

Financial Statements of

**HALIFAX REGIONAL
MUNICIPALITY**

Year ended March 31, 2001



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AUDITORS' REPORT

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

We have audited the Operating Fund, Capital Fund, Sinking Fund and Special Reserve Funds balance sheets of Halifax Regional Municipality as at March 31, 2001 and the statements of operations, equity in capital assets, capital financing and sinking fund continuity of balance due to general capital fund for the year then ended. 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 Halifax Regional Municipality as at March 31, 2001 and the results of its operations and the changes in its capital position for the year then ended in accordance with generally accepted accounting principles adopted for Nova Scotia Municipalities.

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 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.

KPMG LLP

Chartered Accountants

Halifax, Canada
June 29, 2001



HALIFAX REGIONAL MUNICIPALITY

Financial Statements

Year ended March 31, 2001

Financial statements

Statement of Operations	1
Operating Fund Balance Sheet	2 - 3
Capital Fund Balance Sheet	4 - 5
Capital Fund Statement of Equity in Capital Assets	6
Capital Fund Statement of Capital Financing	7
Sinking Fund Balance Sheet	8
Sinking Fund Continuity of Balance Due to General Capital Fund	8
Special Reserve Funds - Capital Reserve Section Balance Sheet	9
Special Reserve Funds - Operating Reserve Section Balance Sheet	10
Notes to Financial Statements	11 - 16
Schedules to Statement of Operations - Schedules 1 - 7	17 - 23
Schedule of Long-term Debt - Schedule 8	24
Schedule of Remuneration of Members of Council and Chief Administrative Officer - Schedule 9	25

HALIFAX REGIONAL MUNICIPALITY

Statement of Operations

Year ended March 31, 2001, with comparative figures for 2000
(In thousands of dollars)

	Schedule	Budget	2001 Actual	2000 Actual
Revenue:				
Taxes	1	\$ 329,097	\$ 332,931	\$ 316,439
Payments in lieu of taxes	2	24,917	23,258	24,838
Revenue from own sources	2	15,177	16,813	16,312
Unconditional transfers from other governments	2	3,142	3,668	3,901
Conditional transfers from other governments	3	3,139	3,049	2,964
Transfers from reserves	3	-	-	1,656
Departmental revenue	3	73,115	78,976	72,881
		448,587	458,695	438,991
Expenditure:				
General Government	4	5,224	5,349	6,120
Administrative Services	4	2,755	2,816	2,178
Community Projects	4	1,093	1,137	1,020
Financial Services	4	7,626	7,385	6,810
Metro Transit Services	4	20,424	21,285	19,646
Information Services	5	6,871	6,462	6,200
Human Resources	5	2,792	2,835	2,901
Corporate Real Estate Services	5	755	783	11,073
Building Management Services	5	10,820	12,366	-
Solid Waste Services	5	37,047	39,653	37,945
Shared Services	5	13,903	14,279	13,069
Planning and Development Services	5	7,894	7,321	6,163
Public Works and Transportation	6	41,990	43,573	37,775
Fire and Emergency Services	6	32,088	31,835	29,486
Regional Police	6	48,737	49,193	45,897
Emergency 911 Communications	6	3,691	3,522	3,210
Tourism, Culture and Heritage	6	2,836	2,805	2,921
Parks and Recreational Services	7	19,800	19,978	18,936
Library	7	12,614	12,644	11,981
Transfers to reserves	7	10,675	6,090	9,635
Fiscal Services	7	158,952	165,342	161,951
		448,587	456,653	434,917
Excess of revenue over expenditure		\$ -	\$ 2,042	\$ 4,074

See accompanying notes to financial statements.

HALIFAX REGIONAL MUNICIPALITY

Operating Fund Balance Sheet

March 31, 2001, with comparative figures for 2000
(In thousands of dollars)

	2001	2000
Assets		
Cash and short-term deposits	\$ 81,689	\$ 46,096
Receivables:		
Taxes	34,394	34,942
Local improvement charges	3,640	3,863
Federal government and its agencies	18,870	15,873
Provincial government and its agencies	4,916	4,217
Other local governments	2,065	2,101
Own funds and agencies	25,661	23,568
Other receivables	13,860	15,363
	<u>103,406</u>	<u>99,927</u>
Loans and advances	4,524	4,253
Tangible assets:		
Inventories, at cost	2,914	2,545
Properties acquired at tax sale	179	179
	<u>3,093</u>	<u>2,724</u>
Other assets:		
Deferred transition costs, net of amortization of \$7,082 (2000 - \$4,722)	16,526	18,886
Prepaid expenses	1,195	1,574
Deferred debt discount	1,376	1,397
	<u>19,097</u>	<u>21,857</u>
	<u>\$ 211,809</u>	<u>\$ 174,857</u>

2001

2000

Liabilities and Accumulated Surplus

Payables:

Federal government and its agencies	\$ 1,887	\$ 3,510
Provincial government and its agencies	6,336	6,405
Own funds and agencies	98,107	75,632
Trade accounts	5,714	4,861
Accrued liabilities	29,772	25,583
Other	2,173	2,135
	<u>143,989</u>	<u>118,126</u>

Other liabilities:

Prepayment of taxes	13,631	6,109
Deferred revenue	10,179	7,222
	<u>23,810</u>	<u>13,331</u>

Asset valuation allowances:

For uncollectible taxes and rates	18,073	17,485
For other doubtful receivables	21,226	19,319
For unresolved assessment appeals	1,383	1,239
	<u>40,682</u>	<u>38,043</u>

Accumulated surplus (note 2)

3,328 5,357

Commitments (notes 6 and 8)

Contingencies (note 7)

\$ 211,809

\$ 174,857

See accompanying notes to financial statements.

