The Village of Greenwood

Greenwood, Nova Scotia

Financial Statements

March 31, 2023

Contents

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Independent Auditor's Report

To the Chairman and Commissioners of
The Village of Greenwood

Opinion
We have audited the accompanying consolidated financial statements of **The Village of Greenwood**, which comprise the statement of financial position as at March 31, 2023, and the statement of operations, statement of net financial assets and statement of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the **The Village of Greenwood**, as at March 31, 2023, and the results of operations and changes in net financial assets for the year then ended, in accordance with Canadian public sector accounting standards.

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 public sector accounting standards 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.

Morse Brewster Lake

Berwick, Nova Scotia
June 21, 2023

Chartered Professional Accountants
Registered Municipal Auditor

The Village of Greenwood

Consolidated Statement of Financial Position

March 31, 2023

	2023	2022
Financial Assets		
Cash	$ 869,847	$ 377,663
Accounts receivable	9,520	8,653
HST receivable	29,922	14,498
Guaranteed Investment Certificates	413,604	411,800
	1,322,893	812,614
Financial Liabilities		
Payables and accruals	31,942	11,472
Deferred revenue	601,237	100,000
Net Financial Assets	689,714	701,142
Non-Financial Assets		
Property and Equipment (note 2)	1,281,130	1,146,792
Prepaid expenses	299	-
	$1,971,143	$1,847,934
Accumulated Surplus		
Operating Fund Balance (note 3)	$ 355,211	$ 360,526
Reserve Fund Balances	334,802	340,616
Investment in Capital Assets (note 4)	1,281,130	1,146,792
	$1,971,143	$1,847,934

On Behalf of the Village of

___________________________, Chairman

The accompanying notes are an integral part of these consolidated financial statements

The Village of Greenwood

Consolidated Statement of Operations

Year Ended March 31, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenue			
General tax rates	$ 505,065	$ 490,145	$ 460,791
Capital Grants received	200,000	47,763	4,562
Interest	50	1,790	278
HST offset	2,000	-	2,240
Other revenues from own services	55,908	67,861	62,134
Gain on sale of assets	-	40,000	-
Miscellaneous grants and donations	27,909	26,551	13,890
	790,932	674,110	543,895
Expenditures			
General government services (page 15)	190,636	183,384	158,218
Public works (page 15)	206,399	193,338	159,627
Transportation services	34,000	23,772	19,748
Recreational / cultural services (page 16)	33,850	29,868	12,875
Amortization	120,539	120,539	97,488
	585,424	550,901	447,956
Annual Surplus	205,508	123,209	95,939
Accumulated Surplus, beginning of year	1,847,934	1,847,934	1,751,995
Annual Surplus	-	123,209	95,939
Accumulated Surplus, end of year	$2,053,442	$1,971,143	$1,847,934

The accompanying notes are an integral part of these consolidated financial statements

The Village of Greenwood

Consolidated Statement of Changes in Net Financial Assets

Year Ended March 31, 2023

	2023 Budget	2023 Actual	2022 Actual
Annual Surplus	$ 205,508	$ 123,209	$ 95,939
Add (Deduct):			
Acquisition of tangible capital assets	(241,398)	(254,877)	(108,634)
Amortization of tangible capital assets	120,539	120,539	97,488
Change in prepaid expenes	-	(299)	-
Increase in net assets	$ 84,649	(11,428)	84,793
Net Financial Assets, beginning of year		701,142	616,349
Net Financial Assets, end of year		$ 689,714	$ 701,142

The accompanying notes are an integral part of these consolidated financial statements

The Village of Greenwood

Consolidated Statement of Changes in Cash Flow

Year EndedMarch 31, 2023

	2023	2022
Operating Activities		
Operating surplus	$ 123,209	$ 95,939
Amortization	120,539	97,488
(Gain) loss on disposal of capital asset	(40,000)	-
Sources (uses) of cash		
Increase (decrease) in payables	20,469	6,743
(Increase) decrease in prepaids	(299)	-
(Increase) decrease in deferred revenue	501,237	100,000
(Increase) decrease in accounts receivable	(16,291)	(1,092)
Cash from operations	708,864	299,078
Investing Activities		
Purchase of capital assets	(254,877)	(108,634)
Purchase of investments	(413,604)	(411,801)
Proceeds on sale of assets	40,000	-
Sale of investments	411,801	61,524
	(216,680)	(458,911)
Change in net cash	492,184	(159,833)
Cash, beginning of year	377,663	537,496
Cash, end of year	$ 869,847	$ 377,663

The accompanying notes are an integral part of these consolidated financial statements

The Village of Greenwood

Notes to Consolidated Financial Statements

March 31, 2023

1. Significant Accounting Policies

Basis of Presentation

The consolidated financial statements of the Village of Greenwood are prepared in accordance with Canadian public sector accounting standards ("PSAB").

