



Consolidated Financial Statements

Municipality of the District of Yarmouth

March 31, 2024

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Independent Auditor's Report

To the Warden and Council of
Municipality of District of Yarmouth

Opinion

We have audited the consolidated financial statements of Municipality of the District of Yarmouth (the "Municipality"), 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 Municipality of the District 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 Municipality 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.

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 Municipality'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 either intends to liquidate the Municipality or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Municipality'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 Municipality'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 Municipality'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 Municipality 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 Municipality 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, 2024

Chartered Professional Accountants

Municipality of the District of Yarmouth

Management's Responsibility for Financial Reporting

March 31, 2024

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 judgement, 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.

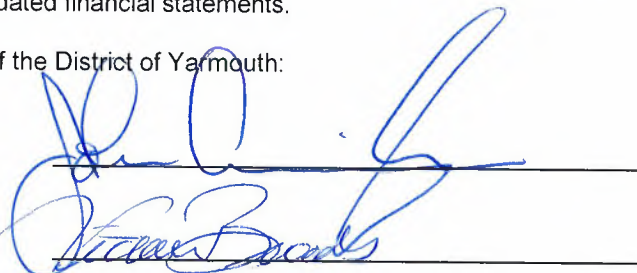
The Audit Committee is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through Council. The Audit Committee reviews internal financial statements periodically and external audited consolidated financial statements yearly. The Audit Committee 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 Municipality of the District 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 Municipality of the District of Yarmouth:

Warden

Chief Administrative Officer



The image shows two handwritten signatures in blue ink. The top signature is written over a horizontal line and appears to be 'D. O. B.'. The bottom signature is also written over a horizontal line and appears to be 'Diane B. ...'. The signatures are stylized and cursive.

Municipality of the District of Yarmouth

Consolidated Statement of Operations

Year Ended March 31

2024

2023

	<u>Budget</u> (Note 17)	<u>Actual</u>	<u>Actual</u>
Revenues			
Taxes	\$ 10,138,358	\$ 10,347,309	\$ 9,361,074
Grants in lieu of taxes	34,000	39,231	37,066
Services provided to other governments	363,425	363,425	312,317
Sales of services	349,828	358,420	369,061
Other revenue from own sources	1,108,736	1,221,259	1,169,774
Unconditional transfers from other governments	663,922	689,160	696,310
Conditional transfers from Federal and Provincial governments and agencies	719,778	414,491	1,741,964
Interest	423,181	1,478,400	982,310
Other	331,257	346,440	309,712
Rental and events	849,631	876,088	867,757
Food and beverage sales	<u>87,333</u>	<u>111,739</u>	<u>85,696</u>
	<u>15,069,449</u>	<u>16,245,962</u>	<u>15,933,041</u>
Expenses			
General government services	2,323,542	2,364,328	2,222,507
Protective services	3,112,012	3,100,941	2,450,090
Transportation services	2,124,957	2,018,716	1,844,353
Environmental health services	2,179,566	2,507,149	2,331,463
Public health and welfare services	120,475	106,557	99,482
Environmental development services	1,635,459	1,528,737	1,607,363
Recreational and cultural services	<u>2,398,030</u>	<u>2,526,793</u>	<u>2,235,641</u>
	<u>13,894,041</u>	<u>14,153,220</u>	<u>12,790,899</u>
Annual surplus before the undernoted	1,175,408	2,092,742	3,142,142
Loss on change in proportionate controlled entity (Note 22)	-	-	(1,025,148)
Gain on disposal of tangible capital assets	<u>16,241</u>	<u>51,093</u>	<u>185,725</u>
Annual surplus	<u>\$ 1,191,650</u>	<u>\$ 2,143,834</u>	<u>\$ 2,302,719</u>
<hr/>			
Accumulated surplus, beginning of year		\$ 36,045,143	\$ 33,742,424
Annual surplus		<u>2,143,834</u>	<u>2,302,719</u>
Accumulated surplus, end of year		<u>\$ 38,188,977</u>	<u>\$ 36,045,143</u>

See accompanying notes to the consolidated financial statements

Municipality of the District of Yarmouth

Consolidated Statement of Financial Position

March 31

2024

2023

Financial Assets

Cash and cash equivalents - restricted	\$ 649,972	\$ 492,710
Cash and cash equivalents - unrestricted	19,615,573	19,759,479
Taxes receivable (Note 4)	730,432	665,934
Due from Federal Government and its agencies	48,573	109,963
Due from Provincial Government and its agencies	515,174	-
Due from own funds and agencies	356,382	-
Other receivables (Note 5)	730,442	603,374
Portfolio investment	224,982	220,054
	<u>22,871,530</u>	<u>21,851,514</u>

