



Consolidated Financial Statements

Town of Yarmouth

March 31, 2025

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Town of Yarmouth

Management's Responsibility for Financial Reporting

March 31, 2025

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.

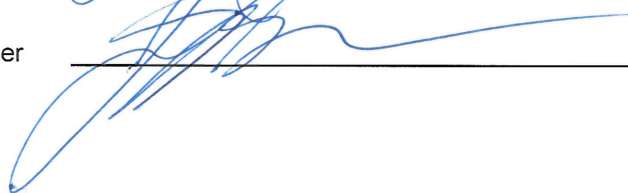
The external auditors, Doane Grant Thornton LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of the Town of Yarmouth and 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



Chief Administrative Officer



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, 2025, 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, 2025, 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 27 to 32 are presented for purposes of additional information and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the consolidated financial statements taken as a whole.

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

Yarmouth, Canada
November 27, 2025

Chartered Professional Accountants

Town of Yarmouth

Consolidated Statement of Operations

Year Ended March 31

2025

2024

	<u>Budget</u> (Note 14)	<u>Actual</u>	<u>Actual</u>
Revenues			
Taxes	\$ 13,367,144	\$ 13,372,118	\$ 12,509,318
Grants in lieu of taxes	894,974	959,732	894,356
Services provided to other governments	1,365,000	1,414,388	1,500,946
Sales of services	453,830	384,829	451,722
Other revenue from own sources	2,423,700	2,531,715	2,280,390
Unconditional transfers from other governments	1,074,697	1,123,771	923,545
Conditional transfers from other governments	3,609,722	5,159,435	845,963
Domestic, commercial and industrial water	2,041,509	1,949,801	1,945,055
Public fire protection	115,804	101,135	99,685
Interest	169,938	621,602	653,947
Donation	666,667	1,091,637	-
Other	199,793	383,849	206,521
Rental and events	443,640	434,294	366,536
Food and beverage sales	126,833	112,261	111,739
	<u>26,953,251</u>	<u>29,640,567</u>	<u>22,789,723</u>
Expenses			
General government services	2,133,737	2,365,028	2,821,152
Protective services	5,928,484	6,078,561	5,488,924
Transportation services	4,798,859	5,066,961	4,304,004
Environmental health services	3,749,885	3,977,875	3,716,042
Environmental development services	1,522,792	1,751,773	1,775,621
Recreational and cultural services	3,232,532	3,405,061	3,045,821
Water and sanitation	2,748,877	3,019,230	2,657,832
	<u>24,115,166</u>	<u>25,664,489</u>	<u>23,809,396</u>
Annual surplus (deficit) before the undernoted	2,838,085	3,976,078	(1,019,673)
Gain (loss) on disposal of tangible capital assets	5,000	(1,302,877)	63,825
Gain on settlement of ARO liability	-	2,439,229	-
Annual surplus (deficit)	<u>\$ 2,843,085</u>	<u>\$ 5,112,430</u>	<u>\$ (955,848)</u>
<hr/>			
Accumulated surplus, beginning of year		\$ 80,476,840	\$ 81,432,688
Annual surplus (deficit)		<u>5,112,430</u>	<u>(955,848)</u>
Accumulated surplus, end of year		<u>\$ 85,589,270</u>	<u>\$ 80,476,840</u>

See accompanying notes to the consolidated financial statements.

Town of Yarmouth
Consolidated Statement of Changes in Net Financial
Assets

March 31	2025		2024
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Annual surplus (deficit)	\$ 2,843,085	\$ 5,112,430	\$ (955,848)
Acquisition of tangible capital assets	(4,435,000)	(8,903,275)	(3,582,047)
Amortization of tangible capital assets	4,246,895	4,108,948	4,288,895
Proceeds on disposal of tangible capital assets	-	682,024	74,006
(Gain) loss on disposal of tangible capital assets	<u>(5,000)</u>	<u>1,302,877</u>	<u>(63,825)</u>
	2,649,980	2,303,004	(238,819)
Change in inventories/prepaid expenses	<u>-</u>	<u>104,403</u>	<u>73,590</u>
Increase (decrease) in Net Financial Assets	<u>\$ 2,649,980</u>	2,407,407	(165,229)
Net Financial Assets, beginning of year		<u>1,809,912</u>	<u>1,975,141</u>
Net Financial Assets, end of year		<u>\$ 4,217,319</u>	<u>\$ 1,809,912</u>

See accompanying notes to the consolidated financial statements.

