

Consolidated Financial Statements of the

**HALIFAX REGIONAL MUNICIPALITY**

Year ended March 31, 2024

# HALIFAX REGIONAL MUNICIPALITY

Consolidated Financial Statements

Year ended March 31, 2024

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# HALIFAX REGIONAL MUNICIPALITY

Consolidated Financial Statements

Year ended March 31, 2024

## 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.

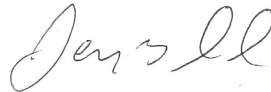
The Audit Committee meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to the approval of the consolidated financial statements.

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, Executive Director  
Finance and Asset Management



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**INDEPENDENT AUDITOR'S REPORT**

To the Mayor and Councillors of the Halifax Regional Municipality

***Opinion***

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

- the consolidated statement of financial position as at March 31, 2024
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of change 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 to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at March 31, 2024, and its consolidated results of operations, its consolidated remeasurement 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.

***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 group 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.

*KPMG LLP*

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Chartered Professional Accountants

Halifax, Canada

September 3, 2024

# HALIFAX REGIONAL MUNICIPALITY

## Consolidated Statement of Financial Position

As at March 31, 2024, with comparative information for 2023  
(In thousands of dollars)

	2024	2023
<b>Financial assets</b>		
Cash and cash equivalents (note 3)	\$ 642,466	\$ 531,229
Taxes receivable (note 4)	17,157	23,815
Accounts receivable (note 5)	93,567	79,171
Loans, deposits and advances	347	337
Land held for resale	70,634	55,056
Investments (note 6)	76,079	175,197
Investment in the Halifax Regional Water Commission (note 7)	316,526	296,323
	<u>1,216,776</u>	<u>1,161,128</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities (note 8)	163,532	199,745
Deferred revenue	137,828	120,300
Employee future benefits (notes 9 and 10)	68,601	70,274
Asset retirement obligations (note 11)	21,417	18,912
Long-term debt (note 12)	245,837	198,262
	<u>637,215</u>	<u>607,493</u>
Net financial assets	579,561	553,635
<b>Non-financial assets</b>		
Tangible capital assets (note 15)	2,080,155	2,033,615
Inventory and prepaid expenses	19,858	17,891
	<u>2,100,013</u>	<u>2,051,506</u>
Accumulated surplus consisting of:		
Individual Surpluses and reserves	2,619,178	2,553,490
Remeasurement Gains	60,396	51,651
Accumulated surplus (note 16)	<u>\$ 2,679,574</u>	<u>\$ 2,605,141</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, 2024, with comparative information for 2023  
(In thousands of dollars)

	Budget	2024	2023
<b>Revenue</b>			
Taxation	\$ 971,532	\$ 952,216	\$ 909,735
Taxation from other governments	46,492	47,176	43,350
User fees and charges	143,176	159,056	138,962
Government grants	69,322	86,359	109,686
Development levies	1,550	1,617	1,737
Investment income (note 6)	16,464	37,830	19,661
Penalties, fines and interest	11,127	12,117	12,283
Land sales, contributions and other revenue	26,025	26,028	141,412
Increase in investment in the Halifax Regional Water Commission before remeasurement gain (loss) (note 7)	11,458	11,458	6,525
Grant in lieu of tax from the Halifax Regional Water Commission (note 7)	6,586	6,589	6,524
<b>Total revenue</b>	<b>1,303,732</b>	<b>1,340,446</b>	<b>1,389,875</b>
<b>Expenses</b>			
General government services	180,721	151,983	146,986
Protective services	274,806	291,549	270,084
Transportation services	355,070	372,811	333,893
Environmental services	48,568	48,389	51,411
Recreation and cultural services	170,335	179,313	165,912
Planning and development services	41,617	42,583	37,769
Educational services	188,230	188,130	175,124
<b>Total expenses</b>	<b>1,259,347</b>	<b>1,274,758</b>	<b>1,181,179</b>
Annual surplus	44,385	65,688	208,696
Accumulated individual surpluses and reserves, beginning of year	2,553,490	2,553,490	2,356,019
Adjustment for accumulated remeasurement gain on the Halifax Regional Water Commission at April 1, 2022	-	-	(11,225)
<b>Accumulated individual surpluses and reserves, end of year</b>	<b>\$ 2,597,875</b>	<b>\$ 2,619,178</b>	<b>\$ 2,553,490</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, 2024, with comparative information for 2023  
(In thousands of dollars)

