



Grant Thornton

Consolidated Financial Statements

Town of Yarmouth

March 31, 2021

Contents

	Page
Independent Auditor's Report	1-2
Management's Responsibility for Financial Reporting	3
Consolidated Statement of Operations	4
Consolidated Statement of Financial Position	5
Consolidated Statement of Changes in Net Financial Assets	6
Consolidated Statement of Cash Flow	7
Notes to the Consolidated Financial Statements	8-25
Water Utility	
Non-Consolidated Operating Fund Statement of Operations	26
Non-Consolidated Operating Fund Balance Sheet	27
Non-Consolidated Capital Fund Balance Sheet	28
Non-Consolidated Tangible Capital Assets	29
Non-Consolidated Statement of Investment in Capital Assets	29
Non-Consolidated Schedules to Operating Fund Statement of Operations	30-31

Independent Auditor's Report

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

T +1 902 742 7842
F +1 902 742 0224
www.GrantThornton.ca

To the Mayor and Council of
Town of Yarmouth

Opinion

We have audited the consolidated financial statements of Town of Yarmouth (the "Town"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations, changes in net financial assets and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Town of Yarmouth as at March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

Other matter

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 26 to 31 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.

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

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

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

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

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

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

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

We also:

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

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



Yarmouth, Canada
November 25, 2021

Chartered Professional Accountants

Town of Yarmouth

Management's Responsibility for Financial Reporting

March 31, 2021

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

Year Ended March 31

2021

2020

	<u>Budget</u> (Note 14)	<u>Actual</u>	<u>Actual</u>
Revenues			
Taxes	\$ 10,707,734	\$ 10,884,142	\$ 10,668,483
Grants in lieu of taxes	1,051,000	1,034,815	1,045,025
Services provided to other governments	760,000	845,235	663,317
Sales of services	206,486	172,913	280,411
Other revenue from own sources	2,128,511	1,888,968	2,014,655
Unconditional transfers from other governments	980,072	1,021,773	942,189
Conditional transfers from other governments	8,048,592	7,703,781	1,387,041
Domestic, commercial and industrial water	1,976,775	1,989,193	1,963,028
Public fire protection	537,000	529,915	531,407
Interest	81,543	76,140	230,460
Other	17,020	39,027	22,566
Rental and events	332,536	355,266	410,105
Food and beverage sales	<u>91,125</u>	<u>4,494</u>	<u>99,813</u>
	<u>26,918,394</u>	<u>26,545,662</u>	<u>20,258,500</u>
Expenses			
General government services	1,610,438	1,672,119	1,780,041
Protective services	4,960,233	4,891,831	4,878,350
Transportation services	3,614,744	3,533,939	3,714,747
Environmental health services	3,189,961	3,193,146	3,049,801
Environmental development services	1,573,497	1,515,080	1,552,816
Recreational and cultural services	2,189,878	2,127,927	2,308,125
Water and sanitation	<u>2,388,237</u>	<u>2,333,220</u>	<u>2,260,204</u>
	<u>19,526,988</u>	<u>19,267,262</u>	<u>19,544,084</u>
Annual surplus before the undernoted	7,391,406	7,278,400	714,416
Gain (loss) on disposal of tangible capital assets	5,000	2,372	(435)
Other pension (expense) recovery	<u>-</u>	<u>(1,859,670)</u>	<u>183,196</u>
Annual surplus	<u>\$ 7,396,406</u>	<u>\$ 5,421,102</u>	<u>\$ 897,177</u>
<hr/>			
Accumulated surplus, beginning of year		\$ 74,508,969	\$ 73,611,792
Annual surplus		<u>5,421,102</u>	<u>897,177</u>
Accumulated surplus, end of year		<u>\$ 79,930,071</u>	<u>\$ 74,508,969</u>

See accompanying notes to the consolidated financial statements.

Town of Yarmouth

Consolidated Statement of Financial Position

March 31

2021

2020

Financial Assets

Cash and cash equivalents	\$ 6,148,871	\$ 9,589,726
Taxes receivable (Notes 3)	518,768	547,335
Sewer and water rates receivable (Note 4)	1,063,954	1,064,232
Due from Federal Government and agencies	202,550	-
Due from Provincial Government and agencies	308,996	100,803
Other receivables (Note 5)	949,753	643,530
Pension benefit asset (Note 6)	-	1,045,415
Portfolio investment	209,482	156,473
Assets held for resale	<u>105,477</u>	<u>105,477</u>
	<u>9,507,851</u>	<u>13,252,991</u>

Financial Liabilities

Due to Federal Government and agencies	536,084	552,801
Due to Provincial Government and agencies	194,319	194,319
Payables and accruals (Note 7)	1,201,869	781,244
Pension liability (Note 6)	800,000	-
Other post employment benefits (Note 8)	863,458	796,433
Deferred revenue (Note 9)	826,792	2,087,298
Long-term debt (Note 10)	<u>766,667</u>	<u>1,066,667</u>
	<u>5,189,189</u>	<u>5,478,762</u>

Net Financial Assets

4,318,662 7,774,229

Non-Financial Assets

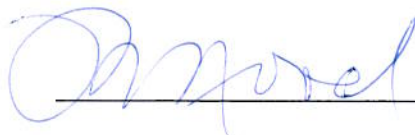
Tangible capital assets (Note 11)	75,067,567	66,491,151
Prepaid expenses	520,815	219,519
Inventories	<u>23,027</u>	<u>24,070</u>
	<u>75,611,409</u>	<u>66,734,740</u>

Accumulated Surplus

\$ 79,930,071 \$ 74,508,969

Commitments and contractual obligations (Note 12)
Contingencies (Note 13)

On behalf of the Town of Yarmouth

 Mayor

 CAO

See accompanying notes to the consolidated financial statements.

