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Consolidated Financial Statements

Town of Yarmouth

March 31, 2023

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Independent Auditor's Report

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**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, 2023, 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, 2023, 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 25 to 30 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
June 13, 2024

Chartered Professional Accountants

Town of Yarmouth

Management's Responsibility for Financial Reporting

March 31, 2023

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

2023

2022

	<u>Budget</u> (Note 15)	<u>Actual</u>	<u>Actual</u>
Revenues			
Taxes	\$ 11,464,070	\$ 11,429,227	\$ 11,103,120
Grants in lieu of taxes	1,018,500	943,944	977,269
Services provided to other governments	840,000	924,042	870,158
Sales of services	325,061	387,714	257,219
Other revenue from own sources	2,430,176	2,329,645	2,101,610
Unconditional transfers from other governments	1,044,648	1,050,104	1,717,264
Conditional transfers from other governments	2,615,000	2,860,981	3,408,581
Domestic, commercial and industrial water	1,980,513	1,912,257	1,924,373
Public fire protection	100,804	106,019	100,611
Interest	48,835	286,055	57,956
Other	168,000	199,554	70,087
Rental and events	329,311	390,107	410,663
Food and beverage sales	33,333	85,696	34,831
	<u>22,398,251</u>	<u>22,905,345</u>	<u>23,033,742</u>
Expenses			
General government services	1,777,620	2,490,488	1,985,665
Protective services	5,069,037	4,877,732	5,054,333
Transportation services	4,109,527	4,358,558	4,066,428
Environmental health services	3,332,950	3,482,652	3,298,557
Environmental development services	1,821,263	1,670,598	1,553,238
Recreational and cultural services	2,460,721	2,664,271	2,568,126
Water and sanitation	2,557,612	2,664,358	2,382,832
	<u>21,128,730</u>	<u>22,208,657</u>	<u>20,909,179</u>
Annual surplus before the undernoted	1,269,521	696,688	2,124,563
Gain (loss) on disposal of tangible capital assets	5,000	(132,566)	19,727
Loss on change in proportionate controlled entity	-	(1,025,148)	-
Loss on dissolution of controlled entity	-	(180,647)	-
Annual surplus	<u>\$ 1,274,521</u>	<u>\$ (641,673)</u>	<u>\$ 2,144,290</u>
<hr/>			
Accumulated surplus, beginning of year		\$ 82,074,361	\$ 79,930,071
Annual surplus		<u>(641,673)</u>	<u>2,144,290</u>
Accumulated surplus, end of year		<u>\$ 81,432,688</u>	<u>\$ 82,074,361</u>

See accompanying notes to the consolidated financial statements.

Town of Yarmouth

Consolidated Statement of Financial Position

March 31

2023

2022

Financial Assets

Cash and cash equivalents	\$ 9,077,807	\$ 4,797,633
Taxes receivable (Note 4)	498,756	488,366
Sewer and water rates receivable (Note 5)	1,211,482	1,019,007
Due from Provincial Government and agencies	50,538	71,132
Other receivables (Note 6)	780,226	1,028,486
Portfolio investment	220,075	266,848
Assets held for resale	55,477	55,477
	<u>11,894,362</u>	<u>7,726,949</u>

Financial Liabilities

Due to Federal Government and agencies	621,505	650,461
Due to Provincial Government and agencies	674,811	424,811
Asset retirement obligations (Notes 2 and 23)	2,760,037	-
Payables and accruals (Note 8)	1,372,165	1,558,588
Other post employment benefits (Note 9)	842,369	791,601
Deferred revenue (Note 10)	3,351,702	1,345,258
Contaminated sites	12,503	-
Long-term debt (Note 11)	166,665	466,667
	<u>9,801,757</u>	<u>5,237,386</u>

Net Financial Assets

2,092,605 2,489,563

Non-Financial Assets

Tangible capital assets (Note 12)	79,064,933	78,997,626
Prepaid expenses	237,404	565,263
Inventories	37,747	21,909
	<u>79,340,084</u>	<u>79,584,798</u>

Accumulated Surplus

\$ 81,432,688 \$ 82,074,361

Commitments and contractual obligations (Note 13)
Contingencies (Note 14)

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	2023		2022
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Annual surplus (deficit)	\$ 1,274,521	\$ (641,673)	\$ 2,144,290
Acquisition of tangible capital assets	(3,400,000)	(2,895,224)	(7,681,504)
Loss on disposal of tangible capital assets on change in ownership of controlled entity	-	1,017,564	-
Loss on dissolution of controlled entity	-	180,647	-
Amortization of tangible capital assets	4,055,938	4,076,114	3,611,994
Asset retirement obligations	-	(2,616,149)	-
Proceeds on disposal of tangible capital assets	-	37,176	159,173
(Gain) loss on disposal of tangible capital assets	<u>(5,000)</u>	<u>132,566</u>	<u>(19,727)</u>
	1,925,459	(708,979)	(1,785,774)
Change in inventories/prepaid expenses	<u>-</u>	<u>312,021</u>	<u>(43,325)</u>
Increase (decrease) in Net Financial Assets	<u>\$ 1,925,459</u>	(396,958)	(1,829,099)
Net Financial Assets, beginning of year		<u>2,489,563</u>	<u>4,318,662</u>
Net Financial Assets, end of year		<u>\$ 2,092,605</u>	<u>\$ 2,489,563</u>

See accompanying notes to the consolidated financial statements.