Approved on behalf of the Halifax Regional Municipality:

Mayor

J. J. Bantillon
Municipal Clerk

ASS't mun. clerk

HALIFAX REGIONAL MUNICIPALITY

Capital Fund Balance Sheet


March 31, 2001, with comparative figures for 2000
(In thousands of dollars)

	2001	2000
Assets		
Receivables:		
Provincial government	\$ -	\$ 283
Other local governments	77	648
Sinking funds	-	21,394
Other receivables	2,046	1,701
	<u>2,123</u>	<u>24,026</u>
Loans and advances	506	547
Tangible assets:		
Fixed assets (note 3)	1,271,421	1,238,952
Assets under capital lease	11,532	11,585
Work in progress	88,514	90,765
	<u>1,371,467</u>	<u>1,341,302</u>
Other assets:		
Unamortized deferred charges	2,969	2,867
Capital contribution, Neptune Theatre	350	400
Deposits, Province of Nova Scotia	210	210
	<u>3,529</u>	<u>3,477</u>
	<u>\$ 1,377,625</u>	<u>\$ 1,369,352</u>


	2001	2000
Liabilities and Equity		
Payables:		
Trade payables and contractors' holdbacks	\$ 6,112	\$ 16,137
Own funds and agencies	9,006	6,286
	<u>15,118</u>	<u>22,423</u>
Performance guarantee cheques	210	210
Funding received on work in progress:		
Federal/Provincial/Municipal infrastructure program	5,351	7,489
Province of Nova Scotia	17,132	16,180
Operating fund	8,568	5,573
Reserves	16,417	14,714
Other	4,474	1,935
	<u>51,942</u>	<u>45,891</u>
Current portion of long-term debt (note 4)	36,500	39,637
	<u>103,770</u>	<u>108,161</u>
Long-term debt (Schedule 8)	217,393	243,563
Valuation allowance	736	1,044
Obligations under capital leases (note 5)	14,015	14,100
Equity in capital assets	1,041,711	1,002,396
Appropriated surplus	-	88
	<u>\$ 1,377,625</u>	<u>\$ 1,369,352</u>

See accompanying notes to financial statements.

Approved on behalf of the Halifax Regional Municipality:



 _____ Mayor



 _____ Municipal Clerk

Ass't municipal clerk

HALIFAX REGIONAL MUNICIPALITY

CAPITAL FUND

Statement of Equity in Capital Assets

Year ended March 31, 2001, with comparative figures for 2000
(In thousands of dollars)

	2001	2000
Balance, beginning	\$ 1,002,396	\$ 963,619
Add:		
Fixed assets provided by:		
Halifax County Regional Rehabilitation Centre	10	35
Cole Harbour Place	496	455
	<u>506</u>	<u>490</u>
Funding for capital purposes:		
Federal/Provincial/Municipal infrastructure program	2,138	1,312
Province of Nova Scotia	4,425	1,847
Operating fund	7,221	2,409
Reserves	1,427	6,734
Other	927	741
	<u>16,138</u>	<u>13,043</u>
Debentures redeemed from operating fund:		
Gross redemptions	60,807	43,048
Paid from sinking fund	(23,123)	(13,755)
Balloon payment from debenture proceeds	(4,600)	-
	<u>33,084</u>	<u>29,293</u>
Capital purchases from reserve funds	270	1,905
Sinking funds	1,729	4,114
Other recoveries	343	563
	<u>2,342</u>	<u>6,582</u>
	<u>1,054,466</u>	<u>1,013,027</u>
Deduct:		
Write down of capital assets	12,443	10,470
Capital grant transferred to reserves	262	-
Costs of assets transferred to Halifax Regional Water		
Commission	-	111
Miscellaneous	50	50
	<u>12,755</u>	<u>10,631</u>
Balance, ending	<u>\$ 1,041,711</u>	<u>\$ 1,002,396</u>

See accompanying notes to financial statements.

