

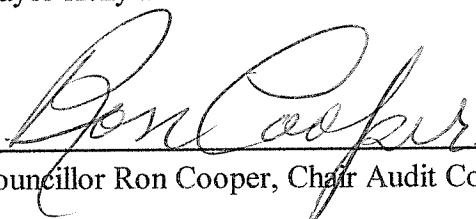
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Halifax Regional Council
July 16, 2002

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


Councillor Ron Cooper, Chair Audit Committee

DATE: July 11, 2002

SUBJECT: Audited Financial Statements, March 31, 2002

ORIGIN

Audit committee meeting of July 11, 2002.

RECOMMENDATION

It is recommended that :

The Halifax Regional Municipality's audited financial statements for the year ended March 31, 2002 be approved, and that the Mayor and Municipal Clerk be authorized to sign the financial statements on behalf of Council.

BACKGROUND

Legislation requires that the audited financial statements be prepared annually and presented to Council.

DISCUSSION

The audited financial statements show a surplus of \$1.709 million for the year ended March 31, 2002. After adjusting for area rate surplus for the year, the available surplus for the year ended March 31, 2002 of \$741,000 is comparable to the 3rd quarter projection of \$764,000.

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

There are no alternatives.

ATTACHMENTS

Audited financial statements for Halifax Regional Municipality for the year ended March 31, 2002.

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: Pam Caswill, CA, Acting Manager of Accounting 490-6324

Report Approved by: 
S. Dale MacLennan, CA, Director, Financial Services 490-6308

Financial Statements of

**HALIFAX REGIONAL
MUNICIPALITY**

Year ended March 31, 2002

AUDITORS' REPORT

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

We have audited the Operating Fund, Capital Fund, Sinking Fund and Special Reserve Funds balance sheets of Halifax Regional Municipality as at March 31, 2002 and the statements of operations, equity in capital assets, capital financing and sinking fund continuity of balance due to general capital fund for the year then ended. 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 Halifax Regional Municipality as at March 31, 2002 and the results of its operations and the changes in its capital position for the year then ended in accordance with generally accepted accounting principles adopted for Nova Scotia Municipalities.

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 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 28, 2002

HALIFAX REGIONAL MUNICIPALITY

Financial Statements

Year ended March 31, 2002

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HALIFAX REGIONAL MUNICIPALITY

Statement of Operations

Year ended March 31, 2002, with comparative figures for 2001
(In thousands of dollars)

	Schedule	Budget	2002 Actual	2001 Actual
Revenue:				
Taxes	1	\$ 348,904	\$ 357,795	\$ 332,931
Payments in lieu of taxes	2	23,520	22,983	23,258
Revenue from own sources	2	15,898	11,706	16,813
Unconditional transfers from other governments	2	3,447	2,940	3,668
Conditional transfers from other governments	3	3,079	3,104	3,049
Transfers from reserves	3	1,092	1,092	—
Departmental revenue	3	78,880	81,436	78,976
		474,820	481,056	458,695
Expenditure:				
General Government	4	4,769	4,829	5,349
Administrative Services	4	2,447	2,480	2,816
Community Projects	4	2,303	2,376	2,112
Financial Services	4	8,070	7,404	7,385
Metro Transit Services	4	32,306	32,213	31,506
Information Services	5	7,148	7,098	6,462
Human Resources	5	2,939	2,865	2,835
Real Property Services	5	12,543	13,017	13,220
Solid Waste Services	5	43,076	43,634	39,653
Shared Services	5	4,329	4,271	4,058
Planning and Development Services	5	7,170	6,803	5,777
Public Works and Transportation	6	43,051	47,119	43,573
Fire and Emergency Services	6	34,749	34,403	31,835
Regional Police	6	51,121	51,423	49,193
Emergency 911 Communications	6	3,733	3,688	3,522
Tourism, Culture and Heritage	6	4,280	3,938	3,374
Parks and Recreational Services	7	21,265	21,616	19,907
Library	7	14,034	14,295	12,644
Transfers to reserves	7	8,109	7,137	6,090
Fiscal Services	7	167,378	168,738	165,342
		474,820	479,347	456,653
Excess of revenue over expenditure		\$ —	\$ 1,709	\$ 2,042

See accompanying notes to financial statements.

HALIFAX REGIONAL MUNICIPALITY

Operating Fund Balance Sheet

March 31, 2002, with comparative figures for 2001
(In thousands of dollars)

	2002	2001
Assets		
Cash, short-term deposits and investments	\$ 88,279	\$ 81,689
Receivables:		
Taxes	28,109	34,394
Local improvement charges	4,902	3,640
Federal government and its agencies	20,157	18,870
Provincial government and its agencies	4,575	4,916
Other local governments	2,030	2,065
Own funds and agencies	67,537	24,670
Other receivables	11,020	13,860
	138,330	102,415
Loans and advances	4,030	4,524
Tangible assets:		
Inventories, at cost	3,482	2,914
Properties acquired at tax sale	179	179
	3,661	3,093
Other assets:		
Deferred transition costs, net of amortization of \$9,444 (2001 - \$7,082)	14,165	16,526
Prepaid expenses	1,787	1,195
Deferred debt discount	1,305	1,376
	17,257	19,097
	\$ 251,557	\$ 210,818