Town of Yarmouth

Consolidated Statement of Cash Flow

Year Ended March 31

2023

2022

Increase (decrease) in cash and cash equivalents

Operating activities

Annual (deficit) surplus	\$ (641,673)	\$ 2,144,290
Amortization	4,076,114	3,611,994
Loss (gain) on disposal of tangible capital assets	132,566	(19,727)
Loss on dissolution of controlled entity	180,647	-
Loss on disposal of tangible capital assets on change in ownership of controlled entity	1,017,564	-

Changes in non-cash items

Taxes receivable	(10,390)	30,402
Sewer and water receivable	(192,475)	44,947
Due from Federal Government and agencies	-	202,550
Due from Provincial Government and agencies	20,593	237,864
Other receivables	248,260	(78,733)
Pension benefit asset/liability	-	(800,000)
Prepaid expenses and inventories	312,021	(43,325)
Tangible capital assets held for resale	-	50,000
Due to Federal Government and agencies	(28,956)	114,377
Due to Provincial Government and agencies	250,000	230,492
Payables and accruals	(186,423)	356,718
Other post employment benefits	50,768	(71,857)
Asset retirement obligations	2,760,037	-
Contaminated sites	12,503	-
Deferred revenue	2,006,445	518,466
	<u>10,007,601</u>	<u>6,528,457</u>

Capital activities

Asset retirement obligations recognized	(2,616,149)	-
Proceeds on disposal of tangible capital assets	37,176	159,173
Acquisition of tangible capital assets	(2,895,224)	(7,681,504)
	<u>(5,474,197)</u>	<u>(7,522,331)</u>

Financing activities

Repayment of long-term debt	(300,002)	(300,000)
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Investing activities

Increase (decrease) in portfolio investment	46,772	(57,366)
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Increase (decrease) in cash and cash equivalents	4,280,174	(1,351,240)
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Cash and cash equivalents

Beginning of year	4,797,633	6,148,871
End of year	<u>\$ 9,077,807</u>	<u>\$ 4,797,633</u>

See accompanying notes to the consolidated financial statements.

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2023

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 (dissolved June 16, 2022)

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 12, 2022, 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.

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2023

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 \$40,698 (2022 - \$39,340).

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, 2023 (2022 - 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, 2023

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.

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, and adjustments are made to annual surplus as appropriate in the year they become known.

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2023

1. Summary of significant accounting policies (continued)

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
Other post employment benefits	Accrued liability
Tangible capital assets	Useful lives
Asset retirement obligations	Discount rate

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.

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2023

2. Change in accounting policies

Asset retirement obligations

On April 1, 2022, the Town adopted Public Sector Accounting Standards PS 3280 – Asset Retirement Obligations (“PS 3280”). The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, including the removal and remediation of contaminants in retired buildings by public sector entities. The standard was adopted on the prospective basis at the date of adoption as the event giving rise to the obligation arose prior to April 1, 2022, and the obligation has not previously been recognized. Under the prospective basis of adoption, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard.

The Town has recognized an asset retirement obligation upon the adoption of PS 3280 on April 1, 2022. The liability represents the required closure and decommissioning of wind turbines, wells, wharves, transfer station, ice plant equipment, C&D sites, airport facilities, fuel oil storage tanks, fuel systems and refueling areas, and the remediation of contaminants present within/on buildings or lands owned by the Town. The assets have expected useful lives ranging from 2-58 years. As of the date of adoption of the standard, the relevant discount rate on tangible assets was 5.5% per annum.

In accordance with the provisions of this new standard, the Town has reflected the following adjustments as at April 1, 2022:

- (a) An asset retirement obligation in the amount of \$2,616,149, representing the original \$5,085,450 obligation discounted to the present value of 5.5% per annum.
- (b) An increase to tangible capital assets, representing the original estimate of the obligation as the date of the transaction.

Financial instruments and foreign currency translation

On April 1, 2022, the Town adopted Public Sector Accounting Standards PS 3450 – Financial Instruments and PS 2601 – Foreign Currency Translation. The standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency translation.

Under PS 3450, all financial instruments, including derivatives, are included on the statement of financial position, and are measured either at fair value or amortized cost based on the characteristics of the instrument and the Town's accounting policy choices.

In accordance with the provisions of these new standards, the Town does not have any changes reflected in their statements as a result of the adoption of the standards.

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2023

3. Contributions to Organizations

The Town of Yarmouth is required to assist in financing the operations of the various organizations, 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.

Contributions to the following organizations were made during the year:

- Regional Library
During 2023, the Town of Yarmouth paid \$52,400 (2022 - \$44,478) to the Regional Library.

