

Consolidated Financial Statements of

TOWN OF ANTIGONISH

Year ended March 31, 2019

TOWN OF ANTIGONISH

Consolidated Financial Statements

Year ended March 31, 2019

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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 MGM & Associates, 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



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INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of
Town of Antigonish

Opinion

We have audited the consolidated financial statements of Town of Antigonish on pages 4 – 22 which comprise the consolidated statement of financial position as at March 31, 2019 and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Town of Antigonish as at March 31, 2019 and the results of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Matters – Supplemental Information

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

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

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

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

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

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

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

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

We also:

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

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



Chartered Professional Accountants
Licensed Public Accountants

Sydney, Canada
September 16, 2019

TOWN OF ANTIGONISH

Consolidated Statement of Financial Position

March 31, 2019, with comparative figures for 2018

	2019	2018
FINANCIAL ASSETS		
Cash (note 2)	\$ 7,263,333	\$ 5,488,724
Taxes receivable (note 3)	304,611	234,120
Other receivables (note 4)	3,893,019	4,827,570
	<u>11,460,963</u>	<u>10,550,414</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	3,725,683	3,597,806
Deferred revenue	678,485	376,233
Temporary borrowings (note 5)	86,481	7,693,731
Long-term debt (note 6)	35,811,361	29,853,407
	<u>40,302,010</u>	<u>41,521,177</u>
NET DEBT	(28,841,047)	(30,970,763)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 8)	56,020,476	56,668,572
Inventory and prepaid expenses	665,476	691,684
	<u>56,685,952</u>	<u>57,360,256</u>
ACCUMULATED SURPLUS (note 9)	\$ 27,844,905	\$ 26,389,493

Contingencies (note 16)

See accompanying notes to consolidated financial statements.

On behalf of the Town of Antigonish:

Mayor

Chief Administrative Officer

TOWN OF ANTIGONISH

Consolidated Statement of Operations

Year ended March 31, 2019, with comparative figures for 2018

	Budget (Unaudited)	2019	2018
REVENUES			
Taxes	\$ 4,434,660	\$ 4,474,873	\$ 4,191,640
Grants in lieu of taxes	1,125,954	1,117,805	1,102,058
Services provided to other governments	342,792	339,527	292,158
Unconditional transfers from other governments	236,561	568,094	559,219
Capital grants	—	83,887	157,864
Sale of services	18,400,723	18,934,905	17,202,233
Other revenue from own sources	157,500	131,249	243,423
Interest and service charge	85,100	136,271	91,744
Other transfers	3,000	2,250	3,500
	24,786,290	25,788,861	23,843,839
EXPENSES			
General government services	1,535,468	1,516,586	1,406,704
Protective services	2,035,059	2,021,237	2,097,470
Transportation services	1,524,156	1,878,489	1,857,650
Environmental health services	976,874	1,043,057	1,054,580
Environmental development services	785,878	916,111	608,574
Recreation and cultural services	535,898	670,217	613,071
Electric utility expenses	10,904,705	11,042,374	11,044,626
Water utility expenses	930,194	899,272	887,394
AREA expenses	4,124,151	4,346,106	3,204,670
	23,352,383	24,333,449	22,774,739
ANNUAL SURPLUS	1,433,907	1,455,412	1,069,100
ACCUMULATED SURPLUS, BEGINNING OF YEAR		26,389,493	25,320,393
ACCUMULATED SURPLUS, END OF YEAR		\$ 27,844,905	\$ 26,389,493

See accompanying notes to consolidated financial statements.

