

**MUNICIPALITY OF THE COUNTY  
OF ANTIGONISH  
Consolidated Financial Statements**

*March 31, 2020*

## Independent Auditors' Report

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To the Warden and the Councillors of the  
Municipality of the County of Antigonish

### Opinion

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Municipality of the County of Antigonish as at March 31, 2020 and the results of its financial performance and its 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 County 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 Matter

The financial statements of the Municipality of the County of Antigonish for the year ended March 31, 2019 were audited by MGM & Associates, Chartered Professional Accountants of Sydney, Nova Scotia, Canada, prior to its merger with MNP LLP. MGM & Associates, Chartered Professional Accountants expressed an unmodified opinion on those statements on October 1, 2019.

### 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 County'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 County or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the County'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 County'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 County'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 County to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Sydney, Nova Scotia  
November 9, 2020

*MNP* LLP

Chartered Professional Accountants

**MNP**  
LLP

# MUNICIPALITY OF THE COUNTY OF ANTIGONISH

## Consolidated Financial Statements

Year ended March 31, 2020

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### **Management's Responsibility for the Consolidated Financial Statements**

The accompanying consolidated financial statements of the Municipality of the County of Antigonish (the "County") are the responsibility of the County'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 County'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 County. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the County's consolidated financial statements.



Glenn Horne  
CAO

# MUNICIPALITY OF THE COUNTY OF ANTIGONISH

## Consolidated Statement of Financial Position

March 31, 2020, with comparative figures for 2019

	2020	2019 (Restated)
<b>FINANCIAL ASSETS</b>		
Cash (note 2)	\$ 16,710,833	\$ 14,875,851
Restricted cash	204,254	198,583
Taxes receivable (note 3)	562,847	641,429
Accounts receivable (note 4)	686,063	395,270
Short-term investments (note 5)	1,481,557	1,481,581
	<u>19,645,554</u>	<u>17,592,714</u>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities (note 6)	1,851,476	1,424,151
Deferred revenue	636,166	544,226
Tax sale surplus	204,254	198,583
Long-term debt (note 7)	3,002,258	3,220,867
	<u>5,694,154</u>	<u>5,387,827</u>
<b>NET FINANCIAL ASSETS</b>	<u>13,951,400</u>	<u>12,204,887</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 8)	22,661,721	21,911,466
Properties acquired at tax sale	19,866	19,866
Inventory, prepaid expenses and other	79,803	89,454
	<u>22,761,390</u>	<u>22,020,786</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 36,712,790</u>	<u>\$ 34,225,673</u>
<b>MUNICIPAL POSITION</b>		
Fund balances		
General operating fund	\$ -	\$ -
Water operating fund	696,959	607,630
General capital fund	13,275,833	12,810,534
Water capital fund	6,332,011	5,777,643
Reserve funds	10,797,923	10,366,915
Gas tax reserve	5,610,064	4,662,951
<b>TOTAL MUNICIPAL POSITION</b>	<u>\$ 36,712,790</u>	<u>\$ 34,225,673</u>

Contingencies (note 10)

See accompanying notes to consolidated financial statements.

On behalf of the Municipality of the County of Antigonish:

  
Warden

  
CAO

# MUNICIPALITY OF THE COUNTY OF ANTIGONISH

## Consolidated Statement of Operations

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

	2020		2019
	Budget (Unaudited)	Actual	Actual (Restated)
<b>REVENUES</b>			
Taxes	\$ 9,355,793	\$ 9,372,731	\$ 8,919,975
Grants in lieu of taxes	187,993	185,178	187,988
Sale of services	1,360,932	1,401,950	1,432,788
Revenue from own sources	708,904	986,654	994,409
Conditional transfers from other grants	1,363,704	1,451,316	751,776
Unconditional transfers from other governments	48,748	45,240	36,461
Capital grants	—	—	15,838
Water utility revenue	1,003,500	999,735	964,481
	14,029,574	14,442,804	13,303,716
<b>EXPENSES</b>			
General government services	2,802,124	2,747,761	2,684,334
Protective services	2,719,748	2,703,278	2,636,496
Transportation services	623,531	527,515	492,193
Environmental health services	2,902,899	2,930,510	2,607,181
Public health and welfare services	108,300	112,000	109,300
Recreation and cultural services	1,441,240	1,472,092	1,345,292
Environmental development services	336,827	287,387	384,813
Water utility expenses	1,160,827	1,175,144	1,117,872
	12,095,496	11,955,687	11,377,481
<b>ANNUAL SURPLUS</b>	1,934,078	2,487,117	1,926,235
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>			
As previously reported	34,296,902	34,296,902	32,342,175
Restatement (note 14)	(71,229)	(71,229)	(42,737)
As restated	34,225,673	34,225,673	32,299,438
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	\$ 36,159,751	\$ 36,712,790	\$ 34,225,673

See accompanying notes to consolidated financial statements.

