

The Village of Greenwood

Greenwood, Nova Scotia

Financial Statements

March 31, 2020

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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, 2020, 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, 2020, 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.

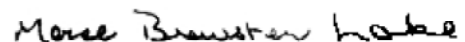
Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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.

Berwick, Nova Scotia
June 5, 2020



Chartered Professional Accountants
Registered Municipal Auditor

The Village of Greenwood
Consolidated Statement of Financial Position

March 31, 2020

	<u>2020</u>	<u>2019</u>
Financial Assets		
Cash	\$ 368,911	\$ 311,269
Accounts receivable	1,160	8,501
HST receivable	7,900	24,590
Guaranteed Investment Certificates	<u>115,847</u>	<u>128,300</u>
	493,818	472,660
Financial Liabilities		
Payables and accruals	<u>7,765</u>	<u>47,791</u>
Net Financial Assets	486,053	424,869
Non-Financial Assets (Liabilities)		
Property and Equipment (note 2)	<u>1,111,277</u>	<u>1,102,067</u>
	<u>\$1,597,330</u>	<u>\$1,526,936</u>
Surplus		
Operating Fund Balance (note 3)	\$ 211,710	\$ 165,194
Reserve Fund Balances	274,343	271,178
Investment in Capital Assets (note 4)	<u>1,111,277</u>	<u>1,090,564</u>
	<u>\$1,597,330</u>	<u>\$1,526,936</u>

On Behalf of the Village of

_____, Chairman

The Village of Greenwood
Consolidated Statement of Operations
Year Ended March 31, 2020

	2020 <u>Budget</u>	2020 <u>Actual</u>	2019 <u>Actual</u>
Revenue			
General tax rates	\$ 436,400	\$ 432,888	\$ 422,921
Capital Grants received	-	13,889	360,492
Interest	200	2,692	1,937
HST offset	2,000	2,168	1,817
Other revenues from own services	51,450	51,015	45,272
Proceeds on sale of assets	-	2,000	8,600
Miscellaneous grants and donations	<u>7,500</u>	<u>7,936</u>	<u>13,835</u>
	<u>497,550</u>	<u>512,588</u>	<u>854,874</u>
Expenditures			
General government services (page 9)	175,250	143,513	151,915
Public works (page 9)	167,650	155,423	161,134
Transportation services	25,000	23,401	20,259
Recreational / cultural services (page 10)	36,200	32,764	37,351
Sampson and Spinney street repaving	-	-	16,453
Loss on disposal of assets	-	631	-
Amortization	<u>-</u>	<u>86,462</u>	<u>96,151</u>
	<u>404,100</u>	<u>442,194</u>	<u>483,263</u>
Operating Surplus	<u>\$ 93,450</u>	<u>\$ 70,394</u>	<u>\$ 371,611</u>

The Village of Greenwood
Consolidated Statement of Changes in Net Financial Assets
Year Ended March 31, 2020

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
Annual Surplus	\$ 93,450	\$ 70,394	\$ 371,611
Add (Deduct):			
Acquisition of tangible capital assets	-	(96,303)	(590,220)
Amortization of tangible capital assets	-	86,462	96,151
Disposal of capital asset	<u>-</u>	<u>631</u>	<u>-</u>
Increase (Decrease) in net assets	<u>\$ 93,450</u>	61,184	(122,458)
Net Financial Assets, beginning of year		<u>424,869</u>	<u>547,327</u>
Net Financial Assets, end of year		<u>\$ 486,053</u>	<u>\$ 424,869</u>

The Village of Greenwood

Consolidated Statement of Changes in Cash Flow

Year Ended March 31, 2020

	<u>2020</u>	<u>2019</u>
Operating Activities		
Operating surplus	\$ 70,394	\$ 371,611
Amortization	86,462	96,151
(Gain) loss on disposal of capital asset	631	-
Sources (uses) of cash		
Increase (decrease) in payables	(40,026)	39,033
(Increase) decrease in accounts receivable	<u>24,031</u>	<u>(18,001)</u>
Cash from operations	<u>141,492</u>	<u>488,794</u>
Investing Activities		
Purchase of capital assets	(96,303)	(590,220)
Sale of investments	<u>12,453</u>	<u>90,706</u>
	<u>(83,850)</u>	<u>(499,514)</u>
Change in net cash	57,642	(10,720)
Cash, beginning of year	<u>311,269</u>	<u>321,989</u>
Cash, end of year	<u>\$ 368,911</u>	<u>\$ 311,269</u>

The Village of Greenwood

Notes to Consolidated Financial Statements

March 31, 2020

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.

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 and estimated useful life of tangible capital assets.

(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.

The Village of Greenwood

Notes to Consolidated Financial Statements

March 31, 2020

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) 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.

