



Non-Consolidated Financial Statements
(Unaudited – See Notice to Reader)

Town of Yarmouth

March 31, 2010

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Notice to reader

Grant Thornton LLP
328 Main Street, PO Box 297
Yarmouth, NS
B5A 4B2
T (902) 742-7842
F (902) 742-0224
www.GrantThornton.ca

On the basis of information provided by management, we have compiled the non-consolidated Operating Fund and Capital Fund balance sheets of the General Fund, the Water Utility, Trust Funds and Reserve Funds of the Town of Yarmouth as at March 31, 2010 and the non-consolidated statement of operations and capital financing for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Yarmouth, Nova Scotia
August 27, 2010

Grant Thornton LLP

Chartered Accountants

Town of Yarmouth
General Section
Non-Consolidated Statement of Operations

(Unaudited – See Notice to Reader)
Year Ended March 31

2010

2009

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue			
Taxes	\$12,640,200	\$12,356,680	\$ 12,314,838
Grants in lieu of taxes	506,300	544,798	480,226
Services provided to other governments	591,684	598,841	565,245
Sales of services	52,500	57,803	51,545
Other revenue from own sources	1,680,031	2,193,928	1,968,033
Unconditional transfers from other governments	471,830	472,010	423,834
Conditional transfers from federal/ provincial governments	-	382,597	-
Other transfers	<u>234,664</u>	<u>134,664</u>	<u>134,664</u>
	<u>16,177,209</u>	<u>16,741,321</u>	<u>15,938,385</u>
Expenditure			
General government services	1,357,956	1,653,832	1,454,132
Protective services	4,444,154	4,333,034	4,212,582
Transportation services	1,993,409	2,368,480	2,287,693
Environmental health services	1,855,422	2,735,067	2,499,109
Environmental development services	1,193,034	1,259,627	993,207
Recreation and cultural services	782,571	739,015	755,846
Fiscal services	<u>4,382,981</u>	<u>3,493,389</u>	<u>3,578,462</u>
	<u>16,009,527</u>	<u>16,582,444</u>	<u>15,781,031</u>
Excess of revenue over expenditure	<u>\$ 167,682</u>	<u>\$ 158,877</u>	<u>\$ 157,354</u>

See accompanying notes to the non-consolidated financial statements.

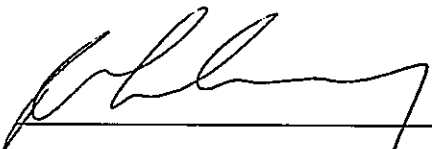
**Town of Yarmouth
General Section
Non-Consolidated Operating Fund Balance Sheet**

(Unaudited – See Notice to Reader)
March 31

2010
Restated
2009

Assets		
Cash and cash equivalents	<u>\$ 72,201</u>	<u>\$ 889,129</u>
Receivables		
Taxes receivable (Note 4 and 9)	1,065,295	889,864
Sewer rates receivable (Note 10)	110,100	154,025
Due from other local governments	228,769	218,576
Due from own funds and agencies (Note 8)	2,174,574	1,610,036
Due from controlled and non-controlled agencies (Note 5)	444,484	56,715
Other receivables		
Trade accounts	631,487	817,095
HST	<u>114,993</u>	<u>6,316</u>
	<u>4,769,702</u>	<u>3,752,627</u>
Prepaid expenses	<u>214,586</u>	<u>162,481</u>
Loans and advances (Note 6)		
Brothers and Sisters Housing Co-Op Limited	2,125	2,665
Yarmouth Area Industrial Commission	176,021	202,536
SWSDA	<u>-</u>	<u>14,200</u>
	<u>178,146</u>	<u>219,401</u>
	<u>\$ 5,234,635</u>	<u>\$ 5,023,638</u>

On Behalf of the Town Council



Mayor



Administrator

See accompanying notes to the non-consolidated financial statements.

Town of Yarmouth
General Section
Non-Consolidated Operating Fund Balance Sheet

(Unaudited – See Notice to Reader)
 March 31

2010
 Restated
 2009

Liabilities

Federal Government and its agencies	\$ 422,269	\$ 423,858
Provincial Government and its agencies (Note 7)	230,000	230,000
Due to controlled and non-controlled agencies (Note 5)	-	6,105
Trade accounts	<u>1,012,903</u>	<u>1,258,287</u>
	<u>1,665,172</u>	<u>1,918,250</u>

Other liabilities

Prepayment of taxes	50,858	53,258
Deferred revenue	312,375	805,368
Neighborhood Improvement Program	2,125	2,665
Pension benefit obligation (Note 15)	956,700	837,900
Post employment benefit obligation (Note 16)	345,127	315,498
Landfill closure/post closure obligation (Note 19)	-	504,692
	<u>1,667,185</u>	<u>2,519,381</u>

Surplus

Surplus (Note 11)	<u>1,902,278</u>	<u>586,007</u>
	<u>\$ 5,234,635</u>	<u>\$ 5,023,638</u>

Commitments (Note 17)
 Contingencies (Note 20)

See accompanying notes to the non-consolidated financial statements.

Town of Yarmouth
General Section
Non-Consolidated General Capital Fund Balance Sheet

(Unaudited – See Notice to Reader)
 March 31

2010

Restated
 2009

Assets

Cash and cash equivalents	<u>\$ 876,434</u>	<u>\$ 1,257,801</u>
Accounts receivable Receivable from Volunteer Fire Department	<u>45,937</u>	<u>45,937</u>
Properties acquired at tax sale Tangible capital assets (Page 7)	<u>75,984</u> <u>29,102,324</u>	68,039 <u>27,838,703</u>
	<u>29,178,308</u>	<u>27,906,742</u>
	<u>\$ 30,100,679</u>	<u>\$ 29,210,480</u>

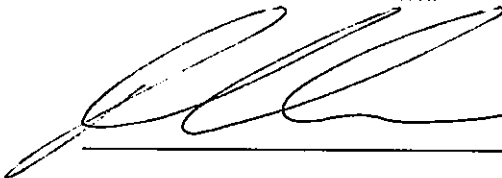
Liabilities

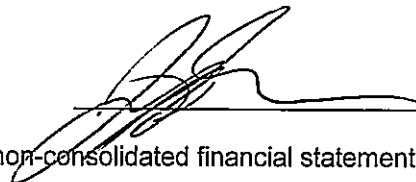
Payable to the operating fund	<u>\$ 2,334,361</u>	<u>\$ 1,260,526</u>
Accounts payable Accrued interest on Brooklyn Street debenture	<u>26,329</u>	<u>-</u>
Long-term debt (Note 12 and page 36) Debentures issued to the Nova Scotia Municipal Finance Corporation	<u>5,561,687</u>	6,160,033
Loan payable, Royal Bank of Canada, due 2011	<u>120,634</u>	<u>257,283</u>
	<u>5,682,321</u>	<u>6,417,316</u>

Equity

Investment in capital assets	<u>22,057,668</u>	<u>21,532,638</u>
	<u>\$ 30,100,679</u>	<u>\$ 29,210,480</u>

On Behalf of the Town Council


 _____ Mayor


 _____ Administrator

See accompanying notes to the non-consolidated financial statements.

