Town of Antigonish
Consolidated Financial Statements
March 31, 2021

MNP LLP

Independent Auditor's Report

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 4 - 20, which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and 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, 2021, 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 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.

Other Matter - Supplemental 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 21 - 30 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.

MNP LLP

Sydney, Nova Scotia
September 29, 2021

Chartered Professional Accountants

MNP

Town of Antigonish
Consolidated Financial Statements
For the year ended March 31, 2021

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THE TOWN OF
ANTIGONISH

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, 2021

	2021	2020
FINANCIAL ASSETS		
Cash (note 2)	$ 7,572,384	$ 5,636,212
Taxes receivable (note 3)	140,986	165,930
Other receivables (note 4)	4,405,145	4,757,525
	12,118,515	10,559,667
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	3,624,323	3,520,098
Deferred revenue	599,635	302,380
Long-term debt (note 5)	32,261,151	33,995,100
	36,485,109	37,817,578
NET DEBT	(24,366,594)	(27,257,911)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 7)	55,686,018	56,422,344
Inventory and prepaid expenses	882,114	719,030
	56,568,132	57,141,374
ACCUMULATED SURPLUS (note 8)	$ 32,201,538	$ 29,883,463

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, 2021

	Budget	2021	2020
	(Unaudited)		
REVENUES			
Taxes	$ 4,656,771	$ 4,614,636	$ 4,647,262
Grants in lieu of taxes	1,104,269	1,104,269	1,108,743
Services provided to other governments	468,286	415,686	364,814
Unconditional transfers from other governments	228,556	562,920	230,995
Conditional transfers from other governments	–	320,767	642,230
Capital grants	–	172,958	932,766
Sale of services	21,975,343	22,110,175	20,211,286
Other revenue from own sources	128,800	184,391	164,697
Interest and service charge	32,873	70,344	126,966
Other transfers	2,500	2,000	2,500
	28,597,398	29,558,146	28,432,259
EXPENSES			
General government services	1,666,217	1,612,798	1,632,637
Protective services	2,126,865	2,092,425	2,181,483
Transportation services	1,596,609	2,042,870	1,971,350
Environmental health services	1,057,122	1,203,485	1,174,821
Environmental development services	604,834	695,250	809,084
Recreation and cultural services	539,371	625,594	649,778
Electric utility expenses	9,730,276	9,822,722	10,853,333
Water utility expenses	1,020,313	1,090,001	1,167,041
AREA expenses	8,844,997	8,054,926	5,954,174
	27,186,604	27,240,071	26,393,701
ANNUAL SURPLUS	1,410,794	2,318,075	2,038,558
ACCUMULATED SURPLUS, BEGINNING OF YEAR		29,883,463	27,844,905
ACCUMULATED SURPLUS, END OF YEAR	$	$ 32,201,538	$ 29,883,463

See accompanying notes to consolidated financial statements.

Town of Antigonish
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2021

	2021	2020
ANNUAL SURPLUS	$ 2,318,075	$ 2,038,558
Other non-financial assets		
Amortization of tangible capital assets	2,908,156	2,787,810
Additions to tangible capital assets	(2,179,128)	(3,189,678)
Loss on disposal of tangible capital assets	7,298	–
Increase in inventory, prepaid expenses and work in progress	(163,084)	(53,554)
DECREASE IN NET DEBT	2,891,317	1,583,136
NET DEBT, BEGINNING OF YEAR	(27,257,911)	(28,841,047)
NET DEBT, END OF YEAR	$ (24,366,594)	$ (27,257,911)

See accompanying notes to consolidated financial statements.

Town of Antigonish
Consolidated Statement of Cash Flows
Year ended March 31, 2021

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual surplus	$ 2,318,075	$ 2,038,558
Add		
Amortization of tangible capital assets	2,908,156	2,787,810
Loss on disposal of tangible capital assets	7,298	–
Change in non-cash items		
Decrease in taxes receivable	24,944	138,681
Decrease (increase) in other accounts receivable	352,380	(864,506)
Increase (decrease) in accounts payable and accrued liabilities	104,225	(205,585)
Increase (decrease) in deferred revenue	297,255	(376,105)
Increase in inventory, prepaid expenses and work in progress	(163,084)	(53,554)
	5,849,249	3,465,299
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term debt	(1,733,949)	(1,816,261)
Repayment of temporary borrowing	–	(86,481)
	(1,733,949)	(1,902,742)
CASH FLOWS FROM CAPITAL ACTIVITIES		
Additions to tangible capital assets	(2,179,128)	(3,189,678)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,936,172	(1,627,121)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,636,212	7,263,333
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 7,572,384	$ 5,636,212

See accompanying notes to consolidated financial statements.

