



## Consolidated Financial Statements

Town of Yarmouth

March 31, 2018

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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, 2018, 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, 2018, 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  
September 26, 2018



Chartered Professional Accountants  
Licensed Public Accountants

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# Town of Yarmouth

## Management's Responsibility for Financial Reporting

March 31, 2018

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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.

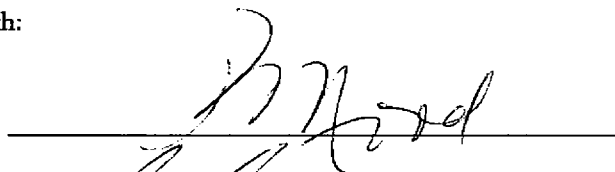
Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized 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.

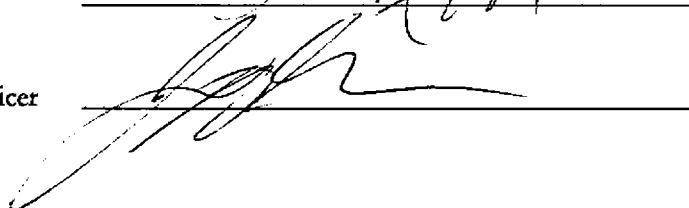
On behalf of Town of Yarmouth:

Mayor



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Chief Administrative Officer



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# Town of Yarmouth

## Consolidated Statement of Operations and Accumulated Surplus

Year Ended March 31 2018 2017

	<u>Budget</u> (Note 15)	<u>Actual</u>	<u>Actual</u>
<b>Revenues</b>			
Taxes	\$ 10,574,910	\$ 10,591,336	\$ 10,176,367
Grants in lieu of taxes	1,104,420	1,050,039	1,080,602
Services provided to other governments	790,000	765,804	748,352
Sale of service	197,263	202,951	200,447
Other revenue from own sources	2,341,447	2,537,190	1,972,409
Unconditional transfers from other governments	1,392,965	1,444,404	1,077,293
Conditional transfers from other governments	2,979,480	3,004,651	757,379
Domestic, commercial and industrial water	1,895,352	2,040,863	1,965,171
Public fire protection	508,502	512,511	497,201
Interest	3,279	86,887	60,104
Other	16,000	20,084	20,415
Rental end events	396,843	457,200	471,260
Food and beverage sales	<u>86,750</u>	<u>98,388</u>	<u>92,212</u>
	<u>22,287,211</u>	<u>22,812,308</u>	<u>19,119,212</u>
<b>Expenses</b>			
General government services	1,499,420	1,623,026	1,618,319
Protective services	4,677,382	4,864,517	4,766,826
Transportation services	3,732,110	3,667,787	3,600,789
Environmental health services	3,009,146	3,019,205	2,922,387
Environmental development services	3,393,349	3,534,310	1,642,897
Recreational and cultural services	2,172,563	2,223,829	2,220,796
Water and sanitation	<u>2,212,303</u>	<u>2,139,564</u>	<u>2,077,006</u>
	<u>20,696,273</u>	<u>21,072,238</u>	<u>18,849,020</u>
Annual surplus before the undernoted	1,590,938	1,740,070	270,192
Gain on disposal of tangible capital assets	-	47,652	37,284
Other pension recovery	<u>-</u>	<u>256,819</u>	<u>167,614</u>
Annual surplus	<u>\$ 1,590,938</u>	<u>\$ 2,044,541</u>	<u>\$ 475,090</u>
<hr/>			
Accumulated surplus, beginning of year		\$ 70,674,750	\$ 70,199,660
Annual surplus		<u>2,044,541</u>	<u>475,090</u>
Accumulated surplus, end of year		<u>\$ 72,719,291</u>	<u>\$ 70,674,750</u>

See accompanying notes to the consolidated financial statements.



**Town of Yarmouth**  
**Consolidated Statement of Changes in Net Financial**  
**Assets**

March 31	2018		2017
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Annual surplus	\$ 1,590,938	\$ 2,044,541	\$ 475,090
Acquisition of tangible capital assets	(2,994,277)	(5,475,795)	(2,464,320)
Amortization of tangible capital assets	2,592,592	3,035,527	2,970,631
Proceeds on disposal of tangible capital assets	-	47,652	43,813
Gain on disposal of tangible capital assets	-	(47,652)	(37,284)
	<u>1,189,253</u>	<u>(395,727)</u>	987,930
Change in inventories/prepaid expenses	<u>-</u>	<u>(42,459)</u>	<u>(22,716)</u>
<b>Increase (decrease) in Net Financial Assets</b>	<b><u>\$ 1,189,253</u></b>	<b>(438,186)</b>	965,214
<b>Net Financial Assets, beginning of year</b>		<b><u>5,145,416</u></b>	<b><u>4,180,202</u></b>
<b>Net Financial Assets, end of year</b>		<b><u>\$ 4,707,230</u></b>	<b><u>\$ 5,145,416</u></b>

See accompanying notes to the consolidated financial statements.



