



Consolidated Financial Statements

Municipality of the District of Argyle

March 31, 2021

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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, 2021, 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, 2021, 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
September 14, 2021

Chartered Professional Accountants

Municipality of the District of Argyle

Management's Responsibility for Financial Reporting

March 31, 2021

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

2021

2020

	<u>Budget</u> (Note 18)	<u>Actual</u>	<u>Actual</u>
Revenues			
Taxes (Note 19)	\$ 5,082,460	\$ 5,244,051	\$ 5,097,234
Grants in lieu of taxes	150,949	151,365	150,892
Special assessments	285,000	-	2,461
Other revenue from own sources (Note 20)	1,305,341	1,402,479	1,529,682
Unconditional transfers from Federal and Provincial governments	187,862	188,319	190,175
Conditional transfers from Federal and Provincial governments	2,547,305	845,119	716,175
Services provided to other governments	113,850	114,567	84,837
Sales of services	65,500	69,520	54,982
Interest	<u>134,960</u>	<u>226,747</u>	<u>233,321</u>
	<u>9,873,227</u>	<u>8,242,167</u>	<u>8,059,759</u>
Expenses			
General government services	1,652,774	1,652,589	1,596,614
Protective services	1,882,131	1,865,314	1,721,696
Transportation services	761,633	838,646	561,903
Environmental health services	1,878,893	1,772,708	1,871,386
Public health services	93,499	107,815	122,391
Environmental development services	1,014,287	935,413	942,687
Recreational and cultural services	<u>611,389</u>	<u>556,320</u>	<u>712,869</u>
	<u>7,894,606</u>	<u>7,728,805</u>	<u>7,529,546</u>
Annual surplus before the undernoted	1,978,621	513,362	530,213
Gain on disposal of tangible capital assets	<u>-</u>	<u>29,008</u>	<u>-</u>
Annual surplus	<u>\$ 1,978,621</u>	<u>\$ 542,370</u>	<u>\$ 530,213</u>
<hr/>			
Accumulated surplus, beginning of year		\$ 21,262,242	\$ 20,732,029
Annual surplus		<u>542,370</u>	<u>530,213</u>
Accumulated surplus, end of year		<u>\$ 21,804,612</u>	<u>\$ 21,262,242</u>

See accompanying notes to the consolidated financial statements.

Municipality of the District of Argyle
Consolidated Statement of Change in Net Financial Assets

March 31

2021

2020

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Annual surplus	\$ 1,978,621	\$ 542,370	\$ 530,213
Acquisition of tangible capital assets	(4,938,290)	(2,903,383)	(906,935)
Proceeds on disposal of tangible capital assets	-	48,843	-
Gain on disposal of tangible capital assets	-	(29,008)	-
Amortization of tangible capital assets	<u>744,166</u>	<u>742,416</u>	<u>722,544</u>
	(2,215,503)	(1,598,762)	345,822
Change in prepaid assets	<u>-</u>	<u>(763)</u>	<u>(2,708)</u>
(Decrease) increase in net financial assets	<u>\$ (2,215,503)</u>	<u>(1,599,525)</u>	343,114
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>7,386,199</u>	<u>7,043,085</u>
NET FINANCIAL ASSETS, END OF YEAR		<u>\$ 5,786,674</u>	<u>\$ 7,386,199</u>

See accompanying notes to the consolidated financial statements.

Municipality of the District of Argyle

Consolidated Statement of Cash Flow

Year Ended March 31

2021

2020

Increase in cash and cash equivalents

Operating activities

Annual surplus	\$ 542,370	\$ 530,213
Amortization	742,416	722,544
Gain on disposal of tangible capital assets	(29,008)	-
Change in non-cash items (Note 21)	<u>297,779</u>	<u>(2,542)</u>
	<u>1,553,557</u>	<u>1,250,215</u>

Capital transactions

Acquisition of tangible capital assets	(2,903,383)	(906,935)
Proceeds on disposal of tangible capital assets	48,843	-
Change in prepaid expenses	<u>(763)</u>	<u>(2,708)</u>
	<u>(2,855,303)</u>	<u>(909,643)</u>

Financing transactions

Issuance of long-term debt	1,640,000	-
Repayment of long-term debt	<u>(127,272)</u>	<u>(127,273)</u>
	<u>1,512,728</u>	<u>(127,273)</u>