TOWN OF ANTIGONISH

Consolidated Statement of Change in Net Debt

Year ended March 31, 2019, with comparative figures for 2018

	2019	2018
ANNUAL SURPLUS	\$ 1,455,412	\$ 1,069,100
Other non-financial assets		
Amortization of tangible capital assets	2,694,640	2,479,841
Additions to tangible capital assets, net of disposals	(2,046,544)	(10,771,314)
Decrease (increase) in inventory, prepaid expenses and work in progress	26,208	(38,195)
DECREASE (INCREASE) IN NET DEBT	2,129,716	(7,260,568)
NET DEBT, BEGINNING OF YEAR	(30,970,763)	(23,710,195)
NET DEBT, END OF YEAR	\$ (28,841,047)	\$ (30,970,763)

See accompanying notes to consolidated financial statements.

TOWN OF ANTIGONISH

Consolidated Statement of Cash Flows

Year ended March 31, 2019, with comparative figures for 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual surplus	\$ 1,455,412	\$ 1,069,100
Add		
Amortization of tangible capital assets	2,694,640	2,479,841
Change in non-cash items		
Increase in taxes and rates receivable	(70,491)	(75,866)
Decrease (increase) in other accounts receivable	934,551	(590,413)
Increase in accounts payable and accrued liabilities	127,877	766,819
Increase in deferred revenue	302,252	13,122
Decrease (increase) in inventory, prepaid expenses and work in progress	26,208	(38,195)
	<u>5,470,449</u>	<u>3,624,408</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term debt	(1,539,046)	(950,093)
Proceeds of long-term debt	7,497,000	12,535,000
Repayment of temporary borrowing	(7,607,250)	(9,765,000)
Proceeds from temporary borrowing	—	7,607,250
	<u>(1,649,296)</u>	<u>9,427,157</u>
CASH FLOWS FROM CAPITAL ACTIVITIES		
Additions to tangible capital assets	(2,046,544)	(10,771,314)
INCREASE IN CASH AND CASH EQUIVALENTS	<u>1,774,609</u>	<u>2,280,251</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>5,488,724</u>	<u>3,208,473</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 7,263,333</u>	<u>\$ 5,488,724</u>

See accompanying notes to consolidated financial statements.

TOWN OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2019

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% (2018 – 63%).

(c) School boards

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

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

TOWN OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2019

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. The Town does not consolidate its controlled not-for-profit organizations.

(e) Fund accounting

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

(f) Basis of accounting

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

(g) Cash and cash equivalents

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

(h) Tangible capital assets

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

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

TOWN OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

No amortization is taken in the year of acquisition.

(i) Government transfers

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

(j) Deferred revenue

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

(k) Reserve funds

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

(l) Taxation and related revenues

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

(m) Use of estimates

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

TOWN OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2019

2. CASH

	2019	2018
Cash		
General operating fund	\$ 297,286	\$ (528,599)
Water capital fund	522,649	543,249
Electric capital fund	2,483,003	2,254,170
Capital reserve fund	1,690,974	1,354,845
Operating reserve fund	677,659	751,293
AREA	1,579,932	1,101,936
	7,251,503	5,476,894
Restricted cash		
General operating fund	11,830	11,830
	\$ 7,263,333	\$ 5,488,724

3. TAXES RECEIVABLE

	2019	2018
Balance, beginning of year	\$ 302,300	\$ 226,434
Current year's levy of property taxes and rates	5,150,543	4,996,077
Subtotal	5,452,843	5,222,511
Less		
Current year's collections	5,049,390	4,919,628
Reduced taxes	30,662	583
	5,080,052	4,920,211
Gross taxes receivable, end of year	372,791	302,300
Less allowance for uncollectible taxes	(68,180)	(68,180)
Taxes receivable, net	\$ 304,611	\$ 234,120

4. OTHER RECEIVABLES

	2019	2018
Water rates	\$ 290,961	\$ 283,934
Electric rates	2,618,657	2,911,645
Sewer rates	128,729	116,002
Harmonized sales taxes receivable	92,193	782,620
Other	1,046,164	1,171,126
	4,176,704	5,265,327
Allowance	(283,685)	(437,757)
	\$ 3,893,019	\$ 4,827,570

TOWN OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2019

5. TEMPORARY BORROWINGS

As of March 31, 2019, the Town has obtained \$86,481 (2018 - \$86,481) in temporary financing provided by the Scotiabank until such time as Service Nova Scotia and Municipal Affairs approves the temporary borrowing resolutions for the project. The financing has been obtained through its pooled account agreement with Scotiabank.

