

Financial Information of

HALIFAX REGIONAL MUNICIPALITY

Year ended March 31, 2010



KPMG LLP
Chartered Accountants
Suite 1500 Purdy's Wharf Tower I
1959 Upper Water Street
Halifax NS B3J 3N2
Canada

Telephone (902) 492-6000
Fax (902) 492-1307
Internet www.kpmg.ca

AUDITORS' REPORT

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

We have audited the general rate surplus of the operating fund of the Halifax Regional Municipality for the year ended March 31, 2010. This financial information has been prepared to comply with generally accepted accounting principles adopted for Nova Scotia Municipalities. This financial information is the responsibility of the Municipality's management. Our responsibility is to express an opinion on this financial information 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 information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In our opinion, this schedule presents fairly, in all material respects, the general rate surplus of the operating fund of the Halifax Regional Municipality for the year ended March 31, 2010 in accordance with the basis of accounting described in note 1 to the financial information.

This financial information, which has not been, and was not intended to be, prepared in accordance with Canadian generally accepted accounting principles, is solely for the information and use of Council of Halifax Regional Municipality. The financial information is not intended to be and should not be used by anyone other than the specified users or for any other purpose.

Chartered Accountants

Halifax, Canada

October 29, 2010

HALIFAX REGIONAL MUNICIPALITY

General Rate Surplus

Year ended March 31, 2010

(In thousands of dollars)

	2010
General rate surplus, before transfers to reserves at year end	3,290
Transfers of surplus to reserves at year end	
Operations stabilization	2,000
Information and communication technologies	950
Snow and ice control variable operating	1,000
Total transfers of surplus to reserves at year end	3,950
	(660)
Prior years general rate surplus available for the 2010 fiscal year	825
General rate surplus	165

HALIFAX REGIONAL MUNICIPALITY

Notes to Financial Information

Year ended March 31, 2010
(In thousands of dollars)

1. Significant accounting policies:

This financial information has been prepared to conform in all material respects to the accounting principles prescribed pursuant to Section 451 of the Municipal Government Act Nova Scotia municipalities by Service Nova Scotia and Municipal Relations and is intended for the use of Members of Council of Halifax Regional Municipality.

The basis of accounting used in this financial information differs materially from generally accepted accounting principles as prescribed by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants ("PSAB"). The significant differences with PSAB are described below. PSAB requires that:

- Financial statements be prepared on a consolidated basis to reflect the assets, liabilities, revenues and expenses, and changes in net assets and in financial position of the reporting entity where the reporting entity is comprised of all organizations, commissions and agencies accountable to the Halifax Regional Municipality ("HRM") for the administration of their financial affairs and resources and which are owned or controlled by the HRM. This would include, at a minimum, the individual funds represented in the March 31, 2010 financial statements – Operating Fund, Capital Fund and Reserve Funds of the HRM, and the Halifax Regional Water Commission, a public utility owned by the HRM. The consolidated financial statements prepared in accordance with PSAB would include a Statement of Financial Position, Statement of Operations and Accumulated Surplus, Statement of change in Net Financial Assets and a Statement of Cash Flows;
- Revenue and expenses be recorded on a full accrual basis; and
- Expenditures on tangible capital assets be capitalized on the Statement of Financial Position in the year acquired and amortized over their useful lives.