

Town of Berwick
Berwick, Nova Scotia
March 31, 2022

Financial Statements

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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.

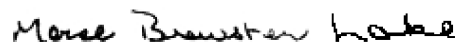
Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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
July 11, 2023



Chartered Professional Accountants
Registered Municipal Auditor

Town of Berwick
Consolidated Statement of Financial Activities
Year Ended March 31, 2022

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
Revenue			
Taxation	\$ 3,829,414	\$ 3,937,032	\$ 3,777,016
Less: School Board requisition	<u>(551,000)</u>	<u>(549,984)</u>	<u>(556,500)</u>
	3,278,414	3,387,048	3,220,516
Grants in lieu of taxes	60,017	42,684	39,330
Sales of services	311,618	365,170	276,367
Revenue from own sources	337,132	228,989	426,658
Unconditional transfer from other governments	222,866	444,355	307,882
Berwick Electric Utility	5,307,755	5,346,931	5,027,880
Gain on sale of assets	-	28,175	1,000
Alternative Resource Energy Authority	3,983,653	6,996,357	3,831,548
Grants and contributions	<u>114,545</u>	<u>2,735,390</u>	<u>282,121</u>
	<u>13,616,000</u>	<u>19,575,099</u>	<u>13,413,302</u>
Expenditures			
General government services			
Legislative services	120,108	117,407	128,430
Administrative services	878,064	812,389	824,482
Protective services			
Police services	686,177	685,968	653,654
Fire services	242,525	214,338	168,010
Other services	60,620	54,142	49,910
Transportation services	731,485	804,243	705,580
Environmental health services	598,448	579,760	549,356
Environmental development	122,605	140,375	110,650
Recreational and cultural services	407,654	450,918	334,333
Fiscal services	332,586	328,505	331,302
Amortization	-	700,954	690,684
Alternative Resource Energy Authority	3,744,445	6,739,224	3,452,111
Electric utility - fuel tax rebate	-	-	50,000
Electric utility operating expenditures	4,823,939	4,687,362	4,574,308
Electric utility depreciation	325,000	332,575	325,454
Electric utility non-operating expenditures	<u>35,823</u>	<u>38,752</u>	<u>37,158</u>
	<u>13,109,479</u>	<u>16,686,912</u>	<u>12,985,422</u>
Annual Surplus	<u>\$ 506,521</u>	<u>\$ 2,888,187</u>	<u>\$ 427,880</u>

See accompanying notes to the consolidated financial statements

Town of Berwick

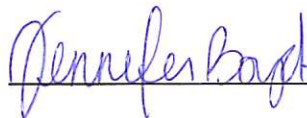
Consolidated Statement of Financial Position

March 31, 2022

	<u>2022</u>	<u>2021</u>
Financial Assets		
Cash (note 3)	\$ 2,554,209	\$ 1,873,923
Taxes receivable (net of allowance) (note 4)	62,058	65,340
Accounts receivable (note 6)	<u>6,632,763</u>	<u>2,527,213</u>
	<u>9,249,030</u>	<u>4,466,476</u>
Financial Liabilities		
Bank indebtedness (note 7)	100,130	-
Short term borrowings (note 8)	3,214,873	250,000
Payables and accruals (note 9)	4,270,247	2,030,293
Deferred revenue (note 18)	397,148	449,934
Long term debt (page 17 and 18)	<u>16,208,087</u>	<u>16,899,159</u>
	<u>24,190,485</u>	<u>19,629,386</u>
Net Financial Assets / (Liabilities)	<u>(14,941,455)</u>	<u>(15,162,910)</u>
Non-Financial Assets		
Inventory and prepaid expenses (note 10)	332,651	267,385
Deferred pension charge (note 13)	51,945	59,876
Equity in Valley Waste Resource Management	253,863	253,863
Tangible capital assets (note 11)	<u>30,381,977</u>	<u>27,780,511</u>
	31,020,436	28,361,635
Non-Financial Liabilities		
Unfunded pension liability (note 13)	<u>51,945</u>	<u>59,876</u>
Net Non-Financial Assets/(Liabilities)	<u>30,968,491</u>	<u>28,301,759</u>
Net Assets/Liabilities	<u>\$ 16,027,036</u>	<u>\$ 13,138,849</u>
Net Assets		
Fund balances (note 12)	2,738,205	2,229,064
Investment in Capital Assets (note 16)	<u>13,288,831</u>	<u>10,909,785</u>
	<u>\$ 16,027,036</u>	<u>\$ 13,138,849</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, 2022

	<u>2022 Budget</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
Annual Surplus	\$ 506,521	\$ 2,888,187	\$ 427,880
Add (Deduct):			
Acquisition of tangible capital assets	(927,109)	(4,175,885)	(1,195,856)
Amortization of tangible capital assets	325,000	1,574,423	1,556,437
Use (acquisition) of prepaids assets and deferred charges	<u>-</u>	<u>(65,270)</u>	<u>(20,908)</u>
Increase (decrease) in net assets	\$ <u><u>(95,588)</u></u>	221,455	767,553
Net Financial Assets (liabilities), beginning of year		<u>(15,162,910)</u>	<u>(15,930,463)</u>
Net Financial Assets (liabilities), end of year		\$ <u><u>(14,941,455)</u></u>	\$ <u><u>(15,162,910)</u></u>

See accompanying notes to the consolidated financial statements

Town of Berwick
Consolidated Statement of Cash Flow
Year Ended March 31, 2022

	<u>2022</u>	<u>2021</u>
Cash flow from operating activities:		
Annual surplus	\$ 2,888,187	\$ 427,880
(Gain) loss on sale of assets	(28,175)	(1,000)
Depreciation and amortization	1,574,423	1,556,437
Change in		
Taxes receivable	3,282	93,853
Accounts receivable	(4,105,550)	156,670
Inventory and prepaid expenses	(65,270)	(20,908)
Deferred revenue	(52,786)	428,898
Payables and accruals	<u>2,239,954</u>	<u>70,238</u>
	<u>2,454,065</u>	<u>2,712,068</u>
Cash flow from investing activities:		
Proceeds on sale of assets	28,175	1,000
Purchase of tangible capital assets	<u>(4,175,885)</u>	<u>(1,195,856)</u>
	<u>(4,147,710)</u>	<u>(1,194,856)</u>
Cash flow from financing activities:		
Proceeds on issue of short term debt	3,214,873	250,000
Repayment of short term debt	(250,000)	-
Proceeds from long term debt	250,000	788,000
Reduction of long term debt	<u>(941,072)</u>	<u>(879,989)</u>
	<u>2,273,801</u>	<u>158,011</u>
Cash Increase	580,156	1,675,223
Cash and Equivalencies, beginning of year	<u>1,873,923</u>	<u>198,700</u>
Cash and Equivalencies, end of year	<u>\$ 2,454,079</u>	<u>\$ 1,873,923</u>
Represented by:		
Cash	\$ 2,554,209	\$ 1,873,923
Bank indebtedness	<u>(100,130)</u>	<u>-</u>
	<u>\$ 2,454,079</u>	<u>\$ 1,873,923</u>

See accompanying notes to the consolidated financial statements

Town of Berwick

Notes to Consolidated Financial Statements

March 31, 2022

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, 2022

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, 2022

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 managements'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 Equivalentents

Cash and cash equivalentents 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, 2022

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 2022, the Town of Berwick paid \$51,759 (2021- \$33,523) to the Annapolis Valley Housing Authority to fund its share of the deficit.

