Town of Antigonish
Consolidated Financial Statements
March 31, 2023

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 - 22, which comprise the consolidated statement of financial position as at March 31, 2023, 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, 2023, 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 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.

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
February 28, 2024

Chartered Professional Accountants

MNP

Town of Antigonish
Consolidated Financial Statements
For the year ended March 31, 2023

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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, 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.

Ms. Dianne Wilson
Acting Chief Administrative Officer

Town of Antigonish
Consolidated Statement of Financial Position
As at March 31, 2023

	2023	2022
FINANCIAL ASSETS		
Cash (note 2)	$ 9,569,145	$ 7,741,514
Taxes receivable (note 3)	181,508	187,540
Other receivables (note 4)	9,531,837	9,080,250
	19,282,490	17,009,304
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	9,611,637	8,195,374
Asset retirement obligation (note 5)	112,095	–
Deferred revenue	789,311	390,772
Temporary financing (note 6)	1,500,000	–
Long-term debt (note 7)	28,718,602	30,503,281
	40,731,645	39,089,427
NET DEBT	(21,449,155)	(22,080,123)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 8)	58,256,342	56,319,639
Inventory and prepaid expenses	1,736,355	1,088,702
	59,992,697	57,408,341
ACCUMULATED SURPLUS (note 9)	$ 38,543,542	$ 35,328,218

Contingencies (note 16)

See accompanying notes to consolidated financial statements.

On behalf of the Town of Antigonish:

Mayor

Acting Chief Administrative Officer

Town of Antigonish
Consolidated Statement of Operations
For the year ended March 31, 2023

	Budget (Unaudited)	2023	2022
REVENUES			
Taxes	$ 5,708,677	$ 5,358,947	$ 4,998,071
Grants in lieu of taxes	1,050,533	1,051,086	1,092,169
Services provided to other governments	500,108	398,867	428,662
Unconditional transfers from other governments	275,612	405,131	462,060
Conditional transfers from other governments	–	364,743	682,173
Capital grants	–	2,167,693	1,119,196
Sale of services	24,749,487	33,221,252	30,338,626
Other revenue from own sources	147,450	231,765	144,439
Interest and service charge	26,879	307,160	72,629
Other transfers	3,000	3,000	3,000
	32,461,746	43,509,644	39,341,025
EXPENSES			
General government services	982,881	1,769,525	1,721,326
Protective services	2,688,669	2,754,751	2,324,713
Transportation services	1,479,643	2,440,592	2,567,946
Environmental health services	1,389,991	1,129,248	1,226,511
Environmental development services	788,789	756,781	721,615
Recreation and cultural services	669,461	787,862	865,727
Electric utility expenses	11,451,356	10,723,076	10,084,100
Water utility expenses	1,700,929	1,124,234	977,552
AREA expenses	9,897,840	18,808,251	15,724,855
	31,049,559	40,294,320	36,214,345
ANNUAL SURPLUS	1,412,187	3,215,324	3,126,680
ACCUMULATED SURPLUS, BEGINNING OF YEAR	38,328,218	35,328,218	32,201,538
ACCUMULATED SURPLUS, END OF YEAR	$ 39,740,405	$ 38,543,542	$ 35,328,218

See accompanying notes to consolidated financial statements.

Town of Antigonish
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2023

	Budget	2023	2022
	(Unaudited)		
ANNUAL SURPLUS	$ 1,412,187	$ 3,215,324	$ 3,126,680
Other non-financial assets			
Amortization of tangible capital assets	–	3,057,834	2,990,297
Additions to tangible capital assets	(1,817,932)	(5,053,822)	(3,760,924)
Loss on disposal of tangible capital assets	–	59,285	137,006
Increase in inventory, prepaid expenses and work in progress	–	(647,653)	(206,588)
DECREASE IN NET DEBT	(405,745)	630,968	2,286,471
NET DEBT, BEGINNING OF YEAR	(22,080,123)	(22,080,123)	(24,366,594)
ANNUAL SURPLUS	$ (22,485,868)	$ (21,449,155)	$ (22,080,123)

See accompanying notes to consolidated financial statements.

