



Consolidated Financial Statements

Municipality of the District of Argyle

March 31, 2026

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Independent Auditors' Report

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

Opinion

We have audited the consolidated financial statements of Municipality of the District of Argyle (the "Municipality"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, changes in net financial assets and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Municipality of the District of Argyle as at March 31, 2026, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

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

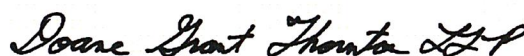
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not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

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

We also:

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

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



Chartered Professional Accountants

Yarmouth, Canada
September 24, 2026

Municipality of the District of Argyle

Management's Responsibility for Financial Reporting

March 31, 2026

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

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

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

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

On behalf of Municipality of the District of Argyle:

Warden



Chief Administrative Officer



Municipality of the District of Argyle

Consolidated Statement of Operations

Year Ended March 31

2026

2025

	<u>Budget</u> (Note 17)	<u>Actual</u>	<u>Actual</u>
Revenues			
Taxes (Note 18)	\$ 7,396,199	\$ 7,407,848	\$ 7,172,604
Grants in lieu of taxes	153,345	153,284	154,437
Other revenue from own sources (Note 19)	2,324,056	4,225,659	3,062,238
Unconditional transfers from			
Federal and Provincial governments	231,767	239,879	234,584
Conditional transfers from Federal			
and Provincial governments	3,020,131	8,438,257	4,271,109
Services provided to other governments	240,161	222,447	255,555
Sales of services	424,389	484,220	356,840
Interest	395,549	433,390	617,855
Rental and events	285,167	308,004	275,201
Food and beverages	126,421	109,688	112,250
	<u>14,597,185</u>	<u>22,022,677</u>	<u>16,512,673</u>
Expenses			
General government services	2,357,532	2,271,410	2,392,628
Protective services	3,005,888	2,929,084	2,675,355
Transportation services	919,101	739,149	739,847
Environmental health services	2,644,504	2,603,104	2,329,197
Public health services	34,500	36,412	36,962
Environmental development services	971,276	976,124	1,045,986
Recreational and cultural services	3,576,709	3,619,339	2,514,193
	<u>13,509,510</u>	<u>13,174,622</u>	<u>11,734,168</u>
Annual surplus before the undernoted	1,087,675	8,848,055	4,778,505
Gain on sale of land held for resale	18,000	24,025	-
Annual surplus	<u>\$ 1,105,675</u>	<u>\$ 8,872,080</u>	<u>\$ 4,778,505</u>
Accumulated surplus, beginning of year		\$ 32,307,454	\$ 27,528,949
Annual surplus		<u>8,872,080</u>	<u>4,778,505</u>
Accumulated surplus, end of year		<u>\$ 41,179,534</u>	<u>\$ 32,307,454</u>

See accompanying notes to the consolidated financial statements

Municipality of the District of Argyle

Consolidated Statement of Financial Position

March 31

2026

2025

Financial Assets

Cash and cash equivalents		
Restricted	\$ 672,073	\$ 683,795
Unrestricted	13,097,902	15,327,836
Taxes receivable (Note 3)	656,748	515,966
Special assessment receivable (Note 4)	101,212	124,228
Due from Provincial government and its agencies	44,400	100,679
Due from Federal government and its agencies (Note 5)	626,917	120,080
Water supply upgrade lending program (Note 6)	310,422	288,974
Other receivables	626,585	427,556
Portfolio investment	239,926	232,643
Land held for resale (Note 7)	41,212	60,190
Inventory held for resale	28,283	20,437
Properties acquired at tax sale	3,794	3,794
	<u>16,449,474</u>	<u>17,906,178</u>

Financial Liabilities

Payables and accruals (Note 8)	1,959,249	950,501
Prepayment of taxes	365,068	317,517
Deferred revenue (Note 9)	1,560,831	4,911,079
Tax sale surplus	709,238	690,124
Other post employment benefits (Note 13)	48,648	50,762
Asset retirement obligation (Note 24)	630,608	601,563
Contaminated sites	14,225	14,225
Loans payable	74,666	82,228
Long-term debt (Note 10)	<u>2,228,357</u>	<u>2,562,493</u>
	<u>7,590,890</u>	<u>10,180,492</u>

NET FINANCIAL ASSETS

<u>8,858,584</u>	<u>7,725,686</u>
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Non-Financial Assets

Work in progress	7,760,411	1,530,180
Tangible capital assets (Note 11)	42,020,173	39,469,963
Less: accumulated amortization (Note 11)	<u>(17,547,820)</u>	<u>(16,485,926)</u>
	32,232,764	24,514,217
Prepaid expenses	<u>88,186</u>	<u>67,551</u>
	<u>32,320,950</u>	<u>24,581,768</u>

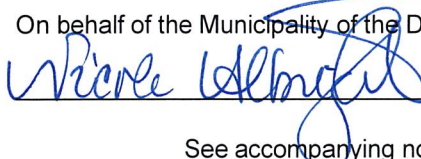
ACCUMULATED SURPLUS

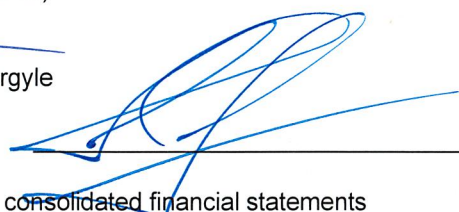
<u>\$ 41,179,534</u>	<u>\$ 32,307,454</u>
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Commitments and contractual obligations (Note 12)

