

**The Village of Greenwood**

**Greenwood, Nova Scotia**

**Financial Statements**

**March 31, 2019**

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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, 2019, 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, 2019, 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  
May 15, 2019

*Morse Brunton Lake*

Chartered Professional Accountants  
Licensed Public Accountants  
Registered Municipal Auditor

# The Village of Greenwood

## Consolidated Statement of Financial Position

March 31, 2019

	<u>2019</u>	<u>2018</u>
<b>Financial Assets</b>		
Cash	\$ 311,269	\$ 321,989
Accounts receivable	8,501	7,911
HST receivable	24,590	7,179
Guaranteed Investment Certificates	<u>128,300</u>	<u>219,006</u>
	472,660	556,085
<b>Financial Liabilities</b>		
Payables and accruals	<u>47,791</u>	<u>8,758</u>
<b>Net Financial Assets</b>	424,869	547,327
<b>Non-Financial Assets (Liabilities)</b>		
Property and Equipment (note 2)	<u>1,102,067</u>	<u>607,998</u>
	<u>\$1,526,936</u>	<u>\$1,155,325</u>
<b>Surplus</b>		
Operating Fund Balance (note 3)	\$ 165,194	\$ 164,506
Reserve Fund Balances	271,178	382,821
Investment in Capital Assets (note 4)	<u>1,090,564</u>	<u>607,998</u>
	<u>\$1,526,936</u>	<u>\$1,155,325</u>

On Behalf of the Village of

 Chairman

**The Village of Greenwood**  
**Consolidated Statement of Operations**

**Year Ended March 31, 2019**

	2019 <u>Budget</u>	2019 <u>Actual</u>	2018 <u>Actual</u>
<b>Revenue</b>			
General tax rates	\$ 426,500	\$ 422,921	\$ 415,295
Capital Grants received	-	360,492	14,997
Interest	200	1,937	2,148
HST offset	2,000	1,817	1,798
Other revenues from own services	47,450	45,272	38,225
Gain on sale of assets	-	8,600	2,000
Miscellaneous grants and donations	<u>17,500</u>	<u>13,835</u>	<u>27,774</u>
	<u>493,650</u>	<u>854,874</u>	<u>502,237</u>
<b>Expenditures</b>			
General government services (page 9)	165,100	151,915	136,011
Public works (page 9)	163,150	161,134	141,004
Transportation services	21,500	20,259	17,666
Recreational / cultural services (page 10)	55,000	37,351	43,058
Sampson and Spinney street repaving	-	16,453	-
Amortization	<u>-</u>	<u>96,151</u>	<u>67,032</u>
	<u>404,750</u>	<u>483,263</u>	<u>404,771</u>
<b>Operating Surplus</b>	<u>\$ 88,900</u>	<u>\$ 371,611</u>	<u>\$ 97,466</u>

## The Village of Greenwood

### Consolidated Statement of Changes in Net Financial Assets

Year Ended March 31, 2019

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
<b>Annual Surplus</b>	\$ 88,900	\$ 371,611	\$ 97,466
<b>Add (Deduct):</b>			
Acquisition of tangible capital assets	(534,895)	(590,220)	(55,780)
Amortization of tangible capital assets	<u>-</u>	<u>96,151</u>	<u>67,032</u>
<b>Increase ( Decrease) in net assets</b>	<u>\$ (445,995)</u>	(122,458)	108,718
<b>Net Financial Assets, beginning of year</b>		<u>547,327</u>	<u>438,609</u>
<b>Net Financial Assets, end of year</b>		<u>\$ 424,869</u>	<u>\$ 547,327</u>



**The Village of Greenwood**  
**Consolidated Statement of Changes in Cash Flow**  
**Year Ended March 31, 2019**

	<u>2019</u>	<u>2018</u>
<b>Operating Activities</b>		
Operating surplus	\$ 371,611	\$ 97,466
Amortization	96,151	67,032
Sources (uses) of cash		
Increase (decrease) in payables	39,033	2,556
(Increase) decrease in accounts receivable	<u>(18,001)</u>	<u>(3,158)</u>
Cash from operations	<u>488,794</u>	<u>163,896</u>
<b>Investing Activities</b>		
Purchase of capital assets	(590,220)	(55,780)
(Purchase) sale of investments	<u>90,706</u>	<u>(10,586)</u>
	<u>(499,514)</u>	<u>(66,366)</u>
<b>Change in net cash</b>	(10,720)	97,530
<b>Cash, beginning of year</b>	<u>321,989</u>	<u>224,459</u>
<b>Cash, end of year</b>	<u>\$ 311,269</u>	<u>\$ 321,989</u>



