

Please sign and return to
DOANE GRANT THORNTON LLP
for their files



Consolidated Financial Statements

Municipality of the District of Yarmouth

March 31, 2025

Contents

	Page
Management's Responsibility for Financial Reporting	1
Independent Auditor's Report	2-3
Consolidated Statement of Operations	4
Consolidated Statement of Financial Position	5
Consolidated Statement of Changes in Net Financial Assets	6
Consolidated Statement of Cash Flow	7
Notes to the Consolidated Financial Statements	8-28

Municipality of the District 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 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.

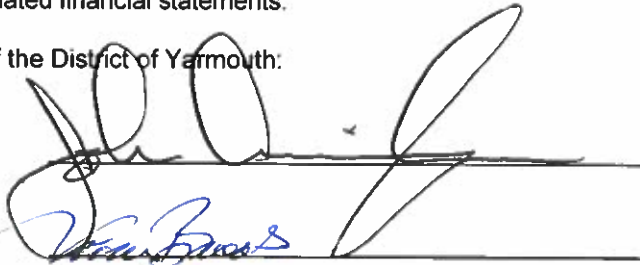
The Audit Committee is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through Council. The Audit Committee reviews internal financial statements periodically and external audited consolidated financial 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 larger and more stylized, while the bottom signature is smaller and more legible. Both signatures are written over horizontal lines that serve as baselines for the text.

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, 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 Municipality of the District 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 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
September 22, 2025

Chartered Professional Accountants

Municipality of the District of Yarmouth

Consolidated Statement of Operations

Year Ended March 31

2025

2024

	<u>Budget</u> (Note 16)	<u>Actual</u>	<u>Actual</u>
Revenues			
Taxes	\$ 10,925,979	\$ 11,377,133	\$ 10,347,309
Grants in lieu of taxes	34,200	41,336	39,231
Services provided to other governments	249,546	249,546	363,425
Sales of services	422,117	400,887	358,420
Other revenue from own sources	1,316,338	1,481,421	1,221,259
Unconditional transfers from other governments	682,501	864,977	689,160
Conditional transfers from Federal and Provincial governments and agencies	454,584	2,123,715	414,491
Interest	494,585	1,451,457	1,478,400
Other	961,822	973,052	346,440
Rental and events	973,225	966,844	876,088
Food and beverage sales	<u>126,833</u>	<u>112,261</u>	<u>111,739</u>
	<u>16,641,730</u>	<u>20,042,629</u>	<u>16,245,962</u>
Expenses			
General government services	2,945,259	2,713,988	2,364,328
Protective services	3,389,943	3,330,136	3,100,941
Transportation services	2,161,960	2,193,039	2,018,716
Environmental health services	2,315,249	2,593,210	2,507,149
Public health and welfare services	115,810	111,145	106,557
Environmental development services	1,552,393	1,606,050	1,528,737
Recreational and cultural services	<u>3,100,104</u>	<u>3,101,256</u>	<u>2,526,793</u>
	<u>15,580,718</u>	<u>15,648,824</u>	<u>14,153,220</u>
Annual surplus before the undernoted	1,061,012	4,393,805	2,092,742
Gain on disposal of tangible capital assets	<u>-</u>	<u>-</u>	<u>51,093</u>
Annual surplus	<u>\$ 1,061,012</u>	<u>\$ 4,393,805</u>	<u>\$ 2,143,834</u>
<hr/>			
Accumulated surplus, beginning of year		\$ 38,188,977	\$ 36,045,143
Annual surplus		<u>4,393,805</u>	<u>2,143,834</u>
Accumulated surplus, end of year		<u>\$ 42,582,782</u>	<u>\$ 38,188,977</u>

See accompanying notes to the consolidated financial statements

Municipality of the District of Yarmouth

Consolidated Statement of Financial Position

March 31

2025

2024

Financial Assets

Cash and cash equivalents - restricted	\$ 667,713	\$ 649,972
Cash and cash equivalents - unrestricted	25,948,306	19,615,573
Taxes receivable (Note 3)	942,333	730,432
Due from Federal Government and its agencies	147,079	48,573
Due from Provincial Government and its agencies	-	515,174
Due from own funds and agencies	-	356,382
Other receivables (Note 4)	732,091	730,442
Portfolio investment	232,622	224,982
	<u>28,670,144</u>	<u>22,871,530</u>

