

**Town of Berwick**

**Berwick, Nova Scotia**

**March 31, 2019**

**Financial Statements**

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# Morse Brewster Lake

Chartered Professional Accountants

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## **Independent Auditor's Report**

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

### **Opinion**

We have audited the accompanying financial statements of **Town of Berwick**, which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statement of operations, change in net financial assets and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Town of Berwick as at March 31, 2019, and the results of operations and changes in net assets for the year then ended, in accordance with Canadian accounting standards for the public sector

### **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 Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not for profit organizations 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

### **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.

## Independent Auditor's Report (continued)

### Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Berwick, Nova Scotia  
October 8, 2019

*Morse Brewster Lake*

Chartered Professional Accountants  
Registered Municipal Auditor

**Town of Berwick**  
**Consolidated Statement of Financial Activities**  
**Year Ended March 31, 2019**

|   | 2019<br><u>Budget</u> | 2019<br><u>Actual</u> | 2018<br><u>Actual</u> |
|---|-----------------------|-----------------------|-----------------------|
| <b>Revenue</b>                                |                       |                       |                       |
| Taxation                                      | \$ 3,486,619          | \$ 3,555,953          | \$ 3,455,547          |
| Less: School Board requisition                | <u>(523,976)</u>      | <u>(505,812)</u>      | <u>(500,064)</u>      |
|   | 2,962,643             | 3,050,141             | 2,955,483             |
| Grants in lieu of taxes                       | 40,203                | 62,692                | 35,959                |
| Sales of services                             | 305,444               | 339,331               | 313,397               |
| Revenue from own sources                      | 255,618               | 244,858               | 404,861               |
| Unconditional transfer from other governments | 248,855               | 254,041               | 260,064               |
| Berwick Electric Utility                      | 5,077,887             | 5,192,558             | 4,988,706             |
| Proceeds from sale of assets                  | -                     | 24,400                | 23,044                |
| Alternative Resource Energy Authority         | 2,138,729             | 2,235,963             | 1,695,796             |
| Grants and contributions                      | <u>7,000</u>          | <u>263,673</u>        | <u>395,944</u>        |
|   | <u>11,036,379</u>     | <u>11,667,657</u>     | <u>11,073,254</u>     |
| <b>Expenditures</b>                           |                       |                       |                       |
| General government services                   |                       |                       |                       |
| Legislative services                          | 107,756               | 123,558               | 114,775               |
| Administrative services                       | 648,543               | 829,033               | 690,089               |
| Protective services                           |                       |                       |                       |
| Police services                               | 629,504               | 636,362               | 631,839               |
| Fire services                                 | 220,800               | 209,189               | 217,268               |
| Other services                                | 62,186                | 31,824                | 15,911                |
| Transportation services                       | 658,077               | 776,069               | 690,701               |
| Environmental health services                 | 637,503               | 582,659               | 556,347               |
| Environmental development                     | 188,215               | 117,618               | 142,847               |
| Recreational and cultural services            | 379,659               | 412,542               | 292,498               |
| Fiscal services                               | 311,055               | 292,865               | 368,966               |
| Amortization                                  | -                     | 632,892               | 590,793               |
| Alternative Resource Energy Authority         | 1,767,493             | 1,862,617             | 1,373,430             |
| Electric utility - fuel tax rebate            | -                     | -                     | 97,272                |
| Electric utility operating expenditures       | 4,480,572             | 4,722,919             | 4,550,560             |
| Electric utility depreciation                 | 301,395               | 293,590               | 273,634               |
| Electric utility non-operating expenditures   | <u>24,009</u>         | <u>29,249</u>         | <u>21,652</u>         |
|   | <u>10,416,767</u>     | <u>11,552,986</u>     | <u>10,628,582</u>     |
| <b>Annual Surplus</b>                         | <u>\$ 619,612</u>     | <u>\$ 114,671</u>     | <u>\$ 444,672</u>     |

See accompanying notes to the consolidated financial statements

# Town of Berwick


## Consolidated Statement of Financial Position


March 31, 2019

|   | <u>2019</u>          | <u>2018</u>          |
|---|----------------------|----------------------|
| <b>Financial Assets</b>                       |                      |                      |
| Cash (note 3)                                 | \$ 1,682,199         | \$ 1,625,406         |
| Taxes receivable (net of allowance) (note 4)  | 125,910              | 301,667              |
| Accounts receivable (note 6)                  | <u>2,222,902</u>     | <u>2,475,879</u>     |
|   | <u>4,031,011</u>     | <u>4,402,952</u>     |
| <b>Financial Liabilities</b>                  |                      |                      |
| Bank indebtedness (note 7)                    | 1,138,052            | 740,407              |
| Short term borrowings (note 8)                | -                    | 3,575,250            |
| Payables and accruals (note 9)                | 1,747,795            | 1,648,173            |
| Deferred revenue                              | 8,886                | 10,155               |
| Long term debt (page 14 and 15)               | <u>17,497,314</u>    | <u>14,722,887</u>    |
|   | <u>20,392,047</u>    | <u>20,696,872</u>    |
| <b>Net Financial Assets / (Liabilities)</b>   | <u>(16,361,036)</u>  | <u>(16,293,920)</u>  |
| <b>Non-Financial Assets</b>                   |                      |                      |
| Inventory and prepaid expenses (note 10)      | 120,282              | 212,159              |
| Deferred pension charge (note 13)             | 42,872               | 20,344               |
| Equity in Valley Waste Resource Management    | 253,863              | 253,863              |
| Tangible capital assets (note 11)             | <u>28,358,966</u>    | <u>28,085,302</u>    |
|   | 28,775,983           | 28,571,668           |
| <b>Non-Financial Liabilities</b>              |                      |                      |
| <b>Unfunded pension liability</b> (note 13)   | <u>42,872</u>        | <u>20,344</u>        |
| <b>Net Non-Financial Assets/(Liabilities)</b> | <u>28,733,111</u>    | <u>28,551,324</u>    |
| <b>Net Assets/Liabilities</b>                 | <u>\$ 12,372,075</u> | <u>\$ 12,257,404</u> |
| <b>Net Assets</b>                             |                      |                      |
| <b>Fund balances</b> (note 12)                | 1,940,566            | 2,243,282            |
| <b>Investment in Capital Assets</b> (note 16) | <u>10,431,509</u>    | <u>10,014,122</u>    |
|   | <u>\$ 12,372,075</u> | <u>\$ 12,257,404</u> |

Commitments (note 17)

On behalf of the Town of Berwick

 , Mayor

 , Clerk

See accompanying notes to the consolidated financial statements

## Town of Berwick

### Consolidated Statement of Changes in Net Financial Assets

Year Ended March 31, 2019

|   | <u>2019</u><br><u>Budget</u> | <u>2019</u><br><u>Actual</u> | <u>2018</u><br><u>Actual</u> |
|---|------------------------------|------------------------------|------------------------------|
| Annual Surplus  | \$ 619,612                   | \$ 114,671                   | \$ 444,672                   |
| <b>Add (Deduct):</b>                                      |                              |                              |                              |
| Acquisition of tangible capital assets                    | (1,632,954)                  | (1,735,131)                  | (4,933,714)                  |
| Amortization of tangible capital assets                   | 832,375                      | 1,461,491                    | 1,327,479                    |
| Use (acquisition) of prepaids assets and deferred charges | <u>-</u>                     | <u>91,853</u>                | <u>(29,455)</u>              |
| Increase (decrease) in net assets                         | \$ <u>(180,967)</u>          | (67,116)                     | (3,191,018)                  |
| Net Financial Assets (liabilities), beginning of year     |                              | <u>(16,293,920)</u>          | <u>(13,102,902)</u>          |
| Net Financial Assets (liabilities), end of year           |                              | \$ <u>(16,361,036)</u>       | \$ <u>(16,293,920)</u>       |

See accompanying notes to the consolidated financial statements

**Town of Berwick**  
**Consolidated Statement of Cash Flow**  
**Year Ended March 31, 2019**

|  | <u>2019</u>        | <u>2018</u>        |
|--|--------------------|--------------------|
| <b>Cash flow from operating activities:</b>      |                    |                    |
| Annual surplus                                   | \$ 114,671         | \$ 444,672         |
| (Gain) loss on sale of assets                    | (24,400)           | (23,044)           |
| Depreciation and amortization                    | 1,461,491          | 1,327,479          |
| Change in  |                    |                    |
| Taxes receivable                                 | 175,757            | (85,391)           |
| Accounts receivable                              | 252,983            | 157,370            |
| Inventory and prepaid expenses                   | 91,853             | (29,455)           |
| Deferred revenue                                 | (1,269)            | (25,759)           |
| Payables and accruals                            | <u>99,622</u>      | <u>680,097</u>     |
|  | <u>2,170,708</u>   | <u>2,445,969</u>   |
| <b>Cash flow from investing activities:</b>      |                    |                    |
| Proceeds on sale of assets                       | 24,400             | 23,044             |
| Purchase of tangible capital assets              | <u>(1,735,131)</u> | <u>(4,933,714)</u> |
|  | <u>(1,710,731)</u> | <u>(4,910,670)</u> |
| <b>Cash flow from financing activities:</b>      |                    |                    |
| Proceeds on issue of short term debt             | -                  | 3,575,250          |
| Repayment of short term debt                     | (3,575,250)        | (6,675,000)        |
| Proceeds from long term debt                     | 3,528,000          | 6,900,000          |
| Reduction of long term debt                      | <u>(753,579)</u>   | <u>(455,965)</u>   |
|  | <u>(800,829)</u>   | <u>3,344,285</u>   |
| <b>Cash Increase (Decrease)</b>                  | (340,852)          | 879,584            |
| <b>Cash and Equivalencies, beginning of year</b> | <u>884,999</u>     | <u>5,415</u>       |
| <b>Cash and Equivalencies, end of year</b>       | <u>\$ 544,147</u>  | <u>\$ 884,999</u>  |
| <b>Represented by:</b>                           |                    |                    |
| Cash   | \$ 1,682,199       | \$ 1,625,406       |
| Bank indebtedness                                | <u>(1,138,052)</u> | <u>(740,407)</u>   |
|  | <u>\$ 544,147</u>  | <u>\$ 884,999</u>  |

See accompanying notes to the consolidated financial statements

**Town of Berwick**  
**Notes to Consolidated Financial Statements**

**March 31, 2019**

**1. Significant Accounting Policies**

**Basis of Presentation**

The consolidated financial statements of the Town of Berwick are prepared in accordance with generally accepted accounting principals for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional 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 the general operating fund, general capital fund, electric operating fund, electric capital fund, capital reserve fund, operating reserve fund, open space reserve fund and PCB disposal reserve fund.