Town of Yarmouth
General Section
Non-Consolidated Statement of Investment in Capital Assets

(Unaudited – See Notice to Reader)
Year Ended March 31

	2010	Restated 2009
Balance as previously recorded, beginning of year	\$ 21,532,638	\$ 34,749,718
Prior period adjustment (Note 23)	<u>-</u>	<u>(12,771,200)</u>
Balance as restated, beginning of the year	<u>21,532,638</u>	<u>21,978,518</u>
Transfer from capital reserve	217,033	-
Term debt retired	734,996	626,208
Interest	2,812	17,281
Province of Nova Scotia revenue for Southeast Street sewer	496,198	-
Canada – Nova Scotia Gas Tax Agreement	670,206	337,439
Amortization	(1,157,393)	(1,074,163)
Write off of assets which have reached end of their useful life	(197,012)	(85,779)
Transfer of Brooklyn Street debenture		
Principal	(133,333)	(133,333)
Interest	<u>(108,477)</u>	<u>(133,533)</u>
	<u>525,030</u>	<u>(445,880)</u>
Balance, end of year	<u>\$ 22,057,668</u>	<u>\$ 21,532,638</u>

See accompanying notes to the non-consolidated financial statements.

Town of Yarmouth
General Section
Non-Consolidated Property and Equipment

(Unaudited – See Notice to Reader)
 March 31

2010
 Restated
 2009

	Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	Indefinite	\$ 2,375,072	\$ -	\$ 2,375,072	\$ 2,237,963
Land improvements	25	1,051,284	530,363	520,921	539,481
Municipal buildings	25-40	5,580,453	1,837,801	3,742,652	3,706,396
Buildings – Plants	20-25	753,195	169,289	583,906	174,566
Landfill	25	2,587,329	766,803	1,820,526	1,891,984
Machinery and equipment	10-15	1,738,009	582,785	1,155,224	1,097,621
Vehicles	5	204,393	126,832	77,561	118,440
Engineered structures					
Streets, roads and curbs	25	6,345,307	2,457,226	3,888,081	3,655,917
Traffic and street lights	25	343,258	63,884	279,374	201,077
Sidewalks	25	876,254	246,304	629,950	515,968
Sewer lines	50	19,838,892	5,877,029	13,961,863	13,680,389
Dam	25	69,352	2,158	67,194	18,901
		<u>\$ 41,762,798</u>	<u>\$ 12,660,474</u>	<u>\$ 29,102,324</u>	<u>\$ 27,838,703</u>

See accompanying notes to the non-consolidated financial statements.

Town of Yarmouth**General Section****Non-Consolidated School Capital Fund Balance Sheet**

(Unaudited – See Notice to Reader)

March 31

2010

2009

Assets

School buildings (Note 13)

\$ 1,989,863\$ 1,989,863

Equity

Investment in capital assets

\$ 1,989,863\$ 1,989,863

See accompanying notes to the non-consolidated financial statements.

Town of Yarmouth
General Section
Non-Consolidated Schedules to Statement of Operations

(Unaudited – See Notice to Reader)

Year Ended March 31

2010

2009

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
1. Taxes			
Assessable property			
Residential	\$ 4,500,099	\$ 4,485,945	\$ 4,448,187
Commercial			
Based on taxable assessments	6,009,093	5,865,209	5,464,632
Resource			
Forest and farm acreage	196	171	197
Taxable assessments	9,921	9,250	6,740
Area rates			
Garbage collection	425,000	427,490	424,941
Sewer entrances	2,400	2,400	2,400
Sewer rates	<u>665,000</u>	<u>644,426</u>	<u>628,677</u>
	<u>11,611,709</u>	<u>11,434,891</u>	<u>10,975,774</u>
Business property			
Business occupancy	489,741	446,493	749,489
Based on revenue (Aliant)	118,500	97,637	118,490
Power Corporation	14,250	14,389	14,269
Power Corporation, HST rebate	66,000	92,453	66,466
Parking taxes	50,000	45,046	48,989
Business Improvement District	<u>100,000</u>	<u>95,055</u>	<u>97,017</u>
	<u>838,491</u>	<u>791,073</u>	<u>1,094,720</u>
Other taxes			
Deed transfer tax	<u>190,000</u>	<u>130,716</u>	<u>244,344</u>
	<u>\$ 12,640,200</u>	<u>\$ 12,356,680</u>	<u>\$ 12,314,838</u>
2. Grants in lieu of taxes			
Federal government	\$ 164,500	\$ 178,424	\$ 164,736
Provincial government			
Property of supported institutions	290,000	289,956	229,842
Fire protection	11,800	26,418	25,648
Port Authority of Yarmouth	40,000	40,000	40,000
Southwest Regional School Board	<u>-</u>	<u>10,000</u>	<u>20,000</u>
	<u>\$ 506,300</u>	<u>\$ 544,798</u>	<u>\$ 480,226</u>
3. Services provided to other governments			
Other local governments			
Protective services	\$ 495,684	\$ 455,246	\$ 450,031
Environmental health services	<u>96,000</u>	<u>143,595</u>	<u>115,214</u>
	<u>\$ 591,684</u>	<u>\$ 598,841</u>	<u>\$ 565,245</u>

See accompanying notes to the non-consolidated financial statements.

Town of Yarmouth
General Section
Non-Consolidated Schedules to Statement of Operations

(Unaudited – See Notice to Reader)
Year Ended March 31

2010

2009

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
4. Sales of services			
General government services	\$ 500	\$ 48	\$ 56
First Nation fire protection	9,000	9,182	8,949
Parking			
Rentals	30,000	30,863	28,510
Fines	<u>13,000</u>	<u>17,710</u>	<u>14,030</u>
	<u>\$ 52,500</u>	<u>\$ 57,803</u>	<u>\$ 51,545</u>
5. Other revenue from own sources			
Licenses and permits	\$ 41,090	\$ 33,543	\$ 44,612
Fines	31,600	35,761	31,197
Rentals	545,441	560,910	546,180
Return on investments	126,000	67,451	116,336
Penalties and interest on taxes	177,000	235,666	133,876
Landfill recoveries	-	326,383	331,170
Organic tipping fees	549,000	505,479	433,403
Fire Department recoveries	25,000	25,200	25,200
Marketing Room Levy	99,000	93,610	93,404
Miscellaneous	<u>85,900</u>	<u>309,925</u>	<u>212,655</u>
	<u>\$ 1,680,031</u>	<u>\$ 2,193,928</u>	<u>\$ 1,968,033</u>
6. Unconditional transfers from other governments			
Provincial government			
Department of Transportation			
Machinery and equipment	\$ -	\$ 213	\$ 224
Equalization Grant	421,830	421,797	373,610
Foundation Grant	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
	<u>\$ 471,830</u>	<u>\$ 472,010</u>	<u>\$ 423,834</u>
7. Conditional transfers from federal/ provincial governments			
Transit rural initiative program	\$ -	\$ 6,764	\$ -
PCAP WasteWater	-	340,215	-
Downtown revitalization	<u>-</u>	<u>35,618</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 382,597</u>	<u>\$ -</u>

See accompanying notes to the non-consolidated financial statements.