Financial Liabilities

Payables and accruals	2,204,337	1,936,562
Prepayment of taxes	597,501	493,246
Deferred revenue (Note 5)	8,105,251	6,217,926
Tax sale surplus	626,724	549,784
Loan payable	82,221	251,403
Long-term debt (Note 6)	624,752	200,000
Defined benefit pension plan (Note 7)	-	77,580
Other post-employment benefits (Note 8)	602,501	679,064
Asset retirement obligation (Note 19)	626,071	594,836
Contaminated sites	18,271	18,271
	<u>13,487,629</u>	<u>11,018,673</u>

NET FINANCIAL ASSETS

15,182,515 11,852,857

Non-Financial Assets

Tangible capital assets (Note 9)	27,096,943	25,946,625
Inventories	23,852	24,247
Prepaid expenses	279,472	365,248
	<u>27,400,267</u>	<u>26,336,120</u>

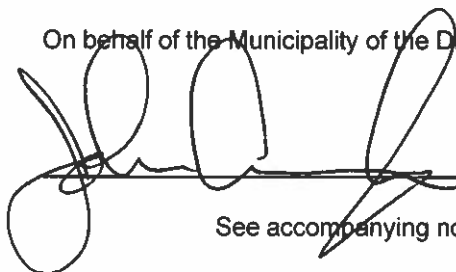
ACCUMULATED SURPLUS

\$ 42,582,782 \$ 38,188,977

Contingent liabilities (Note 10)

Commitments and contractual obligations (Note 11)

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 2025 2024

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Annual surplus	\$ 1,061,012	\$ 4,393,805	\$ 2,143,834
Acquisition of tangible capital assets	(1,799,700)	(2,662,280)	(2,600,849)
Proceeds on disposal of tangible capital assets	-	-	216,608
Amortization of tangible capital assets	1,379,026	1,482,533	1,385,168
Amortization of asset retirement obligation	-	29,429	30,704
Gain on disposal of tangible capital assets	-	-	(51,093)
	<u>640,339</u>	<u>3,243,487</u>	<u>1,124,372</u>
Change in prepaid expenses and inventories	-	<u>86,171</u>	<u>(82,303)</u>
Increase in Net Financial Assets	<u>\$ 640,339</u>	<u>3,329,658</u>	<u>1,042,069</u>
Net Financial Assets, beginning of year		<u>11,852,857</u>	<u>10,810,788</u>
Net Financial Assets, end of year		<u>\$ 15,182,515</u>	<u>\$ 11,852,857</u>

See accompanying notes to the consolidated financial statements

Municipality of the District of Yarmouth

Consolidated Statement of Cash Flow

Year Ended March 31	2025	2024
Increase in cash and cash equivalents		
Operating activities		
Annual surplus	\$ 4,393,805	\$ 2,143,834
Amortization	1,482,533	1,385,168
Amortization asset retirement obligation	29,429	30,704
Accretion expense	31,235	29,766
Gain on disposal of tangible capital assets	<u>-</u>	<u>(51,093)</u>
	5,937,002	3,538,379
Change in non-cash items		
Taxes receivable	(211,901)	(64,498)
Due from Federal Government and its agencies	(98,506)	61,390
Due from Provincial Government and its agencies	515,174	(515,174)
Due from own funds and agencies	356,382	(356,382)
Other receivables	(1,649)	(127,068)
Loan payable	(169,182)	251,403
Payables and accruals	267,776	695,705
Prepayment of taxes	104,257	35,627
Deferred revenue	1,887,325	513,281
Defined benefit pension plan	(77,580)	-
Tax sale surplus	76,940	115,118
Other post-employment benefits	(76,563)	37,048
Prepaid expenses and inventories	<u>86,171</u>	<u>(82,303)</u>
	8,595,647	4,102,527
Capital activities		
Proceeds on disposal of tangible capital assets	-	216,608
Acquisition of tangible capital assets	<u>(2,662,280)</u>	<u>(2,600,849)</u>
	(2,662,280)	(2,384,242)
Financing activities		
Issuance of long-term debt	524,752	-
Repayment of long-term debt	<u>(100,000)</u>	<u>(1,700,000)</u>
	424,752	(1,700,000)
Investing activities		
Change in portfolio investment	<u>(7,640)</u>	<u>(4,930)</u>
Net increase in cash and cash equivalents	6,350,474	13,355
Cash and cash equivalents		
Beginning of year	<u>20,265,545</u>	<u>20,252,189</u>
End of year	<u>\$ 26,616,019</u>	<u>\$ 20,265,545</u>
Cash and cash equivalents are comprised of:		
Restricted cash	\$ 667,713	\$ 649,972
Unrestricted cash	<u>25,948,306</u>	<u>19,615,573</u>
	<u>\$ 26,616,019</u>	<u>\$ 20,265,545</u>

