

The Village of Greenwood

Greenwood, Nova Scotia

Financial Statements

March 31, 2015

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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, 2015, 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, 2015 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.

Berwick, Nova Scotia
May 20, 2015

Morse Brewster Lake

Registered Municipal Auditor

The Village of Greenwood

Consolidated Statement of Financial Position

March 31, 2015

	<u>2015</u>	<u>2014</u>
Financial Assets		
Cash	\$ 156,717	\$ 122,858
Accounts receivable	56,329	14,153
Investments, at market value	<u>104,279</u>	<u>263,076</u>
	317,325	400,087
Financial Liabilities		
Payables and accruals	<u>5,198</u>	<u>11,265</u>
Net Financial Assets	312,127	388,822
Non-Financial Assets (Liabilities)		
Property and Equipment (note 2)	649,941	433,805
Deferred Contributions	<u>(39,895)</u>	<u>(41,924)</u>
	<u>\$ 922,173</u>	<u>\$ 780,703</u>
Surplus		
Operating Fund Balance (note 3)	\$ 159,774	\$ 124,163
Reserve Fund Balances	152,353	264,659
Investment in Capital Assets (note 4)	<u>610,046</u>	<u>391,881</u>
	<u>\$ 922,173</u>	<u>\$ 780,703</u>

On Behalf of the Village of

 , Chairman

The Village of Greenwood
Consolidated Statement of Operations

Year Ended March 31, 2015

	2015 <u>Budget</u>	2015 <u>Actual</u>	2014 <u>Actual</u>
Revenue			
General tax rates	\$ 385,200	\$ 382,210	\$ 377,958
Capital Grants received	-	117,431	1,998
Grants in lieu of taxes	-	116	116
Interest	400	2,794	2,724
Amortization of deferred contributions	-	2,029	2,029
HST offset	1,500	2,031	2,261
Other revenues from own services	39,900	37,387	32,075
Proceeds on sale of assets	-	6,500	8,000
Miscellaneous grants and donations	<u>1,100</u>	<u>8,219</u>	<u>8,682</u>
	<u>428,100</u>	<u>558,717</u>	<u>435,843</u>
Expenditures			
General government services (page 9)	146,250	144,178	128,019
Public works (page 9)	129,150	136,362	142,126
Transportation services	83,000	50,059	47,516
Recreational / cultural services (page 10)	29,700	24,104	24,509
Amortization	-	62,544	57,427
	<u>388,100</u>	<u>417,247</u>	<u>399,597</u>
Operating Surplus	<u>\$ 40,000</u>	<u>\$ 141,470</u>	<u>\$ 36,246</u>

The Village of Greenwood
Consolidated Statement of Changes in Net Financial Assets
Year Ended March 31, 2015

	<u>2015</u>	<u>2014</u>
Annual Surplus	\$ 141,470	\$ 36,246
Add (Deduct):		
Acquisition of tangible capital assets	(278,680)	(25,576)
Amortization of tangible capital assets	62,544	57,427
Amortization of deferred contributions	<u>(2,029)</u>	<u>(2,029)</u>
Increase (Decrease) in net assets	(76,695)	66,068
 Net Financial Assets, beginning of year	 <u>388,822</u>	 <u>322,754</u>
Net Financial Assets, end of year	<u>\$ 312,127</u>	<u>\$ 388,822</u>

The Village of Greenwood

Consolidated Statement of Changes in Cash Flow

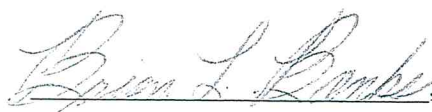
Year Ended March 31, 2015

	<u>2015</u>	<u>2014</u>
Operating Activities		
Operating surplus	\$ 141,470	\$ 36,246
Amortization	62,544	57,427
Amortization of deferred contributions	(2,029)	(2,029)
Sources (uses) of cash		
Increase (decrease) in payables	(6,067)	1,677
(Increase) decrease in accounts receivable	<u>(42,176)</u>	<u>600</u>
Cash from operations	<u>153,742</u>	<u>93,921</u>
Investing Activities		
Purchase of capital assets	(278,680)	(25,576)
(Purchase) sale of investments	<u>158,797</u>	<u>(49,025)</u>
	<u>(119,883)</u>	<u>(74,601)</u>
Change in net cash	33,859	19,320
Cash, beginning of year	<u>122,858</u>	<u>103,538</u>
Cash, end of year	<u>\$ 156,717</u>	<u>\$ 122,858</u>