	Budget	2024	2023
Annual surplus	\$ 44,385	\$ 65,688	\$ 208,696
Acquisition of tangible capital assets and contributed tangible capital assets	(201,117)	(219,739)	(303,303)
Amortization of tangible capital assets	172,504	172,504	146,991
Loss on disposal of tangible capital assets	-	659	-
Proceeds on disposal of tangible capital assets	-	36	-
	15,772	19,148	52,384
Acquisition of inventories of supplies and prepaid expenses	-	(42,137)	(35,936)
Consumption of inventories of supplies and use of prepaid expenses	-	40,170	32,925
Remeasurement gain (loss) from investment in Halifax Regional Water Commission (note 7)	-	8,745	40,426
	-	6,778	37,415
Net change in net financial assets	15,772	25,926	89,799
Net financial assets, beginning of year	553,635	553,635	463,836
Net financial assets, end of year	\$ 569,407	\$ 579,561	\$ 553,635

## Consolidated Statement of Remeasurement Gains and Losses

For the year ended March 31, 2024, with comparative information for 2023  
(In thousands of dollars)

	2024	2023
Accumulated remeasurement gains and (losses), beginning of year	\$ 51,651	\$ -
Adjustment for accumulated remeasurement gains on Halifax Regional Water Commission at April 1, 2022	-	11,225
Change in investment of Halifax Regional Water Commission through remeasurement gain (Note 7)	8,745	40,426
Net remeasurement gains for the year	8,745	51,651
Accumulated remeasurement gains, end of year	\$ 60,396	\$ 51,651

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, 2024, with comparative information for 2023  
(In thousands of dollars)

	2024	2023
Cash provided by (used in):		
<b>Operating activities</b>		
Annual surplus	\$ 65,688	\$ 208,696
Items not involving cash:		
Amortization of tangible capital assets	172,504	146,991
Loss on disposal of tangible capital assets	659	-
Contributed tangible capital assets	(23,129)	(132,589)
Increase in investment in the Halifax Regional Water Commission before remeasurement gain (loss)	(11,458)	(6,525)
	204,264	216,573
Change in non-cash assets and liabilities:		
Decrease in taxes receivable	6,658	5,003
Increase in accounts receivable	(14,396)	(13,410)
Decrease (increase) in loans, deposits and advances	(10)	43
Increase in land held for resale	(15,578)	(15,658)
Increase in inventory and prepaid expenses	(1,967)	(3,011)
Increase (decrease) in accounts payable and accrued liabilities	(36,213)	120,890
Increase (decrease) in deferred revenue	17,528	(38,091)
Decrease in employee future benefits	(1,673)	(1,643)
Increase (decrease) in solid waste management facilities liabilities	-	(3,343)
Increase in asset retirement obligation liabilities	2,505	18,912
Net change in cash from operating activities	161,118	286,265
<b>Capital activities</b>		
Proceeds on disposal of tangible capital assets	36	-
Acquisition of tangible capital assets	(196,610)	(170,714)
Net change in cash from capital activities	(196,574)	(170,714)
<b>Investing activities</b>		
Decrease in investments	99,118	141,527
Net change in cash from investing activities	99,118	141,527
<b>Financing activities</b>		
Long-term debt issued	80,490	41,590
Long-term debt redeemed	(39,415)	(37,697)
Long-term debt recovered from the Halifax Regional Water Commission	6,500	6,500
Net change in cash from financing activities	47,575	10,393
Net change in cash and cash equivalents	111,237	267,471
Cash and cash equivalents, beginning of year	531,229	263,758
Cash and cash equivalents, end of year	\$ 642,466	\$ 531,229

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

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2024  
(In thousands of dollars)

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### 1. Significant accounting policies:

(a) 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 financial statements have been reclassified, where applicable, to confirm 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
- 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, 2024  
(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, 2024

(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

(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 ("EARSLS") 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, 2024  
(In thousands of dollars)

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

(n) 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, 2024  
(In thousands of dollars)

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

(o) 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, 2024  
(In thousands of dollars)

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## 1. Significant accounting policies (continued):

- (t) 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.
- (p) 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. Change in accounting policy:

On April 1 2023, the Municipality adopted Public Accounting Standard, PS 3400 Revenue. This standard had no significant impact on the presentation of the financial statements.