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

The Town of Berwick is in a government partnership with other municipalities to form Alternative Resource Energy Authority (AREA). The Town has accounted for 27% of AREA using the proportionate consolidated method, which represents the Town's interest in the partnership.

**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.

**Town of Berwick**  
**Notes to Consolidated Financial Statements**

**March 31, 2019**

**1. Significant Accounting Policies (continued)**

**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:

|                                     |                |
|-------------------------------------|----------------|
| Buildings                           | 40 years       |
| Machinery and 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       |
| Sewer treatment plant               | 25 years       |
| Power Generation                    | 30 to 50 years |
| Substations                         | 31 years       |
| Distribution                        | 22 to 32 years |
| General property                    | 8 to 37 years  |

**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.

**Town of Berwick**  
**Notes to Consolidated Financial Statements**

**March 31, 2019**

**1. Significant Accounting Policies (continued)**

**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. 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.

**Town of Berwick**  
**Notes to Consolidated Financial Statements**

**March 31, 2019**

**2. Contributions to Non-Consolidated Boards and Commissions (continued)**

Details of contributions to the boards are as follows:

Annapolis Valley Housing Authority - 2.5% of net operating deficit

During fiscal 2019, the Town of Berwick paid \$15,666 (2018- \$15,316) to the Annapolis Valley Housing Authority to fund its share of the deficit.

Annapolis Valley Regional Library - 2.34%

During fiscal 2019, the Town of Berwick paid \$15,767 (2018 - \$15,767) to the Annapolis Valley Regional Library.

Annapolis Valley Regional School Board - 3.4245%

In fiscal 2018, the Town of Berwick contributed \$505,812 (2018 - \$501,310) as its share of operations for the Board.

Valley Waste-Resource Management Authority - 2.78% share

The Town of Berwick has shared use of waste management and recycling facilities in the Kings and Annapolis regions. In fiscal 2019, the Town of Berwick paid \$223,670 (2018 - \$206,996) as its share of net operating costs.

Kings Transit Authority - 5% share

During fiscal 2019, the Town of Berwick paid \$51,939 (2018 - \$47,604) to the Kings Transit Authority to fund its share of the deficit.

Valley Community Fibre Network Authority - 1.06% share

During fiscal 2019, the Town of Berwick paid \$1683 (2018 - \$0) to the Valley Community Fibre Network Authority to fund its share of operations.

Valley Regional Enterprise Network – 4.57% share

During fiscal 2019, the Town of Berwick paid \$13,954 (2018 - \$13,954) to the Valley Regional Enterprise Network to fund its share of operations.

**3. Cash**

|   | <u>2019</u>         | <u>2018</u>         |
|---|---------------------|---------------------|
| Depreciation bank - Electric capital fund | \$ 29,112           | \$ 71,996           |
| Capital Reserve fund                      | 608,917             | 736,289             |
| Operating Reserve fund                    | 330,440             | 308,247             |
| Open Space Reserve fund                   | 32,616              | 32,616              |
| PCB Disposal Reserve fund                 | 4,000               | 4,000               |
| AREA                                      | <u>677,114</u>      | <u>472,258</u>      |
|   | <u>\$ 1,682,199</u> | <u>\$ 1,625,406</u> |

**Town of Berwick**  
**Notes to Consolidated Financial Statements**

**March 31, 2019**

**4. Taxes receivable**

|                            | <u>Current<br/>Year</u> | <u>Prior<br/>Year</u> | <u>2019</u>       | <u>2018</u>       |
|----------------------------|-------------------------|-----------------------|-------------------|-------------------|
| Balance, beginning of year | \$ -                    | \$ 313,667            | \$ 313,667        | \$ 228,276        |
| Add (Deduct):              |                         |                       |                   |                   |
| Current year's tax levy    | 3,555,953               | -                     | 3,555,953         | 3,475,693         |
| Current year collections   | (3,479,714)             | (251,996)             | (3,731,710)       | (3,390,302)       |
| Valuation allowance        | -                       | -                     | (12,000)          | (12,000)          |
| Balance, end of year       | <u>\$ 76,239</u>        | <u>\$ 61,671</u>      | <u>\$ 125,910</u> | <u>\$ 301,667</u> |

**5. Valuation allowance**

|                                  | <u>2019</u>      | <u>2018</u>      |
|----------------------------------|------------------|------------------|
| Balance, beginning of year       | \$ 12,000        | \$ 12,000        |
| Add:                             |                  |                  |
| Increase (Decrease) in allowance | -                | -                |
| Balance, end of year             | <u>\$ 12,000</u> | <u>\$ 12,000</u> |

**6. Accounts Receivable**

|                                 | <u>2019</u>         | <u>2018</u>         |
|---------------------------------|---------------------|---------------------|
| General Operating Fund          | \$ 708,652          | \$ 749,925          |
| General Operating -HST rebate   | 34,270              | 39,345              |
| Electric Utility Operating Fund | 1,137,267           | 1,081,553           |
| AREA                            | <u>342,713</u>      | <u>605,057</u>      |
|                                 | <u>\$ 2,222,902</u> | <u>\$ 2,475,880</u> |

**7. Bank indebtedness**

|                                 | <u>2019</u>         | <u>2018</u>       |
|---------------------------------|---------------------|-------------------|
| General Operating Fund          | \$ 664,095          | \$ 388,741        |
| Electric Utility Operating Fund | <u>473,957</u>      | <u>351,666</u>    |
|                                 | <u>\$ 1,138,052</u> | <u>\$ 740,407</u> |

**8. Short Term Borrowings**

As of March 31, 2019, the Town has \$0 (2018 - \$315,000) in temporary financing provided by Royal Bank, interest at Royal Bank prime minus 0.375% (2.325%, 2018 -2.325%). This was replaced by long term debt provided by the Municipal Finance Corporation during the year.

Temporary financing has been obtained by AREA provided by the Royal Bank until phase three is complete. Phase three is now complete the temporary financing was replaced with long term debt from Municipal Finance Corporation. As of March 31, 2019, the Town's portion of AREA's financing from the Royal Bank is \$0 (2018 - \$3,260,250) at an interest rate of Royal Bank prime (2.7%) minus 1.00% (2018 - 2.7%)

**Town of Berwick**  
**Notes to Consolidated Financial Statements**

-  
**March 31, 2019**

**9. Payables and accruals**

|                                 | <u>2019</u>         | <u>2018</u>         |
|---------------------------------|---------------------|---------------------|
| General Operating Fund          | \$ 576,096          | \$ 942,753          |
| Electric Utility Operating Fund | 910,830             | 544,308             |
| AREA                            | <u>260,869</u>      | <u>161,112</u>      |
|                                 | <u>\$ 1,747,795</u> | <u>\$ 1,648,173</u> |

**10. Inventory and Prepaid**

|  | <u>2019</u>       | <u>2018</u>       |
|--|-------------------|-------------------|
| General Operating Fund - Prepaid           | \$ 17,245         | \$ 102,752        |
| Electric Utility Operating Fund- Prepaid   | 6,643             | 5,609             |
| Electric Utility Operating Fund- Inventory | 88,649            | 99,740            |
| AREA - Prepaid                             | <u>7,745</u>      | <u>4,058</u>      |
|  | <u>\$ 120,282</u> | <u>\$ 212,159</u> |

