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Consolidated Financial Statements

Municipality of the District of Clare

March 31, 2021

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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, 2021, 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, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Other Matters

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. The consolidated schedules of statements of operations on pages 23 to 27 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.

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.

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 15, 2021

Chartered Professional Accountants

Municipality of the District of Clare Management's Responsibility for the Consolidated Financial Statements

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 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
Deputy Warden



Stéphane Cyr
Chief Administrative Officer

Municipality of the District of Clare

Consolidated Statement of Operations

Year Ended March 31

2021

2020

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues			
Taxes	\$ 5,346,243	\$ 5,273,415	\$ 5,560,393
Grants in lieu of taxes	137,202	156,024	138,801
Services provided to other governments	310,000	305,776	308,461
Other revenue from own sources	630,044	504,991	575,311
Unconditional transfers from other governments	271,117	283,171	278,191
Conditional transfers from federal and provincial governments and agencies	1,178,016	1,645,591	788,709
Interest	137,500	186,104	231,496
Other	-	394,964	375,650
	<u>8,010,122</u>	<u>8,750,036</u>	<u>8,257,012</u>
Expenses			
General government services	2,461,881	2,360,964	1,865,451
Protective services	1,826,289	1,813,620	1,797,792
Transportation services	112,482	113,126	114,347
Environmental health services	1,824,628	1,782,112	1,786,891
Public health and welfare services	755,700	833,345	659,230
Environmental development services	269,646	260,054	226,105
Recreational and cultural services	1,064,599	947,867	950,015
	<u>8,315,225</u>	<u>8,111,088</u>	<u>7,399,831</u>
Annual (deficit) surplus	<u>\$ (305,103)</u>	638,948	857,181
Accumulated surplus, beginning of year		<u>15,635,521</u>	<u>14,778,340</u>
Accumulated surplus, end of year		<u>\$16,274,469</u>	<u>\$15,635,521</u>

See accompanying notes to the consolidated financial statements.

Municipality of the District of Clare

Consolidated Statement of Financial Position

March 31

2021

2020

Financial Assets

Cash – restricted (Note 6)	\$ 258,163	\$ 363,320
Cash – unrestricted	6,380,241	6,283,785
Receivables		
Taxes (Note 3)	274,664	365,046
Special assessments	5,707	7,781
Due from Federal Government and its agencies	-	43,715
Due from own agencies - Fire Department (Note 11)	130,777	215,070
Other receivables (Note 4)	273,223	481,322
Assets held for resale	30,000	30,000
	<u>7,352,775</u>	<u>7,790,039</u>

Financial Liabilities

Payables and accruals	563,074	430,806
Due to Federal Government and its agencies	32,273	-
Prepayment of taxes	114,829	110,037
Landfill closure (Note 12)	303,336	303,336
Long-term debt (Note 13)	1,945,985	2,153,169
Deferred revenue	526,955	1,158,994
Other – tax sale surplus (Note 6)	211,330	316,750
	<u>3,697,782</u>	<u>4,473,092</u>

NET FINANCIAL ASSETS

3,654,993 3,316,947

Non-Financial Assets

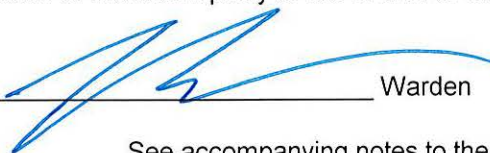

Tangible capital assets (Note 14)	<u>12,619,476</u>	<u>12,318,574</u>
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ACCUMULATED SURPLUS

\$ 16,274,469 \$ 15,635,521

Commitments and contractual obligations (Note 7)

On behalf of the Municipality of the District of Clare


Warden

CAO

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	2021	2020
Annual (deficit) surplus	\$ (305,103)	\$ 638,948	\$ 857,181
Acquisition of tangible capital assets	(562,355)	(813,189)	(463,883)
Amortization of tangible capital assets	<u>512,287</u>	<u>512,287</u>	<u>516,263</u>
(Decrease) increase in net financial assets	\$ <u>(355,171)</u>	338,046	909,561
Net financial assets, beginning of year		<u>3,316,947</u>	<u>2,407,386</u>
Net financial assets, end of year		<u>\$ 3,654,993</u>	<u>\$ 3,316,947</u>

See accompanying notes to the consolidated financial statements.