HALIFAX REGIONAL MUNICIPALITY

CAPITAL FUND Statement of Capital Financing

Year ended March 31, 2001, with comparative figures for 2000
(In thousands of dollars)

	2001	2000
Source of:		
Funds available, beginning of year:		
Receivables	\$ 2,135	\$ 5,792
Proceeds from debenture:		
Gross proceeds	31,500	55,000
Balloon payments on refinancing	(4,600)	-
	<u>26,900</u>	<u>55,000</u>
Increase in obligations under capital lease	156	91
Capital funding:		
Infrastructure grants	-	(113)
Province of Nova Scotia	5,377	6,887
Operating fund	10,216	183
Reserve fund withdrawals	3,130	11,797
Other	3,466	683
	<u>22,189</u>	<u>19,437</u>
Other sources	-	246
Balance temporarily financed, end of year:		
Payables	6,112	16,137
Own funds and agencies	9,006	6,286
	<u>15,118</u>	<u>22,423</u>
	<u>\$ 66,498</u>	<u>\$ 102,989</u>
Application:		
Balance temporarily financed, beginning of year:		
Payables	\$ 16,137	\$ 11,371
Own funds and agencies	6,286	45,709
	<u>22,423</u>	<u>57,080</u>
Capital asset acquisition:		
Acquisition	41,832	46,374
Transferred from deferred charges	-	(2,600)
	<u>41,832</u>	<u>43,774</u>
Transfer appropriated surplus to operating fund	88	-
Transfer to capital reserves	262	-
Funds available for application, end of year:		
Receivables	1,893	2,135
	<u>\$ 66,498</u>	<u>\$ 102,989</u>

See accompanying notes to financial statements.

HALIFAX REGIONAL MUNICIPALITY

SINKING FUND Balance Sheet

Year ended March 31, 2001, with comparative figures for 2000
(In thousands of dollars)

	2001	2000
Assets		
Deposits, Nova Scotia Municipal Finance Corporation	\$ -	\$ 21,394
Liabilities		
Due to capital fund for retirement of debentures	\$ -	\$ 21,394

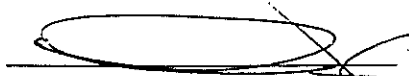

Continuity of Balance Due to General Capital Fund

Year ended March 31, 2001, with comparative figures for 2000
(In thousands of dollars)

	2001	2000
Balance, beginning	\$ 21,394	\$ 31,035
Add:		
Income on investments	662	1,926
Transfer from operating fund	1,941	2,904
	23,997	35,865
Deduct:		
Payment to capital on sinking fund debenture	23,123	13,755
Transfer to capital reserves	874	716
	23,997	14,471
Balance, ending	\$ -	\$ 21,394

See accompanying notes to financial statements.

Approved on behalf of the Halifax Regional Municipality:

 Mayor
 Municipal Clerk

HALIFAX REGIONAL MUNICIPALITY

Capital Reserve Funds

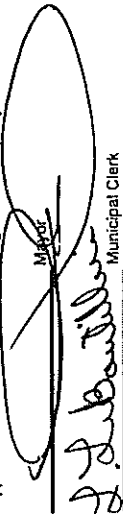
Balance Sheet

March 31, 2001
(in thousands of dollars)

	Sale of Capital Assets	Sewer Redevelopment	Parkland	Landfill Closure	Capital Surplus	Tax Sale Surplus	Water Treatment Plant Infrastructure	Other	Equipment	Total 2001	Total 2000
Assets											
Receivable from operating fund	\$ 11,070	\$ 4,035	\$ 1,000	\$ 7,803	\$ 3,683	\$ 240	\$ 1,971	\$ 431	\$ 1,350	\$ 31,583	\$ 20,743
Other receivables	2,232	734								2,966	1,321
	\$ 13,302	\$ 4,769	\$ 1,000	\$ 7,803	\$ 3,683	\$ 240	\$ 1,971	\$ 431	\$ 1,350	\$ 34,549	\$ 22,064
Liabilities and Equity											
Liabilities:											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 478
Deposits	130									130	38
Deferred revenue	2,201									2,201	498
	2,331									2,331	1,014
Equity:											
Balance, beginning of year	5,307	3,302	604	5,820	2,541	229	1,000	748	1,499	21,050	17,817
Additions											
Levies		1,507								1,507	1,660
Contributions			593					21		614	247
Interest	313	252	32	318	136	11	65	25	152	1,304	404
Other revenue	(128)				1,507					1,379	1,386
Sale of assets	6,835								372	7,207	7,160
	12,327	5,061	1,229	6,138	4,184	240	1,065	794	2,023	33,061	28,674
Deductions											
Acquisition of assets	440									440	3,746
Other expenditures	32		229		501			343		1,105	374
Transfer to (from) operating fund				(1,665)					48	(1,617)	(925)
Transfer to capital fund	472	292					94	20	1,029	1,907	4,732
Transfer other											384
Transfer within reserve fund	412						(1,000)		(404)	(992)	(687)
	1,356	292	229	(1,665)	501	240	(906)	363	673	843	7,624
Balance, end of year	10,971	4,769	1,000	7,803	3,683	240	1,971	431	1,350	32,218	21,050
	\$ 13,302	\$ 4,769	\$ 1,000	\$ 7,803	\$ 3,683	\$ 240	\$ 1,971	\$ 431	\$ 1,350	\$ 34,549	\$ 22,064

