

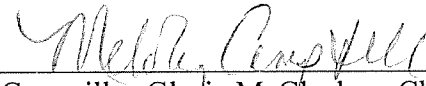



PO Box 1749
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Item No. 11.3.1

**Halifax Regional Council
November 10, 2009**

TO: Mayor Kelly and Members of the Halifax Regional Council

SUBMITTED BY: 
 Councillor Gloria McCluskey, Chair, Audit Committee

DATE: November 3, 2009

SUBJECT: **Consolidated Audited Financial Statements, Year Ended March 31, 2009**

ORIGIN

The Audit Committee meeting of November 3, 2009.

RECOMMENDATION

It is recommended that Regional Council approve:

1. The Halifax Regional Municipality's Consolidated Audited Financial Statements for the year ended March 31, 2009.

BACKGROUND

At the November 3, 2009, Audit Committee meeting discussion was held on the Consolidated Audited Financial Statements for the year ended March, 31, 2009. The Committee passed a motion approving the Consolidated Audited Financial Statements, recommending it be forwarded to Regional Council for approval.

BUDGET IMPLICATIONS

There are none associated with this report.

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

There are none associated with this report.

ATTACHMENT

Draft audited, consolidated financial statements for Halifax Regional Municipality for the year ended March 31, 2009.

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: Melody Campbell, Legislative Assistant.

Consolidated Financial Statements of

HALIFAX REGIONAL MUNICIPALITY

Year ended March 31, 2009



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AUDITORS' REPORT

TO THE MAYOR AND THE COUNCILLORS OF THE HALIFAX REGIONAL MUNICIPALITY

We have audited the consolidated statement of financial position of the Halifax Regional Municipality as at March 31, 2009 and the consolidated statements of financial activities and cash flows for the year then ended. These consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of the Municipality as at March 31, 2009 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The current year's supplementary information included in the schedules is presented for 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

October 23, 2009

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HALIFAX REGIONAL MUNICIPALITY

Consolidated Statement of Financial Position

Year ended March 31, 2009, with comparative figures for 2008
(In thousands of dollars)

	2009	2008
Financial Assets		
Cash and short-term deposits (note 3)	\$ 98,696	\$ 116,163
Taxes receivable (note 4)	29,691	24,233
Accounts receivable (note 5)	60,855	59,828
Loans, deposits, and advances	3,772	2,021
Investments (note 6)	67,455	41,490
Investment in the Halifax Regional Water Commission (note 7)	494,017	468,877
	<u>754,486</u>	<u>712,612</u>
Liabilities		
Accounts payable and accrued liabilities (note 8)	118,877	101,384
Accrued interest on long-term debt	3,998	3,955
Deferred revenue	47,168	61,497
Employee future benefits (notes 9 and 10)	29,231	28,411
Solid waste management facilities liabilities (note 11)	12,110	12,667
Long-term debt (note 12)	344,230	347,334
	<u>555,614</u>	<u>555,248</u>
Net Financial Assets	198,872	157,364
Non-Financial Assets:		
Inventory and prepaid expenses	8,684	10,325
Net Assets	<u>\$ 207,556</u>	<u>\$ 167,689</u>

Municipal Position

Amounts to be recovered (note 13)	\$ (17,798)	\$ (18,875)
Fund balances: (note 14)		
Operating funds	(1,849)	297
Capital funds	(418,912)	(309,120)
Reserve funds	152,098	26,510
Equity in the Halifax Regional Water Commission (note 7)	494,017	468,877
	<u>225,354</u>	<u>186,564</u>
Commitments (note 15)		
Contingencies (note 16)		
Total Municipal Position	<u>\$ 207,556</u>	<u>\$ 167,689</u>

See accompanying notes to consolidated financial statements.

Approved by:

Mayor

Municipal Clerk

HALIFAX REGIONAL MUNICIPALITY

Consolidated Statement of Financial Activities

March 31, 2009, with comparative figures for 2008
(In thousands of dollars)

	2009	2008
Revenues:		
Taxation	\$ 540,057	\$ 509,313
Less amounts received for provincially mandated services (note 19)	(129,287)	(127,037)
	410,770	382,276
Taxation from other governments	28,419	27,504
User fees and charges	123,756	123,792
Government grants	67,543	50,895
Development levies	19,032	14,752
Investment income	8,121	12,755
Penalties, fines and interest	3,519	3,959
Sale of properties	4,258	8,372
Grant in lieu of tax from the Halifax Regional Water Commission (note 7)	3,622	3,569
	669,040	627,874
Expenditures:		
Operating:		
General government services	86,780	75,991
Protective services	152,264	146,642
Transportation services	122,027	113,438
Environmental services	40,375	55,455
Recreation and cultural services	59,032	56,305
Planning and development services	31,808	31,158
	492,286	478,989
Capital:		
General government services	9,892	10,268
Protective services	7,720	8,630
Transportation services	63,126	62,020
Environmental services	49,273	87,575
Recreation and cultural services	22,957	20,438
Planning and development services	9,059	10,780
	162,027	199,711
	654,313	678,700
Net revenue (expenditures) before the following:	14,727	(50,826)
Increase in equity in the Halifax Regional Water Commission (note 7)	25,140	209,302
Net revenue and change in net financial assets	39,867	158,476
Increase (decrease) in amounts to be recovered	(1,077)	3,061
Increase in non-financial assets	-	(50)
Change in fund balances	38,790	161,487
Fund balances, beginning of year	186,564	25,077
Fund balances, end of year	\$ 225,354	\$ 186,564

See accompanying notes to consolidated financial statements.

