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The Village of Greenwood

Greenwood, Nova Scotia

Financial Statements

March 31, 2014

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Morse Brewster Lake

Chartered Accountants

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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, 2014, 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, 2014 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.

Morse Brewster Lake

Berwick, Nova Scotia
May 21, 2014


Registered Municipal Auditor

The Village of Greenwood
Consolidated Statement of Financial Position

March 31, 2014

	<u>2014</u>	<u>2013</u>
Financial Assets		
Cash	\$ 122,858	\$ 103,538
Accounts receivable	14,153	14,753
Investments, at market value	<u>263,076</u>	<u>214,051</u>
	400,087	332,342
Financial Liabilities		
Payables and accruals	<u>11,265</u>	<u>9,588</u>
Net Financial Assets	388,822	322,754
Non-Financial Assets (Liabilities)		
Property and Equipment (note 2)	433,805	465,655
Deferred Contributions	<u>(41,924)</u>	<u>(43,953)</u>
	<u>\$ 780,703</u>	<u>\$ 744,456</u>
Surplus		
Operating Fund Balance (note 3)	\$ 124,163	\$ 106,920
Reserve Fund Balances	264,659	215,834
Investment in Capital Assets (note 4)	<u>391,881</u>	<u>421,702</u>
	<u>\$ 780,703</u>	<u>\$ 744,456</u>

On Behalf of the Village of

, Chairman

The Village of Greenwood
Consolidated Statement of Operations

Year Ended March 31, 2014

	2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
Revenue			
General tax rates	\$ 379,200	\$ 377,958	\$ 339,653
Capital Grants received	-	1,998	7,180
Grants in lieu of taxes	-	116	154
Interest	500	2,724	3,584
Amortization of deferred contributions	-	2,029	2,129
HST offset	1,500	2,261	1,586
Other revenues from own services	34,000	32,075	30,057
Proceeds on sale of assets	-	8,000	4,600
Miscellaneous grants and donations	<u>2,000</u>	<u>8,682</u>	<u>6,015</u>
	<u>417,200</u>	<u>435,843</u>	<u>394,958</u>
Expenditures			
General government services (page 9)	136,000	128,019	131,666
Public works (page 9)	134,500	142,126	128,174
Transportation services	49,500	47,516	48,355
Recreational / cultural services (page 10)	37,200	24,509	31,715
Amortization	<u>-</u>	<u>57,427</u>	<u>56,940</u>
	<u>357,200</u>	<u>399,597</u>	<u>396,850</u>
Operating Surplus	<u>\$ 60,000</u>	<u>\$ 36,246</u>	<u>\$ (1,892)</u>

The Village of Greenwood
Consolidated Statement of Changes in Net Financial Assets
Year Ended March 31, 2014

	<u>2014</u>	<u>2013</u>
Annual Surplus	\$ 36,246	\$ (1,892)
Add (Deduct):		
Acquisition of tangible capital assets	(25,576)	(39,435)
Amortization of tangible capital assets	57,427	56,940
Amortization of deferred contributions	<u>(2,029)</u>	<u>(2,129)</u>
Increase in net assets	66,068	13,484
Net Financial Assets, beginning of year	<u>322,754</u>	<u>309,270</u>
Net Financial Assets, end of year	<u>\$ 388,822</u>	<u>\$ 322,754</u>

The Village of Greenwood
Consolidated Statement of Changes in Cash Flow
Year Ended March 31, 2014

	<u>2014</u>	<u>2013</u>
Operating Activities		
Operating surplus	\$ 36,246	\$ (1,892)
Amortization	57,427	56,940
Amortization of deferred contributions	(2,029)	(2,129)
Sources (uses) of cash		
Increase (decrease) in payables	1,677	(11,414)
(Increase) decrease in accounts receivable	<u>600</u>	<u>3,880</u>
Cash from operations	<u>93,921</u>	<u>45,385</u>
Investing Activities		
Purchase of capital assets	(25,576)	(39,435)
Purchase of investments	<u>(49,025)</u>	<u>(34,637)</u>
	<u>(74,601)</u>	<u>(74,072)</u>
Financing Activities		
Long term debt repaid	<u>-</u>	<u>(11,306)</u>
	<u>-</u>	<u>(11,306)</u>
Change in net cash	19,320	(39,993)
Cash, beginning of year	<u>103,538</u>	<u>143,531</u>
Cash, end of year	<u>\$ 122,858</u>	<u>\$ 103,538</u>

