

Council Meeting

September 14, 2021

Time: 6:30pm

AGENDA
(VIA Webex Virtual Meeting)

1. **Call to Order**
2. **Approval of Previous Minutes**
3. **Approval of the Agenda**
4. **Committee of the Whole Recommendations:**
 - a. REMO Draft Emergency Bylaw
 - b. Letter of Authority – Apple Capital Heritage Trail
5. **Audit Committee Recommendation Report**
6. **New Business:**
 - a. E-Bicycles (Handout)
 - b. Asset Management Program Funding Update (Verbal)
7. **Adjournment**

Town of Berwick
Report to Municipal Council
Agenda Item

Subject: August, 2021 Committee of the Whole Recommendations
From: Mike Payne, Chief Administrative Officer
Date: September 9, 2021

The following recommendations to Council are being forwarded from Committee of the Whole (August, 2021), for further discussion and action:

THAT

Council approve the Amendments to the Draft Regional EM Bylaw from the initial submission in 2019 include the removal from the Bylaw of the following information for insertion into the Draft REMO Agreement:

- Section on the Regional Emergency Management Advisory Committee
- Section on the Regional Emergency Management Coordinator
- Section on the Regional Emergency Management Planning Committee

THAT

Council agree not approve the Letter of Authority to the Apple Capital Heritage Trail. Council requests more attention be paid to the trail and its general upkeep and maintenance.

REPORT TO THE COUNCIL

From: Karen Peckford, Director of Finance

Date: September 9, 2021

Subject: 2020/21 Financial Audit

1) 2021/21 Audit

The Audit Committee met with Morse Brewster Lake on September 1, 2021 to review the 2020/21 Draft Financial Statements. Lawrence Lake gave his opinion that it was a clean audit, and there were no items of note on the Management Letter.

Recommendation:

- The Audit Committee recommends that Council approve the 2020/21 Audited Financial Statements as presented.

2) Surplus

The Town operating fund had a surplus of \$438,412:

- Sewer surplus of \$111,726; budgeted surplus of \$16,081.
- Operating surplus of \$326,685; budgeted surplus of \$0.
 - Deed transfer taxes were \$20K over budget.
 - Recreation programming revenue was \$6K over budget.
 - Own source revenue was \$28K over budget, largely due to planning and tax certificates, and AREA.
 - Government grants were \$123K over budget, largely due to the Safe Restart Funds.
 - Fire department expenses were \$28K under budget, largely due to COVID-19 and reduced call outs.
 - Public Works' expenses were \$64K under budget.
 - Community Development & Recreation expenses were \$39K under budget.
 - Bad debt expense was \$15K under budget due to no bad debts.

Recommendation:

- The Audit Committee recommends the following allocations of the surplus:
 - Allocate sewer surplus of \$111,726 to the sewer operating reserve.
 - Create a fire capital reserve and allocate \$25,000 to it.
 - Allocate the remaining surplus of \$301,685 to the operating reserve.

3) Cash

Historically the Town has used one bank account at RBC for both the Town and Berwick Electric's cash, which has made cash management very difficult. During the 2020/21 fiscal year, staff opened new bank accounts at RBC and started the process of separating Town and Berwick Electric cash. By doing so, the following was determined:

- The Town operating fund has loaned \$484K to the Berwick Electric operating fund.
- The Town operating fund has borrowed \$1.206 million from the Town reserves fund.
- The Berwick Electric operating fund has borrowed \$76K from the Berwick Electric capital fund.
- The Berwick Electric operating fund has borrowed \$4K from the Berwick Electric reserves fund.

Historically, these balances have been combined in the financial statements on the line Bank Indebtedness, which was misleading since actual amounts owing to RBC were much less, or nothing at all as was the case for 2020/21. Cash balances were being overstated to the amount that should have been in reserves, as opposed to the actual amount of cash held at RBC. In 2020/21, interfund entries were created to record the cash balances due to and from the various funds. These balances eliminate on consolidation; however within each fund, there is a receivable or payable to the other funds.

Recommendation:

- The Audit Committee recommends the following repayment of cash:
 - The Town operating fund will charge the Berwick Electric operating fund 1% per annum on the outstanding cash balance owed to the Town operating fund. Berwick Electric will repay the Town operating fund \$100K per year until the balance is eliminated, as approved by the Berwick Electric Board of Commissioners.
 - The Town operating fund will transfer cash to the Town reserves fund as much possible, without utilizing the operating overdraft and incurring interest charges.

Draft

Town of Berwick
Berwick, Nova Scotia
March 31, 2021

Financial Statements

Draft

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Morse Brewster Lake

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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, 2021, 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, 2021, 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.

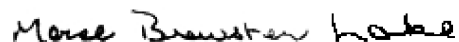
Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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
Date



Chartered Professional Accountants
Registered Municipal Auditor

Town of Berwick

Consolidated Statement of Financial Activities

Year Ended March 31, 2021

	2021 <u>Budget</u>	2021 <u>Actual</u>	2020 <u>Actual</u>
Revenue			
Taxation	\$ 3,756,093	\$ 3,777,016	\$ 3,597,402
Less: School Board requisition	<u>(555,866)</u>	<u>(556,500)</u>	<u>(521,316)</u>
	3,200,227	3,220,516	3,076,086
Grants in lieu of taxes	39,411	39,330	34,641
Sales of services	265,414	276,367	440,785
Revenue from own sources	225,432	426,658	475,940
Unconditional transfer from other governments	222,866	307,882	222,836
Berwick Electric Utility	5,055,890	5,027,880	5,053,332
Gain on sale of assets	-	1,000	15,833
Alternative Resource Energy Authority	2,138,729	3,831,548	2,868,036
Grants and contributions	<u>-</u>	<u>282,121</u>	<u>823,635</u>
	<u>11,147,969</u>	<u>13,413,302</u>	<u>13,011,124</u>
Expenditures			
General government services			
Legislative services	166,400	128,430	132,154
Administrative services	836,715	824,482	862,390
Protective services			
Police services	654,000	653,654	637,218
Fire services	263,289	168,010	244,320
Other services	18,725	49,910	65,058
Transportation services	769,955	705,580	780,543
Environmental health services	644,226	549,356	576,842
Environmental development	92,500	110,650	132,133
Recreational and cultural services	368,223	334,333	573,239
Fiscal services	319,580	331,302	359,125
Amortization	-	690,684	672,588
Alternative Resource Energy Authority	1,767,493	3,452,111	2,551,789
Electric utility - fuel tax rebate	-	50,000	-
Electric utility operating expenditures	4,755,009	4,574,308	4,753,648
Electric utility depreciation	315,000	325,454	305,791
Electric utility non-operating expenditures	<u>39,843</u>	<u>37,158</u>	<u>25,392</u>
	<u>11,010,958</u>	<u>12,985,422</u>	<u>12,672,230</u>
Annual Surplus	<u>\$ 137,011</u>	<u>\$ 427,880</u>	<u>\$ 338,894</u>

