

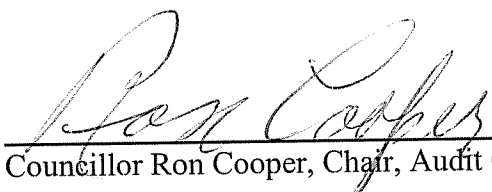
9.2.1



PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Halifax Regional Council
January 27, 2004

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: 
Councillor Ron Cooper, Chair, Audit Committee

DATE: January 21, 2004

SUBJECT: **Audited Financial Statements - Miscellaneous Trust Funds, March 31, 2003**

ORIGIN

Audit Committee meeting of January 21, 2004.

RECOMMENDATION

It is recommended that:

The audited financial statements of the Halifax Regional Municipality - Miscellaneous Trust Funds for the year ended March 31, 2003 be approved, and that the Mayor and Municipal Clerk be authorized to sign the financial statements on behalf of Council.

BACKGROUND

Legislation requires that audited financial statements be prepared annually.

DISCUSSION

The audited financial statements show total assets of \$5.3 million (2001 - \$5.4 million) and total equity of \$5.2 million (2001 - \$5.2 million) as of March 31, 2003.

BUDGET IMPLICATIONS

None.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

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

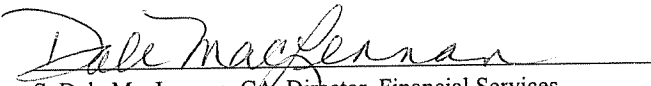
ALTERNATIVES

N/A.

ATTACHMENTS

Audited Financial Statements for the Halifax Regional Municipality - Miscellaneous Trust Funds for the year ended March 31, 2003.

Background information on the Miscellaneous Trust Funds

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, Manager of Accounting	490-6324
Report Approved by:	 S. Dale MacLennan, CA, Director, Financial Services	490-6308

DRAFT Financial Statements of

**HALIFAX REGIONAL
MUNICIPALITY**
MISCELLANEOUS TRUST FUNDS

Year ended March 31, 2003

AUDITORS' REPORT

To the Trustees of the Miscellaneous Trust Funds of Halifax Regional Municipality

We have audited the balance sheet of Halifax Regional Municipality - Miscellaneous Trust Funds as at March 31, 2003 and the statement of income, expenditures and fund equity 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 the fund as at March 31, 2003 and the results of its operations for the year then ended in accordance with generally accepted accounting principles adopted for Nova Scotia municipalities.

Chartered Accountants

Halifax, Canada
June 3, 2003

HALIFAX REGIONAL MUNICIPALITY

MISCELLANEOUS TRUST FUNDS

Balance Sheet

DRAFT

March 31, 2003, with comparative figures for 2002

	2003	2002
Assets		
Cash	\$ 4,352,113	\$ 4,383,353
Accounts receivable	870,581	901,134
Investments	61,194	156,132
	<u>\$ 5,283,888</u>	<u>\$ 5,440,619</u>
Liabilities and Fund Equity		
Accounts payable	\$ -	\$ 160,000
Payable to Halifax Regional Municipality Own Funds and Agencies	82,758	94,556
Fund equity (Schedule)	5,201,130	5,186,063
	<u>\$ 5,283,888</u>	<u>\$ 5,440,619</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, Expenditures and Fund Equity

DRAFT

Year ended March 31, 2003, with comparative figures for 2002

	2003	2002
Income:		
Investment income	\$ 175,937	\$ 219,378
Tax sales	162,442	149,310
	<u>338,379</u>	<u>368,688</u>
Expenditures:		
Transfer to Halifax Regional Municipality Operating Fund	143,092	166,809
Net transactions with trustors	225,373	439,834
	<u>368,465</u>	<u>606,643</u>
Excess of expenditures over income	(30,086)	(237,955)
Capital contributions received during year	45,153	91,530
	<u>15,067</u>	<u>(146,425)</u>
Fund equity, beginning of year	5,186,063	5,332,488
Fund equity, end of year	<u>\$ 5,201,130</u>	<u>\$ 5,186,063</u>

See accompanying notes to financial statements.

HALIFAX REGIONAL MUNICIPALITY

MISCELLANEOUS TRUST FUNDS

DRAFT Notes to Financial Statements

Year ended March 31, 2003

1. Significant accounting policy:

Investments:

Discounts and premiums arising on the purchase of bonds are being amortized in the accounts during the period they are held in the funds.

2. Investments:

	2003	2002
Cost	\$ 61,194	\$ 156,132
Face value	\$ 55,000	\$ 150,000
Market value (estimated)	\$ 127,300	\$ 244,397

The market value shown for fixed income investments represents the value of the securities as at March 31, 2003 assuming an annual yield of 3.8% (2002 - 5.0%) short-term and 4.7% (2002 - average of 5.9%) for mid-term.