Investing transactions

Purchase of portfolio investment	<u>(53,009)</u>	<u>(1,722)</u>
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Net increase in cash and cash equivalents 157,973 211,577

Cash and cash equivalents

Beginning of year	<u>8,706,006</u>	<u>8,494,429</u>
End of year	<u>\$ 8,863,979</u>	<u>\$ 8,706,006</u>

Cash and cash equivalents are comprised of:

Restricted cash	\$ 315,267	\$ 311,173
Unrestricted cash	<u>8,548,712</u>	<u>8,394,833</u>
	<u>\$ 8,863,979</u>	<u>\$ 8,706,006</u>

See accompanying notes to the consolidated financial statements.

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2021

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:

- 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 12, 2020 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 18 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.

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.

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2021

1. Summary of significant accounting policies (continued)

Revenue recognition (continued)

(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 courts	15 years
Buildings	2.5%, 5, 25, 40, 50 years
Wastewater infrastructure	40 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 years
Hangar	4%
Organic compost bins	10 years
Equipment and machinery	20%, 5, 10 years
Vehicles	20%, 30%, 8 years

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2021

1. Summary of significant accounting policies (continued)

Tangible capital assets (continued)

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.

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 \$nil (2020 - \$8,935) made from the tax sale amounts to the capital reserve.

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

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.

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2021

2. Contributions to Boards and Commissions

Boards in which the Municipality has a vested interest

The Municipality of the District of Argyle has a vested interest in the Nakile Housing Corporation, which is substantially funded by the Province of Nova Scotia. Nakile's financial statements are not consolidated as the Municipality does not control the organization. No amounts were transferred to Nakile during the current or prior year.

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.

Mariners Centre Management Authority

During the period, the Municipality of the District of Argyle paid \$142,137 (2020 - \$84,071) to fund its share of the prior year's deficit and \$nil (2020 - \$30,128) to fund capital expenditures and infrastructure upgrades outside of normal operations.

Regional Housing Authority

During the period, the Municipality of the District of Argyle paid \$31,356 (2020 - \$30,846) to fund its share of the prior year's deficit.

Regional Library

During the period, the Municipality of the District of Argyle paid \$54,013 (2020 - \$54,013) to the Regional Library.

Western Regional Solid Waste Management Authority (Waste Check)

During the year, the Municipality contributed \$21,936 (2020 - \$21,936) 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 \$43,752 (2020 - \$43,752) 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, 2021

3. Taxes receivable			<u>2021</u>	<u>2020</u>
	<u>Current</u>	<u>Prior</u>	<u>Total</u>	<u>Total</u>
Taxes receivable, beginning of year	\$ -	\$ 453,444	\$ 453,444	\$ 327,753
Assessable property taxes				
Residential	4,826,562	-	4,826,562	4,723,002
Commercial	1,168,843	-	1,168,843	1,132,725
Resource	395,076	-	395,076	402,575
Other – recreation property tax	13,006	-	13,006	12,387
Wind farm taxes from developers	188,525	-	188,525	186,658
Area rates, uniform charges and special assessments	39,031	-	39,031	37,742
Sewer rates and charges	223,287	-	223,287	215,574
Taxes and rates collected for other governments and agencies	440,181	-	440,181	396,351
	<u>7,294,511</u>	<u>453,444</u>	<u>7,747,955</u>	<u>7,434,767</u>
Collections	6,983,436	305,097	7,288,533	6,845,406
Write-offs	-	1,756	1,756	13,987
Reduced taxes	159,001	-	159,001	138,784
	<u>7,142,437</u>	<u>306,853</u>	<u>7,449,290</u>	<u>6,998,177</u>
	152,074	146,591	298,665	436,590
Interest on taxes	12,719	1,317	14,036	31,200
Less valuation allowance	<u>(6,028)</u>	<u>(2,273)</u>	<u>(8,301)</u>	<u>(14,346)</u>
Taxes receivable, end of year	<u>\$ 158,765</u>	<u>\$ 145,635</u>	<u>\$ 304,400</u>	<u>\$ 453,444</u>

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2021

4. 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, 2021, the principal balance owed from the Tusket residents is \$89,331 (2020 - \$107,296). 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, 2021, the principal balance owed from the West Pubnico residents is \$143,350 (2020 - \$219,088). 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, 2021, the principal balance owed from the Wedgeport residents is \$72,749 (2020 - \$85,773). 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 \$305,430 (2020 - \$412,157).