	Allocation of reserves:	Available equity	Appropriated	Unappropriated	See accompanying notes to financial statements.
	\$ 10,971	\$ 4,769	\$ 1,000	\$ 7,803	\$ 32,218
	4,924	1,152	338	348	9,623
	6,047	3,617	662	7,453	22,595
					\$ 17,764

Approved on behalf of the Halifax Regional Municipality:


 Mayor
 Municipal Clerk
 ASST mun. clerk

HALIFAX REGIONAL MUNICIPALITY

Operating Reserve Funds
Balance Sheet

March 31, 2001


(In thousands of dollars)

	Pollution Control	Variable Operating Stabilization	Service Improvement	Self Insurance	Snow and Ice Control	Library	Other	Total 2001	Total 2000
Assets									
Receivable from operating fund	\$ 50,250	\$ 2,189	\$ 415	\$ 1,071	\$ -	\$ 28	\$ 607	\$ 54,560	\$ 44,496
Other receivables	7,175	284	509	-	-	-	-	7,968	6,575
	\$ 57,425	\$ 2,473	\$ 924	\$ 1,071	\$ -	\$ 28	\$ 607	\$ 62,528	\$ 51,071
Liabilities and Equity									
Liabilities:									
Accounts payable	\$ 52	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52	\$ 52
Deferred revenue	509	284	509	-	-	-	-	793	-
	52	284	509	-	-	-	-	845	52
Equity:									
Balance, beginning of year	45,976	1,007	600	1,439	1,970	27	-	51,019	51,078
Additions									
Levies	23,959	-	-	-	-	-	-	23,959	19,511
Interest	2,216	91	23	64	83	1	9	2,487	660
Other revenue	72,151	1,098	623	1,503	2,053	28	9	77,465	71,482
Deductions									
Other expenditures	2	896	181	-	-	-	-	1,079	522
Appropriation to operating fund	12,977	(2,391)	(135)	432	2,053	-	(186)	12,750	11,696
Transfer to (from) operating fund	799	-	162	-	-	-	-	961	6,315
Transfer to capital fund	1,000	404	-	-	-	-	(412)	992	687
Transfer within reserve fund	14,778	(1,091)	208	432	2,053	-	(598)	15,782	20,463
	57,373	2,189	415	1,071	-	28	607	61,683	51,019
Balance, end of year	\$ 57,425	\$ 2,473	\$ 924	\$ 1,071	\$ -	\$ 28	\$ 607	\$ 62,528	\$ 51,071

	Available equity	Appropriated	Unappropriated
Allocation of reserves:			
Available equity	\$ 57,373	\$ 2,189	\$ 415
Appropriated	14,133	1,770	13
Unappropriated	\$ 43,240	\$ 419	\$ 402

See accompanying notes to financial statements.

Approved on behalf of the Halifax Regional Municipality:


Municipal Clerk
ASSYMONICKERK

HALIFAX REGIONAL MUNICIPALITY

Notes to Financial Statements

Year ended March 31, 2001
(In thousands of dollars)

1. Significant accounting policies:

These financial statements have been prepared to conform in all material respects to the accounting principles prescribed for Nova Scotia municipalities by Service Nova Scotia and Municipal Relations, the more significant of which are as follows:

(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.

(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 \$4.3 million (2000 - \$2.8 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 work which has been completed at the balance sheet date. At March 31, 2001, contracts outstanding totalled approximately \$11 million (2000 - \$7.0 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, 2001.

(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.

HALIFAX REGIONAL MUNICIPALITY

Notes to Financial Statements

Year ended March 31, 2001
(In thousands of dollars)

1. Accounting policies (continued):

(e) Valuation allowances:

Uncollected taxes:

The Municipality provides an allowance for uncollected taxes which is calculated as follows:

- 100% of business occupancy taxes outstanding at year-end for prior years plus
- 20% of the prior year's commercial and residential taxes outstanding at the end of the prior year plus
- 60% of the immediately preceding year's commercial and residential taxes outstanding at the end of the prior year plus
- 100% of the commercial and residential taxes outstanding at the end of the prior year which are past due for the second year or more.

Other receivables:

The Municipality provides a valuation allowance for all other receivables which are outstanding for more than one year.

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.

