

**Municipality of the District of
St. Mary's
Consolidated Financial Statements**

March 31, 2024

Municipality of the District of St. Mary's
Consolidated Financial Statements

For the year ended March 31, 2024

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To the Warden and Council of Municipality of the District of St. Mary's:

Opinion

We have audited the consolidated financial statements of Municipality of the District of St. Mary's (the "Municipality"), which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations, change in net financial assets, cash flows and the related schedules 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 consolidated financial position of the Municipality as at March 31, 2024, and the results of its consolidated operations, consolidated change in its net financial assets and its consolidated 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 the 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 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 but 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 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.

Sydney, Nova Scotia
September 9, 2024

MNP LLP
Chartered Professional Accountants

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Municipality of the District of St. Mary's (the "Municipality") are the responsibility of the Municipality's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 2 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.

The Municipality's management maintains a system of internal controls 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. These systems are monitored and evaluated by management.

The audit committee meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by MNP LLP, independent external auditors appointed by the Municipality. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.



Douglas Patterson
Chief Administrative Officer

**Municipality of the District of St. Mary's
Consolidated Statement of Financial Position**

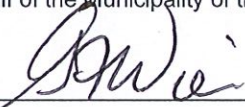
As at March 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash (Note 3)	\$ 3,214,443	\$ 2,788,391
Restricted cash (Note 3)	384,824	384,824
Taxes receivable (Note 4)	208,229	110,937
Other accounts receivable	537,017	456,708
	4,344,513	3,740,860
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	961,091	707,450
Asset retirement obligation (Note 5)	19,049	24,429
Tax sale surplus	384,824	384,824
Deferred revenue	562,272	454,502
Long-term debt (Note 6)	211,095	359,810
	2,138,331	1,931,015
NET FINANCIAL ASSETS	2,206,182	1,809,845
NON-FINANCIAL ASSETS		
Properties acquired at tax sale	21,299	21,299
Tangible capital assets (Note 7)	6,202,425	6,219,088
Inventory, prepaid expenses and other	124,906	31,153
	6,348,630	6,271,540
ACCUMULATED SURPLUS (Note 8)	\$ 8,554,812	\$ 8,081,385

Commitment (Note 10)

See accompanying notes to consolidated financial statements.

On behalf of the Municipality of the District of St. Mary's:



Warden



Chief Administrative Officer

Municipality of the District of St. Mary's
Consolidated Statement of Operations

For the year ended March 31, 2024

	Budget (Note 11)	2024	2023
REVENUES			
Taxes	\$ 2,334,342	\$ 2,470,635	\$ 2,143,885
Grants in lieu of taxes	163,765	166,350	160,306
Revenue from own sources	282,752	845,098	222,719
Conditional transfers from other governments	26,251	4,534	186,744
Unconditional transfers from other governments	189,364	187,325	190,279
Capital grants	-	116,075	356,200
Canada Community Building Fund	146,140	146,170	141,124
Water utility revenue	154,000	157,117	149,612
	<u>3,296,614</u>	<u>4,093,304</u>	<u>3,550,869</u>
EXPENSES			
General government services	907,350	965,855	895,635
Protective services	724,192	716,257	672,202
Transportation services	104,500	113,066	99,410
Environmental health services	839,082	1,072,939	808,017
Environmental development services	124,672	145,120	234,206
Recreation and cultural services	503,482	410,224	369,608
Water utility expenses	192,783	196,416	181,385
	<u>3,396,061</u>	<u>3,619,877</u>	<u>3,260,463</u>
ANNUAL SURPLUS (DEFICIT)	(99,447)	473,427	290,406
ACCUMULATED SURPLUS, BEGINNING OF YEAR	8,081,385	8,081,385	7,790,979
ACCUMULATED SURPLUS, END OF YEAR	\$ 7,981,938	\$ 8,554,812	\$ 8,081,385

See accompanying notes to consolidated financial statements.

