Financial Management and Operations, 902.497.4260

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# **Attachment #1**

**Halifax Regional Municipality  
Consolidated Financial Statements of the Halifax Regional  
Municipality for the year ended March 31, 2025**

Consolidated Financial Statements of the

**HALIFAX REGIONAL MUNICIPALITY**

Year ended March 31, 2025

# HALIFAX REGIONAL MUNICIPALITY

## Consolidated Financial Statements

Year ended March 31, 2025

| <b>Contents</b>   | <b>Page</b> |
|---|-------------|
| Management's Responsibility for the Consolidated Financial Statements | 1           |
| Independent Auditor's Report  | 2           |
| Consolidated Statement of Financial Position                          | 3           |
| Consolidated Statement of Operations and Accumulated Surplus          | 4           |
| Consolidated Statement of Change in Net Financial Assets              | 5           |
| Consolidated Statement of Remeasurement Gains and Losses              | 5           |
| Consolidated Statement of Cash Flows                                  | 6           |
| Notes to Consolidated Financial Statements                            | 7-31        |
| Schedule of Remuneration and Expenses for Reportable Individuals      | 32          |
| Consolidated Schedules of Long-term Debt                              | 33-34       |
| Consolidated Schedules of Segment Disclosure                          | 35-36       |

# HALIFAX REGIONAL MUNICIPALITY

## Consolidated Financial Statements

Year ended March 31, 2025

### Management's Responsibility for the Consolidated Financial Statements

The management of the Halifax Regional Municipality (the "Municipality") is responsible for the integrity, objectivity and accuracy of the financial information presented in the accompanying financial statements.

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada ("CPA"). A summary of the significant accounting policies is described in Note 1 to the consolidated financial statements.

The Municipality's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Audit Committee meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to the approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the Municipality. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.

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Cathie O'Toole, MBA, FCPA, ICD.D  
Chief Administrative Officer

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Jerry Blackwood, CPA, CGA  
Chief Financial Officer  
Finance and Asset Management

## Independent Auditors' Report

# HALIFAX REGIONAL MUNICIPALITY

## Consolidated Statement of Financial Position

As at March 31, 2025, with comparative information for 2024  
(In thousands of dollars)

|  | 2025                | 2024<br>(Adjusted -<br>Note 2) |
|--|---------------------|--------------------------------|
| <b>Financial assets</b>                                      |                     |                                |
| Cash and cash equivalents (note 3)                           | \$ 562,328          | \$ 642,466                     |
| Taxes receivable (note 4)                                    | 25,588              | 17,157                         |
| Accounts receivable (note 5)                                 | 94,845              | 93,567                         |
| Loans, deposits and advances                                 | 439                 | 347                            |
| Land held for resale   | 87,799              | 70,634                         |
| Investments (note 6)   | 57,148              | 76,079                         |
| Investment in the Halifax Regional Water Commission (note 7) | 312,115             | 306,095                        |
|  | <u>1,140,262</u>    | <u>1,206,345</u>               |
| <b>Financial liabilities</b>                                 |                     |                                |
| Accounts payable and accrued liabilities (note 8)            | 210,509             | 163,532                        |
| Deferred revenue   | 168,059             | 137,828                        |
| Employee future benefits (notes 9 and 10)                    | 69,655              | 68,601                         |
| Asset retirement obligations (note 11)                       | 33,190              | 21,417                         |
| Long-term debt (note 12)                                     | 226,922             | 245,837                        |
|  | <u>708,335</u>      | <u>637,215</u>                 |
| Net financial assets   | 431,927             | 569,130                        |
| <b>Non-financial assets</b>                                  |                     |                                |
| Tangible capital assets (note 15)                            | 2,278,962           | 2,080,155                      |
| Inventory and prepaid expenses                               | 24,619              | 19,858                         |
|  | <u>2,303,581</u>    | <u>2,100,013</u>               |
| Accumulated surplus consisting of:                           |                     |                                |
| Individual Surpluses and reserves                            | 2,668,585           | 2,608,747                      |
| Remeasurement Gains  | 66,923              | 60,396                         |
| Accumulated surplus (note 16)                                | <u>\$ 2,735,508</u> | <u>\$ 2,669,143</u>            |

Commitments and contingent liabilities (notes 14 and 17)

The accompanying notes are an integral part of the consolidated financial statements.

# HALIFAX REGIONAL MUNICIPALITY

## Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2025, with comparative information for 2024  
(In thousands of dollars)

|  | Budget              | 2025                | 2024<br>(Adjusted -<br>Note 2) |
|--|---------------------|---------------------|--------------------------------|
| <b>Revenue</b>   |                     |                     |                                |
| Taxation   | \$ 1,025,047        | \$ 1,024,576        | \$ 952,216                     |
| Taxation from other governments  | 51,468              | 51,787              | 47,176                         |
| User fees and charges  | 147,662             | 176,109             | 159,056                        |
| Government grants  | 61,211              | 75,932              | 86,359                         |
| Development levies   | 1,550               | 2,519               | 1,617                          |
| Investment income (note 6)   | 19,312              | 36,072              | 37,830                         |
| Penalties, fines and interest  | 12,060              | 14,550              | 12,117                         |
| Land sales, contributions and other revenue  | 22,784              | 22,772              | 26,028                         |
| Increase (decrease) in investment in the Halifax Regional<br>Water Commission before remeasurement<br>gain (loss) (note 7) | (507)               | (507)               | 11,458                         |
| Grant in lieu of tax from the Halifax Regional<br>Water Commission (note 7)  | 6,586               | 6,816               | 6,589                          |
| <b>Total revenue</b>   | <b>1,347,173</b>    | <b>1,410,626</b>    | <b>1,340,446</b>               |
| <b>Expenses</b>  |                     |                     |                                |
| General government services  | 176,584             | 163,236             | 151,983                        |
| Protective services  | 303,496             | 303,946             | 291,549                        |
| Transportation services  | 369,508             | 378,725             | 372,811                        |
| Environmental services   | 54,713              | 55,162              | 48,389                         |
| Recreation and cultural services   | 180,039             | 188,283             | 179,313                        |
| Planning and development services  | 45,190              | 52,775              | 42,583                         |
| Educational services   | 208,662             | 208,661             | 188,130                        |
| <b>Total expenses</b>  | <b>1,338,192</b>    | <b>1,350,788</b>    | <b>1,274,758</b>               |
| <b>Annual surplus</b>  | <b>8,981</b>        | <b>59,838</b>       | <b>65,688</b>                  |
| Accumulated individual surpluses and reserves,<br>beginning of year  | 2,608,747           | 2,608,747           | 2,543,059                      |
| <b>Accumulated individual surpluses and reserves, end of year</b>  | <b>\$ 2,617,728</b> | <b>\$ 2,668,585</b> | <b>\$ 2,608,747</b>            |

The accompanying notes are an integral part of the consolidated financial statements.



# HALIFAX REGIONAL MUNICIPALITY

## Consolidated Statement of Change in Net Financial Assets

For the year ended March 31, 2025, with comparative information for 2024  
(In thousands of dollars)

|   | Budget     | 2025       | 2024<br>(Adjusted -<br>Note 2) |
|---|------------|------------|--------------------------------|
| Annual surplus  | \$ 8,981   | \$ 59,838  | \$ 65,688                      |
| Acquisition of tangible capital assets<br>and contributed tangible capital assets   | (235,747)  | (363,691)  | (219,739)                      |
| Amortization of tangible capital assets   | 164,875    | 164,875    | 172,504                        |
| Loss (gain) on disposal of tangible capital assets                                  | -          | (64)       | 659                            |
| Proceeds on disposal of tangible capital assets                                     | -          | 73         | 36                             |
|   | (61,891)   | (138,969)  | 19,148.00                      |
| Acquisition of inventories of supplies and<br>prepaid expenses                      | -          | (47,681)   | (42,137)                       |
| Consumption of inventories of supplies and<br>use of prepaid expenses               | -          | 42,920     | 40,170                         |
| Remeasurement gain from investment in<br>Halifax Regional Water Commission (note 7) | -          | 6,527      | 8,745                          |
|   | -          | 1,766      | 6,778                          |
| Net change in net financial assets  | (61,891)   | (137,203)  | 25,926                         |
| Net financial assets, beginning of year   | 569,130    | 569,130    | 543,204                        |
| Net financial assets, end of year   | \$ 507,239 | \$ 431,927 | \$ 569,130                     |

## Consolidated Statement of Remeasurement Gains and Losses

For the year ended March 31, 2025, with comparative information for 2024  
(In thousands of dollars)

|  | 2025      | 2024      |
|--|-----------|-----------|
| Accumulated remeasurement gains and (losses), beginning of year                                  | \$ 60,396 | \$ 51,651 |
| Change in investment of Halifax Regional Water Commission<br>through remeasurement gain (note 7) | 6,527     | 8,745     |
| Net remeasurement gains for the year   | 6,527     | 8,745     |
| Accumulated remeasurement gains, end of year   | \$ 66,923 | \$ 60,396 |

The accompanying notes are an integral part of the consolidated financial statements.

# HALIFAX REGIONAL MUNICIPALITY

## Consolidated Statement of Cash Flows

For the year ended March 31, 2025, with comparative information for 2024  
(In thousands of dollars)

|  | 2025       | 2024       |
|--|------------|------------|
| Cash provided by (used in):  |            |            |
| <b>Operating activities</b>  |            |            |
| Annual surplus   | \$ 59,838  | \$ 65,688  |
| Items not involving cash:  |            |            |
| Amortization of tangible capital assets                                    | 164,875    | 172,504    |
| Loss (gain) on disposal of tangible capital assets                         | (64)       | 659        |
| Contributed tangible capital assets  | (6,118)    | (23,129)   |
| Decrease (increase) in investment in the Halifax Regional Water Commission |            |            |
| Commission before remeasurement gain (loss)                                | 507        | (11,458)   |
|  | 219,038    | 204,264    |
| Change in non-cash assets and liabilities:                                 |            |            |
| Decrease (increase) in taxes receivable                                    | (8,431)    | 6,658      |
| Increase in accounts receivable  | (1,278)    | (14,396)   |
| Increase in loans, deposits and advances                                   | (92)       | (10)       |
| Increase in land held for resale   | (17,165)   | (15,578)   |
| Increase in inventory and prepaid expenses                                 | (4,761)    | (1,967)    |
| Increase (decrease) in accounts payable and accrued liabilities            | 46,977     | (36,213)   |
| Increase in deferred revenue   | 30,231     | 17,528     |
| Increase (decrease) in employee future benefits                            | 1,054      | (1,673)    |
| Increase in asset retirement obligation liabilities                        | 11,773     | 2,505      |
| Net change in cash from operating activities                               | 277,346    | 161,118    |
| <b>Capital activities</b>  |            |            |
| Proceeds on disposal of tangible capital assets                            | 73         | 36         |
| Acquisition of tangible capital assets                                     | (357,573)  | (196,610)  |
| Net change in cash from capital activities                                 | (357,500)  | (196,574)  |
| <b>Investing activities</b>  |            |            |
| Decrease in investments  | 18,931     | 99,118     |
| Net change in cash from investing activities                               | 18,931     | 99,118     |
| <b>Financing activities</b>  |            |            |
| Long-term debt issued  | 23,622     | 80,490     |
| Long-term debt redeemed  | (49,037)   | (39,415)   |
| Long-term debt recovered from the Halifax Regional Water Commission        | 6,500      | 6,500      |
| Net change in cash from financing activities                               | (18,915)   | 47,575     |
| Net change in cash and cash equivalents                                    | (80,138)   | 111,237    |
| Cash and cash equivalents, beginning of year                               | 642,466    | 531,229    |
| Cash and cash equivalents, end of year                                     | \$ 562,328 | \$ 642,466 |

The accompanying notes are an integral part of the consolidated financial statements.

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2025  
(In thousands of dollars)

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### 1. Significant accounting policies:

#### Basis of presentation:

The consolidated financial statements of the Halifax Regional Municipality (the "Municipality") have been prepared by management in accordance with Canadian public sector accounting standards. The prior year financial statements have been reclassified, where applicable, to conform to the presentation in the current year.

#### (b) Basis of consolidation:

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the Municipality. The Municipality is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Municipality and which are owned or controlled by the Municipality, except the Halifax Regional Water Commission, which is accounted for on the modified equity basis of accounting and Events East Group (Halifax Convention Centre Corporation), a corporation jointly owned and controlled between the Province of Nova Scotia and the Municipality, which is accounted for at 50% based on the proportionate consolidation basis of accounting. The entities included are as follows:

#### Recreation facilities:

- Canada Games Centre Society
- Centennial Pool Association
- Cole Harbour Place Recreation Society
- Dartmouth Sportsplex Community Association (Zatzman Sportsplex)
- Eastern Shore Recreation Commission
- Halifax Forum Community Association
- Halifax Regional Municipality Centennial Arena Commission
- Greenfoot Energy Centre (formerly HRM 4-Pad)
- RBC Centre
- Scotiabank Centre
- St. Margaret's Community Centre Association

#### Commissions, cultural and other facilities:

- Alderney Landing Facility Association
- Downtown Dartmouth Business Commission
- Downtown Halifax Business Commission
- Events East Group (Halifax Convention Centre Corporation)
- Main Street Dartmouth and Area Business Improvement Association
- MetroPark Parkade Facility
- North End Business Association
- Porters Lake Business Association
- Quinpool Road Mainstreet District Association Limited
- Sackville Business Association
- Spring Garden Area Business Association
- Spryfield & District Business Commission

#### Halifax Regional Library

Interdepartmental and inter-organizational transactions and balances between these entities and organizations have been eliminated.

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2025  
(In thousands of dollars)

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### 1. Significant accounting policies (continued):

- (c) Investment in the Halifax Regional Water Commission:

The Halifax Regional Water Commission (the "HRWC") is a corporate body without share capital and is accounted for using the modified equity basis of accounting; consistent with public sector accounting standards, as recommended by Public Sector Accounting Board ("PSAB") for an investment in a government business enterprise. Under the modified equity basis of accounting, the HRWC's accounting principles are not adjusted to conform to those of the Municipality and inter-organizational transactions and balances are not eliminated.

The Municipality recognizes its equity interest in the annual net income or loss of the HRWC in its consolidated statement of operations with a corresponding increase or decrease in its investment account.

The Municipality recognizes its equity interest in HRWC's comprehensive income in the statement of remeasurement gains and losses.

- (d) Basis of accounting:

Revenues and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable and expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

- (e) Use of estimates:

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities, asset retirement obligations including landfill liability, contaminated sites liability and in performing actuarial valuations of employee future benefits. These estimates and assumptions are based on the Municipality's best judgement and may differ significantly from actual results.

- (f) Taxation and related revenues:

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Property Valuation Services Corporation. Tax rates are established annually by Council, incorporating amounts to be raised for local services and the requisition made by the Province of Nova Scotia in respect of contributions to education, corrections and housing. Taxation revenues are recorded at the time tax billings are due. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the results of the appeal process are known. An allowance for unresolved assessment appeals is also provided.

- (g) User fees and charges:

User fees relate to transit fees, fees for various programs and fees imposed on specific activities. Revenue is recognized when the activity is performed or when the service has been rendered.

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2025  
(In thousands of dollars)

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### 1. Significant accounting policies (continued):

- (h) Government transfers:  
Government transfers are recognized in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made, except when and to the extent that stipulations associated with the transfer give rise to a liability. If a liability is created, the satisfaction of the transfer stipulations by the recipient government determines the timing of the recognition of the transfer as revenue.
- (i) Short-term deposits and investments:  
Short-term deposits and investments are recorded at cost, adjusted for amortization of premiums or discounts in accordance with the investment policies established for the Municipality. A permanent decline in value would result in a write-down to recognize the loss and be included in the statement of operations.
- (j) Land held for resale:  
Land held for resale is recorded at the lower of cost or net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing.
- (k) Contaminated sites:  
The Municipality 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. The liability is based on estimates and assumptions using the best information available to management.
- (l) Deferred revenue:  
Deferred revenue represents taxes, user charges and other fees that have been collected, for which the related services have yet to be performed. These amounts will be recognized as revenue in the period the services are performed.
- (m) Pension, post-employment benefits and compensated absences:  
The contributions to a multi-employer, defined benefit pension plan are expensed when contributions are due. The costs of post-employment benefits are recognized when the event that obligates the Municipality occurs. Costs include projected future income payments and fees paid to independent administrators of these plans, calculated on a present value basis.  
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 municipalities current cost of borrowing. Any gains or losses from changes in assumptions or experience are amortized over the estimated average remaining service life ("EARSL") for the related employee group.
- (n) Asset retirement obligation:  
An asset retirement obligation is recognized when, as at the financial reporting date, the criteria are met. The liability for closure of operational sites and post-closure care relating to landfill sites has been recognized based on estimated future expenses. An additional liability for the removal of asbestos in several buildings owned by the Municipality, underground storage tanks and lease obligations has also been recognized based on estimated future expenses on closure of the site and post-closure care, removal costs for underground storage tanks and restoration of the land to its original state in the case of lease obligations.

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2025  
(In thousands of dollars)

### 1. Significant accounting policies (continued):

Asset retirement obligation (continued):

The liability is discounted using a present value calculation and adjusted yearly for accretion expense. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized over their remaining useful lives as outlined in note 1(o)(i).

(o) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

i) Tangible capital assets:

Tangible capital assets are recorded at historical cost or estimated historical cost, based on appraisals or other acceptable methods where historical cost was not available, which includes amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost of normal maintenance and repairs, which do not add value to the asset or materially extend the useful life of the asset, are not capitalized. The cost, less residual value of the tangible capital assets, are amortized on a straight line basis over their estimated useful lives as follows:

| <b>Asset</b>   | <b>Useful Life – Years</b> |
|--|----------------------------|
| Land improvements                                      |                            |
| Bridges, docks, seawalls, and wharves                  | 50                         |
| Sports fields and skateparks                           | 25                         |
| Playground and other land improvements                 | 15                         |
| Trails   | 10                         |
| Buildings  |                            |
| Structure and electrical                               | 40                         |
| Mechanical, roof, exterior architecture, and site work | 20                         |
| Interior architecture                                  | 15                         |
| Vehicles   | 5 - 15                     |
| Machinery and equipment                                | 4 - 10                     |
| Dams   | 40                         |
| Roads and infrastructure                               |                            |
| Road beds  | 40                         |
| Road surfaces  | 5 - 20                     |
| Infrastructure   | 20 - 30                    |
| Bridges  | 75                         |
| Ferries  | 2 - 30                     |

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2025  
(In thousands of dollars)

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### 1. Significant accounting policies (continued):

i) Tangible capital assets (continued):

The useful life for landfill cells, which are included in land improvements, is based upon the capacity of each cell.

Leasehold improvements are amortized over the shorter of the term of the lease (including one renewal period, if provided for) or the useful life of the asset.

For assets with a useful life of 5 years or less, amortization will commence in the year the asset is available for use, and be recorded at 50% of the annual charge in the first and last years of the asset's useful life. For assets with a useful life greater than 5 years, amortization will commence in the year following the year the asset is put into use.

The school buildings which are owned by the Municipality but in use by the Halifax Regional Centre for Education are not recorded as tangible capital assets. No amortization is recorded by the Municipality as long as the buildings are in use by and under the control of the Halifax Regional Centre for Education.

ii) Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

iii) Natural resources:

Natural resources that have not been purchased are not recognized as assets.

iv) Works of art and cultural and historic assets:

Works of art and cultural and historic assets are not recorded as assets, unless used in the provision of a municipal service.

v) Interest capitalization:

The Municipality does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

vi) Leased tangible capital assets:

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(p) Inventories of supplies:

Inventories of supplies held for consumption are recorded at the lower of cost or replacement cost.

(q) Expenses:

Expenses are recognized in the year the events giving rise to the expenses occur and there is a legal or constructive obligation to pay.

(r) Regional Centres for Education:

The assets, liabilities, taxation and other revenues and expenses with respect to the operations of the Halifax Regional Centre for Education and the Conseil scolaire acadien provincial are not reflected in the consolidated financial statements as they are provincial government entities.

(s) Miscellaneous Trust Funds:

Miscellaneous Trust Funds and their related operations, administered by the Municipality, are not included in the consolidated financial statements, but are reported separately in the Miscellaneous Trust Funds financial statements.

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2025  
(In thousands of dollars)

### 1. Significant accounting policies (continued):

Individual Funds and Reserves:

Certain amounts, as approved by Council, are set aside in accumulated surplus for future operating and capital purposes. Transfers to/from funds and reserves are an adjustment to the respective fund when approved.

(t) Financial Instruments:

Financial instruments are recorded at fair value on initial recognition and are subsequently recorded at cost unless management has elected to carry the instruments at fair value. All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses.

### 2. Restated comparative information:

During the year it was noted by management of HRWC, an equity accounted investment of the Municipality, that certain tangible capital assets were not previously amortized. This restatement reduced the Municipality's investment in HRWC (note 7) under the modified equity method along with a corresponding reduction in the Accumulated Surplus - individual surpluses and reserves (note 16). The error has been corrected by restating each of the affected financial statement line items for prior periods. The following table summarizes the impacts on the financial statements.

|  | 2024<br>As<br>previously<br>reported | Adjustment | 2024<br>As restated |
|--|--------------------------------------|------------|---------------------|
|--|--------------------------------------|------------|---------------------|

#### Consolidated Statement of Operations and Accumulated Surplus

##### Accumulated individual surpluses and reserves,

|                                |              |             |              |
|--------------------------------|--------------|-------------|--------------|
| Balance, beginning of the year | \$ 2,553,490 | \$ (10,431) | \$ 2,543,059 |
| Balance, end of year           | \$ 2,619,178 | \$ (10,431) | \$ 2,608,747 |

#### Consolidated Statement of Financial Position

|  |              |             |              |
|--|--------------|-------------|--------------|
| Investment in Halifax Regional Water Commission            | \$ 316,526   | \$ (10,431) | \$ 306,095   |
| Net financial assets                                       | \$ 579,561   | \$ (10,431) | \$ 569,130   |
| Accumulated surplus -<br>Individual surpluses and reserves | \$ 2,619,178 | \$ (10,431) | \$ 2,608,747 |

#### Consolidated Statement of Changes in Net Financial Assets

|   |            |             |            |
|---|------------|-------------|------------|
| Net financial assets, beginning of the year | \$ 553,635 | \$ (10,431) | \$ 543,204 |
| Net financial assets, end of the year       | \$ 579,561 | \$ (10,431) | \$ 569,130 |



# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2025  
(In thousands of dollars)

### 2. Restated comparative information (continued):

|  | 2024<br>As<br>previously<br>reported | Adjustment  | 2024<br>As restated |
|--|--------------------------------------|-------------|---------------------|
| <b>Note 7: Investment in the Halifax Regional Water Commission</b> |                                      |             |                     |
| Investment, beginning of the year                                  | \$ 296,323                           | \$ (10,431) | \$ 285,892          |
| Investment, end of the year  | \$ 316,526                           | \$ (10,431) | \$ 306,095          |

### Note 16 : Accumulated surplus:

|   |            |             |            |
|---|------------|-------------|------------|
| Equity in Halifax Regional Water Commission | \$ 256,130 | \$ (10,431) | \$ 245,699 |
|---|------------|-------------|------------|

### 3. Cash and cash equivalents:

|   | 2025              | 2024              |
|---|-------------------|-------------------|
| Halifax Regional Municipality   | \$ 543,540        | \$ 625,612        |
| Recreation facilities, commissions, cultural and other facilities<br>and the Halifax Regional Library | 18,788            | 16,854            |
| <b>Total</b>  | <b>\$ 562,328</b> | <b>\$ 642,466</b> |

Cash and cash equivalents includes cash on hand, deposits held at bank, redeemable investments and other short-term highly-liquid investments with maturities of three months or less.

### 4. Taxes receivable:

|                  | 2025             | 2024             |
|------------------|------------------|------------------|
| Taxes receivable | \$ 28,026        | \$ 20,616        |
| Allowance        | (2,438)          | (3,459)          |
| <b>Total</b>     | <b>\$ 25,588</b> | <b>\$ 17,157</b> |

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2025  
(In thousands of dollars)

### 5. Accounts receivable:

|                       | 2025             | 2024             |
|-----------------------|------------------|------------------|
| Federal government    | \$ 25,785        | \$ 19,947        |
| Provincial government | 7,912            | 21,121           |
| Other receivables     | 61,631           | 53,243           |
| Allowance             | (483)            | (744)            |
| <b>Total</b>          | <b>\$ 94,845</b> | <b>\$ 93,567</b> |

### 6. Investments:

Money market instruments include Provincial treasury bills and instruments of Canadian financial institutions. These investments have a term to maturity of one year or less. Investments shown here have a term to maturity of more than 90 days.