Contingencies (Note 14)

On behalf of the Municipality of the District of Argyle

 Warden

 CAO

See accompanying notes to the consolidated financial statements

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

March 31

2026

2025

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Annual surplus	\$ 1,105,675	\$ 8,872,080	\$ 4,778,505
Acquisition of tangible capital assets	-	(2,619,527)	(2,724,028)
Write-down of tangible capital assets	-	28,669	-
(Gain) loss on disposal of tangible capital assets	-	-	-
Work in progress	-	(6,230,232)	(1,294,473)
Amortization of tangible capital assets	1,091,373	1,075,085	1,117,500
Amortization of asset retirement obligation	-	27,457	27,456
	2,197,048	1,153,532	1,904,960
Change in prepaid assets	-	(20,634)	(10,829)
(Decrease) increase in net financial assets	<u>\$ 2,197,048</u>	1,132,898	1,894,131
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>7,725,686</u>	<u>5,831,555</u>
NET FINANCIAL ASSETS, END OF YEAR		<u>\$ 8,858,584</u>	<u>\$ 7,725,686</u>

See accompanying notes to the consolidated financial statements

Municipality of the District of Argyle

Consolidated Statement of Cash Flow

Year Ended March 31

2026

2025

Increase in cash and cash equivalents

Operating activities

Annual surplus	\$ 8,872,080	\$ 4,778,505
Amortization regular	1,075,085	1,117,500
Amortization asset retirement obligations	27,457	27,456
Accretion expense	29,045	27,804
(Gain) loss on disposal of tangible capital assets	-	-
Change in non-cash items (Note 20)	<u>(3,033,510)</u>	<u>560,546</u>
	<u>6,970,157</u>	<u>6,511,811</u>

Capital transactions

Acquisition of tangible capital assets	(2,619,527)	(2,724,028)
Proceeds on disposal of tangible capital assets	-	-
Addition of work in progress	(6,230,232)	(1,294,473)
Change in prepaid expenses	<u>(20,634)</u>	<u>(10,829)</u>
	<u>(8,870,393)</u>	<u>(4,029,330)</u>

Financing transactions

Issuance of long-term debt	-	410,956
Repayment of long-term debt	<u>(334,137)</u>	<u>(290,236)</u>
	<u>(334,137)</u>	<u>120,720</u>

Investing transactions

Purchase of portfolio investment	<u>(7,283)</u>	<u>(7,641)</u>
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Net increase (decrease) in cash and cash equivalents (2,241,656) 2,595,560

Cash and cash equivalents

Beginning of year	<u>16,011,631</u>	<u>13,416,071</u>
End of year	<u>\$ 13,769,975</u>	<u>\$ 16,011,631</u>

Cash and cash equivalents are comprised of:

Restricted cash	\$ 672,073	\$ 683,795
Unrestricted cash	<u>13,097,902</u>	<u>15,327,836</u>
	<u>\$ 13,769,975</u>	<u>\$ 16,011,631</u>

See accompanying notes to the consolidated financial statements

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2026

1. Summary of significant accounting policies

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

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

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

Reporting entity

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

The Municipality has consolidated the following proportionately controlled entities:

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

Interdepartmental and organizational transactions and balances are eliminated.

Budget

The budget figures contained in these financial statements were approved by Council on May 15, 2025 in its original fiscal plan; they also include budgets prepared and approved by controlled entities and are adjusted for amortization in accordance with Public Sector requirements. Note 17 outlines the original fiscal plan and the adjustments made to come to the budget figures shown in these financial statements.

Revenue recognition

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

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

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2026

1. Summary of significant accounting policies (continued)

Revenue recognition (continued)

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

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

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

Expenses

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

Cash and cash equivalents

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

Tangible capital assets

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

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

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2026

1. Summary of significant accounting policies (continued)

Tangible capital assets (continued)

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

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

Asset retirement obligation

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

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

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

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

Tax sale surplus

Annually, the Municipality hosts a tax sale for properties whose owners are not up to date on their tax payments. The amounts from the proceeds of sale in excess of tax owing must be held for a period of 20 years. After the 20 year period of holding these funds in trust has expired, the cash will be transferred to the capital reserve. During the current year there were transfers of \$6,370 (2025 - \$17,963) made from the tax sale amounts to the capital reserve.

Use of estimates

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

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

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2026

1. Summary of significant accounting policies (continued)

Significant items subject to management estimates include:

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

Liability for contaminated sites

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

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

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

The Conceptual Framework for Financial Reporting in the Public Sector

The PSAB issued The Conceptual Framework for Financial Reporting in the Public Sector, which replaces the conceptual aspects of Section PS 1000, Financial Statement Concept and Section PS 1100, Financial Statement Objectives. This conceptual framework applies to fiscal years beginning on or after April 1, 2026, with early adoption permitted.