Financial Liabilities

Payables and accruals	1,936,562	1,240,858
Prepayment of taxes	493,246	457,619
Deferred revenue (Note 6)	6,217,926	5,704,645
Tax sale surplus	549,784	434,666
Loan payable	251,403	-
Long-term debt (Note 7)	200,000	1,900,000
Defined benefit pension plan (Note 8)	77,580	77,580
Other post-employment benefits (Note 9)	679,064	642,017
Asset retirement obligation (Notes 20)	594,836	565,070
Contaminated sites	18,271	18,271
	<u>11,018,673</u>	<u>11,040,726</u>

NET FINANCIAL ASSETS

11,852,857 10,810,788

Non-Financial Assets

Tangible capital assets (Note 10)	25,946,625	24,927,202
Inventories	24,247	28,609
Prepaid expenses	365,248	278,544
	<u>26,336,120</u>	<u>25,234,355</u>

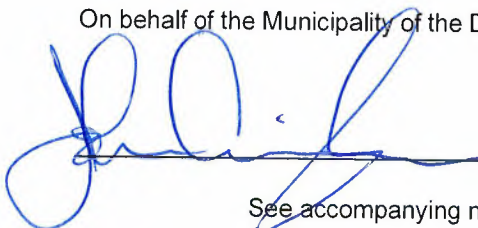
ACCUMULATED SURPLUS

\$ 38,188,977 \$ 36,045,143

Contingent liabilities (Note 11)

Commitments and contractual obligations (Note 12)

On behalf of the Municipality of the District of Yarmouth



Warden



CAO

See accompanying notes to the consolidated financial statements

Municipality of the District of Yarmouth
Consolidated Statement of Changes in Net Financial Assets

Year Ended March 31

2024

2023

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Annual surplus	\$ 1,191,650	\$ 2,143,834	\$ 2,302,719
Acquisition of tangible capital assets	(2,046,400)	(2,600,849)	(3,349,668)
Proceeds on disposal of tangible capital assets	-	216,608	243,487
Amortization of tangible capital assets	1,334,637	1,385,168	1,486,282
Amortization of asset retirement obligation	-	30,704	30,364
Asset retirement obligation	-	-	(536,806)
Loss on disposal of tangible capital assets on change in proportionate ownership of controlled entity	-	-	1,017,564
Gain on disposal of tangible capital assets	<u>16,241</u>	<u>(51,093)</u>	<u>(189,308)</u>
	496,128	1,124,372	1,004,634
Change in prepaid expenses and inventories	<u>-</u>	<u>(82,303)</u>	<u>15,066</u>
Increase in Net Financial Assets	<u>\$ 496,128</u>	<u>1,042,069</u>	<u>1,019,700</u>
Net Financial Assets, beginning of year		<u>10,810,788</u>	<u>9,791,088</u>
Net Financial Assets, end of year		<u>\$ 11,852,857</u>	<u>\$ 10,810,788</u>

See accompanying notes to the consolidated financial statements

Municipality of the District of Yarmouth

Consolidated Statement of Cash Flow

Year Ended March 31

2024

2023

Increase in cash and cash equivalents		
Operating activities		
Annual surplus	\$ 2,143,834	\$ 2,302,719
Amortization	1,385,168	1,486,282
Amortization asset retirement obligation	30,704	30,364
Accretion expense	29,766	28,264
Loss on disposal of tangible capital assets on change in proportionate of controlled entity	-	1,017,564
Gain on disposal of tangible capital assets	<u>(51,093)</u>	<u>(189,308)</u>
	3,538,379	4,675,885
Change in non-cash items		
Taxes receivable	(64,498)	(83,466)
Due from Federal Government and its agencies	61,390	(77,593)
Due from Provincial Government and its agencies	(515,174)	-
Due from own funds and agencies	(356,382)	-
Other receivables	(127,068)	348,900
Loan payable	251,403	-
Payables and accruals	695,705	(338,339)
Prepayment of taxes	35,627	69,950
Deferred revenue	513,281	1,210,396
Tax sale surplus	115,118	130,430
Repayable contributions	-	(10,392)
Other post-employment benefits	37,048	(43,664)
Prepaid expenses and inventories	(82,303)	15,068
Asset retirement obligation	-	536,806
Contaminated sites	<u>-</u>	<u>18,271</u>
	4,102,527	6,452,252
Capital activities		
Proceeds on disposal of tangible capital assets	216,608	243,487
Acquisition of tangible capital assets	(2,600,849)	(3,349,668)
Asset retirement obligation recognized	<u>-</u>	<u>(536,806)</u>
	(2,384,242)	(3,642,987)
Financing activities		
Repayments of long-term debt	<u>(1,700,000)</u>	<u>(200,000)</u>
Investing activities		
Change in portfolio investment	<u>(4,930)</u>	<u>46,768</u>
Net increase in cash and cash equivalents	13,355	2,656,031
Cash and cash equivalents		
Beginning of year	<u>20,252,189</u>	<u>17,596,158</u>
End of year	\$ 20,265,545	\$ 20,252,189
Cash and cash equivalents are comprised of:		
Restricted cash	\$ 649,972	\$ 492,710
Unrestricted cash	<u>19,615,573</u>	<u>19,759,479</u>
	\$ 20,265,545	\$ 20,252,189

See accompanying notes to the consolidated financial statements

Municipality of the District of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2024

1. Summary of significant accounting policies

The consolidated financial statements of the Municipality of the District of Yarmouth (the "Municipality") 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 Accountants Canada.