Town of Yarmouth
Consolidated Statement of Changes in Net Financial
Assets

March 31	2021		2020
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Annual surplus	\$ 7,396,406	\$ 5,421,102	\$ 897,177
Acquisition of tangible capital assets	(10,241,827)	(11,982,445)	(2,636,298)
Amortization of tangible capital assets	3,362,385	3,374,461	3,283,222
Proceeds on disposal of tangible capital assets	-	33,940	35,500
(Gain) loss on disposal of tangible capital assets	<u>(5,000)</u>	<u>(2,372)</u>	<u>435</u>
	511,964	(3,155,314)	1,580,036
Change in inventories/prepaid expenses	<u>-</u>	<u>(300,253)</u>	<u>196,670</u>
Increase (decrease) in Net Financial Assets	\$ 511,964	(3,455,567)	1,776,706
Net Financial Assets, beginning of year		<u>7,774,229</u>	<u>5,997,523</u>
Net Financial Assets, end of year		\$ 4,318,662	\$ 7,774,229

See accompanying notes to the consolidated financial statements.

Town of Yarmouth

Consolidated Statement of Cash Flow

Year Ended March 31

2021

2020

(Decrease) increase in cash and cash equivalents		
Operating activities		
Annual surplus	\$ 5,421,102	\$ 897,177
Amortization	3,374,461	3,283,222
(Gain) loss on disposal of tangible capital assets	(2,372)	435
Changes in non-cash items		
Taxes receivable	28,567	88,690
Sewer and water receivable	278	41,787
Due from Federal Government and agencies	(202,550)	-
Due from Provincial Government and agencies	(208,193)	19,901
Other receivables	(306,223)	(107,146)
Pension benefit asset/liability	1,845,415	(183,196)
Prepaid expenses and inventories	(300,253)	196,670
Due to Federal Government and agencies	(16,717)	42,746
Payables and accruals	420,625	(42,777)
Other post employment benefits	67,025	54,330
Deferred revenue	(1,260,506)	288,778
	<u>8,860,659</u>	<u>4,580,617</u>
Capital activities		
Proceeds on disposal of tangible capital assets	33,940	35,500
Acquisition of tangible capital assets	(11,982,445)	(2,636,298)
	<u>(11,948,505)</u>	<u>(2,600,798)</u>
Financing activities		
Repayment of long-term debt	(300,000)	(300,000)
Investing activities		
Increase in portfolio investment	(53,009)	(1,723)
(Decrease) increase in cash and cash equivalents	(3,440,855)	1,678,096
Cash and cash equivalents		
Beginning of year	9,589,726	7,911,630
End of year	<u>\$ 6,148,871</u>	<u>\$ 9,589,726</u>

See accompanying notes to the consolidated financial statements.

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2021

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 14, 2020 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 14 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, 2021

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 \$39,058 (2020 - \$38,785).

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, 2021 (2020 - 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, 2021

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, 20 & 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

Employees of the Town participate in the Nova Scotia Public Service Superannuation Plan ("NSPSSP"), a contributory pension plan administered by Pension Services Superannuation Trustee Incorporated, which provides benefits based on length of service and earnings. The Town is not obligated for any unfunded liability, nor is the Town entitled to any surplus that may arise from the NSPSSP.

Employer contributions are recognized as an expense in the period. The NSPSSP is considered a multi-employer defined benefit plan for accounting purposes and as such is accounted for as a defined contribution pension plan by the Town.

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2021

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 Town 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, 2021

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 2021, the Town of Yarmouth paid \$44,478 (2020 - \$44,478) to the Regional Library.
- Tri-County Housing Authority - 12.5% Interest
During 2021, the Town of Yarmouth paid \$212,176 (2020 - \$194,319) 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 2021, the Town of Yarmouth paid \$22,241 (2020 - \$18,149) 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 2021, the Town of Yarmouth paid \$39,167 (2020 - \$39,167) as its share of the cost of operations of the Western Regional Enterprise Network.