See accompanying notes to the consolidated financial statements

Draft

Town of Berwick

Consolidated Statement of Financial Position

March 31, 2021

	<u>2021</u>	<u>2020</u>
Financial Assets		
Cash (note 3)	\$ 1,873,923	\$ 1,645,941
Taxes receivable (net of allowance) (note 4)	65,340	159,193
Accounts receivable (note 6)	<u>2,527,213</u>	<u>2,683,883</u>
	<u>4,466,476</u>	<u>4,489,017</u>
Financial Liabilities		
Bank indebtedness (note 7)	-	1,447,241
Short term borrowings (note 8)	250,000	-
Payables and accruals (note 9)	2,030,293	1,960,056
Deferred revenue (note 18)	449,934	21,036
Long term debt (page 17 and 18)	<u>16,899,159</u>	<u>16,991,147</u>
	<u>19,629,386</u>	<u>20,419,480</u>
Net Financial Assets / (Liabilities)	<u>(15,162,910)</u>	<u>(15,930,463)</u>
Non-Financial Assets		
Inventory and prepaid expenses (note 10)	267,385	246,475
Deferred pension charge (note 13)	59,876	50,509
Equity in Valley Waste Resource Management	253,863	253,863
Tangible capital assets (note 11)	<u>27,780,511</u>	<u>28,141,094</u>
	28,361,635	28,691,941
Non-Financial Liabilities		
Unfunded pension liability (note 13)	<u>59,876</u>	<u>50,509</u>
Net Non-Financial Assets/(Liabilities)	<u>28,301,759</u>	<u>28,641,432</u>
Net Assets/Liabilities	<u>\$ 13,138,849</u>	<u>\$ 12,710,969</u>
Net Assets		
Fund balances (note 12)	2,229,064	1,956,655
Investment in Capital Assets (note 16)	<u>10,909,785</u>	<u>10,754,314</u>
	<u>\$ 13,138,849</u>	<u>\$ 12,710,969</u>
Commitments (note 17)		
On behalf of the Town of Berwick		
_____, Mayor		_____, Clerk

See accompanying notes to the consolidated financial statements

Draft

Town of Berwick

Consolidated Statement of Changes in Net Financial Assets

Year Ended March 31, 2021

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Annual Surplus	\$ 137,011	\$ 427,880	\$ 338,894
Add (Deduct):			
Acquisition of tangible capital assets	(1,011,129)	(1,195,856)	(1,305,359)
Amortization of tangible capital assets	847,309	1,556,437	1,515,735
Disposal of assets	-	-	7,500
Use (acquisition) of prepaids assets and deferred charges	<u>-</u>	<u>(20,908)</u>	<u>(126,197)</u>
Increase (decrease) in net assets	\$ <u><u>(26,809)</u></u>	767,553	430,573
Net Financial Assets (liabilities), beginning of year		<u>(15,930,463)</u>	<u>(16,361,036)</u>
Net Financial Assets (liabilities), end of year		\$ <u><u>(15,162,910)</u></u>	\$ <u><u>(15,930,463)</u></u>

See accompanying notes to the consolidated financial statements

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Town of Berwick

Consolidated Statement of Cash Flow

Year Ended March 31, 2021

	<u>2021</u>	<u>2020</u>
Cash flow from operating activities:		
Annual surplus	\$ 427,880	\$ 338,894
(Gain) loss on sale of assets	(1,000)	(15,833)
Depreciation and amortization	1,556,437	1,515,735
Change in		
Taxes receivable	93,853	(33,283)
Accounts receivable	156,670	(460,979)
Inventory and prepaid expenses	(20,908)	(126,197)
Deferred revenue	428,898	12,150
Payables and accruals	<u>70,238</u>	<u>212,261</u>
	<u>2,712,068</u>	<u>1,442,748</u>
Cash flow from investing activities:		
Proceeds on sale of assets	1,000	23,333
Purchase of tangible capital assets	<u>(1,195,856)</u>	<u>(1,305,359)</u>
	<u>(1,194,856)</u>	<u>(1,282,026)</u>
Cash flow from financing activities:		
Proceeds on issue of short term debt	250,000	-
Proceeds from long term debt	788,000	363,000
Reduction of long term debt	<u>(879,989)</u>	<u>(869,169)</u>
	<u>158,011</u>	<u>(506,169)</u>
Cash Increase (Decrease)	1,675,223	(345,447)
Cash and Equivalencies, beginning of year	<u>198,700</u>	<u>544,147</u>
Cash and Equivalencies, end of year	<u>\$ 1,873,923</u>	<u>\$ 198,700</u>
Represented by:		
Cash	\$ 1,873,923	\$ 1,645,941
Bank indebtedness	<u>-</u>	<u>(1,447,241)</u>
	<u>\$ 1,873,923</u>	<u>\$ 198,700</u>

See accompanying notes to the consolidated financial statements

Town of Berwick Notes to Consolidated Financial Statements

March 31, 2021

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, 2021

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, 2021

1. Significant Accounting Policies (continued)

Valuation allowances

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

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

Financial Instruments

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

Use of Estimates

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

Cash and Cash 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, 2021

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 2021, the Town of Berwick paid \$33,523 (2020- \$14,493) to the Annapolis Valley Housing Authority to fund its share of the deficit.

Annapolis Valley Regional Library - 2.34%

During fiscal 2021, the Town of Berwick paid \$17,400 (2020 - \$15,400) to the Annapolis Valley Regional Library.

Annapolis Valley Regional School Board - 3.4245%

In fiscal 2021, the Town of Berwick contributed \$556,500 (2020 - \$521,316) 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 2021, the Town of Berwick paid \$218,408 (2020 - \$234,101) as its share of net operating costs.

Kings Transit Authority - 5% share

During fiscal 2021, the Town of Berwick paid \$52,585 (2020 - \$50,773) to the Kings Transit Authority to fund its share of the deficit.

Valley Community Fibre Network Authority - 1.06% share

During fiscal 2021, the Town of Berwick paid \$3350 (2020 - \$0) to the Valley Community Fibre Network Authority to fund its share of operations.

Valley Regional Enterprise Network – 4.57% share

During fiscal 2021, the Town of Berwick paid \$14,865 (2020 - \$13,702) to the Valley Regional Enterprise Network to fund its share of operations.