HALIFAX REGIONAL MUNICIPALITY

Consolidated Statement of Cash Flows

Year ended March 31, 2009, with comparative figures for 2008
(In thousands of dollars)

	2009	2008
Cash provided by (used in):		
Operating activities:		
Net expenditures and change in net financial assets	\$ 39,867	\$ 158,476
Less increase in equity in the Halifax Regional Water Commission	(25,140)	(209,302)
	14,727	(50,826)
Change in non-cash items:		
Increase in taxes receivable	(5,458)	(376)
Decrease (increase) in accounts receivable	(1,027)	29,116
Decrease (increase) in loans, deposits and advances	(1,751)	159
Decrease (increase) in inventory and prepaid expenses	1,641	(1,670)
Increase (decrease) in accounts payable and accrued liabilities	17,493	(533)
Increase (decrease) in accrued interest on long-term debt	43	(515)
Increase (decrease) in deferred revenue	(14,329)	15,487
Increase in employee future benefits	820	595
Increase (decrease) in solid waste management facilities liabilities	(557)	4,139
Net change in cash from operating activities	11,602	(4,424)
Investing activities:		
Decrease (increase) in investments	(25,965)	71,123
Financing activities:		
Issuance of long-term debt	51,238	28,367
Principal payments on long-term debt	(54,342)	(50,624)
Principal payments on obligations under capital lease	-	(13)
	(3,104)	(22,270)
Net change in cash and short-term deposits	(17,467)	44,429
Cash and short-term deposits, beginning of year	116,163	71,734
Cash and short-term deposits, end of year	\$ 98,696	\$ 116,163

See accompanying notes to consolidated financial statements.

HALIFAX REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2009
(In thousands of dollars)

1. Significant accounting policies:

(a) Basis of presentation:

The consolidated financial statements of the Halifax Regional Municipality (the "Municipality" or the "HRM") have been prepared, in all material respects, in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

(b) Basis of consolidation:

These consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in fund balances of all funds 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 that are owned or controlled by the Municipality. Inter-fund and inter-corporate balances and transactions have been eliminated. The entities included are as follows:

- Operating, capital and reserve funds of the Halifax Regional Municipality
- Recreation facilities:
 - Halifax Metro Centre
 - Dartmouth Sportsplex Community Association
 - Community Builders Inc. (Cole Harbour Place)
 - Halifax Forum Community Association
 - Eastern Shore Recreation Commission
 - St. Margaret's Community Centre Association
 - Sackville Sports Stadium
 - Halifax Regional Municipality Centennial Arena Commission
- Commissions, cultural and other facilities:
 - Alderney Landing Association
 - MetroPark Parkade Facility
 - Downtown Halifax Business Commission
 - Spring Garden Area Business Association
 - Downtown Dartmouth Business Commission
 - Quinpool Road Mainstreet District Association Limited
 - Sackville Drive Business Association
 - Spryfield & District Business Commission
 - Main Street Dartmouth and Area Business Improvement Association

HALIFAX REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2009
(In thousands of dollars)

1. Significant accounting policies (continued):

(c) School board:

The assets, liabilities, taxation and other revenues and expenditures with respect to the operations of the Halifax Regional School Board are not reflected in these consolidated financial statements as it is a provincial government entity.

School boards in Nova Scotia were created by the Province under provisions in the Education Act, and, under provincial statute, every municipality is required to make a mandatory contribution to its school board. The mandatory contribution is set at the value of the Education Rate, set by the Province each year, multiplied by the previous year's Uniform Assessment. In addition, under the Halifax Regional Municipality Charter, supplementary education funding is specifically required for the former municipal units of Halifax and Dartmouth. As well, supplementary education funding is provided to the former municipal units of Bedford and the County. The funding for all these contributions to the Halifax Regional School Board are recovered by the Municipality by an area rate levied on the assessed value of taxable property and business occupancy assessments and is shown on the consolidated statement of financial activities as a reduction of taxation revenues.

(d) Basis of accounting:

Revenues and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable and expenditures 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) Fund accounting:

The resources and operations of the Municipality are comprised of the operating, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate fund balance. Supporting schedules to the consolidated financial statements are included to show the financial activities and change in the balance of each fund.

(f) Investment in the Halifax Regional Water Commission:

The Halifax Regional Water Commission ("HRWC") is a subsidiary corporation of the Municipality and is accounted for using the modified equity basis of accounting as it is considered a government business enterprise. Under the modified equity basis of accounting, the accounting principles of government business enterprises are not adjusted to conform to those of the Municipality and inter-organizational transactions and balances are not eliminated.

HALIFAX REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2009
(In thousands of dollars)

1. Significant accounting policies (continued):

(g) 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 (note 18).

(h) 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.

(i) Capital assets:

The historical cost and accumulated depreciation of capital assets are not reported. Capital assets are reported as an expenditure in the Consolidated Statement of Financial Activities in the year of acquisition.

(j) Reserve funds:

Certain amounts, as approved by Council of the Municipality, are set aside in reserve funds for future operating and capital purposes. Transfers to and or from reserve funds are an adjustment to the respective fund when approved.

(k) Government transfers:

Government transfers are recognized in the consolidated financial statements 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.

(l) Deferred revenue:

Deferred revenue represents 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 fiscal year the services are performed.