**11. Tangible Capital Assets**

|  | Cost<br><u>Opening</u> | Additions           | Disposals          | Write<br>Downs | Cost<br><u>Closing</u> | Amortization        | Accum<br>Amort       | Net Book<br>Value    |
|--|------------------------|---------------------|--------------------|----------------|------------------------|---------------------|----------------------|----------------------|
| <b><u>General Capital</u></b>          |                        |                     |                    |                |                        |                     |                      |                      |
| Land                                   | \$ 574,009             | \$ 70,746           | \$ -               | \$ -           | \$ 644,755             | \$ -                | \$ -                 | \$ 644,755           |
| Buildings                              | 5,351,518              | 457,243             | -                  | -              | 5,808,761              | 142,102             | 900,969              | 4,907,792            |
| Machinery<br>& equipment               | 2,064,851              | 188,168             | (80,653)           | -              | 2,172,366              | 111,216             | 1,553,403            | 618,963              |
| General office equip/<br>software      | 191,606                | 54,020              | -                  | -              | 245,626                | 33,858              | 146,208              | 99,418               |
| Parks and open<br>space infrastructure | 673,424                | 187,737             | -                  | -              | 861,161                | 50,222              | 376,554              | 484,607              |
| Vehicles                               | 139,503                | -                   | -                  | -              | 139,503                | 10,794              | 87,412               | 52,091               |
| Streets                                | 2,033,798              | -                   | -                  | -              | 2,033,798              | 35,656              | 1,426,684            | 607,114              |
| Sidewalks                              | 1,011,623              | -                   | -                  | -              | 1,011,623              | 31,995              | 551,528              | 460,095              |
| Street lighting                        | 221,480                | -                   | -                  | -              | 221,480                | 3,685               | 188,864              | 32,616               |
| Sewer collection<br>system             | 1,307,676              | 45,200              | -                  | -              | 1,352,876              | 30,535              | 564,428              | 788,448              |
| Storm water system                     | 1,061,573              | 1,151               | -                  | -              | 1,062,724              | 23,540              | 419,138              | 643,586              |
| Sewage treatment plt.                  | <u>5,387,329</u>       | <u>-</u>            | <u>-</u>           | <u>-</u>       | <u>5,387,329</u>       | <u>159,289</u>      | <u>3,237,514</u>     | <u>2,149,815</u>     |
|  | <u>20,018,390</u>      | <u>1,004,265</u>    | <u>(80,653)</u>    | <u>-</u>       | <u>20,942,002</u>      | <u>632,892</u>      | <u>9,452,702</u>     | <u>11,489,300</u>    |
| <b><u>Electric Capital</u></b>         |                        |                     |                    |                |                        |                     |                      |                      |
| Intangible assets                      | 1,094                  | -                   | -                  | -              | 1,094                  | -                   | -                    | 1,094                |
| Power generation                       | 2,293,278              | 468,019             | -                  | -              | 2,761,297              | 52,487              | 720,940              | 2,040,357            |
| Transmission line right<br>of way      | 55,046                 | -                   | -                  | -              | 55,046                 | -                   | -                    | 55,046               |
| Substations                            | 1,010,234              | -                   | -                  | -              | 1,010,234              | 31,505              | 613,376              | 396,858              |
| Distribution                           | 3,695,887              | 70,607              | -                  | -              | 3,766,494              | 132,595             | 2,457,473            | 1,309,021            |
| General property                       | <u>1,000,065</u>       | <u>126,691</u>      | <u>-</u>           | <u>-</u>       | <u>1,126,756</u>       | <u>77,003</u>       | <u>508,942</u>       | <u>617,814</u>       |
|  | <u>8,055,604</u>       | <u>665,317</u>      | <u>-</u>           | <u>-</u>       | <u>8,720,921</u>       | <u>293,590</u>      | <u>4,300,731</u>     | <u>4,420,190</u>     |
| <b><u>AREA</u></b>                     | <u>13,812,569</u>      | <u>65,549</u>       | <u>-</u>           | <u>-</u>       | <u>13,878,118</u>      | <u>535,009</u>      | <u>1,428,642</u>     | <u>12,449,476</u>    |
|  | <u>\$ 41,886,563</u>   | <u>\$ 1,735,131</u> | <u>\$ (80,653)</u> | <u>\$ -</u>    | <u>\$ 43,541,041</u>   | <u>\$ 1,461,491</u> | <u>\$ 15,182,075</u> | <u>\$ 28,358,966</u> |

**Town of Berwick**  
**Notes to Consolidated Financial Statements**

**March 31, 2019**

**12. Fund Balances**

|                           | <u>2019</u>         | <u>2018</u>         |
|---------------------------|---------------------|---------------------|
| General operating fund    | \$ -                | \$ -                |
| Capital reserve fund      | 608,917             | 736,289             |
| Operating reserve fund    | 330,440             | 308,247             |
| Open Space reserve fund   | 32,616              | 32,616              |
| Electric operating fund   | 197,772             | 354,551             |
| PCB Disposal reserve fund | 4,000               | 4,000               |
| AREA net assets           | 496,821             | 537,579             |
| AREA Reserve              | <u>270,000</u>      | <u>270,000</u>      |
|                           | <u>\$ 1,940,566</u> | <u>\$ 2,243,282</u> |

**13. Retired Clerk's Pension - Past Service Costs**

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, 2017 is being funded to March 31, 2020. The unfunded amount of this liability at April 1, 2017 was \$54,200 based on an actuarial valuation of the pension plan done as at that date. Since then the municipality has made payments totaling \$11,328 which has reduced the unfunded amount to \$42,872 at March 31, 2019 (2018 - \$20,344). During the year contributions were made as follows \$5,664 (2018 - \$5,664)

**14. Defined Contribution Pension Plan**

The Town and Electric Commission have defined contribution pension plans for their employees. The total contribution to the employees defined contribution pension for the year ending March 31, 2019 was \$ 47,753 (2018 -\$58,724).

**15. Cash - General Capital Reserve**

\$175,962 (2018 - \$92,491) 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.

**Town of Berwick**  
**Notes to Consolidated Financial Statements**

**March 31, 2019**

**16. Investment in Capital Assets**

|  | <u>2019</u>                 | <u>2018</u>                 |
|--|-----------------------------|-----------------------------|
| <b>General Capital</b>                     |                             |                             |
| Balance, beginning of year                 | \$ 7,436,140                | \$ 6,996,073                |
| Add (Deduct):                              |                             |                             |
| Long term debt retired                     | 285,535                     | 159,535                     |
| Grants for capital purposes:               |                             |                             |
| Donated assets - Land                      | -                           | 164,000                     |
| Federal Gas tax                            | 76,553                      | 299,946                     |
| Berwick & District Fire Commission         | 30,981                      | -                           |
| Transfer from operating reserve            | 29,266                      | 9,652                       |
| Transfer from capital reserve fund         | 628,422                     | 397,727                     |
| Amortization                               | (632,892)                   | (590,793)                   |
| Gain on disposal of property and equipment | <u>24,000</u>               | <u>-</u>                    |
| Balance, end of year                       | 7,878,005                   | 7,436,140                   |
| <b>Electric Capital</b>                    |                             |                             |
| Balance, beginning of year                 | 3,223,774                   | 3,079,610                   |
| Add (Deduct):                              |                             |                             |
| Term debt retired                          | 56,510                      | 48,590                      |
| Proceeds on sale of assets                 | 400                         | 23,044                      |
| Nova Scotia Land and Forestry              | 25,000                      | -                           |
| Contributions from developers              | <u>17,088</u>               | <u>72,530</u>               |
| Balance, end of year                       | 3,322,772                   | 3,223,774                   |
| <b>AREA</b>                                |                             |                             |
| Balance, beginning of year                 | (645,792)                   | (430,580)                   |
| Debt repayment                             | 411,534                     | 247,840                     |
| Amortization                               | <u>(535,009)</u>            | <u>(463,052)</u>            |
| Balance, end of year                       | <u>(769,267)</u>            | <u>(645,792)</u>            |
| <b>Total</b>                               | <b><u>\$ 10,431,510</u></b> | <b><u>\$ 10,014,122</u></b> |

**Town of Berwick**  
**Notes to Consolidated Financial Statements**

**March 31, 2019**

**17. Commitments**

The Town has commitments under property leases over the next year and are estimated as follows:

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.

On February 17, 2017 Council approved a resolution to guarantee borrowing by Alternative Resource Energy Authority up to \$4,340,000 towards phase 2 of the construction of a wind farm facility.

On September 13, 2016 Council approved a resolution to guarantee borrowing by Alternative Resource Energy Authority up to \$3,915,000 towards phase three of the construction of a wind farm facility.

**18. Comparative Figures**

Certain of the comparative figures have restated to conform to the financial presentation adopted in the current year.

**19. Remuneration and Expenses**

The total remuneration and expenses paid to the Mayor, Council and Chief Administration Officer are as follows:

|                    | Wages             | Expenses         | <u>2019</u>       | <u>2018</u>       |
|--------------------|-------------------|------------------|-------------------|-------------------|
| Council members    |                   |                  |                   |                   |
| D. Clarke (Mayor)  | \$ 18,943         | \$ 5,203         | \$ 24,146         | \$ 18,971         |
| M. Trinacty        | 9,955             | 1,271            | 11,226            | 9,186             |
| T. Walsh           | 9,319             | 1,223            | 10,542            | 9,786             |
| J. Bustin          | 9,674             | 1,190            | 10,864            | 10,381            |
| A. Morton          | 9,897             | 625              | 10,522            | 10,171            |
| B. Corbin          | 9,319             | 1,298            | 10,617            | 9,786             |
| R. Reeves          | 9,319             | -                | 9,319             | 9,786             |
| Don Regan, CAO     | 86,530            | 1,014            | 87,544            | 124,133           |
| Michael Payne, CAO | <u>66,231</u>     | <u>7,945</u>     | <u>74,176</u>     | <u>-</u>          |
|                    | <u>\$ 229,187</u> | <u>\$ 19,769</u> | <u>\$ 248,956</u> | <u>\$ 202,200</u> |

The prior year includes only remuneration.

**Town of Berwick**  
**Notes to Consolidated Financial Statements**

**March 31, 2019**

**20. Government Partnership - Alternative Resource Energy Authority**

Alternative Resource Energy Authority (AREA) is an Intermunicipal Authority incorporated in July 2013 and is owned by the Towns of Antigonish, Berwick and Mahone Bay. The Town of Antigonish receives 63% of the power generated. The Town of Berwick receives 27% and the remaining 10% of power is received by the Town of Mahone Bay. The revenue, expenses, assets and liabilities are shared between the municipalities based on the each municipalities share of the power generated. The Town has proportionately consolidated it's ownership of AREA into it's consolidated financial statements.

The Town owns 27% of AREA and the following the financial information for the fiscal years 2019 and 2018 as per their audited financial statements.