See accompanying notes to the consolidated financial statements

Municipality of the District of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2025

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
- Mariners Centre Health and Wellness Fund
- 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 May 29, 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 16 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, 2025

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.

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, 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	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, 2025

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, 2025

2. 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 prior year, the Municipality over accrued \$17,111 (2024 - \$46,100) as owing to the Regional Housing Authority to fund its share of the deficit. During the year, a new agreement was reached with the Province of Nova Scotia, and the Municipality is no longer required to fund any deficits of the Regional Housing Authority.

Regional Library

During the year, the Municipality paid \$83,600 (2024 - \$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 \$30,800 (2024 - \$29,209) as its share of the operation of Western Regional Solid Waste Management Authority.

Western Regional Enterprise Network

During the year, the Municipality contributed \$62,639 (2024 - \$60,377) 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, 2025

3. Taxes receivable			<u>2025</u>	<u>2024</u>
	<u>Current</u>	<u>Prior</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ -	\$ 730,432	\$ 730,432	\$ 665,934
Current year's tax levy	12,287,122	-	12,287,122	11,329,974
Interest	<u>220,989</u>	<u>-</u>	<u>220,989</u>	<u>192,879</u>
	<u>12,508,111</u>	<u>730,432</u>	<u>13,238,543</u>	<u>12,188,787</u>
Deduct				
Collections	11,627,694	491,770	12,119,464	11,262,807
Reduced taxes	<u>80,030</u>	<u>-</u>	<u>80,030</u>	<u>98,832</u>
	<u>11,707,724</u>	<u>491,770</u>	<u>12,199,494</u>	<u>11,361,639</u>
Balance, before allowance	800,387	238,662	1,039,049	827,148
Less valuation allowance	<u>-</u>	<u>96,716</u>	<u>96,716</u>	<u>96,716</u>
Balance, end of year	<u>\$ 800,387</u>	<u>\$ 141,946</u>	<u>\$ 942,333</u>	<u>\$ 730,432</u>

4. Other receivables			<u>2025</u>	<u>2024</u>
Town of Yarmouth			\$ 124,773	\$ 181,713
Amounts due from fire departments				
Valley & District Volunteer Fire Department			129,079	-
Lake Vaughn Volunteer Fire Department			137,312	-
Port Maitland Volunteer Fire Department			-	59,895
Amounts due for controlled entities				
Mariners Centre Management Authority			60,660	61,158
Yarmouth & Acadian Shores Tourism Association			2,654	421
Yarmouth Area Industrial Commission			9,789	3,350
Yarmouth County Solid Waste Management Authority			49,438	66,241
Yarmouth International Airport Corporation			44,457	28,236
Water supply upgrade lending program			115,930	124,325
Other			<u>57,999</u>	<u>205,103</u>
			<u>\$ 732,091</u>	<u>\$ 730,442</u>

The terms of the amounts due from the fire departments are detailed in Note 12.

Municipality of the District of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2025

5. Deferred revenue	<u>2025</u>	<u>2024</u>
Canada Community-Building Fund revenue	\$ 4,367,965	\$ 3,997,528
Operating Revenue	217,175	231,111
Mariners Centre Management Authority expansion grant	2,565,483	1,287,546
Growth & Renewal for Infrastructure Development program	573,366	-
Sustainability Grant	381,262	601,741
Accessibility Grant	-	100,000
	<u>\$ 8,105,251</u>	<u>\$ 6,217,926</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>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 3,997,528	\$ 3,405,197
Canada Community-Building Fund grants received	511,389	515,174
Interest earned	179,351	215,516
Eligible expenditures	<u>(318,303)</u>	<u>(138,359)</u>
Balance, end of year	<u>\$ 4,367,965</u>	<u>\$ 3,997,528</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. Funding is required to be spent on certain eligible projects in accordance with the Canada-Nova Scotia Administrative Agreement on the Canada Community-Building Fund.