Town of Yarmouth

Consolidated Statement of Cash Flow

Year Ended March 31

2025

2024

Increase in cash and cash equivalents

Operating activities

Annual surplus (deficit)	\$ 5,112,430	\$ (955,848)
Amortization	4,108,948	4,288,895
Loss (gain) on disposal of tangible capital assets	1,302,877	(63,825)
Accretion expense	25,907	151,802

Changes in non-cash items

Taxes receivable	(98,530)	(80,531)
Sewer and water receivable	51,889	1,993
Due from Provincial Government and agencies	1,178,960	(1,178,960)
Due from other local governments	57,241	(386,155)
Other receivables	(675,080)	279,188
Prepaid expenses and inventories	104,402	73,590
Due to Federal Government and agencies	140,160	(24,328)
Due to Provincial Government and agencies	(214,875)	(459,936)
Due to other local governments	(430,955)	578,336
Payables and accruals	(15,422)	272,247
Other post employment benefits	132,259	46,617
Assets held for resale	55,477	-
Gain on settlement of asset retirement obligation liability	(2,439,229)	-
Deferred revenue	1,383,284	3,400,673
	<u>9,779,743</u>	<u>5,943,758</u>

Capital activities

Proceeds on disposal of tangible capital assets	682,024	74,006
Acquisition of tangible capital assets	(8,903,275)	(3,582,047)
	<u>(8,221,251)</u>	<u>(3,508,041)</u>

Financing activities

Issuance of long-term debt	361,205	89,000
Repayment of long-term debt	(8,884)	(166,665)
	<u>352,321</u>	<u>(77,665)</u>

Investing activities

Decrease in portfolio investment	(7,641)	(4,929)
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Increase in cash and cash equivalents 1,903,172 2,353,124

Cash and cash equivalents

Beginning of year	<u>11,430,931</u>	<u>9,077,807</u>
End of year	<u>\$ 13,334,103</u>	<u>\$ 11,430,931</u>

See accompanying notes to the consolidated financial statements.

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2025

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

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 16, 2024, in its original fiscal plan; they also include budgets prepared and approved by controlled entities and are adjusted for amortization in accordance with Public Sector requirements. Note 14 outlines the original fiscal plan and the adjustments made to come to the budget figures shown in these financial statements.

Revenue recognition

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

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

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2025

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 \$44,898 (2024 - \$42,927).

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, 2025 (2024 - \$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, 2025

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.

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2025

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.

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2025

2. 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 2025, the Town of Yarmouth paid \$52,400 (2024 - \$52,400) to the Regional Library.
- Tri-County Housing Authority
During 2025, the Town of Yarmouth paid \$nil (2024 - \$290,344) to the Province of Nova Scotia for transfer to the Tri-County Housing Authority to fund its share of the prior year's deficit. During the year, a new agreement was reached with the Province of Nova Scotia, and the Town is no longer required to fund any deficits of the Regional Housing Authority.
- Western Regional Solid Waste Resource Management Authority (Waste Check)
During 2025, the Town of Yarmouth paid \$14,084 (2024 - \$18,383) as its share of the cost of operations of the Western Regional Solid Waste Resource Management Authority.
- Western Regional Enterprise Network
During 2025, the Town of Yarmouth paid \$46,413 (2024 - \$43,945) as its share of the cost of operations of the Western Regional Enterprise Network.

3. Taxes receivable			<u>2025</u>	<u>2024</u>
	<u>Current year</u>	<u>Prior year</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ -	\$ 579,287	\$ 579,287	\$ 498,756
Current year's levy	13,471,167	-	13,471,167	12,753,075
Interest on outstanding taxes	<u>130,371</u>	<u>-</u>	<u>130,371</u>	<u>121,879</u>
	<u>13,601,538</u>	<u>579,287</u>	<u>14,180,825</u>	<u>13,373,710</u>
Deduct				
Current year's collections	12,799,365	425,982	13,225,347	12,584,634
Reduced taxes	<u>277,661</u>	<u>-</u>	<u>277,661</u>	<u>209,789</u>
	<u>13,077,026</u>	<u>425,982</u>	<u>13,503,008</u>	<u>12,794,423</u>
Balance, before allowance	524,512	153,305	677,817	579,287
Less valuation allowance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 524,512</u>	<u>\$ 153,305</u>	<u>\$ 677,817</u>	<u>\$ 579,287</u>

Town of Yarmouth
Notes to the Consolidated Financial Statements
 March 31, 2025

4. Sewer and water rates receivable	<u>2025</u>	<u>2024</u>
Sewer and water rates receivable, gross	<u>\$ 1,175,468</u>	<u>\$1,230,428</u>
Valuation allowance		
Balance, beginning of year	20,939	32,753
Allowances during the year, net of write-offs	<u>(3,071)</u>	<u>(11,814)</u>
Balance, end of year	<u>17,868</u>	<u>20,939</u>
Sewer and water rates receivable, net	<u>\$ 1,157,600</u>	<u>\$1,209,489</u>