Municipality of the District of St. Mary's
Consolidated Statement of Change in Net Financial Assets

For the year ended March 31, 2024

	Budget (Note 11)	2024	2023
ANNUAL SURPLUS (DEFICIT)	\$ (99,447)	\$ 473,427	\$ 290,406
Other non-financial assets			
Amortization of tangible capital assets	206,804	238,622	225,682
Additions to tangible capital assets	–	(228,071)	(678,512)
Change in tangible capital asset related to estimate of asset retirement obligation	–	6,112	–
Change in inventory, prepaid expenses and other	–	(93,753)	(20,220)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	107,357	396,337	(182,644)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	1,809,845	1,809,845	1,992,489
NET FINANCIAL ASSETS, END OF YEAR	\$ 1,917,202	\$ 2,206,182	\$ 1,809,845

See accompanying notes to consolidated financial statements.

Municipality of the District of St. Mary's
Consolidated Statement of Cash Flows

For the year ended March 31, 2024

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual surplus	\$ 473,427	\$ 290,406
Items not involving cash		
Amortization of tangible capital assets	238,622	225,682
Accretion expense	732	615
Change in non-cash items		
Taxes receivable	(97,292)	65,680
Other accounts receivable	(80,309)	(109,833)
Accounts payable and accrued liabilities	253,641	408,992
Tax sale surplus	-	24,644
Deferred revenue	107,770	366,887
Inventory, prepaid expenses and other	(93,753)	(20,220)
	802,838	1,252,853
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments on long-term debt	(148,715)	(149,217)
CASH FLOWS FROM CAPITAL ACTIVITIES		
Additions to tangible capital assets	(228,071)	(654,698)
INCREASE IN CASH AND CASH EQUIVALENTS	426,052	448,938
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,173,215	2,724,277
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 3,599,267	\$ 3,173,215
Cash and cash equivalents consist of the following:		
Cash	\$ 3,214,443	\$ 2,788,391
Restricted cash	384,824	384,824
	\$ 3,599,267	\$ 3,173,215
Supplementary cash flow information		
Additions (reductions) to tangible capital assets related to asset retirement obligations	\$ (6,112)	\$ 23,814

See accompanying notes to consolidated financial statements.

Municipality of the District of St. Mary's Notes to Consolidated Financial Statements

For the year ended March 31, 2024

1. CHANGE IN ACCOUNTING POLICY

Revenue

Effective April 1, 2023, the Municipality adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of revenue under PS 3400 Revenue. The new standard establishes when to recognize and how to measure revenue, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated.

There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendations.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These consolidated financial statements of Municipality of the District of St. Mary's (the "Municipality") have been prepared, in all material respects, in accordance with Canadian public sector accounting standards.

(b) Basis of consolidation

These consolidated financial statements reflect the assets, liabilities, revenue, expenses and changes in fund balances of all resources of the Municipality. The Municipality is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Municipality and that are owned or controlled by the Municipality. Inter-fund and inter-corporate balances and transactions have been eliminated. The entities included are as follows:

- General Operating and Capital Funds
- Water Operating and Capital Funds
- Reserve Funds

(c) Segment information

The Municipality is a diversified entity 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. Municipality 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 segment is responsible for the overall local government administration. Its tasks include direction for Municipality services, such as planning, engineering, finance, and information technology in adherence to the Municipal Government Act.

Municipality of the District of St. Mary's
Notes to Consolidated Financial Statements

For the year ended March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Segment information (Continued)

Protective services

This segment is primarily responsible for police, fire protection and bylaw administration for its residents. The Municipality engages the services of the volunteer fire department in order to fulfill its fire protection role. The Municipality collects a rate for the fire department.

Transportation services

The Municipality is responsible for the maintenance of certain local roads, sidewalks and street lights within its jurisdiction.

Environmental health services

This 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 through contract, recycling and composting.

Environmental development services

This segment is responsible for the issuance of development permits and approving subdivision applications.

