



Consolidated Financial Statements

Municipality of the District of Argyle

March 31, 2023

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Independent Auditors' Report

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**To the Warden and Council of
Municipality of District of Argyle**

Opinion

We have audited the consolidated financial statements of Municipality of the District of Argyle (the "Municipality"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in net financial assets and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Municipality of the District of Argyle as at March 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Municipality's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Municipality and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Yarmouth, Canada
February 29, 2024

Chartered Professional Accountants

Municipality of the District of Argyle

Management's Responsibility for Financial Reporting

March 31, 2023

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the consolidated financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

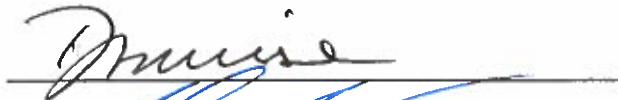
Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Council. The Council reviews internal financial statements on a monthly basis and external audited consolidated financial statements yearly. The Audit Committee, as appointed by Council, also discusses any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

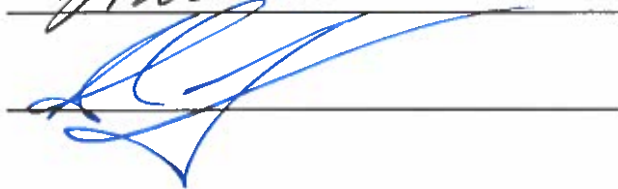
The external auditors, Grant Thornton LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of the Municipality of the District of Argyle and meet when required. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the consolidated financial statements.

On behalf of Municipality of the District of Argyle:

Warden



Chief Administrative Officer



Municipality of the District of Argyle

Consolidated Statement of Operations

Year Ended March 31

2023

2022

	<u>Budget</u> (Note 19)	<u>Actual</u>	<u>Actual</u>
Revenues			
Taxes (Note 20)	\$ 5,845,395	\$ 5,915,828	\$ 5,572,307
Grants in lieu of taxes	150,953	151,525	151,167
Special assessments	-	-	5,500
Other revenue from own sources (Note 21)	1,749,416	1,933,718	1,470,783
Unconditional transfers from Federal and Provincial governments	199,713	219,914	344,976
Conditional transfers from Federal and Provincial governments	3,066,188	2,135,736	1,087,942
Services provided to other governments	103,869	97,975	101,565
Sales of services	286,766	308,857	65,737
Interest	153,376	426,919	185,740
Rental and events	185,865	259,380	-
Food and beverages	33,329	85,687	-
	<u>11,774,870</u>	<u>11,535,539</u>	<u>8,985,717</u>
Expenses			
General government services	2,211,297	2,092,834	1,783,535
Protective services	2,504,165	2,210,384	2,063,558
Transportation services	571,195	669,031	583,235
Environmental health services	1,900,654	1,958,753	1,884,025
Public health services	94,633	72,800	116,842
Environmental development services	2,090,293	1,765,411	1,043,424
Recreational and cultural services	1,393,556	1,818,760	881,463
	<u>10,765,793</u>	<u>10,587,973</u>	<u>8,356,082</u>
Annual surplus before the undernoted	1,009,077	947,566	629,635
Gain on change in proportionate controlled entity	-	2,050,295	-
Gain (loss) on disposal of tangible capital assets	240,000	197,285	(91,985)
Annual surplus	<u>\$ 1,249,077</u>	<u>\$ 3,195,146</u>	<u>\$ 537,650</u>
<hr/>			
Accumulated surplus, beginning of year		\$ 22,342,262	\$ 21,804,612
Annual surplus		<u>3,195,146</u>	<u>537,650</u>
Accumulated surplus, end of year		<u>\$ 25,537,408</u>	<u>\$ 22,342,262</u>

See accompanying notes to the consolidated financial statements.

Municipality of the District of Argyle

Consolidated Statement of Financial Position

March 31

2023

2022

Financial Assets

Cash and cash equivalents		
Restricted	\$ 549,485	\$ 350,996
Unrestricted	13,629,707	11,034,936
Taxes receivable (Note 4)	385,523	346,008
Special assessment receivable (Note 5)	96,238	200,300
Due from Provincial government and its agencies	44,066	44,501
Due from Federal government and its agencies (Note 6)	348,779	18,523
Water supply upgrade lending program (Note 7)	341,065	375,981
Other receivables	423,389	359,663
Portfolio investment	220,073	266,845
Land held for resale (Note 8)	41,212	41,212
Inventory held for resale	24,347	4,145
Properties acquired at tax sale	3,794	3,279
	<u>16,107,678</u>	<u>13,046,389</u>

Financial Liabilities

Payables and accruals (Note 9)	574,173	740,406
Prepayment of taxes	247,784	212,381
Deferred revenue (Note 10)	4,616,696	1,813,436
Tax sale surplus	581,421	544,628
Other post employment benefits	20,953	-
Asset retirement obligation (Note 26)	547,055	-
Contaminated sites	14,225	-
Long-term debt (Note 11)	3,271,019	4,095,377
	<u>9,873,326</u>	<u>7,406,228</u>

NET FINANCIAL ASSETS

6,234,352 5,640,161

Non-Financial Assets

Work in progress	29,175	-
Tangible capital assets (Note 12)	33,625,402	27,551,674
Less: accumulated amortization (Note 12)	(14,411,555)	(10,891,446)
	19,243,022	16,660,228
Prepaid expenses	60,034	41,873
	<u>19,303,056</u>	<u>16,702,101</u>

ACCUMULATED SURPLUS

\$ 25,537,408 \$ 22,342,262

Commitments and contractual obligations (Note 14)

Contingent liabilities (Note 16)

On behalf of the Municipality of the District of Argyle



Warden



CAO

See accompanying notes to the consolidated financial statements.

Municipality of the District of Argyle

Consolidated Statement of Change in Net Financial Assets

March 31

2023

2022

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Annual surplus	\$ 1,249,077	\$ 3,195,146	\$ 537,650
Acquisition of tangible capital assets	(2,026,000)	(991,987)	(1,774,368)
Tangible capital assets acquired on change			
In ownership of controlled entity	-	(2,050,295)	-
Proceeds on disposal of tangible capital assets	-	219,356	178,178
(Gain) loss on disposal of tangible capital assets	(240,000)	(197,285)	91,985
Amortization of tangible capital assets	795,288	931,716	834,892
Amortization of asset retirement obligation	-	27,178	-
Asset retirement obligation recognized	-	(521,478)	-
	(221,635)	612,351	(131,663)
Change in prepaid assets	-	(18,160)	(14,850)
Decrease in net financial assets	\$ (221,635)	594,191	(146,513)
NET FINANCIAL ASSETS, BEGINNING OF YEAR		5,640,161	5,786,674
NET FINANCIAL ASSETS, END OF YEAR		\$ 6,234,352	\$ 5,640,161

See accompanying notes to the consolidated financial statements.