Summary of AREA Financial information

March 31, 2019

**Consolidated Statement of Financial Position**

|                         | <u>2019</u>         | <u>2018</u>         |
|-------------------------|---------------------|---------------------|
| Financial Assets        | \$ <u>3,777,136</u> | \$ <u>3,990,055</u> |
| Liabilities             |                     |                     |
| Temporary borrowing     | -                   | 12,075,000          |
| Long-Term Debt          | 48,957,875          | 38,582,075          |
| Other liabilities       | <u>966,179</u>      | <u>596,711</u>      |
|                         | <u>49,924,054</u>   | <u>51,253,786</u>   |
| Non-Financial Assets    |                     |                     |
| Tangible capital assets | 46,109,171          | 47,847,912          |
| Prepaid expenses        | <u>28,685</u>       | <u>15,031</u>       |
|                         | <u>46,137,856</u>   | <u>47,862,943</u>   |
| Net Assets (Deficit)    | \$ <u>(9,062)</u>   | \$ <u>599,211</u>   |

**Consolidated Statement of Operations**

|                |                     |                     |
|----------------|---------------------|---------------------|
| Revenues       | \$ 8,281,344        | \$ 6,280,727        |
| Expenses       | <u>6,898,582</u>    | <u>5,086,776</u>    |
| Annual Surplus | \$ <u>1,382,762</u> | \$ <u>1,193,951</u> |

Included in total revenue is power sold to the Berwick Electric Utility in the amount of \$1,465,048 (2018 \$1,107,028). These revenues were not eliminated in the consolidation.

**Town of Berwick**  
**Notes to Consolidated Financial Statements**  
**Schedule of Capital Debt Charges and Term Debt**  
**March 31, 2019**

|  | Due  | Balance<br>April 1<br>2018 | Issue       | Redeemed          | Balance<br>March 31<br>2019 | Interest          | Interest<br>Rate |
|--|------|----------------------------|-------------|-------------------|-----------------------------|-------------------|------------------|
| <b>Town Hall</b>                                       |      |                            |             |                   |                             |                   |                  |
| Debtenture - Nova Scotia Municipal Finance Corporation | 2032 | 2,400,000                  | -           | 120,000           | 2,280,000                   | 54,569            | 1.20-3.209%      |
| <b>Sewer</b>   |      |                            |             |                   |                             |                   |                  |
| Debtenture - Nova Scotia Municipal Finance Corporation | 2018 | 5,778                      | -           | 5,778             | -                           | 141               | 4.771% - 4.884%  |
| Debtenture - Nova Scotia Municipal Finance Corporation | 2024 | 7,820                      | -           | 3,910             | 3,910                       | 282               | 4.388% - 5.644%  |
| Debtenture - Nova Scotia Municipal Finance Corporation | 2026 | 84,420                     | -           | 6,030             | 78,390                      | 3,195             | 2.70% - 4.026%   |
| Debtenture - Nova Scotia Municipal Finance Corporation | 2022 | 57,000                     | -           | 11,400            | 45,600                      | 1,606             | 2.25% - 3.16%    |
| Debtenture - Nova Scotia Municipal Finance Corporation | 2023 | 155,400                    | -           | 25,900            | 129,500                     | 4,803             | 2.145% - 3.614%  |
| Debtenture - Nova Scotia Municipal Finance Corporation | 2032 | 90,000                     | -           | 6,000             | 84,000                      | 2,032             | 1.20-3.209%      |
| <b>Fire department</b>                                 |      |                            |             |                   |                             |                   |                  |
| Debtenture - Nova Scotia Municipal Finance Corporation | 2018 | 9,834                      | -           | 9,834             | -                           | 240               | 4.771% - 4.884%  |
| Debtenture - Nova Scotia Municipal Finance Corporation | 2024 | 699,000                    | -           | 58,250            | 640,750                     | 36,259            | 4.388% - 5.644%  |
| <b>Public Works</b>                                    |      |                            |             |                   |                             |                   |                  |
| Debtenture - Nova Scotia Municipal Finance Corporation | 2023 | 8,600                      | -           | 8,600             | -                           | 212               | 2.145% - 3.614%  |
| Debtenture - Nova Scotia Municipal Finance Corporation | 2026 | 131,530                    | -           | 9,395             | 122,135                     | 4,978             | 2.70% - 4.026%   |
| Debtenture - Nova Scotia Municipal Finance Corporation | 2022 | 57,000                     | -           | 11,400            | 45,600                      | 1,606             | 2.25% - 3.16%    |
| <b>Administration</b>                                  |      |                            |             |                   |                             |                   |                  |
| Debtenture - Nova Scotia Municipal Finance Corporation | 2026 | 81,305                     | -           | 9,033             | 72,273                      | 2,968             | 2.70% - 4.026%   |
|  |      | <u>\$ 3,787,687</u>        | <u>\$ -</u> | <u>\$ 285,530</u> | <u>\$ 3,502,158</u>         | <u>\$ 112,891</u> |                  |

**Town of Berwick**  
**Electric Utility**  
Notes to Consolidated Financial Statements  
**Schedule of Capital Debt Charges and Term Debt**  
**March 31, 2019**

|   | Due  | Balance<br>April 1<br>2018 | Issue               | Redeemed          | Balance<br>March 31<br>2019 | Interest          | Interest<br>Rate   |
|---|------|----------------------------|---------------------|-------------------|-----------------------------|-------------------|--------------------|
| Debenture - Nova Scotia Municipal Finance Corporation | 2024 | \$ 253,000                 | \$ -                | \$ 31,500         | \$ 221,500                  | \$ 12,730         | 4.388% - 5.644%    |
| Debenture - Nova Scotia Municipal Finance Corporation | 2032 | 225,000                    | -                   | 15,000            | 210,000                     | 5,082             | 1.20-3.209%        |
| Debenture - Nova Scotia Municipal Finance Corporation | 2021 | 40,040                     | -                   | 10,010            | 30,030                      | 1,337             | 2.70%-4.026%       |
| Debenture - Nova Scotia Municipal Finance Corporation | 2033 | -                          | 315,000             | -                 | 315,000                     | 10,388            | 2.06-3.501%        |
|   |      | <u>\$ 518,040</u>          | <u>\$ 315,000</u>   | <u>\$ 56,510</u>  | <u>\$ 776,530</u>           | <u>\$ 29,537</u>  |                    |
|   |      | Balance<br>April 1         |                     |                   | Balance<br>March 31         |                   | Interest<br>Rate   |
|   | Due  | 2018                       | Issue               | Redeemed          | 2019                        | Interest          | Rate               |
| Alternative Resource Energy Authority                 | 2032 | <u>10,417,160</u>          | <u>3,213,000</u>    | <u>411,534</u>    | <u>13,218,626</u>           | <u>282,205</u>    | <u>1.15-3.501%</u> |
| Total   |      | <u>\$ 14,722,887</u>       | <u>\$ 3,528,000</u> | <u>\$ 753,574</u> | <u>\$ 17,497,314</u>        | <u>\$ 424,633</u> |                    |

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

|      | General<br>Capital  | Electric<br>Utility | AREA                | Total               |
|------|---------------------|---------------------|---------------------|---------------------|
| 2020 | \$ 261,318          | \$ 77,510           | \$ 530,341          | \$ 869,169          |
| 2021 | 257,408             | 65,010              | 539,421             | 861,839             |
| 2022 | 257,408             | 65,010              | 549,673             | 872,091             |
| 2023 | 257,408             | 55,000              | 561,163             | 873,571             |
| 2024 | <u>234,608</u>      | <u>55,000</u>       | <u>570,626</u>      | <u>860,234</u>      |
|      | <u>\$ 1,268,150</u> | <u>\$ 317,530</u>   | <u>\$ 2,751,224</u> | <u>\$ 4,336,904</u> |

**Morse Brewster Lake**

Chartered Professional Accountants

P.O. Box 718  
158 Commercial Street  
Berwick, NS  
B0P 1E0  
Tel: (902) 538-8531  
Fax: (902) 538-7610  
Email: [info@mblcpa.ca](mailto:info@mblcpa.ca)

**Auditors' Report on  
Supplemental Financial Information**

**To the Mayor and Councillors of  
Town of Berwick**

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

Berwick, Nova Scotia  
October 8, 2019

*Morse Brewster Lake*

Chartered Professional Accountants  
Registered Municipal Auditor

**Town of Berwick  
General Section  
Statement of Operations**

**Year Ended March 31, 2019**

|   | Page | 2019<br><u>Budget</u> | 2019<br><u>Actual</u> | 2018<br><u>Actual</u> |
|---|------|-----------------------|-----------------------|-----------------------|
| <b>Revenue</b>                                    |      |                       |                       |                       |
| Taxation  | 24   | \$ 3,486,619          | \$ 3,555,953          | \$ 3,455,547          |
| Less: School Board requisition                    |      | <u>(523,976)</u>      | <u>(505,812)</u>      | <u>(500,064)</u>      |
|   |      | 2,962,643             | 3,050,141             | 2,955,483             |
| Grants in lieu of taxes                           | 24   | 40,203                | 62,692                | 35,959                |
| Sale of services                                  | 24   | 463,713               | 497,600               | 473,097               |
| Revenue from own sources                          | 25   | 687,017               | 746,238               | 598,794               |
| Unconditional transfers from<br>other governments | 25   | 248,855               | 254,041               | 260,064               |
| Other transfers                                   | 25   | <u>132,000</u>        | <u>155,580</u>        | <u>131,633</u>        |
|   |      | <u>4,534,431</u>      | <u>4,766,292</u>      | <u>4,455,030</u>      |
| <b>Expenditures</b>                               |      |                       |                       |                       |
| General government services                       |      |                       |                       |                       |
| Legislative services                              | 26   | 107,756               | 123,558               | 114,775               |
| Administrative services                           | 26   | 648,543               | 829,033               | 690,089               |
| Protective services                               |      |                       |                       |                       |
| Police services                                   | 27   | 629,504               | 636,362               | 631,839               |
| Fire services                                     | 27   | 220,800               | 209,189               | 217,268               |
| Other services                                    | 27   | 62,186                | 31,824                | 15,911                |
| Transportation services                           | 28   | 658,077               | 776,069               | 690,701               |
| Environmental health services                     | 28   | 637,503               | 582,659               | 556,347               |
| Environmental development                         | 29   | 188,215               | 117,618               | 142,847               |
| Recreation and cultural services                  | 28   | 379,659               | 412,542               | 292,498               |
| Fiscal services                                   | 30   | <u>311,055</u>        | <u>292,865</u>        | <u>368,966</u>        |
|   |      | <u>3,843,298</u>      | <u>4,011,719</u>      | <u>3,721,241</u>      |
| <b>Net Revenue over Expenditures</b>              |      | 691,133               | 754,573               | 733,789               |
| Debt principal installments                       |      | (285,530)             | (285,535)             | (159,535)             |
| Transfers (to) from                               |      |                       |                       |                       |
| Capital reserve fund                              |      | -                     | 120,000               | -                     |
| Capital reserve fund                              |      | (494,399)             | (537,579)             | (536,390)             |
| Operating reserve fund                            |      | <u>88,796</u>         | <u>(51,459)</u>       | <u>(37,864)</u>       |
| <b>Change in Fund Balance</b>                     |      | <u>\$ -</u>           | <u>\$ -</u>           | <u>\$ -</u>           |

