

Town of Antigonish
Consolidated Financial Statements

March 31, 2022

To the Mayor and Council of Town of Antigonish:

Opinion

We have audited the consolidated financial statements of Town of Antigonish (the "Town") on pages 2 - 19, which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations, changes in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Town as at March 31, 2022, and the results of its consolidated operations, changes in its net debt 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 the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Supplementary Information

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 20 - 29 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters related to 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Sydney, Nova Scotia
January 16, 2023

MNP LLP

Chartered Professional Accountants

MNP

Town of Antigonish
Consolidated Financial Statements
For the year ended March 31, 2022

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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 are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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, Chartered Professional Accountants, 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

Town of Antigonish
Consolidated Statement of Financial Position

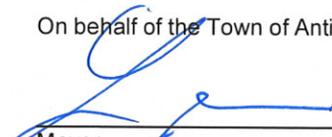
As at March 31, 2022

	2022	2021
FINANCIAL ASSETS		
Cash (note 2)	\$ 7,741,514	\$ 7,572,384
Taxes receivable (note 3)	187,540	140,986
Other receivables (note 4)	9,080,250	4,405,145
	17,009,304	12,118,515
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	8,195,374	3,624,323
Deferred revenue	390,772	599,635
Long-term debt (note 5)	30,503,281	32,261,151
	39,089,427	36,485,109
NET DEBT	(22,080,123)	(24,366,594)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 7)	56,319,639	55,686,018
Inventory and prepaid expenses	1,088,702	882,114
	57,408,341	56,568,132
ACCUMULATED SURPLUS (note 8)	\$ 35,328,218	\$ 32,201,538

Contingencies (note 15)

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
For the year ended March 31, 2022

	Budget (Unaudited)	2022	2021
REVENUES			
Taxes	\$ 4,836,893	\$ 4,998,071	\$ 4,614,636
Grants in lieu of taxes	1,092,391	1,092,169	1,104,269
Services provided to other governments	492,021	428,662	415,686
Unconditional transfers from other governments	228,828	462,060	562,920
Conditional transfers from other governments	-	682,173	320,767
Capital grants	-	1,119,196	172,958
Sale of services	22,059,153	30,338,626	22,110,175
Other revenue from own sources	151,100	144,439	184,391
Interest and service charge	29,023	72,629	70,344
Other transfers	2,000	3,000	2,000
	28,891,409	39,341,025	29,558,146
EXPENSES			
General government services	1,644,089	1,721,326	1,612,798
Protective services	2,280,473	2,324,713	2,092,425
Transportation services	1,693,060	2,567,946	2,042,870
Environmental health services	1,125,273	1,226,511	1,203,485
Environmental development services	740,137	721,615	695,250
Recreation and cultural services	509,341	865,727	625,594
Electric utility expenses	9,695,708	10,084,100	9,822,722
Water utility expenses	1,040,954	977,552	1,090,001
AREA expenses	8,737,038	15,724,855	8,054,926
	27,466,073	36,214,345	27,240,071
ANNUAL SURPLUS	1,425,336	3,126,680	2,318,075
ACCUMULATED SURPLUS, BEGINNING OF YEAR	32,201,538	32,201,538	29,883,463
ACCUMULATED SURPLUS, END OF YEAR	\$ 33,626,874	\$ 35,328,218	\$ 32,201,538

See accompanying notes to consolidated financial statements.

Town of Antigonish
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2022

	2022	2021
ANNUAL SURPLUS	\$ 3,126,680	\$ 2,318,075
Other non-financial assets		
Amortization of tangible capital assets	2,990,297	2,908,156
Additions to tangible capital assets	(3,760,924)	(2,179,128)
Loss on disposal of tangible capital assets	137,006	7,298
Increase in inventory, prepaid expenses and work in progress	(206,588)	(163,084)
DECREASE IN NET DEBT	2,286,471	2,891,317
NET DEBT, BEGINNING OF YEAR	(24,366,594)	(27,257,911)
NET DEBT, END OF YEAR	\$ (22,080,123)	\$ (24,366,594)

See accompanying notes to consolidated financial statements.