# The Village of Greenwood

## Notes to Consolidated Financial Statements

March 31, 2019

### 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, 2019

### 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, 2019

### 2. Tangible Capital Assets

	Cost <u>Opening</u>	<u>Additions</u>	<u>Disposals</u>	<u>Write Downs</u>	Cost <u>Closing</u>	<u>Amortization</u>	<u>Accum Amort</u>	Net Book <u>Value</u>
Land	\$ 4,000	\$ -	\$ -	\$ -	\$ 4,000	\$ -	\$ -	\$ 4,000
Parks	252,608	-	(28,872)	-	223,736	8,802	148,422	75,314
Buildings	378,997	-	-	-	378,997	9,740	249,112	129,885
Small Equipment Machinery & equipment	98,475	8,533	(16,214)	-	90,794	4,550	77,227	13,567
Sidewalks	202,405	55,575	(15,400)	-	242,580	28,564	185,281	57,299
Paving	348,506	526,112	-	-	874,618	33,283	222,287	652,331
Signs	28,317	-	-	-	28,317	1,064	11,298	17,019
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>50,292</u>	<u>152,652</u>
	<u>\$ 1,525,449</u>	<u>\$ 590,220</u>	<u>\$ (60,486)</u>	<u>\$ -</u>	<u>\$ 2,055,182</u>	<u>\$ 96,150</u>	<u>\$ 953,115</u>	<u>\$ 1,102,067</u>

### 3. Surplus

	<u>2019</u>	<u>2018</u>
Surplus, beginning of year	\$ 164,506	\$ 164,218
Add (Deduct):		
Operating surplus (deficit) for the year	<u>688</u>	<u>288</u>
Surplus, end of year	<u>\$ 165,194</u>	<u>\$ 164,506</u>

### 4. Investment in Capital Assets

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 607,998	\$ 619,250
Add (Deduct):		
Capital expenditures paid from reserve	218,225	45,780
Capital grants received - Province of NS	-	10,000
Gas tax funds	320,650	-
Sidewalk grant - Municipality of Kings	37,294	-
Insurance proceeds	2,548	-
Amortization	<u>(96,151)</u>	<u>(67,032)</u>
Balance, end of year	<u>\$1,090,564</u>	<u>\$ 607,998</u>

**The Village of Greenwood**  
**Notes to Consolidated Financial Statements**

**March 31, 2019**

**5. Other Matters**

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

Commissioners	Compensation	Expenses	Total
Banks, Brian (Chair)	\$ 2,885	\$ 1,035	\$ 3,920
Baker, Robert	2,443	-	2,443
MacDonald, Donald	2,443	-	2,443
Parker, Heather	393	-	393
Sealby, Robert	2,609	74	2,683
Spinney, Darrel	2,051	-	2,051
 Staff			
Elsworth, Marian (Clerk)	<u>29,452</u>	<u>151</u>	<u>29,603</u>
	<u>\$ 42,276</u>	<u>\$ 1,260</u>	<u>\$ 43,536</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  
May 15, 2019

*Morse Brewster Lake*

Chartered Professional Accountants  
Licensed Public Accountants  
Registered Municipal Auditor

**The Village of Greenwood**  
**Operating Fund Balance Sheet**

March 31, 2019

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 244,296	\$ 175,127
Accounts receivable	833	6,928
HST receivable	<u>11,155</u>	<u>7,179</u>
	<u>\$ 256,284</u>	<u>\$ 189,234</u>
<b>Liabilities</b>		
<b>Current</b>		
Payables and accruals	\$ 30,874	\$ 8,758
Due to capital reserve	55,984	15,970
Payroll deductions payable	<u>4,232</u>	<u>-</u>
	<u>91,090</u>	<u>24,728</u>
<b>Surplus</b>		
<b>Operating Surplus (note 3)</b>	<u>165,194</u>	<u>164,506</u>
	<u>\$ 256,284</u>	<u>\$ 189,234</u>

On Behalf of the Village of Greenwood:

 Chairman

# The Village of Greenwood

## Statement of Operations

Year Ended March 31, 2019

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
<b>Revenue</b>			
General tax rates	\$ 426,500	\$ 422,921	\$ 415,295
Interest	200	203	192
HST offset	2,000	1,817	1,798
Other revenues from own services	47,450	45,272	38,225
Miscellaneous grants and donations	<u>17,500</u>	<u>13,835</u>	<u>27,774</u>
	<u>493,650</u>	<u>484,048</u>	<u>483,284</u>
<b>Expenditures</b>			
General government services (page 9)	165,100	151,915	136,011
Public works (page 9)	163,150	161,134	141,004
Sampson and Spinney street paving	-	16,453	-
Transportation services	21,500	20,259	17,666
Recreational / cultural services (page 10)	<u>55,000</u>	<u>37,351</u>	<u>43,058</u>
	<u>404,750</u>	<u>387,112</u>	<u>337,739</u>
<b>Net Revenue</b>	88,900	96,936	145,545
Transfers to capital reserves	<u>(88,900)</u>	<u>(96,248)</u>	<u>(145,257)</u>
<b>Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ 688</u>	<u>\$ 288</u>