The focus of PSAB financial statements is on the financial position of the Municipality and the changes thereto. The Consolidated Statement of Financial Position includes all of the assets and liabilities of the Municipality.

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

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, and expenditures in the financial position of the reporting entity. The reporting entity is comprised on all organizations and enterprises accountable for the administration of their affairs and resources to the Municipality and which are owned, controlled or proportionately controlled by the Municipality.

The Municipality has consolidated the following proportionately controlled entities:

- Mariners Centre Management Authority
- Yarmouth International Airport Corporation
- Yarmouth Area Industrial Commission
- Yarmouth & Acadian Shores Tourism Association
- Yarmouth County Solid Waste Management Authority

Interdepartmental and organizational transactions and balances are eliminated.

Budget figures

The budget figures contained in these financial statements were approved by Council on June 1, 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 17 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.

Municipality of the District of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2024

1. Summary of significant accounting policies (continued)

Revenue recognition (continued)

- (b) Sewer revenue is recorded in relation to the capital when the resident hooks up to the sewer service. Revenue is also recorded annually in relation to the maintenance fee charges.
- (c) 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.
- (d) Other revenue is recorded when it is earned.

Expenses

- (a) Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation.
- (b) Government transfers made to a recipient by the Municipality 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 and then transferred to the Capital Reserve. The balance of the tax sale surplus account at year end is \$492,710 (2022 - \$346,566).

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.

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 Municipality does not capitalize interest as part of the costs of its capital assets.

Municipality of the District of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2024

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	40 years
Wharves	2-10 years
Plants	25 years
Sidewalks	25 years
Sewer	50 years
Machinery and equipment	5-15 years
Wind turbines	20 years
Street lights	50 years
Vehicles	5 years
Bunker island trail	20 years
Landfill	5-25 years

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.

Municipality of the District of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2024

1. Summary of significant accounting policies (continued)

Post-employment future benefits

The Municipality pays certain benefits on behalf of its retired employees. These post-employment costs are recognized in the period in which the employees rendered their services to the Municipality. The determination of the accrued benefit obligations for post-employment future benefits earned by employees incorporates management's best estimate of future salary levels, other cost escalation, retirement ages of employees and other factors.

Use of estimates

The preparation of the consolidated financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates that effect the amounts recorded in the financial statements. Management reviews the carrying amounts of items in the financial statements at each fiscal year end date to assess the need for revisions. Items in preparation of these consolidated financial statements require management's best estimate based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to annual surplus as appropriate in the year they become known.

Significant items subject to management estimates include:

<u>Financial statement element</u>	<u>Management estimate</u>
Taxes receivable	Allowance for doubtful accounts
Other receivables	Allowance for doubtful accounts
Defined benefit pension plan	Accrued, unfunded liability
Other post-employment benefits	Accrued liability
Tangible capital assets	Useful lives
Asset retirement obligations	Discount rate

Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. the Municipality is directly responsible or accepts responsibility; and
- iv. a reasonable estimate of the amount can be made.

Management has reviewed potential sites where they feel a material liability may exist and has concluded there is no known liability at this time.

Municipality of the District of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2024

2. Change in accounting policies

Revenue

On April 1, 2023, the Municipality 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 Municipality does not have any changes reflected in their statements as a result of the adoption.

3. Contributions to Boards and Commissions

The Municipality is required to finance the operations of various Boards and Commissions, along with the other Municipal Units in Yarmouth County to the extent of its participation 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. The 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.

Regional Housing Authority

During the year, the Municipality paid \$46,100 (2023 - \$41,177) to fund its share of the prior year's deficit.

Regional Library

During the year, the Municipality paid \$79,600 (2023 - \$79,600) to the Regional Library. Grants from the provincial government pertaining to the Regional Library are received directly by the Library commencing in 1988.

Western Regional Solid Waste Management Authority (Waste Check)

During the year, the Municipality contributed \$29,209 (2023 - \$28,953) as its share of the operation of Western Regional Solid Waste Management Authority.

Western Regional Enterprise Network

During the year, the Municipality contributed \$60,377 (2023 - \$59,338) as its share of the operation of Western Regional Enterprise Network.