Town of Yarmouth
General Section
Non-Consolidated Schedules to Statement of Operations

(Unaudited – See Notice to Reader)

Year Ended March 31

2010

2009

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
8. Other transfers			
Sick accrual	\$ 134,664	\$ 134,664	\$ 134,664
Transfer to Operating Reserve	<u>100,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 234,664</u>	<u>\$ 134,664</u>	<u>\$ 134,664</u>
 Total revenue	 <u>\$ 16,177,209</u>	 <u>\$ 16,741,321</u>	 <u>\$15,938,385</u>
 9. General government services			
Legislative			
Mayor			
Remuneration	\$ 31,740	\$ 36,757	\$ 38,576
Expenses	-	-	4,135
Council			
Remuneration	115,320	117,180	117,882
Expenses	7,000	12,369	6,097
Pension liability adjustment	-	118,800	-
Other	<u>97,049</u>	<u>93,652</u>	<u>109,058</u>
	<u>251,109</u>	<u>378,758</u>	<u>275,748</u>
General administrative			
Administrative	682,572	708,521	677,298
Amortization	-	67,580	65,783
Post employment benefits (Note 16)	-	29,630	(337)
Financial management	24,000	24,517	24,000
Taxation			
Reduced taxation - Sections 69 & 71	<u>275,000</u>	<u>293,834</u>	<u>269,784</u>
	<u>981,572</u>	<u>1,124,082</u>	<u>1,036,528</u>
Other general government services			
Conventions and delegations	25,675	38,602	29,114
General accident and damage claims and public liability insurance	7,800	8,566	6,792
Grants to organizations	80,000	88,145	80,353
Other	<u>11,800</u>	<u>15,679</u>	<u>25,597</u>
	<u>125,275</u>	<u>150,992</u>	<u>141,856</u>
	<u>\$ 1,357,956</u>	<u>\$ 1,653,832</u>	<u>\$ 1,454,132</u>

See accompanying notes to the non-consolidated financial statements.

Town of Yarmouth
General Section
Non-Consolidated Schedules to Statement of Operations

(Unaudited – See Notice to Reader)
Year Ended March 31

2010

2009

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
10. Protective services			
Police protection			
Administration	\$ 144,972	\$ 152,553	\$ 145,898
Amortization	-	74,830	69,140
RCMP contract	1,740,000	1,667,467	1,686,522
RCMP Telecom Service	123,000	114,586	118,783
Police station and buildings	<u>44,024</u>	<u>37,246</u>	<u>37,567</u>
	<u>2,051,996</u>	<u>2,046,682</u>	<u>2,057,910</u>
Law enforcement			
Administration	<u>39,016</u>	<u>37,374</u>	<u>35,192</u>
Fire protection			
Administration	106,980	112,907	110,316
Amortization	-	7,995	7,995
Fire fighting force	836,440	861,557	812,199
Water supply and hydrants	455,376	437,549	455,370
Fire station and buildings	363,356	278,092	236,089
Firefighting equipment	402,068	371,692	318,766
Other	<u>59,500</u>	<u>45,701</u>	<u>51,940</u>
	<u>2,223,720</u>	<u>2,115,493</u>	<u>1,992,675</u>
Other			
Building inspector	88,108	90,436	85,301
Animal and pest control	20,204	19,349	19,446
Emergency Measures	<u>21,110</u>	<u>23,700</u>	<u>22,058</u>
	<u>129,422</u>	<u>133,485</u>	<u>126,805</u>
	<u>\$ 4,444,154</u>	<u>\$ 4,333,034</u>	<u>\$ 4,212,582</u>
11. Transportation services			
Amortization	\$ -	\$ 450,079	\$ 410,014
Common services	779,091	776,876	702,154
Road transport			
General equipment	195,988	219,551	214,332
Workshops and buildings	59,014	63,475	54,845
Roads and streets	551,000	478,981	525,256
Street lighting	156,000	155,382	149,219
Parking	94,476	85,662	89,130
Traffic services	97,840	78,474	82,743
Public transit	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>
	<u>\$ 1,993,409</u>	<u>\$ 2,368,480</u>	<u>\$ 2,287,693</u>

See accompanying notes to the non-consolidated financial statements.

Town of Yarmouth**General Section****Non-Consolidated Schedules to Statement of Operations**

(Unaudited – See Notice to Reader)

Year Ended March 31

2010

2009

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
12. Environmental health services			
Amortization	\$ -	\$ 514,446	\$ 480,698
Sewage collection and disposal	709,820	823,066	678,849
Landfill operations	511,010	794,954	733,894
Solid waste reduction	50,510	36,863	40,621
Landfill closure	-	14,271	10,688
Compost facility operations	<u>584,082</u>	<u>551,467</u>	<u>554,359</u>
	<u>\$ 1,855,422</u>	<u>\$ 2,735,067</u>	<u>\$ 2,499,109</u>
13. Environmental development services			
Planning and zoning	\$ 263,508	\$ 243,376	\$ 232,277
Waterfront Development Corporation Limited	150,000	150,000	150,000
Heritage inventory project	93,780	28,227	12,987
South West Shore Development Authority	169,000	161,996	157,614
Physician search	45,000	31,667	(6,666)
Grant officer	-	12,500	27,054
Yarmouth County Industrial Commission	27,500	38,000	45,000
Main Street Development	-	1,560	3,210
Tourism Association grant	30,000	45,000	16,350
Mariners Centre Management Board	25,000	19,332	25,000
GIS Technology project	29,246	29,664	33,711
Yarmouth International Airport Corporation	225,000	205,183	154,235
Medical Clinic	55,000	189,660	94,667
Community events	30,000	-	-
Ferry service	-	5,751	-
Development studies and promotions	<u>50,000</u>	<u>97,711</u>	<u>47,768</u>
	<u>\$ 1,193,034</u>	<u>\$ 1,259,627</u>	<u>\$ 993,207</u>
14. Recreation and cultural services			
Amortization	\$ -	\$ 42,464	\$ 40,533
Recreation facilities			
Parks and playgrounds	471,743	416,059	501,153
Cultural buildings and facilities			
Sweeney's Museum	38,212	31,192	33,877
Town property maintenance	-	12,833	-
Waterfront maintenance	132,936	121,562	69,582
Milton School	64,080	52,004	19,959
Other recreational and cultural services			
Programs	6,600	6,620	6,460
YMCA	44,000	46,500	44,000
Argyle Theatre	-	-	25,000
Tree program	<u>25,000</u>	<u>9,781</u>	<u>15,282</u>
	<u>\$ 782,571</u>	<u>\$ 739,015</u>	<u>\$ 755,846</u>

See accompanying notes to the non-consolidated financial statements.

Town of Yarmouth
General Section
Non-Consolidated Schedules to Statement of Operations

(Unaudited – See Notice to Reader)
Year Ended March 31

2010

2009

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
15. Fiscal services			
Debt charges			
Interest on short term borrowings	\$ 10,000	\$ 165	\$ 8,544
Interest on long-term debt	215,598	179,579	203,789
Principal installments on long-term debt	601,663	601,663	492,868
Transfers to own reserves, funds and agencies			
Valuation and allowances			
Uncollectible taxes	75,000	139,578	154,321
Other uncollectible amounts	-	109,950	-
Other funds			
Capital Reserve fund	-	350,000	620,000
Operating Reserve fund	225,000	225,000	225,000
General Capital fund	1,365,000	-	-
Own Agencies			
Levy for Business Improvement District Committee	85,000	87,015	84,867
Conditional transfers to other governments and agencies			
Regional library	41,200	44,988	39,904
Southwest Regional School Board	1,311,660	1,311,708	1,311,996
Public Housing	224,000	213,438	206,292
Correctional appropriation	128,360	128,090	130,376
Assessment Services	100,500	102,215	100,505
	<u>\$ 4,382,981</u>	<u>\$ 3,493,389</u>	<u>\$ 3,578,462</u>
Total expenditure	<u>\$16,009,527</u>	<u>\$ 16,582,444</u>	<u>\$ 15,781,031</u>

See accompanying notes to the non-consolidated financial statements.

