

Town of Berwick



FINANCIAL STATEMENTS

March 31, 2014



TOWN OF BERWICK

March 31, 2014

FINANCIAL STATEMENTS

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UNDERSTANDING THE FINANCIAL STATEMENTS

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

The audit firm of Morse Brewster Lake was appointed by Council and is responsible for expressing an opinion as to whether the financial statements, prepared by the Town's management, fairly present the financial position of the Town of Berwick and the results of its 2013/14 operations.

CONSOLIDATED STATEMENTS

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

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

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

Consolidated Statement of Financial Position
The Consolidated Statement of Financial Position shows the assets Berwick owns and what it owes (liabilities) as at March 31, 2014. The bottom line of the Statement of Financial Position is Net Assets which is the net worth of the town which has been built up over many years.

Consolidated Statement of Changes in Net Financial Assets

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

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

Consolidated Statement of Cash Flow

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

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

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

NON-CONSOLIDATED SECTION

(General, Electric Utility and Reserve Funds)

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

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

The Balance Sheet shows the assets each fund owns and what it owes (liabilities) as at March 31, 2014.

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

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

NOTES

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

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

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

STATEMENT BY THE MAYOR AND CHIEF ADMINISTRATIVE OFFICER

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

INDEPENDENT AUDITOR'S REPORT

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

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

INDEPENDENT AUDITOR'S REPORT

Morse Brewster Lake

Chartered Accountants

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Berwick, N.S.
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To His Worship the Mayor and
Members of the Town Council
of the Town of Berwick

We have audited the accompanying financial statements of Town of Berwick, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statement of operations, change in net financial assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for the public sector and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Town of Berwick as at March 31, 2014 and the results of operations, changes in financial position and change in net assets for the year then ended, in accordance with Canadian accounting standards for the public sector.

Berwick, Nova Scotia
September 9, 2014



Registered Municipal Auditor

TOWN OF BERWICK

REPORT FROM THE DIRECTOR OF FINANCE

September 9, 2014

Mayor and Council
Town of Berwick

Your Worship and Members of Council,

I am pleased to present the financial statements for the fiscal year ending March 31, 2014. These statements have been prepared in accordance with generally accepted accounting principles and the recommendations of the Public Sector Accounting Board (PSAB) of the Institute of Chartered Accountants and the Provincial Ministry of Service Nova Scotia and Municipal Relations.

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

The audit firm of Morse Brewster Lake was appointed by Council and is responsible for expressing an **opinion as to whether the financial statements, prepared by the Town's management, fairly present the financial position of the Town of Berwick and the results of its 2013/14 operations.**

After years of diminished revenues, town finances have now normalized after several difficult years. The town realized a modest surplus of \$9 thousand for the year (2012/13 - \$17 thousand surplus), while the electric utility returned to a positive position with a surplus of \$35 thousand (2012/13 - \$48 thousand deficit) and anticipated surpluses in future years.

The overall financial position of the town has continued to improve over the last few years. Many significant financial indicators are trending in positive ways and capacity to fund operational and capital needs are being integrated into existing budgets; one way this is reflected is the 2013/14 capital program totaling \$908 thousand which was funded without incurring any debt, a trend that continues into the 2014/15 year.

One item to note is the reduction of the town's operating and capital reserve balances. The operating reserve was reduced by \$300 thousand as the town disbursed their contribution to the Kings Mutual Century Centre, to be reimbursed over the next three years (this amount is already incorporated into the existing budget and tax rate.) As for the capital reserve, capital reserve balances tend to be cyclical in nature as amounts are saved for a period with large expenditures occurring sporadically, and projections show the fund to continually be increased over time.

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

Respectfully submitted,



Greg Towne

STATEMENT BY THE MAYOR AND CHIEF ADMINISTRATIVE OFFICER

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

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

We have been authorized by the Council on September 9, 2014 to certify the Financial Statements in their final form.



Donald Clarke, Mayor
September 9, 2014
Berwick, Nova Scotia



Don Regan, Chief Administrative Officer
September 9, 2014
Berwick, Nova Scotia

TOWN OF BERWICK

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended March 31, 2014

	Mar 31, 2014 Budget	Mar 31, 2014 Actual	Mar 31, 2013 Actual
Revenue			
Taxation	\$ 3,287,800	\$ 3,263,301	\$ 2,935,052
Less: School Board requisition	(427,100)	(430,092)	(414,528)
	2,860,700	2,833,209	2,520,524
Grants in lieu of taxes	38,900	47,804	41,278
Sale of services	313,800	230,019	193,643
Revenue from own sources	157,400	127,296	111,813
Unconditional transfers from other governments	274,100	295,959	279,341
Berwick Electric Utility	4,842,270	4,982,500	4,201,336
Proceeds from sale of assets	-	39,981	135,814
Grants and contributions	-	354,990	715,289
Total Revenue	8,487,170	8,911,758	8,199,038
Expenditures			
General government services			
Legislative services	82,500	88,264	77,911
Administrative services	572,900	877,314	579,990
Protective services			
Police services	559,700	557,594	539,292
Fire services	210,800	203,634	195,316
Other services	25,600	24,137	22,317
Transportation services	551,600	604,306	530,727
Environmental health services	562,200	581,197	421,126
Environmental development	118,900	109,477	79,951
Recreational and cultural services	241,100	233,381	214,719
Fiscal services	235,200	208,809	227,110
Amortization	-	547,875	522,057
Disposal of capital assets	-	33,845	84,339
Electric utility operating expenditures	4,433,580	4,435,172	3,715,883
Electric utility depreciation	209,700	198,412	201,328
Electric utility non-operating expenditures	28,880	23,850	31,734
Total Expenditures	7,832,660	8,727,267	7,443,800
Annual Surplus	\$ 654,510	\$ 184,491	\$ 755,238

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For the year ended March 31, 2014

