

# **TOWN OF ANNAPOLIS ROYAL**

## **CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2023**



# TOWN OF ANNAPOLIS ROYAL

## CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

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	<u>Page</u>
Management's Responsibility for the Consolidated Financial Statements	1
Independent Auditor's Report	2-3
Consolidated Statement of Operations	4
Consolidated Statement of Financial Position	5
Consolidated Statement of Change in Net Assets	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8-17
General Operating Fund	
Non-Consolidated Statement of Financial Position	18
Non-Consolidated Statement of Operations	19
Non-Consolidated Schedule of General Operating Fund Revenues	20-21
Non-Consolidated Schedule of General Operating Fund Expenditures	22-24
General Capital Fund	
Non-Consolidated Statement of Financial Position	25
Non-Consolidated Statement of Financial Activities	26
Water Utility Operating Fund	
Non-Consolidated Statement of Financial Position	27
Non-Consolidated Statement of Financial Activities	28
Schedule to Non-Consolidated Statement of Financial Activities	29
Water Utility Capital Fund	
Non-Consolidated Statement of Financial Position	30
Non-Consolidated Statement of Financial Activities	31
General Capital Reserve Fund	
Non-Consolidated Statement of Financial Position/ Statement of Financial Activities	32
Water Utility Capital Reserve Fund	
Non-Consolidated Statement of Financial Position/ Statement of Financial Activities	33
General Operating Reserve Fund	
Non-Consolidated Statement of Financial Position/ Statement of Financial Activities	34
Gas Tax Reserve Fund	
Non-Consolidated Statement of Financial Position/ Statement of Financial Activities	35

**TOWN OF ANNAPOLIS ROYAL**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2023**


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

The accompanying consolidated financial statements of the Town of Annapolis Royal 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 established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada ("CPA"). 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 Kent & Duffett, independent external auditors appointed by the Town. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.



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Mayor  
September 20, 2023



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Chief Administrative Officer  
September 20, 2023

*Incorporated Partners*  
*Forse Investments Limited*  
*Crosby Smith Holdings Limited*

[www.kentandduffett.ca](http://www.kentandduffett.ca)

## INDEPENDENT AUDITOR'S REPORT

### **His Worship the Mayor and Members of Council of the Town of Annapolis Royal**

#### ***Opinion***

We have audited the consolidated financial statements of **The Town of Annapolis Royal** which comprise the consolidated statement of financial position as at March 31, 2023, consolidated statement of financial operations, consolidated change in net debt and consolidated cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Town are prepared, in all material respects, 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 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 financial statements in Canada, and we have fulfilled our other 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***

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplementary information included in the Schedules on pages 18 to 35 are presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

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

Management is responsible for the preparation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

**INDEPENDENT AUDITOR'S REPORT** (continued)***Auditor's Responsibilities for the Audit of the Financial Statements***

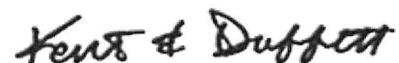
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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 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 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 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.

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.



Kentville, Nova Scotia  
September 20, 2023

Chartered Professional Accountants  
Registered Municipal Auditor

# TOWN OF ANNAPOLIS ROYAL

## CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2023</u>	<u>2022</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(unaudited)		
<b>REVENUES</b>			
Assessable property taxes	\$ 1,275,442	\$ 1,268,162	\$ 1,204,956
Grants in lieu of taxes	442,516	450,376	440,985
Sales of services	109,700	111,377	144,611
Other revenue from own sources	370,083	605,191	382,812
Unconditional transfers from other governments	191,956	191,956	283,912
Conditional transfers from federal or provincial governments or agencies	-	76,902	200,000
Net water fund revenue (expenditures)	(47,448)	(49,344)	(177,706)
	<u>2,342,249</u>	<u>2,654,620</u>	<u>2,479,570</u>
<b>EXPENDITURES</b>			
General government services	581,066	653,754	457,600
Protective services	543,862	521,485	519,773
Transportation services	492,484	445,956	183,119
Environmental health services	214,079	211,664	172,358
Recreation and cultural services	118,761	130,258	129,765
Marketing and economic development	117,080	217,369	141,793
Fiscal services	49,008	26,406	39,355
Planning	72,345	63,485	71,385
Mandatory education contributions	151,522	146,148	147,660
Amortization	58,500	407,875	402,295
	<u>2,398,707</u>	<u>2,824,400</u>	<u>2,265,103</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	(56,458)	(169,780)	214,467
<b>ACCUMULATED SURPLUS AT BEGINNING OF YEAR</b>		<u>10,735,104</u>	<u>10,520,637</u>
<b>ACCUMULATED SURPLUS AT END OF YEAR</b>		<u>\$ 10,565,324</u>	<u>\$ 10,735,104</u>

The accompanying notes are an integral part of these financial statements.

# TOWN OF ANNAPOLIS ROYAL

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 3,110,545	\$ 3,116,698
Accounts receivable (net of allowance) (note 2)	<u>482,285</u>	<u>262,761</u>
	<u>3,592,830</u>	<u>3,379,459</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	497,481	422,543
Deferred revenue (note 10)	773,986	436,597
Long-term debt (note 6)	<u>237,876</u>	<u>282,187</u>
	<u>1,509,343</u>	<u>1,141,327</u>
<b>NET ASSETS</b> (page 6)	<u>2,083,487</u>	<u>2,238,132</u>
<b>NON-FINANCIAL ASSETS</b>		
Inventory	28,757	27,358
Tangible capital assets (note 5)	8,444,643	8,462,758
Prepaid expenses	<u>8,436</u>	<u>6,856</u>
	<u>8,481,836</u>	<u>8,496,972</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 10,565,324</u>	<u>\$ 10,735,104</u>

Commitment (note 12)

On behalf of the Town

\_\_\_\_\_  
Mayor

*Sandra Millett Campbell*  
\_\_\_\_\_  
Chief Administrative Officer

# TOWN OF ANNAPOLIS ROYAL

## CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS

AS AT MARCH 31, 2023

	<u>Budget</u> (unaudited)	<u>2023</u>	<u>2022</u>
ANNUAL SURPLUS (page 4)	\$ (56,458)	\$ (169,780)	\$ 214,467
Acquisition of tangible capital assets and donated assets		(389,761)	(441,293)
Amortization of tangible capital assets	<u>58,500</u>	<u>407,875</u>	<u>402,295</u>
	<u>2,042</u>	<u>(151,666)</u>	<u>175,469</u>
Change in inventory and prepaid expenses	<u>-</u>	<u>(2,979)</u>	<u>(919)</u>
Increase (decrease) in net assets	2,042	(154,645)	174,550
<b>NET ASSETS AT BEGINNING OF YEAR</b>		<u>2,238,132</u>	<u>2,063,582</u>
<b>NET ASSETS AT END OF YEAR</b>		<u>\$ 2,083,487</u>	<u>\$ 2,238,132</u>

The accompanying notes are an integral part of these financial statements.



