

September 17, 2025

Audited Consolidated Financial Statements

March 31, 2025

Governance and Responsibilities

- HRM Management is responsible for preparing the financial statements and presenting them to the Audit Committee (the “Committee”).
- The Committee’s 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.
- KPMG, our External Auditor, provides an Opinion on the Financial Statements. On March 24, 2025, they provided their Audit Planning Report containing their approach and methodology, risks and confirmation of their independence.
- It is recommended that the Committee discuss issues with KPMG without Management present, as per Section 19(2)(c) of the Halifax Regional Municipality Charter, by moving in-camera.
- After these discussions, the Committee will vote on the motion in the Report.



Financial Position

- Financial Statements reflect a point in time
- Financial position continues to be fairly strong, but not without risk going forward
- Future infrastructure plans will require significant levels of funding on top of requirements while asset renewal needs continue to grow
- Significant financial pressures exist and will need to be addressed

HALIFAX

Consolidated Entities

Recreation facilities:

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

Commissions, cultural and other facilities:

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

Consolidated Financial Statements – Highlights

- Expect to receive an unqualified Audit Report.
- Prepared in accordance with GAAP and PSAS.

HALIFAX

Restatement of Prior Year Amounts

- Halifax Water identified and corrected an error in their financial statements related to the treatment of certain assets.
- The assets had not been depreciated in accordance with IFRS. This treatment was consistent with how Halifax Water accounts for its rate applications but not with IFRS reporting requirements.
- Because Halifax Water is consolidated into the Municipality's financial statements, prior year figures in our statements have been restated.
- Full details of the adjustment and its impact are disclosed in Note 2 of the financial statements.
- This restatement is a correction of past reporting only — it does not affect current year operations or service delivery.

Statement of Financial Position

- Statement of financial position highlights four key figures that describe the financial position of the Municipality at the financial statement date:
 - The cash resources of the Municipality.
 - The net financial asset position of the Municipality which is calculated as the difference between its liabilities and financial assets:
 - Net financial assets can provide financial resources to finance future operations.
 - The non-financial assets of the Municipality (tangible capital assets and inventory and prepaid expenses) are normally for use in the provision of services.
 - The accumulated surplus of the Municipality.

Statement of Financial Position (in 000's)

	2025	2024 (Adjusted - Note 2)
Financial assets		
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>
Financial liabilities		
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)	<u>226,922</u>	<u>245,837</u>
	<u>708,335</u>	<u>637,215</u>
Net financial assets	<u>431,927</u>	<u>569,130</u>
Non-financial assets		
Tangible capital assets (note 15)	2,278,962	2,080,155
Inventory and prepaid expenses	<u>24,619</u>	<u>19,858</u>
	<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	<u>66,923</u>	<u>60,396</u>
Accumulated surplus (note 16)	<u>\$ 2,735,508</u>	<u>\$ 2,669,143</u>



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HALIFAX

Statement of Operations

- This is the consolidation of the revenue and expenses of the Municipality including consolidated entities.
- Expenses are shown by the types of services provided.
- Expenses by object (salaries, interest, materials, amortization, etc.) are shown in the Schedules of Segment Disclosure.

HALIFAX

Statement of Operations (in 000's)

	Budget	2025	2024 (Adjusted - Note 2)
Revenue			
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 Water Commission before remeasurement gain (loss) (note 7)	(507)	(507)	11,458
Grant in lieu of tax from the Halifax Regional Water Commission (note 7)	6,586	6,816	6,589
Total revenue	1,347,173	1,410,626	1,340,446

Statement of Operations (in 000's)

	Budget	2025	2024
Expenses			
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
Total expenses	1,338,192	1,350,788	1,274,758

HALIFAX

Statement of Operations (in 000's)

	Budget	2025	2024 (Adjusted - Note 2)
Annual surplus	8,981	59,838	65,688
Accumulated individual surpluses and reserves, beginning of year	2,608,747	2,608,747	2,543,059
Accumulated individual surpluses and reserves, end of year	\$ 2,617,728	\$ 2,668,585	\$ 2,608,747

HALIFAX

September 17, 2025

HALIFAX

Audited General Rate Surplus

March 31, 2025

General Rate Surplus (in 000's)

Statement of General Rate Surplus

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

	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	-	-

- Council will be asked to approve the additional transfers referenced above.