Municipality of the District of Argyle

Consolidated Statement of Cash Flow

Year Ended March 31

2023

2022

Increase in cash and cash equivalents

Operating activities

Annual surplus	\$ 3,195,146	\$ 537,650
Amortization regular	931,716	834,892
Amortization asset retirement obligations	27,178	-
Accretion expense	25,576	-
(Gain) loss on disposal of tangible capital assets	(197,285)	91,985
Change in non-cash items (Note 22)	<u>2,951,080</u>	<u>392,638</u>
	<u>6,933,411</u>	<u>1,857,165</u>

Capital transactions

Acquisition of tangible capital assets	(991,987)	(1,774,368)
Proceeds on disposal of tangible capital assets	219,356	178,178
Gain on change in proportionate controlled entity	(2,050,295)	-
Asset retirement obligations recognized	(521,478)	-
Change in prepaid expenses	<u>(18,161)</u>	<u>(14,850)</u>
	<u>(3,362,565)</u>	<u>(1,611,040)</u>

Financing transactions

Issuance of long-term debt	-	3,002,044
Repayment of long-term debt	<u>(824,358)</u>	<u>(668,851)</u>
	<u>(824,358)</u>	<u>2,333,193</u>

Investing transactions

Purchase of portfolio investment	<u>46,772</u>	<u>(57,365)</u>
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Net increase in cash and cash equivalents **2,793,260** 2,521,953

Cash and cash equivalents

Beginning of year	<u>11,385,932</u>	<u>8,863,979</u>
End of year	<u>\$ 14,179,192</u>	<u>\$ 11,385,932</u>

Cash and cash equivalents are comprised of:

Restricted cash	\$ 549,485	\$ 350,996
Unrestricted cash	<u>13,629,707</u>	<u>11,034,936</u>
	<u>\$ 14,179,192</u>	<u>\$ 11,385,932</u>

See accompanying notes to the consolidated financial statements.

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2023

1. Summary of significant accounting policies

The consolidated financial statements of the Municipality of the District of Argyle are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board ("PSAB") of Chartered Professional Accountants of Canada.

The focus of PSAB financial statements is on the financial position of the Municipality and the changes thereto. The Consolidated Statement of Financial Position includes all of the assets and liabilities of the Municipality.

Significant aspects of the accounting policies adopted by the Municipality are as follows:

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures in the financial position of the reporting entity. The reporting entity is comprised on all organizations and enterprises accountable for the administration of their affairs and resources to the Municipality and which are owned, controlled or proportionately controlled by the Municipality.

The Municipality has consolidated the following proportionately controlled entities:

- Mariners Centre Management Authority
- Yarmouth International Airport Corporation
- Yarmouth Area Industrial Commission
- Yarmouth & Acadian Shores Tourism Association
- Yarmouth County Solid Waste Management Authority

Interdepartmental and organizational transactions and balances are eliminated.

During the year, the Municipality became a third owner in the Mariners Centre Management Authority. They paid \$1 and received a value of \$2,050,295.

Budget

The budget figures contained in these financial statements were approved by Council on May 10, 2022 in its original fiscal plan; they also include budgets prepared and approved by controlled entities and are adjusted for amortization in accordance with Public Sector requirements. Note 19 outlines the original fiscal plan and the adjustments made to come to the budget figures shown in these financial statements.

Revenue recognition

- (a) Taxes are recognized as assets and revenue when they meet the definition of an asset, are authorized and a taxable event occurs, which for property taxes is the period for which the tax is levied.

At each financial statement date, management evaluates the extent to which its tax receivables are ultimately collectible and valuation allowances are used to reflect tax receivables at their net recoverable amount.

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2023

1. Summary of significant accounting policies (continued)

Revenue recognition (continued)

At each financial statement date, management evaluates the likelihood of having to repay taxes collected under tax measures that have been deemed authorized using the concept of legislative convention and recognizes a liability when required. Related refunds are accounted for in the period in which the change in estimate occurs.

- (b) Government transfers are transfers of monetary assets or tangible capital assets from a government to an individual, an organization or another government that are not the result of an exchange transaction, expected to be repaid in the future or expected to produce a direct financial return. Government transfers received are recognized in the financial statements as revenue when the transfers are authorized and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

- (c) Other revenue is recorded when it is earned.

Expenses

- (a) Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation.
- (b) Government transfers made to a recipient by the Municipality are recorded as an expense when they are authorized and the recipient meets all eligibility criteria.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less. Bank borrowings are considered to be financing activities.

Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost of the tangible capital asset is amortized on a straight line basis or declining balance basis over the estimated useful life as follows:

<u>Asset type</u>	<u>Rate</u>
Land improvements	25 years
Tennis and volleyball courts	15 years
Buildings	2.5%, 5, 25, 40, 50 years
Wastewater infrastructure	40 years
Water utilities	20 years
Dewatering units	20 years
Streets, roads, sidewalks and trails	8%, 25 years
Wind turbines	20 years
Solar panels	20 years
Construction and demolition debris sites	5-7 years
Asbestos and contaminated soil sites	20-25 years
Wharves	5%, 2, 4, 10, 25 years
Hangar	4%
Organic compost bins	10 years

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2023

1. Summary of significant accounting policies (continued)

Tangible capital assets (continued)

Equipment and machinery	20%, 5, 10 years
Vehicles	20%, 30%, 8 years

Assets under construction are not amortized until the asset is available for productive use. Funding related to the purchase of tangible capital assets is recorded as revenue when received.

School assets

All school buildings on hand remain assets of the Municipality but are under the operational control of the school board until such time as the board no longer requires the asset for school purposes. At that time, control will revert back to the Municipality.

School buildings have not been recorded as tangible capital assets, as they are not currently under the control of the Municipality.

Asset retirement obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that the future economic benefit will be given up; and
- A reasonable estimate of the amount can be made.

The liability for the closure and decommissioning of wind turbines, wells, wharves, transfer station, ice plant equipment, C & D sites, airport facilities, fuel oil storage tanks, fuel systems and refuelling areas has been recognized based on estimated future expenses. The liability associated with the remediation of contaminants present within buildings/land owned by the Municipality has also been recognized based on estimated future expenses on closure of the sites and post-closure care.

The liability is discounted using a present value calculation and adjusted annually for accretion expense. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to tangible capital assets is being amortized in accordance with the amortization accounting policies.