3. Taxes receivable

			<u>2021</u>	<u>2020</u>
	<u>Current year</u>	<u>Prior year</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ -	\$ 547,335	\$ 547,335	\$ 636,025
Current year's levy	11,067,172	-	11,067,172	10,846,697
Interest on outstanding taxes	82,130	-	82,130	111,026
	<u>11,149,302</u>	<u>547,335</u>	<u>11,696,637</u>	<u>11,593,748</u>
Deduct				
Current year's collections	10,752,175	201,667	10,953,842	10,815,265
Reduced taxes	224,027	-	224,027	231,148
	<u>10,976,202</u>	<u>201,667</u>	<u>11,177,869</u>	<u>11,046,413</u>
Balance, before allowance	173,100	345,668	518,768	547,335
Less valuation allowance	-	-	-	-
Balance, end of year	<u>\$ 173,100</u>	<u>\$ 345,668</u>	<u>\$ 518,768</u>	<u>\$ 547,335</u>

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2021

4. Sewer and water rates receivable	<u>2021</u>	<u>2020</u>
Sewer and water rates receivable, gross	<u>\$ 1,089,364</u>	<u>\$1,089,817</u>
Valuation allowance		
Balance, beginning of year	25,585	17,869
Allowances during the year, net of write-offs	<u>(175)</u>	<u>7,716</u>
Balance, end of year	<u>25,410</u>	<u>25,585</u>
Sewer and water rates receivable, net	<u>\$ 1,063,954</u>	<u>\$1,064,232</u>

5. Other receivables	<u>2021</u>	<u>2020</u>
Trade receivables	\$ 342,803	277,202
Amounts due to controlled entities	<u>119,053</u>	<u>117,837</u>
	461,856	395,039
Harmonized sales taxes	481,162	201,237
Non-controlling interest due from subsidiaries	<u>6,735</u>	<u>47,254</u>
	<u>\$ 949,753</u>	<u>\$ 643,530</u>

6. Defined benefit pension plan

Effective February 1, 2021 all pension assets were transferred to the Nova Scotia Public Service Superannuation Plan ("NSPSSP"), who are now the administrators of the employee pension plan. A pension liability has been recorded as an estimate of the underpayments by plan contributors. Any difference between the actual under contributions and this estimate will be recorded in the subsequent fiscal year.

When the Town joined the NSPSSP, there was a significant cost as the NSPSSP benefits are enhanced compared to the old plan, this, the previous pension asset was used and a further liability of \$800,000 was created.

Nova Scotia Public Service Superannuation plan employer contribution formula is 8.4% of earnings up to the year's maximum pensionable earnings and 10.9% of earnings in excess of the year's maximum pensionable earnings. This is matched by the employee.

Contributions to the NSPSSP are required by both the employer and its employees. Total employer contributions for the current fiscal year were \$230,363 and are recognized as an expense in the period. The contribution distribution between plan was as follows:

Sun Life Employee contributions	\$ 185,045
Sun Life Employer contributions	\$ 370,091
NSPSSP Employee contributions	\$ 45,318
NSPSSP Employer contributions	\$ 45,318

As per the Public Sector Accounting Board Handbook, Section 3250 Retirement Benefits, the accounting valuation results for the Town of Yarmouth Pension Plan (the "plan") as at March 31, 2020 indicated a pension asset of \$1,045,415.

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2021

6. Defined benefit pension plan (continued)

The Town and its employees contributed to the plan for the employees. The plan was a defined benefit plan which specified the retirement benefit to be received by the employees 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 last actuarial valuation was completed for the year ended March 31, 2020. 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 4.75%;
- the expected rate of return is 4.75%;
- retirement age is 65; and
- estimated average remaining service life is 15 years.

The following estimates were based on the actuarial valuation as at March 31, 2020.

Actuarial value of plan assets	\$ 11,937,261
Accrued benefit obligation	<u>(12,633,425)</u>
Estimated funding deficit	<u>\$ (696,164)</u>

The pension asset eliminated as at March 31, 2020 included the following components:

Accrued benefit obligation	\$ 11,937,261
Pension fund assets	<u>(12,633,425)</u>
Estimated funding deficit	(696,164)
Unamortized actuarial loss	<u>1,741,579</u>
Pension asset	<u>\$ 1,045,415</u>

7. Payables and accruals

	<u>2021</u>	<u>2020</u>
Trade payables and accruals	\$ 640,280	\$ 588,708
Prepayment of taxes	367,067	92,790
Amounts due to suppliers from the controlled entities	<u>194,522</u>	<u>99,746</u>
	<u>\$ 1,201,869</u>	<u>\$ 781,244</u>

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2021

8. Other post employment benefits (continued)

Sick leave

The Town is liable for accumulated sick leave to a maximum of 200 unused days for each employee. At March 31, 2021, the maximum amount that would have to be paid to all employees amounted to \$914,927 (2020 - \$843,180). 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, 2021 was \$457,463 (2020 - \$421,590). 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 to 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, 2021 of \$405,995 (2020 - \$374,843) 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.

The Town is also responsible for 50% of the service award retirement package for eligible employees at the Mariners Centre Management Authority. After 10 years of service, employees qualify for a retirement service package. The amount of the package is based upon 1 months' salary at the salary rate upon the date of retirement. Eligible employees also receive 3 days of salary for each year they work beyond their required 10 years of service. Additionally, employees accumulate sick day leave at the rate of 1.66 days per month to a maximum of 150 sick days. At retirement, employees are able to receive a cash equivalent of 50% of accumulated sick time at retirement. The total amount of this liability as at March 31, 2021 of \$54,953 (2020 - \$55,794), 50% of which has been recorded as a liability in these consolidated financial statements.

