

**The Village of Greenwood**

**Greenwood, Nova Scotia**

**Financial Statements**

**March 31, 2018**

## Contents

	<b>Page</b>
Independent Auditor's Report	1
Consolidated Statement of Financial Position	2
Consolidated Statement of Operations	3
Consolidated Statement of Changes in Net Financial Assets	4
Consolidated Statement of Changes in Cash Flow	5
Operating Fund Balance Sheet	6
Statement of Operations	7
Capital Fund Balance Sheet	8
Schedules to Statement of Operations	9,10
Statement of Reserve Funds	11
Notes to Financial Statements	12-14

## Morse Brewster Lake

Chartered Professional Accountants

P.O. Box 718  
158 Commercial Street  
Berwick, NS  
B0P 1E0

Tel: (902) 538-8531

Fax: (902) 538-7610

Email: [info@mblcpa.ca](mailto:info@mblcpa.ca)

### Independent Auditor's Report

#### To the Chairman and Commissioners of The Village of Greenwood

We have audited the accompanying financial statements of **The Village of Greenwood**, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statement of operations, change in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

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

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

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

#### Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Village as at March 31, 2018 and the results of operations, changes in financial position and change in net assets for the year then ended, in accordance with Canadian accounting standards for the public sector.

Berwick, Nova Scotia  
May 16, 2018

*Morse Brewster Lake*

Chartered Professional Accountants  
Licensed Public Accountants  
Registered Municipal Auditor

**The Village of Greenwood**  
**Consolidated Statement of Financial Position**

**March 31, 2018**

	<u>2018</u>	<u>2017</u>
<b>Financial Assets</b>		
Cash	\$ 321,989	\$ 224,459
Accounts receivable	7,911	5,914
HST receivable	7,179	6,018
Guaranteed Investment Certificates	<u>219,006</u>	<u>208,420</u>
	556,085	444,811
<b>Financial Liabilities</b>		
Payables and accruals	<u>8,758</u>	<u>6,202</u>
<b>Net Financial Assets</b>	547,327	438,609
<b>Non-Financial Assets (Liabilities)</b>		
Property and Equipment (note 2)	<u>607,998</u>	<u>619,250</u>
	<u>\$1,155,325</u>	<u>\$1,057,859</u>
<b>Surplus</b>		
Operating Fund Balance (note 3)	\$ 164,506	\$ 164,218
Reserve Fund Balances	382,821	274,391
Investment in Capital Assets (note 4)	<u>607,998</u>	<u>619,250</u>
	<u>\$1,155,325</u>	<u>\$1,057,859</u>

On Behalf of the Village of

 Chairman

**The Village of Greenwood**  
**Consolidated Statement of Operations**  
**Year Ended March 31, 2018**

	2018 <u>Budget</u>	2018 <u>Actual</u>	2017 <u>Actual</u>
<b>Revenue</b>			
General tax rates	\$ 418,000	\$ 415,295	\$ 391,461
Capital Grants received	-	14,997	18,753
Interest	200	2,148	1,745
HST offset	2,000	1,798	3,367
Other revenues from own services	38,950	38,225	36,453
Gain on sale of assets	-	2,000	-
Miscellaneous grants and donations	<u>23,500</u>	<u>27,774</u>	<u>13,574</u>
	<u>482,650</u>	<u>502,237</u>	<u>465,353</u>
<b>Expenditures</b>			
General government services (page 9)	151,700	136,011	141,756
Public works (page 9)	151,700	141,004	133,847
Transportation services	20,300	17,666	9,991
Recreational / cultural services (page 10)	58,000	43,058	26,433
North Greenwood Water Extension	-	-	50,000
Amortization	<u>-</u>	<u>67,032</u>	<u>67,185</u>
	<u>381,700</u>	<u>404,771</u>	<u>429,212</u>
<b>Operating Surplus</b>	<u>\$ 100,950</u>	<u>\$ 97,466</u>	<u>\$ 36,141</u>