No bonds of Provincial governments and their guarantees are held by the Municipality at March 31, 2025. The yield on market value of bonds is 4.68% at March 31, 2025 (2024 - 1.37%).

|   | 2025<br>Cost     | 2025<br>Market<br>value | 2024<br>Cost     | 2024<br>Market<br>value |
|---|------------------|-------------------------|------------------|-------------------------|
| Money market instruments                                | \$ 57,148        | \$ 57,726               | \$ 25,902        | \$ 26,026               |
| Bonds of Provincial governments and<br>their guarantees | -                | -                       | 50,177           | 49,862                  |
| <b>Total</b>  | <b>\$ 57,148</b> | <b>\$ 57,726</b>        | <b>\$ 76,079</b> | <b>\$ 75,888</b>        |

The investment income earned on money market instruments is \$34,754 (2024 - \$36,522) and on bonds of Provincial governments and their guarantees is \$1,317 (2024 - \$1,308).

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2025  
(In thousands of dollars)

### 7. Investment in the Halifax Regional Water Commission:

The HRWC is a government business enterprise of the Municipality and is responsible for the supply of municipal water, wastewater and stormwater services to residents of the Municipality. HRWC reports under International Financial Reporting Standards ("IFRS").

(a) The following table provides condensed supplementary financial information for the HRWC:

|   | 2025       | 2024<br>(Adjusted -<br>Note 2) |
|---|------------|--------------------------------|
| <b>Financial position</b>                               |            |                                |
| Current assets  | \$ 121,704 | \$ 90,625                      |
| Capital assets  | 1,507,288  | 1,439,918                      |
| Total assets  | 1,628,992  | 1,530,543                      |
| Current liabilities                                     | 104,865    | 97,425                         |
| Long-term liabilities                                   | 1,212,012  | 1,127,023                      |
| Total liabilities                                       | 1,316,877  | 1,224,448                      |
| Net assets  | \$ 312,115 | \$ 306,095                     |
| <b>Results of operations</b>                            |            |                                |
| Revenues  | \$ 174,223 | \$ 171,979                     |
| Operating expenses                                      | (177,897)  | (165,904)                      |
| Financing expenses                                      | (9,538)    | (7,601)                        |
| Other income  | 19,713     | 19,765                         |
| Regulatory deferral account amortization                | (192)      | (192)                          |
| Net income before grant in lieu of tax                  | 6,309      | 18,047                         |
| Grant in lieu of tax                                    | (6,816)    | (6,589)                        |
| Increase in investment before remeasurement gain (loss) | (507)      | 11,458                         |
| Investment, beginning of year                           | 306,095    | 285,892                        |
| Change in investment through remeasurement gain (loss)  | 6,527      | 8,745                          |
| Investment, end of year                                 | \$ 312,115 | \$ 306,095                     |

(b) The following summarizes the Municipality's transactions with the HRWC for the year:

|                        | 2025     | 2024     |
|------------------------|----------|----------|
| Revenues               |          |          |
| Grant in lieu of tax   | \$ 6,816 | \$ 6,589 |
| Expenses               |          |          |
| Stormwater charge      | \$ 5,337 | \$ 5,337 |
| Fire protection charge | \$ 8,083 | \$ 8,083 |

All transactions are in the normal course of operations, and are recorded at the exchange value based on normal commercial rates, or as agreed to by the parties.

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2025  
(In thousands of dollars)

### 8. Accounts payable and accrued liabilities:

|                            | 2025              | 2024              |
|----------------------------|-------------------|-------------------|
| Trade accounts payable     | \$ 101,836        | \$ 77,822         |
| Federal government         | 14,853            | 7,546             |
| Provincial government      | 9,278             | 8,285             |
| Salaries and wages payable | 10,462            | 15,024            |
| Accrued liabilities        | 70,926            | 51,469            |
| Accrued interest           | 3,154             | 3,386             |
| <b>Total</b>               | <b>\$ 210,509</b> | <b>\$ 163,532</b> |

### 9. Employee future benefits - employees' retirement pension plan:

Employees of the Municipality participate in the Halifax Regional Municipality Pension Plan (the "HRM Plan"). The HRM Plan is a multi-employer plan administered by the Halifax Regional Municipality Pension Committee (the "Committee"). There are ten employers participating in the HRM Plan including the Halifax Regional Centre for Education and Quest. The Committee is comprised of representatives from both management and unions, and is responsible for setting contribution rates for all participating employers. The HRM Plan is funded equally by participating employers and members. Accounting for the HRM Plan under the Municipality's consolidated financial statements follows rules for defined contribution pension plans.

The HRM Plan provides a lifetime benefit representing 2% of the member's highest average earnings over a period of three years times the number of years of credited service in the pension plan. Only regular earnings are recognized under the defined benefit provisions of the HRM Plan. The HRM Plan also provides defined contribution benefits, at the option of the member, on the portion of earnings that is overtime and other non-regular earnings.

The Municipality contributed to the HRM Plan an amount of \$47,077 for the period ending March 31, 2025 (2024 - \$45,404). Since January 1, 2016, the Municipality and the members are each contributing 12.21% of regular earnings for members participating in the main division of the pension plan. Other contribution rates are in effect for the other divisions of the plan, and for members in public safety occupations.

The last actuarial valuation filed with regulators was at December 31, 2023. The next actuarial valuation of the HRM Plan will be required as at a date not later than December 31, 2026, with the option of filing the actuarial valuation on an annual basis, in accordance with the minimum requirements of the Nova Scotia Pension Benefits Act. The interest rate used in the last filed valuation was 6.65% per year. The following estimates as at December 31, 2024 are based on the actuarial valuation as at December 31, 2023 extrapolated to December 31, 2024 and are based on a discount rate assumption of 6.65% per annum (2024 - 6.65%).

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2025  
(In thousands of dollars)

### 9. Employee future benefits - employees' retirement pension plan (continued):

|   | 2025<br>Extrapolated | 2024<br>Extrapolated |
|---|----------------------|----------------------|
| Actuarial value of plan assets                      | \$ 2,912,198         | \$ 2,699,446         |
| Estimated present value of accrued pension benefits | (2,674,924)          | (2,542,265)          |
| <b>Estimated funding surplus</b>                    | <b>\$ 237,274</b>    | <b>\$ 157,181</b>    |

The main assumptions used in the actuarial valuation of the HRM Plan are as follows:

|                       |  |
|-----------------------|--|
| Asset rate of return: | 6.65% per year   |
| Salary increase:      | 2.85% per year plus merit and promotional increases  |
| Retirement age:       | 40% of employees will retire on their earliest unreduced retirement date from the HRMPP (or in one year from the valuation date if they are immediately eligible).<br>The remainder retire according to an aged-based table. |

### 10. Employee future benefits - retiring allowances and other future benefits:

The Municipality provides for the payment of retiring allowances to retiring employees in accordance with the terms of the various collective agreements and the Municipality's policy. The retiring allowance is based on the member's final annual salary and years of service at retirement. On the retirement of a police officer, the Municipality also provides for a lump sum payment to a health trust for the benefit of the retiring member. The amount depends on the level of the officer's sick bank at the time of retirement.

The Municipality continues to pay for its share of the contributions to the HRM Plan for members in receipt of benefits from a long-term disability plan sponsored and recognized by the Municipality.

The Municipality also provides for employee sick leave. Unused sick leave accumulates to a maximum number of hours which varies by employment agreement. Under this program, employees are not entitled to a cash payment in lieu of sick leave when they leave the Municipality's employment except as described above with respect to the retirement of a police officer.

The Municipality also pays lifetime and temporary benefits to former employees who retired from the Municipality under various early retirement programs and arrangements that were in place prior to April 1, 2004.

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2025  
(In thousands of dollars)

### 10. Employee future benefits - retiring allowances and other future benefits (continued):

Actuarial valuations of the above benefits are done for accounting purposes using the projected benefit method prorated on services. The last actuarial valuation of the unused sick leave benefits was conducted as at March 31, 2024. The last actuarial valuation of the police health trust benefits was conducted as at March 31, 2023. The last actuarial valuation of the retirement allowance programs was conducted as at March 31, 2022. For all other benefits, actuarial valuations were conducted as at March 31, 2024. Key actuarial assumptions used in the valuations were based on the Municipality's best estimates.

A reconciliation of the accrued benefit obligation for these plans, along with the main assumptions used for disclosure and expense calculations are as follows:

|   | 2025      | 2024      |
|---|-----------|-----------|
| Accrued benefit obligation, beginning of year | \$ 60,945 | \$ 65,604 |
| Current period benefit cost                   | 3,726     | 3,743     |
| Benefit payments                              | (5,875)   | (8,763)   |
| Interest cost                                 | 2,967     | 3,075     |
| Actuarial loss (gain)                         | 1,006     | (2,612)   |
| Past service cost (gain)                      | -         | (102)     |
| Accrued benefit obligation, end of year       | \$ 62,769 | \$ 60,945 |

|  | 2025          | 2024          |
|--|---------------|---------------|
| Main assumptions used for fiscal year-end disclosure |               |               |
| Discount rate  | 4.81%         | 4.90%         |
| Salary increase                                      | 3% plus merit | 3% plus merit |
| Main assumptions used for expense calculation        |               |               |
| Discount rate  | 4.81%         | 4.90%         |
| Salary increase                                      | 3% plus merit | 3% plus merit |

These other employee benefit plans require no contributions from employees. The benefit liability as at March 31, 2025 is estimated to include the following components:

|   | 2025      | 2024      |
|---|-----------|-----------|
| Accrued benefit obligation                                      |           |           |
| Retiring allowances   | \$ 31,490 | \$ 29,632 |
| Sick leave  | 20,416    | 20,514    |
| HRM pension contributions for employees on long-term disability | 6,430     | 6,204     |
| Police Health Trust   | 1,760     | 1,739     |
| Other   | 2,673     | 2,856     |
|   | 62,769    | 60,945    |
| Unamortized actuarial gain                                      | 6,886     | 7,656     |
| Benefit liability   | \$ 69,655 | \$ 68,601 |

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2025  
(In thousands of dollars)

### 10. Employee future benefits - retiring allowances and other future benefits (continued):

The unamortized actuarial gain will be amortized over the expected average remaining service lifetime ("EARSL") of the related employee groups starting in the next fiscal year. EARSL is determined separately for each benefit program.

The total expense related to other employee benefits described above includes the following components:

|  | 2025            | 2024            |
|--|-----------------|-----------------|
| Current period benefit cost                                  | \$ 3,726        | \$ 3,743        |
| Amortization of actuarial loss                               | 235             | 375             |
| Past service cost gain                                       | -               | (102)           |
| Other employee benefit expense                               | 3,961           | 4,016           |
| Other employee benefit interest expense                      | 2,967           | 3,075           |
| <b>Total expense related to other employee benefit plans</b> | <b>\$ 6,928</b> | <b>\$ 7,091</b> |

### 11. Asset retirement obligation:

The estimated liability is the present value of future cash flows associated with asset retirement costs discounted using a long-term borrowing rate of 4.81% (2024 - 4.90%) and a forecasted inflation rate of 2.30% (2024 - 3.30%). The Municipality's Asset retirement obligation consists of several obligations as follows:

#### a) Landfill obligation:

The Nova Scotia Environment Act (the "Environment Act") sets out the regulatory requirements for the closure and maintenance of landfill sites. Under this Act, the Municipality is required to provide for closure and post-closure care of solid waste landfill sites.

The Municipality has three landfill sites, one is operational and two are closed. The liability for the closure of operational sites and post-closure care has been recognized under PS 3280 - Asset Retirement Obligation. Post-closure care activities include perpetual care and will involve the management and monitoring of groundwater, gas and leachate levels, operating and monitoring the leachate treatment plant when necessary, removal of buildings, site cleanup and general site maintenance. The costs were based upon the presently known obligations that will exist at the estimated year of closure of the sites.

#### Otter Lake Landfill:

The Otter Lake Landfill site opened during the year ended March 31, 1999 and is expected to operate until 2050.

The liability was adjusted for capacity used of 100% for the closed cells. The Municipality has signed a long-term contract with a third party to operate the Otter Lake Landfill. Under the terms of the operating agreement, the third party is responsible for the capital cost to close Cell 8. The long-term post-closure costs remain a liability of the Municipality. Post-closure costs are expected to incur until 2090.

#### Sackville Landfill:

The Sackville Landfill site closed during the year ended March 31, 1997. A closure plan and an environmental audit were completed in 1996.

The continuous monitoring of the site is anticipated to be ongoing. Post-closure cost will continue until 2047.

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2025  
(In thousands of dollars)

### 11. Asset retirement obligation (continued):

#### Mengoni Landfill:

The Mengoni Landfill site closed during the year ended March 31, 2008. A closure plan and an environmental audit were completed in 2008.

Post-closure care activities for this site is expected to occur until 2050.

A reserve has been established to fund the post-closure care activities for the three landfill sites.

#### a) Landfill obligation (continued):

|   | Sackville | Otter Lake | Mengoni | March 31,<br>2025<br>Total |
|---|-----------|------------|---------|----------------------------|
| Estimated present value of closure and post closure costs | 10,902    | 15,936     | 646     | 27,484                     |
| Accretion expense   | 688       | 1,030      | 40      | 1,758                      |
| Less: expenses incurred                                   | (259)     | -          | (31)    | (290)                      |
|   | 11,331    | 16,966     | 655     | 28,952                     |
| Reserve fund  |           |            |         | 25,285                     |
| Excess of liability over available reserve                |           |            |         | \$ 3,667                   |

#### b) Asbestos obligation:

The Municipality owns and operates several buildings that are known to have asbestos, which represents a health hazard if disturbed during renovations or upon demolition of the building and there is a legal obligation to remove it. The Municipality recognized an obligation relating to the removal and post-removal care of the asbestos in these buildings. 15% of buildings square footage is estimated as containing asbestos. The liability was measured based on 15% of the square footage and the remediation costs incurred for the removal of asbestos from similar buildings. The buildings have a reassessed expected useful life of up to 30 years.

#### c) Lease obligations:

The Municipality's leases have surrender requirements which include removal of leasehold improvements, demising partitions and finishes, demolishing building, removal of hazardous substances and returning premises to a habitable state. Basis of estimate is estimated costs for restoring assets (land, buildings) to original state at the end of the lease term, which is varied dependant on the lease. The lease liability decreased in 2024.

#### d) Underground storage tanks:

The Municipality has three underground storage tanks ("UST"), the cost of removal for these tanks has been recognized under PS 3280 - Asset Retirement Obligation. Basis of estimate is costs incurred to remove UST's in the past. The useful lives for two of the tanks is 6 years and 4 years for the third tank.



# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2025  
(In thousands of dollars)

### 11. Asset retirement obligation (continued):

| Asset Retirement Obligation  | Landfills<br>Pre/post<br>Closure | Other    | Total      |
|--|----------------------------------|----------|------------|
| Undiscounted expenditures  | \$ 105,324                       | \$ 3,829 | \$ 109,153 |
| Opening balance, April 01, 2024  | 17,731                           | 3,686    | 21,417     |
| Adjustment to asset retirement obligation<br>due to changes in assumptions | 9,753                            | 306      | 10,059     |
| Accretion expense  | 1,758                            | 246      | 2,004      |
| Less: expenses incurred  | (290)                            | -        | (290)      |
| Closing balance, March 31, 2025  | \$ 28,952                        | \$ 4,238 | \$ 33,190  |

### 12. Long-term debt:

The schedules of long-term debt attached to the consolidated financial statements detail the various terms and conditions related to the long-term debt (see page 33 and 34).

Principal payments required in each of the next five years and thereafter on debt held as at March 31, 2025 are as follows:

|            |            |
|------------|------------|
| 2025/26    | \$ 35,698  |
| 2026/27    | 31,731     |
| 2027/28    | 29,781     |
| 2028/29    | 27,846     |
| 2029/30    | 24,744     |
| Thereafter | 77,122     |
| Total      | \$ 226,922 |

### 13. Miscellaneous Trust Funds:

Miscellaneous Trust Funds administered by the Municipality are reported on separately. The total trust assets under administration at March 31, 2025 are \$10,794 (2024 - \$9,984).

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2025  
(In thousands of dollars)

### 14. Commitments:

- (a) The Municipality and its consolidated entities rent facilities under several long-term operating leases with annual payments for each of the next five years as follows:

|         |    |        |
|---------|----|--------|
| 2025/26 | \$ | 9,874  |
| 2026/27 |    | 9,863  |
| 2027/28 |    | 9,254  |
| 2028/29 |    | 9,301  |
| 2029/30 |    | 8,370  |
| Total   | \$ | 46,662 |

- (b) The Municipality and its consolidated entities have entered into several long-term operating contracts for various purposes other than rent with annual payments for each of the next five years as follows:

|         |    |        |
|---------|----|--------|
| 2025/26 | \$ | 30,027 |
| 2026/27 |    | 9,899  |
| 2027/28 |    | 8,147  |
| 2028/29 |    | 3,651  |
| 2029/30 |    | 2,017  |
| Total   | \$ | 53,741 |

- (c) The Municipality has entered into several long-term contracts for waste resources operations with aggregate annual payments of approximately \$51,051 (2024 - \$51,899) for each of the next five years.
- (d) Effective March 1, 2018, the Province of Nova Scotia has a 25 year lease agreement with Argyle Developments Inc. and others for a design construction agreement for the new Halifax Convention Centre (HCC). The Municipality is not a party to that lease but, under a separate agreement with the Province of Nova Scotia, has agreed to share 50% of the "Annual Base Rent". The Annual Base Rent covers the long-term financing for the facility and is \$10,760 before taxes per year. The Municipality's share is \$5,380. The Municipality has also agreed to share in 50% of the facility maintenance costs, property tax, operating costs, lifecycle costs and the annual operating deficit.

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2025  
(In thousands of dollars)

### 15. Tangible capital assets:

| Cost                      | Balance at<br>March 31, 2024 | Additions<br>(Net of<br>transfers) | Disposals         | Balance at<br>March 31, 2025 |
|---------------------------|------------------------------|------------------------------------|-------------------|------------------------------|
| Land                      | \$ 304,241                   | \$ 3,911                           | \$ -              | \$ 308,152                   |
| Land improvements         | 356,714                      | 21,428                             | -                 | 378,142                      |
| Buildings                 | 778,835                      | 24,383                             | -                 | 803,218                      |
| Vehicles                  | 336,740                      | 12,433                             | (1,786)           | 347,387                      |
| Machinery and equipment   | 137,959                      | 24,072                             | -                 | 162,031                      |
| Roads and infrastructure  | 2,468,067                    | 84,202                             | -                 | 2,552,269                    |
| Dams                      | 480                          | -                                  | -                 | 480                          |
| Ferries                   | 41,041                       | 291                                | -                 | 41,332                       |
| Leasehold improvements    | 5,236                        | 298                                | -                 | 5,534                        |
| Assets under construction | 122,443                      | 192,673                            | -                 | 315,116                      |
| <b>Total</b>              | <b>\$ 4,551,756</b>          | <b>\$ 363,691</b>                  | <b>\$ (1,786)</b> | <b>\$ 4,913,661</b>          |

| Accumulated<br>amortization | Balance at<br>March 31, 2024 | Disposals         | Amortization<br>expense | Balance at<br>March 31, 2025 |
|-----------------------------|------------------------------|-------------------|-------------------------|------------------------------|
| Land                        | \$ -                         | \$ -              | \$ -                    | \$ -                         |
| Land improvements           | 232,986                      | -                 | 8,648                   | 241,634                      |
| Buildings                   | 412,516                      | -                 | 27,629                  | 440,145                      |
| Vehicles                    | 210,619                      | (1,777)           | 20,137                  | 228,979                      |
| Machinery and equipment     | 79,802                       | -                 | 21,862                  | 101,664                      |
| Roads and infrastructure    | 1,513,663                    | -                 | 84,073                  | 1,597,736                    |
| Dams                        | 480                          | -                 | -                       | 480                          |
| Ferries                     | 17,377                       | -                 | 1,559                   | 18,936                       |
| Leasehold improvements      | 4,158                        | -                 | 967                     | 5,125                        |
| Assets under construction   | -                            | -                 | -                       | -                            |
| <b>Total</b>                | <b>\$ 2,471,601</b>          | <b>\$ (1,777)</b> | <b>\$ 164,875</b>       | <b>\$ 2,634,699</b>          |

|                           | Net book value<br>March 31, 2024 | Net book value<br>March 31, 2025 |
|---------------------------|----------------------------------|----------------------------------|
| Land                      | \$ 304,241                       | \$ 308,152                       |
| Land improvements         | 123,728                          | 136,508                          |
| Buildings                 | 366,319                          | 363,073                          |
| Vehicles                  | 126,121                          | 118,408                          |
| Machinery and equipment   | 58,157                           | 60,367                           |
| Roads and infrastructure  | 954,404                          | 954,533                          |
| Dams                      | -                                | -                                |
| Ferries                   | 23,664                           | 22,396                           |
| Leasehold improvements    | 1,078                            | 409                              |
| Assets under construction | 122,443                          | 315,116                          |
| <b>Total</b>              | <b>\$ 2,080,155</b>              | <b>\$ 2,278,962</b>              |

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2025  
(In thousands of dollars)

### 15. Tangible capital assets (continued):

| Cost                      | Balance at<br>March 31, 2023 | Additions<br>(Net of<br>transfers) | Disposals         | Balance at<br>March 31, 2024 |
|---------------------------|------------------------------|------------------------------------|-------------------|------------------------------|
| Land                      | \$ 301,714                   | \$ 3,211                           | \$ (684)          | \$ 304,241                   |
| Land improvements         | 339,329                      | 17,385                             | -                 | 356,714                      |
| Buildings                 | 750,936                      | 27,899                             | -                 | 778,835                      |
| Vehicles                  | 329,427                      | 8,555                              | (1,242)           | 336,740                      |
| Machinery and equipment   | 115,012                      | 22,947                             | -                 | 137,959                      |
| Roads and infrastructure  | 2,381,912                    | 86,155                             | -                 | 2,468,067                    |
| Dams                      | 480                          | -                                  | -                 | 480                          |
| Ferries                   | 40,367                       | 674                                | -                 | 41,041                       |
| Leasehold improvements    | 5,355                        | (119)                              | -                 | 5,236                        |
| Assets under construction | 69,411                       | 53,032                             | -                 | 122,443                      |
| <b>Total</b>              | <b>\$ 4,333,943</b>          | <b>\$ 219,739</b>                  | <b>\$ (1,926)</b> | <b>\$ 4,551,756</b>          |

| Accumulated<br>amortization | Balance at<br>March 31, 2023 | Disposals         | Amortization<br>expense | Balance at<br>March 31, 2024 |
|-----------------------------|------------------------------|-------------------|-------------------------|------------------------------|
| Land                        | \$ -                         | \$ -              | \$ -                    | \$ -                         |
| Land improvements           | 225,123                      | -                 | 7,863                   | 232,986                      |
| Buildings                   | 385,715                      | -                 | 26,801                  | 412,516                      |
| Vehicles                    | 192,337                      | (1,231)           | 19,513                  | 210,619                      |
| Machinery and equipment     | 58,151                       | -                 | 21,651                  | 79,802                       |
| Roads and infrastructure    | 1,419,393                    | -                 | 94,270                  | 1,513,663                    |
| Dams                        | 480                          | -                 | -                       | 480                          |
| Ferries                     | 15,771                       | -                 | 1,606                   | 17,377                       |
| Leasehold improvements      | 3,358                        | -                 | 800                     | 4,158                        |
| Assets under construction   | -                            | -                 | -                       | -                            |
| <b>Total</b>                | <b>\$ 2,300,328</b>          | <b>\$ (1,231)</b> | <b>\$ 172,504</b>       | <b>\$ 2,471,601</b>          |

|                           | Net book value<br>March 31, 2023 | Net book value<br>March 31, 2024 |
|---------------------------|----------------------------------|----------------------------------|
| Land                      | \$ 301,714                       | \$ 304,241                       |
| Land improvements         | 114,206                          | 123,728                          |
| Buildings                 | 365,221                          | 366,319                          |
| Vehicles                  | 137,090                          | 126,121                          |
| Machinery and equipment   | 56,861                           | 58,157                           |
| Roads and infrastructure  | 962,519                          | 954,404                          |
| Dams                      | -                                | -                                |
| Ferries                   | 24,596                           | 23,664                           |
| Leasehold improvements    | 1,997                            | 1,078                            |
| Assets under construction | 69,411                           | 122,443                          |
| <b>Total</b>              | <b>\$ 2,033,615</b>              | <b>\$ 2,080,155</b>              |

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2025  
(In thousands of dollars)

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### 15. Tangible capital assets (continued):

- (a) Assets under construction:  
Assets under construction having a value of \$315,116 (2024 - \$122,443) have not been amortized. Amortization of these assets will commence when the asset is available for productive use.
- (b) Contributed tangible capital assets:  
Contributed tangible capital assets have been recognized at the fair market value at the date of contribution. The value of contributed assets received during the year is \$6,118 (2024 - \$23,129) and is comprised of roads and infrastructure in the amount of \$5,588 (2024 - \$22,567), land and land improvements having a value of \$530 (2024 - \$562).
- (c) Tangible capital assets disclosed at nominal values:  
Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land is the only category where nominal values were assigned.
- (d) Works of art and cultural and historical assets:  
The Municipality manages and controls various works of art and non-operational cultural and historical assets including buildings, artifacts, paintings and sculptures located at Municipal sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.
- (e) Impairment of tangible capital assets:  
The impairment of tangible capital assets during the year was \$nil (2024 - \$nil).
- (f) Roads and infrastructure:  
Roads and infrastructure have a net book value of \$954,533 (2024 - \$954,404) and are comprised of: road beds - \$251,567 (2024 - \$264,071), road surfaces - \$294,301 (2024 - \$291,003), infrastructure - \$384,519 (2024 - \$377,928) and bridges - \$24,146 (2024 - \$21,402).
- (g) Buildings:  
Buildings have a net book value of \$363,073 (2024 - \$366,319) and are comprised of: structure and electrical - \$137,049 (2024 - \$137,398), mechanical, roof, exterior architecture, and site work - \$170,116 (2024 - \$175,407), and interior architecture - \$55,908 (2024 - \$53,514).
- (h) Land Improvements:  
Land improvements have a net book value of \$136,508 (2024 - \$123,728) and are comprised of: bridges, docks, seawalls, and wharves - \$43,170 (2024 - \$41,945), sports fields and skateparks - \$15,816 (2024 - \$15,002), playground and other land improvements - \$75,999 (2024 - \$65,007), and trails - \$1,523 (2024 - \$1,774).
- (i) Asset retirement obligation:  
Additions and amortization expense include costs related to asset retirement obligation. Additions: Land improvements - \$9,464 (2024 - \$1,076), buildings - \$7 (2024 - \$43), and leasehold improvements - \$298 (2024 - (\$124)). Amortization expense: Land improvements - \$668 (2024 - \$509), buildings - \$231 (2024 - \$281), and leasehold improvements - \$890 (2024 - \$723).