Town of Yarmouth
Water Utility
Non-Consolidated Statement of Operations

(Unaudited – See Notice to Reader)
Year Ended March 31

2010

Restated
2009

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Operating revenue			
Domestic, commercial and industrial water	\$1,537,500	\$1,415,544	\$1,407,946
Public fire protection	525,000	517,900	517,900
Other	<u>17,400</u>	<u>17,893</u>	<u>21,048</u>
	<u>2,079,900</u>	<u>1,951,337</u>	<u>1,946,894</u>
Operating expenditure			
Source of supply	75,590	58,485	51,926
Power and pumping	207,120	194,456	195,636
Water treatment	472,520	461,839	457,140
Transmission and distribution	390,448	346,762	408,555
Administrative and general	382,080	329,360	347,811
Amortization	225,000	225,000	225,000
Taxes	<u>75,000</u>	<u>76,510</u>	<u>71,965</u>
	<u>1,827,758</u>	<u>1,692,412</u>	<u>1,758,033</u>
Operating profit	<u>252,142</u>	<u>258,925</u>	<u>188,861</u>
Non-operating expenditure (revenue)			
Debt charges			
Principal	220,000	219,993	219,993
Interest	75,748	72,686	83,460
Other interest	<u>(3,000)</u>	<u>(63)</u>	<u>(2,801)</u>
	<u>292,748</u>	<u>292,616</u>	<u>300,652</u>
Excess of expenditure over revenue	<u>\$ (40,606)</u>	<u>(33,691)</u>	<u>(111,791)</u>
Surplus, beginning of year		<u>20,847</u>	<u>132,638</u>
(Deficit) surplus, end of year		<u>\$ (12,844)</u>	<u>\$ 20,847</u>

See accompanying notes to the non-consolidated financial statements.

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

(Unaudited – See Notice to Reader)
 March 31

2010
 Restated
 2009


Assets


Cash and cash equivalents	<u>\$ 175,171</u>	<u>\$ 167,749</u>
Receivables		
Rates (less allowance for doubtful accounts \$17,141; 2009, \$29,799)	237,644	327,514
Due from other local governments	3,284	3,284
Other receivables		
Trade	8,752	5,394
HST	<u>34,559</u>	<u>22,205</u>
	<u>284,239</u>	<u>358,397</u>
Inventories, at cost	<u>15,000</u>	<u>15,000</u>
	<u>\$ 474,410</u>	<u>\$ 541,146</u>

Liabilities

Payables and accruals		
Payable to capital fund	\$ 34,171	\$ 248,249
Payable to Town, General Section	396,206	180,687
Other	<u>56,877</u>	<u>91,363</u>
	<u>487,254</u>	<u>520,299</u>
(Deficiency) Surplus		
(Deficit) Surplus	<u>(12,844)</u>	<u>20,847</u>
	<u>\$ 474,410</u>	<u>\$ 541,146</u>

On Behalf of the Town Council


 _____ Mayor


 _____ Administrator

See accompanying notes to the non-consolidated financial statements.

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

(Unaudited – See Notice to Reader)

March 31

2010

2009

Assets

Cash and cash equivalents in the amortization fund (Note 14)	\$ 657,939	\$ 954,365
Receivable from operating fund	<u>34,171</u>	<u>248,249</u>
	692,110	1,202,614
 Tangible capital assets		
Utility plant and equipment	<u>14,591,532</u>	<u>14,077,456</u>
	<u>\$ 15,283,642</u>	<u>\$ 15,280,070</u>

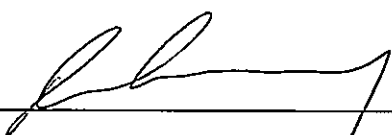
Liabilities


Term debt		
Debentures issued to provincial government or its agencies		
Municipal Finance Corporation	\$ 299,979	\$ 399,972
Payable to Town, Capital Reserve	<u>1,040,000</u>	<u>1,160,000</u>
	1,339,979	1,559,972

Equity

Investment in capital assets	<u>13,943,663</u>	<u>13,720,098</u>
	<u>\$ 15,283,642</u>	<u>\$ 15,280,070</u>

On Behalf of the Town Council


 _____ Mayor


 _____ Administrator

See accompanying notes to the non-consolidated financial statements.

Town of Yarmouth
Water Utility
Non-Consolidated Tangible Capital Assets

(Unaudited – See Notice to Reader)
 March 31

	2010	Restated 2009
Land and rights	\$ 469,926	\$ 469,926
Structures and improvements	12,844,716	12,416,974
Electrical pumping equipment	376,033	376,033
Purification equipment	142,952	142,952
Transmission mains	1,280,758	1,280,758
Distribution mains	2,267,541	2,267,541
Services	298,877	298,877
Meter and meter installation	167,798	167,798
Hydrants	91,727	91,727
Dam repairs	240,858	42,172
Transportation equipment	112,648	-
Tools and work equipment	25,754	25,754
	<u>18,319,588</u>	<u>17,580,512</u>
Accumulated amortization	<u>(3,728,056)</u>	<u>(3,503,056)</u>
Net book value	<u>\$ 14,591,532</u>	<u>\$ 14,077,456</u>

Non-Consolidated Statement of Investment in Capital Assets

(Unaudited – See Notice to Reader)
 March 31

	2010	Restated 2009
Balance, beginning of year	\$ 13,720,098	\$ 13,472,307
Add		
Term debt retired	219,993	219,993
Interest earned on amortization fund	3,572	27,798
	<u>223,565</u>	<u>247,791</u>
Balance, end of year	<u>\$ 13,943,663</u>	<u>\$ 13,720,098</u>

See accompanying notes to the non-consolidated financial statements.

