

TOWN OF AMHERST
AMHERST, NOVA SCOTIA

CONSOLIDATED
FINANCIAL STATEMENTS
MARCH 31, 2009

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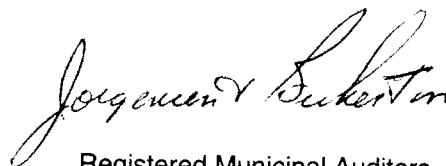
AUDITOR'S REPORT

**To His Worship the Mayor and
Members of the Council of The Town of Amherst**

We have audited the consolidated statements of financial position of the Town of Amherst as at March 31, 2009 and the consolidated statements of financial activities and changes in financial position for the year then ended. These consolidated financial statements are the responsibility of the Town's 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 financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Town as at March 31, 2009 and the results of the financial activities and the changes in its financial position for the year then ended in accordance with accounting principles for municipal governments established by the Canadian Institute of Chartered Accountants.


Registered Municipal Auditors

Amherst, Nova Scotia

August 21, 2009

Town of Amherst
Consolidated Statement of Financial Position
As at March 31, 2009

	<u>2009</u>	<u>2008</u>
Financial Assets		
Cash and Short Term Investments	\$ 2,993,821	\$ 598,273
Taxes and Rates Receivable (Note 4)	1,223,460	1,847,296
Total Financial Assets	<u>4,217,281</u>	<u>2,445,569</u>
Financial Liabilities		
Accounts Payable - Trade	645,608	2,106,552
Unfunded Pension Liability (Note 10 - 11)	511,275	748,101
Long Term Debt (Note 5)	6,858,144	4,656,128
Capital Lease Obligation	48,476	58,228
Other Liabilities	117,069	276,831
Total Financial Liabilities	<u>8,180,572</u>	<u>7,845,840</u>
Net Financial Assets (Liabilities)	<u>(3,963,291)</u>	<u>(5,400,271)</u>
Non Financial Assets		
Prepaid Expenses	45,464	44,675
Inventories of Supplies	132,512	123,308
Capital Assets (Net of Accumulated Depreciation)	53,175,597	51,711,688
Total Non Financial Assets	<u>53,353,573</u>	<u>51,879,671</u>
Net Assets (Liabilities)	<u>\$ 49,390,282</u>	<u>\$ 46,479,400</u>
Fund Balances		
General Operating Fund (Page 5)	\$ 124,850	\$ 109,902
Water Operating Fund (Page 7)	(594,592)	(765,221)
General Capital Fund (Page 9)	36,995,243	35,556,788
Water Capital Fund (Page 11)	7,817,485	7,717,168
Reserve Funds (Page 13)	3,046,514	1,643,953
CJSMA Fund (Page 14)	2,512,057	2,964,911
Total Fund Balances	<u>49,901,557</u>	<u>47,227,501</u>
Amounts to be Recovered from Future Revenue (Note 6)	<u>(511,275)</u>	<u>(748,101)</u>
Total Municipal Position	<u>\$ 49,390,282</u>	<u>\$ 46,479,400</u>

Town of Amherst
Consolidated Statement of Financial Activities
For the Year Ended March 31, 2009