	2002	2001
Liabilities and Accumulated Surplus		
Payables:		
Federal government and its agencies	\$ 2,027	\$ 1,887
Provincial government and its agencies	11,830	6,336
Own funds and agencies	128,891	97,116
Trade accounts	5,975	5,714
Accrued liabilities	32,615	29,772
Other	2,996	2,173
	<u>184,334</u>	<u>142,998</u>
Other liabilities:		
Prepayment of taxes	12,141	13,631
Deferred revenue	10,949	10,179
	<u>23,090</u>	<u>23,810</u>
Asset valuation allowances:		
For uncollectible taxes and rates	13,492	18,073
For other doubtful receivables	26,055	21,226
For unresolved assessment appeals	2,312	1,383
	<u>41,859</u>	<u>40,682</u>
Accumulated surplus (note 2)	2,274	3,328
Commitments (notes 6 and 8)		
Contingencies (note 7)		
	<u>\$ 251,557</u>	<u>\$ 210,818</u>

See accompanying notes to financial statements.

Approved on behalf of the Halifax Regional Municipality:

_____ Mayor

_____ Municipal Clerk

HALIFAX REGIONAL MUNICIPALITY

Capital Fund Balance Sheet

March 31, 2002, with comparative figures for 2001
(In thousands of dollars)

	2002	2001
Assets		
Receivables:		
Provincial government	\$ 328	\$ -
Other local governments	413	77
Other receivables	572	2,046
	<u>1,313</u>	<u>2,123</u>
Loans and advances	454	506
Tangible assets:		
Fixed assets (note 3)	1,307,534	1,271,421
Assets under capital lease	12,792	11,532
Work in progress	130,819	88,514
	<u>1,451,145</u>	<u>1,371,467</u>
Other assets:		
Unamortized deferred charges	3,085	2,969
Capital contribution, Neptune Theatre	300	350
Deposits, Province of Nova Scotia	210	210
	<u>3,595</u>	<u>3,529</u>
	<u>\$ 1,456,507</u>	<u>\$ 1,377,625</u>

	2002	2001
Liabilities and Equity		
Payables:		
Trade payables and contractors' holdbacks	\$ 7,305	\$ 6,112
Own funds and agencies	32,178	9,006
	<u>39,483</u>	<u>15,118</u>
Performance guarantee cheques	210	210
Funding received on work in progress:		
Federal/Provincial/Municipal infrastructure program	5,326	5,351
Province of Nova Scotia	14,417	17,132
Operating fund	17,684	8,568
Reserves	26,165	16,417
Other	8,005	4,474
	<u>71,597</u>	<u>51,942</u>
Current portion of long-term debt (note 4)	41,075	36,500
	<u>152,365</u>	<u>103,770</u>
Long-term debt (Schedule 8)	202,537	217,393
Valuation allowance	405	736
Obligations under capital leases (note 5)	14,917	14,015
Equity in capital assets	1,086,283	1,041,711
	<u>\$ 1,456,507</u>	<u>\$ 1,377,625</u>

See accompanying notes to financial statements.

Approved on behalf of the Halifax Regional Municipality:

_____ Mayor

_____ Municipal Clerk

HALIFAX REGIONAL MUNICIPALITY

CAPITAL FUND

Statement of Equity in Capital Assets

Year ended March 31, 2002, with comparative figures for 2001
(In thousands of dollars)

	2002	2001
Balance, beginning	\$ 1,041,711	\$ 1,002,396
Add:		
Fixed assets provided by:		
Halifax County Regional Rehabilitation Centre	10	10
Cole Harbour Place	136	496
Dartmouth Sportsplex Community Association	1,003	—
Halifax Forum Community Association	977	—
	<u>2,126</u>	<u>506</u>
Funding for capital purposes:		
Federal/Provincial/Municipal infrastructure program	25	2,138
Province of Nova Scotia	3,149	4,425
Operating fund	1,740	7,221
Reserves	7,282	1,470
Other	722	927
	<u>12,918</u>	<u>16,181</u>
Debentures redeemed from operating fund:		
Gross redemptions	36,500	60,807
Paid from sinking fund	—	(23,123)
Balloon payment from debenture proceeds	(937)	(4,600)
	<u>35,563</u>	<u>33,084</u>
Capital purchases from reserve funds	59	270
Capital from operations	361	—
Sinking funds	—	1,729
Other recoveries	475	239
	<u>895</u>	<u>2,238</u>
	<u>1,093,213</u>	<u>1,054,405</u>
Deduct:		
Write down of capital assets	6,753	12,337
Capital grant transferred to reserves	—	262
Costs of assets transferred to Halifax Regional Water		
Commission	82	—
Miscellaneous	95	95
	<u>6,930</u>	<u>12,694</u>
Balance, ending	\$ 1,086,283	\$ 1,041,711

See accompanying notes to financial statements.

