Town of Berwick

Berwick, Nova Scotia

March 31, 2010

Financial Statements

Contents

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Morse Brewster Lake
Chartered Accountants

Auditors' Report

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

We have audited the consolidated statement of financial position of the **Town of Berwick** as at March 31, 2010, and the consolidated statements of financial activities and changes in net assets for the year then ended. These consolidated financial statements are the responsibility of the management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the **Town of Berwick** as at March 31, 2010 and the results of its operations and the changes in its net assets for the year then ended in accordance with Canadian generally accepted accounting principles.principles.

Morse Brewster Lake

Berwick, Nova Scotia
September 7, 2010

Registered Municipal Auditor

Town of Berwick

Consolidated Statement of Financial Activities

Year Ended March 31, 2010

	2010 Budget	2010 Actual	2009 Actual (Restated)
Revenue			
Taxation	$ 2,677,200	$ 2,694,926	$ 2,622,511
Less: School Board requisition	(414,300)	(414,326)	(399,975)
	2,262,900	2,280,600	2,222,536
Grants in lieu of taxes	46,800	50,319	45,456
Sales of services	536,800	403,487	512,035
Revenue from own sources	53,200	45,088	65,400
Unconditional transfer from other governments	229,700	201,061	174,707
Berwick Electric Utility	3,610,800	3,520,711	3,517,782
Proceeds from sale of assets	-	43,057	-
Grants and contributions	325,300	352,136	1,583,551
	7,065,500	6,896,459	8,121,467
Expenditures			
General government services			
Legislative services	74,800	67,688	58,626
Administrative services	576,200	614,330	576,703
Protective services			
Police services	618,500	610,744	604,191
Fire services	137,100	144,372	131,684
Other services	14,300	17,265	10,915
Transportation services	514,100	454,067	511,591
Environmental health services	371,500	377,700	339,944
Environmental development	82,200	90,851	59,782
Recreational and cultural services	236,100	233,308	222,491
Fiscal services	222,600	242,446	190,392
Amortization	-	438,681	425,372
Landfill closure charge	-	32,312	32,312
Electric utility operating expenditures	3,288,500	3,127,845	3,100,730
Electric utility depreciation	157,000	164,521	154,799
Electric utility non-operating expenditures	37,200	31,976	23,500
	6,330,100	6,648,106	6,443,032
Annual Surplus	$ 735,400	$ 248,353	$ 1,678,435

Town of Berwick

Consolidated Statement of Financial Position

March 31, 2010

	2010	2009 (Restated)
Financial Assets		
Cash	$ 742,725	$ 848,764
Taxes receivable	51,143	72,562
Accounts receivable	799,627	772,707
Hst rebate	14,113	9,045
	1,607,608	1,703,078
Financial Liabilities		
Bank operating loan	-	1,580,000
Payables and accruals	700,327	765,729
Asset valuation allowance for uncollectible taxes	8,800	8,499
Long term debt (page 35 and 36)	2,368,203	1,048,072
	3,077,330	3,402,300
Net Financial Assets / (Liabilities)	(1,469,722)	(1,699,222)
Non-Financial Assets		
Inventory and prepaid expenses	92,137	105,283
Deferred pension charge	6,916	11,360
Deferred charges - landfill closure	32,312	64,624
Equity in Valley Waste Resource Management	254,767	254,767
Tangible capital assets (note 5)	9,898,748	9,834,438
	10,284,880	10,270,472
Non-Financial Liabilities		
Unfunded pension liability	6,916	11,360
Net Non-Financial Assets/(Liabilities)	10,277,964	10,259,112
Net Assets/Liabilities	$ 8,808,242	$ 8,559,890
Municipal Position		
Amounts to be recovered from future year	$ (59,034)	$ (68,873)
Fund balances (note 7)	1,041,813	1,013,049
Investment in Capital Assets	7,825,463	7,615,714
	$ 8,808,242	$ 8,559,890

Commitments (note 8)

On behalf of the Town of Berwick

___________________________, Mayor ______________________, Clerk

Town of Berwick

Consolidated Statement of Changes in Net Financial Assets

Year Ended March 31, 2010

	2010	2009
Annual Surplus	$ 248,353	$ 1,678,435
Add (Deduct):		
Acquisition of tangible capital assets	(667,516)	(3,302,075)
Amortization of tangible capital assets	603,202	580,171
Use (acquisition) of prepaids assets and deferred charges	45,461	26,544
Increase (decrease) in net assets	229,500	(1,016,925)
Net Financial Assets, beginning of year	(1,699,222)	(682,297)
Net Financial Assets, end of year	$ (1,469,722)	$ (1,699,222)

Town of Berwick

Consolidated Statement of Cash Flow

Year Ended March 31, 2010

	2010	2009 (Restated)
Cash flow from operating activities:		
Annual surplus	$ 248,353	$ 1,678,435
Depreciation and amortization	603,202	580,171
Change in		
Taxes receivable	21,419	(9,635)
Accounts receivable	(26,920)	(120,277)
Hst rebate	(5,068)	58,517
Prepaids	13,149	(5,778)
Deferred charges	32,312	32,312
Payables and accruals	(65,402)	256,625
Asset valuation allowance	301	1,160
	821,346	2,471,530
Cash flow from investing activities:		
Purchase of tangible capital assets	(667,516)	(3,302,075)
Cash flow from financing activities:		
Proceeds on issue of debenture	1,584,100	156,165
Reduction of long term debt	(263,969)	(248,353)
	1,320,131	(92,188)
Cash Increase (Decrease)	1,473,961	(922,733)
Cash and Equivalencies, beginning of year	(731,236)	191,497
Cash and Equivalencies, end of year	$ 742,725	$ (731,236)

