



Consolidated Financial Statements

Municipality of the District of Clare

March 31, 2022

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Independent Auditor's Report

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**To the Warden and Members of the Council
Municipality of the District of Clare**

Opinion

We have audited the consolidated financial statements of Municipality of the District of Clare (the "Municipality"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated 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 Clare as at March 31, 2022, 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.

Other matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidated schedules of statements of operations on pages 22 to 26 are presented for purposes of additional information and are not a required part of the consolidated financial statements. Such information has been subjected to auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the consolidated financial statements taken as a whole.

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.

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 21, 2022

Chartered Professional Accountants

Municipality of the District of Clare

Management's Responsibility for the Consolidated Financial Statements

March 31, 2022


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 Municipal Councilors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Council. The Council reviews external audited consolidated financial statements yearly. The 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 Clare 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 The Municipality of the District of Clare



Yvon LeBlanc
Warden



Stéphane Cyr
Chief Administrative Officer

Municipality of the District of Clare

Consolidated Statement of Operations

Year Ended March 31

2022

2021

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues			
Taxes	\$ 5,348,603	\$ 5,510,355	\$ 5,273,415
Grants in lieu of taxes	154,967	154,583	156,024
Services provided to other governments	330,000	366,475	305,776
Other revenue from own sources	442,188	435,944	504,991
Unconditional transfers from other governments	233,168	456,218	283,171
Conditional transfers from federal and provincial governments and agencies	1,211,841	3,367,849	1,645,591
Interest	124,500	142,551	186,104
Other	-	140,687	394,964
	<u>7,845,267</u>	<u>10,574,662</u>	<u>8,750,036</u>
Expenses			
General government services	1,927,145	1,873,146	2,360,964
Protective services	1,933,566	1,847,712	1,813,620
Transportation services	119,921	114,656	113,126
Environmental health services	1,854,381	1,947,153	1,782,112
Public health and welfare services	816,476	842,247	833,345
Environmental development services	225,527	226,602	260,054
Recreational and cultural services	892,918	1,013,810	947,867
	<u>7,769,934</u>	<u>7,865,326</u>	<u>8,111,088</u>
Annual surplus before the undernoted	75,333	2,709,336	638,948
Gain on disposal of tangible capital assets	-	97,757	-
Annual surplus	<u>\$ 75,333</u>	<u>2,807,093</u>	<u>638,948</u>
Accumulated surplus, beginning of year		<u>16,274,469</u>	<u>15,635,521</u>
Accumulated surplus, end of year		<u>\$19,081,562</u>	<u>\$16,274,469</u>

See accompanying notes to the consolidated financial statements.

Municipality of the District of Clare

Consolidated Statement of Change in Net Financial Assets

Year Ended March 31	Budget	2022	2021
Annual surplus	\$ 75,333	\$ 2,807,093	\$ 638,948
Acquisition of tangible capital assets	(1,019,555)	(564,706)	(813,189)
Acquisition of non-financial assets	(400,000)	(2,501,334)	-
Amortization of tangible capital assets	553,982	531,851	512,287
Gain on disposal of tangible capital assets	-	(97,757)	-
Proceeds on disposal of tangible capital assets	-	<u>410,000</u>	<u>-</u>
(Decrease) increase in net financial assets	<u>\$ (790,240)</u>	<u>585,147</u>	<u>338,046</u>
Net financial assets, beginning of year		<u>3,654,993</u>	<u>3,316,947</u>
Net financial assets, end of year		<u>\$ 4,240,140</u>	<u>\$ 3,654,993</u>

See accompanying notes to the consolidated financial statements.

Municipality of the District of Clare

Consolidated Statement of Cash Flow

Year Ended March 31

2022

2021

Increase (decrease) in cash and cash equivalents

Operating activities

Annual surplus	\$ 2,807,093	\$ 638,948
Change in non-cash items		
Amortization	531,851	512,287
Gain on disposal of tangible capital assets	(97,757)	-
Taxes receivable	(7,095)	90,382
Special assessments	(1,872)	2,074
Due to/from Federal Government and its agencies	(40,235)	75,989
Due from own agencies – Fire Department	20,139	84,293
Other receivables	(142,292)	208,099
Assets held for sale	30,000	-
Payables and accruals	99,666	132,267
Prepayment of taxes	45,328	4,792
Other non-financial assets	(2,501,334)	-
Deferred revenue	309,531	(632,039)
Tax sale surplus	130,674	(105,420)
	<u>1,183,697</u>	<u>1,011,672</u>

Capital activities

Purchase of tangible capital assets	(564,706)	(813,189)
Proceeds on disposal of tangible capital assets	410,000	-
	<u>(154,706)</u>	<u>(813,189)</u>

Financing activities

Repayment of long-term debt	(207,184)	(207,184)
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Net increase (decrease) in cash and cash equivalents 821,807 (8,701)

Cash and cash equivalents

Beginning of year	<u>6,638,402</u>	<u>6,647,105</u>
End of year	<u>\$ 7,460,209</u>	<u>\$ 6,638,404</u>

Cash and cash equivalents are comprised of:

Restricted cash	\$ 399,440	\$ 258,163
Unrestricted cash	<u>7,060,769</u>	<u>6,380,241</u>
	<u>\$ 7,460,209</u>	<u>\$ 6,638,404</u>

See accompanying notes to the consolidated financial statements.

