

**Town of Berwick**  
**Berwick, Nova Scotia**  
**March 31, 2020**

**Financial Statements**

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## **Morse Brewster Lake**

Chartered Professional Accountants

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### **Independent Auditor's Report**

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

#### **Opinion**

We have audited the accompanying financial statements of **Town of Berwick**, which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statement of operations, change in net financial assets and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Town of Berwick as at March 31, 2020, and the results of operations and changes in net assets for the year then ended, in accordance with Canadian accounting standards for the public sector

#### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not for profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

## Independent Auditor's Report (continued)

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

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

Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Berwick, Nova Scotia  
September 22, 2020

*Morse Brewster Lake*

Chartered Professional Accountants  
Registered Municipal Auditor

**Town of Berwick**  
**Consolidated Statement of Financial Activities**

**Year Ended March 31, 2020**

	2020 <u>Budget</u>	2020 <u>Actual</u>	2019 <u>Actual</u>
<b>Revenue</b>			
Taxation	\$ 3,581,914	\$ 3,597,402	\$ 3,555,953
Less: School Board requisition	<u>(513,330)</u>	<u>(521,316)</u>	<u>(505,812)</u>
	3,068,584	3,076,086	3,050,141
Grants in lieu of taxes	39,599	34,641	62,692
Sales of services	491,543	440,785	339,331
Revenue from own sources	227,085	475,940	244,858
Unconditional transfer from other governments	222,836	222,836	254,041
Berwick Electric Utility	5,120,987	5,053,332	5,192,558
Gain on sale of assets	-	15,833	24,400
Alternative Resource Energy Authority	2,138,729	2,868,036	2,235,963
Grants and contributions	<u>-</u>	<u>823,635</u>	<u>263,673</u>
	<u>11,309,363</u>	<u>13,011,124</u>	<u>11,667,657</u>
<b>Expenditures</b>			
General government services			
Legislative services	143,603	132,154	123,558
Administrative services	767,421	862,390	829,033
Protective services			
Police services	636,578	637,218	636,362
Fire services	255,050	244,320	209,189
Other services	60,500	65,058	31,824
Transportation services	773,205	780,543	776,069
Environmental health services	644,436	576,842	582,659
Environmental development	196,800	132,133	117,618
Recreational and cultural services	482,616	573,239	412,542
Fiscal services	318,067	359,125	292,865
Amortization	-	672,588	632,892
Alternative Resource Energy Authority	1,767,493	2,551,789	1,862,617
Electric utility operating expenditures	4,662,702	4,753,648	4,722,919
Electric utility depreciation	340,000	305,791	293,590
Electric utility non-operating expenditures	<u>30,130</u>	<u>25,392</u>	<u>29,249</u>
	<u>11,078,601</u>	<u>12,672,230</u>	<u>11,552,986</u>
<b>Annual Surplus</b>	<u>\$ 230,762</u>	<u>\$ 338,894</u>	<u>\$ 114,671</u>

See accompanying notes to the consolidated financial statements

# Town of Berwick

## Consolidated Statement of Financial Position

March 31, 2020

	<u>2020</u>	<u>2019</u>
<b>Financial Assets</b>		
Cash (note 3)	\$ 1,645,941	\$ 1,682,199
Taxes receivable (net of allowance) (note 4)	159,193	125,910
Accounts receivable (note 6)	<u>2,683,883</u>	<u>2,222,902</u>
	<u>4,489,017</u>	<u>4,031,011</u>
<b>Financial Liabilities</b>		
Bank indebtedness (note 7)	1,447,241	1,138,052
Payables and accruals (note 9)	1,960,056	1,747,795
Deferred revenue	21,036	8,886
Long term debt (page 14 and 15)	<u>16,991,147</u>	<u>17,497,314</u>
	<u>20,419,480</u>	<u>20,392,047</u>
<b>Net Financial Assets / (Liabilities)</b>	<u>(15,930,463)</u>	<u>(16,361,036)</u>
<b>Non-Financial Assets</b>		
Inventory and prepaid expenses (note 10)	246,475	120,282
Deferred pension charge (note 13)	50,509	42,872
Equity in Valley Waste Resource Management	253,863	253,863
Tangible capital assets (note 11)	<u>28,141,094</u>	<u>28,358,966</u>
	28,691,941	28,775,983
<b>Non-Financial Liabilities</b>		
<b>Unfunded pension liability</b> (note 13)	<u>50,509</u>	<u>48,872</u>
<b>Net Non-Financial Assets/(Liabilities)</b>	<u>28,641,432</u>	<u>28,733,111</u>
<b>Net Assets/Liabilities</b>	<u>\$ 12,710,969</u>	<u>\$ 12,372,075</u>
<b>Net Assets</b>		
<b>Fund balances</b> (note 12)	1,956,655	1,940,566
<b>Investment in Capital Assets</b> (note 16)	<u>10,754,314</u>	<u>10,431,509</u>
	<u>\$ 12,710,969</u>	<u>\$ 12,372,075</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, 2020

	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
Annual Surplus	\$ 230,762	\$ 338,894	\$ 114,671
<b>Add (Deduct):</b>			
Acquisition of tangible capital assets	(972,415)	(1,305,359)	(1,735,131)
Amortization of tangible capital assets	872,309	1,515,735	1,461,491
Disposal of assets	-	7,500	-
Use (acquisition) of prepaids assets and deferred charges	<u>-</u>	<u>(126,197)</u>	<u>91,853</u>
Increase (decrease) in net assets	\$ <u><u>130,656</u></u>	430,573	(67,116)
Net Financial Assets (liabilities), beginning of year		<u>(16,361,036)</u>	<u>(16,293,920)</u>
Net Financial Assets (liabilities), end of year		\$ <u><u>(15,930,463)</u></u>	\$ <u><u>(16,361,036)</u></u>