Recreation and cultural services

This segment is responsible for promoting and offering recreation opportunities and activities to the Municipality's residents, specializing in maintaining and assisting recreational facilities within the Municipality such as recreation facilities and the library.

Water treatment and distribution

This segment manages water treatment and distribution facilities and services within the Municipality and includes activities such as plant operation and pumping, water treatment, transmission and distribution.

(d) School boards

The assets, liabilities, taxation and other revenue and expenses with respect to the operations of the school boards are not reflected in these consolidated financial statements as they are provincial government entities.

School boards in Nova Scotia were created by the Province under provisions in the Education Act, and, under provincial statute, every Municipality is required to make a mandatory contribution to its school board. The mandatory contribution is set at the value of the Education Rate, set by the Province each year, multiplied by the previous year's Uniform Assessment.

Municipality of the District of St. Mary's

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Fund accounting

The resources and operations of the Municipality are comprised of the operating, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate fund balance. Supporting schedules to the consolidated financial statements are included to show the financial activities and change in the balance of each fund.

(f) Basis of accounting

Revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as they are earned and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

(g) Cash and cash equivalents

Cash and cash equivalents is defined as cash on hand and on deposit at banks net of any outstanding cheques or deposits.

(h) Short-term investments

Short-term investments are recorded at the lower of cost and net realizable value. A permanent decline in value would result in a write down.

(i) Financial instruments

Initial measurement

Financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Financial instruments consist of cash and cash equivalents, taxes receivable, other accounts receivable, accounts payable and accrued liabilities and long-term debt.

Subsequent measurement

At each reporting date, the Municipality measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for investments, which must be measured at fair value. The Municipality uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of operations. The financial instruments measured at amortized cost are cash and cash equivalents, taxes receivable, other accounts receivable, accounts payable and accrued liabilities and long-term debt.

Municipality of the District of St. Mary's
Notes to Consolidated Financial Statements

For the year ended March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments (Continued)

Impairment

For financial assets measured at cost or amortized cost, the Municipality regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Municipality determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant interest or credit risks arising from financial instruments.

(j) Asset retirement obligation

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

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

The liability associated with the remediation of contaminants present within a number of buildings owned by the Municipality has been recognized based on estimated future expenses of remediation.

(k) Tangible capital assets

Tangible capital assets are reported in the consolidated statement of financial position at cost net of accumulated amortization. They are amortized on a straight-line basis over their estimated useful lives at the following rates:

	Basis	Rate
Buildings	Straight-line	40 years
Rink complex	Straight-line	20 years
Equipment	Straight-line	5 - 10 years
Sewer collection and disposal	Straight-line	50 years
Transfer station	Straight-line	20 years
Paving and sidewalks	Straight-line	40 years
Water system	Straight-line	75 years
Water treatment plant	Straight-line	50 years

A full year's amortization is taken in the year of acquisition.

The amortization in the water capital fund is required to be transferred to a special bank account which is used to help fund replacement of existing equipment, or subject to approval by the Utility and Review Board, to repay principal of capital debt.

Municipality of the District of St. Mary's Notes to Consolidated Financial Statements

For the year ended March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Government transfers

Government transfers are recognized in the consolidated financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(m) Deferred revenue

Deferred revenue represents user charges, prepayment of taxes, and other fees that have been collected, for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed.

(n) Reserve funds

Certain amounts, as approved by Council of the Municipality, are set aside in reserve funds for future operating and capital purposes. Transfers to and or from reserves funds are an adjustment to the respective fund when approved.

(o) Taxation and related revenues

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Property Valuation Services Corporation. Tax rates are established annually by Council, incorporating amounts to be raised for local services and the requisition made by the Province in respect of education taxes and other mandatory contributions. Taxation revenues are recorded at the time tax billings are due. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the results of the appeal process are known. An allowance for unresolved assessment appeals is also provided.