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2024  
(In thousands of dollars)

### 3. Cash and cash equivalents:

	2024	2023
Halifax Regional Municipality	\$ 625,612	\$ 515,599
Recreation facilities, commissions, cultural and other facilities and the Halifax Regional Library	16,854	15,630
<b>Total</b>	<b>\$ 642,466</b>	<b>\$ 531,229</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:

	2024	2023
Taxes receivable	\$ 20,616	\$ 26,849
Allowance	(3,459)	(3,034)
<b>Total</b>	<b>\$ 17,157</b>	<b>\$ 23,815</b>

### 5. Accounts receivable:

	2024	2023
Federal government	\$ 19,947	\$ 28,735
Provincial government	21,121	6,864
Other receivables	53,243	43,725
Allowance	(744)	(153)
<b>Total</b>	<b>\$ 93,567</b>	<b>\$ 79,171</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.

Bonds of Provincial governments and their guarantees have a maturity of June 2, 2024. The yield on market value of this bond is 1.37% at March 31, 2024 (2023 - 1.18%).

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2024  
(In thousands of dollars)

### 6. Investments (continued):

	2024 Cost	2024 Market value	2023 Cost	2023 Market value
Money market instruments	\$ 25,902	\$ 26,026	\$ 15,494	\$ 16,100
Bonds of Provincial governments and their guarantees	\$ 50,177	\$ 49,862	\$ 159,703	\$ 156,380
<b>Total</b>	<b>\$ 76,079</b>	<b>\$ 75,888</b>	<b>\$ 175,197</b>	<b>\$ 172,480</b>

The investment income earned on money market instruments is \$36,522 (2023 - \$17,742) and on bonds of Provincial governments and their guarantees is \$1,308 (2023 - \$1,919).

### 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

	2024	2023
<b>Financial position</b>		
Current assets	\$ 90,625	\$ 97,771
Capital assets	1,450,349	1,406,320
<b>Total assets</b>	<b>1,540,974</b>	<b>1,504,091</b>
Current liabilities	97,425	107,779
Long-term liabilities	1,127,023	1,099,989
<b>Total liabilities</b>	<b>1,224,448</b>	<b>1,207,768</b>
<b>Net assets</b>	<b>\$ 316,526</b>	<b>\$ 296,323</b>
<b>Results of operations</b>		
Revenues	\$ 171,979	\$ 155,089
Operating expenses	(165,904)	(154,733)
Financing expenses	(7,601)	(7,078)
Other income	19,765	19,963
Regulatory deferral account amortization	(192)	(192)
<b>Net income before grant in lieu of tax</b>	<b>18,047</b>	<b>13,049</b>
<b>Grant in lieu of tax</b>	<b>(6,589)</b>	<b>(6,524)</b>
<b>Increase in investment before remeasurement gain (loss)</b>	<b>11,458</b>	<b>6,525</b>
Investment, beginning of year	296,323	249,372
Change in investment through remeasurement gain (loss)	8,745	40,426
<b>Investment, end of year</b>	<b>\$ 316,526</b>	<b>\$ 296,323</b>

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2024  
(In thousands of dollars)

### 7. Investment in the Halifax Regional Water Commission (continued):

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

	2024	2023
Revenues		
Grant in lieu of tax	\$ 6,589	\$ 6,524
Expenses		
Stormwater charge	\$ 5,337	\$ 4,091
Fire protection charge	\$ 8,083	\$ 10,588

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.

### 8. Accounts payable and accrued liabilities:

	2024	2023
Trade accounts payable	\$ 77,822	\$ 57,937
Federal government	7,546	10,966
Provincial government	8,285	13,976
Salaries and wages payable	15,024	42,970
Accrued liabilities	51,469	72,031
Accrued interest	3,386	1,865
<b>Total</b>	<b>\$ 163,532</b>	<b>\$ 199,745</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 \$45,404 for the period ending March 31, 2024 (2023- \$41,269). 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.

# HALIFAX REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2024  
(In thousands of dollars)

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

The last actuarial valuation filed with regulators was at December 31, 2022. The next actuarial valuation of the HRM Plan will be required as at a date not later than December 31, 2025, 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, 2023 are based on the actuarial valuation as at December 31, 2022 extrapolated to December 31, 2023 and are based on a discount rate assumption of 6.65% per annum (2023 - 6.45%).

