



Consolidated Financial Statements

Town of Yarmouth

March 31, 2017

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Independent Auditors' Report

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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, 2017, 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, 2017, 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 5, 2017



Chartered Professional Accountants
Licensed Public Accountants

Town of Yarmouth

Management's Responsibility for Financial Reporting

March 31, 2017

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

2017

2016

	<u>Budget</u> (Note 15)	<u>Actual</u>	<u>Actual</u>
Revenues			
Taxes	\$ 10,274,541	\$ 10,176,367	\$ 10,405,035
Grants in lieu of taxes	1,104,420	1,080,602	1,105,013
Services provided to other governments	765,000	748,352	743,093
Sale of service	194,710	200,447	247,120
Other revenue from own sources	2,122,239	1,972,409	1,953,457
Unconditional transfers from other governments	1,091,379	1,077,293	1,107,942
Conditional transfers from other governments	43,600	757,379	1,238,702
Domestic, commercial and industrial water	1,789,883	1,965,171	1,686,328
Public fire protection	508,502	497,201	465,621
Interest	3,220	60,104	57,093
Other	16,000	20,415	21,641
Rental end events	457,347	471,260	481,779
Food and beverage sales	82,750	92,212	75,553
	<u>18,453,591</u>	<u>19,119,212</u>	<u>19,588,377</u>
Expenses			
General government services	1,516,389	1,618,319	1,624,836
Protective services	4,633,537	4,766,826	4,560,519
Transportation services	3,458,788	3,600,789	3,375,206
Environmental health services	2,950,576	2,922,387	3,142,627
Environmental development services	1,684,134	1,642,897	1,911,395
Recreational and cultural services	1,937,198	2,220,796	1,940,795
Water and sanitation	2,148,595	2,077,006	1,959,306
	<u>18,329,217</u>	<u>18,849,020</u>	<u>18,514,684</u>
Annual surplus before the undernoted	124,374	270,192	1,073,693
Gain on disposal of tangible capital assets	29,240	37,284	13,386
Other pension recovery	-	167,614	235,958
Annual surplus	<u>\$ 153,614</u>	<u>\$ 475,090</u>	<u>\$ 1,323,037</u>
<hr/>			
Accumulated surplus, beginning of year		\$ 70,199,660	\$ 68,876,623
Annual surplus		<u>475,090</u>	<u>1,323,037</u>
Accumulated surplus, end of year		<u>\$ 70,674,750</u>	<u>\$ 70,199,660</u>

See accompanying notes to the consolidated financial statements.

Town of Yarmouth
Consolidated Statement of Changes in Net Financial
Assets

March 31	2017		2016
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Annual surplus	\$ 153,614	\$ 475,090	\$ 1,323,037
Acquisition of tangible capital assets	(1,749,386)	(2,464,320)	(4,359,068)
Amortization of tangible capital assets	2,592,592	2,970,631	2,850,450
Proceeds on disposal of tangible capital assets	-	43,813	13,735
Gain on disposal of tangible capital assets	<u>(29,240)</u>	<u>(37,284)</u>	<u>(13,386)</u>
	967,580	987,930	(185,232)
Change in inventories/prepaid expenses	<u>-</u>	<u>(22,716)</u>	<u>39,194</u>
Increase (decrease) in Net Financial Assets	<u>\$ 967,580</u>	965,214	(146,038)
Net Financial Assets, beginning of year		<u>4,180,202</u>	<u>4,326,240</u>
Net Financial Assets, end of year		<u>\$ 5,145,416</u>	<u>\$ 4,180,202</u>

See accompanying notes to the consolidated financial statements.