	Mar 31, 2014 Actual	Mar 31, 2013 Actual
Financial Assets		
Cash	\$ 188,851	\$ 508,198
Taxes receivable (note 4)	174,208	78,019
Accounts receivable	1,583,917	1,353,722
HST rebate	56,634	25,062
	2,003,610	1,965,001
Financial Liabilities		
Bank operating loan	-	300,000
Payables and accruals	1,101,443	945,859
Deferred revenue	89,671	-
Long term debt (p 37)	2,508,485	2,463,516
	3,699,599	3,709,375
NET FINANCIAL ASSETS/(LIABILITIES)	(1,695,989)	(1,744,374)
Non-Financial Assets		
Inventory and prepaid expenses	93,557	85,298
Deferred pension charge (note 9)	14,354	20,035
Equity in Valley Waste Resource Management	253,863	254,767
Tangible capital assets (note 6)	12,847,963	12,719,212
	13,209,737	13,079,312
Non-Financial Liabilities		
Unfunded pension liability	14,354	20,035
Net Non-Financial Assets/(Liabilities)	13,195,383	13,059,277
Net Assets/Liabilities	\$ 11,499,394	\$ 11,314,903
Municipal Position		
Amounts to be recovered in future years (note 7)	\$ (19,678)	\$ (29,517)
Fund balances (note 8)	1,045,393	1,260,796
Investment in Capital Assets	10,473,679	10,083,624
Total Municipal Position	\$ 11,499,394	\$ 11,314,903

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL POSITION

For the year ended March 31, 2014

	March 31, 2014 Budget	March 31, 2014 Actual	March 31, 2013 Actual
Annual Surplus	\$ 654,510	\$ 184,491	\$ 755,238
Add (Deduct):			
Acquisition of tangible capital assets (p 39)	(823,261)	(907,979)	(1,338,882)
Amortization of tangible capital assets	209,700	746,287	723,385
Disposal of capital assets	-	33,845	84,339
Use of prepaid assets and deferred charges	-	(8,259)	(12,239)
Increase (Decrease) In Net Assets	\$ 40,949	48,385	211,841
Net Financial Assets, Beginning Of Year		(1,744,374)	(1,956,215)
Net Financial Assets, End Of Year		\$ (1,695,989)	\$(1,744,374)

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOW
For the year ended March 31, 2014

	March 31, 2014 Actual	March 31, 2013 Actual
Cash Flow From Operating Activities		
Annual Surplus	\$ 184,491	\$ 755,238
(Gain)/Loss on sale of assets	(6,136)	(51,474)
Depreciation and amortization	746,287	723,385
Change in:		
Taxes receivable	(126,854)	(28,335)
Accounts receivable	(230,195)	343,531
HST rebate	(31,572)	55,610
Inventory and prepaid expenses	(8,259)	(12,239)
Deferred revenue	89,671	-
Payables and accruals	186,249	(169,558)
	803,682	1,616,158
Cash Flow From Investing Activities		
Proceeds on sale of assets	39,981	135,814
Purchase of tangible capital assets	(907,979)	(1,338,882)
	(867,998)	(1,203,068)
Cash Flow From Financing Activities		
Proceeds on issuance of debenture	302,000	263,400
Reduction in long term debt	(257,031)	(227,134)
	44,969	36,266
Cash Increase (Decrease)	(19,347)	449,356
Cash And Cash Equivalencies, Beginning Of Year	208,198	(241,158)
Cash And Cash Equivalencies, End Of Year	\$ 188,851	\$ 208,198
Represented by:		
Cash	\$ 188,851	\$ 508,198
Short term borrowing	-	(300,000)
	\$ 188,851	\$ 208,198

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TOWN OF BERWICK

GENERAL SECTION

STATEMENT OF OPERATIONS

Operating Fund

For the year ended March 31, 2014

	March 31, 2014 Budget	March 31, 2014 Actual	March 31, 2013 Actual
Revenue			
Taxation (p 16)	\$ 3,287,800	\$ 3,263,301	\$ 2,935,052
Less: School Board requisition	(427,100)	(430,092)	(414,528)
	2,860,700	2,833,209	2,520,524
Grants in lieu of taxes (p 16)	38,900	47,804	41,278
Sale of services (p 16)	313,800	351,679	358,643
Revenue from own sources (p 17)	72,600	76,196	59,324
Unconditional transfers from other governments (p 17)	274,100	295,959	279,341
Other transfers (p 17)	84,800	388,512	107,071
Gain on sale of assets	-	4,818	51,474
Total Revenue	3,644,900	3,998,177	3,417,655
Expenditures			
General government services			
Legislative services (p 18)	82,500	88,264	77,911
Administrative services (p 18)	572,900	877,314	579,990
Protective services			
Police services (p 19)	559,700	557,594	539,292
Fire services (p 19)	210,800	203,634	195,316
Other services (p 19)	25,600	24,137	22,317
Transportation services (p 20)	551,600	604,306	530,727
Environmental health services (p 20)	562,200	581,197	421,126
Environmental development (p 21)	118,900	109,477	79,951
Recreational and cultural services (p 21)	241,100	233,381	214,719
Fiscal services (p 22)	235,200	208,809	227,110
Amortization	-	547,875	522,057
Total Expenditures	3,160,500	4,035,988	3,410,516
Net Revenue Over Expenditures	484,400	(37,811)	7,139
Principal payments to debt	(171,900)	(171,901)	(149,101)
Transfers to			
Capital reserve fund	(139,500)	(148,885)	(153,600)
Operating reserve fund	(173,000)	(179,519)	(148,500)
Change In Fund Balance	\$ -	\$ (538,113)	\$ (444,062)

GENERAL SECTION

BALANCE SHEET

Operating Fund

For the year ended March 31, 2014

	March 31, 2014 Actual	March 31, 2013 Actual
Assets		
Cash	\$ -	\$ 189,297
Taxes receivable (note 4)	174,208	78,018
Accounts receivable	538,898	264,940
HST rebate	56,634	25,062
Due from general capital fund	109,002	117,218
Prepaid expenses	12,386	18,186
	891,128	692,721
Deferred pension charge (note 9)	14,354	20,035
Total Assets	\$ 905,482	\$ 712,756
Liabilities		
Bank indebtedness	\$ 19,996	\$ -
Payables and accruals	535,771	441,562
Deferred revenue	89,671	-
	645,438	441,562
Due to general capital fund (note 7)	19,678	29,517
Unfunded pension liability (note 9)	14,354	20,035
Total Liabilities	679,470	491,114
Surplus		
Amounts to be recovered in future years (note 7)	(19,678)	(29,517)
Operating surplus (note 10)	245,690	251,159
	226,012	221,642
Total Liabilities And Surplus	\$ 905,482	\$ 712,756