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% (2020 – 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.

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%

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.

2. CASH

	2021	2020
Cash		
General operating fund	$ 1,317,165	$ 265,551
Water capital fund	228,560	322,428
Electric capital fund	2,142,992	2,112,146
Capital reserve fund	2,202,062	1,575,847
Operating reserve fund	1,131,214	738,807
AREA	550,391	609,603
	7,572,384	5,624,382
Restricted cash		
General operating fund	–	11,830
	$ 7,572,384	$ 5,636,212

3. TAXES RECEIVABLE

	2021	2020
Balance, beginning of year	$ 224,598	$ 372,791
Current year's levy of property taxes and rates	5,281,118	5,186,825
Subtotal	5,505,716	5,559,616
Less		
Current year's collections	5,296,829	5,329,941
Reduced taxes	9,233	5,077
	5,306,062	5,335,018
Gross taxes receivable, end of year	199,654	224,598
Less allowance for uncollectible taxes	(58,668)	(58,668)
Taxes receivable, net	$ 140,986	$ 165,930

4. OTHER RECEIVABLES

	2021	2020
Water rates	$ 275,767	$ 281,661
Electric rates	1,966,938	2,272,763
Sewer rates	150,892	142,237
Harmonized sales taxes receivable	25,727	70,501
Other	2,286,364	2,254,540
	4,705,688	5,021,702
Allowance	(300,543)	(264,177)
	$ 4,405,145	$ 4,757,525

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, 2021 are as follows:

2022	$ 2,557,900
2023	1,624,700
2024	1,654,700
2025	1,687,300
2026	1,688,800

6. 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, 2021 (2020 - $Nil).

7. TANGIBLE CAPITAL ASSETS

	Cost Beginning of Year	Additions	Disposals and Write-downs	Cost End of Year	Amortization Beginning of Year	Additions	Disposals	Amortization End of Year	2021 Net Book Value	2020 Net Book Value
General government services										
Land	$ 242,506	$ –	$ –	$ 242,506	$ –	$ –	$ –	$ –	$ 242,506	$ 242,506
Buildings	1,393,110	21,457	–	1,414,567	438,305	50,340	–	488,645	925,922	954,805
Plant and equipment	159,634	8,958	–	168,592	117,882	7,539	–	125,421	43,171	41,752
Protective services										
Buildings	132,007	–	–	132,007	86,434	2,735	–	89,169	42,838	45,573
Plant and equipment	1,933,122	–	–	1,933,122	1,136,630	117,262	–	1,253,892	679,230	796,492
Transportation services										
Buildings	200,176	57,172	–	257,348	77,805	7,149	–	84,954	172,394	122,371
Plant and equipment	16,007,960	805,466	82,516	16,730,910	6,258,641	572,518	82,516	6,748,643	9,982,267	9,749,319
Environmental health services										
Land	64,809	–	–	64,809	–	–	–	–	64,809	64,809
Plant and equipment	8,341,405	272,234	–	8,613,639	4,848,704	167,048	–	5,015,752	3,597,887	3,492,701
Recreation and cultural services										
Plant and equipment	3,666,940	262,261	20,852	3,908,349	1,127,310	135,980	13,554	1,249,736	2,658,613	2,539,630
Water utility assets	13,380,542	474,319	–	13,854,861	5,475,265	367,874	–	5,843,139	8,011,722	7,905,277
Electric utility assets	7,262,949	205,369	–	7,468,318	4,592,815	219,012	–	4,811,827	2,656,491	2,670,134
AREA assets	32,384,302	71,892	–	32,456,194	4,587,327	1,260,699	–	5,848,026	26,608,168	27,796,975
	$ 85,169,462	$ 2,179,128	$ 103,368	$ 87,245,222	$ 28,747,118	$ 2,908,156	$ 96,070	$ 31,559,204	$ 55,686,018	$ 56,422,344

8. ACCUMULATED SURPLUS

	2021	2020
General operating fund	$ –	$ –
Water operating fund	(387,909)	(271,936)
Electric operating fund	1,226,318	718,854
Capital reserve fund	2,202,062	1,575,847
Operating reserve fund	1,377,062	1,074,212
General capital fund	16,005,157	15,330,794
Water capital fund	7,280,286	7,107,708
Electric capital fund	4,792,234	4,775,031
AREA	(293,672)	(427,047)
	$ 32,201,538	$ 29,883,463

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.