3. Cash

	<u>2021</u>	<u>2020</u>
Depreciation bank - Electric capital fund	\$ -	\$ 138,503
Capital Reserve fund	246,149	785,397
Operating Reserve fund	-	448,616
Open Space Reserve fund	-	8,167
PCB Disposal Reserve fund	-	4,000
Electric operating	591,956	-
Town operating	799,936	-
AREA	<u>235,882</u>	<u>261,258</u>
	<u>\$ 1,873,923</u>	<u>\$ 1,645,941</u>

Town of Berwick
Notes to Consolidated Financial Statements

March 31, 2021

4. Taxes receivable

	Current Year	Prior Year	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ -	\$ 171,193	\$ 171,193	\$ 137,910
Add (Deduct):				
Current year's tax levy	3,777,016	-	3,777,016	3,597,402
Current year collections	(3,707,126)	(163,743)	(3,870,869)	(3,564,119)
Valuation allowance	-	-	(12,000)	(12,000)
Balance, end of year	<u>\$ 57,890</u>	<u>\$ 7,450</u>	<u>\$ 65,340</u>	<u>\$ 159,193</u>

5. Valuation allowance

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 12,000	\$ 12,000
Add:		
Increase (Decrease) in allowance	-	-
Balance, end of year	<u>\$ 12,000</u>	<u>\$ 12,000</u>

6. Accounts Receivable

	<u>2021</u>	<u>2020</u>
General Operating Fund	\$ 428,647	\$ 544,256
General Operating -HST rebate	47,789	35,096
Electric Utility Operating Fund	1,239,832	1,318,337
AREA	<u>810,945</u>	<u>786,194</u>
	<u>\$ 2,527,213</u>	<u>\$ 2,683,883</u>

7. Bank indebtedness

	<u>2021</u>	<u>2020</u>
General Operating Fund	\$ -	\$ 757,395
Electric Utility Operating Fund	-	<u>689,846</u>
	<u>\$ -</u>	<u>\$ 1,447,241</u>

8. Short Term Borrowings

As of March 31, 2021, the Town has \$250,000 in temporary financing. This will be repaid when long term debt is arranged in the next fiscal year.

Town of Berwick Notes to Consolidated Financial Statements - March 31, 2021

9. Payables and accruals

	<u>2021</u>	<u>2020</u>
General Operating Fund	\$ 352,997	\$ 553,315
Electric Utility Operating Fund	1,199,180	954,305
AREA	<u>474,116</u>	<u>448,436</u>
	<u>\$ 2,026,293</u>	<u>\$ 1,956,056</u>

10. Inventory and Prepaid

	<u>2021</u>	<u>2020</u>
General Operating Fund - Prepaid	\$ 117,459	\$ 128,738
General Operating Fund - Inventory	12,424	14,314
Electric Utility Operating Fund- Prepaid	5,270	5,066
Electric Utility Operating Fund- Inventory	85,439	92,947
AREA - Prepaid	<u>46,793</u>	<u>5,410</u>
	<u>\$ 267,385</u>	<u>\$ 246,475</u>

11. Tangible Capital Assets

	Cost <u>Opening</u>	Additions	Disposals	Write Downs	Cost <u>Closing</u>	Amortization	Accum Amort	Net Book Value
<u>General Capital</u>								
Land	\$ 712,170	\$ -	\$ -	\$ -	\$ 712,170	\$ -	\$ -	\$ 712,170
Buildings	5,868,904	32,455	-	-	5,901,359	144,414	1,188,986	4,712,373
Machinery & equipment	2,635,729	12,101	-	-	2,647,830	137,800	1,686,375	961,455
General office equip/ software	245,626	12,110	-	-	257,736	35,001	213,787	43,949
Parks and open space infrastructure	1,057,663	113,214	-	-	1,170,877	65,749	499,281	671,596
Vehicles	139,503	-	-	-	139,503	10,794	109,000	30,503
Streets	2,034,413	-	-	-	2,034,413	33,432	1,495,683	538,730
Sidewalks	1,127,005	159,277	-	-	1,286,282	44,203	632,940	653,342
Street lighting	227,248	-	-	-	227,248	3,916	196,695	30,553
Solar Garden	-	51,417	-	-	51,417	-	-	51,417
Sewer collection system	1,374,077	53,684	-	-	1,427,761	32,408	627,902	799,859
Storm water system	1,071,981	43,208	-	-	1,115,189	23,705	466,641	648,548
Sewage treatment plt.	<u>5,406,419</u>	<u>48,608</u>	<u>-</u>	<u>-</u>	<u>5,455,027</u>	<u>159,263</u>	<u>3,556,826</u>	<u>1,898,201</u>
	<u>21,900,738</u>	<u>526,074</u>	<u>-</u>	<u>-</u>	<u>22,426,812</u>	<u>690,685</u>	<u>10,674,116</u>	<u>11,752,696</u>
<u>Electric Capital</u>								
Intangible assets	1,094	-	-	-	1,094	-	-	1,094
Power generation	2,842,679	39,974	-	-	2,882,653	60,505	841,192	2,041,461
Transmission line right of way	55,046	-	-	-	55,046	-	-	55,046
Substations	1,026,208	498,389	-	-	1,524,597	47,965	692,847	831,750
Distribution	3,825,374	99,175	-	-	3,924,549	134,088	2,729,580	1,194,969
General property	<u>1,166,918</u>	<u>1,433</u>	<u>-</u>	<u>-</u>	<u>1,168,351</u>	<u>78,965</u>	<u>668,357</u>	<u>499,994</u>
	<u>8,917,319</u>	<u>638,971</u>	<u>-</u>	<u>-</u>	<u>9,556,290</u>	<u>321,523</u>	<u>4,931,976</u>	<u>4,624,314</u>
<u>AREA</u>	<u>13,878,986</u>	<u>30,811</u>	<u>-</u>	<u>-</u>	<u>13,909,797</u>	<u>540,299</u>	<u>2,506,296</u>	<u>11,403,501</u>
	<u>\$ 44,697,043</u>	<u>\$ 1,195,856</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,892,899</u>	<u>\$ 1,552,507</u>	<u>\$ 18,112,388</u>	<u>\$ 27,780,511</u>

Town of Berwick
Notes to Consolidated Financial Statements

March 31, 2021

12. Fund Balances

	<u>2021</u>	<u>2020</u>
General operating fund	\$ -	\$ -
Capital reserve fund	676,259	785,397
Operating reserve fund	775,557	448,616
Open Space reserve fund	-	8,167
Electric operating fund	153,744	118,199
PCB Disposal reserve fund	4,000	4,000
AREA net assets	349,504	322,276
AREA Reserve	<u>270,000</u>	<u>270,000</u>
	<u>\$ 2,229,064</u>	<u>\$ 1,956,655</u>

13. Retired Clerk's Pension - Past Service Costs

Under provincial legislation, municipalities were required to have a defined benefit pension plan for a former municipal clerk for a benefit equal to 2% per year, times clerk's years of service to April 1, 1993, times the average of the final five years of salary, before actual retirement. The actuarial present value of accrued pension benefits attributed to services to April 1, 2019 is being funded to March 31, 2030. The unfunded amount of this liability at April 1, 2020 was \$65,700 based on an actuarial valuation of the pension plan done as at that date. Since then the municipality has made payments totaling \$6,824 which has reduced the unfunded amount to \$58,876 at March 31, 2021 (2020 - \$50,509). During the year contributions were made as follows \$6,824 (2020 - \$5,791)

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, 2021 was \$ 74,781 (2020 -\$78,753).