Tax sale surplus

Annually, the Municipality hosts a tax sale for properties whose owners are not up to date on their tax payments. The amounts from the proceeds of sale in excess of tax owing must be held for a period of 20 years. After the 20 year period of holding these funds in trust has expired, the cash will be transferred to the capital reserve. During the current year there were transfers of \$0 (2022 - \$8,886) made from the tax sale amounts to the capital reserve.

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2023

1. Summary of significant accounting policies (continued)

Use of estimates

The preparation of the consolidated financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates that effect the amounts recorded in the financial statements. Management reviews the carrying amounts of items in the financial statements at each fiscal year end date to assess the need for revisions. Items in preparation of these consolidated financial statements require management's best estimate based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to annual surplus as appropriate in the year they become known.

Significant items subject to management estimates include:

<u>Financial statement element</u>	<u>Management estimate</u>
Taxes receivable	Allowance for doubtful accounts
Payables and accruals	Accrued liability
Tangible capital assets	Useful lives
Asset retirement obligations	Discount rate

Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. the Municipality is directly responsible or accepts responsibility; and
- iv. a reasonable estimate of the amount can be made.

Management has reviewed potential sites where they feel a material liability may exist and has concluded there is no known liability at this time.

2. Change in accounting policies

Asset retirement obligations

On April 1, 2022, the Municipality adopted Public Sector Accounting Standards PS 3280 - Asset Retirement Obligations ("PS 3280"). The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, including the removal and remediation of contaminants in retired buildings by public sector entities. The standard was adopted on the prospective basis at the date of adoption as the event giving rise to the obligation arose prior to April 1, 2022 and the obligation has not been previously recognized. Under the prospective basis of adoption, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard.

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2023

2. Change in accounting policies (continued)

Asset retirement obligations (continued)

The Municipality recognized an asset retirement obligation upon the adoption of PS 3280 on April 1, 2022. The liability represents the required closure and decommissioning of wind turbines, wells, wharves, transfer station, ice plant equipment, C & D sites, airport facilities, fuel oil storage tanks, fuel systems and refuelling areas, and the remediation of contaminants present within/on buildings or lands owned by the Municipality. The assets have expected useful lives ranging from 1-58 years. As of the date of adoption of the standard, the relevant discount rates on tangible assets was 3.4%-5.5% per annum.

In accordance with the provisions of this new standard, the Municipality has reflected the following adjustments as at April 1, 2022:

- a) An asset retirement obligation in the amount of \$521,479, representing the original \$2,227,594 obligation discounted to the present value using a discount rate of 3.4%-5.5% per annum.
- b) An increase to tangible capital assets, representing the original estimate of the obligation as at the date of the transition.

Financial instruments and foreign currency translation

On April 1, 2022, the Municipality adopted Public Sector Accounting Standards PS 3450 - Financial Instruments and PS 2601 - Foreign Currency Translation. The standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency translation.

Under PS 3450, all financial instruments, including derivatives, are included on the statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the Municipality's accounting policy choices.

In accordance with the provisions of these new standards, the Municipality does not have any changes reflected in their statements as a result of the adoption of the standards.

3. Contributions to Boards and Commissions

Boards in which the Municipality has less than 100% interest

The Municipality of the District of Argyle is required to assist the operations of various Boards and Commissions. Argyle has recorded its contributions to these organizations as expenses in these financial statements.

In addition to any budgeted contributions, the Municipal Units share in the deficits or surpluses of these organizations based on their sharing percentages. The Municipality's share of the deficit is to be paid in the next fiscal year while a surplus is to be taken into the next year's estimates.

Regional Housing Authority

During the period, the Municipality of the District of Argyle paid \$55,000 (2022 - \$40,372) to fund its share of the prior year's deficit.

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2023

3. Contributions to Boards and Commissions (continued)

Regional Library

During the period, the Municipality of the District of Argyle paid \$63,900 (2022 - \$54,013) to the Regional Library.

Western Regional Solid Waste Management Authority (Waste Check)

During the year, the Municipality contributed \$21,937 (2022 - \$21,935) as its share of the cost of operations of the Western Regional Solid Waste Management Authority.

Western Regional Enterprise Network

During the year, the Municipality contributed \$45,804 (2022 - \$43,883) as its share of the cost of operations of the Western Regional Enterprise Network.

4. Taxes receivable			<u>2023</u>	<u>2022</u>
	<u>Current</u>	<u>Prior</u>	<u>Total</u>	<u>Total</u>
Taxes receivable, beginning of year	\$ -	\$ 346,008	\$ 346,008	\$ 304,400
Assessable property taxes				
Residential	5,352,774	-	5,352,774	5,008,210
Commercial	1,221,057	-	1,221,057	1,156,301
Resource	410,753	-	410,753	397,318
Other – recreation property tax	14,339	-	14,339	13,656
Wind farm taxes from developers	192,314	-	192,314	190,410
Area rates, uniform charges and special assessments	42,897	-	42,897	42,059
Sewer rates and charges	264,190	-	264,190	229,894
Taxes and rates collected for other governments and agencies	<u>480,242</u>	<u>-</u>	<u>480,242</u>	<u>446,303</u>
	<u>7,978,380</u>	<u>346,008</u>	<u>8,324,574</u>	<u>7,788,551</u>
Collections	7,493,047	297,661	7,790,895	7,302,450
Write-offs	-	6,613	6,613	336
Reduced taxes	<u>161,729</u>	<u>-</u>	<u>161,729</u>	<u>158,254</u>
	<u>7,654,776</u>	<u>304,274</u>	<u>7,959,237</u>	<u>7,461,040</u>
	323,604	41,734	365,338	327,511
Interest on taxes	23,049	1,336	24,385	22,278
Less valuation allowance	<u>-</u>	<u>(4,200)</u>	<u>(4,200)</u>	<u>(3,781)</u>
Taxes receivable, end of year	<u>\$ 346,653</u>	<u>\$ 38,870</u>	<u>\$ 385,523</u>	<u>\$ 346,008</u>

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2023

5. Special assessments receivable

Special assessment – Tusket sewer

Upon completion of the Tusket sewer capital project, residents in the Tusket Wastewater District were assessed a capital fee for a portion of the project cost. These residents were given the option to pay immediately or over a 20 year period. As at March 31, 2023, the principal balance owed from the Tusket residents is \$45,157 (2022 - \$68,802). Interest is recorded as revenue in the year that it is received, and not included in the Special assessment – Tusket sewer receivable.