5. Due from Federal government and its agencies

	<u>2021</u>	<u>2020</u>
HST receivable	<u>\$ 111,970</u>	<u>\$ 42,933</u>

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2021

6. 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, and each individual loan is capped at \$15,000.

7. 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, 2021, 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, 2021.

8. Payables and accruals

	<u>2021</u>	<u>2020</u>
Trade	\$ 628,532	\$ 249,681
Amounts due for controlled entities		
- Yarmouth International Airport Corporation	38,606	16,677
- Yarmouth Area Industrial Commission	45,228	34,528
- Yarmouth & Acadian Shores Tourism Association	33,368	7,418
- Yarmouth County Solid Waste Management Authority	52,661	65,575
Sick leave	<u>56,000</u>	<u>56,000</u>
	<u>\$ 854,395</u>	<u>\$ 429,879</u>

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2021

9. Deferred revenue	<u>2021</u>	<u>2020</u>
Operating revenue	\$ 231,626	\$ 40,353
East Pubnico utility	212,803	260,000
Gas tax revenue	<u>1,239,538</u>	<u>1,434,329</u>
	<u>\$1,683,967</u>	<u>\$1,734,682</u>

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

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	<u>\$1,734,682</u>	<u>\$1,565,007</u>
Contributions from:		
Canada-Nova Scotia Infrastructure Secretariat	339,537	699,393
Province of Nova Scotia	-	13,000
Safe restart funding	240,796	-
Local municipal governments	75,165	21,180
Other	29,850	-
Interest earned	<u>36,072</u>	<u>34,190</u>
	<u>721,420</u>	<u>767,763</u>
Utilized for:		
Tangible capital asset acquisitions	617,597	510,716
Safe restart expenses	120,357	-
Operations	<u>34,181</u>	<u>87,372</u>
	<u>772,135</u>	<u>598,088</u>
Balance, end of year	<u>\$1,683,967</u>	<u>\$1,734,682</u>

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2021

10. Long-term debt

	<u>Balance April 1, 2020</u>	<u>Issued</u>	<u>Repaid</u>	<u>Balance March 31, 2021</u>	<u>Interest</u>	<u>Interest rate</u>
Federation of Canadian Municipalities – Green Municipal Fund loan, maturing in November 2021	\$ 249,456	\$ -	\$ (127,272)	\$ 122,184	\$ 3,720	1.75%
Nova Scotia Municipal Finance Corporation COVID-19 operating loan, maturing in June 2023	<u>-</u>	<u>1,640,000</u>	<u>-</u>	<u>1,640,000</u>	<u>9,020</u>	1.10%
	<u>\$ 249,456</u>	<u>\$ 1,640,000</u>	<u>\$ (127,272)</u>	<u>\$ 1,762,184</u>	<u>\$ 12,740</u>	

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

2022	\$ 668,851
2023	546,667
2024	546,666

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2021

11. Tangible capital assets

	Land	Land Improvements	Tennis Courts	Buildings	West Pubnico Sewer	Tusket Sewer	Tusket Business Park Sewer	Wedgeport Sewer	East Pubnico Water Utility	Trident Dewatering	Roads and Paving	Construction & Demolition Debris Sites
Cost												
Balance, beginning of year	\$ 555,627	\$ 420,750	\$ 185,930	\$2,544,948	\$8,576,691	\$2,794,405	\$ 751,807	\$ 969,857	\$ -	\$ -	\$ 715,596	\$ 510,542
Add												
Net additions during the year	-	-	-	2,458,078	-	8,732	-	-	94,395	212,359	49,310	6,707
Less												
Disposals during the year	-	-	-	(37,547)	-	-	-	-	-	-	-	-
Balance, end of year	<u>555,627</u>	<u>420,750</u>	<u>185,930</u>	<u>4,965,479</u>	<u>8,576,691</u>	<u>2,803,137</u>	<u>751,807</u>	<u>969,857</u>	<u>94,395</u>	<u>212,359</u>	<u>764,906</u>	<u>517,249</u>
Accumulated amortization												
Balance, beginning of year	-	134,440	61,975	589,652	3,500,513	1,035,340	205,225	75,268	-	-	350,856	326,047
Add												
Amortization during the year	-	16,830	12,395	46,544	195,780	70,078	18,795	24,016	-	-	18,978	28,863
Less												
Accumulated amortization on disposals	-	-	-	(22,530)	-	-	-	-	-	-	-	-
Balance, end of year	-	<u>151,270</u>	<u>74,370</u>	<u>613,666</u>	<u>3,696,293</u>	<u>1,105,418</u>	<u>224,020</u>	<u>99,284</u>	-	-	<u>369,834</u>	<u>354,910</u>
NET BOOK VALUE	<u>\$ 555,627</u>	<u>\$ 269,480</u>	<u>\$ 111,560</u>	<u>\$4,351,813</u>	<u>\$4,880,398</u>	<u>\$1,697,719</u>	<u>\$ 527,787</u>	<u>\$ 870,573</u>	<u>\$ 94,395</u>	<u>\$ 212,359</u>	<u>\$ 395,072</u>	<u>\$ 162,339</u>