Town of Yarmouth

Consolidated Statement of Cash Flow

Year Ended March 31

2017

2016

Increase (decrease) in cash and cash equivalents

Operating activities

Annual surplus	\$ 475,090	\$ 1,323,037
Amortization	2,970,631	2,850,450
Gain on disposal of tangible capital assets	(37,284)	(13,386)
Changes in non-cash items		
Sewer and water receivable	(340,042)	39,662
Taxes receivable	97,999	263,681
Prepaid expenses and inventories	(22,716)	39,194
Other receivables	397,487	346,627
Pension benefit asset	(167,614)	(235,598)
Tangible capital assets held for resale	(57,477)	-
Due from Provincial Government and agencies	(51,532)	66,803
Due to Federal Government and agencies	87,406	68,120
Payables and accruals	108,093	(182,275)
Other post employment benefits	45,536	50,978
Loans payable	(31,543)	(30,582)
Deferred revenue	<u>156,326</u>	<u>(246,233)</u>
	<u>3,630,360</u>	<u>4,340,208</u>

Capital activities

Proceeds on disposal of tangible capital assets	43,813	13,735
Acquisition of tangible capital assets	<u>(2,464,320)</u>	<u>(4,359,068)</u>
	<u>(2,420,507)</u>	<u>(4,345,333)</u>

Financing activities

Repayment of long-term debt	<u>(400,000)</u>	<u>(400,000)</u>
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Investing activities

Decrease in portfolio investment	<u>6,464</u>	<u>25,158</u>
Net increase (decrease) in cash and cash equivalents	816,317	(379,967)

Cash and cash equivalents

Beginning of year	<u>7,898,975</u>	<u>8,278,942</u>
End of year	<u>\$ 8,715,292</u>	<u>\$ 7,898,975</u>

See accompanying notes to the consolidated financial statements.

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2017

1. Summary of significant accounting policies

The consolidated financial statements of the Town of Yarmouth (the "Town") 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 50%
- Yarmouth & Acadian Shores Tourism Association 33.33%
- Yarmouth Area Industrial Commission 33.33%
- Yarmouth County Solid Waste Management Authority 27.78%
- Yarmouth International Airport Corporation 29.24%
- Yarmouth Waterfront Development Corporation 100%

Interdepartmental and organizational transactions and balances are eliminated upon consolidation.

Budget

The budget figures contained in these financial statements were approved by Council on July 14, 2016 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, 2017

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 \$36,729 (2016 - \$36,383).

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, 2017 (2016 - 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, 2017

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	5-10 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, 2017

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

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

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

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

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2017

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 2017, the Town of Yarmouth paid \$44,478 (2016 - \$44,478) to the Regional Library.
- Tri-County Housing Authority - 12.5% Interest
During 2017, the Town of Yarmouth paid \$233,620 (2016 - \$221,009) 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 2017, the Town of Yarmouth paid \$15,747 (2016 - \$16,068) as its share of the cost of operations of the Western Regional Solid Waste Resource Management Authority.
- Western Regional Enterprise Network – 16.67% Interest
During 2017, the Town of Yarmouth paid \$45,499 (2016 - \$45,258) as its share of the cost of operations of the Western Regional Enterprise Network.

3. Sewer and water rates receivable	<u>2017</u>	<u>2016</u>
Sewer and water rates receivable, gross	<u>\$ 1,021,986</u>	<u>\$ 704,056</u>
Valuation allowance		
Balance, beginning of year	35,420	25,117
Allowances during the year, net of write-offs	<u>(22,112)</u>	<u>10,303</u>
Balance, end of year	<u>13,308</u>	<u>35,420</u>
Sewer and water rates receivable, net	<u>\$ 1,008,678</u>	<u>\$ 668,636</u>

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2017

4. Taxes receivable			<u>2017</u>	<u>2016</u>
	<u>Current year</u>	<u>Prior year</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ -	\$ 793,534	\$ 793,534	\$ 1,043,583
Current year's levy	10,593,332	-	10,593,332	10,950,231
Interest on outstanding taxes	<u>112,918</u>	<u>-</u>	<u>112,918</u>	<u>142,880</u>
	<u>10,706,250</u>	<u>793,534</u>	<u>11,499,784</u>	<u>12,136,694</u>
Deduct				
Current year's collections	10,028,875	593,022	10,621,897	11,028,926
Reduced taxes	<u>305,041</u>	<u>-</u>	<u>305,041</u>	<u>314,234</u>
	<u>10,333,916</u>	<u>593,022</u>	<u>10,926,938</u>	<u>11,343,160</u>
Balance, before allowance	372,334	200,512	572,846	793,534
Less valuation allowance	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,689</u>
Balance, end of year	<u>\$ 372,334</u>	<u>\$ 200,512</u>	<u>\$ 572,846</u>	<u>\$ 670,845</u>