TOWN OF BERWICK

GENERAL SECTION

BALANCE SHEET

Capital Fund

For the year ended March 31, 2014

	March 31, 2014 Actual	March 31, 2013 Actual
Assets		
Equity in assets in Valley Waste Resource Management	\$ 253,863	\$ 254,767
Due from general operating fund (note 7)	19,678	29,517
Tangible capital assets (note 6)	9,388,583	9,346,409
Total Assets	\$ 9,662,121	\$ 9,630,693
Liabilities		
Short term borrowing	\$ -	\$ 300,000
Due to general operating fund	109,002	117,218
Long term debt		
Debentures issued through Municipal Finance Corporation (p 37)	1,966,099	1,835,998
Total Liabilities	2,075,101	2,253,216
Equity		
Investment in Capital Assets (page 15)	7,587,020	7,377,477
Total Liabilities And Equity	\$ 9,662,121	\$ 9,630,693

GENERAL SECTION

STATEMENT OF INVESTMENT IN CAPITAL ASSETS

Capital Fund

For the year ended March 31, 2014

	March 31, 2014 Actual	March 31, 2013 Actual
Balance, Beginning Of Year	\$ 7,377,477	\$ 6,928,865
Add (Deduct)		
Long term debt retired	162,062	139,262
Grants for capital purposes		
Government of Canada		
Atlantic Canada Opportunity Agency	-	220,295
Province of Nova Scotia		
Provincial Capital Assistance Program (PCAP)	-	114,843
Eden Valley Poultry Ltd.	-	220,295
Berwick Volunteer Fire Department	99,401	-
Berwick & District Fire Commission	106,786	6,633
Proceeds from insurance claim	17,836	-
Transfers from capital reserve fund		
Capital reserves	149,887	106,287
Gas Tax funds	241,679	247,393
Amortization	(547,875)	(522,057)
Disposal of property, plant and equipment	(20,233)	(84,339)
Balance, End Of Year	\$ 7,587,020	\$ 7,377,477

TOWN OF BERWICK

GENERAL SECTION

SCHEDULES TO STATEMENT OF OPERATIONS

Operating Fund

For the year ended March 31, 2014

	March 31, 2014 Budget	March 31, 2014 Actual	March 31, 2013 Actual
Taxation			
Residential	\$ 1,742,000	\$ 1,744,879	\$ 1,729,459
Commercial	982,000	993,343	757,678
	<u>2,724,000</u>	<u>2,738,222</u>	<u>2,487,137</u>
Resource	16,300	16,294	16,569
Business occupancy	-	-	22,582
Deed transfer tax	89,100	71,015	108,646
Sewerage			
Residential and commercial users	157,200	137,717	173,425
Industrial and institutional users	301,200	300,053	126,693
	<u>553,800</u>	<u>525,079</u>	<u>447,915</u>
	<u>\$ 3,287,800</u>	<u>\$ 3,263,301</u>	<u>\$ 2,935,052</u>
Grants in Lieu of Taxes			
Federal government agencies	\$ 8,100	\$ 9,716	\$ 8,542
HST recovery	15,400	20,882	14,781
Aliant Telecom Incorporated	15,400	17,206	17,955
	<u>\$ 38,900</u>	<u>\$ 47,804</u>	<u>\$ 41,278</u>
Sales of Services			
County of Kings			
Fire protection	\$ 124,500	\$ 159,655	\$ 125,919
Recreation services	25,500	29,027	22,779
Administration fee	115,200	121,660	165,000
Recreation program revenue	48,600	41,337	44,945
	<u>\$ 313,800</u>	<u>\$ 351,679</u>	<u>\$ 358,643</u>

Revenue From Own Sources			
Facility rental	\$ 16,100	\$ 13,356	\$ 14,423
Fines	7,200	2,125	7,497
Interest on investments	6,800	2,805	1,729
Interest on taxes	10,200	17,491	10,770
Planning services	6,100	1,695	4,495
By-law administration fees	1,700	1,046	1,175
Transfer from accumulated surplus	12,000	10,413	6,966
Miscellaneous	12,500	27,266	12,269
	\$72,600	\$ 76,196	\$ 59,324
Unconditional Transfers From Other Governments			
Provincial government			
Equalization grant	\$ 252,600	\$ 252,572	\$ 265,102
Farm property acreage	900	936	920
Other	20,600	12,431	13,319
Economic Development Agency	-	30,020	-
	\$ 274,100	\$ 295,959	\$ 279,341
Other Transfers			
Dividend from Electric Utility	\$ 50,000	\$ 50,000	\$ 100,000
Transfer from Valley Waste Resource Management	-	3,712	7,071
Operating Reserve	34,800	334,800	-
	\$ 84,800	\$ 388,512	\$ 107,071