15. Cash - General Capital Reserve

\$246,148 (2020 \$319,109) 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, 2021

16. Investment in Capital Assets

	<u>2021</u>	<u>2020</u>
General Capital		
Balance, beginning of year	\$ 8,129,328	\$ 7,878,005
Add (Deduct):		
Long term debt retired	275,558	261,318
Grants for capital purposes:		
Donated assets - sign	-	4,203
Donated assets - land	-	58,000
Federal Gas tax	226,012	169,528
Berwick & District Fire Commission	-	202,328
Berwick Fire Department	6,051	202,328
Transfer from operating reserve	86,471	9,257
Transfer from open space reserve	8,167	24,449
Transfer from capital reserve fund	147,954	-
Amortization	(690,684)	(672,588)
Gain (loss) on disposal of property and equipment	-	(7,500)
Balance, end of year	<u>8,188,857</u>	<u>8,129,328</u>
Electric Capital		
Balance, beginning of year	3,400,282	3,322,772
Add (Deduct):		
Term debt retired	65,010	77,510
Proceeds on sale of assets	<u>1,000</u>	<u>-</u>
Balance, end of year	<u>3,466,292</u>	<u>3,400,282</u>
AREA		
Balance, beginning of year	(775,296)	(769,267)
Debt repayment	539,420	530,341
Capital additions	30,811	986
Amortization	<u>(540,299)</u>	<u>(537,356)</u>
Balance, end of year	<u>(745,364)</u>	<u>(775,296)</u>
Total	<u>\$ 10,909,785</u>	<u>\$ 10,754,313</u>

Town of Berwick
Notes to Consolidated Financial Statements

March 31, 2021

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. Deferred Revenue

	<u>2021</u>	<u>2020</u>
Restart funding - Province of Nova Scotia	\$ 380,386	\$ -
Municipality of Kings - Fire Operating Grant	\$ 60,662	\$ -
AREA	-	12,150
Apple Fund	<u>8,886</u>	<u>8,886</u>
	<u>\$ 449,934</u>	<u>\$ 21,036</u>

19. Remuneration and Expenses

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

	Wages	Expenses	<u>2021</u>	<u>2020</u>
Council members				
D. Clarke (Mayor)	\$ 20,954	\$ -	\$ 20,954	\$ 24,198
D. Jamieson	3,509	390	3,899	-
M. Trinacty	9,795	-	9,795	10,449
T. Walsh	10,765	-	10,765	11,153
J. Bustin	6,285	-	6,285	11,105
A. Morton	6,285	-	6,285	10,205
B. Corbin	6,285	-	6,285	10,344
A. Lutz	3,509	313	3,822	-
R. Reeves	9,795	-	9,795	9,677
C. Goddard	3,509	313	3,822	-
Michael Payne, CAO	<u>104,427</u>	<u>3,911</u>	<u>108,338</u>	<u>114,729</u>
	<u>\$ 185,118</u>	<u>\$ 4,927</u>	<u>\$ 190,045</u>	<u>\$ 201,860</u>

Town of Berwick
Notes to Consolidated Financial Statements

March 31, 2021

20. Government Partnership - Alternative Resource Energy Authority

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

The Town owns 27% of AREA and the following the financial information for the fiscal years 2021 and 2020 as per their audited financial statements.

Summary of AREA Financial information

March 31, 2021

Consolidated Statement of Financial Position

	<u>2021</u>	<u>2020</u>
Financial Assets	\$ <u>3,877,137</u>	\$ <u>3,879,452</u>
Liabilities		
Long-Term Debt	44,995,795	46,993,650
Other liabilities	<u>1,755,982</u>	<u>1,705,873</u>
	<u>46,751,777</u>	<u>48,699,523</u>
Non-Financial Assets		
Tangible capital assets	42,235,188	44,122,182
Prepaid expenses	<u>173,306</u>	<u>20,036</u>
	<u>42,408,494</u>	<u>44,142,218</u>
Net Assets (Deficit)	\$ <u><u>(466,146)</u></u>	\$ <u><u>(677,853)</u></u>

Consolidated Statement of Operations

Revenues	\$ 14,190,918	\$ 10,622,356
Expenses	<u>12,785,593</u>	<u>9,451,070</u>
Annual Surplus	\$ <u><u>1,405,322</u></u>	\$ <u><u>1,171,286</u></u>

Included in total revenue is power sold to the Berwick Electric Utility in the amount of \$3,045,683 (2020 \$1,977,580). These revenues were not eliminated in the consolidation.

Town of Berwick Notes to Consolidated Financial Statements

March 31, 2021

21. Subsequent Events

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

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

22. Comparative Figures

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

Draft

Town of Berwick
Notes to Consolidated Financial Statements
Schedule of Capital Debt Charges and Term Debt
March 31, 2021

	Due	Balance April 1 2020	Issue	Redeemed	Balance March 31 2021	Interest	Interest Rate
Town Hall							
Debenture - Nova Scotia Municipal Finance Corporation	2032	\$ 2,160,000	\$ -	\$ 120,000	\$ 2,040,000	\$ 56,221	1.475-3.209%
Debenture - Nova Scotia Municipal Finance Corporation	2035	-	77,000	-	77,000	855	0.678-2.378%
Sewer							
Debenture - Nova Scotia Municipal Finance Corporation	2026	72,360	-	6,016	66,344	2,461	3.471-4.026%
Debenture - Nova Scotia Municipal Finance Corporation	2022	34,200	-	11,400	22,800	990	2.83-3.16%
Debenture - Nova Scotia Municipal Finance Corporation	2023	103,600	-	25,900	77,700	3,016	3.005-3.614%
Debenture - Nova Scotia Municipal Finance Corporation	2032	78,000	-	6,000	72,000	1,634	1.475-3.209 %
Debenture - Nova Scotia Municipal Finance Corporation	2035	-	31,000	-	31,000	131	0.678-2.378%
Fire department							
Debenture - Nova Scotia Municipal Finance Corporation	2024	582,500	-	58,250	524,250	30,579	5.059-5.644%
Debenture - Nova Scotia Municipal Finance Corporation	2035	-	205,000	-	205,000	1,962	0.678-2.378%
Public Works							
Debenture - Nova Scotia Municipal Finance Corporation	2026	112,740	-	9,409	103,331	4,243	3.471-4.026%
Debenture - Nova Scotia Municipal Finance Corporation	2022	34,200	-	11,400	22,800	895	2.83-3.16%
Debenture - Nova Scotia Municipal Finance Corporation	2035	-	125,000	-	125,000	974	0.678-2.378%
Administration							
Debenture - Nova Scotia Municipal Finance Corporation	2026	63,241	-	9,033	54,209	2,280	3.471-4.026%
Debenture - Nova Scotia Municipal Finance Corporation	2034	<u>363,000</u>	<u>-</u>	<u>18,150</u>	<u>344,850</u>	<u>9,277</u>	1.948-3.048%
		<u>\$ 3,603,841</u>	<u>\$ 438,000</u>	<u>\$ 275,558</u>	<u>\$ 3,766,284</u>	<u>\$ 115,518</u>	

