

**The Village of Greenwood**  
**Greenwood, Nova Scotia**

**Financial Statements**

**March 31, 2022**

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# **Morse Brewster Lake**

Chartered Professional Accountants

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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, 2022, 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, 2022, 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.

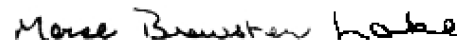
Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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 15, 2022



Chartered Professional Accountants  
Registered Municipal Auditor

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

**March 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>Financial Assets</b>		
Cash	\$ 377,663	\$ 537,496
Accounts receivable	8,653	7,465
HST receivable	14,498	14,594
Guaranteed Investment Certificates	<u>411,800</u>	<u>61,523</u>
	812,614	621,078
<b>Financial Liabilities</b>		
Payables and accruals	11,472	4,729
Deferred revenue	<u>100,000</u>	<u>-</u>
<b>Net Financial Assets</b>	701,142	616,349
<b>Non-Financial Assets</b>		
Property and Equipment (note 2)	<u>1,146,792</u>	<u>1,135,646</u>
	<u>\$1,847,934</u>	<u>\$1,751,995</u>
<b>Surplus</b>		
Operating Fund Balance (note 3)	\$ 360,526	\$ 278,982
Reserve Fund Balances	340,616	337,367
Investment in Capital Assets (note 4)	<u>1,146,792</u>	<u>1,135,646</u>
	<u>\$1,847,934</u>	<u>\$1,751,995</u>

On Behalf of the Village of

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

**The Village of Greenwood**  
**Consolidated Statement of Operations**  
**Year Ended March 31, 2022**

	2022 <u>Budget</u>	2022 <u>Actual</u>	2021 <u>Actual</u>
<b>Revenue</b>			
General tax rates	\$ 464,145	\$ 460,791	\$ 443,923
Capital Grants received	-	4,562	54,480
Interest	100	278	1,757
HST offset	1,500	2,240	4,282
Other revenues from own services	50,257	62,134	43,060
Miscellaneous grants and donations	<u>34,255</u>	<u>13,890</u>	<u>1,823</u>
	<u>550,257</u>	<u>543,895</u>	<u>549,325</u>
<b>Expenditures</b>			
General government services (page 15)	149,136	158,218	135,319
Public works (page 15)	187,796	159,627	151,281
Transportation services	56,500	19,748	11,474
Recreational / cultural services (page 16)	42,650	12,875	4,530
Loss on disposal of assets	-	-	736
Amortization	<u>-</u>	<u>97,488</u>	<u>91,320</u>
	<u>436,082</u>	<u>447,956</u>	<u>394,660</u>
<b>Operating Surplus</b>	<u>\$ 114,175</u>	<u>\$ 95,939</u>	<u>\$ 154,665</u>

**The Village of Greenwood**  
**Consolidated Statement of Changes in Net Financial Assets**  
**Year Ended March 31, 2022**

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
<b>Annual Surplus</b>	\$ 114,175	\$ 95,939	\$ 154,665
<b>Add (Deduct):</b>			
Acquisition of tangible capital assets	(127,125)	(108,634)	(116,425)
Amortization of tangible capital assets	-	97,488	91,320
Disposal of capital asset	<u>-</u>	<u>-</u>	<u>736</u>
<b>Increase ( Decrease) in net assets</b>	<u>\$ (12,950)</u>	84,793	130,296
<b>Net Financial Assets, beginning of year</b>		<u>616,349</u>	<u>486,053</u>
<b>Net Financial Assets, end of year</b>		<u>\$ 701,142</u>	<u>\$ 616,349</u>

# The Village of Greenwood

## Consolidated Statement of Changes in Cash Flow

Year Ended March 31, 2022

	<u>2022</u>	<u>2021</u>
<b>Operating Activities</b>		
Operating surplus	\$ 95,939	\$ 154,665
Amortization	97,488	91,320
(Gain) loss on disposal of capital asset	-	736
Sources (uses) of cash		
Increase (decrease) in payables	6,743	(3,036)
(Increase) decrease in deferred revenue	100,000	-
(Increase) decrease in accounts receivable	<u>(1,092)</u>	<u>(12,999)</u>
Cash from operations	<u>299,078</u>	<u>230,686</u>
<b>Investing Activities</b>		
Purchase of capital assets	(108,634)	(116,425)
Purchase of investments	(411,801)	-
Sale of investments	<u>61,524</u>	<u>54,324</u>
	<u>(458,911)</u>	<u>(62,101)</u>
<b>Change in net cash</b>	(159,833)	168,585
<b>Cash, beginning of year</b>	<u>537,496</u>	<u>368,911</u>
<b>Cash, end of year</b>	<u>\$ 377,663</u>	<u>\$ 537,496</u>