Town of Berwick
General Section
Statement of Operations

Year Ended March 31, 2010

	Page	2010 Budget	2010 Actual	2009 Actual (Restated)
Revenue				
Taxation	10	$ 2,677,200	$ 2,694,926	$ 2,622,511
Less: School Board requisition		(414,300)	(414,326)	(399,975)
		2,262,900	2,280,600	2,222,536
Grants in lieu of taxes	10	46,800	50,319	45,456
Sale of services	10	536,800	560,494	512,035
Revenue from own sources	11	53,200	45,088	50,196
Unconditional transfers from other governments	11	229,700	215,395	181,291
Other transfers	11	60,200	72,200	61,400
		3,189,600	3,224,096	3,072,914
Expenditures				
General government services				
Legislative services	12	74,800	67,688	58,626
Administrative services	12	576,200	614,330	576,703
Protective services				
Police services	13	618,500	610,744	604,191
Fire services	13	137,100	144,372	131,684
Other services	13	14,300	17,265	10,915
Transportation services	14	514,100	509,382	511,591
Environmental health services	14	371,500	377,700	339,944
Environmental development	15	82,200	90,851	59,782
Recreation and cultural services	15	236,100	233,308	222,491
Fiscal services	16	222,600	242,446	190,392
Amortization		-	437,587	425,372
		2,847,400	3,345,673	3,131,691
Net Revenue over Expenditures		342,200	(121,577)	(58,777)
Debt principal instalments		(196,300)	(195,446)	(179,833)
Transfers to				
Capital fund		(95,900)	(73,129)	(96,494)
Capital reserve fund		(50,000)	(65,000)	(55,400)
Operating reserve fund		-	-	(18,600)
Amortization		-	437,587	425,372
Change in Fund Balance		$ -	$ (17,565)	$ 16,268

Town of Berwick
General Section
Operating Fund Balance Sheet

March 31, 2010

	2010	2009
Assets		
Current		
Cash	$ 272,672	$ 242,359
Taxes receivable (note 3)	51,143	72,562
Accounts receivable	84,637	178,038
HST rebate	14,113	9,045
Due from general capital fund	5,195	28,900
Prepaid expenses	28,553	25,482
	456,313	556,386
Deferred pension charge (note 8)	6,916	11,360
	$ 463,229	$ 567,746
Liabilities		
Current		
Payables and accruals	$ 322,245	$ 405,054
Asset valuation allowance for uncollectible taxes (note 4)	8,800	8,499
	331,045	413,553
Due to the general capital fund (note 6)	59,034	68,873
Unfunded pension liability (note 8)	6,916	11,360
	396,995	493,786
Surplus		
Amounts to be recovered from future years (note 6)	(59,034)	(68,873)
Operating Surplus (note 9)	125,268	142,833
	66,234	73,960
	$ 463,229	$ 567,746

On Behalf of the Town of Berwick

____________________________, Mayor   ________________________, Clerk

Town of Berwick
General Section
Capital Fund Balance Sheet

March 31, 2010

	2010	2009 (Restated)
Assets		
Current		
Cash	$ 4,000	$ 49,985
Deferred charges - landfill closure (note 10)	32,312	64,624
Equity in assets of Valley Waste-Resource Management	254,767	254,767
Due from general operating fund (note 6)	59,034	68,873
Tangible capital assets (note 5)	6,838,784	6,993,203
	$ 7,188,897	$ 7,431,452
Liabilities		
Current		
Short term borrowings	$ -	$ 1,200,000
Due to general operating fund	5,195	28,900
	5,195	1,228,900
Long Term Debt (page 35)		
Debentures issued to Province of Nova Scotia or its agencies:		
Nova Scotia Municipal Finance Corporation	1,645,125	636,472
	1,650,320	1,865,372
Equity		
Investment in Capital Assets (page 9)	5,538,577	5,566,080
	$ 7,188,897	$ 7,431,452

On Behalf of the Town of Berwick

____________________________, Mayor ______________________, Clerk

Town of Berwick
General Section
Statement of Investments in Capital Assets

March 31, 2010

	2010	2009
Balance, beginning of year	$ 5,566,080	$ 8,315,170
Adjustment to historical cost of tangible capital assets	-	465,415
Accumulated amortization recorded	-	(4,606,814)
Balance, as restated	5,566,080	4,173,771
Add (Deduct):		
Long term debt retired	153,295	137,682
Grants for capital purposes:		
MRIF	$ (3,466)	$ 115,613
Federal Energy grant	-	25,415
Federal Gas tax	93,922	-
Province of Nova Scotia		
- HPP	2,500	-
- Ecology Action Centre	9,500	-
- OHV	-	11,600
- Sport and Rec	-	2,400
- DEM 250 grant	-	4,000
- Energy grant	-	15,772
- Fire Hall	-	250,000
Berwick & District Fire Commission	27,338	1,043,395
Fundraising and contributions	-	600
Berwick Electric Utility	4,668	1,225
Berwick & District Volunteer Fire Department	17,254	-
Transfer from capital reserve fund	32,940	113,485
Transfer from operating fund	73,229	96,494
Amortization	(437,587)	(425,372)
Disposal of property, plant and equipment	(1,096)	-
Balance, end of year	$ 5,538,577	$ 5,566,080