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

(Unaudited – See Notice to Reader)

Year Ended March 31

2010

2009

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Source of supply			
Supervision and engineering	\$ 36,300	\$ 36,425	\$ 38,051
Other	<u>39,290</u>	<u>22,060</u>	<u>13,875</u>
	<u>\$ 75,590</u>	<u>\$ 58,485</u>	<u>\$ 51,926</u>
Power and pumping			
Supervision and engineering	\$ 24,600	\$ 24,704	\$ 25,562
Fuel and power	156,000	146,929	143,672
Maintenance of structure	5,000	-	1,194
Maintenance of equipment	5,000	2,762	7,604
Supplies	6,500	9,302	7,518
Other including telephone	<u>10,020</u>	<u>10,759</u>	<u>10,086</u>
	<u>\$ 207,120</u>	<u>\$ 194,456</u>	<u>\$ 195,636</u>
Water treatment			
Supervision and engineering	\$ 24,600	\$ 28,864	\$ 25,562
Supplies	422,920	390,227	405,124
Maintenance of structure	5,000	4,342	5,776
Maintenance of equipment	<u>20,000</u>	<u>38,406</u>	<u>20,678</u>
	<u>\$ 472,520</u>	<u>\$ 461,839</u>	<u>\$ 457,140</u>
Transmission and distribution			
Supervision and engineering	\$ 37,200	\$ 36,425	\$ 38,051
Operation of mains	25,200	22,739	31,264
Operation of meters	35,040	36,524	32,483
Maintenance of reservoirs	5,000	2,401	2,307
Maintenance of structure	2,500	1,055	918
Maintenance of mains	100,000	91,243	117,534
Maintenance of hydrants	30,008	17,710	31,773
Maintenance of meters	35,000	23,168	46,090
Maintenance of services	97,500	97,557	102,089
Transportation and travel	2,000	250	595
Shop expenses	5,000	964	4,905
Clothing	1,000	756	546
Leak survey	<u>15,000</u>	<u>15,970</u>	<u>-</u>
	<u>\$ 390,448</u>	<u>\$ 346,762</u>	<u>\$ 408,555</u>

See accompanying notes to the non-consolidated financial statements.

Town of Yarmouth
Water Utility
Non-Consolidated Schedules to Statement of Operations
(Unaudited – See Notice to Reader)
Year Ended March 31

2010

2009

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Administrative and general			
Salaries	\$ 181,320	\$ 162,486	\$ 167,966
Employee benefits	110,160	100,207	101,348
Insurance	10,200	9,660	9,377
Office	7,500	5,745	6,040
Rent	32,000	30,000	30,000
Audit	5,400	-	5,400
Regulatory expenses	2,000	2,317	2,390
Other	33,500	18,945	25,290
	<u>\$ 382,080</u>	<u>\$ 329,360</u>	<u>\$ 347,811</u>

See accompanying notes to the non-consolidated financial statements.

Town of Yarmouth
Non-Consolidated Trust Fund Balance Sheet

(Unaudited – See Notice to Reader)

March 31

2010

2009

	<u>War Memorial</u>	<u>R. Bench</u>	<u>Mayors photo</u>	<u>Heritage</u>	<u>Total</u>	<u>Total</u>
Assets						
Cash and cash equivalents	\$ 6,977	\$ 865	\$ 185	\$ 109,531	\$ 117,558	\$ 117,099
Reserves						
Trust fund reserves	\$ 6,977	\$ 865	\$ 185	\$ 109,531	\$ 117,558	\$ 117,099

Non-Consolidated Statement of Trust Fund Reserves

(Unaudited – See Notice to Reader)

March 31

2010

2009

Balance, beginning of year	\$ 6,951	\$ 861	\$ 184	\$ 109,103	\$ 117,099	\$ 114,257
Interest earned	26	4	1	428	459	2,842
Balance, end of year	\$ 6,977	\$ 865	\$ 185	\$ 109,531	\$ 117,558	\$ 117,099

See accompanying notes to the non-consolidated financial statements.

Town of Yarmouth

Non-Consolidated Capital Reserve Fund Balance Sheet

(Unaudited – See Notice to Reader)

March 31

2010

2009

Assets

Cash and cash equivalents	\$ 742,569	\$ 1,510,650
Receivable from Water Utility, Capital Fund repayable in monthly principal payments of \$10,000 with interest at 5.2%	<u>1,040,000</u>	<u>1,160,000</u>
	<u>\$ 1,782,569</u>	<u>\$ 2,670,650</u>

Equity

Payable to operating fund	\$ 133,802	\$ 631,893
Capital reserve	<u>1,648,767</u>	<u>2,038,757</u>
	<u>\$ 1,782,569</u>	<u>\$ 2,670,650</u>

Non-Consolidated Statement of Capital Reserve Fund

(Unaudited – See Notice to Reader)

March 31

2010

2009

	Landfill closure	Other	Total	Total
Balance, beginning of year	\$ 628,854	\$1,409,903	\$ 2,038,757	\$ 2,444,798
Gas tax rebate	-	670,206	670,206	337,439
Transfer to the capital fund – gas tax	-	(670,206)	(670,206)	(337,439)
Transfer from operating fund – general	-	350,000	350,000	620,000
Transfer from operating fund – general protection	-	50,000	50,000	-
Transfer to Mariners Centre	-	-	-	(25,000)
Transfer to Capital Fund	-	(217,033)	(217,033)	-
Interest on investments and savings	995	2,956	3,951	35,174
Landfill closure costs	<u>(576,908)</u>	-	<u>(576,908)</u>	<u>(1,036,215)</u>
Balance, end of year	<u>\$ 52,941</u>	<u>\$1,595,826</u>	<u>\$ 1,648,767</u>	<u>\$ 2,038,757</u>

On Behalf of the Town Council



Mayor



Administrator

See accompanying notes to the non-consolidated financial statements.

Town of Yarmouth
Non-Consolidated Operating Reserve Fund Balance Sheet

(Unaudited – See Notice to Reader)

March 31	2010	2009
Assets		
Cash and cash equivalents	\$ 1,419,321	\$ 1,413,492
Due from operation fund	<u>689,795</u>	<u>463,069</u>
	<u>\$ 2,109,116</u>	<u>\$ 1,876,561</u>

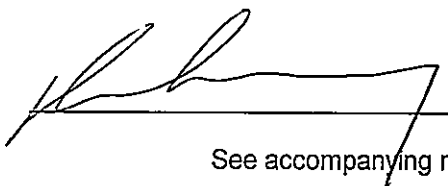
Equity		
Reserve	<u>\$ 2,109,116</u>	<u>\$ 1,876,561</u>

Non-Consolidated Statement of Operating Reserve Fund

(Unaudited – See Notice to Reader)

March 31	2010	2009
Balance, beginning of year	\$ 1,876,561	\$ 1,610,229
Interest and other income	7,555	41,332
Transfers from general section - operating fund		
Fiscal services	<u>225,000</u>	<u>225,000</u>
Balance, end of year	<u>\$ 2,109,116</u>	<u>\$ 1,876,561</u>

On Behalf of the Town Council


 _____ Mayor


 _____ Administrator

See accompanying notes to the non-consolidated financial statements.

Town of Yarmouth

Notes to Non-Consolidated Financial Statements

(Unaudited – See Notice to Reader)
Year Ended March 31, 2010

1. Summary of significant accounting policies:

Presentation

These financial statements have been prepared to conform in all material respects to the accounting principles previously prescribed for Nova Scotia Municipalities by the Service Nova Scotia and Municipal Relations and for water utilities by the Utility Review Board. These principles are consistent with those used in prior years. The basis of accounting used in these non-consolidated financial statements differs from Canadian generally accepted accounting principles as described below:

a) Non-consolidation

These statements are not consolidated, however, in accordance with the Canadian Institute of Chartered Accountants, Town Council has adopted the recommendations for Government entities and has prepared consolidated financial statements under separate cover.

b) Prepaid expenses

Prepaid expenditures are charged against operations over the period to which the expenditure relates.

c) Inventory

Inventory is recorded as an asset at its original cost.

d) Long-term debt

Repayments of long-term debt are recorded as charges to the operating fund in the year in which the repayment is made.

e) Statement of cash flows

No statement of cash flow has been prepared.

f) Accrued interest

Interest on long-term debt was calculated and accrued at year end.