Town of Antigonish
Consolidated Statement of Cash Flows
Year ended March 31, 2022

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual surplus	\$ 3,126,680	\$ 2,318,075
Add		
Amortization of tangible capital assets	2,990,297	2,908,156
Loss on disposal of tangible capital assets	137,006	7,298
Change in non-cash items		
Decrease (increase) in taxes receivable	(46,554)	24,944
Decrease (increase) in other accounts receivable	(4,675,105)	352,380
Increase in accounts payable and accrued liabilities	4,571,051	104,225
Increase (decrease) in deferred revenue	(208,863)	297,255
Increase in inventory, prepaid expenses and work in progress	(206,588)	(163,084)
	5,687,924	5,849,249
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term debt issued	800,000	-
Long-term debt redeemed	(2,557,870)	(1,733,949)
	(1,757,870)	(1,733,949)
CASH FLOWS FROM CAPITAL ACTIVITIES		
Additions to tangible capital assets	(3,760,924)	(2,179,128)
INCREASE IN CASH AND CASH EQUIVALENTS	169,130	1,936,172
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	7,572,384	5,636,212
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 7,741,514	\$ 7,572,384

See accompanying notes to consolidated financial statements.

Town of Antigonish
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

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% (2021 – 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
For the year ended March 31, 2022

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
For the year ended March 31, 2022

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. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

Town of Antigonish
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

2. CASH

	2022	2021
Cash		
General operating fund	\$ 115,628	\$ 1,317,165
Water capital fund	338,802	228,560
Electric capital fund	1,966,146	2,142,992
Capital reserve fund	2,613,271	2,202,062
Operating reserve fund	1,258,884	1,131,214
AREA	1,448,783	550,391
	<u>7,741,514</u>	<u>7,572,384</u>
Restricted cash		
General operating fund	-	-
	<u>\$ 7,741,514</u>	<u>\$ 7,572,384</u>

3. TAXES RECEIVABLE

	2022	2021
Balance, beginning of year	\$ 199,654	\$ 224,598
Current year's levy of property taxes and rates	5,401,036	5,281,118
Subtotal	<u>5,600,690</u>	<u>5,505,716</u>
Less		
Current year's collections	5,342,482	5,296,829
Reduced taxes	7,089	9,233
	<u>5,349,571</u>	<u>5,306,062</u>
Gross taxes receivable, end of year	251,119	199,654
Less allowance for uncollectible taxes	(63,579)	(58,668)
Taxes receivable, net	<u>\$ 187,540</u>	<u>\$ 140,986</u>

Town of Antigonish
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

4. OTHER RECEIVABLES

	2022	2021
Water rates	\$ 306,834	\$ 275,767
Electric rates	2,263,822	1,966,938
Sewer rates	169,074	150,892
Harmonized sales taxes receivable	18,350	25,727
Province of Nova Scotia	984,957	-
Other	5,601,216	2,286,364
	9,344,253	4,705,688
Allowance	(264,003)	(300,543)
	\$ 9,080,250	\$ 4,405,145

5. 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, 2022 are as follows:

2023	\$1,788,000
2024	1,815,000
2025	1,847,000
2026	1,849,000
2027	1,888,000

6. ADDITIONAL FINANCING

The Town has an operating line of credit of \$995,000 (2021 - \$1,000,000) at an annual interest rate of prime minus .75% (2021 - .50%) per annum, repayable on demand of which \$Nil was used at March 31, 2022 (2021 - \$Nil).

The Town approved bridge financing during the year of \$2,410,000 at an annual interest rate of prime minus .75% per annum, with principal and remaining interest due in full February 28, 2024. There was no draw during the fiscal year.