Annapolis Valley Regional Library - 2.34%

During fiscal 2022, the Town of Berwick paid \$17,400 (2021 - \$17,400) to the Annapolis Valley Regional Library.

Annapolis Valley Regional School Board - 3.4245%

In fiscal 2022, the Town of Berwick contributed \$549,984 (2021 - \$556,500) as its share of operations for the Board.

Valley Waste-Resource Management Authority - 3.53% share

The Town of Berwick has shared use of waste management and recycling facilities in the Kings and Annapolis regions. In fiscal 2022, the Town of Berwick paid \$223,078 (2021 - \$218,408) as its share of net operating costs.

Kings Transit Authority - 5% share

During fiscal 2022, the Town of Berwick paid \$65,444 (2021 - \$52,585) to the Kings Transit Authority to fund its share of the deficit.

Valley Community Fibre Network Authority - 1.06% share

During fiscal 2022, the Town of Berwick paid \$3,799 (2021 - \$3,350) to the Valley Community Fibre Network Authority to fund its share of operations.

Valley Regional Enterprise Network – 4.57% share

During fiscal 2022, the Town of Berwick paid \$14,865 (2021 - \$14,865) to the Valley Regional Enterprise Network to fund its share of operations.

3. Cash

	<u>2022</u>	<u>2021</u>
Depreciation bank - Electric capital fund	\$ 133,158	\$ -
Capital Reserve fund	501,855	246,149
Electric operating	-	591,956
Town operating	1,298,289	799,936
AREA	<u>620,907</u>	<u>235,882</u>
	<u>\$ 2,554,209</u>	<u>\$ 1,873,923</u>

Town of Berwick
Notes to Consolidated Financial Statements

March 31, 2022

4. Taxes receivable

	<u>Current Year</u>	<u>Prior Year</u>	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ -	\$ 65,340	\$ 65,340	\$ 171,193
Add (Deduct):				
Current year's tax levy	3,937,032	-	3,937,032	3,777,016
Current year collections	(3,863,529)	(52,785)	(3,916,314)	(3,870,869)
Valuation allowance	-	-	(12,000)	(12,000)
Balance, end of year	<u>\$ 61,503</u>	<u>\$ 12,555</u>	<u>\$ 74,058</u>	<u>\$ 65,340</u>

5. Valuation allowance

	<u>2022</u>	<u>2021</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>2022</u>	<u>2021</u>
General Operating Fund	\$ 2,628,886	\$ 428,647
General Operating -HST rebate	188,299	47,789
Electric Utility Operating Fund	1,643,979	1,239,832
Electric Utility Operating Fund -HST rebate	54,714	-
AREA	<u>2,116,885</u>	<u>810,945</u>
	<u>\$ 6,632,763</u>	<u>\$ 2,527,213</u>

7. Bank indebtedness

	<u>2022</u>	<u>2021</u>
General Operating Fund	\$ -	\$ -
Electric Utility Operating Fund	<u>100,130</u>	<u>-</u>
	<u>\$ 100,130</u>	<u>\$ -</u>

8. Short Term Borrowings

As of March 31, 2022, the Town has \$3,214,873 in temporary financing at 3.35% interest. This will be repaid with capital grants and long term debt when the project is complete.

Town of Berwick
Notes to Consolidated Financial Statements
-
March 31, 2022

9. Payables and accruals

	<u>2022</u>	<u>2021</u>
General Operating Fund	\$ 1,029,266	\$ 352,996
Electric Utility Operating Fund	958,991	1,203,180
AREA	<u>2,281,990</u>	<u>474,116</u>
	<u>\$ 4,270,247</u>	<u>\$ 2,030,292</u>

10. Inventory and Prepaid

	<u>2022</u>	<u>2021</u>
General Operating Fund - Prepaid	\$ 143,943	\$ 117,459
General Operating Fund - Inventory	4,400	14,314
Electric Utility Operating Fund- Prepaid	5,512	5,270
Electric Utility Operating Fund- Inventory	127,289	85,439
AREA - Prepaid	<u>51,507</u>	<u>46,793</u>
	<u>\$ 332,651</u>	<u>\$ 269,275</u>