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**Town of Berwick
Electric Utility
Notes to Consolidated Financial Statements
Schedule of Capital Debt Charges and Term Debt
March 31, 2021**

	Due	Balance April 1 2020	Issue	Redeemed	Balance March 31 2021	Interest	Interest Rate
Debenture - Nova Scotia Municipal Finance Corporation	2024	\$ 190,000	\$ -	\$ 19,000	\$ 171,000	\$ 9,560	5.059-5.644%
Debenture - Nova Scotia Municipal Finance Corporation	2032	195,000	-	15,000	180,000	4,984	1.35-3.209%
Debenture - Nova Scotia Municipal Finance Corporation	2021	20,020	-	10,010	10,010	758	3.471-4.026%
Debenture - Nova Scotia Municipal Finance Corporation	2033	294,000	-	21,000	273,000	10,554	2.367-3.501%
Debenture - Nova Scotia Municipal Finance Corporation	2035	-	350,000	-	350,000	3,364	0.678-2.378%
		<u>\$ 699,020</u>	<u>\$ 350,000</u>	<u>\$ 65,010</u>	<u>\$ 984,010</u>	<u>\$ 29,220</u>	

	Due	Balance April 1 2020	Issue	Redeemed	Balance March 31 2021	Interest	Interest Rate
Alternative Resource Energy Authority	2032	\$ 12,688,285	\$ -	\$ 539,420	\$ 12,148,865	374,546	1.15-3.501%
Total		<u>\$ 16,991,146</u>	<u>\$ 788,000</u>	<u>\$ 879,988</u>	<u>\$ 16,899,159</u>	<u>\$ 519,284</u>	

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

	General Capital	Electric Utility	AREA	Total
2022	\$ 308,891	\$ 82,510	\$ 549,673	\$ 941,074
2023	308,891	80,833	561,163	950,887
2024	286,091	80,833	574,009	940,933
2025	551,441	175,833	587,999	1,315,273
2026	201,941	61,833	603,646	867,420
	<u>\$ 1,657,255</u>	<u>\$ 481,842</u>	<u>\$ 2,876,490</u>	<u>\$ 5,015,587</u>

Draft

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

Auditors' Report on Supplemental Financial Information

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

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

Berwick, Nova Scotia
Date

Morse Brewster Lake

Chartered Professional Accountants
Registered Municipal Auditor

Draft

Town of Berwick General Section Statement of Operations

Year Ended March 31, 2021

	Page	2021 Budget	2021 Actual	2020 Actual
Revenue				
Taxation	25	\$ 3,756,093	\$ 3,777,016	\$ 3,597,402
Less: School Board requisition		<u>(555,866)</u>	<u>(556,500)</u>	<u>(521,316)</u>
		3,200,227	3,220,516	3,076,086
Grants in lieu of taxes	25	39,411	39,330	34,641
Sale of services	25	469,664	480,617	645,035
Revenue from own sources	26	389,931	485,089	639,074
Unconditional transfers from other governments	26	222,866	307,882	222,836
Other transfers	26	<u>100,000</u>	<u>36,243</u>	<u>134,101</u>
		<u>4,422,099</u>	<u>4,569,677</u>	<u>4,751,773</u>
Expenditures				
General government services				
Legislative services	27	166,400	128,430	132,154
Administrative services	27	836,715	824,482	862,390
Protective services				
Police services	28	654,000	653,654	637,218
Fire services	28	263,289	168,010	244,320
Other services	28	18,725	49,910	65,058
Transportation services	29	769,955	705,580	780,543
Environmental health services	29	660,307	549,356	576,842
Economic Development	30	92,500	110,650	132,133
Recreation and cultural services	30	368,223	334,333	573,239
Fiscal services	31	<u>319,580</u>	<u>331,302</u>	<u>359,125</u>
		<u>4,149,694</u>	<u>3,855,707</u>	<u>4,363,022</u>
Net Revenue over Expenditures		272,405	713,970	388,751
Debt principal installments		(272,405)	(275,558)	(261,318)
Transfers (to) from:				
Capital reserve fund		-	(25,000)	-
Operating reserve fund		<u>-</u>	<u>(413,412)</u>	<u>(127,433)</u>
Change in Fund Balance		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Draft

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

March 31, 2021

	<u>2021</u>	<u>2020</u>
Assets		
Equity in assets of		
Valley Waste-Resource Management	\$ 253,863	\$ 253,863
Tangible capital assets (note 11)	<u>11,752,696</u>	<u>11,917,306</u>
	<u>\$12,006,559</u>	<u>\$12,171,169</u>
Liabilities		
Due to general operating fund	51,418	438,000
Long Term Debt (page 18)		
Debentures issued to Province of Nova Scotia or its agencies:		
Nova Scotia Municipal Finance Corporation	<u>3,766,284</u>	<u>3,603,841</u>
	<u>3,817,702</u>	<u>4,041,841</u>
Equity		
Investment in Capital Assets (page 24)	<u>8,188,857</u>	<u>8,129,328</u>
	<u>\$12,006,559</u>	<u>\$12,171,169</u>

On Behalf of the Town of Berwick

_____, Mayor _____, Clerk

Draft

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

March 31, 2021

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 8,129,328	\$ 7,878,005
Add (Deduct):		
Long term debt retired	275,558	261,318
Grants for capital purposes:		
Donated assets - Sign	-	4,203
Federal Gas tax	226,012	169,528
Donated land	-	58,000
Berwick & District Fire Commission	-	202,328
Berwick Fire Department	6,051	202,328
Transfer from open space reserve	8,167	24,449
Transfer from operating reserve	86,471	9,257
Transfer from capital reserve fund	147,954	-
Amortization	(690,684)	(672,588)
Gain (loss) on disposal of property and equipment	<u>-</u>	<u>(7,500)</u>
Balance, end of year	<u>\$ 8,188,857</u>	<u>\$ 8,129,328</u>

