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## Consolidated Financial Statements

Town of Yarmouth

March 31, 2024

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# Town of Yarmouth

## Management's Responsibility for Financial Reporting

March 31, 2024

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The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the consolidated financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.


Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Council. The Council reviews internal financial statements on a monthly basis and external audited consolidated financial statements yearly. The Council also discusses any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

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

On behalf of Town of Yarmouth:

Mayor



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Chief Administrative Officer



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# Independent Auditor's Report

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

T +1 902 742 7842  
F +1 902 742 0224  
www.DoaneGrantThornton.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, 2024, 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, 2024, 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 29 to 34 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.

*Doane Grant Thornton LLP*

Chartered Professional Accountants

Yarmouth, Canada  
December 12, 2024

# Town of Yarmouth

## Consolidated Statement of Operations

Year Ended March 31

2024

2023

	<u>Budget</u> (Note 15)	<u>Actual</u>	<u>Actual</u>
<b>Revenues</b>			
Taxes	\$ 12,507,444	\$ 12,509,318	\$ 11,429,227
Grants in lieu of taxes	919,445	894,356	943,944
Services provided to other governments	1,260,000	1,500,946	924,042
Sales of services	461,189	451,722	387,714
Other revenue from own sources	2,369,025	2,280,390	2,329,645
Unconditional transfers from other governments	977,284	923,545	1,050,104
Conditional transfers from other governments	2,295,000	845,963	2,860,981
Domestic, commercial and industrial water	2,046,308	1,945,055	1,912,257
Public fire protection	100,804	99,685	106,019
Interest	93,335	653,947	286,055
Other	174,500	206,520	199,554
Rental and events	340,065	366,536	390,107
Food and beverage sales	87,333	111,739	85,696
	<u>23,631,732</u>	<u>22,789,723</u>	<u>22,905,345</u>
<b>Expenses</b>			
General government services	1,911,070	2,821,152	2,490,488
Protective services	5,516,397	5,488,924	4,877,732
Transportation services	4,373,553	4,304,004	4,358,558
Environmental health services	3,696,074	3,716,042	3,482,652
Environmental development services	1,566,275	1,775,621	1,670,598
Recreational and cultural services	2,881,113	3,045,821	2,664,271
Water and sanitation	2,682,557	2,657,832	2,664,358
	<u>22,627,039</u>	<u>23,809,396</u>	<u>22,208,657</u>
Annual surplus (deficit) before the undermoted	1,004,693	(1,019,673)	696,688
Gain (loss) on disposal of tangible capital assets	16,114	63,825	(132,566)
Loss on change in proportionate controlled entity	-	-	(1,025,148)
Loss on dissolution of controlled entity	-	-	(180,647)
Annual surplus (deficit)	<u>\$ 1,020,807</u>	<u>\$ (955,848)</u>	<u>\$ (641,673)</u>
<hr/>			
Accumulated surplus, beginning of year		\$ 81,432,688	\$ 82,074,361
Annual deficit		<u>(955,848)</u>	<u>(641,673)</u>
Accumulated surplus, end of year		<u>\$ 80,476,840</u>	<u>\$ 81,432,688</u>

See accompanying notes to the consolidated financial statements.

# Town of Yarmouth

## Consolidated Statement of Financial Position

March 31

2024

2023

### Financial Assets

Cash and cash equivalents	\$ 11,430,931	\$ 9,077,807
Taxes receivable (Note 4)	579,287	498,756
Sewer and water rates receivable (Note 5)	1,209,489	1,211,482
Due from Provincial Government and agencies	1,178,960	-
Due from other local governments	436,693	50,538
Other receivables (Note 6)	501,038	780,226
Portfolio investment	225,004	220,075
Assets held for resale	55,477	55,477
	<u>15,616,879</u>	<u>11,894,362</u>

### Financial Liabilities

Due to Federal Government and agencies	597,177	621,505
Due to Provincial Government and agencies	214,875	674,811
Due to other local governments	578,336	-
Asset retirement obligations (Note 23)	2,911,839	2,760,037
Payables and accruals (Note 8)	1,761,876	1,489,629
Other post employment benefits (Note 9)	888,986	842,369
Deferred revenue (Note 10)	6,752,375	3,351,702
Contaminated sites	12,503	12,503
Long-term debt (Note 11)	89,000	166,665
	<u>13,806,967</u>	<u>9,919,221</u>

### Net Financial Assets

1,809,912      1,975,141

### Non-Financial Assets

Tangible capital assets (Note 12)	78,347,904	79,064,933
Prepaid expenses	284,871	354,867
Inventories	34,153	37,747
	<u>78,666,928</u>	<u>79,457,547</u>

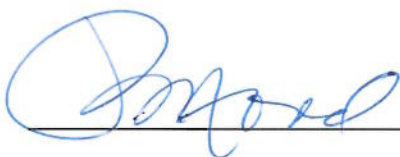
### Accumulated Surplus

\$ 80,476,840      \$ 81,432,688

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	2024		2023
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Annual surplus (deficit)	\$ 1,020,807	\$ (955,848)	\$ (641,673)
Acquisition of tangible capital assets	(3,080,000)	(3,582,047)	(2,895,224)
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	3,967,437	4,288,895	4,076,114
Asset retirement obligations	-	-	(2,618,149)
Proceeds on disposal of tangible capital assets	-	74,006	37,176
(Gain) loss on disposal of tangible capital assets	<u>(16,114)</u>	<u>(63,825)</u>	<u>132,566</u>
	<u>1,892,130</u>	<u>(238,819)</u>	<u>(708,980)</u>
Change in inventories/prepaid expenses	<u>-</u>	<u>73,590</u>	<u>194,558</u>
<b>Increase (decrease) in Net Financial Assets</b>	<b><u>\$ 1,892,130</u></b>	<b><u>(165,229)</u></b>	<b><u>(514,422)</u></b>
<b>Net Financial Assets, beginning of year</b>		<b><u>1,975,141</u></b>	<b><u>2,489,563</u></b>
<b>Net Financial Assets, end of year</b>		<b><u>\$ 1,809,912</u></b>	<b><u>\$ 1,975,141</u></b>

See accompanying notes to the consolidated financial statements.