PS 1202 Financial Statement Presentation

This section revises and replaces the existing PS 1201 Financial Statement Presentation. This section applies to fiscal years beginning on or after April 1, 2026, with early adoption only permitted if The Conceptual Framework for Financial Reporting in the Public Sector is also adopted at the same time.

2. Contributions to Boards and Commissions

The Municipality is required to assist the operation of various Boards and Commissions. The Municipality has recorded its contributions to these organizations as expensed in these financial statements.

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

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2026

2. Contributions to Boards and Commissions (continued)

Regional Library

During the period, the Municipality paid \$63,900 (2025 - \$67,100) to the Regional Library.

Western Regional Solid Waste Management Authority (Waste Check)

During the year, the Municipality contributed \$29,981 (2025 - \$22,981) as its share of the cost of operations of the Western Regional Solid Waste Management Authority.

Western Regional Enterprise Network

During the year, the Municipality contributed \$52,137 (2025 - \$50,927) as its share of the cost of operations of the Western Regional Enterprise Network.

3. Taxes receivable

			<u>2026</u>	<u>2025</u>
	<u>Current</u>	<u>Prior</u>	<u>Total</u>	<u>Total</u>
Taxes receivable, beginning of year	\$ -	\$ 515,966	\$ 515,966	\$ 497,782
Assessable property taxes				
Residential	6,808,507	-	6,808,507	6,380,810
Commercial	1,532,586	-	1,532,586	1,561,487
Resource	492,888	-	492,888	482,550
Other – recreation property tax	16,601	-	16,601	15,810
Wind farm taxes from developers	233,280	-	233,280	196,180
Area rates, uniform charges and special assessments	43,092	-	43,092	47,876
Sewer rates and charges	346,065	-	346,065	338,390
Taxes and rates collected for other governments and agencies	595,654	-	595,654	579,932
	<u>10,068,673</u>	<u>515,966</u>	<u>10,584,639</u>	<u>10,100,817</u>
Collections	9,534,746	130,368	9,665,114	9,338,110
Write-offs	-	10,591	10,591	4,201
Reduced taxes	<u>281,451</u>	<u>-</u>	<u>281,451</u>	<u>267,913</u>
	<u>9,816,197</u>	<u>140,959</u>	<u>9,957,156</u>	<u>9,610,224</u>
	252,476	375,007	627,483	490,593
Interest on taxes	33,310	726	34,036	30,144
Less valuation allowance	<u>-</u>	<u>(4,772)</u>	<u>(4,772)</u>	<u>(4,772)</u>
Taxes receivable, end of year	<u>\$ 285,785</u>	<u>\$ 370,963</u>	<u>\$ 656,748</u>	<u>\$ 515,966</u>

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2026

4. Special assessments receivable

Wedgeport sewer

Upon completion of the Wedgeport sewer capital project, residents in the Wedgeport Wastewater District were assessed a capital fee for a portion of the project cost. These residents were given the option to pay immediately or over a 10 year period. As at March 31, 2026, the principal balance owed from the Wedgeport residents is \$101,212 (2025 - \$124,228). Interest is included as revenue in the year that it is received, and not included in the Special assessment receivable.

5. Due from Federal government and its agencies	<u>2026</u>	<u>2025</u>
HST receivable	<u>\$ 626,917</u>	<u>\$ 120,080</u>

6. Water supply upgrade lending program

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

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

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

7. Land held for resale

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

During 2012, the Municipality re-acquired the Tusket Business Park property from the Yarmouth Area Industrial Commission in exchange for \$1. Of the lots re-acquired, two have been kept by the Municipality. The remaining eighteen lots were held for resale and as of March 31, 2026, fourteen of the lots have been sold.

During 2015, the Municipality began marketing seven lots of residential park land in Wedgeport as available for sale. In 2017, one additional piece of residential park land was acquired by the Municipality with the intent to resell. Five lots of land have been sold as of March 31, 2026.

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2026

8. Payables and accruals	<u>2026</u>	<u>2025</u>
Trade	\$ 398,416	\$ 466,566
Amounts due to controlled entities		
- Mariners Centre Management Authority	1,204,159	182,899
- Mariners Centre Wellness Fund	2,500	3,333
- Yarmouth International Airport Corporation	83,982	43,598
- Yarmouth Area Industrial Commission	55,756	22,697
- Yarmouth & Acadian Shores Tourism Association	17,162	10,979
- Yarmouth County Solid Waste Management Authority	132,274	135,429
Sick leave	<u>65,000</u>	<u>85,000</u>
	<u>\$ 1,959,249</u>	<u>\$ 950,501</u>

9. Deferred revenue	<u>2026</u>	<u>2025</u>
Operating revenue	\$ 229,784	\$ 108,960
Canada Community-Building Fund	241,221	385,912
Other capital projects	<u>1,089,826</u>	<u>4,416,207</u>
	<u>\$1,560,831</u>	<u>\$4,911,079</u>