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

Year Ended March 31, 2021

	<u>2021 Budget</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
Taxation			
Residential	\$ 1,693,740	\$ 1,693,447	\$ 1,589,256
Commercial	<u>915,907</u>	<u>916,402</u>	<u>902,745</u>
	<u>2,609,647</u>	<u>2,609,849</u>	<u>2,492,001</u>
Resource	12,827	12,798	12,419
Education contribution	555,866	556,729	539,887
Deed transfer tax	75,000	95,485	81,783
Sewer:			
Residential	203,200	202,586	208,715
Commercial	<u>299,553</u>	<u>299,569</u>	<u>262,597</u>
	<u>1,146,446</u>	<u>1,167,167</u>	<u>1,105,401</u>
	<u>\$ 3,756,093</u>	<u>\$ 3,777,016</u>	<u>\$ 3,597,402</u>
Grants in Lieu of Taxes			
Federal government agencies	\$ 6,231	\$ 6,231	\$ 6,231
HST recovery	20,350	20,350	15,580
Aliant Telecom Incorporated	<u>12,830</u>	<u>12,749</u>	<u>12,830</u>
	<u>\$ 39,411</u>	<u>\$ 39,330</u>	<u>\$ 34,641</u>
Sales of Services			
Fire protection - Kings County	\$ 182,350	\$ 113,686	\$ 174,945
Economic Development	-	-	251
Sewer service fees	26,000	26,000	26,000
Administration fee	204,250	204,250	204,250
Recreation program revenue	12,064	85,978	138,372
Fitness Centre	<u>45,000</u>	<u>50,703</u>	<u>101,217</u>
	<u>\$ 469,664</u>	<u>\$ 480,617</u>	<u>\$ 645,035</u>

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

Year Ended March 31, 2021

	2021 <u>Budget</u>	2021 <u>Actual</u>	2020 <u>Actual</u>
Revenue from Own Sources			
Facility rental	\$ 51,432	\$ 54,222	\$ 56,562
PACE program	14,000	13,158	16,092
Alternative Resource Energy Authority	204,499	322,276	496,821
Fines	800	113	829
Interest on investments	2,000	2,263	1,995
Interest on taxes	30,000	23,401	33,529
Planning services	4,000	7,567	4,190
By-law administration fees	2,700	2,955	2,681
Miscellaneous	<u>80,500</u>	<u>59,134</u>	<u>26,375</u>
	<u>\$ 389,931</u>	<u>\$ 485,089</u>	<u>\$ 639,074</u>
 Unconditional Transfers from Other Governments			
Provincial government			
Equalization grant	\$ 221,479	\$ 221,479	\$ 221,479
Farm property acreage	1,387	1,387	1,357
Other	<u>-</u>	<u>85,016</u>	<u>-</u>
	<u>\$ 222,866</u>	<u>\$ 307,882</u>	<u>\$ 222,836</u>
 Other Transfers			
Dividend from Electric Utility	\$ 100,000	\$ -	\$ 100,000
Valley Waste Resource Centre	<u>-</u>	<u>36,243</u>	<u>34,101</u>
	<u>\$ 100,000</u>	<u>\$ 36,243</u>	<u>\$ 134,101</u>

Draft

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

Year Ended March 31, 2021

	<u>2021 Budget</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
General Government Services			
Legislative			
Honorarium	\$ 82,450	\$ 82,421	\$ 82,641
Legislative expenses	<u>83,950</u>	<u>46,009</u>	<u>49,513</u>
	<u>\$ 166,400</u>	<u>\$ 128,430</u>	<u>\$ 132,154</u>
Chief Administrative Office			
Salaries and benefits	\$ 122,050	\$ 147,028	\$ 181,953
Travel and conferences	6,565	4,906	14,045
Legal and professional fees	25,000	14,581	30,440
Advertising	2,500	1,701	2,934
Communication expense	2,000	2,207	2,183
Office and supplies	<u>2,000</u>	<u>522</u>	<u>3,173</u>
	<u>160,115</u>	<u>170,945</u>	<u>234,728</u>
Administration			
Salaries and benefits	348,700	331,627	276,744
Travel and conferences	3,750	3,285	5,557
Office and equipment expense	15,300	13,009	14,305
Liability insurance	14,500	19,887	14,000
Tax sale expenses	-	-	(688)
Postage	10,000	14,631	13,252
Communication expense	4,200	3,303	10,268
Audit	8,500	7,821	8,336
Bank fees and interest charges	<u>17,500</u>	<u>13,464</u>	<u>20,664</u>
	<u>422,450</u>	<u>407,027</u>	<u>362,438</u>
Tax appeals and exemptions	120,500	124,388	121,128
Information technology	35,000	33,869	46,622
Utilities and maintenance of			
Town Hall, Annex and vacant building	97,650	88,253	94,114
Grants to organizations	<u>1,000</u>	<u>-</u>	<u>3,360</u>
	<u>\$ 836,715</u>	<u>\$ 824,482</u>	<u>\$ 862,390</u>

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

Year Ended March 31, 2021

	<u>2021 Budget</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
Protective Services			
Police protection			
RCMP services	\$ <u>654,000</u>	\$ <u>653,654</u>	\$ <u>637,218</u>
Fire protection			
Honorarium	9,000	7,955	8,565
Utilities and maintenance of fire hall	105,900	81,921	100,579
Insurance	4,500	-	1,171
Clothing and safety equipment	23,000	3,014	25,151
Vehicle expenses	44,129	21,362	39,267
Training and conferences	12,500	691	11,436
Dues and fees	1,400	830	1,319
Office supplies	2,500	325	4,205
Workers Compensation	3,860	6,651	2,829
Operational materials and supplies	31,500	21,182	25,884
Communication expense	<u>25,000</u>	<u>24,079</u>	<u>23,914</u>
	<u>263,289</u>	<u>168,010</u>	<u>244,320</u>
Emergency measures	7,000	6,738	6,979
By-Law services	11,725	11,707	30,417
Building and fire inspection	<u>-</u>	<u>31,465</u>	<u>27,662</u>
	<u>18,725</u>	<u>49,910</u>	<u>65,058</u>
	<u>\$ 936,014</u>	<u>\$ 871,574</u>	<u>\$ 946,596</u>

Town of Berwick
General Section
Schedules to Statement of Operations
Year Ended March 31, 2021

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Transportation Services			
Administration			
Salaries and benefits	\$ 63,155	\$ 63,390	\$ 61,537
Travel and conferences	10,250	11,577	6,134
Advertising	1,200	-	838
Office supplies and expense	1,600	1,057	697
Communication expense	6,500	5,725	5,858
Utilities and maintenance of			
Public Works building	25,950	22,891	23,583
Vehicle and equipment expense	97,000	71,663	89,196
General operations			
Salaries and benefits	303,150	334,674	284,645
Operational materials and supplies	187,500	126,189	232,105
Clothing and safety equipment	4,500	2,640	4,716
Contracted services	-	-	1,620
Crosswalk guard expense	14,150	13,195	18,398
Roads and streets			
Street lighting	<u>55,000</u>	<u>52,579</u>	<u>51,216</u>
	<u>\$ 769,955</u>	<u>\$ 705,580</u>	<u>\$ 780,543</u>
Environmental Health Services			
Administration			
Salaries and benefits	\$ 21,200	\$ 20,891	\$ 20,512
Travel and courses	5,700	1,050	3,539
Office and communication expense	4,868	3,713	4,360
Administration fees	26,000	26,000	26,000
Sewer collections			
Salaries and benefits	8,050	6,768	10,790
Power	30,000	24,720	29,074
Insurance	241	241	214
Repairs and maintenance	53,000	21,023	18,946
Sewer treatment			
Salaries and benefits	63,150	54,447	59,405
Clothing and safety equipment	3,000	1,249	2,087
Power	95,000	99,930	94,515
Repairs and maintenance	70,620	50,123	29,922
Sampling	43,000	20,793	43,377
Solid waste disposal	220,397	218,408	234,101
Capital out of revenue	<u>16,081</u>	<u>111,726</u>	<u>-</u>
	<u>\$ 660,307</u>	<u>\$ 549,356</u>	<u>\$ 576,842</u>

