



Consolidated Financial Statements

Municipality of the District of Argyle

March 31, 2024

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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, 2024, 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, 2024, 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
November 21, 2024



Chartered Professional Accountants

Municipality of the District of Argyle

Management's Responsibility for Financial Reporting

March 31, 2024

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.

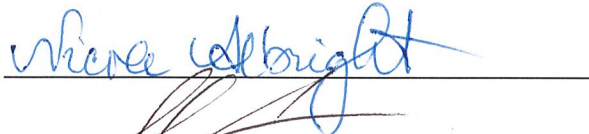
Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized 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, Doane 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.

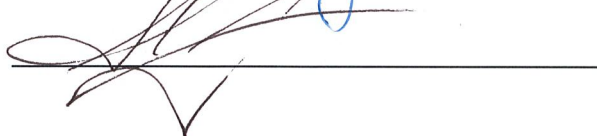
On behalf of Municipality of the District of Argyle:

Warden



A handwritten signature in blue ink, appearing to read "Wanda Abbott", is written over a horizontal line.

Chief Administrative Officer



A handwritten signature in black ink is written over a horizontal line.

Municipality of the District of Argyle

Consolidated Statement of Operations

Year Ended March 31

2024

2023

	<u>Budget</u> (Note 19)	<u>Actual</u>	<u>Actual</u>
Revenues			
Taxes (Note 20)	\$ 6,569,296	\$ 6,555,461	\$ 5,915,828
Grants in lieu of taxes	151,746	153,067	151,525
Other revenue from own sources (Note 21)	1,835,713	1,883,735	1,933,718
Unconditional transfers from Federal and Provincial governments	212,739	209,134	219,914
Conditional transfers from Federal and Provincial governments	3,815,106	2,547,616	2,135,736
Services provided to other governments	121,115	149,420	97,975
Sales of services	339,040	343,358	308,857
Interest	395,183	673,032	426,919
Rental and events	239,276	221,332	259,380
Food and beverages	87,325	111,727	85,687
	<u>13,766,539</u>	<u>12,847,882</u>	<u>11,535,539</u>
Expenses			
General government services	2,401,608	2,156,428	2,092,834
Protective services	2,648,574	2,722,855	2,210,384
Transportation services	567,790	691,650	669,031
Environmental health services	2,250,969	2,208,440	1,958,753
Public health services	61,000	34,313	72,800
Environmental development services	1,087,152	1,123,401	1,765,411
Recreational and cultural services	1,350,857	1,950,217	1,818,760
	<u>10,367,950</u>	<u>10,887,304</u>	<u>10,587,973</u>
Annual surplus before the undernoted	3,398,589	1,960,578	947,566
Gain on change in proportionate controlled entity	-	-	2,050,295
Gain on disposal of tangible capital assets	306,538	30,963	197,285
Annual surplus	<u>\$ 3,705,127</u>	<u>\$ 1,991,541</u>	<u>\$ 3,195,146</u>
<hr/>			
Accumulated surplus, beginning of year		\$ 25,537,408	\$ 22,342,262
Annual surplus		<u>1,991,541</u>	<u>3,195,146</u>
Accumulated surplus, end of year		<u>\$ 27,528,949</u>	<u>\$ 25,537,408</u>

See accompanying notes to the consolidated financial statements

Municipality of the District of Argyle

Consolidated Statement of Financial Position

March 31

2024

2023

Financial Assets

Cash and cash equivalents		
Restricted	\$ 587,368	\$ 549,485
Unrestricted	12,828,703	13,629,707
Taxes receivable (Note 4)	497,782	385,523
Special assessment receivable (Note 5)	170,219	96,238
Due from Provincial government and its agencies	677,149	44,066
Due from Federal government and its agencies (Note 6)	103,355	348,779
Water supply upgrade lending program (Note 7)	274,681	341,065
Other receivables	1,071,835	423,389
Portfolio investment	225,002	220,073
Land held for resale (Note 8)	60,190	41,212
Inventory held for resale	20,532	24,347
Properties acquired at tax sale	3,794	3,794
	<u>16,520,610</u>	<u>16,107,678</u>