11. Tangible Capital Assets

	<u>Cost</u> <u>Opening</u>	<u>Additions</u>	<u>Disposals</u>	<u>Write</u> <u>Downs</u>	<u>Cost</u> <u>Closing</u>	<u>Amortization</u>	<u>Accum</u> <u>Amort</u>	<u>Net Book</u> <u>Value</u>
<u>General Capital</u>								
Land	\$ 712,170	\$ 17,674	\$ -	\$ -	\$ 729,844	\$ -	\$ -	\$ 729,844
Buildings	5,901,359	-	-	-	5,901,359	144,414	1,333,400	4,567,959
Machinery & equipment	2,647,830	230,543	(78,044)	-	2,800,329	159,511	1,767,843	1,032,486
General office equip/ software	257,736	9,499	-	-	267,235	26,152	239,939	27,296
Parks and open space infrastructure	1,170,877	3,877	-	-	1,174,754	64,936	564,216	610,538
Vehicles	139,503	-	-	-	139,503	10,794	119,794	19,709
Streets	2,034,413	(615)	-	-	2,033,798	33,387	1,529,069	504,729
Sidewalks	1,286,282	10,962	-	-	1,297,244	42,785	675,725	621,519
Street lighting	227,248	13,638	-	-	240,886	4,461	201,156	39,730
Solar Garden	51,417	3,616,034	-	-	3,667,451	-	-	3,667,451
Sewer collection system	1,427,761	-	-	-	1,427,761	32,408	660,310	767,451
Storm water system	1,115,189	-	-	-	1,115,189	23,395	490,036	625,153
Sewage treatment plt.	<u>5,455,027</u>	<u>74,858</u>	<u>-</u>	<u>-</u>	<u>5,529,885</u>	<u>158,711</u>	<u>3,715,536</u>	<u>1,814,349</u>
	<u>22,426,812</u>	<u>3,976,470</u>	<u>(78,044)</u>	<u>-</u>	<u>26,325,238</u>	<u>700,954</u>	<u>11,297,024</u>	<u>15,028,214</u>
<u>Electric Capital</u>								
Intangible assets	1,094	-	-	-	1,094	-	-	1,094
Power generation	2,882,653	37,490	-	-	2,920,143	61,285	902,477	2,017,666
Transmission line right of way	55,046	-	-	-	55,046	-	-	55,046
Substations	1,524,597	19,184	-	-	1,543,781	48,579	741,425	802,356
Distribution	3,924,549	28,071	-	-	3,952,620	138,885	2,868,464	1,084,156
General property	<u>1,168,351</u>	<u>114,670</u>	<u>-</u>	<u>-</u>	<u>1,283,021</u>	<u>83,552</u>	<u>752,183</u>	<u>530,838</u>
	<u>9,556,290</u>	<u>199,415</u>	<u>-</u>	<u>-</u>	<u>9,755,705</u>	<u>332,301</u>	<u>5,264,549</u>	<u>4,491,156</u>
AREA	<u>13,909,797</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,909,797</u>	<u>540,893</u>	<u>3,047,190</u>	<u>10,862,607</u>
	<u>\$ 45,892,899</u>	<u>\$ 4,175,885</u>	<u>\$ (78,044)</u>	<u>\$ -</u>	<u>\$ 49,990,740</u>	<u>\$ 1,574,148</u>	<u>\$ 19,608,763</u>	<u>\$ 30,381,977</u>

Town of Berwick
Notes to Consolidated Financial Statements

March 31, 2022

12. Fund Balances

	<u>2022</u>	<u>2021</u>
General operating fund	\$ -	\$ -
Capital reserve fund	798,464	676,259
Operating reserve fund	1,214,978	775,557
Electric operating fund	231,679	153,744
PCB Disposal reserve fund	4,000	4,000
AREA net assets	219,084	349,504
AREA Reserve	<u>270,000</u>	<u>270,000</u>
	<u>\$ 2,738,205</u>	<u>\$ 2,229,064</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 April 1, 2019 is being funded to March 31, 2030. The unfunded amount of this liability at April 1, 2020 was \$65,700 based on an actuarial valuation of the pension plan done as at that date. Since then the municipality has made payments totaling \$14,205 which has reduced the unfunded amount to \$51,495 at March 31, 2021 (2021 - \$58,319). During the year contributions were made as follows \$7,381 (2021 - \$6,824)

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, 2022 was \$ 98,318 (2021 -\$77,781).

15. Cash - General Capital Reserve

\$501,855 (2021 \$246,148) 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, 2022

16. Investment in Capital Assets

	<u>2022</u>	<u>2021</u>
General Capital		
Balance, beginning of year	\$ 8,188,857	\$ 8,129,328
Add (Deduct):		
Long term debt retired	310,380	275,558
Grants for capital purposes:		
Province of Nova Scotia - Solar	2,308,721	-
Restart Funds	9,499	-
Federal Gas tax	56,742	226,012
Berwick Fire Department	61,955	6,051
Transfer from operating reserve	42,716	86,471
Transfer from open space reserve	-	8,167
Transfer from capital reserve fund	198,698	147,954
Amortization	<u>(700,954)</u>	<u>(690,684)</u>
Balance, end of year	<u>10,476,614</u>	<u>8,188,857</u>
Electric Capital		
Balance, beginning of year	3,466,292	3,400,282
Add (Deduct):		
Term debt retired	82,510	65,010
Proceeds on sale of assets	<u>-</u>	<u>1,000</u>
Balance, end of year	<u>3,548,802</u>	<u>3,466,292</u>
AREA		
Balance, beginning of year	(775,296)	(769,267)
Debt repayment	539,420	530,341
Capital additions	30,811	986
Amortization	<u>(540,299)</u>	<u>(537,356)</u>
Balance, end of year	<u>(745,364)</u>	<u>(775,296)</u>
Total	<u>\$ 13,280,052</u>	<u>\$ 10,879,852</u>

Town of Berwick
Notes to Consolidated Financial Statements

March 31, 2022

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.

On January 14, 2020, Council approved a limited guarantee in the amount of \$385,700 for NB Power for the Town's obligations arising under a Master Power Purchase and Sale Agreement and the Alternative Resource Energy Authority for 2021.

On November 9, 2021, Council approved to unconditionally guarantees the payment obligations of the Alternative Resource Energy Authority due to LG Electronics re the Community solar garden. (Not to exceed \$1,000,000 US Dollars)

18. Deferred Revenue

	<u>2022</u>	<u>2021</u>
Restart funding - Province of Nova Scotia	\$ 370,887	\$ -
AREA	-	12,150
Apple Fund	<u>8,036</u>	<u>8,886</u>
	<u>\$ 378,923</u>	<u>\$ 21,036</u>

19. Remuneration and Expenses

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

	Wages	Expenses	<u>2022</u>	<u>2021</u>
Council members				
D. Clarke (Mayor)	\$ 26,079	\$ 1,306	\$ 27,385	\$ 20,951
D. Jamieson	9,677	-	9,677	3,899
M. Trinacty	10,622	261	10,883	9,795
T. Walsh	10,291	-	10,291	10,765
J. Bustin	-	-	-	6,285
A. Morton	-	-	-	6,285
B. Corbin	-	-	-	6,285
A. Lutz	9,677	-	9,677	3,822
R. Reeves	9,677	-	9,677	9,795
C. Goddard	9,677	-	9,677	9,822
Michael Payne, CAO	<u>105,771</u>	<u>2,333</u>	<u>108,104</u>	<u>108,338</u>
	<u>\$ 191,471</u>	<u>\$ 3,900</u>	<u>\$ 195,371</u>	<u>\$ 196,042</u>

Town of Berwick
Notes to Consolidated Financial Statements

March 31, 2022

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 2021 and 2020 as per their audited financial statements.