See accompanying notes to the consolidated financial statements

**Town of Berwick**  
**Consolidated Statement of Cash Flow**  
**Year Ended March 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>Cash flow from operating activities:</b>		
Annual surplus	\$ 338,894	\$ 114,671
(Gain) loss on sale of assets	(15,833)	(24,400)
Depreciation and amortization	1,515,735	1,461,491
Change in		
Taxes receivable	(33,283)	175,757
Accounts receivable	(460,979)	252,983
Inventory and prepaid expenses	(126,197)	91,853
Deferred revenue	12,150	(1,269)
Payables and accruals	<u>212,261</u>	<u>99,622</u>
	<u>1,442,748</u>	<u>2,170,708</u>
 <b>Cash flow from investing activities:</b>		
Proceeds on sale of assets	23,333	24,400
Purchase of tangible capital assets	<u>(1,305,359)</u>	<u>(1,735,131)</u>
	<u>(1,282,026)</u>	<u>(1,710,731)</u>
 <b>Cash flow from financing activities:</b>		
Repayment of short term debt	-	(3,575,250)
Proceeds from long term debt	363,000	3,528,000
Reduction of long term debt	<u>(869,169)</u>	<u>(753,579)</u>
	<u>(506,169)</u>	<u>(800,829)</u>
 <b>Cash Decrease</b>	(345,447)	(340,852)
 <b>Cash and Equivalencies, beginning of year</b>	<u>544,147</u>	<u>884,999</u>
 <b>Cash and Equivalencies, end of year</b>	<u>\$ 198,700</u>	<u>\$ 544,147</u>
 <b>Represented by:</b>		
Cash	\$ 1,645,941	\$ 1,682,199
Bank indebtedness	<u>(1,447,241)</u>	<u>(1,138,052)</u>
	<u>\$ 198,700</u>	<u>\$ 544,147</u>

See accompanying notes to the consolidated financial statements

# **Town of Berwick**

## **Notes to Consolidated Financial Statements**

**March 31, 2020**

### **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, 2020**

**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, 2020**

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

#### **Valuation allowances**

The Town provides a valuation allowance for estimated losses that will be incurred in collecting receivables outstanding.

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

#### **Financial Instruments**

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

#### **Use of Estimates**

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

#### **Cash and Cash Equivalents**

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

### **2. Contributions to Non-Consolidated Boards and Commissions**

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

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

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

**March 31, 2020**

**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 2020, the Town of Berwick paid \$14,493 (2019- \$15,666) to the Annapolis Valley Housing Authority to fund its share of the deficit.

Annapolis Valley Regional Library - 2.34%

During fiscal 2020, the Town of Berwick paid \$15,400 (2019 - \$15,767) to the Annapolis Valley Regional Library.

Annapolis Valley Regional School Board - 3.4245%

In fiscal 2020, the Town of Berwick contributed \$521,316 (2019 - \$505,812) 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 2020, the Town of Berwick paid \$234,101 (2019 - \$223,670) as its share of net operating costs.

Kings Transit Authority - 5% share

During fiscal 2020, the Town of Berwick paid \$50,773 (2019 - \$51,939) to the Kings Transit Authority to fund its share of the deficit.

Valley Community Fibre Network Authority - 1.06% share

During fiscal 2020, the Town of Berwick paid \$0 (2019 - \$1683) to the Valley Community Fibre Network Authority to fund its share of operations.

Valley Regional Enterprise Network – 4.57% share

During fiscal 2020, the Town of Berwick paid \$13,702 (2019 - \$13,954) to the Valley Regional Enterprise Network to fund its share of operations.

**3. Cash**

	<u>2020</u>	<u>2019</u>
Depreciation bank - Electric capital fund	\$ 138,503	\$ 29,112
Capital Reserve fund	785,397	608,917
Operating Reserve fund	448,616	330,440
Open Space Reserve fund	8,167	32,616
PCB Disposal Reserve fund	4,000	4,000
AREA	<u>261,258</u>	<u>677,114</u>
	<u>\$ 1,645,941</u>	<u>\$ 1,682,199</u>

## Town of Berwick

### Notes to Consolidated Financial Statements

March 31, 2020

#### 4. Taxes receivable

	Current Year	Prior Year	2020	2019
Balance, beginning of year	\$ -	\$ 137,910	\$ 137,910	\$ 313,667
Add (Deduct):				
Current year's tax levy	3,597,402	-	3,597,402	3,555,953
Current year collections	(3,508,283)	(55,836)	(3,564,119)	(3,731,710)
Valuation allowance	-	-	(12,000)	(12,000)
Balance, end of year	\$ 89,119	\$ 82,074	\$ 159,193	\$ 125,910

#### 5. Valuation allowance

	2020	2019
Balance, beginning of year	\$ 12,000	\$ 12,000
Add:		
Increase (Decrease) in allowance	-	-
Balance, end of year	\$ 12,000	\$ 12,000

#### 6. Accounts Receivable

	2020	2019
General Operating Fund	\$ 544,256	\$ 708,652
General Operating -HST rebate	35,096	34,270
Electric Utility Operating Fund	1,318,337	1,059,991
AREA	786,194	342,713
	\$ 2,683,883	\$ 2,145,626

#### 7. Bank indebtedness

	2020	2019
General Operating Fund	\$ 757,395	\$ 664,095
Electric Utility Operating Fund	689,846	473,957
	\$ 1,447,241	\$ 1,138,052

#### 8. Short Term Borrowings

As of March 31, 2020, the Town has \$0 in temporary financing.

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

-  
March 31, 2020

**9. Payables and accruals**

	<u>2020</u>	<u>2019</u>
General Operating Fund	\$ 553,316	\$ 576,096
Electric Utility Operating Fund	958,305	910,830
AREA	<u>448,437</u>	<u>260,868</u>
	<u>\$ 1,960,058</u>	<u>\$ 1,747,794</u>

**10. Inventory and Prepaid**

	<u>2020</u>	<u>2019</u>
General Operating Fund - Prepaid	\$ 128,738	\$ 17,245
General Operating Fund - Inventory	14,314	-
Electric Utility Operating Fund- Prepaid	5,066	6,643
Electric Utility Operating Fund- Inventory	92,947	88,649
AREA - Prepaid	<u>5,410</u>	<u>7,745</u>
	<u>\$ 246,475</u>	<u>\$ 120,282</u>