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, 2025

6. Long-term debt

	Balance April 1, 2024	Issued	Repaid	Balance March 31, 2025	Interest	Interest rate
NS Dept. of Finance & Treasury Board term loan, repayable in principal payments of \$52,784 plus interest, due 2028	\$ -	\$ 527,839	\$ 3,087	\$ 524,752	\$ 19,793	4.433% - 4.940%
NS Dept. of Finance & Treasury Board term loan, repayable in principal payments of \$100,000 plus interest, due 2026	200,000	-	100,000	100,000	1,257	0.678% - 1.241%
	<u>\$ 200,000</u>	<u>\$ 527,839</u>	<u>\$ 103,087</u>	<u>\$ 624,752</u>	<u>\$ 21,050</u>	

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

2026	\$ 152,784
2027	52,784
2028	419,184

Municipality of the District of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2025

7. Defined benefit pension plan

The Municipality of the District of Yarmouth sponsored 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 were 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 (2024 - \$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>

During the year, the retired Municipal Clerk passed away. The Municipality received a refund of \$180,214, upon wind up of the plan.

Municipality of the District of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2025

8. 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, 2025 was \$151,312 (2024 - \$231,745). 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, 2025 of \$400,422 (2024 - \$401,195) 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, 2025 of \$152,301 (2024 - \$138,373), 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 18% of total wages. The contribution rate varies depending on the years of service. Contributions for the year totaled \$196,742 (2024 - \$170,734). As of March 31, 2025, 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, 2025

9. Tangible capital assets

	<u>Land</u>	<u>improvements</u>	<u>Land</u>	<u>Buildings</u>	<u>Wharves</u>	<u>Plants</u>	<u>Sidewalks</u>	<u>Sewer</u>	<u>Equipment</u>
							<u>& trails</u>		<u>& machinery</u>
Cost									
Balance, beginning of year	\$ 1,131,323	\$ 1,750,882	\$ 17,766,777	\$ 3,065,533	\$ 2,935,185	\$ 7,593,307	\$ 5,956,617	\$ 3,612,308	
Add									
Additions during the year	-	158,677	122,910	-	30,700	-	-	476,841	
Reclassification of amounts	-	-	-	-	-	-	-	-	
ARO addition to cost	-	-	-	-	-	-	-	-	
Less									
Write-down	-	-	-	-	-	-	-	-	
Disposals during the year	-	-	-	-	-	-	-	-	
Balance, end of year	<u>1,131,323</u>	<u>1,909,559</u>	<u>17,889,687</u>	<u>3,065,533</u>	<u>2,965,885</u>	<u>7,593,307</u>	<u>5,956,617</u>	<u>4,089,150</u>	
Accumulated amortization									
Balance, beginning of year	-	772,071	6,280,426	2,582,515	2,412,747	3,126,021	4,233,993	2,552,125	
Add									
Amortization during the year	-	76,075	473,559	77,785	57,183	300,021	84,912	213,198	
Less									
Accumulated amortization on disposals	-	-	-	-	-	-	-	-	
Balance, end of year	<u>-</u>	<u>848,146</u>	<u>6,753,985</u>	<u>2,660,300</u>	<u>2,469,930</u>	<u>3,426,042</u>	<u>4,318,905</u>	<u>2,765,323</u>	
NET BOOK VALUE	<u>\$ 1,131,323</u>	<u>\$ 1,061,413</u>	<u>\$ 11,135,702</u>	<u>\$ 405,234</u>	<u>\$ 495,955</u>	<u>\$ 4,167,265</u>	<u>\$ 1,637,712</u>	<u>\$ 1,323,826</u>	