# Town of Yarmouth

## Consolidated Statement of Cash Flow

Year Ended March 31

2024

2023

Increase (decrease) in cash and cash equivalents

**Operating activities**

Annual deficit	\$ (955,848)	\$ (641,673)
Amortization	4,288,895	4,076,114
Loss (gain) on disposal of tangible capital assets	(63,825)	132,566
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	(80,531)	(10,390)
Sewer and water receivable	1,993	(192,475)
Due from Provincial Government and agencies	(1,178,960)	-
Due from other local governments	(386,155)	20,593
Other receivables	279,188	248,260
Prepaid expenses and inventories	73,590	194,558
Due to Federal Government and agencies	(24,328)	(28,956)
Due to Provincial Government and agencies	(459,936)	250,000
Due to other local governments	578,336	-
Payables and accruals	272,247	(68,959)
Other post-employment benefits	46,617	50,768
Asset retirement obligations	151,802	2,760,037
Contaminated sites	-	12,503
Deferred revenue	3,400,673	2,006,445
	<u>5,943,758</u>	<u>10,007,601</u>

**Capital activities**

Asset retirement obligations recognized	-	(2,616,149)
Proceeds on disposal of tangible capital assets	74,006	37,176
Acquisition of tangible capital assets	(3,582,047)	(2,895,224)
	<u>(3,508,041)</u>	<u>(5,474,197)</u>

**Financing activities**

Issuance of long-term debt	89,000	-
Repayment of long-term debt	(166,665)	(300,002)
	<u>(77,665)</u>	<u>(300,002)</u>

**Investing activities**

(Decrease) increase in portfolio investment	(4,929)	46,772
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Increase in cash and cash equivalents	2,353,124	4,280,174
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**Cash and cash equivalents**

Beginning of year	9,077,807	4,797,633
End of year	<u>\$ 11,430,931</u>	<u>\$ 9,077,807</u>

See accompanying notes to the consolidated financial statements.

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# Town of Yarmouth

## Notes to the Consolidated Financial Statements

March 31, 2024

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### 1. Summary of significant accounting policies

The consolidated financial statements of the Town of Yarmouth (the "Town") are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board ("PSAB") of Chartered Professional Accounts Canada.

The focus of PSAB financial statements is on the financial position of the Town and the changes thereto. The consolidated statement of financial position includes all of the assets and liabilities of the Town.

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

#### Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in fund balances and in financial position of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Town and which are controlled by the Town.

The Town has consolidated the following proportionately controlled entities:

- Mariners Centre Management Authority
- Mariners Centre Health & Wellness Fund
- 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 23, 2023, in its original fiscal plan; they also include budgets prepared and approved by controlled entities and are adjusted for amortization in accordance with Public Sector requirements. Note 15 outlines the original fiscal plan and the adjustments made to come to the budget figures shown in these financial statements.

#### Revenue recognition

- (a) Taxes are recognized as assets and revenue when they meet the definition of an asset, are authorized and a taxable event occurs, which for property taxes is the period for which the tax is levied.

At each financial statement date, management evaluates the extent to which its tax receivables are ultimately collectible and valuation allowances are used to reflect tax receivables at their net recoverable amount. At each financial statement date, management evaluates the likelihood of having to repay taxes collected under tax measures that have been deemed authorized using the concept of legislative convention and recognizes a liability when required. Related refunds are accounted for in the period in which the change in estimate occurs.

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# Town of Yarmouth

## Notes to the Consolidated Financial Statements

March 31, 2024

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

#### Revenue recognition (continued)

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

#### 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 \$42,927 (2023 - \$40,698).

#### 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, 2024 (2023 - \$Nil) with an interest rate of prime minus 0.5%.

#### Tangible capital assets

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

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# Town of Yarmouth

## Notes to the Consolidated Financial Statements

March 31, 2024

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

#### Tangible capital assets (continued)

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

Land improvements	25 years
Buildings	25-40 years
Plants	20-25 years
Landfill	5, 7, 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

#### 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.

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# Town of Yarmouth

## Notes to the Consolidated Financial Statements

March 31, 2024

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### 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.

#### **Asset retirement obligation**

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that the future economic benefit will be given up; and
- A reasonable estimate of the amount can be made.

The liability for the 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 refuelling areas has been recognized based on estimated future expenses. The liability associated with the remediation of contaminants present within buildings/land owned by the Municipality has also been recognized based on estimated future expenses on closure of the sites and post-closure care.

The liability is discounted using a present value calculation and adjusted annually for accretion expense. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to tangible capital assets is being amortized in accordance with the amortization accounting policies.

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## Town of Yarmouth

### Notes to the Consolidated Financial Statements

March 31, 2024

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#### 2. Change in accounting policies

##### Revenue

On April 1, 2023, the Town adopted Public Sector Accounting Standards PS 3400 – Revenue ("PS 3400"). PS 3400 establishes standards on how to account for and report on revenue. It does not apply to revenues for which specific standards already exist, such as government transfers or restricted revenues. The section distinguishes between revenue that arises from transactions that include performance obligations (i.e. exchange transactions) and transactions that do not have performance obligations (i.e. non-exchange transactions). Revenue from transactions with performance obligations will be recognized when (or as) the performance obligation is satisfied by providing the promised goods or services to the payor. Revenue from transactions with no performance obligations will be recognized when a public sector entity has the authority to claim or retain the revenue and identifies a past transaction or event that gives rise to an asset.