**11. Tangible Capital Assets**

	Cost Opening	Additions	Disposals	Write Downs	Cost Closing	Amortization	Accum Amort	Net Book Value
<b><u>General Capital</u></b>								
Land	\$ 644,755	\$ 67,415	\$ -	\$ -	\$ 712,170	\$ -	\$ -	\$ 712,170
Buildings	5,808,761	60,143	-	-	5,868,904	143,603	1,044,572	4,824,332
Machinery & equipment	2,172,366	612,720	(149,357)	-	2,635,729	137,029	1,548,575	1,087,154
General office equip/ software	245,626	-	-	-	245,626	32,579	178,787	66,839
Parks and open space infrastructure	861,161	196,502	-	-	1,057,663	56,979	433,532	624,131
Vehicles	139,503	-	-	-	139,503	10,794	98,206	41,297
Streets	2,033,798	615	-	-	2,034,413	35,567	1,462,251	572,162
Sidewalks	1,011,623	115,382	-	-	1,127,005	37,209	588,737	538,268
Street lighting	221,480	5,768	-	-	227,248	3,916	192,779	34,469
Sewer collection system	1,352,876	21,201	-	-	1,374,077	31,066	595,494	778,583
Storm water system	1,062,724	9,257	-	-	1,071,981	23,798	442,936	629,045
Sewage treatment plt.	<u>5,387,329</u>	<u>19,090</u>	<u>-</u>	<u>-</u>	<u>5,406,419</u>	<u>160,049</u>	<u>3,397,563</u>	<u>2,008,856</u>
	<u>20,942,002</u>	<u>1,108,093</u>	<u>(149,357)</u>	<u>-</u>	<u>21,900,738</u>	<u>672,589</u>	<u>9,983,432</u>	<u>11,917,306</u>
<b><u>Electric Capital</u></b>								
Intangible assets	1,094	-	-	-	1,094	-	-	1,094
Power generation	2,761,297	81,382	-	-	2,842,679	59,748	780,687	2,061,992
Transmission line right of way	55,046	-	-	-	55,046	-	-	55,046
Substations	1,010,234	15,974	-	-	1,026,208	31,505	644,882	381,326
Distribution	3,766,494	58,880	-	-	3,825,374	134,088	2,591,560	1,233,814
General property	<u>1,126,756</u>	<u>40,162</u>	<u>-</u>	<u>-</u>	<u>1,166,918</u>	<u>80,450</u>	<u>589,391</u>	<u>577,527</u>
	<u>8,720,921</u>	<u>196,398</u>	<u>-</u>	<u>-</u>	<u>8,917,319</u>	<u>305,791</u>	<u>4,606,520</u>	<u>4,310,799</u>
<b>AREA</b>	<u>13,878,118</u>	<u>868</u>	<u>-</u>	<u>-</u>	<u>13,878,986</u>	<u>537,356</u>	<u>1,965,997</u>	<u>11,912,989</u>
	<u>\$ 43,541,041</u>	<u>\$ 1,305,359</u>	<u>\$ (149,357)</u>	<u>\$ -</u>	<u>\$ 44,697,043</u>	<u>\$ 1,515,736</u>	<u>\$ 16,555,949</u>	<u>\$ 28,141,094</u>

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

**March 31, 2020**

**12. Fund Balances**

	<u>2020</u>	<u>2019</u>
General operating fund	\$ -	\$ -
Capital reserve fund	785,397	608,917
Operating reserve fund	448,616	330,440
Open Space reserve fund	8,167	32,616
Electric operating fund	118,199	197,772
PCB Disposal reserve fund	4,000	4,000
AREA net assets	322,276	496,821
AREA Reserve	<u>270,000</u>	<u>270,000</u>
	<u>\$ 1,956,655</u>	<u>\$ 1,940,566</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, 2019 was \$56,300 based on an actuarial valuation of the pension plan done as at that date. Since then the municipality has made payments totaling \$5,791 which has reduced the unfunded amount to \$50,509 at March 31, 2020 (2019 - \$48,872). During the year contributions were made as follows \$5,791 (2019 - \$5,664)

**14. Defined Contribution Pension Plan**

The Town and Electric Commission have defined contribution pension plans for their employees. The total contribution to the employees defined contribution pension for the year ending March 31, 2020 was \$ 78,753 (2019 -\$47,753).

**15. Cash - General Capital Reserve**

\$319,109 (2019 \$175,962) 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, 2020**

**16. Investment in Capital Assets**

	<u>2020</u>	<u>2019</u>
<b>General Capital</b>		
Balance, beginning of year	\$ 7,878,005	\$ 7,436,140
Add (Deduct):		
Long term debt retired	261,318	285,535
Grants for capital purposes:		
Donated assets - sign	4,203	-
Donated assets - land	58,000	-
Federal Gas tax	169,528	76,553
Berwick & District Fire Commission	202,328	30,981
Berwick Fire Department	202,328	-
Transfer from operating reserve	9,257	29,266
Transfer from open space reserve	24,449	-
Transfer from capital reserve fund	-	628,422
Amortization	(672,588)	(632,892)
Gain (loss) on disposal of property and equipment	<u>(7,500)</u>	<u>24,000</u>
Balance, end of year	<u>8,104,879</u>	<u>7,878,005</u>
<b>Electric Capital</b>		
Balance, beginning of year	3,322,772	3,223,774
Add (Deduct):		
Term debt retired	77,510	56,510
Proceeds on sale of assets	-	400
Nova Scotia Land and Forestry	-	25,000
Contributions from developers	<u>-</u>	<u>17,088</u>
Balance, end of year	<u>3,400,282</u>	<u>3,322,772</u>
<b>AREA</b>		
Balance, beginning of year	(769,267)	(645,792)
Debt repayment	530,341	411,534
Capital additions	986	-
Amortization	<u>(537,356)</u>	<u>(535,009)</u>
Balance, end of year	<u>(775,296)</u>	<u>(769,267)</u>
<b>Total</b>	<u>\$ 10,754,314</u>	<u>\$ 10,431,509</u>

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

**March 31, 2020**

**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.

**18. Comparative Figures**

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

**19. Remuneration and Expenses**

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

	Wages	Expenses	<u>2020</u>	<u>2019</u>
Council members				
D. Clarke (Mayor)	\$ 21,338	\$ 2,860	\$ 24,198	\$ 24,146
M. Trinacty	9,677	772	10,449	11,226
T. Walsh	10,038	1,115	11,153	10,542
J. Bustin	10,845	260	11,105	10,864
A. Morton	9,677	528	10,205	10,522
B. Corbin	9,677	667	10,344	10,617
R. Reeves	9,677	-	9,677	9,319
Don Regan, CAO	-	-	-	87,544
Michael Payne, CAO	<u>102,000</u>	<u>12,729</u>	<u>114,729</u>	<u>74,176</u>
	<u>\$ 182,929</u>	<u>\$ 18,931</u>	<u>\$ 201,860</u>	<u>\$ 248,956</u>

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

**March 31, 2020**

**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 2020 and 2019 as per their audited financial statements.

Summary of AREA Financial information

March 31, 2020

**Consolidated Statement of Financial Position**

	<u>2020</u>	<u>2019</u>
Financial Assets	\$ <u>3,879,452</u>	\$ <u>3,777,136</u>
Liabilities		
Long-Term Debt	46,993,650	48,957,875
Other liabilities	<u>1,705,873</u>	<u>966,179</u>
	<u>48,699,523</u>	<u>49,924,054</u>
Non-Financial Assets		
Tangible capital assets	44,122,182	46,109,171
Prepaid expenses	<u>20,036</u>	<u>28,685</u>
	<u>44,142,218</u>	<u>46,137,856</u>
Net Assets (Deficit)	\$ <u>(677,853)</u>	\$ <u>(9,062)</u>

**Consolidated Statement of Operations**

Revenues	\$ 10,622,356	\$ 8,281,344
Expenses	<u>9,451,070</u>	<u>6,898,582</u>
Annual Surplus	\$ <u>1,171,286</u>	\$ <u>1,382,762</u>

Included in total revenue is power sold to the Berwick Electric Utility in the amount of \$1,977,580 (2019 \$1,465,048). These revenues were not eliminated in the consolidation.