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2021

9. Deferred revenue	<u>2021</u>	<u>2020</u>
Operating revenue	\$ 75,459	\$ 48,784
Capital and other revenue	370,372	176,169
Gas tax revenue	<u>380,961</u>	<u>1,862,345</u>
	<u>\$ 826,792</u>	<u>\$2,087,298</u>

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

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	<u>\$2,087,298</u>	<u>\$1,798,520</u>
Contributions from:		
Canada-Nova Scotia Infrastructure Secretariat	555,272	1,159,630
Local municipal governments and other	245,851	183,262
Safe restart funding	400,803	-
Interest earned	<u>10,307</u>	<u>31,728</u>
	<u>1,212,233</u>	<u>1,374,620</u>
Utilized for:		
Tangible capital asset acquisitions	2,046,983	929,259
Safe restart expenses	200,803	-
Operations	<u>224,953</u>	<u>156,583</u>
	<u>2,472,739</u>	<u>1,085,842</u>
Balance, end of year	<u>\$ 826,792</u>	<u>\$2,087,298</u>

As of April 1, 2020, the Town had \$1,862,365 in deferred gas tax revenue. During the fiscal year, the Town received \$555,272 in gas tax funding, earned \$10,307 in interest due to unspent funds held in a bank account and recognized \$2,046,983 as revenue due to spending some of the funding on eligible projects. As of March 31, 2021, the Town has \$380,961 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, 2021

10. Long-term debt

	<u>March 31,</u> <u>2020</u>	<u>Repaid</u>	<u>March 31,</u> <u>2021</u>	<u>Interest</u>	<u>Interest</u>
					<u>rate</u>
General					
Nova Scotia Municipal Finance Corporation					
Southeast Street, due 2024	\$ 666,663	\$ 166,667	\$ 499,996	\$ 27,453	4.949% - 5.088%
Brooklyn Street, due 2023	<u>400,004</u>	<u>133,333</u>	<u>266,671</u>	<u>13,784</u>	4.745% - 4.77%
Total	<u>\$ 1,066,667</u>	<u>\$ 300,000</u>	<u>\$ 766,667</u>	<u>\$ 41,237</u>	

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

2022	\$300,000
2023	\$300,000
2024	\$166,667

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2021

11. Tangible capital assets

	Land	Land improvements	Municipal buildings	Other buildings	Machinery and equipment	Landfill	Vehicles	Streets and roads
Cost								
Balance, beginning of year	\$ 5,237,224	\$ 4,260,712	\$ 18,670,355	\$ 15,176,085	\$ 8,441,198	\$ 2,642,854	\$ 1,045,719	\$13,535,342
Add								
Additions during the year	-	108,126	1,676,281	627,078	785,087	8,372	23,249	364,650
Reclassification	-	-	-	-	-	-	-	-
Less								
Disposals during the year	(25,000)	-	-	-	(70,891)	-	(25,724)	-
Reclassification	-	-	-	-	-	-	-	-
Balance, end of year	<u>5,212,224</u>	<u>4,368,838</u>	<u>20,346,636</u>	<u>15,803,163</u>	<u>9,155,394</u>	<u>2,651,226</u>	<u>1,043,244</u>	<u>13,899,992</u>
Accumulated amortization								
Balance, beginning of year	-	1,943,483	7,356,327	4,338,560	4,939,410	1,928,687	762,661	5,480,682
Add								
Amortization during the year	-	147,447	542,946	274,903	507,295	98,246	94,005	518,477
Reclassification	-	-	-	-	-	-	-	-
Less								
Accumulated amortization on disposals	-	-	-	-	(66,633)	-	(25,726)	-
Reclassification	-	-	-	-	-	-	-	-
Balance, end of year	<u>-</u>	<u>2,090,930</u>	<u>7,899,273</u>	<u>4,613,463</u>	<u>5,380,072</u>	<u>2,026,933</u>	<u>830,940</u>	<u>5,999,159</u>
NET BOOK VALUE	<u>\$ 5,212,224</u>	<u>\$ 2,277,908</u>	<u>\$ 12,447,363</u>	<u>\$ 11,189,700</u>	<u>\$ 3,775,322</u>	<u>\$ 624,293</u>	<u>\$ 212,304</u>	<u>\$ 7,900,833</u>
NET BOOK VALUE, MARCH 31, 2020	<u>\$ 5,237,224</u>	<u>\$ 2,317,229</u>	<u>\$ 11,314,028</u>	<u>\$ 10,837,525</u>	<u>\$ 3,501,788</u>	<u>\$ 714,167</u>	<u>\$ 283,058</u>	<u>\$ 8,054,660</u>