Temporary financing has also been obtained by AREA provided by the Royal Bank of Canada until such time as Service Nova Scotia and Municipal Affairs approves the temporary borrowing resolutions for the project. As of March 31, 2019, the Town's portion of AREA's financing from the Royal Bank of Canada is a total of \$Nil (2018 - \$7,607,250) at an interest rate of Royal Bank prime (3.95%) minus 1.00% (2018 - \$1.7%).

6. LONG-TERM DEBT

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

Principal payments required in each of the next five years on debt held as of March 31, 2019 are as follows:

2020	\$ 1,816,262
2021	1,733,949
2022	2,557,870
2023	1,624,679
2024	1,646,761

7. OPERATING LINE OF CREDIT

The Town has an operating line of credit of \$1,000,000 at an annual interest rate of prime minus .50% per annum, repayable on demand of which \$Nil was used at March 31, 2019 (2018 - \$Nil).

TOWN OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2019, with comparative figures for 2018

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	Net Book Value	2019	2018
General government services	\$ 332,696	\$ -	\$ -	\$ 332,696	\$ -	\$ -	\$ -	\$ -	\$ 332,696	\$ 332,696	\$ 332,696
Land	1,213,058	-	-	1,213,058	337,625	50,340	-	387,965	825,093	825,093	875,433
Buildings	143,117	8,730	-	151,847	106,677	5,166	-	111,843	40,004	40,004	36,440
Plant and equipment	99,908	-	-	99,908	84,082	1,222	-	85,304	14,604	14,604	15,826
Protective services	1,961,854	-	(28,732)	1,933,122	930,838	100,305	(28,732)	1,002,411	930,711	930,711	1,031,016
Buildings	199,673	503	-	200,176	63,532	7,124	-	70,656	129,520	129,520	136,141
Plant and equipment	13,856,310	1,216,266	(264,332)	14,808,244	5,840,348	462,880	(264,332)	6,038,896	8,769,348	8,769,348	8,015,962
Transportation services	64,809	-	-	64,809	-	-	-	-	64,809	64,809	64,809
Land	8,166,735	68,132	-	8,234,867	4,511,224	168,059	-	4,679,283	3,555,584	3,555,584	3,655,511
Plant and equipment	2,477,896	101,661	-	2,579,558	950,674	87,359	-	1,038,033	1,541,525	1,541,525	1,527,222
Recreation and cultural services	12,683,344	355,576	-	13,038,920	4,798,441	334,976	-	5,133,417	7,905,503	7,905,503	7,884,903
Plant and equipment	7,260,780	142,728	-	7,403,507	4,312,352	228,855	-	4,541,207	2,862,300	2,862,300	2,948,428
Water utility assets	32,229,328	152,948	-	32,382,276	2,085,143	1,248,354	-	3,333,497	29,048,779	29,048,779	30,144,185
Electric utility assets											
AREA assets											
	\$ 80,689,508	\$ 2,046,544	\$ (293,064)	\$ 82,442,988	\$ 24,020,936	\$ 2,694,640	\$ (293,064)	\$ 26,422,512	\$ 56,020,476	\$ 56,020,476	\$ 56,668,572

TOWN OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2019

9. ACCUMULATED SURPLUS

	2019	2018
General operating fund	\$ -	\$ -
Water operating fund	(228,705)	(362,250)
Electric operating fund	713,997	459,823
Capital reserve fund	1,720,974	1,474,845
Operating reserve fund	898,276	967,114
General capital fund	12,949,140	11,927,501
Water capital fund	6,993,866	6,741,891
Electric capital fund	4,803,066	4,803,066
AREA	(5,709)	377,503
	<u>\$ 27,844,905</u>	<u>\$ 26,389,493</u>