Municipality of the District of Clare

Consolidated Statement of Cash Flow

Year Ended March 31

2021

2020

Increase in cash and cash equivalents

Operating activities

Annual surplus	\$ 638,948	\$ 857,181
Change in non-cash items		
Amortization	512,287	516,263
Taxes receivable	90,382	51,504
Special assessments	2,074	(111)
Due from Federal Government and its agencies	75,989	137,192
Due from own agencies – Fire Department	84,293	57,270
Other receivables	208,099	(428,618)
Pension asset	-	24,701
Payables and accruals	132,267	(120,225)
Prepayment of taxes	4,792	32,769
Deferred revenue	(632,039)	176,932
Other - tax sale surplus	(105,420)	55,154
	<u>1,011,672</u>	<u>1,360,012</u>

Capital activities

Purchase of tangible capital assets	<u>(813,189)</u>	<u>(463,883)</u>
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Financing activities

Repayment of long-term debt	<u>(207,184)</u>	<u>(207,184)</u>
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Net (decrease) increase in cash and cash equivalents (8,701) 688,945

Cash and cash equivalents

Beginning of year	<u>6,647,105</u>	<u>5,958,160</u>
End of year	<u>\$ 6,638,404</u>	<u>\$ 6,647,105</u>

Cash and cash equivalents are comprised of:

Restricted cash	\$ 258,163	\$ 363,320
Unrestricted cash	<u>6,380,241</u>	<u>6,283,785</u>
	<u>\$ 6,638,404</u>	<u>\$ 6,647,105</u>

See accompanying notes to the consolidated financial statements.

Municipality of the District of Clare

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 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 1, 2020 in its original fiscal plan; they also have recorded additional adjustments in accordance with PSAB requirements. Note 16 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, 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) 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.

Municipality of the District of Clare

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 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.

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 probably 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, 2021

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.

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.

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.

Municipality of the District of Clare

Notes to the Consolidated Financial Statements

March 31, 2021

1. Summary of significant accounting policies (continued)

Segmented information (continued)

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 \$41,440 (2020 - \$38,841) 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 (2020 - \$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.

Western Regional Solid Waste Resource Management Authority (Waste Check)

During the year, the Municipality contributed \$23,386 (2020 - \$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 \$45,621 (2020 - \$45,621) as its share of the operation of the Western Regional Enterprise Network.

Municipality of the District of Clare

Notes to the Consolidated Financial Statements

March 31, 2021

3. Taxes receivable			<u>2021</u>	<u>2020</u>
	<u>Current year</u>	<u>Prior years</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ -	\$ 365,046	\$ 365,046	\$ 416,550
Current year's tax levy	6,906,876	-	6,906,876	6,811,464
Interest	<u>59,701</u>	<u>-</u>	<u>59,701</u>	<u>106,346</u>
	<u>6,966,577</u>	<u>365,046</u>	<u>7,331,623</u>	<u>7,334,360</u>
Deduct				
Current year's collections	6,526,225	356,511	6,882,736	6,781,999
Reduced taxes	<u>174,223</u>	<u>-</u>	<u>174,223</u>	<u>187,325</u>
	<u>6,700,448</u>	<u>356,511</u>	<u>7,056,959</u>	<u>6,969,314</u>
Balance, before allowance	266,129	8,535	274,664	365,046
Less: valuation allowance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 266,129</u>	<u>\$ 8,535</u>	<u>\$ 274,664</u>	<u>\$ 365,046</u>

4. Other receivables	<u>2021</u>	<u>2020</u>
Landfill tipping fees	\$ 32,443	\$ 34,345
Deed transfer tax	21,124	5,367
Other	<u>219,656</u>	<u>441,610</u>
	<u>\$ 273,223</u>	<u>\$ 481,322</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.

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.

Municipality of the District of Clare

Notes to the Consolidated Financial Statements

March 31, 2021

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 five years are as follows:

2022	\$517,500
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 2 remaining years is as follows:

Year ending March 31, 2022	\$ 450,000
Year ending March 31, 2023	\$ 400,000

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 3 years is as follows:

Year ending March 31, 2022	\$ 50,000
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. The remaining funding to be provided over the next 2 years is as follows:

Year ending March 31, 2022	\$ 232,629
Year ending March 31, 2023	\$ 232,629

Municipality of the District of Clare

Notes to the Consolidated Financial Statements

March 31, 2021

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, with the Municipality being responsible for the remainder of the costs to complete the project.

