



HRM Finance


## 4 Quarter Report Year End Results March 2010

September 14, 2010



HALIFAX  
REGIONAL MUNICIPALITY

*Leading Financial Stewardship*



HRM Finance

### Operating Results

▶ 3<sup>rd</sup> Q a deficit of \$1 M was projected. 4<sup>th</sup> Q result is a \$4.7 M surplus prior to reserve transfers; projected net operating surplus of \$700 k after reserve transfers\*

- ▶ \$4.7 M = 0.7% of HRM Total Budget of \$703 M
- ▶ **Change from 3<sup>rd</sup> to 4<sup>th</sup> quarter**
  - ▶ Focus on fiscal challenges prompted saving behaviors – vacancy management and other operating savings of \$1.3 M
  - ▶ Debt charges less than budget by \$800 K
  - ▶ Deed transfer tax \$2.1 M higher than budgeted

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## Operating Results



- Most significant risk in the 10/11 budget – if we simply work to the bottom line in the budget, corporately there will be a \$3.5 M deficit.
- \$3 M in ACTUAL savings to date, based on April to August
- Savings being offset in some areas by overtime costs
- Projecting a deficit of \$582 K at the end of July. Projections for August close today.

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## Reserve Results



- ▶ \$4 M reserve transfers as part of year end
  - ▶ Variable Operating Stabilization \$2 M
  - ▶ ICT Reserve \$950 k
  - ▶ Snow and Ice Reserve \$ 1M
- ▶ Net reserves balance at March 31 is \$97.7 M, less approved transactions which have not yet occurred, the available balance is \$26.5 M.
- ▶ Net available reserve funds have decreased \$20.9 M from the approved 2009/10 reserve budget

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## Capital Results



- ▶ Uncommitted/unexpended capital and the end of 4<sup>th</sup> Q is \$205.7 M (25%), on an approved budget total budget of \$821 M
- ▶ Trend – the % of unexpended capital at the last two year ends was 27% and 15% respectively, so there has been some improvement
- ▶ Finance and IAM staff have been focusing on managing capital budget in a manner to more closely align with realistic timelines and cash flow requirements.

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## Fiscal Health Indicators

- May 2009 Council approved a definition of Fiscal Health, and some Fiscal Health Indicators
- Indicators support
  - Performance Measurement
  - Decision making
  - Communication
- To the extent that indicators can be independently and objectively confirmed, it increases credibility and will help instill public confidence

## Fiscal Health Indicators



- ▶ The 4<sup>th</sup> Q report includes Fiscal Health indicators as of March 31/09 based on the audit financial statements
- ▶ When the 9/10 audit is complete, we will include the Fiscal Health indicators as at March 31/10 and analyze the trends year over year. This will likely occur in the 2<sup>nd</sup> Q report
- ▶ We will also be refining the information and providing comparisons to other Municipalities in NS and similar sized Canadian cities.

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## Recommended Key Indicators

- Debt
  - Asset condition
  - Vulnerability Indicator
  - Flexibility Indicators
  - Liquidity
  - Reserves as a % of Targeted Balances
  - Commercial/Total Assessment
- } Primary indicators

## Asset Condition



- ▶ The 4<sup>th</sup> Q report includes asset condition reporting for the first time, as part of the Fiscal Health Indicators
- ▶ Currently, can report on Roads, Bridges, Sidewalks, Curbs, Ferries, and Vehicles
  - ▶ Other asset condition reporting will be added over the next 3 years

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## Questions???



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