10. GOVERNMENT PARTNERSHIPS

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

TOWN OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2019

10. GOVERNMENT PARTNERSHIPS (CONTINUED)

A summary of financial information for AREA for the fiscal years 2019 and 2018 as per their audited financial statements are as follows:

Consolidated Statement of Financial Position

March 31, 2019, with comparative figures for 2018

	2019	2018
FINANCIAL ASSETS	\$ 3,777,136	\$ 3,990,055
FINANCIAL LIABILITIES		
Temporary borrowing	–	12,075,000
Long-term debt	48,957,875	38,582,075
Other financial liabilities	966,179	596,711
	49,924,054	51,253,786
NET FINANCIAL ASSETS	(46,146,918)	(47,263,731)
NON-FINANCIAL ASSETS		
Tangible capital assets	46,109,171	47,847,912
Prepaid expenses	28,685	15,030
	46,137,856	47,862,942
NET ASSETS (DEFICIT)	\$ (9,062)	\$ 599,211

Consolidated Statement of Operations

March 31, 2019, with comparative figures for 2018

	2019	2018
TOTAL REVENUE	\$ 8,281,344	\$ 6,280,727
TOTAL EXPENDITURES	6,898,582	5,086,776
ANNUAL SURPLUS	\$ 1,382,762	\$ 1,193,951

Included in total revenue is power sold to the Town in the amount of \$3,770,737 (2018 - \$2,864,197). These revenues were not eliminated in the consolidation.

TOWN OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2019

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:

	2019	2018
STATEMENT OF FINANCIAL POSITION		
Current assets	\$ 3,136,950	\$ 2,778,092
Capital assets	10,060,620	10,143,170
Total assets	13,197,570	12,921,262
Current liabilities	1,914,031	2,313,611
Long-term liabilities	9,252,809	9,407,331
Total liabilities	11,166,840	11,720,942
NET ASSETS	\$ 2,030,730	\$ 1,200,320
STATEMENT OF OPERATIONS		
Revenues	\$ 12,743,603	\$ 12,370,666
Operating expenses	(10,975,345)	(11,497,436)
Financing and capital	(937,848)	(981,110)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 830,410	\$ (107,880)
STATEMENT OF CASH FLOWS		
Cash flows from		
Operating activities	\$ 1,693,391	\$ 384,636
Financing and investing activities	(588,115)	(675,251)

12. DEFINED BENEFIT PENSION PLAN

The Town provides a defined benefit pension plan to the Town Clerk through participation in the municipal clerks' pension plan (the Plan) with nine other units. The last valuation was completed at March 31, 2017 with an extrapolation of the results completed for March 31, 2019.

TOWN OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2019

12. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

	2019	2018
Interest rate, net of expenses	4.5%	4.5%
Inflation	2.0%	2.0%
Mortality	CPM2014	CPM 2014

	2019	2018
Market value of assets	\$ 497,113	\$ 495,214
Contribution in transit	—	—
	497,113	495,214
Estimated liability	463,543	469,656
	\$ 33,570	\$ 25,558

During the year the Town made contributions of \$Nil (2018 - \$2,002). Benefits paid during the year were \$26,647 (2018 - \$29,729).