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

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## Town of Yarmouth

### Notes to the Consolidated Financial Statements

March 31, 2024

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#### 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 2024, the Town of Yarmouth paid \$52,400 (2023 - \$52,400) to the Regional Library.
  
- Tri-County Housing Authority  
During 2024, the Town of Yarmouth recognized its final payment of \$290,344 (2023 - \$250,000) 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 2024, the Town of Yarmouth paid \$18,383 (2023 - \$18,005) as its share of the cost of operations of the Western Regional Solid Waste Resource Management Authority.
  
- Western Regional Enterprise Network  
During 2024, the Town of Yarmouth paid \$43,945 (2023 - \$41,005) as its share of the cost of operations of the Western Regional Enterprise Network.

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4. Taxes receivable			<u>2024</u>	<u>2023</u>
	<u>Current year</u>	<u>Prior year</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ -	\$ 498,756	\$ 498,756	\$ 488,366
Current year's levy	12,753,075	-	12,753,075	11,550,743
Interest on outstanding taxes	121,879	-	121,879	93,137
	<u>12,874,954</u>	<u>498,756</u>	<u>13,373,710</u>	<u>12,132,246</u>
Deduct				
Current year's collections	12,193,422	391,212	12,584,634	11,399,283
Reduced taxes	209,789	-	209,789	234,207
	<u>12,403,211</u>	<u>391,212</u>	<u>12,794,423</u>	<u>11,633,490</u>
Balance, before allowance	471,743	107,544	579,287	498,756
Less valuation allowance	-	-	-	-
Balance, end of year	<u>\$ 471,743</u>	<u>\$ 107,544</u>	<u>\$ 579,287</u>	<u>\$ 498,756</u>

**Town of Yarmouth**  
**Notes to the Consolidated Financial Statements**  
 March 31, 2024

5. Sewer and water rates receivable	<u>2024</u>	<u>2023</u>
Sewer and water rates receivable, gross	<u>\$ 1,230,428</u>	<u>\$1,244,235</u>
Valuation allowance:		
Balance, beginning of year	32,753	35,975
Allowances during the year, net of write-offs	<u>(11,814)</u>	<u>(3,222)</u>
Balance, end of year	<u>20,939</u>	<u>32,753</u>
Sewer and water rates receivable, net	<u>\$ 1,209,489</u>	<u>\$1,211,482</u>

6. Other receivables	<u>2024</u>	<u>2023</u>
Trade receivables	\$ 228,412	410,717
Amounts due to controlled entities	<u>144,609</u>	<u>161,333</u>
	373,021	572,050
Harmonized sales taxes	217,207	194,704
Non-controlling interest due from subsidiaries	<u>10,810</u>	<u>13,472</u>
	<u>\$ 601,038</u>	<u>\$ 780,226</u>

**7. Employees' retirement pension plans**

*Nova Scotia Public Service Superannuation Plan (NSPSSP)*

All of the Town employees belong to the NSPSSP and 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 \$363,213 (2023 - \$344,809) and are recognized as an expense in the period. The contribution distribution between plan was as follows:

NSPSSP Employee contributions	\$ 363,213
NSPSSP Employer contributions	\$ 363,213

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**Town of Yarmouth**  
**Notes to the Consolidated Financial Statements**  
 March 31, 2024

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8. Payables and accruals	<u>2024</u>	<u>2023</u>
Trade payables and accruals	\$ 1,119,546	\$ 977,943
Prepayment of taxes	298,261	318,261
Amounts due to suppliers from the controlled entities	<u>344,069</u>	<u>193,425</u>
	<u>\$ 1,761,876</u>	<u>\$ 1,489,629</u>

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**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, 2024, the maximum amount that would have to be paid to all employees amounted to \$1,055,462 (2023 - \$967,107). 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, 2024 was \$527,730 (2023 - \$483,552). This figure is based upon historical information and the likelihood 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, 2024 was \$361,256 (2023 - \$358,817) 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 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, 2024 was \$138,373 (2023 - \$62,864), 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, 2024

10. Deferred revenue	<u>2024</u>	<u>2023</u>
Operating revenue	\$ 54,557	\$ 66,282
Capital and other revenue	6,697,818	3,156,665
Canada Community-Building Fund revenue	<u>-</u>	<u>128,755</u>
	<u>\$6,752,375</u>	<u>\$3,351,702</u>

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

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	<u>\$3,351,702</u>	<u>\$1,345,258</u>
Contributions from:		
Canada Community-Building Fund	-	560,992
Local municipal governments and other	1,646,566	1,342,499
Sustainable Services Growth Fund	-	662,945
Donations	2,560,000	-
Interest earned	<u>5,412</u>	<u>-</u>
	<u>4,211,978</u>	<u>2,566,436</u>
Utilized for:		
Tangible capital asset acquisitions	783,387	432,237
Safe restart expenses	-	-
Operations	<u>27,918</u>	<u>127,755</u>
	<u>811,305</u>	<u>559,992</u>
Balance, end of year	<u>\$6,752,375</u>	<u>\$3,351,702</u>

As of April 1, 2023, the Town had \$128,755 in deferred Canada Community-Building Fund (CCBF) revenue. During the fiscal year, the Town received \$Nil in CCBF funding, earned \$5,412 in interest due to unspent funds held in a bank account and recognized \$134,167 as revenue due to spending some of the funding on eligible projects. As of March 31, 2024, the Town has \$Nil 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, 2024