5. Other receivables	<u>2025</u>	<u>2024</u>
Trade receivables	\$ 512,808	\$ 128,412
Amounts due to controlled entities	<u>158,946</u>	<u>144,609</u>
	671,754	273,021
Harmonized sales taxes	352,711	217,207
Non-controlling interest due from subsidiaries	<u>151,653</u>	<u>10,810</u>
	<u>\$ 1,176,118</u>	<u>\$ 501,038</u>

6. 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 \$395,491 (2024 - \$363,213) and are recognized as an expense in the period. The contribution distribution between plan was as follows:

NSPSSP Employee contributions	\$ 395,491
NSPSSP Employer contributions	\$ 395,491

Town of Yarmouth
Notes to the Consolidated Financial Statements
 March 31, 2025

7. Payables and accruals	<u>2025</u>	<u>2024</u>
Trade payables and accruals	\$ 1,183,916	\$ 1,119,546
Prepayment of taxes	230,529	298,261
Amounts due to suppliers from the controlled entities	<u>332,008</u>	<u>344,069</u>
	<u>\$ 1,746,453</u>	<u>\$ 1,761,876</u>

8. Other post employment benefits

Sick leave

The Town is liable for accumulated sick leave to a maximum of 200 unused days for each employee. At March 31, 2025, the maximum amount that would have to be paid to all employees amounted to \$1,180,495 (2024 - \$1,055,462). 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, 2025 was \$590,248 (2024 - \$527,730). 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, 2025 was \$380,230 (2024 - \$361,256) 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, 2025 was \$152,301 (2024 - \$138,373), 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, 2025

9. Deferred revenue	<u>2025</u>	<u>2024</u>
Operating revenue	\$ 85,263	\$ 54,557
Capital and other revenue	7,317,736	6,697,818
Canada Community-Building Fund revenue	<u>732,660</u>	<u>-</u>
	<u>\$8,135,659</u>	<u>\$6,752,375</u>

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

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	<u>\$6,752,375</u>	<u>\$3,351,702</u>
Contributions from:		
Canada Community-Building Fund	1,150,036	-
Local municipal governments and other	2,601,170	1,646,566
Donations	31,533	2,560,000
Interest earned	<u>9,318</u>	<u>5,412</u>
	<u>3,792,057</u>	<u>4,211,978</u>
Utilized for:		
Tangible capital asset acquisitions	2,374,702	783,387
Operations	<u>34,071</u>	<u>27,918</u>
	<u>2,408,773</u>	<u>811,305</u>
Balance, end of year	<u>\$8,135,659</u>	<u>\$6,752,375</u>

As of April 1, 2024, the Town had \$Nil in deferred Canada Community-Building Fund (CCBF) revenue. During the fiscal year, the Town received \$1,150,036 in CCBF funding, earned \$9,318 in interest due to unspent funds held in a bank account and recognized \$426,694 as revenue due to spending some of the funding on eligible projects. As of March 31, 2025, the Town has \$732,660 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, 2025

10. Long-term debt

	Balance April 1, 2024	Issued	Repaid	Balance March 31, 2025	Interest	Interest rate
Royal Bank of Canada term loan, repayable in monthly payments of \$978 including interest, due 2034	\$ 89,000	\$ -	\$ 6,771	\$ 82,229	\$ 5,119	5.770% - 5.770%
NS Dept. of Finance & Treasury Board term loan, repayable in principal payments of \$36,121 plus interest, due 2028	-	361,205	2,113	359,092	16,559	4.433% - 4.940%
	<u>\$ 89,000</u>	<u>\$ 361,205</u>	<u>\$ 8,884</u>	<u>\$ 441,321</u>	<u>\$ 21,678</u>	

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

2026	\$43,295
2027	\$43,720
2028	\$297,014
2029	\$8,527
2030	\$9,033

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2025

11. Tangible capital assets

	<u>Land</u>	<u>Land improvements</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>
Cost								
Balance, beginning of year	\$ 5,580,569	\$ 7,131,437	\$ 29,996,326	\$ 15,880,002	\$ 10,667,319	\$ 3,639,187	\$ 1,114,381	\$ 14,743,071
Add								
Additions during the year	160,173	801,635	991,030	452,964	796,006	19,084	1,557,849	-
ARO addition to cost	-	-	-	-	-	-	-	-
Reclassification	-	34,637	103,550	32,538	-	-	131,014	-
Less								
Disposals during the year	(216,245)	-	(2,191,532)	-	(745,534)	-	(28,188)	-
Reclassification	-	-	-	-	-	-	-	-
Balance, end of year	<u>5,524,497</u>	<u>7,967,709</u>	<u>28,899,375</u>	<u>16,365,504</u>	<u>10,717,791</u>	<u>3,658,271</u>	<u>2,775,056</u>	<u>14,743,071</u>
Accumulated amortization								
Balance, beginning of year	-	2,720,019	10,224,365	5,474,344	6,538,036	2,335,217	1,013,718	7,587,234
Add								
Amortization during the year	-	287,346	830,757	307,551	725,536	133,786	204,987	519,788
Reclassification	-	-	-	-	-	-	-	-
Less								
Accumulated amortization on disposals	-	-	(876,613)	-	(327,503)	-	(28,188)	-
Reclassification	-	-	-	-	-	-	-	-
Balance, end of year	<u>-</u>	<u>3,007,365</u>	<u>10,178,509</u>	<u>5,781,895</u>	<u>6,936,069</u>	<u>2,469,003</u>	<u>1,190,517</u>	<u>8,107,022</u>
NET BOOK VALUE	<u>\$ 5,524,497</u>	<u>\$ 4,960,344</u>	<u>\$ 18,720,866</u>	<u>\$ 10,583,609</u>	<u>\$ 3,781,722</u>	<u>\$ 1,189,268</u>	<u>\$ 1,584,539</u>	<u>\$ 6,636,049</u>
NET BOOK VALUE, MARCH 31, 2024	<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>