Summary of AREA Financial information

March 31, 2022

Consolidated Statement of Financial Position

	<u>2022</u>	<u>2021</u>
Financial Assets	\$ <u>10,139,969</u>	\$ <u>3,877,137</u>
Liabilities		
Long-Term Debt	42,959,970	44,995,795
Other liabilities	<u>8,519,314</u>	<u>1,755,982</u>
	<u>51,479,284</u>	<u>46,751,777</u>
Non-Financial Assets		
Tangible capital assets	40,231,879	42,235,188
Prepaid and Inventory expenses	<u>190,767</u>	<u>173,306</u>
	<u>40,422,646</u>	<u>42,408,494</u>
Accumulated Surplus (Deficit)	\$ <u>(916,669)</u>	\$ <u>(466,146)</u>

Consolidated Statement of Operations

Revenues	\$ 25,912,435	\$ 14,190,918
Expenses	<u>24,960,088</u>	<u>12,785,322</u>
Annual Surplus	<u>\$ 952,347</u>	<u>\$ 1,405,322</u>

Included in total revenue is power sold to the Berwick Electric Utility in the amount of \$3,234,653 (2021 \$3,045,683). These revenues were not eliminated in the consolidation.

Town of Berwick
Notes to Consolidated Financial Statements

March 31, 2022

21. Subsequent Events

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and the spread of the virus has severely impacted many economies around the globe, resulting in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods, social and physical distancing have caused material disruption to businesses globally resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize the economic conditions.

The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results.

22. Comparative Figures

The comparative figures have been restated for the financial statement presentation adopted in the current year.

Town of Berwick
Notes to Consolidated Financial Statements
Schedule of Capital Debt Charges and Term Debt
March 31, 2022

	Due	Balance April 1 2021	Issue	Redeemed	Balance March 31 2022	Interest	Interest Rate
Town Hall							
Debenture - Nova Scotia Municipal Finance Corporation	2032	\$ 2,040,000	\$ -	\$ 120,000	\$ 1,920,000	\$ 53,345	1.655 - 3.209%
Debenture - Nova Scotia Municipal Finance Corporation	2035	77,000	-	5,133	71,867	1,058	0.678-2.378%
Sewer							
Debenture - Nova Scotia Municipal Finance Corporation	2026	66,344	-	6,016	60,328	3,284	3.645 - 4.026%
Debenture - Nova Scotia Municipal Finance Corporation	2022	22,800	-	11,400	11,400	679	3 - 3.16%
Debenture - Nova Scotia Municipal Finance Corporation	2023	77,700	-	25,900	51,800	2,353	3.251 - 3.614%
Debenture - Nova Scotia Municipal Finance Corporation	2032	72,000	-	6,000	66,000	1,869	1.655 - 3.209%
Debenture - Nova Scotia Municipal Finance Corporation	2035	31,000	-	6,200	24,800	416	0.678-2.378%
Fire department							
Debenture - Nova Scotia Municipal Finance Corporation	2024	524,250	-	58,250	466,000	26,484	5.209 5.644%
Debenture - Nova Scotia Municipal Finance Corporation	2035	205,000	-	13,667	191,333	2,818	0.678-2.378%
Public Works							
Debenture - Nova Scotia Municipal Finance Corporation	2026	103,331	-	9,409	93,922	4,773	3.645 4.026%
Debenture - Nova Scotia Municipal Finance Corporation	2022	22,800	-	11,400	11,400	679	3 - 3.16%
Debenture - Nova Scotia Municipal Finance Corporation	2035	125,000	-	8,333	116,667	1,718	0.678-2.378%
Administration							
Debenture - Nova Scotia Municipal Finance Corporation	2026	54,209	-	9,033	45,177	1,942	3.645 4.026%
Debenture - Nova Scotia Municipal Finance Corporation	2034	344,850	-	18,150	326,700	8,895	1.948-3.048%
		<u>\$ 3,766,284</u>	<u>\$ -</u>	<u>\$ 308,891</u>	<u>\$ 3,457,394</u>	<u>\$ 110,313</u>	

Town of Berwick Electric Utility

Notes to Consolidated Financial Statements Schedule of Capital Debt Charges and Term Debt March 31, 2022

	Due	Balance April 1 2021	Issue	Redeemed	Balance March 31 2022	Interest	Interest Rate
Debtenture - Nova Scotia Municipal Finance Corporation	2024	\$ 171,000	-	\$ 19,000	\$ 152,000	\$ 8,639	5.209 - 5.644%
Debtenture - Nova Scotia Municipal Finance Corporation	2032	180,000	-	15,000	165,000	4,673	1.655 - 3.209%
Debtenture - Nova Scotia Municipal Finance Corporation	2021	10,010	-	10,010	-	-	3.645 - 4.026%
Debtenture - Nova Scotia Municipal Finance Corporation	2033	273,000	-	21,000	252,000	8,179	2.582 - 3.501%
Debtenture - Nova Scotia Municipal Finance Corporation	2035	350,000	-	17,500	332,500	4,670	0.678-2.378%
Debtenture - Nova Scotia Municipal Finance Corporation	2036	-	250,000	-	250,000	4,877	0.4 - 2.809%
		<u>\$ 984,010</u>	<u>\$ 250,000</u>	<u>\$ 82,510</u>	<u>\$ 1,151,500</u>	<u>\$ 31,038</u>	

	Due	Balance April 1 2021	Issue	Redeemed	Balance March 31 2022	Interest	Interest Rate
Alternative Resource Energy Authority	2032	\$ 12,148,865	-	\$ 549,672	\$ 11,599,193	364,652	1.15-3.501%
Total		<u>\$ 16,899,159</u>	<u>\$ 250,000</u>	<u>\$ 941,073</u>	<u>\$ 16,208,087</u>	<u>\$ 506,003</u>	

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

	General Capital	Electric Utility	AREA	Total
2023	\$ 308,891	\$ 82,510	\$ 561,163	\$ 952,564
2024	308,891	80,833	574,009	963,733
2025	286,091	80,833	587,999	954,923
2026	551,441	175,833	603,646	1,330,920
2027	<u>201,941</u>	<u>61,833</u>	<u>620,568</u>	<u>884,342</u>
	<u>\$ 1,657,255</u>	<u>\$ 481,842</u>	<u>\$ 2,947,385</u>	<u>\$ 5,086,482</u>

Morse Brewster Lake

Chartered Professional Accountants

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158 Commercial Street
Berwick, NS
B0P 1E0
Tel: (902) 538-8531
Fax: (902) 538-7610
Email: 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
Date