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2025  
(In thousands of dollars)

### 16. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserve funds as follows:

|   | 2025                | 2024<br>(Adjusted -<br>Note 2) |
|---|---------------------|--------------------------------|
| <b>Surplus</b>  |                     |                                |
| Invested in tangible capital assets   | \$ 2,052,040        | \$ 1,834,318                   |
| Other   | (23,384)            | 136,874                        |
| Equity in Halifax Regional Water Commission (note 7)                            | 245,192             | 245,699                        |
| Funded by reserves  |                     |                                |
| Landfill closure costs  |                     |                                |
| Asset retirement obligations - landfill closure costs (note 11)                 | (28,952)            | (17,731)                       |
| Unfunded  |                     |                                |
| Asset retirement obligations - asbestos, lease and<br>underground storage tanks | (4,238)             | (3,686)                        |
| Employee future benefits, accrued interest and other                            | (22,622)            | (21,920)                       |
| <b>Total surplus</b>  | <b>2,218,036</b>    | <b>2,173,554</b>               |
| <b>Risk reserves set aside by Council</b>                                       |                     |                                |
| Risk & resilience   | 15,615              | 13,402                         |
| <b>Total risk reserves set aside by Council</b>                                 | <b>15,615</b>       | <b>13,402</b>                  |
| <b>Obligation reserves set aside by Council</b>                                 |                     |                                |
| Landfill closure and post closure costs (note 11)                               | 25,285              | 15,335                         |
| Municipal election  | 2,857               | 3,742                          |
| Convention centre   | 8,347               | 6,766                          |
| Community and events  | 7,565               | 5,116                          |
| Business/Industrial parks expansion   | 46,435              | 56,119                         |
| Central Library recapitalization  | 10,474              | 9,989                          |
| Multi-District facilities   | 13,900              | 12,945                         |
| Solid waste facilities  | 18,523              | 17,257                         |
| Master plan   | 2,607               | 2,486                          |
| <b>Total obligation reserves set aside by Council</b>                           | <b>135,993</b>      | <b>129,755</b>                 |
| <b>Opportunity reserves set aside by Council</b>                                |                     |                                |
| Strategic initiative Capital  | 190,962             | 176,627                        |
| Strategic initiative Operating  | 7,013               | 5,715                          |
| Options   | 19,218              | 23,490                         |
| Capital fund  | 48,757              | 55,353                         |
| Parkland development  | 11,050              | 9,786                          |
| Gas tax   | 13,729              | 13,595                         |
| Density Bonusing  | 8,212               | 7,470                          |
| <b>Total opportunity reserves set aside by Council</b>                          | <b>298,941</b>      | <b>292,036</b>                 |
| <b>Total individual surpluses and reserves</b>                                  | <b>2,668,585</b>    | <b>2,608,747</b>               |
| Accumulated remeasurement gains   | 66,923              | 60,396                         |
| <b>Total accumulated surplus</b>  | <b>\$ 2,735,508</b> | <b>\$ 2,669,143</b>            |

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2025  
(In thousands of dollars)

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### 17. Contingent liabilities:

- (a) As of March 31, 2025, there are a number of legal claims against the Municipality and its consolidated entities in varying amounts and for which provisions have been made in these consolidated financial statements, as appropriate. It is not possible to determine the amounts that may ultimately be assessed against the Municipality with respect to these claims, but management believes that any such amounts would not have a material impact on the financial position of the Municipality with the exception of the following:
  - i) The Municipality has been named as a defendant in a legal action claiming damages in the amount of \$ 183,000. As this proceeding is at an early stage, it is not possible at this time for management to determine the likelihood of loss, or the timing of resolution of the matter. Accordingly, no provision for losses has been reflected in the accounts of the Municipality for this matter.
- (b) The Municipality is the plaintiff in various proceedings, which have arisen, in the normal course of carrying on its operations. It is not possible at this time to determine the amounts the Municipality may receive with respect to these proceedings.
- (c) In September 2014, Council approved a blanket guarantee for HRWC debt subject to HRWC maintaining a debt service ratio of 35% or less. The debt service ratio is currently 17.64% at March 31, 2025 (2024 - 17.50%). As at March 31, 2025, total outstanding debt is \$294,660 (2024 - \$237,627), with maturity dates ranging from 2025 to 2033. The Municipality is responsible for outstanding debt of \$nil (2024 - \$6,500) recoverable from the HRWC.

### 18. Financial instruments:

- (a) Fair value:

The fair value of the Municipality's financial instruments that are comprised of cash and short-term deposits, taxes receivable, accounts receivable, loans, deposits and advances and accounts payable and accrued liabilities approximate their carrying value due to their short-term nature and are measured at cost or amortized cost in the statement of financial position.

The fair value of investments is considered to be market value. The market value of investments is disclosed in note 6.

Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant interest or currency risks arising from these financial instruments.
- (b) Credit risk:

The Municipality is exposed to credit-related losses in the event of non-performance by counterparties to the financial instruments. Wherever possible, the Municipality attempts to minimize credit exposure by dealing only with credit worthy counterparties and/or obtaining sufficient security for the applicable financial instrument.
- (c) Liquidity risk:

The risk that the Municipality will encounter difficulty meeting its obligations associated with financial liabilities. This risk is managed limiting our exposure to fixed-rate debentures with the Province of Nova Scotia with periodic fixed payments. Specifically, we do not issue bonds, treasury bills, or other debt instruments.

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2025  
(In thousands of dollars)

### 18. Financial instruments (continued):

(d) Interest rate risk:

Interest rate risk for investments is managed by maintaining a balanced portfolio of fixed income instruments and deposits linked to the Bank of Canada overnight rate. The Municipality monitors the Bank of Canada rate and re-balances its portfolio at least semi-annually. Sensitivity analysis is conducted regularly for instruments linked to the overnight rate.

### 19. Amounts contributed for provincially mandated services:

|                       | Budget     | 2025       | 2024       |
|-----------------------|------------|------------|------------|
| Education services    | \$ 208,662 | \$ 208,661 | \$ 188,130 |
| Assessment services   | 7,315      | 7,438      | 7,279      |
| Social housing        | -          | 15         | 4,962      |
| Correctional services | -          | -          | 6,887      |
| Total                 | \$ 215,977 | \$ 216,114 | \$ 207,258 |

(a) Education services

The Municipality is required to provide a mandatory contribution in the amount of \$194,253 (2024 - \$173,834) and supplementary contributions of \$14,408 (2024 - \$14,296) for the Halifax Regional Centre for Education and the Conseil scolaire acadien provincial. These contributions are recorded as expenses in educational services.

(b) Assessment services:

The Municipality is required to pay a share of the cost of operating the Property Valuation Services Corporation based on the total municipal assessment cost times the average of the Municipality's share of the Uniform Assessment and the Municipality's share of assessment accounts. This expense is included in general government services.

(c) Social housing:

The Municipality is required to pay a portion of the Metropolitan Regional Housing Authority's operating deficit each year. This expense is included in general government services. This area rate was no longer collected beginning in 2024/25.

(d) Correctional services:

The Municipality is required to make a mandatory contribution to the Province of Nova Scotia to fund the cost of correctional services. The contribution amount is set by Provincial formula based on Uniform Assessment and the number of dwelling units in each municipality. This area rate was no longer collected beginning in 2024/25.



# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2025  
(In thousands of dollars)

### 20. Budget data:

The budget data presented in these consolidated financial statements is based upon the fiscal 2024/25 operating and capital budgets approved by Council on April 23, 2024, plus the budgeted figures of the recreation, cultural and other facilities, and commissions included in the consolidated financial statements, to the extent that they could be reasonably determined. Council approved budgets are prepared on a modified cash basis which differs from budget amounts reported on the consolidated statement of operations and change in net financial assets which are prepared in accordance with Canadian public sector accounting standards.

The accounting standards in Handbook Section PSAS 3150 Tangible Capital Assets have not been adopted for budget preparation purposes. The fiscal 2024/25 Council approved budgets have been modified to reflect these adjustments.

The chart below reconciles the approved budgets to the budget figures reported in these consolidated financial statements.

|  | 2025                | 2024                |
|--|---------------------|---------------------|
| <b>Revenue</b>   |                     |                     |
| Operating budget   | \$ 1,244,800        | 1,172,590           |
| Capital budget   | 306,421             | 333,336             |
|  | 1,551,221           | 1,505,926           |
| Less:  |                     |                     |
| Principal and interest recovery from Halifax Regional Water Commission                           | (6,702)             | (7,052)             |
| Tax concessions  | (13,150)            | (12,074)            |
| Transfers from reserves to capital   | (55,737)            | (57,600)            |
| Transfers from operating to capital  | (53,700)            | (62,760)            |
| Long-term debt issued  | (160,244)           | (128,279)           |
|  | (289,533)           | (267,765)           |
| Add:   |                     |                     |
| Revenues from agencies, boards and commissions   | 45,586              | 45,875              |
| Restricted area rate surpluses   | 1,825               | 4,678               |
| Proceeds from sale of assets   | 15,017              | 1,246               |
| Reserve revenue - Gas Tax  | 26,500              | 26,500              |
| Interest on reserves   | 4,312               | 4,464               |
| Development levies in reserves   | 1,550               | 1,550               |
| Other reserve revenue  | 4,116               | 4,414               |
| Tangible capital asset related adjustments   | (12,914)            | (34,614)            |
| Increase in investment of the Halifax Regional Water Commission before remeasurement gain (loss) | (507)               | 11,458              |
|  | 85,485              | 65,571              |
| <b>Total revenue</b>   | <b>\$ 1,347,173</b> | <b>\$ 1,303,732</b> |

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2025  
(In thousands of dollars)

### 20. Budget data (continued):

|  | 2025             | 2024             |
|--|------------------|------------------|
| <b>Expenses</b>  |                  |                  |
| Operating budget   | \$ 1,244,800     | \$ 1,172,590     |
| Less:  |                  |                  |
| Tax concessions  | (13,150)         | (12,074)         |
| Transfers from operating to capital  | (53,700)         | (62,760)         |
| Net transfers from operating to reserves   | (26,045)         | (34,345)         |
| Change in asset retirement obligation liabilities                                      | 11,773           | 2,505            |
| Principal and interest payments made on behalf of<br>Halifax Regional Water Commission | (6,702)          | (7,052)          |
| Long-term debt redeemed  | (42,537)         | (32,915)         |
|  | (130,361)        | (146,641)        |
| Add:   |                  |                  |
| Expenses from agencies, boards and commissions   | 46,300           | 45,437           |
| Cost of lots sold in business parks  | 2,932            | 944              |
| Application of restricted area rate surpluses  | 1,825            | 4,678            |
| Tangible capital assets adjustments including amortization                             | 172,696          | 182,339          |
|  | 223,753          | 233,398          |
| <b>Total expenses</b>  | <b>1,338,192</b> | <b>1,259,347</b> |
| <b>Annual surplus</b>  | <b>\$ 8,981</b>  | <b>\$ 44,385</b> |

### 21. Segmented information:

The Municipality is a diversified municipal government institution that provides a wide range of services to its citizens, including fire, police, public transit, roads, waste and recycling services, water supply and distribution, wastewater treatment, libraries, and recreation and cultural services.

Segmented information has been prepared by major functional classification of activities provided, consistent with the Consolidated Statement of Operations and provincially legislated requirements.

The major segments are as follows:

General government services: Activities that provide for the overall operation of the Municipality and that are common to, or affect all of, the services provided by the Municipality. This includes the activities of the Mayor and Council, the estimated contaminated sites liability and the following administrative activities: human resources, diversity, inclusion, legal, municipal clerk, external services; office of the Auditor General, finance, asset management, information, communications, technology, and the office of the Chief Administrative Officer.

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2025  
(In thousands of dollars)

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### 21. Segmented information (continued):

Protective services: Activities that provide for the public safety of the inhabitants of the Municipality. This includes police and fire protection and other protective services such as by-law enforcement and protective inspections.

Transportation services: Activities related to public transportation including road transport. This includes public transportation services offered throughout the Municipality using buses, ferries and specialized Access-A-Bus vehicles. Other transportation activities include the planning, development and maintenance of roads, traffic operations, parking, snow and ice control and street lighting.

Environmental services: Activities that provide environmentally regulated services. This includes the collection of garbage and other waste material, the maintenance and operation of sanitary landfill sites and solid waste landfill closure and post closure costs allocated to the current year. Water supply and distribution and wastewater treatment costs are not included in this line, except for costs funded by agreements between the Municipality and other governments. Water supply and distribution and wastewater treatment costs are accounted for by the HRWC. The investment in the HRWC is consolidated on the modified equity basis of accounting, as discussed in note 1.

Recreation and cultural services: Activities related to the Municipality's recreation facilities, including swimming pools, skating rinks and arenas, beaches, parks, playgrounds and sports fields. Activities that provide for cultural facilities such as the library and related programs.

Planning and development services: Activities that support and control the Municipality's physical and economic development. This includes activities related to land use planning, zoning and development, activities related to the development of industrial parks, promotion of tourism and activities that enhance local economic development.

Educational services: Activities that provide for the funding of both mandatory and supplementary contributions for the Halifax Regional Centre for Education and Conseil scolaire acadien provincial.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in note 1.

For additional information, see the Consolidated Schedules of Segment Disclosure (see pages 35 and 36).

# HALIFAX REGIONAL MUNICIPALITY

## Schedule of Remuneration and Expenses for Reportable Individuals

Year ended March 31, 2025

(In thousands of dollars)

| Current Council members:      | Remuneration | Expenses | Total  |
|-------------------------------|--------------|----------|--------|
| P.Fillmore, Mayor             | \$ 82        | \$ 3     | \$ 85  |
| S.Austin                      | 101          | 3        | 104    |
| S.Cleary                      | 101          | 3        | 104    |
| P.Cuttell                     | 101          | 11       | 112    |
| C.Deagle-Gammon               | 108          | 13       | 121    |
| W.Gillis                      | 42           | 2        | 44     |
| N.Hartling                    | 42           | 4        | 46     |
| D.Hendsbee                    | 101          | 11       | 112    |
| V.Hinch                       | 42           | 1        | 43     |
| B.Kent                        | 101          | 6        | 107    |
| T.Mancini                     | 104          | 3        | 107    |
| K.Morse                       | 101          | -        | 101    |
| T.Purdy                       | 101          | 5        | 106    |
| J.St Amand                    | 42           | -        | 42     |
| J.Steele                      | 42           | -        | 42     |
| L.White                       | 42           | -        | 42     |
| J.Young                       | 42           | 2        | 44     |
| Past Council members:         |              |          |        |
| M.Savage, Mayor               | \$ 121       | \$ 12    | \$ 133 |
| L.Blackburn                   | 59           | 3        | 62     |
| P.Lovelace                    | 59           | 3        | 62     |
| W.Mason                       | 59           | -        | 59     |
| T.Outhit                      | 59           | -        | 59     |
| P.Russell                     | 59           | 5        | 64     |
| L.Smith                       | 59           | 6        | 65     |
| I.Stoddard                    | 59           | 2        | 61     |
| Chief Administrative Officer: |              |          |        |
| C. O'Toole                    | \$ 312       | \$ 10    | \$ 322 |

The remuneration, for members of Council, includes their base salary, plus an incremental amount if a member is Deputy Mayor.

Expenses include travel and travel related accommodations, incidentals and transportation and meals, professional development and training expenses.

# HALIFAX REGIONAL MUNICIPALITY

## Consolidated Schedule of Long-term Debt

Year ended March 31, 2025

(In thousands of dollars)

|  | Term<br>(years) | Interest<br>rate - % | Maturity<br>year | Balance<br>March 31,<br>2024 | Issued    | Redeemed  | Balance<br>March 31,<br>2025 |
|--|-----------------|----------------------|------------------|------------------------------|-----------|-----------|------------------------------|
| Municipal Finance Corporation:                             |                 |                      |                  |                              |           |           |                              |
| 24-HBR-1   | 20              | 2.84/5.94            | 2024             | \$ 5,500                     | \$ -      | \$ 5,500  | \$ -                         |
| 09-A-1   | 15              | 1.0/5.644            | 2024             | 5,160                        | -         | 5,160     | -                            |
| 14-A-1   | 10              | 1.245/3.347          | 2024             | 2,184                        | -         | 2,184     | -                            |
| 14-B-1   | 10              | 1.20/3.19            | 2024             | 2,028                        | -         | 2,028     | -                            |
| 15-A-1   | 10              | 1.011/2.786          | 2025             | 5,400                        | -         | 2,700     | 2,700                        |
| 15-B-1   | 10              | 1.040/2.894          | 2025             | 2,028                        | -         | 1,015     | 1,013                        |
| 16-A-1   | 10              | 1.150/2.925          | 2026             | 5,850                        | -         | 1,950     | 3,900                        |
| 17-A-1   | 10              | 1.20/2.653           | 2027             | 3,297                        | -         | 824       | 2,473                        |
| 17-B-1   | 10              | 1.734/3.073          | 2027             | 4,444                        | -         | 1,111     | 3,333                        |
| 18-A-1   | 10              | 2.06/3.2995          | 2028             | 9,782                        | -         | 1,957     | 7,825                        |
| 18-B-1   | 10              | 2.49/3.389           | 2028             | 5,729                        | -         | 1,147     | 4,582                        |
| 19-B-1   | 10              | 2.015/2.561          | 2029             | 17,063                       | -         | 2,844     | 14,219                       |
| 20-B-1   | 10              | 0.400/2.376          | 2031             | 63,640                       | -         | 7,955     | 55,685                       |
| 22-A-1   | 10              | 2.575/3.782          | 2032             | 37,431                       | -         | 4,159     | 33,272                       |
| 23-B-1   | 10              | 5.460/5.165          | 2033             | 80,490                       | -         | 8,049     | 72,441                       |
| 24-B-1   | 10/20           | 8703/5.1013          | 2034             | -                            | 23,622    | -         | 23,622                       |
|  |                 |                      |                  | 250,026                      | 23,622    | 48,583    | 225,065                      |
| Federation of Canadian Municipalities:                     |                 |                      |                  |                              |           |           |                              |
| GMIF10309  | 20              | 2.0                  | 2032             | 1,800                        | -         | 200       | 1,600                        |
| GMIF12028  | 10              | 1.75                 | 2025             | 509                          | -         | 254       | 255                          |
| Misc.:   |                 |                      |                  |                              |           |           |                              |
| 5% stock   | Permanent       | 5.0                  | -                | 2                            | -         | -         | 2                            |
|  |                 |                      |                  | 252,337                      | 23,622    | 49,037    | 226,922                      |
| Less: Long-term debt recoverable from the Halifax Regional |                 |                      |                  |                              |           |           |                              |
| Water Commission:  |                 |                      |                  |                              |           |           |                              |
| 14-B-1   | 10              | 1.20/3.19            | 2024             | (1,000)                      | -         | (1,000)   | -                            |
| 24-HBR-1   | 20              | 2.84/5.94            | 2024             | (5,500)                      | -         | (5,500)   | -                            |
|  |                 |                      |                  | (6,500)                      | -         | (6,500)   | -                            |
| Long-term debt   |                 |                      |                  | \$ 245,837                   | \$ 23,622 | \$ 42,537 | \$ 226,922                   |

# HALIFAX REGIONAL MUNICIPALITY

## Consolidated Schedule of Long-term Debt

Year ended March 31, 2025  
(In thousands of dollars)

|  | Term<br>(years) | Interest<br>rate - % | Maturity<br>year | Balance<br>March 31,<br>2023 | Issued    | Redeemed  | Balance<br>March 31,<br>2024 |
|--|-----------------|----------------------|------------------|------------------------------|-----------|-----------|------------------------------|
| Municipal Finance Corporation:                             |                 |                      |                  |                              |           |           |                              |
| 24-HBR-1   | 20              | 2.84/5.94            | 2024             | \$ 11,000                    | \$ -      | \$ 5,500  | \$ 5,500                     |
| 09-A-1   | 15              | 1.0/5.644            | 2024             | 6,020                        | -         | 860       | 5,160                        |
| 13-A-1   | 10              | 1.33/2.979           | 2023             | 2,360                        | -         | 2,360     | -                            |
| 13-B-1   | 10              | 1.285/3.614          | 2023             | 367                          | -         | 367       | -                            |
| 14-A-1   | 10              | 1.245/3.347          | 2024             | 4,372                        | -         | 2,188     | 2,184                        |
| 14-B-1   | 10              | 1.20/3.19            | 2024             | 4,056                        | -         | 2,028     | 2,028                        |
| 15-A-1   | 10              | 1.011/2.786          | 2025             | 8,100                        | -         | 2,700     | 5,400                        |
| 15-B-1   | 10              | 1.040/2.894          | 2025             | 3,041                        | -         | 1,013     | 2,028                        |
| 16-A-1   | 10              | 1.150/2.925          | 2026             | 7,800                        | -         | 1,950     | 5,850                        |
| 17-A-1   | 10              | 1.20/2.653           | 2027             | 4,121                        | -         | 824       | 3,297                        |
| 17-B-1   | 10              | 1.734/3.073          | 2027             | 5,555                        | -         | 1,111     | 4,444                        |
| 18-A-1   | 10              | 2.06/3.2995          | 2028             | 11,739                       | -         | 1,957     | 9,782                        |
| 18-B-1   | 10              | 2.49/3.389           | 2028             | 6,874                        | -         | 1,145     | 5,729                        |
| 19-B-1   | 10              | 2.015/2.561          | 2029             | 19,907                       | -         | 2,844     | 17,063                       |
| 20-B-1   | 10              | 0.400/2.376          | 2031             | 71,595                       | -         | 7,955     | 63,640                       |
| 22-A-1   | 10              | 2.575/3.782          | 2032             | 41,590                       | -         | 4,159     | 37,431                       |
| 23-B-1   | 10              | 5.460/5.165          | 2033             | -                            | 80,490    | -         | 80,490                       |
|  |                 |                      |                  | 208,497                      | 80,490    | 38,961    | 250,026                      |
| Federation of Canadian Municipalities:                     |                 |                      |                  |                              |           |           |                              |
| GMIF10309  | 20              | 2.0                  | 2032             | 2,000                        | -         | 200       | 1,800                        |
| GMIF12028  | 10              | 1.75                 | 2025             | 763                          | -         | 254       | 509                          |
| Misc.:   |                 |                      |                  |                              |           |           |                              |
| 5% stock   | Permanent       | 5.0                  | -                | 2                            | -         | -         | 2                            |
|  |                 |                      |                  | 211,262                      | 80,490    | 39,415    | 252,337                      |
| Less: Long-term debt recoverable from the Halifax Regional |                 |                      |                  |                              |           |           |                              |
| Water Commission:  |                 |                      |                  |                              |           |           |                              |
| 14-B-1   | 10              | 1.20/3.19            | 2024             | (2,000)                      | -         | (1,000)   | (1,000)                      |
| 24-HBR-1   | 20              | 2.84/5.94            | 2024             | (11,000)                     | -         | (5,500)   | (5,500)                      |
|  |                 |                      |                  | (13,000)                     | -         | (6,500)   | (6,500)                      |
| Long-term debt   |                 |                      |                  | \$ 198,262                   | \$ 80,490 | \$ 32,915 | \$ 245,837                   |