Municipality of the District of Clare

Notes to the Consolidated Financial Statements

March 31, 2022

1. Summary of significant accounting policies

The consolidated financial statements of the Municipality of the District of Clare (the "Municipality") 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 the 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 and changes in fund balances and in financial position of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Municipality and which are owned or controlled by the Municipality.

Interdepartmental and organizational transactions and balances are eliminated.

Basis of accounting

The accrual basis of accounting recognizes revenues as they become available and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation.

Budget figures

The budget figures contained in these consolidated financial statements were approved by Council on April 21, 2021 in its original fiscal plan; they also have recorded additional adjustments in accordance with PSAB requirements. Note 17 outlines the original fiscal plan and the adjustments made to come to the budget figures shown in these consolidated financial statements.

Revenue recognition

- (a) Tax revenue is property tax billings which are prepared by the Municipality based on assessment rolls issued by the Province of Nova Scotia. Tax rates are established annually by Municipal Council. Taxation revenues are recorded at the time tax billings are issued. Assessments and the related property taxes are subject to appeal. Any supplementary billing adjustments made necessary by the determination of such changes will be recognized in the fiscal year they are determined.

The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

Municipality of the District of Clare

Notes to the Consolidated Financial Statements

March 31, 2022

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) Landfill and recycling center tipping fees - Revenue is recorded when the service is rendered and therefore no further obligations exist.
- (d) 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.

Valuation allowance

The Municipality provides a valuation allowance for estimated losses that will be incurred in collecting taxes, rates outstanding, and other receivables.

Tangible capital assets

Tangible capital assets and projects in progress are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Funds received through capital assistance programs, cost-sharing arrangements or loan forgiveness are treated as revenue in the year they are earned.

Assets under construction are not amortized until the asset is available for productive use. Funding related to the purchase of capital assets is recorded as revenue when received. Donated assets are recorded at their estimated fair value at time of acquisition. The Municipality does not capitalize interest as part of the costs of its capital assets.

Municipality of the District of Clare

Notes to the Consolidated Financial Statements

March 31, 2022

1. Summary of significant accounting policies (continued)

Tangible capital assets (continued)

Amortization for capital assets is presented in the financial statements and is calculated on a straight-line basis over an asset's estimated useful life less any residual value as follows:

Land improvements	25 years
Buildings	40 years
Plants	25 years
Machinery and equipment	5-15 years
Vehicles	5 years
Streets, roads and curbs	30 years
Sidewalks	20 years
Sewer lines	50 years
Leasehold improvements	5 years
Computer software	5 years
Wharves	25 years

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
Landfill closure	Landfill liability

Municipality of the District of Clare

Notes to the Consolidated Financial Statements

March 31, 2022

1. Summary of significant accounting policies (continued)

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:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Municipality is directly responsible and accepts responsibility;
- it is expected that the future economic benefits will be given up; and
- a reasonable estimate of the amount can be made

The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring.

New accounting standards

As of the date of authorization of these financial statements, several new, but not yet effective standards have been published by the PSAB. None of these standards have been early adopted by the Municipality.

Effective for the period on April 1, 2022, the Municipality is required to adopt the following Public Sector Accounting Standards:

Section 3280 Asset Retirement Obligations, which established recognition, measurement, and disclosure requirements for reporting liabilities associated with the retirement of tangible capital assets.

Section 3450 Financial Instruments, which established standards for recognized and measuring financial assets, financial liabilities, and non-financial derivatives.

Section 2601 Foreign Currency Translation, Section 1201 Financial Statement Presentation, and Section 3041 Portfolio Investments revise current standards that the Municipality has previously adopted.

Segmented information

The Municipality of the District of Clare is a diversified municipal unit that provides a wide range of services to its citizens. For management reporting purposes the Municipality's operations and activities are organized and reported by fund. Funds were 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

This department is responsible for the overall financial and local government administration. Its tasks include tax billings and payments, accounts payable and receivables, budgets and financial statements, the Municipal Government Act, administration and maintenance of bylaws and change of address.

Municipality of the District of Clare

Notes to the Consolidated Financial Statements

March 31, 2022

1. Summary of significant accounting policies (continued)

Segmented information (continued)

Protective Services

This department is responsible for ensuring the safety of the residents. Its tasks include bylaw enforcement, animal control, emergency measures and maintaining the radio dispatch system.