Town of Berwick
General Section
Schedules to Statement of Operations
Year Ended March 31, 2021

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Economic Development			
Tourism			
Salaries and benefits	\$ -	\$ -	\$ 13,986
Office and operational supplies	-	14	-
Communication and utility expense	<u>1,500</u>	<u>1,468</u>	<u>1,987</u>
	<u>1,500</u>	<u>1,482</u>	<u>15,973</u>
Planning and Development			
Office supplies	2,000	98	338
Advertising	500	2,112	441
Contracted services	<u>30,000</u>	<u>53,432</u>	<u>26,455</u>
	<u>32,500</u>	<u>55,642</u>	<u>27,234</u>
Economic development expenses			
Salaries and benefits	47,200	45,128	72,355
Marketing and community development	10,000	7,095	13,016
Office and operational supplies	1,300	1,303	744
Travel and courses	<u>-</u>	<u>-</u>	<u>2,811</u>
	<u>58,500</u>	<u>53,526</u>	<u>88,926</u>
	<u>\$ 92,500</u>	<u>\$ 110,650</u>	<u>\$ 132,133</u>
Recreational and Cultural Services			
Administration			
Salaries and benefits	\$ 87,800	\$ 106,208	\$ 138,920
Travel and courses	500	219	2,637
Office supplies and postage	-	182	1,445
Advertising	-	269	1,698
Dues and subscriptions	2,500	3,400	3,944
Communication expense	200	52	-
Community events	8,000	6,168	28,072
Building expense	40,000	6,198	8,772
Parks and playgrounds			
Salaries and benefits	35,550	41,070	58,971
Insurance	3,873	3,873	2,565
Power	3,750	4,420	3,516
Vehicle expense	10,000	7,001	8,343
Operational material and supplies	17,250	22,262	63,014
Recreation programs			
Salaries and benefits	38,800	22,384	53,529
Program material and supplies	2,700	6,381	26,531
Fitness Centre			
Salaries and benefits	79,100	79,853	122,669
Advertising	-	673	2,203
Operational material and supplies	10,700	4,628	25,617
Utilities and maintenance	<u>27,500</u>	<u>19,092</u>	<u>20,793</u>
	<u>\$ 368,223</u>	<u>\$ 334,333</u>	<u>\$ 573,239</u>

Draft

Town of Berwick
General Section
Schedules to Statement of Operations
Year Ended March 31, 2021

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Fiscal Services			
Debt charges			
Interest on short term debt	\$ 7,500	\$ 1,750	\$ 8,791
Interest on long term debt	115,611	115,518	120,137
Debt issuance costs	3,058	3,250	3,063
Valuation allowance - bad debts	15,000	-	66,202
PACE program	-	-	862
 Contribution to Berwick Electric	 -	 22,970	 -
Unconditional transfers to other government and agencies			
Valley Community Fibre Network Authority	1,700	3,350	-
Valley Regional Enterprise Network	14,865	14,865	13,702
Conditional transfers to other governments and agencies			
Assessment services	31,465	31,464	31,294
Correctional services	28,587	28,587	28,588
Kings transit services	52,585	52,585	50,773
Kings Point to Point	6,040	6,040	5,820
Public Health and Welfare Services			
Deficit Annapolis Valley Housing Authority	25,769	33,523	14,493
Recreation and Cultural Services			
Regional library	17,400	17,400	15,400
	<u>\$ 319,580</u>	<u>\$ 331,302</u>	<u>\$ 359,125</u>

Draft

Town of Berwick Electric Utility Statement of Operations

Year Ended March 31, 2021

	<u>2021 Budget</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
Revenue			
Operating			
Domestic power	\$ 2,431,440	\$ 2,466,478	\$ 2,452,349
Industrial power	1,323,202	1,333,838	1,301,341
General service power	1,186,448	1,106,296	1,126,554
Yard lighting sales	30,492	30,057	29,787
Connection fees	4,000	3,360	3,680
Wiring permit fees	5,000	8,406	5,730
Energy credits	27,000	28,838	84,578
Municipal street lighting	<u>48,308</u>	<u>50,607</u>	<u>49,313</u>
	5,055,890	5,027,880	5,053,332
Non-operating			
Interest on overdue accounts	15,000	15,166	18,981
Miscellaneous	25,000	232,126	314,706
NSPI FAM rebate	<u>-</u>	<u>16,553</u>	<u>-</u>
	<u>5,095,890</u>	<u>5,291,725</u>	<u>5,387,019</u>
Operating Expenditures			
Production expenses (page 36)	4,025,055	3,863,126	4,118,761
Distribution expenses (page 36)	517,325	412,959	451,872
General expenses (page 36)	416,879	502,473	387,265
Depreciation	<u>315,000</u>	<u>325,454</u>	<u>305,791</u>
	<u>5,274,259</u>	<u>5,104,012</u>	<u>5,263,689</u>
Operating profit	<u>(178,369)</u>	<u>187,713</u>	<u>123,330</u>
Non-Operating Expenditures			
Short term interest	12,408	7,938	57
Interest on debentures	<u>27,435</u>	<u>29,220</u>	<u>25,335</u>
	<u>39,843</u>	<u>37,158</u>	<u>25,392</u>
Other Expenditures			
Bonds retired	65,010	65,010	77,510
Fuel tax rebate	<u>-</u>	<u>50,000</u>	<u>-</u>
	<u>65,010</u>	<u>115,010</u>	<u>77,510</u>
Operating Surplus (Deficit) For The Year	(283,222)	35,545	20,428
Dividend to Town of Berwick General			
Section operating fund	<u>100,000</u>	<u>-</u>	<u>100,000</u>
	<u>\$ (383,222)</u>	<u>35,545</u>	<u>(79,572)</u>
Surplus, beginning of year		<u>118,199</u>	<u>197,771</u>
Surplus, end of year		<u>\$ 153,744</u>	<u>\$ 118,199</u>

Draft

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

March 31, 2021

	<u>2021</u>	<u>2020</u>
Assets		
Current		
Cash	\$ 591,956	\$ -
Accounts receivable		
Rates (less allowance for doubtful accounts - \$16,410; 2020 \$16,410)	782,134	850,400
Other	404,540	450,836
HST receivable	53,158	17,101
Inventory, at cost	85,439	92,947
Prepaid expenses	5,270	5,066
Due from capital fund	<u>-</u>	<u>350,000</u>
	<u>\$ 1,922,497</u>	<u>\$ 1,766,350</u>
Liabilities		
Current		
Bank indebtedness	\$ -	\$ 689,846
Payables and accruals	1,203,180	954,305
Due to capital fund	75,988	-
Due to PCB reserve	4,000	-
Due to Town operating	<u>485,585</u>	<u>-</u>
	1,768,753	1,644,151
Surplus		
Operating Surplus (page 32)	<u>153,744</u>	<u>118,199</u>
	<u>\$ 1,922,497</u>	<u>\$ 1,762,350</u>