# The Village of Greenwood

## Capital Fund Balance Sheet

March 31, 2019

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
<b>Current</b>		
HST receivable	\$ 1,182	\$ -
<b>Property and Equipment (note 2)</b>	<u>1,102,067</u>	<u>607,998</u>
	<u>\$ 1,103,249</u>	<u>\$ 607,998</u>
<b>Current</b>		
Accounts payable	\$ 12,685	\$ -
<b>Equity</b>		
<b>Investment in Capital Assets (note 4)</b>	<u>1,090,564</u>	<u>607,998</u>
	<u>\$ 1,103,249</u>	<u>\$ 607,998</u>

On Behalf of the Village of Greenwood:

 Chairman



**The Village of Greenwood**  
**Schedules to Statement of Operations**  
**Year Ended March 31, 2019**

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
<b>General Government Services</b>			
Wages and benefits- clerk	\$ 32,100	\$ 32,199	\$ 31,325
Advertising	3,300	955	1,173
Audit and legal	6,000	5,996	5,996
Awards and grants	1,000	1,000	1,000
Bank charges	500	287	267
Commissioners honorarium	12,400	12,824	12,410
Insurance	7,200	7,378	7,160
Office and miscellaneous	19,250	15,491	12,771
Tax collection	17,000	16,917	16,612
Telephone	6,150	4,974	5,348
Civic Building			
Property appraisal	-	2,607	-
Electricity	9,000	7,604	7,151
Fuel	11,000	10,446	9,651
Insurance	7,000	7,298	6,924
Other	5,700	3,814	4,305
Repairs and maintenance	<u>27,500</u>	<u>22,125</u>	<u>13,918</u>
	<u>\$ 165,100</u>	<u>\$ 151,915</u>	<u>\$ 136,011</u>
<b>Public Works</b>			
Wages and benefits	\$ 100,700	\$ 103,794	\$ 94,305
Garage expenses	15,700	12,830	13,653
Equipment rental	-	-	6,892
Tractor and equipment expenses	13,800	13,029	10,139
Truck expenses	7,500	12,924	3,156
Village maintenance	<u>25,450</u>	<u>18,557</u>	<u>12,859</u>
	<u>\$ 163,150</u>	<u>\$ 161,134</u>	<u>\$ 141,004</u>

**The Village of Greenwood**  
**Schedule to Statement of Operations**  
**Year Ended March 31, 2019**

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
<b>Recreational / Cultural Services</b>			
Gardens	\$ 2,500	\$ 1,621	\$ 1,360
Playground repairs and maintenance	6,500	10,514	4,269
Fales River Trail repairs	1,300	-	-
Tourism	5,000	5,000	5,000
Canada Day	22,000	15,145	22,329
Sports fields repairs and maintenance	14,000	4,085	9,353
Miscellaneous	<u>3,700</u>	<u>986</u>	<u>747</u>
	<u>\$ 55,000</u>	<u>\$ 37,351</u>	<u>\$ 43,058</u>

# The Village of Greenwood

## Statement of Reserve Funds

March 31, 2019

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 66,973	\$ 146,862
Guaranteed Investment Certificates , (0.60-2.5%)	128,300	219,006
Due from Operating Fund	55,984	15,970
HST receivable	12,253	983
Gas Tax receivable	7,668	-
	<u>271,178</u>	<u>382,821</u>
<b>Reserves</b>		
Capital Reserves	<u>271,178</u>	<u>382,821</u>
	<u>\$ 271,178</u>	<u>\$ 382,821</u>

## Statement of Capital Reserve

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 382,821	\$ 274,391
Add (deduct):		
Interest earned	1,734	1,956
Provision from operating fund	76,248	145,257
Gas Tax Funding	-	4,997
Proceeds on sale of equipment	8,600	2,000
Purchase of tangible capital assets	<u>(218,225)</u>	<u>(45,780)</u>
Balance, end of year	<u>\$ 251,178</u>	<u>\$ 382,821</u>

## Statement of Operating Reserve

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ -	\$ -
Add (deduct):		
Provision from operating fund	<u>20,000</u>	<u>-</u>
Balance, end of year	<u>\$ 20,000</u>	<u>\$ -</u>

On Behalf of the Village of Greenwood:

 Chairman  Commissioner