13. SCHOOL CAPITAL FUND

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

TOWN OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2019, with comparative figures for 2018

14. SEGMENT DISCLOSURE

	2019							2018		
	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Environmental Development Services	Recreation and Culture Services	Electric Utility	Water Utility	AREA	Total
REVENUES										
Taxes	\$ 4,022,200	\$ -	\$ -	\$ 452,673	\$ -	\$ -	\$ -	\$ -	\$ 4,474,873	\$ 4,191,640
Grants in lieu of taxes	1,117,805	-	-	-	-	-	-	-	1,117,805	1,102,058
Services provided to other governments	-	-	-	193,870	-	-	-	254,938	-	448,808
Unconditional transfers from other governments	558,152	-	-	9,942	-	-	-	-	568,094	559,219
Capital grants	-	-	-	-	-	-	-	83,887	-	157,864
Sale of services	-	36,000	62,349	492,177	-	112,711	11,764,436	1,140,705	18,825,624	17,202,233
Other revenue from own sources	131,249	-	-	-	-	-	-	-	131,249	243,423
Interest and service charge	43,017	-	-	-	-	-	77,291	15,963	136,271	91,744
Other transfers	2,250	-	-	-	-	-	-	-	2,250	3,500
	5,874,673	36,000	62,349	1,148,662	-	112,711	11,841,727	1,495,493	25,788,861	23,843,839
EXPENSES										
Salaries and benefits	868,513	346,201	458,035	146,424	349,995	238,707	542,034	147,126	3,194,320	2,737,322
Goods, services and other	566,792	1,546,616	910,782	728,574	566,116	311,080	10,271,485	354,454	17,342,421	16,668,295
Amortization	55,506	101,527	470,004	168,059	-	87,359	228,855	334,976	2,694,640	2,479,841
Interest	25,775	26,893	39,668	-	-	33,071	-	62,716	1,102,068	899,281
	1,516,586	2,021,237	1,878,489	1,043,057	916,111	670,217	11,042,374	899,272	24,333,449	22,774,739
ANNUAL SURPLUS (DEFICIT)	\$ 4,358,087	\$(1,985,237)	\$(1,816,140)	\$ 105,605	\$(916,111)	\$(557,506)	\$ 799,353	\$ 596,221	\$ 871,140	\$ 1,069,100

TOWN OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2019

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.

	2019 Contribution	2018 Contribution
Antigonish Regional Housing Authority	\$ 79,403	\$ 80,305
Pictou – Antigonish Regional Library	37,190	37,190
Building YOR Youth Commission	140,071	49,999
Strait Regional School Board	1,431,597	1,440,172
Corrections contribution	79,417	81,386
Assessment services contribution	76,720	77,660

16. CONTINGENCIES

- a) The Town has guaranteed or committed to guarantee loans of the R. K. MacDonald Nursing Home Corporation to a maximum of \$4,325,928.
- b) The Town has guaranteed or committed to guarantee a 63% share of loans to Alternative Resource Energy Authority to a maximum of \$30,843,461. The Town's share of AREA loans outstanding at March 31, 2019 is \$30,843,461.
- 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.

TOWN OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2019

17. COMMITMENTS

The Town has committed to provide funding of \$150,000 to the Antigonish Farmers Market Association, pending funding from other partners. At March 31, 2019, there were uncertainties whether the project would proceed and therefore no liability has been accrued in these consolidated financial statements.

18. RATE OF RETURN ON BASE

Water Utility

For the year ended March 31, 2019 the Town of Antigonish Water Utility had a rate of return on rate base of 3.18% (2018 – 1.75%).

Electric Utility

For the year ended March 31, 2019 the Town of Antigonish Electric Utility had a rate of return on rate base of 31.77% (2018 – 11.32%).

19. FINANCIAL INSTRUMENTS

Fair value of financial instruments

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

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

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

TOWN OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2019

20. 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	\$ 35,480	\$ 9,642	\$ 45,122
William Cormier	Deputy Mayor/Councillor	20,360	2,834	23,194
Diane Roberts	Deputy Mayor/Councillor	21,632	4,947	26,579
Mary Farrell	Councillor	20,360	5,316	25,676
John K. MacPherson	Councillor	20,360	2,348	22,708
Donnie MacInnis	Councillor	21,346	2,132	23,478
Andrew Murray	Councillor	20,360	1,531	21,891
Jeff Lawrence	Chief Administrative Officer	136,531	7,072	143,603
		\$ 296,429	\$ 35,822	\$ 332,251