- Tri-County Housing Authority
During 2023, the Town of Yarmouth paid \$250,000 (2022 - \$230,492) 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)
During 2023, the Town of Yarmouth paid \$18,005 (2022 - \$13,546) as its share of the cost of operations of the Western Regional Solid Waste Resource Management Authority.

- Western Regional Enterprise Network
During 2023, the Town of Yarmouth paid \$41,005 (2022 - \$39,284) as its share of the cost of operations of the Western Regional Enterprise Network.

4. Taxes receivable			<u>2023</u>	<u>2022</u>
	<u>Current year</u>	<u>Prior year</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ -	\$ 488,366	\$ 488,366	\$ 518,768
Current year's levy	11,550,743	-	11,550,743	11,117,142
Interest on outstanding taxes	93,137	-	93,137	68,786
	<u>11,643,880</u>	<u>488,366</u>	<u>12,132,246</u>	<u>11,704,696</u>
Deduct				
Current year's collections	11,249,988	149,295	11,399,283	11,007,473
Reduced taxes	234,207	-	234,207	208,857
	<u>11,484,195</u>	<u>149,295</u>	<u>11,633,490</u>	<u>11,216,330</u>
Balance, before allowance	159,685	339,071	498,756	488,366
Less valuation allowance	-	-	-	-
Balance, end of year	<u>\$ 159,685</u>	<u>\$ 339,071</u>	<u>\$ 498,756</u>	<u>\$ 488,366</u>

Town of Yarmouth
Notes to the Consolidated Financial Statements
 March 31, 2023

5. Sewer and water rates receivable	<u>2023</u>	<u>2022</u>
Sewer and water rates receivable, gross	<u>\$ 1,244,235</u>	<u>\$1,054,982</u>
Valuation allowance		
Balance, beginning of year	35,975	25,410
Allowances during the year, net of write-offs	<u>(3,222)</u>	<u>10,565</u>
Balance, end of year	<u>32,753</u>	<u>35,975</u>
Sewer and water rates receivable, net	<u>\$ 1,211,482</u>	<u>\$1,019,007</u>

6. Other receivables	<u>2023</u>	<u>2022</u>
Trade receivables	\$ 410,717	469,727
Amounts due to controlled entities	<u>161,333</u>	<u>187,403</u>
	572,050	657,130
Harmonized sales taxes	194,704	317,186
Non-controlling interest due from subsidiaries	<u>13,473</u>	<u>54,170</u>
	<u>\$ 780,226</u>	<u>\$1,028,486</u>

7. Employees' retirement pension plans

Town of Yarmouth Defined Benefit Pension Plan (the "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.

As per the Public Sector Accounting Board Handbook, Section 3250 Retirement Benefits, the accounting valuation results for the Plan as at March 31, 2020 indicated a pension asset of \$1,045,415. When the Town joined the NSPSSP, there was a significant additional cost, as the NSPSSP benefits were enhanced compared to the Town Plan, the previous pension asset was used and a further liability of \$800,000 was recorded.

Nova Scotia Public Service Superannuation Plan (NSPSSP)

Although the NSPSSP is a defined benefit pension plan for the employees, the Town accounts for it as a defined contribution plan as it is a multiemployer plan and contributions are recorded as expenses as they are paid or payable.

NSPSSP 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 \$344,809 and are recognized as an expense in the period. The contribution distribution between plan was as follows:

NSPSSP Employee contributions	\$ 344,809
NSPSSP Employer contributions	\$ 344,809

Town of Yarmouth
Notes to the Consolidated Financial Statements
 March 31, 2023

8. Payables and accruals	<u>2023</u>	<u>2022</u>
Trade payables and accruals	\$ 860,468	\$ 1,042,524
Prepayment of taxes	318,261	264,375
Amounts due to suppliers from the controlled entities	<u>193,425</u>	<u>251,689</u>
	<u>\$ 1,372,154</u>	<u>\$ 1,558,588</u>

9. 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, 2023, the maximum amount that would have to be paid to all employees amounted to \$967,107 (2022 - \$864,742). 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, 2023 was \$483,552 (2022 - \$432,371). 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, 2023 was \$358,817 (2022 - \$359,230) and 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 33.33% 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 month's 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, 2023 was \$62,864 (2022 - \$57,586), 33.33% of which has been recorded as a liability in these consolidated financial statements.

