



Consolidated Financial Statements

Town of Yarmouth

March 31, 2015

Contents

	Page
Independent Auditors' Report	1-2
Management's Responsibility for Financial Reporting	3
Consolidated Statement of Operations and Accumulated Surplus	4
Consolidated Statement of Financial Position	5
Consolidated Statement of Changes in Net Financial Assets	6
Consolidated Statement of Cash Flow	7
Notes to the Consolidated Financial Statements	8-26
Water Utility	
Non-Consolidated Operating Fund Statement of Operations	27
Non-Consolidated Operating Fund Balance Sheet	28
Non-Consolidated Capital Fund Balance Sheet	29
Non-Consolidated Tangible Capital Assets	30
Non-Consolidated Statement of Investment in Capital Assets	30
Non-Consolidated Schedules to Operating Fund Statement of Operations	31-32

Independent Auditors' Report

Grant Thornton LLP
328 Main Street, PO Box 297
Yarmouth, NS
B5A 4B2

To the Mayor and Council of the
Town of Yarmouth

We have audited the accompanying consolidated financial statements of the Town of Yarmouth, which comprise the statement of financial position as at March 31, 2015, the statement of operations and accumulated surplus, statement of changes in net financial assets and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town of Yarmouth's preparation and fair presentation of the consolidated financial statements 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 Town of Yarmouth's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Town of Yarmouth as at March 31, 2015, and the results of its operations, changes in net financial assets and its changes in cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Other matters

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. The Water Utility statements and schedules on pages 27 to 32 are presented for purposes of additional information and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the consolidated financial statements taken as a whole.



Yarmouth, Canada
October 8, 2015

Chartered Accountants

Town of Yarmouth

Management's Responsibility for Financial Reporting

March 31, 2015

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 Council also discusses any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

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

On behalf of Town of Yarmouth:

Mayor _____

Chief Administrative Officer _____

Town of Yarmouth

Consolidated Statement of Operations and Accumulated Surplus

Year Ended March 31

2015

2014

	<u>Budget</u> (Note 17)	<u>Actual</u>	<u>Actual</u>
Revenues			
Taxes	\$ 10,547,294	\$ 10,454,030	\$ 10,493,276
Grants in lieu of taxes	1,193,376	1,110,230	1,213,452
Services provided to other governments	696,099	781,799	758,574
Sale of service	220,416	264,338	271,403
Other revenue from own sources	1,434,375	2,114,948	1,506,886
Unconditional transfers from other governments	1,054,525	1,163,750	1,126,984
Grants for capital purposes	390,000	2,141,634	1,016,096
Domestic, commercial and industrial water	1,761,850	1,650,103	1,717,993
Public fire protection	482,000	508,503	482,359
Interest	3,585	43,626	40,363
Other	12,000	74,498	134,797
Rental end events	484,338	451,735	461,145
Food and beverage sales	<u>96,000</u>	<u>83,380</u>	<u>104,196</u>
	<u>18,375,858</u>	<u>20,842,574</u>	<u>19,327,524</u>
Expenses			
General government services	1,781,732	1,593,342	1,785,224
Protective services	4,268,765	4,416,604	4,305,170
Transportation services	3,047,303	3,615,027	3,308,392
Environmental health services	2,963,300	3,100,937	2,978,955
Environmental development services	1,857,636	1,930,111	1,572,429
Recreational and cultural services	1,636,632	2,046,531	2,058,959
Water and sanitation	<u>2,074,512</u>	<u>1,699,818</u>	<u>1,902,777</u>
	<u>17,629,880</u>	<u>18,402,370</u>	<u>17,911,906</u>
Annual surplus before the undernoted	745,978	2,440,204	1,415,618
Contribution of tangible capital assets from Federal government	-	-	661,900
Gain (loss) on disposal of tangible capital assets	-	12,867	(71,986)
Other pension (expense) recovery	-	(308,400)	748,400
Annual surplus	<u>\$ 745,978</u>	<u>\$ 2,144,671</u>	<u>\$ 2,753,932</u>
<hr/>			
Accumulated surplus, beginning of year		\$ 66,731,952	\$ 63,978,020
Annual surplus		<u>2,144,671</u>	<u>2,753,932</u>
Accumulated surplus, end of year		<u>\$ 68,876,623</u>	<u>\$ 66,731,952</u>

See accompanying notes to the consolidated financial statements.

Town of Yarmouth

Consolidated Statement of Financial Position

March 31 2015 2014

Financial Assets		
Cash and cash equivalents	\$ 8,278,942	\$ 9,954,769
Sewer and water rate receivable (Note 3)	708,298	572,348
Taxes receivable (Notes 4)	934,526	1,054,682
Due from Provincial Government and agencies	141,657	174,876
Other receivables (Note 5)	1,306,034	732,453
Pension benefit asset (Note 6)	35,500	343,900
Portfolio investment	94,645	-
Tangible capital assets held for resale	48,000	-
Loans, advances and investments	<u>3,317</u>	<u>10,117</u>
	<u>11,550,919</u>	<u>12,843,145</u>
Financial Liabilities		
Due to Federal Government and agencies	370,096	429,241
Due to Provincial Government and agencies	221,000	230,000
Payables and accruals (Note 7)	1,577,677	1,486,204
Other post employment benefits (Note 8)	658,776	631,453
Repayable contributions	-	9,403
Loans payable	107,935	137,031
Deferred revenue (Note 9)	1,322,528	2,692,507
Long-term debt (Note 10)	<u>2,966,667</u>	<u>3,366,667</u>
	<u>7,224,679</u>	<u>8,982,506</u>
Net Financial Assets	<u>4,326,240</u>	<u>3,860,639</u>
Non-Financial Assets		
Tangible capital assets (Note 11)	64,458,971	62,778,150
Prepaid expenses	71,157	75,257
Inventories	<u>20,255</u>	<u>17,906</u>
	<u>64,550,383</u>	<u>62,871,313</u>
Accumulated Surplus	<u>\$ 68,876,623</u>	<u>\$ 66,731,952</u>

Commitments (Note 12)
Contingencies (Note 13)

Value after a mortgage.

On behalf of the Town of Yarmouth

_____ Mayor _____ CAO

See accompanying notes to the consolidated financial statements.