(m) Solid waste management facilities liabilities:

The Municipality accrues landfill closure and post-closure care requirements that include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions using the best information available to management.

HALIFAX REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2009
(In thousands of dollars)

1. Significant accounting policies (continued):

Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

(n) 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 in respect of education taxes. 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.

(o) Budget figures:

Council completes separate budgets for its operating and capital budgets each year. The approved operating budget for 2008/2009 is reflected on the Schedule of Operating Fund Operations.

For capital spending, budgets are set for individual projects and funding for these activities is determined annually and made by transfers from reserve funds, transfers from the operating fund, by the application of applicable grants or other funds available and by debt financing. As many capital projects are carried out over one or more years, it is not practical to present annualized budget information on the Schedule of Capital Fund Operations.

(p) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosure of contingencies and the reported amounts of revenues and expenditures in the consolidated financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

HALIFAX REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2009
(In thousands of dollars)

2. Future changes in accounting policies:

The following summarizes future accounting changes that will be relevant to the HRM's consolidated financial statements and the individual financial statements of the Commissions, cultural and recreational facilities subsequent to March 31, 2009.

The CICA has issued Section 4470, Disclosure of Allocated Expenses by Not-For-Profit Organizations that will revise and enhance the current disclosure requirements for various elements of financial reporting. The standard will be effective for the fiscal year commencing April 1, 2009. The standard requires the reporting of certain gross revenues in the statement of operations and additional disclosures when a not-for-profit organization classifies its expenses by function and allocates a portion of their fundraising and general support costs to another function. Management is of the opinion these changes will not have a material impact on the statements, but they may require further disclosure.

The HRM is currently reviewing the result of implementing this new standard. The impact of the above change is not yet known or reasonably determinable.

3. Cash and short-term deposits:

	2009	2008
Halifax Regional Municipality – Operating Fund	\$ 85,719	\$ 103,945
Commissions, cultural and recreation facilities:		
Operating	12,960	12,210
Capital	–	6
Reserves	17	2
Total	\$ 98,696	\$ 116,163

Cash includes interest bearing accounts and money market instruments with a term to maturity of 90 days or less.

HALIFAX REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2009
(In thousands of dollars)

4. Taxes receivable:

	2009	2008
Balance, beginning of year	\$ 28,612	\$ 27,600
Current year's levy of property taxes	508,313	477,754
Deed transfer tax	35,166	34,700
Subtotal	572,091	540,654
Less:		
Current year's collections	534,345	508,901
Reduced taxes	3,422	3,141
	537,767	512,042
Balance, end of year	34,324	28,612
Allowance	(4,633)	(4,379)
Balance, end of year (net of allowance)	\$ 29,691	\$ 24,233

5. Accounts receivable:

	2009	2008
Federal Government	\$ 7,324	\$ 6,532
Provincial Government	9,323	18,067
Other receivables	44,208	35,229
	\$ 60,855	\$ 59,828

6. Investments:

Money market instruments include Federal and Provincial treasury bills, discounted notes of Federal Crown Corporations and instruments of Canadian Financial Institutions. These investments have a term to maturity of one year or less. Investments shown here have a remaining term to maturity of 90 days or more at March 31, 2009.

Government of Canada and Canada Mortgage and Housing Corporation Bonds (CMHC) have a maturity range from Sept 1, 2009 to December 15, 2011. The weighted average yield on market value of these bonds is 0.79% (2008 – 2.67%) at March 31, 2009.

HALIFAX REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2009
(In thousands of dollars)

6. Investments (continued):

	2009		2008	
	Cost	Market value	Cost	Market value
Money market instruments	\$ 60,471	\$ 60,992	\$ 30,487	\$ 31,105
Government of Canada and CMHC Bonds	6,984	7,223	11,003	11,170
	\$ 67,455	\$ 68,215	\$ 41,490	\$ 42,275

7. Investment in the Halifax Regional Water Commission:

The Halifax Regional Water Commission ("HRWC") is a wholly-owned and controlled government business enterprise of the Municipality and is responsible for the supply of municipal water, wastewater and stormwater services to residents of the Municipality.

As of August 1, 2007, municipal wastewater and stormwater facilities and their facilities were transferred from the HRM to the HRWC. This transfer was approved by the Nova Scotia Utility and Review Board (NSUARB). The HRWC assumed the responsibility for debt servicing associated with the wastewater and stormwater facilities and operations that were transferred. This transaction was deemed to have no commercial substance and was therefore recorded at the carrying value in accordance with the CICA Handbook Section 3840, Related Party Transactions.

The utility plant transferred has been recorded at the HRM's recorded cost of \$183.2 million and net book value of \$109.5 million. The transfer also included work in progress in the amount of \$64.7 million, and vehicles and equipment with a cost of \$5.4 million and a net book value of \$0.6 million.

Responsibility for the associated debt of \$6.2 million was assumed by the HRWC from the HRM and the contributed surplus which arose on the transaction was \$169.0 million. The HRWC also received reserve funds of \$12.4 million for the purpose of capital expenditures only with the approval of the NSUARB.