Town of Yarmouth Notes to the Consolidated Financial Statements

March 31, 2025

11. Tangible capital assets (continued)

	Street lights	Sidewalks	Sewer lines	Dam	Wharf	Work in progress	2025 Total	2024 Total
Cost								
Balance, beginning of year	\$ 1,127,257	\$ 5,909,695	\$ 34,582,112	\$ 1,017,089	\$ 6,354,249	\$ 875,114	\$ 138,617,808	\$ 135,234,715
Additions during the year	-	-	2,746,014	-	-	1,378,520	8,903,275	3,582,047
ARO addition to cost	-	-	-	-	-	(434,669)	-	-
Reclassification	-	-	132,930	-	-	-	-	-
Less								
Disposals during the year	-	-	-	-	-	(35,707)	(3,217,206)	(198,954)
Reclassification	-	-	-	-	-	-	-	-
Balance, end of year	<u>1,127,257</u>	<u>5,909,695</u>	<u>37,461,056</u>	<u>1,017,089</u>	<u>6,354,249</u>	<u>1,783,258</u>	<u>144,303,877</u>	<u>138,617,808</u>
Accumulated amortization								
Balance, beginning of year	576,364	3,820,502	14,001,540	508,258	5,470,307	-	60,269,904	56,169,782
Add	44,235	192,322	700,679	40,681	121,280	-	4,108,948	4,288,894
Reclassification	-	-	-	-	-	-	-	-
Less								
Accumulated amortization on disposals	-	-	-	-	-	-	(1,232,304)	(188,772)
Reclassification	-	-	-	-	-	-	-	-
Balance, end of year	<u>620,599</u>	<u>4,012,824</u>	<u>14,702,219</u>	<u>548,939</u>	<u>5,591,587</u>	<u>-</u>	<u>63,146,548</u>	<u>60,269,904</u>
NET BOOK VALUE	<u>\$ 506,658</u>	<u>\$ 1,896,871</u>	<u>\$ 22,758,837</u>	<u>\$ 468,150</u>	<u>\$ 762,662</u>	<u>\$ 1,783,258</u>	<u>\$ 81,157,329</u>	<u>\$ 78,347,904</u>
NET BOOK VALUE, MARCH 31, 2024	<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>

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, 2025

12. Commitments and contractual obligations

Waste collection contract

The Town has entered into a contract with Rolex Trucking & Leasing Ltd. for the handling and disposal of waste. The duration of the contract was for five years effective April 1, 2025 and the estimated annual payments for the remaining years of the contract is as follows (excluding HST):

	Organics	Recycling	Total
2026	\$287,556	\$251,160	\$538,716
2027	\$294,744	\$257,436	\$552,180
2028	\$302,112	\$263,880	\$565,992
2029	\$309,672	\$270,468	\$580,140
2030	\$317,412	\$277,236	\$694,648

Subsequent to year end, the Town passed a motion that they will not be responsible for the recycling processing after November 2025, thus, only the Organic component of the contract will apply.

Capital projects and expenditures

The Town has not started but has committed to the following capital expenditures as at March 31, 2025:

Wastewater treatment plant – assessment and redesign	\$ 2,000,000
Fire trucks – pumper/tanker & rescue/pumper	\$ 3,100,000

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, 2025 fiscal year, the Authority paid \$194.00 plus taxes per metric tonne of recyclables. The agreement expires on March 31, 2027.

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

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

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2025

12. Commitments and contractual obligations (continued)

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

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, 2025 is \$114.90 plus HST.

Mariners Centre expansion

On October 29, 2024, the Mariners Centre Management Authority awarded a contract to RCS Construction for \$42,231,450 for the construction of the Mariners Centre expansion. As at March 31, 2025, \$4,833,385 in costs have been incurred for the project. Funding has been secured from the Province of Nova Scotia (Communities, Culture, Tourism & Heritage) for \$7,000,000, from the Government of Canada (Green & Inclusive Community Buildings) for \$15,902,200, and \$10,000,000 from the municipal owners. A committee has been organized to raise the remaining funds required.