Town of Yarmouth

Consolidated Statement of Changes in Net Financial Assets

March 31	2015		2014
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Annual surplus	\$ 745,978	\$ 2,144,671	\$ 2,753,932
Acquisition of tangible capital assets	(2,755,000)	(4,383,079)	(3,308,249)
Tangible capital assets acquired on change in proportionate ownership of controlled entity	-	(291)	-
Amortization of tangible capital assets	2,208,847	2,682,968	2,525,292
Write-down of tangible capital assets	-	19,553	-
Proceeds on disposal of tangible capital assets	-	12,895	122,596
(Gain) loss on disposal of tangible capital assets	-	(12,867)	71,986
	<u>199,825</u>	<u>463,850</u>	<u>2,165,557</u>
Change in inventories/prepaid expenses	-	1,751	(23,025)
Increase in Net Financial Assets	<u>\$ 199,825</u>	465,601	2,142,532
Net Financial Assets, beginning of year		<u>3,860,639</u>	<u>1,718,107</u>
Net Financial Assets, end of year		<u>\$ 4,326,240</u>	<u>\$ 3,860,639</u>

See accompanying notes to the consolidated financial statements.

Town of Yarmouth

Consolidated Statement of Cash Flow

Year Ended March 31

2015

2014

(Decrease) increase in cash and cash equivalents

Operating activities

Annual surplus	\$ 2,144,671	\$ 2,753,932
Amortization	2,682,968	2,525,292
Write-down of tangible capital assets	19,553	-
(Gain) loss on disposal of tangible capital assets	(12,867)	71,986
Changes in non-cash items		
Sewer and water receivable	(135,950)	(43,240)
Taxes receivable	120,156	65,790
Prepaid expenses and inventories	1,751	(23,025)
Other receivables	(573,581)	102,240
Pension benefit asset	308,400	(748,400)
Tangible capital assets held for resale	(48,000)	-
Due to Provincial Government and agencies	24,219	277,656
Due to Federal Government and agencies	(59,145)	132,756
Payables and accruals and post employment benefits	118,796	248,130
Deferred revenue	(1,369,979)	2,390,949
Repayable contributions and loans payable	(38,499)	(27,055)
	<u>3,182,493</u>	<u>7,727,011</u>

Capital activities

Proceeds on disposal of tangible capital assets	12,895	122,596
Tangible capital assets acquired on change in proportionate ownership of controlled entity	(291)	-
Acquisition of tangible capital assets	(4,383,079)	(3,308,249)
	<u>(4,370,475)</u>	<u>(31,85,653)</u>

Financing activities

Repayment of long-term debt	(400,000)	(400,000)
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Investing activities

(Increase) decrease in loans, advances and investments	(87,845)	7,305
Net (decrease) increase in cash and cash equivalents	(1,675,827)	4,148,663

Cash and cash equivalents

Beginning of year	<u>9,954,769</u>	<u>5,806,106</u>
End of year	<u>\$ 8,278,942</u>	<u>\$ 9,954,769</u>

See accompanying notes to the consolidated financial statements.

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2015

1. Summary of significant accounting policies

The consolidated financial statements of the Town of Yarmouth 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 Accounts Canada.

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

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

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in fund balances and in financial position of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Town and which are controlled by the Town. Along with the consolidation of the funds and reserves, the Town has consolidated its proportionate share as follows:

- Mariners Centre Management Authority
- Yarmouth & Acadian Shores Tourism Association
- Yarmouth Area Industrial Commission
- Yarmouth County Solid Waste Management Authority
- Yarmouth International Airport Corporation
- Yarmouth Waterfront Development Corporation

Interdepartmental and organizational transactions and balances are eliminated upon consolidation.

Budget

The budget figures contained in these financial statements were approved by Council on April 17, 2014 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.

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.

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2015

1. Summary of significant accounting policies (continued)

Revenue recognition (continued)

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

Expenses

- (a) Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation.
- (b) Government transfers made to a recipient by the Town 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 highly liquid investments with original maturities of three months or less. Bank borrowings are considered to be financing activities. Cash proceeds from tax sales in excess of the arrears taxes receivable are deposited in a separate bank account and are restricted for a period of twenty years at which time the cash can be taken into operations. The balance of the tax sale surplus account at year end is \$36,023 (2014 - \$35,585).

Inventories

Inventories are valued at the lower of cost and net realizable value. The cost of inventories includes the cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs such as storage costs, administrative overheads that do not contribute to bringing the inventories to their present location and condition, and selling costs are specifically excluded from the cost of inventories and are expensed in the period incurred.

Short term debt

The Town of Yarmouth has an operating line of credit with the Bank of Montreal to a maximum of \$2,500,000. The line was drawn on to nil at March 31, 2015 (2014 - nil) with an interest rate of prime minus 0.5%.

Tangible capital assets

Tangible capital assets are initially recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Assets under construction are not amortized until the asset is available for productive use, at which time they are transferred to their respective tangible capital asset categories. Funding related to the purchase of capital assets is recorded as revenue when received. Donated assets are recorded at their estimated fair value at time of acquisition. The Town does not capitalize interest as part of the costs of its capital assets.

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2015

1. Summary of significant accounting policies (continued)

Tangible capital assets (continued)

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

Land improvements	25 years
Buildings	25-40 years
Plants	20-25 years
Landfill	5, 7 & 25 years
Machinery and equipment	10-15 years
Vehicles	5 years
Streets, roads and curbs	25 years
Traffic and street lights	25 years
Sidewalks	25 years
Sewer lines	50 years
Dams	25 years
Wharves	25 years

School assets

On January 1, 1982 the Town of Yarmouth in agreement with the Municipality of the District of Yarmouth joined the Yarmouth District School Board. During the 1996 - 1997 year, these schools came under the operational control of the Southwest Regional School Board.

Under agreements, all school buildings on hand at December 31, 1981 will remain assets of the Town but are under the operational control of the school board until such time as the board no longer requires the asset for school purposes. At that time, control will revert back to the Town.

School buildings have not been recorded as tangible capital assets, as they are not currently under the control of the Town.

