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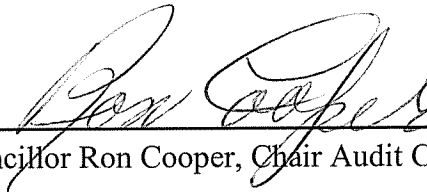


PO Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Halifax Regional Council**  
**July 13, 2004**

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**

  
Councillor Ron Cooper, Chair Audit Committee

**DATE:** July 7, 2004

**SUBJECT:** Audited Financial Statements, March 31, 2004

**ORIGIN**

Audit committee meeting of July 7, 2004.

**RECOMMENDATION**

It is recommended that:

The Halifax Regional Municipality's audited financial statements for the year ended March 31, 2004 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 \$713k for the year ended March 31, 2004. After adjusting for area rate results for the year, the operating result for the year ended March 31, 2004 is basically break-even with a small general rate surplus of \$44k. This is consistent with the 2004/05 budget assumptions of no surplus/deficit carryforward.

An Audit Committee meeting was held on June 8, 2004 where representatives from KPMG, HRM's external auditors, presented their Audit Plan and discussed the key responsibilities of the Audit Committee, Management and the External Auditors regarding financial statement reporting. There was discussion of Management's responsibility to prepare the financial statements and notes, in accordance with the disclosed basis of accounting and to design, implement and maintain effective internal control over financial reporting. The External Auditors conduct their audit in accordance with Canadian Generally Accepted Auditing Standards and express an opinion on the financial statements based on the audit. The Audit Committee oversees the control environment and meets with Management, External and Internal Auditors to discuss the effectiveness of internal controls and to review and discuss the annual financial statements.

The Audit Committee met on July 7, 2004 to review and discuss the annual financial statements as prepared and presented by Management and representatives from KPMG presented their report of Audit Findings to Audit Committee. The auditors included a summary of their audit which indicated:

- completed all fieldwork
- had access to all records and information required
- full cooperation from management and staff
- received appropriate management representations
- no disagreements with management [no unresolved differences of opinion]
- no significant weaknesses in internal control identified from the audit.

The draft financial statements and audit opinion are attached to this Council report. The financial statements present gross revenue and gross expenditures for the various business units.

For Council's information, unaudited financial reports are also attached to this Council report which provide a statement of gross revenues and expenditures with comparisons to the third quarter financial report and a breakdown of net results by business unit with comparisons to budget, third quarter projections and final year-end results.

**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, 2004.

Unaudited statement of operations with comparison to budget and third quarter projection.

Unaudited net results by business unit with comparison to budget and third quarter projection.

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

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Financial Statements of

**HALIFAX REGIONAL  
MUNICIPALITY**

Year ended March 31, 2004

## AUDITORS' REPORT

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

We have audited the Operating Fund, Capital Fund and Special Reserve Funds balance sheets of Halifax Regional Municipality as at March 31, 2004 and the statements of operations, equity in capital assets and capital financing 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 Municipality as at March 31, 2004 and the results of its operations and the changes in its capital position for the year then ended in accordance with the basis of accounting described in Note 1 to the financial statements.

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

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

Chartered Accountants

Halifax, Canada  
June 30, 2004

# HALIFAX REGIONAL MUNICIPALITY

## Financial Statements

Year ended March 31, 2004

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# HALIFAX REGIONAL MUNICIPALITY

## Statement of Operations

**DRAFT**

Year ended March 31, 2004, with comparative figures for 2003  
(In thousands of dollars)

	Schedule	Budget	2004 Actual	2003 Actual
Revenue:				
Taxes	1	\$ 408,398	\$ 411,953	375,155
Payments in lieu of taxes	2	20,964	21,528	21,429
Revenue from own sources	2	13,415	16,017	14,271
Unconditional transfers from other governments	2	3,412	3,445	3,190
Conditional transfers from other governments	3	3,091	3,167	3,091
Departmental revenue	3	79,943	81,626	88,561
		529,223	537,736	505,697
Expenditure:				
Governance	4	7,523	7,306	6,677
Environmental Management Services	4	51,808	52,375	53,850
Financial Services	4	8,906	8,699	8,183
Human Resources	4	3,397	3,030	2,959
Legal Services	5	1,513	1,846	1,663
Real Property and Asset Management	5	24,942	26,574	25,472
Shared Services	5	14,155	13,782	12,581
Planning and Development Services	5	7,354	7,241	7,011
Public Works and Transportation	6	77,986	80,094	80,532
Fire and Emergency Services	6	38,823	39,003	36,523
Regional Police	6	55,610	56,450	54,307
Emergency 911 Communications	6	4,051	4,193	3,937
Recreation, Tourism, and Culture	7	15,683	15,661	15,233
Library	7	15,361	15,523	14,842
Transfers to reserves	7	11,051	9,236	3,168
Fiscal Services	7	191,060	193,750	178,327
		529,223	534,763	505,265
Excess of revenue over expenditure before extraordinary item		—	2,973	432
Extraordinary item:				
Gain on reduction in valuation allowance due to policy change (note 13)		—	—	6,431
Transfer to reserves		—	—	(6,431)
Costs associated with Hurricane Juan, net of estimated recoveries (note 14)		—	(2,260)	—
Excess of revenue over expenditure		\$ —	\$ 713	\$ 432

See accompanying notes to financial statements.

