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Item No. 11.3.2

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: Audited Financial Statements - Miscellaneous Trust Funds, Year Ended March 31, 2009

ORIGIN

The Audit Committee meeting of November 3, 2009.

RECOMMENDATION

It is recommended that Regional Council approve:

1. The audited financial statements of the Halifax Regional Municipality - Miscellaneous Trust Funds for the year ended March 31, 2009.

BACKGROUND

At the November 3, 2009, Audit Committee meeting discussion was held on the Audited Financial Statements, Miscellaneous Trust Funds for the year ended March, 31, 2009. The Committee passed a motion approving the Financial Statements, Miscellaneous Trust Funds, 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.

ATTACHMENTS

1. Draft audited financial statements for Halifax Regional Municipality - Miscellaneous Trust Funds 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.

Financial Statements of

HALIFAX REGIONAL MUNICIPALITY
MISCELLANEOUS TRUST FUNDS

Year ended March 31, 2009



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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, 2009 and the statement 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, 2009 and the results of their 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
October 30, 2009

HALIFAX REGIONAL MUNICIPALITY

MISCELLANEOUS TRUST FUNDS

Balance Sheet

Year ended March 31, 2009, with comparative figures for 2008

| | 2009 | 2008 |
|--|---------------------|---------------------|
| Assets | | |
| Cash | \$ 5,351,536 | \$ 4,753,490 |
| Accounts receivable (note 3) | 637,003 | 707,203 |
| Investments | 61,404 | 61,368 |
| | <u>\$ 6,049,943</u> | <u>\$ 5,522,061</u> |
| Liabilities and Fund Equity | | |
| Payable to Halifax Regional Municipality | \$ - | \$ 118,709 |
| Fund equity (Schedule) | 6,049,943 | 5,403,352 |
| | <u>\$ 6,049,943</u> | <u>\$ 5,522,061</u> |

See accompanying notes to financial statements.

Approved on behalf of the Halifax Regional Municipality:

Mayor

Municipal Clerk

HALIFAX REGIONAL MUNICIPALITY

MISCELLANEOUS TRUST FUNDS

Statement of Income and Expenditures and Fund Equity

Year ended March 31, 2009, with comparative figures for 2008

| | 2009 | 2008 |
|---|---------------------|---------------------|
| Income: | | |
| Investment income | \$ 174,506 | \$ 231,270 |
| Tax sales | 210,379 | 8,431 |
| | <u>384,885</u> | <u>239,701</u> |
| Expenditures: | | |
| Transfer to Halifax Regional Municipality | 145,404 | 182,556 |
| Net transactions with trustors | 22,553 | 21,781 |
| | <u>167,957</u> | <u>204,337</u> |
| Excess of income over expenditures (expenditures over income) | 216,928 | 35,364 |
| Capital contributions received during year | 429,663 | 32,745 |
| | <u>646,591</u> | <u>68,109</u> |
| Fund equity, beginning of year | 5,403,352 | 5,335,243 |
| Fund equity, end of year | <u>\$ 6,049,943</u> | <u>\$ 5,403,352</u> |

See accompanying notes to financial statements.

HALIFAX REGIONAL MUNICIPALITY

MISCELLANEOUS TRUST FUNDS

Notes to Financial Statements

Year ended March 31, 2009, with comparative figures for 2008

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 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 described 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.

(c) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

2. Investments:

| | 2009 | 2008 |
|-----------------------|------------|------------|
| Shares, cost | \$ 6,409 | \$ 6,409 |
| Bonds, amortized cost | 54,995 | 54,959 |
| | \$ 61,404 | \$ 61,368 |
| Face value of bonds | \$ 55,000 | \$ 55,000 |
| Shares, market values | \$ 133,016 | \$ 182,690 |
| Bonds, market value | 55,959 | 60,269 |
| | \$ 188,975 | \$ 242,959 |

The market value shown for investments represents the estimated value of the securities as at March 31, 2008. Shares and bonds are valued at year-end quoted market prices.

HALIFAX REGIONAL MUNICIPALITY

MISCELLANEOUS TRUST FUNDS

Notes to Financial Statements

Year ended March 31, 2009, with comparative figures for 2008

3. Accounts receivable:

Within the accounts receivable balance, \$628,131 (2008 - \$675,387) is due from an entity controlled by the Halifax Regional Municipality. During the year, the entity made principal payments of \$47,256 (2008 - \$44,070) and interest payments of \$45,780 (2008 - \$48,966).

HALIFAX REGIONAL MUNICIPALITY

MISCELLANEOUS TRUST FUNDS

Schedule of Fund Equity

Year ended March 31, 2009, with comparative figures for 2008

| | Balance March 31 2008 | Income | Transfer to Halifax Regional Municipality | Net transactions with trustors Contributions | Balance March 31 2009 | |
|-------------------------------------|-----------------------------|------------------|--|---|-----------------------------|--------------------|
| J.L. Dillman Park Maintenance | \$ 147,849 | \$ 4,116 | | | \$151,965 | |
| Tax sales | 871,412 | 210,379 | | (5,931) | 1,075,860 | |
| J.D. Shatford Memorial | 60,000 | 1,668 | (1,668) | | 60,000 | |
| Sackville Landfill | 1,646,412 | 68,656 | (45,780) | (16,000) | 1,653,288 | |
| Camphill Cemetery Trust | 130,963 | 3,793 | (3,793) | 990 | 131,953 | |
| Camphill Cemetery Perpetual Care | 566,144 | 21,019 | (20,984) | | 566,179 | |
| Camphill Cemetery Fence | 12,063 | 349 | (349) | | 12,063 | |
| Fairview Cemetery Trust | 1,844,416 | 71,047 | (71,047) | 428,673 | 2,273,089 | |
| Fairview Cemetery Maintenance | 45,000 | 1,305 | (1,305) | | 45,000 | |
| Titanic Trust | 27,988 | 1,117 | | | 29,105 | |
| Commons Commutation | 16,491 | 478 | (478) | | 16,491 | |
| Harbour Championship | 12,206 | 334 | | (622) | 11,918 | |
| Other | 22,408 | 624 | | | 23,032 | |
| | \$5,403,352 | \$384,885 | (\$145,404) | (\$22,553) | \$429,663 | \$6,049,943 |