

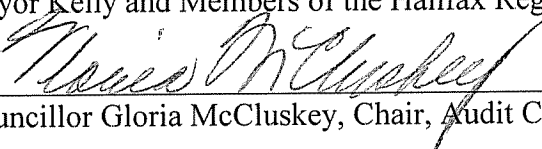


PO Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Item No. 11.3.3**

**Halifax Regional Council  
December 4, 2007**

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

**SUBMITTED BY:**   
Councillor Gloria McCluskey, Chair, Audit Committee

**DATE:** November 14, 2007

**SUBJECT:** **Audited Financial Statements - Miscellaneous Trust Funds, March 31, 2007**

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**ORIGIN**

Audit Committee meeting of October 25, 2007.

**RECOMMENDATION**

It is recommended that Regional Council approve:

1. The audited financial statements of the Halifax Regional Municipality - Miscellaneous Trust Funds for the year ended March 31, 2007.

## **BACKGROUND**

At the October 25, 2007, Audit Committee meeting discussion was held on the Audited Financial Statements, Miscellaneous Trust Funds for the year ended March, 31, 2007. The Committee passed a motion approving the report dated October 15, 2007, recommending it be forwarded to Regional Council for approval.

## **BUDGET IMPLICATIONS**

See attached Staff Report dated October 15, 2007.

## **FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN**

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

## **ALTERNATIVES**

There are none associated with this report.

## **ATTACHMENTS**

1. Staff Report dated October 15, 2007 - Audited Financial Statements, Miscellaneous Trust Funds, March 31, 2007.
2. Draft audited financial statements for Halifax Regional Municipality - Miscellaneous Trust Funds for the year ended March 31, 2007.

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210 or Fax 490-4208.

Report Prepared By: Melody Campbell, Legislative Assistant.



PO Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Audit Committee  
October 25, 2007**

**TO:** Gloria McCluskey, Chair, Audit Committee  
Audit Committee Members

**SUBMITTED BY:**   
fo l Dale MacLennan, CA, Director of Finance

**DATE:** October 15, 2007

**SUBJECT:** **Audited Financial Statements - Miscellaneous Trust Funds, March 31,  
2007**

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**ORIGIN**

Annual external audit of Trust Funds.

**RECOMMENDATION**

It is recommended that:

The audited financial statements of the Halifax Regional Municipality - Miscellaneous Trust Funds for the year ended March 31, 2007, be approved and submitted to Regional Council for approval.

**BACKGROUND**

Legislation requires that audited financial statements be prepared annually.

**DISCUSSION**

The audited financial statements show total assets of \$5.4 million (2006 - \$5.5 million) and total equity of \$5.3 million (2006 - \$5.4 million) as of March 31, 2005.

**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.

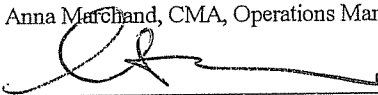
**ALTERNATIVES**

N/A.

**ATTACHMENTS**

Draft audited Financial Statements for the Halifax Regional Municipality - Miscellaneous Trust Funds for the year ended March 31, 2007.

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:  | Anna Marchand, CMA, Operations Manager, Accounting  | 490-7222 |
| Report Approved by:  | <br>Catherine Sanderson, CMA, Senior Manager, Financial Services | 490-1562 |

Financial Statements of

**HALIFAX REGIONAL MUNICIPALITY**  
MISCELLANEOUS TRUST FUNDS

Year ended March 31, 2007

## **AUDITOR'S REPORT**

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

We have audited the balance sheet of the Halifax Regional Municipality Miscellaneous Trust Funds as at March 31, 2007 and the statement of income and expenditures and fund equity for the year then ended. These financial statements have been prepared to comply with generally accepted accounting principles adopted for Nova Scotia municipalities. These financial statements are the responsibility of the Municipality's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Miscellaneous Trust Funds as at March 31, 2007 and the results of their operations and the changes in its fund equity for the year then ended in accordance with the basis of accounting described in Note 1 to the financial statements.

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

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

Chartered Accountants

Halifax, Canada  
July 4, 2007

**Draft**  
10/26/2007

# HALIFAX REGIONAL MUNICIPALITY

## MISCELLANEOUS TRUST FUNDS Balance Sheet

Year ended March 31, 2007, with comparative figures for 2006

|  | 2007                | 2006                |
|--|---------------------|---------------------|
| <b>Assets</b>                            |                     |                     |
| Cash                                     | \$ 4,601,805        | \$ 4,533,600        |
| Accounts receivable                      | 770,223             | 893,056             |
| Investments                              | 61,334              | 61,299              |
|  | <u>\$ 5,433,362</u> | <u>\$ 5,487,955</u> |
| <b>Liabilities and Fund Equity</b>       |                     |                     |
| Payable to Halifax Regional Municipality | \$ 98,119           | \$ 84,337           |
| Fund equity (Schedule)                   | 5,335,243           | 5,403,618           |
|  | <u>\$ 5,433,362</u> | <u>\$ 5,487,955</u> |

See accompanying notes to financial statements.