5. Other receivables			<u>2017</u>	<u>2016</u>
Trade receivables			\$ 194,009	417,675
Amounts due to controlled entities			<u>163,791</u>	<u>156,918</u>
			357,800	574,593
Harmonized sales taxes			192,192	238,998
Non-controlling interest due from subsidiaries			<u>11,928</u>	<u>145,816</u>
			<u>\$ 561,290</u>	<u>\$ 959,407</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 \$323,611 (2016 - \$294,175). 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, 2014 and extrapolated to March 31, 2017. At that time the pension plan had an accrued benefit asset of \$439,072 (2016 - \$271,458).

Town of Yarmouth
Notes to the Consolidated Financial Statements
 March 31, 2017

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 14 years.

Combined employer and employee contributions during the year were \$531,943 (2016 - \$587,927).

The Town's actuary performed an extrapolation of the March 31, 2014 valuation to determine the position of the plan as at March 31, 2017. 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	\$10,942,446
Accrued benefit obligation	(9,966,769)
Unamortized gains	<u>(536,605)</u>
Pension plan surplus	<u>\$ 439,072</u>

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, 2017

7. Payables and accruals	<u>2017</u>	<u>2016</u>
Trade payables and accruals	\$ 1,303,956	\$ 1,211,033
Amounts due to suppliers from the controlled entities	<u>165,889</u>	<u>172,673</u>
	1,469,845	1,383,706
Due to other local governments	<u>81,145</u>	<u>11,696</u>
	<u>\$ 1,550,990</u>	<u>\$ 1,395,402</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, 2017, the maximum amount that would have to be paid to all employees amounted to \$832,879 (2016 - \$780,579). 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, 2017 was \$416,440 (2016 - \$390,289). 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, 2017 of \$338,850 (2016 - \$319,494) 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, 2017

9. Deferred revenue	<u>2017</u>	<u>2016</u>
Operating revenue	\$ 51,994	\$ 47,683
Capital and other revenue	75,448	152,143
Gas tax revenue	<u>1,105,179</u>	<u>876,469</u>
	<u>\$1,232,621</u>	<u>\$1,076,295</u>

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

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	<u>\$1,076,295</u>	<u>\$1,322,528</u>
Contributions from:		
Canada-Nova Scotia Infrastructure Secretariat	581,576	559,701
Local municipal governments and other	51,994	47,683
Customer security deposits	-	65,000
Interest earned	<u>15,426</u>	<u>16,044</u>
	<u>648,996</u>	<u>688,428</u>
Utilized for:		
Tangible capital asset acquisitions	368,292	888,744
Operations	<u>124,378</u>	<u>45,917</u>
	<u>492,670</u>	<u>934,661</u>
Balance, end of year	<u>\$1,232,621</u>	<u>\$1,076,295</u>

As of April 1, 2016, the Town had \$876,469 in deferred gas tax revenue. During the fiscal year, the Town received \$581,576 in gas tax funding, earned \$15,426 in interest due to unspent funds held in a bank account and recognized \$368,292 as revenue due to spending some of the funding on eligible projects. As of March 31, 2017, the Town has \$1,105,179 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, 2017

10. Long-term debt

	March 31, <u>2016</u>	Repaid	March 31, <u>2017</u>	Interest	Interest rate
General					
Nova Scotia Municipal Finance Corporation	\$ 300,000	\$ 100,000	\$ 200,000	\$ 15,874	5.25% - 5.375%
Public Works Building, due 2019	1,333,331	166,667	1,166,664	59,863	4.684% - 5.088%
Southeast Street, due 2023	<u>933,336</u>	<u>133,333</u>	<u>800,003</u>	<u>38,743</u>	4.56% - 4.77%
Brooklyn Street, due 2022					
Total	<u>\$ 2,566,667</u>	<u>\$ 400,000</u>	<u>\$ 2,166,667</u>	<u>\$ 114,480</u>	