9. GOVERNMENT PARTNERSHIPS (CONTINUED)

A summary of financial information for AREA for the fiscal years 2021 and 2020 as per their audited financial statements are as follows:

Consolidated Statement of Financial Position

March 31, 2021, with comparative figures for 2020

	2021	2020
FINANCIAL ASSETS	$ 3,877,137	$ 3,879,452
FINANCIAL LIABILITIES		
Long-term debt	44,995,795	46,993,650
Other financial liabilities	1,755,982	1,705,873
	46,751,777	48,699,523
NET FINANCIAL DEBT	(42,874,640)	(44,820,071)
NON-FINANCIAL ASSETS		
Tangible capital assets	42,235,188	44,122,182
Prepaid expenses	173,306	20,036
	42,408,494	44,142,218
NET DEFICIT	$ (466,146)	$ (677,853)

Consolidated Statement of Operations

March 31, 2021, with comparative figures for 2020

	2021	2020
TOTAL REVENUE	$ 14,190,918	$ 10,622,356
TOTAL EXPENDITURES	12,785,596	9,451,070
ANNUAL SURPLUS	$ 1,405,322	$ 1,171,286

Included in total revenue is power sold to the Town in the amount of $6,003,719 (2020 - $5,219,305). These revenues were not eliminated in the consolidation.

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:

	2021	2020
STATEMENT OF FINANCIAL POSITION		
Current assets	$ 5,358,580	$ 4,192,167
Capital assets	9,694,774	9,753,541
Total assets	15,053,354	13,945,708
Current liabilities	2,585,170	2,226,546
Long-term liabilities	8,650,329	8,828,346
Total liabilities	11,235,499	11,054,892
NET ASSETS	$ 3,817,855	$ 2,890,816
STATEMENT OF OPERATIONS		
Revenues	$ 14,145,876	$ 13,571,643
Operating expenses	(12,243,520)	(11,816,080)
Financing and capital	(975,317)	(895,477)
EXCESS OF REVENUES OVER EXPENSES	$ 927,039	$ 860,086
STATEMENT OF CASH FLOWS		
Cash flows from		
Operating activities	$ 1,667,318	$ 1,595,212
Financing and investing activities	(564,076)	(559,950)

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, 2021.

11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

	2021	2020
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

	2021	2020
Market value of assets	$ 516,688	$ 453,970
Estimated liability	461,883	467,473
	$ 54,805	$ (13,503)

During the year the Town made contributions of $Nil (2020 - $Nil). Benefits paid during the year were $25,857 (2020 - $25,486).

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.

13. SEGMENT DISCLOSURE

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Environmental Development Services	Recreation and Culture Services	Electric Utility	Water Utility	AREA	2021 Total	2020 Total
REVENUES											
Taxes	$ 4,132,188	$ –	$ –	$ 482,448	$ –	$ –	$ –	$ –	$ –	$ 4,614,636	$ 4,647,262
Grants in lieu in taxes	1,104,269	–	–	–	–	–	–	–	–	1,104,269	1,108,743
Services provided to other governments	–	–	–	254,710	–	–	–	160,976	–	415,686	364,814
Unconditional transfers from other governments	530,701	–	–	32,219	–	–	–	–	–	562,920	230,995
Conditional transfers from other governments	320,767	–	–	–	–	–	–	–	–	320,767	642,230
Capital grants	–	–	–	–	–	172,958	–	–	–	172,958	932,766
Sale of services	–	36,000	35,753	628,342	–	75,409	11,086,895	1,307,498	8,940,278	22,110,175	20,211,286
Other revenue from own sources	184,391	–	–	–	–	–	–	–	–	184,391	164,697
Interest and service charge	20,451	–	–	–	–	–	42,189	7,704	–	70,344	126,966
Other transfers	2,000	–	–	–	–	–	–	–	–	2,000	2,500
	6,294,767	36,000	35,753	1,397,719	–	248,367	11,129,084	1,476,178	8,940,278	29,558,146	28,432,259
EXPENSES											
Salaries and benefits	953,829	294,391	429,347	167,141	200,043	265,782	592,452	152,287	160,731	3,216,003	3,075,454
Goods, services and other	582,786	1,665,837	998,893	869,296	495,207	203,462	9,011,258	521,770	5,758,846	20,107,355	19,476,845
Amortization	57,879	119,997	579,667	167,048	–	135,980	219,012	367,874	1,260,699	2,908,156	2,787,810
Interest	18,304	12,200	34,963	–	–	20,370	–	48,070	874,650	1,008,557	1,053,592
	1,612,798	2,092,425	2,042,870	1,203,485	695,250	625,594	9,822,722	1,090,001	8,054,926	27,240,071	26,393,701
ANNUAL SURPLUS (DEFICIT)	$ 4,681,969	$(2,056,425)	$(2,007,117)	$ 194,234	$ (695,250)	$ (377,227)	$ 1,306,362	$ 386,177	$ 885,352	$ 2,318,075	$ 2,038,558