13. Contingencies

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, 2025

14. Budget figures

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

	<u>Approved Fiscal Plan</u>	<u>Adjustments</u>	<u>Fiscal Plan Per Financial Statements</u>
Revenues			
Taxes	\$ 15,292,303	\$(1,925,159)	\$ 13,367,144
Grants in lieu of taxes	894,974	-	894,974
Services provided to other governments	1,365,000	-	1,365,000
Sales of services	453,830	-	453,830
Other revenue from own sources	2,810,507	(386,807)	2,423,700
Unconditional transfers from other governments	1,164,844	(90,147)	1,074,697
Conditional transfers from other governments	104,722	3,505,000	3,609,722
Other transfers	110,000	(110,000)	-
Domestic, commercial and industrial water	2,316,000	(274,491)	2,041,509
Public fire protection	550,000	(434,196)	115,804
Interest	169,938	-	169,938
Other	199,793	-	199,793
Donations	-	666,667	666,667
Rental and events	443,640	-	443,640
Food and beverage sales	<u>126,833</u>	<u>-</u>	<u>126,833</u>
	<u>26,002,384</u>	<u>950,867</u>	<u>26,953,251</u>
Expenses			
General government services	2,146,634	(12,897)	2,133,737
Protective services	6,006,551	(78,067)	5,928,484
Transportation services	2,963,993	1,834,866	4,798,859
Environmental health services	3,365,386	384,499	3,749,885
Environmental development services	1,978,096	(455,304)	1,522,792
Recreational and cultural services	2,680,045	552,487	3,232,532
Fiscal services	3,908,816	(3,908,816)	-
Water and sanitation	<u>2,957,020</u>	<u>(208,143)</u>	<u>2,748,877</u>
	<u>26,006,541</u>	<u>(1,891,375)</u>	<u>24,115,166</u>
Annual (deficit) surplus before the undernoted	(4,157)	2,842,242	2,838,085
Gain on disposal of tangible capital assets	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Annual surplus	<u>\$ 843</u>	<u>\$ 2,842,242</u>	<u>\$ 2,843,085</u>

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2025

15. Segment disclosure

The Town is a diversified municipal unit that provides a wide range of services to its citizens. For management reporting purposes the Town's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Town services are provided by departments, and their activity is reported in these funds. The services provided by these departments are as follows:

General Government Services

This department is responsible for the overall financial and local government administration. Its tasks include tax billings and payments, accounts payable and receivables, budgets and financial statements, the Municipal Government Act, administration and maintenance of bylaws and change of address.

Protective Services

This department is primarily responsible for police and fire protection for its residents. The Town's other protective services include costs related to building inspection and animal and pest control.

Transportation Services

This department is responsible for the maintenance of specialized roads within its jurisdiction. The Town is also a partner in the operation and ownership of the Yarmouth International Airport Corporation.

Environmental Health Services

This department is responsible for the maintenance and operations of waste and sewer services provided to residents and other customers. Its tasks include waste collection, recycling, composting, sewer hook-up, animal control and derelict vehicles.

Environmental Development Services

This department is responsible for overseeing residential and commercial construction in the Town. Its tasks include issuing and ordering civic numbers, issuing building permits and fire safety inspections.

Recreation and Cultural Services

This department is responsible for promoting and offering recreation opportunities and activities to the Town's residents.

Water and Sanitation Services

This department is responsible for potable water to the Town's residents.