September 17, 2025

HALIFAX

Miscellaneous Trust Funds

March 31, 2025

Summary of Assets (in dollars)

	2025	2024	Change
Cash	\$10,661,178	\$10,110,544	\$550,634
Accounts receivable	\$119,043	\$0	\$119,043
Investments	\$6,410	\$6,410	\$0
Total assets	\$10,786,631	\$10,116,954	\$669,677

- Cash increased primarily due to increased tax sale revenue.
- AR increased as non-redeemable tax sale surplus funds were accrued in 2025.

Summary of Liabilities and Funds Equity (in dollars)

	2025	2024	Change
Due to Halifax Regional Municipality	\$0	\$132,778	(\$132,778)
Funds Equity	\$10,794,188	\$9,984,176	\$810,012
Total liabilities and equity	\$10,794,188	\$10,116,954	\$677,234

- Fund equity balances are detailed in Schedule in the Financial Statements.

HALIFAX

Income and Expenditures (in dollars)

	2025	2024	Change
Income	\$1,407,424	\$2,571,546	(\$1,164,122)
Expenditures	\$597,412	\$803,878	(\$206,466)
Excess of Income over Expenditures	\$810,012	\$1,767,668	(\$957,656)

- Income decreased primarily due to a decrease in tax sales.
- Expenditures decreased primarily due to lower transfers of interest earned to HRM for maintenance of cemeteries and tax sale transfers to reserve.

September 17, 2025

HALIFAX

TCFD Disclosures

March 31, 2025

Task Force on Climate-Related Financial Disclosures (TCFD)



- TCFD is a voluntary reporting framework that provides information on how an organization identifies, assesses and manages climate-related risks

Next Steps

- Evaluate progress against TCFD Maturity Assessment Framework for Cities (2020 – CPA Canada)



- Explore additional content for future reports such as nature-related disclosures

September 17, 2025

HALIFAX

Fourth Quarter Report

March 31, 2025

Councillors' Funds

- District Capital Funds
 - Of the total budget of \$3.1M, \$2.4M has been spent or committed leaving \$0.6M available for carry-forward.
- District Activity Funds
 - Of the \$72.0K budget, \$65.9K has been spent or committed leaving \$6.1K remaining.

HALIFAX

Recreation Area Rates

- There are 22 Recreation Area Rate Accounts.
- The surplus in these accounts at April 1, 2024 was \$1.1M.
- Revenue of \$1.1M has been earned and \$1.2M has been spent.
- The surplus at March 31, 2025 is \$1.0M.



Reserves

Reserve Summary											
	Reserve	Opening Balance	Current Commitments	Pending Contribution	Projected Closing Balance 2023/24	Projected Closing Balance 2025/26	Projected Closing Balance 2026/27	Projected Closing Balance 2027/28	Projected Closing Balance 2028/29	Future Commitments	Projected Uncommitted (As of 2028/29)
	TOTAL RISK RESERVES:	15,614,932	(1,436,303)	-	14,178,629	18,798,329	19,099,129	19,404,729	19,715,229	-	19,715,229
	TOTAL OBLIGATION RESERVE:	135,993,184	(42,460,167)	-	93,533,017	103,238,134	69,618,917	31,397,008	12,287,583	12,287,583	-
	TOTAL OPPORTUNITY RESERVE:	298,940,505	(82,261,702)	-	216,678,803	241,354,942	270,816,562	299,570,274	328,780,986	289,358,045	39,422,941
	TOTAL RESERVE	450,548,622	(126,158,172)	-	324,390,450	363,391,406	359,534,609	350,372,012	360,783,799	301,645,628	59,138,170

HALIFAX

Hospitality Expenses

- For the three-month period ended March 31, 2025 there was \$0.8K in hospitality expenditures, resulting in the YTD total of \$12.5K.
- 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.

Expenses for Reportable Individuals

Name	Local Travel	Out of Town Travel	Development/ Training	Meals & Other Miscellaneous 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	-	-	-	-	-	-
Councilor Jean St-Amand	-	-	261	-	261	261
CAO Cathie O'Toole	159	1,722	32	-	1,914	10,347
Total	15,052	9,556	1,596	860	27,065	108,401