Municipality of the District of Yarmouth
Notes to the Consolidated Financial Statements

March 31, 2024

4. Taxes receivable			<u>2024</u>	<u>2023</u>
	<u>Current</u>	<u>Prior</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$	\$ 665,934	\$ 665,934	\$ 582,468
Current year's tax levy	11,329,974	-	11,329,974	10,208,527
Interest	<u>192,879</u>	<u>-</u>	<u>192,879</u>	<u>177,511</u>
	<u>11,522,853</u>	<u>665,934</u>	<u>12,188,787</u>	<u>10,968,506</u>
Deduct:				
Collections	10,755,540	507,267	11,262,807	10,125,706
Reduced taxes	<u>98,832</u>	<u>-</u>	<u>98,832</u>	<u>80,150</u>
	<u>10,854,372</u>	<u>507,267</u>	<u>11,361,639</u>	<u>10,205,856</u>
Balance, before allowance	668,481	158,667	827,148	762,650
Less valuation allowance	<u>-</u>	<u>96,716</u>	<u>96,716</u>	<u>96,716</u>
Balance, end of year	<u>\$ 668,481</u>	<u>\$ 61,951</u>	<u>\$ 730,432</u>	<u>\$ 665,934</u>

5. Other receivables	<u>2024</u>	<u>2023</u>
Town of Yarmouth	\$ 181,713	\$ 62
Amounts due from fire departments		
Kemptville Volunteer Fire Department	-	29,296
Port Maitland Volunteer Fire Department	59,895	103,323
Amounts due for controlled entities		
Mariners Centre Management Authority	61,158	34,360
Yarmouth & Acadian Shores Tourism Association	421	4,887
Yarmouth Area Industrial Commission	3,350	24,150
Yarmouth County Solid Waste Management Authority	66,241	83,485
Yarmouth International Airport Corporation	28,236	59,154
Water supply upgrade lending program	124,325	139,030
Other	<u>205,103</u>	<u>125,627</u>
	<u>\$ 730,442</u>	<u>\$ 603,374</u>

The terms of the amounts due from the fire departments are detailed in Note 13.

Municipality of the District of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2024

6. Deferred revenue	<u>2024</u>	<u>2023</u>
Canada Community-Building Fund revenue	\$ 3,997,528	\$ 3,405,197
Operating Revenue	231,111	264,374
Mariners Centre Management Authority expansion grant	1,287,546	1,333,333
Sustainability Grant	601,741	601,741
Accessibility Grant	<u>100,000</u>	<u>100,000</u>
	<u>\$ 6,217,926</u>	<u>\$ 5,704,645</u>

Deferred Canada Community-Building Fund revenue included in total 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	\$ 3,405,197	\$ 4,179,271
Canada Community-Building Fund grants received	515,174	501,202
Interest earned	215,516	192,390
Eligible expenditures	<u>(138,359)</u>	<u>(1,467,666)</u>
Balance, end of year	<u>\$ 3,997,528</u>	<u>\$ 3,405,197</u>

Deferred Canada Community-Building Fund revenue represents Canada Community-Building Fund funding received but not spent in accordance with *PS 3410 – Government Transfers*, which the Municipality applied prospectively beginning April 1, 2012. Canada Community-Building Fund funding is required to be spent on certain eligible projects in accordance with the Canada-Nova Scotia Federal Gas Tax agreement.

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.

Municipality of the District of Yarmouth
Notes to the Consolidated Financial Statements
 March 31, 2024

7. Long-term debt

	Balance April 1, 2023	Issued	Repaid	Balance March 31, 2024	Interest	Interest rate
Municipal Finance Corporation term loan, repayable in principal payments of \$100,000 plus interest, repaid 2024	\$ 1,600,000	\$ -	\$ 1,600,000	\$ -	\$ 49,621	5.335% - 5.48%
Municipal Finance Corporation term loan, repayable in principal payments of \$100,000 plus interest, due 2026	300,000	-	100,000	200,000	2,713	0.678% 1.241%
	<u>\$ 1,900,000</u>	<u>\$ -</u>	<u>\$ 1,700,000</u>	<u>\$ 200,000</u>	<u>\$ 52,334</u>	

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

2025	\$ 100,000
2026	100,000

Municipality of the District of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2024

8. Defined benefit pension plan

The Municipality of the District of Yarmouth sponsors a multi-employer defined benefit pension plan for a retired Municipal Clerk. The plan provides pension benefits for services which is determined using a final average salary formula in which the benefit is calculated as a specified percentage of the member's average salary over the last five years of membership in the plan.

Actuarial valuations for accounting purposes are performed triennially using the projected unit credit method. The most recent actuarial valuation was prepared at March 31, 2023 and at that time the pension plan had an accrued benefit obligation of \$77,580.

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect the Municipalities' best estimates.

The following summarizes the major assumptions in the valuation:

- the expected inflation rate is 2.3%;
- the discount rate used to determine the accrued benefit obligation is 4.75%;
- the expected rate of return is 5%; and
- retirement age is 65.

Combined employer and employee contributions during the year were nil (2023 - \$nil).

Pension fund assets are valued at market values. A result of the 2023 valuation is as follows:

Market value of the pension plan asset	\$ 343,045
Accrued benefit obligation	<u>420,625</u>
Pension plan deficit	<u>\$ (77,580)</u>

Subsequent to year end, the retired Municipal Clerk passed away. The actuaries have estimated the amount to be refunded to the Municipality to be \$225,000 (net of fees to wind up the plan).