Town of Yarmouth
Notes to the Consolidated Financial Statements
March 31, 2023

10. Deferred revenue	<u>2023</u>	<u>2022</u>
Operating revenue	\$ 66,282	\$ 166,737
Capital and other revenue	3,156,665	1,178,521
Canada Community-Building Fund revenue	<u>128,755</u>	<u>-</u>
	<u>\$3,351,702</u>	<u>\$1,345,258</u>

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

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	<u>\$1,345,258</u>	<u>\$ 826,792</u>
Contributions from:		
Canada Community-Building Fund	560,992	1,125,475
Local municipal governments and other	1,342,499	144,070
Sustainable Services Growth Fund	662,945	-
Donations	-	972,779
Interest earned	<u>-</u>	<u>2,520</u>
	<u>2,566,436</u>	<u>2,244,844</u>
Utilized for:		
Tangible capital asset acquisitions	432,237	1,508,956
Safe restart expenses	-	200,000
Operations	<u>127,755</u>	<u>17,422</u>
	<u>559,992</u>	<u>1,726,378</u>
Balance, end of year	<u>\$3,351,702</u>	<u>\$1,345,258</u>

As of April 1, 2022, the Town had \$Nil in deferred Canada Community-Building Fund (CCBF) revenue. During the fiscal year, the Town received \$560,992 in CCBF funding, earned \$Nil in interest due to unspent funds held in a bank account and recognized \$432,237 as revenue due to spending some of the funding on eligible projects. As of March 31, 2023, the Town has \$128,755 in deferred CCBF 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, 2023

11. Long-term debt

	March 31, 2022	Repaid	March 31, 2023	Interest	Interest rate
General					
Nova Scotia Municipal Finance Corporation					
Southeast Street, due 2024	\$ 333,329	\$ 166,664	\$ 166,665	\$ 10,582	5.034% - 5.088%
Brooklyn Street, due 2023	133,338	133,338	-	3,180	4.770% - 4.770%
Total	<u>\$ 466,667</u>	<u>\$ 300,002</u>	<u>\$ 166,665</u>	<u>\$ 13,762</u>	

Principal repayments required in the next year are \$166,665.

Town of Yarmouth
Notes to the Consolidated Financial Statements
 March 31, 2023

12. Tangible capital assets

	Land	Land improvements	Land	Municipal buildings	Other buildings	Machinery and equipment	Landfill	Vehicles	Streets and roads
Cost									
Balance, beginning of year	\$ 5,692,459	\$ 5,438,350	\$ 28,985,528	\$ 15,826,975	\$ 10,102,161	\$ 2,668,209	\$ 1,060,012	\$ 14,034,957	
Add									
Additions during the year	94,382	743,808	501,250	4,238	491,904	12,503	34,609	467,210	
ARO addition to cost	-	-	2,256,741	-	69,902	183,305	-	-	
Reclassification	-	-	-	-	-	-	-	-	
Less									
Disposals during the year	(246,134)	-	(1,813,364)	-	(508,807)	-	-	-	
Reclassification	-	-	-	-	-	-	-	-	
Balance, end of year	<u>5,538,707</u>	<u>6,182,158</u>	<u>29,930,155</u>	<u>15,831,213</u>	<u>10,155,180</u>	<u>2,864,017</u>	<u>1,094,621</u>	<u>14,502,167</u>	
Accumulated amortization									
Balance, beginning of year	-	2,265,537	8,657,908	4,899,407	5,932,653	2,115,813	852,888	6,522,220	
Add									
Amortization during the year	-	200,587	1,209,981	286,703	495,909	101,504	95,917	531,125	
Reclassification	-	-	-	-	-	-	-	-	
Less									
Accumulated amortization on disposals	-	-	(867,516)	-	(437,092)	-	-	-	
Reclassification	-	-	-	-	-	-	-	-	
Balance, end of year	-	<u>2,466,124</u>	<u>9,000,373</u>	<u>5,186,110</u>	<u>5,991,469</u>	<u>2,217,317</u>	<u>948,805</u>	<u>7,053,345</u>	
NET BOOK VALUE	<u>\$ 5,538,707</u>	<u>\$ 3,716,034</u>	<u>\$ 20,929,782</u>	<u>\$ 10,645,102</u>	<u>\$ 4,163,711</u>	<u>\$ 646,700</u>	<u>\$ 145,816</u>	<u>\$ 7,448,822</u>	
NET BOOK VALUE, MARCH 31, 2022	<u>\$ 5,692,459</u>	<u>\$ 3,172,813</u>	<u>\$ 20,327,620</u>	<u>\$ 10,927,568</u>	<u>\$ 4,169,528</u>	<u>\$ 552,396</u>	<u>\$ 207,124</u>	<u>\$ 7,512,737</u>	