	Budget 2009	Actual 2009	Actual 2008
Revenue			
Taxes	\$ 11,083,505	\$ 11,247,000	\$ 10,566,518
Grants in Lieu of Taxes	275,388	297,638	305,114
Service to Other Governments	209,000	209,833	205,906
Sale of Services	3,081,415	3,012,646	3,389,172
Other Revenue from Own Sources	451,340	481,595	542,320
Unconditional Transfers from Government	1,149,001	1,175,927	1,143,027
Conditional Transfers from Government	484,325	599,117	425,132
Other (Note 7)	673,000	547,195	1,366,624
Total Revenue	<u>17,406,974</u>	<u>17,570,951</u>	<u>17,943,813</u>
Expenditures			
General Government Services	1,733,641	1,681,361	1,589,817
Protective Services - Police	2,962,420	3,116,179	3,624,133
Protective Services - Fire	1,372,310	1,292,927	1,265,281
Transportation Services	1,737,017	1,880,761	1,861,651
Environmental Health Services	1,661,581	1,607,924	2,282,509
Public Health Services	225,000	192,821	158,490
Environmental Development Services	516,681	539,844	492,002
Recreation and Cultural Services	1,151,132	1,046,562	1,196,617
Education	1,354,000	1,354,320	1,353,408
Water Utility	1,718,110	1,525,327	1,568,051
Total Expenditures	<u>14,431,892</u>	<u>14,238,026</u>	<u>15,391,959</u>
Capital			
General Government	15,000	20,876	2,587
Protective Services	45,270	36,082	419,625
Transportation Services	800,000	832,035	232,322
Environmental Health Services	1,298,163	686,862	578,763
Recreation and Cultural Services	126,700	403,331	3,225,380
Water Utility	355,000	286,321	286,933
Total Capital	<u>2,640,133</u>	<u>2,265,507</u>	<u>4,745,610</u>
Net Revenue (Expenditures)	<u>334,949</u>	<u>1,067,418</u>	<u>(2,193,756)</u>
Change in Equity	2,640,133	2,265,507	4,745,610
Change in Fund Balances	2,975,082	3,332,925	2,551,854
Fund Balances, Beginning of Year	<u>46,568,632</u>	<u>46,568,632</u>	<u>44,016,778</u>
Fund Balances, End of Year	<u>\$ 49,543,714</u>	<u>\$ 49,901,557</u>	<u>\$ 46,568,632</u>

Town of Amherst
Consolidated Statement of Changes in Financial Position
As at March 31, 2009

	<u>2009</u>	<u>2008</u>
Increase (Decrease) in Cash and Cash Equivalents		
Operating Activities		
Net Revenue (Expenditures)	\$ 1,067,418	\$ (2,009,444)
Increase (Decrease) in Unfunded Pensions	(236,826)	-
Depreciation	171,543	163,857
Decrease (Increase) in Receivables	623,836	596,588
Increase (Decrease) in Payables	(1,460,944)	776,947
Increase (Decrease) in Other Liabilities	(159,762)	161,866
Decrease (Increase) in Prepaid Expenses	(789)	99,384
Decrease (Increase) in Inventory of Supplies	(9,204)	(9,506)
Total Operating Activities	<u>(4,728)</u>	<u>(220,308)</u>
Financing Activities		
Proceeds of Long Term Debt	2,942,240	582,500
Long Term Debt Repayment	(749,976)	(766,812)
Total Financing Activities	<u>2,192,264</u>	<u>(184,312)</u>
Investing Activities		
Adjusting entry done to correct capital assets.	159,762	-
Net Increase (Decrease) in Cash and Cash Equivalents	2,347,298	(404,620)
Cash and Cash Equivalents		
Beginning of Year	598,273	850,170
CJSMA Rate Differential	48,250	152,723
End of Year	\$ <u>2,993,821</u>	\$ <u>598,273</u>

Town of Amherst
Schedule of Financial Position - General Operating Fund
 As at March 31, 2009

	<u>2009</u>	<u>2008</u>
Financial Assets		
Cash and Short Term Investments	\$ (35,932)	\$ 1,128,682
Taxes and Rates Receivable	773,268	990,212
Total Financial Assets	<u>737,336</u>	<u>2,118,894</u>
Financial Liabilities		
Accounts Payable - Trade	560,755	1,950,870
Unfunded Pension Liability	468,822	702,444
Other Liabilities	117,069	117,069
Total Financial Liabilities	<u>1,146,646</u>	<u>2,770,383</u>
Net Financial Assets (Liabilities)	<u>(409,310)</u>	<u>(651,489)</u>
Non Financial Assets		
Prepaid Expenses	36,740	29,673
Inventories of Supplies	28,598	29,274
Total Non Financial Assets	<u>65,338</u>	<u>58,947</u>
Net Assets (Liabilities)	<u>\$ (343,972)</u>	<u>\$ (592,542)</u>
General Operating Fund Balance	\$ 124,850	\$ 109,902
Amounts to be Recovered from Future Revenue	<u>(468,822)</u>	<u>(702,444)</u>
General Operating Municipal Position	<u>\$ (343,972)</u>	<u>\$ (592,542)</u>