Town of Berwick
General Section
Schedules to Statement of Operations

Year Ended March 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Taxation			
Residential	$ 1,442,600	$ 1,443,673	$ 1,385,371
Commercial	915,300	912,556	848,680
	2,357,900	2,356,229	2,234,051
Resource	18,800	18,741	18,519
Business occupancy	90,100	87,236	141,254
Deed transfer tax	80,000	102,432	102,438
Sewerage:			
Residential	99,100	99,278	89,434
Commercial	31,300	31,010	36,815
	319,300	338,697	388,460
	$ 2,677,200	$ 2,694,926	$ 2,622,511
Grants in Lieu of Taxes			
Federal government agencies	$ 7,300	$ 7,499	$ 6,833
Hst recovery	11,500	17,022	10,527
Aliant Telecom Incorporated	28,000	25,798	28,096
	$ 46,800	$ 50,319	$ 45,456
Sales of Services			
Fire protection - Kings County	$ 106,000	$ 109,682	$ 91,462
Recreation services - Kings County	22,500	31,071	22,000
Environmental Health Services	163,900	173,284	155,631
Administration fee	156,000	157,007	155,934
Recreation program revenue	62,000	63,557	59,627
Valley Waste-Resource Management Authority	26,400	25,893	27,381
	$ 536,800	$ 560,494	$ 512,035

Town of Berwick
General Section
Schedules to Statement of Operations

Year Ended March 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Revenue from Own Sources			
Facility rental	$ 14,700	$ 12,331	$ 13,823
Fines	10,300	11,655	9,046
Interest on investments	11,500	220	9,833
Interest on taxes	9,200	10,034	9,071
Planning services	5,000	8,390	5,110
By-law administration fees	800	765	800
Miscellaneous	1,700	1,693	2,513
	$ 53,200	$ 45,088	$ 50,196
Unconditional Transfers from Other Governments			
Provincial government			
Equalization grant	$ 181,000	$ 180,943	$ 154,077
Farm property acreage	900	933	960
Other	47,800	33,519	26,254
	$ 229,700	$ 215,395	$ 181,291
Other Transfers			
Dividend from Electric Utility	$ 50,000	$ 50,000	$ 50,000
Transfer from surplus	10,200	22,200	11,400
	$ 60,200	$ 72,200	$ 61,400

Town of Berwick
General Section
Schedules to Statement of Operations

Year Ended March 31, 2010

	2010 Budget	2010 Actual	2009 Actual
General Government Services			
Legislative			
Honorarium	$ 49,800	$ 49,844	$ 45,992
Legislative expenses	25,000	17,844	12,634
	$ 74,800	$ 67,688	$ 58,626
Chief Administrative Office			
Salaries and benefits	$ 125,600	$ 124,688	$ 119,314
Travel and conferences	9,300	6,216	7,106
Legal and professional fees	7,500	43,706	5,911
Advertising	2,000	-	2,112
Communication expense	4,600	4,109	3,577
Office and supplies	5,000	2,704	2,951
Finance			
Salaries and benefits	138,300	139,840	136,794
Travel and conferences	1,400	741	1,122
Office and equipment expense	10,200	10,229	10,643
Liability insurance	10,000	12,788	15,966
Advertising	300	282	290
Postage	8,100	8,439	8,492
Communication expense	4,000	3,478	3,686
Audit	6,100	6,653	6,671
Bank fees	9,200	8,569	8,400
Tax appeals and exemptions	127,200	125,267	122,455
Information technology	34,400	30,422	36,035
Utilities and maintenance of Town Hall, Annex and vacant building	48,000	59,073	43,101
Grants to organizations	25,000	27,126	30,719
Municipal elections	-	-	11,358
	$ 576,200	$ 614,330	$ 576,703

Town of Berwick
General Section
Schedules to Statement of Operations

Year Ended March 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Protective Services			
Police protection			
RCMP services	$ 607,700	$ 600,665	$ 592,091
Prosecuting and DNA services	4,300	3,245	3,665
Facility expenditures	6,500	6,834	8,435
	618,500	610,744	604,191
Fire protection			
Honorarium	7,000	6,242	5,647
Utilities and maintenance of fire hall	30,000	40,024	35,900
Insurance	2,600	2,762	2,827
Clothing and safety equipment	11,000	12,284	18,445
Vehicle expenses	21,900	29,646	23,572
Training and conferences	13,000	15,075	7,043
Dues and fees	800	1,667	401
Office supplies	1,500	1,028	1,781
Operational materials and supplies	32,300	20,794	19,815
Communication expense	17,000	14,850	16,253
	137,100	144,372	131,684
Animal and pest control	1,600	563	858
Emergency measures	4,300	6,130	1,657
Building and fire inspection	8,400	10,572	8,400
	14,300	17,265	10,915
	$ 769,900	$ 772,381	$ 746,790

Town of Berwick
General Section
Schedules to Statement of Operations
Year Ended March 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Transportation Services			
Administration			
Salaries and benefits	$ 48,200	$ 48,357	$ 45,110
Travel and conferences	3,200	5,723	2,522
Advertising	1,800	2,576	1,253
Office supplies and expense	800	636	506
Communication expense	5,500	5,371	6,033
Utilities and maintenance of Public Works building	16,900	18,371	17,268
Vehicle and equipment expense	47,000	39,814	44,377
General operations			
Salaries and benefits	217,700	206,408	215,165
Operational materials and supplies	9,500	12,280	9,954
Clothing and safety equipment	3,200	2,519	3,359
Tree management	6,400	3,952	2,843
Crosswalk guard expense	15,400	12,204	15,118
Roads and streets			
Patching and street maintenance	80,700	94,349	92,644
Street lighting	57,800	56,822	55,439
	$ 514,100	$ 509,382	$ 511,591