# TOWN OF ANNAPOLIS ROYAL

## CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ (169,780)	\$ 214,467
Net change in non-cash working capital balances		
Amortization	<u>407,875</u>	<u>402,295</u>
	<u>238,095</u>	<u>616,762</u>
Net change in working capital balances		
Decrease (increase) in accounts receivable	(219,524)	(52,377)
Increase (decrease) in accounts payable and accrued liabilities	74,938	88,944
Increase (decrease) in deferred revenue	337,389	34,664
Increase (decrease) in inventory	(1,399)	177
Decrease (increase) in prepaid expenses	<u>(1,580)</u>	<u>(1,096)</u>
	<u>427,919</u>	<u>687,074</u>
<b>CAPITAL TRANSACTIONS</b>		
Purchase of tangible capital assets	<u>(389,761)</u>	<u>(441,293)</u>
	<u>(389,761)</u>	<u>(441,293)</u>
<b>FINANCING TRANSACTIONS</b>		
Repayment of long-term debt	<u>(44,311)</u>	<u>(43,541)</u>
	<u>(44,311)</u>	<u>(43,541)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(6,153)</b>	<b>202,240</b>
Cash and cash equivalents at beginning of year	<u>3,116,698</u>	<u>2,914,458</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><b>\$ 3,110,545</b></u>	<u><b>\$ 3,116,698</b></u>

The accompanying notes are an integral part of these financial statements.

# TOWN OF ANNAPOLIS ROYAL

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2023

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### 1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Town of Annapolis Royal are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of Chartered Professional Accountants Canada. Significant aspects of the accounting policies adopted by the Town are as follows;

#### a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and change in fund balances and in the financial position of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable to the Town for the administration of their financial affairs and resources and which are owned or controlled by the Town, namely;

- General operating and capital funds
- Water utility and capital funds
- Reserve funds

Interdepartmental and organizational transactions and balances have been eliminated.

#### b) Fund Accounting

Funds within the consolidated financial statements consist of the operating, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate fund balances.

#### c) Revenue and Expenditures

Revenues are recorded using the accrual basis of accounting as they are earned and measurable. Funds from external parties and earnings restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified. Expenditures are accounted for in the period the goods and services are acquired and liability is incurred or transfer is due.

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

Tax revenue is based on assessments determined in accordance with Nova Scotia Legislation. Tax rates are set annually. Taxation revenues are recorded at the time tax billings are issued. Taxation revenue is subject to appeal. Penalties and overdue taxes are recorded in the period levied.

All other revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Investment income earned on surplus current funds, capital funds, and reserve funds are reported as revenue in the period earned.

## TOWN OF ANNAPOLIS ROYAL

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2023

#### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### d) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributed to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital asset are amortized on a straight line basis over their estimated useful life as follows:

<u>Town Capital</u>	<u>Years</u>	<u>Water Utility</u>	<u>Years</u>
Buildings	40	Water structures and mains	75
Machinery & Equipment	5-15	Water pumping and treatment equipment	5-20
Office equipment	5	Hydrants	50
Parks & Open space infrastructure	5-15	Water Meters	20
Vehicles	5		
Streets	30		
Sidewalks	20-30		
Street lighting	25		
Sewer collection system	40		
Storm water	40		
Sewer treatment plant	25		

Tangible capital assets are written down when conditions indicate they no longer contribute to the Town's ability to provide goods and services, or when the value of the future economic benefits associated with the tangible capital assets are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.

##### e) Contributions of Tangible Capital Assets

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

##### f) Water Utility

Capital assets and projects in progress are recorded at the utility's gross costs. Interest incurred during construction on significant water capital projects is capitalized.

##### g) Amortization

Amortization of capital assets is recorded in the water capital fund calculated on a formula prescribed by the Nova Scotia Utility and Review Board.

Amortization of capital assets recorded in the water operating fund is transferred to a special bank account in the water capital und which is used to help fund replacement of existing plant and equipment, or subject to approval by the Nova Scotia Utility and Review Board, to repay principal on capital debt.

# TOWN OF ANNAPOLIS ROYAL

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2023

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### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### h) Valuation Allowances

Uncollected taxes and rates:

The Town provides a valuation allowance for estimated losses that will be incurred in collecting taxes and rates receivable outstanding.

#### i) Financial Instruments

The financial instruments consist of cash, accounts receivables, accounts payables, accrued liabilities, short term borrowings and long term debt. Unless otherwise noted, it is managements' opinion that the Town is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

#### j) Allocation of Municipal Costs to Water Utility Funds

Where identifiable, costs incurred by the Town of Annapolis Royal on behalf of the Water Utility are charged to the utility funds. The Water Utility and the Town cost-shared certain expenses resulting in the Water Utility paying in aggregate for 2023 \$110,130 (2022 - \$110,130). The \$110,130 is for the fire protection levy only. Administrative expenses and certain public works expenses are also cost-shared.

#### k) Annapolis Royal Housing Authority Reserve

In the terms with the acceptance of funds received, the Town has agreed to pay 12.5% of the net operating costs of the Annapolis Royal Housing Authority for a fifty-year period ending 2028.

#### l) Use of Estimates

The preparation of the consolidated financial statements in conformity with Canadian Accounting Standards for the Public Sector requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. The most significant accounting estimates in these consolidated financial statements include allowance for doubtful accounts and

#### m) Deferred Contributions

Assistance towards the acquisition of tangible capital assets by the Water Utility subsequent to April 1, 2007, is amortized on the same basis as the related tangible capital asset that was purchased with the capital grant received.

#### n) Cash and Cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, bank overdrafts, short term deposits and original maturities of three months or less. Bank borrowings are considered to be financing activities.

# TOWN OF ANNAPOLIS ROYAL

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2023

### 2. ACCOUNTS RECEIVABLE

	Current Year	Prior Year	2023 Total	2022 Total
General operating				
Balance at beginning of year	\$ -	\$ 274,275	\$ 274,275	\$ 24,751
Add:				
Current year's tax levy	1,240,059	-	1,240,059	1,173,343
	1,240,059	274,275	1,514,334	1,198,094
Deduct:				
Current year's tax collection	1,466,918	18,357	1,485,275	1,179,737
Write offs and allowances	-	-	-	-
Valuation allowance	5,000	-	5,000	5,000
Total tax receivable			\$ 24,059	\$ 13,357
HST receivable			140,942	84,596
Interest receivable			58,019	3,470
Due from province			11,028	29,132
Water Receivable (net of allowance \$2,500)			53,073	51,798
Capital contribution receivable			20,000	-
Other			175,164	80,408
			<u>\$ 482,285</u>	<u>\$ 262,761</u>

### 3. VALUATION ALLOWANCES

	2023	2022
Valuation allowance, uncollectible taxes		
Balance, beginning of year	\$ 5,000	\$ 5,000
Add provision for the year	-	-
Deduct uncollectible taxes written off	-	-
Balance, end of year	<u>\$ 5,000</u>	<u>\$ 5,000</u>

### 4. DEPRECIATION FUND (WATER UTILITY)

	2023	2022
Balance, beginning of year	\$ 462,607	\$ 402,112
Add (deduct):		
Interest earned	5,930	1,872
Depreciation	56,410	58,623
Balance, end of year	<u>\$ 524,947</u>	<u>\$ 462,607</u>