HALIFAX REGIONAL MUNICIPALITY

CAPITAL FUND Statement of Capital Financing

Year ended March 31, 2002, with comparative figures for 2001
(In thousands of dollars)

	2002	2001
Source of:		
Funds available, beginning of year:		
Receivables	\$ 1,427	\$ 1,624
Proceeds from debenture:		
Gross proceeds	26,219	31,500
Balloon payments on refinancing	(937)	(4,600)
	25,282	26,900
Increase in obligations under capital lease	1,377	154
Capital funding:		
Province of Nova Scotia	434	5,377
Operating fund	10,856	10,216
Reserve fund withdrawals	17,030	3,173
Other	4,253	3,466
	32,573	22,232
Balance temporarily financed, end of year:		
Payables	7,305	6,112
Own funds and agencies	32,178	9,006
	39,483	15,118
	\$ 100,142	\$ 66,028
Application:		
Balance temporarily financed, beginning of year:		
Payables	\$ 6,112	\$ 16,137
Own funds and agencies	9,006	6,286
	15,118	22,423
Capital asset acquisition:		
Acquisition	83,967	41,726
Increase in unamortized deferred charges	116	102
Transfer appropriated surplus to operating fund	—	88
Transfer to capital reserves	—	262
Funds available for application, end of year:		
Receivables	941	1,427
	\$ 100,142	\$ 66,028

See accompanying notes to financial statements.

HALIFAX REGIONAL MUNICIPALITY

SINKING FUND Balance Sheet

Year ended March 31, 2002, with comparative figures for 2001
(In thousands of dollars)

	2002	2001
Assets		
Deposits, Nova Scotia Municipal Finance Corporation	\$ —	\$ —
Liabilities		
Due to capital fund for retirement of debentures	\$ —	\$ —

Continuity of Balance Due to General Capital Fund

Year ended March 31, 2002, with comparative figures for 2001
(In thousands of dollars)

	2002	2001
Balance, beginning	\$ —	\$ 21,394
Add:		
Income on investments	—	662
Transfer from operating fund	—	1,941
	—	23,997
Deduct:		
Payment to capital on sinking fund debenture	—	23,123
Transfer to capital reserves	—	874
	—	23,997
Balance, ending	\$ —	\$ —

See accompanying notes to financial statements.

Approved on behalf of the Halifax Regional Municipality:

_____ Mayor

_____ Municipal Clerk

HALIFAX REGIONAL MUNICIPALITY

Capital Reserve Funds
Balance Sheet

March 31, 2002

(In thousands of dollars)

	Sale of Capital Assets	Sewer Redevelopment	Parkland	Landfill Closure	Capital Surplus	Tax Sale Surplus	Water Treatment Plant Infrastructure	Other	Equipment	Total 2002	Total 2001
Assets											
Receivable from operating fund	\$ 10,606	\$ 5,507	\$ 835	\$ 9,791	\$ 2,274	\$ -	\$ 2,795	\$ 696	\$ 1,069	\$ 33,573	\$ 31,583
Other receivables	2,410	784								3,204	2,966
	\$ 13,016	\$ 6,301	\$ 835	\$ 9,791	\$ 2,274	\$ -	\$ 2,795	\$ 696	\$ 1,069	\$ 36,777	\$ 34,549
Liabilities and Equity											
Liabilities:											
Deposits	\$ 85	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85	\$ 130
Deferred revenue	2,084									2,084	2,201
	2,169									2,169	2,331
Equity:											
Balance, beginning of year	10,871	4,769	1,000	7,803	3,683	240	1,971	431	1,350	32,218	21,050
Additions											
Levies		1,999								1,999	1,507
Contributions			187					33		220	614
Interest	528	287	39	347	98	6	94	22	101	1,520	1,304
Other revenue	233				86			26	22	367	1,379
Sale of assets	5,727								199	5,926	7,207
	17,457	7,055	1,228	8,150	3,867	246	2,065	512	1,672	42,250	33,061
Deductions											
Acquisition of assets	343		365		1,706					2,414	440
Other expenditures	673	151	28		(500)			1	8	859	1,105
Transfer to (from) operating fund	(84)			(1,841)				(6,000)	(753)	(8,978)	(1,617)
Transfer to (from) capital fund	5,439	603			633		270	6,210	1,357	14,512	1,907
Transfer within reserve fund	239				(248)	248	(1,000)	(395)	(9)	(1,165)	(992)
	6,610	754	391	(1,841)	1,593	248	(730)	(184)	603	7,642	843
Balance, end of year	10,847	6,301	835	9,791	2,274	-	2,795	696	1,069	34,608	32,218
	\$ 13,016	\$ 6,301	\$ 835	\$ 9,791	\$ 2,274	\$ -	\$ 2,795	\$ 696	\$ 1,069	\$ 36,777	\$ 34,549
Allocation of reserves:											
Available equity	\$ 10,847	\$ 6,301	\$ 835	\$ 9,791	\$ 2,274	\$ -	\$ 2,795	\$ 696	\$ 1,069	\$ 34,608	\$ 32,218
Appropriated	5,119	2,089	35	493	1,120		1,073	420	219	10,568	9,923
Unappropriated	\$ 5,728	\$ 4,212	\$ 800	\$ 9,298	\$ 1,154	\$ -	\$ 1,722	\$ 278	\$ 850	\$ 24,040	\$ 22,595

See accompanying notes to financial statements.