2. Accumulated surplus:

	2001	2000
Balance, beginning of year:		
General purposes	\$ 3,691	\$ (9,717)
Area services	1,666	1,311
	5,357	(8,406)
Excess of revenue over expenditure	2,042	4,074
Transfer from (to) revenue	(4,071)	9,689
Balance, end of year	\$ 3,328	\$ 5,357
Allocation of surplus:		
Area services	\$ 589	\$ 1,666
Unrestricted	2,739	3,691
	\$ 3,328	\$ 5,357

HALIFAX REGIONAL MUNICIPALITY

Notes to Financial Statements

Year ended March 31, 2001
(In thousands of dollars)

3. Fixed assets:

	2001	2000
Land	\$ 124,842	\$ 123,076
Buildings	312,678	311,343
Infrastructure	730,852	708,030
Machinery and equipment	103,049	96,503
	<u>\$ 1,271,421</u>	<u>\$ 1,238,952</u>

4. Long-term debt:

Principal payments required in each of the next five years on debt held as at March 31, 2001 are as follows:

2001/02	\$ 36,500
2002/03	38,453
2003/04	31,012
2004/05	31,339
2005/06	27,450

5. Obligations under capital leases:

The Municipality has long-term lease commitments with interest rates ranging from 7% to 12.125%. Future minimum payments including interest as at March 31, 2001 are as follows:

2001/02	\$ 1,645
2002/03	1,550
2003/04	1,541
2004/05	1,532
2005/06	1,532
2006/07 to 2054/55	84,405
	<u>92,205</u>
Less interest	(78,190)
	<u>\$ 14,015</u>

HALIFAX REGIONAL MUNICIPALITY

Notes to Financial Statements

Year ended March 31, 2001
(In thousands of dollars)

6. Commitments:

- (a) The Municipality rents facilities under several long-term operating leases with aggregate annual payments approximating \$2.4 million (2000 - \$2.4 million).
- (b) The Municipality has entered into several long-term contracts for waste resources operations, with aggregate annual payments approximating \$22.8 million (2000 - \$19.4 million).
- (c) The Municipality has approved the Halifax Harbour Solutions Project. The Municipality has approved funding of this project approximately \$200 million over the next 20 years.
- (d) The Municipality has approved the construction of a public parking facility in the 2002 capital budget. Funding for this project, in the amount of \$11.1 million, is to be provided by internal cash resources which will be recovered by future revenues of the parkade.

7. Contingencies:

- (a) As of March 31, 2001 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, 2001 this outstanding debt was \$53.9 million (2000 - \$55.5 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.

HALIFAX REGIONAL MUNICIPALITY

Notes to Financial Statements

Year ended March 31, 2001
(In thousands of dollars)

8. Landfill Closure Post Closure Costs (continued):

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, with \$1.9 million (2000 - \$2.1 million) being transferred in the current fiscal year.

The reserve funded \$1.2 million (2000 - \$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 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, with \$1 million (2000 - \$1.1 million) being transferred in the current fiscal year.

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 December 31, 2000.

Information as at the last actuarial valuation is as follows:

Actuarial value of plan assets	\$ 706,645
Actuarial value of plan liabilities	616,729
Funding surplus	89,916

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

HALIFAX REGIONAL MUNICIPALITY

Notes to Financial Statements

Year ended March 31, 2001
(In thousands of dollars)

10. Retiring allowance:

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 last actuarial valuation, dated March 31, 2001, calculated the present value of the future retiring allowances to be \$9.2 million.

The current balance of retiring allowance accruals is \$6.8 million (2000 - \$3.5 million). With the approval of Service Nova Scotia and Municipal Relations, the full amount required for the retiring allowance accruals will be phased in and be fully funded by the end of the fiscal 2003 year. Retiring allowances paid in the current year were \$.5 million (2000 - \$1.1 million).

11. Miscellaneous Trust Funds:

Miscellaneous Trust Funds administered by the Municipality are reported on separately. The total trust assets under administration at March 31, 2001 are \$5.5 million (2000 - \$5.6 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 \$2.0 million (2000 - \$2.4 million).

(b) The Halifax Regional School Board:

The Municipality provided a mandatory contribution in the amount of \$61 million (2000 - \$60 million) and an optional contribution of \$19 million (2000 - \$17 million) to the Halifax Regional School Board.

13. 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, 2001, with comparative figures for 2000
(In thousands of dollars)

	Budget	2001 Actual	2000 Actual
Revenue:			
Taxes:			
Property Taxes:			
Residential	\$ 157,908	\$ 158,172	\$ 152,117
Commercial	85,418	86,903	82,002
Business Occupancy	32,434	34,150	31,535
Commercial Equipment	1,362	1,343	1,862
Resource	1,502	1,435	1,421
Forestry	140	141	141
	<u>278,764</u>	<u>282,144</u>	<u>269,078</u>
Area Rates:			
Protective Services	4,361	4,587	4,407
Other - Educational Services	19,297	19,154	16,840
	<u>23,658</u>	<u>23,741</u>	<u>21,247</u>
Tax Agreements:			
MTT	4,450	4,611	4,481
Nova Scotia Liquor Commission	920	910	807
Nova Scotia Power Inc.	2,475	2,457	2,457
Other	18	936	34
	<u>7,863</u>	<u>8,914</u>	<u>7,779</u>
Other Taxes:			
Deed Transfer Taxes	17,500	16,675	16,819
Local Improvement Charges	1,312	1,457	1,516
	<u>18,812</u>	<u>18,132</u>	<u>18,335</u>
	<u>\$ 329,097</u>	<u>\$ 332,931</u>	<u>\$ 316,439</u>

HALIFAX REGIONAL MUNICIPALITY

Schedules to Statement of Operations

Year ended March 31, 2001, with comparative figures for 2000
(In thousands of dollars)

