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HALIFAX
REGIONAL MUNICIPALITY
PO Box 1749
Halifax, Nova Scotia
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Halifax Regional Council
November 28, 2006

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: *Gloria McCluskey*
Councillor Gloria McCluskey, Chair, Audit Committee

DATE: November 17, 2006

SUBJECT: **Audited Financial Statements - Miscellaneous Trust Funds, March 31, 2006**

ORIGIN

Audit Committee meeting of November 17, 2006.

RECOMMENDATION

It is recommended that :

The audited financial statements of the Halifax Regional Municipality - Miscellaneous Trust Funds for the year ended March 31, 2006 be approved, and that the Mayor and Municipal Clerk be authorized to sign the financial statements on behalf of Council.

BACKGROUND

Legislation requires that audited financial statements be prepared annually.

DISCUSSION

The audited financial statements show total assets of \$5.5 million (2005 - \$5.2 million) and total equity of \$5.4 million (2005 - \$5.2 million) as of March 31, 2006.

BUDGET IMPLICATIONS

None.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

N/A.

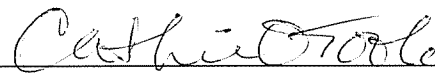
ATTACHMENTS

- Description of the Various Trust Funds
- Draft audited Financial Statements for the Halifax Regional Municipality - Miscellaneous Trust Funds for the year ended March 31, 2006.

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Anna Marchand, Operations Manager, Accounting 490-7222

Report Approved by:



Cathie O'Toole, CGA, A/Director, Finance 490-6308

HALIFAX REGIONAL MUNICIPALITY

MISCELLANEOUS TRUST FUNDS

The following describes the various Trust funds included in the March 31, 2006 HRM Miscellaneous Trust Funds financial statements:

	<u>2006</u>	<u>2005</u>
T118 J. L Dillman Park Maintenance	\$135,882	\$132,016

This trust fund was established by Leighton Dillman to be administered by the former City of Dartmouth. \$50,000 was designated as the principal amount which is never to be used for any purpose other than to earn interest from investment. Principal and interest to be accumulated in the funds until the year 2000. In the year 2000 and every three years thereafter the interest portion shall be used in whole or in part to provide for the painting of the Dartmouth Scenic Garden Fence.

	<u>2006</u>	<u>2005</u>
T123, T126 & T127 Tax Sale Surplus	\$968,797	\$761,826

Any purchase money received at a tax sale in excess of balances owing is credited to the tax sale surplus account. A person with an interest in land sold for taxes may apply to the Supreme Court of Nova Scotia for an order directing the payment of all, or part, of the balance to that person. Where a balance remains in the tax sale surplus account 20 years after the sale, the balance is transferred to Capital Surplus Reserve (MGA Sections 146 and 147)

	<u>2006</u>	<u>2005</u>
T124 J. D. Shatford Memorial	\$61,000	\$61,000

Agreement dated October 1969 between the J. D. Shatford Memorial Trust Association and the former County of Halifax. The principal to be held in trust and income thereof applied against the cost of the operation and maintenance of the J. D. Shatford Memorial Library in the community of Hubbards. The trust fund is to revert to the Trust if the Municipality should ever cease to operate the library.

	<u>2006</u>	<u>2005</u>
T125 Sackville Landfill	\$1,615,176	\$1,600,303

Bill No. 43, 1st Session, 56th General Assembly, N.S., November, 1993. An act respecting compensation to the Community of Sackville for hosting the landfill site of the Metropolitan Authority. The fund shall be held in trust and administered by the Municipality for the Community of Sackville. Included in this account is \$500,000 invested in trust for an Education Bursary Fund. In June 1994, Sackville Community Council approved that the \$500,000 be invested to help, but not completely fund, as many youth as possible in the Community of Sackville to continue on to post secondary education or Community College.

	<u>2006</u>	<u>2005</u>
T106 Camphill Cemetery	\$130,153	\$129,568

The trust was instituted some years ago from the sale of the lots closing out paths at Camphill Cemetery. This is covered by Section 645 City Charter plan M-3-8667. Interest from investment of these funds to be applied to the upkeep and maintenance of the cemetery.

	<u>2006</u>	<u>2005</u>
T105 Camphill Cemetery Perpetual Care	\$566,109	\$566,109

This trust was instituted some years ago from an amount charged per lot for perpetual care upon sale of 6,158 lots in Camphill Cemetery. Interest from investment of these funds to be applied to the upkeep of these lots.

	<u>2006</u>	<u>2005</u>
T107 Camphill Cemetery Fence	\$12,064	\$12,064

The trust was instituted some years ago from the sale of lots in Camphill Cemetery as shown on plan #1601. Interest from investment of these funds to be applied to the maintenance of the fence around the cemetery.