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

2018	\$400,000
2019	\$400,000
2020	\$300,000
2021	\$300,000
2022	\$300,000

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2017

11. Tangible capital assets

Cost	Land	Land improvements	Land	Municipal buildings	Other buildings	Machinery and equipment	Landfill	Vehicles	Streets and roads
Balance, beginning of year	\$ 4,719,517	\$ 3,520,332	\$ 18,866,296	\$ 15,082,290	\$ 5,221,187	\$ 2,382,741	\$ 872,758	\$ 11,539,856	
Add									
Additions during the year	11,010	350,381	231,691	-	526,261	42,914	62,812	401,016	
Reclassification	-	-	-	-	591,888	-	-	-	
Less									
Disposals during the year	-	-	-	-	(208,191)	-	-	-	
Reclassification	-	-	-	-	-	-	(44,615)	-	
Balance, end of year	<u>4,730,527</u>	<u>3,870,713</u>	<u>19,097,987</u>	<u>15,082,290</u>	<u>6,131,145</u>	<u>2,425,655</u>	<u>707,274</u>	<u>11,940,872</u>	
Accumulated amortization									
Balance, beginning of year	-	1,319,447	5,968,415	3,292,168	3,503,317	1,542,549	507,009	3,585,151	
Add									
Amortization during the year	-	143,395	518,717	259,748	461,281	99,433	81,932	443,702	
Reclassification	-	-	-	-	9,184	-	-	-	
Less									
Accumulated amortization on disposals	-	-	-	-	(205,489)	-	-	-	
Reclassification	-	-	-	-	-	-	(40,788)	-	
Balance, end of year	<u>-</u>	<u>1,462,842</u>	<u>6,487,132</u>	<u>3,551,916</u>	<u>3,768,293</u>	<u>1,641,982</u>	<u>538,969</u>	<u>4,028,853</u>	
NET BOOK VALUE	<u>\$ 4,730,527</u>	<u>\$ 2,407,871</u>	<u>\$ 12,610,855</u>	<u>\$ 11,530,374</u>	<u>\$ 2,362,852</u>	<u>\$ 783,673</u>	<u>\$ 168,305</u>	<u>\$ 7,912,019</u>	
NET BOOK VALUE, APRIL 1, 2016	<u>\$ 4,719,517</u>	<u>\$ 2,200,885</u>	<u>\$ 12,897,881</u>	<u>\$ 11,790,122</u>	<u>\$ 1,717,870</u>	<u>\$ 840,192</u>	<u>\$ 365,749</u>	<u>\$ 7,954,705</u>	

Town of Yarmouth
Notes to the Consolidated Financial Statements
 March 31, 2017

11. Tangible capital assets (continued)

	Street lights	Sidewalks	Sewer lines	Dam	Wharf	Work in progress	2017 Total	2016 Total
Cost								
Balance, beginning of year	\$ 837,842	\$ 5,217,474	\$ 25,636,556	\$ 1,017,089	\$ 6,051,918	\$ 408,207	\$ 101,374,063	\$ 97,066,561
Add								
Additions during the year	131,374	-	22,317	-	22,575	661,969	2,464,320	4,359,068
Reclassification	-	-	-	-	-	35,282	627,170	-
Less								
Disposals during the year	-	-	-	-	-	-	(252,806)	(51,566)
Reclassification	-	-	(35,282)	-	-	(408,207)	(627,170)	-
Balance, end of year	<u>969,216</u>	<u>5,217,474</u>	<u>25,623,591</u>	<u>1,017,089</u>	<u>6,074,493</u>	<u>697,251</u>	<u>103,585,577</u>	<u>101,374,063</u>
Accumulated amortization								
Balance, beginning of year	232,863	2,142,210	9,432,759	182,811	3,698,124	-	35,406,823	32,607,590
Add								
Amortization during the year	36,108	206,437	486,272	40,678	192,928	-	2,970,631	2,850,450
Reclassification	-	-	-	-	-	-	9,184	-
Less								
Accumulated amortization on disposals	-	-	-	-	-	-	(246,277)	(51,217)
Reclassification	-	-	-	-	-	-	(9,184)	-
Balance, end of year	<u>268,971</u>	<u>2,348,647</u>	<u>9,919,031</u>	<u>223,489</u>	<u>3,891,052</u>	-	<u>38,131,177</u>	<u>35,406,823</u>
NET BOOK VALUE	<u>\$ 700,245</u>	<u>\$ 2,868,827</u>	<u>\$ 15,704,560</u>	<u>\$ 793,600</u>	<u>\$ 2,183,441</u>	<u>\$ 697,251</u>	<u>\$ 65,454,400</u>	<u>\$ 65,967,240</u>
NET BOOK VALUE, APRIL 1, 2016	<u>\$ 604,979</u>	<u>\$ 3,075,264</u>	<u>\$ 16,203,793</u>	<u>\$ 834,278</u>	<u>\$ 2,353,794</u>	<u>\$ 408,207</u>	<u>\$ 65,967,240</u>	