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, 2021 were as follows:

	<u>Remuneration</u>	<u>Expenses</u>
Ronnie LeBlanc - Warden	\$ 36,198	\$ -
Yvon LeBlanc – Deputy Warden	23,832	-
Nil Doucet – Councillor	24,566	687
Daniel Hill - Councillor	22,748	494
Carl Deveau - Councillor	22,748	54
Eric Pothier - Councillor	22,748	238
Brian Comeau - Councillor	22,748	160
Philippe Gaudet - Councillor	8,494	-
Hector Thibault - Councillor	14,254	-
Stéphane Cyr - Chief Administrative Officer	118,000	3,839

9. Defined contribution pension plan

During the year the Municipality contributed \$74,068 (2020 - \$70,387) to their employees defined contribution pension plans. 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.

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, 2021 it was not drawn on (2020 – \$nil).

Municipality of the District of Clare

Notes to the Consolidated Financial Statements

March 31, 2021

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 \$84,293 was applied against the receivable. The ending balance for March 31, 2021 is \$130,777 (2020 - \$215,070). 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>2021</u>	<u>2020</u>
Capital		
Landfill	\$ 30,367	\$ 25,403
Other	<u>2,758,571</u>	<u>3,067,275</u>
	2,788,938	3,092,678
Operating	<u>2,756,643</u>	<u>2,334,456</u>
	<u>\$ 5,545,581</u>	<u>\$ 5,427,134</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, 2021, 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, 2021

13. Long-term debt

	Balance April 1, <u>2020</u>	<u>Issued</u>	<u>(Repaid)</u>	Balance March 31, <u>2021</u>	<u>Interest</u>
Municipal Finance Corporation, 2.266% to 3.489%, due 2029	\$ 480,002	\$ -	\$ (53,333)	\$ 426,669	\$ 13,908
Municipal Finance Corporation, 2.49% to 3.389%, due 2029	548,167	-	(28,851)	519,316	34,979
Municipal Finance Corporation, 2.49% to 3.389%, due 2029	<u>1,125,000</u>	<u>-</u>	<u>(125,000)</u>	<u>1,000,000</u>	<u>17,692</u>
	<u>\$ 2,153,169</u>	<u>\$ -</u>	<u>\$ (207,184)</u>	<u>\$1,945,985</u>	<u>\$ 66,579</u>

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

Year ending March 31, 2022	\$207,184
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

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

March 31, 2021

14. 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	\$ 336,671	\$ 997,191	\$ 8,287,119	\$ 1,434,665	\$ 322,815	\$ 7,618,923
Acquisition of tangible capital assets	20,545	121,989	111,572	-	21,035	20,644
Disposal of tangible capital assets	-	-	-	-	-	-
Balance, end of year	<u>357,216</u>	<u>1,119,180</u>	<u>8,398,691</u>	<u>1,434,665</u>	<u>343,850</u>	<u>7,639,567</u>
Accumulated amortization						
Balance, beginning of year	-	557,417	2,602,213	1,434,665	322,815	2,398,156
Annual amortization	-	39,147	207,893	-	1,052	149,791
Disposal of tangible capital assets	-	-	-	-	-	-
Balance, end of year	<u>-</u>	<u>596,564</u>	<u>2,810,106</u>	<u>1,434,665</u>	<u>323,867</u>	<u>2,547,947</u>
Net book value of tangible capital assets	<u>\$ 357,216</u>	<u>\$ 522,616</u>	<u>\$ 5,588,585</u>	<u>\$ -</u>	<u>\$ 19,983</u>	<u>\$ 5,091,620</u>