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

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

	<u>2026</u>	<u>2025</u>
Balance, beginning of year	<u>\$4,911,079</u>	<u>\$5,261,949</u>
Contributions from:		
Canada Community-Building Fund	372,740	359,083
Province of Nova Scotia	120,929	2,043,294
Local municipal governments	23,975	30,538
Other	39,643	-
Interest earned	<u>13,705</u>	<u>25,486</u>
	<u>570,992</u>	<u>2,458,401</u>
Utilized for:		
Tangible capital asset acquisitions and work in progress	3,851,880	2,337,873
Operations	<u>69,360</u>	<u>471,398</u>
	<u>3,921,240</u>	<u>2,809,271</u>
Balance, end of year	<u>\$1,560,831</u>	<u>\$4,911,079</u>

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

March 31, 2026

10. Long-term debt

	Balance April 1, 2025	Issued	Repaid	Balance March 31, 2026	Interest	Interest rate
NS Dept. of Finance & Treasury Board - Term loan, payable in principal payments of \$52,784 plus interest, due 2028	\$ 408,552	\$ -	\$ 41,095	\$ 367,457	\$ 16,801	4.433% - 4.940%
Federation of Canadian Municipalities - Green Municipal Fund loan, payable in one annual blended payment of \$332,246 and one semi-annual interest payment, maturing in March 2032	\$ 2,153,941	\$ -	\$ 293,041	\$ 1,860,900	\$ 79,059	3.65%
	<u>\$ 2,562,493</u>	<u>\$ -</u>	<u>\$ 334,136</u>	<u>\$ 2,228,357</u>	<u>\$ 95,860</u>	

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

2027	\$ 339,442
2028	632,432
2029	309,242
2030	314,839
2031	320,538

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

March 31, 2026

11. Tangible capital assets

		Land	Land Improvements	Tennis & Volleyball Courts	Buildings	West Pubnico Sewer	Tusket Sewer	Tusket Business Park Sewer	Wedgeport Sewer	East Pubnico Water Utility	West Pubnico Dewatering Unit	Roads and Paving	Construction & Demolition Debris Sites
Cost													
Balance, beginning of year	\$	593,220	\$2,820,880	\$ 201,645	\$10,149,934	\$8,232,567	\$3,054,917	\$ 751,807	\$2,090,920	\$ 615,798	\$ 286,150	\$ 881,093	\$1,634,474
Add													
Net additions during the year		-	-	-	16,224	180,995	646,957	15,465	-	1,147,865	-	485,000	-
Less													
Write-downs during the year		-	-	-	-	-	-	-	(65,650)	-	-	-	-
Disposals during the year		-	-	-	-	-	-	-	-	-	-	-	-
Balance, end of year		593,220	2,820,880	201,645	10,166,158	8,413,562	3,701,874	767,272	2,025,270	1,763,663	286,150	1,366,093	1,634,474
Accumulated amortization													
Balance, beginning of year		3,888	278,593	123,950	3,190,916	4,134,248	1,385,730	299,200	250,456	57,700	57,232	479,606	574,015
Add													
Amortization during the year		1,296	76,845	13,182	258,966	114,824	73,340	18,794	50,520	14,401	14,307	22,185	81,496
Less													
Write-downs during the year		-	-	-	-	-	-	-	(37,743)	-	-	-	-
Accumulated amortization on disposals		-	-	-	-	-	-	-	-	-	-	-	-
Balance, end of year		5,184	355,438	137,132	3,449,882	4,249,072	1,459,070	317,994	263,233	72,101	71,539	501,791	655,511
NET BOOK VALUE		\$ 588,036	\$2,465,442	\$ 64,513	\$6,716,276	\$4,164,490	\$2,242,804	\$ 449,278	\$1,762,037	\$1,691,562	\$ 214,611	\$ 864,302	\$ 978,963

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2026

11. Tangible capital assets (continued)

		Asbestos & Contaminated Soil Sites	Signs	Wharves	Hangar	Solar Panels	Wind Turbines	Sidewalks and trails	Organic Compost Bins	Equipment & Machinery	Vehicles	2026 Total	2025 Total
Cost													
Balance, beginning of year	\$	220,068	\$	-	\$3,139,163	\$238,575	\$409,833	\$144,978	\$237,970	\$2,513,643	\$658,748	\$39,469,963	\$36,745,935
Add													
Net additions during the year		-	45,031	-	1,034	-	-	-	-	32,313	48,643	2,619,527	2,724,028
Less													
Write-downs during the year		-	-	-	-	-	-	-	-	-	(3,667)	(69,317)	-
Disposals during the year		-	-	-	-	-	-	-	-	-	-	-	-
Balance, end of year		220,068	45,031	3,139,163	239,609	593,580	409,833	144,978	237,970	2,545,956	703,721	42,020,173	39,469,963
Accumulated amortization													
Balance, beginning of year		90,935	-	2,669,608	129,476	126,013	164,034	117,613	237,970	1,644,902	469,840	16,485,926	15,340,970
Add													
Amortization during the year		8,668	3,002	80,229	7,193	29,923	21,149	3,909	-	163,991	44,323	1,102,543	1,144,956
Less													
Write-downs during the year		-	-	-	-	-	-	-	-	-	(2,906)	(40,649)	-
Accumulated amortization on disposals		-	-	-	-	-	-	-	-	-	-	-	-
Balance, end of year		99,603	3,002	2,749,837	136,669	155,936	185,183	121,522	237,970	1,808,893	511,255	17,547,820	16,485,926
NET BOOK VALUE		\$120,465	\$42,029	\$389,326	\$102,939	\$437,644	\$224,650	\$23,456	\$-	\$737,064	\$192,466	\$24,472,353	\$22,984,037