	2024 Extrapolated	2023 Extrapolated
Actuarial value of plan assets	\$ 2,699,446	\$ 2,514,385
Estimated present value of accrued pension benefits	(2,542,265)	(2,479,357)
<b>Estimated funding surplus</b>	<b>\$ 157,181</b>	<b>\$ 35,028</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). 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, 2024  
(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:

	2024	2023
Accrued benefit obligation, beginning of year	\$ 65,604	\$ 81,560
Current period benefit cost	3,743	7,924
Benefit payments	(8,763)	(10,306)
Interest cost	3,075	2,134
Actuarial gain	(2,612)	(12,502)
Past service cost gain	(102)	(3,206)
<b>Accrued benefit obligation, end of year</b>	<b>\$ 60,945</b>	<b>\$ 65,604</b>

	2024	2023
Main assumptions used for fiscal year-end disclosure		
Discount rate	4.90%	4.90%
Salary increase	3% plus merit	3% plus merit

	2024	2023
Main assumptions used for expense calculation		
Discount rate	4.90%	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, 2024 is estimated to include the following components:

	2024	2023
Accrued benefit obligation		
Retiring allowances	\$ 29,632	\$ 28,388
Sick leave	20,514	26,825
HRM pension contributions for employees on long-term disability	6,204	5,299
Police Health Trust	1,739	2,044
Other	2,856	3,048
	60,945	65,604
Unamortized actuarial gain	7,656	4,670
<b>Benefit liability</b>	<b>\$ 68,601</b>	<b>\$ 70,274</b>

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2024  
(In thousands of dollars)

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

The unamortized actuarial gain will be amortized over the 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:

	2024	2023
Current period benefit cost	\$ 3,743	\$ 7,924
Amortization of actuarial loss	375	1,811
Past service cost gain	(102)	(3,206)
Other employee benefit expense	4,016	6,529
Other employee benefit interest expense	3,075	2,134
<b>Total expense related to other employee benefit plans</b>	<b>\$ 7,091</b>	<b>\$ 8,663</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 4.90% (2023 - 4.27%) and a forecasted inflation rate of 3.30% (2023 - 4.3%). 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, 2024  
(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 2040.

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, 2024 Total
Gross undiscounted costs	\$ 22,197	82,614	513	\$ 105,324
Estimated present value of closure and post closure costs	10,485	6,041	330	16,856
Accretion expense	767	462	23	1,252
Less: expenses incurred	(356)	-	(21)	(377)
	10,896	6,503	332	17,731
Reserve fund				15,335
Excess of liability over available reserve				\$ 2,396

### 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, 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, 2024  
(In thousands of dollars)

## 11. Asset retirement obligation (continued):

Asset Retirement Obligation	Landfills Pre/post Closure	Other	Total
Undiscounted expenditures	\$ 105,324	\$ 3,829	\$ 109,153
Opening balance, April 01, 2023	15,402	3,510	18,912
Adjustment to asset retirement obligation due to changes in assumptions	1,454	(82)	1,372
Accretion expense	1,252	258	1,510
Less: expenses incurred	(377)	-	(377)
Closing balance, March 31, 2024	\$ 17,731	\$ 3,686	\$ 21,417

## 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 32 and 33). Principal payments required in each of the next five years and thereafter on debt held as at March 31, 2024 are as follows:

2024/25	\$ 42,537
2025/26	34,161
2026/27	30,194
2027/28	28,244
2028/29	26,309
Thereafter	84,392
Total	\$ 245,837

## 13. Miscellaneous Trust Funds:

Miscellaneous Trust Funds administered by the Municipality are reported on separately. The total trust assets under administration at March 31, 2024 are \$9,984 (2023 - \$8,217).

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2024  
(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:

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2024/25	\$	8,784
2025/26		8,491
2026/27		8,351
2027/28		6,442
2028/29		5,981
Total	\$	38,049

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- (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:

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2024/25	\$	29,077
2025/26		25,861
2026/27		7,210
2027/28		2,618
2028/29		50
Total	\$	64,816

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- (c) The Municipality has entered into several long-term contracts for waste resources operations with aggregate annual payments of approximately \$51,899 (2023 - \$50,962) 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, 2024  
(In thousands of dollars)

## 15. Tangible capital assets:

Cost	Balance at March 31, 2023	Additions (Net of transfers)	Disposals	Balance at 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 amortization	Balance at March 31, 2023	Disposals	Amortization expense	Balance at 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 March 31, 2023	Net book value 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, 2024  
(In thousands of dollars)