Financial Liabilities

Payables and accruals (Note 9)	1,091,247	574,173
Prepayment of taxes	263,041	247,784
Deferred revenue (Note 10)	5,261,949	4,616,696
Tax sale surplus	718,269	581,421
Other post employment benefits	46,120	20,953
Asset retirement obligation (Note 26)	573,760	547,055
Contaminated sites	14,225	14,225
Loans payable	278,671	-
Long-term debt (Note 11)	2,441,773	3,271,019
	<u>10,689,055</u>	<u>9,873,326</u>

NET FINANCIAL ASSETS

5,831,555 6,234,352

Non-Financial Assets

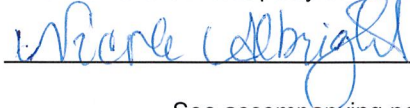
Work in progress	235,707	29,175
Tangible capital assets (Note 12)	36,745,935	33,625,402
Less: accumulated amortization (Note 12)	(15,340,970)	(14,411,555)
	<u>21,640,672</u>	<u>19,243,022</u>
Prepaid expenses	56,722	60,034
	<u>21,697,394</u>	<u>19,303,056</u>

ACCUMULATED SURPLUS

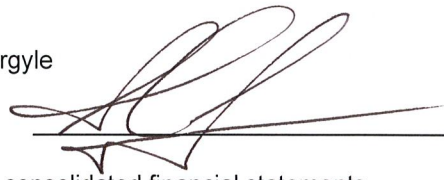
\$ 27,528,949 \$ 25,537,408

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	2024	2023	
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Annual surplus	\$ 3,705,127	\$ 1,991,541	\$ 3,195,346
Acquisition of tangible capital assets	(4,678,401)	(3,196,801)	(991,987)
Tangible capital assets acquired on change			
In ownership of controlled entity	-	-	(2,050,295)
Proceeds on disposal of tangible capital assets	-	30,963	219,356
(Gain) loss on disposal of tangible capital assets	-	(30,963)	(197,285)
Work in progress	-	(206,534)	-
Amortization of tangible capital assets	801,654	978,226	931,716
Amortization of asset retirement obligation	-	27,457	27,178
Asset retirement obligation recognized	-	-	(521,478)
	<u>(171,620)</u>	<u>(406,111)</u>	612,351
Change in prepaid assets	<u>-</u>	<u>3,314</u>	<u>(18,160)</u>
(Decrease) increase in net financial assets	<u>\$ (171,620)</u>	<u>(402,797)</u>	594,191
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>6,234,352</u>	<u>5,640,161</u>
NET FINANCIAL ASSETS, END OF YEAR		<u>\$ 5,831,555</u>	<u>\$ 6,234,352</u>

See accompanying notes to the consolidated financial statements

Municipality of the District of Argyle

Consolidated Statement of Cash Flow

Year Ended March 31

2024

2023

Increase in cash and cash equivalents

Operating activities

Annual surplus	\$ 1,991,541	\$ 3,195,146
Amortization regular	978,226	931,716
Amortization asset retirement obligations	27,457	27,178
Accretion expense	26,705	25,576
(Gain) loss on disposal of tangible capital assets	(30,963)	(197,285)
Change in non-cash items (Note 22)	<u>240,611</u>	<u>2,951,080</u>
	<u>3,233,577</u>	<u>6,933,411</u>

Capital transactions

Acquisition of tangible capital assets	(3,196,801)	(991,987)
Proceeds on disposal of tangible capital assets	30,963	219,356
Gain on change in proportionate controlled entity	-	(2,050,295)
Asset retirement obligations recognized	-	(521,478)
Change in prepaid expenses	<u>3,314</u>	<u>(18,161)</u>
	<u>(3,162,524)</u>	<u>(3,362,565)</u>

Financing transactions

Issuance of long-term debt	-	-
Repayment of long-term debt	<u>(829,246)</u>	<u>(824,358)</u>
	<u>(829,246)</u>	<u>(824,358)</u>

Investing transactions

Purchase of portfolio investment	<u>(4,928)</u>	<u>46,772</u>
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Net (decrease) increase in cash and cash equivalents	(763,121)	2,793,260
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Cash and cash equivalents

Beginning of year	<u>14,179,192</u>	<u>11,385,932</u>
End of year	<u>\$ 13,416,071</u>	<u>\$ 14,179,192</u>

Cash and cash equivalents are comprised of:

Restricted cash	\$ 587,368	\$ 549,485
Unrestricted cash	<u>12,828,703</u>	<u>13,629,707</u>
	<u>\$ 13,416,071</u>	<u>\$ 14,179,192</u>

See accompanying notes to the consolidated financial statements

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2024

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, and 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.