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.

	2021 Contribution	2020 Contribution
Antigonish Regional Housing Authority	$ 126,000	$ 85,683
Pictou – Antigonish Regional Library	38,821	38,821
Antigonish Arena Association	50,168	61,188
Strait Regional School Board	1,476,243	1,446,812
Corrections contribution	77,824	78,609
Assessment services contribution	77,188	77,234

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, 2021 is $28,347,351.

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.

16. RATE OF RETURN ON BASE

Water Utility

For the year ended March 31, 2021 the Town of Antigonish Water Utility had a rate of return on rate base of 1.19% (2020 – 2.41%).

Electric Utility

For the year ended March 31, 2021 the Town of Antigonish Electric Utility had a rate of return on rate base of 74.30% (2020 – 24.78%).

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	$ 40,776	$ –	$ 40,776
Sean Cameron	Councillor	11,730	45	11,775
William Cormier	Councillor	23,461	543	24,004
Diane Roberts	Councillor	23,461	206	23,667
Mary Farrell	Deputy Mayor/Councillor	24,978	180	25,158
John K. MacPherson	Councillor	11,731	135	11,866
Donnie MacInnis	Deputy Mayor/Councillor	23,461	180	23,641
Andrew Murray	Councillor	24,545	365	24,910
Jeff Lawrence	Chief Administrative Officer	148,447	5,253	153,700
		$ 332,590	$ 6,907	$ 339,497

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.

20. COMPARATIVE FIGURES

Certain 2020 comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.

Town of Antigonish
Consolidated Schedule of Long-Term Debt
For the year ended March 31, 2021

Interest rate - %	Matures	Balance March 31, 2020	Issued	Redeemed	Balance March 31, 2021
General Capital Fund					
Nova Scotia Municipal Finance Corporation					
3.471 - 4.026	2026	$ 540,000	$ –	$ 45,000	$ 495,000
2.516 - 3.347	2024	175,000	–	35,000	140,000
1.809 - 2.925	2026	198,100	–	28,300	169,800
1.475 - 3.209	2032	1,876,000	–	147,000	1,729,000
2.132 - 3.073	2027	480,000	–	60,000	420,000
		3,269,100	–	315,300	2,953,800
Water Capital Fund					
Nova Scotia Municipal Finance Corporation					
4.57 - 4.59	2021	1,120,000	–	160,000	960,000
AREA					
Nova Scotia Municipal Finance Corporation					
1.15 - 3.475	2030	13,363,403	–	602,847	12,760,556
1.2 - 3.209	2032	9,009,567	–	385,532	8,624,035
2.06 - 3.501	2033	7,233,030	–	270,270	6,962,760
		29,606,000	–	1,258,649	28,347,351
		$ 33,995,100	$ –	$ 1,733,949	$ 32,261,151

Town of Antigonish
Water Utility Section
Statement of Financial Position - Operating Fund
As at March 31, 2021
(Unaudited)

	2021	2020
ASSETS		
Receivables, net	$ 264,608	$ 269,713
Inventory held for use	153,849	109,571
	$ 418,457	$ 379,284
LIABILITIES		
Accrued liabilities	$ 19,074	$ 22,380
Due to general operating fund	787,292	628,840
	806,366	651,220
DEFICIT	(387,909)	(271,936)
	$ 418,457	$ 379,284