Town of Antigonish
Consolidated Statement of Cash Flows
Year ended March 31, 2023

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual surplus	$ 3,215,324	$ 3,126,680
Add		
Amortization of tangible capital assets	3,057,834	2,990,297
Loss on disposal of tangible capital assets	59,285	137,006
Change in non-cash items		
Taxes receivable	6,032	(46,554)
Other accounts receivable	(451,587)	(4,675,105)
Accounts payable and accrued liabilities	1,416,263	4,571,051
Deferred revenue	398,539	(208,863)
Inventory, prepaid expenses and work in progress	(647,653)	(206,588)
Asset retirement obligation	112,095	–
	7,166,132	5,687,924
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term debt issued	–	800,000
Long-term debt redeemed	(1,784,679)	(2,557,870)
Term financing issued	1,500,000	–
	(284,679)	(1,757,870)
CASH FLOWS FROM CAPITAL ACTIVITIES		
Additions to tangible capital assets	(5,053,822)	(3,760,924)
INCREASE IN CASH AND CASH EQUIVALENTS	1,827,631	169,130
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	7,741,514	7,572,384
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 9,569,145	$ 7,741,514

See accompanying notes to consolidated financial statements.

CHANGE IN ACCOUNTING POLICY

Effective April 1, 2022 the Town adopted PS3280 – Asset retirement obligations as set out in the Canadian public sector accounting standards. In accordance with the transition provision of PS3280, the change in policy was adopted on the prospective basis as of April 1, 2022.

The Town recognized the discounted obligation on April 1, 2022 that represents the decommissioning and contamination removal of specific assets held (Note 8).

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% (2022 – 63%).

(c) Segment information

The Town of Antigonish is a diversified entity that provides a wide range of services to its residents. For management reporting purposes, the Town's operations and activities are organized and reported by fund. This presentation is in accordance with the Provincial Financial Reporting and Accounting Manual and was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Town services are provided by departments and their activity is reported in these funds. The services provided by these departments are as follows:

General government services

This segment is responsible for the overall local government administration. Its tasks include direction for Town services, such as planning, engineering, finance, and information technology in adherence to the Municipal Government Act.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Protective services

This segment is primarily responsible for police, fire protection and bylaw administration for its residents. The Town engages the services of the volunteer fire department in order to fulfill its fire protection role. The Town collects a rate for the fire department.

Transportation services

The Town is responsible for the maintenance of certain local roads, sidewalks and street lights within its jurisdiction.

Environmental health services

This segment is responsible for the maintenance and operations of waste and sewer services provided to residents and other customers. Its tasks include the provision of waste collection through contract, recycling and composting.

Environmental development services

This segment is responsible for the issuance of development permits and approving subdivision applications.

Recreation and cultural services

This segment is responsible for promoting and offering recreation opportunities and activities to the Town's residents, specializing in maintaining and assisting recreational facilities within the Town such as recreation facilities and the library.

Electric Utility

This segment manages electric distribution facilities and services within the Town and includes activities such as transmission and distribution.

Water Utility

This segment manages water treatment and distribution facilities and services within the Town and includes activities such as plant operation and pumping, water treatment, transmission and distribution.

AREA

Alternative Resource Energy Authority is an Intermunicipal Authority owned by the Town's of Antigonish, Berwick and Mahone Bay. The Town of Antigonish owns 63% of AREA. The segment represents the Town's share of revenue and expenses based on the Town's share of ownership.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) 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.

(e) 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.

(f) 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.

(g) 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.

(h) 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments

Initial measurement

Financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Financial instruments consist of cash and cash equivalents, tax and rates receivable, other receivables, accounts payable and accrued liabilities and long-term debt.

Subsequent measurement

At each reporting date, the Town measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for investments, which must be measured at fair value. The Town uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of revenues and expenses. The financial instruments measured at amortized cost are cash and cash equivalents, tax and rates receivable, other receivables, accounts payable and accrued liabilities and long-term debt.

Impairment

For financial assets measured at cost or amortized cost, the Town regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Town determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

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

(j) Asset retirement obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

a) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;

b) The past transaction or event giving rise to the liability has occurred;

c) It is expected that a future economic benefits will be given up; and

d) A reasonable estimate of the amount can be made.

The liability associated with the remediation of contaminants present within a number of buildings owned by the Town has been recognized based on estimated future expenses on closure of the sites and post-closure care.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) 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%

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.

(l) 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.

(m) 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.

(n) 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) 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.

(p) 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.