Employee future benefits

The Town accrues its obligations under employee future benefit plans and the related costs, net of plan assets. The cost of pensions earned by employees is actuarially determined using the accrued benefit method. For the purpose of calculating the expected return on plan assets, those assets are valued at fair value.

Past service costs from plan amendments are netted with outstanding unamortized actuarial gains/losses and recognized immediately. Current service costs are expensed during the year.

The excess of net actuarial gains/losses is amortized over the average remaining service period of active employees.

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2015

1. Summary of significant accounting policies (continued)

Use of estimates

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

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

Significant items subject to management estimates include:

<u>Financial statement element</u>	<u>Management estimate</u>
Taxes receivable	Allowance for doubtful accounts
Other receivables	Allowance for doubtful accounts
Pension benefit asset	Accrued asset
Other post employment benefits	Accrued liability
Tangible capital assets	Useful lives

Concentrations of credit risk

Concentrations of credit risk exist if a number of customers are engaged in similar economic activities or are located in the same geographic region, and indicate the relative sensitivity of the Town's performance to developments affecting a particular segment of borrowers or geographic region. Geographic credit risk exists for the Town due to most of its service being provided in the Town of Yarmouth. The exposure to credit risk associated with the non-performance of these customers can be directly impacted by a decline in economic conditions which would impair the customers' ability to satisfy their obligations to the Town. In order to reduce this economic risk, the Town has comprehensive credit procedures in place whereby analyses are performed to control the collection of amounts due to it.

Liability for contaminated sites

Effective for the fiscal period beginning on April 1, 2014, the Town of Yarmouth was required to adopt Public Sector Accounting *Section 3260 Liability for Contaminated Sites*, which establishes the recognition, measurement and disclosure requirements for reporting liabilities associated with the remediation of contaminated sites. Management has reviewed all potential sites that are owned for application to this section and has concluded there is no known liability at this time.

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2015

2. Contributions to Boards and Commissions

The Town of Yarmouth is required to assist in financing the operations of the various boards, along with other Municipal Units based on assessment or population formula. In addition to any budgeted contributions, the Municipal Units share in the deficits or surpluses of these boards based on their sharing percentages. A Municipal Unit's share of the deficit is to be paid in the next fiscal year while a surplus is to be taken into the next year's estimates.

Boards in which the Town has less than 50% Interest

- Regional Library - 11.5% Interest
During 2015, the Town of Yarmouth paid \$44,478 (2014 - \$44,619) to the Regional Library.
- Tri-County Housing Authority - 12.5% Interest
During 2015, the Town of Yarmouth paid \$209,164 (2014 - \$201,047) to the Province of Nova Scotia for transfer to the Tri-County Housing Authority to fund its share of the prior year's deficit.
- Western Regional Solid Waste Resource Management Authority (Waste Check) – 17.34% Interest
During 2015, the Town of Yarmouth paid \$18,049 (2014 - \$11,536) as its share of the cost of operations of the Western Regional Solid Waste Resource Management Authority.
- Western Regional Enterprise Network – 8.33% Interest
During 2015, the Town of Yarmouth paid \$23,693 (2014 - nil) as its share of the cost of operations of the Western Regional Enterprise Network.

3. Sewer and water receivable	<u>2015</u>	<u>2014</u>
Sewer and water rates receivable, gross	\$ <u>733,475</u>	\$ <u>595,518</u>
Valuation allowance		
Balance, beginning of year	23,170	15,220
Allowances during the year	<u>2,007</u>	<u>7,950</u>
Balance, end of year	<u>25,177</u>	<u>23,170</u>
Sewer rates receivable, net	\$ <u>708,298</u>	\$ <u>572,348</u>

Town of Yarmouth
Notes to the Consolidated Financial Statements
 March 31, 2015

4. Taxes receivable			<u>2015</u>	<u>2014</u>
	<u>Current year</u>	<u>Prior year</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ -	\$1,054,682	\$ 1,054,682	\$ 1,120,472
Current year's levy	11,095,233	-	11,095,233	11,219,300
Interest on outstanding taxes	<u>159,474</u>	<u>-</u>	<u>159,474</u>	<u>164,516</u>
	<u>11,254,707</u>	<u>1,054,682</u>	<u>12,309,389</u>	<u>12,504,288</u>
Deduct				
Current year's collections	10,185,849	744,020	10,929,869	11,024,508
Reduced taxes	<u>335,937</u>	<u>-</u>	<u>335,937</u>	<u>316,041</u>
	<u>10,521,786</u>	<u>744,020</u>	<u>11,265,806</u>	<u>11,340,549</u>
Balance, before allowance	732,921	310,662	1,043,583	1,163,739
Less valuation allowance	<u>-</u>	<u>109,057</u>	<u>109,057</u>	<u>109,057</u>
Balance, end of year	<u>\$ 732,921</u>	<u>\$ 201,605</u>	<u>\$ 934,526</u>	<u>\$ 1,054,682</u>

5. Other receivables			<u>2015</u>	<u>2014</u>
Trade receivables			\$ 633,192	341,817
Amounts due to controlled entities			<u>144,582</u>	<u>67,112</u>
			777,774	408,929
Harmonized sales taxes			397,991	275,185
Non-controlling interest due from subsidiaries			<u>130,269</u>	<u>48,339</u>
			<u>\$ 1,306,034</u>	<u>\$ 732,453</u>

6. Defined benefit pension plan

The Town of Yarmouth sponsors a contributory defined benefit pension plan for substantially all of its employees. The plan provides pension benefits in two categories: for services prior to August 1, 1975, benefits are calculated using a career average earnings formula in which the benefits are a defined percentage of earnings for each year of service; and for services after August 1, 1975, benefits are determined using a final average salary formula in which the benefit is calculated as a specified percentage of the member's average salary over the last five years of membership in the plans. The average age of the 56 active employees covered by the plan is 51.2. At present, the plan provides benefits for 23 retirees.

Employees make contributions equal to 6.5% percent of their salary and the Town contributes 13%. Total benefit payments to retirees during the year was approximately \$246,007 (2014 - \$204,265). Pension fund assets are invested primarily in marketable investments of organizations external to the Town.