	Budget	2001 Actual	2000 Actual
Payments in Lieu of Taxes:			
Canadian Broadcasting Corporation	\$ 411	\$ 405	\$ 401
Canadian National Railway	1,275	1,499	1,526
Crown Timber Land	-	-	194
Federal Government	16,900	15,060	16,817
Halifax Port Corporation	1,003	1,194	1,229
Provincial Government	4,150	3,972	3,760
Via Rail	225	189	270
Workers' Compensation Board	156	158	153
Canada Post Corporation	494	485	483
Other	303	296	5
	\$ 24,917	\$ 23,258	\$ 24,838
Revenue from Own Sources:			
Interest on Taxes and Capital Charges	\$ 3,251	\$ 3,544	\$ 3,680
Interest on Investments	4,410	7,409	4,846
Interest on Capital Projects	-	-	1,062
Interest on Area Rated Loans	271	111	227
Miscellaneous	2,810	1,033	1,318
Parking Meters	1,710	1,678	1,719
Parking Rentals	225	538	460
Dividend, Halifax Regional Water Commission	2,500	2,500	3,000
	\$ 15,177	\$ 16,813	\$ 16,312
Unconditional Transfers from Other Governments:			
Nova Scotia Farm Property Acreage	\$ 42	\$ 43	\$ 42
Power Corporation - HST Rebate	3,100	3,625	3,859
	\$ 3,142	\$ 3,668	\$ 3,901

HALIFAX REGIONAL MUNICIPALITY

Schedules to Statement of Operations

Year ended March 31, 2001, with comparative figures for 2000
(In thousands of dollars)

	Budget	2001 Actual	2000 Actual
Conditional Transfers from Other Governments:			
Provincial Government for the Halifax Regional Library	\$ 3,035	\$ 2,945	\$ 2,860
Public Housing Amortization	104	104	104
	<u>\$ 3,139</u>	<u>\$ 3,049</u>	<u>\$ 2,964</u>
Transfer from Reserves	\$ -	\$ -	\$ 1,656
Departmental Revenue:			
General Government	\$ 23	\$ 32	\$ 28
Administrative Services	24	39	29
Community Projects	798	842	735
Financial Services	3,925	3,973	3,496
Metro Transit	20,452	20,773	19,967
Information Services	-	4	12
Human Resources	30	23	157
Corporate Real Estate Services	932	1,327	2,185
Building Management Services	1,026	1,313	-
Solid Waste Services	12,208	15,251	12,843
Shared Services	392	487	177
Planning and Development Services	3,958	3,990	4,178
Public Works and Transportation	15,641	15,636	14,402
Fire and Emergency Services	5,767	5,969	5,486
Regional Police	1,806	2,819	2,386
Emergency 911 Communications	-	-	6
Tourism, Culture and Heritage	565	458	1,119
Parks and Recreational Services	5,089	5,287	5,215
Library	479	753	460
Total	<u>\$ 73,115</u>	<u>\$ 78,976</u>	<u>\$ 72,881</u>

HALIFAX REGIONAL MUNICIPALITY

Schedules to Statement of Operations

Year ended March 31, 2001, with comparative figures for 2000
(In thousands of dollars)

	Budget	2001 Actual	2000 Actual
Expenditure:			
General Government:			
Administration	\$ 1,177	\$ 1,181	\$ 1,049
Year 2000 – Y2K Project	–	(24)	2,140
Economic Marketing and Promotion	900	902	906
Councillors' Support	1,469	1,668	1,532
Mayor's Support	578	522	493
Special Projects	1,100	1,100	–
	\$ 5,224	\$ 5,349	\$ 6,120
Administrative Services:			
Administrative and Legal Services	\$ 1,281	\$ 1,326	\$ 1,274
Corporate Support	1,474	1,490	904
	\$ 2,755	\$ 2,816	\$ 2,178
Community Projects	\$ 1,093	\$ 1,137	\$ 1,020
Financial Services:			
Administration	\$ 594	\$ 531	\$ 660
Revenue and Process Audit	2,754	2,763	2,359
Accounting	2,050	1,996	1,765
Procurement	1,738	1,773	1,701
Financial Planning Services	490	322	325
	\$ 7,626	\$ 7,385	\$ 6,810
Metro Transit Services:			
Administration	\$ 113	\$ 114	\$ 95
Transit	14,749	15,657	14,346
Community Transit	303	241	231
Access-A-Bus	1,407	1,429	1,377
Ferries	3,852	3,844	3,597
	\$ 20,424	\$ 21,285	\$ 19,646

HALIFAX REGIONAL MUNICIPALITY

Schedules to Statement of Operations

Year ended March 31, 2001, with comparative figures for 2000
(In thousands of dollars)