(p) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

Amortization is based on the estimated useful lives of capital assets.

Taxes and other receivables are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Asset retirement obligations are recognized based upon assumptions and estimates related to the amount and timing of costs for future removal and site restoration.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the consolidated financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in operations in the years in which they become known.

Municipality of the District of St. Mary's
Notes to Consolidated Financial Statements

For the year ended March 31, 2024

3. CASH

	2024	2023
Cash		
General operating fund	\$ 2,931,486	\$ 2,532,820
Water capital fund	104,642	104,642
Water operating fund	63,348	41,018
Canada Community Building reserve fund	114,967	109,911
	3,214,443	2,788,391
Restricted cash		
Tax sale surplus	384,824	384,824
	\$ 3,599,267	\$ 3,173,215

4. TAXES RECEIVABLE

	2024	2023
Balance, beginning of year	\$ 224,565	\$ 281,739
Current year's levy of property taxes	2,502,278	2,255,293
Subtotal	2,726,843	2,537,032
Less		
Current year's collections	2,385,577	2,299,435
Bad debts and reduced taxes	10,651	13,032
	2,396,228	2,312,467
Gross taxes receivable, end of year	330,615	224,565
Less		
Allowance for uncollectible taxes	122,386	113,628
Taxes receivable, net	\$ 208,229	\$ 110,937

Municipality of the District of St. Mary's
Notes to Consolidated Financial Statements

For the year ended March 31, 2024

5. ASSET RETIREMENT OBLIGATION

The Municipality's asset retirement obligation consists of the liability for remediation of contaminants present within a number of buildings owned by the Municipality. These contaminants represent a health hazard upon demolition and therefore there is a legal obligation for removal of these contaminants on decommissioning. These buildings have expected useful lives of 17 years. Estimated costs have been discounted to the present value using discount rates ranging of 5.34% per annum.

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

	2024	2023
Opening balance	\$ 24,429	\$ -
Acquired upon adoption	-	23,814
Accretion expense	732	615
Change in estimate of asset retirement obligation	(6,112)	-
	\$ 19,049	\$ 24,429

6. LONG-TERM DEBT

	2024	2023
Municipal Finance Corporation, repayable in annual principal payments of \$14,073, plus interest at 3.05% to 3.55% maturing in 2033	\$ 211,095	\$ 225,168
Municipal Finance Corporation, repaid during the year	-	125,000
Municipal Finance Corporation, repaid during the year	-	9,642
	\$ 211,095	\$ 359,810

Principal payments required in each of the next five years on debt held as of March 31, 2024 are as follows:

2025	\$ 14,073
2026	14,073
2027	14,073
2028	14,073
2029	14,073

Municipality of the District of St. Mary's
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

7. TANGIBLE CAPITAL ASSETS

	2024				2023				
	Cost Beginning of Year	Additions and Transfers	Disposals and Write-downs	Cost End of Year	Amortization Beginning of Year	Additions	Disposals	Amortization End of Year	Net Book Value
Land	\$ 99,196	\$ -	\$ -	\$ 99,196	\$ -	\$ -	\$ -	\$ -	\$ 99,196
Lighthouse	133,600	-	-	133,600	-	-	-	-	133,600
Buildings	2,056,948	-	6,112	2,050,836	544,679	51,500	-	596,179	1,454,657
Rink complex	1,522,119	92,569	-	1,614,688	806,899	79,031	-	885,930	715,220
Equipment	360,638	-	-	360,638	321,308	27,761	-	349,069	39,330
Sewer collection and disposal	1,816,951	25,605	-	1,842,556	1,016,084	36,806	-	1,052,870	800,887
Transfer station	525,513	4,125	456,956	72,682	525,281	103	-	68,428	232
Paving and sidewalks	464,080	-	-	464,080	6,735	11,602	-	18,337	445,743
Water Utility assets	2,846,537	105,772	-	2,952,309	385,528	31,819	-	417,347	2,461,009
	\$ 9,825,582	\$ 228,071	\$ 463,068	\$ 9,590,585	\$ 3,606,494	\$ 238,622	\$ 456,956	\$ 3,388,160	\$ 6,202,425
									\$ 6,219,088