Municipality of the District of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2024

9. Other post-employment benefits

Sick leave

The Municipality is liable for accumulated sick leave to a maximum of 150 unused days for each employee up to fiscal 2019, when the benefit was discontinued. Upon retirement an employee who has not abused their sick leave is eligible for a sick leave retirement package. The total liability recorded in these financial statements pertaining to this liability as at March 31, 2024 was \$231,745 (2023 - \$251,745). This figure is based upon historical information and the likelihood of the sick leave to be used and awarded to the employee. The sick leave retirement package was frozen by the Municipality effective December 31, 2018, meaning no additional amounts were accrued as they relate to the retirement package. No actuarial valuation has been performed pertaining to this liability as it is deemed to be a flat rate plan.

Service award retirement package

After 10 years of service at the Municipality, an employee will receive a retirement service package. The amount of the package is based on the salary earned in the final year of service multiplied by 2% and the number of years of service. The total amount of this liability as at March 31, 2024 of \$401,195 (2023 - \$369,317) 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 Municipality. No actuarial valuation of this obligation has been completed as it is determined to be a flat rate plan.

The Municipality is also responsible for 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 of \$138,373 (2023 - \$62,864), 33% of which has been recorded as a liability in these consolidated financial statements.

Pension package

During the year the Municipality contributed to their employees defined contribution pension plans at a maximum rate of 13% of total wages. The contribution rate varies depending on the years of service. Contributions for the year totaled \$170,734 (2023 - \$157,664). As of March 31, 2024, there were no required future contributions in respect of past service and all contributions required under the plan had been funded.

Municipality of the District of Yarmouth Notes to the Consolidated Financial Statements

March 31, 2024

10. Tangible capital assets

	<u>Land</u>	<u>Land improvements</u>	<u>Land</u>	<u>Buildings</u>	<u>Wharves</u>	<u>Plants</u>	<u>Sidewalks & trails</u>	<u>Sewer</u>	<u>Equipment & machinery</u>
Cost									
Balance, beginning of year	\$ 1,144,143	\$ 1,402,716	\$ 17,075,665	\$ 3,065,533	\$ 2,935,185	\$ 7,591,915	\$ 5,956,617	\$ 3,670,618	
Add									
Additions during the year	-	348,166	691,112	-	-	1,392	-	-	86,853
Change in proportionate ownership	-	-	-	-	-	-	-	-	-
Reclassification of amounts	-	-	-	-	-	-	-	-	-
ARO addition to cost	-	-	-	-	-	-	-	-	-
Less									
Adjustment	-	-	-	-	-	-	-	-	(93,575)
Write-down	-	-	-	-	-	-	-	-	-
Disposals during the year	(12,820)	-	-	-	-	-	-	-	(51,588)
Balance, end of year	<u>1,131,323</u>	<u>1,750,882</u>	<u>17,766,777</u>	<u>3,065,533</u>	<u>2,935,185</u>	<u>7,593,307</u>	<u>5,956,617</u>	<u>3,612,308</u>	
Accumulated amortization									
Balance, beginning of year	-	702,304	5,816,438	2,509,212	2,356,792	2,826,000	4,149,081	2,463,287	
Add									
Amortization during the year	-	69,767	463,988	73,303	55,955	300,021	84,912	168,221	
Change in proportionate ownership	-	-	-	-	-	-	-	-	
Less									
Adjustment	-	-	-	-	-	-	-	-	(27,795)
Accumulated amortization on disposals	-	-	-	-	-	-	-	-	(51,588)
Balance, end of year	<u>772,071</u>	<u>6,280,426</u>	<u>6,280,426</u>	<u>2,582,515</u>	<u>2,412,747</u>	<u>3,126,021</u>	<u>4,233,993</u>	<u>2,552,125</u>	
NET BOOK VALUE	<u>\$ 1,131,323</u>	<u>\$ 978,811</u>	<u>\$ 11,486,351</u>	<u>\$ 483,019</u>	<u>\$ 522,438</u>	<u>\$ 4,467,286</u>	<u>\$ 1,722,624</u>	<u>\$ 1,060,183</u>	

Municipality of the District of Yarmouth Notes to the Consolidated Financial Statements