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2017

11. Tangible capital assets (continued)

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

12. Commitments and contractual obligations

Domtex building demolition

On March 29, 2017, the Yarmouth Area Industrial Commission (the "Commission") entered into an agreement with a contractor to demolish the Domtex building. The estimated cost of demolition is \$3,038,200 plus HST. As at March 31, 2017, the Commission was invoiced the first progress bill of \$65,625 plus HST. The remaining balance has not been recorded as a liability as there has been no event obligating the Commission to a future sacrifice of economic benefits.

The Town's Council has passed a motion approving the funding of the demolition costs. The Town is responsible for one-third of the demolition costs.

Capital projects

During the year the Town awarded a tender for the Brown/Cliff Street Sewer Separation at \$3,294,260 plus HST. As at March 31, 2017, \$577,813 was spent on the project and was included in work in progress.

During the year the Town awarded tenders for the Clements Avenue trail at \$346,945 plus HST and the Clements Avenue water mains at \$459,832 plus HST, with the work on both projects beginning subsequent to year end.

During the year the Town awarded a tender for the Main Street Streetscape project at \$454,468 plus HST. During the year, \$234,436 was spent on the project and capitalized. The project has continued subsequent to year end.

Subsequent to year end the Town has awarded a tender for the Clements Avenue water mains at \$459,832 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 three years are as follows (excluding HST):

2018	\$305,920
2019	\$314,648
2020	\$323,637

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2017

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 2017 the Town has funded \$35,644 (2016 - \$43,197) for the AM Clarke Health Center and \$6,281 (2016 - \$13,917) 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.

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, 2017, the total amount in this Capital Reserve was \$33,429 (2016 - \$30,598). 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, 2017, the landfill closure is complete and minimal future costs are expected.

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2017

15. 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	\$ 12,176,666	\$(1,902,125)	\$ 10,274,541
Grants in lieu of taxes	1,104,420	-	1,104,420
Services provided to other governments	765,000	-	765,000
Sales of service	194,710	-	194,710
Other revenue from own sources	2,896,532	(774,293)	2,122,239
Unconditional transfers from other governments	1,225,703	(134,324)	1,091,379
Other transfers	134,664	(134,664)	-
Conditional transfers from other governments	43,600	-	43,600
Domestic, commercial and industrial water	1,999,283	(209,400)	1,789,883
Public fire protection	508,502	-	508,502
Interest	3,220	-	3,220
Other	16,000	-	16,000
Rental and events	457,347	-	457,347
Food and beverage sales	<u>82,750</u>	<u>-</u>	<u>82,750</u>
	<u>21,608,397</u>	<u>(3,154,806)</u>	<u>18,453,591</u>
Expenses			
General government services	1,715,418	(199,029)	1,516,389
Protective services	5,028,017	(394,480)	4,633,537
Transportation services	3,288,169	170,619	3,458,788
Environmental health services	3,304,273	(353,697)	2,950,576
Environmental development services	2,229,791	(545,657)	1,684,134
Recreational and cultural services	1,768,535	168,663	1,937,198
Fiscal services	1,835,639	(1,835,639)	-
Water and sanitation	<u>2,183,371</u>	<u>(34,776)</u>	<u>2,148,595</u>
	<u>21,353,213</u>	<u>(3,023,996)</u>	<u>18,329,217</u>
Annual surplus before the undernoted	255,184	(130,810)	124,374
Gain on disposal of tangible capital assets	<u>29,240</u>	<u>-</u>	<u>29,240</u>
Annual surplus	<u>\$ 284,424</u>	<u>\$ (130,810)</u>	<u>\$ 153,614</u>