# HALIFAX REGIONAL MUNICIPALITY

## Consolidated Schedule of Segment Disclosure

Year ended March 31, 2025  
(In thousands of dollars)

|   | General<br>Government<br>Services | Protective<br>Services | Transportation<br>Services | Environmental<br>Services | Recreation<br>and Cultural<br>Services | Planning and<br>Development<br>Services | Educational<br>Services | 2025<br>Total    |
|---|-----------------------------------|------------------------|----------------------------|---------------------------|--|---|-------------------------|------------------|
| <b>Revenue</b>  |                                   |                        |                            |                           |  |   |                         |                  |
| Taxation  | \$ 775,488                        | \$ -                   | \$ 40,427                  | \$ -                      | \$ -                                   | \$ -                                    | \$ 208,661              | \$ 1,024,576     |
| Taxation from other governments   | 51,787                            | -                      | -                          | -                         | -                                      | -                                       | -                       | 51,787           |
| User fees and charges   | 20,321                            | 27,514                 | 41,943                     | 5,578                     | 64,037                                 | 16,716                                  | -                       | 176,109          |
| Government grants   | 7,297                             | 5,761                  | 39,463                     | 3,490                     | 12,333                                 | 7,588                                   | -                       | 75,932           |
| Development levies  | -                                 | -                      | -                          | 2,519                     | -                                      | -                                       | -                       | 2,519            |
| Investment income (note 6)  | 36,072                            | -                      | -                          | -                         | -                                      | -                                       | -                       | 36,072           |
| Penalties, fines and interest   | 9,189                             | 5,353                  | -                          | -                         | 8                                      | -                                       | -                       | 14,550           |
| Land sales, contributions and other revenue   | 2,839                             | -                      | 6,118                      | -                         | 1,160                                  | 12,655                                  | -                       | 22,772           |
| Increase in investment in the Halifax Regional<br>Water Commission before remeasurement<br>gain (loss) (note 7) | (507)                             | -                      | -                          | -                         | -                                      | -                                       | -                       | (507)            |
| Grant in lieu of tax from the Halifax<br>Regional Water Commission (note 7)                                     | 6,816                             | -                      | -                          | -                         | -                                      | -                                       | -                       | 6,816            |
| <b>Total revenue</b>  | <b>909,302</b>                    | <b>38,628</b>          | <b>127,951</b>             | <b>11,587</b>             | <b>77,538</b>                          | <b>36,959</b>                           | <b>208,661</b>          | <b>1,410,626</b> |
| <b>Expenses</b>   |                                   |                        |                            |                           |  |   |                         |                  |
| Salaries, wages and benefits  | 81,135                            | 219,251                | 143,575                    | 3,017                     | 80,079                                 | 22,895                                  | -                       | 549,952          |
| Interest on long-term debt  | 1,388                             | 506                    | 4,981                      | -                         | 902                                    | -                                       | -                       | 7,777            |
| Materials, goods, supplies and utilities  | 24,007                            | 8,432                  | 34,742                     | 96                        | 23,601                                 | 750                                     | -                       | 91,628           |
| Contracted services   | 22,237                            | 43,712                 | 55,860                     | 47,833                    | 15,870                                 | 1,891                                   | -                       | 187,403          |
| Other operating expenses  | 6,393                             | 22,753                 | 30,227                     | 2,171                     | 38,065                                 | 6,980                                   | -                       | 106,589          |
| External transfers and grants   | 9,661                             | 290                    | 749                        | -                         | 3,252                                  | 19,951                                  | 208,661                 | 242,564          |
| Amortization of tangible capital assets   | 18,415                            | 9,002                  | 108,591                    | 2,045                     | 26,514                                 | 308                                     | -                       | 164,875          |
| <b>Total expenses</b>   | <b>163,236</b>                    | <b>303,946</b>         | <b>378,725</b>             | <b>55,162</b>             | <b>188,283</b>                         | <b>52,775</b>                           | <b>208,661</b>          | <b>1,350,788</b> |
| <b>Annual surplus (deficit)</b>   | <b>\$ 746,066</b>                 | <b>\$ (265,318)</b>    | <b>\$ (250,774)</b>        | <b>\$ (43,575)</b>        | <b>\$ (110,745)</b>                    | <b>\$ (15,816)</b>                      | <b>\$ -</b>             | <b>\$ 59,838</b> |

# HALIFAX REGIONAL MUNICIPALITY

## Consolidated Schedule of Segment Disclosure

Year ended March 31, 2025  
(In thousands of dollars)

|   | General<br>Government<br>Services | Protective<br>Services | Transportation<br>Services | Environmental<br>Services | Recreation<br>and Cultural<br>Services | Planning and<br>Development<br>Services | Educational<br>Services | 2024<br>Total    |
|---|-----------------------------------|------------------------|----------------------------|---------------------------|--|---|-------------------------|------------------|
| <b>Revenue</b>  |                                   |                        |                            |                           |  |   |                         |                  |
| Taxation  | \$ 720,256                        | \$ 6,887               | \$ 36,943                  | \$ -                      | \$ -                                   | \$ -                                    | \$ 188,130              | \$ 952,216       |
| Taxation from other governments   | 47,176                            | -                      | -                          | -                         | -                                      | -                                       | -                       | 47,176           |
| User fees and charges   | 15,500                            | 22,861                 | 38,605                     | 5,917                     | 65,389                                 | 10,784                                  | -                       | 159,056          |
| Government grants   | 4,049                             | 5,279                  | 47,476                     | 6,247                     | 14,721                                 | 8,587                                   | -                       | 86,359           |
| Development levies  | -                                 | -                      | -                          | 1,617                     | -                                      | -                                       | -                       | 1,617            |
| Investment income (note 6)  | 37,830                            | -                      | -                          | -                         | -                                      | -                                       | -                       | 37,830           |
| Penalties, fines and interest   | 6,926                             | 5,183                  | -                          | -                         | 8                                      | -                                       | -                       | 12,117           |
| Land sales, contributions and other revenue   | 1,166                             | -                      | 23,129                     | -                         | 791                                    | 942                                     | -                       | 26,028           |
| Increase in investment in the Halifax Regional<br>Water Commission before remeasurement<br>gain (loss) (note 7) | 11,458                            | -                      | -                          | -                         | -                                      | -                                       | -                       | 11,458           |
| Grant in lieu of tax from the Halifax Regional<br>Water Commission (note 7)                                     | 6,589                             | -                      | -                          | -                         | -                                      | -                                       | -                       | 6,589            |
| <b>Total revenue</b>  | <b>850,950</b>                    | <b>40,210</b>          | <b>146,153</b>             | <b>13,781</b>             | <b>80,909</b>                          | <b>20,313</b>                           | <b>188,130</b>          | <b>1,340,446</b> |
| <b>Expenses</b>   |                                   |                        |                            |                           |  |   |                         |                  |
| Salaries, wages and benefits  | 65,783                            | 202,847                | 130,997                    | 3,127                     | 76,611                                 | 18,835                                  | -                       | 498,200          |
| Interest on long-term debt  | 321                               | 552                    | 4,110                      | -                         | 1,279                                  | 2                                       | -                       | 6,264            |
| Materials, goods, supplies and utilities  | 20,123                            | 8,066                  | 33,641                     | 76                        | 23,004                                 | 824                                     | -                       | 85,734           |
| Contracted services   | 19,012                            | 33,491                 | 56,573                     | 41,509                    | 15,222                                 | 2,246                                   | -                       | 168,053          |
| Other operating expenses  | 5,777                             | 32,032                 | 27,957                     | 1,752                     | 30,052                                 | 4,384                                   | -                       | 101,954          |
| External transfers and grants   | 22,354                            | 7,086                  | 632                        | -                         | 7,786                                  | 16,061                                  | 188,130                 | 242,049          |
| Amortization of tangible capital assets   | 18,613                            | 7,475                  | 118,901                    | 1,925                     | 25,359                                 | 231                                     | -                       | 172,504          |
| <b>Total expenses</b>   | <b>151,983</b>                    | <b>291,549</b>         | <b>372,811</b>             | <b>48,389</b>             | <b>179,313</b>                         | <b>42,583</b>                           | <b>188,130</b>          | <b>1,274,758</b> |
| <b>Annual surplus (deficit)</b>   | <b>\$ 698,967</b>                 | <b>\$ (251,339)</b>    | <b>\$ (226,658)</b>        | <b>\$ (34,608)</b>        | <b>\$ (98,404)</b>                     | <b>\$ (22,270)</b>                      | <b>\$ -</b>             | <b>\$ 65,688</b> |



## **Attachment #2**

**Halifax Regional Municipality  
General Rate Surplus of the Halifax Regional Municipality for  
the Year ended March 31, 2025**

Statement of General Rate Surplus of the

**HALIFAX REGIONAL MUNICIPALITY**

Year ended March 31, 2025



# HALIFAX REGIONAL MUNICIPALITY

## Statement of General Rate Surplus

For the year ended March 31, 2025, with comparative information for 2024  
(In thousands of dollars)

|   | 2025     | 2024      |
|---|----------|-----------|
| General rate surplus, before transfers    | \$ 3,474 | \$ 13,618 |
| Transfers to reserves:                    |          |           |
| Contribution to Capital Fund reserve      | -        | (3,500)   |
| Contribution to Risk & Resilience reserve | -        | (8,000)   |
| Contribution to Options reserve           | (3,474)  | (2,118)   |
|   | (3,474)  | (13,618)  |
| General rate surplus                      | -        | -         |

The accompanying notes are an integral part of the statement.

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Statement of General Rate Surplus

Year ended March 31, 2025

(In thousands of dollars)

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### 1. Basis of accounting:

This financial information has been prepared to conform in all material respects to the accounting principles prescribed pursuant to Section 451 of the Municipal Government Act Nova Scotia ("MGA") by The Department of Municipal Affairs and Housing and adheres to their Financial Reporting and Accounting Manual ("FRAM") and is intended for the use of Members of Council of the Halifax Regional Municipality ("the Municipality").

This statement is the net actual result of revenue and expenses of the Municipality's Operating Fund, to the extent that those revenues and expenses are included in the calculation of the Municipality's estimate of required sums as determined under Section 93 of the Halifax Regional Municipality Charter, the basis for the general tax rate. As per FRAM Section 3(1)(a)(iv)D Operating Reserve Fund, if the Municipality's operating fund statement of operations results in a surplus, the surplus shall be transferred to the operating reserve.

### 2. Significant accounting policies:

Revenue and expenses included in the determination of the general rate surplus are recorded on an accrual basis except as noted below:

- a) Interest expense is recorded on a cash basis;
- b) Debt principal repayments are deducted as an expense;
- c) Inter-fund transfers are included in the financial results of the Operating Fund;
- d) Transfers from the Operating Fund to purchase or construct tangible capital assets are deducted as an expense; and,
- e) Amortization of tangible capital assets, changes in the value of the liability for employee sick leave and the liability for contaminated sites no longer in active or productive use are not included in the determination of the general rate surplus.

## **Attachment #3**

**Financial Statements of the Halifax Regional Municipality  
Miscellaneous Trust Funds for the Year ended March 31, 2025**

Draft Financial Statements of the

**HALIFAX REGIONAL MUNICIPALITY**  
MISCELLANEOUS TRUST FUNDS

Year ended March 31, 2025

# HALIFAX REGIONAL MUNICIPALITY

MISCELLANEOUS TRUST FUNDS  
Draft Statement of Financial Position

For the year ended March 31, 2025 with comparative figures for March 31, 2024

|  | March 31, 2025       | March 31, 2024       |
|--|----------------------|----------------------|
| <b>Assets</b>                          |                      |                      |
| Cash                                   | \$ 10,661,178        | \$ 10,110,544        |
| Accrued Accounts Receivable            | 119,043              | -                    |
| Due from Halifax Regional Municipality | 7,557                | -                    |
| Investments (note 1)                   | 6,410                | 6,410                |
|  | <b>\$ 10,794,188</b> | <b>\$ 10,116,954</b> |
| <b>Liabilities and Funds Equity</b>    |                      |                      |
| Due to Halifax Regional Municipality   | -                    | 132,778              |
| Funds equity (schedule of fund equity) | 10,794,188           | 9,984,176            |
|  | <b>\$ 10,794,188</b> | <b>\$ 10,116,954</b> |

The accompanying notes are an integral part of the financial statements.



# HALIFAX REGIONAL MUNICIPALITY

## MISCELLANEOUS TRUST FUNDS

### Draft Statement of Income and Expenditures and Funds Equity

For the year ended March 31, 2025 with comparative figures for March 31, 2024

|  | March 31, 2025   | March 31, 2024   |
|--|------------------|------------------|
| <b>Income</b>                                  |                  |                  |
| Investment income                              | \$ 512,781       | \$ 518,289       |
| Capital contributions received during the year | 17,034           | 14,000           |
| Tax sales                                      | 877,609          | 2,039,257        |
|  | <u>1,407,424</u> | <u>2,571,546</u> |
| <b>Expenditures</b>                            |                  |                  |
| Transfer to Halifax Regional Municipality      | 491,260          | 641,163          |
| Net transactions with Trustors                 | 28,100           | 10,100           |
| Transfer to Reserve                            | 78,052           | 152,614          |
|  | <u>597,412</u>   | <u>803,878</u>   |
| Excess of income over expenditures             | 810,013          | 1,767,668        |
| Funds equity, beginning of the year            | 9,984,176        | 8,216,507        |
| Funds equity, end of the year                  | \$ 10,794,188    | \$ 9,984,176     |

The accompanying notes are an integral part of the financial statements.

# HALIFAX REGIONAL MUNICIPALITY

## MISCELLANEOUS TRUST FUNDS Draft Statement of Cash Flow

For the year ended March 31, 2025 with comparative figures for March 31, 2024

|   | March 31, 2025 | March 31, 2024 |
|---|----------------|----------------|
| Excess of income over expenditures                          | \$ 810,013     | \$ 1,767,668   |
| Increase (decrease) in Accounts Receivable                  | (119,043)      | 29,655         |
| Increase (decrease) in Due to Halifax Regional Municipality | (140,336)      | 113,814        |
| Increase in cash  | 550,634        | 1,911,137      |
| Cash, beginning of the period                               | 10,110,544     | 8,199,407      |
| Cash, end of the period                                     | \$ 10,661,178  | \$ 10,110,544  |

The accompanying notes are an integral part of the financial statements.

# HALIFAX REGIONAL MUNICIPALITY

## MISCELLANEOUS TRUST FUNDS

Notes to Draft Financial Statements

For the year ended March 31, 2025 with comparative figures for March 31, 2024

The Halifax Regional Municipality has a number of trust funds as identified in the Schedule of Funds Equity. The trust funds are in place to fund the operation, maintenance and facilities of the identified beneficiary. The trust funds have a variety of restrictions that specify the purpose for which the funds can be used.

**1. Significant accounting policies:**

(a) Basics of accounting:

The financial statements have been prepared on a going concern basis, which presumes that the Trust will continue its operations for the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of operations.

(b) Revenue recognition:

Investment income earned in the miscellaneous trust funds is recognized in the fund in which the interest bearing investment is held.

Tax sales revenue is recognized when received, generally being the date the property is sold.

Capital contribution related to various services fees are recognized as revenue in the period received.

(c) 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 liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the year. Actual results could differ from those estimates.

**2. Investments:**

|                       | March 31, 2025 | March 31, 2024 |
|-----------------------|----------------|----------------|
| Shares, cost          | \$ 6,410       | \$ 6,410       |
|                       | 6,410          | 6,410          |
| Shares, market values | \$ 550,126     | \$ 533,232     |

The market value shown for investments represents the fair value of the shares as at March 31, 2025. Shares are valued at the year end quoted market prices.

# HALIFAX REGIONAL MUNICIPALITY

## MISCELLANEOUS TRUST FUNDS

### Draft Schedule of Funds Equity

For the year ended March 31, 2025 with comparative figures for March 31, 2024

|                                     | Balance March 31,<br>2024 |           | Income |           | Transfer to<br>Halifax Regional<br>Municipality | Expenditures<br>of Trustors | Capital<br>Contributions | Balance March<br>31, 2025 |
|-------------------------------------|---------------------------|-----------|--------|-----------|---|-----------------------------|--------------------------|---------------------------|
| J.L. Dillman Park<br>Maintenance    | \$                        | 191,007   | \$     | 9,311     | \$  | \$                          | \$                       | 200,317                   |
| Tax sales                           |                           | 5,621,959 |        | 1,157,447 | (312,110)                                       | (78,052)                    |                          | 6,389,244                 |
| J.D. Shatford Memorial              |                           | 60,000    |        | 2,863     | (2,863)   |                             |                          | 60,000                    |
| Sackville Landfill                  |                           | 606,178   |        | 28,363    |   | (28,000)                    |                          | 606,540                   |
| Camphill Cemetery<br>Trust          |                           | 156,547   |        | 7,427     | (7,622)   |                             | 675                      | 157,028                   |
| Camphill Cemetery<br>Perpetual Care |                           | 568,716   |        | 27,020    | (27,741)  |                             |                          | 567,995                   |
| Camphill Cemetery<br>Fence          |                           | 12,118    |        | 576       | (591)   |                             |                          | 12,102                    |
| Fairview Cemetery<br>Trust          |                           | 2,434,566 |        | 140,713   | (137,320)                                       |                             | 16,359                   | 2,454,318                 |
| Fairview Cemetery<br>Maintenance    |                           | 45,202    |        | 2,148     | (2,205)   |                             |                          | 45,144                    |
| Titanic Trust                       |                           | 195,352   |        | 10,035    |   |                             |                          | 205,387                   |
| Commons Commutation                 |                           | 16,564    |        | 787       | (808)   |                             |                          | 16,543                    |
| Harbour Championship                |                           | 10,856    |        | 527       |   | (100)                       |                          | 11,283                    |
| Halifax Heritage Trust              |                           | 36,163    |        | 1,763     |   |                             |                          | 37,926                    |
| Other                               |                           | 28,949    |        | 1,411     |   |                             |                          | 30,360                    |
|                                     | \$                        | 9,984,176 | \$     | 1,390,390 | \$ (491,260)                                    | \$ (106,152)                | \$ 17,034                | \$ 10,794,188             |

# **Attachment #4**

**Audit Findings Report - KPMG**



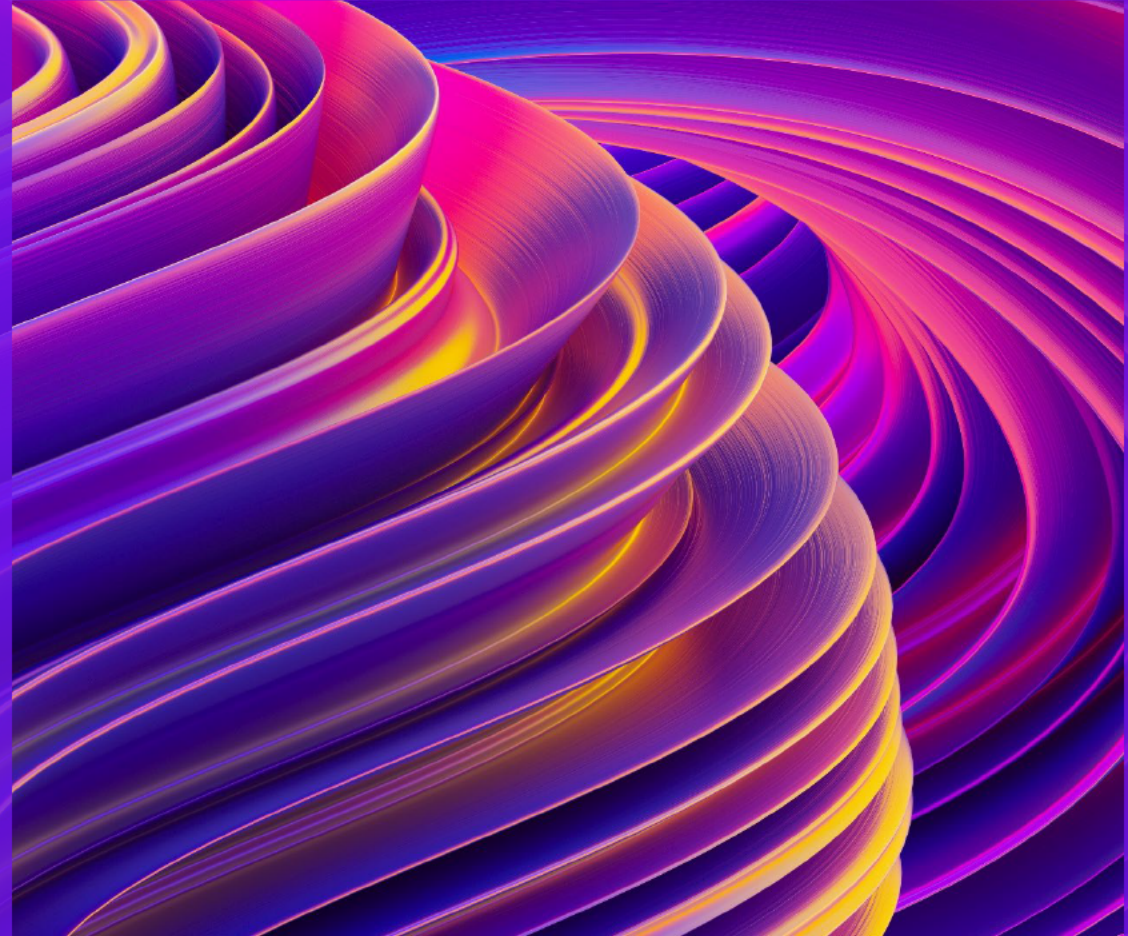
# Halifax Regional Municipality ("HRM")

**Audit Findings Report  
for the year ended March 31, 2025**

*KPMG LLP*

Prepared as of September 5, 2025 for presentation to the Audit  
Committee on September 17, 2025

[kpmg.ca/audit](https://kpmg.ca/audit)





# KPMG contacts

## Key contacts in connection with this engagement



**Paul Janes**

Lead Audit Engagement Partner

[Redacted]  
[Redacted]



**Katie DenBok**

Engagement Quality Control Reviewer

[Redacted]  
[Redacted]



**Rebecca Foster**

Audit Senior Manager

[Redacted]  
[Redacted]



# Table of contents

## Digital use information

This Audit Findings Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.



Click on any item in the table of contents to navigate to that section.

4

Highlights

5

Status

6

Risks and results

7

Misstatements

8

Control deficiencies

9

Independence

10

Appendices

The purpose of this report is to assist you, as a member of the Audit Committee, in your review of the results of our audit of the financial statements. This report is intended solely for the information and use of Management, the Audit Committee, and the Board of Directors and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.





# Audit highlights



No matters to report



Matters to report – see link for details

## Status

We have completed the audit of the consolidated financial statements ("financial statements"), with the exception of certain remaining outstanding procedures, which are highlighted on the 'Status' slide of this report.



## Significant changes



### Significant changes since our audit plan



- There were no significant changes to our audit plan which was originally communicated to you in the audit planning report.

## Risks and results



### Significant risks



- Management override of controls



### Other risks of material misstatement



### Going concern matters



## Policies and practices & Specific topics



### Significant unusual transactions



### Accounting policies and practices



### Other financial reporting matters



## Uncorrected misstatements



### Uncorrected misstatements



- We did not identify any misstatements that remain uncorrected.

## Corrected misstatements



### Corrected misstatements



- The management representation letter includes all misstatements identified as a result of the audit, communicated to management, and subsequently corrected in the audited financial statements.

## Control deficiencies



### Significant deficiencies



- We did not identify any control deficiencies that we determined to be significant deficiencies in internal control over financial reporting.

# Status

As of September 5, 2025, we have completed the audit of the consolidated financial statements, with the exception of certain remaining procedures, which include amongst others:

- Completing our quality review procedures
- Obtaining management's signed representation letter
- Completing our discussion with the Audit Committee
- Obtaining evidence of the Council's approval of the financial statements

We will update the Audit Committee, and not solely the Chair, on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures.

Our auditor's report, a draft of which is provided in Appendix: Draft Auditor's Report, will be dated upon the completion of any remaining procedures.


## KPMG Clara for Clients (KCc)



### Real-time collaboration and transparency

We leveraged **KCc** to facilitate real-time collaboration with management and provide visual insights into the status of the audit!

On our audit we used KCc to coordinate requests with management.

 [Learn more](#)



# Significant risks and results

We highlight our significant findings in respect of **significant risks**.



## Management Override of Controls

RISK OF  
   
ERROR FRAUD

### Significant risk

### Estimate?

Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override controls will vary from entity to entity, the risk nevertheless is present in all entities.

No

### Our response

As this presumed risk of material misstatement due to fraud is not rebuttable, our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include:

- Testing of journal entries and other adjustments using the KPMG KCA tool; this listing was reconciled for completeness and key journal entry attributes used in our identification of high-risk journal entries were tested for accuracy and appropriateness. High risk criteria based on journal entry attributes were used to identify the potential existence of an override of controls and these entries were selected for further investigation. Support for the journal entries as obtained to assist in the evaluation of this fraud risk.
- Performing a retrospective review of estimates
- Evaluating the business rationale of significant unusual transactions

### Significant findings

- These procedures are performed with no exceptions noted.



