

TOWN OF ANTIGONISH
Consolidated Financial Statements

March 31, 2020

TOWN OF ANTIGONISH

Consolidated Financial Statements

Year ended March 31, 2020

	Page
Management's Responsibility for the Consolidated Financial Statements.....	1
Independent Auditors' Report.....	2
Consolidated Statement of Financial Position.....	4
Consolidated Statement of Operations	5
Consolidated Statement of Change in Net Debt	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8
Consolidated Schedule of Long-Term Debt	22
Supplementary Schedules	
Water Operating Fund – Statement of Financial Position.....	23
Water Operating Fund – Statement of Operations and Deficit	24
Water Capital Fund – Statement of Financial Position	25
Water Capital Fund – Statement of Investment in Capital Assets	26
Water Capital Fund – Schedule of Tangible Capital Assets	27
Electric Operating Fund – Statement of Financial Position	28
Electric Operating Fund – Statement of Operations and Surplus.....	29
Electric Capital fund – Statement of Financial Position	30
Electric Capital Fund – Statement of Investment in Capital Assets.....	31
Electric Capital fund – Schedule of Tangible Capital Assets	32

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Town of Antigonish (the "Town") are the responsibility of the Town's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies is described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Town's management maintains a system of internal controls 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. These systems are monitored and evaluated by management.

The audit committee meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by MNP LLP, independent external auditors appointed by the Town. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.



Mr. Jeffrey Lawrence
Chief Administrative Officer

Independent Auditors' Report

To the Mayor and Council of Town of Antigonish

Opinion

We have audited the consolidated financial statements of Town of Antigonish on pages 4 – 22 which comprise the consolidated statement of financial position as at March 31, 2020 and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Town of Antigonish as at March 31, 2020 and the results of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Town in accordance with ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters – Supplemental Information

The financial statements of Town of Antigonish for the year ended March 31, 2018 were audited by MGM & Associates, Chartered Professional Accountants of Sydney, Nova Scotia, Canada, prior to its merger with MNP LLP. MGM & Associates, Chartered Professional Accountants expressed an unmodified opinion on those statements on September 16, 2019.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included on pages 23 – 32 is presented for purposes of additional information and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion on the audit of consolidated financial statements as a whole.

Responsibility 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 consolidated financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town's financial reporting process.

Auditors' Responsibility 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 decision of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with

Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Sydney, Nova Scotia
September 28, 2020

MNP LLP

Chartered Professional Accountants

TOWN OF ANTIGONISH

Consolidated Statement of Financial Position

March 31, 2020, with comparative figures for 2019

	2020	2019
FINANCIAL ASSETS		
Cash (note 2)	\$ 5,636,212	\$ 7,263,333
Taxes receivable (note 3)	165,930	304,611
Other receivables (note 4)	4,757,525	3,893,019
	10,559,667	11,460,963
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	3,520,098	3,725,683
Deferred revenue	302,380	678,485
Temporary borrowings (note 5)	—	86,481
Long-term debt (note 6)	33,995,100	35,811,361
	37,817,578	40,302,010
NET DEBT	(27,257,911)	(28,841,047)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 8)	56,422,344	56,020,476
Inventory and prepaid expenses	719,030	665,476
	57,141,374	56,685,952
ACCUMULATED SURPLUS (note 9)	\$ 29,883,463	\$ 27,844,905

Contingencies (note 16)

See accompanying notes to consolidated financial statements.

On behalf of the Town of Antigonish:

Mayor

Chief Administrative Officer

TOWN OF ANTIGONISH

Consolidated Statement of Operations

Year ended March 31, 2020, with comparative figures for 2019

	Budget (Unaudited)	2020	2019
REVENUES			
Taxes	\$ 4,548,128	\$ 4,647,262	\$ 4,474,873
Grants in lieu of taxes	1,116,090	1,108,743	1,117,805
Services provided to other governments	373,529	364,814	339,527
Unconditional transfers from other governments	228,706	230,995	242,454
Conditional transfers from other governments	—	642,230	325,640
Capital grants	—	932,766	83,887
Sale of services	20,796,338	20,211,286	18,934,905
Other revenue from own sources	127,943	164,697	131,249
Interest and service charge	79,650	126,966	136,271
Other transfers	3,000	2,500	2,250
	27,273,384	28,432,259	25,788,861
EXPENSES			
General government services	1,602,125	1,632,637	1,516,586
Protective services	2,067,155	2,181,483	2,021,237
Transportation services	1,530,739	1,971,350	1,878,489
Environmental health services	1,024,965	1,174,821	1,043,057
Environmental development services	697,849	809,084	916,111
Recreation and cultural services	533,629	649,778	670,217
Electric utility expenses	11,361,780	10,853,333	11,042,374
Water utility expenses	954,441	1,167,041	899,272
AREA expenses	6,117,606	5,954,174	4,346,106
	25,890,289	26,393,701	24,333,449
ANNUAL SURPLUS	1,383,095	2,038,558	1,455,412
ACCUMULATED SURPLUS, BEGINNING OF YEAR		27,844,905	26,389,493
ACCUMULATED SURPLUS, END OF YEAR		\$ 29,883,463	\$ 27,844,905

See accompanying notes to consolidated financial statements.