# The Village of Greenwood

## Consolidated Statement of Changes in Net Financial Assets

Year Ended March 31, 2018

	<u>2018</u>	<u>2017</u>
<b>Annual Surplus</b>	\$ 97,466	\$ 36,141
<b>Add (Deduct):</b>		
Acquisition of tangible capital assets	(55,780)	(66,992)
Amortization of tangible capital assets	<u>67,032</u>	<u>67,185</u>
<b>Increase ( Decrease) in net assets</b>	108,718	36,334
<b>Net Financial Assets, beginning of year</b>	<u>438,609</u>	<u>402,275</u>
<b>Net Financial Assets, end of year</b>	<u>\$ 547,327</u>	<u>\$ 438,609</u>

**The Village of Greenwood**  
**Consolidated Statement of Changes in Cash Flow**  
**Year Ended March 31, 2018**

	<u>2018</u>	<u>2017</u>
<b>Operating Activities</b>		
Operating surplus	\$ 97,466	\$ 36,141
Amortization	67,032	67,185
Sources (uses) of cash		
Increase (decrease) in payables	2,556	(3,543)
(Increase) decrease in accounts receivable	<u>(3,158)</u>	<u>(1,694)</u>
Cash from operations	<u>163,896</u>	<u>98,089</u>
<b>Investing Activities</b>		
Purchase of capital assets	(55,780)	(66,992)
(Purchase) sale of investments	<u>(10,586)</u>	<u>(56,602)</u>
	<u>(66,366)</u>	<u>(123,594)</u>
<b>Change in net cash</b>	97,530	(25,505)
<b>Cash, beginning of year</b>	<u>224,459</u>	<u>249,964</u>
<b>Cash, end of year</b>	<u>\$ 321,989</u>	<u>\$ 224,459</u>

**The Village of Greenwood**  
**Operating Fund Balance Sheet**

**March 31, 2018**

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 175,127	\$ 192,035
Accounts receivable	6,928	1,281
HST receivable	7,179	6,018
	<u>\$ 189,234</u>	<u>\$ 199,334</u>
<b>Liabilities</b>		
<b>Current</b>		
Payables and accruals	\$ 8,758	\$ 6,202
Due to capital reserve	<u>15,970</u>	<u>28,914</u>
	<u>24,728</u>	<u>35,116</u>
<b>Surplus</b>		
<b>Operating Surplus (note 3)</b>	<u>164,506</u>	<u>164,218</u>
	<u>\$ 189,234</u>	<u>\$ 199,334</u>

On Behalf of the Village of Greenwood:

 Chairman

# The Village of Greenwood

## Statement of Operations

Year Ended March 31, 2018

	2018 <u>Budget</u>	2018 <u>Actual</u>	2017 <u>Actual</u>
<b>Revenue</b>			
General tax rates	\$ 418,000	\$ 415,295	\$ 391,461
Interest	200	192	217
Transfer from operating reserve	-	-	50,000
HST offset	2,000	1,798	3,367
Other revenues from own services	38,950	38,225	36,453
Miscellaneous grants and donations	<u>23,500</u>	<u>27,774</u>	<u>13,574</u>
	<u>482,650</u>	<u>483,284</u>	<u>495,072</u>
<b>Expenditures</b>			
General government services (page 9)	151,700	136,011	141,756
Public works (page 9)	151,700	141,004	133,847
North Greenwood Water Extension	-	-	50,000
Transportation services	20,300	17,666	9,991
Recreational / cultural services (page 10)	<u>58,000</u>	<u>43,058</u>	<u>26,433</u>
	<u>381,700</u>	<u>337,739</u>	<u>362,027</u>
<b>Net Revenue</b>	100,950	145,545	133,045
Transfers to capital reserves	(100,950)	(145,257)	(112,294)
Transfer to operating reserve	<u>-</u>	<u>-</u>	<u>(20,000)</u>
<b>Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ 288</u>	<u>\$ 751</u>