Revenue and expenditure

a) Tax revenue is property tax billings which are prepared by the Town based on the assessment roll issued by the Province of Nova Scotia. Tax rates are established annually by Town Council. Tax revenue is recognized at the time the tax billings are issued. Assessments and the related property taxes are subject to appeal. Any supplementary billing adjustments made necessary by the determination of such charges will be recognized in the fiscal year they are determined.

b) The Town is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

c) Landfill tipping fees – Revenue is recognized when the service is rendered, and therefore no further obligation exists.

Town of Yarmouth

Notes to Non-Consolidated Financial Statements

(Unaudited – See Notice to Reader)
Year Ended March 31, 2010

1. Summary of significant accounting policies (continued)

Revenue recognition (continued)

- d) Water and sewer revenue billings are prepared by the Town based on usage per individual meter. Rates are established annually by Town Council. Water and sewer revenue is recognized at the time the tax billings are issued.
- e) Other revenue is recorded when it is earned

Tangible Capital assets

Effective April 1, 2009, The Town adopted the provisions of PSAB section 3150 Tangible Capital Assets. See further Note 23. Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Capital assets are grouped into common categories as outlined on page 7. The cost of the tangible capital asset is amortized on a straight line basis over the estimated useful life as outlined on page 7. Amortization is allocated as expenses to the functional area that it represents.

Assets under construction are not amortized until the asset is available for productive use. Funding related to the purchase of capital assets is recorded as revenue when earned and collection is certain.

Amortization

Amortization of capital assets is recorded on a straight line basis over their estimated useful lives using the rates indicated on page 7.

The amortization charge in the Water Operating Fund is transferred to a special bank account in the Water Capital fund which is used to help fund replacement of existing plant and equipment, or subject to approval by the Utility and Review Board, to repay the principal of capital debt.

Allocation of municipal costs to water utility funds

Where identifiable, costs incurred by the Town of Yarmouth on behalf of the Water Utility are charged to the utility funds. Salary and wage related costs are allocated in proportion to time spent performing functions on behalf of the Water Utility. The engineering department administration expenses incurred for the benefit of both the Town and Water Utility are allocated to general operations and Water Utility. An annual set portion of the Chief Administrative Officer's salary and office is charged to the Water Utility each year. This amount is based on estimated time demands.

Use of estimates

In preparing the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and reported amounts of revenue and expenses. Actual amounts could differ from these estimates.

Town of Yarmouth

Notes to Non-Consolidated Financial Statements

(Unaudited – See Notice to Reader)
Year Ended March 31, 2010

1. Summary of significant accounting policies (continued)

Concentrations of credit risk

Concentrations of credit risk exist if a number of customers are engaged in similar economic activities or are located in the same geographic region, and indicate the relative sensitivity of the Town's performance to developments affecting a particular segment of borrowers or geographic region. Geographic credit risk exists for the Town due to most of its service being provided in the Town of Yarmouth. The exposure to credit risk associated with the non-performance of these customers can be directly impacted by a decline in economic conditions which would impair the customers' ability to satisfy their obligations to the Town. In order to reduce this economic risk, the Town has comprehensive credit procedures in place whereby analyses are performed to control the collection of amounts due to it.

Short term debt

The Town of Yarmouth has an operating line of credit with the Royal Bank of Canada to a maximum of \$2,000,000. Nil was drawn against the line of credit at March 31, 2010 with an interest rate of prime minus 0.375%.

2. Contributions to Boards and Commissions

The Town of Yarmouth is required to finance the operations of the various boards, along with other Municipal Units based on assessment or population formula.

In addition to any budgeted contributions, the Municipal Units share in the deficits or surpluses of these boards based on their sharing percentages. A Municipal Unit's share of the deficit is to be paid in the next fiscal year while a surplus is to be taken into the next year's estimates.

a) Boards in which the Town has less than 100% Interest

- Mariners Centre Management Board - 50% Interest

The Town of Yarmouth has a 50% interest in the Mariners Centre Management Board which is operated under an agreement with the Municipality of the District of Yarmouth. During 2010, the Town of Yarmouth paid \$19,332 (2009, \$25,000) to the Mariners Centre for future capital projects.

- Tri-County Housing Authority - 12.5% Interest

At March 31, 2010, the Town of Yarmouth owes \$230,000 (2009, \$230,000) to the Province of Nova Scotia for transfer to the Tri-County Housing Authority to fund its share of the prior year's deficit.

- Regional Library - 11.5% Interest

During 2010, the Town of Yarmouth paid \$44,988 (2009, \$39,904) to the Regional Library.

- Yarmouth International Airport Corporation - 29.38% Interest

During 2010, the Town of Yarmouth paid \$205,183 (2009, \$154,235) to the Yarmouth International Airport Corporation to assist with the funding of operations.

Town of Yarmouth

Notes to Non-Consolidated Financial Statements

(Unaudited – See Notice to Reader)
 Year Ended March 31, 2010

2. Contributions to Boards and Commissions (continued)

b) Corporation in which the Town has 100% Interest

- Yarmouth Waterfront Development Corporation Limited

The Town owns 100% of the outstanding common shares of the Yarmouth Waterfront Development Corporation Limited. Contributions to this corporation amounted to \$150,000 (2009, \$150,000).

3. Trust funds

The Trust Funds being administered by the Town of Yarmouth are not consolidated with the accounts of the Town. At March 31, 2010, the equity in Trust Funds under its trusteeship amounted to \$117,558 (2009, \$117,099).

4. Taxes receivable

			<u>2010</u>	<u>2009</u>
	<u>Current year</u>	<u>Prior year</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ -	\$ 1,248,844	\$ 1,248,844	\$ 1,086,064
Current year's levy	11,028,981	-	11,028,981	10,825,487
Interest on outstanding taxes	<u>226,672</u>	<u>-</u>	<u>226,672</u>	<u>123,963</u>
	<u>11,255,653</u>	<u>1,248,844</u>	<u>12,504,497</u>	<u>12,035,514</u>
Deduct				
Current year's collections	10,153,444	639,466	10,792,910	10,516,886
Reduced taxes	<u>293,834</u>	<u>-</u>	<u>293,834</u>	<u>269,784</u>
	<u>10,447,278</u>	<u>639,466</u>	<u>11,086,744</u>	<u>10,786,670</u>
Balance, before allowance	808,375	609,378	1,417,753	1,248,844
Less valuation allowance	<u>19,887</u>	<u>332,571</u>	<u>352,458</u>	<u>358,980</u>
Balance, end of year	<u>\$ 788,488</u>	<u>\$ 276,807</u>	<u>\$ 1,065,295</u>	<u>\$ 889,864</u>

Town of Yarmouth

Notes to Non-Consolidated Financial Statements

(Unaudited – See Notice to Reader)
Year Ended March 31, 2010

5. Controlled and non-controlled agencies

At year-end, the Town of Yarmouth had the following balances outstanding:

	<u>2010</u>	<u>2009</u>
Due from controlled and non-controlled agencies		
Mariners Centre Management Board	\$ 242,294	\$ 35,389
Waste Check	119,093	21,326
Yarmouth Transfer Station	67,016	-
Yarmouth Waterfront Development Corporation	<u>16,081</u>	<u>-</u>
	<u>\$ 444,484</u>	<u>\$ 56,715</u>
Due to controlled and non-controlled agencies		
Yarmouth Waterfront Development Corporation	<u>\$ -</u>	<u>\$ 6,105</u>

6. Loans and advances

Brothers and Sisters Housing Co-Op Limited

Loan is repayable in equal semi-annual installments of a total of \$540 until 2015. This loan is non-interest bearing.