2. CASH

	2023	2022
Cash		
General operating fund	$ 2,109,626	$ 115,628
Water capital fund	361,581	338,802
Electric capital fund	1,894,497	1,966,146
Capital reserve fund	2,475,897	2,613,271
Operating reserve fund	1,700,103	1,258,884
AREA	1,027,441	1,448,783
	$ 9,569,145	$ 7,741,514

3. TAXES RECEIVABLE

	2023	2022
Balance, beginning of year	$ 251,119	$ 199,654
Current year's levy of property taxes and rates	5,639,545	5,401,036
Subtotal	5,890,664	5,600,690
Less		
Current year's collections	5,689,546	5,342,482
Reduced taxes	6,844	7,089
	5,696,390	5,349,571
Gross taxes receivable, end of year	194,274	251,119
Less allowance for uncollectible taxes	(12,766)	(63,579)
Taxes receivable, net	$ 181,508	$ 187,540

4. OTHER RECEIVABLES

	2023	2022
Water rates	$ 314,437	$ 306,834
Electric rates	2,116,722	2,263,822
Sewer rates	169,088	169,074
Harmonized sales taxes receivable	102,364	18,350
Province of Nova Scotia	1,506,863	984,957
Other	5,591,808	5,601,216
	9,801,282	9,344,253
Allowance	(269,445)	(264,003)
	$ 9,531,837	$ 9,080,250

5. ASSET RETIREMENT OBLIGATION

The Town's asset retirement obligation consists of the liability for the remediation of contaminants present within a number of buildings owned by the Town. These contaminants represent a health hazard upon demolition and therefore there is a legal obligation for removal of these contaminants on decommissioning. These buildings have expected useful lives of 25 years. Estimated costs have been discounted to the present value using a discount rate of 5.5% per annum.

Changes to the asset retirement obligation in the year are as follows:

		2023
Opening balance	$	–
Acquired upon adoption		106,251
Accretion expense		5,844
	$	112,095

6. TEMPORARY FINANCING

The Town approved bridge financing with Scotiabank during the year of $2,400,000 at an annual interest rate of prime minus 1% per annum, with principal and remaining interest due in full February 28, 2024. The Town intends to refinance the bridge financing with term debt upon maturity. There was $1,500,000 (2022 – $Nil) drawn during the fiscal year.

The Town has an operating line of credit with Scotiabank of $1,000,000 (2022 - $995,000) at an annual interest rate of prime minus 1% (2022 – .75%) per annum, repayable on demand of which $Nil was used at March 31, 2023 (2022 - $Nil).

7. 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, 2023 are as follows:

2024	$1,815,000
2025	1,847,000
2026	1,849,000
2027	1,888,000
2028	1,742,360

8. 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	2023 Net Book Value	2022 Net Book Value
General government services										
Land	$ 242,506	$ 22,030	$ 5,000	$ 259,536	$ –	$ –	$ –	$ –	$ 259,536	$ 242,506
Buildings	3,116,075	2,882,124	–	5,998,199	549,964	68,202	–	618,166	5,380,033	2,566,111
Plant and equipment	168,592	4,999	–	173,591	132,501	7,080	–	139,581	34,010	36,091
Protective services										
Buildings	132,007	79,695	–	211,702	91,904	4,473	–	96,377	115,325	40,103
Plant and equipment	1,933,122	–	–	1,933,122	1,370,738	93,155	–	1,463,893	469,229	562,384
Transportation services										
Buildings	331,219	17,254	–	348,473	95,149	13,888	–	109,037	239,436	236,070
Plant and equipment	17,319,560	640,358	247,514	17,712,404	7,194,571	642,173	193,229	7,643,515	10,068,889	10,124,989
Environmental health services										
Land	64,809	–	–	64,809	–	–	–	–	64,809	64,809
Plant and equipment	8,856,393	353,491	–	9,209,884	5,195,157	191,588	–	5,386,745	3,823,139	3,661,236
Recreation and cultural services										
Plant and equipment	4,042,021	204,042	–	4,246,063	1,345,108	138,525	–	1,483,633	2,762,430	2,696,913
Water utility assets	14,125,231	377,400	–	14,502,631	6,227,031	390,058	–	6,617,089	7,885,542	7,898,200
Electric utility assets	7,881,927	472,429	–	8,354,356	5,037,784	246,604	–	5,284,388	3,069,965	2,844,143
AREA assets	32,456,194	–	–	32,456,194	7,110,110	1,262,088	–	8,372,198	24,083,999	25,346,084
	$ 90,669,656	$ 5,053,822	$ 252,514	$ 95,470,964	$ 34,350,017	$ 3,057,834	$ 193,229	$ 37,214,622	$ 58,256,342	$ 56,319,639

9. ACCUMULATED SURPLUS

	2023	2022
General operating fund	$ –	$ –
Water operating fund	(308,737)	(334,473)
Electric operating fund	2,268,125	2,202,687
Capital reserve fund	2,475,897	2,613,271
Operating reserve fund	2,078,464	1,660,657
General capital fund	20,364,354	17,512,910
Water capital fund	7,417,773	7,437,004
Electric capital fund	4,957,213	4,813,664
AREA	(709,547)	(577,502)
	$ 38,543,542	$ 35,328,218

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.