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2021

11. Tangible capital assets (continued)

	Asbestos & Contaminated Soil Sites	Wharves	Hangar	Solar Panels	Wind Turbines	Sidewalks and trails	Organic Compost Bins	Equipment & Machinery	Vehicles	2021 Total	2020 Total
Cost											
Balance, beginning of year	\$ 188,725	\$ 2,967,640	\$ 169,509	\$ 272,839	\$ 335,275	\$ 144,978	\$ 237,970	\$ 553,054	\$ 420,524	\$ 23,316,667	\$ 22,409,732
Add											
Net additions during the year	2,819	-	-	-	-	-	-	67,313	3,670	2,903,383	906,935
Less											
Disposals during the year	-	-	-	-	-	-	-	(19,249)	-	(56,796)	-
Balance, end of year	<u>191,544</u>	<u>2,967,640</u>	<u>169,509</u>	<u>272,839</u>	<u>335,275</u>	<u>144,978</u>	<u>237,970</u>	<u>601,118</u>	<u>424,194</u>	<u>26,163,254</u>	<u>23,316,667</u>
Accumulated amortization											
Balance, beginning of year	49,736	1,972,774	98,826	13,642	67,056	98,063	237,970	358,406	291,095	9,466,884	8,744,340
Add											
Amortization during the year	7,279	197,086	3,273	13,642	16,764	3,910	-	37,296	30,887	742,416	722,544
Less											
Accumulated amortization on disposals	-	-	-	-	-	-	-	(14,431)	-	(36,961)	-
Balance, end of year	<u>57,015</u>	<u>2,169,860</u>	<u>102,099</u>	<u>27,284</u>	<u>83,820</u>	<u>101,973</u>	<u>237,970</u>	<u>381,271</u>	<u>321,982</u>	<u>10,172,339</u>	<u>9,466,884</u>
NET BOOK VALUE	<u>\$ 134,529</u>	<u>\$ 797,780</u>	<u>\$ 67,410</u>	<u>\$ 245,555</u>	<u>\$ 251,455</u>	<u>\$ 43,005</u>	<u>\$ -</u>	<u>\$ 219,847</u>	<u>\$ 102,212</u>	<u>\$ 15,990,915</u>	<u>\$ 13,849,783</u>

Assets under construction and not amortized as at March 31, 2021:

- JE Hatfield municipal road (included in Roads and Paving on page 17) - \$287,187
- New municipal administrative building (included in Buildings on page 17) - \$3,060,364
- Trident dewatering system - \$212,359
- East Pubnico industrial water utility - \$94,395

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, 2021

12. 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 will revert back to the municipality.

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. As of March 31, 2021, Argyle has not received notice of intent to revert these assets to the Municipality.

13. 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, 2020 and the estimated annual payment for the remaining four years of the contract is as follows (excluding HST):

2022	\$348,601
2023	\$360,035
2024	\$371,844
2025	\$384,041

New administrative building

The Municipality engaged the services of Wild Salt Architecture as the lead architect and project manager for the construction of a new administrative building. Costs incurred to March 31, 2021 are all capitalized in the TCA Fund and includes the purchase of land, costs relating to the design of the project, and costs related to the construction and substantial completion of the building. The building was completed in August 2021 and the total cost to complete the building was approximately \$4,254,000.

