



TOWN OF BERWICK

March 31, 2015

FINANCIAL STATEMENTS

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UNDERSTANDING THE FINANCIAL STATEMENTS

The Town of Berwick's Financial Statements are prepared in accordance with generally accepted accounting principles and the recommendations of the Public Sector Accounting Board (PSAB) of the Institute of Chartered Accountants.

The audit firm of Morse Brewster Lake was appointed by Council and is responsible for expressing an opinion as to whether the financial statements, prepared by the Town's management, fairly present the financial position of the Town of Berwick and the results of its 2014/15 operations.

CONSOLIDATED STATEMENTS

The consolidated statements include the activities, fund balances and financial position of the entities under the control of Town Council; these include the general operating fund, general capital fund, electric operating fund, electric capital fund and reserve funds for the town. The results of these funds are consolidated, with interdepartmental transactions and balances being eliminated.

Consolidated Statement of Financial Activities

The Consolidated Statement of Financial Activities measures the Town's performance over the year against the annual budget adopted by Council.

It lists the sources of the revenue under various income headings and the expenses incurred in running the town during the year. The revenues and expenses relate to both 'operations' and 'capital', including the cost associated with the funding and purchase or the building of assets. Expenses also include an item for depreciation which is the value of the assets used up during the year.

Consolidated Statement of Financial Position

The Consolidated Statement of Financial Position shows the assets Berwick owns and what it owes (liabilities) as at March 31, 2015. The bottom line of the Statement of Financial Position is Net Assets which is the net worth of the town which has been built up over many years.

Consolidated Statement of Changes in Net Financial Assets

The Consolidated Statement of Changes in Net Financial Assets summarizes the change in value of Total Ratepayers Equity. The value of equity can only change as a result of:

- the profit or loss from operations described as surplus or deficit in the Consolidated Statement of Financial Activities,
- the acquisition of tangible capital assets,
- a change in the value of current or non-current assets resulting from a revaluation of these assets.

Consolidated Statement of Cash Flow

The Consolidated Statement of Cash Flow summarizes Berwick's cash payments and receipts for the year and the level of cash at the end of the fiscal year.

Berwick's cash arises from, and is used in, three main areas:

- Cash Flows from Operating Activities – summarizes all income and expenses relating to town operations, including service delivery and maintenance, as well as receipts for the sale of assets,
- Cash Flows from Investing Activities – relates to capital works payments recorded as assets in the Consolidated Statement of Financial Position,
- Cash Flows from Financing Activities – represents repayments of and receipts from loans.

NON-CONSOLIDATED SECTION

(General, Electric Utility and Reserve Funds)

The Non-Consolidated Section includes the activities of the operating, capital and reserve funds.

The Statement of Operations shows the revenues and expenses incurred by the town during the course of normal operations and provide a result that reflects how Council uses rates and regular income to meet typical expenditures.

The Balance Sheet shows the assets each fund owns and what it owes (liabilities) as at March 31, 2015.

The Statement of Investment in Capital Assets shows the investment or funding of the fund's capital program.

Schedules are prepared to provide greater details and segregated information to the readers.

NOTES

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

The notes are an informative section of the report and enable the reader to understand the basis on which the values shown in the statements are established. The notes also advise if there has been any change to the Accounting Standards, Policy or Legislation that has impacted on the preparation of the standards.

Within the lines of financial statements, there may be a "note" identifier to indicate which note the reader can refer to for additional information. This is particularly useful where there has been a significant change from the previous year's comparative figure.

STATEMENT BY THE MAYOR AND CHIEF ADMINISTRATIVE OFFICER

The Financial Statements require certification; the certifications are made by a combination of the Mayor and Chief Administrative Officer of the Town of Berwick, on behalf of the Council, as a written undertaking to the Financial Statements being correct and not misleading.

INDEPENDENT AUDITOR'S REPORT

This document provides a written undertaking of the accuracy, fairness and completeness of the accounts.

The audit report from the Auditor provides an independent view of the statements and advises the reader if there are any issues of concern.

Morse Brewster Lake

Chartered Accountants

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Berwick, NS
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Independent Auditor's Report

To His Worship the Mayor and Members of the Town Council of the Town of Berwick

We have audited the accompanying financial statements of **Town of Berwick**, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statement of operations, change in net financial assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for the public sector 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.


An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Town of Berwick as at March 31, 2015 and the results of operations, changes in financial position and change in net assets for the year then ended, in accordance with Canadian accounting standards for the public sector.

Berwick, Nova Scotia
September 22, 2015



Registered Municipal Auditor

REPORT FROM THE DIRECTOR OF FINANCE

September 22, 2015

Mayor and Council
Town of Berwick

Your Worship and Members of Council,

I am pleased to present the financial statements for the fiscal year ending March 31, 2015. These statements have been prepared in accordance with generally accepted accounting principles and the recommendations of the Public Sector Accounting Board (PSAB) of the Institute of Chartered Accountants and the Provincial Ministry of Service Nova Scotia and Municipal Relations.

The Town maintains a system of internal accounting controls designed to safeguard the assets of the municipality and provide reliable financial information. We verify and test these systems on a regular basis through the use and review of the internal controls.

The audit firm of Morse Brewster Lake was appointed by Council and is responsible for expressing an opinion as to whether the financial statements, prepared by the Town's management, fairly present the financial position of the Town of Berwick and the results of its 2014/15 operations.

I am pleased to report that the town realized a modest surplus of \$11 thousand (2013/14 - \$9 thousand surplus), while the electric utility continued its positive growth with a surplus of \$115 thousand (2013/14 - \$35 thousand surplus.) We expect the trends for these two funds to continue in the foreseeable future.

The overall financial position of the town has continued to improve over the last few years. Many significant financial indicators are trending in positive ways such as a reduction in our consolidated net liabilities (2014/15 - \$1.17 million versus \$1.68 million in 2013/14), increase in our overall fund balances (2014/15 - \$1.25 million versus \$1.05 million in 2013/14), and an overall increase of \$75 thousand (net a one-time transfer of the town's accumulated operating surplus into the operating reserve) in the reserve balances of the town.

Capital expenditures for the town totaled \$426 thousand, which was funded via reserve balances and external funding and did not require the issuance of any long term debt.

Although the town currently enjoys financial stability, future years will focus on a prudent approach to financial management with the intent of increasing financial asset level, moderating long term debt, and expanding level of reserves; this approach will be needed to ensure that the town remains on a sustainable financial foundation for the future.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Greg Towne". The signature is fluid and cursive, with the first name "Greg" being more prominent than the last name "Towne".

Greg Towne

STATEMENT BY THE MAYOR AND CHIEF ADMINISTRATIVE OFFICER

In our opinion the accompanying Financial Statements have been prepared on accounting basis consistent with generally accepted accounting principles and the recommendations of the Public Sector Accounting Board (PSAB) of the Institute of Chartered Accountants.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the Financial Statements to be misleading or inaccurate.

We have been authorized by the Council on September 22, 2015 to certify the Financial Statements in their final form.