11. Long-term debt

	Balance April 1, 2023	Issued	Repaid	Balance March 31, 2024	Interest rate
Royal Bank of Canada term loan, repayable in monthly payments of \$2,933 including interest, due 2034	\$ -	\$ 89,000	\$ -	\$ 89,000	5.770% - 5.770%
Municipal Finance Corporation term loan, repayable in principal payments of \$166,665 plus interest, repaid 2024	166,665	-	166,665	-	5.088% - 5.088%
	<u>\$ 166,665</u>	<u>\$ 89,000</u>	<u>\$ 166,665</u>	<u>\$ 89,000</u>	<u>2,481</u>

Principal repayments required during the next five years on long-term debt are as follows:

2025	\$6,774
2026	\$7,175
2027	\$7,600
2028	\$8,050
2029	\$8,527

## Town of Yarmouth Notes to the Consolidated Financial Statements

March 31, 2024

### 12. Tangible capital assets

	<u>Land</u>	<u>Land improvements</u>	<u>Land</u>	<u>Municipal buildings</u>	<u>Other buildings</u>	<u>Machinery and equipment</u>	<u>Landfill</u>	<u>Vehicles</u>	<u>Streets and roads</u>
<b>Cost</b>									
Balance, beginning of year	\$ 5,538,707	\$ 6,182,158	\$ 29,930,155	\$ 15,831,213	\$ 10,155,180	\$ 2,864,017	\$ 1,094,621	\$ 14,502,167	
Add									
Additions during the year	41,862	571,858	66,171	42,532	700,911	775,170	19,760	240,904	
ARO addition to cost	-	-	-	6,257	-	-	-	-	
Reclassification	-	377,421	-	-	-	-	-	-	
Less									
Disposals during the year	-	-	-	-	(188,772)	-	-	-	
Reclassification	-	-	-	-	-	-	-	-	
Balance, end of year	<u>5,580,569</u>	<u>7,131,437</u>	<u>29,996,326</u>	<u>15,880,002</u>	<u>10,667,319</u>	<u>3,639,187</u>	<u>1,114,381</u>	<u>14,743,071</u>	
<b>Accumulated amortization</b>									
Balance, beginning of year	-	2,466,124	9,090,373	5,186,110	5,991,469	2,217,317	948,805	7,053,345	
Add									
Amortization during the year	-	263,895	1,223,992	288,234	735,339	117,900	64,913	533,889	
Reclassification	-	-	-	-	-	-	-	-	
Less									
Accumulated amortization on disposals	-	-	-	-	(188,772)	-	-	-	
Reclassification	-	-	-	-	-	-	-	-	
Balance, end of year	<u>-</u>	<u>2,720,019</u>	<u>10,224,365</u>	<u>5,474,344</u>	<u>6,538,036</u>	<u>2,335,217</u>	<u>1,013,718</u>	<u>7,587,234</u>	
<b>NET BOOK VALUE</b>	<u>\$ 5,580,569</u>	<u>\$ 4,411,418</u>	<u>\$ 19,771,961</u>	<u>\$ 10,405,658</u>	<u>\$ 4,129,283</u>	<u>\$ 1,303,970</u>	<u>\$ 100,663</u>	<u>\$ 7,155,837</u>	
<b>NET BOOK VALUE, MARCH 31, 2023</b>	<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>	

## Town of Yarmouth Notes to the Consolidated Financial Statements

March 31, 2024

### 12. 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>2024 Total</u>	<u>2023 Total</u>
<b>Cost</b>								
Balance, beginning of year	\$ 1,127,257	\$ 5,420,682	\$ 34,582,112	\$ 1,017,089	\$ 6,354,249	\$ 635,108	\$ 135,234,715	\$ 132,395,900
Additions during the year	-	469,694	-	-	-	653,185	3,582,047	2,895,224
ARO addition to cost	-	-	-	-	-	(402,997)	-	2,616,149
Reclassification	-	19,319	-	-	-	-	-	-
Less								
Disposals during the year	-	-	-	-	-	(10,182)	(198,954)	(2,672,558)
Reclassification	-	-	-	-	-	-	-	-
Balance, end of year	<u>1,127,257</u>	<u>5,909,695</u>	<u>34,582,112</u>	<u>1,017,089</u>	<u>6,354,249</u>	<u>875,114</u>	<u>138,617,808</u>	<u>135,234,715</u>
<b>Accumulated amortization</b>								
Balance, beginning of year	532,129	3,596,264	13,356,760	467,577	5,353,509	-	56,169,782	53,398,279
Add								
Amortization during the year	44,235	224,236	644,780	40,681	116,797	-	4,288,894	4,076,114
Reclassification	-	-	-	-	-	-	-	-
Less								
Accumulated amortization on disposals	-	-	-	-	-	-	(188,772)	(1,304,608)
Reclassification	-	-	-	-	-	-	-	-
Balance, end of year	<u>576,364</u>	<u>3,820,502</u>	<u>14,001,540</u>	<u>508,258</u>	<u>5,470,306</u>	-	<u>60,269,904</u>	<u>56,169,782</u>
<b>NET BOOK VALUE</b>	<u>\$ 550,893</u>	<u>\$ 2,089,193</u>	<u>\$ 20,580,572</u>	<u>\$ 508,831</u>	<u>\$ 883,943</u>	<u>\$ 875,114</u>	<u>\$ 78,347,904</u>	<u>\$ 79,064,933</u>
<b>NET BOOK VALUE, MARCH 31, 2023</b>	<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>

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

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**Town of Yarmouth**  
**Notes to the Consolidated Financial Statements**  
 March 31, 2024

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**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 year of the contract is as follows (excluding HST):

2025	\$366,166
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Capital projects and expenditures

The Town has not started but has committed to the following capital expenditures as at March 31, 2024:

Sewer upgrades – Vancouver & Main Streets	\$ 2,500,000
Fire truck – ladder truck	\$ 1,100,000
Fire trucks – pumper/tanker & rescue/pumper	\$ 3,400,000
Transit buses (2)	\$ 450,000

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

Scotia Recycling contract

On April 1, 2022, Yarmouth County Solid Waste Management Authority entered into a new five year term agreement with Scotia Recycling for the processing of recyclable waste. In the March 31, 2024 fiscal year, the Authority paid \$147.25 plus taxes per metric tonne of recyclables. The agreement expires on March 31, 2027.