# HALIFAX REGIONAL MUNICIPALITY

## Operating Fund Balance Sheet

**DRAFT**

March 31, 2004, with comparative figures for 2003  
(In thousands of dollars)

	2004	2003
<b>Assets</b>		
Cash, short-term deposits and investments	\$ 140,895	\$ 106,133
Receivables:		
Taxes, net of allowance of \$2,524 (2003 - \$5,210)	20,683	16,542
Local improvement charges	6,769	4,820
Federal government and its agencies, net of allowance of \$9,055 (2003 - \$11,118)	2,744	4,769
Provincial government and its agencies, net of allowance of \$0 (2003 - \$0)	12,905	4,608
Own funds and agencies	97,586	91,303
Other receivables, net of allowance of \$1,846 (2003 - \$2,525)	8,772	5,966
	149,459	128,008
Loans and advances	4,004	3,212
Tangible assets:		
Inventories, at cost	3,801	3,302
Properties acquired at tax sale	179	179
	3,980	3,481
Other assets:		
Deferred transition costs, net of amortization of \$ 14,166 (2003 - \$11,805)	9,443	11,804
Prepaid expenses	1,125	1,754
Deferred debt discount	1,621	1,408
	12,189	14,966
	\$ 310,527	\$ 255,800



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	2004	2003
<b>Liabilities and Accumulated Surplus</b>		
Payables:		
Federal government and its agencies	\$ 2,286	\$ 2,194
Provincial government and its agencies	10,610	10,145
Own funds and agencies	216,155	171,907
Trade accounts	7,523	4,284
Accrued liabilities	42,925	40,024
Other	4,092	3,764
	<u>283,591</u>	<u>232,318</u>
Other liabilities:		
Prepayment of taxes	13,595	13,782
Deferred revenue	12,303	9,017
	<u>25,898</u>	<u>22,799</u>
Accumulated surplus (note 2)	1,038	683
Commitments (notes 6 and 8)		
Contingencies (note 7)		
	<u>\$ 310,527</u>	<u>\$ 255,800</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

**DRAFT**

March 31, 2004, with comparative figures for 2003  
(In thousands of dollars)

	2004	2003
<b>Assets</b>		
Receivables:		
Federal government	\$ 3,001	\$ 29
Provincial government	1,169	624
Other local governments	394	189
Other receivables, net of allowances of \$51 (2003 - \$51)	114	118
	<u>4,678</u>	<u>960</u>
Loans and advances	764	480
Tangible assets:		
Fixed assets (note 3)	1,416,298	1,356,785
Assets under capital lease	12,919	12,919
Work in progress	179,261	154,815
	<u>1,608,478</u>	<u>1,524,519</u>
Other assets:		
Unamortized deferred charges	3,361	3,214
Capital contribution, Neptune Theatre	200	250
Deposits, Province of Nova Scotia	—	210
	<u>3,561</u>	<u>3,674</u>
	<u>\$ 1,617,481</u>	<u>\$ 1,529,633</u>

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	2004	2003
<b>Liabilities and Equity</b>		
Payables:		
Trade payables and contractors' holdbacks	\$ 16,457	\$ 7,733
Own funds and agencies	20,631	42,372
	37,088	50,105
Performance guarantee cheques	—	210
Funding received on work in progress:		
Federal/Provincial/Municipal infrastructure program	12,265	4,678
Province of Nova Scotia	14,588	15,440
Operating fund	46,203	24,710
Reserves	49,020	29,133
Other	5,692	11,552
	127,768	85,513
Current portion of long-term debt (note 4)	41,948	37,316
	206,804	173,144
Long-term debt (Schedule 8)	203,146	202,038
Obligations under capital leases (note 5)	14,356	14,694
Equity in capital assets	1,193,175	1,139,757
	\$ 1,617,481	\$ 1,529,633

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

**DRAFT**

Year ended March 31, 2004, with comparative figures for 2003  
(In thousands of dollars)

	2004	2003
Balance, beginning	\$ 1,139,757	\$ 1,086,283
Add:		
Fixed assets provided by:		
Centennial Arena	24	—
Cole Harbour Place	97	—
Sackville Sports Stadium	59	—
Dartmouth Sportsplex Community Association	105	20
Halifax Forum Community Association	148	47
	433	67
Funding for capital purposes:		
Federal/Provincial/Municipal infrastructure program	496	1,591
Province of Nova Scotia	898	1,234
Operating fund	5,241	7,884
Reserves	8,331	9,086
Other	6,037	753
	21,003	20,548
Debentures redeemed from operating fund:		
Gross redemptions	37,316	41,075
Balloon payment from debenture proceeds	(897)	(4,376)
	36,419	36,699
Capital purchases from reserve funds	—	296
Capital from operations	66	22
Other recoveries	439	480
	505	798
	1,198,117	1,144,395
Deduct:		
Write down of capital assets	4,777	4,487
Costs of assets transferred to Halifax Regional Water		
Commission	115	56
Miscellaneous	50	95
	4,942	4,638
Balance, ending	\$ 1,193,175	\$ 1,139,757

See accompanying notes to financial statements.

# HALIFAX REGIONAL MUNICIPALITY

## CAPITAL FUND

### Statement of Capital Financing

**DRAFT**

Year ended March 31, 2004, with comparative figures for 2003  
(In thousands of dollars)

	2004	2003
Source of:		
Funds available, beginning of year:		
Receivables	\$ 1,064	\$ 941
Proceeds from debenture:		
Gross proceeds	43,056	36,817
Balloon payments on refinancing	(897)	(4,376)
	42,159	32,441
Increase in obligations under capital lease	146	257
Capital funding:		
Infrastructure	8,082	943
Province of Nova Scotia	464	2,257
Operating fund	23,342	15,819
Reserve fund withdrawals	27,883	12,817
Other	3,550	3,391
	63,321	35,227
Balance temporarily financed, end of year:		
Payables	16,457	7,733
Own funds and agencies	20,631	42,372
	37,088	50,105
	\$ 143,778	\$ 118,971
Application:		
Balance temporarily financed, beginning of year:		
Payables	\$ 7,733	\$ 7,305
Own funds and agencies	42,372	32,178
	50,105	39,483
Capital asset acquisition:		
Acquisition	88,351	77,532
Increase in unamortized deferred charges	146	129
Transfer to capital reserves	65	763
Funds available for application, end of year:		
Receivables	5,111	1,064
	\$ 143,778	\$ 118,971

See accompanying notes to financial statements.