Basis of Consolidation

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 Commission and included in the reporting entity are the general operating fund, general capital fund, capital reserve fund and operating reserve fund. Interdepartmental transactions and balances have been eliminated on the consolidated

(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, estimated useful life of tangible capital assets and asset retirement obligations.

(d) Revenue recognition

Taxation and related related revenue: Property tax billings are prepared based on the assessment rolls issued by Property Valuation Services Corporation. Tax rates are established annually by the Commission, incorporating amounts to be raised for local services. Taxation revenues are recorded at the time tax billings are due. 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. Other revenues (including rental income) are recognized as services or goods are provided, the exchange amount is measured and collectibility of the amount is reasonably assured.

The Village of Greenwood

Notes to Consolidated Financial Statements

March 31, 2023

1. Significant Accounting Policies (continued)

(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.

(f) Asset Retirement Obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

a) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
b) The past transaction or event giving rise to the liability has occurred;
c) It is expected that future economic benefits will be given up; and
d) A reasonable estimate of the amount can be made.

Any liability is discounted using a present value calculation, and adjusted yearly for accretion expense. The recognition of a liability would result in an accompanying increase to the respective tangible capital assets. Any increase to the tangible capital assets would being amortized in accordance with the depreciation accounting policies.

The Village has assessed their assets and does not currently have any material asset retirement obligations and as such no increase in asset value or liability has been recognized at this time.

(g) 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.

(h) Investments

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value.

The Village of Greenwood

Notes to Consolidated Financial Statements

March 31, 2023

1. Significant Accounting Policies (continued)

(i) 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	$ 64,421	$ -	$ -	$ -	$ 64,421	$ -	$ -	$ 64,421
Parks	194,756	42,730	-	-	237,486	15,812	153,192	84,294
Buildings	400,806	47,762	-	-	448,568	12,734	275,726	172,842
Small Equipment	112,616	3,625	-	-	116,241	9,162	98,284	17,957
Machinery & equipment	333,834	131,789	(80,744)	-	384,879	33,415	198,419	186,460
Sidewalks	966,381	10,872	-	-	977,253	36,890	365,739	611,514
Paving	28,317	12,149	-	-	40,466	1,671	16,160	24,306
Signs	9,196	-	-	-	9,196	-	9,196	-
Street lights	205,201	5,950	-	-	211,151	10,855	91,815	119,336
	$ 2,315,528	$ 254,877	$ (80,744)	$ -	$ 2,489,661	$ 120,539	$ 1,208,531	$ 1,281,130

3. Surplus

	2023	2022
Surplus, beginning of year	$ 360,526	$ 278,982
Add (Deduct):		
Operating surplus for the year	(5,315)	81,544
Surplus, end of year	$ 355,211	$ 360,526

The Village of Greenwood

Notes to Consolidated Financial Statements

March 31, 2023

4. Investment in Capital Assets

	2023	2022
Balance, beginning of year	$1,146,792	$1,135,646
Add (Deduct):		
Capital expenditures paid from reserve	254,877	108,634
Amortization	(120,539)	(97,488)
Balance, end of year	$1,281,130	$1,146,792

5. Defined Contribution Pension Plan

The Village has a defined contribution pension plan. The Village's contribution to the employees defined contribution pension for the year ending March 31, 2023 was $5,914 (2022 - $4,843).

6. Budget amounts

The Village budgets for rate setting and expenditure control purposes, which does not include amortization. The following adjustments to Net Surplus reconcile the budgeted amounts to the financial reporting presentation in accordance with Canadian Public Sector Accounting Standards.

Budgeted net surplus (loss)	$ -
Transfer to reserve	84,649
Acquisition of tangible capital assets	241,398
Less amortization	(120,539)
Revised net surplus	$ 205,508

7. Other Matters

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

	Compensation	Expenses	Total
Commissioners			
Banks, Brian (Chair)	$ 3,596	$ 767	$ 4,363
Harty, Dale	3,043	39	3,082
Baker, Robert	3,043	-	3,043
Sealby, Robert	3,317	575	3,892
Spinney, Darrel	3,043	-	3,043
Staff			
Lynn Moar (Clerk)	28,918	264	29,182
Kerry Graham (Clerk)	11,000	39	11,039
	$ 55,960	$ 1,684	$ 57,644

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Auditors' Report on Supplemental Financial Statements

To the Chairman and Commissioners of
The Village of Greenwood

Our audit was conducted for the purpose of forming an opinion on the basic 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 basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Morse Brewster Lake

Berwick, Nova Scotia
June 21, 2023

Chartered Professional Accountants
Registered Municipal Auditor

The Village of Greenwood

Operating Fund Statement of Financial Position

March 31, 2023

	2023	2022
Assets		
Current		
Cash	$ 853,279	$ 265,309
Guaranteed Investment Certificates	100,400	100,000
Accounts receivable	9,520	8,653
HST receivable	29,922	14,498
Prepaid expense	299	-
Due from capital reserve	-	83,538
	$ 993,420	$ 471,998
Liabilities		
Current		
Payables and accruals	$ 28,244	$ 7,953
Due to capital reserve	5,030	-
Payroll deductions payable	3,698	3,519
Deferred revenue	601,237	100,000
	638,209	111,472
Surplus		
Operating Surplus (note 3)	355,211	360,526
	$ 993,420	$ 471,998