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

March 31, 2025

9. Tangible capital assets (continued)

	Wind turbines	Street lights	Vehicles	Bunker Island trail	Work in progress	Landfill	2025 Total	2024 Total
Cost								
Balance, beginning of year	\$ 416,342	\$ 1,362,104	\$ 847,409	\$ 123,280	\$ 952,970	\$ 2,354,118	\$ 49,868,156	\$ 47,512,249
Add								
Net additions during the year	-	4,533	57,353	-	1,783,378	27,888	2,662,280	2,600,849
Reclassification of amounts	-	-	-	-	-	-	-	-
ARO addition to cost	-	-	-	-	-	-	-	-
Less								
Adjustment	-	-	-	-	-	-	-	(93,575)
Write-down	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-	(151,367)
Balance, end of year	<u>416,342</u>	<u>1,366,637</u>	<u>904,763</u>	<u>123,280</u>	<u>2,736,348</u>	<u>2,382,006</u>	<u>52,530,436</u>	<u>49,868,156</u>
Accumulated amortization								
Balance, beginning of year	143,650	216,517	741,764	119,420	-	740,286	23,921,535	22,585,046
Add								
Amortization during the year	21,532	27,333	64,150	960	-	115,250	1,511,958	1,415,872
Less								
Adjustment	-	-	-	-	-	-	-	(27,795)
Accumulated amortization on disposals	-	-	-	-	-	-	-	(51,588)
Balance, end of year	<u>165,182</u>	<u>243,850</u>	<u>805,914</u>	<u>120,380</u>	<u>-</u>	<u>855,536</u>	<u>25,433,493</u>	<u>23,921,535</u>
NET BOOK VALUE	<u>\$ 251,160</u>	<u>\$ 1,122,787</u>	<u>\$ 98,848</u>	<u>\$ 2,900</u>	<u>\$ 2,736,348</u>	<u>\$ 1,526,470</u>	<u>\$ 27,096,943</u>	<u>\$ 25,946,625</u>

Municipality of the District of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2025

10. Contingent liabilities

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.

11. Commitments and contractual obligations

Organic waste collection and disposal contract

The Municipality has entered into a contract with Royal Environmental Inc. for the handling and disposal of organic waste. The duration of the contract is seven years commencing April 1, 2025, and the estimated annual payment for the remaining years of the contract is as follows (excluding HST):

	White metal	Organic	Recycling	Total
2026	\$47,250	\$724,608	\$610,136	\$1,381,994
2027	\$49,140	\$753,592	\$634,541	\$1,437,273
2028	\$51,106	\$783,736	\$659,923	\$1,494,765
2029	\$53,150	\$815,085	\$686,320	\$1,554,555
2030	\$55,276	\$847,689	\$713,772	\$1,616,737
2031	\$57,487	\$881,596	\$742,323	\$1,681,406
2032	\$59,786	\$916,860	\$772,016	\$1,748,662

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

Scotia Recycling contract

On September 1, 2024, Yarmouth County Solid Waste Management Authority entered into a new 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

Municipality of the District of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2025

11. 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 Center Management Authority awarded a contract to RCS Construction for \$42,231,450 for the construction of the Mariners Center 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.

Accessibility upgrades

During the year, the Municipality awarded a contract 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.

Municipality of the District of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2025

12. Loans receivable

During the year, the Municipality advanced \$130,000 to the Valley & District Volunteer Fire Department and took back a variable rate mortgage that is repayable in monthly installments of \$1,267, including principal and interest, to be amortized over ten years. The principal balance receivable at March 31, 2025, was \$129,079.

During the year, the Municipality advanced \$250,000 to the Lake Vaughn Volunteer Fire Department and took back a variable rate mortgage that is repayable in monthly installments. In February 2025, a \$100,000 repayment was made, resulting in new monthly installments of \$1,421, including principal and interest, to be amortized over ten years. The principal balance receivable at March 31, 2025, was \$137,312.

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, 2025, was \$nil (2024 - \$59,895).

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

13. Remuneration and expense reimbursements

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

	<u>Remuneration</u>	<u>Expenses</u>
John Cunningham – Warden	\$ 48,484	\$ 4,863
Trevor Cunningham – Deputy Warden	33,516	5,148
Daniel Allen – Councillor	16,437	180
Patti Durkee – Councillor	16,437	6,832
Loren Cushing – Councillor	28,861	8,024
Sheri Hurlburt – Councillor	16,437	5,022
Nick Hilton – Councillor	18,988	452
Daniel Muise – Councillor	12,424	3,053
James Baxter – Councillor	12,424	500
Phil Mooney – Councillor	12,424	2,158
Trevor Perry – Councillor	2,551	18
Victoria Brooks – Chief Administrative Officer	167,359	12,112