	Budget	2001 Actual	2000 Actual
Information Services:			
Administration	\$ 2,102	\$ 2,095	\$ 2,173
Customer Care	841	673	287
Business Solutions	1,533	1,379	1,447
Technology Infrastructures	2,395	2,315	2,293
	<u>\$ 6,871</u>	<u>\$ 6,462</u>	<u>\$ 6,200</u>
Human Resources:			
Administration	\$ 209	\$ 201	\$ 172
Organizational Development	738	784	1,394
Client Services	1,296	1,211	570
Core Services	549	639	765
	<u>\$ 2,792</u>	<u>\$ 2,835</u>	<u>\$ 2,901</u>
Corporate Real Estate Services	<u>\$ 755</u>	<u>\$ 783</u>	<u>\$ 11,073</u>
Building Management Services:			
Administration and Development	\$ 6,230	\$ 5,857	\$ --
Building Costs	4,590	6,509	--
	<u>\$ 10,820</u>	<u>\$ 12,366</u>	<u>\$ --</u>
Solid Waste Services:			
Former Solid Waste System	\$ 3,400	\$ 3,371	\$ 3,701
Waste Resources	33,647	36,282	34,244
	<u>\$ 37,047</u>	<u>\$ 39,653</u>	<u>\$ 37,945</u>
Shared Services:			
Customer Support	\$ 3,933	\$ 3,588	\$ 2,790
Customer Service Centres	489	470	443
Fleet Services	9,481	10,221	9,836
	<u>\$ 13,903</u>	<u>\$ 14,279</u>	<u>\$ 13,069</u>
Planning and Development Services:			
Development Services	\$ 4,787	\$ 4,523	\$ 3,834
Planning Services	2,524	2,229	1,781
Business District Commissions	583	569	548
	<u>\$ 7,894</u>	<u>\$ 7,321</u>	<u>\$ 6,163</u>

HALIFAX REGIONAL MUNICIPALITY

Schedules to Statement of Operations

Year ended March 31, 2001, with comparative figures for 2000
(In thousands of dollars)

	Budget	2001 Actual	2000 Actual
Public Works and Transportation:			
Engineering Services	\$ 6,353	\$ 5,703	\$ 4,656
Wastewater Treatment	5,525	5,452	5,097
Streets and Roads	8,075	7,938	7,204
Snow and Ice Control Functions	8,744	11,665	8,584
Underground and Technical	8,171	8,081	7,416
Administration	562	449	501
Streetlighting	4,560	4,285	4,317
	\$ 41,990	\$ 43,573	\$ 37,775
Fire and Emergency Services:			
Operations	\$ 20,995	\$ 20,848	\$ 19,735
Training	919	851	802
Prevention	1,141	1,084	905
Administration	1,366	1,442	1,080
Mechanical Maintenance	997	1,080	893
Buildings and Logistic	975	1,031	1,129
Rural Departments	5,532	5,339	4,812
Emergency Measures	163	160	130
	\$ 32,088	\$ 31,835	\$ 29,486
Regional Police:			
Outside Policing	\$ 13,800	\$ 13,633	\$ 12,315
Chief's Office	1,639	1,782	1,704
Administration	5,269	5,649	4,864
Operational Support	9,404	9,311	8,954
Operations	18,625	18,818	18,060
	\$ 48,737	\$ 49,193	\$ 45,897
Emergency 911 Communications	\$ 3,691	\$ 3,522	\$ 3,210
Tourism, Culture and Heritage:			
Market Development	\$ 668	\$ 643	\$ 1,030
Administration	558	547	500
Visitors Services	394	298	333
Heritage and Culture	535	617	529
Civic Events	681	700	529
	\$ 2,836	\$ 2,805	\$ 2,921

HALIFAX REGIONAL MUNICIPALITY

Schedules to Statement of Operations

Year ended March 31, 2001, with comparative figures for 2000
(In thousands of dollars)

	Budget	2001 Actual	2000 Actual
Parks and Recreational Services:			
Recreation and Leisure Program	\$ 8,410	\$ 8,023	\$ 7,320
Area Rate Services	347	307	361
Area Services	151	247	150
Community Facilities	2,122	2,089	2,116
Parks and Natural Services	8,382	8,863	8,865
Transfers	388	449	124
	\$ 19,800	\$ 19,978	\$ 18,936
Library	\$ 12,614	\$ 12,644	\$ 11,981
Transfers to Reserves:			
Transfer to Reserves	\$ 2,741	\$ 3,759	\$ 2,439
Transfer to Valuation Allowance	7,934	2,331	7,196
	\$ 10,675	\$ 6,090	\$ 9,635
Fiscal Services:			
Halifax Regional School Board	\$ 80,139	\$ 78,954	\$ 77,090
Debt Charges	38,001	39,138	35,983
Capital from Operating	9,707	10,216	184
Amortization of Deferred Transition Costs	2,361	2,361	2,361
Social Assistance	8,800	8,800	14,300
Correctional Centre	6,097	6,103	5,958
Metropolitan Regional Housing Authority	2,125	2,053	2,387
Grants and Tax Concessions	3,885	3,869	2,732
Insurance	2,385	2,815	2,553
World Trade Centre	466	493	457
Port Development	213	-	213
Deficit (Surplus) from Operations	(3,657)	(3,691)	9,717
Fire Protection	6,781	6,914	6,318
General	1,649	7,317	1,698
	\$ 158,952	\$ 165,342	\$ 161,951