Morse Brewster Lake

Chartered Professional Accountants
Registered Municipal Auditor

**Town of Berwick
General Section
Statement of Operations
Year Ended March 31, 2022**

	<u>Page</u>	<u>2022 Budget</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
Revenue				
Taxation	25	\$ 3,829,414	\$ 3,937,032	\$ 3,777,016
Less: School Board requisition		<u>(551,000)</u>	<u>(549,984)</u>	<u>(556,500)</u>
		3,278,414	3,387,048	3,220,516
Grants in lieu of taxes	25	60,017	42,684	39,330
Sale of services	25	515,868	569,420	480,617
Revenue from own sources	26	497,132	531,032	485,089
Unconditional transfers from other governments	26	222,866	444,355	307,882
Other transfers	26	<u>129,000</u>	<u>6,023</u>	<u>36,243</u>
		<u>4,703,297</u>	<u>4,980,562</u>	<u>4,569,677</u>
Expenditures				
General government services				
Legislative services	27	120,108	117,407	128,430
Administrative services	27	878,064	812,389	824,482
Protective services				
Police services	28	686,177	685,968	653,654
Fire services	28	242,525	214,338	168,010
Other services	28	60,620	54,142	49,910
Transportation services	29	731,485	804,243	705,580
Environmental health services	29	598,448	579,760	549,356
Economic Development	30	122,605	140,375	110,650
Recreation and cultural services	30	407,654	450,918	334,333
Fiscal services	31	<u>332,586</u>	<u>328,505</u>	<u>331,302</u>
		<u>4,180,272</u>	<u>4,188,045</u>	<u>3,855,707</u>
Net Revenue over Expenditures		523,025	792,517	713,970
Debt principal installments		(308,891)	(310,380)	(275,558)
Transfers (to) from:				
Capital reserve fund		-	-	(25,000)
Operating reserve fund		<u>(214,134)</u>	<u>(482,137)</u>	<u>(413,412)</u>
Change in Fund Balance		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

March 31, 2022

	<u>2022</u>	<u>2021</u>
Assets		
Current		
Cash	\$1,298,289	\$ 799,936
Taxes receivable (net of allowance - note 5) (note 4)	62,058	65,340
Accounts receivable	2,628,886	428,647
Inventory	4,400	12,424
HST rebate	188,299	47,789
Due from Berwick electric operating	460,706	485,585
Due from general capital fund	-	51,418
Prepaid expenses	<u>143,943</u>	<u>117,459</u>
	4,786,581	2,008,598
Deferred pension charge (note 13)	<u>51,945</u>	<u>59,876</u>
	<u>\$4,838,526</u>	<u>\$2,068,474</u>
Liabilities		
Current		
Payables and accruals	1,029,266	352,997
Due to operating reserve	296,609	430,110
Due to capital reserve	1,214,978	775,557
Deferred revenue	<u>378,924</u>	<u>449,934</u>
	2,919,777	2,008,598
Due to the general capital fund	1,866,804	-
Unfunded pension liability (note 13)	<u>51,945</u>	<u>59,876</u>
	<u>4,838,526</u>	<u>2,068,474</u>
Surplus		
Operating Surplus	<u>-</u>	<u>-</u>
	<u>\$4,838,526</u>	<u>\$2,068,474</u>

On Behalf of the Town of Berwick

Donald E. Clarke, Mayor

Jennifer Boyd, Clerk

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

March 31, 2022

	<u>2022</u>	<u>2021</u>
Assets		
Current		
Due from general operating fund	\$ <u>1,866,804</u>	\$ <u>-</u>
Equity in assets of Valley Waste-Resource Management Tangible capital assets (note 11)	253,863 <u>15,028,214</u>	253,863 <u>11,752,696</u>
	<u>\$17,148,881</u>	<u>\$12,006,559</u>
 Liabilities		
Current		
Short term borrowings (interest rate at 3.35%) (note 8)	\$ 3,214,873	\$ -
Due to general operating fund	-	51,418
Long Term Debt (page 18)		
Debentures issued to Province of Nova Scotia or its agencies:		
Nova Scotia Municipal Finance Corporation	<u>3,457,394</u>	<u>3,766,284</u>
	<u>6,672,267</u>	<u>3,817,702</u>
 Equity		
Investment in Capital Assets (page 24)	<u>10,476,614</u>	<u>8,188,857</u>
	<u>\$17,148,881</u>	<u>\$12,006,559</u>

On Behalf of the Town of Berwick

Donald Clarke, Mayor

Jennifer Boyd, Clerk

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

March 31, 2022

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 8,188,857	\$ 8,129,328
Add (Deduct):		
Long term debt retired	310,380	275,558
Grants for capital purposes:		
Province of Nova Scotia	2,308,721	-
Federal Gas tax	56,742	226,012
Berwick Fire Department	61,955	6,051
Restart Funds	9,499	-
Transfer from open space reserve	-	8,167
Transfer from operating reserve	42,716	86,471
Transfer from capital reserve fund	198,698	147,954
Amortization	<u>(700,954)</u>	<u>(690,684)</u>
Balance, end of year	<u>\$10,476,614</u>	<u>\$ 8,188,857</u>

Town of Berwick
General Section
Schedules to Statement of Operations

Year Ended March 31, 2022

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
Taxation			
Residential	\$ 1,767,227	\$ 2,228,105	\$ 1,693,447
Commercial	<u>898,354</u>	<u>990,836</u>	<u>916,402</u>
	<u>2,665,581</u>	<u>3,218,941</u>	<u>2,609,849</u>
Resource	13,164	16,563	12,798
Education contribution	551,000	-	556,729
Deed transfer tax	75,000	178,186	95,485
Sewer:			
Residential	203,200	201,873	202,586
Commercial	<u>321,469</u>	<u>321,469</u>	<u>299,569</u>
	<u>1,163,833</u>	<u>718,091</u>	<u>1,167,167</u>
	<u>\$ 3,829,414</u>	<u>\$ 3,937,032</u>	<u>\$ 3,777,016</u>
Grants in Lieu of Taxes			
Federal government agencies	\$ 32,187	\$ 7,011	\$ 6,231
HST recovery	15,000	23,618	20,350
Aliant Telecom Incorporated	<u>12,830</u>	<u>12,055</u>	<u>12,749</u>
	<u>\$ 60,017</u>	<u>\$ 42,684</u>	<u>\$ 39,330</u>
Sales of Services			
Fire protection - Kings County	\$ 169,768	\$ 149,000	\$ 113,686
Sewer service fees	26,000	26,000	26,000
Administration fee	204,250	204,250	204,250
Recreation program revenue	55,850	130,023	85,978
Fitness Centre	<u>60,000</u>	<u>60,147</u>	<u>50,703</u>
	<u>\$ 515,868</u>	<u>\$ 569,420</u>	<u>\$ 480,617</u>