TOWN OF ANTIGONISH

Consolidated Statement of Change in Net Debt

Year ended March 31, 2020, with comparative figures for 2019

	2020	2019
ANNUAL SURPLUS	\$ 2,038,558	\$ 1,455,412
Other non-financial assets		
Amortization of tangible capital assets	2,787,810	2,694,640
Additions to tangible capital assets, net of disposals	(3,189,678)	(2,046,544)
Decrease (increase) in inventory, prepaid expenses and work in progress	(53,554)	26,208
DECREASE IN NET DEBT	1,583,136	2,129,716
NET DEBT, BEGINNING OF YEAR	(28,841,047)	(30,970,763)
NET DEBT, END OF YEAR	\$ (27,257,911)	\$ (28,841,047)

See accompanying notes to consolidated financial statements.

TOWN OF ANTIGONISH

Consolidated Statement of Cash Flows

Year ended March 31, 2020, with comparative figures for 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual surplus	\$ 2,038,558	\$ 1,455,412
Add		
Amortization of tangible capital assets	2,787,810	2,694,640
Change in non-cash items		
Decrease (increase) in taxes and rates receivable	138,681	(70,491)
Decrease (increase) in other accounts receivable	(864,506)	934,551
Increase (decrease) in accounts payable and accrued liabilities	(205,585)	127,877
Increase (decrease) in deferred revenue	(376,105)	302,252
Decrease (increase) in inventory, prepaid expenses and work in progress	(53,554)	26,208
	<u>3,465,299</u>	<u>5,470,449</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term debt	(1,816,261)	(1,539,046)
Proceeds of long-term debt	—	7,497,000
Repayment of temporary borrowing	(86,481)	(7,607,250)
	<u>(1,902,742)</u>	<u>(1,649,296)</u>
CASH FLOWS FROM CAPITAL ACTIVITIES		
Additions to tangible capital assets, net	(3,189,678)	(2,046,544)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(1,627,121)</u>	<u>1,774,609</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>7,263,333</u>	<u>5,488,724</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 5,636,212</u>	<u>\$ 7,263,333</u>

See accompanying notes to consolidated financial statements.

TOWN OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These consolidated financial statements of Town of Antigonish (the "Town") have been prepared, in all material respects, in accordance with Canadian public sector accounting standards.

(b) Basis of consolidation

These consolidated financial statements reflect the assets, liabilities, revenue, expenses and changes in fund balances of all resources of the Town. The Town is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Town and that are owned or controlled by the Town. Inter-fund and inter-corporate balances and transactions have been eliminated. The entities included are as follows:

- General Operating and Capital Funds
- Water Operating and Capital Funds
- Electric Operating and Capital Funds
- Reserve Funds

Consistent with generally accepted accounting principles for government partnerships, the Town has accounted for Alternative Resource Energy Authority (AREA) using the proportionate consolidation method: Alternative Resource Energy Authority (AREA) – 63% (2019 – 63%).

(c) School boards

The assets, liabilities, taxation and other revenue and expenses with respect to the operations of the school boards are not reflected in these consolidated financial statements as they are provincial government entities.

School boards in Nova Scotia were created by the Province under provisions in the Education Act, and, under provincial statute, every Town is required to make a mandatory contribution to its school board. The mandatory contribution is set at the value of the Education Rate, set by the Province each year, multiplied by the previous year's Uniform Assessment. The funding for this contribution to the Strait Regional School Board are recovered by the Town by an area rate levied on the assessed value of the taxable property and business occupancy assessments and is shown on the consolidated statement of financial activities as a reduction of taxation revenue.

TOWN OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) R. K. MacDonald Nursing Home Corporation

The R. K. MacDonald Nursing Home Corporation is jointly controlled by the Town of Antigonish and the Municipality of the County of Antigonish, and is not consolidated in these financial statements.

(e) Fund accounting

The resources and operations of the Town are comprised of the operating, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate fund balance. Supporting schedules to the consolidated financial statements are included to show the financial activities and change in the balance of each fund.

(f) Basis of accounting

Revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as they are earned and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

(g) Cash and cash equivalents

Cash and cash equivalents is defined as cash on hand and on deposit at banks net of any outstanding cheques or deposits.