Town of Yarmouth Schedule of Segment Disclosure

March 31, 2025

15. Segment disclosure (continued)

	General government	Protective	Transportation	Environmental health	Environmental development	Recreation and cultural	Water and sanitation	2025 Consolidated	2024 Consolidated
Revenues									
Taxes	\$ 1,396,559	\$ 3,589,415	\$ 3,016,078	\$ 2,348,952	\$ 1,034,429	\$ 1,986,685	\$ -	\$ 13,372,118	\$ 12,509,318
Grants in lieu of taxes	100,233	257,616	216,467	168,587	74,242	142,587	-	959,732	894,356
Services provided to other governments	-	1,074,636	-	339,752	-	-	-	1,414,388	1,500,946
Sales of services	25,595	12,731	129,777	-	95,334	121,391	-	384,829	451,722
Other revenue from own sources	734,990	5,570	165,532	1,027,519	319,706	278,398	-	2,531,715	2,280,390
Unconditional transfers from other governments	849,585	-	142,084	7,536	124,567	-	-	1,123,771	923,545
Conditional transfers from other governments	64,506	-	214,435	2,877,028	580,788	1,422,678	-	5,159,435	845,963
Domestic, commercial and industrial water	-	-	-	-	-	-	1,949,801	1,949,801	1,945,055
Public fire protection	-	-	-	-	-	-	101,135	101,135	99,685
Interest	470,856	-	3,631	6,275	22,500	86,089	32,252	621,602	653,948
Donation	-	-	-	-	-	1,091,637	-	1,091,637	-
Other	-	-	-	-	-	150,537	233,312	383,849	206,520
Rental and events	-	-	-	-	159,065	275,228	-	434,294	366,536
Food and beverage sales	-	-	-	-	-	112,261	-	112,261	111,739
	<u>3,642,323</u>	<u>4,939,969</u>	<u>3,888,004</u>	<u>6,775,648</u>	<u>2,410,632</u>	<u>5,667,492</u>	<u>2,316,500</u>	<u>29,640,567</u>	<u>22,789,723</u>
Expenses									
Salaries and benefits	1,187,481	1,762,756	1,107,252	864,728	598,564	936,599	984,174	7,441,553	7,104,846
Goods and services	774,743	3,950,315	2,226,535	2,067,851	867,657	1,254,519	1,588,783	12,730,403	10,359,664
Amortization	78,828	365,490	1,581,642	879,687	133,309	662,280	407,713	4,108,948	4,288,894
Interest	-	-	-	16,559	5,119	-	-	21,678	2,481
Other	323,976	-	192,204	149,050	147,125	510,992	38,560	1,361,907	2,053,511
	<u>2,365,028</u>	<u>6,078,561</u>	<u>5,107,633</u>	<u>3,977,875</u>	<u>1,751,773</u>	<u>3,364,389</u>	<u>3,019,230</u>	<u>25,664,489</u>	<u>23,809,396</u>
Annual surplus (deficit) before the undernoted	1,277,295	(1,138,592)	(1,219,629)	2,797,773	658,859	2,303,103	(702,730)	3,976,078	(1,019,673)
Gain on settlement of asset retirement obligation	2,439,229	-	-	-	-	-	-	2,439,229	-
Gain (loss) on disposal of tangible capital assets	(1,302,877)	-	-	-	-	-	-	(1,302,877)	63,825
Annual surplus (deficit)	<u>\$ 2,413,647</u>	<u>\$ (1,138,592)</u>	<u>\$ (1,219,629)</u>	<u>\$ 2,797,773</u>	<u>\$ 658,859</u>	<u>\$ 2,303,103</u>	<u>\$ (702,730)</u>	<u>\$ 5,112,430</u>	<u>\$ (955,848)</u>

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2025

16. Subsidiary operations

	Yarmouth County Solid Waste Management Authority	Mariners Centre Management Authority	Yarmouth International Airport Corporation	Mariners Centre Health and Wellness Fund	Yarmouth Area Industrial Commission	Yarmouth and Acadian Shores Tourism Association	<u>2025</u>	<u>2024</u>
							<u>Total</u>	<u>Total</u>
Revenues								
Rental and events	\$ -	\$ 275,229	\$ -	\$ -	\$ 159,065	\$ -	\$ 434,294	\$ 366,536
Food and beverage sales	-	112,261	-	-	-	-	112,261	111,739
Sales of services	-	121,391	129,778	-	95,334	-	346,503	406,160
Grants from governments	7,535	1,325,229	201,934	-	29,067	95,500	1,659,265	559,945
Other revenue from own sources	526,487	385,207	126,260	-	-	105,247	1,143,201	1,007,484
Interest	6,275	86,089	3,630	13,345	9,154	-	118,493	105,987
Other	-	507,377	-	734,795	-	-	1,242,172	201,809
Expenses								
	540,297	2,812,783	461,602	748,140	292,620	200,747	5,056,189	2,759,660
	709,631	1,344,801	488,806	5,092	317,731	209,474	3,075,535	2,848,767
Annual surplus (deficit)	<u>\$ (169,334)</u>	<u>\$ 1,467,982</u>	<u>\$ (27,204)</u>	<u>\$ 743,048</u>	<u>\$ (25,111)</u>	<u>\$ (8,727)</u>	<u>\$ 1,980,654</u>	<u>\$ (89,107)</u>
Financial assets	\$ 161,985	\$ 2,824,062	\$ 39,797	\$ 772,243	\$ 405,685	\$ 28,410	\$ 4,232,182	\$ 2,228,053
Financial liabilities	705,873	2,842,830	115,186	3,333	243,696	38,604	3,949,522	2,500,399
Net financial assets (debt)	(543,888)	(18,768)	(75,389)	768,910	161,989	(10,194)	282,660	(272,346)
Non-financial assets	1,446,285	3,770,952	160,800	-	1,432,320	8,146	6,818,503	5,392,855
Accumulated surplus	\$ 902,397	\$ 3,752,184	\$ 85,411	\$ 768,910	\$ 1,594,309	\$ (2,048)	\$ 7,101,163	\$ 5,120,509

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.