A summary of financial information for AREA for the fiscal years 2023 and 2022 as per their audited financial statements are as follows:

Consolidated Statement of Financial Position

March 31, 2023, with comparative figures for 2022

	2023	2022
FINANCIAL ASSETS	$ 9,282,285	$ 10,139,969
FINANCIAL LIABILITIES		
Long-term debt	40,881,590	42,959,970
Other financial liabilities	8,043,210	8,519,314
	48,924,800	51,479,284
NET FINANCIAL DEBT	(39,642,515)	(41,339,315)
NON-FINANCIAL ASSETS		
Tangible capital assets	38,228,569	40,231,879
Inventory	122,628	122,628
Prepaid expenses	165,054	68,139
	38,516,251	40,422,646
NET DEFICIT	$ (1,126,264)	$ (916,669)

10. GOVERNMENT PARTNERSHIPS (CONTINUED)

Consolidated Statement of Operations

March 31, 2023, with comparative figures for 2022

	2023	2022
TOTAL REVENUE	$ 30,553,563	$ 25,912,435
TOTAL EXPENDITURES	29,854,366	24,960,088
ANNUAL SURPLUS	$ 699,197	$ 952,347

Transactions with AREA

Included in these consolidated financial statements is cost of electricity purchased from AREA of $6,383,046 (2022 - $6,975,660). These expenses were not eliminated in the consolidation. The Town also purchased capital assets from AREA of $2,595,844 (2022 - $1,614,080). In addition, included in accounts payable and accrued liabilities is an amount owing to AREA of $903,331 (2022 - $700,631).

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:

	2023	2022
STATEMENT OF FINANCIAL POSITION		
Current assets	$ 6,559,288	$ 6,134,550
Capital assets	9,362,045	9,733,891
Total assets	15,921,333	15,868,441
Current liabilities	2,822,263	2,628,825
Long-term liabilities	7,788,691	8,544,927
Total liabilities	10,610,954	11,173,752
NET ASSETS	$ 5,310,379	$ 4,694,689
STATEMENT OF OPERATIONS		
Revenues	$ 15,738,583	$ 14,131,760
Operating expenses	(14,079,514)	(12,167,615)
Financing and capital	(1,043,379)	(1,087,311)
EXCESS OF REVENUES OVER EXPENSES	$ 615,690	$ 876,834

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

STATEMENT OF CASH FLOWS

Cash flows from		
Operating activities	$ 529,770	$ 1,218,156
Financing and investing activities	(652,662)	(605,929)

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, 2020 with an extrapolation of the results completed for March 31, 2023.

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

	2023	2022
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

	2023	2022
Market value of assets	$ 466,009	$ 514,631
Estimated liability	277,946	455,473
	$ 188,063	$ 59,158

During the year the Town made contributions of $NIL (2022 - $1,608). Benefits paid during the year were $27,722 (2022 - $26,373).

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.

