

The Village of Greenwood
Greenwood, Nova Scotia

Financial Statements

March 31, 2021

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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, 2021, 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, 2021, 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.

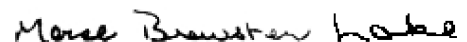
Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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
July 1, 2021



Chartered Professional Accountants
Registered Municipal Auditor

The Village of Greenwood
Consolidated Statement of Financial Position

March 31, 2021

	<u>2021</u>	<u>2020</u>
Financial Assets		
Cash	\$ 537,496	\$ 368,911
Accounts receivable	7,465	1,160
HST receivable	14,594	7,900
Guaranteed Investment Certificates	<u>61,523</u>	<u>115,847</u>
	621,078	493,818
Financial Liabilities		
Payables and accruals	<u>4,729</u>	<u>7,765</u>
Net Financial Assets	616,349	486,053
Non-Financial Assets (Liabilities)		
Property and Equipment (note 2)	<u>1,135,646</u>	<u>1,111,277</u>
	<u>\$1,751,995</u>	<u>\$1,597,330</u>
Surplus		
Operating Fund Balance (note 3)	\$ 278,982	\$ 211,710
Reserve Fund Balances	337,367	274,343
Investment in Capital Assets (note 4)	<u>1,135,646</u>	<u>1,111,277</u>
	<u>\$1,751,995</u>	<u>\$1,597,330</u>

On Behalf of the Village of

_____, Chairman

The Village of Greenwood
Consolidated Statement of Operations
Year Ended March 31, 2021

	2021 <u>Budget</u>	2021 <u>Actual</u>	2020 <u>Actual</u>
Revenue			
General tax rates	\$ 448,000	\$ 443,923	\$ 432,888
Capital Grants received	-	54,480	13,889
Interest	5,900	1,757	2,692
HST offset	2,000	4,282	2,168
Other revenues from own services	49,000	43,060	51,015
Proceeds on sale of assets	-	-	2,000
Miscellaneous grants and donations	<u>3,500</u>	<u>1,823</u>	<u>7,936</u>
	<u>508,400</u>	<u>549,325</u>	<u>512,588</u>
Expenditures			
General government services (page 15)	163,850	135,319	143,513
Public works (page 15)	176,850	151,281	155,423
Transportation services	27,000	11,474	23,401
Recreational / cultural services (page 16)	29,400	4,530	32,764
Loss on disposal of assets	-	736	631
Amortization	<u>-</u>	<u>91,320</u>	<u>86,462</u>
	<u>397,100</u>	<u>394,660</u>	<u>442,194</u>
Operating Surplus	<u>\$ 111,300</u>	<u>\$ 154,665</u>	<u>\$ 70,394</u>

The Village of Greenwood
Consolidated Statement of Changes in Net Financial Assets
Year Ended March 31, 2021

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Annual Surplus	\$ 111,300	\$ 154,665	\$ 70,394
Add (Deduct):			
Acquisition of tangible capital assets	(127,125)	(116,425)	(96,303)
Amortization of tangible capital assets	-	91,320	86,462
Disposal of capital asset	<u>-</u>	<u>736</u>	<u>631</u>
Increase (Decrease) in net assets	<u>\$ (15,825)</u>	130,296	61,184
Net Financial Assets, beginning of year		<u>486,053</u>	<u>424,869</u>
Net Financial Assets, end of year		<u>\$ 616,349</u>	<u>\$ 486,053</u>

The Village of Greenwood
Consolidated Statement of Changes in Cash Flow
Year Ended March 31, 2021

	<u>2021</u>	<u>2020</u>
Operating Activities		
Operating surplus	\$ 154,665	\$ 70,394
Amortization	91,320	86,462
(Gain) loss on disposal of capital asset	736	631
Sources (uses) of cash		
Increase (decrease) in payables	(3,036)	(40,026)
(Increase) decrease in accounts receivable	<u>(12,999)</u>	<u>24,031</u>
Cash from operations	<u>230,686</u>	<u>141,492</u>
Investing Activities		
Purchase of capital assets	(116,425)	(96,303)
Sale of investments	<u>54,324</u>	<u>12,453</u>
	<u>(62,101)</u>	<u>(83,850)</u>
Change in net cash	168,585	57,642
Cash, beginning of year	<u>368,911</u>	<u>311,269</u>
Cash, end of year	<u>\$ 537,496</u>	<u>\$ 368,911</u>