Town of Yarmouth
Notes to the Consolidated Financial Statements
 March 31, 2025

17. Remuneration and expense reimbursements

The total remuneration and expense reimbursements paid to councillors and the Chief Administrative Officer for the year ended March 31, 2025, was as follows:

	<u>Remuneration</u>	<u>Expenses</u>
Pam Mood – Mayor	\$ 62,341	\$ 14,563
Steven Berry – Deputy Mayor	37,061	30
Belle Hatfield – Councillor	36,895	4,628
Wade Cleveland – Councillor	30,895	4,634
Gil Dares – Councillor	30,895	1,975
Heather Hatfield – Councillor	19,860	4,519
Derek Lesser – Councillor	30,895	-
Kelley Bishara-Lacroix – Councillor	11,035	-
Jeff Gushue – Chief Administrative Officer	171,240	11,529

18. Reserves

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

	<u>2025</u>	<u>2024</u>
Operating	<u>\$ 805,296</u>	<u>\$ 1,356,492</u>
Capital	<u>\$ 2,207,927</u>	<u>\$ 2,107,875</u>

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

19. Trust funds

The Trust Funds being administered by the Town of Yarmouth are not consolidated with the accounts of the Town. At March 31, 2025, the equity in Trust Funds under its trusteeship amounted to \$414,817 (2024 - \$396,188).

20. Landfill closure

The Town has transferred amounts annually for the past several years to the Capital Reserve Fund for landfill closure costs. At March 31, 2025, the total amount in this Capital Reserve was \$579,971 (2024 - \$593,641). The closure was effective December 31, 2007, and the post-closure costs were estimated at \$3,145,000 by a professional engineer. At the end of March 31, 2021, the landfill closure is complete and minimal future costs are expected.

Town of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2025

21. 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>2025</u>	<u>2024</u>
Opening balance	\$2,911,839	\$2,760,037
Settlement	(2,439,229)	-
Accretion expense	<u>25,907</u>	<u>151,802</u>
Closing balance	<u>\$ 498,517</u>	<u>\$2,911,839</u>

During the year, the former high school building was sold and thus, the related asset retirement obligation was settled.

22. Comparative figures

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

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

(Unaudited)

Year Ended March 31

2025

2024

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Operating revenues			
Domestic, commercial and industrial water	\$ 2,316,000	\$ 2,215,244	\$ 2,238,610
Public fire protection	550,000	537,613	534,438
Other	<u>47,460</u>	<u>233,312</u>	<u>31,968</u>
	<u>2,913,460</u>	<u>2,986,169</u>	<u>2,805,016</u>
Operating expenditures			
Source of supply (Page 31)	101,110	117,312	101,346
Power and pumping (Page 31)	304,726	306,123	288,933
Water treatment (Page 31)	958,328	1,030,629	908,374
Transmission and distribution (Page 31)	404,598	561,143	411,720
Administrative and general (Page 32)	625,683	627,905	579,210
Amortization	382,020	407,713	395,926
Taxes	<u>80,555</u>	<u>82,516</u>	<u>80,468</u>
	<u>2,857,020</u>	<u>3,133,341</u>	<u>2,765,977</u>
Operating profit (deficit)	<u>56,440</u>	<u>(147,172)</u>	<u>39,039</u>
Non-operating expenditures (revenues)			
Dividend to Operating Fund	100,000	-	100,000
Other interest	<u>(43,560)</u>	<u>(20,570)</u>	<u>(49,161)</u>
	<u>56,440</u>	<u>20,570</u>	<u>50,839</u>
Annual deficit	<u>\$ -</u>	<u>(126,602)</u>	<u>(11,800)</u>
Accumulated surplus, beginning of year		<u>834,570</u>	<u>846,370</u>
Accumulated surplus, end of year		<u>\$ 707,968</u>	<u>\$ 834,570</u>

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

(Unaudited)
 March 31

2025

2024

Assets

Cash and cash equivalents	<u>\$ 36,066</u>	<u>\$ 1,106,156</u>
Receivables		
Rates (less allowance for doubtful accounts \$9,285; 2024 - \$12,356)	723,465	756,003
Due from other local governments	3,284	3,284
Due from Town, Operating Fund	815,578	9,158
Other receivables		
Other	200	-
HST	<u>32,155</u>	<u>32,272</u>
	<u>1,574,682</u>	<u>800,717</u>
Prepays	<u>7,384</u>	<u>7,384</u>
Inventories, at cost	<u>15,000</u>	<u>15,000</u>
	<u>\$ 1,633,132</u>	<u>\$ 1,929,257</u>