Town of Antigonish
Water Utility Section
Statement of Operations and Deficit - Operating Fund
For the year ended March 31, 2021
(Unaudited)

		2021	2020
	Budget	Actual	Actual
OPERATING REVENUES			
Operating			
Metered	$ 1,333,571	$ 1,282,726	$ 1,274,872
Public fire protection	238,994	238,994	213,379
Private fire protection	160,970	160,976	154,271
Sprinkler service and hyrdrants	25,000	20,149	22,666
Other operating revenue	–	3,050	2,021
	1,758,535	1,705,895	1,667,209
OPERATING EXPENSES			
Source of supply	36,639	40,262	35,064
Pumping and power	70,886	67,371	67,176
Water treatment	452,705	427,749	441,383
Transmission and distribution	428,254	417,197	458,110
Administration and general	147,379	259,827	108,340
Depreciation	378,006	367,874	343,099
Taxes	38,100	38,646	38,647
	1,551,969	1,618,926	1,491,819
NET OPERATING REVENUE	206,566	86,969	175,390
NON-OPERATING REVENUES			
Interest on account	7,000	3,722	5,498
Interest on depreciation fund	–	–	(8,692)
Miscellaneous income	250	1,406	200
	7,250	5,128	(2,994)
NON-OPERATING EXPENSES			
Principal payments	(160,000)	(160,000)	(160,000)
Interest on debentures	(48,400)	(48,070)	(55,627)
	(208,400)	(208,070)	(215,627)
CHANGE IN FUND BALANCE	5,416	(115,973)	(43,231)
DEFICIT, BEGINNING OF YEAR		(271,936)	(228,705)
DEFICIT, END OF YEAR	$	$ (387,909)	$ (271,936)

Town of Antigonish
Water Utility Section
Statement of Financial Position - Capital Fund
As at March 31, 2021
(Unaudited)

	2021	2020
ASSETS		
Depreciation fund		
Restricted cash	$ 228,560	$ 322,428
Tangible capital assets		
Utility plant and equipment	13,854,859	13,380,542
	$ 14,083,419	$ 13,702,970
LIABILITIES		
Term debenture	$ 960,000	$ 1,120,000
Deferred assistance	222,719	239,404
Accumulated depreciation	5,843,136	5,475,265
	7,025,855	6,834,669
FUND BALANCE	7,057,564	6,868,301
	$ 14,083,419	$ 13,702,970

Town of Antigonish
Water Utility Section
Statement of Investment in Capital Assets - Capital Fund
For the year ended March 31, 2021
(Unaudited)

	2021	2020
BALANCE, BEGINNING OF YEAR	$ 6,868,301	$ 6,585,775
Province of Nova Scotia grants	15,300	124,925
Government of Canada grants	1,305	76,504
Other grants	10,081	720
Term debt retired	160,000	160,000
Capital retired	–	(95,830)
Interest and other	2,577	16,207
BALANCE, END OF YEAR	$ 7,057,564	$ 6,868,301

Town of Antigonish
Water Utility Section
Schedule of Tangible Capital Assets
As at March 31, 2021
(Unaudited)

	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
Land				
Source of supply	$ 500,211	$ –	$ 500,211	$ 500,211
Reservoir	12,965	–	12,965	12,965
Reservoir land study	47,448	8,636	38,812	36,670
Transmission	123,442	–	123,442	123,442
Buildings				
Source of supply	1,556,067	855,161	700,906	738,004
Purification	4,274,380	2,251,475	2,022,905	2,147,481
Distribution reservoirs and stand pipes	969,872	407,829	562,043	579,394
Transmission mains	2,024,787	953,722	1,071,065	1,082,725
Distribution mains	2,233,098	514,084	1,719,014	1,461,742
Services	461,264	140,978	320,286	289,650
Meters	1,065,273	537,925	527,348	577,516
Hydrants	349,914	57,583	292,331	261,402
Equipment				
Transportation services	112,201	64,405	47,796	13,767
Tools and work	119,583	49,770	69,813	76,593
Office	4,354	1,568	2,786	3,715
	$ 13,854,859	$ 5,843,136	$ 8,011,723	$ 7,905,277