14. SEGMENT DISCLOSURE

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Environmental Development Services	Recreation and Culture Services	Electric Utility	Water Utility	AREA	2023 Total	2022 Total
REVENUES											
Taxes	$ 4,847,876	$ –	$ –	$ 511,071	$ –	$ –	$ –	$ –	$ –	$ 5,358,947	$ 4,998,071
Grants in lieu in taxes	1,051,086	–	–	–	–	–	–	–	–	1,051,086	1,092,169
Services provided to other governments	–	–	–	210,188	–	–	–	188,679	–	398,867	428,662
Unconditional transfers from other governments	349,986	–	–	55,145	–	–	–	–	–	405,131	462,060
Conditional transfers from other governments	364,743	–	–	–	–	–	–	–	–	364,743	682,173
Capital grants	–	–	–	–	–	2,167,693	–	–	–	2,167,693	1,119,196
Sale of services	9,702	76,000	43,512	696,055	–	129,361	11,574,171	1,443,706	19,248,745	33,221,252	30,338,626
Other revenue from own sources	231,765	–	–	–	–	–	–	–	–	231,765	144,439
Interest and service charge	126,805	–	–	–	–	–	163,343	17,012	–	307,160	72,629
Other transfers	3,000	–	–	–	–	–	–	–	–	3,000	3,000
	6,984,963	76,000	43,512	1,472,459	–	2,297,054	11,737,514	1,649,397	19,248,745	43,509,644	39,341,025
EXPENSES											
Salaries and benefits	1,050,746	306,720	1,070,038	178,523	192,916	315,102	630,344	167,084	201,675	4,113,148	3,939,766
Goods, services and other	626,362	2,338,513	682,632	765,377	563,865	317,061	9,846,128	559,273	16,522,366	32,221,577	28,324,719
Amortization	78,737	100,018	656,454	185,348	–	138,525	246,604	390,060	1,262,088	3,057,834	2,990,297
Interest	13,680	9,500	31,468	–	–	17,174	–	7,817	822,122	901,761	959,563
	1,769,525	2,754,751	2,440,592	1,129,248	756,781	787,862	10,723,076	1,124,234	18,808,251	40,294,320	36,214,345
ANNUAL SURPLUS (DEFICIT)	$ 5,215,438	$ (2,678,751)	$ (2,397,080)	$ 343,211	$ (756,781)	$ 1,509,192	$ 1,014,438	$ 525,163	$ 440,494	$ 3,215,324	$ 3,126,680

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.

	2023 Contribution	2022 Contribution
Antigonish Regional Housing Authority	$ 55,717	$ 125,218
Pictou – Antigonish Regional Library	41,508	41,058
Antigonish Arena Association	151,131	50,224
Strait Regional School Board	1,498,442	1,491,809
Corrections contribution	75,529	76,772
Assessment services contribution	73,333	75,337

16. 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, 2023 is $25,755,402.

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.

17. RATE OF RETURN ON BASE

Water Utility

For the year ended March 31, 2023 the Town of Antigonish Water Utility had a rate of return on rate base of 2.43% (2022 – 3.08%).

Electric Utility

For the year ended March 31, 2023 the Town of Antigonish Electric Utility had a rate of return on rate base of 62.43% (2022 – 238.64%).

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.

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	$ 45,539	$ 11,033	$ 56,572
Sean Cameron	Councillor	25,388	324	25,712
William Cormier	Deputy Mayor/Councillor	29,125	1,023	30,148
Diane Roberts	Councillor	25,388	408	25,796
Mary Farrell	Councillor	25,388	7,838	33,226
Donnie MacInnis	Councillor	25,388	180	25,568
Andrew Murray	Deputy Mayor/Councillor	25,388	6,568	31,956
Jeff Lawrence	Chief Administrative Officer	149,205	8,376	157,581
		$ 350,809	$ 35,750	$ 386,559

Town of Antigonish
Consolidated Schedule of Long-Term Debt
For the year ended March 31, 2023

Interest rate - %	Matures	Balance March 31, 2022	Issued	Redeemed	Balance March 31, 2023
General Capital Fund					
Nova Scotia Municipal Finance Corporation					
3.645 - 4.026	2026	$ 450,000	$ –	$ 45,000	$ 405,000
2.769 - 3.347	2024	105,000	–	35,000	70,000
2.004 - 2.925	2026	141,500	–	28,300	113,200
1.655 - 3.209	2032	1,582,000	–	147,000	1,435,000
2.297 - 3.073	2027	360,000	–	60,000	300,000
		2,638,500	–	315,300	2,323,200
Water Capital Fund					
Nova Scotia Municipal Finance Corporation					
0.000 - 1.489	2026	800,000	–	160,000	640,000
AREA					
Nova Scotia Municipal Finance Corporation					
1.150 - 3.475	2030	12,146,794	–	626,062	11,520,732
1.200 - 3.209	2031	8,346,835	–	512,965	7,833,870
2.060 - 3.501	2033	6,571,152	–	170,352	6,400,800
		27,064,781	–	1,309,379	25,755,402
		$ 30,503,281	$ –	$ 1,784,679	$ 28,718,602

Town of Antigonish
Water Utility Section
Statement of Financial Position - Operating Fund
As at March 31, 2023