Actuarial valuations for accounting purposes are preformed triennially using the accrued benefit method. The most recent actuarial valuation was prepared at March 31, 2015 and at that time the pension plan had an accrued benefit asset of \$35,500 (2014 - \$343,900).

Town of Yarmouth
Notes to the Consolidated Financial Statements
 March 31, 2015

6. Defined benefit pension plan (continued)

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect the Town's best estimates.

The following summarizes the major assumptions in the valuation:

- the expected inflation rate is 3.5%;
- the discount rate used to determine the accrued benefit obligation is 5.25%;
- the expected rate of return is 5.25%;
- retirement age is 65; and
- estimated average remaining service life is 15 years.

Combined employer and employee contributions during the year were \$500,403 (2014 - \$510,154).

The Town's actuary performed an extrapolation of the March 31, 2013 valuation to determine the position of the plan as at March 31, 2015. Pension fund assets are valued at market values. Plan assets are comprised of Sun Life's Three Year Guaranteed Account Fund. Results of the extrapolation are as follows:

Market value of the pension plan asset	\$ 9,593,700
Accrued benefit obligation	(8,930,700)
Unamortized gains	<u>(627,500)</u>
Pension plan deficit	<u>\$ 35,500</u>

Under Nova Scotia Pension Plan regulations, the Town has 15 years to fund any deficit arising from the valuation.

The Yarmouth Area Industrial Commission was a co-sponsor of an individual pension plan for a past employee. The plan provided pension benefits for services after January 1, 1995.

The actuarial valuation performed was calculated on a wind up basis as of June 11, 2010. At that time the pension plan had a deficit of \$158,025. The Commission is required to fund \$3,144 of the total pension deficit.

Pension fund assets were valued at market values. Results of the 2010 valuation are as follows:

Market value of the pension plan asset	\$ 275,053
Accrued benefit obligation	<u>433,078</u>
Pension plan deficit	<u>\$ (158,025)</u>

The funding deficiency indicated in the report by participating employer is \$3,144 for the Yarmouth Area Industrial Commission and \$154,881 for the South West Shore Development Authority.

Town of Yarmouth
Notes to the Consolidated Financial Statements
 March 31, 2015

7. Payables and accruals	<u>2015</u>	<u>2014</u>
Trade payables and accruals	\$ 1,274,996	\$ 1,104,540
Amounts due from controlled entities	<u>226,029</u>	<u>192,771</u>
	1,501,025	1,297,311
Due to other local governments	23,939	106,448
Non-controlling interest due to subsidiaries	<u>52,713</u>	<u>82,445</u>
	<u>\$ 1,577,677</u>	<u>\$ 1,486,204</u>

8. Other post employment benefits

Sick leave - The Town is liable for accumulated sick leave to a maximum of 200 unused days for each employee. At March 31, 2015, the maximum amount that would have to be paid to all employees amounted to \$711,643 (2014 - \$645,610). Upon retirement a non-union employee who has not abused their sick leave is eligible for a sick leave retirement package. After 10 years of employment, the employee can receive a portion of their accumulated sick leave. The total liability recorded in these financials pertaining to this contingency as at March 31, 2015 was \$355,821 (2014 - \$349,966). This figure is based upon historical information and the likeliness of the sick leave to be used and awarded to the employee.

Service award retirement package – After 10 years of service at the Town, an employee becomes eligible receive a service award package at retirement. The amount of the package is one month's salary earned in the final year of service for every ten years employed at the Town. The total amount of this liability as at March 31, 2015 of \$302,955 (2014 - \$281,487) has been recorded as a liability in these financial statements. This figure was determined based upon the likelihood of the employee retiring and the funds being paid out by the Town.

Town of Yarmouth
Notes to the Consolidated Financial Statements
March 31, 2015

9. Deferred revenue	<u>2015</u>	<u>2014</u>
Operating revenue	\$ 41,953	\$ 24,423
Capital and other revenue	91,107	1,497,031
Gas tax revenue	<u>1,189,468</u>	<u>1,171,053</u>
	<u>\$1,322,528</u>	<u>\$2,692,507</u>

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

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	<u>\$2,692,507</u>	<u>\$ 301,559</u>
Contributions from:		
Canada-Nova Scotia Infrastructure Secretariat	569,134	541,346
Transport Canada	-	2,500,000
Local municipal governments	173,061	154,832
Interest earned	<u>19,518</u>	<u>18,110</u>
	<u>761,713</u>	<u>3,214,288</u>
Utilized for:		
Tangible capital asset acquisitions	1,976,859	630,975
Operations	<u>154,833</u>	<u>192,365</u>
	<u>2,131,692</u>	<u>823,340</u>
Balance, end of year	<u>\$1,322,528</u>	<u>\$2,692,507</u>

As of April 1, 2014, the Town had \$1,171,053 in deferred gas tax revenue. During the fiscal year, the Town received \$569,134 in gas tax funding, earned \$19,518 in interest due to unspent funds held in a bank account and recognized \$570,237 as revenue due to spending some of the funding on eligible projects. As of March 31, 2015, the Town has \$1,189,468 in deferred gas tax revenue.

Deferred operating revenue represents federal, provincial and municipal funding that has been provided to assist the Mariners Centre Management Authority, Yarmouth International Airport Corporation, Yarmouth Area Industrial Commission and Yarmouth & Acadian Shores Tourism Association. These amounts will be transferred to operations of these organizations as the related projects are completed.