Municipality of the District of Clare

Notes to the Consolidated Financial Statements

March 31, 2021

14. Tangible capital assets (continued)

	<u>Wharves</u>	<u>Equipment & Machinery</u>	<u>Computer Software</u>	<u>Vehicles</u>	<u>Leaseholds</u>	2021 Total	2020 Total
Cost							
Balance, beginning of year	\$ -	\$ 1,783,376	\$ 152,423	\$ 175,904	\$ 1,593,294	\$ 22,702,381	\$ 22,238,498
Acquisition of tangible capital assets	428,137	89,267	-	-	-	813,189	463,883
Disposal of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	<u>428,137</u>	<u>1,872,643</u>	<u>152,423</u>	<u>175,904</u>	<u>1,593,294</u>	<u>23,515,570</u>	<u>22,702,381</u>
Accumulated amortization							
Balance, beginning of year	-	1,245,927	67,712	161,608	1,593,294	10,383,807	9,867,544
Annual amortization	-	91,892	10,594	11,918	-	512,287	516,263
Disposal of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	-	<u>1,337,819</u>	<u>78,306</u>	<u>173,526</u>	<u>1,593,294</u>	<u>10,896,094</u>	<u>10,383,807</u>
Net book value of tangible capital Assets	<u>\$ 428,137</u>	<u>\$ 534,824</u>	<u>\$ 74,117</u>	<u>\$ 2,378</u>	<u>\$ -</u>	<u>\$ 12,619,476</u>	<u>\$ 12,318,574</u>

Municipality of the District of Clare

Notes to the Consolidated Financial Statements

March 31, 2021

15. Segment disclosure

	General Government	Protective	Transport.	Environ. Health	Public Health & Welfare	Environ. Develop.	Recreation & Culture	2021 Total	2020 Total
Revenue									
Taxes	\$1,534,978	\$1,179,123	\$ 73,549	\$1,158,638	\$ 541,798	\$ 169,074	\$ 616,255	\$5,273,415	\$5,560,393
Grants in lieu of taxes	45,415	34,887	2,176	34,281	16,030	5,002	18,233	156,024	138,801
Services provided to other governments	-	-	-	305,776	-	-	-	305,776	308,461
Other revenue from own sources	325,660	-	-	-	-	-	179,331	504,991	575,311
Unconditional transfers from other governments	161,912	-	-	-	84,016	-	37,243	283,171	399,450
Conditional transfers from federal and provincial governments and agencies	1,645,591	-	-	-	-	-	-	1,645,591	667,450
Interest	186,104	-	-	-	-	-	-	186,104	231,496
Other	394,964	-	-	-	-	-	-	394,964	375,650
	<u>4,294,624</u>	<u>1,214,010</u>	<u>75,725</u>	<u>1,498,695</u>	<u>641,844</u>	<u>174,076</u>	<u>851,062</u>	<u>8,750,036</u>	<u>8,257,012</u>
Expenses									
Salaries and benefits	704,724	142,811	-	255,423	395,513	199,432	193,091	1,890,994	1,752,022
Goods and services	1,591,057	1,655,598	113,126	1,243,405	298,058	60,622	679,362	5,641,228	5,059,877
Amortization	65,183	1,303	-	283,284	104,924	-	57,593	512,287	516,263
Interest	-	13,908	-	-	34,850	-	17,821	66,579	71,669
	<u>2,360,964</u>	<u>1,813,620</u>	<u>113,126</u>	<u>1,782,112</u>	<u>833,345</u>	<u>260,054</u>	<u>947,867</u>	<u>8,111,088</u>	<u>7,399,831</u>
Annual surplus (deficit)	<u>\$1,933,660</u>	<u>\$ (599,610)</u>	<u>\$ (37,401)</u>	<u>\$ (283,417)</u>	<u>\$ (191,501)</u>	<u>\$ (85,978)</u>	<u>\$ (96,805)</u>	<u>\$ 638,948</u>	<u>\$ 857,181</u>

Municipality of the District of Clare

Notes to the Consolidated Financial Statements

March 31, 2021

16. 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:

	<u>Approved Fiscal Plan</u>	<u>Adjustments</u>	<u>Fiscal Plan Per Financial Statements</u>
Revenues			
Taxes	\$ 7,906,751	\$ (2,560,508)	\$ 5,346,243
Grants in lieu of taxes	137,202	-	137,202
Services provided to other governments	310,000	-	310,000
Other revenue from own sources	767,544	(137,500)	630,044
Unconditional transfers from other governments	271,117	-	271,117
Conditional transfers from other Governments	178,016	1,000,000	1,178,016
Interest	<u>-</u>	<u>137,500</u>	<u>137,500</u>
	<u>9,570,630</u>	<u>(1,560,508)</u>	<u>8,010,122</u>
Expenditures			
General government services	1,546,698	915,183	2,461,881
Protective services	2,415,696	(589,407)	1,826,289
Transportation services	112,482	-	112,482
Environmental health services	1,541,344	283,284	1,824,628
Public health and welfare services	588,654	167,046	755,700
Environmental development services	269,646	-	269,646
Recreational and cultural services	993,955	70,644	1,064,599
Education	1,808,213	(1,808,213)	-
Transfers to other agencies	<u>293,942</u>	<u>(293,942)</u>	<u>-</u>
	<u>9,570,630</u>	<u>(1,255,405)</u>	<u>8,315,225</u>
Annual (deficit) surplus	<u>\$ -</u>	<u>\$ (305,103)</u>	<u>\$ (305,103)</u>

Municipality of the District of Clare

Notes to the Consolidated Financial Statements

March 31, 2021

17. 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 were forced to cease or limit operations for long 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.

To date, the Municipality has not been negatively impacted by COVID-19. However, the duration 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.

18. Reclassification of comparative figures

Comparative balances have been reclassified in these consolidated financial statements to conform with the current year presentation.

The following is a summary of the reclassification of prior year balances:

	<u>Prior balance</u>	<u>Re-allocation</u>	<u>New balance</u>
Unconditional transfers from other governments	\$ 399,450	\$ (121,259)	\$ 278,191
Conditional transfers from federal and provincial governments and agencies	667,450	121,259	788,709

The Nova Scotia Health Authority operating grant for the Clare Health Centre and the tourism grant, both received from the Province of Nova Scotia, have been re-allocated to better reflect the substance of the revenue source and to properly categorize for financial statement presentation purposes.

Municipality of the District of Clare

Consolidated Schedules to Statement of Operations

Year Ended March 31

2021

2020

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
1. Taxes			
Assessable property			
Residential	<u>\$ 5,020,669</u>	<u>\$ 5,020,669</u>	<u>\$ 4,903,475</u>
Commercial	<u>1,420,461</u>	<u>1,420,461</u>	<u>1,416,680</u>
Resource			
Taxable assessments	431,107	431,107	456,467
Forest property tax			
Less than 50,000 acres	24,980	24,991	24,980
50,000 acres or more	<u>8,462</u>	<u>8,248</u>	<u>8,462</u>
	<u>464,549</u>	<u>464,346</u>	<u>489,909</u>
Area rates			
Fire – capital equipment	296,241	296,244	292,191
Fire – trucks	355,490	355,490	350,050
Street lights	23,275	23,379	22,732
Sewer	<u>162,600</u>	<u>161,600</u>	<u>162,000</u>
	<u>837,605</u>	<u>836,713</u>	<u>826,973</u>
Special Assessments			
Frontage – Belliveau Cove	-	-	4,000
Frontage – Meteghan sewer	<u>6,344</u>	<u>10,459</u>	<u>8,659</u>
	<u>6,344</u>	<u>10,459</u>	<u>12,659</u>
Business property			
Based on revenue (Aliant)	28,000	27,745	29,901
Nova Scotia Power Corporation	5,123	5,029	5,123
Power Corporation (HST rebate)	<u>13,000</u>	<u>23,492</u>	<u>13,488</u>
	<u>46,123</u>	<u>56,266</u>	<u>48,512</u>
Other			
Deed transfer tax	105,000	155,268	111,082
Private road maintenance	<u>4,600</u>	<u>4,600</u>	<u>-</u>
	<u>109,600</u>	<u>159,868</u>	<u>111,082</u>
Reduction of tax revenues			
School board appropriation	(1,808,213)	(1,808,213)	(1,785,321)
Reduced taxes	(150,000)	(174,223)	(127,325)
Fire Fighting – area rate	<u>(600,895)</u>	<u>(712,931)</u>	<u>(336,251)</u>
	<u>(2,559,108)</u>	<u>(2,695,367)</u>	<u>(2,248,897)</u>
	<u>\$ 5,346,243</u>	<u>\$ 5,273,415</u>	<u>\$ 5,560,393</u>
2. Grants in lieu of taxes			
Federal government	\$ 21,848	\$ 20,461	\$ 23,694
Provincial government			
Property of supported institutions	<u>115,354</u>	<u>135,563</u>	<u>115,107</u>
	<u>\$ 137,202</u>	<u>\$ 156,024</u>	<u>\$ 138,801</u>