Town of Amherst
Schedule of Financial Activities - General Operating Fund

 For the Year Ended March 31, 2009

	Budget 2009	Actual 2009	Actual 2008
Revenue			
Taxes	\$ 11,083,505	\$ 11,247,000	\$ 10,566,518
Grants in Lieu of Taxes	275,388	297,638	305,114
Service to Other Governments	209,000	209,833	205,906
Sale of Services	1,009,999	1,008,103	984,553
Other Revenue from Own Sources	472,340	502,595	563,320
Unconditional Transfers from Government	1,149,001	1,175,927	1,143,027
Conditional Transfers from Government	106,100	191,071	112,997
Total Revenue	<u>14,305,333</u>	<u>14,632,167</u>	<u>13,881,435</u>
Expenditures			
General Government Services	1,733,641	1,681,361	1,584,817
Protective Services - Police	2,991,820	3,164,795	3,655,387
Protective Services - Fire	1,406,510	1,329,954	1,300,874
Transportation Services	2,171,489	2,315,233	2,274,739
Environmental Health Services	1,114,594	1,062,409	1,112,299
Public Health Services	225,000	192,821	158,490
Environmental Development Services	516,681	539,844	492,002
Recreation and Cultural Services	1,173,732	1,087,424	1,243,995
Education	1,354,000	1,354,320	1,353,408
Total Expenditures (Note 8)	<u>12,687,467</u>	<u>12,728,161</u>	<u>13,176,011</u>
Net Revenue (Expenditures)	<u>1,617,866</u>	<u>1,904,006</u>	<u>705,424</u>
Financing and Transfers			
Debt Principal Repayment	(538,781)	(538,780)	(520,345)
Lease Principal Repayment	(9,752)	(9,752)	(9,221)
Transfers from Reserves	47,153	203,323	1,063,502
Transfers to Reserves	(466,486)	(862,149)	(655,907)
Transfers to General Capital	(650,000)	(681,700)	(559,744)
Net Financing and Transfers	<u>(1,617,866)</u>	<u>(1,889,058)</u>	<u>(681,715)</u>
Change in General Operating Fund Balance	-	14,948	23,709
General Operating Fund Balance, Beginning of Year	-	109,902	86,193
General Operating Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 124,850</u>	<u>\$ 109,902</u>

Town of Amherst
Schedule of Financial Position - Water Operating Fund
 As at March 31, 2009

	<u>2009</u>	<u>2008</u>
Financial Assets		
Cash	\$ (859,531)	\$ (936,263)
Receivables	205,229	192,478
Total Financial Assets	<u>(654,302)</u>	<u>(743,785)</u>
Financial Liabilities		
Accounts Payable - Trade	44,204	115,470
Unfunded Pension Liability	42,453	45,657
Total Financial Liabilities	<u>86,657</u>	<u>161,127</u>
Net Financial Assets (Liabilities)	<u>(740,959)</u>	<u>(904,912)</u>
Non Financial Assets		
Inventories of Supplies	<u>103,914</u>	<u>94,034</u>
Net Assets (Liabilities)	<u>\$ (637,045)</u>	<u>\$ (810,878)</u>
Water Operating Fund Balance	\$ (594,592)	\$ (765,221)
Amounts to be Recovered from Future Revenue	<u>(42,453)</u>	<u>(45,657)</u>
Water Operating Municipal Position	<u>\$ (637,045)</u>	<u>\$ (810,878)</u>

Town of Amherst
Schedule of Financial Activities - Water Operating Fund
 For the Year Ended March 31, 2009

	Budget 2009	Actual 2009	Actual 2008
Revenue			
Metered	\$ 905,000	\$ 885,514	\$ 863,723
Flat	105,000	105,927	101,746
Public Fire Protection	444,872	445,947	422,888
Sprinkler Service	15,000	13,250	11,200
Sale of Services	16,000	20,927	19,145
Sundry	1,000	-	125
Other - Non-Operating Revenue	10,000	9,394	8,141
Total Revenue	<u>1,496,872</u>	<u>1,480,959</u>	<u>1,426,968</u>
Expenditures			
Source of Supply	23,000	3,241	321.00
Power and Pumping	129,000	159,598	134,176
Water Treatment	9,100	1,269	6,013
Transmission and Distribution	695,127	578,449	580,077
Administrative	543,611	470,739	552,580
Total Expenditures (Note 8)	<u>1,399,838</u>	<u>1,213,296</u>	<u>1,273,167</u>
Net Revenue (Expenditures)	<u>97,034</u>	<u>267,663</u>	<u>153,801</u>
Financing and Transfers			
Debt Principal Repayment	(72,034)	(72,034)	(49,967)
Transfer to Water Capital	(25,000)	(25,000)	(25,000)
Net Financing and Transfers	<u>(97,034)</u>	<u>(97,034)</u>	<u>(74,967)</u>
Change in Water Operating Fund Balance	<u>\$ -</u>	<u>170,629</u>	<u>78,834</u>
Water Operating Fund Balance, Beginning of Year		<u>(765,221)</u>	<u>(844,055)</u>
Water Operating Fund Balance, End of Year		<u>\$ (594,592)</u>	<u>\$ (765,221)</u>