# TOWN OF ANNAPOLIS ROYAL

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2023

### 5. TANGIBLE CAPITAL ASSETS

	Cost 2022	Additions	Disposals	Cost 2023	Accumulated		Accumulated		Net Book
					Amortization	Adjustment	Amortization	Amortization	
<u>Town Capital</u>					2022		Expense	2023	Value
Land	\$ 144,360	\$ -	\$ -	\$ 144,360	\$ -	\$ -	\$ -	\$ -	\$ 144,360
Buildings	3,262,516	-	-	3,262,516	1,592,328	-	70,177	1,662,505	1,600,011
Machinery & Equipment	626,747	8,134	-	634,881	380,099	-	10,906	391,005	243,876
General office equipment	193,903	18,954	-	212,857	104,402	-	21,032	125,434	87,423
Land improvements & trails	1,706,482	10,458	-	1,716,940	888,811	-	48,193	937,004	779,936
Police equipment	171,577	9,378	-	180,955	76,368	-	25,922	102,290	78,665
Street & parking lots	918,516	-	-	918,516	539,781	-	27,578	567,359	351,157
Sidewalks	988,076	-	-	988,076	693,988	-	47,463	741,451	246,625
Street lighting	35,269	-	-	35,269	26,270	-	1,410	27,680	7,589
Wharf	319,600	-	-	319,600	25,576	-	12,788	38,364	281,236
Sewer collection system	2,936,847	254,086	-	3,190,933	1,315,132	-	62,314	1,377,446	1,813,487
Storm water system	727,879	-	-	727,879	330,241	-	14,484	344,725	383,154
Sewage treatment plant	393,262	-	-	393,262	220,808	-	9,198	230,006	163,256
	<u>\$ 12,425,034</u>	<u>\$ 301,010</u>	<u>\$ -</u>	<u>\$ 12,726,044</u>	<u>\$ 6,193,804</u>	<u>\$ -</u>	<u>\$ 351,465</u>	<u>\$ 6,545,269</u>	<u>\$ 6,180,775</u>
<u>Water Capital</u>									
Land	\$ 9,838	\$ -	\$ -	\$ 9,838	\$ -	\$ -	\$ -	\$ -	\$ 9,838
Hydrants	30,252	-	-	30,252	10,621	-	908	11,529	18,723
Structures and improvements									
Reservoir	597,343	-	-	597,343	152,983	-	10,867	163,850	433,493
Pumping	95,010	-	-	95,010	61,573	-	1,264	62,837	32,173
Wells	59,527	-	-	59,527	14,036	-	792	14,828	44,699
Equipment - pumping	48,729	-	-	48,729	27,275	-	1,584	28,859	19,870
Vehicles	36,320	-	-	36,320	14,528	-	7,264	21,792	14,528
Mains									
Transmission	1,015,380	57,986	-	1,073,366	225,684	-	13,504	239,188	834,178
Distribution	1,350,921	-	-	1,350,921	569,176	-	17,945	587,121	763,800
Equipment									
Service	126,809	-	-	126,809	63,289	-	2,536	65,825	60,984
Meters	41,650	-	-	41,650	41,086	-	(254)	40,832	818
Water study	-	30,764	-	30,764	-	-	-	-	30,764
	<u>\$ 3,411,779</u>	<u>\$ 88,750</u>	<u>\$ -</u>	<u>\$ 3,500,529</u>	<u>\$ 1,180,251</u>	<u>\$ -</u>	<u>\$ 56,410</u>	<u>\$ 1,236,661</u>	<u>\$ 2,263,868</u>
	<u>\$ 15,836,813</u>	<u>\$ 389,760</u>	<u>\$ -</u>	<u>\$ 16,226,573</u>	<u>\$ 7,374,055</u>	<u>\$ -</u>	<u>\$ 407,875</u>	<u>\$ 7,781,930</u>	<u>\$ 8,444,643</u>

School properties which are owned by the Town but in use by the Regional School Board are not recorded as tangible capital assets. No amortization is recorded by the Town as long as the properties are in use by, and under the control of, the Regional School Board. School properties with a net book value of \$46,928 have been removed from these statements to reflect this policy.

# TOWN OF ANNAPOLIS ROYAL

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2023

### 5. TANGIBLE CAPITAL ASSETS (continued)

	Cost 2021	Additions	Disposals	Cost 2022	Accumulated		Accumulated		Net Book
					Amortization	Adjustment	Amortization	Amortization	
<u>Town Capital</u>					2021		Expense	2022	Value
Land	\$ 144,360	\$ -	\$ -	\$ 144,360	\$ -	\$ -	\$ -	\$ -	\$ 144,360
Buildings	3,262,516	-	-	3,262,516	1,522,151	-	70,177	1,592,328	1,670,188
Machinery & Equipment	614,371	12,376	-	626,747	366,721	-	13,378	380,099	246,648
General office equipment	181,989	11,914	-	193,903	88,143	-	16,259	104,402	89,501
Land improvements & trails	1,694,288	12,194	-	1,706,482	825,775	-	63,036	888,811	817,671
Police equipment	149,632	67,913	45,968	171,577	109,950	45,968	12,386	76,368	95,209
Street & parking lots	918,516	-	-	918,516	512,203	-	27,578	539,781	378,735
Sidewalks	988,076	-	-	988,076	646,525	-	47,463	693,988	294,088
Street lighting	35,269	-	-	35,269	24,859	-	1,411	26,270	8,999
Wharf	319,600	-	-	319,600	12,788	-	12,788	25,576	294,024
Sewer collection system	2,599,951	336,896	-	2,936,847	1,259,618	-	55,514	1,315,132	1,621,715
Storm water system	727,879	-	-	727,879	315,757	-	14,484	330,241	397,638
Sewage treatment plant	393,262	-	-	393,262	211,610	-	9,198	220,808	172,454
	<u>\$ 12,029,709</u>	<u>\$ 441,293</u>	<u>\$ 45,968</u>	<u>\$ 12,425,034</u>	<u>\$ 5,896,100</u>	<u>\$ 45,968</u>	<u>\$ 343,672</u>	<u>\$ 6,193,804</u>	<u>\$ 6,231,230</u>
<u>Water Capital</u>									
Land	\$ 9,838	\$ -	\$ -	\$ 9,838	\$ -	\$ -	\$ -	\$ -	\$ 9,838
Hydrants	30,252	-	-	30,252	10,044	-	577	10,621	19,631
Structures and improvements									
Reservoir	597,343	-	-	597,343	142,116	-	10,867	152,983	444,360
Pumping	95,010	-	-	95,010	60,309	-	1,264	61,573	33,437
Wells	59,527	-	-	59,527	13,244	-	792	14,036	45,491
Equipment - pumping	48,729	-	-	48,729	25,358	-	1,917	27,275	21,454
Vehicles	36,320	-	-	36,320	7,264	-	7,264	14,528	21,792
Mains									
Transmission	1,015,380	-	-	1,015,380	217,874	-	7,810	225,684	789,696
Distribution	1,350,921	-	-	1,350,921	545,536	-	23,640	569,176	781,745
Equipment	-	-	-	-	-	-	-	-	-
Service	126,809	-	-	126,809	60,753	-	2,536	63,289	63,520
Meters	41,650	-	-	41,650	39,130	-	1,956	41,086	564
	<u>\$ 3,411,779</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,411,779</u>	<u>\$ 1,121,628</u>	<u>\$ -</u>	<u>\$ 58,623</u>	<u>\$ 1,180,251</u>	<u>\$ 2,231,528</u>
	<u>\$ 15,441,488</u>	<u>\$ 441,293</u>	<u>\$ 45,968</u>	<u>\$ 15,836,813</u>	<u>\$ 7,017,728</u>	<u>\$ 45,968</u>	<u>\$ 402,295</u>	<u>\$ 7,374,055</u>	<u>\$ 8,462,758</u>

## TOWN OF ANNAPOLIS ROYAL

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2023

6. LONG-TERM DEBT	<u>2023</u>	<u>2022</u>
Canadian Housing Mortgage Corporation debenture, bearing interest at a rate of 4.15% with annual repayments of \$11,394; maturing in 2025.	\$ 40,241	\$ 52,600
Canadian Housing Mortgage Corporation debenture, bearing interest at a rate of 4.15% with annual repayments of \$11,394; maturing in 2025.	22,635	29,587
Municipal Finance Corporation debenture, bearing interest at a variable rate from 2.015% - 2.561%, with annual principal payments of \$25,000; maturing in 2029.	175,000	200,000
	<u>\$ 237,876</u>	<u>\$ 282,187</u>

Principal repayments required during the next five years are as follows:

2024	\$	45,112
2025		45,947
2026		46,816
2027		25,000
2028		25,000

### 7. CONTRIBUTION TO NON-CONSOLIDATED BOARDS AND COMMISSIONS

The Town of Annapolis Royal is required to finance the operations of various Boards and Regional Authorities, along with the other Municipalities in the Annapolis Valley, to the extent of its participation based on assessment or population formula.