Transportation Services

This department is responsible for transportation services within the Municipality. Its tasks include maintaining sidewalks and street lighting.

Environmental Health Services

This department is responsible for the maintenance and operations of waste and sewer services provided to residents and other customers. Its tasks include recycling, composting and sewer hook-up.

Public Health and Welfare Services

This department is responsible for recruiting doctors and maintaining a consistent level of medical services within the Municipality.

Environmental Development Services

This department is responsible for the planning and development within the Municipality. Its tasks include developing strategies and planning reports, issuing development permits and approving subdivision applications.

Recreation and Cultural Services

This department is responsible for promoting and offering recreation opportunities and activities to the Municipality's residents.

2. Contributions to Boards and Commissions

Boards in which the Municipality has less than a vested interest

The Municipality of the District of Clare is required to finance the operations of various Boards and Commissions, along with other Municipal Units based on assessment or population formula.

In addition to any budgeted contributions, the Municipal Units share in the deficits or surpluses of these Boards based on their sharing percentages. A Municipal Unit'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 year, the Municipality of the District of Clare has accrued \$33,629 (2021 - \$41,440) as owing to the Regional Housing Authority to fund its share of the deficit.

Regional Library

During the year, the Municipality of the District of Clare paid \$53,377 (2021 - \$53,377) to the Regional Library. Grants from the provincial government pertaining to the Regional Library are received directly by the Library commencing in 1988.

Municipality of the District of Clare

Notes to the Consolidated Financial Statements

March 31, 2022

2. Contributions to Boards and Commissions (continued)

Western Regional Solid Waste Resource Management Authority (Waste Check)

During the year, the Municipality contributed \$23,364 (2021 - \$23,386) as its share of the operation of The Western Regional Solid Waste Resource Management Authority.

Western Regional Enterprise Network

During the year, the Municipality contributed \$45,758 (2021 - \$45,621) as its share of the operation of the Western Regional Enterprise Network.

3. Taxes receivable

	<u>Current year</u>	<u>Prior years</u>	<u>2022 Total</u>	<u>2021 Total</u>
Balance, beginning of year	\$ -	\$ 274,664	\$ 274,664	\$ 365,046
Current year's tax levy	6,850,950	-	6,850,950	6,906,876
Interest	<u>59,701</u>	<u>-</u>	<u>59,701</u>	<u>59,701</u>
	<u>6,910,651</u>	<u>274,664</u>	<u>7,185,315</u>	<u>7,331,623</u>
Deduct				
Current year's collections	6,617,643	266,474	6,884,117	6,882,736
Reduced taxes	<u>19,439</u>	<u>-</u>	<u>19,439</u>	<u>174,223</u>
	<u>6,637,082</u>	<u>266,474</u>	<u>6,903,556</u>	<u>7,056,959</u>
Balance, before allowance	273,569	8,190	281,759	274,664
Less: valuation allowance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 273,569</u>	<u>\$ 8,190</u>	<u>\$ 281,759</u>	<u>\$ 274,664</u>

4. Other receivables

	<u>2022</u>	<u>2021</u>
Landfill tipping fees	\$ 7,466	\$ 32,443
Deed transfer tax	31,168	21,124
Other	<u>376,880</u>	<u>219,656</u>
	<u>\$ 415,514</u>	<u>\$ 273,223</u>

5. School capital fund

On January 1, 1982, the Municipality of the District of Clare joined with the Municipality of the District of Argyle 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 board no longer requires the assets for school purposes.

Municipality of the District of Clare

Notes to the Consolidated Financial Statements

March 31, 2022

5. School capital fund (continued)

Under the Public Sector Accounting policies for Tangible Capital Assets these schools are not considered property of the Municipality and therefore have not been recorded in their accounting records.

6. Tax sale surplus

Cash proceeds from tax sales in excess of the arrears taxes receivable are deposited in a separate bank account and are restricted for a period of 20 years.

7. Commitments and contractual obligations

Organic waste collection and disposal contract

On June 14, 2021, the Municipality accepted a five year tender with G&N Excavating Ltd. to provide refuse collection and disposal services. Fees for the service over the next four years are as follows:

2023	\$543,375
2024	\$570,544
2025	\$599,071
2026	\$629,024

Internet contract

On February 7, 2020, the Municipality accepted a four year agreement to provide funding to Mainland Telecom Inc. to aide in the implementation and execution of their high-speed internet project. The total project cost is \$9,950,000 which includes a contribution from the Municipality of \$2,450,000. The funding to be provided over the remaining year is as follows:

Year ending March 31, 2023	\$ 400,000
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Congrès mondial acadien - 2024

On December 19, 2018, the Municipality accepted a five year agreement to provide funding to Congrès mondial acadien. The remaining funding to be provided over the next 2 years is as follows:

Year ending March 31, 2023	\$ 50,000
Year ending March 31, 2024	\$ 50,000

Communauté accueillante

On October 28, 2020, the Municipality entered into a three year agreement with the Government of Canada's Immigration, Refugees and Citizenship department, to be provided funding to support French immigration to the community. Then these funds must be spent in accordance with the agreement. The remaining funding to be provided, and spent over the next year is as follows:

Year ending March 31, 2023	\$ 232,629
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Municipality of the District of Clare

Notes to the Consolidated Financial Statements

March 31, 2022

7. Commitments and contractual obligations (continued)

Université Sainte-Anne running track

On April 13, 2021, the Municipality entered into a cost-sharing agreement with the Government of Canada and Province of Nova Scotia to construct an 8-lane running track at Université Saint-Anne. The total estimated cost of the project is \$3,488,705. The Government of Canada and Province of Nova Scotia will fund 73.33% of total eligible project costs up to a maximum of \$2,200,000. As at March 31, 2022, the costs incurred for the project totalled \$2,501,334.

8. Remuneration and expense reimbursements

The total remuneration and expense reimbursements paid to councillors and the Chief Administrative Officer during the year ended March 31, 2022 were as follows:

	<u>Remuneration</u>	<u>Expenses</u>
Ronnie LeBlanc – Warden	\$ 12,577	\$ -
Yvon LeBlanc – Deputy Warden/Warden	28,715	2,858
Nil Doucet – Councillor	22,833	1,130
Daniel Hill - Councillor	22,833	1,319
Carl Deveau - Councillor	20,888	97
Eric Pothier – Councillor/Deputy Warden	23,649	257
Brian Comeau - Councillor	22,833	886
Philippe Gaudet - Councillor	22,833	-
Nadine Comeau - Councillor	6,399	991
Stéphane Cyr - Chief Administrative Officer	121,846	3,496

9. Defined contribution pension plan

During the year the Municipality contributed \$73,103 (2021 - \$74,068) to their employees defined contribution pension plans. As of March 31, 2022, there were no required future contributions in respect of past service and all contributions required under the plan had been funded.

10. Line of credit

The Municipality has an operating line of credit at the Caisse populaire de Clare in the amount of \$800,000. As of March 31, 2022 it was not drawn on (2021 – \$nil).

Municipality of the District of Clare

Notes to the Consolidated Financial Statements

March 31, 2022

11. Due from fire departments

The annual area rates collected in excess of capital expenditures can be used to reduce the balance owing from the fire departments, while capital expenditure in excess of the area rates increase the debt. During the year, the Municipality's area rate collections were in excess of capital expenditures and \$20,139 was applied against the receivable. The ending balance for March 31, 2022 is \$110,638 (2021 - \$130,777). The debt does not bear interest.

12. Reserves

The following are the balances of the non-consolidated reserves at the end of the year:

	<u>2022</u>	<u>2021</u>
Capital		
Landfill	\$ 32,315	\$ 30,367
Other	<u>2,659,803</u>	<u>2,758,571</u>
	2,692,218	2,788,938
Operating	<u>3,213,228</u>	<u>2,756,643</u>
	<u>\$ 5,905,346</u>	<u>\$ 5,545,581</u>

The reserves funds represent accumulated monies set aside for future use of the Municipality. Expenditures by the operating and landfill reserves are subject to approval by council. Expenditures made by the capital reserve are restricted to items that are capital in nature.

The Municipality operated a landfill which closed on December 31, 2005. As of March 31, 2022, the Municipality has a recorded liability in the amount of \$303,336 and the funds required to fulfill this commitment have been set aside. A determination of the cost to complete this closure was based on information obtained by management which includes the final capping of the site, as well as, annual maintenance costs. As the site is closed the expenditures will reduce the landfill liability as appropriate.

Municipality of the District of Clare

Notes to the Consolidated Financial Statements

March 31, 2022

13. Long-term debt

	Balance April 1, <u>2021</u>	<u>Issued</u>	<u>(Repaid)</u>	Balance March 31, <u>2022</u>	<u>Interest</u>
Municipal Finance Corporation, 2.266% to 3.489%, due 2029	\$ 426,669	\$ -	\$ (53,333)	\$ 373,336	\$ 12,548
Municipal Finance Corporation, 2.83% to 3.389%, due 2029	519,316	-	(28,851)	490,465	17,049
Municipal Finance Corporation, 2.83% to 3.389%, due 2029	<u>1,000,000</u>	<u>-</u>	<u>(125,000)</u>	<u>875,000</u>	<u>31,504</u>
	<u>\$ 1,945,985</u>	<u>\$ -</u>	<u>\$ (207,184)</u>	<u>\$1,738,801</u>	<u>\$ 61,101</u>

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

Year ending March 31, 2023	\$207,184
Year ending March 31, 2024	\$207,184
Year ending March 31, 2025	\$207,184
Year ending March 31, 2026	\$207,184
Year ending March 31, 2027	\$207,184

14. Other non-financial assets

During the year, the Municipality began construction on the field outlined in Note 7. The field is located on land owned by the Université Sainte-Anne ("USA"). In May 2021, the Municipality entered into a lease agreement to lease a parcel of land from the USA for 10 years, on which to construct the new field. The lease agreement outlines that there is no charge to the Municipality for use of the land and USA has ownership and control of the land. The lease agreement also stipulates that USA has responsibility for management and ongoing maintenance of the newly constructed field. The amount incurred by the Municipality for construction meets the recognition criteria as an asset that will be recognized as an expense over the term they have use of the asset.