Town of Antigonish
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

7. TANGIBLE CAPITAL ASSETS

	2021						2022					
	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		
General government services	\$ 242,506	\$ -	\$ -	\$ 242,506	\$ -	\$ -	\$ -	\$ -	\$ 242,506	\$ 242,506		
Land	1,414,567	1,701,508	-	3,116,075	488,645	61,319	-	549,964	2,566,111	925,922		
Buildings	168,592	-	-	168,592	125,421	7,080	-	132,501	36,091	43,171		
Plant and equipment												
Protective services	132,007	-	-	132,007	89,169	2,735	-	91,904	40,103	42,838		
Buildings	1,933,122	-	-	1,933,122	1,253,892	116,846	-	1,370,738	562,384	679,230		
Plant and equipment												
Transportation services	257,348	73,871	-	331,219	84,954	10,195	-	95,149	236,070	172,394		
Buildings	16,730,910	925,140	336,490	17,319,560	6,748,643	605,423	159,495	7,194,571	10,124,989	9,982,267		
Plant and equipment												
Environmental health services	64,809	-	-	64,809	-	-	-	-	64,809	64,809		
Land	8,613,639	242,754	-	8,856,393	5,015,752	179,405	-	5,195,157	3,661,236	3,597,887		
Plant and equipment												
Recreation and cultural services	3,908,349	133,672	-	4,042,021	1,249,736	135,361	39,989	1,345,108	2,696,913	2,658,613		
Plant and equipment												
Water utility assets	13,854,861	270,370	-	14,125,231	5,843,139	383,892	-	6,227,031	7,898,200	8,011,722		
Electric utility assets	7,468,318	413,609	-	7,881,927	4,811,827	225,957	-	5,037,784	2,844,143	2,656,491		
AREA assets	32,456,194	-	-	32,456,194	5,848,026	1,262,084	-	7,110,110	25,346,084	26,608,168		
	\$ 87,245,222	\$ 3,760,924	\$ 336,490	\$ 90,669,656	\$ 31,559,204	\$ 2,990,297	\$ 199,484	\$ 34,350,017	\$ 56,319,639	\$ 55,686,018		

Town of Antigonish
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

8. ACCUMULATED SURPLUS

	2022	2021
General operating fund	\$ —	\$ —
Water operating fund	(334,473)	(387,909)
Electric operating fund	2,202,687	1,226,318
Capital reserve fund	2,613,271	2,202,062
Operating reserve fund	1,660,657	1,377,062
General capital fund	17,512,910	16,005,157
Water capital fund	7,437,004	7,280,286
Electric capital fund	4,813,664	4,792,234
AREA	(577,502)	(293,672)
	\$ 35,328,218	\$ 32,201,538

9. 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.

A summary of financial information for AREA for the fiscal years 2022 and 2021 as per their audited financial statements are as follows:

Consolidated Statement of Financial Position

March 31, 2022, with comparative figures for 2021

	2022	2021
FINANCIAL ASSETS	\$ 10,139,969	\$ 3,877,137
FINANCIAL LIABILITIES		
Long-term debt	42,959,970	44,995,795
Other financial liabilities	8,519,314	1,755,982
	51,479,284	46,751,777
NET FINANCIAL DEBT	(41,339,315)	(42,874,640)
NON-FINANCIAL ASSETS		
Tangible capital assets	40,231,879	42,235,188
Inventory	122,628	—
Prepaid expenses	68,139	173,306
	40,422,646	42,408,494
NET DEFICIT	\$ (916,669)	\$ (466,146)

Town of Antigonish
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

9. GOVERNMENT PARTNERSHIPS (CONTINUED)

Consolidated Statement of Operations

March 31, 2022, with comparative figures for 2021

	2022	2021
TOTAL REVENUE	\$ 25,912,435	\$ 14,190,918
TOTAL EXPENDITURES	24,960,088	12,785,596
ANNUAL SURPLUS	\$ 952,347	\$ 1,405,322

Transactions with AREA

Included in these consolidated financial statements is cost of electricity purchased from AREA of \$6,975,660 (2021 - \$6,874,133). These expenses were not eliminated in the consolidation. In addition, included in accounts payable and accrued liabilities is an amount owing to AREA of \$903,331 (2021 - \$700,631).