# HALIFAX REGIONAL MUNICIPALITY

Capital Reserve Funds  
Balance Sheet

March 31, 2004

(in thousands of dollars)

	Sale of Capital Assets	Sewer Redevelopment	Parkland	Landfill Closure	Capital Surplus	Water Treatment Plant Infrastructure	Other	Equipment	Total 2004	Total 2003
<b>Assets</b>										
Receivable from operating fund	\$ 12,831	\$ 6,009	\$ 1,243	\$ 9,572	\$ 2,477	\$ 4,044	\$ 17,052	\$ 2,365	\$ 55,593	\$ 41,582
Other receivables	2,134	808							2,942	2,786
	\$ 14,965	\$ 6,817	\$ 1,243	\$ 9,572	\$ 2,477	\$ 4,044	\$ 17,052	\$ 2,365	\$ 58,535	\$ 44,368
<b>Liabilities and Equity</b>										
<b>Liabilities:</b>										
Accounts Payable	\$ 76	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76	\$ -
Deposits	64								64	100
Deferred revenue	1,734								1,734	1,686
	1,874								1,874	1,786
<b>Equity:</b>										
Balance, beginning of year	11,567	6,968	925	11,629	2,158	3,698	3,979	1,658	42,582	34,608
Additions		1,755							1,755	1,762
Levies										
Contributions										
Interest	562	282	33	325	65	115	277	78	1,737	1,161
Other revenue	174	62	341		38		45	33	693	655
	6,809		25				3	209	7,046	3,474
Deductions										
Acquisition of assets	(5)		70						65	1,701
Other expenditures	716		8						724	126
Transfer to (from) operating fund	(53)			(1,300)	(377)	(8)	(13,731)	(310)	(15,779)	(10,982)
Transfer to (from) capital fund	5,279	2,250	3	3,682	161	777	882	327	13,361	9,409
Transfer within reserve fund	84					(1,000)	101	(404)	(1,219)	(1,176)
	6,021	2,250	81	2,382	(216)	(231)	(12,748)	(387)	(2,848)	(922)
Balance, end of year	13,091	6,817	1,243	9,572	2,477	4,044	17,052	2,365	56,661	42,582
	\$ 14,965	\$ 6,817	\$ 1,243	\$ 9,572	\$ 2,477	\$ 4,044	\$ 17,052	\$ 2,365	\$ 58,535	\$ 44,368
<b>Allocation of reserves:</b>										
Available equity	\$ 13,091	\$ 6,817	\$ 1,243	\$ 9,572	\$ 2,477	\$ 4,044	\$ 17,052	\$ 2,365	\$ 56,661	\$ 42,582
Appropriated	5,322	3,190	259	678	612	2,992	13	991	14,057	13,137
Unappropriated	\$ 7,769	\$ 3,627	\$ 984	\$ 8,894	\$ 1,865	\$ 1,052	\$ 17,039	\$ 1,374	\$ 42,604	\$ 29,445

See accompanying notes to financial statements.

Approved on behalf of the Halifax Regional Municipality:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Municipal Clerk

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# HALIFAX REGIONAL MUNICIPALITY

Operating Reserve Funds  
Balance Sheet

March 31, 2004

(in thousands of dollars)

	Pollution Control	Variable Operating Stabilization	Service Improvement	Self Insurance	Snow and Ice Control	Other	Total 2004	Total 2003
<b>Assets</b>								
Receivable from operating fund	\$ 79,589	\$ 2,375	\$ 1,797	\$ 817	\$ 2,559	\$ 2,433	\$ 89,570	\$ 85,079
Other receivables	10,820		146				10,966	9,975
	\$ 90,409	\$ 2,375	\$ 1,943	\$ 817	\$ 2,559	\$ 2,433	\$ 100,536	\$ 95,054
<b>Liabilities and Equity</b>								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6	\$ 6	\$ 47
Deferred revenue			146				146	217
			146				152	264
<b>Equity:</b>								
Balance, beginning of year	84,153	2,703	1,728	1,701	2,580	1,925	94,790	74,218
Additions								
Levies	32,861						32,861	31,993
Interest	2,490	76	55	50	79	68	2,818	2,026
Sale of assets						27	27	29
Other revenue	10					572	582	2,618
	119,514	2,779	1,783	1,751	2,659	2,592	131,078	110,884
Deductions								
Other expenditures						882	882	1,005
Transfer to (from) operating fund	14,319		(286)	934	100	(929)	14,136	9,267
Transfer to (from) capital fund	13,786		274			397	14,457	4,646
Transfer within reserve fund	1,000	404				(185)	1,219	1,176
	29,105	404	(14)	934	100	165	30,694	16,094
Balance, end of year	90,409	2,375	1,797	817	2,559	2,427	100,384	94,790
	\$ 90,409	\$ 2,375	\$ 1,943	\$ 817	\$ 2,559	\$ 2,433	\$ 100,536	\$ 95,054
<b>Allocation of reserves:</b>								
Available equity	\$ 90,409	\$ 2,375	\$ 1,797	\$ 817	\$ 2,559	\$ 2,427	\$ 100,384	\$ 94,790
Appropriated	66,604	404	367			1,003	68,378	73,304
Unappropriated	\$ 23,805	\$ 1,971	\$ 1,430	\$ 817	\$ 2,559	\$ 1,424	\$ 32,006	\$ 21,486

See accompanying notes to financial statements.