	2010 Budget	2010 Actual	2009 Actual
Environmental Health Services			
Administration			
Salaries and benefits	$ 16,000	$ 16,106	$ 15,012
Travel and courses	1,400	1,350	388
Office and communication expense	1,400	1,095	1,449
Vehicle and equipment expense	6,400	7,023	7,830
Sewer collections			
Salaries and benefits	6,200	6,417	6,080
Power	2,500	2,809	2,611
Insurance	500	470	458
Repairs and maintenance	22,000	20,318	13,930
Sewer treatment			
Salaries and benefits	50,700	54,004	46,409
Clothing and safety equipment	500	71	305
Power	52,400	59,656	49,502
Insurance	3,400	3,411	3,267
Fuel	6,000	2,784	3,302
Repairs and maintenance	16,000	17,614	7,830
Sampling	8,500	5,549	5,392
Solid waste disposal	177,600	179,023	176,179
	$ 371,500	$ 377,700	$ 339,944

Town of Berwick
General Section
Schedules to Statement of Operations
Year Ended March 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Environmental Development			
Tourism			
Salaries and benefits	$ 9,600	$ 10,909	$ 4,925
Travel and courses	500	316	12
Memberships dues and fees	1,500	1,595	1,595
Office and operational supplies	700	776	532
Advertising	2,500	816	1,792
Communication and utility expense	1,500	1,275	1,555
Planning and Development			
Office supplies	700	1,548	218
Advertising	3,500	1,711	1,080
Contracted services	33,000	43,854	30,265
Integrated Community Sustainability Plan	26,700	14,334	6,584
Economic development expenses	2,000	13,717	11,224
	$ 82,200	$ 90,851	$ 59,782

	2010 Budget	2010 Actual	2009 Actual
Recreational and Cultural Services			
Administration			
Salaries and benefits	$ 79,100	$ 79,697	$ 69,010
Travel and courses	3,400	1,963	2,496
Office supplies and postage	3,000	3,014	3,038
Advertising	4,000	3,367	2,219
Dues and subscriptions	300	75	75
Communication expense	2,400	2,384	3,213
Community events	14,800	16,155	16,962
Building expense	10,500	9,345	9,094
Parks and playgrounds			
Salaries and benefits	23,900	26,950	24,015
Insurance	1,000	2,370	1,099
Power	2,000	2,955	3,192
Vehicle expense	3,700	6,995	5,227
Operational material and supplies	10,300	10,155	13,789
Recreation programs			
Salaries and benefits	53,700	45,974	45,550
Advertising	800	1,070	946
Program material and supplies	17,800	13,259	17,825
Program instruction	5,400	7,580	4,741
	$ 236,100	$ 233,308	$ 222,491

Town of Berwick
General Section
Schedules to Statement of Operations
Year Ended March 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Fiscal Services			
Debt charges			
Interest on short term debt	$ -	$ 5,400	$ 19,152
Interest on long term debt	84,600	69,188	33,534
Transfers to own reserves			
Uncollectible taxes	-	932	1,161
Unconditional transfers to other government and agencies			
Valley Community Fibre Network Authority	2,000	1,915	1,915
Conditional transfers to other governments and agencies			
Assessment services	31,000	31,024	30,877
Correctional services	36,500	36,439	37,624
Kings transit services	18,100	25,978	23,952
Public Health and Welfare Services			
Deficit Annapolis Valley Housing Authority	16,000	37,498	13,407
Kings County CED Agency	16,700	16,736	15,000
Recreation and Cultural Services			
Regional library	17,700	17,336	13,770
	$ 222,600	$ 242,446	$ 190,392

Town of Berwick
General Section
Schedules to Statement of Operations

Year Ended March 31, 2010

Remuneration

	2010	2009
Council members		
J. Prall (Mayor)	$ 14,554	$ 14,301
D. Clarke	6,390	6,441
M. Trinacty	6,037	5,789
G. Whittier	6,037	5,789
A. Morton	6,202	5,789
B. Easson	-	1,087
R. Horsburgh	-	3,536
A. Morse	6,037	2,299
M. Woodworth	6,037	2,299
Chief Administrative Officer	68,000	65,000
	$ 119,294	$ 112,330

Town of Berwick
Electric Utility
Statement of Operations

Year Ended March 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Revenue			
Operating			
Domestic power	$ 1,664,400	$ 1,648,402	$ 1,584,010
Industrial power	826,200	805,927	785,908
General service power	970,600	983,225	947,538
Yard lighting sales	21,000	20,573	19,699
Connection fees	5,000	4,896	3,867
Wiring permit fees	3,500	6,085	5,405
Municipal street lighting	55,300	55,315	52,766
	3,546,000	3,524,423	3,399,193
Non-operating			
Interest on overdue accounts	10,000	8,340	10,216
Miscellaneous	54,800	43,263	108,373
	3,610,800	3,576,026	3,517,782
Operating Expenditures			
Production expenses (page 22)	2,670,900	2,681,593	2,469,494
Distribution expenses (page 22)	309,200	282,684	319,258
General expenses (page 22)	308,400	320,575	311,978
Depreciation	157,000	164,521	154,799
	3,445,500	3,449,373	3,255,529
Operating profit	165,300	126,653	262,253
Non-Operating Expenditures			
Short term interest	-	2,771	2,432
Interest on debentures	37,200	29,205	21,068
	37,200	31,976	23,500
Other Expenditures			
Capital expenditures out of operations	12,000	28,218	1,543
Bonds retired	68,500	68,522	68,520
	80,500	96,740	70,063
Operating Surplus (Deficit) For The Year	47,600	(2,063)	168,690
Dividend to Town of Berwick General Section operating fund	50,000	50,000	50,000
	$ (2,400)	(52,063)	118,690
Surplus, beginning of year		496,367	377,677
Surplus, end of year		$ 444,304	$ 496,367