Municipality of the District of St. Mary's
Notes to Consolidated Financial Statements

For the year ended March 31, 2024

8. ACCUMULATED SURPLUS

	2024	2023
Water operating fund	\$ (146,280)	\$ (114,491)
Capital funds	6,063,328	5,936,825
	5,917,048	5,822,334
Operating reserve fund	1,751,192	1,746,192
Capital reserve fund	752,526	402,948
Canada Community Building reserve fund	134,046	109,911
	2,637,764	2,259,051
	\$ 8,554,812	\$ 8,081,385

9. FINANCIAL INSTRUMENTS

The Municipality as part of its operations carries a number of financial instruments. It is management's opinion that the Municipality is not exposed to significant interest or currency risks arising from these financial instructions except as otherwise disclosed.

Credit risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations. The carrying amount of the Municipality's financial instruments best represents the maximum exposure to credit risk. The Municipality manages its credit risk by providing allowances for potentially uncollectible accounts receivable.

Liquidity risk

Liquidity risk is the risk that the Municipality will encounter difficulty in meeting its obligations associated with financial liabilities. The Municipality enters into transactions to borrow funds from financial institutions or other creditors for which repayment is required at various maturity dates. The Municipality manages liquidity risk by monitoring forecasted and actual cash flows.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market interest rates. The Municipality's interest rate risk arises from long-term borrowings at a fixed rate that creates fair value interest rate risk. Changes in market interest rates cause the fair value of these long-term debt with fixed interest rates to fluctuate but do not affect net income, as the Municipality's long-term debt is carried at amortized cost and the carrying value does not change as the interest rate changes. The Municipality's future obligations with respect to debt repayment are disclosed in Note 6.

Municipality of the District of St. Mary's
Notes to Consolidated Financial Statements

For the year ended March 31, 2024

10. TRANSFERS TO BOARDS AND COMMISSIONS

The Municipality is required to share in financing the operations of various Boards and Commissions. In addition to any budgeted contributions, the Municipality shares in the deficits or surpluses of these Boards 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.

	2024 Contribution	2023 Contribution
Eastern Mainland Housing Authority	\$ 44,319	\$ 64,879
Eastern Counties Regional Library	23,785	18,800

11. BUDGET INFORMATION

The disclosed budget information has been approved by the Warden and Council at the council meeting on April 4, 2023.

The Municipality budgets for rate settling purposes. These budgeted amounts do not include amortization or revenue from Canada Community Building Fund. The following adjustments to the annual surplus reconcile the operating budgets to the financial reporting presentation under Canadian Public Sector Accounting Standards ("PSAB").

	2024
Approved budgeted surplus for the year	
General operations	\$ -
Water utility operations	(38,783)
Approved budget surplus	(38,783)
Addition of:	
Canada Community Building Fund	146,140
Amortization of tangible capital assets	(206,804)
Net PSAB adjustments	(60,664)
	\$ (99,447)

Municipality of the District of St. Mary's
Schedule of Remuneration and Expenses of Members of Council and Chief
Administrative Officer

For the year ended March 31, 2024

Name	Title	Remuneration	Expenses
Greg Wier	Warden	\$ 22,528	\$ 5,772
James Fuller	Deputy Warden	20,214	6,754
Courtney Mailman	Councillor	13,770	5,649
Charlene Zinck	Councillor	13,770	493
Beulah Malloy	Councillor	13,770	4,286
Everett Baker	Councillor	13,770	-
James Harpell	Councillor	13,770	734
Marissa Jordan	Chief Administrative Officer	39,314	-
Doug Patterson	Chief Administrative Officer	51,909	-
Marian Fraser	Interim Chief Administrative Officer	1,543	-

Municipality of the District of St. Mary's
Schedule of Segment Disclosure
For the year ended March 31, 2024

Segment reporting is designed to assist users in identifying the resources allocated to support the major activities of the Municipality and to better understand the performance of segments.