Yarmouth Area Industrial Commission

There are three loans outstanding: the first loan is repayable in equal monthly installments of \$1,667 until 2011, the second loan is repayable in equal monthly installments of \$743 until 2012, and \$833 until the remainder of the balance is paid in full, and the third loan is not repayable until a portion of the former DomTex facility is sold. These loans are non-interest bearing.

7. Provincial Government and its agencies

	<u>2010</u>	<u>2009</u>
Tri-County Housing Authority	<u>\$ 230,000</u>	<u>\$ 230,000</u>

8. Due from (to) own funds and agencies

	<u>2010</u>	<u>2009</u>
Capital fund	\$ 2,334,361	\$1,260,525
Capital reserve fund	133,802	631,893
Operating reserve fund	(689,795)	(463,069)
Water Utility Operating Fund	<u>396,206</u>	<u>180,687</u>
	<u>\$ 2,174,574</u>	<u>\$1,610,036</u>

Town of Yarmouth

Notes to Non-Consolidated Financial Statements

(Unaudited – See Notice to Reader)
Year Ended March 31, 2010

9. Valuation allowance - uncollectible taxes	<u>2010</u>	<u>2009</u>
Balance, beginning of year	\$ 358,980	\$ 393,406
Account recoveries (written off)	(40,658)	(143,807)
Provision for the year	<u>34,136</u>	<u>109,381</u>
Balance, end of year	<u>\$ 352,458</u>	<u>\$ 358,980</u>

10. Other receivables	<u>2010</u>	<u>2009</u>
Sewer rates receivable, gross	\$ 118,626	\$ 168,127
<i>Allowance</i>		
Balance, beginning of year	14,102	8,846
Accounts (recovered) written off	<u>(5,576)</u>	<u>5,256</u>
Balance, end of year	<u>8,526</u>	<u>14,102</u>
Sewer rates receivable, net	<u>\$ 110,100</u>	<u>\$ 154,025</u>

11. Surplus	<u>2010</u>	Restated <u>2009</u>
Balance as previously recorded, beginning of the year	\$ 586,007	\$ (364,557)
Prior period adjustment (Note 23)		
Post employment benefit	<u>-</u>	<u>(280,953)</u>
Balance as restated, beginning of year	586,007	(645,510)
Excess of revenue over expenditure	158,877	157,354
Amortization	<u>1,157,394</u>	<u>1,074,163</u>
Balance, end of year	<u>\$ 1,902,278</u>	<u>\$ 586,007</u>

12. Long-term debt

Principal repayments required in the next five years are as follows:

	<u>General capital</u>	<u>Water Utility</u>	<u>Total</u>
2011	\$719,000	\$220,000	\$939,000
2012	\$598,300	\$220,000	\$818,300
2013	\$598,300	\$220,000	\$818,300
2014	\$400,000	\$120,000	\$520,000
2015	\$400,000	\$120,000	\$520,000

Town of Yarmouth

Notes to Non-Consolidated Financial Statements

(Unaudited – See Notice to Reader)
Year Ended March 31, 2010

13. School capital fund

On January 1, 1982 the Town of Yarmouth in agreement with the Municipality of the District of Yarmouth joined the Yarmouth District School Board. During the 1996 - 1997 year, these schools came under the operational control of the Southwest Regional School Board.

Under agreements, all school buildings on hand at December 31, 1981 will remain assets of the Town but are under the operational control of the school board until such time as the board no longer requires the asset for school purposes. At that time, control will revert back to the Town.

14. Amortization fund	<u>2010</u>	<u>2009</u>
Balance, beginning of year	\$ 954,365	\$ 1,176,567
Current year transfer, net	(300,000)	(250,000)
Interest earned on amortization fund	<u>3,574</u>	<u>27,798</u>
Balance, end of year	<u>\$ 657,939</u>	<u>\$ 954,365</u>

15. Defined benefit pension plan

The Town of Yarmouth sponsors a contributory defined benefit pension plan for substantially all of its employees. The plan provides pension benefits in two categories: for services prior to August 1, 1975, benefits are calculated using a career average earnings formula in which the benefits are a defined percentage of earnings for each year of service; and for services after August 1, 1975, benefits are 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 plans. The average age of the 59 active employees covered by the plan is 47.2. At present, the plan provides benefits for 9 retirees.

Employees make contributions equal to five percent of their salary and the Town contributes 12.8%. Total benefit payments to retirees during the year was approximately \$121,261 (2009, \$102,494). Pension fund assets are invested primarily in marketable investments of organizations external to the Town.

Actuarial valuations for accounting purposes are performed triennially using the projected unit credit method. The most recent actuarial valuation was prepared at March 31, 2007 and at that time the pension plan had an accrued benefit obligation of \$697,000.

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 Town's best estimates.

The following summarizes the major assumptions in the valuation:

- the expected inflation rate is three percent;
- the discount rate used to determine the accrued benefit obligation is six percent;
- the expected rate of return is six percent;
- retirement age is 65; and
- estimated average remaining service life is eighteen years.

Combined employer and employee contributions during the year were \$425,879 (2009, \$419,102).

Town of Yarmouth

Notes to Non-Consolidated Financial Statements

(Unaudited – See Notice to Reader)
Year Ended March 31, 2010

15. Defined benefit pension plan (continued)

The Town's actuary performed an extrapolation of the March 31, 2007 valuation to determine the position of the plan as at March 31, 2010. Pension fund assets are valued at market values. Plan assets are comprised of Sun Life's Three Year Guaranteed Account Fund. Results of the extrapolation are as follows:

Market value of the pension plan asset	\$ 5,121,800
Accrued benefit obligation	<u>6,710,900</u>
Pension plan deficit	<u>\$(1,589,100)</u>

The actuarially calculated pension liability at March 31, 2010 is \$956,700 (2009, \$838,452).

Under Nova Scotia Pension Plan regulations, the Town has 15 years to fund the deficit arising from the valuation.

16. Post employment benefits

The Town provides for the payment of allowances to retiring non-union employees in accordance with the terms of their contracts. A formal actuarial valuation was not performed on the amounts, however, the Town performed the calculation themselves and recorded the liability based upon historical uptake. The total liability was \$690,255 (2009, \$631,669), with 50% of the amount recorded as a post employment benefit liability of \$345,127 (2009, \$315,498).

17. Commitments

Pleasant Street

The Town has committed to reconstruct Pleasant Street for an estimated cost of \$3.9 million dollars. The project will receive funding from Canada-Nova Scotia Building Canada Fund for two thirds of the actual eligible costs or \$2,611,306, whichever is less. The project must be completed by March 31, 2011.

Traffic Lights

Subsequent to year end, the Town approved a tender in the amount of \$369,540, plus HST for the installation of traffic lights at the intersection of Cottage Street and Starr's Road.