Town of Berwick
Electric Utility
Operating Fund Balance Sheet

March 31, 2010

	2010	2009
Assets		
Current		
Cash	$ -	$ 182,572
Accounts receivable		
Rates (less allowance for doubtful accounts - $9,600; 2009 $24,000)	576,797	513,642
Other	138,193	81,027
Inventory, at cost	63,079	78,462
Prepaid expenses	505	1,339
Due from capital fund	50,000	-
	$ 828,574	$ 857,042
Liabilities		
Current		
Bank indebtedness	$ 28,691	$ -
Payables and accruals	355,579	360,675
	384,270	360,675
Surplus		
Operating Surplus (page 18)	444,304	496,367
	$ 828,574	$ 857,042

On Behalf of the Town of Berwick

____________________________, Mayor _________________________, Clerk

Town of Berwick
Electric Utility
Capital Fund Balance Sheet

March 31, 2010

	2010	2009
Assets		
Cash	$ 22,503	$ -
Utility plant in service (note 5)	5,621,130	5,448,679
	$ 5,643,633	$ 5,448,679
Liabilities		
Current		
Short term borrowings	$ -	$ 380,000
Accounts payable	22,503	-
Due to operating fund	50,000	-
	72,503	380,000
Long Term Debt		
1.00% - 5.644% debenture due June 1, 2024	505,000	-
6.625% - 6.75% debenture due December 22, 2009	-	2,500
5.25% - 5.375% debenture due May 17, 2009	-	137,500
6.25% - 6.375% debenture due November 9, 2010	17,000	34,000
4.375% - 5.00% debenture due October 15, 2013	36,080	45,100
3.655% - 4.56% debenture due June 1, 2015	164,998	192,500
	723,078	411,600
Accumulated allowance for depreciation (note 5)	2,561,166	2,607,445
	3,356,747	3,399,045
Equity		
Investment in Capital Assets (page 21)	2,286,886	2,049,634
	$ 5,643,633	$ 5,448,679

On Behalf of the Town of Berwick

_____________________________, Mayor _______________________, Clerk

Town of Berwick
Electric Utility
Statement of Investment in Capital Assets

March 31, 2010

	2010	2009
Balance, beginning of year	$ 2,049,634	$ 1,950,391
Add (Deduct):		
Term debt retired	68,522	68,520
Capital contribution	22,700	29,180
Disposal of capital assets	2,500	-
Transfer from capital reserve fund	16,103	-
Insurance proceeds	89,000	-
Eco NS/CNS capital grant	10,210	-
Capital expenditures from revenue	28,217	1,543
Balance, end of year	$ 2,286,886	$ 2,049,634

Town of Berwick
Electric Utility
Schedule to Statement of Operations

Year Ended March 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Production expenses			
Salaries and benefits	$ 42,700	$ 53,206	$ 47,882
Communications	1,700	1,548	1,272
Materials and supplies	5,000	7,460	2,579
Licenses	2,700	2,419	3,521
Facility expenses	13,000	12,538	10,289
Vehicle expenses	3,500	6,217	4,246
Power purchases	2,602,300	2,598,205	2,399,705
	$ 2,670,900	$ 2,681,593	$ 2,469,494
Distribution expenses			
Salaries and benefits	$ 189,000	$ 163,682	$ 189,851
Courses and conferences	1,000	698	6,947
Property insurance and taxes	39,100	38,615	36,440
Supplies and equipment maintenance	20,500	29,209	41,536
Clothing and safety equipment	5,300	6,767	6,566
Tree management	23,300	19,461	15,964
Facility expenses	7,200	6,144	5,531
Vehicle expenses	23,800	18,108	16,423
	$ 309,200	$ 282,684	$ 319,258
General expenses			
Salaries and benefits	$ 62,400	$ 58,280	$ 52,917
Administration fee	185,000	164,461	156,624
Travel and conference	4,000	7,013	3,207
Office and operational expenses	6,000	4,843	6,356
Communication expense	6,600	7,062	6,994
Liability insurance	10,000	11,827	8,886
Professional fees	20,600	55,827	62,438
Uncollectible bills	7,500	4,817	8,197
Honorariums	2,400	2,400	2,400
Licenses and permits	3,900	4,045	3,959
	$ 308,400	$ 320,575	$ 311,978

Town of Berwick

Capital Reserve Fund Balance Sheet

March 31, 2010

	2010	2009
Assets		
Cash	$ 391,381	$ 266,762
Reserve		
Balance, beginning of year	$ 266,762	$ 240,449
Add (Deduct):		
Transfer from operating fund	65,000	55,400
Transfer to capital fund	(141,196)	(113,485)
Integrated Community Sustainability Plan	-	(6,584)
Canada-Nova Scotia Federal Gas Tax	160,258	80,644
Proceeds on disposal of assets	40,557	5,250
Interest on investments and savings	-	5,088
Balance, end of year	$ 391,381	$ 266,762

On Behalf of the Town of Berwick

___________________________, Mayor ______________________, Clerk

Town of Berwick

Operating Reserve Fund Balance Sheet

March 31, 2010

	2010	2009
Assets		
Cash	$ 50,403	$ 72,603
Reserve		
Balance, beginning of year	$ 72,603	$ 49,266
Add (Deduct):		
Contributions	-	3,708
Transfer (to) from operating fund	(22,200)	18,600
Interest on investments and savings	-	1,029
Balance, end of year	$ 50,403	$ 72,603