Special assessment – West Pubnico sewer

Upon completion of the West Pubnico sewer capital project, residents in the West Pubnico Wastewater District were assessed a capital fee for a portion of the project cost. These residents were given the option to pay immediately or over a 10 year period. As at March 31, 2023, the principal balance owed from the West Pubnico residents is \$nil (2022 - \$71,165). Interest is included as revenue in the year that it is received, and not included in the Special assessment receivable.

Special assessment – Wedgeport sewer

Upon completion of the Wedgeport sewer capital project, residents in the Wedgeport Wastewater District were assessed a capital fee for a portion of the project cost. These residents were given the option to pay immediately or over a 10 year period. As at March 31, 2023, the principal balance owed from the Wedgeport residents is \$51,081 (2022 - \$60,333). Interest is included as revenue in the year that it is received, and not included in the Special assessment receivable.

Total long term taxes receivable for Tusket, West Pubnico and Wedgeport is \$96,238 (2022 - \$200,300).

6. Due from Federal government and its agencies	<u>2023</u>	<u>2022</u>
HST receivable	<u>\$ 348,779</u>	<u>\$ 18,523</u>

7. Water supply upgrade lending program

On January 16, 2017, Council adopted a bylaw which allowed for lending to qualified residents to dig or drill a new well on their property. This bylaw is enabled under legislation through the Municipal Government Act.

A loan under the water supply upgrade lending program is recognized when funds are disbursed, the Municipality assumes the risks associated with the loan, repayment of principal and interest is established, and the loan can be reliably measured. Interest is recognized over the term of a loan according to the terms of the underlying agreement.

All loans are considered first liens on the residential property, identical to municipal taxes. The loans are repayable monthly over a period of 10 years.

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2023

8. Land held for resale

The Municipality purchased and developed land for resale in the years 1985 through 1989. The costs are removed from the property accounts as land is sold and proceeds are recorded as revenue in the capital reserve.

During 2012, the Municipality re-acquired the Tusket Business Park property from the Yarmouth Area Industrial Commission in exchange for \$1. Of the lots re-acquired, two have been kept by the Municipality. The remaining eighteen lots were held for resale and as of March 31, 2022, fourteen of the lots have been sold.

During 2015, the Municipality began marketing seven lots of residential park land in Wedgeport as available for sale. In 2017, one additional piece of residential park land was acquired by the Municipality with the intent to resell. Five lots of land have been sold as of March 31, 2023.

9. Payables and accruals	<u>2023</u>	<u>2022</u>
Trade	\$ 310,725	\$ 480,671
Amounts due for controlled entities		
- Mariners Centre Management Authority	82,816	-
- Yarmouth International Airport Corporation	42,721	50,151
- Yarmouth Area Industrial Commission	26,988	60,592
- Yarmouth & Acadian Shores Tourism Association	9,158	10,441
- Yarmouth County Solid Waste Management Authority	43,065	90,133
Sick leave	<u>58,700</u>	<u>48,418</u>
	<u>\$ 574,173</u>	<u>\$ 740,406</u>

10. Deferred revenue	<u>2023</u>	<u>2022</u>
Operating revenue	\$ 566,205	\$ 175,989
East Pubnico utility	88,780	88,780
Canada Community-Building Fund	596,897	1,540,917
Other capital projects	<u>3,364,814</u>	<u>7,750</u>
	<u>\$4,616,696</u>	<u>\$1,813,436</u>

Funds received with specific spending criteria and stipulations are recorded in deferred revenue until these funds are spent on eligible expenditures. Canada Community-Building Fund monies must be held in special reserve accounts until spent on specific expenditures in accordance with the Canada-Nova Scotia Gas Tax Agreement. Safe restart funds must be held in special reserve accounts until spent on specific expenditures in accordance with the Safe Restart.

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2023

10. Deferred revenue (continued)

Deferred revenue reported on the consolidated statement of financial position is made up of the following:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	<u>\$1,813,436</u>	<u>\$1,683,967</u>
Contributions from:		
Canada Community-Building Fund	346,712	693,641
Province of Nova Scotia	3,852,353	25,000
Local municipal governments	66,382	62,208
Other	28,192	10,029
Interest earned	<u>38,684</u>	<u>31,015</u>
	<u>4,332,322</u>	<u>821,893</u>
Utilized for:		
Tangible capital asset acquisitions	1,350,065	530,122
Safe restart expenses	65,000	55,439
Operations	<u>113,997</u>	<u>106,683</u>
	<u>1,529,062</u>	<u>692,424</u>
Balance, end of year	<u>\$4,616,696</u>	<u>\$1,813,436</u>

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2023

11. Long-term debt

	Balance April 1, 2022	Issued	Repaid	Balance March 31, 2023	Interest	Interest rate
Nova Scotia Municipal Finance Corporation COVID-19 operating loan, payable in one annual principal payment of \$546,666 maturing in June 2024	\$ 1,093,333	\$ -	\$ (546,667)	\$ 546,666	\$ 9,027	1.10%
Federation of Canadian Municipalities – Green Municipal Fund loan, payable in one annual blended payment of \$332,246 and one semi-annual interest payment, maturing in March 2032	<u>3,002,044</u>	<u>-</u>	<u>(277,691)</u>	<u>2,724,353</u>	<u>110,015</u>	3.65%
	<u>\$ 4,095,377</u>	<u>\$ -</u>	<u>\$ (824,358)</u>	<u>\$ 3,271,019</u>	<u>\$ 119,042</u>	

Principal repayments required during the next five years on long-term debt are as follows:

2024	\$ 829,246
2025	287,832
2026	293,042
2027	298,346
2028	303,667

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2023

12. Tangible capital assets

	Land	Land Imp- rovements	Tennis & Volleyball Courts	Buildings	West Pubnico Sewer	Tusket Sewer	Tusket Business Park Sewer	Wedgeport Sewer	East Pubnico Water Utility	West Pubnico Dewatering Unit	Roads and Paving	Construction & Demolition Debris Sites
Cost												
Balance, beginning of year	\$ 555,627	\$ 420,750	\$ 197,220	\$ 6,187,529	\$ 8,190,743	\$ 2,803,137	\$ 751,807	\$ 1,020,670	\$ 288,504	\$ 286,150	\$ 784,316	\$ 536,570
Add												
Net additions during the year	-	20,648	4,425	91,800	31,286	-	-	48,404	-	-	76,441	14,225
Change in proportionate ownership	-	-	-	3,540,258	-	-	-	-	-	-	-	-
Asset retirement obligation recognized	37,593	-	-	6,256	-	-	-	-	-	-	-	180,028
Less												
Disposals during the year	-	-	-	(83,615)	-	-	-	-	-	-	-	-
Balance, end of year	<u>593,220</u>	<u>441,398</u>	<u>201,645</u>	<u>9,742,228</u>	<u>8,222,029</u>	<u>2,803,137</u>	<u>751,807</u>	<u>1,069,074</u>	<u>288,504</u>	<u>286,150</u>	<u>860,757</u>	<u>730,823</u>
Accumulated amortization												
Balance, beginning of year	-	168,100	86,765	766,898	3,737,693	1,175,496	242,815	123,300	14,425	14,308	401,026	385,632
Add												
Amortization during the year	1,296	16,830	12,395	240,566	82,185	70,078	18,795	24,016	14,425	14,308	34,203	44,334
Change in proportionate ownership	-	-	-	1,725,879	-	-	-	-	-	-	-	-
Less												
Accumulated amortization on disposals	-	-	-	(47,739)	-	-	-	-	-	-	-	-
Balance, end of year	<u>1,296</u>	<u>184,930</u>	<u>99,160</u>	<u>2,685,604</u>	<u>3,819,878</u>	<u>1,245,574</u>	<u>261,610</u>	<u>147,316</u>	<u>28,850</u>	<u>28,616</u>	<u>435,229</u>	<u>429,966</u>
NET BOOK VALUE	<u>\$ 591,924</u>	<u>\$ 256,468</u>	<u>\$ 102,485</u>	<u>\$ 7,056,624</u>	<u>\$ 4,402,151</u>	<u>\$ 1,557,563</u>	<u>\$ 490,197</u>	<u>\$ 921,758</u>	<u>\$ 259,654</u>	<u>\$ 257,534</u>	<u>\$ 425,528</u>	<u>\$ 300,857</u>

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2023

12. Tangible capital assets (continued)

	Asbestos & Contaminated Soil Sites	Wharves	Hangar	Solar Panels	Wind Turbines	Sidewalks and trails	Organic Compost Bins	Equipment & Machinery	Vehicles	2023 Total	2022 Total
Cost											
Balance, beginning of year	\$ 191,544	\$3,011,649	\$ 169,509	\$ 285,733	\$ 335,275	\$ 144,978	\$ 237,970	\$ 701,170	\$ 450,823	\$ 27,551,674	\$ 26,163,254
Add											
Net additions during the year	-	8	2,650	267,546	-	-	-	375,716	58,838	991,987	1,774,368
Change in proportionate ownership	-	-	-	-	-	-	-	1,103,620	-	4,643,879	-
Asset retirement obligation recognized	28,524	127,506	63,590	-	74,558	-	-	3,424	-	521,478	-
Less											
Disposals during the year	-	-	-	-	-	-	-	-	-	(83,615)	(385,948)
Balance, end of year	<u>220,068</u>	<u>3,139,163</u>	<u>235,750</u>	<u>553,279</u>	<u>409,833</u>	<u>144,978</u>	<u>237,970</u>	<u>2,183,930</u>	<u>509,661</u>	<u>33,625,403</u>	<u>27,551,674</u>
Accumulated amortization											
Balance, beginning of year	64,931	2,339,712	105,152	40,926	100,584	105,883	237,970	426,830	353,000	10,891,446	10,172,339
Add											
Amortization during the year	8,668	173,755	8,032	27,019	21,150	3,910	-	114,511	28,418	958,894	834,892
Change in proportionate ownership	-	-	-	-	-	-	-	883,075	-	2,608,954	-
Less											
Accumulated amortization on disposals	-	-	-	-	-	-	-	-	-	(47,739)	(115,785)
Balance, end of year	<u>73,599</u>	<u>2,513,467</u>	<u>113,183</u>	<u>67,945</u>	<u>121,734</u>	<u>109,793</u>	<u>237,970</u>	<u>1,424,416</u>	<u>381,418</u>	<u>14,411,555</u>	<u>10,891,446</u>
NET BOOK VALUE	<u>\$ 146,469</u>	<u>\$ 625,696</u>	<u>\$ 122,567</u>	<u>\$ 485,334</u>	<u>\$ 288,099</u>	<u>\$ 35,185</u>	<u>\$ -</u>	<u>\$ 759,514</u>	<u>\$ 128,243</u>	<u>\$ 19,213,848</u>	<u>\$ 16,660,228</u>

In 1997, the former Yarmouth Airport Commission entered into an agreement with Transport Canada to transfer the airport assets and operations to the Yarmouth International Airport Corporation, which is proportionately owned by the Municipality. These assets have been recorded in these consolidated financial statements at \$1 as no fair value was available.

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2023

13. School capital fund

On January 1, 1982 the Municipality of the District of Argyle joined with the Municipality of the District of Clare to form the Conseil Scolaire-Clare Argyle-School Board. During the 1996-1997 year, these schools came under the operational control of either the Conseil Scolaire Acadien Provincial or the Southwestern Regional School Board. Under agreements with these school boards, all school buildings on hand at December 31, 1981 remain assets of the Municipality but will be under the operational control of the district school boards until such time as the boards no longer require the assets for school purposes. At that time control would have reverted back to the Municipality, under the agreement.

Assets meeting this definition include the Plymouth School, École Pubnico-Ouest, École de Wedgeport, and the School Bus Garage in Sainte-Anne-du-Ruisseau. In 2009, the Municipality wrote off the cost of school assets to reflect the new PSAB guidance on Tangible Capital Assets, which indicates that the assets do not belong to the Municipality until control reverts to them. This adjustment was made retroactively in 2009. Proceeds from the sale of these assets would be recorded in the capital reserve.

Subsequent to year end, the Province of Nova Scotia announced that any remaining schools listed above will not revert back to the Municipality.

14. Commitments and contractual obligations

Organic waste collection and disposal contract

The Municipality has entered into a contract with Wasteco Ltd. for the handling and disposal of organic waste. The duration of the contract is five years commencing April 1, 2021 and the estimated annual payment for the remaining two years of the contract is as follows (excluding HST):

2024	\$371,844
2025	\$384,041

Internet contract

On March 1, 2022, the Municipality entered into an agreement with Bell Canada to provide high-speed internet to communities within the Municipality. The total project cost is \$5,735,240 which includes a contribution from the Municipality of \$669,375. As of March 31, 2023, the Municipality has incurred costs of \$602,000 as it relates to this project.

15. Pension obligations

During the year the Municipality matched contributions to their employees defined contribution pension plans at a rate of 6% of total wages. Contributions for the year totalled \$60,124 (2022 - \$56,654). As of March 31, 2023, there were no required future contributions in respect of past service and all contributions required under the plan had been funded.