# Town of Yarmouth

## Consolidated Statement of Cash Flow

Year Ended March 31

2018

2017

(Decrease) increase in cash and cash equivalents

### Operating activities

Annual surplus	\$ 2,044,541	\$ 475,090
Amortization	3,035,527	2,970,631
Gain on disposal of tangible capital assets	(47,652)	(37,284)
Changes in non-cash items		
Sewer and water receivable	(107,013)	(340,042)
Taxes receivable	11,099	97,999
Prepaid expenses and inventories	(42,459)	(22,716)
Other receivables	(984,983)	397,487
Pension benefit asset	(256,819)	(167,614)
Tangible capital assets held for resale	-	(57,477)
Due from Provincial Government and agencies	(43,791)	(51,532)
Due to Federal Government and agencies	55,726	87,406
Payables and accruals	294,707	108,093
Other post employment benefits	55,379	45,536
Loans payable	(31,926)	(31,543)
Deferred revenue	347,346	156,326
	<u>4,329,682</u>	<u>3,630,360</u>

### Capital activities

Proceeds on disposal of tangible capital assets	47,652	43,813
Acquisition of tangible capital assets	(5,475,795)	(2,464,320)
	<u>(5,428,143)</u>	<u>(2,420,507)</u>

### Financing activities

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

(Increase) decrease in portfolio investment	(1,055)	6,464
Net (decrease) increase in cash and cash equivalents	(1,499,516)	816,317

Cash and cash equivalents

Beginning of year	8,715,292	7,898,975
End of year	<u>\$ 7,215,776</u>	<u>\$ 8,715,292</u>

See accompanying notes to the consolidated financial statements.

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# Town of Yarmouth

## Notes to the Consolidated Financial Statements

March 31, 2018

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### 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.

The Town has consolidated the following proportionately controlled entities:

- 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 Limited

Interdepartmental and organizational transactions and balances are eliminated upon consolidation.

#### Budget

The budget figures contained in these financial statements were approved by Council on May 18, 2017 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 15 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.

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# Town of Yarmouth

## Notes to the Consolidated Financial Statements

March 31, 2018

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### 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 \$37,217 (2017 - \$36,729).

#### 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 not drawn on at March 31, 2018 (2017 - 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.

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# Town of Yarmouth

## Notes to the Consolidated Financial Statements

March 31, 2018

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### 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.

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# Town of Yarmouth

## Notes to the Consolidated Financial Statements

March 31, 2018

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### 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.

#### Related party transactions

Effective for the fiscal period beginning on April 1, 2017, the Town was required to adopt Public Sector Accounting sections 2200, Related Party Disclosures and 3420 Inter-Entity Transactions, which establishes the disclosure requirements for reporting related party transactions. Management has determined that there are no required disclosures on the implementation of these sections.

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# Town of Yarmouth

## Notes to the Consolidated Financial Statements

March 31, 2018

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### 1. Summary of significant accounting policies (continued)

#### Contractual rights

Effective for the fiscal period beginning on April 1, 2017, the Town was required to adopt Public Sector Accounting section 3380, Contractual rights, which establishes the disclosure requirements for contractual rights. Management has determined that there are no contractual rights to disclose at this time.

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### 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 2018, the Town of Yarmouth paid \$44,478 (2017 - \$44,478) to the Regional Library.
- Tri-County Housing Authority - 12.5% Interest  
During 2018, the Town of Yarmouth paid \$225,313 (2017 - \$233,620) 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 2018, the Town of Yarmouth paid \$17,547 (2017 - \$15,747) 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 2018, the Town of Yarmouth paid \$38,515 (2017 - \$45,499) as its share of the cost of operations of the Western Regional Enterprise Network.

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<b>3. Sewer and water rates receivable</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Sewer and water rates receivable, gross	<b><u>\$ 1,127,681</u></b>	<b><u>\$1,021,986</u></b>
Valuation allowance		
Balance, beginning of year	<b>13,308</b>	35,420
Allowances during the year, net of write-offs	<b><u>(1,318)</u></b>	<b><u>(22,112)</u></b>
Balance, end of year	<b><u>11,990</u></b>	<b><u>13,308</u></b>
Sewer and water rates receivable, net	<b><u>\$ 1,115,691</u></b>	<b><u>\$1,008,678</u></b>