Approved on behalf of the Halifax Regional Municipality:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Municipal Clerk

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# HALIFAX REGIONAL MUNICIPALITY

## Notes to Financial Statements

**DRAFT**

Year ended March 31, 2004  
(In thousands of dollars)

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### 1. Significant accounting policies:

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

The basis of accounting used in these financial statements differs materially from generally accepted accounting principles as prescribed by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants (PSAB). The significant differences between MARM and PSAB are described below. PSAB requires that:

- Financial statements be prepared on a consolidated basis to reflect the assets, liabilities, revenues and expenditures, and changes in net assets and in financial position of the reporting entity where the reporting entity is comprised of all organizations, commissions and agencies accountable to the HRM for the administration of their financial affairs and resources and which are owned or controlled by the HRM. This would include, at a minimum, the individual funds represented in these March 31, 2004 financial statements - Operating Fund, Capital Fund and Reserve Funds – and the Halifax Regional Water Commission, a public utility owned by the HRM. The consolidated financial statements prepared in accordance with PSAB would include a Statement of Financial Position, Statement of Financial Activities and a Statement of Changes in Financial Position,
- Revenue and expenditures be recorded on a full accrual basis, and,
- Expenditures on capital assets be reported on the Statement of Financial Activities in the year incurred.

As outlined in a report to Regional Council, it has been recommended that financial statements in compliance with PSAB be prepared for the fiscal year ending March 31, 2005.

#### (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.



# HALIFAX REGIONAL MUNICIPALITY

Notes to Financial Statements

**DRAFT**

Year ended March 31, 2004  
(In thousands of dollars)

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## 1. Accounting policies (continued):

### (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 \$ 6.7 million (2003 - \$4.8 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 which work has been completed at the balance sheet date. At March 31, 2004, contracts outstanding totalled approximately \$ 52 million (2003 - \$16 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, 2004.

### (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.

### (e) Valuation allowances (note 13):

#### Uncollected taxes:

The Municipality provides an allowance for uncollected taxes which is based on a review of individual accounts plus a percentage of the remaining balances based on past collection experience. Based on the past collection experience the rates are as follows:

- 1% of commercial and residential taxes outstanding at the end of the current year which have been outstanding less than one year (2003 - 2%) plus;
- 5% of commercial and residential taxes outstanding at the end of the current year which have been outstanding for one to two years (2003 - 10%) plus;
- 10% of commercial and residential taxes outstanding at the end of the current year which have been outstanding for two to three years (2003 - 20%) plus;
- 20% of commercial and residential taxes outstanding at the end of the current year which have been outstanding for greater than three years plus;
- 20% of business occupancy taxes outstanding at the end of the current year which have been outstanding less than one year plus;
- 100% of business occupancy taxes outstanding at the end of the current year which have been outstanding for over one year.

# HALIFAX REGIONAL MUNICIPALITY

Notes to Financial Statements

**DRAFT**

Year ended March 31, 2004  
(In thousands of dollars)

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## **1. Accounting policies (continued):**

Other receivables:

The Municipality provides an allowance for all other receivables based on a review of the individual accounts outstanding at the end of the year. The amount is estimated taking into consideration all circumstances known at the date of the review.

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.

# HALIFAX REGIONAL MUNICIPALITY

Notes to Financial Statements

**DRAFT**

Year ended March 31, 2004  
(In thousands of dollars)

## 2. Accumulated surplus:

	2004	2003
Balance, beginning of year	\$ 683	\$ 2,274
Excess of revenue over expenditure	713	432
Transfer to revenue	(358)	(2,023)
Balance, end of year	\$ 1,038	\$ 683
Allocation of surplus:		
Restricted - Area Rates	\$ 994	\$ 552
Unrestricted	44	131
	\$ 1,038	\$ 683

## 3. Fixed assets:

	2004	2003
Land	\$ 129,867	\$ 127,685
Buildings	338,052	326,124
Infrastructure	810,757	792,168
Machinery and equipment	137,622	110,808
	\$ 1,416,298	\$ 1,356,785

## 4. Long-term debt:

Principal payments required in each of the next five years on debt held as at March 31, 2004 are as follows:

2004/05	\$ 41,948
2005/06	38,128
2006/07	35,177
2007/08	32,126
2008/09	33,007

# HALIFAX REGIONAL MUNICIPALITY

Notes to Financial Statements

**DRAFT**

Year ended March 31, 2004  
(In thousands of dollars)

## 5. Obligations under capital leases:

The Municipality has long-term lease commitments with interest rates ranging from 3.2% to 12.125%. Future minimum payments including interest as at March 31, 2004 are as follows:

2004/05	\$	1,574
2005/06		1,639
2006/07		1,704
2007/08		1,752
2008/09		1,740
2009/10 to 2054/55		81,046
		89,455
Less interest		(75,099)
	\$	14,356

In addition, the Municipality has a long-term lease agreement, which was entered into in April 2004, with an interest rate of 4.5%. Future minimum payments including interest are as follows:

2004/05	\$	111
2005/06		111
2006/07		112
		334
Less interest		(41)
	\$	293

## 6. Commitments:

- The Municipality rents facilities under several long-term operating leases with aggregate annual payments approximating \$ 3.2 million (2003 - \$3.0 million).
- The Municipality has entered into several long-term contracts for waste resources operations, with aggregate annual payments approximating \$ 28 million (2003 - \$27.4 million).
- The Harbour Solutions Project's capital budget of \$333 million has been re-affirmed by HRM Council. The project is to be financed by the Environmental Protection Reserve, funds provided by the Governments of Nova Scotia and Canada, and borrowed funds. A debt of \$130 million has been approved which will be repaid over 20 years through the Environmental Protection Levy.

# HALIFAX REGIONAL MUNICIPALITY

Notes to Financial Statements

**DRAFT**

Year ended March 31, 2004  
(In thousands of dollars)

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## 7. Contingencies:

- (a) As of March 31, 2004 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, 2004 this outstanding debt was \$ 48.4 million (2003 - \$50.4 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.