In addition to any budgeted contributions, the Municipal units share in the deficits or surpluses of these organizations based on their relevant cost-sharing percentages. A Municipal unit's share of the deficit is to be paid in the next fiscal year while a surplus is to be taken into operations in the estimates of the organization in the next fiscal year.

#### Annapolis Valley Regional School Board

During 2022-23, the Town paid \$146,148 (2022 - \$147,660) as its share for the Annapolis Valley Regional School Board services

#### Annapolis Valley Regional Library, 0.086% interest

During 2022-23, the Town paid \$41,111 (2022 - \$35,886) toward the operation of the Annapolis Valley Regional Library.



# TOWN OF ANNAPOLIS ROYAL

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### AS AT MARCH 31, 2023

#### 7. CONTRIBUTION TO NON-CONSOLIDATED BOARDS AND COMMISSIONS (continued)

##### Annapolis Valley Housing Authority, 12.5% interest

During 2022-23, the Town paid \$10,254 (2022 - \$19,407) to the Annapolis Valley Housing Authority to fund its share of the deficit for the year.

##### Valley Waste Resource Management Authority

During 2022-23 the Town paid \$80,158 (2022 - \$70,986) toward the operation of the Valley Waste Resource Management Authority to fund its share of the operations and capital asset purchases.

#### 8. RATE OF RETURN ON RATE BASE

For the year ended March 31, 2023 the Town water utility has a rate of return on rate base of 0.44 %; (2022 (-7.69%).

#### 9. DISCLOSURE OF REMUNERATION

<u>Council</u>	<u>Salary</u>	<u>Expenses</u>	<u>Total</u>
Boyer, Amery (Mayor)	\$ 11,857	\$ 360	\$ 12,217
Power, Pat (Deputy Mayor)	7,573	80	7,653
Hafting, Paula	5,647	-	5,647
Tompkins, Michael	5,647	-	5,647
Sanford, Holly	5,647	965	6,612
	<u>\$ 36,371</u>	<u>\$ 1,405</u>	<u>\$ 37,776</u>
Millett-Campbell, Sandi CAO	<u>\$ 77,570</u>	<u>\$ 5,703</u>	<u>\$ 83,273</u>

#### 10. DEFERRED REVENUE

	<u>2023</u>	<u>2022</u>
Tax and user charges	\$ 29,787	\$ 28,144
Gas tax	467,095	395,020
Sustainable service growth fund	249,254	-
Other	27,850	13,433
	<u>\$ 773,986</u>	<u>\$ 436,597</u>

Gas Tax represents funds received from the Federal Government that have not yet been used to fund eligible projects under the terms of the Gas Tax Agreement. These funds remain in deferred revenue until the stipulations for their use have been met.

#### 11. PENSION PLANS

The Town has a defined contribution pension plan. The Town's contribution to the employees defined contribution pensions for the year ending March 31, 2023 was \$34,546 (2022 - \$34,413).

## **TOWN OF ANNAPOLIS ROYAL**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**AS AT MARCH 31, 2023**

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#### **12. COMMITMENTS**

In accordance with the terms of the agreement for the acceptance of funds received, the Town has agreed to pay 12.5% of the net operating costs of the Annapolis Royal Housing Authority for a fifty-year period ending 2028.

The Town has signed a lease for the use of land (parking lot). The lease requires annual payments of \$1,200 plus taxes and expires when terminated by either party with 60 days notice.

#### **13. COMPARATIVE FIGURES**

In some instances, the comparative prior year figures have been reclassified to conform to the current year's financial statement presentation. The changes do not affect prior year earnings.

# TOWN OF ANNAPOLIS ROYAL

YEAR ENDED MARCH 31, 2023

## 14. CONSOLIDATED SCHEDULE OF OPERATIONS BY FUNCTION

	General Gov't	Protective Services	Transportation Services	Env. Health Services	Recreation & Cultural Services	Marketing & Economic development Services	Fiscal Services	Planning Services	Water Utility	2023
<b>REVENUE</b>										
TAXES	\$ 1,268,162									\$ 1,268,162
GRANTS IN LIEU OF TAXES	450,376									450,376
SALE OF SERVICES										
OTHER REVENUE FROM OWN SOURCES	293,544	49,566	8,763	41,823	57,384	204,185	27,563	12,170	-	111,377
UNCONDITIONAL TRANSFERS FROM OTHER GOV'TS		100,000	91,956	18,305					3,265	605,191
CONDITIONAL TRANSFERS FROM FEDERAL OR PROVINCIAL GOV'T		9,360	6,022	-		61,520				191,956
WATER UTILITY - NET									(49,344)	76,902
<b>TOTAL REVENUE</b>	<b>\$ 2,012,082</b>	<b>\$ 158,926</b>	<b>\$ 106,741</b>	<b>\$ 60,128</b>	<b>\$ 57,384</b>	<b>\$ 265,705</b>	<b>\$ 27,563</b>	<b>\$ 12,170</b>	<b>\$ (46,079)</b>	<b>\$ 2,654,620</b>
<b>EXPENDITURES</b>										
SALARIES, WAGES AND BENEFITS	254,741	349,609	100,284	96,233	61,040	17,949		33,335	-	913,191
OPERATING COSTS	545,161	171,876	345,672	115,431	69,218	199,420	19,497	30,150		1,496,425
AMORTIZATION	30,874	31,950	92,573	85,996	110,072				56,410	407,875
INTEREST ON LONG TERM DEBT							6,909			6,909
<b>TOTAL EXPENDITURES</b>	<b>830,776</b>	<b>553,435</b>	<b>538,529</b>	<b>297,660</b>	<b>240,330</b>	<b>217,369</b>	<b>26,406</b>	<b>63,485</b>	<b>56,410</b>	<b>2,824,400</b>
<b>SURPLUS (DEFICIT)</b>	<b>\$ 1,181,306</b>	<b>\$ (394,509)</b>	<b>\$ (431,788)</b>	<b>\$ (237,532)</b>	<b>\$ (182,946)</b>	<b>\$ 48,336</b>	<b>\$ 1,157</b>	<b>\$ (51,315)</b>	<b>\$ (102,489)</b>	<b>\$ (169,780)</b>