Internet contract

On March 1, 2021, 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.

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2021

14. Pension obligations

During the year the Municipality matched contributions to their employees defined contribution pension plans at a rate of 5% of total wages. Contributions for the year totalled \$57,062 (2020 - \$53,397). As of March 31, 2021, there were no required future contributions in respect of past service and all contributions required under the plan had been funded.

15. 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 \$27,084 (2020 - \$30,413) towards the operating deficit of the Harbour South Medical Clinic. During the current year the Municipality has contributed \$23,799 (2020 - \$26,940) 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.

16. 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 fulfill 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.

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2021

16. Segment disclosure (continued)

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.

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, 2021

16. Segment disclosure (continued)

	General government	Protective	Transportation	Environmental health	Public health	Environmental development	Recreation and cultural	2021	2020
Revenues									
Taxes	\$ 1,121,294	\$ 1,265,629	\$ 569,027	\$ 1,202,795	\$ 73,153	\$ 634,685	\$ 377,468	\$ 5,244,051	\$ 5,097,234
Grants in lieu of taxes	32,365	36,531	16,424	34,718	2,112	18,320	10,895	151,365	150,892
Special assessments	-	-	-	-	-	-	-	-	2,461
Other revenue from own sources	115,633	-	285,359	541,693	-	459,794	-	1,402,479	1,529,682
Unconditional transfers from									
Federal and Provincial governments or agencies	188,319	-	-	-	-	-	-	188,319	190,175
Conditional transfers from									
Federal and Provincial governments or agencies	699,121	2,835	-	94,394	-	48,769	-	845,119	716,175
Services provided to other governments	114,567	-	-	-	-	-	-	114,567	84,837
Sales of services	69,520	-	-	-	-	-	-	69,520	54,982
Interest	223,301	-	-	-	-	3,446	-	226,747	233,321
	<u>2,564,120</u>	<u>1,304,995</u>	<u>870,810</u>	<u>1,873,600</u>	<u>75,265</u>	<u>1,165,014</u>	<u>388,363</u>	<u>8,242,167</u>	<u>8,059,759</u>
Expenses									
Salaries and benefits	831,914	389,317	161,503	151,010	-	357,220	250,636	2,141,600	1,990,579
Goods and services	261,610	1,348,932	199,683	963,028	84,112	205,435	200,428	3,263,228	3,233,937
Amortization	4,254	25,464	27,965	393,241	23,703	234,423	33,366	742,416	722,544
Interest	9,020	-	-	3,720	-	-	-	12,740	5,858
Other	545,791	101,601	449,495	261,709	-	138,335	71,890	1,568,821	1,576,628
	<u>1,652,589</u>	<u>1,865,314</u>	<u>838,646</u>	<u>1,772,708</u>	<u>107,815</u>	<u>935,413</u>	<u>556,320</u>	<u>7,728,805</u>	<u>7,529,546</u>
Annual surplus (deficit) before the undernoted	911,531	(560,319)	32,164	100,892	(32,550)	229,601	(167,957)	513,362	530,213
Gain on disposal of tangible capital assets	26,309	-	-	2,699	-	-	-	29,008	-
Annual surplus (deficit)	<u>\$ 937,840</u>	<u>\$ (560,319)</u>	<u>\$ 32,164</u>	<u>\$ 103,591</u>	<u>\$ (32,550)</u>	<u>\$ 229,601</u>	<u>\$ (167,957)</u>	<u>\$ 542,370</u>	<u>\$ 530,213</u>