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

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2026

12. Commitments and contractual obligations

Organic waste collection and disposal contract

The Municipality has entered into a contract with Royal Environmental Inc. for the handling and disposal of organic waste and recycling. The duration of the contract is seven years commencing April 1, 2025 and the estimated annual payment for the remaining years of the contract is as follows (excluding HST):

2027	\$681,373
2028	\$708,628
2029	\$736,973
2030	\$766,452
2031	\$797,110
2032	\$828,994

Circular Materials

On November 20, 2025, the Municipality entered into an agreement with Circular Materials for delivery of community curbside collection. The agreement will expire on March 31, 2027. Fees for the community curbside collection are the sum of a) \$7.70 per family dwelling stop per month, and; b) \$1.50 per stop per year for resident education top up. Fees for the small quantity non-residential generators collection is \$65.00 per stop.

During the year, Yarmouth County Solid Waste Management Authority entered into agreements with Circular Material for the receiving, consolidating, loading and transporting of collected materials which commenced on December 1, 2025. These agreements will expire on December 31, 2026. Fees paid to the Authority for receiving, consolidating and loading collected materials is \$200 per tonne. Fees paid to the Authority for transporting collected materials is \$215 per tonne. If these agreements are extended on the anniversary date, the fees will increase by the change in CPI since the commencement date.

Scotia Recycling contract

On April 24, 2026, Yarmouth County Solid Waste Management Authority entered into an addendum agreement with Scotia Recycling for the processing of recyclable waste. The new addendum came into effect on December 1, 2025, at which time the Authority paid \$275.00 plus taxes per metric tonne of recyclables. This rate is in effect for the term of the agreement. The agreement expires on March 31, 2027, unless extended by the parties in writing prior to such date.

Howard Little Excavating Limited

During the year, Yarmouth County Solid Waste Management Authority entered into an agreement with Howard Little Excavating Limited for the transportation of Recyclables from Yarmouth to Kentville which commenced on December 1, 2025. This agreement will expire on November 30, 2026. The cost is \$1,600 per trip plus fuel surcharge and taxes. The fuel surcharge is based on the fuel subsidy rate set by the Trucking Association of Nova Scotia

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2026

12. Commitments and contractual obligations (continued)

Region of Queens Municipality contract

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

Rates per tonne under the agreement are as follows:

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

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

The cost per tonne is \$117.80 plus HST.

Mariners Centre Expansion

On October 29, 2024, the Mariners Center Management Authority awarded a contract to RCS Construction for \$42,231,450 for the construction of the Mariners Center expansion. As at March 31, 2026, \$23,362,848 in costs have been incurred for the project. Funding has been secured from the Province of Nova Scotia (Communities, Culture, Tourism & Heritage) for \$7,000,000, from the Government of Canada (Green & Inclusive Community Buildings) for \$15,902,200, and \$10,000,000 from the municipal owners. A committee has been organized to raise the remaining funds required.

Marketing Strategy, Website and Promotional Video

The Yarmouth International Airport Corporation entered into a contract with General Public & Partners Inc to develop a Marketing Strategy, Website and Promotional Video. The cost of the contract is \$82,100 plus HST. The Corporation has been approved for \$45,000 in grant funding towards this project from Global Affairs Canada, through the CanExport Community Investments Sub-Program. The Corporation was also authorized to utilize left over funding of \$9,534 from Global Affairs Canada that was received for project conducted in the previous fiscal year end. The remaining project costs were funded by municipal partners. To date, \$43,970 has been spent on this project.

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2026

12. Commitments and contractual obligations (continued)

Aerospace Development plan

The Yarmouth International Airport Corporation entered into a contract with The Loomex Group Limited to undertake the preparation of an Aerospace Development Plan. The cost of the contract is \$79,925 plus HST. The Corporation has been approved for grant funding of \$56,494 from Atlantic Canada Opportunities Agency ("ACOA") and \$15,000 from the Province of Nova Scotia. The remainder is being funded by the municipal partners. To date, \$43,970 has been spent on this project.

13. Other post-employment benefits

During the year the Municipality matched contributions to their employees defined contribution pension plans at a rate of 6% of total wages. Contributions for the year totalled \$83,302 (2025 - \$71,991). As of March 31, 2026, there were no required future contributions in respect of past service and all contributions required under the plan had been funded.

14. Contingencies

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

Service award retirement package

The Municipality is also responsible for 33% of the service award retirement package for eligible employees at the Mariners Centre Management Authority. After 10 years of service, employees qualify for a retirement service package. The amount of the package is based upon 1 months' salary at the salary rate upon the date of retirement. Eligible employees also receive 3 days of salary for each year they work beyond their required 10 years of service. Additionally, employees accumulate sick day leave at the rate of 1.66 days per month to a maximum of 150 sick days. At retirement, employees are able to receive a cash equivalent of 50% of accumulated sick time at retirement. The total amount of this liability as at March 31, 2026 of \$145,958 (2025 - \$152,301), 33% of which has been recorded as a liability in these consolidated financial statements.