The following schedule provides segment information for the 2024 fiscal year. Segment results represent the activities of that segment and are based on the same accounting policies as described in the Significant Accounting Policies as described in Note 2. The Municipality has determined that the following segments represent the major activities of government.

Year ended March 31, 2024	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Recreation and Cultural Services	Environmental Development Services	Water Utility	Total
REVENUES								
Taxation								
Grants in lieu of taxes	\$ 2,087,820	\$ -	\$ 75,241	\$ 307,574	\$ -	\$ -	\$ -	\$ 2,470,635
Revenue from own sources	166,350	-	-	-	-	-	-	166,350
Conditional transfers from other governments	333,097	-	-	457,135	54,866	-	-	845,098
Unconditional transfers from other governments	1,227	-	-	-	3,307	-	-	4,534
Capital grants	187,325	-	-	-	-	-	-	187,325
Gas tax revenue	116,075	-	-	-	-	-	-	116,075
Water utility revenue	146,170	-	-	-	-	-	-	146,170
	3,038,064	-	75,241	764,709	58,173	-	157,117	4,093,304
EXPENSES								
Salaries, wages and benefits	443,352	22,057	-	201,881	146,653	67,498	41,903	923,344
Contracted services	89,892	-	-	-	-	-	-	89,892
Purchased goods from public sector	-	615,407	-	-	-	-	-	615,407
External transfers and grants	-	51,506	-	-	-	-	-	51,506
Other operating expenses	343,158	27,287	113,066	834,501	183,449	77,622	122,694	1,701,777
Amortization	89,453	-	-	36,557	80,122	-	31,819	237,951
	965,895	716,257	113,066	1,072,939	410,224	145,120	196,416	3,619,877
ANNUAL SURPLUS (DEFICIT)	\$ 2,072,209	\$ (716,257)	\$ (37,825)	\$ (308,230)	\$ (352,051)	\$ (145,120)	\$ (39,299)	\$ 473,427

Year ended March 31, 2023	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Recreation and Cultural Services	Environmental Development Services	Water Utility	Total
REVENUES								
Taxation								
Grants in lieu of taxes	\$ 1,793,931	\$ -	\$ 66,689	\$ 283,265	\$ -	\$ -	\$ -	\$ 2,143,885
Revenue from own sources	160,306	-	-	-	-	-	-	160,306
Conditional transfers from other governments	164,203	-	-	-	58,516	-	-	222,719
Unconditional transfers from other governments	16,744	-	-	-	-	170,000	-	186,744
Capital grants	190,279	-	-	-	-	-	-	190,279
Gas tax revenue	4,663	-	336,824	-	14,713	-	-	356,200
Water utility revenue	141,124	-	-	-	-	-	-	141,124
	2,471,250	-	403,513	283,265	73,229	170,000	149,612	3,550,869
EXPENSES								
Salaries, wages and benefits	400,998	24,045	-	223,244	131,580	38,740	41,366	859,973
Contracted services	92,090	-	-	-	-	-	-	92,090
Purchased goods from public sector	-	580,981	-	-	-	-	-	580,981
External transfers and grants	-	49,548	-	-	-	-	-	49,548
Other operating expenses	319,049	17,628	99,410	550,321	160,295	195,466	110,020	1,452,189
Amortization	83,498	-	-	34,452	77,733	-	29,959	225,682
	895,635	672,202	99,410	808,017	369,608	234,206	181,385	3,260,463
ANNUAL SURPLUS (DEFICIT)	\$ 1,575,615	\$ (672,202)	\$ 304,103	\$ (524,752)	\$ (286,379)	\$ (64,206)	\$ (31,773)	\$ 290,406