# Corrected misstatements

Corrected misstatements include financial presentation and disclosure misstatements.



## Impact of corrected misstatements

- The amount relates to expenditures for the capital project for Contract 2022-091 the Highway 107 Sackville Bedford Burnside projects. The invoice is dated November 28, 2024 and was paid on May 21, 2025. The invoice was not recorded in accruals during FY25.
- No impact on the bottom line as this was a balance sheet reclassification misstatement.
- Having considered the nature of the misstatement identified there is little concern for unidentified misstatements in the remaining population. KPMG has performed walkthroughs and referred to previous period audit files to gain an in depth understanding of the processes and controls in place at the HRM. From this understanding, we are comfortable in our conclusion that the any unidentified misstatements in accumulation would not be material.

| Description of misstatement  | \$          |             |
|--|-------------|-------------|
|  | Debit       | Credit      |
| To correct for an expense related to a capital project that was not accrued for: |             |             |
| DR. Tangible Capital Assets  | \$4,171,440 |             |
| CR. Accruals   |             | \$4,171,440 |
|  |             |             |
|  |             |             |



# Corrected misstatements, continued

Corrected misstatements include financial presentation and disclosure misstatements.



## Impact of corrected misstatements

- The amount relates to the HRWC, a restatement of accumulated depreciation on certain assets previously not depreciable under the NSUARB handbook, but should have been depreciated under IFRS, and were missed on adoption of IFRS in 2016.
- No impact on the bottom line as this was a balance sheet reclassification misstatement.
- Having considered the nature of the misstatement identified there is little concern for unidentified misstatements in the remaining population. KPMG has performed walkthroughs and referred to previous period audit files to gain an in depth understanding of the processes and controls in place at the HRM. KPMG has communicated with the component auditor, Grant Thornton, to ensure the misstatement is accurate and complete and that there is no remaining possibility of misstatement. From this understanding, we are comfortable in our conclusion that the any unidentified misstatements in accumulation would not be material.

| Description of misstatement  | \$           |              |
|--|--------------|--------------|
|  | Debit        | Credit       |
| To restate a HRWC utility plant – amortization missing on select asset from prior to 1985: |              |              |
| DR. Accumulated Surplus  | \$10,431,000 |              |
| CR. Investment in HRWC   |              | \$10,431,000 |
|  |              |              |
|  |              |              |

# Control deficiencies

## Consideration of internal control over financial reporting (ICFR)

In planning and performing our audit, we considered ICFR relevant to the Entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR.

Our understanding of internal control over financial reporting was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies. The matters being reported are limited to those deficiencies that we have identified during the audit that we have concluded are of sufficient importance to merit being reported to those charged with governance.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors. Had we performed more extensive procedures on internal control over financial reporting, we might have identified more significant deficiencies to be reported or concluded that some of the reported significant deficiencies need not, in fact, have been reported.

## A deficiency in internal control over financial reporting

A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

## Significant deficiencies in internal control over financial reporting

A deficiency, or a combination of deficiencies, in internal control over financial reporting that, in our judgment, is important enough to merit the attention of those charged with governance.

# Independence

As a firm, we are committed to being and being seen to be independent. We have strict rules and protocols to maintain our independence that meet or exceed those of the IESBA Code<sup>1</sup> and CPA Code. The following are the actions or safeguards applied to reduce or eliminate threats to an acceptable level:



Dedicated ethics & independence partners



Process for reporting breaches of professional standards and policy, and documented disciplinary policy



Ethics, independence and integrity training for all staff



International proprietary system used to evaluate and document threats to independence and those arising from conflicts of interest



Operating policies, procedures and guidance contained in our quality & risk management manual



Mandated procedures for evaluating independence of prospective audit clients



Restricted investments and relationships



Annual ethics and independence confirmation for staff

## Statement of compliance

We confirm that, as of the date of this communication, we are **independent** of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada.



# Appendices

**A1**

Draft auditor's report

**A2**

Other required communications

**A3**

Management representation letter

**A4**

Audit quality

**A5**

Insights

**A6**

Environmental, social and governance (ESG)

**A7**

Current developments

**A8**

Thought leadership and insights





# Appendix 1: Draft auditor's report



KPMG LLP  
Purdy's Wharf Tower One  
1959 Upper Water Street, Suite 1000  
Halifax, NS B3J 3N2  
Canada  
Tel 902 492 6000  
Fax 902 492 1307

## INDEPENDENT AUDITOR'S REPORT

To the Mayor and Councillors of the Halifax Regional Municipality

### ***Opinion***

We have audited the consolidated financial statements of the Halifax Regional Municipality (the Entity), which comprise:

- the consolidated statement of financial position as at March 31, 2025
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of remeasurement gains and losses for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes and schedules to the consolidated financial statements, including a summary of significant accounting policies

(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, 2025, and its consolidated results of operations, its consolidated remeasurement of gains and losses, its consolidated changes in net financial assets and its consolidated 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 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 ethical 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



### ***Other Matter – Comparative Information***

As part of our audit of the financial statements for the year ended March 31, 2025, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended March 31, 2024. In our opinion, such adjustments are appropriate and have been properly applied.

### ***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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

***DRAFT***

Halifax, Canada

Date

# Appendix 2: Other required communications



## Engagement terms

A copy of the engagement letter and any subsequent amendments has been provided to Management.



## CPAB communication protocol

The reports available through the following links were published by the Canadian Public Accountability Board to inform Audit Committees and other stakeholders about the results of quality inspections conducted over the past year:

- [CPAB Regulatory Oversight Report: 2023 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2024 Interim Inspections Results](#)
- [CPAB Regulatory Oversight Report: 2024 Annual Inspections Results](#)



# Appendix 3: Management representation letter

KPMG LLP  
Purdy's Wharf Tower One  
1959 Upper Water Street, Suite 1000  
Halifax, NS B3J 3N2  
Canada

DATE, 2025

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the consolidated financial statements (hereinafter referred to as "financial statements") of Halifax Regional Municipality ("the Entity") as at and for the period ended March 31, 2025.

*General:*

We confirm that the representations we make in this letter are in accordance with the definitions as set out in [Attachment I](#) to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

*Responsibilities:*

- We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated July 21, 2023 and subsequently amended on March 12, 2025, including for:
  - the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
  - providing you with all information of which we are aware that is relevant to the preparation of the financial statements ("relevant information"), such as financial records, documentation and other matters, including:
    - the names of all related parties and information regarding all relationships and transactions with related parties;
    - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.
  - providing you with unrestricted access to such relevant information.
  - providing you with complete responses to all enquiries made by you during the engagement.

- providing you with additional information that you may request from us for the purpose of the engagement.
- providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
- such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.

*Internal control over financial reporting:*

- We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

*Fraud & non-compliance with laws and regulations:*

- We have disclosed to you:
  - the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
  - all information in relation to fraud or suspected fraud that we are aware of that involves:
    - management;
    - employees who have significant roles in internal control over financial reporting; or
    - others

where such fraud or suspected fraud could have a material effect on the financial statements.

- all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, short sellers, or others.
- all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements or illegal acts, whose effects should be considered when preparing financial statements.
- all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

*Subsequent events:*

- All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment, or disclosure, in the financial statements have been adjusted or disclosed.

*Related parties:*

- We have disclosed to you the identity of the Entity's related parties.



- We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- All related party relationships and transactions/balances have been appropriately accounted for, and disclosed, in accordance with the relevant financial reporting framework.

*Estimates:*

- The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

*Going concern:*

- We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

*Comparative information:*

- In respect of the restatement related to the HRWC misstatement made to correct a material misstatement in the comparative information on the statement of financial position, we reaffirm that the written representations we previously provided to you, in respect of the prior period financial statements presented as comparative information, remain appropriate.

*Misstatements:*

- We approve the corrected misstatements identified by you during the audit described in [Attachment II](#).

*Non-SEC registrants or non-reporting issuers:*

- We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization

*Assets & Liabilities – general:*

- The Entity has satisfactory title to all assets.
- There are no liens or encumbrances on the Entity's assets.
- We have no plans or intentions that may affect the carrying amount or classification of assets and liabilities

*Contractual Agreements:*

- The Entity has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of non-compliance including violations or default of the covenants in the Entity's debt agreement.

Asset retirement obligations:

- The Entity has appropriately recognized, measured, and disclosed asset retirement obligation under PS3280 Asset Retirement Obligations in the financial statements, including estimated closure costs related to landfills.

Employee future benefits:

- The employee future benefit costs, assets and obligations, if any, have been determined, accounted for and disclosed in accordance with the financial reporting framework.
- The employee future benefit costs, assets and obligations have been determined, accounted for and disclosed in accordance with PSAS 3250 and 3255. In particular:
  - each actuarial assumption used reflects management's best estimate solely with respect to that individual assumption, determined on a basis that the plan will continue to be in effect in the absence of evidence to the contrary;
  - the set of actuarial assumptions for each plan are individually consistent;
  - the discount rate used to determine the accrued benefit obligation for each plan was determined by reference to market interest rates at the measurement date on high- quality debt instruments with cash flows that match the timing and amount of expected benefit payments; or inherent in the amount at which the accrued benefit obligation could be settled.

Experts/Specialists:

- The information provided by us to Eckler and RSM Canada and used in the work and findings of the experts are complete and accurate. We agree with the findings of the experts in evaluating the employee future benefits disclosure and have adequately considered the qualifications of the experts in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to the experts with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matter that have had an impact on the independence and objectivity of the experts.

Contingent Liabilities:

- The Entity is subject to a number of legal matters including lawsuits and complaints that could result in a future settlement. We have provided you with a complete listing of all identified matters with an estimated or potential settlement of greater than \$100,000 if the Entity is considered at fault or decides to settle the matter. All material matters, individually and in aggregate, have been considered under the accounting framework and where significant have been measured and/or disclosed in the financial statements.
- We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

*Other:*

- We confirm that we have provided you with a complete list of service organizations (SO) and sub-service organizations (SSO) and that the relevant complementary user entity controls (CUECs) related to each SO/SSO have been designed and implemented. For the purpose of this representation, a service organization is one as defined in CAS 402.

Yours very truly,

---

Cathie O'Toole, Chief Administrative Officer

---

Jerry Blackwood, Chief Financial Officer

## ***Attachment I – Definitions***

### ***Materiality***

Certain representations in this letter are described as being limited to matters that are material.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

Information is obscured if it is communicated in a way that would have a similar effect for users of financial statements to omitting or misstating that information. The following are examples of circumstances that may result in material information being obscured:

- a) information regarding a material item, transaction or other event is disclosed in the financial statements but the language used is vague or unclear;
- b) information regarding a material item, transaction or other event is scattered throughout the financial statements;
- c) dissimilar items, transactions or other events are inappropriately aggregated;
- d) similar items, transactions or other events are inappropriately disaggregated; and
- e) the understandability of the financial statements is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

### ***Fraud & error***

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

***Attachment II – Summary of Audit Misstatements Schedules***

Summary of Audit Misstatements - Corrected

Entity: Halifax Regional Municipality  
For Period Ended: 3/31/2025  
Amounts in: CAD

| Entry |  |  |  |                            |                            |           |             | Statement of Financial Position |             | Statement of Operations |          |
|-------|--|--|--|----------------------------|----------------------------|-----------|-------------|---------------------------------|-------------|-------------------------|----------|
| ID    | Description of misstatement  | Factual, judgmental or projected misstatement? | Misstatement in accounts and/or in disclosure? | Disclosure (if applicable) | Accounts (if applicable)   | Debit     | Credit      | Debit                           | (Credit)    | Debit                   | (Credit) |
| AM1   | To record the accrual for expenses related to capital projects in FY25 | Factual  | Account Account                                |                            | TCA<br>Accrued Liabilities | 4,171,440 | (4,171,440) | 4,171,440                       | (4,171,440) |                         |          |
|       |  |  |  |                            |                            |           |             | 4,171,440                       | (4,171,440) | -                       | -        |

Summary of Audit Misstatements - Corrected

Entity: Halifax Regional Municipality  
For Period Ended:  
Amounts in:

3/31/2024  
CAD

| Entry |  |  |  |                          |                                 |              |                         |          |
|-------|--|--|--|--------------------------|---------------------------------|--------------|-------------------------|----------|
|       |  |  |  |                          | Statement of Financial Position |              | Statement of Operations |          |
| ID    | Description of misstatement  | Factual, judgmental or projected misstatement? | Misstatement in accounts or in disclosure? | Accounts (if applicable) | Debit                           | (Credit)     | Debit                   | (Credit) |
| AM1   | To adjust the overstatement of deferred revenue and account receivable   | Factual  | Accounts                                   | Deferred revenue         | 1,810,771                       |              |                         |          |
|       |  |  |  | Accounts receivable      |                                 | (1,810,771)  |                         |          |
| AM2   | Misstatement found in 2025 - restatement of utility plant (amortization missing on select asset from prior to 1985) - reported from component HRWC | Factual  | Accounts                                   | Investment in HRWC       |                                 | (10,431,000) |                         |          |
|       |  |  |  | Accumulated Surplus      | 10,431,000                      |              |                         |          |
|       |  |  |  |                          | 12,241,771                      | (12,241,771) | -                       | -        |

# Appendix 4: Audit quality - How do we deliver audit quality?

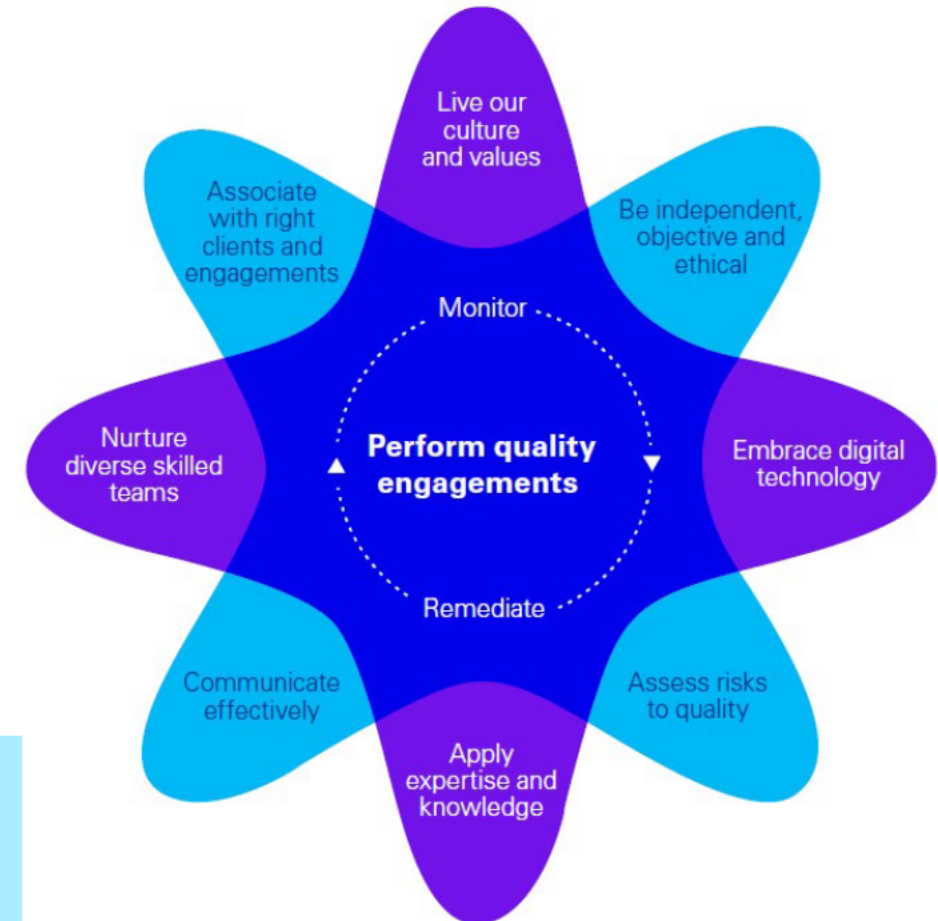
Quality essentially means doing the right thing and remains our highest priority. Our Global Quality Framework outlines how we deliver quality and how every partner and staff member contributes to its delivery.

The drivers outlined in the framework are the ten components of the KPMG System of Quality Management (SoQM). Aligned with ISQM 1/CSQM 1, our SoQM components also meet the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements. Learn more about our system of quality management and our firm's statement on the effectiveness of our SoQM:

 [KPMG Canada Transparency Report](#)

**We define 'audit quality' as being the outcome when:**

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality management**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.



**Doing the right thing. Always.**





# Appendix 5: Audit and assurance insights

Our latest thinking on the issues that matter most to Audit Committees, board of directors and management.

## KPMG Audit & Assurance Insights

Curated research and insights for audit committees and boards.

## Board Leadership Centre

Leading insights to help board members maximize boardroom opportunities

## Current Developments

Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Assurance & Related Services, Canadian Securities Matters, and US Outlook reports.

## Accelerate - The key issues driving the audit committee agenda

Discover the most pressing risks and opportunities that face audit committees, boards and management teams.

## Sustainability Reporting

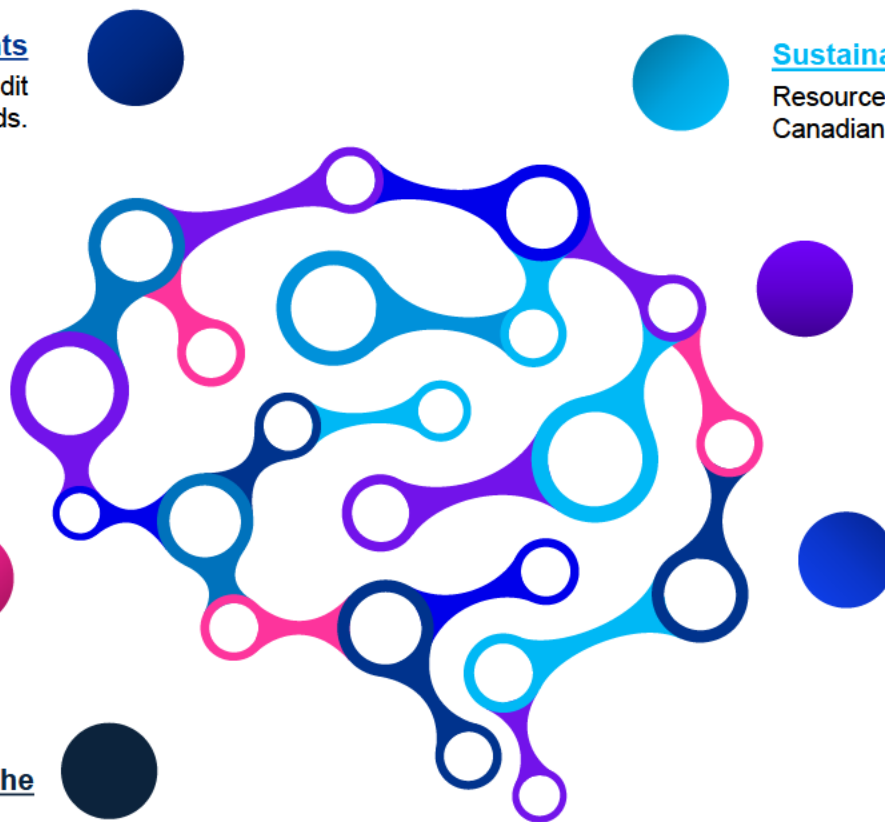
Resource centre on implementing the new Canadian reporting standards

## IFRS Breaking News

A monthly Canadian newsletter that provides the latest insights on accounting, financial reporting and sustainability reporting.

## Audit Committee Guide – Canadian Edition

A practical guide providing insight into current challenges and leading practices shaping audit committee effectiveness in Canada.





# Appendix 6: ESG - Global regulatory reporting standards

|                 | ISSB <sup>1</sup> and CSSB   | Canadian regulators (CSA)  | US (SEC <sup>2,3</sup> and California <sup>4</sup> )   | EU <sup>5,6</sup>  |
|-----------------|--|--|--|--|
| Recent Activity | <ul style="list-style-type: none"> <li>On March 13, 2024 the Canadian Sustainability Standards Board (CSSB) released proposals on its first two Canadian Sustainability Disclosure Standards (CSDS): Exposure Draft CSDS 1 (proposed general requirements standard) and Exposure Draft CSDS 2 (proposed climate standard).</li> <li>The proposed standards are aligned with the global baseline disclosure standards IFRS S1 and IFRS S2 with the exception of a Canadian-specific effective date for annual reporting periods beginning on or after January 1, 2025 and incremental transition relief.</li> <li>In June 2023, the International Sustainability Standards Board (ISSB) issued its first two IFRS Sustainability Disclosure Standards – IFRS S1 (general requirements standard) and IFRS S2 (climate standard).</li> <li>The ISSB standards are effective for annual periods beginning on or after January 1, 2024 – subject to local jurisdiction adoption.</li> </ul> | <ul style="list-style-type: none"> <li>In parallel with the CSSB's release of its proposals on March 13, 2024, the Canadian Securities Administrators (CSA) issued a statement noting that they will seek consultation on a revised climate-related disclosure rule following the finalization of CSDS 1 and 2.</li> <li>In October 2021, the CSA issued their original proposed rule, proposed National Instrument 51-107 <i>Disclosure of Climate-related Matters</i>.</li> <li>Bill S-211, Canada's new Act on fighting against forced labor and child labour will take effect on January 1, 2024. Canadian and foreign businesses impacted by the Act will be required to file a report on their efforts to prevent and reduce the risk of forced labour and child labour in their supply chain, by May 31<sup>st</sup> of each year.</li> </ul> | <ul style="list-style-type: none"> <li>The SEC's final climate rule was issued on March 6, 2024.</li> <li>The final rule will generally apply to all SEC registrants; <i>including</i> foreign private issuers (Form 20-F filers); <i>excluding</i> Canadian issuers reporting under the Multijurisdictional Disclosure System (Form 40-F filers) and asset-backed issuers.</li> <li>The earliest compliance date is the fiscal year beginning in Calendar year 2025 for large accelerated filers.</li> <li>The SEC also issued its final rules on cybersecurity in July 2023 and expects to release proposed disclosure rules on human capital management in spring 2024 and corporate board diversity in fall 2024.</li> <li>On October 7, 2023, the California Governor signed two climate disclosure laws that will shape climate disclosure practices beyond the state's borders. The laws will apply to US businesses (including US subsidiaries of non-US companies) that meet specified revenue thresholds and do business in California. The Governor also signed the California voluntary carbon market disclosures bill.</li> </ul> | <ul style="list-style-type: none"> <li>The European Financial Reporting Advisory Group (EFRAG) was mandated to develop European Sustainability Reporting Standards (ESRSs) setting out the detailed disclosure requirements under the Corporate Sustainability Reporting Directive (CSRD).</li> <li>On July 31, 2023, the European Commission published the final text of its first set of twelve ESRSs as delegated acts</li> <li>The ESRSs will become effective as early as 2024 reporting periods for some companies.</li> <li>There are potentially considerable ESG reporting implications for Canadian entities – as most EU-listed companies and large subsidiaries of Canadian companies with significant operations in the EU are in scope. Non-EU parent entities with substantial activity in the EU may also be in scope, with separate standards to be developed for these entities, with an effective date of 2028 reporting periods</li> </ul> <ol style="list-style-type: none"> <li>1. Refer to our <a href="#">ISSB Resource Centre</a> for resources on implementing the IFRS Sustainability Disclosure Standards</li> <li>2. Refer to our <a href="#">Defining Issues</a> publication for more information on the SEC's final climate rule</li> <li>3. Refer to our <a href="#">Defining Issues</a> publication for more information on the SEC's cybersecurity rules</li> <li>4. Refer to our <a href="#">publication</a> on California's introduction of climate disclosures and assurance requirements</li> <li>5. Refer to our <a href="#">ESRS Resource Centre</a> for resources on implementing the ESRSs</li> <li>6. Refer to our <a href="#">publication</a> on the impact of EU ESG reporting on non-EU companies</li> </ol> |

# Appendix 7: Current developments

## Accounting standards

| Standard   | Summary and implications  |
|--|---|
| <b>Concepts Underlying Financial Performance</b> | <ul style="list-style-type: none"><li>• The revised Conceptual Framework is effective for fiscal years beginning on or after April 1, 2026 with early adoption permitted.</li><li>• The framework provides the core concepts and objectives underlying Canadian public sector accounting standards.</li><li>• The ten chapter conceptual framework defines and elaborates on the characteristics of public sector entities and their financial reporting objectives. Additional information is provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts are introduced.</li></ul>   |
| <b>Financial Statement Presentation</b>          | <ul style="list-style-type: none"><li>• The proposed section PS 1202 <i>Financial statement presentation</i> will replace the current section PS 1201 <i>Financial statement presentation</i>. PS 1202 <i>Financial statement presentation</i> will apply to fiscal years beginning on or after April 1, 2026 to coincide with the adoption of the revised conceptual framework. Early adoption is permitted.</li><li>• The proposed section includes the following:<ul style="list-style-type: none"><li>• Relocation of the net debt indicator to its own statement called the statement of net financial assets/liabilities, with the calculation of net debt refined to ensure its original meaning is retained.</li><li>• Separating liabilities into financial liabilities and non-financial liabilities.</li><li>• Restructuring the statement of financial position to present total assets followed by total liabilities.</li><li>• Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities).</li><li>• Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities), including a new component called “accumulated other”.</li><li>• A new provision whereby an entity can use an amended budget in certain circumstances.</li><li>• Inclusion of disclosures related to risks and uncertainties that could affect the entity’s financial position.</li></ul></li></ul> |

# Appendix 8: Thought leadership and insights

## Artificial Intelligence in Financial Reporting and Audit

Artificial intelligence (AI) is transforming the financial reporting and auditing landscape, and is set to dramatically grow across organizations and industries. In our new report, KPMG surveyed 1,800 senior executives across 10 countries, including Canada, confirming the importance of AI in financial reporting and auditing. This report highlights how organizations expect their auditors to lead the AI transformation and drive the transformation of financial reporting. They see a key role for auditors in supporting the safe and responsible rollout of AI, including assurance and attestation over the governance and controls in place to mitigate risks.