On Behalf of the Village of Greenwood:

___________________________, Chairman

The Village of Greenwood

Statement of Operations

Year Ended March 31, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenue			
General tax rates	$ 505,065	$ 490,145	$ 460,791
Capital Grants received	200,000	-	-
Interest	50	464	75
HST offset	2,000	-	2,240
Other revenues from own services	55,908	67,861	62,134
Miscellaneous grants and donations	27,909	26,551	13,890
	790,932	585,021	539,130
Expenditures			
General government services (page 15)	190,636	183,384	158,218
Public works (page 15)	206,399	193,338	159,627
Transportation services	34,000	23,772	19,748
Recreational / cultural services (page 16)	33,850	29,868	12,875
	464,885	430,362	350,468
Net Revenue	326,047	154,659	188,662
Transfers to capital reserves	(326,047)	(159,974)	(107,118)
Change in Fund Balance	$ -	$ (5,315)	$ 81,544

The Village of Greenwood

Capital Fund Statement of Financial Position

March 31, 2023

	2023	2022
Assets		
Property and Equipment (note 2)	$ 1,281,130	$ 1,146,792
Equity		
Investment in Capital Assets (note 4)	$ 1,281,130	$ 1,146,792

On Behalf of the Village of Greenwood:

___________________________, Chairman

The Village of Greenwood

Schedules to Statement of Operations

Year Ended March 31, 2023

	2023 Budget	2023 Actual	2022 Actual
General Government Services			
Wages and benefits- clerk	$ 36,650	$ 44,656	$ 34,780
Advertising	2,000	3,230	2,052
Audit and legal	6,500	6,257	6,257
Bank charges	500	272	251
Commissioners honorarium	16,042	16,255	15,134
Insurance	14,094	14,724	10,835
Accessobility expenses	10,000	1,913	1,933
Office and miscellaneous	17,600	13,042	15,827
Tax collection	21,000	19,606	18,432
Telephone	5,900	8,315	6,123
Civic Building			
Electricity	9,500	8,590	7,794
Fuel	27,000	23,980	20,424
Insurance	8,950	8,951	7,971
Other	3,650	3,329	2,939
Repairs and maintenance	11,250	10,264	7,466
	$ 190,636	$ 183,384	$ 158,218

	2023 Budget	2023 Actual	2022 Actual
Public Works			
Wages and benefits	$ 121,088	$ 130,456	$ 114,490
Garage expenses	19,000	11,875	15,572
Tractor and equipment expenses	21,055	13,071	11,810
Truck expenses	8,856	10,502	7,105
Village maintenance	36,400	27,434	10,650
	$ 206,399	$ 193,338	$ 159,627

The Village of Greenwood

Schedule to Statement of Operations

Year Ended March 31, 2023

	2023 Budget	2023 Actual	2022 Actual
Recreational / Cultural Services			
Gardens	$ 2,000	$ 1,490	$ 2,499
Playground repairs and maintenance	1,600	1,213	3,377
Fales River Trail repairs	6,000	5,214	-
Tourism	5,000	5,000	-
Canada Day	12,000	10,882	1,035
Sports fields repairs and maintenance	5,500	5,007	4,445
Miscellaneous	1,750	1,062	1,519
	$ 33,850	$ 29,868	$ 12,875

The Village of Greenwood

Statement of Reserve Funds

March 31, 2023

	2023	2022
Assets		
Current		
Cash	$ 16,568	$ 112,354
Guaranteed Investment Certificates , (1.40.-2.50%)	313,204	311,800
Due from Operating Fund	5,030	-
	334,802	424,154
Liabilities		
Due to Operating Fund	-	83,538
	$ 334,802	$ 340,616
Reserves		
Operating Reserve	$ 20,075	$ 20,000
Capital Reserves	314,727	320,618
	$ 334,802	$ 340,618

Statement of Capital Reserve

	2023	2022
Balance, beginning of year	$ 320,616	$ 317,367
Add (deduct):		
Interest earned	1,251	203
Provision from operating fund	159,974	107,118
Gas Tax Funding	-	4,562
Proceeds on sale of equipment	40,000	-
Province of Nova Scotia - Accessibility	47,763	-
Purchase of tangible capital assets	(254,877)	(108,634)
Balance, end of year	$ 314,727	$ 320,616

Statement of Operating Reserve

	2023	2022
Balance, beginning of year	$ 20,000	$ 20,000
Add (deduct):		
Interest	75	-
Balance, end of year	$ 20,075	$ 20,000

On Behalf of the Village of Greenwood:

________________________________, Chairman _______________________,Commissioner