	2023	2022
ASSETS		
Receivables, net	$ 303,278	$ 295,675
Inventory held for use	313,788	222,736
	$ 617,066	$ 518,411
LIABILITIES		
Accrued liabilities	$ 3,228	$ 3,579
Due to general operating fund	922,575	849,305
	925,803	852,884
DEFICIT	(308,737)	(334,473)
	$ 617,066	$ 518,411

Town of Antigonish
Water Utility Section
Statement of Operations and Deficit - Operating Fund
For the year ended March 31, 2023

		2023	2022
	Budget	Actual	Actual
OPERATING REVENUES			
Operating			
Metered	$ 1,357,545	$ 1,418,574	$ 1,328,117
Public fire protection	286,172	286,172	266,437
Private fire protection	188,679	188,679	175,666
Sprinkler service and hydrants	22,800	21,483	20,000
Other operating revenue	2,000	3,650	3,750
	1,857,196	1,918,558	1,793,970
OPERATING EXPENSES			
Source of supply	45,983	49,290	40,289
Pumping and power	72,809	69,169	71,061
Water treatment	494,593	542,059	453,370
Transmission and distribution	497,796	480,009	411,984
Administration and general	162,397	162,465	157,408
Depreciation	380,000	390,061	383,892
Taxes	39,513	38,846	39,104
	1,693,091	1,731,899	1,557,108
NET OPERATING REVENUE			236,862
NON-OPERATING REVENUES			
Interest on account	3,200	4,515	4,994
Interest on depreciation fund	–	–	–
Miscellaneous income	750	2,379	150
	3,950	6,894	5,144
NON-OPERATING EXPENSES			
Principal payments	(160,000)	(160,000)	(160,000)
Interest on debentures	(7,838)	(7,817)	(28,570)
	(167,838)	(167,817)	(188,570)
CHANGE IN FUND BALANCE	217	25,736	53,436
DEFICIT, BEGINNING OF YEAR	(334,473)	(334,473)	(387,909)
DEFICIT, END OF YEAR	$ (334,256)	$ (308,737)	$ (334,473)

Town of Antigonish
Water Utility Section
Statement of Financial Position - Capital Fund
As at March 31, 2023

	2023	2022
ASSETS		
Depreciation fund		
Restricted cash	$ 361,581	$ 338,802
Tangible capital assets		
Utility plant and equipment	14,502,631	14,125,230
	$ 14,864,212	$ 14,464,032
LIABILITIES		
Term debenture	$ 640,000	$ 800,000
Deferred assistance	189,350	206,034
Accumulated depreciation	6,617,089	6,227,028
	7,446,439	7,233,062
FUND BALANCE	7,417,773	7,230,970
	$ 14,864,212	$ 14,464,032

Town of Antigonish
Water Utility Section
Statement of Investment in Capital Assets - Capital Fund
For the year ended March 31, 2023

	2023	2022
BALANCE, BEGINNING OF YEAR	$ 7,230,970	$ 7,057,564
Province of Nova Scotia grants	15,300	15,300
Government of Canada grants	1,304	1,305
Other grants	80	80
Term debt retired	160,000	160,000
Debenture refinance	–	(5,119)
Interest and other	10,119	1,840
BALANCE, END OF YEAR	$ 7,417,773	$ 7,230,970

Town of Antigonish
Water Utility Section
Schedule of Tangible Capital Assets
As at March 31, 2023

	Cost	Accumulated Amortization	2023 Net Book Value	2022 Net Book Value
Land				
Source of supply	$ 500,211	$ –	$ 500,211	$ 500,211
Reservoir	12,965	–	12,965	12,965
Reservoir land study	80,820	30,462	50,358	43,558
Transmission	123,442	–	123,442	123,442
Buildings				
Source of supply	1,562,792	931,072	631,720	662,460
Purification	4,345,026	2,606,017	1,739,009	1,911,027
Distribution reservoirs and stand pipes	976,072	447,484	528,588	542,215
Transmission mains	2,026,452	1,007,704	1,018,748	1,044,074
Distribution mains	2,562,121	578,902	1,983,219	1,822,820
Services	551,050	159,540	391,510	316,592
Meters	1,079,002	636,236	442,766	485,275
Hydrants	425,444	67,346	358,098	320,774
Equipment				
Transportation services	112,202	84,620	27,582	37,688
Tools and work	140,678	64,281	76,397	73,244
Office	4,354	3,425	929	1,857
	$ 14,502,631	$ 6,617,089	$ 7,885,542	$ 7,898,202