## 15. Tangible capital assets (continued):

Cost	Balance at March 31, 2022	Additions (Net of transfers)	Disposals	Balance at March 31, 2023
Land	\$ 297,664	\$ 4,050	\$ -	\$ 301,714
Land improvements	304,795	34,534	-	339,329
Buildings	706,710	44,226	-	750,936
Vehicles	281,192	48,235	-	329,427
Machinery and equipment	159,379	20,438	(64,805)	115,012
Roads and infrastructure	2,200,541	181,371	-	2,381,912
Dams	480	-	-	480
Ferries	39,788	579	-	40,367
Leasehold improvements	3,291	2,064	-	5,355
Assets under construction	101,605	(32,194)	-	69,411
<b>Total</b>	<b>\$ 4,095,445</b>	<b>\$ 303,303</b>	<b>\$ (64,805)</b>	<b>\$ 4,333,943</b>

Accumulated amortization	Balance at March 31, 2022	Disposals	Amortization expense	Balance at March 31, 2023
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	218,287	-	6,836	225,123
Buildings	360,855	-	24,860	385,715
Vehicles	175,235	-	17,102	192,337
Machinery and equipment	101,622	(64,805)	21,334	58,151
Roads and infrastructure	1,344,992	-	74,401	1,419,393
Dams	480	-	-	480
Ferries	14,336	-	1,435	15,771
Leasehold improvements	2,335	-	1,023	3,358
Assets under construction	-	-	-	-
<b>Total</b>	<b>\$ 2,218,142</b>	<b>\$ (64,805)</b>	<b>\$ 146,991</b>	<b>\$ 2,300,328</b>

	Net book value March 31, 2022	Net book value March 31, 2023
Land	\$ 297,664	\$ 301,714
Land improvements	86,508	114,206
Buildings	345,855	365,221
Vehicles	105,957	137,090
Machinery and equipment	57,757	56,861
Roads and infrastructure	855,549	962,519
Dams	-	-
Ferries	25,452	24,596
Leasehold improvements	956	1,997
Assets under construction	101,605	69,411
<b>Total</b>	<b>\$ 1,877,303</b>	<b>\$ 2,033,615</b>

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2024  
(In thousands of dollars)

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

- (a) Assets under construction:  
Assets under construction having a value of \$122,443 (2023 - \$69,411) 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 \$23,129 (2023 - \$132,589) and is comprised of roads and infrastructure in the amount of \$22,567 (2023 - \$131,551), land and land improvements having a value of \$562 (2023 - \$1,038).
- (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 (2023 - \$nil).
- (f) Roads and infrastructure:  
Roads and infrastructure have a net book value of \$954,404 (2023 - \$962,519) and are comprised of: road beds - \$264,071 (2023 - \$279,502), road surfaces - \$291,003 (2023 - \$283,758), infrastructure - \$377,928 (2023 - \$377,473) and bridges - \$21,402 (2023 - \$21,786).
- (g) Buildings:  
Buildings have a net book value of \$366,319 (2023 - \$365,221) and are comprised of: structure and electrical - \$137,398 (2023 - \$137,025), mechanical, roof, exterior architecture, and site work - \$175,407 (2023 - \$174,246), and interior architecture - \$53,514 (2023 - \$53,950).
- (h) Land Improvements:  
Land improvements have a net book value of \$123,728 (2023- \$114,206) and are comprised of: bridges, docks, seawalls, and wharves - \$41,945 (2023 - \$35,579), sports fields and skateparks - \$15,002 (2023 - \$13,955), playground and other land improvements - \$65,007 (2023 - \$62,860), and trails - \$1,774 (2023 - \$1,812).
- (i) Asset retirement obligation:  
Additions and amortization expense include costs related to asset retirement obligation. Additions: Land improvements \$1,076 (2023 - \$14,186), buildings \$43 (2023 - \$1,681), and leasehold improvements (\$124) (2023 - \$1,552). Amortization expense: Land improvements \$509 (2023 - \$471), buildings \$281 (2023 - \$191), and leasehold improvements \$723 (2023 - \$841).