(h) Tangible capital assets

Tangible capital assets are reported in the statement of financial position at cost net of accumulated amortization. They are amortized on a straight-line basis over their estimated useful lives at the following rates:

General Fund	Basis	Rate
Buildings	Straight-line	2.5 – 5%
Office equipment	Straight-line	20%
Heavy equipment	Straight-line	4 – 10%
Canals and bridges	Straight-line	2.5%
Paving, curbs and sidewalks	Straight-line	4 – 10%
Sewer systems	Straight-line	2%
Recreation facilities	Straight-line	2 – 10%
Electric transmission and distribution	Straight-line	2.4 – 12.5%
Water purification	Straight-line	4 – 5%
Water transmission and distribution	Straight-line	1.33 – 20%
AREA	Straight-line	2 – 10%

TOWN OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The amortization charge in the electric operating fund is required to be transferred to a special bank account in the electric capital fund which is used to help fund replacement of existing equipment. The amortization charge in water operating fund is required to be transferred to a special bank account in the water capital fund which is used to help fund replacement of existing equipment, or subject to approval by the Utility and Review Board, to repay principal of capital debt.

No amortization is taken in the year of acquisition.

(i) Government transfers

Government transfers are recognized in the consolidated financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(j) Deferred revenue

Deferred revenue represents user charges, prepayment of taxes, and other fees that have been collected, for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed.

(k) Reserve funds

Certain amounts, as approved by Council of the Town, are set aside in reserve funds for future operating and capital purposes. Transfers to and or from reserves funds are an adjustment to the respective fund when approved.

(l) Taxation and related revenues

Property tax billings are prepared by the Town based on assessment rolls issued by the Property Valuation Services Corporation. Tax rates are established annually by Council, incorporating amounts to be raised for local services and the requisition made by the Province in respect of education taxes and other mandatory contributions. Taxation revenues are recorded at the time tax billings are due. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the results of the appeal process are known. An allowance for unresolved assessment appeals is also provided.

(m) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosure of contingencies and the reported amounts of revenue and expenses in the consolidated financial statements and accompanying notes. Significant items subject to management's estimate and assumptions include the valuation of receivables and carrying amount of tangible capital assets. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

TOWN OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2020

2. CASH

	2020	2019
Cash		
General operating fund	\$ 265,551	\$ 297,286
Water capital fund	322,428	522,649
Electric capital fund	2,112,146	2,483,003
Capital reserve fund	1,575,847	1,690,974
Operating reserve fund	738,807	677,659
AREA	609,603	1,579,932
	5,624,382	7,251,503
Restricted cash		
General operating fund	11,830	11,830
	\$ 5,636,212	\$ 7,263,333

3. TAXES RECEIVABLE

	2020	2019
Balance, beginning of year	\$ 372,791	\$ 302,300
Current year's levy of property taxes and rates	5,186,825	5,150,543
Subtotal	5,559,616	5,452,843
Less		
Current year's collections	5,329,941	5,049,390
Reduced taxes	5,077	30,662
	5,335,018	5,080,052
Gross taxes receivable, end of year	224,598	372,791
Less allowance for uncollectible taxes	(58,668)	(68,180)
Taxes receivable, net	\$ 165,930	\$ 304,611

TOWN OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2020

4. OTHER RECEIVABLES

	2020	2019
Water rates	\$ 281,661	\$ 290,961
Electric rates	2,272,763	2,618,657
Sewer rates	142,237	128,729
Harmonized sales taxes receivable	70,501	92,193
Other	2,254,540	1,046,164
	5,021,702	4,176,704
Allowance	(264,177)	(283,685)
	\$ 4,757,525	\$ 3,893,019

5. TEMPORARY BORROWINGS

As of March 31, 2020, the Town has obtained \$Nil (2019 - \$86,481) in temporary financing provided by the Scotiabank until such time as Service Nova Scotia and Municipal Affairs approves the temporary borrowing resolutions for the project. The financing has been obtained through its pooled account agreement with Scotiabank.

6. LONG-TERM DEBT

The schedule of long-term debt details the outstanding balance, terms and conditions related to each debt agreement.

Principal payments required in each of the next five years on debt held as of March 31, 2020 are as follows:

2021	\$ 1,733,949
2022	2,557,870
2023	1,624,679
2024	1,646,761
2025	1,689,706

7. OPERATING LINE OF CREDIT

The Town has an operating line of credit of \$1,000,000 at an annual interest rate of prime minus .50% per annum, repayable on demand of which \$Nil was used at March 31, 2020 (2019 - \$Nil).