Town of Yarmouth Notes to the Consolidated Financial Statements

March 31, 2023

12. Tangible capital assets (continued)

	Street lights	Sidewalks	Sewer lines	Dam	Wharf	Work in progress	2023 Total	2022 Total
Cost								
Balance, beginning of year	\$ 1,127,257	\$ 5,420,682	\$ 34,576,898	\$ 1,017,089	\$ 6,248,051	\$ 197,256	\$ 132,395,900	\$ 124,935,296
Additions during the year	-	-	5,214	-	-	540,105	2,895,224	7,681,504
ARO addition to cost	-	-	-	-	106,201	-	2,616,149	-
Reclassification	-	-	-	-	-	-	-	6,804,249
Less:								
Disposals during the year	-	-	-	-	-	(102,253)	(2,672,558)	(220,899)
Reclassification	-	-	-	-	-	-	-	(6,804,249)
Balance, end of year	<u>1,127,257</u>	<u>5,420,682</u>	<u>34,582,112</u>	<u>1,017,089</u>	<u>6,354,249</u>	<u>635,108</u>	<u>135,234,715</u>	<u>132,395,900</u>
Accumulated amortization								
Balance, beginning of year	487,894	3,386,245	12,712,032	426,896	5,138,785	-	53,398,279	49,867,729
Add:								
Amortization during the year	44,235	210,019	644,728	40,681	214,724	-	4,076,114	3,611,994
Reclassification	-	-	-	-	-	-	-	-
Less:								
Accumulated amortization on disposals	-	-	-	-	-	-	(1,304,608)	(81,449)
Reclassification	-	-	-	-	-	-	-	-
Balance, end of year	<u>532,129</u>	<u>3,596,264</u>	<u>13,356,760</u>	<u>467,577</u>	<u>5,353,509</u>	-	<u>56,169,782</u>	<u>53,398,279</u>
NET BOOK VALUE	<u>\$ 595,128</u>	<u>\$ 1,824,418</u>	<u>\$ 21,225,352</u>	<u>\$ 549,512</u>	<u>\$ 1,000,740</u>	<u>\$ 635,108</u>	<u>\$ 79,064,933</u>	<u>\$ 78,997,626</u>
NET BOOK VALUE, MARCH 31, 2022	<u>\$ 639,363</u>	<u>\$ 2,034,437</u>	<u>\$ 21,864,886</u>	<u>\$ 590,193</u>	<u>\$ 1,109,263</u>	<u>\$ 197,256</u>	<u>\$ 78,997,626</u>	<u>\$ 75,067,567</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, 2023

13. 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 two years of the contract are as follows (excluding HST):

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, 2023:

New sidewalks/trails	\$ 1,031,801
Plow/salt truck	\$ 245,106

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

14. 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 2023 the Town has funded \$22,222 (2022 - \$26,184) for the AM Clarke Health Center and \$19,652 (2022 - \$29,177) 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, 2023

15. Budget figures

Public Sector Accounting Standards require a comparison of the results for the period with those originally planned on the same basis as that used for actual results. The fiscal plan in the statement of operations and statement of changes in net assets has been adjusted to be on a consistent basis as actual results. The adjustments below include netting school board appropriations and reduced taxes against tax revenues, reclassification of revenues and expenditures amongst categories, and the elimination of revenues and expenditures between the Town and its proportionately consolidated entities. Below is a reconciliation of the figures from the approved fiscal plan to the fiscal plan per the financial statement:

	Approved Fiscal Plan	Adjustments	Fiscal Plan Per Financial Statements
Revenues			
Taxes	\$ 13,449,122	\$(1,985,052)	\$ 11,464,070
Grants in lieu of taxes	1,018,500	-	1,018,500
Services provided to other governments	840,000	-	840,000
Sales of services	325,061	-	325,061
Other revenue from own sources	3,326,127	(895,951)	2,430,176
Unconditional transfers from other governments	1,143,339	(98,691)	1,044,648
Conditional transfers from other governments	55,000	2,560,000	2,615,000
Other transfers	322,196	(322,196)	-
Domestic, commercial and industrial water	2,215,000	(234,487)	1,980,513
Public fire protection	535,000	(434,196)	100,804
Interest	48,835	-	48,835
Other	168,000	-	168,000
Rental and events	329,311	-	329,311
Food and beverage sales	33,333	-	33,333
	<u>23,808,824</u>	<u>(1,410,573)</u>	<u>22,398,251</u>
Expenses			
General government services	1,826,016	(48,396)	1,777,620
Protective services	5,608,940	(539,903)	5,069,037
Transportation services	2,575,580	1,533,947	4,109,527
Environmental health services	3,015,741	317,209	3,332,950
Environmental development services	2,488,160	(666,897)	1,821,263
Recreational and cultural services	1,738,598	722,123	2,460,721
Fiscal services	3,927,633	(3,927,633)	-
Water and sanitation	2,839,000	(281,388)	2,557,612
	<u>24,019,668</u>	<u>(2,890,938)</u>	<u>21,128,730</u>
Annual (deficit) surplus before the undernoted	(210,844)	1,480,365	1,269,521
Gain on disposal of tangible capital assets	5,000	-	5,000
Annual (deficit) surplus	<u>\$ (205,844)</u>	<u>\$ 1,480,365</u>	<u>\$ 1,274,521</u>