March 31, 2024

10. Tangible capital assets (continued)

		Wind turbines	Street lights	Vehicles	Bunker Island trail	Work in progress	Landfill	2024 Total	2023 Total
Cost									
Balance, beginning of year	\$	416,342	\$ 1,359,413	\$ 839,093	\$ 123,280	\$ 710,388	\$ 1,221,340	\$ 47,512,248	\$ 46,112,455
Add									
Net additions during the year		-	2,691	8,316	-	329,541	1,132,778	2,600,849	3,349,668
Change in proportionate ownership		-	-	-	-	-	-	-	(2,322,172)
Reclassification of amounts		-	-	-	-	-	-	-	-
ARO addition to cost		-	-	-	-	-	-	-	536,806
Less									
Adjustment		-	-	-	-	-	-	(93,575)	(41,713)
Write-down		-	-	-	-	-	-	-	-
Disposals during the year		-	-	-	-	(86,959)	-	(151,367)	(122,796)
Balance, end of year		<u>416,342</u>	<u>1,362,104</u>	<u>847,409</u>	<u>123,280</u>	<u>952,970</u>	<u>2,354,118</u>	<u>49,868,156</u>	<u>47,512,248</u>
Accumulated amortization									
Balance, beginning of year		122,118	189,275	688,143	114,146	-	648,250	22,585,046	22,483,389
Add									
Amortization during the year		21,532	27,242	53,621	5,274	-	92,036	1,415,872	1,516,646
Change in proportionate ownership		-	-	-	-	-	-	-	(1,304,608)
Less									
Adjustment		-	-	-	-	-	-	(27,795)	(41,713)
Accumulated amortization on disposals		-	-	-	-	-	-	(51,588)	(68,668)
Balance, end of year		<u>143,650</u>	<u>216,517</u>	<u>741,764</u>	<u>119,420</u>	<u>-</u>	<u>740,286</u>	<u>23,921,535</u>	<u>22,585,046</u>
NET BOOK VALUE		<u>\$ 272,692</u>	<u>\$ 1,145,587</u>	<u>\$ 105,645</u>	<u>\$ 3,860</u>	<u>\$ 952,970</u>	<u>\$ 1,613,831</u>	<u>\$ 25,946,625</u>	<u>\$ 24,927,202</u>

Municipality of the District of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2024

11. Contingent liabilities

Harbour South Medical Clinic and Pubnico Medical Clinic

The Municipality has agreed to fund 33.33% of any deficit arising from both facilities. During the current year the Municipality has contributed \$nil (2023 - \$19,652) towards the operating deficit of the Harbour South Medical Clinic. During the current year the Municipality 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 Municipality may be periodically involved in other legal actions arising in the normal course of business. In the opinion of management, the Municipality has adequate defences or insurance coverage with respect to each of these actions and does not believe that they will materially affect the Municipality's financial position or results of future operations.

12. Commitments and contractual obligations

Organic waste collection and disposal contract

The Municipality has entered into a contract with Wasteco Ltd. for the handling and disposal of organic waste. The duration of the contract is five years commencing April 1, 2020 and the estimated annual payment for the remaining year of the contract is as follows (excluding HST):

2025	\$512,012
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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

Municipality of the District of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2024

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, 2024 is \$112.25 plus HST.

Municipality of the District of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2024

13. Loans receivable

During 2020, the Municipality advanced \$150,000 to the Kemptville Volunteer Fire Department and took back a variable rate mortgage that is repayable in monthly installments of \$1,291 including principal and interest to be amortized over ten years. The principal balance receivable at March 31, 2024 was \$nil (2023 - \$29,296).

During 2019, the Municipality advanced \$180,000 to the Port Maitland Volunteer Fire Department and took back a variable rate mortgage that is repayable in monthly installments of \$1,652 including principal and interest to be amortized over ten years. The principal balance receivable at March 31, 2024 was \$59,895 (2023 - \$103,323).

The loans to the fire departments are recorded within other receivables on the balance sheet.

14. Remuneration and expense reimbursements

The total remuneration and expense reimbursements paid to councillors and the Chief Administrative Officer during the year ended March 31, 2024 was as follows:

	<u>Remuneration</u>	<u>Expenses</u>
John Cunningham – Warden	\$ 46,815	\$ 3,978
Trevor Cunningham – Deputy Warden	32,361	5,793
Daniel Allen – Councillor	27,866	290
Patti Durkee – Councillor	27,866	10,248
Loren Cushing – Councillor	27,866	2,214
Sheri Hurlburt – Councillor	27,866	3,906
Nick Hilton – Councillor	27,866	4,090
Victoria Brooks – Chief Administrative Officer	152,092	5,586

Municipality of the District of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2024

15. Segment disclosure

The Municipality is a diversified municipal unit that provides a wide range of services to its citizens. For management reporting purposes the Municipality'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.

Municipality services are provided by segments and their activity is reported in these funds. The services provided by these segments are as follows:

General Government Services

This segment 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, adherence to the Municipal Government Act, information technology management, administration and maintenance of bylaws and change of address.

Protective Services

This segment is responsible for ensuring the safety of the residents. Its tasks include bylaw enforcement, animal control, emergency measures and maintaining the radio dispatch system.

Transportation Services

This segment is responsible for transportation services within the Municipality. Its tasks include maintaining roads and sidewalks, street lighting, maintaining the airport and administering public transit.

Environmental Health Services

This segment is responsible for the maintenance and operations of waste and sewer services provided to residents and other customers. Its tasks include recycling, composting and sewer hook-up.

Public Health and Welfare Services

This segment is responsible for recruiting doctors and maintaining a consistent level of medical services within the Municipality.

Environmental Development Services

This segment is responsible for the planning and development within the Municipality. Its tasks include developing strategies and planning reports, issuing development permits and approving subdivision applications.