Other

The Town has committed to upgrading its wastewater treatment facility in the amount of \$400,000, renovating the fire hall in the amount of \$500,000. These projects are to be financed from grants and reserves.

Town of Yarmouth

Notes to Non-Consolidated Financial Statements

(Unaudited – See Notice to Reader)

Year Ended March 31, 2010

18. Remuneration

The total remuneration paid to councillors and senior staff during the year ended March 31, 2010, was as follows:

	Position	Remuneration
Phil Mooney	Mayor	\$42,409
Byron Boudreau	Deputy Mayor	\$22,876
Esther Dares	Councillor	\$18,825
Martin Pink	Councillor	\$18,825
Neil Mackenzie	Councillor	\$19,093
Ken Langille	Councillor	\$18,825
Daniel Maclsaac	Councillor	\$18,825
Chief Administrative Officer		\$100,358

19. Landfill closure

The Town has transferred amounts annually for the past several years to the Capital Reserve Fund for landfill closure costs. At March 31, 2010, the total amount in this Capital Reserve was \$52,944 (2009, \$628,854). The closure was effective December 31, 2007, and the post-closure costs were estimated at \$3,145,000 by a professional engineer. At the end of March 31, 2010, the landfill closure's complete and minimal future costs are expected.

20. Contingencies

Yarmouth Health Clinic

During the period, the Town of Yarmouth paid \$nil (2009, \$nil) for capital to the Yarmouth and Area Industrial Commission for the Yarmouth Health Clinic. The Town has agreed to fund 33.33% of any deficit arising from the Clinic until it is operationally viable. For 2010 the Town has funded \$32,733 (2009, \$28,000).

Yarmouth International Airport Corporation

The Town of Yarmouth entered into an agreement with the Municipality of the District of Yarmouth and the Municipality of the District of Argyle to incorporate the Yarmouth Regional Airport Corporation to manage the operations of the former Yarmouth Airport Commission Association. The Town has committed to fund the operations of the new corporation based on a cost sharing formula, calculated as of January 1st of each year using an equal blend of population (last census data) and uniform assessment (most current assessment) as amended for each year as funding is required. During 2010, the Town contributed \$205,183 (2009, \$154,235) to fund these operations.

Town of Yarmouth

Notes to Non-Consolidated Financial Statements

(Unaudited – See Notice to Reader)

Year Ended March 31, 2010

21. Segmented Information

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

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

Administration

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

Planning

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

Operational Services

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

Recreation

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

22. Comparative figures

Certain of the prior year figures were reclassified to conform to the current year presentation.

23. Change in accounting policy

Post Employment Benefit

During the year, it was determined that the post employment benefit had been funded through transfers to the reserve, however, the full liability had not been set up in the operating fund.

The general operating opening surplus has been reduced by \$280,952, with a corresponding increase in the liability for post employment benefits that existed at the beginning of 2009.

Town of Yarmouth
Notes to Non-Consolidated Financial Statements
(Unaudited – See Notice to Reader)
Year Ended March 31, 2010

23. Change in accounting policy (con't)

Tangible Capital Assets

Effective April 1, 2009, the Town has restated its financial statements to comply with the provisions of Section 3150, Tangible Capital Assets, of the Public Sector Accounting Board Handbook. This section has established standards on how to account for and report tangible capital assets. Tangible capital assets are a significant economic resource managed by government and a key component in the delivery of many government programs. The standard requires these assets to be recorded at historical cost on the balance sheet and to allocate their costs to future accounting periods through annual amortization expense based on the estimated useful life. The Town was required to record the historical cost of their tangible capital assets and accumulated amortization on a retroactive basis with restatement of prior periods.

The Town determined historical cost based on historical accounting records. The March 31, 2009 figures presented for comparative purposes have been restated from those previously reported.

General Operating Fund

See Note 11 for adjusted surplus accounts.

Other adjustments:

Excess of revenue over expenditures, as previously reported	\$ 604,157
Add capital expenditures reversed	627,360
Less amortization of tangible capital assets	<u>(1,074,163)</u>
Excess of revenue over expenditures, as restated	<u>\$ 157,354</u>

General Capital Fund

See page 6 for the statement of investment in capital assets

Investment in capital assets, as previously reported	\$ 36,005,361
Add capital expenditures reversed	(627,360)
Less adjustment resulting from adoption of TCA policy	(12,771,200)
Less amortization of tangible capital assets for fiscal 2009	<u>(1,074,163)</u>
Investment in capital assets, as restated	<u>\$ 21,532,638</u>

Town of Yarmouth

Notes to Non-Consolidated Financial Statements

(Unaudited – See Notice to Reader)

Year Ended March 31, 2010

23. Change in accounting policy (con't)

Adjustments to net book value of tangible capital assets

Net book value, as previously reported, March 31, 2009	\$ 41,684,066
Less adjustment resulting for adoption of TCA policy	(12,771,200)
Less 2009 amortization	<u>(1,074,163)</u>
Net book value, as restated	<u>\$ 27,838,703</u>

Water Utility Operating Fund

Deficit, as previously reported	\$ (432,490)
Add capital expenditures reversed	<u>453,337</u>
Surplus, as restated	<u>\$ 20,847</u>

Water Utility Capital Fund

See page 18 for the statement of investment in capital assets

Investment in capital assets, as previously reported	\$ 14,173,435
Add capital expenditures reversed	<u>(453,337)</u>
Investment in capital assets, as restated	<u>\$ 13,720,098</u>

Town of Yarmouth

Non-Consolidated Schedule of Debenture Debt Charges and Term Debt

(Unaudited – See Notice to Reader)
March 31

	March 31 2009	Redeemed (Advanced)	March 31 2010	Interest	Interest rate
General					
Nova Scotia Municipal Finance Corporation					
Sewer treatment plant, due 2012	\$ 300,096	\$ 74,994	\$ 225,102	\$ 14,694	5.12% - 5.62%
Town Hall, due 2012	279,904	70,006	209,898	13,701	5.12% - 5.62%
Sewage, due 2012	213,366	53,347	160,020	8,815	4.58% - 4.72%
Public Works Building, due 2018	1,000,000	100,000	900,000	47,742	4.38% - 5.38%
Brooklyn Street, due 2022	1,866,667	133,333	1,733,334	81,172	4.38% - 4.77%
South East Street, due 2023	2,500,000	166,667	2,333,333	110,096	3.75% - 5.09%
	<u>6,160,033</u>	<u>598,347</u>	<u>5,561,687</u>	<u>276,220</u>	
Royal Bank of Canada					
Royal Bank of Canada, due 2011	257,283	136,649	120,634	12,783	6.67%
	<u>6,417,316</u>	<u>734,996</u>	<u>5,682,321</u>	<u>289,003</u>	
Water					
Nova Scotia Municipal Finance Corporation					
Water treatment plant					
Due 2014	399,972	99,993	299,979	16,529	4.58% - 4.72%
Due 2018	1,160,000	120,000	1,040,000	56,160	5.20%
	<u>1,559,972</u>	<u>219,993</u>	<u>1,339,979</u>	<u>72,689</u>	
Town General, Capital Reserve					
	<u>\$ 7,977,288</u>	<u>\$ 954,988</u>	<u>\$ 7,022,300</u>	<u>\$ 361,692</u>	
Total					