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

	2009	2008
Financial Position:		
Current assets	\$ 47,503	\$ 48,631
Capital assets	528,801	504,106
Total assets	576,304	552,737
Current liabilities	17,988	16,125
Long term liabilities	64,299	67,735
Total liabilities	82,287	83,860
Net assets	\$ 494,017	\$ 468,877

HALIFAX REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2009
(In thousands of dollars)

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

	2009	2008
Results of Operations:		
Revenues	\$ 86,916	\$ 75,698
Operating expenditures	(57,466)	(42,729)
Financing expenditures	(9,910)	(10,134)
Other income	4,130	3,182
Net income before grant in lieu of tax	23,670	26,017
Grant in lieu of tax	(3,622)	(3,569)
Net income	20,048	22,448
Increase (decrease) in contributed capital surplus	(4,932)	174,428
Increase in reserves	10,024	12,426
Increase in investment and equity	25,140	209,302
Investment and equity, beginning	468,877	259,575
Investment and equity, ending	\$ 494,017	\$ 468,877

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

	2009	2008
Revenues:		
Grant in lieu of tax	\$ 3,622	\$ 3,569
Expenditures:		
Fire protection charge	9,217	8,885

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

HALIFAX REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2009
(In thousands of dollars)

8. Accounts payable and accrued liabilities:

	2009	2008
Trade accounts payable	\$ 65,474	\$ 18,191
Payable to other governments	2,648	4,097
Accrued liabilities	50,755	79,096
	<u>\$ 118,877</u>	<u>\$ 101,384</u>

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

Employees of the Halifax Regional 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"). Other major employers participating in the HRM Plan include the Halifax Regional School Board 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 financial statements follows rules for defined contribution pension plans.

The HRM Plan provides a lifetime benefit representing 2% of the member's average earnings over a period of three years times the number of years of membership in the pension plan. Only regular earnings are recognized under the defined benefit provisions of the 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 \$20,544 for the fiscal year ending March 31, 2009 (2008 - \$19,421). Since April 1, 2004, the Municipality and the members are each contributing 10.36% of regular earnings for members participating in the main division of the pension plan. Other contribution rates are in effect for the other divisions of the plan, and for members in public safety occupations.

The last actuarial valuation filed with regulators was at December 31, 2007. The next actuarial valuation is to be filed by December 31, 2010. The interest rate used in the last filed valuation was 6.75% per year. The following estimates as at December 31, 2008 are based on the actuarial valuation as at December 31, 2007 extrapolated to December 31, 2008:

Actuarial value of plan assets	\$ 1,087,402
Extrapolated value of accrued pension benefits	(1,094,507)
<u>Estimated funding deficit</u>	<u>\$ (7,105)</u>

HALIFAX REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2009
(In thousands of dollars)

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

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

Interest rate	6.75% per year
Salary increase	3.0% per year plus merit and promotional increases
Retirement age:	60% at the earliest age at which an unreduced pension is payable, the remainder at age 65 (or age 60 for members in Public Safety Occupations)
Mortality:	UP 94 with projections based on scale AA

The actuarial value of net assets and the actuarial present value of accrued pension benefits are presented on the going concern basis. In accordance with the Nova Scotia Pension Benefits Act ("PBA"), a solvency valuation is performed on the Plan, even though the risk of it being wound up is remote. The values of the Plan's assets and liabilities on a solvency basis are related to the corresponding values calculated as though the Plan were wound up and settled on the valuation date, excluding any provision for future indexing of benefits as provided under PBA regulation 16(1)(a). Further to an amendment to the same Regulation to the PBA effective at the end of 2004, plan sponsors can also exclude from the solvency valuation the value of benefits provided under Section 79 (commonly referred to as the "grow in" provisions) of the PBA. The contribution requirements consider the exclusion of such benefits in the determination of the solvency special payments schedule for 2006 and beyond.

On November 27, 2006, changes to the PBA Regulations were adopted to provide solvency relief to municipal pension plans. Under the new regulations, municipal pension plans are only required to fund up to an 85% solvency ratio (over a period of 5 years). While a municipal pension plan is funded under the relief provisions, any deficiency upon full or partial wind-up has to be funded by the employer, and no amendment may be made to the pension plan unless the full cost of the amendment is paid to the fund before the effective date.

Since the most recent actuarial valuation, there has been a significant decline in the market value of the assets of the fund due to poor market performance. The total investment gain or loss will be recognized in a subsequent actuarial valuation.

HALIFAX REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2009
(In thousands of dollars)

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 Municipal 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 Halifax Regional Municipality Pension Plan for members in receipt of benefits from a long-term disability plan sponsored and recognized by the Municipality.

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.

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 retiring allowance benefits was conducted as at March 31, 2007, and the last actuarial valuation of the police health trust lump sum payments was conducted as at March 31, 2008. The results of both actuarial valuations were extrapolated to March 31, 2009. For all other benefits, actuarial valuations were conducted as at March 31, 2009. 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 follows, along with the main assumptions used for disclosure and expense calculations are as follows:

	2009	2008
Accrued benefit obligation at beginning of fiscal year	\$ 29,603	\$ 31,359
Current period benefit cost	1,945	2,127
Loss due to settlement	-	68
Benefit payments	(2,677)	(3,339)
Interest cost	1,459	1,352
Actuarial loss (gain)	764	(1,964)
Accrued benefit obligation at end of fiscal year	\$ 31,094	\$ 29,603
Main assumptions used for fiscal year-end disclosure:		
- discount rate	4.52%	4.99%
- salary increase	3% plus merit	3% plus merit
Main assumptions used for expense calculation:		
- discount rate	4.99%	4.41%
- salary increase	3% plus merit	3% plus merit

HALIFAX REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2009
(In thousands of dollars)

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

These other employee benefit plans require no contributions from employees. The benefit liability as at March 31, 2009 includes the following components:

	2009	2008
Accrued benefit obligation	\$ 31,094	\$ 29,603
Unamortized actuarial loss	(1,863)	(1,192)
Benefit liability recorded in the statement of financial position	\$ 29,231	\$ 28,411

The unamortized actuarial gains (losses) will be amortized over the expected average remaining service life (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:

	2009	2008
Current period benefit cost	\$ 1,945	\$ 2,127
Loss due to settlement	—	68
Amortization of actuarial gains	93	387
Other employee benefit expense	2,038	2,582
Other employee benefit interest expense	1,459	1,352
Total expense related to other employee benefit plans	\$ 3,497	\$ 3,934

11. Solid waste management facilities liabilities:

The Nova Scotia Environmental Protection 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.