21. COMPARATIVE FIGURES

Certain 2018 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

TOWN OF ANTIGONISH

Consolidated Schedule of Long-Term Debt

March 31, 2019, with comparative figures for 2018

Interest rate - %	Matures	Balance March 31, 2018	Issued	Redeemed	Balance March 31, 2019
General Capital Fund					
Nova Scotia Municipal Finance Corporation					
1.49 - 4.025	2026	\$ 630,000	\$ -	\$ 45,000	\$ 585,000
2.797 - 4.329	2019	207,000	-	103,500	103,500
1.245 - 3.347	2025	245,000	-	35,000	210,000
1.15 - 2.925	2026	254,700	-	28,300	226,400
1.2 - 3.209	2032	2,170,000	-	147,000	2,023,000
1.734 - 3.073	2027	600,000	-	60,000	540,000
		4,106,700	-	418,800	3,687,900
Water Capital Fund					
Nova Scotia Municipal Finance Corporation					
4.22 - 4.59	2021	1,440,000	-	160,000	1,280,000
AREA					
Nova Scotia Municipal Finance Corporation					
1.15 - 3.475	2030	14,541,707	-	584,939	13,956,768
1.2 - 3.475	2032	9,765,000	-	375,307	9,389,693
2.06 - 3.501	2033	-	7,497,000	-	7,497,000
		24,306,707	7,497,000	960,246	30,843,461
		\$ 29,853,407	\$ 7,497,000	\$ 1,539,046	\$35,811,361

TOWN OF ANTIGONISH

Water Utility Section

Statement of Financial Position - Operating Fund

March 31, 2019, with comparative figures for 2018

	2019	2018
ASSETS		
Receivables, net	\$ 252,461	\$ 245,434
Prepaid expense	104,748	99,156
	<u>\$ 357,209</u>	<u>\$ 344,590</u>
LIABILITIES		
Accrued liabilities	\$ 25,377	\$ 28,502
Due to general operating fund	412,539	421,059
Due to water capital fund	147,998	147,998
Deferred revenue	-	109,281
	<u>585,914</u>	<u>706,840</u>
DEFICIT	(228,705)	(362,250)
	<u>\$ 357,209</u>	<u>\$ 344,590</u>

TOWN OF ANTIGONISH

Water Utility Section

Statement of Operations and Deficit - Operating Fund

Year ended March 31, 2019, with comparative figures for 2018

	2019	2018	
	Budget	Actual	Actual
OPERATING REVENUES			
Operating			
Metered rate sales	\$ 1,216,380	\$ 1,234,329	\$ 1,126,511
Public fire protection	201,465	201,465	179,799
Private fire protection	145,657	254,938	130,104
Sprinkler service and hydrants	27,350	25,089	23,163
	<u>1,590,852</u>	<u>1,715,821</u>	<u>1,459,577</u>
OPERATING EXPENSES			
Source of supply	40,993	32,925	27,203
Pumping and power	65,879	68,511	66,325
Transmission and distribution	377,918	374,622	372,906
Purification	401,909	397,670	385,861
Administration	131,241	129,545	112,428
Taxes	38,000	37,274	37,817
Depreciation	339,700	334,976	329,910
	<u>1,395,640</u>	<u>1,375,523</u>	<u>1,332,450</u>
NET OPERATING REVENUE	<u>195,212</u>	<u>340,298</u>	<u>127,127</u>
NON-OPERATING REVENUES			
Interest on account	7,200	6,890	7,203
Interest on depreciation fund	2,400	8,692	2,190
Miscellaneous income	500	381	4,660
	<u>10,100</u>	<u>15,963</u>	<u>14,053</u>
NON-OPERATING EXPENSES			
Principal payments	(160,000)	(160,000)	(160,000)
Interest on debentures	(62,625)	(62,716)	(69,878)
	<u>(222,625)</u>	<u>(222,716)</u>	<u>(229,878)</u>
CHANGE IN FUND BALANCE	<u>(17,313)</u>	<u>133,545</u>	<u>(88,698)</u>
DEFICIT, BEGINNING OF YEAR	<u>(362,250)</u>	<u>(362,250)</u>	<u>(273,552)</u>
DEFICIT, END OF YEAR	<u>\$ (379,563)</u>	<u>\$ (228,705)</u>	<u>\$ (362,250)</u>