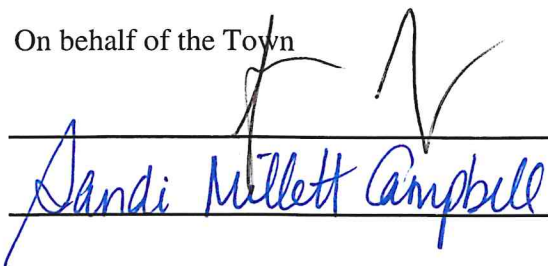
# TOWN OF ANNAPOLIS ROYAL

## NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GENERAL OPERATING FUND

AS AT MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 711,505	\$ 547,699
Taxes receivable (net of valuation allowance)	24,059	13,356
Other receivables	204,859	113,010
Harmonized sales tax	98,379	40,341
Due from		
Water Operating fund	12,393	27,293
Water Capital fund	11,582	-
Gas Tax reserve fund	-	7,347
	<u>1,062,777</u>	<u>749,046</u>
<b>OTHER ASSETS</b>		
Prepaid expenses	8,436	6,810
Inventory	2,053	2,523
	<u>10,489</u>	<u>9,333</u>
	<u>\$ 1,073,266</u>	<u>\$ 758,379</u>
<b>LIABILITIES</b>		
Payables	\$ 176,342	\$ 221,144
Deferred revenue	57,636	41,576
Due to		
General Operating reserve fund	295,128	-
General Capital fund	249,254	-
	<u>778,360</u>	<u>262,720</u>
<b>OTHER LIABILITIES</b>		
Reserve, Annapolis Royal Housing Fund	39,349	39,349
	<u>817,709</u>	<u>302,069</u>
<b>SURPLUS</b>		
	<u>255,557</u>	<u>456,310</u>
	<u>\$ 1,073,266</u>	<u>\$ 758,379</u>

On behalf of the Town



Mayor

Chief Administrative Officer

## TOWN OF ANNAPOLIS ROYAL

### NON-CONSOLIDATED STATEMENT OF OPERATIONS OF THE GENERAL OPERATING FUND

YEAR ENDED MARCH 31, 2023

	2023		2022
	Budget (unaudited)	Actual	Actual
<b>REVENUE</b>			
Taxes (page 20)	\$ 1,275,443	\$ 1,268,162	\$ 1,204,956
Grants in lieu of taxes (page 20)	442,516	450,376	440,985
Unconditional transfers from other governments (page 20)	191,956	191,956	283,912
Sale of services (page 20)	109,700	111,377	144,610
Other revenue from own sources (page 21)	367,083	556,457	350,443
	<u>2,386,698</u>	<u>2,578,328</u>	<u>2,424,906</u>
<b>EXPENSES</b>			
General government services (page 22)	581,316	640,440	457,599
Protective services (page 22)	653,993	634,872	629,902
Transportation services (page 23)	492,484	445,955	183,120
Environmental health services (page 23)	214,081	211,663	172,359
Recreational services (page 23)	82,198	87,997	92,047
Cultural services (page 23)	36,562	42,260	37,719
Marketing services (page 24)	46,159	111,788	35,594
Economic development services (page 24)	70,921	105,582	106,197
Planning services (page 24)	72,345	63,485	71,385
Fiscal services (page 24)	200,530	172,552	187,015
	<u>2,450,589</u>	<u>2,516,594</u>	<u>1,972,937</u>
<b>NET REVENUE</b>	<u>(63,891)</u>	<u>61,734</u>	<u>451,969</u>
<b>FINANCING AND TRANSFERS</b>			
Long Term Debt Principal repaid	(37,359)	(37,359)	(36,867)
Reserve for uncollected taxes	(1,000)	-	-
Net transfers (to) from			
Capital fund	(228,000)	(228,000)	(207,000)
Operating reserve fund	330,000	298,000	-
Operating reserve fund (2021/2022 surplus)	-	(200,755)	-
Operating reserve fund (2022/2023 surplus)	-	(94,373)	-
	<u>63,641</u>	<u>(262,487)</u>	<u>(243,867)</u>
<b>CHANGE IN FUND BALANCE</b>	(250)	(200,753)	208,102
<b>SURPLUS AT BEGINNING OF YEAR</b>		<u>456,310</u>	<u>248,208</u>
<b>SURPLUS AT END OF YEAR</b>		<u>\$ 255,557</u>	<u>\$ 456,310</u>

# TOWN OF ANNAPOLIS ROYAL

## NON-CONSOLIDATED SCHEDULE OF GENERAL OPERATING FUND REVENUES

YEAR ENDED MARCH 31, 2023

	2023		2022
	Budget (unaudited)	Actual	Actual
<b>Taxes</b>			
<b>Assessable Property</b>			
Residential	\$ 883,648	\$ 883,648	\$ 823,166
Commercial property	357,970	356,411	350,177
Area assessment			
Environmental health service	25,490	24,155	24,150
Business property			
Nova Scotia Power Inc. (HST Rebate)	8,335	3,948	7,463
<b>Total taxes</b>	<u>\$ 1,275,443</u>	<u>\$ 1,268,162</u>	<u>\$ 1,204,956</u>
<b>Grants in lieu of taxes</b>			
Federal government	\$ 34,436	\$ 36,353	\$ 34,436
Provincial government	22,474	22,471	22,400
Nova Scotia Power Corporation	379,673	387,153	379,673
Maritime Telegraph and Telephone	5,933	4,399	4,476
<b>Total Grants in lieu of taxes</b>	<u>\$ 442,516</u>	<u>\$ 450,376</u>	<u>\$ 440,985</u>
<b>Unconditional transfers from other governments</b>			
Department of Justice	\$ 100,000	\$ 100,000	\$ 100,000
Provincial funding for roads	91,956	91,956	183,912
<b>Total unconditional transfers from other governments</b>	<u>\$ 191,956</u>	<u>\$ 191,956</u>	<u>\$ 283,912</u>
<b>Sales of services</b>			
Planning services	\$ 9,600	\$ 12,170	\$ 12,746
Sewage treatment charges	52,000	41,823	50,725
Recreation	48,100	57,384	81,139
<b>Total sales of services</b>	<u>\$ 109,700</u>	<u>\$ 111,377</u>	<u>\$ 144,610</u>

## TOWN OF ANNAPOLIS ROYAL

### NON-CONSOLIDATED SCHEDULE OF GENERAL OPERATING FUND REVENUES (CONTINUED)

YEAR ENDED MARCH 31, 2023

	2023		2022
	Budget (unaudited)	Actual	Actual
<b>Other revenue from own sources</b>			
Hall / Office rentals	\$ 39,675	\$ 49,450	\$ 26,530
Wharf rental	5,500	28,440	5,530
Interest on investments	3,500	19,693	3,458
Licenses and permits	4,000	3,504	3,969
Miscellaneous	4,000	5,701	483
Pixie dust	10,000	12,698	13,504
Valley Waste	3,000	5,888	10,390
Fines and police checks	70,000	24,679	40,253
Penalties and interest on taxes	6,000	7,871	8,021
Marketing	88,608	199,128	54,200
Deed transfer tax	80,000	159,603	155,664
PST refunds	2,800	2,908	3,328
Covid Renovations	25,000	24,887	25,113
Parks' Canada, National cost-sharing program for Heritages places	25,000	12,007	-
<b>Total other revenue from own sources</b>	<b>\$ 367,083</b>	<b>\$ 556,457</b>	<b>\$ 350,443</b>
<b>TOTAL REVENUE</b>	<b>\$ 2,386,698</b>	<b>\$ 2,578,328</b>	<b>\$ 2,424,906</b>