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 and interest, with \$1.2 million (2003 - \$1.8 million) being transferred in the current fiscal year.

The reserve funded \$1.2 million (2003 - \$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

# HALIFAX REGIONAL MUNICIPALITY

Notes to Financial Statements

**DRAFT**

Year ended March 31, 2004  
(In thousands of dollars)

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## 8. Landfill Closure Post Closure Costs (continued):

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 and interest, with \$1.5 million (2003 - \$1.2 million) being transferred in the current fiscal year.

The reserve funded \$3.6 million (2003 - 0) in the current year associated with cell closure costs.

## 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 January 1, 2003.

An extrapolation of the January 1, 2003 actuarial valuation to December 31, 2003 is as follows:

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Actuarial value of plan assets	\$ 805,024
Actuarial value of plan liabilities	786,651
Surplus	18,373

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

## 10. Retiring allowance and bridging programs:

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 date of the last actuarial valuation was March 31, 2004. The actuarial liability as at March 31, 2004 is \$13.5 million (2003 - \$10.9 million). Retiring allowances paid in the current year were \$0.7 million (2003 - \$0.5 million).

Payments are being made to former employees in conjunction with various retirement bridging programs that were in place at and prior to amalgamation. The present value of these liabilities included in the financial statements as at March 31, 2004 is \$8.25 million (2003 - \$7.6 million).

# HALIFAX REGIONAL MUNICIPALITY

Notes to Financial Statements

**DRAFT**

Year ended March 31, 2004  
(In thousands of dollars)

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## **11. Miscellaneous Trust Funds:**

Miscellaneous Trust Funds administered by the Municipality are reported on separately. The total trust assets under administration at March 31, 2004 are \$ 5.4 million (2003 - \$5.3 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 \$2.2 million (2003 - \$2.1 million).

(b) The Halifax Regional School Board:

The Municipality provided a mandatory contribution in the amount of \$67 million (2003 - \$64 million) and an optional contribution of \$21 million (2003 - \$21 million) to the Halifax Regional School Board.

## **13. Valuation allowance policy:**

For the fiscal year ended March 31, 2003, in accordance with the change in the Accounting Principle for Valuation Allowance as prescribed for Nova Scotia Municipalities by Service Nova Scotia and Municipal Relations (SNSMR), the Municipality changed its policy for providing an allowance for uncollected taxes and other receivables. The change in accounting policy resulted in a reduction of the valuation allowance in the amount of \$6.4 million and a resulting transfer of the reduction to the Operating Reserves. The valuation allowance policy is now as outlined in note 1(e).

## **14. Hurricane Juan:**

On September 28, 2003, Hurricane Juan, a category 2 storm, hit central Nova Scotia passing directly over Halifax Regional Municipality and a state of emergency was declared. In addition to the large cleanup effort and emergency response required, the municipality suffered significant damage to its critical infrastructure. Clean-up costs to March 31, 2004 have totalled \$11.7 million. Costs associated with the clean-up are being recovered through insurance claims, charitable donations, Disaster Financial Assistance Agreement (DFAA), and the overall operating budget. Estimated recoveries of \$9.4 million from insurance, charitable donations and the DFAA have been accrued in the financial statements relative to the \$11.7 million in costs incurred to the financial statement date for a net impact on the operating budget of \$2.3 million.

# HALIFAX REGIONAL MUNICIPALITY

Notes to Financial Statements

*DRAFT*

Year ended March 31, 2004  
(In thousands of dollars)

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## **15. 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, 2004, with comparative figures for 2003  
(In thousands of dollars)

**DRAFT**

	Budget	2004 Actual	2003 Actual
<b>Revenue:</b>			
Taxes:			
Property Taxes:			
Residential	\$ 192,772	\$ 192,849	\$ 173,072
Commercial	110,250	110,639	102,204
Business Occupancy	44,108	43,924	40,941
Commercial Equipment	246	288	570
Resource	1,760	1,775	1,524
Forestry	150	145	141
	349,286	349,620	318,452
Area Rates:			
Protective Services	7,123	7,493	3,751
Other - Educational Services	20,846	20,855	21,108
	27,969	28,348	24,859
Tax Agreements:			
MTT	4,294	3,932	4,016
Nova Scotia Liquor Commission	1,045	1,187	1,045
Nova Scotia Power Inc.	2,509	2,510	2,510
Other	470	435	478
	8,318	8,064	8,049
Other Taxes:			
Deed Transfer Taxes	21,000	24,456	21,858
Local Improvement Charges	1,825	1,465	1,937
	22,825	25,921	23,795
	\$ 408,398	\$ 411,953	\$ 375,155

**HALIFAX REGIONAL MUNICIPALITY**

## Schedules to Statement of Operations

**DRAFT**

Year ended March 31, 2004, with comparative figures for 2003  
(In thousands of dollars)

	Budget	2004 Actual	2003 Actual
Payments in Lieu of Taxes:			
Canadian Broadcasting Corporation	\$ 387	\$ 372	\$ 387
Federal Government	14,483	15,003	14,934
Halifax Port Corporation	1,216	1,202	1,216
Provincial Government	3,870	3,969	3,871
Via Rail	100	100	102
Workers' Compensation Board	152	152	152
Canada Post Corporation	470	428	472
Other	286	302	295
	<b>\$ 20,964</b>	<b>\$ 21,528</b>	<b>\$ 21,429</b>
Revenue from Own Sources:			
Interest on Taxes and Capital Charges	\$ 2,400	\$ 2,370	\$ 2,052
Interest on Investments	4,470	7,112	5,387
Miscellaneous	155	366	1,128
Parking Meters	1,900	1,815	1,872
Parking Rentals	1,450	1,264	1,082
Dividend, Halifax Regional Water Commission	3,040	3,090	2,750
	<b>\$ 13,415</b>	<b>\$ 16,017</b>	<b>\$ 14,271</b>
Unconditional Transfers from Other Governments:			
Nova Scotia Farm Property Acreage	\$ 42	\$ 60	\$ 47
Power Corporation – HST Rebate	3,370	3,385	3,143
	<b>\$ 3,412</b>	<b>\$ 3,445</b>	<b>\$ 3,190</b>