HALIFAX REGIONAL MUNICIPALITY

Schedule of Long-term debt

March 31, 2001, with comparative figures for 2000
(In thousands of dollars)

Bond Issue	Term (years)	Interest Rate - %	Matures	Balance March 31 2000	Issued	Redeemed	Balance March 31 2001
General							
66C	40	6.25	2007	175		25	150
67A	40	6.50	2007	266		38	228
80A	20	11.0/12.0	2001	235		235	-
				676		298	378
C.M.H.C.							
65B	40	5.13	2005	47		9	38
66E	40	5.13	2006	217		32	185
79B	20	6.25	2000	-		(13)	(13)
80C-1	20	10.0	2001	60		60	-
80D-1	20	10.0	2001	19		19	-
				343		107	236
M.F.C.							
80-A-1	20	11.25	2000	-		-	-
80-B-1	20	11.75	2000	22		22	-
80-E-1	20	13.375	2001	283		283	-
84-A-2	15	14.25	2000	-		-	-
85-A-1	20	12.5	2006	225		37	188
85-A-1	15	10.75/11.0	2001	43		43	-
85-B-1	15	10.75/11.0	2001	91		91	-
89-A-1	10	10.5	2000	-		-	-
89-A-1	10	11.25	2000	-		-	-
89-B-1	10	10.50	2000	-		-	-
90-A-1	10	11.9	2001	6,726		6,726	-
90-A-1	10	11.75	2001	14,419		14,419	-
90-B-1	10	11.9	2001	6,579		6,579	-
91-A-1	10	10.375/10.5	2002	1,525		294	1,231
91-A-1	10	9.5/9.75	2002	1,929		965	964
91-B-1	10	8.25/9.75	2002	465		232	233
92-A-1	10	9.375/9.875	2003	1,744		326	1,418
92-A-1	10	7.5/8.5	2003	3,165		1,055	2,110
92-B-1	10	7.5/8.5	2003	4,752		380	4,372
93-A-1	10	7.375/8.5	2004	3,486		647	2,839
93-A-1	10	5.25/7.625	2004	4,516		1,129	3,387
94-A-1	10	8.25/9.25	2005	7,181		1,149	6,032
94-A-1	10	8.375/9.75	2005	2,130		426	1,704
94-B-1	10	8.375/9.75	2005	3,669		421	3,248
95-A-1	10	8.25/9.125	2006	3,000		500	2,500
95-A-1	10	6.875/8.125	2006	8,377		1,212	7,165
95-B-1	10	6.875/8.125	2006	7,200		1,200	6,000
96-A-1	10	5.5/8.0	2007	5,590		458	5,132
96-B-1	10	4.75/7.5	2007	1,050		150	900
97-A-1	10	4.5/7.0	2008	43,872		5,484	38,388
97-B-1	10	4.25/6.25	2008	11,120		1,390	9,730
98-A-1	10	5/5.5	2009	31,500		3,500	28,000
98-B-1	10	4.625/5.625	2009	51,565		6,532	45,033
99-A-1	10	4.75/5.375	2010	25,000		1,725	23,275
99-B-1	10	5.75/6.75	2010	30,000		3,000	27,000
00-A-1	10	6.25/6.875	2010	-	17,500	-	17,500
00-B-1	10	5.875/6.375	2010	-	14,000	-	14,000
				281,224	31,500	60,375	252,349
Misc.							
5% stock	Permanent	5.0		2	-	-	2
Landfill Loan	20	7.00	2018	955	-	27	928
				957	-	27	930
				\$ 283,200	\$ 31,500	\$ 60,807	253,893
Less current portion							36,500
Long-term portion							\$ 217,393

HALIFAX REGIONAL MUNICIPALITY

Schedule of Remuneration of Members of Council and Chief Administrative Officer

Year ended March 31, 2001
(In thousands of dollars)

Council members:

P. Kelly, Mayor	\$	60
J. Blumenthal, Deputy Mayor		42
W. Fitzgerald, Former Mayor		56
J. Cunningham, Former Deputy Mayor		47
S. Adams		38
K. Colwell		38
R. Cooper		38
G. Downey		23
S. Fougere		38
L. Goucher		15
J. Greenough		23
R. Harvey		38
B. Hetherington		38
G. Hines		15
B. Johns		15
H. McInroy		38
G. Meade		15
D. Merrigan		23
J. Mitchell		23
L. Mosher		15
R. Rankin		38
G. Read		23
C. Sarto		38
C. Schofield		23
D. Sloane		15
J. Smith		15
G. Snow		23
W. Stone		23
S. Streach		38
S. Uteck		38
R. Walker		38
B. Warshick		15
D. Whelan		15

Chief Administrative Officer:

K. Meech, Chief Administrative Officer		137
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