10. 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:

	2022	2021
STATEMENT OF FINANCIAL POSITION		
Current assets	\$ 6,134,550	\$ 5,358,580
Capital assets	9,733,891	9,694,774
Total assets	15,868,441	15,053,354
Current liabilities	2,628,825	2,585,170
Long-term liabilities	8,544,927	8,650,329
Total liabilities	11,173,752	11,235,499
NET ASSETS	\$ 4,694,689	\$ 3,817,855

STATEMENT OF OPERATIONS

Revenues	\$ 14,131,760	\$ 14,145,876
Operating expenses	(12,167,615)	(12,243,520)
Financing and capital	(1,087,311)	(975,317)
EXCESS OF REVENUES OVER EXPENSES	\$ 876,834	\$ 927,039

Town of Antigonish
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

10. INVESTMENT IN R. K. MACDONALD NURSING HOME CORPORATION (CONTINUED)

STATEMENT OF CASH FLOWS

Cash flows from			
Operating activities	\$	1,218,156	\$ 1,667,318
Financing and investing activities		(605,929)	(564,076)

11. 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, 2020 with an extrapolation of the results completed for March 31, 2022.

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

	2022	2021
Interest rate, net of expenses	4.75%	4.75%
Inflation	2.0%	2.0%
Mortality	CPM 2014 projected with mortality improvements scale CPM-B	CPM 2014 projected with mortality improvements scale CPM-B
	2022	2021
Market value of assets	\$ 514,631	\$ 516,688
Estimated liability	455,473	461,883
	\$ 59,158	\$ 54,805

During the year the Town made contributions of \$1,608 (2021 - \$Nil). Benefits paid during the year were \$26,373 (2021 - \$25,857).

12. 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
For the year ended March 31, 2022

13. SEGMENT DISCLOSURE

	2022							2021			
	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	\$ 4,512,978	\$ -	\$ -	\$ 485,093	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,998,071	\$ 4,614,636
Grants in lieu of taxes	1,092,169	-	-	-	-	-	-	-	-	1,092,169	1,104,269
Services provided to other governments	-	-	-	252,996	-	-	-	175,666	-	428,662	415,686
Unconditional transfers from other governments	442,622	-	-	19,438	-	-	-	-	-	462,060	562,920
Conditional transfers from other governments	682,173	-	-	-	-	-	-	-	-	682,173	320,767
Capital grants	-	-	-	-	-	134,239	-	-	-	134,239	172,958
Sale of services	15,285	36,000	39,133	655,675	-	91,040	11,834,421	1,342,238	16,324,834	30,338,626	22,110,175
Other revenue from own sources	143,739	-	-	-	-	-	-	-	-	143,739	184,391
Interest and service charge	24,664	-	-	-	-	-	46,100	1,865	-	72,629	70,344
Other transfers	3,000	-	-	-	-	-	-	-	-	3,000	2,000
	6,916,630	36,000	39,133	1,413,202	-	225,279	11,880,521	1,519,769	16,324,834	38,355,368	29,558,146
EXPENSES											
Salaries and benefits	1,031,595	261,772	1,057,039	173,671	211,036	257,863	578,962	159,847	207,981	3,939,766	3,216,003
Goods, services and other	604,218	1,932,443	862,199	873,435	510,579	453,667	9,279,181	405,243	13,403,054	28,324,019	20,107,355
Amortization	68,398	119,581	615,618	179,405	-	135,361	225,957	383,892	1,262,085	2,990,297	2,908,156
Interest	16,415	10,917	33,090	-	-	18,836	-	28,570	851,735	959,563	1,008,557
	1,720,626	2,324,713	2,567,946	1,226,511	721,615	865,727	10,084,100	977,552	15,724,855	36,213,645	27,240,071
ANNUAL SURPLUS (DEFICIT)	\$ 5,196,004	\$ (2,288,713)	\$ (2,528,813)	\$ 186,691	\$ (721,615)	\$ (640,448)	\$ 1,796,421	\$ 542,217	\$ 599,979	\$ 2,141,723	\$ 2,318,075

Town of Antigonish
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

14. 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.