Town of Amherst
Schedule of Financial Position - General Capital Fund
As at March 31, 2009

	<u>2009</u>	<u>2008</u>
Financial Assets		
Cash	\$ (340,267)	\$ (2,659,044)
Receivables	98,665	535,303
Total Financial Assets	<u>(241,602)</u>	<u>(2,123,741)</u>
Financial Liabilities		
Long Term Debt	6,143,572	3,740,112
Capital Lease Obligation	48,476	58,228
Hold Back Payable	-	159,762
Total Financial Liabilities	<u>6,192,048</u>	<u>3,958,102</u>
Net Financial Assets (Liabilities)	<u>(6,433,650)</u>	<u>(6,081,843)</u>
Non Financial Assets		
Capital Assets	<u>43,428,893</u>	<u>41,638,631</u>
Net Assets (Liabilities)	<u>\$ 36,995,243</u>	<u>\$ 35,556,788</u>
General Capital Fund Balance	<u>\$ 36,995,243</u>	<u>\$ 35,556,788</u>
General Capital Municipal Position	<u>\$ 36,995,243</u>	<u>\$ 35,556,788</u>

Town of Amherst
Schedule of Financial Activities - General Capital Fund
For the Year Ended March 31, 2009

	<u>2009</u>	<u>2008</u>
Revenue		
Federal Gas Tax Proceeds	\$ 378,225	\$ 303,473
Interest on Federal Gas Tax GIC's	29,821	8,662
Donations for Capital Projects	7,675	16,161
Grants for Capital Projects	524,000	1,314,594
Total Revenue	<u>939,721</u>	<u>1,642,890</u>
Capital Expenditures		
General Government	20,876	2,587
Protective Services	36,082	419,625
Transportation Services	832,035	232,322
Environmental Health Services	657,699	551,027
Recreation and Cultural Services	403,331	3,225,380
Total Capital Expenditures	<u>1,950,023</u>	<u>4,430,941</u>
Net Revenue (Expenditures)	<u>(1,010,302)</u>	<u>(2,788,051)</u>
Financing and Transfers		
Debt Principal Payments	538,780	520,345
Capital Lease Payments	9,752	9,221
Transfer from General Operating	681,700	559,744
Transfers from Reserves	163,821	340,383
Transfers to Reserves	(895,319)	(331,135)
Change in Equity	1,950,023	4,430,941
Net Financing and Transfers	<u>2,448,757</u>	<u>5,529,499</u>
Change in General Capital Fund Balance	1,438,455	2,741,448
General Capital Fund Balance, Beginning of Year	35,556,788	32,815,340
General Capital Fund Balance, End of Year	<u>\$ 36,995,243</u>	<u>\$ 35,556,788</u>

Town of Amherst
Schedule of Financial Position - Water Capital Fund
As at March 31, 2009

	<u>2009</u>	<u>2008</u>
Financial Assets		
Cash	\$ 279,372	\$ 365,866
Financial Liabilities		
Long Term Debt	<u>533,399</u>	<u>605,433</u>
Net Financial Assets (Liabilities)	<u>(254,027)</u>	<u>(239,567)</u>
Non Financial Assets		
Capital Assets (Net of Accumulated Depreciation)	<u>8,071,512</u>	<u>7,956,735</u>
Net Assets (Liabilities)	<u>\$ 7,817,485</u>	<u>\$ 7,717,168</u>
 Water Capital Fund Balance	 <u>\$ 7,817,485</u>	 <u>\$ 7,717,168</u>
Water Capital Municipal Position	<u>\$ 7,817,485</u>	<u>\$ 7,717,168</u>

Town of Amherst
Schedule of Financial Activities - Water Capital Fund
For the Year Ended March 31, 2009