Municipality of the District of Clare

Notes to the Consolidated Financial Statements

March 31, 2022

15. Tangible capital assets

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Plant</u>	<u>Sidewalk</u>	<u>Sewer</u>
Cost						
Balance, beginning of year	\$ 357,216	\$ 1,119,180	\$ 8,398,691	\$ 1,434,665	\$ 343,850	\$ 7,639,567
Acquisition of tangible capital assets	20,535	50,313	114,889	-	-	145,453
Disposal of tangible capital assets	<u>(12,999)</u>	<u>-</u>	<u>(369,438)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>364,752</u>	<u>1,169,493</u>	<u>8,144,142</u>	<u>1,434,665</u>	<u>343,850</u>	<u>7,785,020</u>
Accumulated amortization						
Balance, beginning of year	-	596,564	2,810,106	1,434,665	323,867	2,547,947
Annual amortization	-	45,346	192,400	-	1,052	154,246
Disposal of tangible capital assets	<u>-</u>	<u>-</u>	<u>(70,194)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>-</u>	<u>641,910</u>	<u>2,932,312</u>	<u>1,434,665</u>	<u>324,919</u>	<u>2,702,193</u>
Net book value of tangible capital assets	<u>\$ 364,752</u>	<u>\$ 527,583</u>	<u>\$ 5,211,830</u>	<u>\$ -</u>	<u>\$ 18,931</u>	<u>\$ 5,082,827</u>

Municipality of the District of Clare

Notes to the Consolidated Financial Statements

March 31, 2022

15. Tangible capital assets (continued)

	<u>Wharves</u>	<u>Equipment & Machinery</u>	<u>Computer Software</u>	<u>Vehicles</u>	<u>Leaseholds</u>	2022 Total	2021 Total
Cost							
Balance, beginning of year	\$ 428,137	\$ 1,872,643	\$ 152,423	\$ 175,904	\$ 1,593,294	\$ 23,515,570	\$ 22,702,381
Acquisition of tangible capital assets	12,144	195,591	25,781	-	-	564,706	813,189
Disposal of tangible capital assets	-	-	-	-	-	(382,437)	-
Balance, end of year	<u>440,281</u>	<u>2,068,234</u>	<u>178,204</u>	<u>175,904</u>	<u>1,593,294</u>	<u>23,697,839</u>	<u>23,515,570</u>
Accumulated amortization							
Balance, beginning of year	-	1,337,819	78,306	173,526	1,593,294	10,896,094	10,383,807
Annual amortization	17,368	100,508	20,638	293	-	531,851	512,287
Disposal of tangible capital assets	-	-	-	-	-	(70,194)	-
Balance, end of year	<u>17,368</u>	<u>1,438,327</u>	<u>98,944</u>	<u>173,819</u>	<u>1,593,294</u>	<u>11,357,751</u>	<u>10,896,094</u>
Net book value of tangible capital Assets	<u>\$ 422,913</u>	<u>\$ 629,907</u>	<u>\$ 79,260</u>	<u>\$ 2,085</u>	<u>\$ -</u>	<u>\$ 12,340,088</u>	<u>\$ 12,619,476</u>