Donald Clarke, Mayor
September 22, 2015
Berwick, Nova Scotia



Don Regan, Chief Administrative Officer
September 22, 2015
Berwick, Nova Scotia

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended March 31, 2015

	Mar 31, 2015 Budget	Mar 31, 2015 Actual	Mar 31, 2014 Actual
Revenue			
Taxation	\$ 3,353,300	\$ 3,354,494	\$ 3,263,301
Less: School Board requisition	(465,300)	(465,168)	(430,092)
	2,888,000	2,889,326	2,833,209
Grants in lieu of taxes	42,000	39,673	47,804
Sale of services	374,100	300,470	230,019
Revenue from own sources	123,900	153,789	127,296
Unconditional transfers from other governments	272,600	276,655	295,959
Berwick Electric Utility	5,010,010	5,030,922	4,982,500
Proceeds from sale of assets	-	13,000	39,981
Grants and contributions	-	178,628	354,990
Total Revenue	8,710,610	8,882,463	8,911,758
Expenditures			
General government services			
Legislative services	86,700	90,344	88,264
Administrative services	571,100	598,507	877,314
Protective services			
Police services	581,400	581,220	557,594
Fire services	233,900	230,878	203,634
Other services	34,300	33,607	24,137
Transportation services	544,800	604,848	604,306
Environmental health services	631,800	665,992	581,197
Environmental development	175,300	119,617	109,477
Recreational and cultural services	254,100	284,213	237,845
Fiscal services	222,000	214,124	204,345
Amortization	-	548,317	547,875
Disposal of capital assets	-	17,388	33,845
Electric utility operating expenditures	4,626,220	4,469,599	4,435,172
Electric utility depreciation	208,600	205,345	198,412
Electric utility non-operating expenditures	24,020	20,515	23,850
Total Expenditures	8,194,240	8,684,514	8,727,267
Annual Surplus	\$ 516,370	\$ 197,949	\$ 184,491

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended March 31, 2015

	Mar 31, 2015 Actual	Mar 31, 2014 Actual
Financial Assets		
Cash	\$ 306,691	\$ 188,851
Taxes receivable (note 4)	184,669	174,208
Accounts receivable	1,792,871	1,583,917
HST rebate	46,566	56,634
	2,330,797	2,003,610
Financial Liabilities		
Payables and accruals	1,165,640	1,101,443
Deferred revenue	80,679	89,671
Long term debt (p 38)	2,257,724	2,508,485
	3,504,043	3,699,599
NET FINANCIAL ASSETS/(LIABILITIES)	(1,173,246)	(1,695,989)
Non-Financial Assets		
Inventory and prepaid expenses	113,664	93,557
Deferred pension charge (note 9)	8,690	14,354
Equity in Valley Waste Resource Management	253,863	253,863
Tangible capital assets (note 6)	12,503,062	12,847,963
	12,879,279	13,209,737
Non-Financial Liabilities		
Unfunded pension liability	8,690	14,354
Net Non-Financial Assets/(Liabilities)	12,870,589	13,195,383
Net Assets/Liabilities	\$ 11,697,343	\$ 11,499,394
Municipal Position		
Amounts to be recovered in future years (note 7)	\$ (9,839)	\$ (19,678)
Fund balances (note 8)	1,246,262	1,045,393
Investment in Capital Assets	10,460,920	10,473,679
Total Municipal Position	\$ 11,697,343	\$ 11,499,394

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL POSITION

For the year ended March 31, 2015

	March 31, 2015 Budget	March 31, 2015 Actual	March 31, 2014 Actual
Annual Surplus	\$ 516,370	\$ 197,949	\$ 184,491
Add (Deduct):			
Acquisition of tangible capital assets (p 40)	(2,502,881)	(426,175)	(907,979)
Amortization of tangible capital assets	208,600	753,662	746,287
Disposal of capital assets	-	17,388	33,845
Use of prepaid assets and deferred charges	-	(20,081)	(8,259)
Increase (Decrease) in Net Assets	\$ (1,777,911)	522,743	48,385
Net Financial Assets, Beginning of Year		(1,695,989)	(1,744,374)
Net Financial Assets, End of Year		\$ (1,173,246)	\$ (1,695,989)

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended March 31, 2015

	March 31, 2015 Actual	March 31, 2014 Actual
Cash Flow from Operating Activities		
Annual Surplus	\$ 197,949	\$ 184,491
(Gain)/Loss on sale of assets	4,388	(6,136)
Depreciation and amortization	753,662	746,287
Change in:		
Taxes receivable	(10,461)	(126,854)
Accounts receivable	(208,954)	(230,195)
HST rebate	10,068	(31,572)
Inventory and prepaid expenses	(20,081)	(8,259)
Deferred revenue	(8,992)	89,671
Payables and accruals	64,191	186,249
	781,770	803,682
Cash Flow from Investing Activities		
Proceeds on sale of assets	13,000	39,981
Purchase of tangible capital assets	(426,175)	(907,979)
	(413,175)	(867,998)
Cash Flow from Financing Activities		
Proceeds on issuance of debenture	-	302,000
Reduction in long term debt	(250,755)	(257,031)
	(250,755)	44,969
Cash Increase (Decrease)	117,840	(19,347)
Cash and Cash Equivalencies, Beginning of Year	188,851	208,198
Cash and Cash Equivalencies, End of Year	\$ 306,691	\$ 188,851

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

GENERAL SECTION**STATEMENT OF OPERATIONS**

Operating Fund

For the year ended March 31, 2015

	March 31, 2015 Budget	March 31, 2015 Actual	March 31, 2014 Actual
Revenue			
Taxation (p 16)	\$ 3,353,300	\$ 3,354,494	\$ 3,263,301
Less: School Board requisition	(465,300)	(465,168)	(430,092)
	<u>2,888,000</u>	<u>2,889,326</u>	<u>2,833,209</u>
Grants in lieu of taxes (p 16)	42,000	39,673	47,804
Sale of services (p 16)	374,100	432,470	351,679
Revenue from own sources (p 17)	83,000	74,900	65,783
Unconditional transfers from other governments (p 17)	272,600	276,655	295,959
Other transfers (p 17)	105,000	133,818	398,925
Gain on sale of assets	-	(4,388)	4,818
Total Revenue	3,764,700	3,842,454	3,998,177
Expenditures			
General government services			
Legislative services (p 18)	86,700	90,344	88,264
Administrative services (p 18)	571,100	598,507	877,314
Protective services			
Police services (p 19)	581,400	581,220	557,594
Fire services (p 19)	233,900	230,878	203,634
Other services (p 19)	34,300	33,607	24,137
Transportation services (p 20)	544,800	604,848	604,306
Environmental health services (p 20)	631,800	665,992	581,197
Environmental development (p 21)	175,300	119,617	109,477
Recreational and cultural services (p 21)	254,100	284,213	237,845
Fiscal services (p 22)	222,000	214,124	204,345
Amortization	-	548,317	547,875
Total Expenditures	3,335,400	3,971,667	4,035,988
Net Revenue Over Expenditures	429,300	(129,213)	(37,811)
Principal payments to debt	(174,600)	(174,661)	(171,901)
Transfers to			
Capital reserve fund	(130,800)	(162,474)	(148,882)
Operating reserve fund	(123,900)	(320,790)	(179,519)
Change in Fund Balance	\$ -	\$ (787,138)	\$ (538,113)