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

Year Ended March 31, 2022

	<u>2022 Budget</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
Revenue from Own Sources			
Facility rental	\$ 54,432	\$ 66,030	\$ 54,222
PACE program	10,000	14,948	13,158
Alternative Resource Energy Authority	200,000	378,775	322,276
Fines	500	958	113
Interest on investments	2,000	2,242	2,263
Interest on taxes	25,000	15,434	23,401
Planning services	5,000	14,496	7,567
By-law administration fees	2,700	3,668	2,955
Miscellaneous	<u>68,500</u>	<u>34,481</u>	<u>59,134</u>
	<u>\$ 497,132</u>	<u>\$ 531,032</u>	<u>\$ 485,089</u>
Unconditional Transfers from Other Governments			
Provincial government			
Equalization grant	\$ 221,479	\$ 442,958	\$ 221,479
Farm property acreage	1,387	1,397	1,387
Other	-	-	85,016
	<u>\$ 222,866</u>	<u>\$ 444,355</u>	<u>\$ 307,882</u>
Other Transfers			
Other reserves	129,000	-	-
Valley Waste Resource Centre	<u>-</u>	<u>6,023</u>	<u>36,243</u>
	<u>\$ 129,000</u>	<u>\$ 6,023</u>	<u>\$ 36,243</u>

Town of Berwick
General Section
Schedules to Statement of Operations

Year Ended March 31, 2022

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
General Government Services			
Legislative			
Honorarium	\$ 81,458	\$ 81,169	\$ 82,421
Legislative expenses	<u>38,650</u>	<u>36,238</u>	<u>46,009</u>
	<u>\$ 120,108</u>	<u>\$ 117,407</u>	<u>\$ 128,430</u>
Chief Administrative Office			
Salaries and benefits	\$ 131,909	\$ 131,047	\$ 147,028
Travel and conferences	5,000	3,266	4,906
Legal and professional fees	25,000	10,183	14,581
Advertising	2,500	3,328	1,701
Communication expense	1,100	1,327	2,207
Office and supplies	<u>500</u>	<u>693</u>	<u>522</u>
	<u>166,009</u>	<u>149,844</u>	<u>170,945</u>
Administration			
Salaries and benefits	364,605	331,352	331,627
Travel and conferences	5,000	4,626	3,285
Office and equipment expense	15,300	13,117	13,009
Liability insurance	20,000	22,342	19,887
Tax sale expenses	1,000	-	-
Postage	14,000	13,939	14,631
Communication expense	2,300	2,059	3,303
Audit	8,500	7,822	7,821
Bank fees and interest charges	<u>13,500</u>	<u>12,536</u>	<u>13,464</u>
	<u>444,205</u>	<u>407,793</u>	<u>407,027</u>
Tax appeals and exemptions	132,000	123,990	124,388
Information technology	36,250	36,479	33,869
Utilities and maintenance of			
Town Hall, Annex and vacant building	97,100	92,783	88,253
Grants to organizations	<u>2,500</u>	<u>1,500</u>	<u>-</u>
	<u>\$ 878,064</u>	<u>\$ 812,389</u>	<u>\$ 824,482</u>

Town of Berwick
General Section
Schedules to Statement of Operations

Year Ended March 31, 2022

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
Protective Services			
Police protection			
RCMP services	\$ <u>686,177</u>	\$ <u>685,968</u>	\$ <u>653,654</u>
Fire protection			
Honorarium	11,625	10,265	7,955
Utilities and maintenance of fire hall	99,000	78,312	81,921
Clothing and safety equipment	23,000	1,176	3,014
Vehicle expenses	30,000	38,049	21,362
Training and conferences	12,500	5,514	691
Dues and fees	1,400	1,113	830
Office supplies	4,000	2,267	325
Workers Compensation	8,500	7,063	6,651
Operational materials and supplies	26,000	49,990	21,182
Communication expense	<u>26,500</u>	<u>20,589</u>	<u>24,079</u>
	<u>242,525</u>	<u>214,338</u>	<u>168,010</u>
Emergency measures	8,050	7,112	6,738
By-Law services	19,070	19,475	11,707
Building and fire inspection	<u>33,500</u>	<u>27,555</u>	<u>31,465</u>
	<u>60,620</u>	<u>54,142</u>	<u>49,910</u>
	<u>\$ 989,322</u>	<u>\$ 954,448</u>	<u>\$ 871,574</u>

Town of Berwick
General Section
Schedules to Statement of Operations
Year Ended March 31, 2022

	2022	2022	2021
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Transportation Services			
Administration			
Salaries and benefits	\$ 65,639	\$ 65,174	\$ 63,390
Travel and conferences	10,250	10,703	11,577
Advertising	2,000	1,971	-
Office supplies and expense	1,000	483	1,057
Communication expense	6,500	8,144	5,725
Utilities and maintenance of			
Public Works building	28,000	25,993	22,891
Vehicle and equipment expense	90,000	81,283	71,663
General operations			
Salaries and benefits	319,576	364,380	334,674
Operational materials and supplies	127,500	167,693	126,189
Clothing and safety equipment	4,500	-	2,640
Crosswalk guard expense	20,520	16,016	13,195
Roads and streets			
Street lighting	<u>56,000</u>	<u>62,403</u>	<u>52,579</u>
	<u>\$ 731,485</u>	<u>\$ 804,243</u>	<u>\$ 705,580</u>
Environmental Health Services			
Administration			
Salaries and benefits	\$ 21,547	\$ 21,065	\$ 20,891
Travel and courses	4,700	487	1,050
Office and communication expense	4,500	4,045	3,713
Administration fees	26,000	26,000	26,000
Sewer collections			
Salaries and benefits	8,261	5,438	6,768
Power	30,000	31,594	24,720
Insurance	300	241	241
Repairs and maintenance	25,500	25,469	21,023
Sewer treatment			
Salaries and benefits	66,080	43,837	54,447
Clothing and safety equipment	3,000	-	1,249
Power	102,000	96,777	99,930
Repairs and maintenance	55,000	68,383	50,123
Sampling	28,000	33,346	20,793
Solid waste disposal	223,560	223,078	218,408
Capital out of revenue	<u>-</u>	<u>-</u>	<u>111,726</u>
	<u>\$ 598,448</u>	<u>\$ 579,760</u>	<u>\$ 549,356</u>

Town of Berwick
General Section
Schedules to Statement of Operations
Year Ended March 31, 2022