Budget

The budget figures contained in these financial statements were approved by Council on May 11, 2023 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, 2024

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, 2024

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 \$4,960 (2023 - \$nil) made from the tax sale amounts to the capital reserve.

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2024

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

Revenue

On April 1, 2023, the Municipality adopted Public Sector Accounting Standards PS 3400 – Revenue ("PS 3400"). PS 3400 establishes standards on how to account for and report on revenue. It does not apply to revenues for which specific standards already exist, such as government transfers or restricted revenues. The section distinguishes between revenue that arises from transactions that include performance obligations (i.e. exchange transactions) and transactions that do not have performance obligations (i.e. non-exchange transactions). Revenue from transactions with performance obligations will be recognized when (or as) the performance obligation is satisfied by providing the promised goods or services to the payor. Revenue from transactions with no performance obligations will be recognized when a public sector entity has the authority to claim or retain the revenue and identifies a past transaction or event that gives rise to an asset.

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2024

2. Change in accounting policies (continued)

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

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 \$58,834 (2023 - \$55,000) to fund its share of the prior year's deficit.

Regional Library

During the period, the Municipality of the District of Argyle paid \$63,900 (2023 - \$63,900) to the Regional Library.

Western Regional Solid Waste Management Authority (Waste Check)

During the year, the Municipality contributed \$21,826 (2023 - \$21,937) 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 \$49,088 (2023 - \$45,804) as its share of the cost of operations of the Western Regional Enterprise Network.

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2024

4. Taxes receivable			<u>2024</u>	<u>2023</u>
	<u>Current</u>	<u>Prior</u>	<u>Total</u>	<u>Total</u>
Taxes receivable, beginning of year	\$ -	\$ 385,523	\$ 385,523	\$ 346,008
Assessable property taxes				
Residential	5,931,364	-	5,931,364	5,352,774
Commercial	1,364,834	-	1,364,834	1,221,057
Resource	456,290	-	456,290	410,753
Other – recreation property tax	15,057	-	15,057	14,339
Wind farm taxes from developers	194,237	-	194,237	192,314
Area rates, uniform charges and special assessments	36,051	-	36,051	42,897
Sewer rates and charges	332,640	-	332,640	264,190
Taxes and rates collected for other governments and agencies	533,837	-	533,837	480,242
	<u>8,864,310</u>	<u>385,523</u>	<u>9,249,833</u>	<u>8,324,574</u>
Collections	8,527,280	52,965	8,580,245	7,790,895
Write-offs	-	10,633	10,633	6,613
Reduced taxes	189,958	-	189,958	161,729
	<u>8,717,238</u>	<u>63,598</u>	<u>8,780,836</u>	<u>7,959,237</u>
	147,072	321,925	468,997	365,338
Interest on taxes	31,464	3,421	34,885	24,385
Less valuation allowance	<u>-</u>	<u>(6,100)</u>	<u>(6,100)</u>	<u>(4,200)</u>
Taxes receivable, end of year	<u>\$ 178,536</u>	<u>\$ 319,246</u>	<u>\$ 497,782</u>	<u>\$ 385,523</u>

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2024

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, 2024, the principal balance owed from the Tusket residents is \$26,072 (2023 - \$45,157). 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, 2024, the principal balance owed from the West Pubnico residents is \$nil (2023 - \$nil). 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, 2024, the principal balance owed from the Wedgeport residents is \$144,147 (2023 - \$51,081). 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 \$170,219 (2023 - \$96,238).

6. Due from Federal government and its agencies	<u>2024</u>	<u>2023</u>
HST receivable	<u>\$ 103,355</u>	<u>\$ 348,779</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, 2024

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, 2024, 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, 2024.