GENERAL SECTION

BALANCE SHEET

Operating Fund
For the year ended March 31, 2015

	March 31, 2015 Actual	March 31, 2014 Actual
Assets		
Taxes receivable (note 4)	\$ 184,669	\$ 174,208
Accounts receivable	703,708	538,898
Due from Alternative Resource Energy Authority	20,000	-
HST rebate	46,566	56,634
Due from general capital fund	109,002	109,002
Prepaid expenses	16,133	12,386
	1,080,078	891,128
Deferred pension charge (note 9)	8,690	14,354
Total Assets	\$ 1,088,768	\$ 905,482
Liabilities		
Bank indebtedness	\$ 587,344	\$ 19,996
Payables and accruals	400,798	535,771
Deferred revenue	80,679	89,671
	1,068,821	645,438
Due to general capital fund (note 7)	9,839	19,678
Unfunded pension liability (note 9)	8,690	14,354
Total Liabilities	1,087,350	679,470
Surplus		
Amounts to be recovered in future years (note 7)	(9,839)	(19,678)
Operating surplus (note 10)	11,257	245,690
	1,418	226,012
Total Liabilities and Surplus	\$ 1,088,768	\$ 905,482

GENERAL SECTION**BALANCE SHEET**

Capital Fund

For the year ended March 31, 2015

	March 31, 2015 Actual	March 31, 2014 Actual
Assets		
Equity in assets in Valley Waste Resource Management	\$ 253,863	\$ 253,863
Due from general operating fund (note 7)	9,839	19,678
Tangible capital assets (note 6)	9,134,899	9,388,580
Total Assets	\$ 9,398,601	\$ 9,662,121
Liabilities		
Due to general operating fund	\$ 109,002	\$ 109,002
Long term debt		
Debentures issued through Municipal Finance Corporation (p 37)	1,791,432	1,966,099
Total Liabilities	1,900,434	2,075,101
Equity		
Investment in Capital Assets (p 15)	7,498,167	7,587,020
Total Liabilities and Equity	\$ 9,398,601	\$ 9,662,121

GENERAL SECTION

STATEMENT OF INVESTMENT IN CAPITAL ASSETS

Capital Fund

For the year ended March 31, 2015

	March 31, 2015 Actual	March 31, 2014 Actual
Balance, Beginning of Year	\$ 7,587,020	\$ 7,377,477
Add (Deduct)		
Long term debt retired	164,822	162,062
Grants for capital purposes		
Province of Nova Scotia		
Sport & recreation grants	13,666	-
Off Highway Vehicle Fund	6,300	-
Municipality of the County of Kings		
Trails Assistance Program (TAP)	9,454	-
Berwick Volunteer Fire Department	-	99,401
Berwick & District Fire Commission	7,631	106,786
Proceeds from insurance claim	-	17,836
Transfers from capital reserve fund		
Capital reserves	166,449	149,887
Gas Tax funds	108,530	241,679
Amortization	(548,317)	(547,875)
Disposal of property, plant and equipment	(17,388)	(20,233)
Balance, End of Year	\$ 7,498,167	\$ 7,587,020

GENERAL SECTION**SCHEDULES TO STATEMENT OF OPERATIONS**

Operating Fund

For the year ended March 31, 2015

	March 31, 2015 Budget	March 31, 2015 Actual	March 31, 2014 Actual
Taxation			
Residential	\$ 1,418,800	\$ 1,422,717	\$ 1,392,349
Commercial	869,200	873,900	919,053
	2,288,000	2,296,617	2,311,402
Resource	13,000	12,900	13,075
Education contribution	465,300	466,866	430,039
Deed transfer tax	81,100	73,752	71,015
Sewerage			
Residential and commercial users	163,400	162,903	137,717
Industrial and institutional users	342,500	341,366	300,053
	1,065,300	1,057,877	951,899
	\$ 3,353,300	\$ 3,354,494	\$ 3,263,301
Grants in Lieu of Taxes			
Federal government agencies	\$ 7,500	\$ 8,493	\$ 9,716
HST recovery	18,200	15,532	20,882
Aliant Telecom Incorporated	16,300	15,648	17,206
	\$ 42,000	\$ 39,673	\$ 47,804
Sales of Services			
County of Kings			
Fire protection	\$ 147,800	\$ 169,132	\$ 159,655
Recreation services	27,900	25,188	29,027
Administration fee	132,000	132,000	121,660
Sewer service fees	24,100	24,100	-
Recreation program revenue	42,300	82,050	41,337
	\$ 374,100	\$ 432,470	\$ 351,679

GENERAL SECTION

SCHEDULES TO STATEMENT OF OPERATIONS

Operating Fund

For the year ended March 31, 2015

Revenue from Own Sources			
Facility rental	\$ 13,800	\$ 11,175	\$ 13,356
Fines	3,400	184	2,125
Interest on investments	6,100	4,186	2,805
Interest on taxes	14,900	20,907	17,491
Planning services	7,500	2,715	1,695
By-law administration fees	1,100	1,320	1,045
Miscellaneous	36,200	34,413	27,266
	\$83,000	\$ 74,900	\$ 65,783
Unconditional Transfers from Other Governments			
Provincial government			
Equalization grant	\$ 221,500	\$ 221,479	\$ 252,572
Farm property acreage	1,000	953	936
Other	50,100	54,223	12,431
Economic Development Agency	-	-	30,020
	\$ 272,600	\$ 276,655	\$ 295,959
Other Transfers			
Dividend from Electric Utility	\$ 91,000	\$ 91,000	\$ 50,000
Transfer from Valley Waste Resource Management	-	-	3,712
Transfer from own sources			
Operating reserve	14,000	42,818	334,800
Accumulated surplus	-	-	10,413
	\$ 105,000	\$ 133,818	\$ 398,925

GENERAL SECTION**SCHEDULES TO STATEMENT OF OPERATIONS**

Operating Fund

For the year ended March 31, 2015

	March 31, 2015 Budget	March 31, 2015 Actual	March 31, 2014 Actual
General Government Services			
Legislative			
Honorarium	\$ 66,600	\$ 69,813	\$ 70,354
Legislative expenses	20,100	20,531	17,910
	\$ 86,700	\$ 90,344	\$ 88,264
Administration			
Salaries and benefits	\$ 73,000	\$ 78,402	\$ 79,618
Travel and conferences	7,000	5,509	7,042
Legal and professional fees	9,400	16,701	11,078
Advertising	3,700	1,919	5,722
Communication expense	3,800	1,420	2,328
Office and supplies	2,800	2,518	6,213
	99,700	106,469	112,001
Finance			
Salaries and benefits	180,100	177,113	173,641
Travel and conferences	4,100	1,829	2,671
Office and equipment expense	7,200	7,229	5,689
General liability insurance	12,300	11,775	11,975
Advertising	900	736	1,244
Postage	12,400	11,917	9,195
Communication expense	4,300	4,328	4,245
Audit fees	6,000	4,315	5,487
Bank fees	9,800	9,388	9,747
	237,100	228,630	223,894
Other General Government			
Tax appeals and exemptions	138,500	135,626	130,973
Information technology	33,200	31,663	33,342
Utilities and maintenance of town hall	50,300	59,008	65,536
Grants to organizations	12,300	37,111	311,568
	234,300	263,408	541,419
	\$ 571,100	\$ 598,507	\$ 877,314