Notes to Consolidated Financial Statements

Year ended March 31, 2020, with comparative figures for 2019

8. TANGIBLE CAPITAL ASSETS

		2019				2020				2019			
		Cost Beginning of Year	Additions	Disposals and Write-downs	Cost End of Year	Amortization Beginning of Year	Additions	Disposals	Amortization End of Year	Net Book Value	Net Book Value	Net Book Value	
General government services													
Land	\$	332,696	\$	\$ (90,190)	\$ 242,506	\$	\$	\$	\$	\$ 242,506	\$	\$ 332,696	
Buildings	1,213,058	180,052	—	—	1,393,110	387,965	50,340	—	438,305	954,805		825,093	
Plant and equipment	151,847	7,787	—	—	159,634	111,843	6,039	—	117,882	41,752		40,004	
Protective services													
Buildings	99,908	32,099	—	—	132,007	85,304	1,130	—	86,434	45,573		14,604	
Plant and equipment	1,933,122	—	—	—	1,933,122	1,002,411	134,219	—	1,136,630	796,492		930,711	
Transportation services													
Buildings	200,176	—	—	—	200,176	70,656	7,149	—	77,805	122,371		129,520	
Plant and equipment	14,808,244	1,502,009	(302,293)	(302,293)	16,007,960	6,038,896	510,888	(291,143)	6,258,641	9,749,319		8,769,348	
Environmental health services													
Land	64,809	—	—	—	64,809	—	—	—	—	64,809		64,809	
Plant and equipment	8,234,867	106,538	—	—	8,341,405	4,679,283	169,421	—	4,848,704	3,492,701		3,555,584	
Recreation and cultural services													
Plant and equipment	2,579,558	1,087,382	—	—	3,666,940	1,038,033	89,277	—	1,127,310	2,539,630		1,541,525	
Water utility assets	13,038,920	438,703	(97,081)	(97,081)	13,380,542	5,133,417	343,099	(1,251)	5,475,265	7,905,277		7,905,503	
Electric utility assets	7,403,507	97,856	(238,414)	(238,414)	7,262,949	4,541,207	222,418	(170,810)	4,592,815	2,670,134		2,862,300	
AREA assets	32,382,276	2,026	—	—	32,384,302	3,333,497	1,253,830	—	4,587,327	27,796,975		29,048,779	
	\$	82,442,988	\$ 3,454,452	\$ (727,978)	\$ 85,169,462	\$ 26,422,512	\$ 2,787,810	\$ (463,204)	\$ 28,747,118	\$ 56,422,344		\$ 56,020,476	

TOWN OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2020

9. ACCUMULATED SURPLUS

	2020	2019
General operating fund	\$ —	\$ —
Water operating fund	(271,936)	(228,705)
Electric operating fund	718,854	713,997
Capital reserve fund	1,575,847	1,720,974
Operating reserve fund	1,074,212	898,276
General capital fund	15,330,794	12,949,140
Water capital fund	7,107,708	6,993,866
Electric capital fund	4,775,031	4,803,066
AREA	(427,047)	(5,709)
	<u>\$ 29,883,463</u>	<u>\$ 27,844,905</u>

10. GOVERNMENT PARTNERSHIPS

Alternative Resource Energy Authority (AREA) is a partnership between the towns of Antigonish, Berwick and Mahone Bay. The individual towns operate electric utilities and distribute power to customers within their service area. AREA was primarily created to construct and operate a windfarm facility in Ellershouse, Nova Scotia. The Town of Antigonish receives 63% of the net income, the Town of Berwick receives 27% and the Town of Mahone Bay receives 10%. The revenues, expenses, assets and liabilities are shared between the municipalities based on each municipality's share of the power generated.

TOWN OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2020

10. GOVERNMENT PARTNERSHIPS (CONTINUED)

A summary of financial information for AREA for the fiscal years 2020 and 2019 as per their audited financial statements are as follows:

Consolidated Statement of Financial Position

March 31, 2020, with comparative figures for 2019

	2020	2019
FINANCIAL ASSETS	\$ 3,879,452	\$ 3,777,136
FINANCIAL LIABILITIES		
Long-term debt	46,993,650	48,957,875
Other financial liabilities	1,705,873	966,179
	48,699,523	49,924,054
NET FINANCIAL DEBT	(44,820,071)	(46,146,918)
NON-FINANCIAL ASSETS		
Tangible capital assets	44,122,182	46,109,171
Prepaid expenses	20,036	28,685
	44,142,218	46,137,856
NET ASSETS (DEFICIT)	\$ (677,853)	\$ (9,062)

Consolidated Statement of Operations

March 31, 2020, with comparative figures for 2019

	2020	2019
TOTAL REVENUE	\$ 10,622,356	\$ 8,281,344
TOTAL EXPENDITURES	9,451,070	6,898,582
ANNUAL SURPLUS	\$ 1,171,286	\$ 1,382,762

Included in total revenue is power sold to the Town in the amount of \$5,219,305 (2019 - \$3,770,737). These revenues were not eliminated in the consolidation.

TOWN OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2020

11. INVESTMENT IN R. K. MACDONALD NURSING HOME CORPORATION

R. K. MacDonald Nursing Home Corporation is jointly governed by the Town and County and is not consolidated. The following table provides condensed supplementary financial information for the Nursing Home:

	2020	2019
STATEMENT OF FINANCIAL POSITION		
Current assets	\$ 4,192,167	\$ 3,136,950
Capital assets	9,753,541	10,060,620
Total assets	13,945,708	13,197,570
Current liabilities	2,226,546	1,914,031
Long-term liabilities	8,828,346	9,252,809
Total liabilities	11,054,892	11,166,840
NET ASSETS	\$ 2,890,816	\$ 2,030,730
STATEMENT OF OPERATIONS		
Revenues	\$ 13,571,643	\$ 12,743,603
Operating expenses	(11,816,080)	(10,975,345)
Financing and capital	(895,477)	(937,848)
EXCESS OF REVENUES OVER EXPENSES	\$ 860,086	\$ 830,410
STATEMENT OF CASH FLOWS		
Cash flows from		
Operating activities	\$ 1,595,212	\$ 1,693,391
Financing and investing activities	(559,950)	(588,115)

12. DEFINED BENEFIT PENSION PLAN

The Town provides a defined benefit pension plan to the Town Clerk through participation in the municipal clerks' pension plan (the Plan) with nine other units. The last valuation was completed at March 31, 2017 with an extrapolation of the results completed for March 31, 2020.