9. Payables and accruals	<u>2024</u>	<u>2023</u>
Trade	\$ 643,549	\$ 310,725
Amounts due to controlled entities		
- Mariners Centre Management Authority	129,749	82,816
- Mariners Centre Wellness Fund	85	-
- Yarmouth International Airport Corporation	55,166	42,721
- Yarmouth Area Industrial Commission	31,123	26,988
- Yarmouth & Acadian Shores Tourism Association	9,704	9,158
- Yarmouth County Solid Waste Management Authority	136,871	43,065
Sick leave	<u>85,000</u>	<u>58,700</u>
	<u>\$ 1,091,247</u>	<u>\$ 574,173</u>

10. Deferred revenue	<u>2024</u>	<u>2023</u>
Operating revenue	\$ 116,233	\$ 566,205
East Pubnico utility	88,780	88,780
Canada Community-Building Fund	634,222	596,897
Other capital projects	<u>4,422,714</u>	<u>3,364,814</u>
	<u>\$ 5,261,949</u>	<u>\$ 4,616,696</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.

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2024

10. Deferred revenue (continued)

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

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	<u>\$4,616,696</u>	<u>\$1,813,436</u>
Contributions from:		
Canada Community-Building Fund	360,525	346,712
Province of Nova Scotia	1,276,626	3,852,353
Local municipal governments	55,304	66,382
Other	62,479	28,192
Interest earned	<u>46,185</u>	<u>38,684</u>
	<u>1,801,119</u>	<u>4,332,322</u>
Utilized for:		
Tangible capital asset acquisitions	1,011,664	1,350,065
Safe restart expenses	-	65,000
Operations	<u>144,202</u>	<u>113,997</u>
	<u>1,155,866</u>	<u>1,529,062</u>
Balance, end of year	<u>\$5,261,949</u>	<u>\$4,616,696</u>

Municipality of the District of Argyle Notes to the Consolidated Financial Statements

March 31, 2024

11. Long-term debt

	<u>Balance April 1, 2023</u>	<u>Issued</u>	<u>Repaid</u>	<u>Balance March 31, 2024</u>	<u>Interest</u>	<u>Interest rate</u>
Nova Scotia Municipal Finance Corporation COVID-19 operating loan, payable in one annual principal payment of \$546,666 matured in June 2023	\$ 546,666	\$ -	\$ (546,666)	\$ -	\$ 3,007	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>2,724,353</u>	<u>-</u>	<u>(282,580)</u>	<u>2,441,773</u>	<u>100,016</u>	3.65%
	<u>\$ 3,271,019</u>	<u>\$ -</u>	<u>\$ (829,246)</u>	<u>\$ 2,441,773</u>	<u>\$ 103,023</u>	

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

2025	\$ 287,832
2026	293,042
2027	298,346
2028	303,667
2029	309,242

Municipality of the District of Argyle Notes to the Consolidated Financial Statements

March 31, 2024

12. Tangible capital assets

	Land	Land Improvements	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	\$ 593,220	\$ 441,398	\$ 201,645	\$ 9,742,228	\$ 8,222,029	\$ 2,803,137	\$ 751,807	\$ 1,069,074	\$ 288,504	\$ 286,150	\$ 860,757	\$ 730,823
Add												
Net additions during the year	-	721,453	-	174,095	10,538	-	-	984,042	300,526	-	20,336	881,939
Change in proportionate ownership	-	-	-	-	-	-	-	-	-	-	-	-
Asset retirement obligation recognized	-	-	-	-	-	-	-	-	-	-	-	-
Less												
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-	-
Balance, end of year	<u>593,220</u>	<u>1,162,851</u>	<u>201,645</u>	<u>9,916,323</u>	<u>8,232,567</u>	<u>2,803,137</u>	<u>751,807</u>	<u>2,053,116</u>	<u>589,030</u>	<u>286,150</u>	<u>881,093</u>	<u>1,612,762</u>
Accumulated amortization												
Balance, beginning of year	1,296	184,930	99,160	2,685,605	3,819,878	1,245,574	261,610	147,316	28,850	28,616	435,229	429,966
Add												
Amortization during the year	1,296	16,830	12,395	246,296	157,185	70,078	18,795	51,097	14,425	14,308	22,208	62,988
Change in proportionate ownership	-	-	-	-	-	-	-	-	-	-	-	-
Less												
Accumulated amortization on disposals	-	-	-	-	-	-	-	-	-	-	-	-
Balance, end of year	<u>2,592</u>	<u>201,760</u>	<u>111,555</u>	<u>2,931,901</u>	<u>3,977,063</u>	<u>1,315,652</u>	<u>280,405</u>	<u>198,413</u>	<u>43,275</u>	<u>42,924</u>	<u>457,437</u>	<u>492,954</u>
NET BOOK VALUE	<u>\$ 590,628</u>	<u>\$ 961,091</u>	<u>\$ 90,090</u>	<u>\$ 6,984,422</u>	<u>\$ 4,255,504</u>	<u>\$ 1,487,485</u>	<u>\$ 471,402</u>	<u>\$ 1,854,703</u>	<u>\$ 545,755</u>	<u>\$ 243,226</u>	<u>\$ 423,656</u>	<u>\$ 1,119,808</u>