The Village of Greenwood
Operating Fund Balance Sheet

March 31, 2014

	<u>2014</u>	<u>2013</u>
Assets		
Current		
Cash	\$ 122,858	\$ 103,538
Accounts receivable	<u>14,153</u>	<u>14,753</u>
	<u>\$ 137,011</u>	<u>\$ 118,291</u>
Liabilities		
Current		
Payables and accruals	\$ 11,265	\$ 9,588
Due to Special Reserve Fund	<u>1,583</u>	<u>1,783</u>
	<u>12,848</u>	<u>11,371</u>
Surplus		
Operating Surplus (note 3)	<u>124,163</u>	<u>106,920</u>
	<u>\$ 137,011</u>	<u>\$ 118,291</u>

On Behalf of the Village of Greenwood:

 Chairman

The Village of Greenwood

Statement of Operations

Year Ended March 31, 2014

	2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
Revenue			
General tax rates	\$ 379,200	\$ 377,958	\$ 339,653
Grants in lieu of taxes	-	116	154
Interest	500	386	447
Amortization of deferred contributions	-	2,029	2,129
HST offset	1,500	2,261	1,586
Other revenues from own services	34,000	32,075	30,057
Gain on disposal	-	8,000	-
Miscellaneous grants and donations	<u>2,000</u>	<u>8,682</u>	<u>6,015</u>
	<u>417,200</u>	<u>431,507</u>	<u>380,041</u>
Expenditures			
General government services (page 9)	136,000	128,019	131,666
Public works (page 9)	134,500	142,126	128,174
Transportation services	49,500	47,516	48,355
Recreational / cultural services (page 10)	37,200	24,509	31,715
Amortization	<u>-</u>	<u>57,427</u>	<u>56,940</u>
	<u>357,200</u>	<u>399,597</u>	<u>396,850</u>
Net Revenue	60,000	31,910	(16,809)
Principal repayments	-	-	(11,306)
Net transfers to reserves	<u>(60,000)</u>	<u>(62,065)</u>	<u>(60,038)</u>
Change in Fund Balance	<u>\$ -</u>	<u>\$ (30,155)</u>	<u>\$ (88,153)</u>

The Village of Greenwood

Capital Fund Balance Sheet

March 31, 2014

	<u>2014</u>	<u>2013</u>
Assets		
Property and Equipment (note 2)	\$ <u>433,805</u>	\$ <u>465,655</u>
Liabilities		
Deferred Contributions	\$ <u>41,924</u>	\$ <u>43,953</u>
Equity		
Investment in Capital Assets (note 4)	<u>391,881</u>	<u>421,702</u>
	\$ <u>433,805</u>	\$ <u>465,655</u>

On Behalf of the Village of Greenwood:

 , Chairman

The Village of Greenwood

Schedules to Statement of Operations

Year Ended March 31, 2014

	2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
General Government Services			
Wages and benefits- clerk	\$ 32,500	\$ 31,698	\$ 32,485
Advertising	2,000	819	1,519
Audit and legal	4,500	4,693	4,432
Awards and grants	-	1,000	-
Bank charges	300	306	279
Commissioners honorarium	11,700	11,384	11,600
Insurance	6,200	6,235	6,008
Office and miscellaneous	13,200	9,487	11,833
Tax collection	14,300	15,118	13,590
Telephone	5,000	4,630	3,898
Civic Building			
Electricity	11,000	8,661	8,899
Fuel	16,500	15,671	14,896
Insurance	6,500	7,385	6,534
Other	4,900	5,294	3,821
Repairs and maintenance	<u>7,400</u>	<u>5,638</u>	<u>11,872</u>
	<u>\$ 136,000</u>	<u>\$ 128,019</u>	<u>\$ 131,666</u>
Public Works			
Wages and benefits	\$ 87,400	\$ 82,080	\$ 76,607
Garage expenses	15,700	15,418	14,138
Tractor and equipment expenses	11,600	18,360	11,897
Truck expenses	6,100	6,946	6,799
Village maintenance	<u>13,700</u>	<u>19,322</u>	<u>18,733</u>
	<u>\$ 134,500</u>	<u>\$ 142,126</u>	<u>\$ 128,174</u>