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2017

16. 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, 2017

16. Segment disclosure (continued)

Revenues	General government	Protective	Transportation	Environmental health	Environmental development	Recreation and cultural	Water and sanitation	2017		2016	
								Consolidated	Consolidated	Consolidated	Consolidated
Taxes	\$ 981,910	\$ 2,892,257	\$ 2,184,768	\$ 1,773,150	\$ 996,822	\$ 1,347,460	\$ -	\$ 10,176,367	\$ 10,405,035		
Grants in lieu of taxes	104,266	307,121	231,995	188,286	105,850	143,084	-	1,080,602	1,105,013		
Services provided to other governments	-	559,333	-	189,019	-	-	-	748,352	743,093		
Sales of service	20,283	10,339	40,342	-	64,085	65,398	-	200,447	247,120		
Other revenue from own sources	407,467	28,500	330,106	927,588	206,813	71,935	-	1,972,409	1,953,457		
Unconditional transfers from other governments	727,970	-	187,942	-	161,381	-	-	1,077,293	1,107,942		
Conditional transfers from other governments	63,183	-	475,852	-	171,176	47,168	-	757,379	1,238,702		
Domestic, commercial and industrial water	-	-	-	-	-	-	1,965,171	1,965,171	1,686,328		
Public fire protection	-	-	-	-	-	-	497,201	497,201	465,621		
Interest	47,301	-	427	2,019	2,189	285	7,883	60,104	57,093		
Other	-	-	-	-	-	-	20,415	20,415	21,641		
Rental and events	-	-	-	-	209,952	261,308	-	471,260	481,779		
Food and beverage sales	-	-	-	-	-	92,212	-	92,212	75,553		
	<u>2,352,380</u>	<u>3,797,550</u>	<u>3,451,432</u>	<u>3,080,062</u>	<u>1,918,268</u>	<u>2,028,850</u>	<u>2,490,670</u>	<u>19,119,212</u>	<u>19,588,377</u>		
Expenses											
Salaries and benefits	700,575	1,581,126	1,003,368	631,451	554,285	454,261	514,620	5,439,686	5,266,366		
Goods and services	616,820	3,024,927	1,346,839	1,542,635	797,325	779,308	1,185,031	9,292,885	8,400,588		
Amortization	75,794	160,773	1,029,270	627,303	102,375	667,707	307,409	2,970,631	2,850,440		
Interest	-	-	64,591	67,644	3,408	-	-	135,643	137,013		
Other	225,130	-	156,721	53,354	185,504	319,520	69,946	1,010,175	1,860,277		
	<u>1,618,319</u>	<u>4,766,826</u>	<u>3,600,789</u>	<u>2,922,387</u>	<u>1,642,897</u>	<u>2,220,796</u>	<u>2,077,006</u>	<u>18,849,020</u>	<u>18,514,684</u>		
Annual surplus (deficit)	<u>\$ 734,061</u>	<u>\$ (989,276)</u>	<u>\$ (149,357)</u>	<u>\$ 157,675</u>	<u>\$ 275,371</u>	<u>\$ (191,946)</u>	<u>\$ 413,664</u>	<u>\$ 270,192</u>	<u>\$ 1,073,693</u>		

Town of Yarmouth
Notes to the Consolidated Financial Statements
 March 31, 2017

18. Remuneration

The total remuneration paid to councillors and senior staff during the year ended March 31, 2017, was as follows:

	<u>Position</u>	<u>Remuneration</u>
Pam Mood	Mayor	\$ 42,678
Jim MacLeod	Deputy Mayor	25,550
Phil Mooney	Councillor	23,338
Sandy Dennis	Councillor	21,771
Don Berry	Councillor	7,927
Wade Cleveland	Councillor	7,927
Clifford Hood	Councillor	7,927
Madeleine Daues	Councillor	13,931
Daniel MacIsaac	Councillor	13,931
Chief Administrative Officer	-	112,887

19. Reserves

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

	<u>2017</u>	<u>2016</u>
Operating	<u>\$ 2,237,900</u>	<u>\$ 2,227,674</u>
Capital	<u>\$ 1,209,032</u>	<u>\$ 1,419,122</u>

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

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, 2017, the equity in Trust Funds under its trusteeship amounted to \$240,710 (2016 - \$234,464).