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. Post closure care activities for this site include perpetual care that is expected to occur until 2017 and will involve the management and monitoring of groundwater, gas and leachate levels, operating and monitoring the leachate treatment plan when necessary, removal of buildings, site cleanup and general site maintenance.

The estimated liability for the care of the landfill site is the present value of future cash flows associated with closure and post-closure costs discounted using a long-term borrowing rate of 4.52% (2008 - 4.99%) and a forecasted inflation rate of 2% (2008 - 3%).

HALIFAX REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2009
(In thousands of dollars)

11. Solid waste management facilities liabilities (continued):

Sackville Landfill (continued):

The estimated present value of future expenditures for closure and post-closure care as at March 31, 2009 is \$16,324 (2008 - \$17,709), of which total expenditures of \$12,190 (2008 - \$11,959), have been made to date, resulting in \$4,134 (2008 - \$5,750), of the liability to still be funded.

In order to help reduce the future impact of these obligations, the Municipality has established a reserve fund for the responsible care of this site. At March 31, 2009 the balance in the reserve is \$6,417 (2008 - \$6,847), which means that the reserve has \$2,283 (2008 - \$1,097) more than needed to fund the projected liability.

Otter Lake Landfill:

The Otter Lake Landfill site opened during the year ended March 31, 1999 and is expected to accept waste for another 17 years, until the fiscal year ended March 31, 2026.

The site's design consists of nine cell phases with an expected total capacity of 3,771,000 tonnes (2008 - 3,771,000 tonnes). During the year cost estimates were revised due to the earlier than anticipated production of landfill gases requiring an extensive gas collection system, design optimization and enlargement of cells four through nine to increase capacity, and the progressive closure of cells four through nine.

Post closure care activities for this site include perpetual care that is expected to occur until 2045 and will involve the management and monitoring of: groundwater, gas and leachate levels, operating and monitoring the leachate treatment plan when necessary, removal of buildings, site cleanup and general site maintenance.

The estimated liability for the care of the landfill site is the present value of future cash flows associated with closure and post-closure costs discounted using a long-term borrowing rate of 4.52% (2008 - 4.99%) and a forecasted inflation rate of 2% (2008 - 3%). The liability was adjusted for capacity used of 100% for the closed cells and 0% for the remaining cells.

The estimated present value of future expenditures for closure and post-closure care as at March 31, 2009 is \$19,877 (2008 - \$19,255), of which total expenditures of \$11,901 (2008 - \$12,338), have been made to date resulting in \$7,976 (2008 - \$6,917), of the liability still to be funded.

In order to help reduce the future impact of these obligations, the Municipality has established a reserve fund for the responsible care of this site. At March 31, 2009 the balance in the reserve is \$2,409 (2008 - \$688), and the remaining \$5,567 (2008 - \$6,229), of the liability will be funded from future revenues.

HALIFAX REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2009
(In thousands of dollars)

11. Solid waste management facilities liabilities (continued):

	2009			2008
	Sackville	Otter Lake	Total	Total
Estimated present value of closure and post closure costs	\$ 16,324	\$ 19,877	\$ 36,201	\$ 36,964
Less: Expenditures incurred	12,190	11,901	24,091	24,297
	4,134	7,976	12,110	12,667
Reserve fund	6,417	2,409	8,826	7,535
Amount to be funded from future revenue	\$ (2,283)	\$ 5,567	\$ 3,284	\$ 5,132

12. Long-term debt:

The schedule of long-term debt attached to the consolidated financial statements details the various terms and conditions related to the long-term debt (see page 23).

Principal payments required in each of the next five years on debt held as at March 31, 2009 are as follows:

2010	\$ 52,802
2011	\$ 42,512
2012	\$ 37,513
2013	\$ 34,895
2014	\$ 30,859

13. Amounts to be recovered:

The amounts to be recovered in future years reported on the Consolidated Statement of Financial Position are comprised of:

	2009	2008
Amounts to be recovered from future revenues:		
Landfill closure and post closure	\$ 3,284	\$ 5,132
Employee benefits	1,690	2,253
Accrued interest on debt	3,998	3,955
	8,972	11,340
Amounts to be recovered from reserve funds on hand:		
Landfill closure and post closure	8,826	7,535
Total	\$ 17,798	\$ 18,875

HALIFAX REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2009
(In thousands of dollars)

14. Fund balances:

Fund balances at the end of the year reported on the Consolidated Statement of Financial Position are comprised of:

	2009	2008
Halifax Regional Municipality:		
Operating Fund	\$ 884	\$ (109)
Capital Fund	(410,546)	(302,036)
Equipment Reserve Fund	65,371	(45,608)
Capital Reserve Fund	77,766	64,047
Commissions, cultural and recreation facilities	(2,138)	1,393
	(268,663)	(282,313)
Equity in the Halifax Regional Water Commission	494,017	468,877
	\$ 225,354	\$ 186,564