Approved on behalf of the Halifax Regional Municipality:

Mayor

Municipal Clerk

HALIFAX REGIONAL MUNICIPALITY

Operating Reserve Funds
Balance Sheet

March 31, 2002

(In thousands of dollars)

	Pollution Control	Variable Operating Stabilization	Service Improvement	Self Insurance	Snow and Ice Control	Library	Other	Total 2002	Total 2001
Assets									
Receivable from operating fund	\$ 61,009	\$ 1,325	\$ 496	\$ 581	\$ 1,217	\$ 9	\$ 1,158	\$ 65,795	\$ 54,560
Other receivables	8,423		264					8,687	7,968
	\$ 69,432	\$ 1,325	\$ 760	\$ 581	\$ 1,217	\$ 9	\$ 1,158	\$ 74,482	\$ 62,528
Liabilities and Equity									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52
Deferred revenue			264					264	793
			264					264	845
Equity:									
Balance, beginning of year	57,373	2,189	415	1,071	-	28	607	61,683	51,019
Additions							10	10	
Levies	27,691							27,691	23,959
Interest	2,242	80	26	42	17	1	33	2,441	2,487
Other revenue	8						8	8	
	87,314	2,269	441	1,113	17	29	650	91,833	77,465
Deductions									
Other expenditures	228	40					484	752	1,079
Transfer to (from) operating fund	14,476	500	(314)	532	(1,200)		(812)	13,182	12,750
Transfer to capital fund	2,178		259			20	59	2,516	961
Transfer within reserve fund	1,000	404					(239)	1,165	992
	17,882	944	(55)	532	(1,200)	20	(508)	17,615	15,782
	69,432	1,325	496	581	1,217	9	1,158	74,218	61,683
Balance, end of year	\$ 69,432	\$ 1,325	\$ 760	\$ 581	\$ 1,217	\$ 9	\$ 1,158	\$ 74,482	\$ 62,528
Allocation of reserves:									
Available equity	\$ 69,432	\$ 1,325	\$ 496	\$ 581	\$ 1,217	\$ 9	\$ 1,158	\$ 74,218	\$ 61,683
Appropriated	29,064	528	29		20			29,641	15,941
Unappropriated	\$ 40,368	\$ 797	\$ 467	\$ 581	\$ 1,197	\$ 9	\$ 1,158	\$ 44,577	\$ 45,742

See accompanying notes to financial statements.

Approved on behalf of the Halifax Regional Municipality:

Mayor

Municipal Clerk

HALIFAX REGIONAL MUNICIPALITY

Notes to Financial Statements

Year ended March 31, 2002
(In thousands of dollars)

1. Significant accounting policies:

These financial statements have been prepared to conform in all material respects to the accounting principles prescribed for Nova Scotia municipalities by Service Nova Scotia and Municipal Relations, the more significant of which are as follows:

(a) Non-consolidation:

As the Municipal Council has all pertinent information concerning the resources and results of operations of the various funds, boards, commissions and agencies which are under its control, a Resolution of Council has been passed that consolidated financial statements are not to be prepared.

(b) Revenue:

Major revenue items are recorded on an accrual basis. Certain sources of revenue are recorded on a cash basis.

(c) Expenditure recognition:

- (i) Operating Fund - the Municipality accrues outstanding purchase orders for goods and services received at the balance sheet date. The financial statements include expenditures of approximately \$3.6 million (2001 - \$4.3 million) in respect of this policy. The future liability for this amount is included in the balance sheet.
- (ii) Capital Fund - the Municipality accrues expenditures on capital contracts only to the extent for work which has been completed at the balance sheet date. At March 31, 2002, contracts outstanding totalled approximately \$12 million (2001 - \$11 million) for which work has not been completed and for which no provision has been made in the accounts.
- (iii) Interest on debenture debt is not accrued at period-end, but is recorded as an expenditure when paid. No interest payments were in arrears at March 31, 2002.

(d) Fixed assets:

Fixed assets and work in progress are recorded at cost. Funds received through capital assistance programs, cost-sharing arrangements or loan forgiveness are recorded as funding received until a project is complete, at which time, it is then treated as additions to the equity in capital assets. The Halifax Regional Municipality does not record depreciation on its fixed assets. The value of the Municipality's fixed assets is written to nil at the end of their estimated useful lives as prescribed by Service Nova Scotia and Municipal Relations.

HALIFAX REGIONAL MUNICIPALITY

Notes to Financial Statements

Year ended March 31, 2002
(In thousands of dollars)

1. Accounting policies (continued):

(e) Valuation allowances:

Uncollected taxes:

The Municipality provides an allowance for uncollected taxes which is calculated as follows:

- 100% of business occupancy taxes outstanding at year-end for prior years plus
- 20% of the prior year's commercial and residential taxes outstanding at the end of the prior year plus
- 60% of the immediately preceding year's commercial and residential taxes outstanding at the end of the prior year plus
- 100% of the commercial and residential taxes outstanding at the end of the prior year which are past due for the second year or more.

Other receivables:

The Municipality provides a valuation allowance for all other receivables which are outstanding for more than one year.

Unresolved assessment appeals:

The Municipality provides a valuation allowance for unresolved assessment appeals. The amount is estimated based on experience reflecting the probable result of such appeals.

(f) Deferred transition costs:

Expenditures incurred as a result of amalgamation are recorded at cost less accumulated amortization. Amortization is calculated on a straight-line basis over 10 years.