Recreation and Cultural Services

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

Municipality of the District of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2024

15. Segment disclosure (continued)

	General government	Protective	Transportation	Environmental health	Public health and welfare	Environmental development	Recreation and cultural	2024 Consolidated	2023 Consolidated
Revenues									
Taxes	\$ 1,728,542	\$ 2,267,073	\$ 1,475,868	\$ 1,832,957	\$ 77,903	\$ 1,117,647	\$ 1,847,319	\$ 10,347,309	\$ 9,361,074
Grants in lieu of taxes	6,554	8,595	5,596	6,950	295	4,237	7,004	39,231	37,066
Services provided to other governments	-	-	-	-	-	-	363,425	363,425	312,317
Sales of services	56,365	-	49,379	-	-	133,384	119,293	358,420	369,061
Other revenue from own sources	468,806	-	-	577,904	-	-	174,549	1,221,259	1,169,774
Unconditional transfers from other governments	192,128	-	256,852	-	-	58,827	181,353	689,160	696,310
Conditional transfers from Federal and Provincial Governments or agencies	-	-	-	-	-	174,489	240,001	414,491	1,741,964
Interest	1,365,089	-	6,722	17,969	-	5,419	83,201	1,478,400	982,310
Other	-	-	187,766	112,548	-	46,126	-	346,440	309,712
Rental and events	-	-	-	-	-	654,734	221,354	876,088	867,757
Food and beverage sales	-	-	-	-	-	-	111,739	111,739	85,696
	<u>3,817,483</u>	<u>2,275,669</u>	<u>1,982,182</u>	<u>2,548,328</u>	<u>78,198</u>	<u>2,194,864</u>	<u>3,349,238</u>	<u>16,245,962</u>	<u>15,933,041</u>
Expenses									
Salaries and benefits	1,286,169	313,989	705,007	136,650	74,414	425,572	1,229,924	4,171,724	3,894,338
Goods and services	388,016	2,607,137	602,066	1,863,776	32,143	701,390	571,459	6,765,988	5,798,933
Amortization	140,569	-	437,399	348,488	-	264,858	224,557	1,415,871	1,516,624
Interest	49,579	-	-	2,755	-	70	-	52,404	94,216
Other	499,995	179,814	274,244	155,480	-	136,846	500,853	1,747,233	1,486,788
	<u>2,364,328</u>	<u>3,100,940</u>	<u>2,018,716</u>	<u>2,507,149</u>	<u>106,557</u>	<u>1,528,737</u>	<u>2,526,793</u>	<u>14,153,220</u>	<u>12,790,899</u>
Annual surplus (deficit) before the undernoted	1,453,155	(825,271)	(36,534)	41,179	(28,359)	666,127	822,445	2,092,742	3,142,142
Loss on change in proportionate controlled entity	-	-	-	-	-	-	-	-	(1,025,148)
Gain (loss) on disposal of tangible capital assets	11,259	-	-	39,832	-	-	-	51,093	185,725
Annual surplus (deficit)	<u>1,464,414</u>	<u>(825,271)</u>	<u>(36,534)</u>	<u>81,011</u>	<u>(28,359)</u>	<u>666,127</u>	<u>822,445</u>	<u>2,143,834</u>	<u>2,302,719</u>

Municipality of the District of Yarmouth Notes to the Consolidated Financial Statements

March 31, 2024

16. Subsidiary operations

		Mariners Centre Management Authority	Yarmouth International Airport Corporation	Yarmouth County Solid Waste Management Authority	Yarmouth Area Industrial Commission	Yarmouth and Acadian Shores Tourism Association	
	\$						2023 Total
Revenues							
Rental and events	\$ 221,354	-	-	-	-	-	\$ 390,094
Food and beverage sales	111,739	-	-	-	-	-	85,696
Sales of services	119,293	49,379	-	-	64,952	68,432	304,147
Federal, provincial & municipal grants	550,623	366,617	-	-	20,643	99,620	1,166,771
Other revenue from own sources	174,549	-	-	689,018	-	-	819,425
Interest	83,201	6,722	-	17,969	5,419	-	55,499
Other	-	187,766	-	152,380	46,126	-	309,713
		<u>1,260,758</u>	<u>610,484</u>	<u>859,367</u>	<u>282,307</u>	<u>168,053</u>	<u>3,180,969</u>
Expenses		<u>1,165,455</u>	<u>596,954</u>	<u>963,615</u>	<u>357,037</u>	<u>216,589</u>	<u>3,190,911</u>
Annual surplus (deficit)	\$ <u>95,303</u>	\$ <u>13,531</u>	\$ <u>(104,248)</u>	\$ <u>(74,730)</u>	\$ <u>(48,537)</u>	\$ <u>(59,566)</u>	\$ <u>(118,682)</u>
Financial assets	\$ 1,640,404	\$ 117,522	\$ 191,992	\$ 406,616	\$ 14,632	\$ 14,632	\$ 1,388,648
Financial liabilities	<u>1,550,454</u>	<u>164,665</u>	<u>898,245</u>	<u>249,410</u>	<u>15,302</u>	<u>15,302</u>	<u>834,609</u>
Net financial assets	<u>89,950</u>	<u>(47,144)</u>	<u>(706,253)</u>	<u>157,206</u>	<u>(671)</u>	<u>(671)</u>	<u>554,039</u>
Non-financial assets	<u>2,220,111</u>	<u>196,462</u>	<u>2,272,405</u>	<u>1,462,051</u>	<u>7,349</u>	<u>7,349</u>	<u>5,216,156</u>
Accumulated surplus	\$ <u>2,310,061</u>	\$ <u>149,318</u>	\$ <u>1,566,152</u>	\$ <u>1,619,257</u>	\$ <u>6,679</u>	\$ <u>6,679</u>	\$ <u>5,770,195</u>