[Click here](#) to access KPMG's portal.

## Control System Cybersecurity Annual Report 2024

Based on a survey of more than 630 industry members (13% from government organizations), this report reveals that while the increase in cyberattacks is concerning, organizations have become more proactive in their cybersecurity budgets, focused on prevention, and acknowledging the threat of supply chain attacks. Furthermore, the report highlights a pressing need for skilled cybersecurity professionals in the face of escalating cyber threats. Explore the full report to help gain a clearer understanding of the growing cyber threat landscape and learn how to overcome the roadblocks to progress.

[Click here](#) to access KPMG's portal.

## Cybersecurity Considerations 2024: Government and Public Sector

In every industry, cybersecurity stands as a paramount concern for leaders. Yet, for government and public sector organizations, the game of digital defense takes on a whole new level of intensity. The reason? The sheer volume and sensitivity of data they manage, which can amplify the potential fallout from any breach. These agencies are the custodians of a vast array of personal and critical data, spanning from citizen welfare to public safety and national security. This article delves into the pivotal cybersecurity considerations for the government and public sector. It offers valuable perspectives on critical focus areas and provides actionable strategies for leaders and their security teams to fortify resilience, drive innovation, and uphold trust in an ever-changing environment.

[Click here](#) to access KPMG's portal.



# Appendix 8: Thought leadership and insights (continued)

## Why the Public Sector Must Take the Lead in Sustainability Reporting

As the world prepares for the implementation of sustainability reporting standards from the International Sustainability Board (ISSB), the need for public sector leadership is pronounced. While governments around the world have collaborated on vital policy and regulatory solutions, they have yet to provide sustainability reporting for their own government reporting entities. This presents a major obstacle to global sustainability ambitions, particularly considering the vast physical infrastructure, non-renewable resources, rare earth elements, water and natural assets controlled by governments around the world. .

[Click here](#) to access KPMG's portal.

## Fighting Modern Slavery in Canadian Supply Chain

The deadline for the first year of reporting under Canada's Fighting Forced Labour and Child Labour in Supply Chains Act (the Act) was May 31, 2024. Under the Act, eligible entities are required to publicly report on steps taken to reduce the risk of forced labour and child labour in their business and supply chain. KPMG in Canada reviewed 5,794 report submissions for the act to identify key takeaways.

[Click here](#) to access KPMG's portal.

## ESG for Cities Webinar Series

Cities and municipalities play a crucial role to drive climate action and resilience measures, acting as stewards for the communities they serve – including their constituents, and public, private and non-profit organizations. With the physical impacts of climate changes – including floods, wildfires and droughts – accelerating in terms of both increased frequency and severity, city and municipal leaders are increasingly considering how they can tackle the multifaceted challenge of achieving net zero greenhouse gas (GHG) emissions by 2050. KPMG in Canada's Public Sector and ESG practices completed a three-part national webinar series focusing on the journey to net zero – from strategic planning and stakeholder engagement to the implementation at the asset and operational level, and subsequent reporting obligations.

[Click here](#) to access KPMG's portal.

## Building a Successful Transformation Program

Today's government and public sector organizations have a rapidly evolving customer service relationship with the populations they serve. Canadians are used to finding and accessing information and services easily and conveniently through digital channels. When digital interactions don't meet expectations or become obstacles to program access, service delivery innovation and other stakeholder objectives are not met.

[Click here](#) to read KPMG's article.

# Appendix 8: Thought leadership and insights (continued)

## Unlocking Government's Technology Future

This article is based on data from the KPMG global tech report 2024 which includes the results of a survey of 118 senior government technology executives and decision-makers around the world. It shows that public sector organizations are building – and maintaining – change momentum, particularly in key capabilities such as cloud enablement, cyber security and data and analytics.

[Click here](#) to access KPMG's portal.

## From Smart to Smarter Cities

Canadian cities are at a pivotal moment, evolving beyond basic “smart” solutions towards integrated, sustainable strategies that address challenges from resource efficiency to community engagement. KPMG's From Smart to Smarter Cities report highlights how Canadian leaders can embrace data-driven approaches and citizen-focused urban planning to reshape their cities.

[Click here](#) to access KPMG's portal.

## Getting Nature into Financial Reporting

By integrating nature into financial reporting, local governments in Canada can plan for sustainable growth and get ahead of new accounting standards that are on the horizon. The new guide, Getting Nature into Financial Reporting, authored by the University of Waterloo's Intact Centre on Climate Adaptation, and supported by the Standards Council of Canada, KPMG LLP and Natural Assets Initiative, was developed with over 120 experts across the country. The guide outlines how local governments of all sizes can start integrating nature into their financial reports today.

[Click here](#) to access KPMG's portal.

## AI in Finance

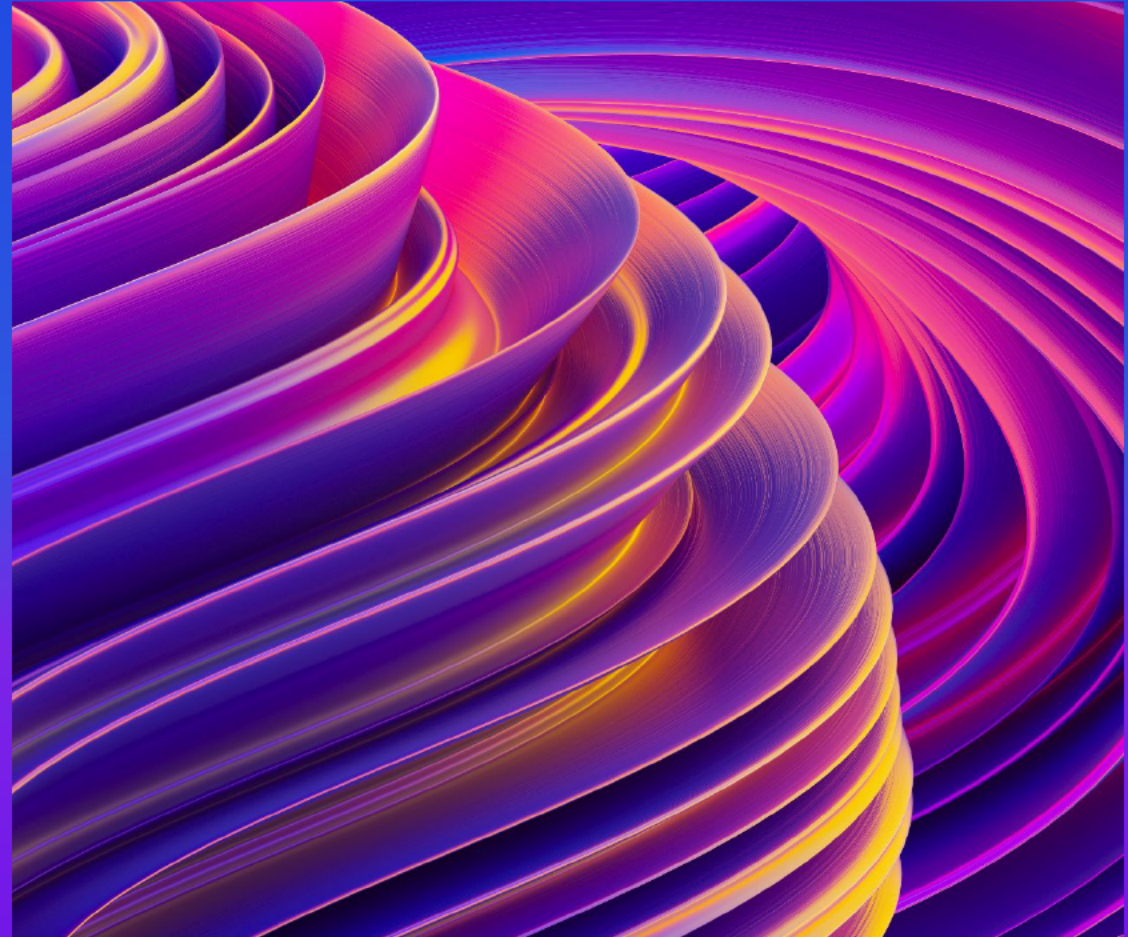
Artificial intelligence is rapidly transforming the finance landscape, moving beyond accounting and making significant inroads into financial reporting, management, planning and analytics. A report from KPMG International reveals that nearly three-quarters of finance teams across diverse industries and company sizes are already using AI to some degree to enhance their financial reporting processes, implementing AI across wider areas of finance, including financial planning, treasury management, risk management and tax operations.

[Click here](#) to read KPMG's article.



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# **Attachment #5**

**Report of Expenditures in the Councillors'  
District Capital Funds to March 31, 2025**



| Summary Councillors' District Capital Funds |                         |                          |  |                     |                                      |                     |                   |   |                     |
|---|-------------------------|--------------------------|--|---------------------|--------------------------------------|---------------------|-------------------|---|---------------------|
| April 1, 2024 to March 31, 2025             |                         |                          |  |                     |                                      |                     |                   |   |                     |
|   | Previous Years' Budgets | Previous Years' Spending | Carry Forward from Previous Years' Budgets | Current Year Budget | Budget Available as of April 1, 2024 | Actual Expenditures | Commitments       | Total Actual Expenditures & Commitments | Currently Available |
| DISTRICT 1 - Cathy Deagle-Gammon            | 94,000.00               | 80,109.44                | 13,890.56                                  | 94,000.00           | 107,890.56                           | 96,063.41           | 3,084.82          | 99,148.23                               | 8,742.33            |
| DISTRICT 2 - David Hendsbee                 | 94,000.00               | 87,223.23                | 6,776.77                                   | 94,000.00           | 100,776.77                           | 98,500.00           | 2,276.77          | 100,776.77                              | 0.00                |
| DISTRICT 3 - Becky Kent                     | 95,000.00               | 54,212.67                | 40,787.33                                  | 94,000.00           | 134,787.33                           | 110,597.84          | 3,598.91          | 114,196.75                              | 20,590.58           |
| DISTRICT 4 - Trish Purdy                    | 105,411.23              | 12,179.91                | 93,231.32                                  | 94,000.00           | 187,231.32                           | 122,149.66          | 8,377.06          | 130,526.72                              | 56,704.60           |
| DISTRICT 5 - Sam Austin                     | 105,559.58              | 72,480.59                | 33,078.99                                  | 94,000.00           | 127,078.99                           | 115,191.45          | 11,559.58         | 126,751.03                              | 327.96              |
| DISTRICT 6 - Tony Mancini                   | 204,930.70              | 43,000.00                | 161,930.70                                 | 94,000.00           | 255,930.70                           | 75,429.40           | 80,266.82         | 155,696.22                              | 100,234.48          |
| DISTRICT 7 - Laura White                    | 97,009.63               | 94,000.00                | 3,009.63                                   | 94,000.00           | 97,009.63                            | 62,908.69           | 0.00              | 62,908.69                               | 34,100.94           |
| DISTRICT 8 - Virginia Hinch                 | 263,439.29              | 0.00                     | 263,439.29                                 | 94,000.00           | 357,439.29                           | 144,419.93          | 168,278.07        | 312,698.00                              | 44,741.29           |
| DISTRICT 9 - Shawn Cleary                   | 143,378.01              | 0.00                     | 143,378.01                                 | 94,000.00           | 237,378.01                           | 113,107.38          | 44,841.00         | 157,948.38                              | 79,429.63           |
| DISTRICT 10 - Kathryn Morse                 | 194,389.38              | 52,288.72                | 142,100.66                                 | 94,000.00           | 236,100.66                           | 136,234.75          | 59,374.23         | 195,608.98                              | 40,491.68           |
| DISTRICT 11 - Patti Cutteli                 | 114,314.32              | 7,981.11                 | 106,333.21                                 | 94,000.00           | 200,333.21                           | 98,180.62           | 52,021.77         | 150,202.39                              | 50,130.82           |
| DISTRICT 12 - Janet Steele                  | 357,700.34              | 13,688.26                | 344,012.08                                 | 94,000.00           | 438,012.08                           | 243,956.74          | 66,284.41         | 310,241.15                              | 127,770.93          |
| DISTRICT 13 - Nancy Hartling                | 119,289.43              | 92,110.16                | 27,179.27                                  | 94,000.00           | 121,179.27                           | 120,889.84          | 289.43            | 121,179.27                              | 0.00                |
| DISTRICT 14 - John A. Young                 | 94,250.00               | 90,569.94                | 3,680.06                                   | 94,000.00           | 97,680.06                            | 60,826.16           | 7,000.00          | 67,826.16                               | 29,853.90           |
| DISTRICT 15 - Billy Gillis                  | 104,235.00              | 46,498.06                | 57,736.94                                  | 94,000.00           | 151,736.94                           | 117,047.71          | 32,000.00         | 149,047.71                              | 2,689.23            |
| DISTRICT 16 - Jean St.Amand                 | 174,110.91              | 52,531.84                | 121,579.07                                 | 94,000.00           | 215,579.07                           | 146,997.44          | 19,615.78         | 166,613.22                              | 48,965.85           |
| <b>Total</b>                                | <b>2,361,017.82</b>     | <b>798,873.93</b>        | <b>1,562,143.89</b>                        | <b>1,504,000.00</b> | <b>3,066,143.89</b>                  | <b>1,862,501.02</b> | <b>558,868.65</b> | <b>2,421,369.67</b>                     | <b>644,774.22</b>   |

## **Attachment #6**

**Report of Expenditures in the Councillors'  
District Activity Funds to March 31, 2025**

**SUMMARY COUNCILLORS' DISTRICT ACTIVITY FUNDS****April 1, 2024 to March 31, 2025**

| <b>Orders</b>                    | <b>Actual<br/>Expenditures</b> | <b>Commitments</b> | <b>Total Actual<br/>Expenditures &amp;<br/>Commitments</b> | <b>Budget</b> | <b>Available</b> |
|----------------------------------|--------------------------------|--------------------|--|---------------|------------------|
| DISTRICT 1 - Cathy Deagle-Gammon | 4,450.00                       | -                  | 4,450.00   | 4,500.00      | 50.00            |
| DISTRICT 2 - David Hendsbee      | 4,500.00                       | -                  | 4,500.00   | 4,500.00      | -                |
| DISTRICT 3 - Becky Kent          | 4,499.75                       | -                  | 4,499.75   | 4,500.00      | 0.25             |
| DISTRICT 4 - Trish Purdy         | 3,690.50                       | -                  | 3,690.50   | 4,500.00      | 809.50           |
| DISTRICT 5 - Sam Austin          | 3,633.34                       | -                  | 3,633.34   | 4,500.00      | 866.66           |
| DISTRICT 6 - Tony Mancini        | 4,199.33                       | 300.00             | 4,499.33   | 4,500.00      | 0.67             |
| DISTRICT 7 - Laura White         | 3,336.88                       | -                  | 3,336.88   | 4,500.00      | 1,163.12         |
| DISTRICT 8 - Virginia Hinch      | 3,999.88                       | -                  | 3,999.88   | 4,500.00      | 500.12           |
| DISTRICT 9 - Shawn Cleary        | 4,383.00                       | -                  | 4,383.00   | 4,500.00      | 117.00           |
| DISTRICT 10 - Kathryn Morse      | 4,500.00                       | -                  | 4,500.00   | 4,500.00      | -                |
| DISTRICT 11 - Patti Cuttell      | 4,312.40                       | -                  | 4,312.40   | 4,500.00      | 187.60           |
| DISTRICT 12 - Janet Steele       | 4,455.14                       | -                  | 4,455.14   | 4,500.00      | 44.86            |
| DISTRICT 13 - Nancy Hartling     | 3,950.00                       | -                  | 3,950.00   | 4,500.00      | 550.00           |
| DISTRICT 14 - John A.Young       | 4,250.00                       | -                  | 4,250.00   | 4,500.00      | 250.00           |
| DISTRICT 15 - Billy Gillis       | 4,325.00                       | -                  | 4,325.00   | 4,500.00      | 175.00           |
| DISTRICT 16 - Jean St- Amand     | 3,153.33                       | -                  | 3,153.33   | 4,500.00      | 1,346.67         |
|                                  |                                |                    |  |               |                  |
| Total                            | 65,638.55                      | 300.00             | 65,938.55  | 72,000.00     | 6,061.45         |

# **Attachment #7**

**Report of Changes in the Recreation Area Rate Accounts  
to March 31, 2025**

**Halifax Regional Municipality**  
**Continuity Schedule of Recreation Area Rated Accounts**  
**The 4th Quarter ended March 31, 2025**

| <b>Area Rated Recreation Account</b>                           | <b>Opening<br/>Deficit (Surplus)<br/>April 1,2024</b> | <b>Revenue<br/>April 1, 2024 to<br/>31-Mar-25</b> | <b>Expenditures<br/>April 1, 2024 to<br/>31-Mar-25</b> | <b>Current Year's<br/>Deficit (Surplus)<br/>31-Mar-25</b> | <b>Accumulated<br/>Deficit (Surplus)<br/>31-Mar-25</b> |
|--|---|---|--|---|--|
| Frame Subdivision Homeowners Association                       | 90  | (4,050)   | 3,960  | (90)  | -  |
| Sackville Heights Elementary School                            | (217,605)   | (374,099)   | 229,042  | (145,057)   | (362,662)  |
| Glen Arbour Homeowners Association                             | (65)  | (21,970)  | 21,970   | -   | (65)   |
| White Hills Residents Association                              | -   | -   | -  | -   | -  |
| Lost Creek Community Association                               | (1,434)   | -   | -  | -   | (1,434)  |
| Waterstone Neighbourhood Association                           | -   | -   | -  | -   | -  |
| Ketch Harbour Residents Association                            | (0)   | (13,649)  | 14,700   | 1,051   | 1,051  |
| Mineville Community Association                                | -   | (11,280)  | 11,280   | -   | -  |
| Three Brooks Homeowners Association                            | -   | (9,780)   | 10,260   | 480   | 480  |
| Haliburton Highbury Homeowners Association                     | (185,650)   | (66,369)  | 100,000  | 33,631  | (152,019)  |
| Highland Park Ratepayers Association                           | (68,504)  | (12,252)  | 39,577   | 27,325  | (41,179)   |
| Kingswood Ratepayers Association                               | (100,425)   | (67,550)  | 10,000   | (57,550)  | (157,975)  |
| Prospect Road & Area Recreation Association                    | 22  | (133,358)   | 133,922  | 564   | 586  |
| Westwood Hills Residents Association                           | (115,700)   | (35,700)  | 151,550  | 115,850   | 150  |
| Musquodoboit Harbour   | (15,296)  | (16,573)  | 31,868   | 15,295  | (1)  |
| Hammonds Plains Common Rate                                    | (140,524)   | -   | -  | -   | (140,524)  |
| Grand Lake/Oakfield Community Centre                           | (56,973)  | (35,751)  | 89,329   | 53,578  | (3,395)  |
| Maplewood Subdivision  | (153,721)   | -   | -  | -   | (153,721)  |
| Silversides Residents Association                              | -   | (16,200)  | 16,300   | 100   | 100  |
| Fox Hollow at St Margaret's Bay Village Homeowners Association | (12,349)  | (6,180)   | 18,469   | 12,289  | (60)   |
| Waverley Sidewalk Area Rate                                    | 240   | (32,900)  | 32,625   | (275)   | (35)   |
| Lakeview, Windsor Junction, Fall River Ratepayers Association  | (4,663)   | (275,665)   | 271,418  | (4,247)   | (8,910)  |
| <b>Totals</b>  | <b>(1,072,557)</b>                                    | <b>(1,133,326)</b>                                | <b>1,186,270</b>                                       | <b>52,944</b>   | <b>(1,019,613)</b>                                     |

# **Attachment #8**

**Reserves Funds Summary  
At March 31, 2025**

| Reserve Number             | Reserve                                     | SAP Balances as of Dec. 31, 2024 | Current Commitments | Pending Contribution | Projected Closing Balance as of March 31, 2025 | Projected Closing Balance 2025/26 | Projected Closing Balance 2026/27 | Projected Closing Balance 2027/28 | Projected Closing Balance 2028/29 |
|----------------------------|---|----------------------------------|---------------------|----------------------|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Risk Reserve               |   |                                  |                     |                      |  |                                   |                                   |                                   |                                   |
| Q416                       | Operating Stabilization Reserve             | 15,614,932                       | (1,436,303.33)      | -                    | 14,178,629                                     | 18,798,329                        | 19,099,129                        | 19,404,729                        | 19,715,229                        |
| TOTAL RISK RESERVES:       |   | 15,614,932                       | (1,436,303.33)      | -                    | 14,178,629                                     | 18,798,329                        | 19,099,129                        | 19,404,729                        | 19,715,229                        |
| Obligation Reserve         |   |                                  |                     |                      |  |                                   |                                   |                                   |                                   |
| Q506                       | Landfill Closure Cost                       | 25,284,586                       | (3,900,384)         | -                    | 21,384,201                                     | 22,710,301.22                     | 21,893,601.22                     | 21,703,901                        | 21,485,801                        |
| Q511                       | Municipal Election Reserve                  | 2,857,230                        | (1,564,123)         | -                    | 1,293,107                                      | 2,177,407.11                      | 3,075,807.11                      | 3,988,607                         | 4,916,007                         |
| Q521                       | Convention Centre Reserve                   | 8,346,596                        | -                   | -                    | 8,346,596                                      | 9,383,396.02                      | 10,436,796.02                     | 11,506,996                        | 12,594,296                        |
| Q536                       | Library Recapitalization Reserve            | 10,473,979                       | -                   | -                    | 10,473,979                                     | 81,578.55                         | 82,878.55                         | 84,179                            | 84,179                            |
| Q546                       | Multi-District Facilities Reserve           | 13,900,049                       | (8,764,843)         | -                    | 5,135,205                                      | 5,129,340.44                      | 2,780,123.44                      | 3,206,814                         | 3,660,389                         |
| Q556                       | Solid Waste Facilities Reserve              | 18,523,318                       | (4,127,799)         | -                    | 14,395,519                                     | 11,593,119.46                     | 9,782,119.46                      | 8,551,819                         | 8,439,719                         |
| Q566                       | Master Plan Reserve                         | 2,606,679                        | -                   | -                    | 2,606,679                                      | 2,290,679.45                      | 2,327,379.45                      | 2,364,579                         | 2,402,379                         |
| Q616                       | Business/Industrial Parks Expansion Reserve | 46,435,452                       | (23,146,373)        | -                    | 23,289,079                                     | 41,821,860.58                     | 9,978,960.58                      | (30,501,339)                      | (53,036,539)                      |
| Q621                       | Community and Events Reserve                | 7,565,296                        | (956,644)           | -                    | 6,608,652                                      | 8,050,451.66                      | 9,261,251.66                      | 10,491,452                        | 11,741,352                        |
| TOTAL OBLIGATION RESERVE:  |   | 135,993,184                      | (42,460,167)        | -                    | 93,533,017                                     | 103,238,134                       | 69,618,917.49                     | 31,397,008                        | 12,287,583                        |
| Opportunity Reserve        |   |                                  |                     |                      |  |                                   |                                   |                                   |                                   |
| Q666                       | SI Capital                                  | 190,961,528                      | (25,845,111)        | -                    | 165,116,417                                    | 191,514,517.36                    | 218,334,917                       | 245,584,517                       | 273,270,117                       |
| Q667                       | SI Operating Reserve                        | 7,013,487                        | (1,085,500)         | -                    | 5,927,987                                      | 6,901,686.59                      | 7,479,487                         | 8,340,887                         | 9,215,987                         |
| Q611                       | Parkland Development Reserve                | 11,050,453                       | (2,103,456)         | -                    | 8,946,997                                      | 9,852,196.98                      | 10,771,797                        | 11,706,097                        | 12,655,397                        |
| Q626                       | Gas Tax Reserve                             | 13,728,600                       | (6,586,223)         | -                    | 7,142,377                                      | 4,444,696.96                      | 5,860,317                         | 6,362,129                         | 6,871,941                         |
| Q640                       | Density Bonus Reserve                       | 8,212,077                        | (5,276,928)         | -                    | 2,935,149                                      | 2,482,148.93                      | 2,521,849                         | 2,562,149                         | 2,603,149                         |
| Q421                       | Options Reserve                             | 19,217,518                       | (8,904,281)         | -                    | 10,313,236                                     | 10,142,936.42                     | 10,305,236                        | 10,470,136                        | 10,637,636                        |
| Q526                       | Capital Funds Reserve                       | 48,756,843                       | (32,460,203)        | -                    | 16,296,640                                     | 16,016,759.13                     | 15,542,959                        | 14,544,359                        | 13,526,759                        |
| TOTAL OPPORTUNITY RESERVE: |   | 298,940,505                      | (82,261,702)        | -                    | 216,678,803                                    | 241,354,942                       | 270,816,562                       | 299,570,274                       | 328,780,986                       |

# **Attachment #9**

**Hospitality Expenses Summary  
January 1, 2025 to March 31, 2025**



### Hospitality Expenses January - March 2025

| Date      | Courtesy Visit or Reception  | Item(s)           | Total              |
|-----------|--|-------------------|--------------------|
| 1/31/2025 | Birds Nest Café (Special Meeting catering - University Presidents meeting) | Catering          | \$ 75.95           |
| 3/8/2025  | My Mother's Bloomers (Flowers for International Women's Day event)         | Gift (Flowers)    | \$ 292.10          |
| 2/28/2025 | Honoraria for all Indigenous guests at HRM's Hemlock Management gathering  | Gifts             | \$ 6,000.00        |
| 2/20/2025 | Hemlock Woolly Adelgid Session   | Catering          | \$ 29.00           |
| 2/25/2025 | HalifACT Network Meeting   | Rental & Catering | \$ 583.00          |
| 1/17/2025 | Youth Climate Action Fund Showcase   | Catering          | \$ 521.00          |
| 2/24/2025 | Hemlock Woolly Adelgid Stakeholder meeting                                 | Catering          | \$ 45.00           |
| 3/14/2025 | World Water Day event  | Catering          | \$ 260.00          |
| 3/24/2025 | Lakewatchers meeting   | Catering          | \$ 315.00          |
| Total     |  |                   | <b>\$ 8,121.05</b> |

Hospitality expenses are:

Expenses incurred while hosting individuals from outside the municipal government for reasons of diplomacy, protocol, business development or promotional advocacy.