**Town of Berwick  
General Section  
Operating Fund  
Statement of Financial Position**

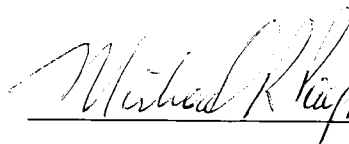
**March 31, 2019**

|   | <u>2019</u>               | <u>2018</u>               |
|---|---------------------------|---------------------------|
| <b>Assets</b>   |                           |                           |
| <b>Current</b>  |                           |                           |
| Taxes receivable (net of allowance - note 5) (note 4) | \$ 125,910                | \$ 301,667                |
| Accounts receivable                                   | 708,652                   | 749,925                   |
| HST rebate  | 34,270                    | 39,345                    |
| Due from general capital fund                         | 363,000                   | 147,960                   |
| Prepaid expenses                                      | <u>17,245</u>             | <u>102,752</u>            |
|   | 1,249,077                 | 1,341,649                 |
| <b>Deferred pension charge (note 13)</b>              | <u>42,872</u>             | <u>20,344</u>             |
|   | <u><u>\$1,291,949</u></u> | <u><u>\$1,361,993</u></u> |
| <b>Liabilities</b>                                    |                           |                           |
| <b>Current</b>  |                           |                           |
| Bank indebtedness                                     | \$ 664,095                | \$ 388,741                |
| Payables and accruals                                 | 576,096                   | 942,753                   |
| Deferred revenue                                      | <u>8,886</u>              | <u>10,155</u>             |
|   | 1,249,077                 | 1,341,649                 |
| <b>Unfunded pension liability (note 13)</b>           | <u>42,872</u>             | <u>20,344</u>             |
|   | <u><u>1,291,949</u></u>   | <u><u>1,361,993</u></u>   |
| <b>Surplus</b>  |                           |                           |
| <b>Operating Surplus</b>                              | <u>-</u>                  | <u>-</u>                  |
|   | <u><u>\$1,291,949</u></u> | <u><u>\$1,361,993</u></u> |

On Behalf of the Town of Berwick



Mayor



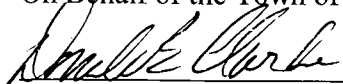
Clerk

**Town of Berwick  
General Section  
Capital Fund  
Statement of Financial Position**

**March 31, 2019**

|  | <u>2019</u>         | <u>2018</u>         |
|--|---------------------|---------------------|
| <b>Assets</b>  |                     |                     |
| <b>Equity in assets of</b>                                       |                     |                     |
| <b>Valley Waste-Resource Management</b>                          | \$ 253,863          | \$ 253,863          |
| <b>Tangible capital assets (note 11)</b>                         | <u>11,489,300</u>   | <u>11,117,924</u>   |
|  | <u>\$11,743,163</u> | <u>\$11,371,787</u> |
| <b>Liabilities</b>   |                     |                     |
| <b>Due to general operating fund</b>                             | 363,000             | 147,960             |
| <b>Long Term Debt (page 17)</b>                                  |                     |                     |
| Debentures issued to Province of Nova Scotia or<br>its agencies: |                     |                     |
| Nova Scotia Municipal Finance Corporation                        | <u>3,502,158</u>    | <u>3,787,687</u>    |
|  | <u>3,865,158</u>    | <u>3,935,647</u>    |
| <b>Equity</b>  |                     |                     |
| <b>Investment in Capital Assets (page 23)</b>                    | <u>7,878,005</u>    | <u>7,436,140</u>    |
|  | <u>\$11,743,163</u> | <u>\$11,371,787</u> |

On Behalf of the Town of Berwick

 , Mayor

 , Clerk

**Town of Berwick  
General Section  
Statement of Investments in Capital Assets**

**March 31, 2019**

|  | <u>2019</u>         | <u>2018</u>         |
|--|---------------------|---------------------|
| <b>Balance, beginning of year</b>          | \$ 7,436,140        | \$ 6,996,073        |
| Add (Deduct):                              |                     |                     |
| Long term debt retired                     | 285,535             | 159,535             |
| Grants for capital purposes:               |                     |                     |
| Donated assets - Land                      | -                   | 164,000             |
| Federal Gas tax                            | 76,553              | 299,946             |
| Berwick & District Fire Commission         | 30,981              | -                   |
| Transfer from operating reserve            | 29,266              | 9,652               |
| Transfer from capital reserve fund         | 628,422             | 397,727             |
| Amortization                               | (632,892)           | (590,793)           |
| Gain on disposal of property and equipment | <u>24,000</u>       | <u>-</u>            |
| <b>Balance, end of year</b>                | <u>\$ 7,878,005</u> | <u>\$ 7,436,140</u> |

**Town of Berwick  
General Section  
Schedules to Statement of Operations**

**Year Ended March 31, 2019**

|                                | <u>2019<br/>Budget</u> | <u>2019<br/>Actual</u> | <u>2018<br/>Actual</u> |
|--------------------------------|------------------------|------------------------|------------------------|
| <b>Taxation</b>                |                        |                        |                        |
| Residential                    | \$ 1,528,341           | \$ 1,526,810           | \$ 1,516,187           |
| Commercial                     | <u>913,062</u>         | <u>924,620</u>         | <u>896,768</u>         |
|                                | <u>2,441,403</u>       | <u>2,451,430</u>       | <u>2,412,955</u>       |
| Resource                       | 11,801                 | 12,048                 | 11,979                 |
| Education contribution         | 523,976                | 524,234                | 501,310                |
| Deed transfer tax              | 65,000                 | 110,127                | 75,109                 |
| Sewer:                         |                        |                        |                        |
| Residential                    | 186,935                | 207,683                | 192,688                |
| Commercial                     | <u>257,504</u>         | <u>250,431</u>         | <u>261,506</u>         |
|                                | <u>1,045,216</u>       | <u>1,104,523</u>       | <u>1,042,592</u>       |
|                                | <u>\$ 3,486,619</u>    | <u>\$ 3,555,953</u>    | <u>\$ 3,455,547</u>    |
| <b>Grants in Lieu of Taxes</b> |                        |                        |                        |
| Federal government agencies    | \$ 6,835               | \$ 6,558               | \$ 7,763               |
| HST recovery                   | 20,000                 | 42,765                 | 17,094                 |
| Aliant Telecom Incorporated    | <u>13,368</u>          | <u>13,369</u>          | <u>11,102</u>          |
|                                | <u>\$ 40,203</u>       | <u>\$ 62,692</u>       | <u>\$ 35,959</u>       |
| <b>Sales of Services</b>       |                        |                        |                        |
| Fire protection - Kings County | \$ 172,044             | \$ 172,061             | \$ 169,541             |
| Economic Development           | 20,146                 | 3,580                  | 20,146                 |
| Sewer service fees             | 26,000                 | 26,000                 | 25,922                 |
| Administration fee             | 158,269                | 158,269                | 159,700                |
| Recreation program revenue     | 51,557                 | 66,117                 | 97,788                 |
| Fitness Centre                 | <u>35,697</u>          | <u>71,573</u>          | <u>-</u>               |
|                                | <u>\$ 463,713</u>      | <u>\$ 497,600</u>      | <u>\$ 473,097</u>      |

**Town of Berwick  
General Section  
Schedules to Statement of Operations**

**Year Ended March 31, 2019**

|   | 2019<br><u>Budget</u> | 2019<br><u>Actual</u> | 2018<br><u>Actual</u> |
|---|-----------------------|-----------------------|-----------------------|
| <b>Revenue from Own Sources</b>                           |                       |                       |                       |
| Facility rental   | \$ 57,145             | \$ 53,402             | \$ 56,578             |
| PACE program  | 3,600                 | 2,415                 | 10,644                |
| Alternative Resource Energy Authority                     | 494,399               | 537,579               | 400,939               |
| Fines   | 6,000                 | 2,183                 | 6,565                 |
| Interest on investments                                   | 7,000                 | 5,258                 | 4,679                 |
| Interest on taxes   | 40,000                | 39,380                | 37,650                |
| Planning services   | 2,500                 | 7,200                 | 2,315                 |
| By-law administration fees                                | 2,200                 | 3,218                 | 2,669                 |
| Miscellaneous   | <u>74,173</u>         | <u>95,603</u>         | <u>76,755</u>         |
|   | <u>\$ 687,017</u>     | <u>\$ 746,238</u>     | <u>\$ 598,794</u>     |
| <br><b>Unconditional Transfers from Other Governments</b> |                       |                       |                       |
| Provincial government                                     |                       |                       |                       |
| Equalization grant  | \$ 221,479            | \$ 221,479            | \$ 221,479            |
| Farm property acreage                                     | 1,376                 | 1,376                 | 1,352                 |
| Other   | <u>26,000</u>         | <u>31,186</u>         | <u>37,233</u>         |
|   | <u>\$ 248,855</u>     | <u>\$ 254,041</u>     | <u>\$ 260,064</u>     |
| <br><b>Other Transfers</b>                                |                       |                       |                       |
| Dividend from Electric Utility                            | \$ 125,000            | \$ 125,000            | \$ 125,000            |
| Valley Waste Resource Centre                              | <u>7,000</u>          | <u>30,580</u>         | <u>6,633</u>          |
|   | <u>\$ 132,000</u>     | <u>\$ 155,580</u>     | <u>\$ 131,633</u>     |