# The Village of Greenwood

## Capital Fund Balance Sheet

March 31, 2018

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
<b>Property and Equipment</b> (note 2)	\$ <u>607,998</u>	\$ <u>619,250</u>
 <b>Equity</b>		
<b>Investment in Capital Assets</b> (note 4)	<u>607,998</u>	<u>619,250</u>
	\$ <u>607,998</u>	\$ <u>619,250</u>

On Behalf of the Village of Greenwood:

 Chairman

**The Village of Greenwood**  
**Schedules to Statement of Operations**  
**Year Ended March 31, 2018**

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
<b>General Government Services</b>			
Wages and benefits- clerk	\$ 35,100	\$ 31,325	\$ 32,681
Advertising	2,000	1,173	2,285
Audit and legal	5,500	5,996	5,214
Awards and grants	1,000	1,000	1,000
Bank charges	500	267	297
Commissioners honorarium	12,900	12,410	12,056
Insurance	7,100	7,160	7,030
Office and miscellaneous	14,250	12,771	13,391
Tax collection	16,000	16,612	15,658
Telephone	6,200	5,348	5,725
Civic Building			
Electricity	9,000	7,151	7,545
Fuel	11,000	9,651	10,262
Insurance	7,000	6,924	6,930
Other	7,050	4,305	6,153
Repairs and maintenance	<u>17,100</u>	<u>13,918</u>	<u>15,529</u>
	<u>\$ 151,700</u>	<u>\$ 136,011</u>	<u>\$ 141,756</u>
<b>Public Works</b>			
Wages and benefits	\$ 97,500	\$ 94,305	\$ 91,815
Garage expenses	13,900	13,653	16,656
Equipment rental	8,000	6,892	6,410
Tractor and equipment expenses	11,600	10,139	8,585
Truck expenses	4,000	3,156	2,921
Village maintenance	<u>16,700</u>	<u>12,859</u>	<u>7,460</u>
	<u>\$ 151,700</u>	<u>\$ 141,004</u>	<u>\$ 133,847</u>

**The Village of Greenwood**  
**Schedule to Statement of Operations**

**Year Ended March 31, 2018**

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
<b>Recreational / Cultural Services</b>			
Gardens	\$ 3,000	\$ 1,360	\$ 2,838
Playground repairs and maintenance	6,500	4,269	1,955
Fales River Trail repairs	2,000	-	-
Tourism	5,000	5,000	5,000
Canada Day	25,000	22,329	10,867
Sports fields repairs and maintenance	14,500	9,353	5,392
Miscellaneous	<u>2,000</u>	<u>747</u>	<u>381</u>
	<u>\$ 58,000</u>	<u>\$ 43,058</u>	<u>\$ 26,433</u>

# The Village of Greenwood

## Statement of Reserve Funds

March 31, 2018

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 146,862	\$ 32,424
Guaranteed Investment Certificates , (0.45-1.9%)	219,006	208,420
Due from Operating Fund	15,970	28,914
HST receivable	983	2,141
Gas Tax receivable	-	2,492
	<u>382,821</u>	<u>274,391</u>
<b>Reserves</b>		
Capital Reserves	<u>382,821</u>	<u>274,391</u>
	<u>\$ 382,821</u>	<u>\$ 274,391</u>

## Statement of Capital Reserve

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 274,391	\$ 208,808
Add (deduct):		
Interest earned	1,956	1,528
Provision from operating fund	145,257	112,294
Gas Tax Funding	4,997	18,753
Proceeds on sale of equipment	2,000	-
Purchase of tangible capital assets	<u>(45,780)</u>	<u>(66,992)</u>
Balance, end of year	<u>\$ 382,821</u>	<u>\$ 274,391</u>

## Statement of Operating Reserve

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ -	\$ 30,000
Add (deduct):		
Provision from operating fund	-	20,000
North Greenwood water extension	<u>-</u>	<u>(50,000)</u>
Balance, end of year	<u>\$ -</u>	<u>\$ -</u>

On Behalf of the Village of Greenwood:


 , Chairman \_\_\_\_\_, Commissioner

# The Village of Greenwood

## Notes to Financial Statements

March 31, 2018

### 1. Significant Accounting Policies

#### Basis of Presentation

The consolidated financial statements of the Village of Greenwood are prepared in accordance with Canadian accounting standards for the public sector.