	2022 Contribution	2021 Contribution
Antigonish Regional Housing Authority	\$ 125,218	\$ 126,000
Pictou – Antigonish Regional Library	41,058	38,821
Antigonish Arena Association	50,224	50,168
Strait Regional School Board	1,491,809	1,476,243
Corrections contribution	76,772	77,824
Assessment services contribution	75,337	77,188

15. CONTINGENCIES

- a) The Town has guaranteed or committed to guarantee loans of the R. K. MacDonald Nursing Home Corporation to a maximum of \$4,097,897.
- b) 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, 2022 is \$27,064,781.
- c) 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.

- d) 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.

Town of Antigonish
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

16. RATE OF RETURN ON BASE

Water Utility

For the year ended March 31, 2022 the Town of Antigonish Water Utility had a rate of return on rate base of 3.08% (2021 – 1.19%).

Electric Utility

For the year ended March 31, 2022 the Town of Antigonish Electric Utility had a rate of return on rate base of 238.64% (2021 – 74.30%).

17. 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.

18. 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	\$ 41,592	\$ 961	\$ 42,553
Sean Cameron	Councillor	23,930	255	24,185
William Cormier	Deputy Mayor/Councillor	25,036	180	25,216
Diane Roberts	Councillor	23,930	255	24,185
Mary Farrell	Councillor	23,930	472	24,402
Donnie MacInnis	Councillor	23,930	180	24,110
Andrew Murray	Deputy Mayor/Councillor	25,469	720	26,189
Jeff Lawrence	Chief Administrative Officer	145,456	2,403	147,859
		\$ 333,273	\$ 5,426	\$ 338,699

Town of Antigonish
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

19. COVID-19

In early March 2020 the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Town as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Town of Antigonish
Consolidated Schedule of Long-Term Debt
For the year ended March 31, 2022

Interest rate - %	Matures	Balance March 31, 2021	Issued	Redeemed	Balance March 31, 2022
General Capital Fund					
Nova Scotia Municipal Finance Corporation					
3.645 - 4.026	2026	\$ 495,000	\$ -	\$ 45,000	\$ 450,000
2.769 - 3.347	2024	140,000	-	35,000	105,000
2.004 - 2.925	2026	169,800	-	28,300	141,500
1.655 - 3.209	2032	1,729,000	-	147,000	1,582,000
2.297 - 3.073	2027	420,000	-	60,000	360,000
		2,953,800	-	315,300	2,638,500
Water Capital Fund					
Nova Scotia Municipal Finance Corporation					
4.570 - 4.590	2021	960,000	-	960,000	-
0.000 - 1.489	2026	-	800,000	-	800,000
AREA					
Nova Scotia Municipal Finance Corporation					
1.150 - 3.475	2030	12,760,556	-	613,762	12,146,794
1.200 - 3.209	2032	8,624,035	-	277,200	8,346,835
2.060 - 3.501	2033	6,962,760	-	391,608	6,571,152
		28,347,351	-	1,282,570	27,064,781
		\$ 32,261,151	\$ 800,000	\$ 2,557,870	\$ 30,503,281

Town of Antigonish
Water Utility Section
Statement of Financial Position - Operating Fund
As at March 31, 2022
(Unaudited)

	2022	2021
ASSETS		
Receivables, net	\$ 295,675	\$ 264,608
Inventory held for use	222,736	153,849
	\$ 518,411	\$ 418,457
LIABILITIES		
Accrued liabilities	\$ 3,579	\$ 19,074
Due to general operating fund	849,305	787,292
	852,884	806,366
DEFICIT	(334,473)	(387,909)
	\$ 518,411	\$ 418,457

Town of Antigonish
Water Utility Section
Statement of Operations and Deficit - Operating Fund
For the year ended March 31, 2022
(Unaudited)