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2024

13. Subsequent events

On May 29th, 2024, the Yarmouth International Airport Corporation's board of directors announced the Corporation entered into a 5 year agreement with Spiri Robotics, enabling Unmanned Aerial Vehicle (UAV) research, testing and development at the Airport. The agreement extends until March 31, 2029, and enabled Spiri to lease and use portions of the airport for UAV test flights and other UAV related research and development. The lease agreement will be \$130,577 over the 5 year term.

Subsequent to year end, the Yarmouth County Solid Waste Management Authority paid in full their short-term financing. The Authority paid \$600,000 to the Municipality of the District of Yarmouth on May 30, 2024, and \$400,000 to the Municipality of the District of Argyle on June 5, 2024. On May 21, 2024, the Authority received financing from the Department of Municipal Affairs in the amount of \$1,300,000 for the construction of the C&D cell 4 due May 21, 2027.

On October 29th 2024, the Mariners Center awarded a contract to RCS Construction for the Mariners Centre expansion in the amount of \$37,450,000. Construction is expected to begin in November 2024 with a 2026 planned completion date. The municipality had initially committed \$3,067,000 as their portion of the project. Subsequent to year end, an additional \$500,000 conditional grant was approved in case actual surpasses the budget. Total project budget is currently set at \$40,600,000.

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 year of the contract is as follows (excluding HST):

2025	\$384,041
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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, 2024, the Municipality has incurred costs of \$nil (2023 - \$602,000) as it relates to this project.

Scotia Recycling contract

On April 1, 2022, Yarmouth County Solid Waste Management Authority entered into a new five year term agreement with Scotia Recycling for the processing of recyclable waste. In the March 31, 2024 fiscal year, the Authority paid \$147.25 plus taxes per metric tonne of recyclables. The agreement expires on March 31, 2027.

Estimated rates per metric tonne of recyclables over the remaining three years of the amended agreement is as follows:

2025	\$194.00 plus HST
2026	\$195.75 plus HST
2027	\$197.50 plus HST

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2024

14. Commitments and contractual obligations (continued)

Region of Queens Municipality contract

On behalf of the Municipality of the District of Argyle, the Municipality of the District of Yarmouth and the Town of Yarmouth, the Yarmouth county Solid Waste Management Authority manages an agreement with the Region of Queens Municipality ("Queens") to oversee the transfer of waste from their facility to the Queens site. The agreement is dated August 10, 2005 and expires March 31, 2027.

Rates per tonne under the agreement are as follows:

- a) For acceptable 2nd Generation Solid Waste, transportation and disposal cost of \$78.25 plus HST
- b) Should acceptable 2nd Generation Solid Waste be delivered direct to the Queens facility, disposal cost of \$67.50 plus HST
- c) For acceptable 1st Generation Solid Waste, disposal fee of \$48.50 plus HST

After March 31, 2007, Queens may increase the fees once per year by a percentage equal to the percentage increase in each calendar year's percentage ten year average Consumer Price Index for Nova Scotia. As well, Queens may increase the applicable fees by the actual percentage increase whereby there has been a significant regulatory change beyond the control of the parties, which has demonstrably increased Queens' cost of performance of its obligations under the contract provided that the increase is based on the proportionate share of tonnage disposed of in the Queens facility by the Authority.

