

Item 13.2.6

HALIFAX

Second Quarter Financial Report

November 25, 2025

Audit & Finance Standing Committee

General Rate Surplus

- Projected surplus of \$579.6K primarily due to:
 - Decrease in fuel due to lower than budgeted average price per litre \$3.8M.
 - Savings from HST and compensation changes \$3.5M.
 - Decrease in RCMP contract costs due to delays in filling new positions \$1.1M.
 - Decrease in expected Heritage and Affordable Housing grants \$500K.
 - Decrease in operating costs net of decreases in revenues related to Extended Producer Responsibility changes \$400K.

General Rate Surplus

- Increase in parking revenues \$300K.
- Increase in various external contracts \$3.2M.
- Decrease in investment income \$1.8M.
- Estimated deficit related to a recreation contract \$1.5M.
- Decrease in secondment and extra duty recoveries in Police \$1.4M.
- Increase in various building related costs \$700K.
- Increase in compensation and benefits across the organization \$600K.

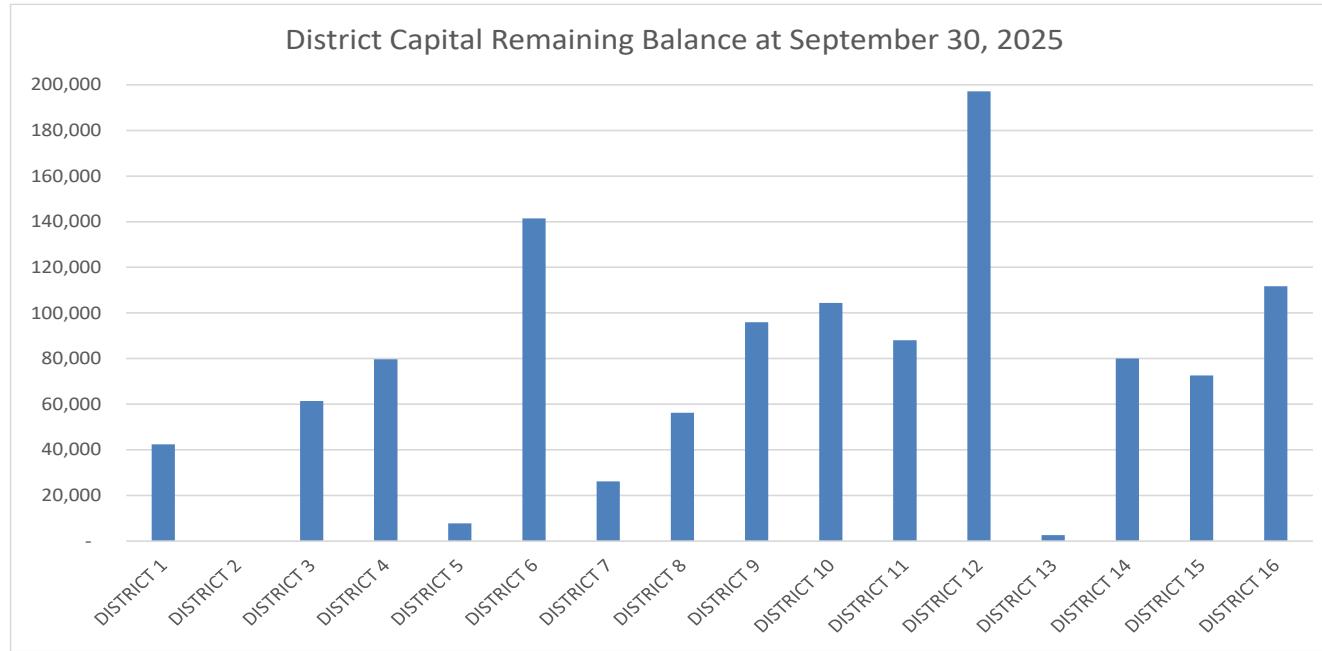
Risks & Opportunities

We continue to monitor other items that may affect our projections going forward:

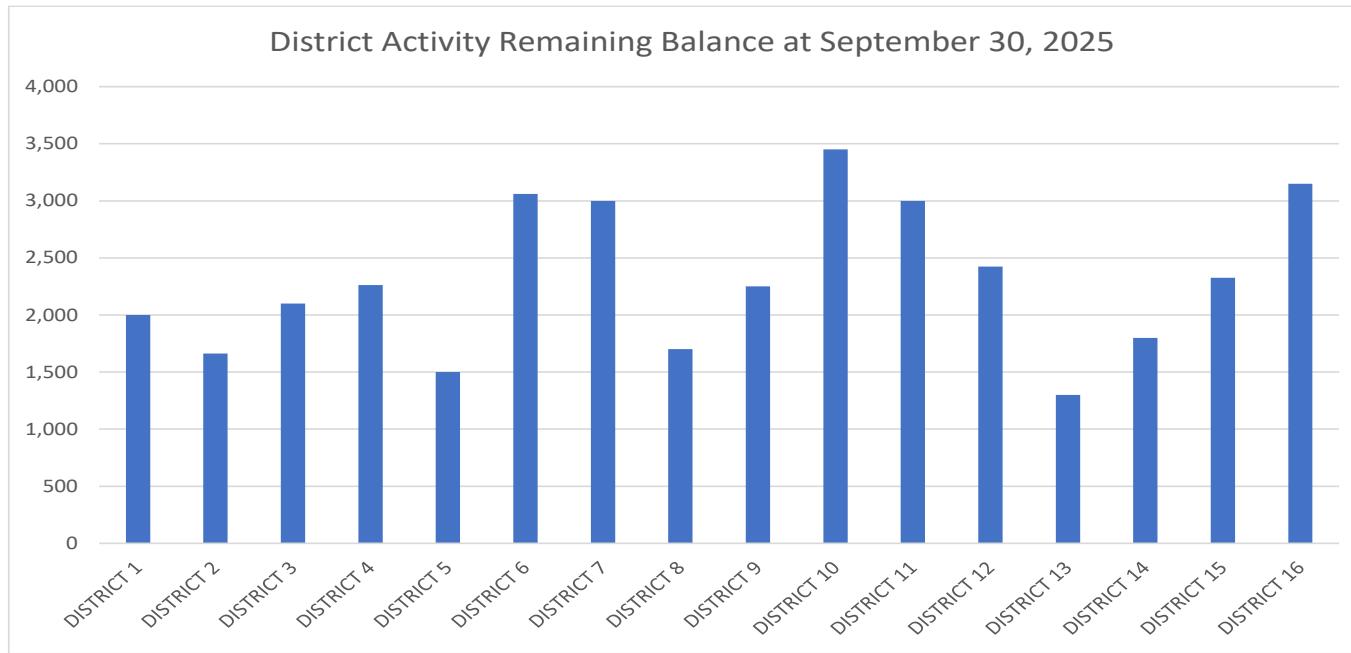
Risks:

- The impacts of severe weather-related events
- Commodity costs (fuel, diesel, salt, etc.)
- Global trade
- Lack of uncommitted reserve balances
- Unplanned project requests

District Capital Funds



District Activity Funds



Recreation Area Rates

- There are 22 Recreation Area Rate Accounts.
- The carry forward in these accounts at April 1, 2025 was \$1.0M.
- Revenues of \$495K have been earned.
- Expenses of \$908K have been spent.
- The carry forward at September 30, 2025 is \$598K.

Reserves

| Reserve Summary | | | | | | | | | | | |
|-----------------|-----------------------------------|--------------------|----------------------|----------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|--------------------|---------------------------------------|
| | Reserve | Opening Balance | Current Commitments | Pending Contribution | Projected Closing Balance 2025/26 | Projected Closing Balance 2026/27 | Projected Closing Balance 2027/28 | Projected Closing Balance 2028/29 | Projected Closing Balance 2029/30 | Future Commitments | Projected Uncommitted (As of 2029/30) |
| | TOTAL RISK RESERVES: | 18,209,207 | (1,636,303) | 2,310,095 | 18,882,999 | 19,185,099 | 19,492,099 | 19,803,999 | 20,120,899 | - | 20,120,899 |
| | TOTAL OBLIGATION RESERVE: | 135,831,179 | (62,088,575) | 24,379,238 | 98,121,842 | 107,273,795 | 95,554,386 | 104,479,261 | 77,274,636 | 77,274,636 | - |
| | TOTAL OPPORTUNITY RESERVE: | 323,913,637 | (97,135,443) | 30,488,070 | 257,266,264 | 286,982,384 | 315,994,596 | 345,468,108 | 382,573,120 | 333,417,387 | 49,155,733 |
| | TOTAL RESERVE | 477,954,023 | (160,860,321) | 57,177,403 | 374,271,105 | 413,441,278 | 431,041,081 | 469,751,368 | 479,968,655 | 410,692,023 | 69,276,632 |

Aged Accounts Receivable

| | |
|--|-----------------------|
| Property Taxes | \$ 458M |
| Local Improvement Charges | 9M |
| Payments-in-Lieu of Taxes | 5M |
| General Revenue | <u>14M</u> |
| Total Gross Accounts Receivable | \$ <u>486M</u> |

Capital Projection Summary

Net Budget available before expenditures,

Sept 30, 2025 \$ 736M

Spent by Sept 30, 2025 \$ 148M

Projected expenditures to March 31, 2026 \$ 349M

Projected Work to Progress into 2026/27 \$ 220M

Expenses for Reportable Individuals

- For the three-month period ended September 30, 2025 there were \$15,840 in expenditures.

| Name | Local Travel | Out of Town Travel | Development/ Training | Meals & Other Miscellaneous Expenses | Total |
|--------------|---------------|--------------------|--------------------------|--|---------------|
| Total | 12,736 | 2,043 | 974 | 87 | 15,840 |

Council Approvals April 1 – Sept 30

- Total new estimated operating costs \$16M
- Total reserve deposits net of withdrawals (\$14.6M)