GENERAL SECTION

SCHEDULES TO STATEMENT OF OPERATIONS

Operating Fund

For the year ended March 31, 2015

	March 31, 2015 Budget	March 31, 2015 Actual	March 31, 2014 Actual
Protective Services			
Police protection			
RCMP services	\$ 566,800	\$ 567,362	\$ 549,818
Facility expenditures	14,600	13,858	7,776
	581,400	581,220	557,594
Fire Protection			
Honorarium	8,100	7,975	7,890
Utilities and maintenance of fire hall	83,900	78,271	76,103
Insurance	6,600	8,236	6,333
Clothing and safety equipment	33,000	38,065	21,818
Vehicle expenses	28,500	33,921	25,214
Training and conferences	16,900	12,706	13,856
Dues and fees	1,200	1,154	1,322
Office supplies	1,400	1,416	1,240
Operational materials and supplies	32,400	26,769	28,327
Communication expense	21,900	22,365	21,531
	233,900	230,878	203,634
Animal and pest control	400	228	697
Emergency management	1,300	956	943
Building and fire inspection	32,600	22,423	22,497
	34,300	33,607	24,137
	\$ 849,600	\$ 845,705	\$ 785,365

GENERAL SECTION**SCHEDULES TO STATEMENT OF OPERATIONS**

Operating Fund

For the year ended March 31, 2015

	March 31, 2015 Budget	March 31, 2015 Actual	March 31, 2014 Actual
Transportation Services			
Administration			
Salaries and benefits	\$ 53,500	\$ 42,597	\$ 52,212
Travel and conferences	3,200	4,695	1,655
Advertising	1,300	690	447
Office supplies and expense	2,000	2,161	1,305
Communication expense	5,000	5,582	5,774
Utilities and maintenance of Public Works building	24,300	20,470	35,998
Vehicle and equipment expense	59,300	58,778	52,475
General operations			
Salaries and benefits	227,900	240,930	249,008
Operational materials and supplies	96,600	150,602	134,863
Clothing and safety equipment	3,000	4,537	3,918
Contracted services	3,700	7,669	782
Crosswalk guard expenses	15,300	15,801	17,488
Street lighting	49,700	50,336	48,381
	\$ 544,800	\$ 604,848	\$ 604,306
Environmental Health Services			
Administration			
Salaries and benefits	\$ 17,900	\$ 13,839	\$ 17,454
Travel and conferences	1,900	2,207	1,402
Office and communication expense	1,500	1,338	1,438
Administration fees	24,100	24,100	-
Vehicle and equipment expense	11,200	11,439	8,539
Sewer collection			
Salaries and benefits	17,300	21,533	11,858
Power	3,400	3,670	3,506
Insurance	500	1,727	4,151
Repairs and maintenance	28,000	22,915	14,427
Sewer treatment			
Salaries and benefits	60,700	66,030	51,770
Clothing and safety equipment	500	1,112	369
Power	212,100	210,735	216,011
Insurance	2,600	1,823	2,567
Fuel	6,000	-	7,529
Repairs and maintenance	31,800	47,021	47,919
Sampling and testing	15,700	38,419	18,304
Solid waste management	196,600	198,084	173,953
	\$ 631,800	\$ 665,992	\$ 581,197

GENERAL SECTION

SCHEDULES TO STATEMENT OF OPERATIONS

Operating Fund

For the year ended March 31, 2015

	March 31, 2015 Budget	March 31, 2015 Actual	March 31, 2014 Actual
Environmental Development			
Tourism			
Salaries and benefits	\$ 12,600	\$ 11,208	\$ 11,866
Travel and courses	300	596	82
Membership fees and dues	400	-	-
Office and operational supplies	800	747	1,134
Communication and utility expense	1,400	1,459	1,267
Planning and Development			
Office supplies	1,700	971	2,239
Advertising	2,900	977	1,531
Contracted planning services	41,400	22,683	37,036
Economic development services			
Salaries and benefits	56,300	64,495	41,986
Travel and courses	53,500	14,725	10,306
Office and operational expenses	4,000	1,756	2,030
	\$ 175,300	\$ 119,617	\$ 109,477
Recreational and Cultural Services			
Administration			
Salaries and benefits	\$ 70,400	\$ 88,152	\$ 59,415
Travel and courses	2,500	2,482	2,450
Office supplies and postage	4,400	4,159	4,486
Advertising	3,500	3,815	1,244
Dues and subscriptions	2,000	1,875	1,827
Communication expense	2,000	2,001	1,311
Community events	17,900	18,640	17,507
Recreation buildings expense	-	563	1,801
Parks and playgrounds			
Salaries and benefits	33,500	39,242	34,010
Insurance	1,200	1,347	1,208
Power	2,100	1,557	1,518
Vehicle expense	12,900	12,703	8,629
Operational materials and supplies	24,900	21,814	21,442
Recreation programs			
Salaries and benefits	45,300	48,316	51,038
Advertising	1,000	417	834
Program materials and supplies	18,300	20,751	20,729
Program instruction	3,200	9,118	3,932
Branch library costs	9,000	7,261	4,464
	\$ 254,100	\$ 284,213	\$ 237,845

GENERAL SECTION**SCHEDULES TO STATEMENT OF OPERATIONS**

Operating Fund

For the year ended March 31, 2015

	March 31, 2015 Budget	March 31, 2015 Actual	March 31, 2014 Actual
Fiscal Services			
Debt charges			
Interest on short term debt	\$ -	\$ -	\$ 1,731
Interest on long term debt	76,600	76,260	76,283
Debt issuance costs	-	-	2,099
Transfers to other governments and agencies			
Valley Community Fibre Network Authority	800	439	588
Valley Regional Enterprise Network	13,400	5,374	83
Kings Transit Authority	35,400	32,919	31,971
Annapolis Valley Regional Library	16,300	15,913	15,913
Annapolis Valley Housing Authority	19,000	22,738	16,595
Property Valuation Service Corporation	31,100	31,072	30,320
Correctional services	29,400	29,409	28,762
	\$ 222,000	\$ 214,124	\$ 204,345

GENERAL SECTION

SCHEDULES TO STATEMENT OF OPERATIONS

Operating Fund

For the year ended March 31, 2015

	March 31, 2015	March 31, 2014
	Actual	Actual
Remuneration		
Council members		
J. Bustin (Deputy Mayor)	\$ 9,353	\$ 9,271
D. Clarke (Mayor)	17,605	17,405
P. Ilsley	8,503	8,426
A. Morton	8,503	8,426
J. Prall	9,103	9,025
M. Redden	8,503	8,426
R. Reeves	8,503	8,426
Chief Administrative Officer	115,428	116,200
	\$ 185,501	\$ 185,605