TOWN OF BERWICK

GENERAL SECTION

SCHEDULES TO STATEMENT OF OPERATIONS

Operating Fund

For the year ended March 31, 2014

	March 31, 2014 Budget	March 31, 2014 Actual	March 31, 2013 Actual
General Government Services			
Legislative			
Honorarium	\$ 65,100	\$ 70,354	\$ 54,656
Legislative expenses	17,400	17,910	23,255
	\$ 82,500	\$ 88,264	\$ 77,911
Administration			
Salaries and benefits	\$ 77,500	\$ 79,618	\$ 72,347
Travel and conferences	6,900	7,042	3,159
Legal and professional fees	7,800	11,078	4,719
Advertising	6,500	5,722	2,888
Communication expense	3,900	2,328	3,040
Office and supplies	3,000	6,213	2,685
	105,600	112,001	88,838
Finance			
Salaries and benefits	169,000	173,641	172,264
Travel and conferences	4,400	2,671	2,492
Office and equipment expense	7,900	5,689	7,935
General liability insurance	10,500	11,975	12,032
Advertising	700	1,244	444
Postage	8,700	9,195	8,570
Communication expense	4,300	4,245	3,449
Audit fees	8,800	5,487	8,345
Bank fees	9,800	9,747	9,342
	224,100	223,894	224,873
Other General Government			
Tax appeals and exemptions	132,400	130,973	137,220
Information technology	38,200	33,342	50,747
Utilities and maintenance of town hall	64,200	65,536	51,654
Grants to organizations	8,400	311,568	19,692
Municipal elections	-	-	6,966
	243,200	541,419	266,279
	\$ 572,900	\$ 877,314	\$ 579,990

GENERAL SECTION

SCHEDULES TO STATEMENT OF OPERATIONS

Operating Fund

For the year ended March 31, 2014

	March 31, 2014 Budget	March 31, 2014 Actual	March 31, 2013 Actual
Protective Services			
Police protection			
RCMP services	\$ 557,700	\$ 549,818	\$ 539,285
Facility expenditures	2,000	7,776	7
	559,700	557,594	539,292
Fire Protection			
Honorarium	8,500	7,890	7,895
Utilities and maintenance of fire hall	79,200	76,103	78,162
Insurance	6,500	6,333	5,884
Clothing and safety equipment	18,000	21,818	13,977
Vehicle expenses	26,300	25,214	24,245
Training and conferences	14,300	13,856	11,680
Dues and fees	1,600	1,322	1,533
Office supplies	1,500	1,240	1,421
Operational materials and supplies	31,000	28,327	31,052
Communication expense	23,900	21,531	19,467
	210,800	203,634	195,316
Animal and pest control	400	697	236
Emergency management	2,100	943	1,902
Building and fire inspection	23,100	22,497	20,179
	25,600	24,137	22,317
	\$ 796,100	\$ 785,365	\$ 756,925

TOWN OF BERWICK

GENERAL SECTION

SCHEDULES TO STATEMENT OF OPERATIONS

Operating Fund

For the year ended March 31, 2014

	March 31, 2014 Budget	March 31, 2014 Actual	March 31, 2013 Actual
Transportation Services			
Administration			
Salaries and benefits	\$ 51,700	\$ 52,212	\$ 51,416
Travel and conferences	3,200	1,655	4,613
Advertising	2,000	447	1,979
Office supplies and expense	6,000	2,087	1,690
Communication expense	5,400	5,774	5,141
Utilities and maintenance of Public Works building	28,100	35,998	18,797
Vehicle and equipment expense	50,600	52,475	56,946
General operations			
Salaries and benefits	226,600	249,008	220,214
Operational materials and supplies	109,500	134,863	102,836
Clothing and safety equipment	3,000	3,918	3,534
Crosswalk guard expenses	17,200	17,488	18,784
Street lighting	48,300	48,381	44,777
	\$ 551,600	\$ 604,306	\$ 530,727
Environmental Health Services			
Administration			
Salaries and benefits	\$ 17,300	\$ 17,454	\$ 17,109
Travel and conferences	2,100	1,402	1,768
Office and communication expense	1,500	1,438	901
Vehicle and equipment expense	7,900	8,539	12,110
Sewer collection			
Salaries and benefits	11,300	11,858	11,109
Power	3,200	3,506	3,492
Insurance	500	4,151	651
Repairs and maintenance	22,000	14,427	14,203
Sewer treatment			
Salaries and benefits	48,800	51,770	48,756
Clothing and safety equipment	500	369	630
Power	213,600	216,011	97,100
Insurance	2,900	2,567	2,805
Fuel	-	7,529	520
Repairs and maintenance	42,400	47,919	29,253
Sampling and testing	11,500	18,304	13,934
Solid waste management	176,700	173,953	166,785
	\$ 562,200	\$ 581,197	\$ 421,126

GENERAL SECTION

SCHEDULES TO STATEMENT OF OPERATIONS

Operating Fund

For the year ended March 31, 2014

	March 31, 2014 Budget	March 31, 2014 Actual	March 31, 2013 Actual
Environmental Development			
Tourism			
Salaries and benefits	\$ 11,600	\$ 11,866	\$ 11,101
Travel and courses	600	82	343
Membership fees and dues	400	-	-
Office and operational supplies	800	1,134	371
Advertising	1,000	-	-
Communication and utility expense	1,400	1,267	1,514
Planning and Development			
Office supplies	1,700	2,239	1,600
Advertising	3,500	1,531	3,251
Contracted planning services	38,700	37,036	34,686
Economic development expenses	59,200	54,322	27,085
	\$ 118,900	\$ 109,477	\$ 79,951
Recreational and Cultural Services			
Administration			
Salaries and benefits	\$ 67,200	\$ 59,415	\$ 42,646
Travel and courses	1,200	2,450	753
Office supplies and postage	4,600	4,486	3,273
Advertising	2,500	1,244	1,950
Dues and subscriptions	2,000	1,827	500
Communication expense	2,000	1,311	1,558
Community events	16,600	17,507	17,992
Recreation buildings expense	-	1,801	390
Parks and playgrounds			
Salaries and benefits	32,700	34,010	32,093
Insurance	1,200	1,208	1,189
Power	1,900	1,518	1,621
Vehicle expense	11,700	8,629	6,148
Operational materials and supplies	28,600	21,442	30,916
Recreation programs			
Salaries and benefits	47,600	51,038	56,068
Advertising	1,000	834	233
Program materials and supplies	16,900	20,729	13,307
Program instruction	3,400	3,932	4,082
	\$ 241,100	\$ 233,381	\$ 214,719