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2026

14. Contingencies (continued)

The Yarmouth International Airport Corporation has received a directive from the Department of Environment and Climate Change regarding potential regulation non-compliance. The Corporation has retained Dillon Consulting Limited to conduct an Environmental Site Assessment. This testing is underway at year end and at this time, an amount for potential corrective action cannot be determined.

The Municipality has guaranteed a term debenture taken by Yarmouth County Solid Waste Management Authority for the purpose of a capital project. The Municipality is only required to make payments on these debentures if Yarmouth County Solid Waste Management Authority defaults on their repayment obligations. As of March 31, 2026, the Municipality's total guarantee for the debenture was \$368,828 (2025 - \$410,077).

No amounts have been required for these guarantees in the past. Yarmouth County Solid Waste Management Authority is up to date with the payments and there is no expectation for loss to the Municipality.

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2026

15. Segment disclosure

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

General Government Services - Administration

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

Protective Services

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

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

Transportation Services

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

Environmental Health Services - Department of Property Inspection and Public Works

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

Public Health Services

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

Environmental Development Services

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

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2026

15. Segment disclosure (continued)

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

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

Recreation and Cultural Services

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

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

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2026

15. Segment disclosure (continued)

	General government	Protective	Transportation	Environmental health	Public health	Environmental development	Recreation and cultural	2026	2025
Revenues									
Taxes	\$ 1,238,670	\$ 1,681,035	\$ 424,207	\$ 1,493,952	\$ 20,897	\$ 560,208	\$ 1,988,879	\$ 7,407,848	\$ 7,172,604
Grants in lieu of taxes	23,709	34,784	8,778	30,913	432	11,592	43,076	153,284	154,437
Other revenue from own sources	319,896	-	411,978	694,049	-	519,081	2,280,655	4,225,659	3,062,238
Unconditional transfers from Federal and Provincial governments or agencies	239,879	-	-	-	-	-	-	239,879	234,584
Conditional transfers from Federal and Provincial governments or agencies	619,820	2,748	-	1,275,282	-	43,635	6,496,773	8,438,257	4,271,109
Services provided to other governments	222,447	-	-	-	-	-	-	222,447	255,555
Sales of services	192,845	-	-	-	-	-	291,375	484,220	356,840
Interest	350,355	-	-	-	-	9,210	73,825	433,390	617,855
Rental and events	-	-	-	-	-	-	308,004	308,004	275,201
Food and beverages	-	-	-	-	-	-	109,688	109,688	112,250
	<u>3,207,621</u>	<u>1,718,566</u>	<u>844,963</u>	<u>3,494,196</u>	<u>21,330</u>	<u>1,143,726</u>	<u>11,592,275</u>	<u>22,022,677</u>	<u>16,512,673</u>
Expenses									
Salaries and benefits	1,174,698	557,945	222,387	229,073	-	295,997	849,442	3,329,542	3,277,614
Goods and services	170,347	1,931,831	290,730	1,457,192	36,412	297,857	889,473	5,073,841	3,776,474
Amortization	115,007	38,060	36,863	468,201	-	186,733	285,596	1,130,460	1,144,957
Interest	79,059	-	-	16,801	-	3,708	-	99,568	89,441
Other	732,300	401,249	189,169	431,837	-	191,828	1,594,827	3,541,210	3,445,681
	<u>2,271,410</u>	<u>2,929,084</u>	<u>739,149</u>	<u>2,603,104</u>	<u>36,412</u>	<u>976,124</u>	<u>3,619,339</u>	<u>13,174,622</u>	<u>11,734,168</u>
Annual surplus (deficit) before the undernoted	936,211	(1,210,518)	105,814	891,093	(15,082)	167,602	7,972,936	8,848,055	4,778,505
Gain on sale of Land held for resale	24,025	-	-	-	-	-	-	24,025	-
Annual surplus (deficit)	<u>\$ 960,236</u>	<u>\$ (1,210,518)</u>	<u>\$ 105,814</u>	<u>\$ 891,093</u>	<u>\$ (15,082)</u>	<u>\$ 167,602</u>	<u>\$ 7,972,936</u>	<u>\$ 8,872,080</u>	<u>\$ 4,778,505</u>