ELECTRIC UTILITY**STATEMENT OF OPERATIONS**

Electric Operating Fund

For the year ended March 31, 2015

	March 31, 2015 Budget	March 31, 2015 Actual	March 31, 2014 Actual
Revenue			
Operating			
Domestic power	\$ 2,256,750	\$ 2,351,032	\$ 2,262,701
Industrial power	1,471,330	1,428,167	1,453,532
General service power	1,188,280	1,162,908	1,173,666
Yard lighting sales	36,090	32,420	34,537
Municipal street lighting	46,060	48,474	47,133
Connection fees	5,000	4,566	4,780
Wiring permit fees	6,500	3,355	6,151
	5,010,010	5,030,922	4,982,500
Non-operating			
Interest on overdue accounts	15,000	40,266	35,369
Miscellaneous	25,900	38,623	22,432
	5,050,910	5,109,811	5,040,301
Operating Expenditures			
Production expenses (p 27)	3,933,850	3,902,096	3,859,046
Distribution expenses (p 27)	392,860	413,330	459,984
General expenses (p 27)	299,510	268,893	238,002
Depreciation	208,600	205,345	198,412
	4,834,820	4,807,664	4,755,444
Operating Profit	216,090	302,147	284,857
Non-Operating Expenditures			
Short term interest	1,600	82	200
Interest on long term debt	22,420	20,395	23,650
	24,020	20,515	23,850
Other Expenditures			
Capital expenditures out of operations	24,980	-	91,053
Bonds retired	76,090	76,094	85,114
	101,070	76,094	176,167
Operating Surplus (Deficit) for the Year	91,000	205,538	84,840
Dividend to Town of Berwick	91,000	91,000	50,000
Surplus (Deficit) for the Year	\$ -	114,538	34,840
Surplus, Beginning of Year		195,919	161,079
Surplus, End of Year		\$ 310,457	\$ 195,919

ELECTRIC UTILITY

BALANCE SHEET

Electric Operating Fund

As at March 31, 2015

	March 31, 2015 Actual	March 31, 2014 Actual
Assets		
Accounts receivable		
Rates (less allowance for doubtful accounts - \$0; 2014 \$11,904)	\$ 975,463	\$ 936,459
Other	93,700	108,560
Inventory, at cost	78,149	61,789
Prepaid expenses	19,382	19,382
Due from capital fund	30,311	30,338
Total Assets	\$ 1,197,005	\$ 1,156,528
Liabilities		
Bank indebtedness	\$ 121,712	\$ 394,937
Payables and accruals	764,836	565,672
	886,548	960,609
Surplus		
Accumulated surplus (p 24)	310,457	195,919
Total Liabilities and Surplus	\$ 1,197,005	\$ 1,156,528

ELECTRIC UTILITY**BALANCE SHEET**

Electric Capital Fund

As at March 31, 2015

	March 31, 2015 Actual	March 31, 2014 Actual
Assets		
Depreciation bank	\$ 91,199	\$ -
Utility plant in service (note 6)	6,883,553	6,787,107
Total Assets	\$ 6,974,752	\$ 6,787,107
Liabilities		
Current		
Due to operating fund	\$ 30,311	\$ 30,338
	30,311	30,338
Long term debt (p 37)	466,292	542,386
Accumulated amortization on capital assets (note 6)	3,515,396	3,327,724
Total Liabilities	4,011,999	3,900,448
Equity		
Investment in capital assets (p 26)	2,962,753	2,886,659
Total Liabilities and Equity	\$ 6,974,752	\$ 6,787,107

ELECTRIC UTILITY**STATEMENT OF INVESTMENT IN CAPITAL ASSETS**

Electric Capital Fund

As at March 31, 2015

	March 31, 2015 Actual	March 31, 2014 Actual
Balance, Beginning of Year	\$ 2,886,659	\$ 2,706,147
Add (Deduct):		
Term debt retired	76,094	85,114
Proceeds on sale of asset	-	17,327
Disposal of capital assets	-	(12,982)
Capital expenditures from operations	-	91,053
Balance, End of Year	\$ 2,962,753	\$ 2,886,659

ELECTRIC UTILITY

SCHEDULE TO STATEMENT OF OPERATIONS

Electric Operating Fund

As at March 31, 2015

	March 31, 2015 Budget	March 31, 2015 Actual	March 31, 2014 Actual
Production Expenses			
Salaries and benefits	\$ 54,990	\$ 57,469	\$ 55,435
Communications	2,380	3,356	2,279
Materials and supplies	9,600	22,832	6,379
Licenses	1,980	2,407	2,071
Facility expenses	15,810	11,919	15,070
Vehicle expenses	4,770	10,681	4,474
Power purchases	3,844,320	3,811,432	3,773,338
	\$ 3,933,850	\$ 3,920,096	\$ 3,859,046
Distribution Expenses			
Salaries and benefits	\$ 255,510	\$ 315,241	\$ 291,487
Property insurance and taxes	5,160	5,241	40,312
Supplies and equipment maintenance	46,700	20,986	60,440
Clothing and safety equipment	5,000	3,611	4,430
Tree management	41,620	30,456	25,954
Facility expenses	11,820	9,893	12,010
Vehicle expenses	27,050	27,902	25,351
	\$ 392,860	\$ 413,330	\$ 459,984
General Expenses			
Salaries and benefits	\$ 53,510	\$ 49,924	\$ 63,271
Administration fee	135,400	132,720	121,860
Travel and conferences	3,730	3,482	412
Office and operational equipment	2,950	4,338	2,624
Communication expense	8,970	7,465	6,246
Liability insurance	13,770	15,527	13,232
Professional fees	60,960	35,950	12,485
Uncollectable bills	12,500	11,285	11,226
Honorariums	2,400	2,400	1,200
Licenses and permits	5,320	5,802	5,446
	\$ 299,510	\$ 268,893	\$ 238,002

TOWN OF BERWICK

RESERVE FUNDS

BALANCE SHEET

General Operating Reserve Fund
As at March 31, 2015

	March 31, 2015 Actual	March 31, 2014 Actual
Assets		
Cash	\$ 306,718	\$ 28,746
Reserve		
Balance, Beginning of Year	\$ 28,746	\$ 184,027
Add (Deduct):		
Contributions from operating fund	320,790	179,519
Transfers to operating fund	(42,818)	(34,800)
Contribution to recreation facility	-	(300,000)
Balance, End of Year	\$ 306,718	\$ 28,746