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
Economic Development			
Tourism			
Salaries and benefits	\$ 10,460	\$ 5,002	\$ -
Office and operational supplies	500	-	14
Communication and utility expense	<u>1,750</u>	<u>1,557</u>	<u>1,468</u>
	<u>12,710</u>	<u>6,559</u>	<u>1,482</u>
Planning and Development			
Office supplies	2,100	386	98
Advertising	1,500	3,287	2,112
Contracted services	<u>40,000</u>	<u>73,490</u>	<u>53,432</u>
	<u>43,600</u>	<u>77,163</u>	<u>55,642</u>
Economic development expenses			
Salaries and benefits	54,295	48,560	45,128
Marketing and community development	10,000	6,327	7,095
Office and operational supplies	<u>2,000</u>	<u>1,766</u>	<u>1,303</u>
	<u>66,295</u>	<u>56,653</u>	<u>53,526</u>
	<u>\$ 122,605</u>	<u>\$ 140,375</u>	<u>\$ 110,650</u>
Recreational and Cultural Services			
Administration			
Salaries and benefits	\$ 95,364	\$ 125,611	\$ 106,208
Travel and courses	2,100	1,556	219
Office supplies and postage	100	67	182
Advertising	-	473	269
Dues and subscriptions	3,200	1,800	3,400
Communication expense	500	21	52
Community events	7,100	11,824	6,168
Building expense	4,000	1,223	6,198
Parks and playgrounds			
Salaries and benefits	61,540	64,310	41,070
Insurance	4,200	3,972	3,873
Power	4,000	5,102	4,420
Vehicle expense	10,000	13,001	7,001
Operational material and supplies	28,500	22,285	22,262
Recreation programs			
Salaries and benefits	67,538	59,202	22,384
Program material and supplies	4,550	12,403	6,381
Fitness Centre			
Salaries and benefits	76,362	91,831	79,853
Advertising	-	611	673
Operational material and supplies	5,800	7,064	4,628
Utilities and maintenance	<u>32,800</u>	<u>28,562</u>	<u>19,092</u>
	<u>\$ 407,654</u>	<u>\$ 450,918</u>	<u>\$ 334,333</u>

Town of Berwick
General Section
Schedules to Statement of Operations
Year Ended March 31, 2022

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
Fiscal Services			
Debt charges			
Interest on short term debt	\$ 2,000	\$ -	\$ 1,750
Interest on long term debt	112,848	110,315	115,518
Debt issuance costs	-	-	3,250
Valuation allowance - bad debts	10,000	-	-
Contribution to Berwick Electric	-	-	22,970
Unconditional transfers to other government and agencies			
Valley Community Fibre Network Authority	2,000	3,799	3,350
Valley Regional Enterprise Network	14,865	14,865	14,865
Conditional transfers to other governments and agencies			
Assessment services	31,266	31,266	31,464
Correctional services	28,587	28,717	28,587
Kings transit services	67,580	65,444	52,585
Kings Point to Point	6,040	4,940	6,040
Public Health and Welfare Services			
Deficit Annapolis Valley Housing Authority	40,000	51,759	33,523
Recreation and Cultural Services			
Regional library	<u>17,400</u>	<u>17,400</u>	<u>17,400</u>
	<u>\$ 332,586</u>	<u>\$ 328,505</u>	<u>\$ 331,302</u>

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

Year Ended March 31, 2022

	<u>2022 Budget</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
Revenue			
Operating			
Domestic power	\$ 2,601,713	\$ 2,689,773	\$ 2,466,478
Industrial power	1,304,412	1,336,701	1,333,838
General service power	1,285,814	1,190,406	1,106,296
Yard lighting sales	32,626	32,002	30,057
Connection fees	4,000	3,780	3,360
Wiring permit fees	7,500	15,177	8,406
Energy credits	20,000	24,297	28,838
Municipal street lighting	<u>51,690</u>	<u>54,795</u>	<u>50,607</u>
	5,307,755	5,346,931	5,027,880
Non-operating			
Interest on overdue accounts	15,000	15,639	15,166
Miscellaneous	<u>25,000</u>	<u>60,814</u>	<u>248,679</u>
	<u>5,347,755</u>	<u>5,423,384</u>	<u>5,291,725</u>
Operating Expenditures			
Production expenses (page 36)	4,085,500	4,043,642	3,863,126
Distribution expenses (page 36)	490,800	441,455	412,959
General expenses (page 36)	451,889	406,515	502,473
Depreciation	<u>325,000</u>	<u>332,575</u>	<u>325,454</u>
	<u>5,353,189</u>	<u>5,224,187</u>	<u>5,104,012</u>
Operating profit	<u>(5,434)</u>	<u>199,197</u>	<u>187,713</u>
Non-Operating Expenditures			
Short term interest	3,200	7,713	7,938
Interest on debentures	<u>32,623</u>	<u>31,039</u>	<u>29,220</u>
	<u>35,823</u>	<u>38,752</u>	<u>37,158</u>
Other Expenditures			
Bonds retired	82,510	82,510	65,010
Fuel tax rebate	<u>-</u>	<u>-</u>	<u>50,000</u>
	<u>82,510</u>	<u>82,510</u>	<u>115,010</u>
Operating Surplus (Deficit) For The Year	(123,767)	77,935	35,545
	<u>\$ (123,767)</u>	77,935	35,545
Surplus, beginning of year		<u>153,744</u>	<u>118,199</u>
Surplus, end of year		<u>\$ 231,679</u>	<u>\$ 153,744</u>

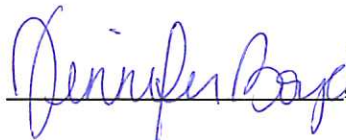
**Town of Berwick
Electric Utility
Operating Fund
Statement of Financial Position**

March 31, 2022

	<u>2022</u>	<u>2021</u>
Assets		
Current		
Cash	\$ -	\$ 591,956
Accounts receivable		
Rates (less allowance for doubtful accounts - \$16,410; 2021 \$16,410)	804,639	782,134
Other	839,340	404,540
HST receivable	54,714	53,158
Inventory, at cost	127,289	85,439
Prepaid expenses	<u>5,512</u>	<u>5,270</u>
	<u>\$ 1,831,494</u>	<u>\$ 1,922,497</u>
Liabilities		
Current		
Bank indebtedness	\$ 100,130	\$ -
Payables and accruals	958,991	1,203,180
Due to capital fund	75,988	75,988
Due to PCB reserve	4,000	4,000
Due to Town operating	<u>460,706</u>	<u>485,585</u>
	1,599,815	1,768,753
Surplus		
Operating Surplus (page 32)	<u>231,679</u>	<u>153,744</u>
	<u>\$ 1,831,494</u>	<u>\$ 1,922,497</u>