	<u>2009</u>	<u>2008</u>
Revenue		
Interest Income	\$ 3,283	\$ 3,516
Capital Expenditures		
Transmission Mains	-	215,546
Distribution Mains	244,355	-
Meters	-	10,721
Power & Pumping	41,966	620
Purification	-	-
Tools & Equipment	-	5,881
Computers	-	29,544
Transportation Equipment	-	24,621
Total Capital Expenditures	<u>286,321</u>	<u>286,933</u>
Net Revenue (Expenditures)	<u>(283,038)</u>	<u>(283,417)</u>
Financing and Transfers		
Debt Principal Payments	72,034	49,967
Transfer from Water Operating	25,000	25,000
Change in Equity	286,321	286,933
Net Financing and Transfers	<u>383,355</u>	<u>361,900</u>
Change in Water Capital Fund Balance	100,317	78,483
Water Capital Fund Balance, Beginning of Year	7,717,168	7,638,685
Water Capital Fund Balance, End of Year	<u>\$ 7,817,485</u>	<u>\$ 7,717,168</u>

Town of Amherst
Schedule of of Financial Position - Reserve Funds
As at March 31, 2009

	<u>2009</u>	<u>2008</u>
Financial Assets		
Cash	\$ 3,041,092	\$ 1,643,953
Accounts Receivable	5,422	-
Net Financial Assets	<u>\$ 3,046,514</u>	<u>\$ 1,643,953</u>
Reserve Fund Balances	<u>\$ 3,046,514</u>	<u>\$ 1,643,953</u>
Reserve Funds Municipal Position	<u>\$ 3,046,514</u>	<u>\$ 1,643,953</u>

Town of Amherst
Schedule of Financial Activities - Reserve Funds
For the Year Ended March 31, 2009

	<u>2009</u>	<u>2008</u>
Revenue		
Value of Land Donated	\$ 3,450	\$ 2,085
Proceeds from Disposal of Equipment	1,446	22,159
Other	7,341	8,109
Total Revenue	<u>12,237</u>	<u>32,353</u>
Expenditures		
General Government	-	5,000
Net Revenue (Expenditures)	<u>12,237</u>	<u>27,353</u>
Financing and Transfers		
Transfer from General Operating	862,149	655,907
Transfer from General Capital	895,319	331,135
Transfer to General Operating	(203,323)	(1,063,502)
Transfer to General Capital	(163,821)	(340,383)
Net Financing and Transfers	<u>1,390,324</u>	<u>(416,843)</u>
Change in Reserve Fund Balances	1,402,561	(389,490)
Reserve Fund Balances, Beginning of Year	<u>1,643,953</u>	<u>2,033,443</u>
Reserve Fund Balances, End of Year	<u>\$ 3,046,514</u>	<u>\$ 1,643,953</u>

Town of Amherst
Schedule of Financial Position - Cumberland Joint Services Mgmt Authority Fund
As at March 31, 2009

	<u>2009</u>	<u>2008</u>
Financial Assets		
Cash	\$ 903,665	\$ 1,055,079
Receivables	146,298	129,303
Total Financial Assets	<u>1,049,963</u>	<u>1,184,382</u>
Financial Liabilities		
Payables and Accruals	40,649	40,212
Long Term Debt	181,173	310,583
Total Financial Liabilities	<u>221,822</u>	<u>350,795</u>
Net Financial Assets (Liabilities)	<u>828,141</u>	<u>833,587</u>
Non Financial Assets		
Prepaid Expenses	8,724	15,002
Capital Assets	1,675,192	2,116,322
Total Non Financial Assets	<u>1,683,916</u>	<u>2,131,324</u>
Net Assets (Liabilities)	<u>\$ 2,512,057</u>	<u>\$ 2,964,911</u>
 Cumberland Joint Services Fund Balance	 <u>\$ 2,512,057</u>	 <u>\$ 2,964,911</u>

Town of Amherst
Schedule of Financial Activities - Cumberland Joint Services Mgmt Authority Fund