**Town of Berwick**  
**General Section**  
**Schedules to Statement of Operations**

**Year Ended March 31, 2019**

|                                      | <u>2019</u><br><u>Budget</u> | <u>2019</u><br><u>Actual</u> | <u>2018</u><br><u>Actual</u> |
|--------------------------------------|------------------------------|------------------------------|------------------------------|
| <b>General Government Services</b>   |                              |                              |                              |
| Legislative                          |                              |                              |                              |
| Honorarium                           | \$ 75,856                    | \$ 80,317                    | \$ 76,718                    |
| Legislative expenses                 | <u>31,900</u>                | <u>43,241</u>                | <u>38,057</u>                |
|                                      | <u>\$ 107,756</u>            | <u>\$ 123,558</u>            | <u>\$ 114,775</u>            |
| <br>Chief Administrative Office      |                              |                              |                              |
| Salaries and benefits                | \$ 86,693                    | \$ 161,708                   | \$ 94,802                    |
| Travel and conferences               | 7,500                        | 18,081                       | 3,497                        |
| Legal and professional fees          | 58,000                       | 54,546                       | 65,762                       |
| Advertising                          | 2,000                        | 2,119                        | 2,373                        |
| Communication expense                | 17,155                       | 3,700                        | 6,727                        |
| Office and supplies                  | <u>24,000</u>                | <u>19,439</u>                | <u>15,618</u>                |
|                                      | <u>195,348</u>               | <u>259,593</u>               | <u>188,779</u>               |
| <br>Finance                          |                              |                              |                              |
| Salaries and benefits                | 224,795                      | 249,062                      | 216,144                      |
| Travel and conferences               | 2,000                        | 1,638                        | 813                          |
| Office and equipment expense         | 4,200                        | 5,008                        | 4,887                        |
| Liability insurance                  | 15,700                       | 17,977                       | 13,351                       |
| Postage                              | -                            | 15,119                       | 7,500                        |
| Communication expense                | -                            | 15,927                       | 1,954                        |
| Audit                                | 8,500                        | 13,186                       | 8,500                        |
| Bank fees and interest charges       | <u>12,000</u>                | <u>13,921</u>                | <u>10,214</u>                |
|                                      | <u>267,195</u>               | <u>331,838</u>               | <u>263,363</u>               |
| <br>Tax appeals and exemptions       | 121,000                      | 135,767                      | 121,637                      |
| Information technology               | -                            | 17,719                       | 26,948                       |
| Utilities and maintenance of         |                              |                              |                              |
| Town Hall, Annex and vacant building | 50,000                       | 62,516                       | 73,562                       |
| Grants to organizations              | <u>15,000</u>                | <u>21,600</u>                | <u>15,800</u>                |
|                                      | <u>\$ 648,543</u>            | <u>\$ 829,033</u>            | <u>\$ 690,089</u>            |

**Town of Berwick  
General Section  
Schedules to Statement of Operations**

**Year Ended March 31, 2019**

|  | <u>2019<br/>Budget</u> | <u>2019<br/>Actual</u> | <u>2018<br/>Actual</u> |
|--|------------------------|------------------------|------------------------|
| <b>Protective Services</b>             |                        |                        |                        |
| Police protection                      |                        |                        |                        |
| RCMP services                          | \$ 629,504             | \$ 632,170             | \$ 624,956             |
| Facility expenditures                  | <u>-</u>               | <u>4,192</u>           | <u>6,883</u>           |
|  | <u>629,504</u>         | <u>636,362</u>         | <u>631,839</u>         |
| Fire protection                        |                        |                        |                        |
| Honorarium                             | 8,800                  | 7,774                  | 7,827                  |
| Utilities and maintenance of fire hall | 69,700                 | 77,760                 | 61,710                 |
| Insurance                              | 3,000                  | 4,874                  | 7,802                  |
| Clothing and safety equipment          | 22,500                 | 26,711                 | 19,698                 |
| Vehicle expenses                       | 35,000                 | 30,738                 | 42,496                 |
| Training and conferences               | 11,300                 | 13,112                 | 9,177                  |
| Dues and fees                          | 1,400                  | 1,399                  | 2,038                  |
| Office supplies                        | 11,000                 | 1,145                  | 2,182                  |
| Workers Compensation                   | 2,800                  | 2,043                  | 2,087                  |
| Operational materials and supplies     | 27,500                 | 19,377                 | 38,303                 |
| Communication expense                  | <u>27,800</u>          | <u>24,256</u>          | <u>23,948</u>          |
|  | <u>220,800</u>         | <u>209,189</u>         | <u>217,268</u>         |
| Emergency measures                     | 43,546                 | 6,777                  | 11                     |
| Building and fire inspection           | <u>18,640</u>          | <u>25,047</u>          | <u>15,900</u>          |
|  | <u>62,186</u>          | <u>31,824</u>          | <u>15,911</u>          |
|  | <u>\$ 912,490</u>      | <u>\$ 877,375</u>      | <u>\$ 865,018</u>      |

**Town of Berwick**  
**General Section**  
**Schedules to Statement of Operations**  
**Year Ended March 31, 2019**

|                                      | 2019<br><u>Budget</u> | 2019<br><u>Actual</u> | 2018<br><u>Actual</u> |
|--------------------------------------|-----------------------|-----------------------|-----------------------|
| <b>Transportation Services</b>       |                       |                       |                       |
| Administration                       |                       |                       |                       |
| Salaries and benefits                | \$ 59,472             | \$ 60,006             | \$ 58,709             |
| Travel and conferences               | 7,600                 | 10,536                | 7,100                 |
| Advertising                          | 800                   | 1,225                 | 819                   |
| Office supplies and expense          | 950                   | 1,986                 | 1,011                 |
| Communication expense                | 7,500                 | 4,355                 | 4,573                 |
| Utilities and maintenance of         |                       |                       |                       |
| Public Works building                | 21,700                | 29,400                | 24,279                |
| Vehicle and equipment expense        | 90,000                | 76,705                | 100,947               |
| General operations                   |                       |                       |                       |
| Salaries and benefits                | 250,135               | 281,342               | 260,575               |
| Operational materials and supplies   | 147,002               | 231,060               | 155,310               |
| Clothing and safety equipment        | -                     | 2,383                 | 4,227                 |
| Contracted services                  | 4,000                 | 7,345                 | 5,738                 |
| Crosswalk guard expense              | 19,918                | 19,005                | 17,317                |
| Roads and streets                    |                       |                       |                       |
| Street lighting                      | 49,000                | 50,721                | 50,096                |
|                                      | <u>\$ 658,077</u>     | <u>\$ 776,069</u>     | <u>\$ 690,701</u>     |
| <b>Environmental Health Services</b> |                       |                       |                       |
| Administration                       |                       |                       |                       |
| Salaries and benefits                | \$ 19,824             | \$ 20,002             | \$ 19,718             |
| Travel and courses                   | 3,000                 | 3,897                 | 2,991                 |
| Office and communication expense     | 2,000                 | 2,510                 | 1,940                 |
| Administration fees                  | 26,000                | 26,000                | 25,922                |
| Vehicle and equipment expense        | -                     | -                     | 1,138                 |
| Sewer collections                    |                       |                       |                       |
| Salaries and benefits                | 18,871                | 16,653                | 16,028                |
| Power                                | 25,000                | 27,439                | 3,763                 |
| Insurance                            | 3,800                 | 378                   | 3,686                 |
| Repairs and maintenance              | 28,530                | 43,981                | 25,025                |
| Sewer treatment                      |                       |                       |                       |
| Salaries and benefits                | 65,148                | 56,668                | 55,996                |
| Clothing and safety equipment        | 500                   | 1,446                 | 405                   |
| Power                                | 100,000               | 92,270                | 113,315               |
| Repairs and maintenance              | 60,000                | 45,138                | 61,279                |
| Sampling                             | 28,000                | 22,607                | 18,145                |
| Solid waste disposal                 | 211,080               | 223,670               | 206,996               |
| Capital out of revenue               | 45,750                | -                     | -                     |
|                                      | <u>\$ 637,503</u>     | <u>\$ 582,659</u>     | <u>\$ 556,347</u>     |