TOWN OF BERWICK

GENERAL SECTION

SCHEDULES TO STATEMENT OF OPERATIONS

Operating Fund

For the year ended March 31, 2014

	March 31, 2014 Budget	March 31, 2014 Actual	March 31, 2013 Actual
Fiscal Services			
Debt charges			
Interest on short term debt	\$ -	\$ 1,731	\$ 15,633
Interest on long term debt	77,900	76,283	69,279
Debt issuance costs	-	2,099	-
Transfers to other governments and agencies			
Valley Community Fibre Network Authority	1,500	588	600
Economic Development Agency	16,700	83	17,792
Kings Transit Authority	32,100	31,971	30,134
Annapolis Valley Regional Library	24,000	20,377	19,762
Annapolis Valley Housing Authority	23,800	16,595	14,818
Property Valuation Service Corporation	30,300	30,320	30,387
Correctional services	28,900	28,762	28,705
	\$ 235,200	\$ 208,809	\$ 227,110

GENERAL SECTION

SCHEDULES TO STATEMENT OF OPERATIONS

Operating Fund

For the year ended March 31, 2014

	March 31, 2014 Actual	March 31, 2013 Actual
Remuneration		
Council members		
J. Bustin (Deputy Mayor)	\$ 9,271	\$ 2,428
D. Clarke (Mayor)	17,405	10,313
B. Corbin	-	3,997
P. Ilsley	8,426	2,301
A. Morton	8,426	6,298
J. Prall	9,025	12,396
M. Redden	8,426	2,301
R. Reeves	8,426	2,301
M. Trinacty	-	3,997
G. Whittier	-	3,997
M. Woodworth	-	3,997
Chief Administrative Officer	28,547	18,349
	\$ 97,952	\$ 72,675

TOWN OF BERWICK

ELECTRIC UTILITY

STATEMENT OF OPERATIONS

Electric Operating Fund

For the year ended March 31, 2014

	March 31, 2014 Budget	March 31, 2014 Actual	March 31, 2013 Actual
Revenue			
Operating			
Domestic power	\$ 2,218,770	\$ 2,262,701	\$ 2,164,123
Industrial power	1,327,810	1,453,532	813,433
General service power	1,171,520	1,173,666	1,134,393
Yard lighting sales	28,540	34,537	25,809
Municipal street lighting	44,670	47,133	42,966
Connection fees	5,000	4,780	4,924
Wiring permit fees	7,500	6,151	15,688
	4,803,810	4,982,500	4,201,336
Non-operating			
Interest on overdue accounts	14,160	35,369	13,955
Miscellaneous	24,300	22,432	39,873
	4,842,270	5,040,301	4,255,164
Operating Expenditures			
Production expenses (p 27)	3,722,100	3,859,046	3,185,333
Distribution expenses (p 27)	387,290	459,984	394,491
General expenses (p 27)	324,190	238,002	301,059
Depreciation	209,700	198,412	201,328
	4,643,280	4,755,444	4,082,211
Operating Profit	198,990	284,857	172,953
Non-Operating Expenditures			
Short term interest	3,580	200	-
Interest on long term debt	25,300	23,650	31,734
	28,880	23,850	31,734
Other Expenditures			
Capital expenditures out of operations	35,000	91,053	11,581
Bonds retired	85,110	85,114	78,034
	120,110	176,167	89,615
Operating Surplus (Deficit) For The Year	50,000	84,840	51,604
Dividend to Town of Berwick	50,000	50,000	100,000
Surplus (Deficit) For The Year	\$ -	34,840	(48,396)
Surplus, Beginning Of Year		161,079	209,475
Surplus, End Of Year		\$ 195,919	\$ 161,079

ELECTRIC UTILITY

BALANCE SHEET

Electric Operating Fund

As at March 31, 2014

	March 31, 2014 Actual	March 31, 2013 Actual
Assets		
Accounts receivable		
Rates (less allowance for doubtful accounts - \$11,904; 2013 \$9,578)	\$ 936,459	\$ 914,193
Other	108,560	97,931
Inventory, at cost	61,789	67,114
Prepaid expenses	19,382	-
Due from capital fund	30,338	39,137
Total Assets	\$ 1,156,528	\$ 1,118,375
Liabilities		
Bank indebtedness	\$ 394,937	\$ 452,999
Payables and accruals	565,672	504,297
	960,609	957,296
Surplus		
Accumulated surplus	195,919	161,079
Total Liabilities and Surplus	\$ 1,156,528	\$ 1,118,375

TOWN OF BERWICK

ELECTRIC UTILITY

BALANCE SHEET

Electric Capital Fund

As at March 31, 2014

	March 31, 2014 Actual	March 31, 2013 Actual
Assets		
Utility plant in service (note 6)	\$ 6,787,107	\$ 6,505,527
Total Assets	\$ 6,787,107	\$ 6,505,527
Liabilities		
Current		
Due to operating fund	\$ 30,338	\$ 39,137
	30,338	39,137
Long term debt (P 37)	542,386	627,519
Accumulated amortization on capital assets (note 7)	3,327,724	3,132,724
Total Liabilities	3,900,448	3,799,380
Equity		
Investment in capital assets (page 26)	2,886,659	2,706,147
Total Liabilities And Equity	\$ 6,787,107	\$ 6,505,527

ELECTRIC UTILITY

STATEMENT OF INVESTMENT IN CAPITAL ASSETS

Electric Capital Fund

As at March 31, 2014

	March 31, 2014 Actual	March 31, 2013 Actual
Balance, Beginning Of Year	\$ 2,706,147	\$ 2,616,532
Add (Deduct):		
Term debt retired	85,114	78,034
Proceeds on sale of asset	17,327	-
Disposal of capital assets	(12,982)	-
Capital expenditures from operations	91,053	11,581
Balance, End Of Year	\$ 2,886,659	\$ 2,706,147