TOWN OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2020

12. DEFINED BENEFIT PENSION PLAN (CONTINUED)

The significant assumptions adopted in measuring the Town's accrued benefit obligation are as follows:

	2020	2019
Interest rate, net of expenses	4.5%	4.5%
Inflation	2.0%	2.0%
Mortality	CPM 2014	CPM 2014

	2020	2019
Market value of assets	\$ 453,971	\$ 497,113
Estimated liability	458,342	463,543
	\$ (4,371)	\$ 33,570

During the year the Town made contributions of \$Nil (2019 - \$Nil). Benefits paid during the year were \$25,486 (2019 - \$26,647).

13. SCHOOL CAPITAL FUND

On January 1, 1982, the Town of Antigonish joined with the County of Antigonish to form the Antigonish District School Board. Under the agreement, all school buildings on hand at December 31, 1982 will remain assets of the municipal units but will be under the operational control of the Strait Regional School Board until such time as the Board no longer requires the assets for school purposes. At that time, control will revert back to the municipal units. School buildings are not included in tangible capital assets as they are not under control of the Town.

TOWN OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2020, with comparative figures for 2019

14. SEGMENT DISCLOSURE

	2020							2019			
	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Environmental Development Services	Recreation and Culture Services	Electric Utility	Water Utility	AREA	Total	Total
REVENUES											
Taxes	\$ 4,182,786	\$ -	\$ -	\$ 464,476	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,647,262	\$ 4,474,873
Grants in lieu of taxes	1,108,743	-	-	-	-	-	-	-	-	1,108,743	1,117,805
Services provided to other governments	-	-	-	210,543	-	-	-	154,271	-	364,814	339,527
Unconditional transfers from other governments	219,695	-	-	11,300	-	-	-	-	-	230,995	242,454
Conditional transfers from other governments	642,230	-	-	-	-	-	-	-	-	642,230	325,640
Capital grants	-	-	-	-	-	899,301	-	33,465	-	932,766	83,887
Sale of services	-	59,489	52,733	602,792	-	115,363	11,397,691	1,291,134	6,692,084	20,211,286	18,934,905
Other revenue from own sources	164,697	-	-	-	-	-	-	-	-	164,697	131,249
Interest and service charge	48,118	-	-	-	-	-	65,635	13,213	-	126,966	136,271
Other transfers	2,500	-	-	-	-	-	-	-	-	2,500	2,250
	6,368,769	59,489	52,733	1,289,111	-	1,014,664	11,463,326	1,492,083	6,692,084	28,432,259	25,788,861
EXPENSES											
Salaries and benefits	931,557	290,686	457,788	155,992	170,398	269,324	558,387	145,824	98,701	3,078,657	3,194,320
Goods, services and other	625,305	1,739,395	957,620	849,408	638,686	269,188	10,072,528	622,491	3,699,021	19,473,642	17,342,421
Amortization	56,379	135,349	518,037	169,421	-	89,277	222,418	343,099	1,253,830	2,787,810	2,694,640
Interest	19,396	16,053	37,905	-	-	21,989	-	55,627	902,622	1,053,592	1,102,068
	1,632,637	2,181,483	1,971,350	1,174,821	809,084	649,778	10,853,333	1,167,041	5,954,174	26,393,701	24,333,449
ANNUAL SURPLUS (DEFICIT)											
	\$ 4,736,132	\$(2,121,994)	\$(1,918,617)	\$ 114,290	\$(809,084)	\$ 364,886	\$ 609,993	\$ 325,042	\$ 737,910	\$ 2,038,558	\$ 1,455,412

TOWN OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2020

15. TRANSFERS TO PROVINCIAL BOARDS AND COMMISSIONS

The Town of Antigonish is required to share in financing the operations of various Boards and Commissions. In addition to any budgeted contributions, the Town shares in the deficits or surpluses of these Boards based on their sharing percentages. The Town'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.