**Town of Berwick**  
**Notes to Consolidated Financial Statements**  
**Schedule of Capital Debt Charges and Term Debt**  
**March 31, 2020**

		Balance April 1 2019	Issue	Redeemed	Balance March 31 2020	Interest	Interest Rate
	Due						
<b>Town Hall</b>							
Debtenture - Nova Scotia Municipal Finance Corporation	2032	2,280,000	-	120,000	2,160,000	60,076	1.35-3.209%
<b>Sewer</b>							
Debtenture - Nova Scotia Municipal Finance Corporation	2020	3,910	-	3,910	-	96	4.388% - 5.644%
Debtenture - Nova Scotia Municipal Finance Corporation	2026	78,390	-	6,030	72,360	2,977	3.256% - 4.026%
Debtenture - Nova Scotia Municipal Finance Corporation	2022	45,600	-	11,400	34,200	1,098	2.65% - 3.16%
Debtenture - Nova Scotia Municipal Finance Corporation	2023	129,500	-	25,900	103,600	4,166	2.744% - 3.614%
Debtenture - Nova Scotia Municipal Finance Corporation	2032	84,000	-	6,000	78,000	2,073	1.35-3.209 %
<b>Fire department</b>							
Debtenture - Nova Scotia Municipal Finance Corporation	2024	640,750	-	58,250	582,500	32,731	4.889% - 5.644%
<b>Public Works</b>							
Debtenture - Nova Scotia Municipal Finance Corporation	2026	122,135	-	9,395	112,740	4,639	2.70% - 4.026%
Debtenture - Nova Scotia Municipal Finance Corporation	2022	45,600	-	11,400	34,200	1,098	2.65% - 3.16%
<b>Administration</b>							
Debtenture - Nova Scotia Municipal Finance Corporation	2026	72,273	-	9,033	63,241	2,602	2.70% - 4.026%
Debtenture - Nova Scotia Municipal Finance Corporation	2034	-	363,000	-	363,000	8,581	1.982% - 3.048%
		<u>\$ 3,502,158</u>	<u>\$ 363,000</u>	<u>\$ 261,318</u>	<u>\$ 3,603,841</u>	<u>\$ 120,137</u>	

**Town of Berwick  
Electric Utility**  
Notes to Consolidated Financial Statements  
**Schedule of Capital Debt Charges and Term Debt**  
March 31, 2020

	Due	Balance April 1 2019	Issue	Redeemed	Balance March 31 2020	Interest	Interest Rate
Debenture - Nova Scotia Municipal Finance Corporation	2024	\$ 221,500	\$ -	\$ 31,500	\$ 190,000	\$ 10,071	4.889% - 5.644%
Debenture - Nova Scotia Municipal Finance Corporation	2032	210,000	-	15,000	195,000	5,183	1.35-3.209%
Debenture - Nova Scotia Municipal Finance Corporation	2021	30,030	-	10,010	20,020	824	3.256%-4.026%
Debenture - Nova Scotia Municipal Finance Corporation	2033	315,000	-	21,000	294,000	9,257	2.06-3.501%
		<u>\$ 776,530</u>	<u>\$ -</u>	<u>\$ 77,510</u>	<u>\$ 699,020</u>	<u>\$ 25,335</u>	
		Balance April 1			Balance March 31		Interest Rate
Alternative Resource Energy Authority	Due 2032	<u>13,218,626</u>	<u>-</u>	<u>530,341</u>	<u>12,688,285</u>	<u>386,328</u>	<u>1.15-3.501%</u>
Total		<u>\$ 17,497,314</u>	<u>\$ 363,000</u>	<u>\$ 869,169</u>	<u>\$ 16,991,146</u>	<u>\$ 531,800</u>	

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

	General Capital	Electric Utility	AREA	Total
2021	\$ 275,558	\$ 77,510	\$ 539,421	\$ 892,489
2022	275,558	77,510	549,673	902,741
203	275,558	67,500	561,163	904,221
2024	252,758	67,500	570,626	890,884
2025	518,108	100,000	589,031	1,207,139
	<u>\$ 1,597,540</u>	<u>\$ 390,020</u>	<u>\$ 2,809,914</u>	<u>\$ 4,797,474</u>

## Morse Brewster Lake

Chartered Professional Accountants

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

### **Auditors' Report on Supplemental Financial Information**

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

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

Berwick, Nova Scotia  
September 22, 2020

*Morse Brewster Lake*

Chartered Professional Accountants  
Registered Municipal Auditor

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

**Year Ended March 31, 2020**

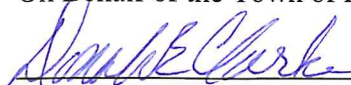
	Page	2020 <u>Budget</u>	2020 <u>Actual</u>	2019 <u>Actual</u>
<b>Revenue</b>				
Taxation	24	\$ 3,581,914	\$ 3,597,402	\$ 3,555,953
Less: School Board requisition		<u>(513,330)</u>	<u>(521,316)</u>	<u>(505,812)</u>
		3,068,584	3,076,086	3,050,141
Grants in lieu of taxes	24	39,599	34,641	62,692
Sale of services	24	558,343	645,035	497,600
Revenue from own sources	25	668,085	639,074	746,238
Unconditional transfers from other governments	25	222,836	222,836	254,041
Other transfers	25	<u>125,000</u>	<u>134,101</u>	<u>155,580</u>
		<u>4,682,447</u>	<u>4,751,773</u>	<u>4,766,292</u>
<b>Expenditures</b>				
General government services				
Legislative services	26	143,603	132,154	123,558
Administrative services	26	767,421	862,390	829,033
Protective services				
Police services	27	636,578	637,218	636,362
Fire services	27	255,050	244,320	209,189
Other services	27	60,500	65,058	31,824
Transportation services	28	773,205	780,543	776,069
Environmental health services	28	644,436	576,842	582,659
Economic Development	29	196,800	132,133	117,618
Recreation and cultural services	28	482,616	573,239	412,542
Fiscal services	30	<u>318,067</u>	<u>359,125</u>	<u>292,865</u>
		<u>4,278,276</u>	<u>4,363,022</u>	<u>4,011,719</u>
<b>Net Revenue over Expenditures</b>		404,171	388,751	754,573
Debt principal installments		(261,318)	(261,318)	(285,535)
Transfers (to) from				
Capital reserve fund		-	-	120,000
Capital reserve fund		(500,000)	-	(537,579)
Operating reserve fund		<u>327,147</u>	<u>(127,433)</u>	<u>(51,459)</u>
<b>Change in Fund Balance</b>		<u>\$ (30,000)</u>	<u>\$ -</u>	<u>\$ -</u>