The Village of Greenwood
Operating Fund Balance Sheet
March 31, 2015

	<u>2015</u>	<u>2014</u>
Assets		
Current		
Cash	\$ 156,717	\$ 122,858
Accounts receivable	<u>11,480</u>	<u>14,153</u>
	<u>\$ 168,197</u>	<u>\$ 137,011</u>
Liabilities		
Current		
Payables and accruals	\$ 5,198	\$ 11,265
Due to Special Reserve Fund	<u>3,225</u>	<u>1,583</u>
	<u>8,423</u>	<u>12,848</u>
Surplus		
Operating Surplus (note 3)	<u>159,774</u>	<u>124,163</u>
	<u>\$ 168,197</u>	<u>\$ 137,011</u>

On Behalf of the Village of Greenwood:

 , Chairman

The Village of Greenwood

Statement of Operations

Year Ended March 31, 2015

	2015 <u>Budget</u>	2015 <u>Actual</u>	2014 <u>Actual</u>
Revenue			
General tax rates	\$ 385,200	\$ 382,210	\$ 377,958
Grants in lieu of taxes	-	116	116
Interest	400	351	386
Amortization of deferred contributions	-	2,029	2,029
HST offset	1,500	2,031	2,261
Other revenues from own services	39,900	37,387	32,075
Gain on disposal	-	6,500	8,000
Miscellaneous grants and donations	<u>1,100</u>	<u>8,219</u>	<u>8,682</u>
	<u>428,100</u>	<u>438,843</u>	<u>431,507</u>
Expenditures			
General government services (page 9)	146,250	144,178	128,019
Public works (page 9)	129,150	136,362	142,126
Transportation services	83,000	50,059	47,516
Recreational / cultural services (page 10)	29,700	24,104	24,509
Amortization	<u>-</u>	<u>62,544</u>	<u>57,427</u>
	<u>388,100</u>	<u>417,247</u>	<u>399,597</u>
Net Revenue	40,000	21,596	31,910
Net transfers to reserves	<u>(40,000)</u>	<u>(40,000)</u>	<u>(62,065)</u>
Change in Fund Balance	<u>\$ -</u>	<u>\$ (18,404)</u>	<u>\$ (30,155)</u>

The Village of Greenwood

Capital Fund Balance Sheet

March 31, 2015

	<u>2015</u>	<u>2014</u>
Assets		
Property and Equipment (note 2)	\$ <u>649,941</u>	\$ <u>433,805</u>
Liabilities		
Deferred Contributions	\$ <u>39,895</u>	\$ <u>41,924</u>
Equity		
Investment in Capital Assets (note 4)	<u>610,046</u>	<u>391,881</u>
	<u>\$ 649,941</u>	<u>\$ 433,805</u>

On Behalf of the Village of Greenwood:

 Chairman

The Village of Greenwood
Schedules to Statement of Operations

Year Ended March 31, 2015

	2015 <u>Budget</u>	2015 <u>Actual</u>	2014 <u>Actual</u>
General Government Services			
Wages and benefits- clerk	\$ 33,500	\$ 30,924	\$ 31,698
Advertising	1,500	715	819
Audit and legal	5,000	5,376	4,693
Awards and grants	1,000	1,000	1,000
Bank charges	300	1,367	306
Commissioners honorarium	12,000	11,507	11,384
Insurance	6,200	6,325	6,235
Office and miscellaneous	18,450	11,014	9,487
Tax collection	15,800	15,288	15,118
Telephone	6,500	6,579	4,630
Civic Building			
Electricity	12,000	9,275	8,661
Fuel	15,000	17,426	15,671
Insurance	6,800	6,650	7,385
Other	6,500	4,894	5,294
Repairs and maintenance	<u>5,700</u>	<u>15,838</u>	<u>5,638</u>
	<u>\$ 146,250</u>	<u>\$ 144,178</u>	<u>\$ 128,019</u>
 Public Works			
Wages and benefits	\$ 84,500	\$ 85,629	\$ 83,542
Garage expenses	14,650	15,860	15,418
Tractor and equipment expenses	10,600	16,284	18,360
Truck expenses	7,700	6,132	6,946
Village maintenance	<u>11,700</u>	<u>12,457</u>	<u>17,860</u>
	<u>\$ 129,150</u>	<u>\$ 136,362</u>	<u>\$ 142,126</u>