The cost per tonne on April 1, 2024 is \$112.25 plus HST.

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 \$73,757 (2023 - \$60,124). As of March 31, 2024, 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, 2024

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 \$nil (2023 - \$19,652) towards the operating deficit of the Harbour South Medical Clinic. During the current year the Municipality has contributed \$nil (2023 - \$22,222) towards the operating deficit of the AM Clarke Medical Clinic (Pubnico). During the 2024 year, the Nova Scotia Health Authority took over the management and administrative responsibilities of the clinics under a long term lease arrangement and Yarmouth Area Industrial Commission continues to provide the physical plant and infrastructure.

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 segments and their activity is reported in these funds. The services provided by these segments are as follows:

General Government Services - Administration

This segment 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, 2024

17. Segment disclosure (continued)

Environmental Health Services - Department of Property Inspection and Public Works

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

This segment 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 segment 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 segment 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 segment 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, 2024

17. Segment disclosure (continued)

	General government	Protective	Transportation	Environmental health	Public health	Environmental development	Recreation and cultural	2024	2023
Revenues									
Taxes	\$ 1,353,756	\$ 1,620,745	\$ 411,696	\$ 1,314,546	\$ 20,424	\$ 668,690	\$ 1,165,604	\$ 6,555,461	\$ 5,915,828
Grants in lieu of taxes	31,609	37,844	9,613	30,694	477	15,614	27,216	153,067	151,525
Other revenue from own sources	219,157	-	442,797	577,532	-	412,216	232,033	1,883,735	1,933,718
Unconditional transfers from									
Federal and Provincial governments or agencies	209,134	-	-	-	-	-	-	209,134	219,914
Conditional transfers from									
Federal and Provincial governments or agencies	356,143	2,773	-	1,798,864	-	52,135	337,701	2,547,616	2,135,736
Services provided to other governments	149,420	-	-	-	-	-	-	149,420	97,975
Sales of services	76,544	-	-	-	-	-	266,814	343,358	308,857
Interest	661,068	-	-	-	-	5,420	6,544	673,032	426,919
Rental and events	-	-	-	-	-	-	221,332	221,332	259,380
Food and beverages	-	-	-	-	-	-	111,727	111,727	85,687
	<u>3,056,831</u>	<u>1,661,362</u>	<u>864,106</u>	<u>3,721,636</u>	<u>20,901</u>	<u>1,154,075</u>	<u>2,368,971</u>	<u>12,847,882</u>	<u>11,535,539</u>
Expenses									
Salaries and benefits	1,089,323	547,865	194,044	214,154	-	326,928	828,956	3,201,270	2,819,573
Goods and services	212,301	1,904,406	298,549	1,082,481	34,313	294,456	316,687	4,143,193	3,806,257
Amortization	113,807	30,777	38,092	460,704	-	179,860	182,442	1,005,682	958,894
Interest	103,023	-	-	-	-	-	-	103,023	119,042
Other	637,974	239,807	160,965	451,101	-	322,157	622,132	2,434,136	2,884,207
	<u>2,156,428</u>	<u>2,722,855</u>	<u>691,650</u>	<u>2,208,440</u>	<u>34,313</u>	<u>1,123,401</u>	<u>1,950,217</u>	<u>10,887,304</u>	<u>10,587,973</u>
Annual surplus (deficit) before the undernoted	900,403	(1,061,493)	172,456	1,513,196	(13,412)	30,674	418,754	1,960,578	947,566
Gain on change in proportionate Controlled entity	-	-	-	-	-	-	-	-	2,050,295
Gain on disposal of tangible capital assets	30,963	-	-	-	-	-	-	30,963	197,487
Annual surplus (deficit)	<u>\$ 931,366</u>	<u>\$ (1,061,493)</u>	<u>\$ 172,456</u>	<u>\$ 1,513,196</u>	<u>\$ (13,412)</u>	<u>\$ 30,674</u>	<u>\$ 418,754</u>	<u>\$ 1,991,541</u>	<u>\$ 3,195,351</u>