(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) 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

The Village of Greenwood

Notes to Consolidated Financial Statements

March 31, 2020

2. Tangible Capital Assets

	Cost <u>Opening</u>	<u>Additions</u>	<u>Disposals</u>	Write <u>Downs</u>	Cost <u>Closing</u>	<u>Amortization</u>	Accum <u>Amort</u>	Net Book <u>Value</u>
Land	\$ 4,000	\$ 60,421	\$ -	\$ -	\$ 64,421	\$ -	\$ -	\$ 64,421
Parks	223,736	-	-	-	223,736	7,426	155,848	67,888
Buildings	378,997	-	-	-	378,997	9,997	259,109	119,888
Small Equipment Machinery & equipment	90,794	4,381	(9,906)	-	85,269	5,269	73,221	12,048
Sidewalks	242,580	12,898	-	-	255,478	19,329	204,611	50,867
Paving	874,618	18,603	-	-	893,221	33,228	255,517	637,704
Signs	28,317	-	-	-	28,317	1,063	12,361	15,956
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>60,439</u>	<u>142,505</u>
	<u>\$ 2,055,183</u>	<u>\$ 96,303</u>	<u>\$ (9,906)</u>	<u>\$ -</u>	<u>\$ 2,141,579</u>	<u>\$ 86,459</u>	<u>\$ 1,030,302</u>	<u>\$ 1,111,277</u>

3. Surplus

	<u>2020</u>	<u>2019</u>
Surplus, beginning of year	\$ 165,194	\$ 164,506
Add (Deduct):		
Operating surplus (deficit) for the year	<u>46,516</u>	<u>688</u>
Surplus, end of year	<u>\$ 211,710</u>	<u>\$ 165,194</u>

4. Investment in Capital Assets

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$1,090,564	\$ 607,998
Add (Deduct):		
Capital expenditures paid from reserve	93,917	218,225
Disposal of assets	(631)	-
Gas tax funds	12,609	320,650
Sidewalk grant - Municipality of Kings	1,280	37,294
Insurance proceeds	-	2,548
Amortization	<u>(86,462)</u>	<u>(96,151)</u>
Balance, end of year	<u>\$1,111,277</u>	<u>\$1,090,564</u>

The Village of Greenwood

Notes to Consolidated Financial Statements

March 31, 2020

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, 2020 was \$5,235 (2019 - \$5,134).

6. Other Matters

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

Commissioners

	Compensation	Expenses	Total
Banks, Brian (Chair)	\$ 3,253	\$ 725	\$ 3,978
Baker, Robert	2,768	-	2,768
MacDonald, Donald	2,768	-	2,768
Sealby, Robert	3,017	-	3,017
Spinney, Darrel	2,768	-	2,768

Staff

Lynn Moar (Clerk)	2,165	-	2,165
Elsworth, Marian (Clerk)	<u>29,452</u>	<u>544</u>	<u>29,996</u>
	<u>\$ 46,191</u>	<u>\$ 1,269</u>	<u>\$ 47,460</u>

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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.

Berwick, Nova Scotia
June 5, 2020

Morse Brewster Lake

Chartered Professional Accountants
Registered Municipal Auditor

The Village of Greenwood
Operating Fund Statement of Financial Position

March 31, 2020

	<u>2020</u>	<u>2019</u>
Assets		
Current		
Cash	\$ 267,988	\$ 244,296
Accounts receivable	1,160	833
HST receivable	<u>7,900</u>	<u>11,155</u>
	<u>\$ 277,048</u>	<u>\$ 256,284</u>
Liabilities		
Current		
Payables and accruals	\$ 7,765	\$ 30,874
Due to capital reserve	57,573	55,984
Payroll deductions payable	<u>-</u>	<u>4,232</u>
	<u>65,338</u>	<u>91,090</u>
Surplus		
Operating Surplus (note 3)	<u>211,710</u>	<u>165,194</u>
	<u>\$ 277,048</u>	<u>\$ 256,284</u>

On Behalf of the Village of Greenwood:

_____, Chairman

The Village of Greenwood

Statement of Operations

Year Ended March 31, 2020

	2020 <u>Budget</u>	2020 <u>Actual</u>	2019 <u>Actual</u>
Revenue			
General tax rates	\$ 436,400	\$ 432,888	\$ 422,921
Interest	200	258	203
HST offset	2,000	2,168	1,817
Other revenues from own services	51,450	51,015	45,272
Miscellaneous grants and donations	<u>7,500</u>	<u>7,936</u>	<u>13,835</u>
	<u>497,550</u>	<u>494,265</u>	<u>484,048</u>
Expenditures			
General government services (page 9)	175,250	143,513	151,915
Public works (page 9)	167,650	155,423	161,134
Sampson and Spinney street paving	-	-	16,453
Transportation services	25,000	23,401	20,259
Recreational / cultural services (page 10)	<u>36,200</u>	<u>32,764</u>	<u>37,351</u>
	<u>404,100</u>	<u>355,101</u>	<u>387,112</u>
Net Revenue	93,450	139,164	96,936
Transfers to capital reserves	<u>(67,700)</u>	<u>(92,648)</u>	<u>(96,248)</u>
Change in Fund Balance	<u>\$ 25,750</u>	<u>\$ 46,516</u>	<u>\$ 688</u>