HALIFAX REGIONAL MUNICIPALITY

MISCELLANEOUS TRUST FUNDS

Schedule of Fund Equity

Year ended March 31, 2003, with comparative figures for 2002

	Balance March 31, 2002	Income	Transfer to Operating Fund	Net transactions with trustors	Contributions	Balance March 31, 2003
J.L. Dillman Park maintenance	\$ 121,798	\$ 3,292	\$ -	\$ -	\$ -	\$ 125,090
Halifax County Rehabilitation	45,067	-	-	(45,067)	-	-
Tax sales	520,171	162,442	-	(94,803)	-	587,810
J.D. Shatford Memorial	61,000	1,629	(1,629)	-	-	61,000
Sackville landfill	1,970,497	90,204	(61,947)	(85,133)	-	1,913,621
Camphill Cemetery Trust	124,888	3,388	(3,388)	-	585	125,473
Camphill Cemetery Perpetual Care	557,356	22,421	(22,319)	-	8,651	566,109
Camphill Cemetery Fence	12,177	329	(442)	-	-	12,064
Fairview Cemetery Trust	1,676,041	51,822	(51,822)	-	11,295	1,687,336
Fairview Cemetery maintenance	45,000	1,216	(1,216)	-	-	45,000
Common commutation	16,377	443	(329)	-	-	16,491
Harbour championship	11,950	317	-	(370)	-	11,897
Titanic Trust	-	235	-	-	24,622	24,857
Other	23,741	641	-	-	-	24,382
Total	\$ 5,186,063	\$ 338,379	\$ (143,092)	\$ (225,373)	\$ 45,153	\$ 5,201,130

HALIFAX REGIONAL MUNICIPALITY

MISCELLANEOUS TRUST FUNDS

The following describes the various Trust funds included in the March 31, 2003 HRM Miscellaneous Trust Funds financial statements:

	<u>2003</u>	<u>2002</u>
T118 J. L Dillman Park maintenance	\$125,090	\$121,798

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

	<u>2003</u>	<u>2002</u>
T120 Halifax County Rehabilitation	\$0	\$45,066

Funds previously held in trust for residents of Halifax County Regional Rehabilitation Centre. Account balances were transferred with the residents to their receiving facility/home.

	<u>2003</u>	<u>2002</u>
T123, T126 & T127 Tax Sale Surplus	\$587,810	\$520,171

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

	<u>2003</u>	<u>2002</u>
T124 J. D. Shatford Memorial	\$61,000	\$61,000

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

	<u>2003</u>	<u>2002</u>
T125 Sackville Landfill	\$1,913,621	\$1,970,497

Bill No. 43, 1st Session, 56th General Assembly, N.S., November, 1993. An act respecting compensation to the Community of Sackville for hosting the landfill site of the Metropolitan Authority. The fund shall be held in trust and administered by the Municipality for the Community of Sackville. Included in this account is \$500,000 invested in trust for an Education Bursary Fund. In June 1994, Sackville Community Council approved that the \$500,000 be

invested to help, but not completely fund, as many youth as possible in the Community of Sackville to continue onto post secondary education or Community College.

	<u>2003</u>	<u>2002</u>
T106 Camphill Cemetery	\$125,473	\$124,888

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

	<u>2003</u>	<u>2002</u>
T105 Camphill Cemetery perpetual care	\$566,109	\$557,356

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

	<u>2003</u>	<u>2002</u>
T107 Camphill Cemetery fence	\$12,063	\$12,177

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

	<u>2003</u>	<u>2002</u>
T101 Fairview Cemetery	\$1,687,336	\$1,676,041

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

	<u>2003</u>	<u>2002</u>
T102 Fairview Cemetery maintenance	\$45,000	\$45,000

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

	<u>2003</u>	<u>2002</u>
T113 Commons Commutation	\$16,491	\$16,377

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

	<u>2003</u>	<u>2002</u>
T112 Harbour championship	\$11,897	\$11,950

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

	<u>2003</u>	<u>2002</u>
T128 Titanic Trust	\$24,857	\$0

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

Other

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

	<u>2003</u>	<u>2002</u>
Fairview Cemetery:		
T103 L. G. Haverstock	\$3,432	\$3,342
T104 Enos MacLeod	655	637
City Home and TB Hospital:		
T108 Hugh and Annie Ross	2,858	2,783
T109 Isabella Brown	3,597	3,502
T110 T. B. Hospital Comfort	2,465	2,400
T111 Elsie Taylor	21	20
Books for the Library:		
T114 Josephine Shannon Bequest	2,296	2,235
T115 Stewart L Gibson	2,338	2,277
T116 Portia White	3,506	3,413
T117 L. D. Currie	205	200
T119 J. L. Dillman water fowl	<u>3,010</u>	<u>2,932</u>
	<u>\$24,383</u>	<u>\$23,741</u>

Fairview Cemetery:

Income from the L.G. Haverstock fund is for the maintenance of the Haverstock family plot at Fairview Cemetery and flowers for the grave of the late Clarence Haverstock and his wife. Income from the Enos MacLeod fund is to be applied to the general maintenance and care of flowers and shrubs at the Fairview Cemetery.

City Home and TB Hospital:

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

Books for the Library:

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

JL Dillman water fowl:

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