On Behalf of the Town of Berwick

____________________________, Mayor ______________________, Clerk

Town of Berwick

Open Space Reserve Fund Balance Sheet

March 31, 2010

	2010	2009
Assets		
Cash	$ 26,457	$ 14,382
Reserve		
Balance, beginning of year	$ 14,382	$ 10,545
Add:		
Proceeds on sale	-	3,557
Fees collected	12,075	-
Interest on investments and savings	-	280
Balance, end of year	$ 26,457	$ 14,382

On Behalf of the Town of Berwick

____________________________, Mayor _______________________, Clerk

Town of Berwick
Electric Utility
PCB Disposal Reserve Fund Balance Sheet

March 31, 2010

		2010	2009
	Assets		
Cash		$ 4,000	$ 4,000
	Reserve		
Balance, beginning of year		$ 4,000	$ 4,000
Add (Deduct):			
Provision for PCB disposal		-	-
Balance, end of year		$ 4,000	$ 4,000

On Behalf of the Town of Berwick

____________________________, Mayor ______________________, Clerk

Town of Berwick
Electric Utility
Capital Reserve Fund Balance Sheet

March 31, 2010

	2010	2009
Assets		
Cash	$ -	$ 16,103
Reserve		
Balance, beginning of year	$ 16,103	$ 16,103
Add (Deduct):		
Transfer to capital fund	(16,103)	-
Balance, end of year	$ -	$ 16,103

On Behalf of the Town of Berwick

____________________________, Mayor _______________________, Clerk

Town of Berwick
Notes to Financial Statements

March 31, 2010

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 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.

Basis of Accounting

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

Change in Accounting Policy

The Town of Berwick adopted the new requirements of the PSAB handbook section PS1200 Financial Statement Presentation and PS 3150 Tangible Capital Assets for the fiscal year beginning April 1, 2009. As a result, the format and presentation of the financial statements has changed. Tangible capital assets, previously unamortized, are amortized over their estimated useful life. The principal portion of long term debt is no longer expensed. Prior year comparative balances have been restated to conform to the current year presentation.

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 Financial Statements

March 31, 2010

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.

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.

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.

Details of contributions to the boards are as follows:

<u>Annapolis Valley Housing Authority - 25% of net operating deficit</u>

During fiscal 2010, the Town of Berwick paid $37,498 (2009 - $13,407) to the Annapolis Valley Housing Authority to fund its share of the deficit.

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

Annapolis Valley Regional Library - 2.34%
During fiscal 2010, the Town of Berwick paid $15,913 (2009 - $11,317) to the Annapolis Valley Regional Library.

Annapolis Valley Regional School Board - 3.4245%
In fiscal 2010, the Town of Berwick contributed $414,326 (2009 - $399,975) as its share of operations for the Board, which totalled $11,679,807.

Valley Waste-Resource Management Authority - 2.82% share
The Town of Berwick has shared use of waste management and recycling facilities in the Kings and Annapolis regions. In fiscal 2010, the Town of Berwick paid $179,023 (2009 - $172,179) as its share of net operating costs.

Kings Transit Authority - 5% share
During fiscal 2010, the Town of Berwick paid $18,113 (2009 - $18,451) to the Kings Transit Authority to fund its share of the deficit.

Valley Community Fibre Network Authority - 1.06% share
During fiscal 2010, the Town of Berwick paid $1,915 (2009 - $1,915) to the Valley Community Fibre Network Authority to fund its share of the deficit.

3. Taxes receivable

	Current Year	Prior Year	2010	2009
Balance, beginning of year	$ -	$ 62,927	$ 62,927	$ 62,927
Add (Deduct):				
Current year's tax levy	2,694,926	-	2,694,926	2,622,511
Current year collections	(2,674,875)	(31,835)	(2,706,710)	(2,612,876)
Balance, end of year	$ 20,051	$ 31,092	$ 51,143	$ 72,562

4. Valuation allowance

	2010	2009
Balance, beginning of year	$ 8,499	$ 7,339
Add:		
Increase in allowance	301	1,160
Balance, end of year	$ 8,800	$ 8,499

Town of Berwick
Notes to Financial Statements

March 31, 2010

5. Tangible Capital Assets

	Cost Opening	Additions	Disposals	Write Downs	Cost Closing	Amortization	Accum Amort	Net Book Value
General Capital								
Land	$ 355,600	$ -	$ (1,000)	$ -	$ 354,600	$ -	$ -	$ 354,600
Buildings	3,383,245	12,712	-	-	3,395,957	80,501	567,857	2,828,100
Machinery & equipment	1,635,044	80,056	-	-	1,715,100	131,472	831,676	883,424
General office equip	64,797	11,913	-	-	76,710	4,019	59,370	17,340
Parks and open space infrastructure	161,354	57,997	-	-	219,351	16,691	82,277	137,074
Vehicles	65,054	19,023	(22,133)	-	61,944	5,278	35,198	26,746
Streets	1,299,652	-	-	-	1,299,652	34,262	991,600	308,052
Sidewalks	480,356	7,447	-	-	487,803	15,694	271,462	216,341
Street lighting	221,480	-	-	-	221,480	8,859	140,417	81,063
Sewer collection system	910,496	-	-	-	910,496	16,264	313,147	597,349
Storm water system	544,896	95,116	-	-	640,012	12,791	219,004	421,008
Sewage treatment plant	2,904,413	-	-	-	2,904,413	111,756	1,936,726	967,687
	12,026,387	284,264	(23,133)	-	12,287,518	437,587	5,448,734	6,838,784
Electric Capital								
Intangible assets	1,094	-	-	-	1,094	-	-	1,094
Power generation	1,668,012	190,606	(118,659)	-	1,739,959	36,255	359,129	1,380,830
Transmission line right of way	54,541	-	-	-	54,541	-	-	54,541
Substations	782,673	-	-	-	782,673	24,224	345,962	436,711
Distribution	2,278,920	163,648	(2,400)	-	2,440,168	86,063	1,415,905	1,024,263
General property	663,438	28,998	(89,741)	-	602,695	17,979	440,170	162,525
	5,448,678	383,252	(210,800)	-	5,621,130	164,521	2,561,166	3,059,964
	$17,475,065	$ 667,516	$ (233,933)	$ -	$17,908,648	$ 602,108	$ 8,009,900	$ 9,898,748