ELECTRIC UTILITY

SCHEDULE TO STATEMENT OF OPERATIONS

Electric Operating Fund

As at March 31, 2014

	March 31, 2014 Budget	March 31, 2014 Actual	March 31, 2013 Actual
Production Expenses			
Salaries and benefits	\$ 54,810	\$ 55,435	\$ 52,885
Communications	2,090	2,279	1,987
Materials and supplies	11,100	6,379	5,976
Licenses	1,980	2,071	3,918
Facility expenses	13,380	15,070	18,677
Vehicle expenses	3,580	4,474	3,252
Power purchases	3,635,160	3,773,338	3,098,638
	\$ 3,722,100	\$ 3,859,046	\$ 3,185,333
Distribution Expenses			
Salaries and benefits	\$ 248,700	\$ 291,487	\$ 256,141
Property insurance and taxes	40,270	40,312	42,023
Supplies and equipment maintenance	32,000	60,440	35,457
Clothing and safety equipment	5,000	4,430	4,643
Tree management	29,710	25,954	30,833
Facility expenses	9,370	12,010	6,965
Vehicle expenses	22,240	25,351	18,429
	\$ 387,290	\$ 459,984	\$ 394,491
General Expenses			
Salaries and benefits	\$ 73,490	\$ 63,271	\$ 69,791
Administration fee	117,900	121,860	160,611
Travel and conferences	6,920	412	5,890
Office and operational equipment	2,790	2,624	8,186
Communication expense	8,640	6,246	7,480
Liability insurance	13,040	13,232	12,787
Professional fees	82,710	12,485	23,433
Uncollectable bills	11,980	11,226	7,571
Honorariums	2,400	1,200	1,200
Licenses and permits	4,320	5,446	4,110
	\$ 324,190	\$ 238,002	\$ 301,059

TOWN OF BERWICK

RESERVE FUNDS

BALANCE SHEET

General Operating Reserve Fund

As at March 31, 2014

	March 31, 2014 Actual	March 31, 2013 Actual
Assets		
Cash	\$ 28,746	\$ 184,027
Reserve		
Balance, Beginning of Year	\$ 184,027	\$ 35,527
Add (Deduct):		
Contributions from operating fund	179,519	148,500
Transfers to operating fund	(34,800)	-
Contribution to recreation facility	(300,000)	-
Balance, End of Year	\$ 28,746	\$ 184,027

RESERVE FUNDS

BALANCE SHEET

General Capital Reserve Fund

As at March 31, 2014

	March 31, 2014 Actual	March 31, 2013 Actual
Assets		
Cash	\$ 538,422	\$ 551,257
Canada-Nova Scotia Federal Gas Tax receivable	-	76,658
	\$ 538,422	\$ 627,915
Reserve		
Balance, Beginning of Year	\$ 627,915	\$ 537,624
Add (Deduct):		
Transfer from operating fund	148,882	153,600
Federal Gas Tax funds received	151,572	153,223
Proceeds on disposal of assets	4,818	135,814
Transfer to capital to fund projects		
Capital reserves	(154,270)	(106,287)
Federal Gas Tax	(241,679)	(247,393)
Interest earned on investments and savings	1,184	1,334
Balance, End of Year	\$ 538,422	\$ 627,915

RESERVE FUNDS

BALANCE SHEET

Open Space Reserve Fund

As at March 31, 2014

	March 31, 2014 Actual	March 31, 2013 Actual
Assets		
Cash	\$ 32,616	\$ 32,616
Reserve		
Balance, Beginning of Year	\$ 32,616	\$ 32,616
Balance, End of Year	\$ 32,616	\$ 32,616

RESERVE FUNDS

BALANCE SHEET

Electric Utility – PCB Reserve Fund

As at March 31, 2014

	March 31, 2014 Actual	March 31, 2013 Actual
Assets		
Cash	\$ 4,000	\$ 4,000
Reserve		
Balance, Beginning of Year	\$ 4,000	\$ 4,000
Balance, End of Year	\$ 4,000	\$ 4,000

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

INTRODUCTION

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

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

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

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

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

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

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

Basis of Accounting

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

Non-Financial Assets

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

Tangible Capital Assets

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

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

Electric Utility Capital Assets

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

Electric Utility - Depreciation

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

The depreciation charge in the Utility's Operating Fund is transferred to a special bank account in the Electric Utility's Capital Fund which is used to help fund replacement of existing plant and equipment, or subject to approval by the Nova Scotia Utility and Review Board to repay the principal of capital debt.

Valuation allowances

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

Financial Instruments

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

Use of Estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. The most significant accounting estimates in these financial statements include allowance for doubtful accounts and estimated useful life of tangible capital assets.

Cash and Cash Equivalents

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

2. SEGMENTED INFORMATION

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

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

General Government Services

General government services include activities that provide for the overall operation of the town and that are common to, or affect all the services provided by, the town, including legislative, administrative, financial and taxation, computer services and charges relating to general town structures (Town Hall, Annex building and the old fire hall.)

Protective Services

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

Transportation Services

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

Environmental Health Services

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

Environmental Development

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

Recreational and Cultural Services

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

Fiscal Services

Include interest charges and transfers to other agencies or governments.

Berwick Electric Utility

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

3. CONTRIBUTIONS TO NON- CONSOLIDATED BOARDS AND COMMISSIONS

The Town of Berwick is required to finance the operations of the various Boards and Commissions, along with the other municipal units in Kings County to the extent of its participation based on prescribed formulae.

In addition to any budgeted contributions, the Town shares in the deficits or surpluses of these Boards excluding the Annapolis Valley Regional School Board based on prescribed formulae. The Town's share of any deficit is to be paid in the next fiscal year while a surplus is to be taken into the next year's estimates.

Details of contributions to the boards are as follows:

Annapolis Valley Housing Authority – 25% of net operating deficit of facilities located in Berwick
During fiscal 2013/14 the Town of Berwick paid \$16,595 (2012/13 - \$14,818) to the Annapolis Valley Housing Authority to fund its share of the deficit.

Annapolis Valley Regional Library - 2.34%

During fiscal 2013/14 the Town of Berwick paid \$20,377 (2012/13 - \$15,913) to the Annapolis Valley Regional Library.

Annapolis Valley Regional School Board - 3.29%

In fiscal 2013/14 the Town of Berwick contributed \$430,292 (2012/13 - \$414,528) as its share of operations for the Board.