Estimated rates per metric tonne of recyclables over the remaining three years of the amended agreement is as follows:

2025	\$194.00 plus HST
2026	\$195.75 plus HST
2027	\$197.50 plus HST

Region of Queens Municipality contract

On behalf of the Municipality of the District of Argyle, the Municipality of the District of Yarmouth and the Town of Yarmouth, the Yarmouth County Solid Waste Management Authority manages an agreement with the Region of Queens Municipality ("Queens") to oversee the transfer of waste from their facility to the Queens site. The agreement is dated August 10, 2005 and expires March 31, 2027.

Rates per tonne under the agreement are as follows:

- a) For acceptable 2<sup>nd</sup> Generation Solid Waste, transportation and disposal cost of \$78.25 plus HST
- b) Should acceptable 2<sup>nd</sup> Generation Solid Waste be delivered direct to the Queens facility, disposal cost of \$67.50 plus HST
- c) For acceptable 1<sup>st</sup> Generation Solid Waste, disposal fee of \$48.50 plus HST

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## Town of Yarmouth

### Notes to the Consolidated Financial Statements

March 31, 2024

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#### 13. Commitments and contractual obligations (continued)

After March 31, 2007, Queens may increase the fees once per year by a percentage equal to the percentage increase in each calendar year's percentage ten year average Consumer Price Index for Nova Scotia. As well, Queens may increase the applicable fees by the actual percentage increase whereby there has been a significant regulatory change beyond the control of the parties, which has demonstrably increased Queens' cost of performance of its obligations under the contract provided that the increase is based on the proportionate share of tonnage disposed of in the Queens facility by the Authority.

The cost per tonne on April 1, 2024 is \$112.25 plus HST.

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#### 14. Contingencies

##### Harbour South Medical Clinic and Pubnico Medical Clinic

The Town has agreed to fund 33.33% of any deficit arising from both facilities. During the current year the Town has contributed \$Nil (2023 - \$19,652) towards the operating deficit of the Harbour South Medical Clinic. During the current year the Town has contributed \$Nil (2023 - \$22,222) towards the operating deficit of the AM Clarke Medical Clinic (Pubnico). During the 2024 year, the Nova Scotia Health Authority took over the management and administrative responsibilities of the clinics under a long-term lease arrangement and Yarmouth Area Industrial Commission continues to provide the physical plant and infrastructure.

##### Other

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

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**Town of Yarmouth**  
**Notes to the Consolidated Financial Statements**  
 March 31, 2024

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**15. Budget figures**

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

	<u>Approved Fiscal Plan</u>	<u>Adjustments</u>	<u>Fiscal Plan Per Financial Statements</u>
<b>Revenues</b>			
Taxes	\$ 14,516,178	\$(2,008,734)	\$ 12,507,444
Grants in lieu of taxes	919,445	-	919,445
Services provided to other governments	1,260,000	-	1,260,000
Sales of services	461,189	-	461,189
Other revenue from own sources	3,256,885	(887,860)	2,369,025
Unconditional transfers from other governments	1,088,080	(110,796)	977,284
Conditional transfers from other governments	55,000	2,240,000	2,295,000
Other transfers	147,196	(147,196)	-
Domestic, commercial and industrial water	2,288,000	(241,692)	2,046,308
Public fire protection	535,000	(434,196)	100,804
Interest	93,335	-	93,335
Other	174,500	-	174,500
Rental and events	340,065	-	340,065
Food and beverage sales	87,333	-	87,333
	<u>25,222,206</u>	<u>(1,590,474)</u>	<u>23,631,732</u>
<b>Expenses</b>			
General government services	1,976,441	(65,371)	1,911,070
Protective services	6,006,847	(490,450)	5,516,397
Transportation services	2,892,547	1,481,006	4,373,553
Environmental health services	3,264,482	431,592	3,696,074
Environmental development services	2,361,202	(794,927)	1,566,275
Recreational and cultural services	2,004,002	877,111	2,881,113
Fiscal services	3,962,911	(3,962,911)	-
Water and sanitation	2,890,500	(207,943)	2,682,557
	<u>25,358,932</u>	<u>(2,731,893)</u>	<u>22,627,039</u>
Annual (deficit) surplus before the undernoted	(136,726)	1,141,419	1,004,693
Gain on disposal of tangible capital assets	16,114	-	16,114
Annual (deficit) surplus	<u>\$ (120,612)</u>	<u>\$ 1,141,419</u>	<u>\$ 1,020,807</u>

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# Town of Yarmouth

## Notes to the Consolidated Financial Statements

March 31, 2024

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### 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, 2024