RESERVE FUNDS

BALANCE SHEET

General Capital Reserve Fund
As at March 31, 2015

	March 31, 2015 Actual	March 31, 2014 Actual
Assets		
Cash	\$ 581,214	\$ 538,422
	\$ 581,214	\$ 538,422
Reserve		
Balance, Beginning of Year	\$ 538,422	\$ 627,915
Add (Deduct):		
Transfer from operating fund	162,474	148,882
Federal Gas Tax funds received	141,692	151,572
Proceeds on disposal of assets	13,000	4,818
Transfer to capital to fund projects		
Capital reserves	(166,449)	(154,270)
Federal Gas Tax	(108,530)	(241,679)
Interest earned on investments and savings	605	1,184
Balance, End of Year	\$ 581,214	\$ 538,422

RESERVE FUNDS

BALANCE SHEET

Open Space Reserve Fund
As at March 31, 2015

	March 31, 2015 Actual	March 31, 2014 Actual
Assets		
Cash	\$ 32,616	\$ 32,616
Reserve Balance, Beginning of Year	\$ 32,616	\$ 32,616
Balance, End of Year	\$ 32,616	\$ 32,616

RESERVE FUNDS

BALANCE SHEET

Electric Utility – PCB Reserve Fund
As at March 31, 2015

	March 31, 2015 Actual	March 31, 2014 Actual
Assets		
Cash	\$ 4,000	\$ 4,000
Reserve Balance, Beginning of Year	\$ 4,000	\$ 4,000
Balance, End of Year	\$ 4,000	\$ 4,000

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

INTRODUCTION

In 1810, the first settler to arrive in the Berwick area was Benjamin Condon. The crossroads of present day Main Street and Commercial Street became known as Condon's Corner. The settlers that followed in the ensuing years were mainly United Empire Loyalists and many of their descendants are still living in the Town.

From its early beginning until the 1850s, the Town had other names such as Pleasant Valley, Currey's Corner and Davison's Corner. In the 1850s, a Temperance Hall was opened and at a meeting of the local residents held there, the name Berwick was chosen. The commercial community of that time was primarily situated on Main Street and included among others a blacksmith shop, tin shop, two general stores, a shoemaker and a carriage factory.

In 1856, the stage coach from Annapolis to Halifax began and in 1867 the Windsor to Annapolis railway was opened, thereby creating better transportation links for the Town.

Being in a primarily agricultural area, the community flourished over the years as the agricultural industry grew. The agricultural service industries that developed created a viable village.

Several notable achievements of our past can be attributed to the Berwick Fruit Company. This organization operated the first fruit warehouse in Nova Scotia that ventured into cooperative packing, an event which occurred in 1907. In 1923, the Berwick Fruit Company opened what was then the most modern and largest warehouse in the Maritimes. Berwick had become one of the leading agricultural-based industrial centres in Nova Scotia. There was a large meat processing plant, a vegetable and fruit processing plant, and a large bakery in the Town. At their height, they employed approximately 425 people depending on the time of year. Although the agricultural industry in Berwick has slowed, the Town is very proud to be the home of Eden Valley Poultry Ltd., a large poultry-processing cooperative. The new company plans to open a state of the art poultry processing facility in mid-2012.

In addition to various agricultural ventures in the area, a number of residents are employed at the Michelin Tire Plant, Canadian Forces Base Greenwood and local social, educational and health institutions. The backbone of the community remains the small businesses which, in many cases, have served Berwick and the surrounding area for a number of years.

The population of Berwick has grown slowly but steadily the past half-century. In July of 1923, Berwick was incorporated as a Town and in 1931, the population was 837. The population at the time of the most recent census, (2006) was 2,454 and Berwick was noted as the fastest-growing town in Nova Scotia. There has been a steady population growth in the past and it is expected to continue as the Town strives towards a prosperous and sustainable future.

NOTES TO THE FINANCIAL STATEMENTS (continued)

March 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements of the Town of Berwick are prepared in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures and changes in fund balances and in financial position of the reporting entity. The activities under the control of Council and included in the reporting entity are:

- General operating fund
- General capital fund
- Electric operating fund
- Electric capital fund
- Capital reserve fund
- Operating reserve fund
- Open space reserve fund
- PCB disposal reserve fund.

Interdepartmental transactions and balances have been eliminated on the consolidated financial statements.

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting.

Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess revenues over expenses, provides the consolidated Change in Net Financial Assets for the year.

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 is amortization on a straight line basis over their estimated useful life as follows:

Buildings	40 years
Machinery & equipment	5 to 15 years
General office equipment	5 years
Parks and open space infrastructure	5 to 15 years
Vehicles	7 years
Streets	30 years
Sidewalks	20 to 30 years
Street lighting	25 years
Sewer collection system	40 years
Storm water system	40 years
Power generation	30 to 50 years
Substations	31 years
Distribution system	22 to 32 years
General property	8 to 37 years

NOTES TO THE FINANCIAL STATEMENTS (continued)

March 31, 2015

Electric Utility Capital Assets

Capital assets and projects in progress are recorded at the utility's gross cost. Interest incurred during construction on significant utility capital projects is capitalized. Interest is calculated at the prevailing prime rate for projects temporarily funded by general or utility operations.

Electric Utility - Depreciation

Depreciation of fixed assets is recorded in the accounts of the Electric Utility Capital Fund on a straight line basis over the estimated useful lives as prescribed by the Nova Scotia Utility and Review Board.

The depreciation charge in the Utility's Operating Fund is transferred to a special bank account in the Electric Utility's Capital Fund 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 the principal of capital debt.

Valuation allowances

The Town provides a valuation allowance for estimated losses that will be incurred in collecting receivables outstanding. In the electric utility, a valuation allowance is provided for estimated losses that will be incurred in collecting rates receivable outstanding.

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 management's 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.

Use of Estimates

The preparation of the 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, and the disclosure of contingent assets and liabilities at the date of the 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 financial statements include allowance for doubtful accounts and estimated useful life of tangible capital assets.

Cash and Cash Equivalents

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

2. SEGMENTED INFORMATION

The Town of Berwick is a diversified municipal unit that provides a wide range of services to its citizens. For management reporting purposes the Town's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with specific in accordance with special regulations, restrictions or limitations.

Town services are provided by departments and their activity is reported in these funds. The services provided by these departments are as follows:

General Government Services

General government services include activities that provide for the overall operation of the town and that are common to, or affect all the services provided by, the town, including legislative, administrative, financial and taxation, computer services and charges relating to the Town Hall.

NOTES TO THE FINANCIAL STATEMENTS (continued)

March 31, 2015

Protective Services

Activities that provide for the public safety of the inhabitants of the municipality which include police and fire protection, inspection and bylaw services and emergency management activities.

Transportation Services

Includes activities that provide for roads, streets, sidewalks and public lighting for the town.

Environmental Health Services

This department is responsible for the maintenance and operations of wastewater services of the town, along with solid waste services.

Environmental Development

Includes activities related to land use planning, research, zoning and development, and economic development, promotion and tourism.

Recreational and Cultural Services

This department is responsible for promoting and offering recreation opportunities, recreation programming, trails initiatives and parks maintenance and development.

Fiscal Services

Include interest charges and transfers to other agencies or governments.

Berwick Electric Utility

The utility generates and distributes power to approximately 1,400 customers in Berwick and surrounding areas. The entity is owned and operated by the Town.