	2022	2021
	Budget	Actual
OPERATING REVENUES		
Operating		
Metered	\$ 1,350,684	\$ 1,328,117
Public fire protection	266,437	266,437
Private fire protection	175,668	175,666
Sprinkler service and hydrants	22,800	20,000
Other operating revenue	2,000	3,750
	<u>1,817,589</u>	<u>1,793,970</u>
		1,705,895
OPERATING EXPENSES		
Source of supply	45,087	40,289
Pumping and power	69,425	71,061
Water treatment	469,169	453,370
Transmission and distribution	449,877	411,984
Administration and general	160,456	157,408
Depreciation	378,006	383,892
Taxes	38,191	39,104
	<u>1,610,211</u>	<u>1,557,108</u>
		1,618,926
NET OPERATING REVENUE	207,378	236,862
NON-OPERATING REVENUES		
Interest on account	2,400	4,994
Miscellaneous income	750	150
	<u>3,150</u>	<u>5,144</u>
		5,128
NON-OPERATING EXPENSES		
Principal payments	(160,000)	(160,000)
Interest on debentures	(36,620)	(28,570)
	<u>(196,620)</u>	<u>(188,570)</u>
		(208,070)
CHANGE IN FUND BALANCE	13,908	53,436
DEFICIT, BEGINNING OF YEAR	-	(387,909)
DEFICIT, END OF YEAR	\$ 13,908	\$ (387,909)

Town of Antigonish
Water Utility Section
Statement of Financial Position - Capital Fund
As at March 31, 2022
(Unaudited)

	2022	2021
ASSETS		
Depreciation fund		
Restricted cash	\$ 338,802	\$ 228,560
Tangible capital assets		
Utility plant and equipment	14,125,230	13,854,859
	\$ 14,464,032	\$ 14,083,419
LIABILITIES		
Term debenture	\$ 800,000	\$ 960,000
Deferred assistance	206,034	222,719
Accumulated depreciation	6,227,028	5,843,136
	7,233,062	7,025,855
FUND BALANCE	7,230,970	7,057,564
	\$ 14,464,032	\$ 14,083,419

Town of Antigonish
Water Utility Section
Statement of Investment in Capital Assets - Capital Fund
For the year ended March 31, 2022
(Unaudited)

	2022	2021
BALANCE, BEGINNING OF YEAR	\$ 7,057,564	\$ 6,868,301
Province of Nova Scotia grants	15,300	15,300
Government of Canada grants	1,305	1,305
Other grants	80	10,081
Term debt retired	160,000	160,000
Debenture refinance	(5,119)	-
Interest and other	1,840	2,577
BALANCE, END OF YEAR	\$ 7,230,970	\$ 7,057,564

Town of Antigonish
Water Utility Section
Schedule of Tangible Capital Assets

As at March 31, 2022
(Unaudited)

			2022	2021
	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	61,684	18,126	43,558	38,812
Transmission	123,442	-	123,442	123,442
Buildings				
Source of supply	1,556,067	893,607	662,460	700,906
Purification	4,339,445	2,428,418	1,911,027	2,022,905
Distribution reservoirs and stand pipes	969,872	427,657	542,215	562,043
Transmission mains	2,024,787	980,713	1,044,074	1,071,065
Distribution mains	2,368,413	545,593	1,822,820	1,719,014
Services	466,795	150,203	316,592	320,286
Meters	1,072,183	586,908	485,275	527,348
Hydrants	383,018	62,244	320,774	292,331
Equipment				
Transportation services	112,201	74,513	37,688	47,796
Tools and work	129,793	56,549	73,244	69,813
Office	4,354	2,497	1,857	2,786
	\$ 14,125,230	\$ 6,227,028	\$ 7,898,202	\$ 8,011,723

Town of Antigonish
Electric Operating Section
Statement of Financial Position - Operating Fund
As at March 31, 2022
(Unaudited)

	2022	2021
ASSETS		
Receivables	\$ 2,028,410	\$ 1,695,461
Due from general operating fund	697,979	434,409
Inventory	576,765	497,681
	\$ 3,303,154	\$ 2,627,551
LIABILITIES		
Trade payables	\$ 862,570	\$ 822,837
Fuel credit	-	311,268
Reserve for customer deposits	237,897	267,128
	1,100,467	1,401,233
SURPLUS	2,202,687	1,226,318
	\$ 3,303,154	\$ 2,627,551