**HALIFAX REGIONAL MUNICIPALITY**

## Schedules to Statement of Operations

**DRAFT**

Year ended March 31, 2004, with comparative figures for 2003  
(In thousands of dollars)

	Budget	2004 Actual	2003 Actual
Conditional Transfers from Other Governments:			
Provincial Government for the			
Halifax Regional Library	\$ 2,987	\$ 3,063	\$ 2,987
Public Housing Amortization	104	104	104
	\$ 3,091	\$ 3,167	\$ 3,091
Departmental Revenue:			
Governance	\$ 817	\$ 922	\$ 860
Environmental Management Services	23,377	24,047	23,209
Financial Services	4,210	4,087	4,219
Human Resources	—	3	30
Legal Services	24	25	65
Real Property and Asset Management	3,092	4,180	3,461
Shared Services	442	706	725
Planning and Development Services	3,167	3,663	3,673
Public Works and Transportation	36,260	33,538	34,738
Fire and Emergency Services	229	408	7,546
Regional Police	1,559	2,410	2,563
Emergency 911 Communications	8	119	92
Recreation, Tourism, and Culture	6,224	6,718	6,581
Library	534	800	799
Total	\$ 79,943	\$ 81,626	\$ 88,561

**HALIFAX REGIONAL MUNICIPALITY**

Schedules to Statement of Operations

**DRAFT**

Year ended March 31, 2004, with comparative figures for 2003  
(In thousands of dollars)

	Budget	2004 Actual	2003 Actual
<b>Expenditure:</b>			
Governance:			
Administration	\$ 1,696	\$ 1,613	\$ 1,475
Economic Marketing and Promotion	1,175	1,106	1,244
Councilors' Support	1,818	1,834	1,758
Mayor's Support	627	596	580
Business District Commissions	796	783	726
Special Projects	1,211	1,156	767
Elections	200	218	127
	<b>\$ 7,523</b>	<b>\$ 7,306</b>	<b>\$ 6,677</b>
Environmental Management Services:			
Former Solid Waste System	\$ 3,015	\$ 3,036	\$ 3,875
Waste Resources	38,892	39,412	40,268
Wastewater Treatment	5,866	5,994	6,057
Environmental Services	679	686	669
Parks and Natural Area Services	265	286	259
Community Projects	3,091	2,961	2,722
	<b>\$ 51,808</b>	<b>\$ 52,375</b>	<b>\$ 53,850</b>
Financial Services:			
Administration	\$ 847	\$ 783	\$ 865
Revenue	3,057	2,955	2,682
Accounting	1,858	1,887	1,915
Procurement	2,554	2,578	2,185
Financial Planning Services	590	496	536
	<b>\$ 8,906</b>	<b>\$ 8,699</b>	<b>\$ 8,183</b>
Human Resources:			
Administration	\$ 202	\$ 210	\$ 285
Organizational Development	1,436	1,052	689
Client Services	975	944	1,358
Core Services	784	824	627
	<b>\$ 3,397</b>	<b>\$ 3,030</b>	<b>\$ 2,959</b>

**HALIFAX REGIONAL MUNICIPALITY**

Schedules to Statement of Operations

**DRAFT**

Year ended March 31, 2004, with comparative figures for 2003  
(In thousands of dollars)

	Budget	2004 Actual	2003 Actual
Legal Services	\$ 1,513	\$ 1,846	\$ 1,663
Real Property and Asset Management Services:			
Administration/Service Delivery	\$ 992	\$ 1,338	\$ 475
Operations	21,587	22,356	22,555
Fleet	166	574	31
Capital Management	683	714	543
Planning	583	668	713
Real Estate	931	924	1,155
	\$ 24,942	\$ 26,574	\$ 25,472
Shared Services:			
Director's Office	\$ 387	\$ 309	\$ 245
Data/Knowledge Management	1,115	1,025	952
Information Technology	8,076	7,786	7,118
Customer Services	4,577	4,662	4,266
	\$ 14,155	\$ 13,782	\$ 12,581
Planning and Development Services:			
Development Services	\$ 5,138	\$ 5,118	\$ 4,930
Planning Services	2,216	2,123	2,081
	\$ 7,354	\$ 7,241	\$ 7,011

**HALIFAX REGIONAL MUNICIPALITY**

Schedules to Statement of Operations

**DRAFT**

Year ended March 31, 2004, with comparative figures for 2003  
(In thousands of dollars)

	Budget	2004 Actual	2003 Actual
Public Works and Transportation:			
Administration	\$ 561	\$ 470	\$ 487
Engineering Services	5,756	5,463	5,163
Streets and Roads	9,197	9,319	9,274
Snow and Ice Control Functions	10,717	15,222	15,439
Technical and Underground	11,541	8,155	10,051
Street lighting	4,989	4,960	4,989
Metro Transit Services	35,225	36,505	35,129
	<b>\$ 77,986</b>	<b>\$ 80,094</b>	<b>\$ 80,532</b>
Fire and Emergency Services:			
Operations	\$ 23,201	\$ 22,746	\$ 22,524
Training	1,134	1,081	1,013
Prevention	1,520	1,608	1,331
Administration	2,302	2,472	2,076
Mechanical Maintenance	1,227	1,496	1,251
Buildings and Logistic	1,351	1,445	1,117
Rural Departments	7,865	7,973	7,009
Safety and Strategic Initiatives	223	182	202
	<b>\$ 38,823</b>	<b>\$ 39,003</b>	<b>\$ 36,523</b>
Regional Police:			
Outside Policing	\$ 15,889	\$ 15,903	\$ 15,200
Chief's Office	1,086	1,534	1,772
Administration	3,741	4,110	4,057
Operational Support	5,061	4,678	4,445
Operations	29,833	30,225	28,833
	<b>\$ 55,610</b>	<b>\$ 56,450</b>	<b>\$ 54,307</b>
Emergency 911 Communications	<b>\$ 4,051</b>	<b>\$ 4,193</b>	<b>\$ 3,937</b>