Municipality of the District of Clare

Notes to the Consolidated Financial Statements

March 31, 2022

16. Segment disclosure

	General Government	Protective	Transport.	Environ. Health	Public Health & Welfare	Environ. Develop.	Recreation & Culture	2022 Total	2021 Total
Revenue									
Taxes	\$ 1,312,303	\$ 1,294,486	\$ 80,327	\$ 1,364,153	\$ 590,068	\$ 158,755	\$ 710,263	\$ 5,510,355	\$ 5,273,415
Grants in lieu of taxes	36,814	36,314	2,253	38,269	16,553	4,454	19,926	154,583	156,024
Services provided to other governments	-	-	-	366,475	-	-	-	366,475	305,776
Other revenue from own sources	256,613	-	-	-	-	-	179,331	435,944	504,991
Unconditional transfers from other governments	334,959	-	-	-	84,016	-	37,243	456,218	283,171
Conditional transfers from federal and provincial governments and agencies	3,367,849	-	-	-	-	-	-	3,367,849	1,645,591
Interest	142,551	-	-	-	-	-	-	142,551	186,104
Other	140,687	-	-	-	-	-	-	140,687	394,964
	<u>5,591,776</u>	<u>1,330,800</u>	<u>82,580</u>	<u>1,768,897</u>	<u>690,637</u>	<u>163,209</u>	<u>946,763</u>	<u>10,574,662</u>	<u>8,750,036</u>
Expenses									
Salaries and benefits	722,051	157,285	-	302,034	441,858	159,624	202,816	1,985,668	1,890,994
Goods and services	1,071,835	1,675,166	114,656	1,379,414	257,903	60,542	727,190	5,286,706	5,641,228
Amortization	79,260	2,713	-	265,705	110,982	6,436	66,755	531,851	512,287
Interest	-	12,548	-	-	31,504	-	17,049	61,101	66,579
	<u>1,873,146</u>	<u>1,847,712</u>	<u>114,656</u>	<u>1,947,153</u>	<u>842,247</u>	<u>226,602</u>	<u>1,013,810</u>	<u>7,865,326</u>	<u>8,111,088</u>
Annual surplus (deficit) before the undernoted	3,718,630	(516,912)	(32,076)	(178,256)	(151,610)	(63,393)	(67,047)	2,709,336	638,948
Gain on disposal of tangible capital assets	97,757	-	-	-	-	-	-	97,757	-
Annual surplus (deficit)	<u>\$ 3,816,387</u>	<u>\$ (516,912)</u>	<u>\$ (32,076)</u>	<u>\$ (178,256)</u>	<u>\$ (151,610)</u>	<u>\$ (63,393)</u>	<u>\$ (67,047)</u>	<u>\$ 2,807,093</u>	<u>\$ 638,948</u>

Municipality of the District of Clare

Notes to the Consolidated Financial Statements

March 31, 2022

17. 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. Below is a reconciliation of the figures from the approved fiscal plan to the fiscal plan per the financial statements:

	Approved <u>Fiscal Plan</u>	<u>Adjustments</u>	Fiscal Plan Per Financial <u>Statements</u>
Revenues			
Taxes	\$ 7,872,094	\$ (2,523,491)	\$ 5,348,603
Grants in lieu of taxes	154,967	-	154,967
Services provided to other governments	330,000	-	330,000
Other revenue from own sources	566,688	(124,500)	442,188
Unconditional transfers from other governments	233,168	-	233,168
Conditional transfers from other Governments	361,841	850,000	1,211,841
Interest	-	124,500	124,500
	<u>9,518,758</u>	<u>(1,673,491)</u>	<u>7,845,267</u>
Expenditures			
General government services	1,497,885	429,260	1,927,145
Protective services	2,508,860	(575,294)	1,933,566
Transportation services	119,921	-	119,921
Environmental health services	1,588,676	265,705	1,854,381
Public health and welfare services	634,781	181,695	816,476
Environmental development services	219,091	6,436	225,527
Recreational and cultural services	813,871	79,047	892,918
Education	1,836,437	(1,836,437)	-
Transfers to other agencies	299,236	(299,236)	-
	<u>9,518,758</u>	<u>(1,748,824)</u>	<u>7,769,934</u>
Annual (deficit) surplus	<u>\$ -</u>	<u>\$ (75,333)</u>	<u>\$ 75,333</u>

Municipality of the District of Clare

Consolidated Schedules to Statement of Operations

Year Ended March 31

2022

2021

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
1. Taxes			
Assessable property			
Residential	<u>\$ 5,108,088</u>	<u>\$ 5,108,088</u>	<u>\$ 5,020,669</u>
Commercial	<u>1,286,333</u>	<u>1,286,167</u>	<u>1,421,461</u>
Resource			
Taxable assessments	423,481	423,481	431,107
Forest property tax			
Less than 50,000 acres	24,966	24,966	24,991
50,000 acres or more	<u>8,248</u>	<u>8,248</u>	<u>8,248</u>
	<u>456,695</u>	<u>456,695</u>	<u>464,346</u>
Area rates			
Fire – capital equipment	296,789	296,419	296,244
Fire – trucks	356,147	355,703	355,490
Street lights	26,609	26,609	23,379
Sewer	<u>173,000</u>	<u>173,000</u>	<u>161,600</u>
	<u>852,545</u>	<u>851,731</u>	<u>836,713</u>
Special Assessments			
Frontage – Meteghan sewer	<u>3,004</u>	<u>3,004</u>	<u>10,459</u>
Business property			
Based on revenue (Aliant)	25,000	25,906	27,745
Nova Scotia Power Corporation	5,029	4,889	5,029
Power Corporation (HST rebate)	<u>6,000</u>	<u>15,576</u>	<u>23,492</u>
	<u>36,029</u>	<u>46,371</u>	<u>56,266</u>
Other			
Deed transfer tax	125,000	237,076	155,268
Private road maintenance	<u>4,400</u>	<u>4,400</u>	<u>4,600</u>
	<u>129,400</u>	<u>241,476</u>	<u>159,868</u>
Reduction of tax revenues			
School board appropriation	(1,836,437)	(1,841,230)	(1,808,213)
Reduced taxes	(100,000)	(19,439)	(174,223)
Fire Fighting – area rate	<u>(587,054)</u>	<u>(622,508)</u>	<u>(712,931)</u>
	<u>(2,523,491)</u>	<u>(2,483,177)</u>	<u>(2,695,367)</u>
	<u>\$ 5,348,603</u>	<u>\$ 5,510,355</u>	<u>\$ 5,273,415</u>
2. Grants in lieu of taxes			
Federal government	\$ 19,414	\$ 20,203	\$ 20,461
Provincial government			
Property of supported institutions	<u>135,553</u>	<u>134,380</u>	<u>135,563</u>
	<u>\$ 154,967</u>	<u>\$ 154,583</u>	<u>\$ 156,024</u>