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2023

16. Contingent liabilities

Harbour South Medical Clinic and Pubnico Medical Clinic

The Municipality has agreed to fund 33.33% of any deficit arising from both facilities. During the current year the Municipality has contributed \$19,652 (2022 - \$29,177) towards the operating deficit of the Harbour South Medical Clinic. During the current year the Municipality has contributed \$22,222 (2022 - \$26,184) towards the operating deficit of the AM Clarke Medical Clinic (Pubnico).

Other

The Municipality may be periodically involved in other legal actions arising in the normal course of business. In the opinion of management, the Municipality has adequate defences or insurance coverage with respect to each of these actions and does not believe that they will materially affect the Municipality's financial position or results of future operations.

17. Segment disclosure

The Municipality of the District of Argyle is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Municipality's operations and activities are organized and reported by fund. This presentation is in accordance with the Provincial Financial Reporting and Accounting Manual, and was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Municipal services are provided by departments and their activity is reported in these funds. The services provided by these departments are as follows:

General Government Services - Administration

This department is responsible for the overall financial and local government administration. Its tasks include tax billings and payments, trade payables and receivables, budgets, financial statements, adherence to the Municipal Government Act, bylaw administration, and information technology management.

Protective Services

This segment is managed by the administration department. The Municipality is primarily responsible for police and fire protection for its residents. The Municipalities of Argyle and Yarmouth operate a joint police detachment which serves both Municipalities. The Municipality also engages the services of various not for profit, volunteer fire departments in order to fulfil its fire protection role. The Municipality pays operating and capital grants to each fire department.

Other protective services include fees paid to the Province for correctional services and animal and pest control.

Transportation Services

The Municipality is responsible for the maintenance of specialized roads within its jurisdiction. Argyle is also a partner in the operation and ownership of the Yarmouth International Airport Corporation. This segment is managed by the administration department.

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2023

17. Segment disclosure (continued)

Environmental Health Services - Department of Property Inspection and Public Works

The department is responsible for the maintenance and operations of waste and sewer services provided to residents and other customers. Its tasks include the provision of waste collection, recycling, and composting services and are responsible for the issuance of development permits and approving subdivision applications. This department also manages animal control and dangerous and unsightly premises issues.

Public Health Services

This segment is managed by the administration department. The Municipality's contribution to public health is primarily in the form of doctor retention and recruitment. The Municipality works collaboratively with other units to attract and retain this essential service via the construction of medical clinics in our communities, and the commitment to financially offset operational deficits of these operations.

Environmental Development Services

This Department is responsible for the planning and development within the Municipality and its neighbouring regions. Its tasks include offering shared services to the Municipalities of Yarmouth, Argyle, Digby, and Clare, developing strategies, planning reports, mapping capabilities and ensuring that Provincial mandates for boundary reviews and strategies are met.

This department also includes municipal contributions to the regional industrial commission and economic development authorities, who are mandated to promote development within our respective communities.

This department also includes Tourism Development, which is closely tied to economic development. This department ensures that our local tourism product is continuously developed to attract tourists in this area.

Recreation and Cultural Services

This department is responsible for promoting and offering recreation opportunities and activities to the Municipality's residents, specializing in offering day camps to youth and social activities for senior groups. This department also is responsible for the maintenance and operations of recreation fields for the benefit of all residents.

Also included in this grouping is the Argyle Courthouse and Gaol, the oldest standing courthouse in North America. The Municipality staffs this facility with an archivist who has the responsibility to manage this facility as well as the Municipal and public archives. This department works in conjunction with a local non-profit society for the preservation of the community's rich heritage. The Courthouse is open for tours during the tourist season.

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2023

17. Segment disclosure (continued)

	General government	Protective	Transportation	Environmental health	Public health	Environmental development	Recreation and cultural	2023	2022
Revenues									
Taxes	\$ 1,182,343	\$ 1,216,429	\$ 368,184	\$ 1,085,889	\$ 40,064	\$ 963,612	\$ 1,059,307	\$ 5,915,828	\$ 5,572,307
Grants in lieu of taxes	30,284	31,157	9,430	27,813	1,026	24,681	27,133	151,525	151,167
Special assessments	-	-	-	-	-	-	-	-	5,500
Other revenue from own sources	202,056	-	391,484	574,543	-	562,398	203,237	1,933,718	1,470,783
Unconditional transfers from Federal and Provincial governments or agencies	219,914	-	-	-	-	-	-	219,914	344,976
Conditional transfers from Federal and Provincial governments or agencies	1,376,584	2,817	-	519,261	-	51,385	185,689	2,135,736	1,087,942
Services provided to other governments	97,975	-	-	-	-	-	-	97,975	101,565
Sales of services	74,355	-	-	-	-	-	234,502	308,857	65,737
Interest	417,701	-	-	-	-	4,993	4,225	426,919	185,740
Rental and events	-	-	-	-	-	-	259,380	259,380	-
Food and beverages	-	-	-	-	-	-	85,687	85,687	-
	<u>3,601,212</u>	<u>1,250,403</u>	<u>769,098</u>	<u>2,207,506</u>	<u>41,090</u>	<u>1,607,069</u>	<u>2,059,160</u>	<u>11,535,539</u>	<u>8,895,717</u>
Expenses									
Salaries and benefits	947,531	466,714	180,224	215,814	-	335,471	673,819	2,819,573	2,358,244
Goods and services	217,000	1,580,011	269,091	996,222	54,978	353,327	335,628	3,806,257	3,562,012
Amortization	110,757	23,400	48,158	318,112	17,822	267,943	172,702	958,894	834,892
Interest	119,042	-	-	-	-	-	-	119,042	16,330
Other	600,387	140,259	171,558	428,605	-	808,671	734,727	2,884,207	1,584,604
	<u>1,994,717</u>	<u>2,210,384</u>	<u>669,031</u>	<u>1,958,753</u>	<u>72,800</u>	<u>1,765,411</u>	<u>1,916,876</u>	<u>10,587,973</u>	<u>8,356,082</u>
Annual surplus (deficit) before the undernoted	1,606,498	(959,981)	100,067	248,753	(31,710)	(158,343)	142,284	947,566	629,635
Gain on change in proportionate Controlled entity	-	-	-	-	-	-	2,050,295	2,050,295	-
Gain (loss) on disposal of tangible capital assets	-	-	-	197,285	-	-	-	197,285	(91,985)
Annual surplus (deficit)	<u>\$ 1,606,498</u>	<u>\$ (959,981)</u>	<u>\$ 100,067</u>	<u>\$ 446,038</u>	<u>\$ (31,710)</u>	<u>\$ (158,343)</u>	<u>\$ 2,192,579</u>	<u>\$ 3,195,146</u>	<u>\$ 537,650</u>