Town of Antigonish
Electric Utility Section
Statement of Operations and Surplus - Operating Fund
For the year ended March 31, 2022
(Unaudited)

	2022		2021
	Budget	Actual	Actual
OPERATING REVENUES			
Operating			
Domestic service	\$ 4,087,496	\$ 4,775,961	\$ 4,525,957
Commercial service	5,195,896	5,651,257	5,306,982
Large general service	1,453,821	1,591,585	1,428,782
Street lighting	162,188	152,976	168,544
Service connections and meter rental	24,905	50,674	32,340
	<u>10,924,306</u>	<u>12,222,453</u>	<u>11,462,605</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest	25,873	24,670	24,986
Interest on consumer deposits	(5,450)	(4,103)	(5,111)
	<u>20,423</u>	<u>20,567</u>	<u>19,875</u>
	<u>10,944,729</u>	<u>12,243,020</u>	<u>11,482,480</u>
OPERATING EXPENSES			
Power purchased	2,381,005	2,736,718	2,438,587
Power generation and delivery	5,952,540	5,898,449	6,003,719
Substations and buildings	28,711	58,016	22,678
Distribution	168,538	166,352	168,087
Administration and general	1,032,674	1,074,350	1,010,337
Property taxes	2,777	2,659	2,777
Depreciation	225,000	225,957	219,012
Wages	515,986	529,150	534,819
	<u>10,307,231</u>	<u>10,691,651</u>	<u>10,400,016</u>
CHANGE IN FUND BALANCE	637,498	1,551,369	1,082,464
SURPLUS, BEGINNING OF YEAR	1,226,318	1,226,318	718,854
Transfer to general operating fund	(575,000)	(575,000)	(575,000)
SURPLUS, END OF YEAR	<u>\$ 1,288,816</u>	<u>\$ 2,202,687</u>	<u>\$ 1,226,318</u>

Town of Antigonish
Electric Utility Section
Statement of Financial Position - Capital Fund
As at March 31, 2022
(Unaudited)

	2022	2021
ASSETS		
Restricted cash - depreciation fund	\$ 1,966,146	\$ 2,142,992
Due from general operating fund	10,624	-
Tangible capital assets	7,881,927	7,468,317
	\$ 9,858,697	\$ 9,611,309
LIABILITIES		
Reserve for future expenditures	\$ 7,252	\$ 7,252
Accumulated depreciation	5,037,781	4,811,823
	5,045,033	4,819,075
FUND BALANCE	4,813,664	4,792,234
	\$ 9,858,697	\$ 9,611,309

Town of Antigonish
Electric Utility Section
Statement of Investment in Capital Assets - Capital Fund
For the year ended March 31, 2022
(Unaudited)

	2022	2021
BALANCE, BEGINNING OF YEAR	\$ 4,792,234	\$ 4,775,028
Interest and other	21,430	17,206
BALANCE, END OF YEAR	\$ 4,813,664	\$ 4,792,234

**Town of Antigonish
Electric Utility Section
Schedule of Tangible Capital Assets**

*As at March 31, 2022
(Unaudited)*

			2022	2021
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Garage	\$ 208,820	\$ 46,161	\$ 162,659	\$ 123,820
Substation	408,731	301,527	107,204	117,422
Primary	1,796,477	1,190,845	605,632	623,406
Secondary	473,125	345,407	127,718	138,475
Transformers	2,372,276	1,852,816	519,460	437,406
Service	695,800	434,987	260,813	256,752
Other	198,043	27,317	170,726	70,774
Streetlights	431,936	135,634	296,302	308,535
Meters	351,214	269,470	81,744	90,188
Transportation	686,607	371,465	315,142	321,094
Shop	62,805	56,878	5,927	8,083
Office	4,294	4,294	-	-
Rate study equipment	191,799	980	190,819	160,539
	\$ 7,881,927	\$ 5,037,781	\$ 2,844,146	\$ 2,656,494