Municipality of the District of Clare

Consolidated Schedules to Statement of Operations

Year Ended March 31

2022

2021

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
3. Services provided to other governments			
Landfill tipping fees	\$ 330,000	\$ 366,475	\$ 305,776
4. Other revenue from own sources			
Fines	\$ 20,000	\$ 16,217	\$ 14,919
Rentals	318,288	300,383	300,539
Building permits	28,000	40,868	91,391
Tourism	31,639	35,990	74,119
Registration fees	-	-	10
Recreation services	25,000	15,945	13,678
Gran Fondo	7,500	4,162	475
Miscellaneous	11,761	22,379	9,860
	<u>\$ 442,188</u>	<u>\$ 435,944</u>	<u>\$ 504,991</u>
5. Unconditional transfers from other governments			
Other grants	\$ 10,080	\$ 10,044	\$ 60,084
Municipal Financial Capacity Grant	223,088	446,174	223,087
	<u>\$ 233,168</u>	<u>\$ 456,218</u>	<u>\$ 283,171</u>
6. Conditional transfers from other governments			
Federal government			
ACOA – Housing study	\$ -	\$ 10,009	\$ 30,274
ACOA – Tourism	-	6,250	12,400
Communauté accueillante	232,629	232,290	227,626
ICCP – track field	400,000	1,833,272	-
Provincial government			
French language services	40,000	40,000	-
Nova Scotia Health Authority operating grant	89,212	89,212	84,830
Provincial governments and agencies			
Sewer extensions / upgrade	-	-	77,206
Canada Community Building Fund	450,000	446,816	984,755
COVID-19 safe restart	-	-	228,500
Université Sainte-Anne	-	710,000	-
	<u>\$ 1,211,841</u>	<u>\$ 3,367,849</u>	<u>\$ 1,645,591</u>
7. Interest			
Penalties and interest on taxes	\$ 92,500	\$ 96,335	\$ 66,901
Return on investments - Operating	32,000	13,275	31,746
Return on investments - Reserves and capital	-	32,941	87,457
	<u>\$ 124,500</u>	<u>\$ 142,551</u>	<u>\$ 186,104</u>
8. Other			
Insurance proceeds Belliveau Cove Wharf	\$ -	\$ 10,220	\$ 310,251
Loss on sale of St. Albert school	-	(4,900)	-
Transfer of tax sale surplus	-	7,633	84,713
Recovery of Eco park expenses	-	127,734	-
	<u>\$ -</u>	<u>\$ 140,687</u>	<u>\$ 394,964</u>

Municipality of the District of Clare

Consolidated Schedules to Statement of Operations

Year Ended March 31

2022

2021

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
9. General government services			
Legislative			
Council and committee	\$ 199,097	\$ 183,559	\$ 198,336
Conventions	<u>15,000</u>	<u>7,438</u>	<u>1,634</u>
	<u>214,097</u>	<u>190,997</u>	<u>199,970</u>
General administrative			
Administrative	745,751	731,688	691,268
Amortization	79,260	79,260	65,183
Taxation			
Administration	72,574	64,122	53,888
Property valuation			
assessment services	<u>253,184</u>	<u>253,184</u>	<u>257,120</u>
	<u>1,150,769</u>	<u>1,128,254</u>	<u>1,067,459</u>
Other general government services			
Conventions	20,000	12,499	8,913
Grants to other organizations and			
individuals	40,000	33,836	42,513
General and liability insurance	52,279	57,560	42,109
Fiber internet network	<u>450,000</u>	<u>450,000</u>	<u>1,000,000</u>
	<u>562,279</u>	<u>553,895</u>	<u>1,093,535</u>
	<u>\$ 1,927,145</u>	<u>\$ 1,873,146</u>	<u>\$ 2,360,964</u>
10. Protective services			
Law enforcement			
R.C.M.P. administration	\$ 1,214,859	\$ 1,207,086	\$ 1,149,376
By-law enforcement	2,000	7,013	-
Unightly premises	2,000	-	876
Correction centres	<u>120,000</u>	<u>58,760</u>	<u>118,475</u>
	<u>1,338,859</u>	<u>1,272,859</u>	<u>1,268,727</u>
Fire protection			
Fire Fighting Force	307,407	297,188	294,447
Interest expense	<u>9,047</u>	<u>12,547</u>	<u>13,908</u>
	<u>316,454</u>	<u>309,735</u>	<u>308,355</u>
Emergency Measures			
EMO	17,000	15,366	14,550
Senior security	38,818	38,818	38,702
Civic numbering	<u>12,679</u>	<u>4,214</u>	<u>1,637</u>
	<u>68,497</u>	<u>58,398</u>	<u>54,889</u>
Other			
Amortization	2,713	2,713	1,303
Animal and pest control	21,600	21,600	21,600
Building inspector	<u>185,443</u>	<u>182,407</u>	<u>158,746</u>
	<u>209,756</u>	<u>206,720</u>	<u>181,649</u>
	<u>\$ 1,933,566</u>	<u>\$ 1,847,712</u>	<u>\$ 1,813,620</u>