**Town of Yarmouth**  
**Notes to the Consolidated Financial Statements**  
 March 31, 2018

4. Taxes receivable			<u>2018</u>	<u>2017</u>
	<u>Current year</u>	<u>Prior year</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ -	\$ 572,846	\$ 572,846	\$ 793,534
Current year's levy	10,635,774	-	10,635,774	10,593,332
Interest on outstanding taxes	98,610	-	98,610	112,918
	<u>10,734,384</u>	<u>572,846</u>	<u>11,307,230</u>	<u>11,499,784</u>
Deduct				
Current year's collections	10,035,431	393,411	10,428,572	10,621,897
Reduced taxes	<u>316,911</u>	<u>-</u>	<u>316,911</u>	<u>305,041</u>
	<u>10,352,342</u>	<u>393,411</u>	<u>10,745,483</u>	<u>10,926,938</u>
Balance, before allowance	382,042	179,705	561,747	572,846
Less valuation allowance	-	-	-	-
Balance, end of year	<u>\$ 382,042</u>	<u>\$ 179,705</u>	<u>\$ 561,747</u>	<u>\$ 572,846</u>

5. Other receivables	<u>2018</u>	<u>2017</u>
Trade receivables	\$ 1,162,635	194,009
Amounts due to controlled entities	<u>164,731</u>	<u>163,791</u>
	<u>1,327,366</u>	357,800
Harmonized sales taxes	203,779	192,192
Non-controlling interest due from subsidiaries	<u>15,758</u>	<u>11,928</u>
	<u>\$ 1,546,903</u>	<u>\$ 561,290</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 58 active employees covered by the plan is 49.0. At present, the plan provides benefits for 24 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 \$360,787 (2017 - \$323,611). 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, 2017 and extrapolated to March 31, 2018. At that time the pension plan had an accrued benefit asset of \$695,891 (2017 - \$439,072).

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**Town of Yarmouth**  
**Notes to the Consolidated Financial Statements**  
March 31, 2018

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**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%;
- the expected rate of return is 5%;
- retirement age is 65; and
- estimated average remaining service life is 16 years.

Combined employer and employee contributions during the year were \$762,667 (2017 - \$531,943).

The Town's actuary performed an extrapolation of the March 31, 2017 valuation to determine the position of the plan as at March 31, 2018. 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	\$11,567,740
Accrued benefit obligation	(11,089,308)
Unamortized loss	<u>217,459</u>
Pension plan surplus	<u>\$ 695,891</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.



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**Town of Yarmouth**  
**Notes to the Consolidated Financial Statements**  
 March 31, 2018

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<b>7. Payables and accruals</b>	<u><b>2018</b></u>	<u><b>2017</b></u>
Trade payables and accruals	<b>\$ 1,284,897</b>	\$ 1,303,956
Amounts due to suppliers from the controlled entities	<u><b>513,305</b></u>	<u>165,889</u>
	<b>1,798,202</b>	1,469,845
Due to other local governments	<u>-</u>	<u>81,145</u>
	<u><b>\$ 1,798,202</b></u>	<u><b>\$ 1,550,990</b></u>

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**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, 2018, the maximum amount that would have to be paid to all employees amounted to \$873,780 (2017 - \$832,879). 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, 2018 was \$436,890 (2017 - \$416,440). 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, 2018 of \$373,779 (2017 - \$338,850) 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.

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**Town of Yarmouth**  
**Notes to the Consolidated Financial Statements**  
March 31, 2018

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<b>9. Deferred revenue</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Operating revenue	<b>\$ 59,864</b>	\$ 51,994
Capital and other revenue	<b>86,520</b>	75,448
Gas tax revenue	<b><u>1,433,583</u></b>	<u>1,105,179</u>
	<b><u>\$1,579,967</u></b>	<b><u>\$1,232,621</u></b>

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

	<b><u>2018</u></b>	<b><u>2017</u></b>
Balance, beginning of year	<b><u>\$1,232,621</u></b>	<u>\$1,076,295</u>
Contributions from:		
Canada-Nova Scotia Infrastructure Secretariat	<b>581,701</b>	581,576
Local municipal governments and other	<b>59,864</b>	51,994
Prepaid rent	<b>10,000</b>	-
Interest earned	<b><u>21,728</u></b>	<u>15,426</u>
	<b><u>673,293</u></b>	<u>648,996</u>
Utilized for:		
Tangible capital asset acquisitions	<b>253,297</b>	368,292
Operations	<b><u>72,650</u></b>	<u>124,917</u>
	<b><u>325,947</u></b>	<u>492,670</u>
Balance, end of year	<b><u>\$1,579,967</u></b>	<b><u>\$1,232,621</u></b>