3. CONTRIBUTIONS TO NON- CONSOLIDATED BOARDS AND COMMISSIONS

The Town of Berwick is required to finance the operations of the various Boards and Commissions, along with the other municipal units in Kings County to the extent of its participation based on prescribed formulae. In addition to any budgeted contributions, the Town shares in the deficits or surpluses of these Boards excluding the Annapolis Valley Regional School Board based on prescribed formulae. The Town's share of any deficit is to be paid in the next fiscal year while a surplus is to be taken into the next year's estimates.

Details of contributions to the boards are as follows:

Annapolis Valley Housing Authority – 25% of net operating deficit of facilities located in Berwick

During fiscal 2014/15 the Town of Berwick paid \$22,738 (2013/14 - \$16,595) to the Annapolis Valley Housing Authority to fund its share of the deficit.

Annapolis Valley Regional Library - 2.34%

During fiscal 2014/15 the Town of Berwick paid \$15,913 (2013/14 - \$15,913) to the Annapolis Valley Regional Library.

Annapolis Valley Regional School Board - 3.42%

In fiscal 2014/15 the Town of Berwick contributed \$465,168 (2013/14 - \$430,092) as its share of operations.

Valley Waste-Resource Management Authority - 2.82%

The Town of Berwick has shared use of waste management and recycling facilities in the Kings and Annapolis regions. In fiscal 2014/15, the Town of Berwick paid \$195,354 (2013/14 - \$171,223) as its share of net operating costs.

NOTES TO THE FINANCIAL STATEMENTS (continued)

March 31, 2015

Kings Transit Authority - 5% share

During fiscal 2014/15 the Town of Berwick paid \$32,919 (2013/14 - \$31,972) to the Kings Transit Authority to fund its share of its operations and deficit.

Valley Community Fibre Network Authority - 1.06% share

During fiscal 2014/15 the Town of Berwick paid \$439 (2013/14 - \$588) to the Valley Community Fibre Network Authority to fund its share of operations.

Valley Regional Enterprise Network – 4.57% share

During fiscal 2014/15 the Town of Berwick paid \$5,374 (2013/14 - \$0) to the Valley Regional Enterprise Network to fund its share of operations.

4. TAXES RECEIVABLE

	Current Year	Prior Year	2015	2014
Balance, beginning of year	\$ -	\$ 174,208	\$ 174,208	\$ 78,019
Add/(Deduct):				
Current Year's Tax Levy	3,354,494	-	3,354,494	3,263,301
Current Year's Collections	(3,221,535)	(122,498)	(3,344,033)	(3,167,112)
Balance, end of year	\$ 132,959	\$ 51,710	\$ 184,669	\$ 174,208

5. VALUATION ALLOWANCE

	2015	2014
Balance, beginning of year	\$ -	\$ -
Add:		
Increase (decrease) in allowance	-	-
Balance, end of year	\$ -	\$ -

NOTES TO THE FINANCIAL STATEMENTS (continued)

March 31, 2015

6. TANGIBLE CAPITAL ASSETS

	Cost - opening	Additions	Disposals	Write-downs	Cost - closing	Amortization	Accumulated amortization	Net book value
General Capital								
Land	\$ 331,400	\$ -	\$ -	\$ -	\$ 331,400	\$ -	\$ -	\$ 331,400
Buildings	3,166,171	-	-	-	3,166,171	75,458	718,766	2,447,405
Machinery & equipment	2,132,021	112,287	(181,254)	-	2,063,054	126,354	1,234,300	828,754
General office equipment	76,341	6,390	-	-	82,731	6,399	68,006	14,725
Parks & open space areas	297,248	67,935	-	-	365,183	36,491	209,045	156,138
Vehicles	61,944	-	-	-	61,944	2,575	56,171	5,773
Streets	2,026,242	7,556	-	-	2,033,798	47,155	1,265,935	767,863
Sidewalks	994,109	-	-	-	994,109	32,006	421,764	572,345
Street lighting	221,480	-	-	-	221,480	3,685	174,124	47,356
Sewer collection system	1,242,059	-	-	-	1,242,059	28,375	447,157	794,902
Storm water system	958,280	-	-	-	958,280	20,957	329,572	628,708
Sewage treatment plant	5,060,952	117,861	-	-	5,178,813	168,862	2,639,283	2,539,530
	16,568,247	312,029	(181,254)	-	16,699,022	548,317	7,564,123	9,134,899
Electric Capital								
Intangible assets	1,094	-	-	-	1,094	-	-	1,094
Power generation	1,965,520	31,407	-	-	1,996,927	43,447	555,757	1,441,170
Power line right of way	55,046	-	-	-	55,046	-	-	55,046
Substations	976,469	-	-	-	976,469	30,425	488,339	488,130
Distribution system	3,173,561	39,335	-	-	3,212,896	113,813	1,954,956	1,257,940
General property	615,417	43,404	(17,700)	-	641,121	17,660	516,344	124,777
	6,787,107	114,146	(17,700)	-	6,883,553	205,345	3,515,396	3,368,157
	\$ 23,355,354	\$ 426,175	\$ (198,954)	\$ -	\$ 23,582,575	\$ 753,662	\$ 11,079,519	\$ 12,503,056

7. AMOUNTS TO BE RECOVERED IN FUTURE YEARS

Amounts to be recovered in future years represents the necessity of the Town to raise funds in future years to finance the debenture related to the Kings Transit Authority.

8. FUND BALANCES

	2015	2014
General operating fund	\$ 11,257	\$ 245,690
Capital reserve fund	581,214	538,422
Operating reserve fund	306,718	28,746
Open Space reserve fund	32,616	32,616
Electric operating fund	310,457	195,919
PCB Disposal reserve fund	4,000	4,000
	\$ 1,246,262	\$ 1,045,393

NOTES TO THE FINANCIAL STATEMENTS (continued)

March 31, 2015

9. RETIRED CLERK'S PENSION – PAST SERVICE COST

Under provincial legislation, municipalities were required to have a defined benefit pension plan for a former municipal clerk for a benefit equal to 2% per year, times clerk's years of service to April 1, 1993, times the average of the final five years of salary, before actual retirement. The actuarial present value of accrued pension benefits attributed to services to March 31, 2013 is being funded to March 31, 2016. The unfunded amount of this liability at April 1, 2011 was \$35,600 based on an actuarial valuation of the pension plan done as at that date. Since then the town has made payments totaling \$26,910 which has reduced the unfunded amount to \$8,690 at March 31, 2015 (2014 - \$14,354).