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2026

16. Subsidiary operations

	<u>2026</u>				<u>2025</u>	
	Mariners Centre Management Authority	Yarmouth International Airport Corporation	Yarmouth County Solid Waste Management Authority	Yarmouth Area Industrial Commission	Yarmouth and Acadian Shores Tourism Association	Total
Revenues	\$10,090,882	\$ 478,726	\$ 756,791	\$ 259,645	\$ 309,198	\$ 5,157,692
Expenses	<u>1,723,243</u>	<u>501,292</u>	<u>799,222</u>	<u>278,329</u>	<u>238,751</u>	<u>3,216,332</u>
Annual (deficit) surplus	<u>\$ 8,367,639</u>	<u>\$ (22,566)</u>	<u>\$ (42,431)</u>	<u>\$ (18,683)</u>	<u>\$ 70,446</u>	<u>\$ 1,941,360</u>
Financial assets	\$ 5,097,787	\$ 93,422	\$ 257,207	\$ 512,652	\$ 72,485	\$ 4,176,971
Financial liabilities	<u>2,130,208</u>	<u>193,234</u>	<u>777,627</u>	<u>245,604</u>	<u>18,340</u>	<u>3,952,044</u>
Net financial assets	<u>2,967,579</u>	<u>(99,812)</u>	<u>(520,421)</u>	<u>267,048</u>	<u>54,145</u>	<u>224,928</u>
Non-financial assets	<u>9,920,702</u>	<u>170,209</u>	<u>1,504,678</u>	<u>1,308,562</u>	<u>14,254</u>	<u>7,007,612</u>
Accumulated surplus	<u>\$12,888,281</u>	<u>\$ 70,397</u>	<u>\$ 984,258</u>	<u>\$ 1,575,610</u>	<u>\$ 68,398</u>	<u>\$ 7,232,539</u>

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

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

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2026

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. The adjustments below include netting school board appropriations and reduced taxes against tax revenues, reclassification of revenues and expenditures amongst categories, and the elimination of revenues and expenditures between the Municipality and its proportionately consolidated entities. Below is a reconciliation of the figures from the approved fiscal plan to the fiscal plan per the financial statement:

	Approved Fiscal Plan	Adjustments	Fiscal Plan Per Financial Statements
Revenues			
Taxes	\$ 7,678,410	\$ (282,211)	\$ 7,396,199
Grants in lieu of taxes	153,345	-	153,345
Other revenue from own sources	2,657,657	(333,601)	2,324,056
Unconditional transfers from other governments	231,767	-	231,767
Conditional transfers from Federal and Provincial governments and agencies	3,020,131	-	3,020,131
Services provided to other governments	287,323	(47,162)	240,161
Sales of services	424,389	-	424,389
Interest	395,549	-	395,549
Rental and events	285,167	-	285,167
Food and beverages	126,421	-	126,421
	<u>15,260,159</u>	<u>(662,974)</u>	<u>14,597,185</u>
Expenses			
General government services	2,639,532	(282,000)	2,357,532
Protective services	3,005,888	-	3,005,888
Transportation services	997,943	(78,842)	919,101
Environmental health services	2,707,728	(63,224)	2,644,504
Public health and welfare services	34,500	-	34,500
Environmental development services	1,012,604	(41,328)	971,276
Recreational and cultural services	3,774,289	(197,580)	3,576,709
Transfers (from) to own reserves, funds and agencies	<u>(5,564,186)</u>	<u>5,564,186</u>	<u>-</u>
	<u>8,608,298</u>	<u>4,901,212</u>	<u>13,509,510</u>
Annual (deficit) surplus before the undernoted	6,651,861	(5,564,186)	1,087,675
Gain on disposal of tangible capital assets	<u>18,000</u>	<u>-</u>	<u>18,000</u>
Annual surplus	<u>\$ 6,669,861</u>	<u>\$(5,564,186)</u>	<u>\$ 1,105,675</u>

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2026

18. Taxes	2026 Budget	2026 Actual	2025 Actual
Assessable property			
Residential	\$ 6,812,200	\$ 6,808,507	\$ 6,380,810
Commercial			
Commercial property	1,514,789	1,516,447	1,532,122
Seasonal property	16,100	16,106	29,333
Forest property (50,000 acres or more)	32	32	32
	<u>8,343,121</u>	<u>8,341,093</u>	<u>7,942,297</u>
Resource			
Taxable assessments	484,000	483,244	472,762
Forest property tax (less than 50,000 acres)	<u>9,644</u>	<u>9,644</u>	<u>9,789</u>
	<u>493,644</u>	<u>492,888</u>	<u>482,551</u>
Other assessable property taxes			
Recreation property tax	16,600	16,601	15,810
Farm property tax	7,087	7,087	7,176
Wind farm payment – Province of Nova Scotia	35,489	-	35,138
Conservation payment	<u>12,500</u>	<u>7,669</u>	<u>14,443</u>
	<u>71,676</u>	<u>31,357</u>	<u>72,567</u>
Special tax agreements			
Based on revenue (Aliant)	34,000	34,881	35,023
Wind farm developer tax	<u>198,141</u>	<u>233,280</u>	<u>196,180</u>
	<u>232,141</u>	<u>268,161</u>	<u>231,203</u>
Other rates, charges and assessments			
Environmental services, sewer	345,856	346,065	338,390
East Pubnico industrial water system	47,500	43,092	47,877
Fire area rates, tax	596,196	595,654	579,932
Appropriation to regional fire departments	<u>(596,196)</u>	<u>(595,854)</u>	<u>(579,898)</u>
	<u>393,356</u>	<u>388,957</u>	<u>386,301</u>
Other taxes			
Deed transfer tax	245,000	268,640	285,629
Intermunicipal tax sharing agreement – Yarmouth Airport	<u>28,000</u>	<u>26,942</u>	<u>27,898</u>
	<u>273,000</u>	<u>295,582</u>	<u>313,527</u>
Expenses as a reduction of tax revenue			
Appropriation to regional school board	(2,128,739)	(2,128,739)	(1,987,927)
Tax rebates or cancellations, by bylaw	<u>(282,000)</u>	<u>(281,451)</u>	<u>(267,914)</u>
	<u>(2,410,739)</u>	<u>(2,410,190)</u>	<u>(2,255,841)</u>
	<u>\$ 7,396,199</u>	<u>\$ 7,407,848</u>	<u>\$ 7,172,604</u>