As of April 1, 2017, the Town had \$1,105,179 in deferred gas tax revenue. During the fiscal year, the Town received \$581,701 in gas tax funding, earned \$21,728 in interest due to unspent funds held in a bank account and recognized \$253,297 as revenue due to spending some of the funding on eligible projects. As of March 31, 2018, the Town has \$1,433,583 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, 2018

**10. Long-term debt**

	<u>March 31, 2017</u>	<u>Repaid</u>	<u>March 31, 2018</u>	<u>Interest</u>	<u>Interest rate</u>
General					
Nova Scotia Municipal Finance Corporation					
Public Works Building, due 2019	\$ 200,000	\$ 100,000	\$ 100,000	\$ 8,218	5.25% - 5.375%
Southeast Street, due 2023	1,166,664	166,667	999,997	51,951	4.771% - 5.088%
Brooklyn Street, due 2022	<u>800,003</u>	<u>133,333</u>	<u>666,670</u>	<u>32,576</u>	<u>4.625% - 4.77%</u>
Total	<u>\$ 2,166,667</u>	<u>\$ 400,000</u>	<u>\$ 1,766,667</u>	<u>\$ 92,745</u>	

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

2019	\$400,000
2020	\$300,000
2021	\$300,000
2022	\$300,000
2023	\$300,000

# Town of Yarmouth Notes to the Consolidated Financial Statements

March 31, 2018

## 11. Tangible capital assets

	Land	Land improvements	Municipal buildings	Other buildings	Machinery and equipment	Landfill	Vehicles	Streets and roads
<b>Cost</b>								
Balance, beginning of year	\$ 4,730,527	\$ 3,870,713	\$ 19,097,987	\$ 15,082,290	\$ 6,131,145	\$ 2,425,655	\$ 707,274	\$11,940,872
Add								
Additions during the year	127,569	363,592	150,633	62,572	430,214	-	84,030	714,871
Reclassification	-	-	18,042	-	-	-	-	-
Less								
Disposals during the year	-	-	(723,323)	-	(43,725)	-	-	-
Reclassification	-	-	-	-	(9,124)	-	-	-
Balance, end of year	<u>4,858,096</u>	<u>4,234,305</u>	<u>18,543,339</u>	<u>15,144,862</u>	<u>6,508,510</u>	<u>2,425,655</u>	<u>791,304</u>	<u>12,655,743</u>
<b>Accumulated amortization</b>								
Balance, beginning of year	-	1,462,842	6,487,132	3,551,916	3,768,293	1,641,982	538,969	4,028,853
Add								
Amortization during the year	-	157,674	525,141	260,805	452,439	99,375	78,863	467,067
Reclassification	-	-	-	-	-	-	-	-
Less								
Accumulated amortization on disposals	-	-	(723,323)	-	(43,725)	-	-	-
Reclassification	-	-	-	-	-	-	-	-
Balance, end of year	<u>-</u>	<u>1,620,516</u>	<u>6,288,950</u>	<u>3,812,721</u>	<u>4,177,007</u>	<u>1,741,357</u>	<u>617,832</u>	<u>4,495,920</u>
<b>NET BOOK VALUE</b>	<u>\$ 4,858,096</u>	<u>\$ 2,613,789</u>	<u>\$ 12,254,389</u>	<u>\$ 11,332,141</u>	<u>\$ 2,331,503</u>	<u>\$ 684,298</u>	<u>\$ 173,472</u>	<u>\$ 8,159,823</u>
<b>NET BOOK VALUE, APRIL 1, 2017</b>	<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>

**Town of Yarmouth**  
**Notes to the Consolidated Financial Statements**  
 March 31, 2018

**11. Tangible capital assets (continued)**

	Street lights	Sidewalks	Sewer lines	Dam	Wharf	Work in progress	2018 Total	2017 Total
<b>Cost</b>								
Balance, beginning of year	\$ 969,216	\$ 5,217,474	\$ 25,623,591	\$ 1,017,089	\$ 6,074,493	\$ 697,251	\$ 103,585,577	\$ 101,374,063
Add								
Additions during the year	131,205	-	3,161,398	-	13,338	236,373	5,475,795	2,464,320
Reclassification	-	-	652,042	-	-	-	670,084	627,170
Less								
Disposals during the year	-	-	-	-	-	-	(767,048)	(252,806)
Reclassification	-	-	-	-	(20,074)	(640,886)	(670,084)	(627,170)
Balance, end of year	<u>1,100,421</u>	<u>5,217,474</u>	<u>29,437,031</u>	<u>1,017,089</u>	<u>6,067,757</u>	<u>292,738</u>	<u>108,294,324</u>	<u>103,585,577</u>
<b>Accumulated amortization</b>								
Balance, beginning of year	268,971	2,348,647	9,919,031	223,489	3,891,052	-	38,131,177	35,406,823
Add								
Amortization during the year	41,145	206,360	516,220	40,680	189,758	-	3,035,527	2,970,631
Reclassification	-	-	-	-	-	-	-	9,184
Less								
Accumulated amortization on disposals	-	-	-	-	-	-	(767,048)	(246,277)
Reclassification	-	-	-	-	-	-	-	(9,184)
Balance, end of year	<u>310,116</u>	<u>2,555,007</u>	<u>10,435,251</u>	<u>264,169</u>	<u>4,080,810</u>	<u>-</u>	<u>40,399,656</u>	<u>38,131,177</u>
<b>NET BOOK VALUE</b>	<u>\$ 790,305</u>	<u>\$ 2,662,467</u>	<u>\$ 19,001,780</u>	<u>\$ 752,900</u>	<u>\$ 1,986,947</u>	<u>\$ 292,738</u>	<u>\$ 67,894,668</u>	<u>\$ 65,454,400</u>
<b>NET BOOK VALUE, APRIL 1, 2017</b>	<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>	