 For the Year Ended March 31, 2009

	<u>2009</u>	<u>2008</u>
Revenue		
Solid Waste Operations	\$ 590,717	\$ 899,593
Compost Operations	68,120	125,303
Recycling Operations	108,391	210,662
Proceeds from Disposal of Equipment	-	-
Interest	-	-
Other	28,194	-
Total Revenue	<u>795,422</u>	<u>1,235,558</u>
Expenditures		
Administration	98,266	123,017
Solid Waste Operations	222,058	392,192
Compost Operations	52,269	75,239
Recycling Operations	216,814	254,650
Capital Assets Acquired	29,163	27,736
Change in prepaid expenses	(2,942)	-
Total Expenditures	<u>615,628</u>	<u>872,834</u>
Net Revenue (Expenditures)	<u>179,794</u>	<u>362,724</u>
Financing and Transfers		
Change in prepaid expense	(2,942)	-
Change in Equity	29,163	27,736
Net Financing and Transfers	<u>26,221</u>	<u>27,736</u>
Change in Cumb Joint Services Mgmt Auth Fund	206,015	390,460
Cumb Joint Services Mgmt Auth Fund Balance, Beginning of Year	<u>2,306,042</u>	<u>2,574,451</u>
Cumb Joint Services Mgmt Auth Fund Balance, End of Year	<u>\$ 2,512,057</u>	<u>\$ 2,964,911</u>

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Town of Amherst are the representations of management prepared in accordance with Generally Accepted Accounting Principles for local governments as established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The focus of PSAB financial statements is on the financial position of the Town of Amherst and the changes thereto.

a) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in net assets and in financial position of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable to the Town of Amherst for the administration of their financial affairs and resources and which are owned or controlled by the Town of Amherst, namely:

- General Operating and General Capital Funds
- Water Operating and Water Capital Funds
- Operating and Capital Reserves Funds
- Cumberland Joint Services Management Authority

Inter-departmental and inter-organizational transactions have been eliminated.

b) Fund Accounting

Funds within the consolidated financial statements consist of the operating funds, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate municipal fund balance.

The operating funds reflect the financial activities associated with the provision of municipal government services.

The capital funds reflect the financial activities associated with the acquisition, construction and funding of capital assets.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c) Revenue and Expenditure Recognition

Revenues are recorded using the accrual basis of accounting as they are earned and measurable. Expenditures are accounted for in the period the goods and services are acquired and liability is incurred or transfer is due.

Property tax revenue is based on assessment determined in accordance with Nova Scotia Legislation. Tax rates are set annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal. Penalties on overdue taxes are recorded in the period levied.

d) Capital Assets

The historic costs for capital assets are recorded on the Statement of Financial Position. Capital assets and projects in progress are reported as expenditures in the statement of financial activities in the year of acquisition.

e) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost being determined on a FIFO basis.

f) Government Transfers

Government Transfers are recognized in the period in which the events giving rise to the transfer occur, providing transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

g) Investment Income

Investment income earned on surplus current funds, capital funds and reserve funds are reported as revenue in the period earned.

2. CONTRIBUTION TO BOARDS

The Town of Amherst is required to finance their share of the operations of various Boards and Commissions.

Cumberland Regional Housing Authority

The Town of Amherst is required to finance its share of the operating deficit in the Cumberland Regional Housing Authority out of current year's operations. The deficit financed for 2008/09 was \$192,821 (2007/08 - \$158,490).

Downtown Amherst Revitalization Society

The Town of Amherst collects a tax levy on behalf of the Downtown Amherst Revitalization Society and remits these funds to it. The Town does not share in any surplus or deficits.

Cumberland Regional Library

During the year, the Town of Amherst paid \$51,280 (2007/08 - \$50,676) to the Cumberland Regional Library. The Town of Amherst does not share in any surplus or deficits.

3. CONTRIBUTION TO PROVINCIAL GOVERNMENT DEPARTMENTS & AGENCIES

The Town of Amherst is required to finance the operations of various provincial government departments and boards, in the province, based upon formulas defined in legislation.

Education Contribution

The Town of Amherst is required to contribute to the Chignecto Central Regional School Board based on a calculation using the mandatory municipal education rate (set by the Minister of Education) times the Town of Amherst's uniform assessment. For 2008/09 the education contribution was the education tax rate of \$0.3257 per \$100 of uniform assessment times the uniform assessment of \$415,857,900 for a total amount paid of \$1,354,320 (2007/08 - \$1,353,408).