## 16. Segment disclosure (continued)

	General government	Protective	Transportation	Environmental health	Environmental development	Recreation and cultural	Water and sanitation	2024 Consolidated	2023 Consolidated
<b>Revenues:</b>									
Taxes	\$ 1,668,466	\$ 3,246,223	\$ 2,545,446	\$ 2,197,717	\$ 1,050,126	\$ 1,801,340	\$ -	\$ 12,509,318	\$ 11,429,227
Grants in lieu of taxes	119,288	232,089	181,987	157,126	75,079	128,787	-	894,356	943,944
Services provided to other governments	-	1,108,564	-	392,382	-	-	-	1,500,946	924,042
Sales of services	33,293	12,269	175,779	-	111,088	119,293	-	451,722	387,714
Other revenue from own sources	481,862	2,419	337,099	1,015,499	238,460	205,052	-	2,280,390	2,329,645
Unconditional transfers from other governments	727,972	-	129,625	-	65,948	-	-	923,545	1,050,104
Conditional transfers from other governments	76,553	72,479	96,073	-	134,182	466,676	-	845,953	2,860,981
Domestic, commercial and industrial water	-	-	-	-	-	-	1,945,055	1,945,055	1,912,257
Public fire protection	-	-	-	-	-	-	99,685	99,685	106,019
Interest	515,785	-	5,070	12,298	5,420	83,201	32,175	653,948	286,055
Other	-	-	-	-	-	-	206,520	206,520	199,554
Rental and events	-	-	-	-	145,182	221,354	-	366,536	390,107
Food and beverage sales	-	-	-	-	-	111,739	-	111,739	85,696
	<u>3,623,219</u>	<u>4,674,043</u>	<u>3,471,078</u>	<u>3,775,021</u>	<u>1,825,485</u>	<u>3,137,441</u>	<u>2,283,435</u>	<u>22,789,723</u>	<u>22,905,345</u>
<b>Expenses</b>									
Salaries and benefits	1,118,993	1,560,187	1,214,259	821,880	557,257	868,258	944,012	7,104,846	6,402,693
Goods and services	516,003	3,597,528	1,026,019	1,951,692	934,339	1,113,280	1,220,803	10,359,864	9,893,578
Amortization	99,631	331,209	1,915,627	799,696	125,026	621,879	395,926	4,288,894	4,076,114
Interest	-	-	2,481	-	-	-	-	2,481	13,762
Other	1,086,625	-	145,618	142,774	158,998	422,405	97,091	2,053,511	1,822,510
	<u>2,821,152</u>	<u>5,488,924</u>	<u>4,304,004</u>	<u>3,716,042</u>	<u>1,775,620</u>	<u>3,045,822</u>	<u>2,657,832</u>	<u>23,809,396</u>	<u>22,208,657</u>
Annual surplus (deficit) before the undereated	802,067	(814,881)	(832,926)	58,960	49,865	91,619	(374,397)	(1,019,673)	696,688
Gain on disposal of tangible capital assets	36,568	-	-	27,257	-	-	-	(63,825)	(132,566)
Loss on change in proportionate controlled entity	-	-	-	-	-	-	-	-	(1,025,148)
Loss on dissolution of controlled entity	-	-	-	-	-	-	-	-	(180,647)
Annual surplus (deficit)	<u>\$ 838,635</u>	<u>\$ (514,881)</u>	<u>\$ (832,926)</u>	<u>\$ 86,257</u>	<u>\$ 49,865</u>	<u>\$ 91,619</u>	<u>\$ (374,397)</u>	<u>\$ (955,848)</u>	<u>\$ (641,673)</u>

# Town of Yarmouth Notes to the Consolidated Financial Statements

March 31, 2024

## 17. Subsidiary operations

	Yarmouth County Solid Waste Management Authority	Mariners Centre Management Board	Yarmouth International Airport Corporation	Mariners Centre Health and Wellness Fund	Yarmouth Area Industrial Commission	Yarmouth and Acadia Shores Tourism Association	2024	2023
							Total	Total
Revenues:								
Rental and events	\$ -	\$ 221,354	\$ -	\$ -	\$ 145,182	\$ -	\$ 366,536	\$ 390,107
Food and beverage sales	-	111,739	-	-	-	-	111,739	85,696
Sales of services	-	119,293	175,779	-	111,088	-	406,160	344,358
Grants from governments	-	254,873	194,797	-	20,645	99,630	559,945	615,815
Other revenue from own sources	548,519	295,749	94,777	-	-	68,439	1,007,484	1,128,605
Interest	12,297	83,201	5,070	-	5,420	-	105,987	47,773
Other	27,257	147,547	-	27,004	-	-	201,809	122,171
Expenses	588,073	1,233,757	460,422	27,004	282,335	168,069	2,759,660	2,734,525
	659,411	1,164,313	450,217	1,143	357,073	216,611	2,848,767	2,788,669
Annual surplus (deficit)	\$ (71,338)	\$ 69,444	\$ 10,205	\$ 25,862	\$ (74,730)	\$ (48,542)	\$ (89,107)	\$ (54,144)
Financial assets:	\$ 131,382	\$ 1,560,801	\$ 88,634	\$ 25,947	\$ 406,656	\$ 14,633	\$ 2,228,053	\$ 2,456,067
Financial liabilities:	614,677	1,496,710	124,189	85	249,434	15,304	2,500,399	1,997,203
Net financial assets (debt)	(483,295)	64,091	(35,555)	25,862	157,222	(671)	(272,346)	458,865
Non-financial assets	1,555,927	2,220,111	148,170	-	1,462,197	7,350	5,392,855	4,750,752
Accumulated surplus	\$ 1,071,732	\$ 2,284,202	\$ 12,615	\$ 25,862	\$ 1,619,419	\$ 6,679	\$ 5,120,509	\$ 5,209,616

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, 2024.