10. OPERATING SURPLUS

	2015	2014
Balance, beginning of year	\$ 245,690	\$ 251,159
Add (deduct)		
Operating surplus	(787,138)	(538,113)
Amortization	548,317	547,875
Loss (gain) on sale of asset	4,388	(4,818)
Transfer to operations	-	(10,413)
	\$ 11,257	\$ 245,690

11. LONG TERM DEBT

	General Capital	Electric Utility	Total
2015/16	\$ 174,676	\$ 76,075	\$ 250,751
2016/17	159,535	48,590	208,125
2017/18	159,535	48,590	208,125
2018/19	159,535	41,510	201,045
2019/20	135,318	41,510	176,828
	\$ 788,599	\$ 256,275	\$ 1,044,874

12. CASH – GENERAL CAPITAL RESERVE

\$170,295 (2013/14 - \$136,527) of the cash balance held in the general capital reserve fund relates to monies received from the Canada-Nova Scotia Federal Fuel Tax program and must be expended within the guidelines of that program.

NOTES TO THE FINANCIAL STATEMENTS (continued)

March 31, 2015

13. COMMITMENTS AND GUARANTEES

The Town has commitments under property leases over the next five years as follows:

For the year ending:	March 31, 2016	\$ 13,678
	March 31, 2017	13,678
	March 31, 2018	8,031

On December 10, 2013 Council approved a resolution to guarantee the Town's portion of existing borrowings incurred by Valley Waste Resource Management Authority.

On June 17, 2014 Council approved a resolution to guarantee borrowing by Alternative Resource Energy Authority up to \$6,480,000 towards the construction of a wind farm facility.

The Town won a request for proposals from Annapolis Valley Regional Library to provide commercial space to lease by March 2017. The new property is to be approximately 5,500 square feet. The design and cost of this new building has not been determined.

14. COMPARITIVE FIGURES

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

SCHEDULES**SCHEDULE OF CAPITAL DEBT CHARGES AND TERM DEBT**

For the year ended March 31, 2015

	Due	Balance Apr 1, 2014	Issued	Redeemed	Balance Mar 31, 2015	Interest Paid	Interest Rate
General Fund							
Sewer							
MFC 99-A-1	2024	\$ 23,460	\$ -	\$ 3,910	\$ 19,550	\$ 1,013	3.21% to 5.64%
MFC 31-A-1	2026	108,540	-	6,030	102,210	3,820	1.77% to 4.03%
MFC 32-A-1	2022	102,600	-	11,400	91,200	2,474	1.63% to 3.16%
MFC 33-A-1	2023	259,000	-	25,900	233,100	6,364	1.29% to 3.61%
Fire Protection							
MFC 25-A-1	2015	10,591	-	5,287	5,304	361	4.47% to 4.56%
MFC 28-A-1	2018	49,182	-	9,837	39,345	2,082	4.49% to 4.88%
MFC 99-A-1	2024	932,000	-	58,250	873,750	47,402	3.21% to 5.64%
Public Works							
MFC 28-A-1	2018	28,898	-	5,780	23,118	1,223	4.49% to 4.88%
MFC 31-A-1	2026	169,110	-	9,395	159,715	3,614	1.77% to 4.03%
MFC 32-A-1	2022	102,600	-	11,400	91,200	2,474	1.63% to 3.16%
MFC 33-A-1	2018	43,000	-	8,600	34,400	938	1.29% to 3.61%
Administration							
MFC 31-A-1	2026	117,434	-	9,033	108,401	3,614	1.77% to 4.03%
Transit							
MFC 25-B-1	2015	19,678	-	9,839	9,839	881	4.44% to 4.52%
		1,966,093	-	174,662	1,791,432	76,260	
Electric Fund							
MFC 25-A-1	2015	54,986	-	27,504	27,482	1,867	4.37% to 4.56%
MFC 99-A-1	2024	379,000	-	31,500	347,500	15,519	3.21% to 5.64%
MFC 31-A-1	2021	80,080	-	10,010	70,070	2,471	1.77% to 4.03%
MFC 32-A-1	2017	28,320	-	7,080	21,240	576	1.63% to 3.16%
		542,386	-	76,132	466,292	20,433	
		\$ 2,508,479	\$ -	\$ 250,737	\$ 2,257,724	\$ 96,693	

SCHEDULES

STATEMENT OF CAPITAL FINANCING

General Capital Fund

As at March 31, 2015

	March 31, 2015 Actual	March 31, 2014 Actual
Source		
Government of Canada		
Gas Tax fund	\$ 108,530	\$ 241,679
Province of Nova Scotia		
Sport & recreation grants	13,666	-
Off Highway Vehicle Fund	6,300	-
Municipality of the County of Kings	9,453	-
Berwick and District Fire Commission	7,631	106,786
Berwick and District Volunteer Fire Department	-	99,401
Proceeds on insurance claim	-	17,836
Transfers from capital reserve fund	166,449	139,761
Proceeds on disposal of capital assets	13,000	4,818
	\$ 325,029	\$ 610,281
Application		
Capital asset acquisitions	\$ 312,029	\$ 610,281
Transfer to capital reserve fund	13,000	-
	\$ 325,029	\$ 610,281

STATEMENT OF CAPITAL FINANCING

Electric Utility Capital Fund

As at March 31, 2015

	March 31, 2015 Actual	March 31, 2014 Actual
Source		
Depreciation funds	\$ 205,345	\$ 198,411
Capital expenditures out of revenue	-	91,053
Proceeds on sale of capital asset	-	17,327
	\$ 205,345	\$ 306,792
Application		
Due to/from electric operating fund	\$ -	\$ 9,094
Capital asset acquisitions	114,146	297,698
Depreciation bank	91,199	-
	\$ 205,345	\$ 306,792

SCHEDULES

STATEMENT OF CAPITAL PROJECT FUNDING

For the year ended March 31, 2015

	Total Capital Cost	General Operations	Capital Reserves	Depreciation	Provincial Grants	Gas Tax Funds	Other Grants	Proceeds on Disposal
General Capital								
Hardware upgrades	\$ 6,390	\$ -	\$ 6,390	\$ -	\$ -	\$ -	\$ -	\$ -
Town WiFi system	19,521	-	19,521	-	-	-	-	-
Fire equipment	15,261	-	7,630	-	-	-	7,631	-
MT6 tractor	97,026	-	97,026	-	-	-	-	-
Rainforth Park – Phase I	15,586	-	10,586	-	5,000	-	-	-
Tennis court upgrades	4,531	-	2,866	-	1,666	-	-	-
Trail resurfacing	28,296	-	-	-	13,300	5,543	9,453	-
Resurfacing–Commercial St	7,556	-	7,556	-	-	-	-	-
WWTP upgrades	102,987	-	-	-	-	102,987	-	-
WWTP fencing	14,874	-	14,874	-	-	-	-	-
	\$ 312,029	\$ -	\$ 166,449	\$ -	\$ 19,966	\$ 108,530	\$ 17,084	\$ -
Electric Capital								
Distribution	\$ 39,335	\$ -	\$ -	\$ 39,335	\$ -	\$ -	\$ -	\$ -
General property	43,404	-	-	43,404	-	-	-	-
Power generation	31,407	-	-	31,407	-	-	-	-
	\$ 114,146	\$ -	\$ -	\$ 114,146	\$ -	\$ -	\$ -	\$ -
	\$ 426,175	\$ -	\$ 166,449	\$ 114,146	\$ 19,966	\$ 108,530	\$ 17,084	\$ -