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

**March 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
<b>Current</b>		
Taxes receivable (net of allowance - note 5) (note 4)	\$ 159,193	\$ 125,910
Accounts receivable	544,256	708,652
Inventory	14,314	-
HST rebate	35,096	34,270
Due from general capital fund	438,000	363,000
Prepaid expenses	<u>128,738</u>	<u>17,245</u>
	1,319,597	1,249,077
 <b>Deferred pension charge (note 13)</b>	 <u>50,509</u>	 <u>42,872</u>
	<u><u>\$1,370,106</u></u>	<u><u>\$1,291,949</u></u>
<b>Liabilities</b>		
<b>Current</b>		
Bank indebtedness	\$ 757,395	\$ 664,095
Payables and accruals	553,316	576,096
Deferred revenue	<u>8,886</u>	<u>8,886</u>
	1,319,597	1,249,077
 <b>Unfunded pension liability (note 13)</b>	 <u>50,509</u>	 <u>42,872</u>
	<u><u>1,370,106</u></u>	<u><u>1,291,949</u></u>
<b>Surplus</b>		
 <b>Operating Surplus</b>	 <u>-</u>	 <u>-</u>
	<u><u>\$1,370,106</u></u>	<u><u>\$1,291,949</u></u>

On Behalf of the Town of Berwick



, Mayor



, Clerk

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

**March 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
<b>Equity in assets of</b>		
<b>Valley Waste-Resource Management</b>	\$ 253,863	\$ 253,863
<b>Tangible capital assets (note 11)</b>	<u>11,917,306</u>	<u>11,489,300</u>
	<u>\$12,171,169</u>	<u>\$11,743,163</u>
<b>Liabilities</b>		
<b>Due to general operating fund</b>	438,000	363,000
<b>Long Term Debt (page 17)</b>		
Debentures issued to Province of Nova Scotia or its agencies:		
Nova Scotia Municipal Finance Corporation	<u>3,603,841</u>	<u>3,502,158</u>
	<u>4,041,841</u>	<u>3,865,158</u>
<b>Equity</b>		
<b>Investment in Capital Assets (page 23)</b>	<u>8,129,328</u>	<u>7,878,005</u>
	<u>\$12,171,169</u>	<u>\$11,743,163</u>

On Behalf of the Town of Berwick

 , Mayor

 , Clerk

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

**March 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>Balance, beginning of year</b>	\$ 7,878,005	\$ 7,436,140
Add (Deduct):		
Long term debt retired	261,318	285,535
Grants for capital purposes:		
Donated assets - Sign	4,203	-
Federal Gas tax	169,528	76,553
Donated land	58,000	-
Berwick & District Fire Commission	202,328	30,981
Berwick Fire Department	202,328	-
Transfer from open space reserve	24,449	-
Transfer from operating reserve	9,257	29,266
Transfer from capital reserve fund	-	628,422
Amortization	(672,588)	(632,892)
Gain (loss) on disposal of property and equipment	<u>(7,500)</u>	<u>24,000</u>
<b>Balance, end of year</b>	<b><u>\$ 8,129,328</u></b>	<b><u>\$ 7,878,005</u></b>

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

**Year Ended March 31, 2020**

	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
<b>Taxation</b>			
Residential	\$ 1,588,400	\$ 1,589,256	\$ 1,526,810
Commercial	<u>894,400</u>	<u>902,745</u>	<u>924,620</u>
	<u>2,482,800</u>	<u>2,492,001</u>	<u>2,451,430</u>
Resource	12,000	12,419	12,048
Education contribution	524,517	539,887	524,234
Deed transfer tax	90,000	81,783	110,127
Sewer:			
Residential	210,000	208,715	207,683
Commercial	<u>262,597</u>	<u>262,597</u>	<u>250,431</u>
	<u>1,099,114</u>	<u>1,105,401</u>	<u>1,104,523</u>
	<u>\$ 3,581,914</u>	<u>\$ 3,597,402</u>	<u>\$ 3,555,953</u>
<b>Grants in Lieu of Taxes</b>			
Federal government agencies	\$ 6,231	\$ 6,231	\$ 6,558
HST recovery	20,000	15,580	42,765
Aliant Telecom Incorporated	<u>13,368</u>	<u>12,830</u>	<u>13,369</u>
	<u>\$ 39,599</u>	<u>\$ 34,641</u>	<u>\$ 62,692</u>
<b>Sales of Services</b>			
Fire protection - Kings County	\$ 178,535	\$ 174,945	\$ 172,061
Economic Development	-	251	3,580
Sewer service fees	26,000	26,000	26,000
Administration fee	66,800	204,250	158,269
Recreation program revenue	169,492	138,372	66,117
Fitness Centre	<u>117,516</u>	<u>101,217</u>	<u>71,573</u>
	<u>\$ 558,343</u>	<u>\$ 645,035</u>	<u>\$ 497,600</u>