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## Town of Yarmouth

### Notes to the Consolidated Financial Statements

March 31, 2024

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#### 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, 2024, was as follows:

	<u>Remuneration</u>	<u>Expenses</u>
Pam Mood – Mayor	\$ 56,810	\$ 14,714
Steven Berry – Deputy Mayor	35,805	-
Belle Hatfield – Councillor	32,077	3,416
Wade Cleveland – Councillor	29,849	3,137
Gil Dares – Councillor	29,849	2,252
Heather Hatfield – Councillor	29,849	4,777
Derek Lesser – Councillor	29,849	-
Jeff Gushue – Chief Administrative Officer	164,254	9,579

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#### 19. Reserves

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

	<u>2024</u>	<u>2023</u>
Operating	\$ 1,356,492	\$ 1,201,000
Capital	\$ 2,107,875	\$ 1,973,092

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

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#### 20. Trust funds

The Trust Funds being administered by the Town of Yarmouth are not consolidated with the accounts of the Town. At March 31, 2024, the equity in Trust Funds under its trusteeship amounted to \$396,188 (2023 - \$375,123).

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#### 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, 2024, the total amount in this Capital Reserve was \$593,641 (2023 - \$607,821). 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.

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#### 22. Change in ownership of controlled entity

At April 1, 2022, the Municipality of the District of Argyle joined the Municipality of the District of Yarmouth and the Town of Yarmouth as an equal owner of the Mariners Centre Management Authority. The Municipality of the District of Yarmouth's previous ownership was 50%, however as of April 1, 2022, the ownership is now 33.33%. The Municipality sold 16.67% of its ownership for proceeds of \$0.50, resulting in a loss of \$1,025,148 (\$1,017,565 on capital assets and \$7,583 on other assets).

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**Town of Yarmouth**  
**Notes to the Consolidated Financial Statements**  
 March 31, 2024

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**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.

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.

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

	<u>2024</u>	<u>2023</u>
Opening balance	\$2,760,037	\$ -
Liability recognized on adoption of PS 3280	-	2,616,149
Settlement		
Accretion expense	<u>151,802</u>	<u>143,888</u>
Closing balance	<u>\$2,911,839</u>	<u>\$2,760,037</u>

Subsequent to year-end, the former Yarmouth Consolidated Memorial High School building was sold, resulting in a settlement of its related asset retirement obligation. Settlement includes the removal of tangible capital asset with a net book value of \$1,320,847 and \$2,439,229 in liability.

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**24. Subsequent events**

On May 29<sup>th</sup>, 2024, the Yarmouth International Airport Corporation's board of directors announced the Corporation entered into a 5 year agreement with Spiri Robotics, enabling Unmanned Aerial Vehicle (UAV) research, testing and development at the Airport. The agreement extends until March 31, 2029, and enabled Spiri to lease and use portions of the airport for UAV test flights and other UAV related research and development. The lease agreement will be \$130,577 over the 5 year term.

Subsequent to year end, the Yarmouth County Solid Waste Management Authority paid in full their short-term financing. The Authority paid \$600,000 to the Municipality of the District of Yarmouth on May 30, 2024, and \$400,000 to the Municipality of the District of Argyle on June 5, 2024. On May 21, 2024, the Authority received financing from the Department of Municipal Affairs in the amount of \$1,300,000 for the construction of the C&D cell 4 due May 21, 2027.

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## Town of Yarmouth

### Notes to the Consolidated Financial Statements

March 31, 2024

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#### 24. Subsequent events (continued)

On October 29th 2024, the Mariners Center Expansion Board awarded a contract to RCS Construction for \$37,450,000 for the construction of the Mariners Center expansion. Construction began in December 2024 with a 2026 planned completion date. The Town had initially committed \$3,333,333 as their portion of the project. Subsequent to year end, an additional \$500,000 conditional grant was approved in case actual surpasses the budget. Total project budget is currently set at \$40,600,000.

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#### 25. Comparative figures

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

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

(Unaudited)

Year Ended March 31

2024

2023

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Operating revenues			
Domestic, commercial and industrial water	\$ 2,288,000	\$ 2,238,610	\$ 2,182,438
Public fire protection	535,000	534,438	540,772
Other	<u>43,500</u>	<u>31,968</u>	<u>85,925</u>
	<u>2,866,500</u>	<u>2,805,016</u>	<u>2,809,135</u>
Operating expenditures			
Source of supply (Page 31)	96,330	101,346	139,059
Power and pumping (Page 31)	294,500	288,933	261,993
Water treatment (Page 31)	970,652	908,374	962,028
Transmission and distribution (Page 31)	428,424	411,720	373,313
Administrative and general (Page 32)	559,059	579,210	598,178
Amortization	364,080	395,926	360,325
Taxes	<u>77,455</u>	<u>80,468</u>	<u>77,405</u>
	<u>2,790,500</u>	<u>2,765,977</u>	<u>2,772,301</u>
Operating profit	<u>76,000</u>	<u>39,039</u>	<u>36,834</u>
Non-operating expenditures (revenues)			
Dividend to Operating Fund	100,000	100,000	100,000
Capital expenditures, transfer to Water Utility, Capital Fund	-	-	-
Other interest	<u>(24,000)</u>	<u>(49,161)</u>	<u>(20,559)</u>
	<u>76,000</u>	<u>50,839</u>	<u>79,441</u>
Annual (deficit) surplus	<u>\$ -</u>	<u>(11,800)</u>	<u>(42,607)</u>
Accumulated surplus, beginning of year		<u>846,370</u>	<u>888,977</u>
Accumulated surplus, end of year		<u>\$ 834,570</u>	<u>\$ 846,370</u>