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# Town of Yarmouth

## Notes to the Consolidated Financial Statements

March 31, 2018

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### 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.

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### 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. As of March 31, 2018, the demolition is 97.5% complete. The estimated costs to complete the demolition is \$107,285. 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 and expenditures

The Town has committed to the following capital expenditures:

Transit bus	\$135,000
Fire truck	\$650,000
Street cleaner	\$300,000

Amounts listed above are the approximated total cost of each capital expenditure.

#### 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 two years are as follows (excluding HST):

2019	\$314,648
2020	\$323,637

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# Town of Yarmouth

## Notes to the Consolidated Financial Statements

March 31, 2018

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### 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 2018 the Town has funded \$37,214 (2017 - \$35,644) for the AM Clarke Health Center and \$1,306 (2017 - \$6,281) 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.

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### 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, 2018, the total amount in this Capital Reserve was \$39,289 (2017 - \$33,429). 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, 2018, the landfill closure is complete and minimal future costs are expected.

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# Town of Yarmouth

## Notes to the Consolidated Financial Statements

March 31, 2018

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### 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:

	<u>Approved Fiscal Plan</u>	<u>Adjustments</u>	<u>Fiscal Plan Per Financial Statements</u>
<b>Revenues</b>			
Taxes	\$ 12,463,313	\$(1,888,403)	\$ 10,574,910
Grants in lieu of taxes	1,104,420	-	1,104,420
Services provided to other governments	790,000	-	790,000
Sales of service	197,263	-	197,263
Other revenue from own sources	3,081,021	(739,574)	2,341,447
Unconditional transfers from other governments	1,840,060	(447,095)	1,392,965
Other transfers	134,664	(134,664)	-
Conditional transfers from other governments	28,980	2,950,500	2,979,480
Domestic, commercial and industrial water	2,119,252	(223,900)	1,895,352
Public fire protection	508,502	-	508,502
Interest	3,279	-	3,279
Other	16,000	-	16,000
Rental and events	396,843	-	396,843
Food and beverage sales	<u>86,750</u>	<u>-</u>	<u>86,750</u>
	<u>22,770,347</u>	<u>(483,136)</u>	<u>22,287,211</u>
<b>Expenses</b>			
General government services	1,704,817	(205,397)	1,499,420
Protective services	5,071,862	(394,480)	4,677,382
Transportation services	3,481,472	250,638	3,732,110
Environmental health services	3,427,817	(418,671)	3,009,146
Environmental development services	3,411,456	(18,107)	3,393,349
Recreational and cultural services	1,863,542	309,021	2,172,563
Fiscal services	1,813,989	(1,813,989)	-
Water and sanitation	<u>2,248,124</u>	<u>(35,821)</u>	<u>2,212,303</u>
	<u>23,023,079</u>	<u>(2,326,806)</u>	<u>20,696,273</u>
Annual (deficit) surplus before the undernoted	(252,732)	1,843,670	1,590,938
Gain on disposal of tangible capital assets	-	-	-
Other pension recovery	<u>-</u>	<u>-</u>	<u>-</u>
Annual (deficit) surplus	<u>\$ (252,732)</u>	<u>\$ 1,843,670</u>	<u>\$ 1,590,938</u>



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# Town of Yarmouth

## Notes to the Consolidated Financial Statements

March 31, 2018

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### 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, 2018