**Town of Berwick**  
**General Section**  
**Schedules to Statement of Operations**  
**Year Ended March 31, 2019**

|   | 2019<br><u>Budget</u> | 2019<br><u>Actual</u> | 2018<br><u>Actual</u> |
|---|-----------------------|-----------------------|-----------------------|
| <b>Economic Development</b>               |                       |                       |                       |
| Tourism                                   |                       |                       |                       |
| Salaries and benefits                     | \$ 11,153             | \$ 11,393             | \$ 10,902             |
| Travel and courses                        | 500                   | -                     | -                     |
| Office and operational supplies           | 500                   | 69                    | 139                   |
| Communication and utility expense         | <u>3,300</u>          | <u>1,908</u>          | <u>1,869</u>          |
|   | <u>15,453</u>         | <u>13,370</u>         | <u>12,910</u>         |
| Planning and Development                  |                       |                       |                       |
| Office supplies                           | 200                   | 181                   | 37                    |
| Advertising                               | 2,500                 | 879                   | 2,463                 |
| Contracted services                       | <u>30,500</u>         | <u>31,124</u>         | <u>32,579</u>         |
|   | <u>33,200</u>         | <u>32,184</u>         | <u>35,079</u>         |
| Economic development expenses             |                       |                       |                       |
| Salaries and benefits                     | 54,978                | 54,121                | 48,587                |
| Office and operational supplies           | 82,584                | 17,068                | 45,488                |
| Travel and courses                        | <u>2,000</u>          | <u>875</u>            | <u>783</u>            |
|   | <u>139,562</u>        | <u>72,064</u>         | <u>94,858</u>         |
|   | <u>\$ 188,215</u>     | <u>\$ 117,618</u>     | <u>\$ 142,847</u>     |
| <b>Recreational and Cultural Services</b> |                       |                       |                       |
| Administration                            |                       |                       |                       |
| Salaries and benefits                     | \$ 120,974            | \$ 102,527            | \$ 118,602            |
| Travel and courses                        | 3,100                 | 1,150                 | 1,288                 |
| Office supplies and postage               | 9,700                 | 2,598                 | 7,207                 |
| Advertising                               | 3,000                 | 5,323                 | 2,696                 |
| Dues and subscriptions                    | 1,600                 | 1,238                 | 1,568                 |
| Communication expense                     | 1,500                 | 275                   | 695                   |
| Community events                          | 15,000                | 33,783                | 6,775                 |
| Building expense                          | 10,000                | 13,225                | 415                   |
| Parks and playgrounds                     |                       |                       |                       |
| Salaries and benefits                     | 36,924                | 48,047                | 29,068                |
| Insurance                                 | 1,800                 | 1,383                 | 1,688                 |
| Power                                     | 3,500                 | 2,780                 | 2,035                 |
| Vehicle expense                           | 10,000                | 8,632                 | 9,281                 |
| Operational material and supplies         | 24,600                | 30,158                | 18,097                |
| Recreation programs                       |                       |                       |                       |
| Salaries and benefits                     | 54,064                | 52,016                | 58,834                |
| Advertising                               | -                     | -                     | 2,088                 |
| Program material and supplies             | 38,200                | 18,885                | 23,161                |
| Program instruction                       | 10,000                | 6,983                 | 8,959                 |
| Fitness Centre                            | 35,697                | 83,539                | -                     |
| Library branch costs                      | -                     | -                     | 41                    |
|   | <u>\$ 379,659</u>     | <u>\$ 412,542</u>     | <u>\$ 292,498</u>     |

**Town of Berwick**  
**General Section**  
**Schedules to Statement of Operations**  
**Year Ended March 31, 2019**

|   | <u>2019</u><br><u>Budget</u> | <u>2019</u><br><u>Actual</u> | <u>2018</u><br><u>Actual</u> |
|---|------------------------------|------------------------------|------------------------------|
| <b>Fiscal Services</b>                                      |                              |                              |                              |
| Debt charges  |                              |                              |                              |
| Interest on short term debt                                 | \$ 15,000                    | \$ 15,050                    | \$ 11,841                    |
| Interest on long term debt                                  | 118,237                      | 112,891                      | 116,193                      |
| Debt issuance costs   | -                            | -                            | 19,247                       |
| Valuation allowance - bad debts                             | 20,000                       | -                            | 27,140                       |
| PACE program  | 500                          | 834                          | 20,409                       |
| Unconditional transfers to other<br>government and agencies |                              |                              |                              |
| Valley Community Fibre Network Authority                    | -                            | 1,683                        | -                            |
| Valley Regional Enterprise Network                          | 14,000                       | 13,954                       | 13,954                       |
| Conditional transfers to other<br>governments and agencies  |                              |                              |                              |
| Assessment services   | 30,691                       | 30,691                       | 37,779                       |
| Correctional services                                       | 28,570                       | 28,570                       | 28,594                       |
| Kings transit services                                      | 41,590                       | 51,939                       | 57,106                       |
| Kings Point to Point  | 5,820                        | 5,820                        | 5,620                        |
| Public Health and Welfare Services                          |                              |                              |                              |
| Deficit Annapolis Valley Housing Authority                  | 20,880                       | 15,666                       | 15,316                       |
| Recreation and Cultural Services                            |                              |                              |                              |
| Regional library  | <u>15,767</u>                | <u>15,767</u>                | <u>15,767</u>                |
|   | <u>\$ 311,055</u>            | <u>\$ 292,865</u>            | <u>\$ 368,966</u>            |

**Town of Berwick  
Electric Utility  
Statement of Operations**

**Year Ended March 31, 2019**


|   | <u>2019<br/>Budget</u> | <u>2019<br/>Actual</u> | <u>2018<br/>Actual</u> |
|---|------------------------|------------------------|------------------------|
| <b>Revenue</b>                                  |                        |                        |                        |
| <b>Operating</b>                                |                        |                        |                        |
| Domestic power                                  | \$ 2,316,377           | \$ 2,430,969           | \$ 2,298,668           |
| Industrial power                                | 1,356,224              | 1,342,326              | 1,325,254              |
| General service power                           | 1,203,406              | 1,182,948              | 1,178,688              |
| Yard lighting sales                             | 31,595                 | 29,790                 | 30,145                 |
| Connection fees                                 | 4,000                  | 2,903                  | 3,640                  |
| Wiring permit fees                              | 7,300                  | 4,596                  | 3,106                  |
| Energy credits                                  | 109,991                | 150,142                | 100,294                |
| Municipal street lighting                       | <u>48,994</u>          | <u>48,884</u>          | <u>48,911</u>          |
|   | 5,077,887              | 5,192,558              | 4,988,706              |
| <b>Non-operating</b>                            |                        |                        |                        |
| Interest on overdue accounts                    | 33,000                 | 26,970                 | 36,040                 |
| Miscellaneous                                   | <u>30,000</u>          | <u>9,230</u>           | <u>170,967</u>         |
|   | <u>5,140,887</u>       | <u>5,228,758</u>       | <u>5,195,713</u>       |
| <b>Operating Expenditures</b>                   |                        |                        |                        |
| Production expenses (page 36)                   | 3,892,947              | 4,028,640              | 3,877,093              |
| Distribution expenses (page 36)                 | 407,914                | 444,607                | 492,791                |
| General expenses (page 36)                      | 319,711                | 407,941                | 340,376                |
| Depreciation                                    | <u>301,395</u>         | <u>293,590</u>         | <u>273,634</u>         |
|   | <u>4,921,967</u>       | <u>5,174,778</u>       | <u>4,983,894</u>       |
| <b>Operating profit</b>                         | <u>218,920</u>         | <u>53,980</u>          | <u>211,819</u>         |
| <b>Non-Operating Expenditures</b>               |                        |                        |                        |
| Short term interest                             | 1,100                  | 2,410                  | 1,742                  |
| Interest on debentures                          | <u>22,909</u>          | <u>26,839</u>          | <u>19,910</u>          |
|   | <u>24,009</u>          | <u>29,249</u>          | <u>21,652</u>          |
| <b>Other Expenditures</b>                       |                        |                        |                        |
| Capital expenditures out of operations          | 10,000                 | -                      | -                      |
| Bonds retired                                   | 78,761                 | 56,510                 | 48,590                 |
| Fuel tax rebate                                 | <u>-</u>               | <u>-</u>               | <u>97,272</u>          |
|   | <u>88,761</u>          | <u>56,510</u>          | <u>145,862</u>         |
| <b>Operating Surplus (Deficit) For The Year</b> | 106,150                | (31,779)               | 44,305                 |
| <b>Dividend to Town of Berwick General</b>      |                        |                        |                        |
| Section operating fund                          | <u>125,000</u>         | <u>125,000</u>         | <u>125,000</u>         |
|   | <u>\$ (18,850)</u>     | <u>(156,779)</u>       | <u>(80,695)</u>        |
| <b>Surplus, beginning of year</b>               |                        | <u>354,551</u>         | <u>435,246</u>         |
| <b>Surplus, end of year</b>                     |                        | <u>\$ 197,772</u>      | <u>\$ 354,551</u>      |

**Town of Berwick  
Electric Utility  
Operating Fund  
Statement of Financial Position**

**March 31, 2019**

|   | <u>2019</u>         | <u>2018</u>         |
|---|---------------------|---------------------|
| <b>Assets</b>   |                     |                     |
| <b>Current</b>  |                     |                     |
| Accounts receivable   |                     |                     |
| Rates (less allowance for doubtful<br>accounts - \$16,410; 2018 \$14,142) | \$ 887,056          | \$ 937,184          |
| Other   | 172,934             | 144,368             |
| HST receivable  | 77,277              | -                   |
| Inventory, at cost  | 88,649              | 99,740              |
| Prepaid expenses  | 6,643               | 5,609               |
| Due from capital fund   | <u>350,000</u>      | <u>63,624</u>       |
|   | <u>\$ 1,582,559</u> | <u>\$ 1,250,525</u> |
| <b>Liabilities</b>  |                     |                     |
| <b>Current</b>  |                     |                     |
| Bank indebtedness   | \$ 473,957          | \$ 351,666          |
| Payables and accruals   | <u>910,830</u>      | <u>544,308</u>      |
|   | 1,384,787           | 895,974             |
| <b>Surplus</b>  |                     |                     |
| Operating Surplus (page 31)   | <u>197,772</u>      | <u>354,551</u>      |
|   | <u>\$ 1,582,559</u> | <u>\$ 1,250,525</u> |

On Behalf of the Town of Berwick

 Mayor

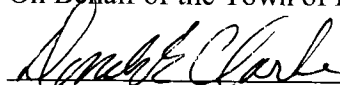
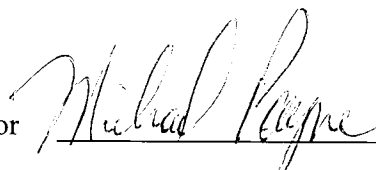
 Clerk