6. Amounts to be Recovered in Future Years

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

7. Fund Balances

	2010	2009
General operating fund	$ 125,268	$ 142,832
Capital reserve fund	391,381	266,762
Operating reserve fund	50,403	72,603
Open Space reserve fund	26,457	14,382
Electric operating fund	444,304	496,367
PCB Disposal reserve fund	4,000	4,000
Electric Utility capital reserve fund	-	16,103
	$1,041,813	$1,013,049

8. Retired Clerk's Pension - Past Service Costs

Under provincial legislation, municipalities were required to have a defined benefit pension plan for a former municipal clerk for a benefit equal to 2% per year, times clerk's years of service to April 1, 1993, times the average of the final five years of salary, before actual retirement. The actuarial present value of accrued pension benefits attributed to services to March 31, 1994 is being funded to March 31, 2013. The unfunded amount of this liability at April 1, 2008 was $15,400 based on an actuarial valuation of the pension plan done as at that date. Since then the municipality has made payments totalling $8,484 which has reduced the unfunded amount to $6,916 at March 31, 2010.

9. Operating Surplus

	2010	2009
Balance, beginning of year	$ 142,833	$ 137,965
Add (Deduct):		
Operating surplus	(17,565)	16,268
Transfer to operations	-	(11,400)
Balance, end of year	$ 125,268	$ 142,833

10. Deferred Charges - Landfill Closure

The Town is required to fund its share of the Meadowview Landfill closure and post-closure costs of $333,188, of which $300,872 has been expensed through general operations to March 31, 2010. The balance of $32,316 is being expensed through retirement of a debenture.

11. Long Term Debt

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

	General Capital	Electric Utility	Total
2011	$ 195,012	$ 85,022	$ 280,034
2012	137,019	68,022	205,041
2013	124,645	68,022	192,667
2014	124,645	68,022	192,667
2015	92,905	59,002	151,907
	$ 674,226	$ 348,090	$ 1,022,316

12. Cash - General Capital Reserve

$266,214 (2009 - $208,438) of the cash balance held in the general capital reserve fund relates to monies received from the Canada-Nova Scotia Federal Fuel Tax program and must be expended within the guidelines of that program.

13. Committment

The Town of Berwick has entered into an agreement committing $500,000 with the Government of Canada and the Berwick and District Community Association relating to the construction of the Kings Mutual Century Centre.

Town of Berwick
Schedule of Capital Debt Charges and Term Debt
March 31, 2010

	Due	Balance April 1 2009	Issue	Redeemed	Balance March 31 2010	Interest	Interest Rate
Sewer							
Debenture - Nova Scotia Municipal Finance Corporation	2010	$ 51,348	$ -	$ 25,672	$ 25,676	$ 2,630	6.375%
Debenture - Nova Scotia Municipal Finance Corporation	2013	54,440	-	10,887	43,553	2,363	4.375% - 5.00%
Debenture - Nova Scotia Municipal Finance Corporation	2018	57,802	-	5,780	52,022	2,374	3.75% - 4.884%
Debenture - Nova Scotia Municipal Finance Corporation	2024	-	39,100	-	39,100	1,064	1.00% - 5.644%
Debenture - Nova Scotia Municipal Finance Corporation	2009	27,500	-	27,500	-	191	5.375%
Fire department							
Debenture - Nova Scotia Municipal Finance Corporation	2015	37,032	-	5,291	31,741	1,377	3.655% - 4.56%
Debenture - Nova Scotia Municipal Finance Corporation	2018	98,363	-	9,836	88,527	4,052	3.75% - 4.884%
Debenture - Nova Scotia Municipal Finance Corporation	2011	20,895	-	6,965	13,930	940	6.125% - 6.25%
Debenture - Nova Scotia Municipal Finance Corporation	2024	-	1,165,000	-	1,165,000	42,554	1.00% - 5.644%
Public Works							
Debenture - Nova Scotia Municipal Finance Corporation	2013	104,260	-	20,853	83,407	4,533	4.375% - 5.00%
Debenture - Nova Scotia Municipal Finance Corporation	2009	1,600	-	1,600	-	11	5.375%
Debenture - Nova Scotia Municipal Finance Corporation	2011	5,791	-	1,932	3,859	260	6.125% - 6.25%
Solid Waste							
Debenture - Nova Scotia Municipal Finance Corporation	2009	9,900	-	9,900	-	486	6.625% - 6.75%
Debenture - Nova Scotia Municipal Finance Corporation	2009	15,400	-	15,400	-	107	5.375%
Administration							
Debenture - Nova Scotia Municipal Finance Corporation	2009	3,900	-	3,900	-	27	5.375%
Debenture - Nova Scotia Municipal Finance Corporation	2009	2,500	-	2,500	-	122	6.625% - 6.75%
Debenture - Nova Scotia Municipal Finance Corporation	2011	10,440	-	3,480	6,960	469	6.125% - 6.25%
Recreation							
Debenture - Nova Scotia Municipal Finance Corporation	2009	1,800	-	1,800	-	89	6.625% - 6.75%
Kings Transit Authority							
Debenture - Nova Scotia Municipal Finance Corporation	2015	68,873	-	9,839	59,034	2,798	3.975% - 4.515%
Landfill Closure							
Debenture - Nova Scotia Municipal Finance Corporation	2010	64,628	-	32,312	32,316	2,741	5.125% - 5.375%
		$ 636,472	$ 1,204,100	$ 195,447	$ 1,645,125	$ 69,188	