Municipality of the District of Clare

Consolidated Schedules to Statement of Operations

Year Ended March 31

2022

2021

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
11. Transportation services			
Sidewalk maintenance	\$ 64,312	\$ 63,596	\$ 58,729
Street lighting	26,609	25,768	27,122
Public transit	25,000	25,000	25,000
Engineering roads	<u>4,000</u>	<u>292</u>	<u>2,275</u>
	<u>\$ 119,921</u>	<u>\$ 114,656</u>	<u>\$ 113,126</u>
12. Environmental health services			
Public works	\$ 28,334	\$ 24,792	\$ 15,210
Treatment plant operations - Meteghan	175,871	176,306	140,553
Treatment plant operations - Church Point	15,600	14,851	16,655
Treatment plant operations - Belliveau Cove	17,300	20,101	17,065
Amortization	265,705	265,705	283,284
Garbage and waste collection and disposal			
Municipal collection	472,643	482,296	483,494
Blue bag sorting	130,000	112,450	128,207
Dump operation	222,235	325,301	215,578
Queens tipping fees	369,417	354,658	334,068
Regional solid waste management	17,000	16,483	14,076
Organic processing	72,000	74,023	70,345
Landfill closure costs	45,000	56,823	40,191
Western Regional Solid Waste Resource Management Authority	<u>23,276</u>	<u>23,364</u>	<u>23,386</u>
	<u>\$ 1,854,381</u>	<u>\$ 1,947,153</u>	<u>\$ 1,782,112</u>
13. Public health and welfare services			
Deficit of Tri-County Housing Authority	\$ 48,000	\$ 33,629	\$ 41,440
Interest expense	22,713	31,508	34,850
Housing Action Plan – consulting fees	-	-	40,367
Other health			
Amortization	110,982	110,982	104,924
Clare Health Centre	629,781	616,724	559,930
Clare Health Centre – consulting fees	-	48,423	-
Doctor recruitment	<u>5,000</u>	<u>982</u>	<u>55,834</u>
	<u>\$ 816,476</u>	<u>\$ 842,247</u>	<u>\$ 833,345</u>

Municipality of the District of Clare

Consolidated Schedules to Statement of Operations

Year Ended March 31

2022

2021

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
14. Environmental development services			
Planning and zoning	\$ 2,000	\$ 815	\$ 3,088
Regional Development Authority	45,757	45,758	45,621
Sub-division regulations	2,000	1,219	4,097
Amortization	6,436	6,436	-
Economic/community development	164,334	166,011	205,960
By-law planning	<u>5,000</u>	<u>6,363</u>	<u>1,288</u>
	<u>\$ 225,527</u>	<u>\$ 226,602</u>	<u>\$ 260,054</u>
15. Recreation and cultural services			
Administration	\$ 168,755	\$ 139,082	\$ 153,890
Amortization	66,755	66,755	57,593
Cultural sponsorships	29,500	36,500	20,000
Congrès mondial acadien	50,000	50,000	100,000
Gran Fondo	7,500	10,272	25,638
Yarmouth Hospital Foundation	5,000	5,000	-
Interest expense	12,292	17,049	17,821
Société Historique	1,250	1,036	850
Tourism	158,749	245,556	258,646
Transfers to regional libraries	53,377	53,377	53,377
Veteran Centre	41,543	38,313	28,080
Municipal parks	19,609	8,240	19,335
Meteghan Library	22,879	19,255	16,175
Havelock Community Centre	3,500	4,092	6,193
Former schools	-	-	657
Cultural Hub	13,000	20,177	18,200
Eco park	22,391	73,921	64,870
Communauté accueillante	<u>216,818</u>	<u>225,185</u>	<u>106,542</u>
	<u>\$ 892,918</u>	<u>\$ 1,013,810</u>	<u>\$ 947,867</u>