# The Village of Greenwood

## Notes to Consolidated Financial Statements

March 31, 2022

### 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, 2022

### 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, 2022

### 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	4,745	(33,726)	-	194,755	7,832	137,380	57,375
Buildings	381,635	19,171	-	-	400,806	10,680	262,992	137,814
Small Equipment	91,504	21,112	-	-	112,616	10,051	89,122	23,494
Machinery & equipment	270,768	63,066	-	-	333,834	21,147	245,747	88,087
Sidewalks	965,841	540	-	-	966,381	36,454	328,849	637,532
Paving	28,317	-	-	-	28,317	1,064	14,489	13,828
Signs	9,196	-	-	-	9,196	-	9,196	-
Street lights	<u>205,201</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>205,201</u>	<u>10,260</u>	<u>80,960</u>	<u>124,241</u>
	<u>\$ 2,240,619</u>	<u>\$ 108,634</u>	<u>\$ (33,726)</u>	<u>\$ -</u>	<u>\$ 2,315,527</u>	<u>\$ 97,488</u>	<u>\$ 1,168,735</u>	<u>\$ 1,146,792</u>

### 3. Surplus

	<u>2022</u>	<u>2021</u>
Surplus, beginning of year	\$ 278,982	\$ 211,710
Add (Deduct):		
Operating surplus (deficit) for the year	<u>81,544</u>	<u>67,272</u>
Surplus, end of year	<u>\$ 360,526</u>	<u>\$ 278,982</u>

### 4. Investment in Capital Assets

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$1,135,646	\$1,111,277
Add (Deduct):		
Capital expenditures paid from reserve	108,634	61,945
Disposal of assets	-	(736)
Sidewalk grant - Municipality of Kings	-	17,980
PCAP grant	-	36,500
Amortization	<u>(97,488)</u>	<u>(91,320)</u>
Balance, end of year	<u>\$1,146,792</u>	<u>\$1,135,646</u>

# The Village of Greenwood

## Notes to Consolidated Financial Statements

March 31, 2022

### 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, 2022 was \$4,843 (2021 - \$5,370).

### 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)	\$ 3,392	\$ 92	\$ 3,484
Harty, Dale	2,871	33	2,904
Baker, Robert	2,871	-	2,871
Sealby, Robert	3,130	145	3,275
Spinney, Darrel	2,871	-	2,871

#### Staff

Lynn Moar (Clerk)	<u>29,568</u>	<u>4,424</u>	<u>33,992</u>
	<u>\$ 44,703</u>	<u>\$ 4,694</u>	<u>\$ 49,397</u>

## **Morse Brewster Lake**

Chartered Professional Accountants

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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 15, 2022

*Morse Brewster Lake*

Chartered Professional Accountants  
Registered Municipal Auditor

**The Village of Greenwood**  
**Operating Fund Statement of Financial Position**

**March 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 265,309	\$ 419,219
Guaranteed Investment Certificates	100,000	-
Accounts receivable	8,653	7,465
HST receivable	14,498	14,594
Due from capital reserve	<u>83,538</u>	<u>-</u>
	<u>\$ 471,998</u>	<u>\$ 441,278</u>
<b>Liabilities</b>		
<b>Current</b>		
Payables and accruals	\$ 7,953	\$ 4,729
Due to capital reserve	-	157,567
Payroll deductions payable	3,519	-
Deferred revenue	<u>100,000</u>	<u>-</u>
	<u>111,472</u>	<u>162,296</u>
<b>Surplus</b>		
<b>Operating Surplus (note 3)</b>	<u>360,526</u>	<u>278,982</u>
	<u>\$ 471,998</u>	<u>\$ 441,278</u>

On Behalf of the Village of Greenwood:

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

# The Village of Greenwood

## Statement of Operations

Year Ended March 31, 2022

	2022 <u>Budget</u>	2022 <u>Actual</u>	2021 <u>Actual</u>
<b>Revenue</b>			
General tax rates	\$ 464,145	\$ 460,791	\$ 443,923
Interest	100	75	94
HST offset	1,500	2,240	4,282
Other revenues from own services	50,257	62,134	43,060
Miscellaneous grants and donations	<u>34,255</u>	<u>13,890</u>	<u>1,823</u>
	<u>550,257</u>	<u>539,130</u>	<u>493,182</u>
<b>Expenditures</b>			
General government services (page 15)	149,136	158,218	135,319
Public works (page 15)	187,796	159,627	151,281
Transportation services	56,500	19,748	11,474
Recreational / cultural services (page 16)	<u>42,650</u>	<u>12,875</u>	<u>4,530</u>
	<u>436,082</u>	<u>350,468</u>	<u>302,604</u>
<b>Net Revenue</b>	114,175	188,662	190,578
Transfers to capital reserves	<u>(114,175)</u>	<u>(107,118)</u>	<u>(123,306)</u>
<b>Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ 81,544</u>	<u>\$ 67,272</u>

**The Village of Greenwood**  
**Capital Fund Statement of Financial Position**

**March 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
<b>Property and Equipment (note 2)</b>	\$ <u>1,146,792</u>	\$ <u>1,135,646</u>

**Equity**

<b>Investment in Capital Assets (note 4)</b>	\$ <u>1,146,792</u>	\$ <u>1,135,646</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, 2022**

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
<b>General Government Services</b>			
Wages and benefits- clerk	\$ 26,700	\$ 34,780	\$ 32,101
Advertising	1,500	2,052	1,772
Audit and legal	6,400	6,257	6,257
Bank charges	500	251	974
Commissioners honorarium	15,227	15,134	14,675
Insurance	10,835	10,835	8,635
Accessability expenses	5,000	1,933	-
Office and miscellaneous	14,550	15,827	11,453
Tax collection	17,900	18,432	17,757
Telephone	4,500	6,123	4,760
Civic Building			
Electricity	10,000	7,794	6,025
Fuel	10,000	20,424	8,502
Insurance	8,524	7,971	9,773
Other	3,500	2,939	3,261
Repairs and maintenance	<u>14,000</u>	<u>7,466</u>	<u>9,374</u>
	<u>\$ 149,136</u>	<u>\$ 158,218</u>	<u>\$ 135,319</u>
<b>Public Works</b>			
Wages and benefits	\$ 114,430	\$ 114,490	\$ 110,026
Garage expenses	18,000	15,572	12,374
Tractor and equipment expenses	18,750	11,810	5,511
Truck expenses	5,816	7,105	5,794
Village maintenance	<u>30,800</u>	<u>10,650</u>	<u>17,576</u>
	<u>\$ 187,796</u>	<u>\$ 159,627</u>	<u>\$ 151,281</u>

**The Village of Greenwood**  
**Schedule to Statement of Operations**  
**Year Ended March 31, 2022**

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
<b>Recreational / Cultural Services</b>			
Gardens	\$ 2,000	\$ 2,499	\$ 335
Playground repairs and maintenance	15,000	3,377	324
Fales River Trail repairs	1,300	-	-
Canada Day	15,000	1,035	-
Sports fields repairs and maintenance	6,100	4,445	2,170
Miscellaneous	<u>3,250</u>	<u>1,519</u>	<u>1,701</u>
	<u>\$ 42,650</u>	<u>\$ 12,875</u>	<u>\$ 4,530</u>

# The Village of Greenwood

## Statement of Reserve Funds

March 31, 2022

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 112,354	\$ 118,277
Guaranteed Investment Certificates , (0.45-0.65%)	311,800	61,523
Due from Operating Fund	<u>-</u>	<u>157,567</u>
	<u>424,154</u>	<u>337,367</u>
Due to Operating Fund	<u>83,538</u>	<u>-</u>
	<u>\$ 340,616</u>	<u>\$ 337,367</u>
<b>Reserves</b>		
Operating Reserve	\$ 20,000	\$ 20,000
Capital Reserves	<u>320,616</u>	<u>317,367</u>
	<u>\$ 340,616</u>	<u>\$ 337,367</u>

## Statement of Capital Reserve

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 317,367	\$ 254,343
Add (deduct):		
Interest earned	203	1,663
Provision from operating fund	107,118	123,306
Gas Tax Funding	4,562	-
Purchase of tangible capital assets	<u>(108,634)</u>	<u>(61,945)</u>
Balance, end of year	<u>\$ 320,616</u>	<u>\$ 317,367</u>

## Statement of Operating Reserve

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 20,000	\$ 20,000
Add (deduct):		
Provision from operating fund	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 20,000</u>	<u>\$ 20,000</u>

On Behalf of the Village of Greenwood:

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