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

(Unaudited)  
 March 31

2024

2023

**Assets**

Cash and cash equivalents	<u>\$ 1,106,156</u>	<u>\$ 1,312,340</u>
Receivables		
Rates (less allowance for doubtful accounts \$12,356; 2023 - \$22,552)	756,003	745,385
Due from other local governments	3,284	3,284
Due from Town, Operating Fund	9,158	-
Other receivables		
Other	-	50,000
HST	<u>32,272</u>	<u>34,755</u>
	<u>800,717</u>	<u>833,424</u>
Prepays	<u>7,384</u>	<u>7,384</u>
Inventories, at cost	<u>15,000</u>	<u>15,000</u>
	<u>\$ 1,929,257</u>	<u>\$ 2,168,148</u>

**Liabilities**

Payables and accruals		
Payable to Town, Operating Fund	\$ -	\$ 344,174
Payable to Water Utility, Capital Fund	998,121	873,332
Other	<u>96,566</u>	<u>104,272</u>
	<u>1,094,687</u>	<u>1,321,778</u>
Accumulated surplus		
Accumulated surplus	<u>834,570</u>	<u>846,370</u>
	<u>\$ 1,929,257</u>	<u>\$ 2,168,148</u>

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

(Unaudited)

March 31

2024

2023

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**Assets**

Cash and cash equivalents in the amortization fund	\$ 367,325	\$ 348,251
Receivable from Water Utility, Operating Fund	998,121	873,332
Tangible capital assets		
Utility plant and equipment (Page 30)	<u>15,233,850</u>	<u>15,358,639</u>
	<u>\$16,599,296</u>	<u>\$16,580,222</u>

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**Equity**

Investment in capital assets (Page 30)	<u>\$16,599,296</u>	<u>\$16,580,222</u>
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**Town of Yarmouth**  
**Water Utility**  
**Non-Consolidated Tangible Capital Assets**

(Unaudited)

March 31	2024	2023
Land and rights	\$ 729,105	\$ 701,605
Structures and improvements	12,920,038	12,920,038
Electrical pumping equipment	376,033	376,033
Office equipment	652,033	445,637
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	314,520
Meter and meter installation	167,798	167,798
Hydrants	120,256	120,256
Dam repairs	240,858	240,858
Reservoirs	121,694	112,402
Bulk water station	185,214	185,214
Transportation equipment	231,656	231,656
Tools and work equipment	25,754	25,754
Work in progress	27,949	-
	<u>22,968,138</u>	<u>22,697,001</u>
Accumulated amortization	<u>(7,734,288)</u>	<u>(7,338,362)</u>
Net book value	<u>\$15,233,850</u>	<u>\$15,358,639</u>

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

(Unaudited)

March 31	2024	2023
Balance, beginning of year	\$16,580,222	\$16,568,606
Add		
Transfer from Water Utility, Operating Fund	-	-
Interest earned on amortization fund	<u>19,074</u>	<u>11,616</u>
	<u>19,074</u>	<u>11,616</u>
Balance, end of year	<u>\$16,599,296</u>	<u>\$16,580,222</u>

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

(Unaudited)

Year Ended March 31

2024

2023

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Source of supply			
Supervision and engineering	\$ 43,210	\$ 45,539	\$ 48,947
Other	<u>53,120</u>	<u>55,807</u>	<u>90,112</u>
	<u>\$ 96,330</u>	<u>\$ 101,346</u>	<u>\$ 139,059</u>
Power and pumping			
Supervision and engineering	\$ 34,700	\$ 35,011	\$ 35,790
Fuel and power	198,000	233,766	206,844
Maintenance of structure	4,500	-	-
Maintenance of equipment	22,500	7,570	4,442
Supplies	24,000	769	4,567
Other including telephone	<u>10,800</u>	<u>11,817</u>	<u>10,350</u>
	<u>\$ 294,500</u>	<u>\$ 288,933</u>	<u>\$ 261,993</u>
Water treatment			
Supervision and engineering	\$ 34,700	\$ 37,576	\$ 39,980
Supplies	907,452	848,219	889,007
Maintenance of structure	3,500	1,251	4,745
Maintenance of equipment	<u>25,000</u>	<u>21,328</u>	<u>31,296</u>
	<u>\$ 970,652</u>	<u>\$ 908,374</u>	<u>\$ 962,028</u>
Transmission and distribution			
Supervision and engineering	\$ 60,324	\$ 50,881	\$ 51,044
Operation of mains	29,000	27,157	25,226
Operation of meters	55,080	59,993	54,449
Maintenance of reservoirs	20,000	-	4,891
Maintenance of structure	6,500	2,266	3,739
Maintenance of mains	102,500	110,074	101,136
Maintenance of hydrants	31,000	38,439	21,895
Maintenance of meters	30,000	42,855	20,414
Maintenance of services	54,500	41,874	63,239
Transportation and travel	9,520	31,878	15,429
Shop expenses	10,600	2,717	9,236
Clothing	1,500	1,223	1,043
Bulk water station	3,900	2,363	1,189
Lead sampling	14,000	-	383
Leak survey	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 428,424</u>	<u>\$ 411,720</u>	<u>\$ 373,313</u>

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

(Unaudited)

Year Ended March 31

2024

2023

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Administrative and general			
Salaries	\$ 292,990	\$ 268,581	\$ 300,221
Employee benefits	144,546	176,650	156,703
Insurance	27,252	27,250	18,419
Office	10,000	8,236	7,994
Rent	36,896	36,888	36,888
Audit	8,000	8,000	8,000
Regulatory expenses	4,650	2,964	6,493
Other	<u>34,725</u>	<u>50,641</u>	<u>63,460</u>
	<u>\$ 559,059</u>	<u>\$ 579,210</u>	<u>\$ 598,178</u>