The Village of Greenwood
Schedule to Statement of Operations
Year Ended March 31, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Recreational / Cultural Services			
Gardens	\$ 2,500	\$ 2,130	\$ 2,747
Playground repairs and maintenance	1,500	1,408	147
Fales River Trail repairs	1,000	-	-
Tourism	5,000	5,000	5,000
Canada Day	11,000	10,747	11,783
Sports fields repairs and maintenance	5,500	2,936	4,162
Miscellaneous	<u>3,200</u>	<u>1,883</u>	<u>670</u>
	<u>\$ 29,700</u>	<u>\$ 24,104</u>	<u>\$ 24,509</u>

The Village of Greenwood

Statement of Reserve Funds

Balance Sheet

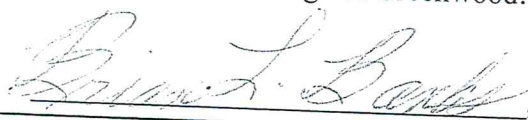

March 31, 2015

	<u>2015</u>	<u>2014</u>
Assets		
Current		
Cash and term deposits	\$ 104,279	\$ 263,076
Due from Operating Fund	3,225	1,583
HST receivable	28,580	-
Gas Tax receivable	<u>16,269</u>	<u>-</u>
	<u>\$ 152,353</u>	<u>\$ 264,659</u>
Reserves	<u>\$ 152,353</u>	<u>\$ 264,659</u>

Statement of Reserve Funds

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 264,659	\$ 215,834
Add:		
Interest earned	2,443	2,338
Provision from operating fund	40,000	62,065
Gas Tax Funding	117,431	1,999
Proceeds on sale of equipment	6,500	8,000
Purchase of tangible capital assets	<u>(278,680)</u>	<u>(25,577)</u>
Balance, end of year	<u>\$ 152,353</u>	<u>\$ 264,659</u>

On Behalf of the Village of Greenwood:

 Chairman  Commissioner

The Village of Greenwood

Notes to Financial Statements

March 31, 2015

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 management'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, 2015

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	150,891	112,863
Buildings	335,361	30,040	-	-	365,401	10,046	208,894	156,507
Small Equipment	89,541	-	-	-	89,541	4,882	81,747	7,794
Machinery & equipment	160,548	57,571	(37,890)	-	180,229	17,697	118,184	62,045
Sidewalks	278,395	-	-	-	278,395	9,553	156,689	121,706
Paving	7,043	-	-	-	7,043	-	7,043	-
Signs	12,205	-	-	-	12,205	643	11,543	662
Street lights	2,998	191,069	-	-	194,067	9,703	9,703	184,364
	<u>\$ 1,153,845</u>	<u>\$ 278,680</u>	<u>\$ (37,890)</u>	<u>\$ -</u>	<u>\$ 1,394,635</u>	<u>\$ 62,544</u>	<u>\$ 744,694</u>	<u>\$ 649,941</u>

The Village of Greenwood

Notes to Financial Statements

March 31, 2015

3. Surplus

	<u>2015</u>	<u>2014</u>
Surplus, beginning of year	\$ 124,163	\$ 106,920
Add (Deduct):		
Operating surplus (deficit), for the year	(18,404)	(30,155)
Amortization	62,544	57,427
Amortization of deferred contributions	(2,029)	(2,029)
Gain on disposal of capital assets	<u>(6,500)</u>	<u>(8,000)</u>
Surplus, end of year	<u>\$ 159,774</u>	<u>\$ 124,163</u>

4. Investment in Capital Assets

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 391,881	\$ 421,702
Add (Deduct):		
Capital expenditures paid from reserve	278,680	25,577
Amortization of deferred contributions	2,029	2,029
Amortization	<u>(62,544)</u>	<u>(57,427)</u>
Balance, end of year	<u>\$ 610,046</u>	<u>\$ 391,881</u>