Valley Waste-Resource Management Authority - 2.33%

The Town of Berwick has shared use of waste management and recycling facilities in the Kings and Annapolis regions. In fiscal 2013/14, the Town of Berwick paid \$171,223 (2012/13 - \$166,103) as its share of net operating costs.

Kings Transit Authority - 5% share

During fiscal 2013/14 the Town of Berwick paid \$31,972 (2012/13 - \$30,134) to the Kings Transit Authority to fund its share of its operations and deficit.

Valley Community Fibre Network Authority - 1.06% share

During fiscal 2013/14 the Town of Berwick paid \$588 (2012/13 - \$600) to the Valley Community Fibre Network Authority to fund its share of operations.

TOWN OF BERWICK

4. TAXES RECEIVABLE

	Current Year	Prior Year	2014	2013
Balance, beginning of year	\$ -	\$ 78,019	\$ 78,019	\$ 19,018
Add/(Deduct):				
Current Year's Tax Levy	3,263,301	-	3,263,301	2,935,052
Current Year's Collections	(3,111,108)	(56,004)	(3,167,112)	(2,876,051)
Balance, end of year	\$ 152,193	\$ 22,015	\$ 174,208	\$ 78,019

5. VALUATION ALLOWANCE

	2014	2013
Balance, beginning of year	\$ -	\$ 9,847
Add:		
Increase (decrease) in allowance	-	(9,847)
Balance, end of year	\$ -	\$ -

6. TANGIBLE CAPITAL ASSETS

	Cost - opening	Additions	Disposals	Write-downs	Cost - closing	Amortization	Accumulated amortization	Net book value
General Capital								
Land	\$ 331,400	\$ -	\$ -	\$ -	\$ 331,400	\$ -	\$ -	\$ 331,400
Buildings	3,166,171	-	-	-	3,166,171	75,458	643,308	2,522,863
Machinery & equipment	1,819,544	312,480	-	-	2,132,024	136,127	1,271,811	860,213
General office equipment	80,352	5,943	(9,954)	-	76,341	5,372	61,607	14,734
Parks & open space areas	271,193	50,179	-	(24,124)	297,248	30,984	172,553	124,695
Vehicles	61,944	-	-	-	61,944	2,575	53,596	8,348
Streets	2,020,987	9,391	(4,136)	-	2,026,242	47,938	1,218,780	807,462
Sidewalks	942,767	51,342	-	-	994,109	32,256	389,758	604,351
Street lighting	221,480	-	-	-	221,480	3,685	170,439	51,041
Sewer collection system	1,201,385	40,674	-	-	1,242,059	28,685	418,782	823,277
Storm water system	958,280	-	-	-	958,280	20,957	308,615	649,665
Sewage treatment plant	4,920,680	140,272	-	-	5,060,952	164,148	2,470,421	2,590,531
	15,996,183	610,281	(14,090)	(24,124)	16,568,250	548,185	7,179,670	9,388,580
Electric Capital								
Intangible assets	1,094	-	-	-	1,094	-	-	1,094
Power generation	1,783,882	182,364	-	-	1,966,246	42,102	512,310	1,453,936
Power line right of way	55,046	-	-	-	55,046	-	-	55,046
Substations	974,494	1,974	-	-	976,468	30,425	457,914	518,554
Distribution system	3,059,476	113,360	-	-	3,172,836	112,250	1,841,116	1,331,720
General property	631,535	-	(16,118)	-	615,417	13,607	516,384	99,033
	6,505,527	297,698	(16,118)	-	6,787,107	198,384	3,327,724	3,459,383
	\$ 22,501,710	\$ 907,979	\$ (30,208)	\$ (24,124)	\$ 23,355,357	\$ 746,569	\$ 10,507,394	\$ 12,847,963

7. AMOUNTS TO BE RECOVERED IN FUTURE YEARS

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

8. FUND BALANCES

	2014	2013
General operating fund	\$ 245,690	\$ 251,159
Capital reserve fund	538,422	627,915
Operating reserve fund	28,746	184,027
Open Space reserve fund	32,616	32,616
Electric operating fund	195,919	161,079
PCB Disposal reserve fund	4,000	4,000
	\$ 1,045,393	\$ 1,260,796

9. RETIRED CLERK'S PENSION – PAST SERVICE COST

Under provincial legislation, municipalities were required to have a defined benefit pension plan for a former municipal clerk for a benefit equal to 2% per year, times clerk's years of service to April 1, 1993, times the average of the final five years of salary, before actual retirement. The actuarial present value of accrued pension benefits attributed to services to March 31, 2013 is being funded to March 31, 2016. The unfunded amount of this liability at April 1, 2011 was \$35,600 based on an actuarial valuation of the pension plan done as at that date. Since then the town has made payments totaling \$21,246 which has reduced the unfunded amount to \$14,354 at March 31, 2014 (2013 - \$20,035).

10. OPERATING SURPLUS

	2014	2013
Balance, beginning of year	\$ 251,159	\$ 234,381
Add (deduct)		
Operating surplus	(538,113)	(444,062)
Amortization	547,875	522,057
Loss (gain) on sale of asset	(4,818)	(51,474)
Sports Hall of Fame	-	(2,777)
Transfer to operations	(10,413)	(6,966)
	\$ 245,690	\$ 251,159

11. LONG TERM DEBT

	General Capital	Electric Utility	Total
2014/15	\$ 164,971	\$ 76,094	\$ 241,065
2015/16	164,970	76,091	241,061
2016/17	149,845	48,590	198,435
2017/18	149,845	48,590	198,435
2018/19	149,845	41,510	191,352
	\$ 779,473	\$ 290,875	\$ 1,070,348

12. CASH – GENERAL CAPITAL RESERVE

\$136,527 (2012/13 - \$225,450) 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.

13. COMMITMENTS AND GUARANTEES

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

For the year ending:	March 31, 2015	\$ 13,678
	March 31, 2016	13,678
	March 31, 2017	13,678
	March 31, 2018	8,031

On December 10, 2013 Council approved a resolution to guarantee the Town's portion - \$61,040 - 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.