15. Commitments:

- The Municipality and its consolidated entities rent facilities under several long-term operating leases with aggregate annual payments for the next five years approximating \$5.1 million (2008 - \$4.8 million).
- The Municipality has entered into several long-term contracts for waste resources operations, with aggregate annual payments for the next five years approximating \$36 million (2008 - \$36 million).
- The Municipality has entered into three long-term contracts for construction of Sewage Treatment Plants, Sewage Collection Systems, and a Biosolids Processing Facility within the Harbour Solutions Capital Projects. Based on the financing model for these projects, anticipated future annual payments under these contracts are: 2010 - \$3,800. Debt of \$130,000 was approved in previous years, which will be repaid over the next 16 years through the Environmental Protection Levy.

HALIFAX REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2009
(In thousands of dollars)

15. Commitments (continued):

- (d) In accordance with the transfer agreement between the Halifax Regional Municipality and the Halifax Regional Water Commission, certain components of the Halifax Harbour Solutions Project were transferred effective June 1, 2009. The assets transferred included the Halifax Sewage Treatment Plant and portions of the related collection system, as well as a Biosolids Processing Facility. The carrying value of the assets transferred was \$157.7 million. The remaining components of the projects will be transferred in accordance with the transfer agreement.

16. Contingencies:

- (a) As of March 31, 2009 there are a number of claims against the Municipality and its consolidated entities in varying amounts and for which provisions have been made in these 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.
- (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 claims.
- (c) The Municipality guarantees the debt issues of the Halifax Regional Water Commission for the Lake Major Facility, to a maximum of \$57 million. As at March 31, 2009 this outstanding debt was \$36.8 million (2008 - \$39.5 million), with maturity dates ranging from 2009 to 2019.
- (d) In January 2009, the sewage treatment plant in Halifax suffered a systems failure. To date, the plant's operations have not been fully restored. The costs to reinstate the plant have been borne by the HRM but, as the plant was still under warranty, the costs are anticipated to be recovered through insurance proceeds, legal means and directly from third parties. Any residual liability cannot be reasonably determined at this time.

17. Financial instruments:

- (a) Fair values:

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, accounts payable and accrued liabilities, accrued interest on long-term debt and deferred revenue approximate their carrying value due to their short-term nature.

The market value of investments is disclosed in note 6.

It is not practical to determine the fair value of the investment in the Halifax Regional Water Commission due to the lack of comparable market information.

HALIFAX REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2009
(In thousands of dollars)

17. Financial instruments (continued):

The fair value of long-term debt is based on rates currently available to the Municipality with similar terms and maturities and approximates its carrying value.

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.

18. Miscellaneous Trust Funds:

Miscellaneous Trust Funds administered by the Municipality are reported on separately. The total trust assets under administration at March 31, 2009 are \$6.0 million (2008 - \$5.5 million).

19. Amounts received for provincially mandated services:

	2009	2008
School board	\$ 112,617	\$ 110,842
Assessment services	6,133	5,926
Social housing	2,630	2,450
Corrections services	7,907	7,819
Total	\$ 129,287	\$ 127,037

(a) The Halifax Regional School Board:

The Municipality provided a mandatory contribution in the amount of \$92.7 million (2008 - \$90.4 million) and supplementary contributions of \$19.9 million (2008 - \$20.4 million) to the Halifax Regional School Board.

(b) Assessment services:

The Municipality is required to pay a share of the cost of operating the municipal assessment system 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. For the year ended March 31, 2009, the Municipality's share of these costs was \$6.1 million (2008 - \$5.9 million).

HALIFAX REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2009
(In thousands of dollars)

19. Amounts received for provincially mandated services (continued):

(c) The Metropolitan Regional Housing Authority:

The Municipality shared in the operations of the Authority in the amount of \$2.6 million (2008 - \$2.5 million).

(d) Correctional Services:

Municipalities in Nova Scotia are required to make a mandatory contribution to fund the cost of correctional services. The contribution is set by provincial formula. For the year ended March 31, 2009, the Municipality's contribution for these costs was \$7.9 million (2008 - \$7.8 million).

20. Tangible capital assets:

Effective April 1, 2007, the Municipality adopted Accounting Guideline 7 (PSG-7) of the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants ("CICA") with respect to the disclosure of tangible capital assets of local governments. PSG-7 provides transitional guidance on presenting information related to tangible capital assets until Section 3150 - Tangible Capital Assets of the Public Sector Accounting Handbook (PS3150) comes into effect for fiscal years beginning on or after January 1, 2009. These provisions require local governments to record tangible capital assets at cost and amortize these assets over their estimated useful life.

Tangible capital assets are significant economic resources managed by local government and a key component of cost in the delivery of many local government programs and services. Tangible capital assets include such diverse items as roads, buildings, vehicles, equipment, land, and computer hardware and software.

Tangible capital assets are reported as an expenditure in the Consolidated Statement of Financial Activities in the year of acquisition. This will change when the new recommendations for accounting for tangible capital assets is implemented for the 2010 reporting year.

21. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

HALIFAX REGIONAL MUNICIPALITY

Schedule of Remuneration of Members of Council and Chief Administrative Officer

Year ended March 31, 2009
(In thousands of dollars)

Council members:		
P. Kelly, Mayor	\$	130
S. Adams		67
J. Barkhouse		63
J. Blumenthal		24
B. Dalrymple		24
S. Fougere		39
R. Harvey		63
D. Hendsbee		65
D. Hum		63
B. Johns		63
B. Karsten		63
P. Lund		20
G. McCluskey		64
H. McInroy		52
G. Meade		39
L. Mosher		63
P. Murphy		39
L. Nicoll		24
T. Outhit		53
R. Rankin		63
D. Sloane		63
J. Smith		63
K. Snow		39
S. Streach		63
S. Uteck		63
R. Walker		63
J. Watts		24
M. Wile		63
A. Younger		63
Chief Administrative Officer:		
Dan English, Chief Administrative Officer		193

HALIFAX REGIONAL MUNICIPALITY

Schedule of Long-term Debt

Year ended March 31, 2009
(In thousands of dollars)

	Term (years)	Interest rate - %	Matures	Balance March 31 2008	Issued	Redeemed	Balance March 31 2009
C.M.H.C.:							
79B	30	6.25	2009	\$ 4	\$ -	\$ 2	\$ 2
M.F.C.:							
98-A-1	10	5.0/5.5	2008	3,500	-	3,500	-
98-B-1	10	4.625/5.625	2008	11,496	-	11,496	-
99-A-1	10	4.75/5.375	2009	11,201	-	1,725	9,476
99-B-1	10	5.75/6.75	2009	6,000	-	3,000	3,000
00-A-1	10	6.25/6.875	2010	4,350	-	1,450	2,900
00-B-1	10	5.875/6.375	2010	5,758	-	1,178	4,580
01-A-1	10	4.375/6.250	2011	6,520	-	1,630	4,890
01-B-1	10	3.125/6.0	2011	3,967	-	992	2,975
02-A-1	10	3.375/6.125	2012	12,219	-	2,444	9,775
02-B-1	10	3.25/5.625	2012	6,189	-	1,238	4,951
03-A-1	10	3.50/5.375	2013	23,295	-	3,883	19,412
03-B-1	10	2.75/5.00	2013	2,538	-	423	2,115
04-A-1	10	2.55/5.45	2014	14,273	-	1,841	12,432
04-B-1	10	3.195/5.05	2014	16,220	-	2,317	13,903
24-HBR-1	20	2.84/5.94	2024	93,500	-	5,500	88,000
05-A-1	10	2.97/4.56	2015	18,400	-	2,300	16,100
05-B-1	15	3.63/4.83	2020	31,950	-	2,215	29,735
06-A-1	10	4.29/4.88	2016	20,774	-	2,308	18,466
06-B-1	10	4.10/4.41	2016	9,135	-	1,015	8,120
07-A-1	10	4.45/4.63	2017	19,567	-	1,957	17,610
07-B-1	10	4.65/5.01	2017	8,800	-	880	7,920
08-A-1	10	3.75/4.884	2018	-	26,500	-	26,500
08-B-1	10	3.1/5.095	2018	-	24,738	-	24,738
				329,652	51,238	53,292	327,598
Federation of Canadian Municipalities:							
GMIF-1599	10	1.33/3.127	2014	17,000	-	1,000	16,000
Misc.:							
5% stock	Permanent	5.0	-	2	-	-	2
Sackville Landfill Trust:							
Acadia School	20	7	2018	676	-	48	628
				\$347,334	\$51,238	\$54,342	\$344,230

HALIFAX REGIONAL MUNICIPALITY

Schedule of Operating Fund Operations by Function and Change in Fund Balances (excluding Recreation, Commissions, Cultural and Other Funds)

March 31, 2009, with comparative figures for 2008
(In thousands of dollars)

	2009	2009	2008
	Budget	Actual	Actual
Revenues:			
Taxation	\$ 540,373	\$ 540,057	\$ 509,313
Less: amounts received for provincially mandated services	(129,880)	(129,287)	(127,037)
	410,493	410,770	382,276
Taxation from other governments	27,788	28,419	27,504
User fees and charges	85,809	91,697	96,076
Government grants	12,116	12,400	12,511
Investment income	9,910	7,963	12,398
Penalties, fines and interest	3,285	3,519	3,959
Grant in lieu of tax from the Halifax Regional Water Commission	3,721	3,622	3,569
	553,122	558,390	538,293
Expenditures:			
Operating:			
General government services	104,950	86,416	75,642
Protective services	153,410	152,264	146,642
Transportation services	102,514	122,027	113,438
Environmental services	39,241	39,164	47,327
Recreation and cultural services	32,435	33,420	30,800
Planning and development services	30,932	31,808	31,158
	463,482	465,099	445,007
Net revenues	89,640	93,291	93,286
Financing and transfers:			
Transfers to capital fund	(31,913)	(29,024)	(31,273)
Transfers to reserve funds	(19,618)	(21,323)	(14,505)
Transfers to recreation, commissions, cultural and other funds		3,844	(375)
Debt principal repayment	(38,109)	(45,275)	(43,739)
Net financing and transfers	(89,640)	(91,778)	(89,892)
Decrease in amounts to be recovered	–	(520)	(1,079)
Change in fund balance	–	993	2,315
Fund balance, beginning of year	(109)	(109)	(2,424)
Fund balance, end of year	\$ (109)	\$ 884	\$ (109)

HALIFAX REGIONAL MUNICIPALITY

Schedule of Operating Fund Operations by Object and Change in Fund Balance (excluding Recreation, Commissions, Cultural and Other Funds)

March 31, 2009, with comparative figures for 2008
(In thousands of dollars)