TOWN OF ANTIGONISH

Water Utility Section

Statement of Financial Position - Capital Fund

March 31, 2019, with comparative figures for 2018

	2019	2018
ASSETS		
Depreciation fund		
Restricted cash	\$ 522,649	\$ 543,249
Due from water operating fund	55,765	55,765
	578,414	599,014
Due from water operating fund	92,233	92,233
Tangible capital assets		
Utility plant and equipment	13,038,920	12,683,344
	\$ 13,709,567	\$ 13,374,591
LIABILITIES		
Term debenture	\$ 1,280,000	\$ 1,440,000
Due to general operating fund	302,286	394,261
Deferred assistance	408,089	408,089
Accumulated depreciation	5,133,417	4,798,441
	7,123,792	7,040,791
FUND BALANCE	6,585,775	6,333,800
	\$ 13,709,567	\$ 13,374,591

TOWN OF ANTIGONISH

Water Utility Section

Statement of Investment in Capital Assets - Capital Fund

Year ended March 31, 2019, with comparative figures for 2018

	2019	2018
BALANCE, BEGINNING OF YEAR	\$ 6,333,800	\$ 6,054,256
Province of Nova Scotia grants	83,887	119,544
Term debt retired	160,000	160,000
Interest and other	8,088	—
BALANCE, END OF YEAR	\$ 6,585,775	\$ 6,333,800

TOWN OF ANTIGONISH

Water Utility Section

Schedule of Tangible Capital Assets

March 31, 2019, with comparative figures for 2018

			2019	2018
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land				
Source of supply	\$ 500,211	\$ -	\$ 500,211	\$ 500,211
Reservoir	18,388	-	18,388	12,965
Transmission	123,442	-	123,442	123,442
Buildings				
Source of supply	1,551,249	780,581	770,668	809,892
Purification	4,154,565	1,904,795	2,249,770	2,219,409
Distribution reservoirs and stand pipes	945,387	373,483	571,904	576,768
Transmission mains	2,057,376	902,050	1,155,326	1,180,284
Distribution mains	1,826,440	462,686	1,363,754	1,337,280
Services	397,448	124,586	272,862	245,096
Meters	1,001,865	442,371	559,494	590,751
Hydrants	282,238	49,628	232,610	222,994
Equipment				
Transportation services	73,582	55,225	18,357	22,947
Tools and work	106,090	37,373	68,717	42,864
Office	639	639	-	-
	\$ 13,038,920	\$ 5,133,417	\$ 7,905,503	\$ 7,884,903

TOWN OF ANTIGONISH

Electric Utility Section

Statement of Financial Position - Operating Fund

March 31, 2019, with comparative figures for 2018

	2019	2018
ASSETS		
Receivables	\$ 2,412,268	\$ 2,551,184
Inventory	435,399	476,985
	<u>\$ 2,847,667</u>	<u>\$ 3,028,169</u>
LIABILITIES		
Trade payables	\$ 1,528,177	\$ 1,372,991
Due to general operating fund	333,549	851,366
Reserve for customer deposits	271,944	343,989
	<u>2,133,670</u>	<u>2,568,346</u>
SURPLUS	713,997	459,823
	<u>\$ 2,847,667</u>	<u>\$ 3,028,169</u>