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2021

14. Tangible capital assets (continued)

	<u>Street lights</u>	<u>Sidewalks</u>	<u>Sewer lines</u>	<u>Dam</u>	<u>Wharf</u>	<u>Work in progress</u>	<u>2021 Total</u>	<u>2020 Total</u>
Cost								
Balance, beginning of year	\$ 1,127,257	\$ 5,297,246	\$ 29,446,316	\$ 1,017,089	\$ 6,067,757	\$ 1,111,624	\$113,076,778	\$110,523,242
Add								
Additions during the year	-	219,486	2,292,416	-	180,294	5,697,406	11,982,445	2,636,298
Reclassification	-	-	-	-	-	-	-	-
Less								
Disposals during the year	-	-	-	-	-	(2,312)	(123,927)	(82,762)
Reclassification	-	-	-	-	-	-	-	-
Balance, end of year	<u>1,127,257</u>	<u>5,516,732</u>	<u>31,738,732</u>	<u>1,017,089</u>	<u>6,248,051</u>	<u>6,806,718</u>	<u>124,935,296</u>	<u>113,076,778</u>
Accumulated amortization								
Balance, beginning of year	398,835	2,971,028	11,528,066	345,533	4,592,355	-	46,585,627	43,349,232
Add								
Amortization during the year	44,628	211,195	566,336	40,681	328,302	-	3,374,461	3,283,222
Reclassification	-	-	-	-	-	-	-	-
Less								
Accumulated amortization on disposals	-	-	-	-	-	-	(92,359)	(46,827)
Reclassification	-	-	-	-	-	-	-	-
Balance, end of year	<u>443,463</u>	<u>3,182,223</u>	<u>12,094,402</u>	<u>386,214</u>	<u>4,920,657</u>	<u>-</u>	<u>49,867,729</u>	<u>46,585,627</u>
NET BOOK VALUE	<u>\$ 683,794</u>	<u>\$ 2,334,509</u>	<u>\$ 19,644,330</u>	<u>\$ 630,875</u>	<u>\$ 1,327,394</u>	<u>\$ 6,806,718</u>	<u>\$ 75,067,567</u>	<u>\$ 66,491,151</u>
NET BOOK VALUE, MARCH 31, 2020	<u>\$ 728,422</u>	<u>\$ 2,326,218</u>	<u>\$ 17,918,250</u>	<u>\$ 671,556</u>	<u>\$ 1,475,402</u>	<u>\$ 1,111,624</u>	<u>\$ 66,491,151</u>	<u>\$ 66,491,151</u>

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.

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2021

12. Commitments and contractual obligations

Waste collection contract

The Town has entered into a contract with Wasteco Ltd. for the handling and disposal of waste. The duration of the contract was for five years effective February 1, 2020 and the estimated annual payments for the remaining four years of the contract are as follows (excluding HST):

2022	\$340,021
2023	\$348,521
2024	\$357,235
2025	\$366,166

Capital projects and expenditures

The Town has not started but has committed to the following capital expenditures as at March 31, 2021:

Street paving	\$ 200,000
New sidewalks/trails	\$ 2,360,000
Parade Street storm/sewer separation	\$ 2,500,000

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

The following capital projects were in work in progress as at March 31, 2021. The estimated total cost of completion is as follows:

Main Street streetscape	\$ 600,000
Ferry terminal upgrades	\$ 9,000,000

Ferry terminal

The Town has committed to provide funding of approximately \$1,500,000 for capital repairs and refurbishment of the Yarmouth ferry terminal. It is anticipated that the project will be completed by March 2022. Funding will also be obtained from federal, provincial and other local governments to assist with completion of the project.

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 2021 the Town has funded \$22,461 (2020 - \$25,128) for the AM Clarke Health Center and \$28,222 (2020 - \$32,225) for the Harbour South Medical Clinic.

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.

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2021

14. 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	\$ 12,631,860	\$(1,924,126)	\$ 10,707,734
Grants in lieu of taxes	1,051,000	-	1,051,000
Services provided to other governments	760,000	-	760,000
Sales of services	206,486	-	206,486
Other revenue from own sources	2,969,961	(841,450)	2,128,511
Unconditional transfers from other governments	1,084,005	(103,933)	980,072
Conditional transfers from other governments	89,023	7,959,569	8,048,592
Other transfers	122,196	(122,196)	-
Domestic, commercial and industrial water	2,240,000	(263,225)	1,976,775
Public fire protection	537,000	-	537,000
Interest	81,543	-	81,543
Other	17,020	-	17,020
Rental and events	332,536	-	332,536
Food and beverage sales	91,125	-	91,125
	<u>22,213,755</u>	<u>4,704,639</u>	<u>26,918,394</u>
Expenses			
General government services	1,676,054	(65,616)	1,610,438
Protective services	5,101,810	(141,577)	4,960,233
Transportation services	2,357,794	1,256,950	3,614,744
Environmental health services	2,931,702	258,259	3,189,961
Environmental development services	2,003,033	(429,536)	1,573,497
Recreational and cultural services	1,548,606	641,272	2,189,878
Fiscal services	3,973,447	(3,973,447)	-
Water and sanitation	2,801,220	(412,983)	2,388,237
	<u>22,393,666</u>	<u>(2,866,678)</u>	<u>19,526,988</u>
Annual (deficit) surplus before the undernoted	(179,911)	7,571,317	7,391,406
Gain (loss) on disposal of tangible capital assets	-	5,000	5,000
Other pension (expense) recovery	-	-	-
Annual (deficit) surplus	<u>\$ (179,911)</u>	<u>\$ 7,571,317</u>	<u>\$ 7,396,406</u>