The Village of Greenwood

Notes to Consolidated Financial Statements

March 31, 2021

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, 2021

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, 2021

2. Tangible Capital Assets

	<u>Cost</u> <u>Opening</u>	<u>Additions</u>	<u>Disposals</u>	<u>Write</u> <u>Downs</u>	<u>Cost</u> <u>Closing</u>	<u>Amortization</u>	<u>Accum</u> <u>Amort</u>	<u>Net Book</u> <u>Value</u>
Land	\$ 64,421	\$ -	\$ -	\$ -	\$ 64,421	\$ -	\$ -	\$ 64,421
Parks	223,736	-	-	-	223,736	7,426	163,274	60,462
Buildings	378,997	20,023	(17,385)	-	381,635	9,852	252,312	129,323
Small Equipment Machinery & equipment	85,269	6,235	-	-	91,504	5,850	79,071	12,433
	255,478	15,290	-	-	270,768	19,990	224,602	46,166
Sidewalks	893,221	72,621	-	-	965,842	36,877	292,394	673,448
Paving	28,317	-	-	-	28,317	1,064	13,425	14,892
Signs	9,196	-	-	-	9,196	-	9,196	-
Street lights	<u>202,945</u>	<u>2,256</u>	<u>-</u>	<u>-</u>	<u>205,201</u>	<u>10,261</u>	<u>70,700</u>	<u>134,501</u>
	<u>\$ 2,141,580</u>	<u>\$ 116,425</u>	<u>\$ (17,385)</u>	<u>\$ -</u>	<u>\$ 2,240,620</u>	<u>\$ 91,320</u>	<u>\$ 1,104,974</u>	<u>\$ 1,135,646</u>

3. Surplus

	<u>2021</u>	<u>2020</u>
Surplus, beginning of year	\$ 211,710	\$ 165,194
Add (Deduct):		
Operating surplus (deficit) for the year	<u>67,272</u>	<u>46,516</u>
Surplus, end of year	<u>\$ 278,982</u>	<u>\$ 211,710</u>

4. Investment in Capital Assets

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$1,111,277	\$1,090,564
Add (Deduct):		
Capital expenditures paid from reserve	61,945	93,917
Disposal of assets	(736)	(631)
Gas tax funds	-	12,609
Sidewalk grant - Municipality of Kings	17,980	1,280
PCAP grant	36,500	-
Amortization	<u>(91,320)</u>	<u>(86,462)</u>
Balance, end of year	<u>\$1,135,646</u>	<u>\$1,111,277</u>

The Village of Greenwood

Notes to Consolidated Financial Statements

March 31, 2021

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, 2021 was \$5,370 (2020 - \$5,235).

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)	\$ 3,342	\$ 66	\$ 3,408
Harty, Dale	1,414	-	1,414
MacDonald, Donald	1,178	-	1,178
Baker, Robert	2,828	-	2,828
Sealby, Robert	3,083	-	3,083
Spinney, Darrel	2,828	-	2,828

Staff

Lynn Moar (Clerk)	25,936	-	25,936
Elsworth, Marian (Clerk)	4,580	-	4,580
	<u>\$ 45,189</u>	<u>\$ 66</u>	<u>\$ 45,255</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
July 1, 2021

Morse Brewster Lake

Chartered Professional Accountants
Registered Municipal Auditor

The Village of Greenwood
Operating Fund Statement of Financial Position

March 31, 2021

	<u>2021</u>	<u>2020</u>
Assets		
Current		
Cash	\$ 419,219	\$ 267,988
Accounts receivable	7,465	1,160
HST receivable	<u>14,594</u>	<u>7,900</u>
	<u>\$ 441,278</u>	<u>\$ 277,048</u>
Liabilities		
Current		
Payables and accruals	\$ 4,729	\$ 7,765
Due to capital reserve	<u>157,567</u>	<u>57,573</u>
	<u>162,296</u>	<u>65,338</u>
Surplus		
Operating Surplus (note 3)	<u>278,982</u>	<u>211,710</u>
	<u>\$ 441,278</u>	<u>\$ 277,048</u>

On Behalf of the Village of Greenwood:

_____, Chairman

The Village of Greenwood

Statement of Operations

Year Ended March 31, 2021

	2021 <u>Budget</u>	2021 <u>Actual</u>	2020 <u>Actual</u>
Revenue			
General tax rates	\$ 448,000	\$ 443,923	\$ 432,888
Interest	5,900	94	258
HST offset	2,000	4,282	2,168
Other revenues from own services	49,000	43,060	51,015
Miscellaneous grants and donations	<u>3,500</u>	<u>1,823</u>	<u>7,936</u>
	<u>508,400</u>	<u>493,182</u>	<u>494,265</u>
Expenditures			
General government services (page 15)	163,850	135,319	143,513
Public works (page 15)	176,850	151,281	155,423
Transportation services	27,000	11,474	23,401
Recreational / cultural services (page 16)	<u>29,400</u>	<u>4,530</u>	<u>32,764</u>
	<u>397,100</u>	<u>302,604</u>	<u>355,101</u>
Net Revenue	111,300	190,578	139,164
Transfers to capital reserves	<u>(238,425)</u>	<u>(123,306)</u>	<u>(92,648)</u>
Change in Fund Balance	\$ <u>(127,125)</u>	\$ <u>67,272</u>	\$ <u>46,516</u>