Town of Berwick
Electric Utility
Schedule of Capital Debt Charges and Term Debt
March 31, 2010

	Due	Balance April 1 2009	Issue	Redeemed	Balance March 31 2010	Interest	Interest Rate
Debenture - Nova Scotia Municipal Finance Corporation	2024	$ -	$ 505,000	$ -	$ 505,000	$ 5,539	1.0% - 5.644%
Debenture - Nova Scotia Municipal Finance Corporation	2009	137,500	-	137,500	-	12,685	5.375% - 5.375%
Debenture - Nova Scotia Municipal Finance Corporation	2009	2,500	-	2,500	-	122	6.625% - 6.75%
Debenture - Nova Scotia Municipal Finance Corporation	2010	34,000	-	17,000	17,000	1,742	6.375%
Debenture - Nova Scotia Municipal Finance Corporation	2013	45,100	-	9,020	36,080	1,952	4.375% - 5.00%
Debenture - Nova Scotia Municipal Finance Corporation	2015	192,500	-	27,500	165,000	7,165	3.655% - 4.56%
		$ 411,600	$ 505,000	$ 193,520	$ 723,080	$ 29,205	

Town of Berwick
General Section
Statement of Capital Financing

March 31, 2010

	2010	2009
Source		
Capital funding		
MRIF	$ (3,466)	$ 115,613
Federal Energy grant	-	25,415
Federal Gas tax	93,922	-
Province of Nova Scotia		
- HPP	2,500	-
- OHV	-	11,600
- Sport and Rec	-	2,400
- DEM 250 grant	-	4,000
- Energy grant	-	15,772
- Fire Hall	-	250,000
- Ecology Action Centre	9,500	-
Capital expenditures out of revenue	73,229	96,494
Transfer from capital reserve fund	32,940	113,485
Berwick and District Fire Commissioners	27,338	1,043,395
Berwick and District Volunteer Fire Department	17,254	-
Fundraising / Citizens contributions	-	600
Berwick Electric Commission	4,668	1,225
	257,885	1,679,999
Short term borrowings	-	928,535
Proceeds from long term debt	1,204,100	156,165
Cash	49,985	-
Due to general operating fund	-	19,083
	$ 1,511,970	$ 2,783,782
Application		
Due to general operating fund	$ 27,705	$ -
Repayment of short term borrowings	1,200,000	-
Capital asset acquisitions	284,265	2,736,553
Cash	-	47,229
	$ 1,511,970	$ 2,783,782

Town of Berwick
Electric Utility
Statement of Capital Financing

March 31, 2010

	2010	2009
Source		
Depreciation funds	$ 164,521	$ 154,799
Capital contributions	22,700	29,180
Capital expenditures out of revenue	28,217	1,543
Short term borrowings	-	380,000
Disposal of equipment	2,500	-
Insurance proceeds	89,000	-
Eco NS/CNS grant	10,210	-
Accounts payable	22,503	-
Due to operating fund	27,497	-
Transfer from capital reserve fund	16,103	-
Proceeds from debentures	380,000	-
	$ 763,251	$ 565,522
Application		
Capital asset acquisitions	$ 383,251	$ 565,522
Repayment of short term borrowings	380,000	-
	$ 763,251	$ 565,522

Town of Berwick

Statement of Capital Projects Funding

March 31, 2010

	Total Capital Cost	General Operations	Capital Reserves	TBR's Debentures	Berwick Electric	Gas Tax Funds	MRIF	Other Fed/Prov Grants	Capital Contributions
General Capital									
Town Hall equipment & building	$ 13,754	$ 9,086	$ -	$ -	$ 4,668	$ -	$ -	$ -	$ -
Sewage	96,608	2,415	-	271	-	93,922	-	-	-
Sidewalks	7,447	-	-	7,447	-	-	-		
Fire equipment	69,897	21,072	5,250	-	-	-	-	-	43,575
Town vehicles & equipment	27,690	-	27,690	-	-	-	-	-	-
Fire hall	10,872	1,017	-	8,838	-	-	-	-	1,017
Parks & landscaping	57,996	42,496	-	-	-	-	-	15,500	-
	$ 284,264	$ 76,086	$ 32,940	$ 16,556	$ 4,668	$ 93,922	$ -	$ 15,500	$ 44,592

	Total Capital Cost	Depreciation	General Operations	Eco Grants	TBR Debenture	Reserve Funds	Insurance Proceeds	Capital Contribution	Proceeds on disposal
Electric Utility									
Distribution	$ 163,647	$ 129,018	$ 1,719	$ 10,210	$ -	$ -	$ -	$ 22,700	$ -
General property	28,998	-	26,498	-	-	-	-	-	2,500
Power generation	190,606	35,503	-	-	50,000	16,103	89,000	-	-
	$ 383,251	$ 164,521	$ 28,217	$ 10,210	$ 50,000	$ 16,103	$ 89,000	$ 22,700	$ 2,500