# HALIFAX REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2024  
(In thousands of dollars)

## 16. Accumulated surplus:

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

	2024	2023
<b>Surplus</b>		
Invested in tangible capital assets	\$ 1,834,318	\$ 1,835,353
Other	150,492	69,563
Equity in Halifax Regional Water Commission (note 7)	256,130	244,672
Funded by reserves		
Landfill closure costs	-	-
Asset retirement obligations - landfill closure costs (note 11)	(17,731)	(14,186)
Unfunded		
Asset retirement obligations - asbestos, lease and underground storage tanks	(3,686)	(4,726)
Employee future benefits, accrued interest and other	(21,920)	(21,036)
<b>Total surplus</b>	<b>2,197,603</b>	<b>2,109,640</b>
<b>Risk reserves set aside by Council</b>		
Risk & resilience	5,402	10,211
<b>Total risk reserves set aside by Council</b>	<b>5,402</b>	<b>10,211</b>
<b>Obligation reserves set aside by Council</b>		
Landfill closure and post closure costs (note 11)	15,335	8,946
Municipal election	3,742	2,992
Convention centre	6,766	4,777
Community and events	5,116	3,853
Business/Industrial parks expansion	56,119	67,696
Central Library recapitalization	9,989	8,486
Multi-District facilities	12,945	10,513
Solid waste facilities	17,257	20,348
Master plan	2,486	2,369
<b>Total obligation reserves set aside by Council</b>	<b>129,755</b>	<b>129,980</b>
<b>Opportunity reserves set aside by Council</b>		
Strategic initiative capital	176,627	161,757
Strategic initiative Operating	5,715	4,470
Options	21,372	19,185
Capital fund	51,853	86,989
Parkland development	9,786	10,171
Gas tax	13,595	15,174
Density Bonusing	7,470	5,913
<b>Total opportunity reserves set aside by Council</b>	<b>286,418</b>	<b>303,659</b>
<b>Total individual surpluses and reserves</b>	<b>2,619,178</b>	<b>2,553,490</b>
Accumulated remeasurement gains	60,396	51,651
<b>Total accumulated surplus</b>	<b>\$ 2,679,574</b>	<b>\$ 2,605,141</b>

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2024  
(In thousands of dollars)

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### 17. Contingent liabilities:

- (a) As of March 31, 2024, 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 17.50% at March 31, 2024 (2023 - 18.94%). As at March 31, 2024, total outstanding debt is \$237,627 (2023 - \$219,373), with maturity dates ranging from 2024 to 2033. The Municipality is responsible for outstanding debt of \$6,500 (2023 - \$13,000) 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.

# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2024  
(In thousands of dollars)

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

	Budget	2024	2023
Education services	\$ 188,230	\$ 188,130	\$ 175,124
Assessment services	7,303	7,279	7,268
Social housing	4,500	4,962	5,140
Correctional services	6,870	6,887	6,850
<b>Total</b>	<b>\$ 206,903</b>	<b>\$ 207,258</b>	<b>\$ 194,382</b>

(a) Education services

The Municipality is required to provide a mandatory contribution in the amount of \$173,834 (2023 - \$161,103) and supplementary contributions of \$14,296 (2023 - \$14,021) 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 share of the costs of the operations of the Metropolitan Regional Housing Authority. This expense is included in general government services.

(d) Correctional services:

The Municipality is required to make a mandatory contribution to fund the cost of correctional services. The contribution is set by provincial formula and is included in protective services.



# HALIFAX REGIONAL MUNICIPALITY

## Notes to Consolidated Financial Statements

Year ended March 31, 2024  
(In thousands of dollars)

### 20. Budget data:

The budget data presented in these consolidated financial statements is based upon the fiscal 2023/24 operating and capital budgets approved by Council on March 25, 2023, 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 2023/24 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.

	2024	2023
<b>Revenue</b>		
Operating budget	\$ 1,172,590	\$ 1,105,900
Capital budget	333,336	318,981
	<u>1,505,926</u>	<u>1,424,881</u>
Less:		
Principal and interest recovery from Halifax Regional Water Commission	(7,052)	(7,412)
Tax concessions	(12,074)	(9,890)
Transfers from reserves to capital	(57,600)	(78,319)
Transfers from operating to capital	(62,760)	(65,920)
Long-term debt issued	(128,279)	(91,553)
	<u>(267,765)</u>	<u>(253,094)</u>
Add:		
Revenues from agencies, boards and commissions	45,875	41,088
Restricted area rate surpluses	4,678	2,634
Proceeds from sale of assets	1,246	11,111
Reserve revenue - Gas Tax	26,500	26,265
Interest on reserves	4,464	4,232
Development levies in reserves	1,550	1,550
Other reserve revenue	4,414	2,579
Tangible capital asset related adjustments	(34,614)	101,452
Increase in investment of the Halifax Regional Water Commission before remeasurement gain (loss)	11,458	6,525
	<u>65,571</u>	<u>197,436</u>
<b>Total revenue</b>	<b>\$ 1,303,732</b>	<b>\$ 1,369,223</b>