On Behalf of the Town of Berwick

 Mayor

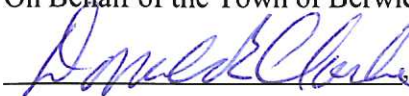
 Clerk

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

March 31, 2022

	<u>2022</u>	<u>2021</u>
Assets		
Depreciation bank	\$ 133,158	\$ -
Utility plant in service (note 11)	9,755,705	9,556,290
Due from operating fund	<u>75,988</u>	<u>75,988</u>
	<u>\$ 9,964,851</u>	<u>\$ 9,632,278</u>
Liabilities		
Current		
Short term borrowings (note 8)	\$ -	\$ 250,000
Long Term Debt (page 19)		
5.059-5.644% debenture due June 1, 2024	152,000	171,000
1.35-3.209% debenture due May 9, 2032	165,000	180,000
0.678-2.378% debenture due July 2035	332,500	350,000
3.471-4.026% debenture due November 9, 2021	-	10,010
2.367-3.501% debenture due May 30, 2033	252,000	273,000
0.4 - 2.809% debenture due May 28, 2036	<u>250,000</u>	<u>-</u>
	<u>1,151,500</u>	<u>984,010</u>
Accumulated allowance for depreciation (note 11)	<u>5,264,549</u>	<u>4,931,976</u>
	6,416,049	6,165,986
Equity		
Investment in Capital Assets (page 35)	<u>3,548,802</u>	<u>3,466,292</u>
	<u>\$ 9,964,851</u>	<u>\$ 9,632,278</u>

On Behalf of the Town of Berwick

 Mayor

 Clerk

Town of Berwick
Electric Utility
Statement of Investment in Capital Assets

March 31, 2022

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	3,466,292	3,400,282
Add (Deduct):		
Term debt retired	82,510	65,010
Proceeds on sale of assets	<u>-</u>	<u>1,000</u>
Balance, end of year	<u>\$ 3,548,802</u>	<u>\$ 3,466,292</u>

Town of Berwick
Electric Utility
Schedule to Statement of Operations

Year Ended March 31, 2022

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
Production expenses			
Salaries and benefits	\$ 78,000	\$ 78,142	\$ 65,793
Communications	6,000	5,397	5,748
Materials and supplies	16,500	1,785	455
Facility expenses	31,000	11,420	19,517
Vehicle expenses	18,000	10,860	10,550
Power purchases	<u>3,936,000</u>	<u>3,936,038</u>	<u>3,761,063</u>
	<u>\$ 4,085,500</u>	<u>\$ 4,043,642</u>	<u>\$ 3,863,126</u>
Distribution expenses			
Salaries and benefits	\$ 349,500	\$ 333,260	\$ 300,570
Property insurance and taxes	6,800	6,089	6,009
Supplies and equipment maintenance	46,500	19,374	28,416
Clothing and safety equipment	5,000	877	5,968
Tree management	40,000	29,818	29,337
Facility expenses	13,000	16,168	12,103
Vehicle expenses	<u>30,000</u>	<u>35,869</u>	<u>30,556</u>
	<u>\$ 490,800</u>	<u>\$ 441,455</u>	<u>\$ 412,959</u>
General expenses			
Salaries and benefits	\$ 36,000	\$ 35,733	\$ 33,369
Administration fee	204,250	204,250	204,250
Travel and conference	4,500	3,271	342
Office and operational expenses	13,200	5,814	8,227
Communication expense	6,000	5,119	4,820
Liability insurance	25,000	24,062	22,225
Professional fees	119,039	117,076	135,271
Uncollectible bills	25,500	7,485	64,222
Marketing	-	-	14,224
Load growth initiatives	10,000	423	7,188
Honorariums	2,400	3,262	2,400
Licenses and permits	<u>6,000</u>	<u>20</u>	<u>5,935</u>
	<u>\$ 451,889</u>	<u>\$ 406,515</u>	<u>\$ 502,473</u>

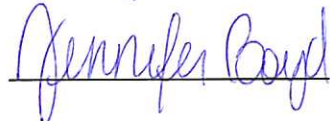
Town of Berwick
Capital Reserve Fund
Statement of Financial Position

March 31, 2022

	<u>2022</u>	<u>2021</u>
	Assets	
Cash	\$ 501,855	\$ 246,149
Due from operating	<u>296,609</u>	<u>430,110</u>
	<u>\$ 798,464</u>	<u>\$ 676,259</u>
	Reserve	
Balance, beginning of year	\$ 676,259	\$ 785,397
Add (Deduct):		
Transfer from operating fund	-	25,000
Transfer to capital fund	(329,611)	(373,965)
Interest	279	-
Donation	-	51,035
Canada-Nova Scotia Federal Gas Tax	312,171	153,052
Capital Grants	111,191	35,740
Proceeds on disposal of assets	<u>28,175</u>	<u>-</u>
Balance, end of year	<u>\$ 798,464</u>	<u>\$ 676,259</u>

On Behalf of the Town of Berwick

 Mayor

 Clerk

Town of Berwick
Operating Reserve Fund
Statement of Financial Position

March 31, 2022

	Assets	<u>2022</u>	<u>2021</u>
Due from operating		<u>\$1,214,978</u>	<u>\$ 775,557</u>
	Reserve		
Balance, beginning of year		\$ 775,557	\$ 448,616
Add (Deduct):			
Contributions from operating		482,137	413,412
Transfer to capital fund		<u>(42,716)</u>	<u>(86,471)</u>
Balance, end of year		<u>\$1,214,978</u>	<u>\$ 775,557</u>

On Behalf of the Town of Berwick

Donald Clarke, Mayor

Jennifer Boyd, Clerk

Town of Berwick

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

March 31, 2022

		<u>2022</u>	<u>2021</u>
Cash	Assets	\$ <u>-</u>	\$ <u>-</u>
	Reserve		
Balance, beginning of year		\$ -	\$ 8,167
Transfer to capital fund		<u>-</u>	<u>(8,167)</u>
Balance, end of year		\$ <u>-</u>	\$ <u>-</u>

On Behalf of the Town of Berwick

Donald Clark, Mayor

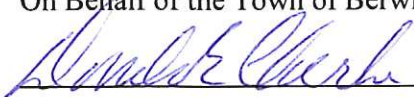
Jennifer Boyd, Clerk

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

March 31, 2022

		<u>2022</u>	<u>2021</u>
	Assets		
Due from Electric Operating		\$ <u>4,000</u>	\$ <u>4,000</u>
	Reserve		
Balance, beginning of year		\$ 4,000	\$ 4,000
Add (Deduct):			
Provision for PCB disposal		<u>-</u>	<u>-</u>
Balance, end of year		<u>\$ 4,000</u>	<u>\$ 4,000</u>

On Behalf of the Town of Berwick

 , Mayor

 , Clerk