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2026

19. Other revenue from own sources	2026 <u>Budget</u>	2026 <u>Actual</u>	2025 <u>Actual</u>
Non-consolidated Operating Fund	\$ 221,797	\$ 313,591	\$ 264,352
Tax sale surplus	6,370	6,370	17,963
Mariners Centre Management Authority	680,898	2,383,551	1,490,041
Yarmouth International Airport Corporation	607,770	478,726	502,411
Yarmouth County Solid Waste Management Authority	631,537	756,791	614,714
Yarmouth Area Industrial Commission	236,149	250,435	283,463
Yarmouth & Acadian Shores Tourism Association	273,136	309,198	200,727
Reclassification of interest	-	-	(3,000)
Inter-organizational eliminations	<u>(333,601)</u>	<u>(273,003)</u>	<u>(308,434)</u>
	<u>\$ 2,324,056</u>	<u>\$ 4,225,659</u>	<u>\$ 3,062,238</u>

20. Change in non-cash items

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

	2026	2025
Taxes receivable	\$ (140,782)	\$ (18,184)
Special assessment receivable	23,017	45,991
Due from Provincial government and its agencies	56,279	576,470
Due from Federal government and its agencies	(506,837)	(16,725)
Water supply upgrade lending program	(21,448)	(14,293)
Other receivables	(199,029)	644,278
Inventory held for resale	(7,847)	96
Land held for resale	18,978	-
Payables and accruals	1,008,748	(140,746)
Prepayment of taxes	47,551	54,476
Loans payable	(7,562)	(196,443)
Deferred revenue	(3,350,248)	(350,872)
Other post employment benefits	(2,113)	4,642
Taxes receivable	28,669	-
Tax surplus sale	<u>19,114</u>	<u>(28,144)</u>
	<u>\$ (3,033,510)</u>	<u>\$ 560,546</u>

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2026

21. Previously closed landfill sites

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

22. Reserves

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

	<u>2026</u>	<u>2025</u>
Operating	<u>\$ 4,793,255</u>	<u>\$ 4,620,841</u>
Capital	<u>\$ 3,447,774</u>	<u>\$ 5,229,791</u>

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

	<u>2026</u>	<u>2025</u>
Tuskett wastewater	<u>\$ 64,886</u>	<u>\$ 59,174</u>
West Pubnico wastewater	<u>\$ 359,257</u>	<u>\$ 406,796</u>
East Pubnico water utility	<u>\$ 137,389</u>	<u>\$ 124,607</u>
Wedgeport sewer	<u>\$ 41,988</u>	<u>\$ 35,283</u>

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Notes to the Consolidated Financial Statements

March 31, 2026

23. Remuneration and expense reimbursements

The total remuneration and expense reimbursements paid to councilors and the Chief Administrative Officer during the year ended March 31, 2026 was as follows:

	<u>Remuneration</u>	<u>Expenses</u>
Nicole Albright – Warden	\$ 42,306	\$ 3,599
Ted Saulner – Deputy Warden	29,002	776
Malcolm Madden – Councillor	26,007	131
Greg Foster – Councillor	26,007	5,066
Darryl LeBlanc – Councillor	26,007	-
Racheal Surette – Councillor	26,007	-
Kathy Bourque – Councillor	26,007	5,292
Glenn Diggdon – Councillor	26,007	4,364
Gordon Boudreau – Councillor	26,007	-
Alain Muise – Chief Administrative Officer	163,991	1,975

24. Asset retirement obligation

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

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

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

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

	<u>2026</u>	<u>2025</u>
Opening balance	\$ 601,563	\$ 573,760
Settlement	-	-
Accretion expense	<u>29,045</u>	<u>27,803</u>
Closing balance	<u>\$ 630,608</u>	<u>\$ 601,563</u>

Municipality of the District of Argyle

Notes to the Consolidated Financial Statements

March 31, 2026

25. Subsequent events

Subsequent to year end, the Yarmouth Area Industrial Commission has agreed to let an existing tenant out of their lease at 79 Water Street for which the monthly rental payment was \$18,610 plus applicable HST. In response, the Commission is negotiating a new 10 year lease agreement with Nova Scotia Health Authority to be effective April 1, 2027 for 79 Water Street, with a 2 year extension. Prior to occupancy, the Commission expects to complete leasehold improvements estimated at \$4,034,784 plus applicable HST, which the Commission will finance through a commercial bank loan, over the term of the lease at an estimated interest rate of 4.75%. When the new lease is signed, it is expected to include monthly rental payments of approximately \$33,000 plus applicable HST and an amount yet to be determined for leasehold improvements.

Subsequent to year end, the Municipality has guaranteed a short term financing loan on behalf of Mariners Centre Management Authority to the extent of \$1,900,000 with their share being \$582,730.