2. Accumulated surplus:

	2002	2001
Balance, beginning of year:		
General purposes	\$ 2,739	\$ 3,691
Area services	589	1,666
	3,328	5,357
Excess of revenue over expenditure	1,709	2,042
Transfer to revenue	(2,763)	(4,071)
Balance, end of year	\$ 2,274	\$ 3,328
Allocation of surplus:		
Area services	\$ 1,534	\$ 589
Unrestricted	740	2,739
	\$ 2,274	\$ 3,328

HALIFAX REGIONAL MUNICIPALITY

Notes to Financial Statements

Year ended March 31, 2002
(In thousands of dollars)

3. Fixed assets:

	2002	2001
Land	\$ 126,211	\$ 124,842
Buildings	321,223	312,678
Infrastructure	752,077	730,852
Machinery and equipment	108,023	103,049
	<u>\$ 1,307,534</u>	<u>\$ 1,271,421</u>

4. Long-term debt:

Principal payments required in each of the next five years on debt held as at March 31, 2002 are as follows:

2002/03	\$ 41,075
2003/04	33,634
2004/05	33,961
2005/06	30,141
2006/07	27,189

5. Obligations under capital leases:

The Municipality has long-term lease commitments with interest rates ranging from 7% to 12.125%. Future minimum payments including interest as at March 31, 2002 are as follows:

2002/03	\$ 1,999
2003/04	1,990
2004/05	1,548
2005/06	1,613
2006/07	1,678
2007/08 to 2054/55	82,711
	<u>91,539</u>
Less interest	<u>(76,622)</u>
	<u>\$ 14,917</u>

HALIFAX REGIONAL MUNICIPALITY

Notes to Financial Statements

Year ended March 31, 2002
(In thousands of dollars)

6. Commitments:

- (a) The Municipality rents facilities under several long-term operating leases with aggregate annual payments approximating \$2.7 million (2001 - \$2.4 million).
- (b) The Municipality has entered into several long-term contracts for waste resources operations, with aggregate annual payments approximating \$24.6 million (2001 - \$22.8 million).
- (c) The Municipality has approved the Halifax Harbour Solutions Project. The Municipality has approved funding of this project approximately \$200 million over the next 20 years.

7. Contingencies:

- (a) As of March 31, 2002 there are a number of claims against the Municipality 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 debt issues of the Halifax Regional Water Commission for the Lake Major Facility to a maximum of \$57 million. As at March 31, 2002 this outstanding debt was \$52.1 million (2001 - \$53.9 million)

8. Landfill Closure Post Closure Costs:

(a) Sackville Landfill:

The landfill site closed during the year ended March 31, 1997. All costs related to the development and extension of the landfill site, in the amount of \$15.4 million have been written off against equity in capital assets.

A landfill closure plan and an environmental audit have been completed and a coordination and costing of landfill audit recommendations considered.

HALIFAX REGIONAL MUNICIPALITY

Notes to Financial Statements

Year ended March 31, 2002
(In thousands of dollars)

8. Landfill Closure Post Closure Costs (continued):

Management's current estimate for the closure and post closure costs of the landfill site is approximately \$20.5 million. It includes estimated costs associated with final cover, perpetual care, management and monitoring of groundwater and gas levels, necessary leachate treatment plan modifications and operations, removal of buildings, site - cleanup and general site maintenance.

These costs will be funded over a ten year period commencing January 1, 2000 through an annual transfer to a reserve fund, with \$1.6 million (2001 - \$1.9 million) being transferred in the current fiscal year.

The reserve funded \$1.1 million (2001 - \$1.2 million) in current year associated with the post closure costs.

(b) Otter Lake:

This landfill site opened during the year ended March 31, 1999 and is expected to accept waste until the year ended March 31, 2024.

Management's current estimate for the closure and post closure costs of the landfill site is approximately \$29.5 million. It includes estimated costs associated with final cover, perpetual care, management and monitoring of groundwater and gas levels, necessary leachate treatment plan modifications and operations, removal of buildings, site-cleanup and general site maintenance.

These costs will be funded over a 25 year period commencing January 1, 1999 through an annual transfer to a reserve fund, with \$1 million (2001 - \$1 million) being transferred in the current fiscal year.

9. Employees' retirement pension plans:

Effective April 1, 1998 the four individual defined benefit pension plans were merged into one pension plan referred to as The Halifax Regional Municipality Pension Plan. The date of the last actuarial valuation for the plan was December 31, 2000.

An extrapolation of the 2000 actuarial valuation to December 31, 2001 is as follows:

Actuarial value of plan assets	\$	748,771
Actuarial value of plan liabilities		672,318
Funding surplus		76,453

The Town of Bedford plan and the Halifax County Municipality part-time plan are both defined contribution pension plans.

HALIFAX REGIONAL MUNICIPALITY

Notes to Financial Statements

Year ended March 31, 2002
(In thousands of dollars)

10. Retiring allowance:

A retiring allowance is paid to employees in accordance with the terms of the various collective agreements and HRM policy. The benefit is generally based on final annual salary and number of years of service. The last actuarial valuation, dated March 31, 2002, calculated the present value of the future retiring allowances to be \$10.1 million.

The current balance of retiring allowance accruals is \$10.1 million (2001 - \$6.8 million). Retiring allowances paid in the current year were \$0.4 million (2001 - \$.5 million).

11. Miscellaneous Trust Funds:

Miscellaneous Trust Funds administered by the Municipality are reported on separately. The total trust assets under administration at March 31, 2002 are \$5.4 million (2001 - \$5.5 million).