## 16. Segment disclosure (continued)

	General government	Protective	Transportation	Environmental health	Environmental development	Recreation and cultural	Water and sanitation	2018 Consolidated	2017 Consolidated
<b>Revenues</b>									
Taxes	\$ 907,955	\$ 2,721,313	\$ 2,051,837	\$ 1,689,007	\$ 1,977,167	\$ 1,244,057	\$ -	\$ 10,591,336	\$ 10,176,387
Grants in lieu of taxes	90,016	269,795	203,422	167,450	196,019	123,337	-	1,050,039	1,080,602
Services provided to other governments	-	574,972	-	190,832	-	-	-	765,804	748,352
Sales of service	28,318	10,484	40,323	-	63,789	60,037	-	202,951	200,447
Other revenue from own sources	426,819	27,596	337,120	1,018,374	643,151	84,130	-	2,537,190	1,972,409
Unconditional transfers from other governments	727,970	-	188,923	-	527,511	-	-	1,444,404	1,077,293
Conditional transfers from other governments	1,477	-	354,732	2,445,526	142,860	60,056	-	3,004,651	757,379
Domestic, commercial and industrial water	-	-	-	-	-	-	2,040,863	2,040,863	1,965,171
Public fire protection	-	-	-	-	-	-	512,511	512,511	497,201
Interest	66,109	-	723	6,191	1,090	347	12,427	86,887	60,104
Other	-	-	-	-	-	-	20,084	20,084	20,415
Rental and events	-	-	-	-	193,292	263,908	-	457,200	471,260
Food and beverage sales	-	-	-	-	-	98,388	-	98,388	92,212
	<u>2,248,664</u>	<u>3,604,160</u>	<u>3,177,080</u>	<u>5,517,380</u>	<u>3,744,879</u>	<u>1,934,260</u>	<u>2,585,885</u>	<u>22,812,308</u>	<u>19,119,212</u>
<b>Expenses</b>									
Salaries and benefits	769,213	1,595,956	843,443	638,292	512,102	489,105	543,403	5,391,514	5,439,686
Goods and services	568,363	3,103,515	1,500,220	1,667,025	2,768,234	759,019	1,231,450	11,597,826	9,292,885
Amortization	66,430	165,046	1,038,966	653,353	98,685	689,977	323,070	3,035,527	2,970,631
Interest	-	-	86,002	8,218	1,513	-	-	95,733	135,643
Other	219,020	-	199,156	92,317	153,776	285,728	41,641	951,638	1,010,175
	<u>1,623,026</u>	<u>4,864,517</u>	<u>3,667,787</u>	<u>3,019,205</u>	<u>3,534,310</u>	<u>2,223,829</u>	<u>2,139,564</u>	<u>21,072,238</u>	<u>18,849,020</u>
Annual surplus (deficit) before the undemoted	625,638	(1,260,357)	(490,707)	2,498,175	210,569	(289,569)	446,321	1,740,070	270,192
Gain on disposal of tangible capital assets	30,149	-	-	12,503	-	5,000	-	47,652	37,284
Other pension recovery	256,819	-	-	-	-	-	-	256,819	167,614
Annual surplus (deficit)	<u>\$ 912,606</u>	<u>\$ (1,260,357)</u>	<u>\$ (490,707)</u>	<u>\$ 2,511,678</u>	<u>\$ 210,569</u>	<u>\$ (284,569)</u>	<u>\$ 446,321</u>	<u>\$ 2,044,541</u>	<u>\$ 475,090</u>

# Town of Yarmouth

## Notes to the Consolidated Financial Statements

March 31, 2018

### 17. 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	<u>2018</u>	<u>2017</u>
							Total	Total
<b>Revenues</b>								
Rental and events	\$ -	\$ 263,908	\$ -	\$ -	\$ 193,292	\$ -	\$ 457,200	\$ 471,260
Food and beverage sales	-	98,388	-	-	-	-	98,388	92,212
Sales of service	-	60,037	40,323	-	63,789	-	164,149	169,825
Grants from governments	-	80,302	268,884	-	885,841	92,255	1,327,282	607,801
Other revenue from own sources	541,929	130,017	67,522	59,452	425,421	48,437	1,272,778	809,097
Interest	6,191	347	723	35	1,055	-	8,351	4,919
Other	12,503	5,000	-	-	-	-	17,503	43,147
<b>Expenses</b>								
	560,623	637,999	377,452	59,487	1,569,398	140,692	3,345,651	2,198,261
	456,535	779,564	426,104	36,787	1,529,048	149,142	3,377,180	2,306,980
<b>Annual surplus (deficit)</b>	<u>\$ 104,088</u>	<u>\$ (141,565)</u>	<u>\$ (48,652)</u>	<u>\$ 22,700</u>	<u>\$ 40,350</u>	<u>\$ (8,450)</u>	<u>\$ (31,529)</u>	<u>\$ (108,719)</u>
<b>Financial assets</b>								
Financial liabilities	\$ 430,892	\$ 116,963	\$ 46,034	\$ 442,116	\$ 499,094	\$ 19,515	\$ 1,554,614	\$ 1,106,247
Net financial assets (debt)	35,871	180,985	31,945	3,848	367,584	11,634	631,767	368,213
Non-financial assets	395,021	(64,022)	14,189	438,268	131,510	7,881	922,847	738,034
Accumulated surplus	613,737	3,657,303	117,960	180,647	2,286,922	8,233	6,864,802	7,081,144
	<u>\$ 1,008,758</u>	<u>\$ 3,593,281</u>	<u>\$ 132,149</u>	<u>\$ 618,915</u>	<u>\$ 2,418,432</u>	<u>\$ 16,114</u>	<u>\$ 7,787,649</u>	<u>\$ 7,819,178</u>

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.