# MUNICIPALITY OF THE COUNTY OF ANTIGONISH

## Consolidated Statement of Change in Net Financial Assets

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

	2020	2019 (Restated)
<b>ANNUAL SURPLUS</b>	\$ 2,487,117	\$ 1,926,235
Other non-financial assets		
Amortization of tangible capital assets	971,708	820,405
Additions to tangible capital assets	(1,721,963)	(685,771)
Decrease in inventory, prepaid expenses and other	9,651	9,272
<b>INCREASE IN NET FINANCIAL ASSETS</b>	1,746,513	2,070,141
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	12,204,887	10,134,746
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	\$ 13,951,400	\$ 12,204,887

See accompanying notes to consolidated financial statements.



# MUNICIPALITY OF THE COUNTY OF ANTIGONISH

## Consolidated Statement of Cash Flows

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

	2020	2019 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Annual surplus	\$ 2,487,117	\$ 1,926,235
Add amortization of tangible capital assets	971,708	820,405
	<u>3,458,825</u>	<u>2,746,640</u>
Change in non-cash items		
Decrease (increase) in taxes receivable	78,582	(109,348)
Increase in accounts receivable	(290,793)	(157,643)
Increase in accounts payable and accrued liabilities	427,325	133,270
Increase in deferred revenue	91,940	87,790
Increase in tax sale surplus	5,671	83,386
Decrease in inventory, prepaid expenses and other	9,651	9,272
	<u>322,376</u>	<u>46,727</u>
<b>CASH FLOWS FROM CAPITAL ACTIVITIES</b>		
Additions to tangible capital assets	(1,721,963)	(685,771)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long-term debt	(218,609)	(218,609)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease (increase) in short-term investments, net	24	(95,268)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>1,840,653</u>	<u>1,793,719</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>15,074,434</u>	<u>13,280,715</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 16,915,087</u>	<u>\$ 15,074,434</u>
Cash and cash equivalents consists of		
Cash	\$ 16,710,833	\$ 14,875,851
Restricted cash	204,254	198,583
	<u>\$ 16,915,087</u>	<u>\$ 15,074,434</u>

See accompanying notes to consolidated financial statements.

# MUNICIPALITY OF THE COUNTY OF ANTIGONISH

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

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### 1. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of presentation

These consolidated financial statements of the Municipality of the County of Antigonish (the "County") 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 funds of the County. The County is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the County and that are owned or controlled by the County. Inter-fund and inter-corporate balances and transactions have been eliminated. The entities included are as follows:

- Operating, capital and reserve funds of the Municipality of the County of Antigonish
- Operating and capital funds of the Municipality of the County of Antigonish Water Utility

#### (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 County 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 County 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 revenues.

#### (d) R.K. MacDonald Nursing Home Corporation

The R.K. MacDonald Nursing Home Corporation is jointly governed by the Municipality of the County of Antigonish and the Town of Antigonish. The County does not consolidate the financial statements of the Nursing Home.

#### (e) Fund accounting

The resources and operations of the County 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.

# MUNICIPALITY OF THE COUNTY OF ANTIGONISH

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

### 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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

The County considers cash on hand, deposits held in banks net of outstanding cheques and deposits and temporary lines of credit and overdrafts as cash and cash equivalents.

(h) Short-term investments

Short-term investments are initially recorded at cost and are subsequently measured at fair market value with any changes recorded on the statement of operations.

(i) 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:

Asset	Basis	Rate
Capital fund		
Buildings	Straight-line	40 years
Equipment	Straight-line	5-10 years
Streets	Straight-line	50 years
Sidewalks	Straight-line	20 years
Parking grounds	Straight-line	20 years
Garbage collection and disposal	Straight-line	25 years
Sewer collection and disposal	Straight-line	50 years
Water fund		
Structures and improvements	Straight-line	75 years
Equipment	Straight-line	5-20 years
Mains	Straight-line	75 years
Services and other	Straight-line	50 years
Meters	Straight-line	20 years
Hydrants	Straight-line	50 years

A full year's amortization is taken in the year of acquisition.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

# MUNICIPALITY OF THE COUNTY OF ANTIGONISH

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

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### 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Reserve funds

Certain amounts, as approved by the Council of the County, 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.

(k) 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.

(l) 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.