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2021

17. Subsidiary operations

					<u>2021</u>	<u>2020</u>
	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	\$ 348,579	\$ 608,433	\$ 303,679	\$ 202,439	\$ 1,463,130	\$ 1,434,853
Expenses	<u>345,542</u>	<u>554,846</u>	<u>482,268</u>	<u>170,094</u>	<u>1,552,750</u>	<u>1,571,675</u>
Annual surplus (deficit)	<u>\$ 3,037</u>	<u>\$ 53,587</u>	<u>\$ (178,589)</u>	<u>\$ 32,345</u>	<u>\$ (89,620)</u>	<u>\$ (136,822)</u>
Financial assets	\$ 101,662	\$ 558,187	\$ 386,918	\$ 149,952	\$ 1,196,719	\$ 946,999
Financial liabilities	<u>45,709</u>	<u>49,761</u>	<u>64,032</u>	<u>89,534</u>	<u>249,036</u>	<u>145,916</u>
Net financial assets	<u>55,953</u>	<u>508,426</u>	<u>322,886</u>	<u>60,418</u>	<u>947,683</u>	<u>801,083</u>
Non-financial assets	<u>96,968</u>	<u>802,697</u>	<u>1,732,318</u>	<u>13,305</u>	<u>2,645,288</u>	<u>2,981,073</u>
Accumulated surplus	<u>\$ 152,921</u>	<u>\$ 1,311,123</u>	<u>\$ 2,055,204</u>	<u>\$ 73,723</u>	<u>\$ 3,592,791</u>	<u>\$ 3,682,591</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, 2021.

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2021

18. 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	\$ 5,241,951	\$ (159,491)	\$ 5,082,460
Grants in lieu of taxes	150,949	-	150,949
Special assessments	285,000	-	285,000
Other revenue from own sources	1,478,902	(173,561)	1,305,341
Unconditional transfers from other governments	187,862	-	187,862
Conditional transfers from Federal and Provincial governments and agencies	2,547,305	-	2,547,305
Services provided to other governments	121,002	(7,152)	113,850
Sales of services	65,500	-	65,500
Interest	134,960	-	134,960
	<u>10,213,431</u>	<u>(340,204)</u>	<u>9,873,227</u>
Expenses			
General government services	4,581,811	(2,929,037)	1,652,774
Protective services	2,006,667	(124,536)	1,882,131
Transportation services	865,064	(103,431)	761,633
Environmental health services	3,277,235	(1,398,342)	1,878,893
Public health and welfare services	114,166	(20,667)	93,499
Environmental development services	1,290,635	(276,348)	1,014,287
Recreational and cultural services	598,023	13,366	611,389
Transfers to (from) own reserves, funds and agencies	116,022	(116,022)	-
	<u>12,849,623</u>	<u>(4,955,017)</u>	<u>7,894,606</u>
Annual (deficit) surplus before the undernoted	(2,636,192)	4,614,813	1,978,621
Gain on disposal of tangible capital assets	-	-	-
Annual (deficit) surplus	<u>\$ (2,636,192)</u>	<u>\$ 4,614,813</u>	<u>\$ 1,978,621</u>

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2021

19. Taxes	2021 <u>Budget</u>	2021 <u>Actual</u>	2020 <u>Actual</u>
Assessable property			
Residential	\$ 4,825,828	\$ 4,826,562	\$ 4,723,002
Commercial			
Commercial property	1,150,999	1,156,447	1,120,145
Seasonal property	12,360	12,364	12,459
Forest property (50,000 acres or more)	<u>32</u>	<u>32</u>	<u>121</u>
	<u>5,989,219</u>	<u>5,995,405</u>	<u>5,855,727</u>
Resource			
Taxable assessments	386,252	384,301	391,746
Forest property tax (less than 50,000 acres)	<u>10,775</u>	<u>10,775</u>	<u>10,829</u>
	<u>397,027</u>	<u>395,076</u>	<u>402,575</u>
Other assessable property taxes			
Recreation property tax	13,006	13,006	12,387
Farm property tax	7,183	6,622	7,183
Wind farm payment – Province of Nova Scotia	33,766	33,767	33,432
Conservation payment	<u>2,000</u>	<u>2,398</u>	<u>2,176</u>
	<u>55,955</u>	<u>55,793</u>	<u>55,178</u>
Special tax agreements			
Based on revenue (Aliant)	33,000	35,347	36,310
Wind farm developer tax	<u>188,525</u>	<u>188,525</u>	<u>186,658</u>
	<u>221,525</u>	<u>223,872</u>	<u>222,968</u>
Other rates, charges and assessments			
Environmental services, sewer	222,724	223,287	215,574
East Pubnico industrial water system	36,000	39,031	37,742
Fire area rates, tax	440,787	440,181	396,351
Appropriation to regional fire departments	<u>(440,787)</u>	<u>(439,530)</u>	<u>(396,973)</u>
	<u>258,724</u>	<u>262,969</u>	<u>252,694</u>
Other taxes			
Deed transfer tax	53,000	209,112	153,069
Intermunicipal tax sharing agreement – Yarmouth Airport	<u>28,000</u>	<u>26,871</u>	<u>27,902</u>
	<u>81,000</u>	<u>235,983</u>	<u>180,971</u>
Expenses as a reduction of tax revenue			
Appropriation to regional school board	(1,630,968)	(1,630,968)	(1,598,416)
Transfer to correctional services	(103,722)	(103,722)	(104,833)
Deficit of Regional Housing Authority	(27,000)	(31,356)	(30,846)
Tax rebates or cancellations, by bylaw	<u>(159,300)</u>	<u>(159,001)</u>	<u>(138,784)</u>
	<u>(1,920,990)</u>	<u>(1,925,047)</u>	<u>(1,872,879)</u>
	<u>\$ 5,082,460</u>	<u>\$ 5,244,051</u>	<u>\$ 5,097,234</u>