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# Town of Yarmouth

## Notes to the Consolidated Financial Statements

March 31, 2018

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### 18. Remuneration

The total remuneration paid to councillors and senior staff during the year ended March 31, 2018, was as follows:

	<u>Position</u>	<u>Remuneration</u>
Pam Mood	Mayor	\$ 45,141
Phil Mooney	Deputy Mayor	28,475
Jim MacLeod	Councillor	23,729
Sandy Dennis	Councillor	23,729
Don Berry	Councillor	23,729
Wade Cleveland	Councillor	23,729
Clifford Hood	Councillor	23,729
Chief Administrative Officer	-	125,843

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### 19. Reserves

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

	<u>2018</u>	<u>2017</u>
Operating	<u>\$ 3,026,747</u>	<u>\$ 2,237,900</u>
Capital	<u>\$ 2,566,011</u>	<u>\$ 1,209,032</u>

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

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### 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, 2018, the equity in Trust Funds under its trusteeship amounted to \$246,737 (2017 - \$240,710).

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

(Unaudited)

Year Ended March 31

2018

2017

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Operating revenues			
Domestic, commercial and industrial water	\$ 2,119,252	\$ 2,226,714	\$ 2,273,246
Public fire protection	508,502	512,511	216,538
Other	16,000	20,084	20,415
	<u>2,643,754</u>	<u>2,759,309</u>	<u>2,510,199</u>
Operating expenditures			
Source of supply (Page 31)	96,895	159,057	285,905
Power and pumping (Page 31)	283,746	244,607	249,952
Water treatment (Page 31)	582,900	675,058	592,094
Transmission and distribution (Page 31)	460,235	303,250	203,897
Administrative and general (Page 32)	460,401	465,536	462,948
Amortization	358,197	323,070	307,409
Taxes	83,485	75,330	78,804
	<u>2,325,859</u>	<u>2,245,904</u>	<u>2,181,009</u>
Operating profit	<u>317,895</u>	<u>513,405</u>	<u>329,190</u>
Non-operating expenditures (revenues)			
Debt charges			
Principal	134,514	120,000	120,000
Interest	39,131	6,069	13,591
Dividend to Operating Fund	100,000	100,000	100,000
Capital expenditures, transfer to Water Utility, Capital Fund	45,000	245,000	-
Other interest	(750)	(3,011)	(2,891)
	<u>317,895</u>	<u>468,058</u>	<u>230,700</u>
Annual surplus	<u>\$ -</u>	45,343	98,490
Accumulated surplus, beginning of year		<u>829,976</u>	<u>731,486</u>
Accumulated surplus, end of year		<u>\$ 875,319</u>	<u>\$ 829,976</u>

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

(Unaudited)

March 31

2018

2017

**Assets**

Cash and cash equivalents	\$ <u>          -</u>	\$ <u>538,918</u>
Receivables		
Rates (less allowance for doubtful accounts \$8,968; 2017 - \$9,723)	668,977	723,876
Due from other local governments	3,284	3,284
Due from Water Utility, Capital Fund	711,314	
Other receivables		
Trade	3,411	16,339
HST	<u>23,756</u>	<u>25,784</u>
	<u>1,410,742</u>	<u>769,283</u>
Inventories, at cost	<u>15,000</u>	<u>15,000</u>
	<u>\$ 1,425,742</u>	<u>\$ 1,323,201</u>

**Liabilities**

Bank indebtedness	\$ <u>34,867</u>	\$ <u>          -</u>
Payables and accruals		
Payable to Town, Operating Fund	462,445	241,884
Payable to Water Utility, Capital Fund	-	193,467
Prepayment of taxes	-	10,991
Other	<u>53,111</u>	<u>46,882</u>
	<u>515,557</u>	<u>493,225</u>
<b>Accumulated surplus</b>		
Accumulated surplus	<u>875,319</u>	<u>829,976</u>
	<u>\$ 1,425,742</u>	<u>\$ 1,323,201</u>

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

(Unaudited)