(m) Taxation and related revenue

Property tax billings are prepared by the County based on assessment rolls issued by the Province of Nova Scotia (Province). 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. 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.

(n) 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 estimates and assumptions include the valuation of receivables and carrying value of tangible capital assets. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

# MUNICIPALITY OF THE COUNTY OF ANTIGONISH

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

### 2. CASH

	2020	2019
Operating fund	\$ 1,892,210	\$ 1,732,625
Capital funds	1,461,701	1,337,110
Reserves funds	13,356,922	11,806,116
	<u>\$ 16,710,833</u>	<u>\$ 14,875,851</u>

### 3. TAXES RECEIVABLE

	2020	2019
Balance, beginning of year	\$ 878,105	\$ 733,245
Current year's levy of property taxes and rates	12,235,335	11,793,894
	<u>13,113,440</u>	<u>12,527,139</u>
Less		
Current year's collections	12,234,831	11,529,878
Reduced taxes	121,847	119,156
	<u>12,356,678</u>	<u>11,649,034</u>
Gross taxes receivable, end of year	756,762	878,105
Less allowance for uncollectible taxes	(193,915)	(236,676)
Taxes receivable, net	<u>\$ 562,847</u>	<u>\$ 641,429</u>

### 4. ACCOUNTS RECEIVABLE

	2020	2019
Federal government	\$ 213,759	\$ 65,616
Provincial government	9,173	9,173
Water rates	106,789	93,069
Other receivables	370,330	241,400
	<u>700,051</u>	<u>409,258</u>
Less allowance for doubtful accounts	13,988	13,988
	<u>\$ 686,063</u>	<u>\$ 395,270</u>

# MUNICIPALITY OF THE COUNTY OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2020

## 5. SHORT-TERM INVESTMENTS

	2020		2019	
	Cost	Fair Market Value	Cost	Fair Market Value
Portfolio investments	\$ 1,326,005	\$ 1,481,557	\$ 1,326,029	\$ 1,481,581

## 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2020		2019	
Trade accounts payable	\$ 1,705,983	\$ 1,357,894		
Payable to other governments	145,493	66,257		
	\$ 1,851,476	\$ 1,424,151		

## 7. LONG-TERM DEBT

	2020		2019	
Municipal Finance Corporation, repayable in annual principal payments of \$44,400, plus interest at 4.75 – 5.48%, maturing in 2023	\$ 621,600	\$ 666,000		
Municipal Finance Corporation, repayable in annual principal payments of \$48,000, plus interest at 4.53 – 4.77%, maturing in 2023	624,000	672,000		
Municipal Finance Corporation, repayable in annual principal payments of \$32,814, plus interest at 2.81 – 4.579%, maturing in 2026	475,901	508,715		
Municipal Finance Corporation, repayable in annual principal payments of \$65,629, plus interest at 2.81 – 4.597%, maturing in 2026	930,678	996,307		
Municipal Finance Corporation, repayable in annual principal payments of \$27,766, plus interest at 2.81 – 4.597%, maturing in 2026	350,079	377,845		
	\$ 3,002,258	\$ 3,220,867		

# MUNICIPALITY OF THE COUNTY OF ANTIGONISH

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

### 7. LONG-TERM DEBT (CONTINUED)

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

2021	\$ 218,609
2022	218,609
2023	218,609
2024	1,094,609
2025	126,209

### 8. TANGIBLE CAPITAL ASSETS

	2020		2019	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value (Restated)
Land	\$ 788,737	\$ —	\$ 788,737	\$ 788,737
Buildings				
General government services	1,812,275	867,167	945,108	925,376
Protective services	189,196	162,307	26,889	—
Environmental services	2,079,544	636,614	1,442,930	1,464,883
Recreation and cultural services	1,092,416	250,220	842,196	869,506
Equipment				
General government services	231,124	210,038	21,086	19,844
Public works				
Equipment	385,852	370,917	14,935	39,471
Vehicles	140,345	102,986	37,359	42,367
Environmental health services	3,082,196	2,076,355	1,005,841	889,340
Other:				
General government services	112,584	112,584	—	—
Road transport				
Streets	3,847,566	737,326	3,110,240	2,783,111
Sidewalks	1,093,127	828,380	264,747	319,402
Parking grounds	21,715	21,715	—	1,086
Environmental health services				
Garbage collection and disposal	458,612	458,612	—	—
Sewer collection and disposal	12,875,208	5,449,809	7,425,399	7,641,704
Recreation and cultural services	132,987	49,205	83,782	87,106
Water utility plant and equipment	8,717,560	2,065,088	6,652,472	6,039,533
	\$ 37,061,044	\$ 14,399,323	\$ 22,661,721	\$ 21,911,466