21. Comparative figures

Certain comparative figures have been reclassified from those previously presented to better conform with the presentation of these consolidated financial statements. The following is a summary of the reclassifications made to comparative figures.

	<u>Prior Year Balance before Reclassification</u>	<u>Reclassification</u>	<u>Prior Year Balance after Reclassification</u>
Environmental development services	\$ 1,807,824	\$ 103,571	\$ 1,911,395
Recreational and cultural services	2,044,366	(103,571)	1,940,795

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

(Unaudited)

Year Ended March 31

2017

2016

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Operating revenues			
Domestic, commercial and industrial water	\$ 1,999,283	\$ 2,273,246	\$ 1,886,124
Public fire protection	508,502	216,538	465,621
Other	<u>16,000</u>	<u>20,415</u>	<u>21,641</u>
	<u>2,523,785</u>	<u>2,510,199</u>	<u>2,373,386</u>
Operating expenditures			
Source of supply (Page 31)	94,219	285,905	145,470
Power and pumping (Page 31)	295,919	249,952	227,733
Water treatment (Page 31)	565,920	592,094	618,853
Transmission and distribution (Page 31)	445,859	203,897	274,167
Administrative and general (Page 32)	446,991	462,948	426,811
Amortization	328,713	307,409	291,598
Taxes	<u>82,658</u>	<u>78,804</u>	<u>80,087</u>
	<u>2,260,279</u>	<u>2,181,009</u>	<u>2,064,719</u>
Operating profit	<u>263,506</u>	<u>329,190</u>	<u>308,667</u>
Non-operating expenditures (revenues)			
Debt charges			
Principal	121,767	120,000	120,000
Interest	17,489	13,591	19,234
Dividend to Operating Fund	100,000	100,000	100,000
Capital expenditures	25,000	-	-
Other interest	<u>(750)</u>	<u>(2,891)</u>	<u>(931)</u>
	<u>263,506</u>	<u>230,700</u>	<u>238,303</u>
Annual surplus	<u>\$ -</u>	98,490	70,364
Accumulated surplus, beginning of year		<u>731,486</u>	<u>661,122</u>
Accumulated surplus, end of year		<u>\$ 829,976</u>	<u>\$ 731,486</u>

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

(Unaudited)

March 31

2017

2016

Assets

Cash and cash equivalents	<u>\$ 538,918</u>	<u>\$ 397,210</u>
Receivables		
Rates (less allowance for doubtful accounts \$22,222; 2015 - \$15,342)	723,876	463,807
Due from other local governments	3,284	3,284
Due from Water Utility, Capital Fund	-	79,058
Other receivables		
Trade	16,339	3,411
HST	<u>25,784</u>	<u>28,171</u>
	<u>769,283</u>	<u>577,731</u>
Prepaid expenses	<u>-</u>	<u>2,625</u>
Inventories, at cost	<u>15,000</u>	<u>15,000</u>
	<u>\$ 1,323,201</u>	<u>\$ 992,566</u>

Liabilities

Payables and accruals		
Payable to Town, Operating Fund	\$ 241,884	\$ 160,192
Payable to Water Utility, Capital Fund	193,467	-
Prepayment of taxes	10,991	14,915
Other	<u>46,882</u>	<u>85,973</u>
	<u>493,225</u>	<u>261,080</u>

Accumulated surplus

Accumulated surplus	<u>829,976</u>	<u>731,486</u>
	<u>\$ 1,323,201</u>	<u>\$ 992,566</u>

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

(Unaudited)

March 31

2017

2016

Assets

Cash and cash equivalents in the amortization fund	\$ 708,749	\$ 702,065
Receivable from Town, Operating Fund	6	6
Receivable from Water Utility, Operating Fund	193,466	-
Tangible capital assets		
Utility plant and equipment (Page 30)	<u>14,432,239</u>	<u>14,704,761</u>
	<u>\$15,334,461</u>	<u>\$15,406,832</u>