Municipality of the District of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2025

14. 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, 2025

14. Segment disclosure (continued)

	General government	Protective	Transportation	Environmental health	Public health and welfare	Environmental development	Recreation and cultural	2025 Consolidated	2024 Consolidated
Revenues									
Taxes	\$ 1,973,145	\$ 2,421,102	\$ 1,594,401	\$ 1,885,337	\$ 80,806	\$ 1,167,643	\$ 2,254,700	\$ 11,377,133	\$ 10,347,309
Grants in lieu of taxes	7,169	8,796	5,793	6,850	294	4,242	8,192	41,336	39,231
Services provided to other governments	-	-	-	-	-	-	249,546	249,546	363,425
Sales of services	58,514	-	46,872	-	-	174,110	121,391	400,887	358,420
Other revenue from own sources	772,547	-	-	558,339	-	-	150,534	1,481,421	1,221,259
Unconditional transfers from other governments	238,119	-	298,319	11,012	-	63,660	253,866	864,977	689,160
Conditional transfers from Federal and Provincial Governments or agencies	-	-	14,107	-	-	506,449	1,603,159	2,123,715	414,491
Interest	1,328,887	-	4,814	9,169	-	9,153	99,433	1,451,457	1,478,400
Other	-	-	129,976	81,902	-	26,452	734,721	973,052	346,440
Rental and events	-	-	-	-	-	691,616	275,228	966,844	876,088
Food and beverage sales	-	-	-	-	-	-	112,261	112,261	111,739
	<u>4,378,382</u>	<u>2,429,898</u>	<u>2,094,282</u>	<u>2,552,609</u>	<u>81,099</u>	<u>2,643,325</u>	<u>5,863,033</u>	<u>20,042,628</u>	<u>16,245,962</u>
Expenses									
Salaries and benefits	1,458,747	391,133	792,594	156,293	79,603	394,819	1,277,940	4,551,128	4,171,724
Goods and services	370,895	2,791,857	609,023	1,901,128	31,542	746,630	963,680	7,414,754	6,765,988
Amortization	147,877	-	444,793	338,460	-	317,598	263,213	1,511,941	1,415,871
Interest	-	-	-	1,257	-	5,118	-	6,375	52,404
Other	736,469	147,145	346,629	196,073	-	141,885	596,424	2,164,624	1,747,233
	<u>2,713,988</u>	<u>3,330,135</u>	<u>2,193,039</u>	<u>2,593,210</u>	<u>111,145</u>	<u>1,606,050</u>	<u>3,101,256</u>	<u>15,648,823</u>	<u>14,153,220</u>
Annual surplus (deficit) before the undernoted	1,664,394	(900,237)	(98,756)	(40,601)	(30,046)	1,037,275	2,761,777	4,393,805	2,092,742
Gain (loss) on disposal of tangible capital assets	-	-	-	-	-	-	-	-	51,093
Annual surplus (deficit)	<u>\$ 1,664,394</u>	<u>\$ (900,237)</u>	<u>\$ (98,756)</u>	<u>\$ (40,601)</u>	<u>\$ (30,046)</u>	<u>\$ 1,037,275</u>	<u>\$ 2,761,777</u>	<u>\$ 4,393,805</u>	<u>\$ 2,143,834</u>