# MUNICIPALITY OF THE COUNTY OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2020

## 9. R. K. MACDONALD NURSING HOME CORPORATION

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

	2020	2019
<b>STATEMENT OF FINANCIAL POSITION</b>		
Current assets	\$ 4,192,167	\$ 3,057,204
Capital assets	9,753,541	10,060,620
<b>Total assets</b>	<b>13,945,708</b>	<b>13,117,824</b>
Current liabilities	2,226,546	1,914,031
Long-term liabilities	8,828,346	9,173,063
<b>Total liabilities</b>	<b>11,054,892</b>	<b>11,087,094</b>
<b>NET ASSETS</b>	<b>\$ 2,890,816</b>	<b>\$ 2,030,730</b>

## STATEMENT OF OPERATIONS

Revenues	\$ 13,571,643	\$ 12,743,603
Operating expenses	(11,816,080)	(10,975,345)
Financing and capital	(895,477)	(937,848)
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 860,086</b>	<b>\$ 830,410</b>

## STATEMENT OF CASH FLOWS

Cash flows from		
Operating activities	\$ 1,595,212	\$ 1,693,391
Financing and investing activities	(559,950)	(588,115)



# MUNICIPALITY OF THE COUNTY OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2020

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## 10. CONTINGENCIES

The County has guaranteed the following loans

- R. K. MacDonald Nursing Home Corporation for capital purposes. The maximum amount guaranteed is \$4,325,928.
- Antigonish County Volunteer Fire Department for capital purposes for \$100,000 and \$294,400.
- Auld's Cove Volunteer Fire Department for capital purposes for \$145,000 and \$40,000.
- Pomquet Volunteer Fire Department for capital purposes for \$120,000 and \$150,000.

## 11. FINANCIAL INSTRUMENTS

### (a) Fair value of financial instruments

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

Short-term investments are recorded at fair market value.

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

### (b) Credit risk

The County is exposed to credit-related losses in the event of non-performance by counterparties to the financial instruments. Credit exposure is minimized by dealing with only credit worthy counterparties.

### (c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The County's debentures are long term with fixed range of rates thereby mitigating its interest rate risk.

# MUNICIPALITY OF THE COUNTY OF ANTIGONISH

Notes to Consolidated Financial Statements

Year ended March 31, 2020

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## 12. TRANSFERS TO PROVINCIAL BOARDS AND COMMISSIONS

(a) The Eastern Mainland Housing Authority

The County shared in the operations of the Authority for the year ended March 31, 2020 in the amount of \$56,898 (2019 - \$40,000).

(b) Assessment Services

The County is required to pay a share of the cost of operating the provincial assessment system based on the total provincial assessment cost times the average of the County's share of the Uniform Assessment and the County's share of assessment accounts. For the year ended March 31, 2020, the County's share of these costs was \$322,104 (2019 - \$316,984).

(c) Correctional Services

Municipalities in Nova Scotia are required to make a mandatory contribution to fund the cost of correctional services. The contribution is set by Provincial formula. For the year ended March 31, 2020, the County's contribution for these costs was \$205,604 (2019 - \$206,484).

(d) Strait-Richmond Regional School Board

The County provided a mandatory contribution in the amount of \$3,557,460 (2019 - \$3,575,720) to the Strait-Richmond Regional School Board.

## 13. COVID-19

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

## 14. RESTATEMENT

During the year, the County determined that it had not properly recorded amortization of tangible capital assets. This error was corrected retrospectively, and as a result accumulated amortization of tangible capital assets was increased by \$42,737 and accumulated surplus was decreased by \$42,737 as at April 1, 2018; accumulated amortization of tangible capital assets and expenses were increased for amortization expense of \$28,492 as at March 31, 2019.

## MUNICIPALITY OF THE COUNTY OF ANTIGONISH

### Schedule of Remuneration and Expenses of Members of Council and Clerk

Year ended March 31, 2020

Name	Title	Number of months as an elected official	Remuneration	Expenses
Owen McCarron	Warden	12	\$49,008	\$8,641
Vaughn Chisholm	Councillor	12	25,596	3,770
Mary MacLellan	Councillor	12	25,596	4,380
Donald MacDonald	Councillor	12	25,596	3,109
Hugh Stewart	Deputy Warden	12	30,070	4,437
Remi Deveau	Councillor	12	25,596	5,077
William MacFarlane	Councillor	12	25,596	4,051
Gary Mattie	Councillor	12	25,596	3,612
John Dunbar	Councillor	12	25,596	3,701
Neil Corbett	Councillor	12	25,596	10,529
Glenn Horne	Clerk/Treasurer	N/A	125,417	3,606

# MUNICIPALITY OF THE COUNTY OF ANTIGONISH

Schedule of Segment Disclosure

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

Segment reporting is designed to assist users in identifying the resources allocated to support the major activities of the municipality and to better understand the performance of segments.