#### (a) Revenue and Expenditures:

Major revenue and expenditures items are recorded on an accrual basis.

#### (b) Financial Instruments

The Village's financial instruments consist of cash, short term deposits, accounts receivables, accounts payables and accrued liabilities. Unless otherwise noted, it is managements's opinion that the Village 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.

#### (c) 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.

#### (d) Government transfers

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

#### (e) 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 and over expenses, provides the consolidated Change in Net Financial Assets for the year.

# The Village of Greenwood

## Notes to Financial Statements

March 31, 2018

### 1. Significant Accounting Policies (continued)

#### (f) 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 amortization on a straight line basis over their estimated useful life as follows:

Land improvements	20 to 25 years
Buildings	25 to 40 years
Machinery and equipment	10 to 15 years
Paving	20 years
Parks and open space	20 years
Sidewalks	25 years
Signs	10 years
Small Equipment	5 years
Street Lights	20 years

### 2. Tangible Capital Assets

	Cost Opening	Additions	Disposals	Write Downs	Cost Closing	Amortization	Accum Amort	Net Book Value
Land	\$ 4,000	\$ -	\$ -	\$ -	\$ 4,000	\$ -	\$ -	\$ 4,000
Parks	252,608	-	-	-	252,608	9,490	168,491	84,117
Buildings	365,401	13,596	-	-	378,997	10,386	239,372	139,625
Small Equipment Machinery & equipment	90,730	8,595	(850)	-	98,475	3,257	88,890	9,585
Sidewalks	200,565	7,840	(6,000)	-	202,405	21,252	172,117	30,288
Paving	322,757	25,749	-	-	348,506	11,436	189,005	159,501
Signs	28,317	-	-	-	28,317	1,064	10,234	18,083
Street lights	9,196	-	-	-	9,196	-	9,196	-
	<u>202,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>202,944</u>	<u>10,147</u>	<u>40,145</u>	<u>162,799</u>
	<u>\$ 1,476,519</u>	<u>\$ 55,780</u>	<u>\$ (6,850)</u>	<u>\$ -</u>	<u>\$ 1,525,448</u>	<u>\$ 67,032</u>	<u>\$ 917,450</u>	<u>\$ 607,998</u>

# The Village of Greenwood

## Notes to Financial Statements

March 31, 2018

### 3. Surplus

	<u>2018</u>	<u>2017</u>
Surplus, beginning of year	\$ 164,218	\$ 163,467
Add (Deduct):		
Operating surplus (deficit), for the year	<u>288</u>	<u>751</u>
Surplus, end of year	<u>\$ 164,506</u>	<u>\$ 164,218</u>

### 4. Investment in Capital Assets

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 619,250	\$ 619,443
Add (Deduct):		
Capital expenditures paid from reserve	45,780	66,992
Capital grants received - Province of NS	10,000	-
Amortization	<u>(67,032)</u>	<u>(67,185)</u>
Balance, end of year	<u>\$ 607,998</u>	<u>\$ 619,250</u>

### 5. Other Matters

The total remuneration paid to each commissioner and the senior management official are as follows:

Commissioners	
Banks, Brian (Chair)	\$ 2,780
Baker, Robert	2,355
MacDonald, Donald	2,355
Parker, Heather	2,565
Sealby, Robert	2,355
Staff	
Elsworth, Marian (Clerk/Treasurer)	<u>29,323</u>
	<u>\$ 41,733</u>

### 6. Line of Credit

The Village has a \$600,000 line of credit with CIBC with for the construction of sidewalks. As of March 31, 2018 the balance was \$0.

### 7. Commitments

The Village has entered into contracts to purchase tangible capital assets in 2018-19 for \$564,230.