	2020 Contribution	2019 Contribution
Antigonish Regional Housing Authority	\$ 85,683	\$ 79,403
Pictou – Antigonish Regional Library	38,821	37,190
Antigonish Arena Association	61,188	140,071
Strait Regional School Board	1,446,812	1,431,597
Corrections contribution	78,609	79,417
Assessment services contribution	77,234	76,720

16. CONTINGENCIES

- The Town has guaranteed or committed to guarantee loans of the R. K. MacDonald Nursing Home Corporation to a maximum of \$4,097,897.
- The Town has guaranteed or committed to guarantee a 63% share of loans to Alternative Resource Energy Authority to a maximum of \$29,605,000. The Town's share of AREA loans outstanding at March 31, 2019 is \$29,606,000.
- The Town ceased using the Beech Hill landfill site, operated by the Municipality of the County of Antigonish, on September 30, 1996. The Town has a financial obligation to the Municipality for a portion of the costs associated with the eventual closure and post closure maintenance of that site. The Municipality has not billed the Town for these costs and consultants retained by the Town to estimate those costs have been denied access to the site. Accordingly, complete information on the nature and estimated amount of cost of closure, accrued to September 30, 1996, is not available to the Town.

The Town has not accrued an estimate of their obligation nor provided funding for closure costs which, if material are required under Canadian public sector accounting standards.

When the amount, if any, is determined or settlement reached it will be accounted for at that time.

- The Town has committed to provide funding of \$100,000 to the Antigonish Affordable Housing, pending other financial partners meeting their financial commitments and the project going to tender. At March 31, 2020, there were uncertainties whether the project would proceed and therefore no liability has been accrued in these consolidated financial statements.

TOWN OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2020

16. CONTINGENCIES (CONTINUED)

- e) The Town has guaranteed that power brokered from NB Power by AREA will be paid for by the Town's electric utility if AREA defaults. The Town's exposure relates only to the power that is imported on their behalf.

17. RATE OF RETURN ON BASE

Water Utility

For the year ended March 31, 2020 the Town of Antigonish Water Utility had a rate of return on rate base of 2.41% (2019 – 3.18%).

Electric Utility

For the year ended March 31, 2020 the Town of Antigonish Electric Utility had a rate of return on rate base of 24.78% (2019 – 31.77%).

18. FINANCIAL INSTRUMENTS

Fair value of financial instruments

The fair value of the Town's financial instruments that are comprised of cash, taxes receivable, other accounts receivable, and accounts payable and accrued liabilities approximate their carrying value due to their short-term nature.

The fair value of long-term debt is based on rates currently available to the Town with similar terms and maturities and approximates its carrying value.

Unless otherwise noted, it is management's opinion that the Town is not exposed to significant interest, currency or credit risks arising from these financial instruments.

TOWN OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2020

19. REMUNERATION OF MEMBERS OF COUNCIL AND CHIEF ADMINISTRATIVE OFFICER

The total remuneration paid to the Mayor, Council and Chief Administrative Officer of the Town are as follows:

Name	Title	Annual Remuneration	Travel and Other Expenses	Total
Laurie Boucher	Mayor	\$ 39,898	\$ 7,341	\$ 47,239
William Cormier	Councillor	22,956	2,480	25,436
Diane Roberts	Councillor	22,956	4,762	27,718
Mary Farrell	Deputy Mayor/Councillor	24,016	4,453	28,469
John K. MacPherson	Councillor	22,956	798	23,754
Donnie MacInnis	Deputy Mayor/Councillor	24,441	5,724	30,165
Andrew Murray	Councillor	22,956	5,254	28,210
Jeff Lawrence	Chief Administrative Officer	139,640	18,501	158,141
		\$ 319,819	\$ 49,313	\$ 369,132

20. COVID-19

On March 11, 2020 the World Health Organization characterized the outbreak of the strain of the novel coronavirus ("Covid-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus, including the announcement of a state of emergency in the Province of Nova Scotia on March 22, 2020. As of the date of issuing the financial statements, the ongoing duration and impact of COVID-19 is unknown and it is not possible to reliably estimate the impact the length and severity of these developments will have on the financial results and condition of the Town in future fiscal years.

21. COMPARATIVE FIGURES

Certain 2019 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

TOWN OF ANTIGONISH

Consolidated Schedule of Long-Term Debt

March 31, 2020, with comparative figures for 2019

Interest rate - %	Matures	Balance March 31, 2019	Issued	Redeemed	Balance March 31, 2020
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General Capital Fund

Nova Scotia Municipal Finance Corporation

1.49 - 4.025	2026	\$ 585,000	\$ -	\$ 45,000	\$ 540,000
2.797 - 4.329	2019	103,500	-	103,500	-
1.245 - 3.347	2025	210,000	-	35,000	175,000
1.15 - 2.925	2026	226,400	-	28,300	198,100
1.2 - 3.209	2032	2,023,000	-	147,000	1,876,000
1.734 - 3.073	2027	540,000	-	60,000	480,000
		3,687,900	-	418,800	3,269,100

Water Capital Fund

Nova Scotia Municipal Finance Corporation

4.22 - 4.59	2021	1,280,000	-	160,000	1,120,000
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AREA

Nova Scotia Municipal Finance Corporation

1.15 - 3.475	2030	13,956,768	-	593,365	13,363,403
1.2 - 3.475	2032	9,389,693	-	263,970	9,125,723
2.06 - 3.501	2033	7,497,000	-	380,126	7,116,874
		30,843,461	-	1,237,461	29,606,000