12. Contributions to provincial boards and commissions:

(a) The Metropolitan Regional Housing Authority:

The Municipality shared in the operations of the Authority in the amount of \$2.9 million (2001 - \$2.0 million).

(b) The Halifax Regional School Board:

The Municipality provided a mandatory contribution in the amount of \$60 million (2001 - \$61 million) and an optional contribution of \$20 million (2001 - \$19 million) to the Halifax Regional School Board.

13. Comparative figures:

Certain of the comparative figures have been reclassified to conform with the presentation adopted for the current year.

HALIFAX REGIONAL MUNICIPALITY

Schedules to Statement of Operations

Year ended March 31, 2002, with comparative figures for 2001
(In thousands of dollars)

	Budget	2002 Actual	2001 Actual
Revenue:			
Taxes:			
Property Taxes:			
Residential	\$ 164,119	\$ 164,924	\$ 158,172
Commercial	94,659	95,990	86,903
Business Occupancy	36,967	38,255	34,150
Commercial Equipment	954	919	1,343
Resource	1,432	1,512	1,435
Forestry	140	141	141
	298,271	301,741	282,144
Area Rates:			
Protective Services	4,077	4,769	4,587
Other - Educational Services	20,142	20,499	19,154
	24,219	25,268	23,741
Tax Agreements:			
MTT	4,570	4,215	4,611
Nova Scotia Liquor Commission	903	918	910
Nova Scotia Power Inc.	2,457	2,521	2,457
Other	547	476	936
	8,477	8,130	8,914
Other Taxes:			
Deed Transfer Taxes	16,407	21,074	16,675
Local Improvement Charges	1,530	1,582	1,457
	17,937	22,656	18,132
	\$ 348,904	\$ 357,795	\$ 332,931

HALIFAX REGIONAL MUNICIPALITY

Schedules to Statement of Operations

Year ended March 31, 2002, with comparative figures for 2001
(In thousands of dollars)

	Budget	2002 Actual	2001 Actual
Payments in Lieu of Taxes:			
Canadian Broadcasting Corporation	\$ 405	\$ 386	\$ 405
Canadian National Railway	1,499	1,473	1,499
Federal Government	15,060	14,829	15,060
Halifax Port Corporation	1,195	1,182	1,194
Provincial Government	4,228	4,008	3,972
Via Rail	189	172	189
Workers' Compensation Board	158	155	158
Canada Post Corporation	485	479	485
Other	301	299	296
	<u>\$ 23,520</u>	<u>\$ 22,983</u>	<u>\$ 23,258</u>
Revenue from Own Sources:			
Interest on Taxes and Capital Charges	\$ 3,764	\$ 195	\$ 3,544
Interest on Investments	6,920	6,512	7,409
Interest on Area Rated Loans	311	91	111
Miscellaneous	347	584	1,571
Parking Meters	2,056	1,824	1,678
Dividend, Halifax Regional Water Commission	2,500	2,500	2,500
	<u>\$ 15,898</u>	<u>\$ 11,706</u>	<u>\$ 16,813</u>
Unconditional Transfers from Other Governments:			
Nova Scotia Farm Property Acreage	\$ 42	\$ 45	\$ 43
Power Corporation -- HST Rebate	3,405	2,895	3,625
	<u>\$ 3,447</u>	<u>\$ 2,940</u>	<u>\$ 3,668</u>

HALIFAX REGIONAL MUNICIPALITY

Schedules to Statement of Operations

Year ended March 31, 2002, with comparative figures for 2001
(In thousands of dollars)

	Budget	2002 Actual	2001 Actual
Conditional Transfers from Other Governments:			
Provincial Government for the			
Halifax Regional Library	\$ 2,975	\$ 2,975	\$ 2,945
Public Housing Amortization	104	129	104
	\$ 3,079	\$ 3,104	\$ 3,049
Transfer from Reserves	\$ 1,092	\$ 1,092	\$ -
Departmental Revenue:			
General Government	\$ 23	\$ 32	\$ 32
Administrative Services	24	21	39
Community Projects	1,104	1,056	1,140
Financial Services	3,743	3,801	3,973
Metro Transit	21,038	20,985	20,773
Information Services	-	17	4
Human Resources	42	69	23
Real Property Services	2,322	2,816	2,680
Solid Waste Services	14,337	14,896	15,251
Shared Services	440	741	487
Planning and Development Services	3,532	3,136	3,111
Public Works and Transportation	17,282	17,816	15,636
Fire and Emergency Services	6,549	6,766	5,969
Regional Police	1,557	2,087	2,819
Emergency 911 Communications	-	47	-
Tourism, Culture and Heritage	1,467	1,116	1,039
Parks and Recreational Services	4,920	5,266	5,247
Library	500	768	753
Total	\$ 78,880	\$ 81,436	\$ 78,976

HALIFAX REGIONAL MUNICIPALITY

Schedules to Statement of Operations

Year ended March 31, 2002, with comparative figures for 2001
(In thousands of dollars)