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

March 31, 2025

15. Subsidiary operations

		<u>Mariners Centre Management Authority</u>	<u>Yarmouth International Airport Corporation</u>	<u>Yarmouth County Solid Waste Management Authority</u>	<u>Yarmouth Area Industrial Commission</u>	<u>Yarmouth and Acadian Shores Tourism Association</u>	<u>2025 Total</u>	<u>2024 Total</u>
Revenues								
Rental and events	\$	275,228	-	-	159,049	-	434,277	366,522
Food and beverage sales		112,261	-	-	-	-	112,261	111,739
Sales of services		121,391	46,872	-	68,873	105,237	342,373	302,055
Federal, provincial & municipal grants		2,067,279	430,387	11,012	29,064	95,490	2,633,232	1,037,503
Other revenue from own sources		150,534	-	687,465	-	-	837,999	863,567
Interest		99,433	4,814	9,169	9,153	-	122,569	113,311
Other		<u>734,721</u>	<u>129,976</u>	<u>81,902</u>	<u>26,452</u>	<u>-</u>	<u>973,051</u>	<u>386,272</u>
		3,560,847	612,049	789,548	292,591	200,727	5,455,762	3,180,969
Expenses		<u>1,349,892</u>	<u>648,119</u>	<u>1,037,004</u>	<u>317,699</u>	<u>209,453</u>	<u>3,562,168</u>	<u>3,299,651</u>
Annual surplus (deficit)	\$	<u>2,210,955</u>	<u>(36,070)</u>	<u>(247,456)</u>	<u>(25,108)</u>	<u>(8,726)</u>	<u>1,893,594</u>	<u>(118,682)</u>
Financial assets	\$	3,766,564	52,768	236,713	405,644	28,407	4,490,096	2,371,166
Financial liabilities		<u>3,016,499</u>	<u>152,728</u>	<u>1,031,512</u>	<u>243,672</u>	<u>38,599</u>	<u>4,483,011</u>	<u>2,878,076</u>
Net financial assets		<u>750,065</u>	<u>(99,960)</u>	<u>(794,799)</u>	<u>161,972</u>	<u>(10,192)</u>	<u>7,085</u>	<u>(506,911)</u>
Non-financial assets		<u>3,770,952</u>	<u>213,208</u>	<u>2,113,496</u>	<u>1,432,177</u>	<u>8,145</u>	<u>7,537,979</u>	<u>6,158,378</u>
Accumulated surplus	\$	<u>4,521,017</u>	<u>113,248</u>	<u>1,318,697</u>	<u>1,594,149</u>	<u>(2,047)</u>	<u>7,545,064</u>	<u>5,651,467</u>

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

Municipality of the District of Yarmouth

Notes to the Consolidated Financial Statements

March 31, 2025

16. 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	\$ 14,223,577	\$ (3,297,598)	\$ 10,925,979
Grants in lieu of taxes	34,200	-	34,200
Services provided to other Governments	249,546	-	249,546
Sales of services	422,117	-	422,117
Other revenue from own sources	2,482,554	(1,166,217)	1,316,338
Unconditional transfers from other Governments	1,002,422	(319,921)	682,501
Conditional transfers from Federal and Provincial Governments and agencies	533,497	(78,912)	454,584
Interest	19,660	474,925	494,585
Other	295,222	666,600	961,822
Rental and events	443,640	529,585	973,225
Food and beverage sales	126,833	-	126,833
	<u>19,833,268</u>	<u>(3,191,538)</u>	<u>16,641,730</u>
Expenses			
General Government services	2,829,997	115,262	2,945,259
Protective services	3,822,826	(432,883)	3,389,943
Transportation services	1,876,193	285,767	2,161,960
Environmental health services	2,290,933	24,316	2,315,249
Public health and welfare services	115,810	-	115,810
Environmental development services	1,172,585	379,808	1,552,393
Recreational and cultural services	2,102,528	997,576	3,100,104
Fiscal services	5,603,962	(5,603,962)	-
	<u>19,814,834</u>	<u>(4,234,116)</u>	<u>15,580,718</u>
Annual surplus before the undernoted	18,434	1,042,578	1,061,012
Gain on disposal of tangible capital assets	-	-	-
Annual surplus	<u>\$ 18,434</u>	<u>\$ 1,042,578</u>	<u>\$ 1,061,012</u>

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

March 31, 2025

17. 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>\$ 8,493,197</u>	<u>\$ 5,714,051</u>
Capital	<u>\$ 7,643,197</u>	<u>\$ 6,168,977</u>

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

18. 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, 2025, the equity in Trust Funds under its trusteeship amounted to \$9,206 (2024 - \$8,789).

19. 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>2025</u>	<u>2024</u>
Opening balance	\$ 594,836	\$ 565,070
Settlement	-	-
Accretion expense	<u>31,235</u>	<u>29,766</u>
Closing balance	<u>\$ 626,071</u>	<u>\$ 594,836</u>

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

March 31, 2025

20. Subsequent events

On April 14, 2025, the Municipality awarded the tender for construction of roads and services accessing 7 commercial lots in the Nova West Regional Business Park to Aberdeen Paving Limited in the amount of \$1,864,974 plus HST.