Approved on behalf of the Halifax Regional Municipality:

\_\_\_\_\_ Mayor

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

**Draft**  
10/26/2007

# HALIFAX REGIONAL MUNICIPALITY

## MISCELLANEOUS TRUST FUNDS Statement of Income and Expenditures and Fund Equity

Year ended March 31, 2007, with comparative figures for 2006

|   | 2007                | 2006                |
|---|---------------------|---------------------|
| Income:   |                     |                     |
| Investment income   | \$ 221,858          | \$ 178,563          |
| Tax sales   | 1,874               | 287,691             |
|   | <u>223,732</u>      | <u>466,254</u>      |
| Expenditures:   |                     |                     |
| Transfer to Halifax Regional Municipality                     | 175,359             | 151,018             |
| Net transactions with trustors                                | 134,298             | 95,444              |
|   | <u>309,657</u>      | <u>246,462</u>      |
| Excess of income over expenditures (expenditures over income) | (85,925)            | 219,792             |
| Capital contributions received during year                    | 17,550              | 16,065              |
|   | <u>(68,375)</u>     | <u>235,857</u>      |
| Fund equity, beginning of year                                | 5,403,618           | 5,167,761           |
| Fund equity, end of year                                      | <u>\$ 5,335,243</u> | <u>\$ 5,403,618</u> |

See accompanying notes to financial statements.



# HALIFAX REGIONAL MUNICIPALITY

## MISCELLANEOUS TRUST FUNDS Notes to Financial Statements

Year ended March 31, 2007, with comparative figures for 2006

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### 1. Significant accounting policies:

(a) Basis of accounting:

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

(b) Investments:

Discounts and premiums arising on the purchase of bonds are being amortized over the period they are held in the Trust Funds.

(c) Use of estimates:

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

### 2. Investments:

|                       | 2007       | 2006       |
|-----------------------|------------|------------|
| Shares, cost          | \$ 6,409   | \$ 6,409   |
| Bonds, amortized cost | 54,925     | 54,890     |
|                       | \$ 61,334  | \$ 61,299  |
| Face value of bonds   | \$ 55,000  | \$ 55,000  |
| Shares, market value  | \$ 281,100 | \$ 267,500 |
| Bonds, market value   | 63,000     | 66,200     |
|                       | \$ 344,100 | \$ 333,700 |

**Draft**  
10/26/2007

# HALIFAX REGIONAL MUNICIPALITY

MISCELLANEOUS TRUST FUNDS  
Notes to Financial Statements

Year ended March 31, 2007, with comparative figures for 2006

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## **2. Investments (continued):**

The market value shown for investments represents the estimated value of the securities as at March 31, 2007. Shares and bonds are valued at year-end quoted market prices. Where quoted prices are not available, estimated fair values are calculated using comparable securities.

**Draft**  
10/26/2007

# HALIFAX REGIONAL MUNICIPALITY

## MISCELLANEOUS TRUST FUNDS Schedule of Fund Equity

Year ended March 31, 2007, with comparative figures for 2006

|                                     | Balance<br>March 31<br>2006 | Income           | Transfer<br>to Halifax<br>Regional<br>Municipality | Net<br>transactions<br>with trustors | Contributions   | Balance<br>March 31<br>2007 |
|-------------------------------------|-----------------------------|------------------|--|--------------------------------------|-----------------|-----------------------------|
| J.L. Dillman Park<br>Maintenance    | \$ 135,882                  | \$ 5,635         | \$ -   | \$ -                                 | \$ -            | \$ 141,517                  |
| Tax sales                           | 968,798                     | 1,874            | -  | (106,940)                            | -               | 863,732                     |
| J.D. Shatford Memorial              | 61,000                      | 2,479            | (3,479)  | -                                    | -               | 60,000                      |
| Sackville Landfill                  | 1,615,176                   | 91,404           | (51,939)   | (27,047)                             | -               | 1,627,594                   |
| Camphill Cemetery<br>Trust          | 130,153                     | 5,397            | (5,397)  | -                                    | -               | 130,153                     |
| Camphill Cemetery<br>Perpetual Care | 566,109                     | 27,284           | (27,284)   | -                                    | -               | 566,109                     |
| Camphill Cemetery<br>Fence          | 12,063                      | 500              | (500)  | -                                    | -               | 12,063                      |
| Fairview Cemetery Trust             | 1,794,931                   | 84,210           | (84,210)   | -                                    | 17,550          | 1,812,481                   |
| Fairview Cemetery<br>Maintenance    | 45,000                      | 1,866            | (1,866)  | -                                    | -               | 45,000                      |
| Titanic Trust                       | 25,399                      | 1,053            | -  | -                                    | -               | 26,452                      |
| Commons Commutation                 | 16,491                      | 684              | (684)  | -                                    | -               | 16,491                      |
| Harbour Championship                | 12,021                      | 491              | -  | (311)                                | -               | 12,201                      |
| Other                               | 20,595                      | 855              | -  | -                                    | -               | 21,450                      |
|                                     | <u>\$5,403,618</u>          | <u>\$223,732</u> | <u>\$(175,359)</u>                                 | <u>\$(134,298)</u>                   | <u>\$17,550</u> | <u>\$5,335,243</u>          |