14. COMPARITIVE FIGURES

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

SCHEDULES

SCHEDULE OF CAPITAL DEBT CHARGES AND TERM DEBT

For the year ended March 31, 2014

	Due	Balance Apr 1, 2013	Issued	Redeemed	Balance Mar 31, 2014	Interest Paid	Interest Rate
General Fund							
Sewer							
MFC 23-A-1	2013	\$ 10,891	\$ -	\$ 10,891	\$ -	\$ 544	5.00%
MFC 99-A-1	2024	27,370	-	3,910	23,460	1,028	2.85% to 5.64%
MFC 31-A-1	2026	114,570	-	6,030	108,540	3,820	1.49% to 4.03%
MFC 32-A-1	2022	114,000	-	11,400	102,600	2,661	1.51% to 3.16%
MFC 33-A-1	2023	-	259,000	-	259,000	2,333	0.00% to 3.61%
Fire Protection							
MFC 25-A-1	2015	15,880	-	5,287	10,593	593	4.37% to 4.56%
MFC 28-A-1	2018	59,017	-	9,837	49,180	2,518	4.37% to 4.88%
MFC 99-A-1	2024	990,250	-	58,250	932,000	46,050	2.85% to 5.64%
Public Works							
MFC 23-A-1	2013	20,848	-	20,848	-	1,043	5.00%
MFC 28-A-1	2018	34,682	-	5,780	28,902	1,480	4.37% to 4.88%
MFC 31-A-1	2026	178,505	-	9,395	169,110	5,952	1.22% to 4.03%
MFC 32-A-1	2022	114,000	-	11,400	102,600	2,661	1.51% to 3.16%
MFC 33-A-1	2018	-	43,000	-	43,000	387	0.00% to 3.61%
Administration							
MFC 31-A-1	2026	126,468	-	9,033	117,436	3,905	1.22% to 4.03%
Transit							
MFC 25-B-1	2015	29,517	-	9,839	19,678	1,308	4.34% to 4.52%
		1,835,998	302,000	171,900	1,966,099	76,283	
Electric Fund							
MFC 23-A-1	2013	9,020	-	9,020	-	451	5.00%
MFC 25-A-1	2015	82,509	-	27,503	55,024	3,084	4.37% to 4.56%
MFC 99-A-1	2024	410,500	-	31,500	379,000	17,055	2.85% to 5.64%
MFC 31-A-1	2021	90,090	-	10,010	80,080	2,375	1.22% to 4.03%
MFC 32-A-1	2017	35,400	-	7,080	28,320	655	1.51% to 3.16%
		627,519	-	85,113	542,424	23,620	
		\$ 2,463,517	\$ 302,000	\$ 257,013	\$ 2,508,523	\$ 99,903	

TOWN OF BERWICK

SCHEDULES

STATEMENT OF CAPITAL FINANCING

General Capital Fund

As at March 31, 2014

	March 31, 2014 Actual	March 31, 2013 Actual
Source		
Government of Canada		
Atlantic Canada Opportunities Agency	\$ -	\$ 220,295
Gas Tax fund	241,679	247,393
Province of Nova Scotia		
Provincial Capital Assistance Program	-	114,843
Eden Valley Poultry Ltd.	-	220,295
Berwick and District Fire Commission	106,786	6,633
Berwick and District Volunteer Fire Department	99,401	-
Proceeds on insurance claim	17,836	-
Transfers from capital reserve fund	139,761	106,287
Proceeds on disposal of capital assets	4,818	-
Proceeds from issuance of long term debt	-	228,000
Due to general operating fund	-	282,226
	\$ 610,281	\$ 1,425,972
Application		
Repayment of short term borrowings	-	300,000
Capital asset acquisitions	610,281	1,125,972
	\$ 610,281	\$ 1,425,972

STATEMENT OF CAPITAL FINANCING

Electric Utility Capital Fund

As at March 31, 2014

	March 31, 2014 Actual	March 31, 2013 Actual
Source		
Depreciation funds	\$ 198,411	\$ 201,328
Capital expenditures out of revenue	91,053	11,581
Proceeds on sale of capital asset	17,327	-
	\$ 306,792	\$ 212,909
Application		
Due to/from electric operating fund	\$ 9,094	\$ -
Capital asset acquisitions	297,698	212,909
	\$ 306,792	\$ 212,909

SCHEDULES

STATEMENT OF CAPITAL PROJECT FUNDING

For the year ended March 31, 2014

	Total Capital Cost	General Operations	Capital Reserves	Depreciation	Other Partners or Funders	Gas Tax Funds	Insurance Proceeds	Proceeds on Disposal
General Capital								
Hardware upgrades	\$ 5,943	\$ -	\$ 5,943	\$ -	\$ -	\$ -	\$ -	\$ -
Town WiFi system	27,340	-	27,340	-	-	-	-	-
Fire equipment	14,770	-	7,385	-	7,385	-	-	-
Tanker #4 replacement	297,710	-	98,908	-	198,802	-	-	-
Sidewalk upgrades	51,342	-	-	-	-	51,342	-	-
Paving – Ron Smith Dr	9,391	-	-	-	-	9,391	-	-
Bus shelter	22,839	-	5,003	-	-	-	17,839	-
WWTP upgrades	140,272	-	-	-	-	140,272	-	-
Collection system upgrades	40,674	-	-	-	-	40,674	-	-
	\$ 610,281	\$ -	\$ 144,579	\$ -	\$ 206,187	\$ 241,679	\$ 17,839	\$ -
Electric Capital								
Substations	\$ 1,974	\$ -	\$ -	\$ 1,974	\$ -	\$ -	\$ -	\$ -
Distribution	113,360	-	-	113,360	-	-	-	-
Power generation	182,364	91,053	-	83,078	-	-	-	8,233
	\$ 297,698	\$ 91,053	\$ -	\$ 198,412	\$ -	\$ -	\$ -	\$ 8,233
	\$ 907,979	\$ 91,053	\$ 144,579	\$ 198,412	\$ 206,187	\$ 241,679	\$ 17,839	\$ 8,233



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