Town of Antigonish
Electric Operating Section
Statement of Financial Position - Operating Fund
As at March 31, 2021
(Unaudited)

	2021	2020
ASSETS		
Receivables	$ 1,695,461	$ 2,038,502
Due from own funds	434,409	–
Inventory	497,681	461,460
	$ 2,627,551	$ 2,499,962
LIABILITIES		
Trade payables	$ 822,837	$ 888,829
Due to general operating fund	–	579,518
Fuel credit	311,268	–
Reserve for customer deposits	267,128	312,761
	1,401,233	1,781,108
SURPLUS	1,226,318	718,854
	$ 2,627,551	$ 2,499,962

Town of Antigonish
Electric Utility Section
Statement of Operations and Surplus - Operating Fund
For the year ended March 31, 2021
(Unaudited)

		2021	2020
	Budget	Actual	Actual
OPERATING REVENUES			
Operating			
Domestic service	$ 4,087,496	$ 4,525,957	$ 4,438,611
Commercial service	5,195,896	5,306,982	5,572,257
Large general service	1,453,821	1,428,782	1,548,985
Street lighting	162,188	168,544	159,808
Service connections and meter rental	24,905	32,340	38,069
	10,924,306	11,462,605	11,757,730
NON-OPERATING REVENUES (EXPENSES)			
Interest	25,873	24,986	26,066
Interest on consumer deposits	(5,450)	(5,111)	(4,740)
	20,423	19,875	21,326
	10,944,729	11,482,480	11,779,056
OPERATING EXPENSES			
Power purchased	2,381,005	2,438,587	5,586,068
Power generation and delivery	5,952,540	6,003,719	4,009,272
Substations and buildings	28,711	22,678	21,727
Distribution	168,538	168,087	161,281
Administration and general	1,032,674	1,010,337	802,094
Property taxes	2,777	2,777	3,044
Depreciation	225,000	219,012	222,418
Wages	515,986	534,819	468,295
	10,307,231	10,400,016	11,274,199
CHANGE IN FUND BALANCE	637,498	1,082,464	504,857
SURPLUS, BEGINNING OF YEAR	718,854	718,854	713,997
Transfer to general operating fund	(575,000)	(575,000)	(500,000)
SURPLUS, END OF YEAR	$ 781,352	$ 1,226,318	$ 718,854

Town of Antigonish
Electric Utility Section
Statement of Financial Position - Capital Fund
As at March 31, 2021
(Unaudited)

	2021	2020
ASSETS		
Restricted cash - depreciation fund	$ 2,142,992	$ 2,112,146
Tangible capital assets	7,468,317	7,262,949
	$ 9,611,309	$ 9,375,095
LIABILITIES		
Due to general operating fund	$ –	$ –
Reserve for future expenditures	7,252	7,252
Accumulated depreciation	4,811,823	4,592,815
	4,819,075	4,600,067
FUND BALANCE	4,792,234	4,775,028
	$ 9,611,309	$ 9,375,095

Town of Antigonish
Electric Utility Section
Statement of Investment in Capital Assets - Capital Fund
For the year ended March 31, 2021
(Unaudited)

	2021	2020
BALANCE, BEGINNING OF YEAR	$ 4,775,028	$ 4,803,063
Interest and other	17,206	39,569
Capital retired	–	(67,604)
BALANCE, END OF YEAR	$ 4,792,234	$ 4,775,028

Town of Antigonish
Electric Utility Section
Schedule of Tangible Capital Assets
As at March 31, 2021
(Unaudited)

			2021	2020
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Garage	$ 164,170	$ 40,350	$ 123,820	$ 91,249
Substation	408,731	291,309	117,422	127,641
Primary	1,771,444	1,148,038	623,406	646,633
Secondary	473,125	334,650	138,475	149,435
Transformers	2,242,332	1,804,926	437,406	427,920
Service	676,442	419,690	256,752	267,941
Other	90,467	19,693	70,774	2,473
Street lights	421,936	113,401	308,535	313,587
Meters	346,393	256,205	90,188	100,176
Transportation	644,904	323,810	321,094	371,624
Shop	62,805	54,722	8,083	10,671
Office	4,294	4,294	–	–
Rate study equipment	161,274	735	160,539	160,784
	$ 7,468,317	$ 4,811,823	$ 2,656,494	$ 2,670,134