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2021

15. Segment disclosure

The Town is a 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, 2021

15. Segment disclosure (continued)

	General government	Protective	Transportation	Environmental health	Environmental development	Recreation and cultural	Water and sanitation	2021 Consolidated	2020 Consolidated
Revenues									
Taxes	\$ 1,074,732	\$ 3,144,162	\$ 2,271,395	\$ 2,052,355	\$ 973,799	\$ 1,367,699	\$ -	\$ 10,884,142	\$ 10,668,483
Grants in lieu of taxes	102,181	298,933	215,954	195,128	92,584	130,035	-	1,034,815	1,045,025
Services provided to other governments	-	527,156	-	318,079	-	-	-	845,235	663,317
Sales of services	16,667	11,093	43,358	-	75,539	26,256	-	172,913	280,411
Other revenue from own sources	244,897	-	298,323	963,390	222,083	160,275	-	1,888,968	2,014,655
Unconditional transfers from other governments	727,970	-	140,500	-	153,303	-	-	1,021,773	942,189
Conditional transfers from other governments	235,090	-	5,473,388	1,866,982	-	128,321	-	7,703,781	1,387,041
Domestic, commercial and industrial water	-	-	-	-	-	-	1,989,193	1,989,193	1,963,028
Public fire protection	-	-	-	-	-	-	529,915	529,915	531,407
Interest	51,268	-	425	3,885	3,512	397	16,653	76,140	230,460
Other	-	-	-	-	-	-	39,027	39,027	22,566
Rental and events	-	-	-	-	139,014	216,252	-	355,266	410,105
Food and beverage sales	-	-	-	-	-	4,494	-	4,494	99,813
	<u>2,452,805</u>	<u>3,981,344</u>	<u>8,443,343</u>	<u>5,399,819</u>	<u>1,659,834</u>	<u>2,033,729</u>	<u>2,574,788</u>	<u>26,545,662</u>	<u>20,258,500</u>
Expenses									
Salaries and benefits	871,740	1,259,307	966,391	794,878	537,441	410,453	586,628	5,426,838	5,588,471
Goods and services	285,484	3,386,637	1,265,400	1,651,192	616,822	796,614	1,345,237	9,347,386	9,346,479
Amortization	64,224	245,887	1,120,898	695,080	227,013	662,977	358,382	3,374,461	3,283,222
Interest	-	-	41,237	-	-	-	-	41,237	55,806
Other	450,671	-	140,013	51,996	133,804	257,883	42,973	1,077,340	1,270,106
	<u>1,672,119</u>	<u>4,891,831</u>	<u>3,533,939</u>	<u>3,193,146</u>	<u>1,515,080</u>	<u>2,127,927</u>	<u>2,333,220</u>	<u>19,267,262</u>	<u>19,544,084</u>
Annual surplus (deficit) before the undermoted	780,686	(910,487)	4,909,404	2,206,673	144,754	(94,198)	241,568	7,278,400	714,416
Gain on disposal of tangible capital assets	-	-	-	2,372	-	-	-	2,372	(435)
Other pension recovery	(1,859,670)	-	-	-	-	-	-	(1,859,670)	183,196
Annual surplus (deficit)	<u>\$ (1,078,984)</u>	<u>\$ (910,487)</u>	<u>\$ 4,909,404</u>	<u>\$ 2,209,045</u>	<u>\$ 144,754</u>	<u>\$ (94,198)</u>	<u>\$ 241,568</u>	<u>\$ 5,421,102</u>	<u>\$ 897,177</u>

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2021

16. 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	2021	2020
							Total	Total
Revenues								
Rental and events	\$ -	\$ 216,252	\$ -	\$ -	\$ 139,014	\$ -	\$ 355,266	\$ 410,105
Food and beverage sales	-	4,494	-	-	-	-	4,494	99,813
Sales of services	-	26,256	43,358	-	75,539	-	145,153	227,289
Grants from governments	-	-	200,294	-	35,000	161,112	396,406	344,922
Other revenue from own sources	528,517	241,905	76,189	16,766	50,684	41,348	955,409	862,450
Interest	3,885	397	425	66	3,446	-	8,219	15,791
Other	2,372	-	-	-	-	-	2,372	751
Expenses								
	534,774	489,304	320,266	16,832	303,683	202,460	1,867,319	1,961,121
	487,676	642,798	317,475	17,140	482,272	170,111	2,117,472	2,314,558
Annual surplus (deficit)	\$ 47,098	\$ (153,494)	\$ 2,791	\$ (308)	\$ (178,589)	\$ 32,349	\$ (250,153)	\$ (353,437)
Financial assets	\$ 493,161	\$ 63,754	\$ 88,658	\$ 467,600	\$ 385,744	\$ 148,540	\$ 1,647,457	\$ 1,370,676
Financial liabilities	46,285	76,494	41,996	4,273	62,902	89,543	321,493	236,195
Net financial assets (debt)	446,876	(12,740)	46,662	463,327	322,842	58,997	1,325,964	1,134,481
Non-financial assets	705,521	3,074,731	93,838	180,647	1,732,334	14,734	5,801,805	6,243,441
Accumulated surplus	\$ 1,152,397	\$ 3,061,991	\$ 140,500	\$ 643,974	\$ 2,055,176	\$ 73,731	\$ 7,127,769	\$ 7,377,922