3. CONTRIBUTION TO PROVINCIAL GOVERNMENT DEPARTMENTS & AGENCIES (cont'd)

Corrections Contribution

The required contribution for corrections is calculated first using an amount set by the Province, to be recovered from all municipal units. Fifty percent of this recovery amount is allocated among municipal units using each unit's uniform assessment as a percentage of provincial uniform assessment. The other fifty percent is allocated using each unit's number of dwelling units as a percentage of provincial dwelling units. During 2008/09 the Town of Amherst paid \$153,961 (2007/08 - \$154,852) to the Province for corrections services.

Assessment Services Contributions

The required contribution for assessment services is calculated first using an amount, set by the Province to be recovered from all municipal units. Fifty percent of this recovery amount is allocated among municipal units using each unit's uniform assessment as a percentage of provincial uniform assessment. The other fifty percent is allocated using each unit's number of assessment accounts as a percentage of provincial assessment accounts. During 2008/09 the Town of Amherst paid \$119,154 (2007/08 - \$118,020) to the Province for assessment services.

4. RECEIVABLES

	<u>2009</u>	<u>2008</u>
Taxes and Sewer	\$ 602,886	\$ 730,232
Water	205,229	192,478
HST Rebate	170,382	259,980
Capital Grants	98,665	535,303
CJSMA - Tipping Fees	<u>146,298</u>	<u>129,303</u>
Totals	<u>\$ 1,223,460</u>	<u>\$ 1,847,296</u>

Taxes receivable have been recorded net of an allowance for doubtful accounts of \$345,719 (2008 - \$300,715). The allowance represents 100% of all outstanding business occupancy taxes plus and a review of all other accounts for possible uncollectible amounts.

Town of Amherst
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2009

5. LONG TERM DEBT

a. The total principal repayments on long term debt in each of the next five years are as follows:

	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
General Government	\$ 7,700	\$ 6,000	\$ -	\$ -	\$ -
Protective Services	39,474	38,424	33,454	9,561	9,561
Transportation Services	298,228	250,793	208,493	193,793	158,193
Environmental Health Services	143,066	143,066	134,866	93,866	93,866
Recreation & Culture	148,417	148,417	148,419	137,179	137,179
Water Utility	52,034	52,034	46,734	46,734	36,534
Cumb. Joint Serv Mgmt Auth.	66,027	66,027	66,027	-	-
Totals	\$ 754,946	\$ 704,761	\$ 637,993	\$ 481,133	\$ 435,333

All long term debt outstanding has been properly authorized by Service Nova Scotia and Municipal Relations. Debenture debt is issued on the credit and security of the Town of Amherst at large.

6. AMOUNTS TO BE RECOVERED FROM FUTURE REVENUE

	<u>2009</u>	<u>2008</u>
General Op Fund - Unfunded Pension Obligation	\$ 311,322	\$ 334,818
General Op Fund - Unfunded Pension Obligation (PANS)	157,500	367,626
Water Operating Fund - Unfunded Pension Obligation	42,453	45,657
	\$ 511,275	\$ 748,101

The unfunded pension obligations are currently being paid monthly and recorded as an expense when paid. The monthly payments are as follows:

Police Association of Nova Scotia - \$8,750 per month
Town of Amherst - \$2,223 per month

**Town of Amherst
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2009**

7. OTHER REVENUE

	Budget 2009	Actual 2009	Actual 2008
Interest Income	\$ -	\$ 3,283	\$ 3,516
Value of Land Donated	-	3,450	2,085
Disposal of Equipment	-	-	20,000
Town Auction Proceeds	-	1,446	2,159
Donations & Grants for Capital Projects	673,000	531,675	1,330,755
Other	-	7,341	8,109
Total	<u>\$ 673,000</u>	<u>\$ 547,195</u>	<u>\$ 1,366,624</u>

Town of Amherst
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2009

8. EXPENDITURES BY OBJECT

The following is a summary of the expenditures as reported in the Schedule of Financial Activities:

General Operating Fund – Page 5

	Budget 2009	Actual 2009	Actual 2008
Wages and Benefits	\$ 5,878,625	\$ 6,071,154	\$ 6,795,579
Interest on Long Term Debt	187,229	186,930	201,227
Administrative Costs	855,938	717,281	664,361
Building & Facility Costs	603,565	679,954	571,087
Vehicle & Equipment Costs	634,196	643,853	573,682
Materials & Supplies	458,463	506,235	519,137
Grants to Organizations	36,800	47,250	127,510
Other Municipal Costs	1,423,110	1,308,296	1,238,335
Fiscal Services	2,170,169	2,120,585	2,106,950
Fire Protection Charge	434,472	434,472	413,088
Tax Exemption Individuals	45,000	50,864	43,578
Cost Recovery	(40,100)	(38,713)	(78,523)
	<u>\$ 12,687,467</u>	<u>\$ 12,728,161</u>	<u>\$ 13,176,011</u>

Water Operating Fund – Page 7

	Budget 2009	Actual 2009	Actual 2008
Wages and Benefits	\$ 452,715	\$ 388,144	\$ 445,052
Interest on Long Term Debt	28,350	28,349	14,941
Administrative Costs	57,680	52,879	47,722
Building & Facility Costs	180,416	151,404	164,918
Vehicle & Equipment Costs	79,916	82,943	61,498
Materials & Supplies	230,000	243,977	192,861
Other Municipal Costs	181,017	128,946	164,118
Fiscal Services	189,744	136,654	182,057
Cost Recovery	-	-	-
	<u>\$ 1,399,838</u>	<u>\$ 1,213,296</u>	<u>\$ 1,273,167</u>

Town of Amherst
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2009

9. RESERVE FUND BALANCES

The following is a summary of the Reserve Fund Balances as reported in the Schedule of Financial Position – Reserve Funds on Page 12:

	<u>2009</u>	<u>2008</u>
<u>Capital Reserve</u>		
Sewage Treatment Plant - Uniform Charge	\$ 260,132	\$ 169,362
Sewage Treatment Plant - Gas Tax	1,181,563	773,518
Sewer Purposes	11,594	11,594
Reserve Fire Department	75,000	-
Uncompleted Funded Capital Projects fr Prior Years		
- Paving Rogers Avenue	-	19,000
- Environ. Risk Assess Sewage Treatment Plant	59,000	-
- Aboiteau Relocation (grant monies)	428,274	-
Unappropriated Reserve Fund Equity	<u>312,824</u>	<u>347,572</u>
Total Capital Reserve Fund Balance	<u>\$ 2,328,387</u>	<u>\$ 1,321,046</u>
<u>Operating Reserve</u>		
Police Purposes	\$ 19,059	\$ 41,015
Police Proceeds of Crime	1,627	1,627
Debenture Retirement	18,100	65,253
NS Transit Rural Incentive Program Funding	7,341	-
Unappropriated Reserve Fund Equity	<u>672,000</u>	<u>215,012</u>
Total Operating Reserve Fund Equity	<u>\$ 718,127</u>	<u>\$ 322,907</u>
Total Capital & Operating Reserve Fund Balances	<u><u>\$ 3,046,514</u></u>	<u><u>\$ 1,643,953</u></u>

10. TOWN OF AMHERST PENSION PLAN

The Town of Amherst maintains a contributory defined benefit pension plan. The most recent actuarial valuation report dated July 1, 2007, the plan was in a deficit position.

Special payments of \$26,700 were required for 2008/09 to fund the current year's deficiency. The Unfunded Pension Obligation of \$353,775 has been recognized on the consolidated balance sheet as an amount to be recovered from future revenue.

Effective January 1, 2008 all new full time employees are required to join a contributory defined contribution pension plan. Under this plan the employer is not responsible for any deficiency in the plan.

11. PANS PENSION PLAN

The Police Association of Nova Scotia (PANS) maintain a contributory defined benefit pension plan. The Town of Amherst was ordered by the Superintendent of Pensions to fund the plans deficiency.

Special monthly payments of \$8,750 are required to fund the current year's deficiency. The Unfunded Pension Obligation of \$157,500 has been recognized on the consolidated balance sheet as an amount to be recovered from future revenue.

12. GOVERNMENT PARTNERSHIP

Generally Accepted Accounting Principles for local governments as established by the Public Sector Accounting Board (PSAB) require a government's pro rata share of each of the assets, liabilities, revenues and expenditures (including capital expenditures) of any government partnership to be combined on a line by line basis with similar items in the government's financial statements. The Town of Amherst has a partnership with Cumberland Joint Services Management Authority which operates a landfill site in Little Forks. The Town of Amherst's 35% pro rata share of Cumberland Joint Services Management Authority is included in these financial statements.