# TOWN OF ANNAPOLIS ROYAL

## NON-CONSOLIDATED SCHEDULE OF GENERAL OPERATING FUND EXPENDITURES

YEAR ENDED MARCH 31, 2023

	2023		2022
	Budget (unaudited)	Actual	Actual
<b>General government services</b>			
Legislative			
Mayor and Council	\$ 48,577	\$ 45,033	\$ 40,568
General administrative			
Administrative	231,369	239,057	193,228
Atlantic Infrastructure Management Network	55,500	57,879	-
Financial management	31,520	30,826	31,816
Common services	138,781	196,152	153,681
Professional fees	54,200	50,026	20,143
Other general administrative services	21,369	21,467	18,163
<b>Total general government services</b>	<b>\$ 581,316</b>	<b>\$ 640,440</b>	<b>\$ 457,599</b>
<b>Protective services</b>			
Fire protection			
Fire fighters	\$ 53,000	\$ 53,000	\$ 53,000
Water supply and hydrants	110,130	110,130	110,130
Fire department capital grant	20,000	20,000	20,000
	<u>183,130</u>	<u>183,130</u>	<u>183,130</u>
Police protection			
Police salaries and benefits	370,165	352,839	337,642
Police automotive equipment	18,942	17,445	18,993
Radio and telephone	9,785	10,366	9,611
Police other expenses	47,607	44,435	40,293
	<u>446,499</u>	<u>425,085</u>	<u>406,539</u>
Emergency measures	<u>5,364</u>	<u>4,736</u>	<u>3,773</u>
Other			
Trees commission	11,000	11,412	21,770
Gardening	7,000	8,639	13,956
Animal control	1,000	1,870	734
	<u>19,000</u>	<u>21,921</u>	<u>36,460</u>
<b>Total protective services</b>	<b>\$ 653,993</b>	<b>\$ 634,872</b>	<b>\$ 629,902</b>



# TOWN OF ANNAPOLIS ROYAL

## NON-CONSOLIDATED SCHEDULE OF GENERAL OPERATING FUND EXPENDITURES (CONTINUED)

YEAR ENDED MARCH 31, 2023

	2023		2022
	Budget (unaudited)	Actual	Actual
<b>Transportation services</b>			
Road transport			
Roads and streets	\$ 330,591	\$ 288,660	\$ 65,155
Kings Transit services	5,000	5,000	5,000
Street lighting	8,800	8,339	8,217
Public Works			
Administrative	106,926	100,284	72,969
Equipment	24,821	27,894	21,767
Farmers' market maintenance	200	50	-
Workshop	16,146	15,728	10,012
<b>Total transportation services</b>	<b>\$ 492,484</b>	<b>\$ 445,955</b>	<b>\$ 183,120</b>
<b>Environmental health services</b>			
Administrative	\$ 96,090	\$ 96,894	\$ 73,610
Central treatment plant operations	35,220	34,611	27,763
Garbage, waste and recycling	82,771	80,158	70,986
<b>Total environmental health services</b>	<b>\$ 214,081</b>	<b>\$ 211,663</b>	<b>\$ 172,359</b>
<b>Recreational services</b>			
Facility maintenance and repairs	\$ 4,700	\$ 13,515	\$ 20,743
Friends of the pool society	6,500	6,500	8,000
Programs and activities	4,350	1,230	963
Conferences and travel	1,300	647	473
Insurance	2,121	2,269	2,001
Wages and benefits	60,412	61,133	57,874
Telephone	1,095	1,157	722
Office supplies / equipment	1,720	1,546	1,271
<b>Total recreational services</b>	<b>\$ 82,198</b>	<b>\$ 87,997</b>	<b>\$ 92,047</b>
<b>Cultural services</b>			
Farmers' market	\$ 879	\$ 650	\$ 1,505
Town crier	500	499	328
Library	35,183	41,111	35,886
<b>Total cultural services</b>	<b>\$ 36,562</b>	<b>\$ 42,260</b>	<b>\$ 37,719</b>

# TOWN OF ANNAPOLIS ROYAL

## NON-CONSOLIDATED SCHEDULE OF GENERAL OPERATING FUND EXPENDITURES (CONTINUED)

YEAR ENDED MARCH 31, 2023

	2023		2022
	Budget (unaudited)	Actual	Actual
<b>Marketing services</b>			
Advertising and website	\$ 5,050	\$ 4,060	\$ 2,630
Wages and benefits	18,409	17,949	16,365
General expenses	17,550	9,440	4,384
Post covid stimulus grant	-	73,217	-
Promotional	2,150	3,045	9,108
Twinning	500	500	500
Natal Day	2,500	3,577	2,607
<b>Total Marketing services</b>	<b>\$ 46,159</b>	<b>\$ 111,788</b>	<b>\$ 35,594</b>
<b>Economic development services</b>			
Economic Develop. - Gardens	\$ -	\$ -	\$ 1,500
Pixie Dust	10,000	12,860	10,508
Economic Development - VIC	2,000	2,000	2,500
Annapolis Royal Wharf	5,100	32,164	1,261
Local and Area Economic Development (ARRA)	33,683	41,675	30,466
Bus Garage expense	20,138	16,883	37,747
Department of Canadian Heritage	-	-	22,215
<b>Total Economic development services</b>	<b>\$ 70,921</b>	<b>\$ 105,582</b>	<b>\$ 106,197</b>
<b>Planning services</b>			
Planning services	\$ 72,345	\$ 63,485	\$ 71,385
<b>Total planning services</b>	<b>\$ 72,345</b>	<b>\$ 63,485</b>	<b>\$ 71,385</b>
<b>Fiscal services</b>			
Debt charges			
Debenture interest	\$ 6,909	\$ 6,909	\$ 7,914
Bank service charges	850	796	785
Unconditional transfers to other governments and agencies			
Senior citizen housing commission	30,000	10,254	19,407
Conditional transfers to other governments and agencies			
Correctional services	11,249	8,445	11,249
Appropriation to Regional School Board	151,522	146,148	147,660
<b>Total fiscal services</b>	<b>\$ 200,530</b>	<b>\$ 172,552</b>	<b>\$ 187,015</b>
<b>TOTAL EXPENSES</b>	<b>\$ 2,450,589</b>	<b>\$ 2,516,594</b>	<b>\$ 1,972,937</b>

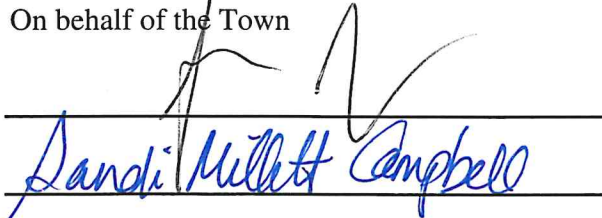
# TOWN OF ANNAPOLIS ROYAL

## NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GENERAL CAPITAL FUND

AS AT MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 270,769	\$ 140,823
Other receivables	20,000	-
HST receivable	30,764	43,038
Due from		
Gas tax reserve fund		22,653
General operating fund	249,254	-
	<u>570,787</u>	<u>206,514</u>
Capital assets, at cost (note 5)	12,726,044	12,425,034
Accumulated amortization (note 5)	<u>(6,545,269)</u>	<u>(6,193,804)</u>
	<u>6,180,775</u>	<u>6,231,230</u>
	<u>\$ 6,751,562</u>	<u>\$ 6,437,744</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 275,461	\$ 156,397
Deferred revenue	249,254	-
Long Term Debt		
Canada Mortgage and Housing Corporation (note 6)	40,241	52,600
Municipal Finance Debenture (note 6)	175,000	200,000
	<u>739,956</u>	<u>408,997</u>
<b>FUND BALANCE</b>	<u>6,011,606</u>	<u>6,028,747</u>
	<u>\$ 6,751,562</u>	<u>\$ 6,437,744</u>

On behalf of the Town

  
\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Chief Administrative Officer