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2023

18. Subsidiary operations

						<u>2023</u>	<u>2022</u>
	Mariners Centre Management Authority	Yarmouth International Airport Corporation	Yarmouth County Solid Waste Management Authority	Yarmouth Area Industrial Commission	Yarmouth and Acadian Shores Tourism Association	<u>Total</u>	<u>Total</u>
Revenues	\$ 1,137,554	\$ 453,781	\$ 643,845	\$ 325,983	\$ 287,946	\$ 2,849,109	\$ 1,457,529
Expenses	<u>973,107</u>	<u>450,204</u>	<u>659,738</u>	<u>508,871</u>	<u>313,052</u>	<u>2,904,972</u>	<u>1,668,811</u>
Annual (deficit) surplus	<u>\$ 164,447</u>	<u>\$ 3,577</u>	<u>\$ (15,893)</u>	<u>\$ (182,888)</u>	<u>\$ (25,106)</u>	<u>\$ (55,863)</u>	<u>\$ (211,282)</u>
Financial assets	\$ 267,006	\$ 69,953	\$ 552,196	\$ 293,268	\$ 53,760	\$ 1,236,183	\$ 1,178,447
Financial liabilities	<u>167,159</u>	<u>111,078</u>	<u>272,584</u>	<u>161,722</u>	<u>11,491</u>	<u>724,034</u>	<u>268,336</u>
Net financial assets	<u>99,847</u>	<u>(41,125)</u>	<u>279,612</u>	<u>131,546</u>	<u>42,269</u>	<u>512,149</u>	<u>910,111</u>
Non-financial assets	<u>2,114,690</u>	<u>152,588</u>	<u>1,020,899</u>	<u>1,562,642</u>	<u>12,947</u>	<u>4,863,766</u>	<u>2,471,578</u>
Accumulated surplus	<u>\$ 2,214,537</u>	<u>\$ 111,463</u>	<u>\$ 1,300,511</u>	<u>\$ 1,694,188</u>	<u>\$ 55,216</u>	<u>\$ 5,375,915</u>	<u>\$ 3,381,689</u>

These amounts represent the proportion owned by the Municipality of the District of Argyle and are included in the consolidated statement of operations and statement of financial position.

This schedule does not take into account inter-organization eliminations.

The inter-municipal funding agreement between the Yarmouth International Airport Corporation and its funding partners/owners expired on March 31, 2019. The Airport is currently negotiating a new agreement. Council motions have been passed and funding contributions are being made based upon the approved operating budget of the Airport up to March 31, 2023.

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2023

19. Budget figures

Public Sector Accounting Standards require a comparison of the results for the period with those originally planned on the same basis as that used for actual results. The fiscal plan in the statement of operations and statement of changes in net assets has been adjusted to be on a consistent basis as actual results. The adjustments below include netting school board appropriations and reduced taxes against tax revenues, reclassification of revenues and expenditures amongst categories, and the elimination of revenues and expenditures between the Municipality and its proportionately consolidated entities. Below is a reconciliation of the figures from the approved fiscal plan to the fiscal plan per the financial statement:

	Approved Fiscal Plan	Adjustments	Fiscal Plan Per Financial Statements
Revenues			
Taxes	\$ 6,006,881	\$ (161,486)	\$ 5,845,395
Grants in lieu of taxes	150,953	-	150,953
Special assessments	-	-	-
Other revenue from own sources	2,067,260	(317,844)	1,749,416
Unconditional transfers from other governments	199,713	-	199,713
Conditional transfers from Federal and Provincial governments and agencies	3,066,188	-	3,066,188
Services provided to other governments	112,294	(8,425)	103,869
Sales of services	286,766	-	286,766
Interest	153,376	-	153,376
Rental and events	185,865	-	185,865
Food and beverages	33,329	-	33,329
Proceeds from sale of property and equipment	<u>240,000</u>	<u>(240,000)</u>	<u>-</u>
	<u>12,502,625</u>	<u>(727,755)</u>	<u>11,774,870</u>
Expenses			
General government services	2,400,544	(319,247)	2,081,297
Protective services	2,480,765	23,400	2,504,165
Transportation services	662,388	(91,193)	571,195
Environmental health services	3,182,616	(1,281,962)	1,900,654
Public health and welfare services	117,363	(22,730)	94,633
Environmental development services	2,107,869	(17,576)	2,090,293
Recreational and cultural services	1,850,176	(326,620)	1,523,556
Transfers (from) to own reserves, funds and agencies	<u>(134,800)</u>	<u>134,800</u>	<u>-</u>
	<u>12,666,922</u>	<u>(1,901,128)</u>	<u>10,765,793</u>
Annual (deficit) surplus before the undernoted	(164,297)	1,173,373	1,009,077
Gain on disposal of tangible capital assets	<u>-</u>	<u>240,000</u>	<u>240,000</u>
Annual (deficit) surplus	<u>\$ (164,297)</u>	<u>\$ 1,413,373</u>	<u>\$ 1,249,077</u>

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2023

20. Taxes	2023 <u>Budget</u>	2023 <u>Actual</u>	2022 <u>Actual</u>
Assessable property			
Residential	\$ 5,344,000	\$ 5,352,774	\$ 5,008,210
Commercial			
Commercial property	1,209,814	1,210,560	1,143,987
Seasonal property	10,275	10,279	12,282
Forest property (50,000 acres or more)	<u>32</u>	<u>32</u>	<u>32</u>
	<u>6,564,121</u>	<u>6,573,645</u>	<u>6,164,511</u>
Resource			
Taxable assessments	401,477	400,271	386,605
Forest property tax (less than 50,000 acres)	<u>10,486</u>	<u>10,482</u>	<u>10,713</u>
	<u>411,963</u>	<u>410,753</u>	<u>397,318</u>
Other assessable property taxes			
Recreation property tax	13,650	14,339	13,656
Farm property tax	6,800	6,800	6,596
Wind farm payment – Province of Nova Scotia	34,445	34,445	34,104
Conservation payment	<u>2,300</u>	<u>11,216</u>	<u>4,398</u>
	<u>57,195</u>	<u>66,800</u>	<u>58,754</u>
Special tax agreements			
Based on revenue (Aliant)	32,992	33,345	34,828
Wind farm developer tax	<u>192,314</u>	<u>192,314</u>	<u>190,410</u>
	<u>225,306</u>	<u>225,659</u>	<u>225,238</u>
Other rates, charges and assessments			
Environmental services, sewer	260,787	264,190	229,894
East Pubnico industrial water system	58,600	42,897	42,059
Fire area rates, tax	479,991	480,242	446,303
Appropriation to regional fire departments	<u>(479,991)</u>	<u>(480,126)</u>	<u>(446,335)</u>
	<u>319,387</u>	<u>307,203</u>	<u>271,921</u>
Other taxes			
Deed transfer tax	240,000	307,013	388,730
Intermunicipal tax sharing agreement – Yarmouth Airport	<u>26,000</u>	<u>26,597</u>	<u>26,874</u>
	<u>266,000</u>	<u>333,610</u>	<u>415,604</u>
Expenses as a reduction of tax revenue			
Appropriation to regional school board	(1,683,277)	(1,683,277)	(1,659,580)
Transfer to correctional services	(102,000)	(101,836)	(102,833)
Deficit of Regional Housing Authority	(52,000)	(55,000)	(40,372)
Tax rebates or cancellations, by bylaw	<u>(161,300)</u>	<u>(161,729)</u>	<u>(158,254)</u>
	<u>(1,998,577)</u>	<u>(2,001,842)</u>	<u>(1,961,039)</u>
	<u>\$ 5,845,395</u>	<u>\$ 5,915,828</u>	<u>\$ 5,572,307</u>