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2021

20. Other revenue from own sources	2021 <u>Budget</u>	2021 <u>Actual</u>	2020 <u>Actual</u>
Non-consolidated Operating Fund	\$ 169,942	\$ 218,528	\$ 356,702
Yarmouth International Airport Corporation	341,801	348,579	360,414
Yarmouth County Solid Waste Management Authority	572,626	605,733	610,378
Yarmouth Area Industrial Commission	266,379	300,233	307,390
Yarmouth & Acadian Shores Tourism Association	189,114	202,439	154,139
Reclassification of interest	(60,960)	(99,895)	(98,530)
Inter-organizational eliminations	<u>(173,561)</u>	<u>(173,138)</u>	<u>(160,811)</u>
	<u>\$ 1,305,341</u>	<u>\$ 1,402,479</u>	<u>\$ 1,529,682</u>

21. 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>2021</u>	<u>2020</u>
Taxes receivable	\$ 149,044	\$ (125,691)
Special assessment receivable	106,727	109,538
Due from Provincial government and its agencies	(54,339)	64,666
Due from Federal government and its agencies	(69,037)	(16,511)
Water supply upgrade lending program	(213,040)	(36,147)
Other receivables	(9,564)	(119,778)
Land held for resale	-	29,234
Inventory held for resale	(53)	(3,398)
Payables and accruals	424,516	(89,417)
Prepayment of taxes	27,611	6,747
Deferred revenue	(50,715)	169,675
Tax surplus sale	<u>(13,371)</u>	<u>8,540</u>
	<u>\$ 297,779</u>	<u>\$ (2,542)</u>

22. 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, 2021

23. Reserves

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

	<u>2021</u>	<u>2020</u>
Operating	<u>\$ 3,668,237</u>	<u>\$ 3,362,110</u>
Capital	<u>\$ 1,304,702</u>	<u>\$ 3,492,762</u>

The West Pubnico and Tusket wastewater operations are included in the non-consolidated operating fund. The accumulated surplus in these facilities is \$255,207 and \$54,625 respectively (2020 - \$225,775 and \$47,045 respectively).

24. Remuneration and expense reimbursements

The total remuneration and expense reimbursements paid to councilors and the Chief Administrative Officer during the year ended March 31, 2021 was as follows:

	<u>Remuneration</u>	<u>Expenses</u>
Danny Muise – Warden	\$ 35,648	\$ -
Nicole Albright – Deputy Warden	22,851	-
Guy Surette – Councillor	23,491	-
Richard Donaldson – Councillor	21,909	37
Calvin d'Entremont – Councillor	21,909	-
Kathy Bourque – Councillor	21,909	-
Glenn Diggdon – Councillor	21,909	-
Ted Saulnier – Councillor	8,177	-
Gordon Boudreau – Councillor	8,177	-
Lucien LeBlanc – Councillor	13,732	-
Roderick Murphy Jr. – Councillor	13,732	-
Alain Muise – Chief Administrative Officer	125,989	2,011

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2021

25. Impact of COVID-19

On March 11, 2020, COVID-19 was declared a global pandemic. The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Municipality continues to assess the overall impact, however the spread of COVID-19 has not significantly impacted the operations of the Municipality from a cash flow perspective. The Municipality received funding of \$240,756 from the Province, under the Safe Restart Agreement. The Municipality has sufficient liquid assets and reserves to fund operations for fiscal 2021-2022 to mitigate financial risk caused by the pandemic.

However, the duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Municipality for future periods.