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2023

16. 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, 2023

16. Segment disclosure (continued)

	General government	Protective	Transportation	Environmental health	Environmental development	Recreation and cultural	Water and sanitation	2023 Consolidated	2022 Consolidated
Revenues									
Taxes	\$ 1,456,402	\$ 2,852,428	\$ 2,548,823	\$ 2,036,605	\$ 976,942	\$ 1,558,027	\$ -	\$ 11,429,227	\$ 11,103,120
Grants in lieu of taxes	120,285	235,583	210,508	168,204	80,686	128,678	-	943,944	977,269
Services provided to other governments	-	548,278	-	375,764	-	-	-	924,042	870,158
Sales of services	31,819	11,537	118,586	-	113,418	112,355	-	387,714	257,219
Other revenue from own sources	456,760	6,260	309,099	1,006,910	320,159	230,456	-	2,329,645	2,101,610
Unconditional transfers from other governments	727,970	-	138,362	-	176,230	7,542	-	1,050,104	1,717,264
Conditional transfers from other governments	102,351	-	1,181,668	603,589	-	973,373	-	2,860,981	3,408,581
Domestic, commercial and industrial water	-	-	-	-	-	-	1,912,257	1,912,257	1,924,373
Public fire protection	-	-	-	-	-	-	106,019	106,019	100,611
Interest	206,107	-	1,799	15,633	5,065	25,276	32,175	286,055	57,956
Other	-	-	-	-	-	-	199,554	199,554	70,087
Rental and events	-	-	-	-	130,701	259,406	-	390,107	410,663
Food and beverage sales	-	-	-	-	-	85,696	-	85,696	34,832
	<u>3,101,694</u>	<u>3,654,086</u>	<u>4,508,845</u>	<u>4,206,706</u>	<u>1,803,202</u>	<u>3,380,808</u>	<u>2,250,005</u>	<u>22,905,345</u>	<u>23,033,742</u>
Expenses									
Salaries and benefits	963,293	1,713,536	965,398	719,372	581,370	734,928	724,796	6,402,693	6,039,591
Goods and services	482,721	2,882,469	1,743,679	1,698,885	701,765	909,187	1,474,871	9,893,578	9,665,272
Amortization	99,072	281,727	1,487,393	975,649	218,522	653,427	360,325	4,076,114	3,611,994
Interest	-	-	13,762	-	-	-	-	13,762	26,580
Other	945,402	-	148,327	88,746	168,941	366,728	104,366	1,822,510	1,565,741
	<u>2,490,488</u>	<u>4,877,732</u>	<u>4,358,558</u>	<u>3,482,652</u>	<u>1,670,598</u>	<u>2,664,270</u>	<u>2,664,358</u>	<u>22,208,657</u>	<u>20,909,178</u>
Annual surplus (deficit) before the undernoted	611,206	(1,223,646)	150,286	724,054	132,604	716,538	(414,353)	696,688	2,124,563
Gain on disposal of tangible capital assets	(152,566)	-	-	-	-	-	-	(132,566)	19,727
Loss on change in proportionate controlled entity	(1,025,148)	-	-	-	-	-	-	(1,025,148)	19,727
Loss on dissolution of controlled entity	(180,647)	-	-	-	-	-	-	(180,647)	-
Annual surplus (deficit)	<u>\$ (727,155)</u>	<u>\$ (1,223,646)</u>	<u>\$ 150,286</u>	<u>\$ 724,054</u>	<u>\$ 132,604</u>	<u>\$ 716,538</u>	<u>\$ (414,353)</u>	<u>\$ (641,673)</u>	<u>\$ 2,144,290</u>

Town of Yarmouth Notes to the Consolidated Financial Statements

March 31, 2023

17. Subsidiary operations

						2023	2022
	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	Total
Revenues							
Rental and events	\$ -	\$ 259,406	\$ -	\$ -	\$ 130,701	\$ -	\$ 390,107
Food and beverage sales	-	85,696	-	-	-	-	85,696
Sales of services	-	112,355	118,586	-	113,416	-	344,358
Grants from governments	-	195,452	197,370	-	35,000	187,993	615,815
Other revenue from own sources	550,267	337,313	99,168	-	41,874	99,982	1,128,605
Interest	15,633	25,276	1,799	72	4,993	-	47,773
Other	-	122,171	-	-	-	-	122,171
	<u>565,901</u>	<u>1,137,668</u>	<u>416,923</u>	<u>72</u>	<u>325,987</u>	<u>287,975</u>	<u>2,734,525</u>
Expenses	579,869	973,204	413,636	-	508,876	313,083	2,788,669
Annual surplus (deficit)	<u>\$ (13,968)</u>	<u>\$ 164,465</u>	<u>\$ 3,286</u>	<u>\$ 72</u>	<u>\$ (182,889)</u>	<u>\$ (25,108)</u>	<u>\$ (54,144)</u>
Financial assets	\$ 489,504	\$ 1,574,222	\$ 46,112	\$ -	\$ 293,274	\$ 52,956	\$ 1,819,306
Financial liabilities	243,741	1,478,139	102,055	-	161,775	11,492	502,292
Net financial assets (debt)	245,762	96,083	(55,943)	-	131,499	41,464	1,317,014
Non-financial assets	897,308	2,118,676	158,353	-	1,562,658	13,757	4,750,752
Accumulated surplus	<u>\$ 1,143,070</u>	<u>\$ 2,214,758</u>	<u>\$ 102,410</u>	<u>\$ -</u>	<u>\$ 1,694,157</u>	<u>\$ 55,221</u>	<u>\$ 5,209,616</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.

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, 2023.