Town of Antigonish
Electric Operating Section
Statement of Financial Position - Operating Fund
As at March 31, 2023

	2023	2022
ASSETS		
Receivables	$ 1,885,083	$ 2,028,410
Due from general operating fund	1,753,652	697,979
Inventory	1,080,471	576,765
	$ 4,719,206	$ 3,303,154
LIABILITIES		
Trade payables	$ 2,206,625	$ 862,570
Reserve for customer deposits	244,456	237,897
	2,451,081	1,100,467
SURPLUS	2,268,125	2,202,687
	$ 4,719,206	$ 3,303,154

Town of Antigonish
Electric Utility Section
Statement of Operations and Surplus - Operating Fund
For the year ended March 31, 2023

	2023 Budget	2023 Actual	2022 Actual
OPERATING REVENUES			
Operating			
Domestic service	$ 4,666,812	$ 4,583,331	$ 4,775,961
Commercial service	5,327,027	5,569,153	5,651,257
Large general service	1,597,919	1,617,305	1,591,585
Street lighting	160,202	166,334	152,976
Service connections and meter rental	44,546	50,685	50,674
	11,796,506	11,986,808	12,222,453
NON-OPERATING REVENUES (EXPENSES)			
Interest	22,929	19,794	24,670
Interest on consumer deposits	(2,662)	(5,668)	(4,103)
	20,267	14,126	20,567
	11,816,773	12,000,934	12,243,020
OPERATING EXPENSES			
Power purchased	4,392,150	4,274,290	2,736,718
Power generation and delivery	4,997,513	5,181,981	5,898,449
Substations and buildings	19,037	16,779	58,016
Distribution	215,023	227,903	166,352
Administration and general	1,051,587	837,736	1,074,350
Property taxes	2,588	2,438	2,659
Depreciation	230,000	246,607	225,957
Wages	543,458	572,762	529,150
	11,451,356	11,360,496	10,691,651
CHANGE IN FUND BALANCE	365,417	640,438	1,551,369
SURPLUS, BEGINNING OF YEAR	2,202,687	2,202,687	1,226,318
Transfer to general operating fund	(575,000)	(575,000)	(575,000)
SURPLUS, END OF YEAR	$ 1,993,104	$ 2,268,125	$ 2,202,687

Town of Antigonish
Electric Utility Section
Statement of Financial Position - Capital Fund
As at March 31, 2023

	2023	2022
ASSETS		
Restricted cash - depreciation fund	$ 1,894,497	$ 1,966,146
Receivables	85,264	–
Due from general operating fund	–	10,624
Tangible capital assets	8,354,356	7,881,927
	$ 10,334,117	$ 9,858,697
LIABILITIES		
Due to general operating fund	85,264	–
Reserve for future expenditures	7,252	7,252
Accumulated depreciation	5,284,388	5,037,781
	5,376,904	5,045,033
FUND BALANCE	4,957,213	4,813,664
	$ 10,334,117	$ 9,858,697

Town of Antigonish
Electric Utility Section
Statement of Investment in Capital Assets - Capital Fund
For the year ended March 31, 2023

	2023	2022
BALANCE, BEGINNING OF YEAR	$ 4,813,664	$ 4,792,234
Interest and other	143,549	21,430
BALANCE, END OF YEAR	$ 4,957,213	$ 4,813,664

Town of Antigonish
Electric Utility Section
Schedule of Tangible Capital Assets
As at March 31, 2023

	Cost	Accumulated Amortization	2023 Net Book Value	2022 Net Book Value
Land	$ 180,077	$ –	$ 180,077	$ –
Garage	208,820	54,389	154,431	162,659
Substation	408,731	311,746	96,985	107,204
Primary	1,851,526	1,233,887	617,639	605,632
Secondary	473,125	355,973	117,152	127,718
Transformers	2,409,363	1,898,831	510,532	519,460
Service	700,884	450,556	250,328	260,813
Other	286,833	45,699	241,134	170,726
Streetlights	468,846	158,367	310,479	296,302
Meters	351,214	282,928	68,286	81,744
Transportation	743,424	427,460	315,964	315,142
Shop	62,805	59,033	3,772	5,927
Office	4,294	4,294	–	–
Rate study equipment	204,414	1,225	203,189	190,819
	$ 8,354,356	$ 5,284,388	$ 3,069,968	$ 2,844,146