	<u>2006</u>	<u>2005</u>
T101 Fairview Cemetery	\$1,794,931	\$1,779,451

The trust came into being when the City of Halifax acquired Fairview Cemetery on September 22, 1944 and certain securities amounting to \$34,600 were turned over to the City at that time. Effective September 1, 1955, under ordinance 12A, the City increased the rates for lots in Fairview Cemetery and Council approved 90% of the new price for lots be set aside in this trust fund. Income of this fund is applied against the perpetual care of certain lots in the cemetery.

	<u>2006</u>	<u>2005</u>
T102 Fairview Cemetery Maintenance	\$45,000	\$45,000

This trust was acquired from the sale of Fairview Cemetery land to the Halifax Co-operative Housing Group. According to Charter 62, Section 3 of the Acts of Nova Scotia, 1954, any sums received from the sale of such land shall be invested and interest received applied to the upkeep and maintenance of the cemetery.

	<u>2006</u>	<u>2005</u>
T113 Commons Commutation	\$16,491	\$16,491

City Charter 662 regarding lot sales Halifax Commons. Interest from investment of this fund to be used in the improvement of the Commons.

	<u>2006</u>	<u>2005</u>
T112 Harbour Championship	\$12,022	\$11,934

This trust was established in 1883 by Charles Cogswell of London, Great Britain, to provide for the winner of the champions belt in the annual single scullers race in the Harbour of Halifax. The prize associated with the race is to consist of 90 percent of the interest earned on the fund in the past year. The remaining 10% is to be reinvested into the capital portion of the fund.

	<u>2006</u>	<u>2005</u>
T128 Titanic Trust	\$25,399	\$26,266

This trust was established in 2002. Money transferred into this trust came from the White Star Ocean Steam Navigation Trust (established with Royal Trust in 1929 to be used for perpetual upkeep and care of burial plots of Titanic victims). Interest on this trust account will be transferred annually into the Titanic Commemorative Reserve to be used for perpetual upkeep and maintenance of HRM owned Titanic victim grave sites.

Other

The balance included in the Financial Statement's Schedule of Equity as "Other" is made up of the following:

	<u>2006</u>	<u>2005</u>
Fairview Cemetery:		
T103 L. G. Haverstock	\$3,729	\$3,623
T104 Enos MacLeod	711	691
City Home and TB Hospital:		
T108 Hugh and Annie Ross	3,104	3,016
T109 Isabella Brown	3,907	3,796
T110 T. B. Hospital Comfort	2,678	2,602
T111 Elsie Taylor	22	22
Books for the Library:		
T114 Josephine Shannon Bequest	1,036	2,423
T115 Stewart L Gibson	1,058	2,468
T116 Portia White	1,078	3,700
T117 L. D. Currie	0	216
T119 J. L. Dillman water fowl	<u>3,271</u>	<u>3,178</u>
	<u>\$20,594</u>	<u>\$25,121</u>

Fairview Cemetery:

Income from the L.G. Haverstock fund is for the maintenance of the Haverstock family plot at Fairview Cemetery and flowers for the grave of the late Clarence Haverstock and his wife. Income

from the Enos MacLeod fund is to be applied to the general maintenance and care of flowers and shrubs at the Fairview Cemetery.

City Home and TB Hospital:

These are money donated by former patients of the TB Hospital for the patients' comfort fund and individual bequests, income from which is to be used for the comfort of patients at City Home and the TB Hospital. These are being followed up with Legal Services to determine how to close these funds on HRM's books now that the facilities are closed.

Books for the Library:

Individual bequests, income from which is to be used for the purchase of books for the Regional Library.

JL Dillman water fowl:

This trust fund was established by Leighton Dillman in 1984 to be administered by the former City of Dartmouth. \$1,000 was designated as the principal amount which is never to be used for any purpose other than to earn interest. The principal and interest accumulated in the fund until 1990 and then in 1990 and every three years thereafter, the interest portion is to be used to provide for the welfare of the water fowl at Sullivans Pond. If a situation arises which makes it impossible to carry-out the object of the fund, there is a clause in the agreement such that the fund shall be transferred to a charitable institution set up to assist the blind.

Draft
11/2/2006

Financial Statements of

HALIFAX REGIONAL MUNICIPALITY
MISCELLANEOUS TRUST FUNDS

Year ended March 31, 2006

Draft
11/2/2006

AUDITOR'S REPORT

To His Worship the Mayor
and Members of Council of the Halifax Regional Municipality

We have audited the balance sheet of the Halifax Regional Municipality Miscellaneous Trust Funds as at March 31, 2006 and the statements of income and expenditures and fund equity for the year then ended. These financial statements have been prepared to comply with generally accepted accounting principles adopted for Nova Scotia municipalities. These financial statements are the responsibility of the Municipality's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Miscellaneous Trust Funds as at March 31, 2006 and the results of its operations and the changes in its fund equity for the year then ended in accordance with the basis of accounting described in Note 1 to the financial statements.