# HALIFAX REGIONAL MUNICIPALITY

## Schedules to Statement of Operations

Year ended March 31, 2004, with comparative figures for 2003  
(In thousands of dollars)

**DRAFT**

	Budget	2004 Actual	2003 Actual
Recreation, Tourism, and Culture:			
Market Development	\$ 1,504	\$ 1,515	\$ 1,424
Administration	874	766	700
Visitors Services	600	611	561
Heritage and Culture	550	563	457
Civic Events	779	1,047	860
Recreation and Leisure Programs	10,150	10,212	10,341
Area Rate Service	833	474	318
Area Services	63	143	242
Transfers	330	330	330
	\$ 15,683	\$ 15,661	\$ 15,233
Library	\$ 15,361	\$ 15,523	\$ 14,842
Transfers to Reserves:			
Transfer to Reserves	\$ 7,800	\$ 7,784	\$ 3,772
Transfer to (from) Valuation Allowance	3,251	1,452	(604)
	\$ 11,051	\$ 9,236	\$ 3,168
Fiscal Services:			
Halifax Regional School Board	\$ 87,426	\$ 88,446	\$ 84,572
Debt Charges	37,358	38,871	35,491
Capital from Operating	29,331	28,993	21,604
Assessment Services	4,721	4,384	4,333
Amortization of Deferred Transition Costs	2,361	2,361	2,361
Correctional Centre	6,791	6,806	6,568
Metropolitan Regional Housing Authority	2,200	2,240	2,050
Grants and Tax Concessions	3,394	3,353	3,849
Insurance	3,285	3,285	2,974
World Trade Centre	529	504	499
Surplus from Operations	—	(131)	(740)
Fire Protection	7,377	7,765	7,152
General	6,287	6,873	7,614
	\$ 191,060	\$ 193,750	\$ 178,327

March 31, 2004, with comparative figures for 2003  
(in thousands of dollars)

	Term (years)	Interest Rate - %	Matures	Balance March 31 2003	Issued	Redeemed	Balance March 31 2004
<b>General</b>							
66C	40	6.25	2006	100		25	75
67A	40	6.50	2007	152		38	114
				252		63	189
<b>C.M.H.C.</b>							
65B	40	5.13	2004	16		11	5
66E	40	5.13	2006	117		37	80
79B	30	6.25	2009	11		1	10
				144		49	95
<b>M.F.C.</b>							
85-A-1	20	12.5	2005	112		37	75
93-A-1	10	7.375/8.5	2003	1,544		1,544	0
93-A-1	10	5.25/7.625	2003	1,129		1,129	0
94-A-1	10	8.25/9.25	2004	3,735		1,149	2,586
94-A-1	10	8.375/9.75	2004	852		426	426
94-B-1	10	8.375/9.75	2004	2,406		421	1,985
95-A-1	10	8.25/9.125	2005	1,500		500	1,000
95-A-1	10	6.875/8.125	2005	5,071		1,048	4,023
95-B-1	10	6.875/8.125	2005	3,600		1,200	2,400
96-A-1	10	5.5/8.0	2006	4,216		459	3,757
96-B-1	10	4.75/7.5	2006	600		150	450
97-A-1	10	4.5/7	2007	27,420		5,484	21,936
97-B-1	10	4.25/6.25	2007	6,950		1,390	5,560
98-A-1	10	5.0/5.5	2008	21,000		3,500	17,500
98-B-1	10	4.625/5.625	2008	31,969		4,328	27,641
99-A-1	10	4.75/5.375	2009	19,825		1,724	18,101
99-B-1	10	5.75/6.75	2009	21,000		3,000	18,000
00-A-1	10	6.25/6.875	2010	13,100		2,200	10,900
00-B-1	10	5.875/6.375	2010	11,645		1,177	10,468
01-A-1	10	4.375/6.250	2011	14,670		1,630	13,040
01-B-1	10	3.125/6.0	2011	8,927		992	7,935
02-A-1	10	3.375/6.125	2012	24,438		2,444	21,994
02-B-1	10	3.25/5.625	2012	12,379		1,238	11,141
03-A-1	10	3.50/5.375	2013		38,826		38,826
03-B-1	10	2.75/5.00	2013		4,230		4,230
				238,088	43,056	37,170	243,974
<b>Misc.</b>							
5% stock	Permanent	5.0		2			2
				2			2
<b>Sackville Landfill Trust</b>							
Acadia School	20 years	7.0	2018	868		34	834
				868		34	834
				\$ 239,354	43,056	37,316	245,094
							41,948
							203,146



**HALIFAX REGIONAL MUNICIPALITY**

## Schedule of Remuneration of Members of Council and Chief Administrative Officer

**DRAFT**

Year ended March 31, 2004  
(In thousands of dollars)

## Council members:

P. Kelly, Mayor	\$	97
S. Streach, Deputy Mayor		43
H. McInroy, Former Deputy Mayor		46
S. Adams		37
J. Blumenthal		39
K. Colwell		17
R. Cooper		39
J. Cunningham		39
S. Fougere		39
L. Goucher		39
R. Harvey		38
D. Hendsbee		14
B. Hetherington		39
G. Hines		16
D. Hum		14
B. Johns		39
G. Meade		39
L. Mosher		39
R. Rankin		39
C. Sarto		39
D. Sloane		39
J. Smith		39
K. Snow		14
S. Uteck		39
R. Walker		39
B. Warshick		39
D. Whalen		16