# HALIFAX REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2024  
(In thousands of dollars)

## 20. Budget data (continued):

	2024	2023
<b>Expenses</b>		
Operating budget	\$ 1,172,590	\$ 1,105,900
Less:		
Tax concessions	(12,074)	(9,890)
Transfers from operating to capital	(62,760)	(65,920)
Net transfers from operating to reserves	(34,345)	(21,167)
Change in solid waste management facilities liabilities	-	-
Principal and interest payments made on behalf of Halifax Regional Water Commission	(7,052)	(7,412)
Long-term debt redeemed	(32,918)	(32,707)
	(149,149)	(137,096)
Add:		
Expenses from agencies, boards and commissions	45,437	44,614
Cost of lots sold in business parks	944	2,927
Application of restricted area rate surpluses	4,678	2,634
Tangible capital assets adjustments including amortization	184,847	155,302
	235,906	205,477
<b>Total expenses</b>	<b>1,259,347</b>	<b>1,174,281</b>
<b>Annual surplus</b>	<b>\$ 44,385</b>	<b>\$ 194,942</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, 2024  
(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 34 and 35).

# HALIFAX REGIONAL MUNICIPALITY

## Schedule of Remuneration and Expenses for Reportable Individuals

Year ended March 31, 2024

(In thousands of dollars)

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Council members:	Remuneration	Expenses	Total
M. Savage, Mayor	\$ 196	\$ 16	\$ 212
S. Austin	102	3	105
L. Blackburn	96	4	100
S. Cleary	96	3	99
P. Cuttell	96	9	105
C. Deagle-Gammon	99	10	109
D. Hendsbee	96	9	105
B. Kent	96	3	99
P. Lovelace	96	18	114
T. Mancini	96	7	103
W. Mason	96	6	102
K. Morse	96	5	101
T. Outhit	96	-	96
T. Purdy	96	3	99
P. Russell	96	4	100
L. Smith	96	1	97
I. Stoddard	96	3	99
Chief Administrative Officer:			
C. O'Toole	298	9	307

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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, 2024  
(In thousands of dollars)

	Term (years)	Interest rate - %	Maturity year	Balance March 31, 2023	Issued	Redeemed	Balance March 31, 2024
<b>Municipal Finance Corporation:</b>							
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
<b>Federation of Canadian Municipalities:</b>							
GMIF10309	20	2.0	2032	2,000	-	200	1,800
GMIF12028	10	1.75	2025	763	-	254	509
<b>Misc.:</b>							
5% stock Permanent		5.0	-	2	-	-	2
				211,262	80,490	39,415	252,337
<b>Less: Long-term debt recoverable from the Halifax Regional</b>							
<b>Water Commission:</b>							
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)
<b>Long-term debt</b>				<b>\$ 198,262</b>	<b>\$ 80,490</b>	<b>\$ 32,915</b>	<b>\$ 245,837</b>

# HALIFAX REGIONAL MUNICIPALITY

## Consolidated Schedule of Long-term Debt

Year ended March 31, 2024  
(In thousands of dollars)

	Term (years)	Interest rate - %	Maturity year	Balance March 31, 2022	Issued	Redeemed	Balance March 31, 2023
Municipal Finance Corporation:							
24-HBR-1	20	2.84/5.94	2024	\$ 16,500	\$ -	\$ 5,500	\$ 11,000
09-A-1	15	1.0/5.644	2024	6,880	-	860	6,020
11-A-1	10	1.63/4.221	2021	-	-	-	-
11-B-1	10	1.219/3.645	2021	-	-	-	-
12-A-1	10	1.636/3.48	2022	1,480	-	1,480	-
12-B-1	10	1.51/3.16	2022	960	-	960	-
13-A-1	10	1.33/2.979	2023	4,720	-	2,360	2,360
13-B-1	10	1.285/3.614	2023	734	-	367	367
14-A-1	10	1.245/3.347	2024	6,561	-	2,189	4,372
14-B-1	10	1.20/3.19	2024	6,084	-	2,028	4,056
15-A-1	10	1.011/2.786	2025	10,800	-	2,700	8,100
15-B-1	10	1.040/2.894	2025	4,054	-	1,013	3,041
16-A-1	10	1.150/2.925	2026	9,750	-	1,950	7,800
17-A-1	10	1.20/2.653	2027	4,945	-	824	4,121
17-B-1	10	1.734/3.073	2027	6,666	-	1,111	5,555
18-A-1	10	2.06/3.2995	2028	13,696	-	1,957	11,739
18-B-1	10	2.49/3.389	2028	8,019	-	1,145	6,874
19-B-1	10	2.015/2.561	2029	22,751	-	2,844	19,907
20-B-1	10	0.400/2.376	2031	79,550	-	7,955	71,595
22-A-1	10	2.575/3.782	2032	-	41,590	-	41,590
				204,150	41,590	37,243	208,497
Federation of Canadian Municipalities:							
GMIF10309	20	2.0	2032	2,200	-	200	2,000
GMIF12028	10	1.75	2025	1,017	-	254	763
Misc.:							
5% stock Permanent		5.0	-	2	-	-	2
				207,369	41,590	37,697	211,262
Less: Long-term debt recoverable from the Halifax Regional							
Water Commission:							
14-B-1	10	1.20/3.19	2024	(3,000)	-	(1,000)	(2,000)
24-HBR-1	20	2.84/5.94	2024	(16,500)	-	(5,500)	(11,000)
				(19,500)	-	(6,500)	(13,000)
Long-term debt				\$ 187,869	\$ 41,590	\$ 31,197	\$ 198,262