		\$ 35,811,361	\$ -	\$ 1,816,261	\$ 33,995,100
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TOWN OF ANTIGONISH

Water Utility Section

Statement of Financial Position - Operating Fund

March 31, 2020, with comparative figures for 2019

	2020	2019
ASSETS		
Receivables, net	\$ 269,713	\$ 252,461
Inventory held for use	109,571	104,748
	\$ 379,284	\$ 357,209
LIABILITIES		
Accrued liabilities	\$ 22,380	\$ 25,377
Due to general operating fund	628,840	412,539
Due to water capital fund	—	147,998
	651,220	585,914
DEFICIT	(271,936)	(228,705)
	\$ 379,284	\$ 357,209

TOWN OF ANTIGONISH

Water Utility Section

Statement of Operations and Deficit - Operating Fund

Year ended March 31, 2020, with comparative figures for 2019
(Unaudited – See Notice to Reader)

	2020		2019
	Budget	Actual	Actual
OPERATING REVENUES			
Operating			
Metered	\$ 1,296,711	\$ 1,274,872	\$ 1,234,329
Public fire protection	213,379	213,379	310,746
Private fire protection	154,271	154,271	145,657
Sprinkler service and hydrants	25,000	22,666	25,089
Other operating revenue	—	2,021	131
	1,689,361	1,667,209	1,715,952
OPERATING EXPENSES			
Source of supply	27,714	35,064	32,925
Pumping and power	68,584	67,176	68,511
Water treatment	422,118	441,383	397,670
Transmission and distribution	404,217	458,110	374,622
Administration and general	143,987	108,340	129,545
Depreciation	339,700	343,099	334,976
Taxes	38,000	38,647	37,274
	1,444,320	1,491,819	1,375,523
NET OPERATING REVENUE	245,041	175,390	340,429
NON-OPERATING REVENUES			
Interest on account	7,200	5,498	6,890
Interest on depreciation fund	2,400	(8,692)	8,692
Miscellaneous income	250	200	250
	9,850	(2,994)	15,832
NON-OPERATING EXPENSES			
Principal payments	(160,000)	(160,000)	(160,000)
Interest on debentures	(55,049)	(55,627)	(62,716)
	(215,049)	(215,627)	(222,716)
CHANGE IN FUND BALANCE	39,842	(43,231)	133,545
DEFICIT, BEGINNING OF YEAR	(228,705)	(228,705)	(362,250)
DEFICIT, END OF YEAR	\$ (188,863)	\$ (271,936)	\$ (228,705)

TOWN OF ANTIGONISH

Water Utility Section

Statement of Financial Position - Capital Fund

March 31, 2020, with comparative figures for 2019
(Unaudited – See Notice to Reader)

	2020	2019
ASSETS		
Depreciation fund		
Restricted cash	\$ 322,428	\$ 522,649
Due from water operating fund	–	55,765
	322,428	578,414
Due from water operating fund	–	92,233
Tangible capital assets		
Utility plant and equipment	13,380,542	13,038,920
	\$ 13,702,970	\$ 13,709,567
LIABILITIES		
Term debenture	\$ 1,120,000	\$ 1,280,000
Due to general operating fund	–	302,286
Deferred assistance	239,404	408,089
Accumulated depreciation	5,475,265	5,133,417
	6,834,669	7,123,792
FUND BALANCE	6,868,301	6,585,775
	\$ 13,702,970	\$ 13,709,567

TOWN OF ANTIGONISH

Water Utility Section

Statement of Investment in Capital Assets - Capital Fund

Year ended March 31, 2020, with comparative figures for 2019
(Unaudited – See Notice to Reader)

	2020	2019
BALANCE, BEGINNING OF YEAR	\$ 6,585,775	\$ 6,333,800
Province of Nova Scotia grants	124,925	83,887
Government of Canada grants	76,504	–
Other grants	720	–
Term debt retired	160,000	160,000
Capital retired	(95,830)	–
Interest and other	16,207	8,088
BALANCE, END OF YEAR	\$ 6,868,301	\$ 6,585,775

TOWN OF ANTIGONISH

Water Utility Section

Schedule of Tangible Capital Assets

March 31, 2020, with comparative figures for 2019
(Unaudited – See Notice to Reader)

			2020	2019
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land				
Source of supply	\$ 500,211	\$ –	\$ 500,211	\$ 500,211
Reservoir	12,965	–	12,965	12,965
Reservoir land study	37,755	1,085	36,670	5,423
Transmission	123,442	–	123,442	123,442
Buildings				
Source of supply	1,556,067	818,063	738,004	770,668
Purification	4,223,228	2,075,747	2,147,481	2,249,770
Distribution reservoirs and stand pipes	967,808	388,414	579,394	571,904
Transmission mains	2,009,656	926,931	1,082,725	1,155,326
Distribution mains	1,948,773	487,031	1,461,742	1,363,754
Services	422,185	132,535	289,650	272,862
Meters	1,066,142	488,626	577,516	559,494
Hydrants	314,791	53,389	261,402	232,610
Equipment				
Transportation services	73,582	59,815	13,767	18,357
Tools and work	119,583	42,990	76,593	68,717
Office	4,354	639	3,715	–
	\$ 13,380,542	\$ 5,475,265	\$ 7,905,277	\$ 7,905,503