Town of Yarmouth
Notes to the Consolidated Financial Statements
 March 31, 2015

10. Long-term debt

	March 31, <u>2014</u>	Repaid	March 31, <u>2015</u>	Interest	Interest rate
General					
Nova Scotia Municipal Finance Corporation					
Public Works Building, due 2019	\$ 500,000	\$ 100,000	\$ 400,000	\$ 23,774	5.00%-5.38%
Southeast Street, due 2021	1,666,665	166,667	1,499,998	75,222	4.37%-5.09%
Brooklyn Street, due 2022	<u>1,200,002</u>	<u>133,333</u>	<u>1,066,669</u>	<u>50,826</u>	4.42%-4.77%
Total	<u>\$ 3,366,667</u>	<u>\$ 400,000</u>	<u>\$ 2,966,667</u>	<u>\$ 149,822</u>	

Principal repayments required in the next five years are as follows:

2016	\$400,000
2017	\$400,000
2018	\$400,000
2019	\$400,000
2020	\$300,000

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2015

11. Tangible capital assets

	Land	Land Improvements	Municipal Buildings	Other Buildings	Machinery and equipment	Landfill	Vehicles	Streets & Roads
Cost								
Balance, beginning of year	\$ 4,602,501	\$ 2,972,221	\$ 16,093,833	\$ 14,891,409	\$ 4,297,693	\$ 2,357,087	\$ 676,158	\$ 9,262,989
Add								
Additions during the year	87,916	324,377	1,985,387	-	497,685	-	698	919,623
Change in proportionate ownership of controlled entity	-	-	-	-	625	-	-	-
Less								
Disposals during the year	-	-	-	-	-	-	(833)	-
Balance, end of year	<u>4,690,417</u>	<u>3,296,598</u>	<u>18,079,220</u>	<u>14,891,409</u>	<u>4,796,003</u>	<u>2,357,087</u>	<u>676,023</u>	<u>10,182,612</u>
Accumulated amortization								
Balance, beginning of year	-	1,063,145	5,018,680	2,791,761	2,757,509	1,262,346	414,861	2,807,964
Add								
Amortization during the year	-	123,399	442,438	247,023	346,645	143,020	65,454	368,265
Change in proportionate ownership of controlled entity	-	-	-	-	334	-	-	-
Impairment write-down	-	-	19,553	-	-	-	-	-
Less								
Accumulated amortization on disposals	-	-	-	-	-	-	(805)	-
Balance, end of year	<u>-</u>	<u>1,186,544</u>	<u>5,480,671</u>	<u>3,038,784</u>	<u>3,104,488</u>	<u>1,405,366</u>	<u>479,510</u>	<u>3,176,229</u>
NET BOOK VALUE	<u>\$ 4,690,417</u>	<u>\$ 2,110,054</u>	<u>\$ 12,598,549</u>	<u>\$ 11,852,625</u>	<u>\$ 1,691,515</u>	<u>\$ 951,721</u>	<u>\$ 196,513</u>	<u>\$ 7,006,383</u>
NET BOOK VALUE, APRIL 1, 2014	<u>\$ 4,602,501</u>	<u>\$ 1,909,076</u>	<u>\$ 11,075,153</u>	<u>\$ 12,099,648</u>	<u>\$ 1,540,184</u>	<u>\$ 1,094,741</u>	<u>\$ 261,297</u>	<u>\$ 6,455,025</u>

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2015

11. Tangible capital assets (continued)

	Street lights	Sidewalks	Sewer lines	Dam	Wharf	2015 Total	2014 Total
Cost							
Balance, beginning of year	\$ 738,898	\$ 5,217,474	\$ 24,514,919	\$ 1,017,089	\$ 6,041,419	\$ 92,683,690	\$ 89,623,147
Add							
Additions during the year	-	-	563,060	-	4,333	4,383,079	3,308,249
Change in proportionate ownership of controlled entity	-	-	-	-	-	625	-
Less							
Disposals during the year	-	-	-	-	-	(833)	(247,706)
Balance, end of year	<u>738,898</u>	<u>5,217,474</u>	<u>25,077,979</u>	<u>1,017,089</u>	<u>6,045,752</u>	<u>97,066,561</u>	<u>92,683,690</u>
Accumulated amortization							
Balance, beginning of year	171,839	1,726,001	8,488,050	101,447	3,301,937	29,905,540	27,433,372
Add							
Amortization during the year	29,523	208,659	467,993	40,691	199,858	2,682,968	2,525,292
Change in proportionate ownership of controlled entity	-	-	-	-	-	334	-
Impairment write-down	-	-	-	-	-	19,553	-
Less							
Accumulated amortization on disposals	-	-	-	-	-	(805)	(53,124)
Balance, end of year	<u>201,362</u>	<u>1,934,660</u>	<u>8,956,043</u>	<u>142,138</u>	<u>3,501,795</u>	<u>32,607,590</u>	<u>29,905,540</u>
NET BOOK VALUE	<u>\$ 537,536</u>	<u>\$ 3,282,814</u>	<u>\$ 16,121,936</u>	<u>\$ 874,951</u>	<u>\$ 2,543,957</u>	<u>\$ 64,458,971</u>	<u>\$ 62,778,150</u>
NET BOOK VALUE, APRIL 1, 2014	<u>\$ 567,059</u>	<u>\$ 3,491,473</u>	<u>\$ 16,026,869</u>	<u>\$ 915,642</u>	<u>\$ 2,739,482</u>	<u>\$ 62,778,150</u>	

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2015

12. Commitments

Domtex building demolition

On October 30, 2014, the Yarmouth Area Industrial Commission's Board of Directors approved a motion to begin gathering information regarding the demolition of the Domtex building. The Commission's management's estimate of costs to demolish the building is \$3,000,000. The timeframe for demolition and future intent for the demolished site has yet to be determined. Although no formal commitment has been made, the expectation is that the Town of Yarmouth, Municipality of the District of Yarmouth and the Municipality of the District of Argyle will fund the demolition costs as required to keep the Commission in a viable financial state subsequent to the completion of the demolition. The Town of Yarmouth would be responsible for funding approximately 33.33% of the costs of demolition, as that is the Town's proportionate ownership in the Commission.

Capital projects

Subsequent to year end the Town has awarded tenders for a new fire truck, Millstone Terrace water line replacement and street reconstruction and Argyle Street box culvert replacement. The contract for the new fire truck was awarded at \$418,189 plus HST. The contract for Millstone Terrace water line replacement and street reconstruction was awarded at \$399,438 plus HST. The contract for Argyle Street box culvert replacement was awarded at \$392,307 plus HST.

Organic waste collection and disposal contract

The Town has entered into a contract with Wasteco Ltd. for the handling and disposal of organic waste. The duration of the contract was for five years effective April 1, 2015 and the estimated annual payments for the next five years are as follows (excluding HST):

2016	\$289,220
2017	\$297,447
2018	\$305,920
2019	\$314,648
2020	\$323,637

13. Contingencies

Health Clinics

The Town has agreed to fund 33.33% of any deficit arising from the AM Clarke Health Center and the Harbour South Medical Clinic until they are operationally viable. For 2015 the Town has funded \$45,261 (2014 - \$41,642) for the AM Clarke Health Center and \$13,069 (2014 - \$34,058) for the Harbour South Medical Clinic.