# HALIFAX REGIONAL MUNICIPALITY

## Consolidated Schedule of Segment Disclosure

Year ended March 31, 2024  
(In thousands of dollars)

	General Government Services	Protective Services	Transportation Services	Environmental Services	Recreation and Cultural Services	Planning and Development Services	Educational Services	2024 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 Water Commission before remeasurement gain (loss) (note 7)	- - 11,458	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - 11,458
Grant in lieu of tax from the Halifax Regional 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>	

# HALIFAX REGIONAL MUNICIPALITY

## Consolidated Schedule of Segment Disclosure

Year ended March 31, 2024  
(In thousands of dollars)

	General Government Services	Protective Services	Transportation Services	Environmental Services	Recreation and Cultural Services	Planning and Development Services	Educational Services	2023 Total
<b>Revenue</b>								
Taxation	\$ 670,877	\$ 6,850	\$ 56,884	\$ -	\$ -	\$ -	\$ 175,124	\$ 909,735
Taxation from other governments	43,350	-	-	-	-	-	-	43,350
User fees and charges	11,930	19,004	35,284	5,388	60,884	6,472	-	138,962
Government grants	3,948	4,032	74,750	3,605	19,951	3,400	-	109,686
Development levies	-	-	-	1,737	-	-	-	1,737
Investment income (note 6)	19,661	-	-	-	-	-	-	19,661
Penalties, fines and interest	4,761	7,515	-	-	7	-	-	12,283
Land sales, contributions and other revenue	1,350	-	128,454	2	950	10,656	-	141,412
Increase in investment in the Halifax Regional Water Commission before remeasurement gain (loss) (note 7)	- 6,525	-	-	-	-	-	-	- 6,525
Grant in lieu of tax from the Halifax Regional Water Commission (note 7)	- 6,524	-	-	-	-	-	-	- 6,524
<b>Total revenue</b>	<b>768,926</b>	<b>37,401</b>	<b>295,372</b>	<b>10,732</b>	<b>81,792</b>	<b>20,528</b>	<b>175,124</b>	<b>1,389,875</b>
<b>Expenses</b>								
Salaries, wages and benefits	66,120	190,518	125,499	2,905	71,788	16,093	-	472,923
Interest on long-term debt	281	358	3,394	-	1,076	-	-	5,109
Materials, goods, supplies and utilities	19,028	7,391	34,836	41	20,614	732	-	82,642
Contracted services	16,213	37,443	47,136	46,596	14,506	1,637	-	163,531
Other operating expenses	4,735	21,411	25,066	509	26,861	3,207	-	81,789
External transfers and grants	21,320	7,017	609	-	8,214	15,910	175,124	228,194
Amortization of tangible capital assets	19,289	5,946	97,353	1,360	22,853	190	-	146,991
<b>Total expenses</b>	<b>146,986</b>	<b>270,084</b>	<b>333,893</b>	<b>51,411</b>	<b>165,912</b>	<b>37,769</b>	<b>175,124</b>	<b>1,181,179</b>
<b>Annual surplus (deficit)</b>	<b>\$ 621,940</b>	<b>\$ (232,683)</b>	<b>\$ (38,521)</b>	<b>\$ (40,679)</b>	<b>\$ (84,120)</b>	<b>\$ (17,241)</b>	<b>\$ -</b>	<b>\$ 208,696</b>