March 31

2018

2017

**Assets**

Cash and cash equivalents in the amortization fund	\$ 718,166	\$ 708,749
Receivable from Town, Operating Fund	6	6
Receivable from Water Utility, Operating Fund	-	193,467
Tangible capital assets		
Utility plant and equipment (Page 30)	<u>15,582,019</u>	<u>14,432,239</u>
	<u>\$16,300,191</u>	<u>\$15,334,461</u>

**Liabilities**

Payable to Town, Capital Reserve	\$ 80,000	\$ 200,000
Payable to Water Utility, Operating Fund	<u>711,314</u>	<u>-</u>
	<u>791,314</u>	<u>200,000</u>

**Equity**

Investment in capital assets (Page 30)	<u>15,508,877</u>	<u>15,134,461</u>
	<u>\$16,300,191</u>	<u>\$15,334,461</u>

**Town of Yarmouth  
Water Utility  
Non-Consolidated Tangible Capital Assets**

(Unaudited)

March 31	2018	2017
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	186,480	158,162
Purification equipment	159,842	142,952
Transmission mains	2,149,025	1,280,758
Distribution mains	3,833,867	3,316,645
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	179,650	137,290
Tools and work equipment	25,754	25,754
	<u>21,155,527</u>	<u>19,682,677</u>
Accumulated amortization	<u>(5,573,508)</u>	<u>(5,250,438)</u>
Net book value	<u>\$15,582,019</u>	<u>\$14,432,239</u>

**Non-Consolidated Statement of Investment in Capital Assets**

(Unaudited)

March 31	2018	2017
Balance, beginning of year	\$15,134,461	\$15,007,774
Add		
Term debt retired	120,000	120,000
Transfer from Water Utility, Operating Fund	245,000	-
Interest earned on amortization fund	9,416	6,687
	<u>374,416</u>	<u>126,687</u>
Balance, end of year	<u>\$15,508,877</u>	<u>\$15,134,461</u>



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

(Unaudited)

Year Ended March 31

2018

2017

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Source of supply			
Supervision and engineering	\$ 52,709	\$ 37,949	\$ 39,170
Site consulting and testing	-	69,523	186,714
Other	<u>44,186</u>	<u>51,585</u>	<u>60,021</u>
	<u>\$ 96,895</u>	<u>\$ 159,057</u>	<u>\$ 285,905</u>
Power and pumping			
Supervision and engineering	\$ 37,213	\$ 29,416	\$ 30,408
Fuel and power	201,040	151,418	145,340
Maintenance of structure	12,731	1,345	7,561
Maintenance of equipment	15,000	39,537	47,120
Supplies	5,305	10,121	7,243
Other including telephone	<u>12,457</u>	<u>12,770</u>	<u>12,280</u>
	<u>\$ 283,746</u>	<u>\$ 244,607</u>	<u>\$ 249,952</u>
Water treatment			
Supervision and engineering	\$ 37,213	\$ 29,416	\$ 30,408
Supplies	519,164	611,872	543,029
Maintenance of structure	5,305	440	2,461
Maintenance of equipment	<u>21,218</u>	<u>33,330</u>	<u>16,196</u>
	<u>\$ 582,900</u>	<u>\$ 675,058</u>	<u>\$ 592,094</u>
Transmission and distribution			
Supervision and engineering	\$ 96,056	\$ 58,699	\$ 39,170
Operation of mains	32,782	28,278	27,496
Operation of meters	43,173	45,163	45,699
Maintenance of reservoirs	5,941	3,465	3,255
Maintenance of structure	5,305	10,029	4,664
Maintenance of mains	102,907	73,678	18,394
Maintenance of hydrants	34,331	15,134	13,193
Maintenance of meters	42,500	25,658	12,307
Maintenance of services	70,956	25,473	12,221
Transportation and travel	1,856	845	496
Salaries – mowing	2,917	-	-
Shop expenses	7,957	13,157	12,562
Rent	2,387	2,346	-
Clothing	1,167	1,292	989
Leak survey	<u>10,000</u>	<u>33</u>	<u>13,451</u>
	<u>\$ 460,235</u>	<u>\$ 303,250</u>	<u>\$ 203,897</u>

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

(Unaudited)

Year Ended March 31

2018

2017

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Administrative and general			
Salaries	\$ 249,857	\$ 249,267	\$ 234,008
Employee benefits	120,900	138,806	128,994
Insurance	10,927	10,051	10,561
Office	10,490	8,438	7,570
Rent	35,821	35,821	30,000
Audit	6,259	6,000	6,000
Regulatory expenses	5,517	2,879	2,774
Other	20,630	14,274	43,041
	<u>\$ 460,401</u>	<u>\$ 465,536</u>	<u>\$ 462,948</u>