Town of Yarmouth
Notes to the Consolidated Financial Statements
 March 31, 2023

18. Remuneration and expense reimbursements

The total remuneration and expense reimbursements paid to councillors and the Chief Administrative Officer for the year ended March 31, 2023, was as follows:

	<u>Remuneration</u>	<u>Expenses</u>
Pam Mood – Mayor	\$ 52,918	\$ 6,237
Steven Berry – Deputy Mayor	33,461	-
Belle Hatfield – Councillor	27,895	3,026
Wade Cleveland – Councillor	27,895	872
Gil Dares – Councillor	27,895	3,651
Heather Hatfield – Councillor	27,895	3,744
Derek Lesser – Councillor	27,895	-
Jeff Gushue – Chief Administrative Officer	156,767	4,994

19. Reserves

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

	<u>2023</u>	<u>2022</u>
Operating	<u>\$ 1,201,000</u>	<u>\$ 1,598,397</u>
Capital	<u>\$ 1,973,092</u>	<u>\$ 1,922,064</u>

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

20. Trust funds

The Trust Funds being administered by the Town of Yarmouth are not consolidated with the accounts of the Town. At March 31, 2023, the equity in Trust Funds under its trusteeship amounted to \$375,123 (2022 - \$362,296).

21. 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, 2023, the total amount in this Capital Reserve was \$607,821 (2022 - \$618,652). 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.

22. Comparative figures

Comparative figures have been adjusted to conform with changes in the current year presentation.

Town of Yarmouth
Notes to the Consolidated Financial Statements
 March 31, 2023

23. Asset retirement obligations

The Town's asset retirement obligation consists of the liability for the decommissioning of wind turbines, wells, wharves, transfer station, ice plant equipment, C&D sites, airport facilities, fuel oil storage tanks, fuel systems and refueling areas, and the remediation of contaminants present within/on buildings or lands owned by the Town. Closure is required to meet environmental standards, and therefore there is a legal obligation for decommissioning. Following the adoption of PS 3280 – Asset Retirement Obligations, the Town recognized an obligation relating to this decommissioning and remediation as estimated at April 1, 2022. These assets have remaining useful lives of 2-58 years. Estimated costs have been discounted to the present value using a discount rate of 5.5% per annum.

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

	<u>2023</u>	<u>2022</u>
Opening balance	\$ -	\$ -
Liability recognized on adoption of PS 3280	2,616,149	-
Settlement	-	-
Accretion expense	<u>143,888</u>	<u>-</u>
Closing balance	<u>\$2,760,037</u>	<u>\$ -</u>

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

(Unaudited)

Year Ended March 31

2023

2022

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Operating revenues			
Domestic, commercial and industrial water	\$ 2,215,000	\$ 2,182,438	\$ 2,155,646
Public fire protection	535,000	540,772	535,911
Other	<u>83,000</u>	<u>85,925</u>	<u>23,045</u>
	<u>2,833,000</u>	<u>2,809,135</u>	<u>2,714,602</u>
Operating expenditures			
Source of supply (Page 31)	152,880	139,059	92,809
Power and pumping (Page 31)	301,530	261,993	264,777
Water treatment (Page 31)	861,920	962,028	867,300
Transmission and distribution (Page 31)	384,830	373,313	287,368
Administrative and general (Page 32)	521,913	598,178	538,938
Amortization	365,027	360,325	362,186
Taxes	<u>78,400</u>	<u>77,405</u>	<u>77,086</u>
	<u>2,666,500</u>	<u>2,772,301</u>	<u>2,490,464</u>
Operating profit	<u>166,500</u>	<u>36,834</u>	<u>224,138</u>
Non-operating expenditures (revenues)			
Dividend to Operating Fund	100,000	100,000	100,000
Capital expenditures, transfer to Water Utility, Capital Fund	72,500	-	250,000
Other interest	<u>(6,000)</u>	<u>(20,559)</u>	<u>(2,493)</u>
	<u>166,500</u>	<u>79,441</u>	<u>347,507</u>
Annual (deficit) surplus	<u>\$ -</u>	<u>(42,607)</u>	<u>(123,369)</u>
Accumulated surplus, beginning of year		<u>888,977</u>	<u>1,012,346</u>
Accumulated surplus, end of year		<u>\$ 846,370</u>	<u>\$ 888,977</u>

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

(Unaudited)

March 31

2023

2022

Assets

Cash and cash equivalents	<u>\$ 1,312,340</u>	<u>\$ 505,676</u>
Receivables		
Rates (less allowance for doubtful accounts \$22,552; 2022 - \$25,179)	745,385	616,757
Due from other local governments	3,284	3,284
Due from Town, Operating Fund	-	372,393
Other receivables		
Other	50,000	26,432
HST	<u>34,755</u>	<u>25,484</u>
	<u>833,424</u>	<u>1,044,350</u>
Prepays	<u>7,384</u>	<u>7,384</u>
Inventories, at cost	<u>15,000</u>	<u>15,000</u>
	<u>\$ 2,168,148</u>	<u>\$ 1,572,410</u>