Municipality of the District of Clare

Consolidated Schedules to Statement of Operations

Year Ended March 31

2021

2020

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
3. Services provided to other governments			
Landfill tipping fees	\$ 310,000	\$ 305,776	\$ 308,461
4. Other revenue from own sources			
Fines	\$ 25,000	\$ 14,919	\$ 28,525
Rentals	290,634	300,539	302,484
Building permits	26,000	91,391	26,844
Tourism	93,200	74,119	26,009
Registration fees	50	10	180
Recreation services	36,400	13,678	23,858
Gran Fondo	137,000	475	139,969
Congrès mondial acadien	-	-	13,173
Miscellaneous	21,760	9,860	14,269
	<u>\$ 630,044</u>	<u>\$ 504,991</u>	<u>\$ 575,311</u>
5. Unconditional transfers from other governments			
Other grants	\$ 48,029	\$ 60,084	\$ 55,104
Municipal Grants Act (operating)	223,088	223,087	223,087
	<u>\$ 271,117</u>	<u>\$ 283,171</u>	<u>\$ 278,191</u>
6. Conditional transfers from other governments			
Federal government			
ACOA – Housing study	\$ -	\$ 30,274	\$ -
Provincial government			
Tourism	-	12,400	37,243
Nova Scotia Health Authority operating grant	84,016	84,830	84,016
Provincial governments and agencies			
Sewer extensions / upgrade	-	77,206	85,279
Provincial Gas Tax	1,000,000	984,755	582,171
Communauté accueillante	94,000	227,626	-
COVID-19 safe restart	-	228,500	-
	<u>\$ 1,178,016</u>	<u>\$ 1,645,591</u>	<u>\$ 788,709</u>
7. Interest			
Penalties and interest on taxes	\$ 97,500	\$ 66,901	\$ 112,796
Return on investments - Operating	40,000	31,746	41,012
Return on investments - Reserves and capital	-	87,457	77,688
	<u>\$ 137,500</u>	<u>\$ 186,104</u>	<u>\$ 231,496</u>
8. Other			
Insurance proceeds Belliveau Cove Wharf	\$ -	\$ 310,251	\$ -
Transfer of tax sale surplus	-	84,713	-
Pension plan recovery	-	-	375,650
	<u>\$ -</u>	<u>\$ 394,964</u>	<u>\$ 375,650</u>

Municipality of the District of Clare

Consolidated Schedules to Statement of Operations

Year Ended March 31

2021

2020

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
9. General government services			
Legislative			
Council and committee	\$ 198,501	\$ 198,336	\$ 194,228
Conventions	<u>28,000</u>	<u>1,634</u>	<u>18,566</u>
	<u>226,501</u>	<u>199,970</u>	<u>212,794</u>
General administrative			
Administrative	743,077	691,268	616,712
Amortization	65,183	65,183	63,943
Taxation			
Administration	60,793	53,888	25,976
Property valuation			
assessment services	<u>257,120</u>	<u>257,120</u>	<u>255,932</u>
	<u>1,126,173</u>	<u>1,067,459</u>	<u>962,563</u>
Other general government services			
Conventions	22,000	8,913	19,295
Grants to other organizations and			
individuals	45,000	42,513	39,043
General and liability insurance	42,207	42,109	31,756
Fiber internet network	<u>1,000,000</u>	<u>1,000,000</u>	<u>600,000</u>
	<u>1,109,207</u>	<u>1,093,535</u>	<u>690,094</u>
	<u>\$ 2,461,881</u>	<u>\$ 2,360,964</u>	<u>\$ 1,865,451</u>
10. Protective services			
Law enforcement			
R.C.M.P. administration	\$ 1,146,539	\$ 1,149,376	\$ 1,125,686
By-law enforcement	2,000	-	-
Unightly premises	-	876	-
Correction centres	<u>118,475</u>	<u>118,475</u>	<u>119,885</u>
	<u>1,267,014</u>	<u>1,268,727</u>	<u>1,245,571</u>
Fire protection			
Fire Fighting Force	<u>308,882</u>	<u>308,355</u>	<u>313,843</u>
Emergency Measures			
EMO	15,000	14,550	12,286
Senior security	38,702	38,702	37,869
Civic numbering	<u>3,000</u>	<u>1,637</u>	<u>834</u>
	<u>56,702</u>	<u>54,889</u>	<u>50,989</u>
Other			
Amortization	1,303	1,303	1,138
Animal and pest control	21,600	21,600	21,715
Building inspector	<u>170,788</u>	<u>158,746</u>	<u>164,536</u>
	<u>193,691</u>	<u>180,346</u>	<u>187,389</u>
	<u>\$ 1,826,289</u>	<u>\$ 1,813,620</u>	<u>\$ 1,797,792</u>