These financial statements, which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are intended for the information and use of Council of Halifax Regional Municipality and Service Nova Scotia and Municipal Relations and may not be appropriate for any other use.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in the schedules is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Chartered Accountants

Halifax, Canada
June 20, 2006

Draft
11/2/2006

HALIFAX REGIONAL MUNICIPALITY

MISCELLANEOUS TRUST FUNDS
Balance Sheet

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
Assets		
Cash	\$ 4,533,600	\$ 4,237,667
Accounts receivable	893,056	934,031
Investments	61,299	61,264
	<u>\$ 5,487,955</u>	<u>\$ 5,232,962</u>
Liabilities and Fund Equity		
Payable to Halifax Regional Municipality	\$ 84,337	\$ 65,201
Fund equity (Schedule)	5,403,618	5,167,761
	<u>\$ 5,487,955</u>	<u>\$ 5,232,962</u>

See accompanying notes to financial statements.

Approved on behalf of the Halifax Regional Municipality:

Mayor

Municipal Clerk

Draft
11/2/2006

HALIFAX REGIONAL MUNICIPALITY

MISCELLANEOUS TRUST FUNDS

Statement of Income and Expenditures and Fund Equity

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
Income:		
Investment income	\$ 178,563	\$ 161,364
Tax sales	287,691	173,846
	<u>466,254</u>	<u>335,210</u>
Expenditures:		
Transfer to Halifax Regional Municipality	151,018	132,035
Net transactions with trustors	95,444	390,852
	<u>246,462</u>	<u>522,887</u>
Excess of income over expenditures (expenditures over income)	219,792	(187,677)
Capital contributions received during year	16,065	13,950
	<u>235,857</u>	<u>(173,727)</u>
Fund equity, beginning of year	5,167,761	5,341,488
Fund equity, end of year	<u>\$ 5,403,618</u>	<u>\$ 5,167,761</u>

See accompanying notes to financial statements.

HALIFAX REGIONAL MUNICIPALITY

MISCELLANEOUS TRUST FUNDS
Notes to Financial Statements

Year ended March 31, 2006, with comparative figures for 2005

1. Significant accounting policies:

(a) Basis of accounting:

These financial statements have been prepared to conform, in all material respects, to the accounting principles prescribed pursuant to Section 451 of the Municipal Government Act for Nova Scotia municipalities by Service Nova Scotia and Municipal Relations (MARM) and are intended for the use of Halifax Regional Council and Service Nova Scotia and Municipal Relations.

The basis of accounting used in these financial statements may differ materially from generally accepted accounting principles as prescribed by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants (PSAB).

(b) Investments:

Discounts and premiums arising on the purchase of bonds are being amortized over the period they are held in the Trust Funds.

2. Investments:

	2006	2005
Shares, cost	\$ 6,409	\$ 6,409
Bonds, amortized cost	54,890	54,855
	<u>\$ 61,299</u>	<u>\$ 61,264</u>
Face value of bonds	\$ 55,000	\$ 55,000
Market value, shares	\$ 267,500	\$ 246,700
Market value, bonds	66,200	70,400
	<u>\$ 333,700</u>	<u>\$ 317,100</u>

The market value shown for investments represents the estimated value of the securities as at March 31, 2006.

Draft
11/2/2006

HALIFAX REGIONAL MUNICIPALITY

MISCELLANEOUS TRUST FUNDS Schedule of Fund Equity

Year ended March 31, 2006, with comparative figures for 2005

	Balance March 31 2005	Income	Transfer to Halifax Regional Municipality	Net transactions with trustors	Contributions	Balance March 31 2006
J.L. Dillman Park Maintenance	\$ 132,016	\$ 3,866	\$ -	\$ -	\$ -	\$ 135,882
Tax sales	761,827	287,691	-	(80,720)	-	968,798
J.D. Shatford Memorial	61,000	1,763	(1,763)	-	-	61,000
Sackville Landfill	1,600,303	84,047	(54,708)	(14,466)	-	1,615,176
Camphill Cemetery Trust	129,568	3,808	(3,808)	-	585	130,153
Camphill Cemetery Perpetual Care	566,109	21,144	(21,144)	-	-	566,109
Camphill Cemetery Fence	12,063	353	(353)	-	-	12,063
Fairview Cemetery Trust	1,779,451	59,937	(59,937)	-	15,480	1,794,931
Fairview Cemetery Maintenance	45,000	1,317	(1,317)	-	-	45,000
Titanic Trust	26,267	744	(1,612)	-	-	25,399
Commons Commutation	16,491	483	(483)	-	-	16,491
Harbour Championship	11,933	346	-	(258)	-	12,021
Other	25,733	755	(5,893)	-	-	20,595
	\$5,167,761	\$466,254	\$(151,018)	\$(95,444)	\$16,065	\$5,403,618