	Budget	2002 Actual	2001 Actual
Expenditure:			
General Government:			
Administration	\$ 1,231	\$ 1,171	\$ 1,111
Economic Marketing and Promotion	1,175	1,175	902
Councillors' Support	1,580	1,718	1,668
Mayor's Support	574	564	522
Special Projects	209	201	1,146
	<u>\$ 4,769</u>	<u>\$ 4,829</u>	<u>\$ 5,349</u>
Administrative Services:			
Administrative and Legal Services	\$ 1,386	\$ 1,504	\$ 1,326
Corporate Support	1,061	976	1,490
	<u>\$ 2,447</u>	<u>\$ 2,480</u>	<u>\$ 2,816</u>
Community Projects	<u>\$ 2,303</u>	<u>\$ 2,376</u>	<u>\$ 2,112</u>
Financial Services:			
Administration	\$ 585	\$ 676	\$ 531
Revenue and Process Audit	3,064	2,555	2,763
Accounting	2,108	1,963	1,996
Procurement	1,793	1,771	1,773
Financial Planning Services	520	439	322
	<u>\$ 8,070</u>	<u>\$ 7,404</u>	<u>\$ 7,385</u>
Metro Transit Services:			
Administration	\$ 113	\$ 113	\$ 114
Transit	25,556	25,609	25,878
Community Transit	318	230	241
Access-A-Bus	1,893	1,997	1,429
Ferries	4,426	4,264	3,844
	<u>\$ 32,306</u>	<u>\$ 32,213</u>	<u>\$ 31,506</u>

HALIFAX REGIONAL MUNICIPALITY

Schedules to Statement of Operations

Year ended March 31, 2002, with comparative figures for 2001
(In thousands of dollars)

	Budget	2002 Actual	2001 Actual
Information Services:			
Administration	\$ 2,327	\$ 2,329	\$ 2,095
Customer Care	864	835	673
Business Solutions	1,406	1,510	1,379
Technology Infrastructures	2,551	2,424	2,315
	\$ 7,148	\$ 7,098	\$ 6,462
Human Resources:			
Administration	\$ 196	\$ 200	\$ 201
Organizational Development	745	639	784
Client Services	1,344	1,342	1,211
Core Services	654	684	639
	\$ 2,939	\$ 2,865	\$ 2,835
Real Property Services:			
Real Estate Services	\$ 779	\$ 827	\$ 783
Facilities Operations and Maintenance	6,956	7,447	7,555
Portfolio Development	4,808	4,743	4,882
	\$ 12,543	\$ 13,017	\$ 13,220
Solid Waste Services:			
Former Solid Waste System	\$ 4,030	\$ 4,035	\$ 3,371
Waste Resources	39,046	39,599	36,282
	\$ 43,076	\$ 43,634	\$ 39,653
Shared Services:			
Customer Support	\$ 3,791	\$ 3,766	\$ 3,588
Customer Service Centres	538	505	470
	\$ 4,329	\$ 4,271	\$ 4,058
Planning and Development Services:			
Development Services	\$ 4,858	\$ 4,653	\$ 3,547
Planning Services	2,312	2,150	2,230
	\$ 7,170	\$ 6,803	\$ 5,777

HALIFAX REGIONAL MUNICIPALITY

Schedules to Statement of Operations

Year ended March 31, 2002, with comparative figures for 2001
(In thousands of dollars)

	Budget	2002 Actual	2001 Actual
Public Works and Transportation:			
Engineering Services	\$ 5,998	\$ 5,625	\$ 5,703
Wastewater Treatment	5,271	5,366	5,452
Streets and Roads	8,410	9,350	7,938
Snow and Ice Control Functions	8,651	12,686	11,665
Underground and Technical	9,171	8,994	8,081
Administration	681	520	449
Street lighting	4,869	4,578	4,285
	<u>\$ 43,051</u>	<u>\$ 47,119</u>	<u>\$ 43,573</u>
Fire and Emergency Services:			
Operations	\$ 21,812	\$ 21,922	\$ 20,848
Training	973	971	851
Prevention	1,294	1,264	1,084
Administration	1,826	1,867	1,442
Mechanical Maintenance	1,084	1,172	1,080
Buildings and Logistic	1,102	1,064	1,031
Rural Departments	6,458	5,953	5,339
Emergency Measures	200	190	160
	<u>\$ 34,749</u>	<u>\$ 34,403</u>	<u>\$ 31,835</u>
Regional Police:			
Outside Policing	\$ 14,125	\$ 14,184	\$ 13,633
Chief's Office	1,792	2,371	1,782
Administration	5,566	5,796	5,649
Operational Support	10,030	9,869	9,311
Operations	19,608	19,203	18,818
	<u>\$ 51,121</u>	<u>\$ 51,423</u>	<u>\$ 49,193</u>
Emergency 911 Communications	<u>\$ 3,733</u>	<u>\$ 3,688</u>	<u>\$ 3,522</u>
Tourism, Culture and Heritage:			
Market Development	\$ 690	\$ 593	\$ 643
Administration	565	561	547
Visitors Services	554	552	298
Heritage and Culture	762	764	617
Civic Events	683	734	700
Capital District	66	70	—
Business District Commissions	960	664	569
	<u>\$ 4,280</u>	<u>\$ 3,938</u>	<u>\$ 3,374</u>

HALIFAX REGIONAL MUNICIPALITY

Schedules to Statement of Operations

Year ended March 31, 2002, with comparative figures for 2001
(In thousands of dollars)