Examples include: gifts, receptions, ceremonies, conferences, performances or other group events.

# **Attachment #10**

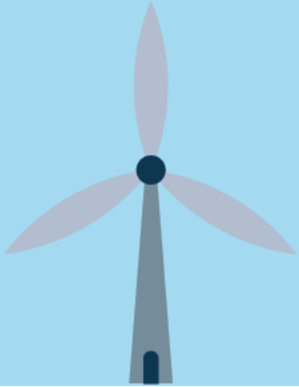
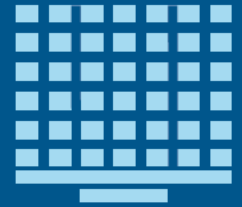
**Mayor, Councillors and CAO's Expense Summary  
January 1, 2025 to March 31, 2025**

## Expenses for Reportable Individuals January to March 2025

| Name                           | Local Travel  | Out of Town Travel | Development/<br>Training | Meals & Other<br>Miscellaneous<br>Expenses | Total         | YTD Total      |
|--------------------------------|---------------|--------------------|--------------------------|--|---------------|----------------|
| Mayor Mike Savage              |               | 1,166              |                          | 707  | 1,872         | 11,520         |
| Mayor Andy Fillmore            | 642           | 2,411              | -                        | 153  | 3,207         | 3,207          |
| Councillor Cathy Deagle-Gammon | 3,058         | 1,058              | -                        | -  | 4,116         | 13,010         |
| Councillor David Hendsbee      | 2,360         | -                  | -                        | -  | 2,360         | 11,184         |
| Councillor Becky Kent          | 332           | 892                | -                        | -  | 1,224         | 5,912          |
| Councillor Trish Purdy         |               | 565                | -                        | -  | 565           | 5,355          |
| Councillor Sam Austin          | 202           | -                  | -                        | -  | 202           | 2,903          |
| Deputy Mayor Tony Mancini      | 1,206         | -                  | -                        | -  | 1,206         | 3,028          |
| Councillor Wayne Mason         | -             | -                  | -                        | -  | -             | 311            |
| Councillor Laura White         | 47            | -                  | 261                      | -  | 308           | 308            |
| Councillor Lindell Smith       | -             | -                  | -                        | -  | -             | 5,692          |
| Councillor Virginia Hinch      | 340           | -                  | 261                      | -  | 601           | 720            |
| Councillor Shawn Cleary        | -             | -                  | -                        | -  | -             | 3,349          |
| Councillor Kathryn Morse       | -             | -                  | 261                      | -  | 261           | 261            |
| Councillor Patty Cuttall       | 800           | 1,742              | 521                      | -  | 3,063         | 10,523         |
| Councillor Iona Stoddard       | -             | -                  | -                        | -  | -             | 1,655          |
| Councillor Janet Steele        | 250           | -                  | -                        | -  | 250           | 250            |
| Councillor Pam Lovelace        | -             | -                  | -                        | -  | -             | 2,865          |
| Councillor Nancy Hartling      | 2,681         | -                  | -                        | -  | 2,681         | 3,646          |
| Councillor Lisa Blackburn      |               | -                  | -                        | -  | -             | 3,244          |
| Councillor John A. Young       | 1,163         | -                  | -                        | -  | 1,163         | 1,631          |
| Councillor Paul Russell        | -             | -                  | -                        | -  | -             | 5,407          |
| Councillor Billy Gillis        | 1,812         | -                  | -                        | -  | 1,812         | 1,812          |
| Councillor Tim Outhit          | -             | -                  | -                        | -  | -             | -              |
| Councillor Jean St-Amand       | -             | -                  | 261                      | -  | 261           | 261            |
| CAO Cathie O'Toole             | 159           | 1,722              | 32                       |  | 1,914         | 10,347         |
| <b>Total</b>                   | <b>15,052</b> | <b>9,556</b>       | <b>1,596</b>             | <b>860</b>                                 | <b>27,065</b> | <b>108,401</b> |

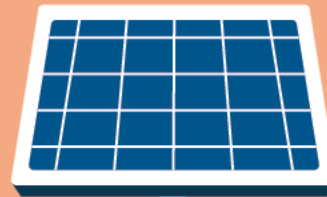
# **Attachment #11**

**HRM Climate-Related Financial Disclosures Report  
for the year ended Mach 31, 2025**



# Climate-Related Financial Disclosures (Unaudited)

For the year ended March 31, 2025



**HALIFAX**

# Climate-Related Financial Disclosures

Climate change increases the exposure of municipalities to extreme weather events and more gradual shifts such as rising temperatures and sea-level rise. These changes introduce risks that could affect residents and their livelihoods, critical municipal infrastructure and the delivery of essential services. Effectively managing the risks associated with a changing climate requires an understanding of their causes and their consequences, as well as the integration of climate considerations into all aspects of municipal operations, including financial decision-making and risk management.

HalifACT is the Halifax Regional Municipality's long-term climate action plan. The plan aims to reduce greenhouse gas emissions and strengthen resilience to climate impacts. HalifACT calls for the development and implementation of climate-related financial disclosures aligned with global standards such as the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD is a framework that provides voluntary disclosure recommendations around four pillars (Governance, Strategy, Risk Management and Metrics & Targets) for organizations to communicate the material impact of climate change on their operations.

Although the TCFD was formally disbanded in 2023, its recommendations continue to inform disclosure standards for both the private and public sectors. The municipality began to report climate-related financial disclosures according to the TCFD framework in fiscal year 2023/24. As reporting practices mature, the municipality will continue to monitor developments from the Public Sector Accounting Board (PSAB) for guidance on climate-related disclosures in the public sector.

The report is organized into four sections, each aligned with one of the TCFD pillars.



# Governance

*Disclose the organization's governance around climate-related risks and opportunities.*

- a) Describe the board's oversight of climate-related risks and opportunities.*
- b) Describe management's role in assessing and managing climate-related risks and opportunities.*

## COUNCIL'S ROLE

Halifax Regional Council's oversight of climate-related risks and opportunities is crucial in navigating the complex challenges posed by climate change. As municipalities increasingly recognize the impact of climate-related factors on their operations, finances, local businesses and the lives of residents, the role of Regional Council becomes pivotal.

Regional Council has taken action to ensure the impact of climate change on the municipality is addressed, including:

- Declaring a climate emergency on January 29, 2019, emphasizing that climate change and sea level rise are a serious and urgent threat;
- Endorsing the municipality's climate action plan, HalifACT: Acting on Climate Together (HalifACT), on June 23, 2020, and;
- Approving the implementation of the Climate Action Tax on April 12, 2022, to fund a core group of capital projects focused on decarbonizing municipal operations and enhancing the resilience of municipally owned critical infrastructure against climate risks.

### **HALIFACT: ACTING ON CLIMATE TOGETHER**

HalifACT is the municipality's long-term climate action plan to reduce emissions and help communities adapt to a changing climate. This plan is an update and consolidation of two previous plans aimed at reducing greenhouse gas emissions; the Community Energy Plan and the Corporate Plan to Reduce GHG Emissions 2012-2020. The plan also integrates climate adaptation, which is the preparation of communities and infrastructure against the current and future impacts of climate change.

HalifACT outlines 46 actions required to achieve the municipality's climate action goals. The actions are grouped by three major themes: decarbonized and resilient infrastructure, prepared and connected communities and governance and leadership.

## ENVIRONMENT SELECTED AS STRATEGIC PRIORITY AREA

Regional Council is responsible for setting the strategic direction of the municipality. Informed by organizational strategies and community engagement, a newly-elected Council sets strategic priority areas and related strategic priority outcomes for its four-year mandate. The 2021-2025 Strategic Priorities Plan reflects the municipality's vision, mission and values, and establishes key areas of focus now and into the future. Environment is one of the municipality's 2021-2025 strategic priority areas. The aim of the Environment priority area is to demonstrate leadership in climate change action and environmental protection – both as an organization and a region. The related priority outcomes include net zero emissions, climate resilience and protecting the environment.

Council priorities for 2026-2030 will be determined by the new Regional Council elected in October 2024.

## ENVIRONMENTAL IMPLICATIONS OF RECOMMENDATIONS TO COUNCIL

All recommendation reports to Regional Council are evaluated for environmental implications. This information is included in reports alongside risk considerations and financial implications to provide balanced decision-making criteria to Regional Council.

Online training has been developed to support staff in completing the Environmental Implications section of recommendation reports. This training provides an overview of the fundamental aspects of climate change, the natural environment and the essential services and benefits that healthy ecosystems provide. It also guides staff in assessing the environmental impacts of proposed initiatives, highlighting both positive and negative effects. The training includes specific examples of how typical municipal projects may influence climate and the environment, helping staff apply these principles more effectively in their evaluations. The training is expected to launch in 2025-26.

## ROLE OF ENVIRONMENT AND SUSTAINABILITY STANDING COMMITTEE

The Environment and Sustainability Standing Committee (ESSC), a permanent committee established by Regional Council, has specific responsibilities relating to climate change mitigation and adaptation. In addition to providing advice to Council, ESSC develops policy related to municipal climate change adaptation and mitigation, promotes community adoption of climate change mitigation and adaptation measures and provides governance oversight of the municipality's climate change risk management strategy. Environment and Climate Change staff provide annual progress reports on the implementation of HalifACT to Regional Council through the Environment and Sustainability Standing Committee.





# MANAGEMENT GOVERNANCE

The Environment & Climate Change (ECC) division’s mandate is to provide vision and leadership in climate action and environmental sustainability. Working with both internal and external partners, ECC leads the implementation of HalifACT within the organization and broader community, developing and overseeing projects, policies and programs to progress climate action and environmental sustainability.

The current management structure of ECC and the reporting relationship of the division to the Executive Sponsor of HalifACT, the Chief Administrative Officer, is illustrated below.

The Commissioner of Operations position was created in 2024/25 to enhance the integration and alignment of strategic planning and service delivery across the business units under their responsibility. Alongside the established HalifACT Governance Model Working Groups, this role is expected to support progress on HalifACT by fostering the close collaboration needed across operational business units for effective implementation.

The Director of Environment & Climate Change and the Executive Director of Property, Fleet & Environment meet regularly with the Commissioner of Operations and the Chief Administrative Officer to review HalifACT implementation progress and address any emerging issues or challenges.



### **Collective Impact**

The Collective Impact department is responsible for leading and coordinating collective action and change management efforts to implement HalifACT and other sustainability initiatives. This involves strategic engagement with key partners and communities, capacity building and driving transformational change to address climate challenges.

### **Climate Governance**

The Climate Governance department is responsible for coordinating the implementation of HalifACT across the organization. The department focuses on oversight of the HalifACT Governance Model, research and policy development and the development of strategic partnerships to drive climate action.

### **Environment**

The Environment department is responsible for leading and coordinating efforts across various sectors to ensure environmental sustainability, focusing on ecosystem and watershed management, environmental risk compliance and the promotion of nature-based solutions and public education on environmental issues.

### **Clean Energy**

The Clean Energy department oversees the development and implementation of clean energy initiatives, focusing on the design, installation and management of clean energy technologies and programs with the goal of reducing greenhouse gas emissions. This department collaborates with internal and external partners to promote the adoption of sustainable energy solutions across the municipality.

### **Climate Adaptation**

The Climate Adaptation department leads the development and implementation of climate adaptation initiatives, focusing on resilient infrastructure and community programs to increase public awareness of climate risks and enhance climate resilience and sustainability.



# HALIFACT GOVERNANCE MODEL

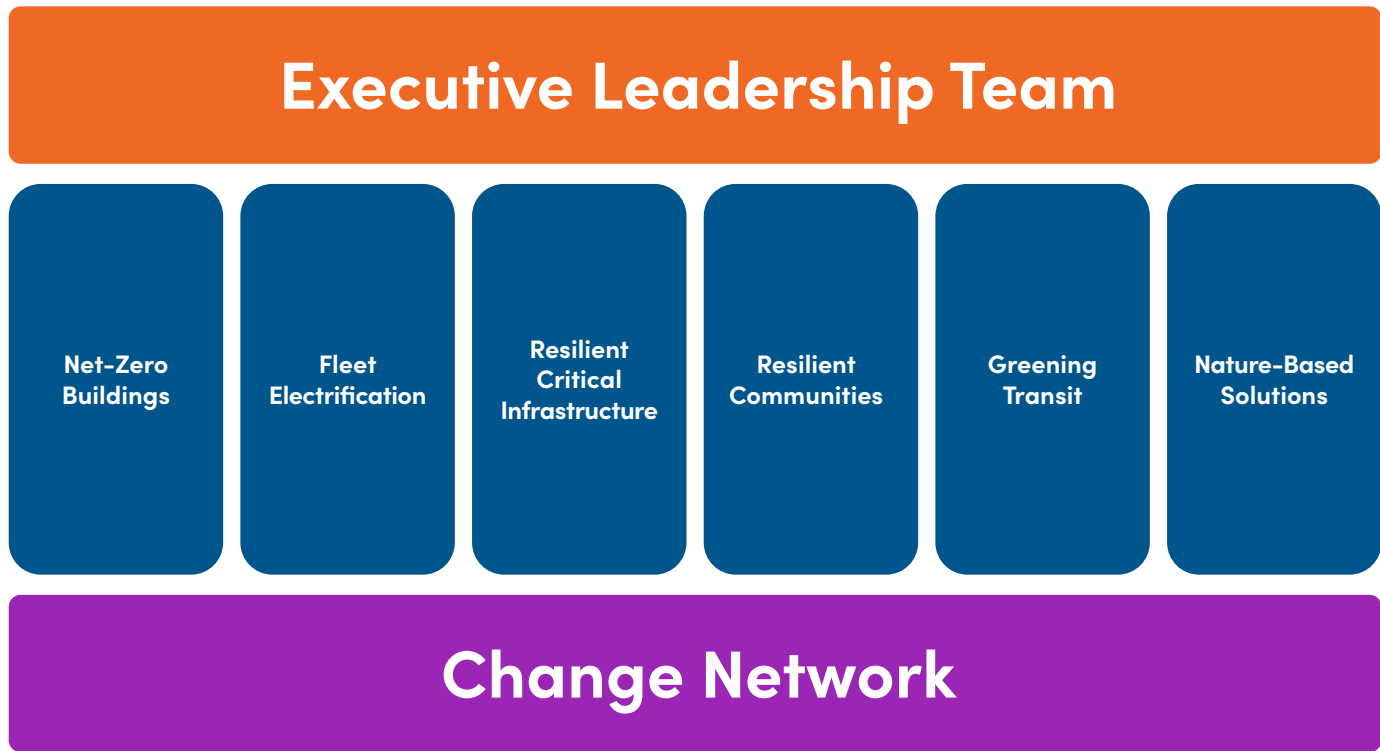
To drive progress on the 46 HalifACT actions, municipal business units have been assigned as Action Leads for each initiative. In February 2024, a governance model was introduced, featuring six Working Groups composed of subject matter experts from across the organization, supported by project and change management leads. The model is designed to incorporate a climate lens into strategic and operational planning, supporting HalifACT’s emissions reduction and climate adaptation goals. It also establishes a framework for ongoing monitoring and reporting of progress.

Each Working Group operates under terms of reference that define its mandate, roles, responsibilities, and accountability for specific HalifACT actions. These cross-functional groups are responsible for coordinating annual resource and work plans related to their assigned actions and meet regularly to advance key initiatives that drive progress.

Quarterly reports summarizing action progress and risks affecting that progress are submitted to the Executive Leadership Team (ELT) and incorporated into the annual update that ECC prepares for Regional Council, alongside other key updates and information.

An internal change network, open to all staff on a voluntary basis, is planned to support the model by building climate awareness and commitment across the organization.

The model launched in February 2024 with six initial Working Groups.



# Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning where such information is material.

- a) Describe the climate-related risks and opportunities the organization has identified over the short-, medium- and long-term.
- b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning.
- c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2 C or lower scenario<sup>1</sup>.

## CLIMATE RISKS AND IMPACTS

Localized, downscaled climate projections prepared for Halifax in support of HalifACT indicate the municipality can expect higher annual and seasonal average temperatures, higher maximum or peak temperatures, more heat waves, increased annual precipitation, increases in extreme precipitation and increases in the intensity and frequency of some extreme climate events, including storms, flooding and wildfires. Climate hazards can be either climate-related physical events, such as extreme weather events, or longer-term climate change trends such as increasing average temperatures and sea-level rise. These climate hazards pose risks for people, infrastructure, natural systems and resources, economies, livelihoods and safety. As the climate continues to change, these hazards are projected to increase in variability, frequency and intensity. Climate hazards identified for Halifax include:

- |   |                                    |
|---|------------------------------------|
| • Extreme heat                                | • Fire weather (risk of wildfires) |
| • Urban flooding                              | • Extreme wind                     |
| • Coastal flooding (including sea-level rise) | • Storms                           |
| • Coastal erosion                             | • Heavy precipitation              |
| • Hurricanes                                  | • Biodiversity loss                |

Table 1 represents a high-level summary of climate-related risks and impacts based on modelling conducted in support of HalifACT.

<sup>1</sup> A 2-degree or lower scenario aims to limit global temperature rise to well below 2 C above pre-industrial levels, as outlined in the Paris Agreement, requiring significant reductions in greenhouse gas emissions and substantial shifts toward renewable energy and sustainable practices.

Table 1: Examples of Projected Climate Impacts on Halifax

| Impacted Areas                                       | Impacts  | Timeframe             | Impacted Assets/Services  |
|--|--|-----------------------|---|
| <b>Buildings &amp; Other Physical Infrastructure</b> | <p>Damage from extreme weather events such as heavy precipitation, hurricanes/high winds, storms and flooding.</p> <p>Damage to coastal infrastructure and property from flooding, saltwater intrusion and coastal erosion due to sea-level rise and storm surges.</p> <p>Increased probability of power outages and grid failures.</p> <p>Increasing risk of cascading infrastructure failures.</p>   | Short- to medium-term | Residential, commercial, institutional premises; public health; emergency management; transportation; public and private assets       |
| <b>Natural Systems</b>                               | <p>Reduced water quality and quantity due to changing weather patterns, diminishing snowpack, variable spring runoff, rising temperatures, flooding and saltwater intrusion.</p> <p>Threats to crops with lower yields and nutrition, higher food prices, contaminated water and food, more pests and diseases and damage to food supply and distribution from extreme weather.</p> <p>Harm to ecosystems reducing their ability to provide natural resources, habitats and cultural activities.</p> <p>Declining fish stocks and less productive fisheries due to changing water conditions, ocean acidification, invasive species and pests.</p> <p>Declining forest health and timber production due to changing weather, more extreme events, invasive species, pests and increased wildfires.</p> | Short to long-term    | Drinking water; biodiversity; food security; urban forest; public health; economy; water supply and sanitation; community and culture |
| <b>Human Systems</b>                                 | <p>Adverse effects on physical and mental health from extreme weather, heatwaves, poor air quality and vector-borne pathogens.</p> <p>Increased demand on emergency services with less recovery time due to more frequent and concurrent extreme weather events.</p> <p>Financial impacts on businesses from damage or interruptions to assets, operations, supply chains, transport and employee safety.</p> <p>Risks to government capacity in providing services, managing climate risks and maintaining public trust, along with increased policy and budget obligations.</p>  | Short to long-term    | Public health; emergency management; employee health; transportation; economy; community and culture                                  |

EXTREME WEATHER EVENTS

Extreme weather events continue to have significant social and economic consequences across Canada. Halifax did not experience any events during the 2024/25 fiscal year with impacts like Hurricane Fiona in 2022, the Tantallon wildfire in May 2023 or the severe flooding in July 2023. Nonetheless, the costly impact of extreme weather remains a growing concern. In 2024, the estimate of insured damages from severe weather across Canada exceeded \$8 billion—nearly three times the total recorded in 2023 and twelve times the annual average between 2001 and 2010.<sup>2</sup>

Nationally, insured damages from extreme weather events now routinely exceed \$2 billion annually, with most losses resulting from water-related damage.<sup>3</sup> In Halifax, past extreme weather events—particularly flooding—have had a measurable impact on municipal infrastructure, accelerating wear and reducing asset lifespan. The increasing severity of these events has led to unplanned rehabilitation and replacement, with the municipal road network sustaining the most flood-related damage. Despite ongoing repairs and reinstatement efforts, many assets are expected to have a shorter lifespan than originally projected.

The Canadian Climate Institute estimates that for every dollar spent on adaptation today, \$13 to \$15 will be returned in both direct and economy-wide benefits in the future.<sup>4</sup> Assessing and protecting critical infrastructure remains a priority for HalifACT. The municipality has committed resources to projects that enhance the resilience of municipally owned assets. The 2024-25 Four-Year Capital Plan identifies a need for \$27 million to fund projects that strengthen municipal infrastructure against the impacts of both extreme weather and longer-term climate changes.

FUNDING CLIMATE ACTION

In June 2020, with the endorsement of HalifACT, Regional Council directed the Chief Administrative Officer to incorporate plans to achieve the HalifACT actions into the municipal budgeting and business planning process. Regional Council accepted in principle the need to adequately resource the plan.

The 2022-23 Capital Plan identified a core group of projects supporting the achievement of HalifACT actions as strategic initiatives. Strategic initiative projects support key municipal strategies and require large levels of investment and additional resources to sustain implementation over multiple years. To contribute to the financing of these projects, with the approval of the 2022/23 municipal budget, Regional Council approved the implementation of the Climate Action Tax. The Climate Action Tax is expected to raise \$18 million annually and is anticipated to be collected for at least 10 years subject to Council approval each year.

The 2024/2025 4 Year Capital Plan for these projects is shown in the table below.

<sup>2</sup> Insurance Bureau of Canada. [2024 shatters record for costliest year for severe weather-related losses in Canadian history at \\$8.5 billion](#)  
<sup>3</sup> Insurance Bureau of Canada. [Severe Weather in 2023 Caused Over \\$3.1 Billion in Insured Damage \(ibc.ca\)](#)  
<sup>4</sup> Canadian Climate Institute. [Damage Control: Reducing Climate Impacts | Canadian Climate Institute](#)



## HalifACT Climate Action Plan Strategic Initiative Projects – 2024/25 Four-Year Capital Plan

| Four-Year Plan                              |  |                |
|---|--|----------------|
| Municipal Building Energy Retrofits         | Enables implementation of net-zero roadmap for corporate buildings. Strategies to net-zero include deep energy retrofits, fuel switching and net-zero new construction.  | \$65.2 million |
| Implementation of Electric Vehicle Strategy | Enables implementation of Municipal Electric Vehicle Strategy including deployment of public charging infrastructure and electrification of light-duty fleet.  | \$33.5 million |
| Protection of Critical Infrastructure       | Assessments of municipal-owned and operated critical infrastructure will determine required “future-proofing” against potential climate impacts and this project will provide funding towards identified improvements. | \$27.0 million |
| Small Climate Action Initiatives            | Funding for small climate action projects across the organization.   | \$6.5 million  |

Updates on the progress of project delivery are included in the HalifACT annual updates presented to Regional Council.