Yarmouth Area Industrial Commission

The Yarmouth Area Industrial Commission is a co-sponsor of an individual pension plan (Note 6). The Commission has recorded their pension plan liability as outlined in the most recent actuarial report; however significant uncertainties exist surrounding the Commission's potential obligation for the pension plan due to Southwest Shore Development Authority's ongoing receivership and approvals related to the date of plan wind-up. Due to these significant uncertainties, the Commission cannot determine at this time whether they will be required to fund the pension plan obligation for an amount in excess of what has been currently recorded. Based on the most recent actuarial valuation, the maximum potential obligation to the Town in excess of what has been currently recorded is approximately \$51,627.

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2015

13. Contingencies (continued)

Other

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

14. Landfill closure

The Town has transferred amounts annually for the past several years to the Capital Reserve Fund for landfill closure costs. At March 31, 2015, the total amount in this Capital Reserve was \$28,962 (2014 - \$27,241). The closure was effective December 31, 2007, and the post-closure costs were estimated at \$3,145,000 by a professional engineer. At the end of March 31, 2015, the landfill closure is complete and minimal future costs are expected.

15. Remuneration

The total remuneration paid to councillors and senior staff during the year ended March 31, 2015, was as follows:

	<u>Position</u>	<u>Remuneration</u>
Pam Mood	Mayor	\$ 41,545
Jim MacLeod	Deputy Mayor	25,654
Ken Langille	Councillor	21,380
Daniel MacIsaac	Councillor	21,380
Phil Mooney	Councillor	21,380
Sandy Dennis	Councillor	21,380
Madeleine Daues	Councillor	21,380
Chief Administrative Officer	-	115,343

16. Reserves

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

	<u>2015</u>	<u>2014</u>
Operating	<u>\$ 2,217,041</u>	<u>\$ 2,475,774</u>
Capital	<u>\$ 1,071,596</u>	<u>\$ 1,177,571</u>

The reserve balances comprise a portion of the consolidated accumulated surplus.

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2015

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 Town and its proportionately consolidated entities. Below is a reconciliation of the figures from the approved fiscal plan to the fiscal plan per the financial statement:

	Approved <u>Fiscal Plan</u>	<u>Adjustments</u>	Fiscal Plan Per Financial <u>Statements</u>
Revenues			
Taxes	\$ 12,273,373	\$(1,726,079)	\$ 10,547,294
Grants in lieu of taxes	1,193,376	-	1,193,376
Services provided to other governments	696,099	-	696,099
Sales of service	220,416	-	220,416
Other revenue from own sources	2,169,881	(735,506)	1,434,375
Unconditional transfers from other governments	1,223,533	(169,008)	1,054,525
Other transfers	509,664	(509,664)	-
Grants for capital purposes	-	390,000	390,000
Domestic, commercial and industrial water	1,940,000	(178,150)	1,761,850
Public fire protection	482,000	-	482,000
Interest	3,585	-	3,585
Other	12,000	-	12,000
Rental and events	484,338	-	484,338
Food and beverage sales	<u>96,000</u>	<u>-</u>	<u>96,000</u>
	<u>21,304,265</u>	<u>(2,928,407)</u>	<u>18,375,858</u>
Expenses			
General government services	1,701,818	79,914	1,781,732
Protective services	4,659,839	(391,074)	4,268,765
Transportation services	3,003,147	44,156	3,047,303
Environmental health services	3,290,161	(326,861)	2,963,300
Environmental development services	2,271,423	(413,787)	1,857,636
Recreational and cultural services	1,650,016	(13,384)	1,636,632
Fiscal services	2,311,037	(2,311,037)	-
Water and sanitation	<u>2,285,294</u>	<u>(210,782)</u>	<u>2,074,512</u>
	<u>21,172,735</u>	<u>(3,542,855)</u>	<u>17,629,880</u>
Annual surplus	<u>\$ 131,530</u>	<u>\$ 614,448</u>	<u>\$ 745,978</u>

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2015

18. Segment disclosure

The Town is diversified municipal unit that provides a wide range of services to its citizens. For management reporting purposes the Town's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Town services are provided by departments and their activity is reported in these funds. The services provided by these departments are as follows:

General Government Services

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

Protective Services

This department is primarily responsible for police and fire protection for its residents. The Town's other protective services include costs related to building inspection and animal and pest control.

Transportation Services

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

Environmental Health Services

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

Environmental Development Services

This department is responsible for overseeing residential and commercial construction in the Town. Its tasks include issuing and ordering civic numbers, issuing building permits and fire safety inspections.

Recreation and Cultural Services

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

Water and Sanitation Services

This department is responsible for potable water to the Town's residents.