# HALIFAX REGIONAL MUNICIPALITY

## MISCELLANEOUS TRUST FUNDS

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The following describes the various Trust funds included in the March 31, 2007 HRM Miscellaneous Trust Funds financial statements:

|   | <u>2007</u> | <u>2006</u> |
|---|-------------|-------------|
| <b>T118 J. L Dillman Park maintenance</b> | \$141,517   | \$135,882   |

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. The last expenditure from the account was for the fence painting in 2000.

|   | <u>2007</u> | <u>2006</u> |
|---|-------------|-------------|
| <b>T123, T126 &amp; T127 Tax Sale Surplus</b> | \$863,732   | \$968,798   |

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>2007</u> | <u>2006</u> |
|-------------------------------------|-------------|-------------|
| <b>T124 J. D. Shatford Memorial</b> | \$60,000    | \$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>2007</u> | <u>2006</u> |
|--------------------------------|-------------|-------------|
| <b>T125 Sackville Landfill</b> | \$1,627,594 | \$1,615,176 |

Bill No. 43, 1<sup>st</sup> Session, 56<sup>th</sup> 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 on to post secondary education or Community College.

|                               |             |             |
|-------------------------------|-------------|-------------|
|                               | <u>2007</u> | <u>2006</u> |
| <b>T106 Camphill Cemetery</b> | \$130,153   | \$130,153   |

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>2007</u> | <u>2006</u> |
| <b>T105 Camphill Cemetery perpetual care</b> | \$566,109   | \$566,109   |

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>2007</u> | <u>2006</u> |
| <b>T107 Camphill Cemetery fence</b> | \$12,063    | \$12,063    |

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>2007</u> | <u>2006</u> |
| <b>T101 Fairview Cemetery</b> | \$1,812,481 | \$1,794,931 |

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>2007</u> | <u>2006</u> |
| <b>T102 Fairview Cemetery maintenance</b> | \$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>2007</u> | <u>2006</u> |
| <b>T113 Commons Commutation</b> | \$16,491    | \$16,491    |

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

|                                  |             |             |
|----------------------------------|-------------|-------------|
|                                  | <u>2007</u> | <u>2006</u> |
| <b>T112 Harbour championship</b> | \$12,201    | \$12,021    |

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>2007</u> | <u>2006</u> |
| <b>T128 Titanic Trust</b> | \$26,452    | \$25,399    |

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>2007</u>     | <u>2006</u>     |
| Fairview Cemetery:                    |                 |                 |
| <b>T103 L. G. Haverstock</b>          | \$3,884         | \$3,729         |
| <b>T104 Enos MacLeod</b>              | 741             | 711             |
| City Home and TB Hospital:            |                 |                 |
| <b>T108 Hugh and Annie Ross</b>       | 3,233           | 3,104           |
| <b>T109 Isabella Brown</b>            | 4,069           | 3,907           |
| <b>T110 T. B. Hospital Comfort</b>    | 2,790           | 2,679           |
| <b>T111 Elsie Taylor</b>              | 23              | 22              |
| Books for the Library:                |                 |                 |
| <b>T114 Josephine Shannon Bequest</b> | 1,080           | 1,036           |
| <b>T115 Stewart L Gibson</b>          | 1,102           | 1,058           |
| <b>T116 Portia White</b>              | 1,122           | 1,078           |
| <b>T119 J. L. Dillman water fowl</b>  | <u>3,406</u>    | <u>3,271</u>    |
|                                       | <u>\$21,450</u> | <u>\$20,595</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. In 2006/07 Legal Services examined the option for closing these funds on HRM's books now that the facilities are closed and have determined that it is not cost effective to pursue closure given the required process and the small dollar value of the remaining funds.

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. No expenditures have been made from the trust since April 1, 1999. 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.