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

**Year Ended March 31, 2020**

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
<b>Revenue from Own Sources</b>			
Facility rental	\$ 52,100	\$ 56,562	\$ 53,402
PACE program	3,000	16,092	2,415
Alternative Resource Energy Authority	500,000	496,821	537,579
Fines	2,500	829	2,183
Interest on investments	5,000	1,995	5,258
Interest on taxes	40,000	33,529	39,380
Planning services	7,500	4,190	7,200
By-law administration fees	3,300	2,681	3,218
Miscellaneous	<u>54,685</u>	<u>26,375</u>	<u>95,603</u>
	<u>\$ 668,085</u>	<u>\$ 639,074</u>	<u>\$ 746,238</u>
<b>Unconditional Transfers from Other Governments</b>			
Provincial government			
Equalization grant	\$ 221,479	\$ 221,479	\$ 221,479
Farm property acreage	1,357	1,357	1,376
Other	<u>-</u>	<u>-</u>	<u>31,186</u>
	<u>\$ 222,836</u>	<u>\$ 222,836</u>	<u>\$ 254,041</u>
<b>Other Transfers</b>			
Dividend from Electric Utility	\$ 125,000	\$ 100,000	\$ 125,000
Valley Waste Resource Centre	<u>-</u>	<u>34,101</u>	<u>30,580</u>
	<u>\$ 125,000</u>	<u>\$ 134,101</u>	<u>\$ 155,580</u>

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

**Year Ended March 31, 2020**

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
<b>General Government Services</b>			
Legislative			
Honorarium	\$ 81,353	\$ 82,641	\$ 80,317
Legislative expenses	<u>62,250</u>	<u>49,513</u>	<u>43,241</u>
	<u>\$ 143,603</u>	<u>\$ 132,154</u>	<u>\$ 123,558</u>
Chief Administrative Office			
Salaries and benefits	\$ 174,570	\$ 181,953	\$ 161,708
Travel and conferences	13,000	14,045	18,081
Legal and professional fees	11,984	30,440	54,546
Advertising	2,000	2,934	2,119
Communication expense	3,000	2,183	3,700
Office and supplies	<u>1,500</u>	<u>3,173</u>	<u>19,439</u>
	<u>206,054</u>	<u>234,728</u>	<u>259,593</u>
Finance			
Salaries and benefits	259,367	276,744	249,062
Travel and conferences	2,500	5,557	1,638
Office and equipment expense	10,500	14,305	5,008
Liability insurance	18,500	14,000	17,977
Tax sale expenses	-	(688)	-
Postage	18,000	13,252	15,119
Communication expense	8,500	10,268	15,927
Audit	9,500	8,336	13,186
Bank fees and interest charges	<u>12,000</u>	<u>20,664</u>	<u>13,921</u>
	<u>338,867</u>	<u>362,438</u>	<u>331,838</u>
Tax appeals and exemptions	112,500	121,128	135,767
Information technology	10,000	46,622	17,719
Utilities and maintenance of			
Town Hall, Annex and vacant building	90,000	94,114	62,516
Grants to organizations	<u>10,000</u>	<u>3,360</u>	<u>21,600</u>
	<u>\$ 767,421</u>	<u>\$ 862,390</u>	<u>\$ 829,033</u>

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

**Year Ended March 31, 2020**

	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
<b>Protective Services</b>			
Police protection			
RCMP services	\$ 635,578	\$ 637,218	\$ 632,170
Facility expenditures	<u>1,000</u>	<u>-</u>	<u>4,192</u>
	<u>636,578</u>	<u>637,218</u>	<u>636,362</u>
Fire protection			
Honorarium	8,800	8,565	7,774
Utilities and maintenance of fire hall	101,900	100,579	77,760
Insurance	3,100	1,171	4,874
Clothing and safety equipment	23,000	25,151	26,711
Vehicle expenses	40,900	39,267	30,738
Training and conferences	11,500	11,436	13,112
Dues and fees	-	1,319	1,399
Office supplies	5,000	4,205	1,145
Workers Compensation	2,800	2,829	2,043
Operational materials and supplies	31,550	25,884	19,377
Communication expense	<u>26,500</u>	<u>23,914</u>	<u>24,256</u>
	<u>255,050</u>	<u>244,320</u>	<u>209,189</u>
Emergency measures	40,500	37,396	6,777
Building and fire inspection	<u>20,000</u>	<u>27,662</u>	<u>25,047</u>
	<u>60,500</u>	<u>65,058</u>	<u>31,824</u>
	<u>\$ 952,128</u>	<u>\$ 946,596</u>	<u>\$ 877,375</u>

**Town of Berwick**  
**General Section**  
**Schedules to Statement of Operations**  
**Year Ended March 31, 2020**

	2020 <u>Budget</u>	2020 <u>Actual</u>	2019 <u>Actual</u>
<b>Transportation Services</b>			
Administration			
Salaries and benefits	\$ 60,205	\$ 61,537	\$ 60,006
Travel and conferences	11,100	6,134	10,536
Advertising	1,200	838	1,225
Office supplies and expense	1,850	697	1,986
Communication expense	5,500	5,858	4,355
Utilities and maintenance of			
Public Works building	23,800	23,583	29,400
Vehicle and equipment expense	75,000	89,196	76,705
General operations			
Salaries and benefits	277,900	284,645	281,342
Operational materials and supplies	247,150	232,105	231,060
Clothing and safety equipment	3,500	4,716	2,383
Contracted services	5,000	1,620	7,345
Crosswalk guard expense	16,000	18,398	19,005
Roads and streets			
Street lighting	45,000	51,216	50,721
	<u>\$ 773,205</u>	<u>\$ 780,543</u>	<u>\$ 776,069</u>
<b>Environmental Health Services</b>			
Administration			
Salaries and benefits	\$ 20,069	\$ 20,512	\$ 20,002
Travel and courses	4,150	3,539	3,897
Office and communication expense	2,200	4,360	2,510
Administration fees	26,000	26,000	26,000
Sewer collections			
Salaries and benefits	20,008	10,790	16,653
Power	25,000	29,074	27,439
Insurance	3,850	214	378
Repairs and maintenance	50,000	18,946	43,981
Sewer treatment			
Salaries and benefits	69,405	59,405	56,668
Clothing and safety equipment	1,500	2,087	1,446
Power	80,000	94,515	92,270
Repairs and maintenance	60,000	29,922	45,138
Sampling	24,000	43,377	22,607
Solid waste disposal	235,632	234,101	223,670
Capital out of revenue	22,622	-	-
	<u>\$ 644,436</u>	<u>\$ 576,842</u>	<u>\$ 582,659</u>