Town of Yarmouth Schedule of Segment Disclosure

March 31, 2015

18. Segment disclosure (continued)

	General government	Protective	Transportation	Environmental health	Environmental development	Recreation and cultural	Water and sanitation	2015 Consolidated
Revenues								
Taxes	\$ 997,263	\$ 2,764,327	\$ 2,262,625	\$ 1,940,859	\$ 1,208,045	\$ 1,280,911	\$ -	\$ 10,454,030
Grants in lieu of taxes	105,911	293,575	240,293	206,121	128,296	136,034	-	1,110,230
Services provided to other governments	-	584,142	-	197,657	-	-	-	781,799
Sales of service	63,942	10,035	34,955	-	106,167	49,239	-	284,338
Other revenue from own sources	484,632	28,800	400,313	930,437	205,558	65,208	-	2,114,948
Unconditional transfers from other governments	727,970	-	194,217	-	241,563	-	-	1,163,750
Grants for capital purposes	45,067	-	2,062,040	-	34,527	-	-	2,141,634
Domestic, commercial and industrial water	-	-	-	-	-	-	1,650,103	1,650,103
Public fire protection	-	-	-	-	-	-	508,503	508,503
Interest	25,990	-	-	2,135	4,452	457	10,592	43,626
Other	-	-	-	-	54,641	-	19,857	74,498
Rental and events	-	-	-	-	195,869	255,866	-	451,735
Food and beverage sales	-	-	-	-	-	83,380	-	83,380
	<u>2,450,775</u>	<u>3,680,879</u>	<u>5,194,443</u>	<u>3,277,209</u>	<u>2,179,118</u>	<u>1,871,095</u>	<u>2,189,055</u>	<u>20,842,574</u>
Expenses								
Salaries and benefits	712,048	1,474,188	973,653	542,321	632,441	360,025	458,170	5,152,846
Goods and services	509,072	2,749,710	1,563,105	1,688,487	886,836	486,508	918,784	8,802,502
Amortization	86,633	141,531	806,951	642,899	110,809	618,912	275,222	2,682,957
Interest	-	-	75,510	75,222	15,201	-	-	165,933
Other	285,589	51,175	195,808	152,008	284,824	581,086	47,642	1,598,132
	<u>1,593,342</u>	<u>4,416,604</u>	<u>3,615,027</u>	<u>3,100,937</u>	<u>1,930,111</u>	<u>2,046,531</u>	<u>1,699,818</u>	<u>18,402,370</u>
Annual surplus (deficit)	<u>\$ 857,433</u>	<u>\$ (735,725)</u>	<u>\$ 1,579,416</u>	<u>\$ 176,272</u>	<u>\$ 249,007</u>	<u>\$ (175,436)</u>	<u>\$ 489,237</u>	<u>\$ 2,440,204</u>

Town of Yarmouth Notes to the Consolidated Financial Statements

March 31, 2015

19. Subsidiary operations

	Yarmouth County Solid Waste Management Authority	Mariners Centre Management Board	Yarmouth International Airport Corporation	Yarmouth Waterfront Development Corporation Limited	Yarmouth Area Industrial Commission	Yarmouth and Acadian Shores Tourism Association	2015	2014
							Total	Total
Revenues								
Rental and events	\$ -	\$ 255,866	\$ -	\$ -	\$ 195,869	\$ -	\$ 451,735	\$ 461,146
Food and beverage sales	-	83,380	-	-	-	-	83,380	104,196
Sales of service	-	49,239	34,955	-	106,167	-	190,361	201,124
Grants from other governments	-	-	262,868	34,527	236,706	137,537	671,638	670,309
Other revenue from own sources	457,968	99,249	61,052	90,003	110,303	32,140	850,715	845,268
Interest	2,135	457	-	351	4,101	-	7,044	3,792
	460,103	488,191	358,875	124,881	653,146	169,677	2,254,873	2,285,835
Expenses	450,332	702,894	332,908	32,848	535,331	158,353	2,212,666	2,435,950
Annual surplus (deficit)	\$ 9,771	\$ (214,703)	\$ 25,967	\$ 92,033	\$ 117,815	\$ 11,324	\$ 42,207	\$ (150,115)
Financial assets	\$ 223,988	\$ 134,126	\$ 73,665	\$ 223,065	\$ 160,500	\$ 79,047	\$ 894,391	\$ 663,281
Financial liabilities	26,518	171,064	75,820	3,498	242,172	42,453	561,525	752,634
Net financial assets (debt)	197,470	(36,938)	(2,155)	219,567	(81,672)	36,594	332,866	(99,353)
Non-financial assets	652,354	4,144,681	114,785	180,647	2,556,537	1,296	7,550,300	8,031,554
Accumulated surplus	\$ 849,824	\$ 4,107,743	\$ 112,630	\$ 400,214	\$ 2,474,865	\$ 37,890	\$ 7,983,166	\$ 7,932,201

This schedule represents the share of the operations owned by the Town of Yarmouth.

These amounts are included in the consolidated statement of operations.

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

Town of Yarmouth
Notes to the Consolidated Financial Statements
March 31, 2015

20. Trust funds

The Trust Funds being administered by the Town of Yarmouth are not consolidated with the accounts of the Town. At March 31, 2015, the equity in Trust Funds under its trusteeship amounted to \$269,333 (2014 - \$249,675).

21. Comparative figures

Certain comparative figures have been reclassified from those previously presented to conform with the presentation of the 2015 financial statements. The changes do not affect prior year net financial assets or accumulated surplus.

Town of Yarmouth
Water Utility
Non-Consolidated Operating Fund Statement of
Operations

(Unaudited)

Year Ended March 31

2015

2014

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Operating revenues			
Domestic, commercial and industrial water	\$ 1,940,000	\$ 1,859,420	\$ 1,920,801
Public fire protection	482,000	508,503	482,359
Other	<u>12,000</u>	<u>19,857</u>	<u>12,395</u>
	<u>2,434,000</u>	<u>2,387,780</u>	<u>2,415,555</u>
Operating expenditures			
Source of supply (Page 31)	103,907	86,513	109,922
Power and pumping (Page 31)	269,574	233,285	232,673
Water treatment (Page 31)	581,485	453,625	540,429
Transmission and distribution (Page 31)	443,344	284,438	372,610
Administrative and general (Page 32)	423,238	396,735	393,733
Amortization	279,996	275,222	278,149
Taxes	<u>83,750</u>	<u>81,840</u>	<u>82,471</u>
	<u>2,185,294</u>	<u>1,811,658</u>	<u>2,009,987</u>
Operating profit	<u>248,706</u>	<u>576,122</u>	<u>405,568</u>
Non-operating expenditures (revenues)			
Debt charges			
Principal	120,000	120,000	120,000
Interest	25,898	25,387	31,542
Dividend to Operating Fund	100,000	100,000	100,000
Other interest	<u>(840)</u>	<u>(2,142)</u>	<u>(1,060)</u>
	<u>245,058</u>	<u>243,245</u>	<u>250,482</u>
Annual surplus	<u>\$ 3,648</u>	332,877	155,086
Accumulated surplus, beginning of year		<u>328,245</u>	<u>173,159</u>
Accumulated surplus, end of year		<u>\$ 661,122</u>	<u>\$ 328,245</u>

Town of Yarmouth
Water Utility
Non-Consolidated Operating Fund Balance Sheet

(Unaudited)