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2024

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 <u>Fiscal Plan</u>	<u>Adjustments</u>	Fiscal Plan Per Financial <u>Statements</u>
Revenues			
Taxes	\$ 6,759,008	\$ (189,712)	\$ 6,569,296
Grants in lieu of taxes	151,746	-	151,746
Other revenue from own sources	2,080,521	(244,808)	1,835,713
Unconditional transfers from other governments	212,739	-	212,739
Conditional transfers from Federal and Provincial governments and agencies	3,815,106	-	3,815,106
Services provided to other governments	128,086	(6,971)	121,115
Sales of services	339,040	-	339,040
Interest	395,183	-	395,183
Rental and events	239,276	-	239,276
Food and beverages	<u>87,325</u>	<u>-</u>	<u>87,325</u>
	<u>14,208,030</u>	<u>(441,491)</u>	<u>13,766,539</u>
Expenses			
General government services	2,552,301	(150,693)	2,401,608
Protective services	2,817,797	(169,223)	2,648,574
Transportation services	804,489	(236,699)	567,790
Environmental health services	3,208,594	(957,625)	2,250,969
Public health and welfare services	61,000	-	61,000
Environmental development services	1,188,156	(101,004)	1,087,152
Recreational and cultural services	4,274,583	(2,923,726)	1,350,857
Transfers (from) to own reserves, funds and agencies	<u>255,999</u>	<u>(255,999)</u>	<u>-</u>
	<u>15,162,919</u>	<u>(4,794,969)</u>	<u>10,367,950</u>
Annual (deficit) surplus before the undernoted	(954,889)	4,353,478	3,398,589
Gain on disposal of tangible capital assets	<u>306,538</u>	<u>-</u>	<u>306,538</u>
Annual (deficit) surplus	<u>\$ (648,351)</u>	<u>\$ 4,353,478</u>	<u>\$ 3,705,127</u>

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2024

20. Taxes	2024 <u>Budget</u>	2024 <u>Actual</u>	2023 <u>Actual</u>
Assessable property			
Residential	\$ 5,936,000	\$ 5,931,364	\$ 5,352,774
Commercial			
Commercial property	1,357,788	1,344,339	1,210,560
Seasonal property	22,005	20,463	10,279
Forest property (50,000 acres or more)	<u>32</u>	<u>32</u>	<u>32</u>
	<u>7,315,825</u>	<u>7,296,198</u>	<u>6,573,645</u>
Resource			
Taxable assessments	447,064	446,301	400,271
Forest property tax (less than 50,000 acres)	<u>9,989</u>	<u>9,989</u>	<u>10,482</u>
	<u>457,053</u>	<u>456,290</u>	<u>410,753</u>
Other assessable property taxes			
Recreation property tax	14,333	15,057	14,339
Farm property tax	7,295	7,297	6,800
Wind farm payment – Province of Nova Scotia	34,786	34,790	34,445
Conservation payment	<u>10,000</u>	<u>13,396</u>	<u>11,216</u>
	<u>66,414</u>	<u>70,540</u>	<u>66,800</u>
Special tax agreements			
Based on revenue (Aliant)	32,000	33,556	33,345
Wind farm developer tax	<u>194,237</u>	<u>194,237</u>	<u>192,314</u>
	<u>226,237</u>	<u>227,793</u>	<u>225,659</u>
Other rates, charges and assessments			
Environmental services, sewer	330,630	332,640	264,190
East Pubnico industrial water system	49,000	36,051	42,897
Fire area rates, tax	535,832	533,837	480,242
Appropriation to regional fire departments	<u>(535,832)</u>	<u>(533,829)</u>	<u>(480,126)</u>
	<u>379,630</u>	<u>368,699</u>	<u>307,203</u>
Other taxes			
Deed transfer tax	235,000	251,691	307,013
Intermunicipal tax sharing agreement – Yarmouth Airport	<u>26,500</u>	<u>27,720</u>	<u>26,597</u>
	<u>261,500</u>	<u>279,411</u>	<u>333,610</u>
Expenses as a reduction of tax revenue			
Appropriation to regional school board	(1,793,863)	(1,793,863)	(1,683,277)
Transfer to correctional services	(102,000)	(100,815)	(101,836)
Deficit of Regional Housing Authority	(52,000)	(58,834)	(55,000)
Tax rebates or cancellations, by bylaw	<u>(189,500)</u>	<u>(189,958)</u>	<u>(161,729)</u>
	<u>(2,137,363)</u>	<u>(2,143,470)</u>	<u>(2,001,842)</u>
	<u>\$ 6,569,296</u>	<u>\$ 6,555,461</u>	<u>\$ 5,915,828</u>