The Village of Greenwood
Capital Fund Statement of Financial Position

March 31, 2021

	<u>2021</u>	<u>2020</u>
Assets		
Property and Equipment (note 2)	\$ <u>1,135,646</u>	\$ <u>1,111,277</u>

Equity

Investment in Capital Assets (note 4)	\$ <u>1,135,646</u>	\$ <u>1,111,277</u>
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On Behalf of the Village of Greenwood:

_____, Chairman

The Village of Greenwood
Schedules to Statement of Operations
Year Ended March 31, 2021

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
General Government Services			
Wages and benefits- clerk	\$ 30,700	\$ 32,101	\$ 35,706
Advertising	1,500	1,772	1,420
Audit and legal	6,400	6,257	6,257
Awards and grants	1,000	-	1,000
Bank charges	500	974	253
Commissioners honorarium	14,900	14,675	14,574
Insurance	9,150	8,635	9,096
Office and miscellaneous	13,000	11,453	12,013
Tax collection	17,900	17,757	17,316
Telephone	5,000	4,760	4,813
Civic Building			
Electricity	12,000	6,025	7,441
Fuel	11,000	8,502	10,606
Insurance	8,100	9,773	7,460
Other	5,200	3,261	3,928
Repairs and maintenance	<u>27,500</u>	<u>9,374</u>	<u>11,630</u>
	<u>\$ 163,850</u>	<u>\$ 135,319</u>	<u>\$ 143,513</u>
Public Works			
Wages and benefits	\$ 111,500	\$ 110,026	\$ 105,666
Garage expenses	18,000	12,374	11,888
Tractor and equipment expenses	21,650	5,511	11,153
Truck expenses	4,100	5,794	7,007
Village maintenance	<u>21,600</u>	<u>17,576</u>	<u>19,709</u>
	<u>\$ 176,850</u>	<u>\$ 151,281</u>	<u>\$ 155,423</u>

The Village of Greenwood
Schedule to Statement of Operations
Year Ended March 31, 2021

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Recreational / Cultural Services			
Gardens	\$ 2,500	\$ 335	\$ 2,144
Playground repairs and maintenance	10,000	324	9,115
Fales River Trail repairs	1,300	-	-
Tourism	5,000	-	5,000
Canada Day	-	-	10,060
Sports fields repairs and maintenance	9,500	2,170	5,442
Miscellaneous	<u>1,100</u>	<u>1,701</u>	<u>1,003</u>
	<u>\$ 29,400</u>	<u>\$ 4,530</u>	<u>\$ 32,764</u>

The Village of Greenwood

Statement of Reserve Funds

March 31, 2021

	<u>2021</u>	<u>2020</u>
Assets		
Current		
Cash	\$ 118,277	\$ 100,923
Guaranteed Investment Certificates , (0.45%)	61,523	115,847
Due from Operating Fund	<u>157,567</u>	<u>57,573</u>
	<u><u>337,367</u></u>	<u><u>274,343</u></u>
Reserves		
Operating Reserve	\$ 20,000	\$ 20,000
Capital Reserves	<u>317,367</u>	<u>254,343</u>
	<u><u>\$ 337,367</u></u>	<u><u>\$ 274,343</u></u>

Statement of Capital Reserve

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 254,343	\$ 251,178
Add (deduct):		
Interest earned	1,663	2,434
Provision from operating fund	123,306	92,648
Proceeds on sale of equipment	-	2,000
Purchase of tangible capital assets	<u>(61,945)</u>	<u>(93,917)</u>
Balance, end of year	<u><u>\$ 317,367</u></u>	<u><u>\$ 254,343</u></u>

Statement of Operating Reserve

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 20,000	\$ 20,000
Add (deduct):		
Provision from operating fund	<u>-</u>	<u>-</u>
Balance, end of year	<u><u>\$ 20,000</u></u>	<u><u>\$ 20,000</u></u>

On Behalf of the Village of Greenwood:

_____, Chairman _____, Commissioner