TOWN OF ANTIGONISH

Electric Operating Section

Statement of Financial Position - Operating Fund

March 31, 2020, with comparative figures for 2019
(Unaudited – See Notice to Reader)

	2020	2019
ASSETS		
Receivables	\$ 2,038,502	\$ 2,412,268
Inventory	461,460	435,399
	\$ 2,499,962	\$ 2,847,667
LIABILITIES		
Trade payables	\$ 888,829	\$ 1,528,177
Due to general operating fund	579,518	333,549
Reserve for customer deposits	312,761	271,944
	1,781,108	2,133,670
SURPLUS	718,854	713,997
	\$ 2,499,962	\$ 2,847,667

TOWN OF ANTIGONISH

Electric Utility Section

Statement of Operations and Surplus - Operating Fund

Year ended March 31, 2020, with comparative figures for 2019
(Unaudited – See Notice to Reader)

	2020		2019
	Budget	Actual	Actual
OPERATING REVENUES			
Operating			
Domestic service	\$ 4,754,954	\$ 4,438,611	\$ 4,684,685
Commercial service	5,887,063	5,572,257	5,828,775
Large general service	1,465,179	1,548,985	1,436,450
Street lighting	165,301	159,808	163,664
Service connections and meter rental	27,120	38,069	29,125
	12,299,617	11,757,730	12,142,699
NON-OPERATING REVENUES (EXPENSES)			
Interest	69,800	26,066	77,291
Interest on consumer deposits	(5,486)	(4,740)	(5,641)
	64,314	21,326	71,650
	12,363,931	11,779,056	12,214,349
OPERATING EXPENSES			
Power purchased	5,432,459	5,586,068	7,524,461
Power generation and delivery	4,877,828	4,009,272	2,512,321
Substations and buildings	14,183	21,727	12,000
Distribution	140,299	161,281	144,710
Administration and general	635,338	802,094	594,509
Property taxes	3,400	3,044	3,135
Depreciation	228,855	222,418	228,855
Wages	449,894	468,295	440,184
	11,782,256	11,274,199	11,460,175
CHANGE IN FUND BALANCE	581,675	504,857	754,174
SURPLUS, BEGINNING OF YEAR	713,997	713,997	459,823
Transfer to general operating fund	(500,000)	(500,000)	(500,000)
SURPLUS, END OF YEAR	\$ 795,672	\$ 718,854	\$ 713,997

TOWN OF ANTIGONISH

Electric Utility Section

Statement of Financial Position - Capital Fund

March 31, 2020, with comparative figures for 2019
(Unaudited – See Notice to Reader)

	2020	2019
ASSETS		
Restricted cash - depreciation fund	\$ 2,112,146	\$ 2,483,003
Tangible capital assets	7,262,949	7,403,507
	\$ 9,375,095	\$ 9,886,510
LIABILITIES		
Due to general operating fund	\$ —	\$ 534,988
Reserve for future expenditures	7,252	7,252
Accumulated depreciation	4,592,815	4,541,207
	4,600,067	5,083,447
FUND BALANCE	4,775,028	4,803,063
	\$ 9,375,095	\$ 9,886,510

TOWN OF ANTIGONISH

Electric Utility Section

Statement of Investment in Capital Assets - Capital Fund

Year ended March 31, 2020, with comparative figures for 2019
(Unaudited – See Notice to Reader)

	2020	2019
BALANCE, BEGINNING OF YEAR	\$ 4,803,063	\$ 4,803,063
Interest and other	39,569	—
Capital retired	(67,604)	—
BALANCE, END OF YEAR	\$ 4,775,028	\$ 4,803,063

TOWN OF ANTIGONISH

Electric Utility Section

Schedule of Tangible Capital Assets

March 31, 2020, with comparative figures for 2019
(Unaudited – See Notice to Reader)

	2020		2019	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Garage	\$ 127,906	\$ 36,657	\$ 91,249	\$ 94,942
Substation	408,731	281,090	127,641	137,859
Primary	1,751,860	1,105,227	646,633	676,690
Secondary	473,125	323,690	149,435	160,559
Transformers	2,185,219	1,757,299	427,920	480,348
Service	672,343	404,402	267,941	270,737
Other	21,672	19,199	2,473	2,968
Street lights	405,573	91,986	313,587	333,422
Meters	343,243	243,067	100,176	106,921
Transportation	644,904	273,280	371,624	422,154
Shop	62,805	52,134	10,671	14,671
Office	4,294	4,294	–	–
Rate study equipment	161,274	490	160,784	161,029
	\$ 7,262,949	\$ 4,592,815	\$ 2,670,134	\$ 2,862,300