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2024

21. Other revenue from own sources	2024 <u>Budget</u>	2024 <u>Actual</u>	2023 <u>Actual</u>
Non-consolidated Operating Fund	\$ 217,607	\$ 257,235	\$ 205,056
Tax sale surplus	4,960	4,960	-
Mariners Centre Management Authority	295,718	322,721	344,821
Yarmouth International Airport Corporation	544,588	501,126	453,781
Yarmouth County Solid Waste Management Authority	609,321	638,060	643,846
Yarmouth Area Industrial Commission	245,817	276,913	320,993
Yarmouth & Acadian Shores Tourism Association	162,510	168,053	287,941
Reclassification of interest	(3,000)	(3,000)	(3,000)
Inter-organizational eliminations	<u>(241,808)</u>	<u>(282,333)</u>	<u>(319,720)</u>
	<u>\$ 1,835,713</u>	<u>\$ 1,883,735</u>	<u>\$ 1,933,718</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>2024</u>	<u>2023</u>
Taxes receivable	\$ (112,259)	\$ (39,515)
Special assessment receivable	(73,981)	104,062
Due from Provincial government and its agencies	(633,084)	435
Due from Federal government and its agencies	245,424	(330,256)
Water supply upgrade lending program	66,384	34,916
Other receivables	(648,446)	(63,726)
Inventory held for resale	3,815	(20,202)
Work in progress	(206,533)	-
Land held for resale	(18,978)	-
Payables and accruals	517,073	(166,233)
Prepayment of taxes	15,257	35,403
Loans payable	278,671	-
Deferred revenue	645,253	2,803,260
Asset retirement obligation recognized	-	521,478
Other post employment benefits	25,167	20,953
Contaminated sites	-	14,225
Properties acquired at tax sale	-	(515)
Tax surplus sale	<u>136,848</u>	<u>36,793</u>
	<u>\$ 240,611</u>	<u>\$ 2,951,080</u>

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2024

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.

24. Reserves

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

	<u>2024</u>	<u>2023</u>
Operating	<u>\$ 4,207,934</u>	<u>\$ 4,044,583</u>
Capital	<u>\$ 4,577,605</u>	<u>\$ 4,585,068</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>2024</u>	<u>2023</u>
Tusket wastewater	<u>\$ 67,241</u>	<u>\$ 68,366</u>
West Pubnico wastewater	<u>\$ 356,679</u>	<u>\$ 335,201</u>
East Pubnico water utility	<u>\$ 109,117</u>	<u>\$ 103,822</u>
Wedgeport sewer	<u>\$ 24,905</u>	<u>\$ 21,640</u>

25. Remuneration and expense reimbursements

The total remuneration and expense reimbursements paid to councillors and the Chief Administrative Officer during the year ended March 31, 2024 was as follows:

	<u>Remuneration</u>	<u>Expenses</u>
Danny Muise – Warden	\$ 39,861	\$ 2,738
Nicole Albright – Deputy Warden	27,326	1,096
Guy Surette – Councillor	24,503	2,416
Richard Donaldson – Councillor	24,503	1,225
Calvin d'Entremont – Councillor	24,503	630
Kathy Bourque – Councillor	24,503	1,175
Glenn Diggdon – Councillor	24,503	165
Ted Saulnier – Councillor	24,503	76
Gordon Boudreau – Councillor	24,503	68
Alain Muise – Chief Administrative Officer	145,385	3,771

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Notes to the Consolidated Financial Statements

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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.

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.

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

	<u>2024</u>	<u>2023</u>
Opening balance	\$ 547,055	\$ -
Liability recognized on adoption of PS 3280	-	521,479
Settlement	-	-
Accretion expense	<u>26,705</u>	<u>25,576</u>
Closing balance	<u>\$ 573,760</u>	<u>\$ 547,055</u>