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.

The inter-municipal funding agreement between the Yarmouth International Airport Corporation and its funding partners/owners expired on March 31, 2019. The Airport is currently negotiating a new agreement. Council motions have been passed and funding contributions are being made based upon the approved operating budget of the Airport up to March 31, 2021.

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2021

17. Remuneration and expense reimbursements

The total remuneration and expense reimbursements paid to councillors and the Chief Administrative Officer for the year ended March 31, 2021, was as follows:

	<u>Remuneration</u>	<u>Expenses</u>
Pam Mood – Mayor	\$ 56,229	\$ -
Phil Mooney – Deputy Mayor	19,905	-
Steven Berry – Councillor / Deputy Mayor	28,267	-
Jim MacLeod – Councillor	26,325	130
Don Berry – Councillor	16,594	-
Wade Cleveland – Councillor	26,325	-
Clifford Hood – Councillor	16,594	-
Gil Dares – Councillor	9,731	313
Heather Hatfield – Councillor	9,731	313
Derek Lesser – Councillor	9,731	-
Jeff Gushue – Chief Administrative Officer	127,568	-

18. Reserves

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

	<u>2021</u>	<u>2020</u>
Operating	<u>\$ 1,462,795</u>	<u>\$ 3,127,913</u>
Capital	<u>\$ 2,180,292</u>	<u>\$ 2,071,916</u>

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

19. Trust funds

The Trust Funds being administered by the Town of Yarmouth are not consolidated with the accounts of the Town. At March 31, 2021, the equity in Trust Funds under its trusteeship amounted to \$359,229 (2020 - \$253,346).

20. 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, 2021, the total amount in this Capital Reserve was \$67,505 (2020 - \$63,229). 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, 2021, the landfill closure is complete and minimal future costs are expected.

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

(Unaudited)

Year Ended March 31

2021

2020

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Operating revenues			
Domestic, commercial and industrial water	\$ 2,240,000	\$ 2,207,188	\$ 2,227,781
Public fire protection	537,000	529,915	531,407
Other	<u>17,020</u>	<u>39,028</u>	<u>22,565</u>
	<u>2,794,020</u>	<u>2,776,131</u>	<u>2,781,753</u>
Operating expenditures			
Source of supply (Page 30)	108,140	100,127	116,879
Power and pumping (Page 30)	283,740	227,663	232,251
Water treatment (Page 30)	773,120	862,306	728,468
Transmission and distribution (Page 30)	410,837	327,177	349,723
Administrative and general (Page 31)	512,933	488,091	519,247
Amortization	330,000	358,352	344,170
Taxes	<u>77,005</u>	<u>77,067</u>	<u>77,005</u>
	<u>2,495,775</u>	<u>2,440,783</u>	<u>2,367,743</u>
Operating profit	<u>298,245</u>	<u>335,348</u>	<u>414,010</u>
Non-operating expenditures (revenues)			
Dividend to Operating Fund	100,000	100,000	100,000
Capital expenditures, transfer to			
Water Utility, Capital Fund	205,445	205,566	255,701
Other interest	<u>(7,200)</u>	<u>(4,356)</u>	<u>(9,618)</u>
	<u>298,245</u>	<u>301,210</u>	<u>346,083</u>
Annual surplus	<u>\$ -</u>	34,138	67,927
Accumulated surplus, beginning of year		<u>978,208</u>	<u>910,281</u>
Accumulated surplus, end of year		<u>\$ 1,012,346</u>	<u>\$ 978,208</u>

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

(Unaudited)
 March 31

2021

2020

Assets

Cash and cash equivalents	<u>\$ 793,981</u>	<u>\$ 906,920</u>
Receivables		
Rates (less allowance for doubtful accounts \$13,534; 2020 - \$18,482)	640,943	642,434
Due from other local governments	3,284	3,284
Due from Town, Operating Fund	26,858	
Other receivables		
HST	<u>23,604</u>	<u>32,119</u>
	<u>694,689</u>	<u>677,837</u>
Prepays	<u>7,384</u>	<u>49,790</u>
Inventories, at cost	<u>15,000</u>	<u>15,000</u>
	<u>\$ 1,511,054</u>	<u>\$ 1,649,547</u>