	2009	2009	2008
	Budget	Actual	Actual
Revenues:			
Taxation	\$ 540,373	\$ 540,057	\$ 509,313
Less: amounts received for provincially mandated services	(129,880)	(129,287)	(127,037)
	410,493	410,770	382,276
Taxation from other governments	27,788	28,419	27,504
User fees and charges	85,809	91,697	96,076
Government grants	12,116	12,400	12,511
Investment income	9,910	7,963	12,398
Penalties, fines and interest	3,285	3,519	3,959
Grant in lieu of tax from the Halifax Regional Water Commission	3,721	3,622	3,569
	553,122	558,390	538,293
Expenditures:			
Operating:			
Salaries, wages and benefits	260,727	258,159	245,150
Interest on long-term debt	11,539	11,213	11,929
Materials, goods, supplies and utilities	28,456	33,662	37,166
Contracted services	74,564	77,973	74,389
Other	79,761	78,213	57,830
External transfers	8,435	5,879	18,544
	463,482	465,099	445,008
Net revenues	89,640	93,291	93,285
Financing and transfers:			
Transfers to capital fund	(31,913)	(29,024)	(31,273)
Transfers to reserve funds	(19,618)	(21,323)	(14,505)
Transfers to recreation, commissions, cultural and other funds		3,844	(375)
Debt principal repayment	(38,109)	(45,275)	(43,739)
Net financing and transfers	(89,640)	(91,778)	(89,892)
Decrease in amounts to be recovered	–	(520)	(1,079)
Change in fund balance	–	993	2,315
Fund balance, beginning of year	(109)	(109)	(2,424)
Fund balance, end of year	\$ (109)	\$ 884	\$ (109)

HALIFAX REGIONAL MUNICIPALITY

Schedule of Capital Fund Operations and Change in Fund Balance (excluding Recreation, Commissions, Cultural and Other Funds)

Year ended March 31, 2009, with comparative figures for 2008
(In thousands of dollars)

	2009	2008
	Actual	Actual
Revenues:		
Government grants	\$ 24,551	\$ 20,169
Development levies	16,478	3,327
	<u>41,029</u>	<u>23,496</u>
Expenditures:		
Capital:		
General government services	9,687	10,033
Protective services	7,720	8,630
Transportation services	63,126	62,020
Environmental services	49,273	87,575
Recreation and cultural services	22,019	20,242
Planning and development services	9,059	10,780
	<u>160,884</u>	<u>199,280</u>
Net expenditures	(119,855)	(175,784)
Financing and transfers:		
Transfers from operating fund	29,024	31,273
Transfers from (to) reserve funds	(63,712)	109,828
Debt principal borrowings	46,590	44,124
Net financing and transfers	11,902	185,225
Increase (decrease) in amounts to be recovered	(557)	4,140
Decrease in non-financial assets	-	(50)
Change in fund balance	(108,510)	13,531
Fund balance, beginning of year	(302,036)	(315,567)
Fund balance, end of year	<u>\$ (410,546)</u>	<u>\$ (302,036)</u>

HALIFAX REGIONAL MUNICIPALITY

Schedule of Reserve Funds and Change in Fund Balances (excluding Recreation, Commissions, Cultural and Other Funds)

March 31, 2009, with comparative figures for 2008

(In thousands of dollars)

	2009	2008
	Actual	Actual
Revenues:		
User fees and charges	\$ 4,703	\$ 2,150
Government grants	30,538	18,215
Development levies	2,554	11,425
Investment income	152	347
Sale of properties	4,258	8,372
	<u>42,205</u>	<u>40,509</u>
Expenditures:		
Operating:		
General government services	124	108
Environmental services	1,211	8,128
Recreation and cultural services	1,022	923
	<u>2,357</u>	<u>9,159</u>
Capital:		
General government services	185	231
Total expenditures	<u>2,542</u>	<u>9,390</u>
Net revenues	39,663	31,119
Financing and transfers:		
Transfers from operating fund	21,323	14,505
Transfers from (to) capital fund	63,712	(109,828)
Net financing and transfers	<u>85,035</u>	<u>(95,323)</u>
Change in fund balances	124,698	(64,204)
Fund balances, beginning of year	18,439	82,643
Fund balances, end of year	<u>\$ 143,137</u>	<u>\$ 18,439</u>

HALIFAX REGIONAL MUNICIPALITY

Consolidated Schedule of Recreation, Commissions, Cultural and Other Funds and Changes in Fund Balances

March 31, 2009, with comparative figures for 2008
(In thousands of dollars)

	2009	2008
	Actual	Actual
Revenues:		
User fees and charges	\$ 27,356	\$ 25,566
Government grants	54	-
Investment income	6	10
	<u>27,416</u>	<u>25,576</u>
Expenditures:		
Operating:		
General government services	240	241
Recreation and cultural services	24,590	24,582
	<u>24,830</u>	<u>24,823</u>
Capital:		
General government services	20	4
Recreation and cultural services	938	196
	<u>958</u>	<u>200</u>
Total expenditures	25,788	25,023
Net revenues	1,628	553
Financing and transfers:		
Transfers from operating fund	(3,844)	375
Debt principal repayment	(1,315)	(385)
Net financing and transfers	<u>(5,159)</u>	<u>(10)</u>
Change in fund balances	(3,531)	543
Fund balances, beginning of year	1,393	850
Fund balances, end of year	<u>\$ (2,138)</u>	<u>\$ 1,393</u>