Municipality of the District of Clare

Consolidated Schedules to Statement of Operations

Year Ended March 31

2021

2020

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
11. Transportation services			
Sidewalk maintenance	\$ 62,207	\$ 58,729	\$ 60,750
Street lighting	23,275	27,122	19,842
Public transit	25,000	25,000	25,000
Engineering roads	<u>2,000</u>	<u>2,275</u>	<u>8,755</u>
	<u>\$ 112,482</u>	<u>\$ 113,126</u>	<u>\$ 114,347</u>
12. Environmental health services			
Public works	\$ 19,001	\$ 15,210	\$ 22,694
Treatment plant operations - Meteghan	142,683	140,553	153,539
Treatment plant operations - Church Point	17,400	16,655	19,348
Treatment plant operations - Belliveau Cove	19,800	17,065	16,576
Amortization	283,284	-	291,875
Garbage and waste collection and disposal			
Municipal collection	483,494	483,494	460,471
Blue bag sorting	104,000	128,207	104,099
Dump operation	237,291	215,578	224,777
Queens tipping fees	363,456	334,068	354,854
Regional solid waste management	12,200	14,076	11,934
Organic processing	73,000	70,345	68,104
Landfill closure costs	45,000	40,191	35,234
Western Regional Solid Waste Resource Management Authority	<u>24,019</u>	<u>23,386</u>	<u>23,386</u>
	<u>\$ 1,824,628</u>	<u>\$ 1,498,828</u>	<u>\$ 1,786,891</u>
13. Public health and welfare services			
Deficit of Tri-County Housing Authority	\$ 38,000	\$ 41,440	\$ 38,841
Interest expense	25,522	34,850	17,581
Housing Action Plan – consulting fees	-	40,367	-
Other health			
Amortization	104,924	104,924	104,146
Clare Health Centre	582,254	557,330	492,119
Doctor recruitment	<u>5,000</u>	<u>55,834</u>	<u>6,543</u>
	<u>\$ 755,700</u>	<u>\$ 833,345</u>	<u>\$ 659,230</u>
14. Environmental development services			
Planning and zoning	\$ 2,000	\$ 3,088	\$ 2,844
Regional Development Authority	45,621	45,621	45,621
Sub-division regulations	2,000	4,097	3,765
Economic/community development	215,025	205,960	171,276
By-law planning	<u>5,000</u>	<u>1,288</u>	<u>2,599</u>
	<u>\$ 269,646</u>	<u>\$ 260,054</u>	<u>\$ 226,105</u>

Municipality of the District of Clare

Consolidated Schedules to Statement of Operations

Year Ended March 31

2021

2020

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
15. Recreation and cultural services			
Administration	\$ 204,779	\$ 153,890	\$ 210,536
Amortization	57,593	57,593	55,161
Cultural sponsorships	21,500	20,000	43,897
Congrès mondial acadien	50,000	100,000	19,926
Gran Fondo	152,000	25,638	141,563
Interest expense	13,051	17,821	-
Société Historique	850	850	823
Tourism	289,728	258,646	219,677
Transfers to regional libraries	53,377	53,377	53,377
Veteran Centre	39,134	28,080	37,372
Municipal parks	21,308	19,335	19,911
Meteghan Library	24,500	16,175	33,768
Havelock Community Centre	2,500	6,193	2,486
Former schools	-	657	7,310
Cultural Hub	11,000	18,200	22,102
Eco park	21,279	64,870	44,585
St. Bernard Community Hall	-	-	37,521
Communauté accueillante	<u>102,000</u>	<u>106,542</u>	<u>-</u>
	<u>\$ 1,064,599</u>	<u>\$ 947,867</u>	<u>\$ 950,015</u>