**Town of Berwick**  
**General Section**  
**Schedules to Statement of Operations**  
**Year Ended March 31, 2020**

	2020 <u>Budget</u>	2020 <u>Actual</u>	2019 <u>Actual</u>
<b>Economic Development</b>			
Tourism			
Salaries and benefits	\$ 11,400	\$ 13,986	\$ 11,393
Office and operational supplies	500	-	69
Communication and utility expense	<u>2,100</u>	<u>1,987</u>	<u>1,908</u>
	<u>14,000</u>	<u>15,973</u>	<u>13,370</u>
Planning and Development			
Office supplies	200	338	181
Advertising	1,000	441	879
Contracted services	<u>25,500</u>	<u>26,455</u>	<u>31,124</u>
	<u>26,700</u>	<u>27,234</u>	<u>32,184</u>
Economic development expenses			
Salaries and benefits	60,000	72,355	54,121
Marketing and community development	30,000	13,016	-
Office and operational supplies	65,000	744	17,068
Travel and courses	<u>1,100</u>	<u>2,811</u>	<u>875</u>
	<u>156,100</u>	<u>88,926</u>	<u>72,064</u>
	<u>\$ 196,800</u>	<u>\$ 132,133</u>	<u>\$ 117,618</u>
<b>Recreational and Cultural Services</b>			
Administration			
Salaries and benefits	\$ 124,000	\$ 138,920	\$ 102,527
Travel and courses	3,100	2,637	1,150
Office supplies and postage	3,700	1,445	2,598
Advertising	5,000	1,698	5,323
Dues and subscriptions	1,600	3,944	1,238
Communication expense	500	-	275
Community events	32,000	28,072	33,783
Building expense	15,000	8,772	13,225
Parks and playgrounds			
Salaries and benefits	44,000	58,971	48,047
Insurance	1,500	2,565	1,383
Power	3,000	3,516	2,780
Vehicle expense	10,000	8,343	8,632
Operational material and supplies	37,000	63,014	30,158
Recreation programs			
Salaries and benefits	117,516	178,594	52,016
Advertising	8,600	4,085	-
Program material and supplies	38,100	36,696	18,885
Program instruction	10,000	-	6,983
Fitness Centre	<u>28,000</u>	<u>31,967</u>	<u>83,539</u>
	<u>\$ 482,616</u>	<u>\$ 573,239</u>	<u>\$ 412,542</u>

**Town of Berwick**  
**General Section**  
**Schedules to Statement of Operations**  
**Year Ended March 31, 2020**

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
<b>Fiscal Services</b>			
Debt charges			
Interest on short term debt	\$ 15,000	\$ 8,791	\$ 15,050
Interest on long term debt	114,881	120,137	112,891
Debt issuance costs	2,725	3,063	-
Valuation allowance - bad debts	23,000	66,202	-
PACE program	1,500	862	834
Unconditional transfers to other government and agencies			
Valley Community Fibre Network Authority	1,700	-	1,683
Valley Regional Enterprise Network		13,072	13,702
	13,954		
Conditional transfers to other governments and agencies			
Assessment services	31,294	31,294	30,691
Correctional services	28,588	28,588	28,570
Kings transit services	48,540	50,773	51,939
Kings Point to Point	6,000	5,820	5,820
Public Health and Welfare Services			
Deficit Annapolis Valley Housing Authority	16,000	14,493	15,666
Recreation and Cultural Services			
Regional library	<u>15,767</u>	<u>15,400</u>	<u>15,767</u>
	<u>\$ 318,067</u>	<u>\$ 359,125</u>	<u>\$ 292,865</u>

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

**Year Ended March 31, 2020**

	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
<b>Revenue</b>			
Operating			
Domestic power	\$ 2,351,707	\$ 2,452,349	\$ 2,430,969
Industrial power	1,395,463	1,301,341	1,342,326
General service power	1,172,017	1,126,554	1,182,948
Yard lighting sales	30,492	29,787	29,790
Connection fees	4,000	3,680	2,903
Wiring permit fees	5,000	5,730	4,596
Energy credits	113,000	84,578	150,142
Municipal street lighting	<u>49,308</u>	<u>49,313</u>	<u>48,884</u>
	5,120,987	5,053,332	5,192,558
Non-operating			
Interest on overdue accounts	34,000	18,981	26,970
Miscellaneous	25,000	141,534	9,230
NSPI FAM rebate	<u>-</u>	<u>173,172</u>	<u>-</u>
	<u>5,179,987</u>	<u>5,387,019</u>	<u>5,228,758</u>
<b>Operating Expenditures</b>			
Production expenses (page 35)	4,015,808	4,118,761	4,028,640
Distribution expenses (page 35)	447,127	451,872	444,607
General expenses (page 35)	404,017	387,265	407,942
Depreciation	<u>340,000</u>	<u>305,791</u>	<u>293,590</u>
	<u>5,206,952</u>	<u>5,263,689</u>	<u>5,174,779</u>
<b>Operating profit</b>	<u>(26,965)</u>	<u>123,330</u>	<u>53,979</u>
<b>Non-Operating Expenditures</b>			
Short term interest	3,600	57	2,410
Interest on debentures	<u>26,530</u>	<u>25,335</u>	<u>26,839</u>
	<u>30,130</u>	<u>25,392</u>	<u>29,249</u>
<b>Other Expenditures</b>			
Capital expenditures out of operations	10,000	-	-
Bonds retired	77,510	77,510	56,510
	<u>87,510</u>	<u>77,510</u>	<u>56,510</u>
<b>Operating Surplus (Deficit) For The Year</b>	(144,605)	20,428	(31,780)
<b>Dividend to Town of Berwick General</b>			
Section operating fund	<u>125,000</u>	<u>100,000</u>	<u>125,000</u>
	<u>\$ (269,605)</u>	<u>(79,572)</u>	<u>(156,780)</u>
<b>Surplus, beginning of year</b>		<u>197,771</u>	<u>354,551</u>
<b>Surplus, end of year</b>		<u>\$ 118,199</u>	<u>\$ 197,771</u>

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

**March 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
<b>Current</b>		
Accounts receivable		
Rates (less allowance for doubtful accounts - \$16,410; 2019 \$16,410)	\$ 850,400	\$ 887,056
Other	450,836	172,934
HST receivable	17,101	77,277
Inventory, at cost	92,947	88,649
Prepaid expenses	5,066	6,643
Due from capital fund	<u>350,000</u>	<u>350,000</u>
	<u>\$ 1,766,350</u>	<u>\$ 1,582,559</u>
<b>Liabilities</b>		
<b>Current</b>		
Bank indebtedness	\$ 689,846	\$ 473,957
Payables and accruals	<u>958,305</u>	<u>910,830</u>
	1,648,151	1,384,787
<b>Surplus</b>		
<b>Operating Surplus (page 31)</b>	<u>118,199</u>	<u>197,771</u>
	<u>\$ 1,766,350</u>	<u>\$ 1,582,558</u>