March 31

2015

2014

Assets

Cash and cash equivalents	<u>\$ 135,596</u>	<u>\$ 177,259</u>
Receivables		
Rates (less allowance for doubtful accounts \$15,342; 2014 - \$14,257)	506,175	397,396
Due from other local governments	3,284	3,284
Due from Town, Operating Fund	273,037	-
Other receivables		
Trade	3,411	3,411
HST	<u>19,356</u>	<u>32,552</u>
	<u>805,263</u>	<u>436,643</u>
Inventories, at cost	<u>15,000</u>	<u>15,000</u>
	<u>\$ 955,859</u>	<u>\$ 628,902</u>

Liabilities

Payables and accruals		
Payable to Town, Operating Fund	\$ -	\$ 23,852
Payable to Water Utility, Capital Fund	210,398	224,609
Other	<u>84,339</u>	<u>52,196</u>
	<u>294,737</u>	<u>300,657</u>
Accumulated surplus		
Accumulated surplus	<u>661,122</u>	<u>328,245</u>
	<u>\$ 955,859</u>	<u>\$ 628,902</u>

Town of Yarmouth
Water Utility
Non-Consolidated Capital Fund Balance Sheet

(Unaudited)

March 31

2015

2014

Assets

Cash and cash equivalents in the amortization fund	\$ 695,111	\$ 686,661
Receivable from Town, Operating Fund	6	6
Receivable from Water Utility, Operating Fund	210,398	224,609
Tangible capital assets		
Utility plant and equipment (Page 30)	<u>14,415,307</u>	<u>14,401,096</u>
	<u>\$15,320,822</u>	<u>\$15,312,372</u>

Liabilities

Payable to Town, Capital Reserve	\$ 440,000	\$ 560,000
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Equity

Investment in capital assets (Page 30)	<u>14,880,822</u>	<u>14,752,372</u>
	<u>\$15,320,822</u>	<u>\$15,312,372</u>

Town of Yarmouth
Water Utility
Non-Consolidated Tangible Capital Assets

(Unaudited)

March 31	2015	2014
Land and rights	\$ 497,249	\$ 497,249
Structures and improvements	12,920,038	12,920,038
Electrical pumping equipment	376,033	376,033
Office equipment	22,259	22,259
Purification equipment	142,952	142,952
Transmission mains	1,280,758	1,280,758
Distribution mains	2,836,602	2,658,992
Services	298,877	298,877
Meter and meter installation	167,798	167,798
Hydrants	120,256	120,256
Dam repairs	240,865	240,865
Transportation equipment	249,944	138,121
Tools and work equipment	<u>25,754</u>	<u>25,754</u>
	19,179,385	18,889,952
Accumulated amortization	<u>(4,764,078)</u>	<u>(4,488,856)</u>
Net book value	<u>\$14,415,307</u>	<u>\$14,401,096</u>

Non-Consolidated Statement of Investment in Capital Assets

(Unaudited)

March 31	2015	2014
Balance, beginning of year	\$14,752,372	\$14,623,840
Add		
Term debt retired	120,000	120,000
Interest earned on amortization fund	<u>8,450</u>	<u>8,532</u>
	<u>128,450</u>	<u>128,532</u>
Balance, end of year	<u>\$14,880,822</u>	<u>\$14,752,372</u>

Town of Yarmouth
Water Utility
Non-Consolidated Schedules to Operating Fund
Statement of Operations

(Unaudited)

Year Ended March 31

2015

2014

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Source of supply			
Supervision and engineering	\$ 43,660	\$ 42,001	\$ 46,409
Other	<u>60,247</u>	<u>44,512</u>	<u>63,513</u>
	<u>\$ 103,907</u>	<u>\$ 86,513</u>	<u>\$ 109,922</u>
Power and pumping			
Supervision and engineering	\$ 28,400	\$ 27,688	\$ 28,882
Fuel and power	185,000	174,249	184,446
Maintenance of structure	35,000	9,427	3,016
Maintenance of equipment	4,774	11,127	5,561
Supplies	5,000	1,636	3,357
Other including telephone	<u>11,400</u>	<u>9,158</u>	<u>7,411</u>
	<u>\$ 269,574</u>	<u>\$ 233,285</u>	<u>\$ 232,673</u>
Water treatment			
Supervision and engineering	\$ 28,400	\$ 28,388	\$ 28,882
Supplies	527,780	380,350	500,461
Maintenance of structure	5,305	1,300	1,998
Maintenance of equipment	<u>20,000</u>	<u>43,587</u>	<u>9,088</u>
	<u>\$ 581,485</u>	<u>\$ 453,625</u>	<u>\$ 540,429</u>
Transmission and distribution			
Supervision and engineering	\$ 42,660	\$ 41,000	\$ 42,768
Operation of mains	30,000	29,332	23,355
Operation of meters	39,510	44,736	40,160
Maintenance of reservoirs	50,000	-	1,998
Maintenance of structure	4,500	10,027	2,364
Maintenance of mains	95,000	75,351	101,326
Maintenance of hydrants	27,500	5,342	18,016
Maintenance of meters	35,000	27,692	29,437
Maintenance of services	76,391	48,293	94,152
Transportation and travel	2,046	260	153
Shop expenses	10,020	1,742	4,535
Clothing	800	663	580
Leak survey	<u>25,000</u>	<u>-</u>	<u>13,766</u>
	<u>\$ 443,344</u>	<u>\$ 284,438</u>	<u>\$ 372,610</u>

Town of Yarmouth
Water Utility
Non-Consolidated Schedules to Operating Fund
Statement of Operations

(Unaudited)

Year Ended March 31

2015

2014

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Administrative and general			
Salaries	\$ 300,323	\$ 199,960	\$ 203,272
Employee benefits	38,683	119,133	111,660
Insurance	10,200	11,558	9,667
Office	9,600	9,111	9,411
Rent	32,782	30,000	30,000
Audit	5,900	6,000	6,400
Regulatory expenses	5,200	2,738	2,627
Other	<u>20,550</u>	<u>18,235</u>	<u>20,696</u>
	<u>\$ 423,238</u>	<u>\$ 396,735</u>	<u>\$ 393,733</u>