Liabilities

Payable to Town, Capital Reserve	\$ 200,000	\$ 320,000
Payable to Water Utility, Operating Fund	-	<u>79,058</u>
	<u>200,000</u>	<u>399,058</u>

Equity

Investment in capital assets (Page 30)	<u>15,134,461</u>	<u>15,007,774</u>
	<u>\$15,334,461</u>	<u>\$15,406,832</u>

Town of Yarmouth
Water Utility
Non-Consolidated Tangible Capital Assets

(Unaudited)

March 31	2017	2016
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	158,162	145,588
Purification equipment	142,952	142,952
Transmission mains	1,280,758	1,280,758
Distribution mains	3,316,645	3,294,326
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	137,290	249,944
Tools and work equipment	25,754	25,754
	<u>19,682,677</u>	<u>19,760,438</u>
Accumulated amortization	<u>(5,250,438)</u>	<u>(5,055,677)</u>
Net book value	<u>\$14,432,239</u>	<u>\$14,704,761</u>

Non-Consolidated Statement of Investment in Capital Assets

(Unaudited)

March 31	2017	2016
Balance, beginning of year	\$15,007,774	\$14,880,822
Add		
Term debt retired	120,000	120,000
Interest earned on amortization fund	<u>6,687</u>	<u>6,952</u>
	<u>126,687</u>	<u>126,952</u>
Balance, end of year	<u>\$15,134,461</u>	<u>\$15,007,774</u>

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

(Unaudited)

Year Ended March 31

2017

2016

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Source of supply			
Supervision and engineering	\$ 51,319	\$ 39,170	\$ 30,293
Site consulting and testing	-	186,714	23,339
Other	<u>42,900</u>	<u>60,021</u>	<u>91,838</u>
	<u>\$ 94,219</u>	<u>\$ 285,905</u>	<u>\$ 145,470</u>
Power and pumping			
Supervision and engineering	\$ 36,130	\$ 30,408	\$ 30,031
Fuel and power	195,185	145,340	144,546
Maintenance of structure	12,360	7,561	1,026
Maintenance of equipment	35,000	47,120	31,756
Supplies	5,150	7,243	9,587
Other including telephone	<u>12,094</u>	<u>12,280</u>	<u>10,787</u>
	<u>\$ 295,919</u>	<u>\$ 249,952</u>	<u>\$ 227,733</u>
Water treatment			
Supervision and engineering	\$ 36,130	\$ 30,408	\$ 30,031
Supplies	504,040	543,029	574,341
Maintenance of structure	5,150	2,461	374
Maintenance of equipment	<u>20,600</u>	<u>16,196</u>	<u>14,107</u>
	<u>\$ 565,920</u>	<u>\$ 592,094</u>	<u>\$ 618,853</u>
Transmission and distribution			
Supervision and engineering	\$ 93,258	\$ 39,170	\$ 30,293
Operation of mains	31,827	27,496	32,995
Operation of meters	41,916	45,699	47,377
Maintenance of reservoirs	5,768	3,255	3,836
Maintenance of structure	5,150	4,664	5,089
Maintenance of mains	99,910	18,394	51,013
Maintenance of hydrants	33,331	13,193	10,939
Maintenance of meters	40,000	12,307	32,409
Maintenance of services	68,889	12,221	36,308
Transportation and travel	1,802	496	533
Salaries – mowing	2,832	-	-
Shop expenses	7,725	12,562	16,715
Rent	2,318	-	-
Clothing	1,133	989	599
Leak survey	<u>10,000</u>	<u>13,451</u>	<u>6,061</u>
	<u>\$ 445,859</u>	<u>\$ 203,897</u>	<u>\$ 274,167</u>

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

(Unaudited)

Year Ended March 31

2017

2016

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Administrative and general			
Salaries	\$ 247,604	\$ 234,008	\$ 226,859
Employee benefits	112,354	128,994	123,300
Insurance	10,608	10,561	10,128
Office	10,185	7,570	5,327
Rent	34,776	30,000	30,000
Audit	6,077	6,000	5,110
Regulatory expenses	5,356	2,774	2,688
Other	20,031	43,041	23,399
	<u>\$ 446,991</u>	<u>\$ 462,948</u>	<u>\$ 426,811</u>