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2023

21. Other revenue from own sources	2023 <u>Budget</u>	2023 <u>Actual</u>	2022 <u>Actual</u>
Non-consolidated Operating Fund	\$ 186,299	\$ 205,056	\$ 270,419
Tax sale surplus	-	-	8,886
Mariners Centre Management Authority	315,849	344,821	-
Yarmouth International Airport Corporation	380,519	453,781	334,296
Yarmouth County Solid Waste Management Authority	589,729	643,846	621,505
Yarmouth Area Industrial Commission	342,689	320,993	308,279
Yarmouth & Acadian Shores Tourism Association	252,175	287,941	187,319
Reclassification of interest	(3,000)	(3,000)	(87,529)
Inter-organizational eliminations	<u>(314,844)</u>	<u>(319,720)</u>	<u>(172,392)</u>
	<u>\$ 1,749,416</u>	<u>\$ 1,933,718</u>	<u>\$ 1,470,783</u>

22. Change in non-cash items

The following are changes in non-cash items. The total is carried back to the Consolidated Statement of Cash Flow on page 7.

	<u>2023</u>	<u>2022</u>
Taxes receivable	\$ (39,515)	\$ (41,608)
Special assessment receivable	104,062	105,130
Due from Provincial government and its agencies	435	18,679
Due from Federal government and its agencies	(330,256)	93,447
Water supply upgrade lending program	34,916	(33,089)
Other receivables	(63,726)	(24,907)
Inventory held for resale	(20,202)	2,448
Payables and accruals	(166,233)	(113,989)
Prepayment of taxes	35,403	25,274
Deferred revenue	2,803,260	129,469
Asset retirement obligation recognized	521,478	-
Other post employment benefits	20,953	-
Contaminated sites	14,225	-
Properties acquired at tax sale	(515)	-
Tax surplus sale	<u>36,793</u>	<u>231,784</u>
	<u>\$ 2,951,080</u>	<u>\$ 392,638</u>

23. Previously closed landfill sites

The Municipality has landfill sites that were closed many years ago in accordance with the standards required at that time. Management believes that clean-up costs have been incurred in full, and thus has not recorded any additional liability. Any costs incurred in future years would be charged to operations in the fiscal year when the work is performed. A transfer of \$30,000 was made to and remains in the Special Reserve Fund - Capital Reserve Section in the 1995 - 1996 fiscal periods for future landfill closure costs.

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2023

24. Reserves

The following is the non-consolidated accumulated surplus of the reserves at the end of the year:

	<u>2023</u>	<u>2022</u>
Operating	<u>\$ 4,044,583</u>	<u>\$ 3,845,431</u>
Capital	<u>\$ 4,585,068</u>	<u>\$ 3,905,304</u>

The Tusket wastewater operations, West Pubnico wastewater operations, and East Pubnico water utility operations are included in the non-consolidated operating fund. The accumulated surplus in these facilities is as follows:

	<u>2023</u>	<u>2022</u>
Tusket wastewater	<u>\$ 68,366</u>	<u>\$ 68,235</u>
West Pubnico wastewater	<u>\$ 335,201</u>	<u>\$ 286,782</u>
East Pubnico water utility	<u>\$ 103,822</u>	<u>\$ 100,542</u>

25. Remuneration and expense reimbursements

The total remuneration and expense reimbursements paid to councilors and the Chief Administrative Officer during the year ended March 31, 2023 was as follows:

	<u>Remuneration</u>	<u>Expenses</u>
Danny Muise – Warden	\$ 37,521	\$ 2,010
Nicole Albright – Deputy Warden	25,722	1,034
Guy Surette – Councillor	23,065	925
Richard Donaldson – Councillor	23,065	170
Calvin d'Entremont – Councillor	23,065	341
Kathy Bourque – Councillor	23,065	1,498
Glenn Diggdon – Councillor	23,065	568
Ted Saulnier – Councillor	23,065	536
Gordon Boudreau – Councillor	23,065	72
Alain Muise – Chief Administrative Officer	133,277	1,336

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2023

26. Asset retirement obligation

The Municipality's asset retirement obligation consists of the liability for the decommissioning of wind turbines, wells, wharves, transfer station, ice plant equipment, C & D sites, airport facilities, fuel oil storage tanks, fuel systems and refuelling areas, and the remediation of contaminants present within/on buildings owned by the Municipality. These contaminants represent a health hazard upon demolition or to meet environmental standards, and therefore there is a legal obligation for the removal of these contaminants on decommissioning. Following the adoption of PS 3280 – Asset retirement obligations, the Municipality recognized an obligation relating to this decommissioning and remediation as estimated at April 1, 2022. These assets have remaining useful lives of 1-58 years. Estimated costs have been discounted to the present value using a discount rate of 3.4%-5.5% per annum.

Changes to the asset retirement obligation in the year are as follows:

	<u>2023</u>	<u>2022</u>
Opening balance	\$ -	\$ -
Liability recognized on adoption of PS 3280	521,479	-
Settlement	-	-
Accretion expense	<u>25,576</u>	<u>-</u>
Closing balance	<u>\$ 547,055</u>	<u>\$ -</u>

27. Subsequent events

On August 10th, 2023, the Mariners Centre Management Authority provided a news release for a planned expansion at the Mariners Centre, with a confirmed budget of \$30 million (before fundraising).

Subsequent to year end, the Yarmouth County Solid Waste Management Authority constructed a new C&D cell 4 for \$1,966,200 plus HST.