## TOWN OF ANNAPOLIS ROYAL

### NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE GENERAL CAPITAL FUND

YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
<b>REVENUE</b>		
Lift station grant	\$ 20,000	\$ -
Community generator grant	41,520	-
PCAP Funding	-	100,000
Community foundation of Canada	-	22,653
Interest	7,445	428
	<u>68,965</u>	<u>123,081</u>
<b>EXPENDITURES</b>		
Amortization	<u>351,465</u>	<u>343,672</u>
<b>NET REVENUE (EXPENDITURES)</b>	<u>(282,500)</u>	<u>(220,591)</u>
<b>FINANCING AND TRANSFERS</b>		
Debt retired, long term	<u>37,359</u>	<u>36,866</u>
Transfers from own reserves, funds and agencies		
Transfer from capital reserve	228,000	207,000
Transfer from gas tax reserve	-	100,000
Transfer (to) from reserve fund	-	(575)
Total net transfers	<u>228,000</u>	<u>306,425</u>
Total financing and transfers	<u>265,359</u>	<u>343,291</u>
<b>CHANGE IN FUND BALANCE</b>	(17,141)	122,700
<b>SURPLUS AT BEGINNING OF YEAR</b>	<u>6,028,747</u>	<u>5,906,047</u>
<b>SURPLUS AT END OF YEAR</b>	<u>\$ 6,011,606</u>	<u>\$ 6,028,747</u>

# TOWN OF ANNAPOLIS ROYAL

## NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE WATER UTILITY OPERATING FUND

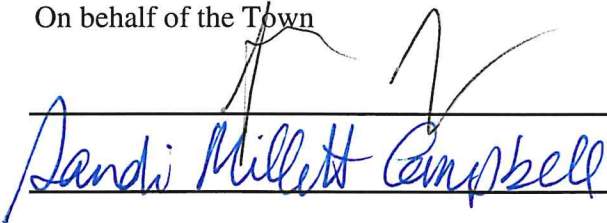
AS AT MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash	\$ 129,519	\$ 166,374
Rates receivable, net of asset valuation of \$2,500 (2022- \$2,500)	53,073	51,799
Interest receivables	2,867	-
Other receivables	2,781	1,217
Prepaid expenses	-	47
Inventory, at cost	26,703	24,835
	<u>\$ 214,943</u>	<u>\$ 244,272</u>
<b>LIABILITIES</b>		
Payables	\$ 45,675	\$ 45,004
Due to		
General operating fund	12,393	27,293
Water capital fund	36,410	58,623
	<u>94,478</u>	<u>130,920</u>
<b>ACCUMULATED SURPLUS</b>	<u>120,465</u>	113,352
	<u>\$ 214,943</u>	<u>\$ 244,272</u>

On behalf of the Town

Mayor

Chief Administrative Officer

  
Sandi Millett Campbell

## TOWN OF ANNAPOLIS ROYAL

### NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE WATER UTILITY OPERATING FUND

YEAR ENDED MARCH 31, 2023

	2023		2022
	Budget (unaudited)	Actual	Actual
<b>OPERATING REVENUE</b>			
Metered sales	\$ 259,000	\$ 257,830	\$ 251,831
Public fire protection	110,130	110,130	110,130
Other operational revenue	3,200	3,164	3,194
Total operating revenue	<u>372,330</u>	<u>371,124</u>	<u>365,155</u>
<b>OPERATING EXPENDITURES</b>			
Source of supply (page 29)	102,000	107,324	242,537
Power and pumping (page 29)	2,295	2,589	2,607
Water testing and treatment	16,250	10,896	16,692
Transmission and distribution (page 29)	70,984	74,156	56,131
Administration and general (page 29)	110,663	109,219	106,680
Depreciation	58,500	56,410	58,623
Professional services	4,629	3,361	4,986
Total operating expenditures	<u>365,321</u>	<u>363,955</u>	<u>488,256</u>
<b>NET OPERATING REVENUE (EXPENDITURE)</b>	<u>7,009</u>	<u>7,169</u>	<u>(123,101)</u>
<b>Non-operating revenue</b>			
Interest	1,000	6,954	971
Other	400	1,170	700
	<u>1,400</u>	<u>8,124</u>	<u>1,671</u>
<b>Non-operating expenditures</b>			
Debt charges			
Principal	6,952	6,952	6,675
Interest	1,228	1,228	1,504
Transfer to Water Capital reserve fund	-	-	-
	<u>8,180</u>	<u>8,180</u>	<u>8,179</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)</b>	229	7,113	(129,609)
<b>SURPLUS AT BEGINNING OF YEAR</b>		<u>113,352</u>	<u>242,961</u>
<b>SURPLUS AT END OF YEAR</b>		<u>\$ 120,465</u>	<u>\$ 113,352</u>

## TOWN OF ANNAPOLIS ROYAL

### SCHEDULE TO NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE WATER UTILITY OPERATING FUND

YEAR ENDED MARCH 31, 2023

	2023		2022
	Budget (unaudited)	Actual	Actual
<b>SOURCE OF SUPPLY</b>			
Cost of sharing Municipal water supply	\$ 102,000	\$ 107,324	\$ 102,963
Boil water advisory	-	-	139,574
	<u>\$ 102,000</u>	<u>\$ 107,324</u>	<u>\$ 242,537</u>
<b>POWER AND PUMPING</b>			
Power	\$ 2,295	\$ 2,154	\$ 2,228
Pumping	-	435	379
	<u>\$ 2,295</u>	<u>\$ 2,589</u>	<u>\$ 2,607</u>
<b>TRANSMISSION AND DISTRIBUTION</b>			
Salaries and wages	\$ 48,851	\$ 51,078	\$ 39,670
Maintenance	16,264	17,042	11,500
Transportation expenses	5,869	6,036	4,961
	<u>\$ 70,984</u>	<u>\$ 74,156</u>	<u>\$ 56,131</u>
<b>ADMINISTRATION AND GENERAL</b>			
Salaries and benefits	\$ 80,638	\$ 81,743	\$ 80,995
General and office expenses	16,393	14,526	15,104
Regulatory expenses	800	1,615	-
Building expenses	12,832	11,335	10,581
	<u>\$ 110,663</u>	<u>\$ 109,219</u>	<u>\$ 106,680</u>

# TOWN OF ANNAPOLIS ROYAL

## NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE WATER UTILITY CAPITAL FUND

AS AT MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash	\$ 69,479	\$ 119,227
Depreciation Fund Water Utility (note 4)	524,947	462,607
Interest receivable	12,059	-
HST receivable	9,117	-
Due from		
Water operating fund	36,410	58,623
	<u>652,012</u>	<u>640,457</u>
Capital assets (note 5)	3,500,529	3,411,779
Accumulated allowance for depreciation (note 5)	(1,236,661)	(1,180,251)
	<u>2,263,868</u>	<u>2,231,528</u>
	<u>\$ 2,915,880</u>	<u>\$ 2,871,985</u>
<b>LIABILITIES</b>		
Due to		
General operating fund	\$ 11,582	\$ -
Long-term debt (note 6)	22,635	29,587
Deferred government assistance	620,895	631,623
	<u>655,112</u>	<u>661,210</u>
<b>INVESTMENT IN CAPITAL ASSETS</b>	<u>2,260,768</u>	<u>2,210,775</u>
	<u>\$ 2,915,880</u>	<u>\$ 2,871,985</u>