	Budget	2002 Actual	2001 Actual
Parks and Recreational Services:			
Recreation and Leisure Program	\$ 8,837	\$ 9,026	\$ 8,023
Area Rate Services	385	331	307
Area Services	140	303	247
Community Facilities	2,183	2,332	2,018
Parks and Natural Services	9,390	9,294	8,863
Transfers	330	330	449
	\$ 21,265	\$ 21,616	\$ 19,907
Library	\$ 14,034	\$ 14,295	\$ 12,644
Transfers to Reserves:			
Transfer to Reserves	\$ 1,675	\$ 1,950	\$ 3,759
Transfer to Valuation Allowance	6,434	5,187	2,331
	\$ 8,109	\$ 7,137	\$ 6,090
Fiscal Services:			
Halifax Regional School Board	\$ 79,743	\$ 79,743	\$ 78,954
Debt Charges	36,796	35,800	39,138
Capital from Operating	16,176	16,856	10,216
Assessment Services	4,258	4,258	—
Amortization of Deferred Transition Costs	2,361	2,361	2,361
Social Assistance	3,300	3,300	8,800
Correctional Centre	6,120	6,294	6,103
Metropolitan Regional Housing Authority	2,200	2,947	2,053
Grants and Tax Concessions	3,838	3,941	3,869
Insurance	2,385	2,917	2,815
World Trade Centre	474	473	493
Surplus from Operations	(2,353)	(2,739)	(3,691)
Fire Protection	7,000	7,091	6,914
General	5,080	5,496	7,317
	\$ 167,378	\$ 168,738	\$ 165,342

HALIFAX REGIONAL MUNICIPALITY

Schedule of Long-term debt

March 31, 2002, with comparative figures for 2001
(In thousands of dollars)

Bond Issue	Term (years)	Interest Rate - %	Matures	Balance March 31 2001	Issued	Redeemed	Balance March 31 2002
General							
66C	40	6.25	2007	150		25	125
67A	40	6.50	2007	228		38	190
				378		63	315
C.M.H.C.							
65B	40	5.13	2005	38		10	28
66E	40	5.13	2006	185		33	152
79B	20	6.25	2000	13		1	12
				236		44	192
M.F.C.							
85-A-1	20	12.5	2006	188		38	150
91-A-1	10	10.375/10.5	2002	1,231		1,231	0
91-A-1	10	9.5/9.75	2002	964		964	0
91-B-1	10	8.25/9.75	2002	233		233	0
92-A-1	10	9.375/9.875	2003	1,418		327	1,091
92-A-1	10	7.5/8.5	2003	2,110		1,055	1,055
92-B-1	10	7.5/8.5	2003	4,372		380	3,992
93-A-1	10	7.375/8.5	2004	2,839		647	2,192
93-A-1	10	5.25/7.625	2004	3,387		1,129	2,258
94-A-1	10	8.25/9.25	2005	6,032		1,149	4,883
94-A-1	10	8.375/9.75	2005	1,704		426	1,278
94-B-1	10	8.375/9.75	2005	3,248		421	2,827
95-A-1	10	8.25/9.125	2006	2,500		500	2,000
95-A-1	10	6.875/8.125	2006	7,165		1,047	6,118
95-B-1	10	6.875/8.125	2006	6,000		1,200	4,800
96-A-1	10	5.5/8.0	2007	5,132		458	4,674
96-B-1	10	4.75/7.5	2007	900		150	750
97-A-1	10	4.5/7.0	2008	38,388		5,484	32,904
97-B-1	10	4.25/6.25	2008	9,730		1,390	8,340
98-A-1	10	5/5.5	2009	28,000		3,500	24,500
98-B-1	10	4.625/5.625	2009	45,033		6,532	38,501
99-A-1	10	4.75/5.375	2010	23,275		1,725	21,550
99-B-1	10	5.75/6.75	2010	27,000		3,000	24,000
00-A-1	10	6.25/6.875	2010	17,500		2,200	15,300
00-B-1	10	5.875/6.375	2010	14,000		1,178	12,822
01-A-1	10	4.375/6.250	2011		16,300		16,300
01-B-1	10	3.125/6.0	2011		9,919		9,919
				252,349	26,219	36,364	242,204
Misc.							
5% stock	Permanent	5.0		2	-		2
Landfill Loan	20	7.00	2018	928	-	29	899
				930	-	29	901
				\$ 253,893	26,219	36,500	243,612
Less current portion							41,075
Long-term portion						\$	202,537

HALIFAX REGIONAL MUNICIPALITY

Schedule of Remuneration of Members of Council and Chief Administrative Officer

Year ended March 31, 2002

(In thousands of dollars)

Council members:

P. Kelly, Mayor	\$	98
R. Harvey, Deputy Mayor		44
J. Blumenthal, Former Deputy Mayor		46
J. Cunningham		40
S. Adams		37
K. Colwell		40
R. Cooper		40
S. Fougere		40
L. Goucher		40
B. Hetherington		40
G. Hines		40
B. Johns		40
H. McInroy		40
G. Meade		40
L. Mosher		40
R. Rankin		40
C. Sarto		40
D. Sloane		40
J. Smith		40
S. Streatch		40
S. Uteck		40
R. Walker		40
B. Warshick		40
D. Whalen		40

Chief Administrative Officer:

George McLellan, Chief Administrative Officer	65
Ken Meech, Former Chief Administrative Officer	227 (a)

(a) Includes severance costs.