Liabilities

Payables and accruals		
Payable to Town, Operating Fund	\$ 344,174	\$ -
Payable to Water Utility, Capital Fund	873,332	628,450
Other	<u>104,272</u>	<u>54,983</u>
	<u>1,321,778</u>	<u>683,433</u>
Accumulated surplus		
Accumulated surplus	<u>846,370</u>	<u>888,977</u>
	<u>\$ 2,168,148</u>	<u>\$ 1,572,410</u>

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

(Unaudited)
March 31

2023

2022

Assets

Cash and cash equivalents in the amortization fund	\$ 348,251	\$ 336,636
Receivable from Water Utility, Operating Fund	873,332	628,450
Tangible capital assets		
Utility plant and equipment (Page 30)	<u>15,358,639</u>	<u>15,603,520</u>
	<u>\$16,580,222</u>	<u>\$16,568,606</u>

Equity

Investment in capital assets (Page 30)	<u>\$16,580,222</u>	<u>\$16,568,606</u>
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Town of Yarmouth
Water Utility
Non-Consolidated Tangible Capital Assets

(Unaudited) March 31	2023	2022
Land and rights	\$ 701,605	\$ 629,728
Structures and improvements	12,920,038	12,920,038
Electrical pumping equipment	376,033	376,033
Office equipment	445,637	421,951
Purification equipment	232,337	232,337
Transmission mains	2,149,025	2,149,025
Distribution mains	4,473,868	4,473,868
Services	314,520	298,877
Meter and meter installation	167,798	167,798
Hydrants	120,256	120,256
Dam repairs	240,858	240,858
Reservoirs	112,402	100,164
Bulk water station	185,214	185,214
Transportation equipment	231,656	231,656
Tools and work equipment	25,754	25,754
	<u>22,697,001</u>	<u>22,573,557</u>
Accumulated amortization	<u>(7,338,362)</u>	<u>(6,978,037)</u>
Net book value	<u>\$15,358,639</u>	<u>\$15,603,520</u>

Non-Consolidated Statement of Investment in Capital Assets

(Unaudited) March 31	2023	2022
Balance, beginning of year	\$16,568,606	\$16,316,193
Add		
Transfer from Water Utility, Operating Fund	-	250,000
Interest earned on amortization fund	11,616	2,413
	<u>11,616</u>	<u>252,413</u>
Balance, end of year	<u>\$16,580,222</u>	<u>\$16,568,606</u>

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

(Unaudited)

Year Ended March 31

2023

2022

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Source of supply			
Supervision and engineering	\$ 56,000	\$ 48,947	\$ 47,784
Other	<u>96,880</u>	<u>90,112</u>	<u>45,025</u>
	<u>\$ 152,880</u>	<u>\$ 139,059</u>	<u>\$ 92,809</u>
Power and pumping			
Supervision and engineering	\$ 32,990	\$ 35,790	\$ 41,533
Fuel and power	183,000	206,844	175,216
Maintenance of structure	6,000	-	2,998
Maintenance of equipment	22,500	4,442	16,528
Supplies	44,000	4,567	15,613
Other including telephone	<u>13,040</u>	<u>10,350</u>	<u>12,889</u>
	<u>\$ 301,530</u>	<u>\$ 261,993</u>	<u>\$ 264,777</u>
Water treatment			
Supervision and engineering	\$ 32,000	\$ 36,980	\$ 40,330
Supplies	791,420	889,007	800,145
Maintenance of structure	3,500	4,745	11,177
Maintenance of equipment	<u>35,000</u>	<u>31,296</u>	<u>15,648</u>
	<u>\$ 861,920</u>	<u>\$ 962,028</u>	<u>\$ 867,300</u>
Transmission and distribution			
Supervision and engineering	\$ 55,540	\$ 51,044	\$ 53,631
Operation of mains	28,000	25,226	22,364
Operation of meters	53,500	54,449	51,352
Maintenance of reservoirs	4,000	4,891	-
Maintenance of structure	6,500	3,739	4,196
Maintenance of mains	93,500	101,136	61,542
Maintenance of hydrants	25,500	21,895	17,848
Maintenance of meters	25,000	20,414	19,656
Maintenance of services	53,230	63,239	38,392
Transportation and travel	6,400	15,429	11,927
Shop expenses	11,200	9,236	1,306
Clothing	2,000	1,043	2,207
Bulk water station	6,460	1,189	1,228
Lead sampling	-	383	1,719
Leak survey	<u>14,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 384,830</u>	<u>\$ 373,313</u>	<u>\$ 287,368</u>

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

(Unaudited)

Year Ended March 31

2023

2022

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Administrative and general			
Salaries	\$ 255,800	\$ 300,221	\$ 277,720
Employee benefits	157,148	156,703	157,909
Insurance	16,320	18,419	16,230
Office	9,000	7,994	7,711
Rent	36,895	36,888	36,888
Audit	8,000	8,000	6,950
Regulatory expenses	4,650	6,493	-
Other	34,100	63,460	35,530
	<u>\$ 521,913</u>	<u>\$ 598,178</u>	<u>\$ 538,938</u>