## Chief Administrative Officer:

George McLellan, Chief Administrative Officer	139
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**HALIFAX REGIONAL MUNICIPALITY**

## Statement of Operations

**DRAFT**

July 7, 2004

Year ended March 31, 2004, with comparatives from third quarter projection  
(In thousands of dollars)

**Unaudited**

	Budget	2004 Forecast	2004 Actual	Variance from Budget
Revenue:				
Taxes	408,398	410,861	411,953	(3,555)
Payments in lieu of taxes	20,964	21,848	21,528	(564)
Revenue from own sources	13,415	15,381	16,017	(2,602)
Unconditional transfers from other governments	3,412	3,425	3,445	(33)
Conditional transfers from other governments	3,091	3,166	3,167	(76)
Departmental revenue	79,943	81,211	81,626	(1,683)
	529,223	535,892	537,736	(8,513)
Expenditure:				
Governance	7,523	7,541	7,306	217
Environmental Services	51,808	52,267	52,375	(567)
Financial Services	8,906	8,736	8,699	207
Human Resources	3,397	3,249	3,030	367
Legal Services	1,513	1,653	1,846	(333)
Real Property and Asset Management	24,942	25,792	26,574	(1,632)
Shared Services	14,155	13,979	13,782	373
Planning and Development Services	7,354	7,380	7,241	113
Public Works and Transportation	77,986	76,980	80,094	(2,108)
Fire and Emergency Services	38,823	38,788	39,003	(180)
Regional Police	55,610	56,282	56,450	(840)
Emergency 911 Communications	4,051	4,245	4,193	(142)
Recreation, Tourism and Culture	15,683	15,581	15,661	22
Library	15,361	15,511	15,523	(162)
Fiscal Services	202,111	203,837	202,986	(875)
	529,223	531,821	534,763	(5,540)
Excess of revenue over expenditure before extraordinary item	0	4,071	2,973	(2,973)
Extraordinary item				
Costs associated with Hurricane Juan, net		3,750	2,260	(2,260)
Excess of revenue over expenditure		321	713	(713)
Allocated to Area Rated Services		0	669	
Surplus (Deficit) - General rate		321	44	

# HALIFAX REGIONAL MUNICIPALITY

## Statement of Operations

**DRAFT**

**July 7, 2004**

Year ended March 31, 2004

(In thousands of dollars)

**Unaudited**

	Budget	2004 Forecast	2004 Actual	Variance from Budget
Governance				
Revenue	817	822	922	105
Expenditure	7,523	7,541	7,306	217
Net	(6,706)	(6,719)	(6,384)	322
Environmental Management Services				
Revenue	23,377	23,883	24,047	670
Expenditure	51,808	52,267	52,375	(567)
Net	(28,431)	(28,384)	(28,328)	103
Financial Services				
Revenue	4,210	4,161	4,087	(123)
Expenditure	8,906	8,736	8,699	207
Net	(4,696)	(4,575)	(4,612)	84
Human Resources				
Revenue			3	3
Expenditure	3,397	3,249	3,030	367
Net	(3,397)	(3,249)	(3,027)	370
Legal Services				
Revenue	24	24	25	1
Expenditure	1,513	1,653	1,846	(333)
Net	(1,489)	(1,629)	(1,821)	(332)
Real Property and Asset Management				
Revenue	3,092	3,753	4,180	1,088
Expenditure	24,942	25,792	26,574	(1,632)
Net	(21,850)	(22,039)	(22,394)	(544)
Shared Services				
Revenue	442	523	706	264
Expenditure	14,155	13,979	13,782	373
Net	(13,713)	(13,456)	(13,076)	637
Planning and Development Services				
Revenue	3,167	3,442	3,663	496
Expenditure	7,354	7,380	7,241	113
Net	(4,187)	(3,938)	(3,578)	609

# HALIFAX REGIONAL MUNICIPALITY

## Statement of Operations

**DRAFT**

**July 7, 2004**

Year ended March 31, 2004

**Unaudited**

(In thousands of dollars)

	Budget	2004 Forecast	2004 Actual	Variance from Budget
Public Works and Transportation				
Revenue	36,260	35,125	33,538	(2,722)
Expenditure	77,986	76,980	80,094	(2,108)
Net	(41,726)	(41,855)	(46,556)	(4,830)
Fire and Emergency Services				
Revenue	229	300	408	179
Expenditure	38,823	38,788	39,003	(180)
Net	(38,594)	(38,488)	(38,595)	(1)
Police Services				
Revenue	1,559	2,271	2,410	851
Expenditure	55,610	56,282	56,450	(840)
Net	(54,051)	(54,011)	(54,040)	11
Emergency 911 Communications				
Revenue	8	203	119	111
Expenditure	4,051	4,245	4,193	(142)
Net	(4,043)	(4,042)	(4,074)	(31)
Recreation, Tourism and Culture				
Revenue	6,224	6,095	6,718	494
Expenditure	15,683	15,581	15,661	22
Net	(9,459)	(9,486)	(8,943)	516
Library				
Revenue	534	609	800	266
Expenditure	15,361	15,511	15,523	(162)
Net	(14,827)	(14,902)	(14,723)	104
Non Departmental				
Revenue	449,280	454,681	456,110	6,830
Expenditure	202,111	203,837	202,986	(875)
Net	247,169	250,844	253,124	5,955
Total before Extraordinary Item				
Revenue	529,223	535,892	537,736	8,513
Expenditure	529,223	531,821	534,763	(5,540)
Net		4,071	2,973	2,973