These amounts are included in the consolidated statement of operations. This schedule does not take into account inter-organization 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.

Municipality of the District of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2024

17. 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 expenses between the Municipality and its proportionately consolidated entities. Below is a reconciliation of the figures from the approved fiscal plan to the fiscal plan per the financial statement:

	Approved Fiscal Plan	Adjustments	Fiscal Plan Per Financial Statements
Revenues			
Taxes	\$ 13,355,917	\$ (3,217,559)	\$ 10,138,358
Grants in lieu of taxes	34,000	-	34,000
Services provided to other Governments	363,425	-	363,425
Sales of services	349,828	-	349,828
Other revenue from own sources	2,163,708	(1,054,972)	1,108,736
Unconditional transfers from other Governments	936,271	(272,349)	663,922
Conditional transfers from Federal and Provincial Governments and agencies	734,650	(14,872)	719,778
Interest	23,181	400,000	423,181
Other	331,257	-	331,257
Rental and events	340,065	509,566	849,631
Food and beverage sales	87,333	-	87,333
	<u>18,719,636</u>	<u>(3,650,187)</u>	<u>15,069,449</u>
Expenses			
General Government services	2,203,810	119,732	2,323,542
Protective services	3,646,904	(534,892)	3,112,012
Transportation services	1,846,025	278,932	2,124,957
Environmental health services	2,111,100	68,466	2,179,566
Public health and welfare services	166,575	(46,100)	120,475
Environmental development services	1,337,281	298,178	1,635,459
Recreational and cultural services	1,822,541	575,489	2,398,030
Fiscal services	5,597,931	(5,597,931)	-
	<u>18,732,167</u>	<u>(4,838,126)</u>	<u>13,894,041</u>
Annual (deficit) surplus before the undernoted	(12,531)	1,187,940	1,175,408
Gain on disposal of tangible capital assets	16,241	-	16,241
Annual surplus	<u>\$ 3,710</u>	<u>\$ 1,187,940</u>	<u>\$ 1,191,650</u>

Municipality of the District of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2024

18. 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	<u>\$ 5,714,051</u>	<u>\$ 6,252,022</u>
Capital	<u>\$ 6,168,977</u>	<u>\$ 5,140,293</u>

The reserve balances comprise a portion of accumulated surplus in these consolidated financial statements.

19. Trust funds

The Trust Funds being administered by the Municipality of the District of Yarmouth are not consolidated with the accounts of the Municipality. At March 31, 2024, the equity in Trust Funds under its trusteeship amounted to \$8,789 (2023 - \$8,333).

20. Asset retirement obligation

The Municipality'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 refuelling areas. 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 Municipality 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 4.1%-5.5% per annum.

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

- a) An asset retirement obligation in the amount of \$536,806, representing the original \$2,860,351 obligation discounted to the present value using a discount rate of 4.1% and 5.5% per annum.
- b) An increase to tangible capital assets, representing the original estimate of the obligation as at the date of the transition.

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

	<u>2024</u>	<u>2023</u>
Opening balance	\$ 565,070	\$ -
Liability recognized on adoption of PS 3280	-	536,806
Settlement	-	-
Accretion expense	<u>29,766</u>	<u>28,264</u>
Closing balance	<u>\$ 594,836</u>	<u>\$ 565,070</u>

Municipality of the District of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2024

21. Subsequent events

On May 29th, 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.

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 is expected to begin in November 2024 with a 2026 planned completion date. The municipality had initially committed \$3,866,000 as their portion of the project. Subsequent to year end, an additional \$1,403,200 conditional grant was approved.

Subsequent to year end, the Housing and Municipal Investment Strategy, Active Transportation Master Plan, and the Cape Forchu Sea Level Rise Study were commenced with an estimated cost of \$229,885 plus HST.

Subsequent to year end, the Municipality awarded the tender for the accessibility renovations to the Administration building and Rotary Centre to Delmar Construction Limited in the amounts of \$834,825 plus HST and \$439,967 plus HST.

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 it's ownership for proceeds of \$0.50, resulting in a loss of \$1,025,148 (\$1,017,564 on capital assets and \$7,583 on other assets).