On Behalf of the Town of Berwick

, Mayor

, Clerk

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

**March 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
<b>Depreciation bank</b>	\$ 138,503	\$ 29,112
<b>Utility plant in service (note 11)</b>	<u>8,917,319</u>	<u>8,720,921</u>
	<u>\$ 9,055,822</u>	<u>\$ 8,750,033</u>
<b>Liabilities</b>		
<b>Current</b>		
Due to operating fund	<u>350,000</u>	<u>350,000</u>
	<u>350,000</u>	<u>350,000</u>
<b>Long Term Debt (page 18)</b>		
4.889% - 5.644% debenture due June 1, 2024	190,000	221,500
1.35% - 3.209% debenture due May 9, 2032	195,000	210,000
3.256% - 4.026% debenture due November 9, 2021	20,020	30,030
2.06-3.501% debenture due May 30, 2033	<u>294,000</u>	<u>315,000</u>
	<u>699,020</u>	<u>776,530</u>
<b>Accumulated allowance for depreciation (note 11)</b>	<u>4,606,520</u>	<u>4,300,731</u>
	5,655,540	5,427,261
<b>Equity</b>		
<b>Investment in Capital Assets (page 34)</b>	<u>3,400,282</u>	<u>3,322,772</u>
	<u>\$ 9,055,822</u>	<u>\$ 8,750,033</u>

On Behalf of the Town of Berwick

 , Mayor

 , Clerk

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

**March 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>Balance, beginning of year</b>	3,322,772	3,223,774
Add (Deduct):		
Term debt retired	77,510	56,510
Proceeds on sale of assets	-	400
Nova Scotia Land and Forestry	-	25,000
Contributions from developers	<u>-</u>	<u>17,088</u>
<b>Balance, end of year</b>	<u>\$ 3,400,282</u>	<u>\$ 3,322,772</u>

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

**Year Ended March 31, 2020**

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
<b>Production expenses</b>			
Salaries and benefits	\$ 63,094	\$ 70,930	\$ 69,170
Communications	2,000	2,402	2,810
Materials and supplies	8,000	15,353	21,574
Facility expenses	25,000	13,508	20,034
Vehicle expenses	21,900	9,149	14,468
Power purchases	<u>3,895,814</u>	<u>4,007,419</u>	<u>3,900,584</u>
	<u>\$ 4,015,808</u>	<u>\$ 4,118,761</u>	<u>\$ 4,028,640</u>
<b>Distribution expenses</b>			
Salaries and benefits	\$ 312,947	\$ 317,083	\$ 312,552
Property insurance and taxes	5,800	13,104	4,348
Supplies and equipment maintenance	51,000	54,762	58,078
Clothing and safety equipment	5,000	5,218	2,570
Tree management	46,780	26,302	30,845
Facility expenses	12,600	9,888	15,562
Vehicle expenses	<u>13,000</u>	<u>25,515</u>	<u>20,652</u>
	<u>\$ 447,127</u>	<u>\$ 451,872</u>	<u>\$ 444,607</u>
<b>General expenses</b>			
Salaries and benefits	\$ 34,507	\$ 34,668	\$ 64,151
Administration fee	204,250	204,250	-
Travel and conference	3,500	1,720	2,390
Office and operational expenses	5,600	8,257	18,616
Communication expense	8,000	11,938	7,306
Liability insurance	19,000	18,253	17,521
Professional fees	50,260	67,871	179,454
Uncollectible bills	60,500	19,414	117,156
Marketing	10,000	12,470	-
Honorariums	2,400	2,400	-
Licenses and permits	<u>6,000</u>	<u>6,024</u>	<u>1,348</u>
	<u>\$ 404,017</u>	<u>\$ 387,265</u>	<u>\$ 407,942</u>


**Town of Berwick**  
**Capital Reserve Fund**  
**Statement of Financial Position**

**March 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>Cash</b>	<b>\$ <u>785,397</u></b>	<b>\$ <u>608,917</u></b>
 <b>Assets</b>  		
 <b>Reserve</b>  		
<b>Balance, beginning of year</b>	<b>\$ 608,917</b>	<b>\$ 736,289</b>
Add (Deduct):		
Transfer from operating fund	-	537,579
Transfer to capital fund	(169,528)	(704,974)
Transfer to operating fund	-	(120,000)
Canada-Nova Scotia Federal Gas Tax	312,675	160,023
Capital Grant	10,000	-
Proceeds on disposal of assets	<u>23,333</u>	<u>-</u>
 <b>Balance, end of year</b>	 <b>\$ <u>785,397</u></b>	 <b>\$ <u>608,917</u></b>

On Behalf of the Town of Berwick

, Mayor

 Clerk

**Town of Berwick**  
**Operating Reserve Fund**  
**Statement of Financial Position**

**March 31, 2020**

		<u>2020</u>	<u>2019</u>
<b>Cash</b>	<b>Assets</b>	<u>\$ 448,616</u>	<u>\$ 330,440</u>
<b>Reserve</b>			
<b>Balance, beginning of year</b>		\$ 330,440	\$ 308,247
Add (Deduct):			
Contributions from operating		127,433	51,459
Transfer to capital fund		<u>(9,257)</u>	<u>(29,266)</u>
<b>Balance, end of year</b>		<u>\$ 448,616</u>	<u>\$ 330,440</u>

On Behalf of the Town of Berwick

Donald E. Clarke, Mayor

Michael R. Payne, Clerk

**Town of Berwick**

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

**March 31, 2020**

		<u>2020</u>	<u>2019</u>
<b>Cash</b>	<b>Assets</b>	\$ <u>8,167</u>	\$ <u>32,616</u>
	<b>Reserve</b>		
<b>Balance, beginning of year</b>		\$ 32,616	\$ 32,616
Transfer to capital fund		<u>(24,449)</u>	<u>-</u>
<b>Balance, end of year</b>		\$ <u>8,167</u>	\$ <u>32,616</u>

On Behalf of the Town of Berwick

Donald Clark, Mayor

Michael R. Payne, Clerk


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

**March 31, 2020**

		<u>2020</u>	<u>2019</u>
	<b>Assets</b>		
<b>Cash</b>		\$ <u>4,000</u>	\$ <u>4,000</u>
	<b>Reserve</b>		
<b>Balance, beginning of year</b>		\$ 4,000	\$ 4,000
Add (Deduct):			
Provision for PCB disposal		-	-
<b>Balance, end of year</b>		\$ <u>4,000</u>	\$ <u>4,000</u>

On Behalf of the Town of Berwick

, Mayor

, Clerk