TOWN OF ANTIGONISH

Electric Utility Section

Statement of Operations and Surplus - Operating Fund

Year ended March 31, 2019, with comparative figures for 2018

		2019	2018
	Budget	Actual	Actual
OPERATING REVENUES			
Operating			
Domestic service	\$ 4,379,494	\$ 4,684,685	\$ 4,336,132
Commercial service	5,846,860	5,828,775	5,788,971
Large general service	1,453,779	1,436,450	1,437,878
Street lighting	166,500	163,664	164,226
Service connections and meter rental	22,500	29,125	47,962
	<u>11,869,133</u>	<u>12,142,699</u>	<u>11,775,169</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest	75,000	77,291	75,414
Interest on consumer deposits	(5,400)	(5,641)	(10,558)
	<u>69,600</u>	<u>71,650</u>	<u>64,856</u>
	<u>11,938,733</u>	<u>12,214,349</u>	<u>11,840,025</u>
OPERATING EXPENSES			
Power purchased	6,514,650	7,524,461	8,056,207
Power generation and delivery	3,260,997	2,512,321	1,929,012
Substations and buildings	9,750	12,000	8,652
Distribution	128,000	144,710	138,039
Administration and general	628,700	594,509	609,897
Property taxes	3,400	3,135	3,332
Depreciation	245,000	228,855	224,132
Wages	532,515	440,184	472,005
	<u>11,323,012</u>	<u>11,460,175</u>	<u>11,441,276</u>
CHANGE IN FUND BALANCE	615,721	754,174	398,749
SURPLUS, BEGINNING OF YEAR	459,823	459,823	511,074
Transfer to general operating fund	(500,000)	(500,000)	(450,000)
SURPLUS, END OF YEAR	<u>\$ 575,544</u>	<u>\$ 713,997</u>	<u>\$ 459,823</u>

TOWN OF ANTIGONISH

Electric Utility Section

Statement of Financial Position - Capital Fund

March 31, 2019, with comparative figures for 2018

	2019	2018
ASSETS		
Restricted cash - depreciation fund	\$ 2,483,003	\$ 2,254,170
Tangible capital assets	7,403,507	7,260,780
	<u>\$ 9,886,510</u>	<u>\$ 9,514,950</u>
LIABILITIES		
Due to general operating fund	\$ 534,988	\$ 392,283
Reserve for future expenditures	7,252	7,252
Accumulated depreciation	4,541,207	4,312,352
	<u>5,083,447</u>	<u>4,711,887</u>
FUND BALANCE	4,803,063	4,803,063
	<u>\$ 9,886,510</u>	<u>\$ 9,514,950</u>

TOWN OF ANTIGONISH

Electric Utility Section

Statement of Investment in Capital Assets - Capital Fund

Year ended March 31, 2019, with comparative figures for 2018

	2019	2018
BALANCE, BEGINNING OF YEAR	\$ 4,803,063	\$ 4,803,065
Interest and other	-	(2)
BALANCE, END OF YEAR	\$ 4,803,063	\$ 4,803,063

TOWN OF ANTIGONISH

Electric Utility Section

Schedule of Tangible Capital Assets

March 31, 2019, with comparative figures for 2018

			2019	2018
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Garage	\$ 127,906	\$ 32,964	\$ 94,942	\$ 98,635
Substation	408,731	270,872	137,859	148,077
Primary	1,739,066	1,062,376	676,690	708,542
Secondary	473,125	312,566	160,559	171,747
Transformers	2,184,539	1,704,191	480,348	496,613
Service	659,999	389,262	270,737	285,929
Other	21,672	18,704	2,968	3,463
Street lights	554,037	220,615	333,422	331,898
Meters	337,095	230,174	106,921	117,906
Transportation	668,964	246,810	422,154	432,205
Shop	62,805	48,134	14,671	18,671
Office	4,294	4,294	-	-
Rate study equipment	161,274	245	161,029	134,742
	\$ 7,403,507	\$ 4,541,207	\$ 2,862,300	\$ 2,948,428