The Village of Greenwood
Capital Fund Statement of Financial Position

March 31, 2020

	<u>2020</u>	<u>2019</u>
Assets		
Current		
HST receivable	\$ -	\$ 1,182
Property and Equipment (note 2)	<u>1,111,277</u>	<u>1,102,067</u>
	<u>\$ 1,111,277</u>	<u>\$ 1,103,249</u>
Current		
Accounts payable	\$ -	\$ 12,685
Equity		
Investment in Capital Assets (note 4)	<u>1,111,277</u>	<u>1,090,564</u>
	<u>\$ 1,111,277</u>	<u>\$ 1,103,249</u>

On Behalf of the Village of Greenwood:

_____, Chairman

The Village of Greenwood
Schedules to Statement of Operations
Year Ended March 31, 2020

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
General Government Services			
Wages and benefits- clerk	\$ 33,100	\$ 35,706	\$ 32,199
Advertising	2,300	1,420	955
Audit and legal	6,200	6,257	5,996
Awards and grants	1,000	1,000	1,000
Bank charges	500	253	287
Commissioners honorarium	14,600	14,574	12,824
Insurance	7,500	9,096	7,378
Office and miscellaneous	13,850	12,013	15,491
Tax collection	17,500	17,316	16,917
Telephone	5,000	4,813	4,974
Civic Building			
Property appraisal	11,000	-	2,607
Electricity	11,000	7,441	7,604
Fuel	11,000	10,606	10,446
Insurance	7,500	7,460	7,298
Other	5,700	3,928	3,814
Repairs and maintenance	<u>27,500</u>	<u>11,630</u>	<u>22,125</u>
	<u>\$ 175,250</u>	<u>\$ 143,513</u>	<u>\$ 151,915</u>
 Public Works			
Wages and benefits	\$ 108,400	\$ 105,666	\$ 103,794
Garage expenses	17,400	11,888	12,830
Tractor and equipment expenses	13,950	11,153	13,029
Truck expenses	4,500	7,007	12,924
Village maintenance	<u>23,400</u>	<u>19,709</u>	<u>18,557</u>
	<u>\$ 167,650</u>	<u>\$ 155,423</u>	<u>\$ 161,134</u>

The Village of Greenwood
Schedule to Statement of Operations
Year Ended March 31, 2020

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
Recreational / Cultural Services			
Gardens	\$ 2,500	\$ 2,144	\$ 1,621
Playground repairs and maintenance	8,000	9,115	10,514
Fales River Trail repairs	1,300	-	-
Tourism	5,000	5,000	5,000
Canada Day	12,000	10,060	15,145
Sports fields repairs and maintenance	6,500	5,442	4,085
Miscellaneous	<u>900</u>	<u>1,003</u>	<u>986</u>
	<u>\$ 36,200</u>	<u>\$ 32,764</u>	<u>\$ 37,351</u>

The Village of Greenwood

Statement of Reserve Funds

March 31, 2020

	<u>2020</u>	<u>2019</u>
Assets		
Current		
Cash	\$ 100,923	\$ 66,973
Guaranteed Investment Certificates , (0.25-2.0%)	115,847	128,300
Due from Operating Fund	57,573	55,984
HST receivable	-	12,253
Gas Tax receivable	-	7,668
	<u>274,343</u>	<u>271,178</u>
Reserves		
Operating Reserve	\$ 20,000	\$ 20,000
Capital Reserves	<u>254,343</u>	<u>251,178</u>
	<u>\$ 274,343</u>	<u>\$ 271,178</u>

Statement of Capital Reserve

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 251,178	\$ 382,821
Add (deduct):		
Interest earned	2,434	1,734
Provision from operating fund	92,648	76,248
Proceeds on sale of equipment	2,000	8,600
Purchase of tangible capital assets	<u>(93,917)</u>	<u>(218,225)</u>
Balance, end of year	<u>\$ 254,343</u>	<u>\$ 251,178</u>

Statement of Operating Reserve

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 20,000	\$ -
Add (deduct):		
Provision from operating fund	<u>-</u>	<u>20,000</u>
Balance, end of year	<u>\$ 20,000</u>	<u>\$ 20,000</u>

On Behalf of the Village of Greenwood:

_____, Chairman _____, Commissioner