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Halifax Regional Council  
September 7, 2004

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

**SUBMITTED BY:**

  
Bruce Fisher, Acting Director, Financial Services

**DATE:** August 27, 2004

**SUBJECT:** Year-end Area Rate Surplus/Deficits

## INFORMATION REPORT

### ORIGIN

Presentation of year-end financial statements to Regional Council on July 13, 2004.

### BACKGROUND

The Financial Statements for HRM include the revenues and expenditures relative to the general rates of taxation as well as a number of area tax rates. In presenting the year-end financial statements to Council, staff advised that the surplus of \$713,000 on the Statement of Operations consisted of a general rate surplus of \$44,000 and the remaining \$669,000 related to various area rate accounts. This report provides the make-up of that \$669,000 by area rate.

### DISCUSSION

In setting the budget each year, the budgets for the area rates include the estimated surplus or deficit from the prior year. This amount is normally included in the determination of the next year's area tax rate. The break-down of the \$669,000 by area rate account, is shown in an attachment to this report.

In addition to the area rate accounts, a portion of the \$669,000 surplus relates to capital projects where HRM's debt servicing costs are being recovered through Local Improvement Charges (LICs). There are timing differences between when LIC revenue is received and the debt payments relative to an LIC funded project are made. These differences are tracked in the accounting records such that the revenue and expenditure will be recorded over the period of the LIC collection and the related debt payments without impacting the general tax rate calculation.

### **BUDGET IMPLICATIONS**

The only budget implication is in the annual calculation of the area tax rates which normally take into account the prior year's surplus/deficits. In some cases, funds are placed in reserve through the use of a balance sheet account or are held for future debt commitments.

### **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**

Schedule of March 31, 2004 Year-end Area Rate Surplus/Deficits

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:

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490-6324

Halifax Regional Municipality  
 Continuity Schedule of Area Rated Surplus (Deficit) Accounts  
 For the Year Ended March 31, 2004

Area Rated Recreation	Revenue	Expenditures	Surplus (Deficit)	Surplus (Deficit)	Surplus (Deficit)
	2003/04	2003/04	Current Year	Previous Years	2003/04 closing
Sackville Heights Elementary School	128,698	78,072	50,626		50,626
East Preston Recreation Centre	16,300	13,666	2,634	290	2,924
Mineville Community Association	8,800	2,856	5,944		5,944
Hailburton Highbury Homeowners	25,239	1,067	24,172	22,783	46,955
Beaver Bank Recreation Centre	119,743	0	119,743		119,743
Highland Park Ratepayers	3,931	3,851	80	19,684	19,764
Kingswood Ratepayers Association	51,400	0	51,400	51,885	103,285
Prospect Rd Recreation	86,172	59,878	26,294	15,511	41,805
Westwood Hills Residents Association	18,500	5,926	12,574		12,574
Upper Hammonds Plains Community Ctr	16,842	19,469	(2,627)		(2,627)
Harrietsfield Recreation Ctr	35,562	35,483	79		79
Musquodoboit Harbour	4,904	4,600	304		304
Dutch Settlement/Riverline	8,590	7,981	609	517	1,126
Hammonds Plains Common Rate	31,986	(14,619)	46,605		46,605
Hubbards Recreation Ctr	22,268	2,386	19,882		19,882
Grand Lake Community Ctr	9,224	9,615	(391)		(391)
District 3 Capital Fund	159,447	112,461	46,986	236,889	283,875
Maplewood Subdivision	22,450	22,441	9		9
Silversides Residents Association	9,600	11,372	(1,772)		(1,772)
LWF Ratepayers Association	98,054	97,531	523		523
Recreation Totals	877,710	474,036	403,674	347,558	751,232
East & Central	1,742,148	1,946,744	(204,596)	(452,810)	(657,406)
District 15	106,365	163,342	(56,977)	(17,049)	(74,026)
District 16	169,994	258,415	(88,421)		(88,421)
Sidewalk Snowplowing Totals	2,018,507	2,368,501	(349,994)	(469,859)	(819,853)
Fall River Sidewalks	127,313	67,920	59,393	162,196	221,589
Waverley Sidewalks	4,566	509	4,057	21,765	25,822
Community Transit Porter's Lake/Beaver Bank	120,719	167,292	(46,573)	59,381	12,808
Metro Transit Hammonds Plains	30,389	45,782	(15,393)	29,025	13,632
Fire Surplus(Deficit) carryforward				175,770	175,770
Local Improvement Charges	1,464,671	851,246	613,425		613,425
<b>Totals</b>	<b>4,643,875</b>	<b>3,975,286</b>	<b>668,589</b>	<b>325,836</b>	<b>994,425 *</b>

\* Total Restricted Surplus as per Note 2 of the March 31, 2004 audited financial statements