Liabilities

Payables and accruals		
Payable to Town, Operating Fund	\$ -	\$ 8,042
Payable to Water Utility, Capital Fund	430,687	606,800
Other	<u>68,021</u>	<u>56,497</u>
	<u>498,708</u>	<u>671,339</u>

Accumulated surplus

Accumulated surplus	<u>1,012,346</u>	<u>978,208</u>
	<u>\$ 1,511,054</u>	<u>\$ 1,649,547</u>

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

(Unaudited)

March 31

2021

2020

Assets

Cash and cash equivalents in the amortization fund	\$ 334,221	\$ 331,889
Receivable from Town, Operating Fund	-	6
Receivable from Water Utility, Operating Fund	430,687	606,800
Tangible capital assets		
Utility plant and equipment (Page 29)	<u>15,551,285</u>	<u>15,169,606</u>
	<u>\$16,316,193</u>	<u>\$16,108,301</u>

Equity

Investment in capital assets (Page 29)	<u>\$16,316,193</u>	<u>\$16,108,301</u>
--	---------------------	---------------------

Town of Yarmouth
Water Utility
Non-Consolidated Tangible Capital Assets

(Unaudited)

March 31	2021	2020
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	403,821	352,857
Purification equipment	232,337	212,836
Transmission mains	2,149,025	2,149,025
Distribution mains	4,233,867	3,833,867
Services	298,877	298,877
Meter and meter installation	167,798	167,798
Hydrants	120,256	120,256
Dam repairs	240,858	240,858
Reservoirs	100,516	-
Bulk water station	169,050	-
Transportation equipment	231,656	231,656
Tools and work equipment	25,754	25,754
	<u>22,167,135</u>	<u>21,427,104</u>
Accumulated amortization	<u>(6,615,850)</u>	<u>(6,257,498)</u>
Net book value	<u>\$15,551,285</u>	<u>\$15,169,606</u>

Non-Consolidated Statement of Investment in Capital Assets

(Unaudited)

March 31	2021	2020
Balance, beginning of year	\$16,108,301	\$15,845,565
Add		
Transfer from Water Utility, Operating Fund	205,566	255,701
Interest earned on amortization fund	<u>2,326</u>	<u>7,035</u>
	<u>207,892</u>	<u>262,736</u>
Balance, end of year	<u>\$16,316,193</u>	<u>\$16,108,301</u>

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

(Unaudited)

Year Ended March 31

2021

2020

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Source of supply			
Supervision and engineering	\$ 59,650	\$ 47,836	\$ 43,530
Other	<u>48,490</u>	<u>52,291</u>	<u>73,349</u>
	<u>\$ 108,140</u>	<u>\$ 100,127</u>	<u>\$ 116,879</u>
Power and pumping			
Supervision and engineering	\$ 36,500	\$ 42,011	\$ 34,442
Fuel and power	179,900	157,901	168,903
Maintenance of structure	2,000	-	-
Maintenance of equipment	22,500	9,038	7,773
Supplies	30,000	6,308	8,592
Other including telephone	<u>12,840</u>	<u>12,405</u>	<u>12,541</u>
	<u>\$ 283,740</u>	<u>\$ 227,663</u>	<u>\$ 232,251</u>
Water treatment			
Supervision and engineering	\$ 35,000	\$ 40,539	\$ 34,154
Supplies	707,120	780,586	682,187
Maintenance of structure	3,500	3,700	2,971
Maintenance of equipment	<u>27,500</u>	<u>37,481</u>	<u>9,156</u>
	<u>\$ 773,120</u>	<u>\$ 862,306</u>	<u>\$ 728,468</u>
Transmission and distribution			
Supervision and engineering	\$ 59,000	\$ 48,160	\$ 43,634
Operation of mains	33,765	27,663	31,153
Operation of meters	48,900	49,417	48,508
Maintenance of reservoirs	9,470	9,287	6,056
Maintenance of structure	8,000	4,165	3,311
Maintenance of mains	105,995	74,101	99,268
Maintenance of hydrants	30,000	12,782	16,906
Maintenance of meters	30,000	26,290	24,864
Maintenance of services	57,948	44,881	60,464
Transportation and travel	1,800	15,795	11,008
Shop expenses	10,000	6,922	3,364
Rent	2,459	-	-
Clothing	1,500	3,501	1,187
Bulk water station	-	2,280	-
Lead sampling	-	1,933	-
Leak survey	<u>12,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 410,837</u>	<u>\$ 327,177</u>	<u>\$ 349,723</u>

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

(Unaudited)

Year Ended March 31

2021

2020

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Administrative and general			
Salaries	\$ 255,050	\$ 255,207	\$ 263,673
Employee benefits	158,550	153,025	160,877
Insurance	13,980	12,088	13,620
Office	9,400	7,614	9,034
Rent	36,896	36,888	36,888
Audit	6,600	6,600	6,600
Regulatory expenses	5,682	3,041	6,328
Other	<u>26,775</u>	<u>13,628</u>	<u>22,227</u>
	<u>\$ 512,933</u>	<u>\$ 488,091</u>	<u>\$ 519,247</u>