On behalf of the Town

  
 \_\_\_\_\_ Mayor

Chief Administrative Officer



# TOWN OF ANNAPOLIS ROYAL

## NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE WATER UTILITY CAPITAL FUND

YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
<b>REVENUE</b>		
Interest	\$ 16,931	\$ 2,209
PCAP funding	15,382	-
Amortization of deferred assistance	10,728	10,728
	<u>43,041</u>	<u>12,937</u>
<b>EXPENDITURES</b>		
Capital purchases	-	-
	<u>-</u>	<u>-</u>
<b>NET REVENUE</b>	<u>43,041</u>	<u>12,937</u>
<b>FINANCING AND TRANSFERS</b>		
Repayment of debt	6,952	6,675
Total financing and transfers	<u>6,952</u>	<u>6,675</u>
<b>CHANGE IN FUND BALANCE</b>	49,993	19,612
<b>SURPLUS AT BEGINNING OF YEAR</b>	<u>2,210,775</u>	<u>2,191,163</u>
<b>SURPLUS AT END OF YEAR</b>	<u><u>\$ 2,260,768</u></u>	<u><u>\$ 2,210,775</u></u>

## TOWN OF ANNAPOLIS ROYAL

### NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GENERAL CAPITAL RESERVE FUND

AS AT MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash	\$ 375,588	\$ 397,632
Interest receivable	7,968	-
Due from Water Utility Capital Reserve Fund	498	386
	<u>\$ 384,054</u>	<u>\$ 398,018</u>
<b>RESERVE</b>	<u>\$ 384,054</u>	<u>\$ 398,018</u>

## TOWN OF ANNAPOLIS ROYAL

### NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE GENERAL CAPITAL RESERVE FUND

YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
<b>REVENUE</b>		
Interest income	\$ 11,036	\$ 1,940
<b>EXPENDITURES</b>		
Wharf handover funds	25,000	-
<b>NET REVENUE (EXPENDITURE)</b>	<u>(13,964)</u>	<u>1,940</u>
<b>FINANCING AND TRANSFERS</b>		
Transfer from general capital reserve	-	575
<b>Change in fund balance</b>	<u>(13,964)</u>	<u>2,515</u>
<b>Opening fund balance</b>	<u>398,018</u>	<u>395,503</u>
<b>Closing fund balance</b>	<u>\$ 384,054</u>	<u>\$ 398,018</u>

On behalf of the Town

Mayor

*Dandi Milbott Campbell*

Chief Administrative Officer

## TOWN OF ANNAPOLIS ROYAL

### NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE WATER UTILITY CAPITAL RESERVE FUND

AS AT MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash	\$ 217,191	\$ 213,656
Interest receivable	<u>2,656</u>	<u>-</u>
	<u>\$ 219,847</u>	<u>\$ 213,656</u>
<b>LIABILITIES</b>		
Due to general capital reserve fund	\$ 498	\$ 386
<b>RESERVE</b>	<u>219,349</u>	<u>213,270</u>
	<u>\$ 219,847</u>	<u>\$ 213,656</u>

## TOWN OF ANNAPOLIS ROYAL

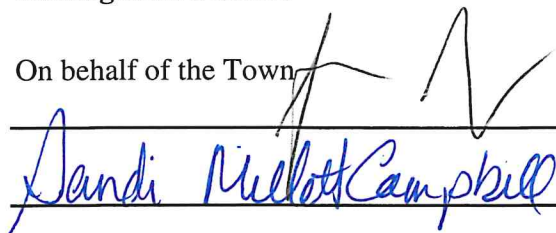
### NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE WATER UTILITY CAPITAL RESERVE FUND

YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
<b>REVENUE</b>		
Interest income	<u>\$ 6,079</u>	<u>\$ -</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>
<b>NET REVENUE (EXPENDITURE)</b>	<u>6,079</u>	<u>-</u>
<b>FINANCING AND TRANSFERS</b>		
Transfer from water operating	-	-
Transfer from general operating	<u>-</u>	<u>-</u>
	-	-
<b>Change in fund balance</b>	<b>6,079</b>	<b>-</b>
<b>Opening fund balance</b>	<u>213,270</u>	<u>213,270</u>
<b>Closing fund balance</b>	<u>\$ 219,349</u>	<u>\$ 213,270</u>

On behalf of the Town

Mayor



Chief Administrative Officer

## TOWN OF ANNAPOLIS ROYAL

### NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GENERAL OPERATING RESERVE FUND

AS AT MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash	\$ 350,187	\$ 643,660
Interest receivable	7,968	-
Due from general operating fund	295,128	-
	<u>\$ 653,283</u>	<u>\$ 643,660</u>
<b>RESERVE</b>	<u>\$ 653,283</u>	<u>\$ 643,660</u>

## TOWN OF ANNAPOLIS ROYAL

### NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE GENERAL OPERATING RESERVE FUND

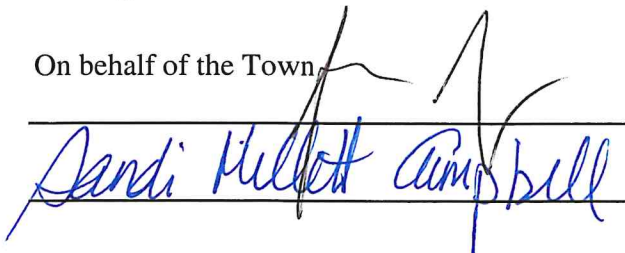
YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
<b>REVENUE</b>		
Interest income	\$ 12,495	\$ 1,875
<b>EXPENDITURES</b>	-	-
<b>NET REVENUE (EXPENDITURE)</b>	<u>12,495</u>	<u>1,875</u>
<b>FINANCING AND TRANSFERS</b>		
Transfer from general operating 2021/2022 surplus	200,755	-
Transfer from general operating 2022/2023 surplus	94,373	-
Transfer to general operating	(298,000)	-
	<u>(2,872)</u>	<u>-</u>
<b>Change in fund balance</b>	9,623	1,875
<b>Opening fund balance</b>	<u>643,660</u>	<u>641,785</u>
<b>Closing fund balance</b>	<u>\$ 653,283</u>	<u>\$ 643,660</u>

On behalf of the Town

Mayor

Chief Administrative Officer



## TOWN OF ANNAPOLIS ROYAL

### NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GAS TAX RESERVE FUND

AS AT MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash	\$ 461,361	\$ 425,020
Interest receivable	5,734	-
	<u>\$ 467,095</u>	<u>\$ 425,020</u>
<b>LIABILITIES</b>		
Due to		
General operating fund	\$ -	\$ 7,347
General capital fund	-	22,653
	-	30,000
<b>RESERVE</b>	<u>467,095</u>	<u>395,020</u>
	<u>\$ 467,095</u>	<u>\$ 425,020</u>

## TOWN OF ANNAPOLIS ROYAL

### NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE GAS TAX RESERVE FUND

YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
<b>REVENUE</b>		
Interest income	\$ 12,543	\$ 1,309
Gas tax funds received	59,532	111,604
	<u>72,075</u>	<u>112,913</u>
<b>EXPENDITURES</b>	-	-
<b>NET REVENUE (EXPENDITURE)</b>	<u>72,075</u>	<u>112,913</u>
<b>FINANCING AND TRANSFERS</b>		
Transfer to general capital fund	-	(100,000)
	-	(100,000)
<b>Change in fund balance</b>	<u>72,075</u>	<u>12,913</u>
<b>Opening fund balance</b>	<u>395,020</u>	<u>382,107</u>
<b>Closing fund balance</b>	<u>\$ 467,095</u>	<u>\$ 395,020</u>

On behalf of the Town

Mayor

Chief Administrative Officer