The following schedules provide segment information for the 2020 and 2019 fiscal years. Segment results represent the activities of that segment and are based on the same accounting policies as described in the Significant Accounting Policies as described in Note 1. The County has determined that the following segments represent the major activities of government, with expenses reported by object.

Year ended March 31, 2020	Government Services	General Protective Services	Transportation Services	Environmental Health Services	Public Health and Welfare Services	Recreation and Cultural Services	Environmental Development Services	Water Utility	Total
<b>REVENUES</b>									
Taxation	\$ 7,988,810	\$ 1,383,921	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,372,731
Grants in lieu of taxes	185,178	-	-	-	-	-	-	-	185,178
Sale of services	1,303,984	-	-	-	-	97,966	-	-	1,401,950
Revenue from own sources	986,654	-	-	-	-	-	-	-	986,654
Conditional transfers from other governments	1,451,316	-	-	-	-	-	-	-	1,451,316
Unconditional transfers from other governments	45,240	-	-	-	-	-	-	-	45,240
Water utility revenue	-	-	-	-	-	-	-	998,735	998,735
	11,961,182	1,383,921	-	-	-	97,966	-	998,735	14,442,804
<b>EXPENSES</b>									
Salaries, wages and benefits	1,290,877	6,745	151,782	805,633	-	376,533	-	233,725	2,865,295
Interest on long-term debt	17,848	-	7,234	63,886	-	21,093	-	49,804	159,865
Other operating expenditures	1,394,972	1,647,509	195,205	1,520,953	-	1,043,831	-	708,627	6,511,097
External transfers and grants	-	1,048,335	-	-	112,000	-	287,387	-	1,447,722
Amortization	44,064	689	173,294	540,038	-	30,635	-	182,988	971,708
	2,747,761	2,703,278	527,515	2,930,510	112,000	1,472,092	287,387	1,175,144	11,955,687
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>									
	\$ 9,213,421	\$ (1,319,357)	\$ (527,515)	\$ (2,930,510)	\$ (112,000)	\$ (1,374,126)	\$ (287,387)	\$ (175,409)	\$ 2,487,117

# MUNICIPALITY OF THE COUNTY OF ANTIGONISH

Schedule of Segment Disclosure

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

Year ended March 31, 2019	Government Services	General Protective Services	Transportation Services	Environmental Health Services	Public Health and Welfare Services	Recreation and Cultural Services	Environmental Development Services	Water Utility	Total (Restated)
<b>REVENUES</b>									
Taxation	\$ 7,567,249	\$ 1,352,726	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,919,975
Grants in lieu of taxes	187,988	-	-	-	-	-	-	-	187,988
Sale of services	1,335,092	-	-	-	-	97,696	-	-	1,432,788
Revenue from own sources	994,409	-	-	-	-	-	-	-	994,409
Conditional transfers from other governments	751,776	-	-	-	-	-	-	-	751,776
Unconditional transfers from other governments	36,461	-	-	-	-	-	-	-	36,461
Capital grants	7,919	-	-	-	-	-	-	7,919	15,838
Water utility revenue	-	-	-	-	-	-	-	964,481	964,481
	10,880,894	1,352,726	-	-	-	97,696	-	972,400	13,303,716
<b>EXPENSES</b>									
Salaries, wages and benefits	1,220,314	7,284	129,888	761,699	-	179,216	-	219,740	2,518,141
Interest on long-term debt	18,890	-	7,686	78,489	-	22,325	-	57,592	184,982
Other operating expenditures	1,402,692	1,619,519	191,568	1,329,134	-	1,113,116	-	694,118	6,350,147
External transfers and grants	-	1,009,693	-	-	109,300	-	384,813	-	1,503,806
Amortization	42,438	-	163,051	437,859	-	30,635	-	146,422	820,405
	2,664,334	2,636,496	492,193	2,607,181	109,300	1,345,292	384,813	1,117,872	11,377,481
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	\$ 8,196,560	\$ (1,283,770)	\$ (492,193)	\$ (2,607,181)	\$ (109,300)	\$ (1,247,596)	\$ (384,813)	\$ (145,472)	\$ 1,926,235