Liabilities

Payables and accruals		
Payable to Water Utility, Capital Fund	\$ 737,215	\$ 998,121
Other	<u>187,949</u>	<u>96,566</u>
	<u>925,164</u>	<u>1,094,687</u>
Accumulated surplus		
Accumulated surplus	<u>707,968</u>	<u>834,570</u>
	<u>\$ 1,633,132</u>	<u>\$ 1,929,257</u>

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

(Unaudited)

March 31

2025

2024

Assets

Cash and cash equivalents in the amortization fund	\$ 384,192	\$ 367,325
Receivable from Water Utility, Operating Fund	737,215	998,121
Tangible capital assets		
Utility plant and equipment (Page 30)	<u>15,494,756</u>	<u>15,233,850</u>
	<u>\$16,616,163</u>	<u>\$16,599,296</u>

Equity

Investment in capital assets (Page 30)	<u>\$16,616,163</u>	<u>\$16,599,296</u>
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Town of Yarmouth
Water Utility
Non-Consolidated Tangible Capital Assets

(Unaudited)

March 31	2025	2024
Land and rights	\$ 730,774	\$ 729,105
Structures and improvements	13,214,646	12,920,038
Electrical pumping equipment	376,033	376,033
Office equipment	652,033	652,033
Purification equipment	311,929	232,337
Transmission mains	2,149,025	2,149,025
Distribution mains	4,713,868	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	138,450	121,694
Bulk water station	185,214	185,214
Transportation equipment	259,068	231,656
Tools and work equipment	25,754	25,754
Work in progress	8,343	27,949
	<u>23,608,569</u>	<u>22,968,138</u>
Accumulated amortization	<u>(8,113,813)</u>	<u>(7,734,288)</u>
Net book value	<u>\$15,494,756</u>	<u>\$15,233,850</u>

Non-Consolidated Statement of Investment in Capital Assets

(Unaudited)

March 31	2025	2024
Balance, beginning of year	\$16,599,296	\$16,580,222
Add		
Interest earned on amortization fund	<u>16,867</u>	<u>19,074</u>
	<u>16,867</u>	<u>19,074</u>
Balance, end of year	<u>\$16,616,163</u>	<u>\$16,599,296</u>

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

(Unaudited)

Year Ended March 31

2025

2024

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Source of supply			
Supervision and engineering	\$ 48,470	\$ 45,480	\$ 45,539
Other	<u>52,640</u>	<u>71,832</u>	<u>55,807</u>
	<u>\$ 101,110</u>	<u>\$ 117,312</u>	<u>\$ 101,346</u>
Power and pumping			
Supervision and engineering	\$ 36,386	\$ 40,392	\$ 35,011
Fuel and power	209,040	208,049	233,766
Maintenance of structure	2,000	870	-
Maintenance of equipment	22,500	31,789	7,570
Supplies	24,000	11,894	769
Other including telephone	<u>10,800</u>	<u>13,129</u>	<u>11,817</u>
	<u>\$ 304,726</u>	<u>\$ 306,123</u>	<u>\$ 288,933</u>
Water treatment			
Supervision and engineering	\$ 39,380	\$ 39,145	\$ 37,576
Supplies	892,448	970,727	848,219
Maintenance of structure	1,500	-	1,251
Maintenance of equipment	<u>25,000</u>	<u>20,757</u>	<u>21,328</u>
	<u>\$ 958,328</u>	<u>\$ 1,030,629</u>	<u>\$ 908,374</u>
Transmission and distribution			
Supervision and engineering	\$ 51,200	\$ 51,506	\$ 50,881
Operation of mains	30,000	35,209	27,157
Operation of meters	58,000	58,899	59,993
Maintenance of reservoirs	5,000	9,078	-
Maintenance of structure	3,000	1,210	2,266
Maintenance of mains	102,500	177,793	110,074
Maintenance of hydrants	37,000	50,064	38,439
Maintenance of meters	35,000	29,722	42,855
Maintenance of services	48,000	81,621	41,874
Transportation and travel	10,300	44,269	31,878
Shop expenses	5,560	14,913	2,717
Clothing	1,500	2,139	1,223
Bulk water station	3,538	4,720	2,363
Lead sampling	<u>14,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 404,598</u>	<u>\$ 561,143</u>	<u>\$ 411,720</u>

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

(Unaudited)

Year Ended March 31

2025

2024

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Administrative and general			
Salaries	\$ 318,529	\$ 321,041	\$ 268,581
Employee benefits	176,456	182,721	176,650
Insurance	27,252	30,673	27,250
Office	10,000	7,771	8,236
Rent	36,896	36,888	36,888
Audit	8,000	8,000	8,000
Regulatory expenses	4,650	3,279	2,964
Other	43,900	37,532	50,641
	<u>\$ 625,683</u>	<u>\$ 627,905</u>	<u>\$ 579,210</u>