The Village of Greenwood

Schedule to Statement of Operations

Year Ended March 31, 2014

	2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
Recreational / Cultural Services			
Gardens	\$ 2,500	\$ 2,747	\$ 3,450
Playground repairs and maintenance	5,000	147	4,218
Fales River Trail repairs	500	-	-
Tourism	5,000	5,000	5,000
Canada Day	12,200	11,783	9,921
Sports fields repairs and maintenance	6,500	4,162	7,733
Miscellaneous	<u>5,500</u>	<u>670</u>	<u>1,393</u>
	<u>\$ 37,200</u>	<u>\$ 24,509</u>	<u>\$ 31,715</u>

The Village of Greenwood

Statement of Reserve Funds

Balance Sheet

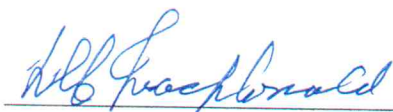
March 31, 2014

	<u>2014</u>	<u>2013</u>
Assets		
Cash and term deposits	\$ 263,076	\$ 214,051
Due from Operating Fund	<u>1,583</u>	<u>1,783</u>
	<u>\$ 264,659</u>	<u>\$ 215,834</u>
Reserves	<u>\$ 264,659</u>	<u>\$ 215,834</u>

Statement of Reserve Funds

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 215,834	\$ 180,314
Add:		
Interest earned	2,338	3,137
Provision from operating fund	62,065	60,038
Gas Tax Funding	1,999	-
Proceeds on sale of equipment	8,000	4,600
Purchase of tangible capital assets	<u>(25,577)</u>	<u>(32,255)</u>
Balance, end of year	<u>\$ 264,659</u>	<u>\$ 215,834</u>

On Behalf of the Village of Greenwood:



Chairman



Commissioner

The Village of Greenwood

Notes to Financial Statements

March 31, 2014

1. Significant Accounting Policies

The consolidated financial statements of the Village of Greenwood are prepared in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

(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) 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 Village of Greenwood

Notes to Financial Statements

March 31, 2014

1. Significant Accounting Policies (continued)

(e) 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	263,754	-	-	-	263,754	10,020	140,871	122,883
Buildings	335,361	-	-	-	335,361	8,099	198,847	136,514
Small Equipment	87,476	2,065	-	-	89,541	4,882	76,866	12,675
Machinery & equipment	154,902	20,514	(14,868)	-	160,548	24,232	138,377	22,171
Sidewalks	278,395	-	-	-	278,395	9,553	147,136	131,259
Paving	7,043	-	-	-	7,043	-	7,043	-
Signs	12,205	-	-	-	12,205	643	10,900	1,305
Street lights	-	2,998	-	-	2,998	-	-	2,998
	<u>\$ 1,143,136</u>	<u>\$ 25,577</u>	<u>\$ (14,868)</u>	<u>\$ -</u>	<u>\$ 1,153,845</u>	<u>\$ 57,429</u>	<u>\$ 720,040</u>	<u>\$ 433,805</u>

The Village of Greenwood

Notes to Financial Statements

March 31, 2014

3. Surplus

	<u>2014</u>	<u>2013</u>
Surplus, beginning of year	\$ 106,920	\$ 140,262
Add (Deduct):		
Operating surplus (deficit), for the year	(30,155)	(88,153)
Amortization	57,427	56,940
Amortization of deferred contributions	(2,029)	(2,129)
Gain on disposal of capital assets	<u>(8,000)</u>	<u>-</u>
Surplus, end of year	<u>\$ 124,163</u>	<u>\$ 106,920</u>

4. Investment in Capital Assets

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 421,702	\$ 425,772
Add (Deduct):		
Capital expenditures paid from reserve	25,577	32,255
Capital grants received	-	7,180
Amortization of deferred contributions	2,029	2,129
Principal payments on long term debt	-	11,306
Amortization	<u>(57,427)</u>	<u>(56,940)</u>
Balance, end of year	<u>\$ 391,881</u>	<u>\$ 421,702</u>