**Town of Berwick  
Electric Utility  
Capital Fund  
Statement of Financial Position**

**March 31, 2019**

|   | <u>2019</u>         | <u>2018</u>         |
|---|---------------------|---------------------|
| <b>Assets</b>   |                     |                     |
| <b>Depreciation bank</b>                                | \$ 29,112           | \$ 71,996           |
| <b>Utility plant in service (note 11)</b>               | <u>8,720,921</u>    | <u>8,055,603</u>    |
|   | <u>\$ 8,750,033</u> | <u>\$ 8,127,599</u> |
| <b>Liabilities</b>                                      |                     |                     |
| <b>Current</b>  |                     |                     |
| Short term borrowings (note 8)                          | \$ -                | \$ 315,000          |
| Due to operating fund                                   | <u>350,000</u>      | <u>63,624</u>       |
|   | <u>350,000</u>      | <u>378,624</u>      |
| <b>Long Term Debt (page 18)</b>                         |                     |                     |
| 3.666% - 5.644% debenture due June 1, 2024              | 221,500             | 253,000             |
| 1.20% - 3.209% debenture due May 9, 2032                | 210,000             | 225,000             |
| 2.057% - 4.026% debenture due November 9, 2021          | 30,030              | 40,040              |
| 2.06-3.501% debenture due May 30, 2033                  | <u>315,000</u>      | <u>-</u>            |
|   | <u>776,530</u>      | <u>518,040</u>      |
| <b>Accumulated allowance for depreciation (note 11)</b> | <u>4,300,731</u>    | <u>4,007,161</u>    |
|   | 5,427,261           | 4,903,825           |
| <b>Equity</b>   |                     |                     |
| <b>Investment in Capital Assets (page 34)</b>           | <u>3,322,772</u>    | <u>3,223,774</u>    |
|   | <u>\$ 8,750,033</u> | <u>\$ 8,127,599</u> |

On Behalf of the Town of Berwick

 , Mayor  , Clerk

**Town of Berwick**  
**Electric Utility**  
**Statement of Investment in Capital Assets**

**March 31, 2019**

|                                   | <u>2019</u>         | <u>2018</u>         |
|-----------------------------------|---------------------|---------------------|
| <b>Balance, beginning of year</b> | 3,223,774           | 3,079,610           |
| Add (Deduct):                     |                     |                     |
| Term debt retired                 | 56,510              | 48,590              |
| Proceeds on sale of assets        | 400                 | 23,044              |
| Nova Scotia Land and Forestry     | 25,000              | -                   |
| Contributions from developers     | <u>17,088</u>       | <u>72,530</u>       |
| <b>Balance, end of year</b>       | <u>\$ 3,322,772</u> | <u>\$ 3,223,774</u> |

**Town of Berwick**  
**Electric Utility**  
**Schedule to Statement of Operations**

**Year Ended March 31, 2019**

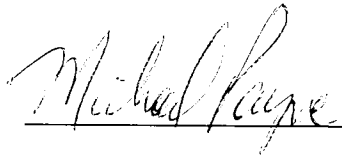
|                                    | 2019<br><u>Budget</u> | 2019<br><u>Actual</u> | 2018<br><u>Actual</u> |
|------------------------------------|-----------------------|-----------------------|-----------------------|
| <b>Production expenses</b>         |                       |                       |                       |
| Salaries and benefits              | \$ 60,393             | \$ 69,170             | \$ 69,214             |
| Communications                     | 4,000                 | 2,810                 | 3,038                 |
| Materials and supplies             | 7,000                 | 21,574                | 8,223                 |
| Licenses                           | -                     | -                     | 2,461                 |
| Facility expenses                  | 21,400                | 20,034                | 10,751                |
| Vehicle expenses                   | 24,800                | 14,468                | 8,323                 |
| Power purchases                    | <u>3,775,354</u>      | <u>3,900,584</u>      | <u>3,775,083</u>      |
|                                    | <u>\$ 3,892,947</u>   | <u>\$ 4,028,640</u>   | <u>\$ 3,877,093</u>   |
| <b>Distribution expenses</b>       |                       |                       |                       |
| Salaries and benefits              | \$ 280,640            | \$ 312,552            | \$ 365,381            |
| Property insurance and taxes       | 5,800                 | 4,348                 | 14,119                |
| Supplies and equipment maintenance | 48,000                | 58,078                | 36,650                |
| Clothing and safety equipment      | 4,500                 | 2,570                 | 2,060                 |
| Tree management                    | 41,374                | 30,845                | 36,101                |
| Facility expenses                  | 12,600                | 15,562                | 15,245                |
| Vehicle expenses                   | <u>15,000</u>         | <u>20,652</u>         | <u>23,235</u>         |
|                                    | <u>\$ 407,914</u>     | <u>\$ 444,607</u>     | <u>\$ 492,791</u>     |
| <b>General expenses</b>            |                       |                       |                       |
| Salaries and benefits              | \$ 58,111             | \$ 64,151             | \$ 70,007             |
| Administration fee                 | 140,000               | 158,000               | 163,624               |
| Travel and conference              | 3,400                 | 2,390                 | 736                   |
| Office and operational expenses    | 15,500                | 18,616                | 1,872                 |
| Communication expense              | 9,800                 | 7,306                 | 9,624                 |
| Liability insurance                | 18,500                | 17,521                | 19,438                |
| Professional fees                  | 51,500                | 21,453                | 67,454                |
| Uncollectible bills                | 14,500                | 117,156               | (454)                 |
| Honorariums                        | 2,400                 | -                     | 2,400                 |
| Licenses and permits               | <u>6,000</u>          | <u>1,348</u>          | <u>5,675</u>          |
|                                    | <u>\$ 319,711</u>     | <u>\$ 407,941</u>     | <u>\$ 340,376</u>     |

**Town of Berwick**  
**Capital Reserve Fund**  
**Statement of Financial Position**  
**March 31, 2019**

|                                    | <u>2019</u>              | <u>2018</u>              |
|------------------------------------|--------------------------|--------------------------|
| <b>Cash</b>                        | <b>Assets</b>            |                          |
|                                    | <b>\$ <u>608,917</u></b> | <b>\$ <u>736,289</u></b> |
|                                    | <b>Reserve</b>           |                          |
| <b>Balance, beginning of year</b>  | <b>\$ 736,289</b>        | <b>\$ 744,793</b>        |
| Add (Deduct):                      |                          |                          |
| Transfer from operating fund       | 537,579                  | 536,390                  |
| Transfer to capital fund           | (704,974)                | (697,675)                |
| Transfer to operating fund         | (120,000)                | -                        |
| Canada-Nova Scotia Federal Gas Tax | <u>160,023</u>           | <u>152,781</u>           |
| <b>Balance, end of year</b>        | <b>\$ <u>608,917</u></b> | <b>\$ <u>736,289</u></b> |

On Behalf of the Town of Berwick

 , Mayor

 , Clerk

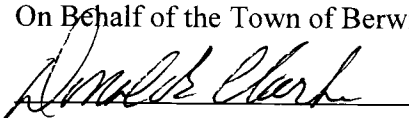
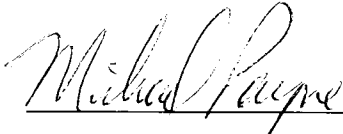
**Town of Berwick**

**Operating Reserve Fund  
Statement of Financial Position**

**March 31, 2019**

|                                   |                | <u>2019</u>              | <u>2018</u>              |
|-----------------------------------|----------------|--------------------------|--------------------------|
| <b>Cash</b>                       | <b>Assets</b>  | <b>\$ <u>330,440</u></b> | <b>\$ <u>308,247</u></b> |
|                                   | <b>Reserve</b> |                          |                          |
| <b>Balance, beginning of year</b> |                | <b>\$ 308,247</b>        | <b>\$ 280,035</b>        |
| Add (Deduct):                     |                |                          |                          |
| Contributions from operating      |                | 51,459                   | 37,864                   |
| Transfer to capital fund          |                | <u>(29,266)</u>          | <u>(9,652)</u>           |
| <b>Balance, end of year</b>       |                | <b>\$ <u>330,440</u></b> | <b>\$ <u>308,247</u></b> |

On Behalf of the Town of Berwick

 , Mayor  , Clerk

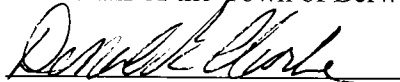
**Town of Berwick**

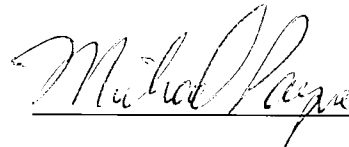
**Open Space Reserve Fund  
Statement of Financial Position**

**March 31, 2019**

|                                   |                | <u>2019</u>      | <u>2018</u>      |
|-----------------------------------|----------------|------------------|------------------|
| <b>Cash</b>                       | <b>Assets</b>  | \$ <u>32,616</u> | \$ <u>32,616</u> |
|                                   | <b>Reserve</b> |                  |                  |
| <b>Balance, beginning of year</b> |                | \$ 32,616        | \$ 32,616        |
| <b>Balance, end of year</b>       |                | \$ <u>32,616</u> | \$ <u>32,616</u> |

On Behalf of the Town of Berwick

 , Mayor

 , Clerk

**Town of Berwick  
Electric Utility  
PCB Disposal Reserve Fund  
Statement of Financial Position**

**March 31, 2019**

|                                   |               | <u>2019</u>     | <u>2018</u>     |
|-----------------------------------|---------------|-----------------|-----------------|
| <b>Cash</b>                       | <b>Assets</b> | \$ <u>4,000</u> | \$ <u>4,000</u> |
| <b>Reserve</b>                    |               |                 |                 |
| <b>Balance, beginning of year</b> |               | \$ 4,000        | \$ 4,000        |
| Add (Deduct):                     |               |                 |                 |
| Provision for PCB disposal        |               | -               | -               |
| <b>Balance, end of year</b>       |               | \$ <u>4,000</u> | \$ <u>4,000</u> |

On Behalf of the Town of Berwick

Donald Clarke, Mayor      Michael Payne, Clerk