The Climate Action Tax contributed approximately \$34 million toward the initial phase of electrifying the municipality’s transit fleet. This funding supported the expansion of the Ragged Lake Transit Centre to accommodate battery electric buses and future fleet growth, the procurement of 60 replacement battery electric buses and the installation of charging infrastructure and energy efficiency retrofits at the facility. All 60 electric buses were delivered by the end of March 2025, and they will gradually enter passenger service. The retrofit and expansion of the Ragged Lake Transit Centre is anticipated to be completed in the 2025-26 fiscal year.

Additional funding will be required to fully implement these projects. The amount will depend on factors such as the advancement of the specified actions, inflationary pressures and contributions from other levels of government. Additional funding will be requested as needed through the annual municipal budget process in the future and is subject to Council approval.

### CAPITAL PROJECT EVALUATION FRAMEWORK

As part of the annual budget process, all capital projects are evaluated against the criteria of the Capital Prioritization Framework. This framework includes criteria related to the alignment of the project to Council Strategic Priority Areas, including Environment, and requires project managers to conduct a high-level risk assessment for each project based on the impact and likelihood of exposure to future climate change hazards and environmental impacts if the project does not proceed. The prioritization framework ensures recommended projects provide the greatest overall value considering the municipality’s long-term goals and financial position. The evaluation results are presented for senior leadership’s consideration to make a more valued Capital Plan recommendation to Regional Council.

## SCENARIO ANALYSIS

The HalifACT plan was developed using forecasts of climate conditions Halifax may face in the future. Climate modelling undertaken to support HalifACT used localized downscaled climate projections for temperature and precipitation sourced from the Climate Atlas of Canada. The temperature and precipitation projection data for Halifax is associated with the Representative Concentration Pathway 8.5 scenario, or the “high emissions” scenario. This scenario assumes global greenhouse gas emissions will continue to increase through the end of the century.

Additionally, three different emissions reductions scenarios were modelled to explore the impact of various emission reduction actions across five key areas: buildings, energy supply, transportation, water and wastewater and solid waste. The decarbonizing actions outlined in HalifACT correspond to the most aggressive emissions reduction scenario modelled, aiming to achieve net-zero community-wide emissions by 2050 to align with a global warming target of 1.5°C.

The outcomes of the modeling inform HalifACT’s mitigation strategies and provide forecasts of the climatological changes the municipality will encounter despite its emission reduction efforts, to enable the municipality to plan effectively for resilience and adaptation.

## NATURAL ASSETS

Natural assets – such as forests, wetlands and waterways – play a critical role in supporting the delivery of municipal services. They provide a wide range of essential ecosystem services, including provisioning clean water and food, regulating climate and stormwater, improving air quality and contributing to the physical and mental well-being of residents. Despite their significant value, these assets are often excluded from traditional infrastructure planning and absent from financial reporting frameworks. Recognizing and integrating natural assets into municipal decision-making supports more resilient, cost-effective, and sustainable service delivery. To that end, the municipality has begun implementing initiatives to better recognize, value, and integrate natural assets into its planning and decision-making processes.

### NATURAL ASSETS INVENTORY

In 2021, the municipality partnered with the Natural Assets Initiative (NAI) to complete a preliminary natural asset inventory. The inventory identified 54,357 assets covering 558,736 hectares, with forests, inland water, and wetlands as the largest asset classes. Approximately 82% of these assets (456,000 hectares) were assessed as being in good condition, although conditions varied by asset type. This inventory marks a key first step in managing the natural assets that provide the municipality with essential services, including water filtration, stormwater management, recreation opportunities, and health and cultural benefits.

The municipality has also engaged NAI to conduct a pilot study on the Nine Mile River watershed, one of fifty watersheds in the municipality. The study aims to assess the ecosystem services provided by natural systems within the watershed and estimate the economic value of these services.



## NATURAL ASSET MANAGEMENT

Natural asset management is included as a strategic initiative in the municipality's 2024-25 Budget and Business Plan, supporting the Priority Outcome "Protected and Sustainable Environment."

This initiative aims to incorporate natural assets into corporate asset management, recognizing the benefits provided by the natural environment to the municipality.

Adopted by Regional Council in June 2024, the Corporate Asset Management Policy includes natural assets within its scope, defining a natural asset as, "a natural feature, resource or ecosystem that is relied upon, managed, or could be managed by a municipality for the provision of one or more municipal services." Adopting this policy demonstrates the municipality's commitment to asset management as a business model, promoting continuous improvement in effectively managing municipal assets, including natural assets.

To further advance natural asset management, the municipality is participating in the NAI Roadmap Program. Collaboratively developed by staff from across municipal business units, this high-level roadmap will outline short- to medium-term actions for integrating natural assets into municipal asset management practices. The process of developing the roadmap will also build awareness of natural asset management across the organization and lead to an enhanced understanding of how natural assets contribute to planning and service delivery. Completion of the roadmap is anticipated in 2025-26.



# Risk Management

*Disclose how the organization identifies, assesses and manages climate-related risks:*

- a) Describe the organization's processes for identifying and assessing climate-related risks.*
- b) Describe the organization's processes for managing climate-related risks.*
- c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.*

## IDENTIFYING, ASSESSING AND MANAGING CLIMATE-RELATED RISKS

In support of HalifACT, an Adaptation Baseline Report was prepared which identified, at a high-level, risks and impacts to Halifax from a changing climate. This report, which includes detailed historical climate data and projections for the timeframes 2021-2050 and 2051-2080, along with the municipality's Hazard Risk and Vulnerability Assessment (2015), provided baseline information to inform the actions and priorities identified in HalifACT. The Climate Adaptation team, in collaboration with Emergency Management and Planning & Development, continues to advance a range of projects aimed at deepening the municipality's understanding of the risks and impacts to the municipality of identified climate hazards.

### HAZARD, RISK AND VULNERABILITY ASSESSMENT

The municipality is undertaking an update to its Hazard, Risk, and Vulnerability Assessment (HRVA). An HRVA is a process that supports governments and communities in making risk-based decisions to address vulnerabilities, mitigate hazards, and prepare for, respond to, and recover from emergency events. This updated HRVA will consider all natural, technological, and human-induced hazards that may occur within the municipality. It will also incorporate social vulnerability factors and climate change considerations.

Findings from the HRVA will be used to update the Comprehensive Emergency Management Plan (CEMP), support the advancement of HalifACT action items, inform risk management discussions, and enhance resiliency planning. The updated HRVA is planned to be completed in 2025/26.

### CRITICAL INFRASTRUCTURE CLIMATE CHANGE VULNERABILITY AND RISK ASSESSMENT

In 2024, the municipality initiated a Climate Change Vulnerability and Risk Assessment (CCVRA) to identify critical municipally-owned infrastructure and evaluate its vulnerability to climate hazards. Led by the Resilient Critical Infrastructure Working Group, this high-level assessment will help the municipality prioritize site-level investigations and guide additional data collection efforts. These findings will support future policy development and identification of targeted adaptation investments to mitigate climate risks and enhance the resilience of critical infrastructure and services.

The CCVRA follows a structured, industry-aligned approach, incorporating ISO 31000<sup>5</sup>, ISO 14090<sup>6</sup>, and the Public Infrastructure Engineering Vulnerability Committee (PIEVC) Protocol<sup>7</sup>. A staggered approach is being used, starting with vertical infrastructure (buildings), followed by linear infrastructure (roads), then greenspaces, natural areas, and watercourses, and finally, supporting critical infrastructure.

The assessment consists of six key phases:

- 1. Scoping and Hazard Identification:** Interviews are conducted with municipal staff knowledgeable about each asset type to collect locally relevant insights, document past incidents, and identify effective adaptation measures. Interview input will support the verification of spatial data, inform risk quantification, and facilitate the integration of CCVRA results into existing processes and plans.
- 2. Criticality Analysis:** Assets are evaluated against criticality indicators specific to each asset type to identify those essential for the municipality to sustainably deliver acceptable levels of service. This approach emphasizes assets required for maintaining daily operations and service standards, including those prioritized for their role in emergency response.
- 3. Exposure Analysis:** Assets are assessed for exposure to identified climate hazards. This assessment is supported by baseline climate hazard exposure maps developed in 2022-23 for extreme heat, meteorological drought, extreme rainfall, extreme snowfall, extreme wind and changing winter temperatures, as well as coastal, pluvial, and fluvial flood hazard maps completed in 2024-25. Additional data sets will be considered as they become available.
- 4. Vulnerability Analysis:** Assets are evaluated against vulnerability indicators specific to each asset type to determine an asset's resilience to climate hazards.
- 5. Risk Analysis:** The results of the above analyses are combined to determine a risk score for each asset. Scores are categorized as low, moderate, or high, guiding appropriate next steps ranging from ongoing monitoring to prioritization for site-level investigations.
- 6. Adaptation Planning:** A framework will be developed to ensure CCVRA results are effectively communicated to asset stewards and owners for integration into municipal asset management practices and capital investment planning.

The first iteration of the CCVRA will take approximately 12 to 24 months to complete. In 2024-25, criticality scoring was completed for vertical infrastructure (buildings) and scoping and hazard identification began for linear infrastructure (roads). As an iterative process, the CCVRA will be updated over time to incorporate new data, improved methodologies and emerging climate information.

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<sup>5</sup> [\*ISO 31000:2018 - Risk management — Guidelines\*](#)

<sup>6</sup> [\*ISO 14090:2019 - Adaptation to climate change\*](#)

<sup>7</sup> [\*PIEVC Program\*](#)



### RESILIENCE TO EXTREME HEAT

The municipality is currently developing a corporate Heat Action Plan as part of a broader heat response strategy to proactively prepare for and respond to extreme heat events. In summer 2024, more than 50 interviews were conducted with staff to better understand how extreme heat affects employees, particularly those working outdoors and with vulnerable populations. Insights from these interviews have informed a vulnerability and risk assessment, with further development of the plan scheduled for 2025-26. To complement this work, the municipality is also expanding its understanding of the urban heat island (UHI) effect in areas of the municipality— where built-up areas experience higher temperatures than surrounding rural regions – by leveraging AI for the Resilient City, a data visualization tool developed by Evergreen. This tool will enable municipal staff to identify areas of elevated heat exposure and vulnerability, compare heat data across time periods, and assess metrics to support analysis and decision-making.

### CLIMATE RESILIENCE SCREENING

The municipality is increasingly making use of spatial data to support the integration of climate resilience considerations into adaptation investment decision-making. Staff have developed a climate hazard mapping application that integrates climate hazard data with community socio-economic attributes and municipal infrastructure information to support climate resilience screening within capital planning processes. In 2024-25, the tool was used to identify opportunities to incorporate shade features that provide relief from rising temperatures and extreme heat during the development of the 2025-26 Parks Recapitalization workplan.

## ENTERPRISE RISK MANAGEMENT

In 2024-25, the municipality initiated an update of its Enterprise Risk Management (ERM) Framework to support more effective, consistent, and coordinated risk management practices across the organization. As part of this work, a Corporate Enterprise Risk Management Policy is being developed, along with new processes for managing both strategic and operational risks. These components will provide a structured foundation for integrating risk awareness into decision-making, clarifying accountabilities, and strengthening alignment between risk management and organizational priorities.

The HRVA, CCVRA, and any future hazard mapping initiatives offer resources that Business Units can use to assess how climate-related hazards could affect future service delivery and operations. These assessments can support the identification of potential risks and inform appropriate mitigation strategies within the operational risk management process.



# Metrics and Targets

*Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.*

- a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.*
- b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.*
- c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.*



## GREENHOUSE GAS (GHG) EMISSIONS

HalifACT establishes a corporate target of net-zero emissions by 2030, a community-wide target of a 75 per cent emission reduction from the baseline year of 2016 by 2030 and net-zero community-wide emissions by 2050. Emissions inventories are calculated using the Global Protocol for Community-Scale Greenhouse Gas Emissions Inventories (GPC) reported in the Global Covenant of Mayors (GCoM) Common Reporting Framework (CRF) and include Scope 1 and Scope 2 emissions.

- Scope 1 Emissions: Direct GHG emissions from sources operating within the municipality's geographic boundary. These include emissions from the on-site combustion of fuels such as gasoline or diesel used in vehicles or natural gas burned for space or water heating in buildings.
- Scope 2 Emissions: Indirect GHG emissions from the generation of purchased energy consumed within the municipality's geographic boundary. For example, emissions resulting from electricity purchased from the grid to power buildings, lighting or equipment.

Corporate and community emissions inventories are reported annually to Council. Halifax also includes a detailed emissions inventory in its annual reporting to CDP (formerly known as the Carbon Disclosure Project), a not-for-profit charity that runs a global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

Corporate emissions are a direct result of energy use related to buildings, street lighting and vehicles (public works, fleet, rentals) owned and operated by the municipality as well as contracted residential solid waste collection vehicles. It excludes public transit and solid waste emissions associated with landfill gases. From 2022 to 2023, corporate emissions have decreased approximately 10.6 per cent. Since the baseline year of 2016, emissions have decreased by approximately 31 per cent.

To support the reduction of corporate greenhouse gas emissions, the municipality is investing in energy retrofits of its buildings and electrifying its light-duty fleet. In 2024-25, the municipality also signed an agreement with Renewall Energy to receive renewable wind energy from the company’s Mersey River Wind farm once it becomes operational. This partnership advances the municipality’s commitment to sustainable energy and contributes to achieving its climate action goals by transitioning a portion of its energy use to renewable sources.

Community emissions are a result of all energy use within the boundaries of the Halifax Regional Municipality. This includes all corporate emissions, public transportation, private commuter vehicles, heavy transport, industrial processes, energy generation and buildings. Since the baseline year of 2016, emissions have decreased approximately 17.9 per cent.

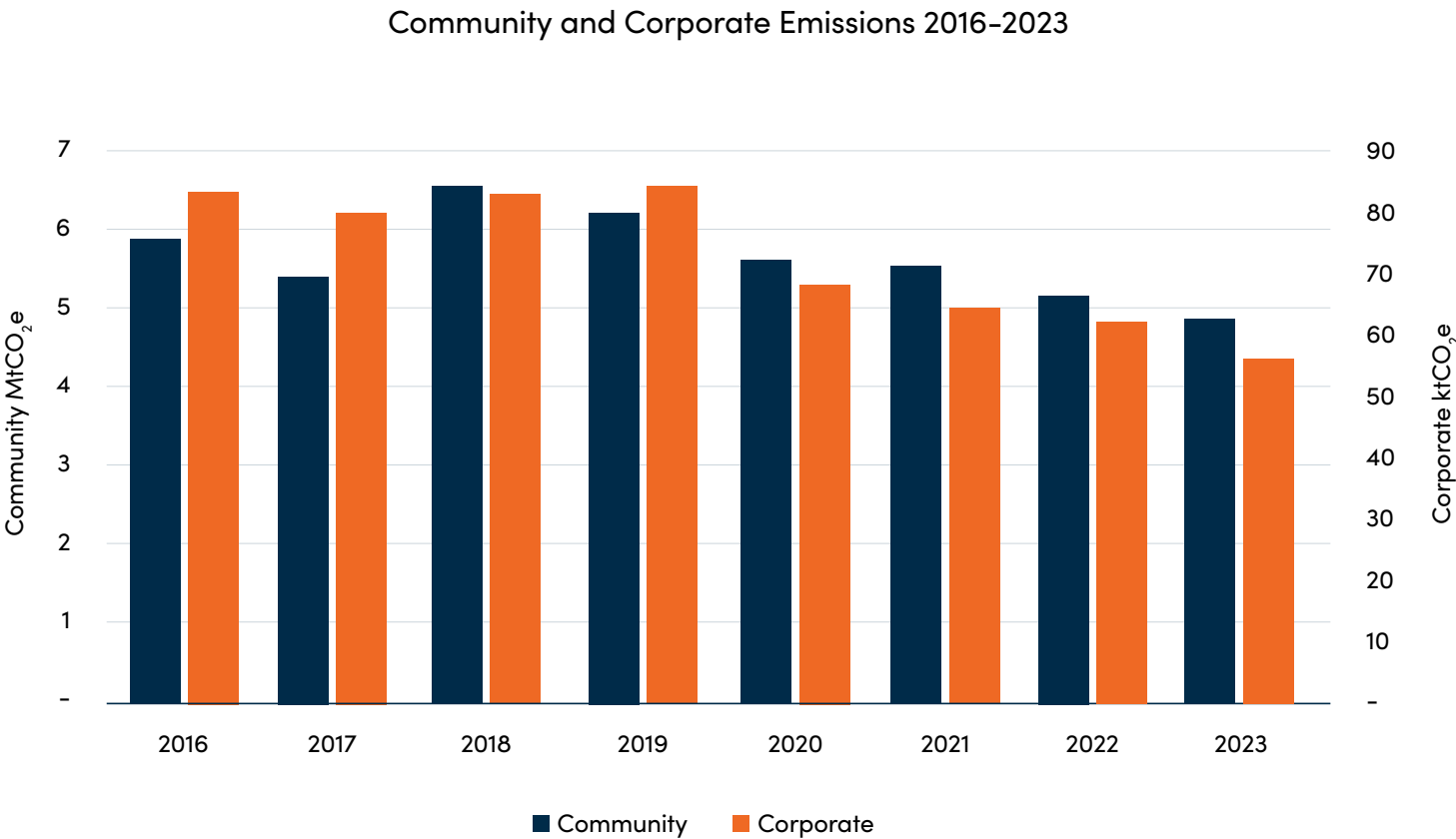
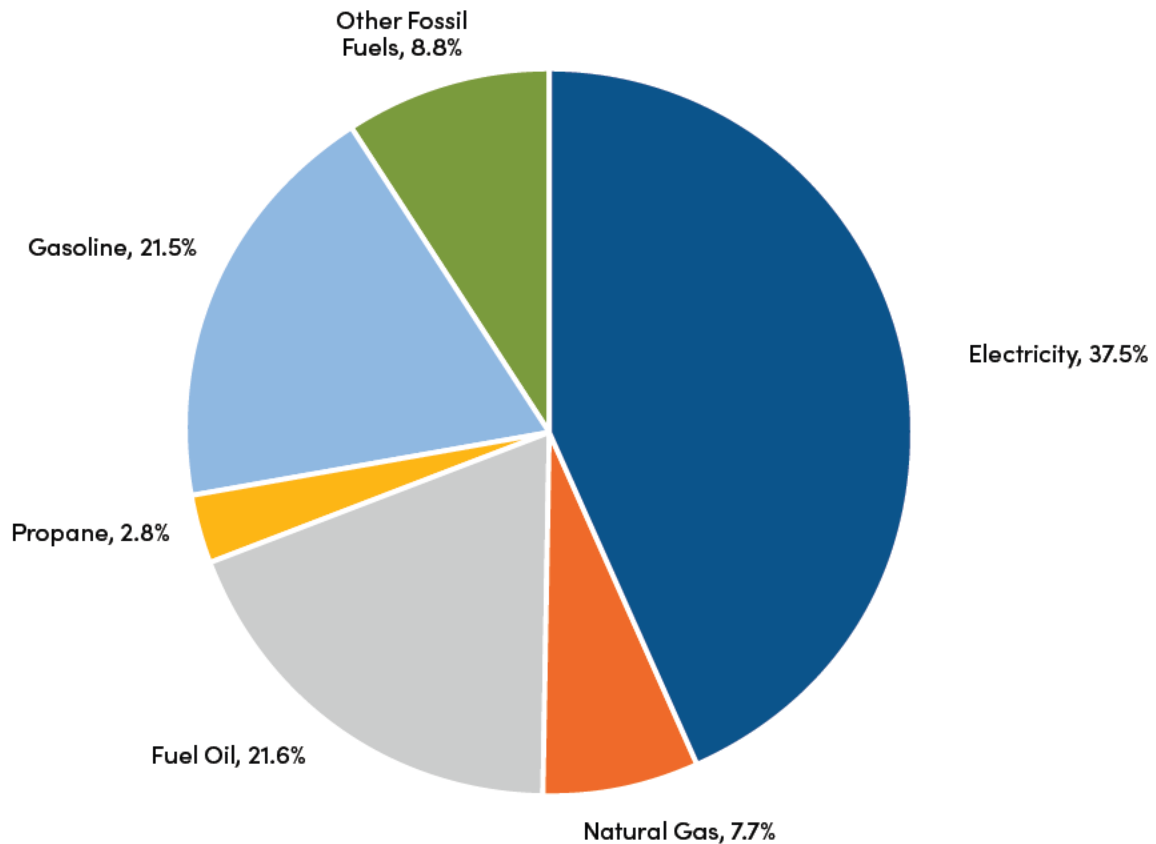


Figure 1 summarizes the progress to date for corporate and community targets, respectively.

## Community Emissions by Fuel Type 2023

Figure 2 shows 2023 community emissions by fuel type.



The primary energy sources responsible for the community's GHG emissions include electricity, fuel oil and gasoline. Electricity is used across the residential, institutional, commercial and industrial sectors. Fuel oil is used almost exclusively in the residential sector for home heating, while gasoline powers on-road transportation. Together, these sources accounted for 80.7 per cent of the community's emissions in 2023.

Although emissions have decreased since 2016, they are not falling at the pace and scale necessary to meet the reduction targets established in HalifACT. In 2023, emissions exceeded those forecasted in the business-as-usual (BAU) scenario from the HalifACT Low-Carbon Technical Report. The BAU scenario forecasts the emissions expected from population and employment growth in the Halifax region, assuming no additional policies, actions, or strategies to reduce emissions are implemented between 2019 and 2050. Actual emissions have exceeded those projected in the BAU scenario primarily because the population grew more than expected and electricity emissions were higher than anticipated.

As the population increases, prompt action becomes increasingly important. The HalifACT plan relies on various key partners, including utilities and other levels of government, to meet their respective climate targets. The rate of decarbonization of Nova Scotia's electrical grid significantly influences HalifACT's emissions forecasts and the municipality's ability to achieve its community-wide emissions targets.

## STRATEGIC PERFORMANCE SNAPSHOT

The Strategic Priorities Plan Progress Report is provided to Council at the end of the fiscal year and provides an annual summary of progress on individual strategic initiatives in support of the Strategic Priorities Plan. In the fall, in advance of budget and business planning, Key Performance Indicators (KPIs) developed to monitor progress towards the achievement of the Priority Outcomes are updated in the municipality's online Strategic Performance Snapshot dashboard.

The 2023-24 Strategic Performance Report, presented to Council January 14, 2025, provides a high-level analysis of advancement towards the municipality's strategic priorities and outcomes. Both annual progress and a three-year trend are presented.

While the strategic KPIs associated with the Environment priority outcomes net zero emissions and protected and sustainable environment show adequate progress, efforts toward climate resilience remain difficult to assess due to insufficient information, highlighting the need to develop effective metrics for evaluation.

## REPORTING PROGRESS ON HALIFACT ACTIONS

Progress on HalifACT actions is reported annually to Regional Council. Lead business units provide annual updates on these actions to the Environment & Climate Change division. The division then assigns a progress indicator based on the activities undertaken that year and the forecasted trajectory of the action. As of the 2023-24 HalifACT Annual progress report, 37 per cent of the actions were rated on track. While the implementation of HalifACT continues to progress, many actions are not achieving the momentum necessary to reach established targets.

## VIRTUAL HUB PROJECT

A climate dashboard for Halifax is currently under development. The goal of this virtual space is to engage residents by clearly communicating the progress of actions the municipality is taking to enhance the environment, reduce emissions and prepare for climate impacts. The dashboard will feature climate-related information and data specific to Halifax, including updates on the actions outlined in the HalifACT plan. It will also present the HalifACT vision for 2030 and 2050, a calendar of events and important dates, enable partner organizations to share updates with Halifax and collect feedback from users. The hub is planned to launch fall 2025.



# Next Steps

The municipality is committed to the continuous improvement of our sustainability reporting. This includes refining our approach to climate-related financial disclosures and staying informed of evolving global standards and frameworks, including those focused on nature. In 2025-26, staff will review the requirements of the recently issued International Public Sector Accounting Standards Board (IPSASB) inaugural Sustainability Reporting Standards Exposure Draft 1: Climate-related Disclosures (SRS ED 1). This draft standard aligns public sector reporting with global best practices, building on other international sustainability standards including the recommendations of the Task Force on Climate-related Financial Disclosures. By engaging with this guidance, the municipality aims to align its practices with emerging best practices for transparency and accountability in climate-related reporting.



### **Forward-Looking Statements Disclaimer**

*This report includes forward-looking statements related to climate-related risks and opportunities, based on current expectations and assumptions. These statements involve risks and uncertainties that may cause actual results to differ materially. The municipality will not update any forward-looking statements within this report. Readers should not place undue reliance on them.*

*This report is not a Council-approved policy and should not be interpreted as setting future Council direction. Future budgetary expenditures are subject to Council approval and the fiscal budgetary process.*