On Behalf of the Town of Berwick

_____, Mayor _____, Clerk

Draft

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

March 31, 2021

	<u>2021</u>	<u>2020</u>
Assets		
Depreciation bank	\$ -	\$ 138,503
Utility plant in service (note 11)	9,556,290	8,917,319
Due from operating fund	<u>75,988</u>	<u>-</u>
	<u>\$ 9,632,278</u>	<u>\$ 9,055,822</u>
Liabilities		
Current		
Short term borrowings (note 8)	\$ 250,000	\$ -
Due to operating fund	<u>-</u>	<u>350,000</u>
	<u>250,000</u>	<u>350,000</u>
Long Term Debt (page 19)		
5.059-5.644% debenture due June 1, 2024	171,000	190,000
1.35-3.209% debenture due May 9, 2032	180,000	195,000
0.678-2.378% debenture due July 2035	350,000	-
3.471-4.026% debenture due November 9, 2021	10,010	20,020
2.367-3.501% debenture due May 30, 2033	<u>273,000</u>	<u>294,000</u>
	<u>984,010</u>	<u>699,020</u>
Accumulated allowance for depreciation (note 11)	<u>4,931,976</u>	<u>4,606,520</u>
	6,165,986	5,655,540
Equity		
Investment in Capital Assets (page 35)	<u>3,466,292</u>	<u>3,400,282</u>
	<u>\$ 9,632,278</u>	<u>\$ 9,055,822</u>

On Behalf of the Town of Berwick

_____, Mayor _____, Clerk

Draft

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

March 31, 2021

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	3,400,282	3,322,772
Add (Deduct):		
Term debt retired	65,010	77,510
Proceeds on sale of assets	<u>1,000</u>	<u>-</u>
Balance, end of year	<u>\$ 3,466,292</u>	<u>\$ 3,400,282</u>

Draft

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

Year Ended March 31, 2021

	2021 <u>Budget</u>	2021 <u>Actual</u>	2020 <u>Actual</u>
Production expenses			
Salaries and benefits	\$ 75,000	\$ 65,793	\$ 70,930
Communications	2,640	5,748	2,402
Materials and supplies	16,000	455	15,353
Facility expenses	47,015	19,517	13,508
Vehicle expenses	20,400	10,550	9,149
Power purchases	<u>3,864,000</u>	<u>3,761,063</u>	<u>4,007,419</u>
	<u>\$ 4,025,055</u>	<u>\$ 3,863,126</u>	<u>\$ 4,118,761</u>
Distribution expenses			
Salaries and benefits	\$ 360,000	\$ 300,570	\$ 317,083
Property insurance and taxes	6,825	6,009	13,104
Supplies and equipment maintenance	54,500	28,416	54,762
Clothing and safety equipment	5,000	5,968	5,218
Tree management	50,500	29,337	26,302
Facility expenses	13,300	12,103	9,888
Vehicle expenses	<u>27,200</u>	<u>30,556</u>	<u>25,515</u>
	<u>\$ 517,325</u>	<u>\$ 412,959</u>	<u>\$ 451,872</u>
General expenses			
Salaries and benefits	\$ 36,000	\$ 33,369	\$ 34,668
Administration fee	204,250	204,250	204,250
Travel and conference	2,500	342	1,720
Office and operational expenses	23,200	8,227	8,257
Communication expense	11,765	4,820	11,938
Liability insurance	22,225	22,225	18,253
Professional fees	73,039	135,271	67,871
Uncollectible bills	25,500	64,222	19,414
Marketing	10,000	14,224	12,470
Load growth initiatives	-	7,188	-
Honorariums	2,400	2,400	2,400
Licenses and permits	<u>6,000</u>	<u>5,935</u>	<u>6,024</u>
	<u>\$ 416,879</u>	<u>\$ 502,473</u>	<u>\$ 387,265</u>

Draft

Town of Berwick
Capital Reserve Fund
Statement of Financial Position

March 31, 2021

	<u>2021</u>	<u>2020</u>
Assets		
Cash	\$ 246,149	\$ 785,397
Due from operating	430,110	-
	<u>\$ 676,259</u>	<u>\$ 785,397</u>
Reserve		
Balance, beginning of year	\$ 785,397	\$ 608,917
Add (Deduct):		
Transfer from operating fund	25,000	-
Transfer to capital fund	(373,965)	(169,528)
Donation	51,035	-
Canada-Nova Scotia Federal Gas Tax	153,052	312,675
Capital Grants	35,740	10,000
Proceeds on disposal of assets	<u>-</u>	<u>23,333</u>
Balance, end of year	<u>\$ 676,259</u>	<u>\$ 785,397</u>

On Behalf of the Town of Berwick

_____, Mayor _____, Clerk

Draft

Town of Berwick
Operating Reserve Fund
Statement of Financial Position

March 31, 2021

	<u>2021</u>	<u>2020</u>
	Assets	
Cash	\$ -	\$ 448,616
Due from operating	<u>775,557</u>	<u>-</u>
	<u>\$ 775,557</u>	<u>\$ 448,616</u>
	Reserve	
Balance, beginning of year	\$ 448,616	\$ 330,440
Add (Deduct):		
Contributions from operating	413,412	127,433
Transfer to capital fund	<u>(86,471)</u>	<u>(9,257)</u>
Balance, end of year	<u>\$ 775,557</u>	<u>\$ 448,616</u>

On Behalf of the Town of Berwick

_____, Mayor _____, Clerk

Draft

Town of Berwick
Open Space Reserve Fund
Statement of Financial Position
March 31, 2021

		<u>2021</u>	<u>2020</u>
Cash	Assets	\$ <u>-</u>	\$ <u>8,167</u>
	Reserve		
Balance, beginning of year		\$ 8,167	\$ 32,616
Transfer to capital fund		<u>(8,167)</u>	<u>(24,449)</u>
Balance, end of year		\$ <u>-</u>	\$ <u>8,167</u>

On Behalf of the Town of Berwick

_____, Mayor _____, Clerk

Draft

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

March 31, 2021

	<u>2021</u>	<u>2020</u>
Assets		
Cash	\$ -	\$ 4,000
Due from Electric Operating	<u>4,000</u>	<u>-</u>
	<u>4,000</u>	<u>4,000</u>
Reserve		
Balance, beginning of year	\$ 4,000	\$ 4,000
Add (Deduct):		
Provision for PCB disposal	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 4,000</u>	<u>\$ 4,000</u>

On Behalf of the Town of Berwick

_____, Mayor _____, Clerk