

The Village of Greenwood
Greenwood, Nova Scotia

Financial Statements
March 31, 2016

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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, 2016, 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, 2016 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 18, 2016

Morse Brewster Lake

Registered Municipal Auditor

The Village of Greenwood

Consolidated Statement of Financial Position

March 31, 2016

	<u>2016</u>	<u>2015</u>
Financial Assets		
Cash	\$ 249,964	\$ 165,257
Accounts receivable	10,238	56,329
Guaranteed Investment Certificates	<u>151,818</u>	<u>95,739</u>
	412,020	317,325
Financial Liabilities		
Payables and accruals	<u>9,745</u>	<u>5,198</u>
Net Financial Assets	402,275	312,127
Non-Financial Assets (Liabilities)		
Property and Equipment (note 2)	<u>619,443</u>	<u>649,941</u>
	<u>\$1,021,718</u>	<u>\$ 962,068</u>
Surplus		
Operating Fund Balance (note 3)	\$ 163,467	\$ 159,774
Reserve Fund Balances	238,808	152,353
Investment in Capital Assets (note 4, 2015 restated note 7)	<u>619,443</u>	<u>649,941</u>
	<u>\$1,021,718</u>	<u>\$ 962,068</u>

On Behalf of the Village of

 Chairman

The Village of Greenwood
Consolidated Statement of Operations
Year Ended March 31, 2016

	2016 <u>Budget</u>	2016 <u>Actual</u>	2015 <u>Actual</u>
Revenue			
General tax rates	\$ 390,000	\$ 388,505	\$ 382,210
Capital Grants received	-	15,692	117,431
Grants in lieu of taxes	100	-	116
Interest	400	1,188	2,794
HST offset	1,500	1,913	2,031
Other revenues from own services	36,900	34,196	37,387
Proceeds on sale of assets	-	-	6,500
Miscellaneous grants and donations	<u>7,000</u>	<u>6,317</u>	<u>8,219</u>
	<u>435,900</u>	<u>447,811</u>	<u>556,688</u>
Expenditures			
General government services (page 9)	155,400	142,798	144,178
Public works (page 9)	148,700	136,996	136,362
Transportation services	24,850	15,691	50,059
Recreational / cultural services (page 10)	29,950	28,696	24,104
Amortization	<u>-</u>	<u>63,980</u>	<u>62,544</u>
	<u>358,900</u>	<u>388,161</u>	<u>417,247</u>
Operating Surplus			
(2015 restated, see note 7)	<u>\$ 77,000</u>	<u>\$ 59,650</u>	<u>\$ 139,441</u>

The Village of Greenwood

Consolidated Statement of Changes in Net Financial Assets

Year Ended March 31, 2016

	<u>2016</u>	<u>2015</u>
Annual Surplus	\$ 59,650	\$ 139,441
Add (Deduct):		
Acquisition of tangible capital assets	(33,482)	(278,680)
Amortization of tangible capital assets	<u>63,980</u>	<u>62,544</u>
Increase (Decrease) in net assets	90,148	(76,695)
Net Financial Assets, beginning of year	<u>312,127</u>	<u>388,822</u>
Net Financial Assets, end of year	<u>\$ 402,275</u>	<u>\$ 312,127</u>

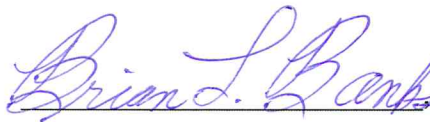
The Village of Greenwood
Consolidated Statement of Changes in Cash Flow
Year Ended March 31, 2016

	<u>2016</u>	<u>2015</u>
Operating Activities		
Operating surplus	\$ 59,650	\$ 139,441
Amortization	63,980	62,544
Sources (uses) of cash		
Increase (decrease) in payables	4,547	(6,067)
(Increase) decrease in accounts receivable	<u>46,088</u>	<u>(42,176)</u>
Cash from operations	<u>174,265</u>	<u>153,742</u>
Investing Activities		
Purchase of capital assets	(33,482)	(278,680)
(Purchase) sale of investments	<u>(56,076)</u>	<u>158,797</u>
	<u>(89,558)</u>	<u>(119,883)</u>
Change in net cash	84,707	33,859
Cash, beginning of year	<u>165,257</u>	<u>131,398</u>
Cash, end of year	<u>\$ 249,964</u>	<u>\$ 165,257</u>

The Village of Greenwood
Operating Fund Balance Sheet
March 31, 2016

	<u>2016</u>	<u>2015</u>
Assets		
Current		
Cash	\$ 182,453	\$ 156,717
Accounts receivable	<u>10,181</u>	<u>11,480</u>
	<u>\$ 192,634</u>	<u>\$ 168,197</u>
Liabilities		
Current		
Payables and accruals	\$ 9,745	\$ 5,198
Due to Special Reserve Fund	<u>19,422</u>	<u>3,225</u>
	<u>29,167</u>	<u>8,423</u>
Surplus		
Operating Surplus (note 3)	<u>163,467</u>	<u>159,774</u>
	<u>\$ 192,634</u>	<u>\$ 168,197</u>

On Behalf of the Village of Greenwood:

 Chairman

The Village of Greenwood

Statement of Operations

Year Ended March 31, 2016

	2016 <u>Budget</u>	2016 <u>Actual</u>	2015 <u>Actual</u>
Revenue			
General tax rates	\$ 390,000	\$ 388,505	\$ 382,210
Grants in lieu of taxes	100	-	116
Interest	400	217	351
HST offset	1,500	1,913	2,031
Other revenues from own services	36,900	34,196	37,387
Gain on disposal	-	-	6,500
Miscellaneous grants and donations	<u>7,000</u>	<u>6,317</u>	<u>8,219</u>
	<u>435,900</u>	<u>431,148</u>	<u>436,814</u>
Expenditures			
General government services (page 9)	155,400	142,798	144,178
Public works (page 9)	148,700	136,996	136,362
Transportation services	24,850	15,691	50,059
Recreational / cultural services (page 10)	29,950	28,696	24,104
Amortization	<u>-</u>	<u>63,980</u>	<u>62,544</u>
	<u>358,900</u>	<u>388,161</u>	<u>417,247</u>
Net Revenue	77,000	42,987	19,567
Transfers to capital reserves	(77,000)	(73,274)	(40,000)
Transfer to operating reserve	<u>-</u>	<u>(30,000)</u>	<u>-</u>
Change in Fund Balance	<u>\$ -</u>	<u>\$ (60,287)</u>	<u>\$ (20,433)</u>

The Village of Greenwood

Capital Fund Balance Sheet

March 31, 2016

	<u>2016</u>	<u>2015</u>
Assets		
Property and Equipment (note 2)	\$ <u>619,443</u>	\$ <u>649,941</u>
Equity		
Investment in Capital Assets (note 4, 2015 restated note 7)	<u>619,443</u>	<u>649,941</u>
	\$ <u>619,443</u>	\$ <u>649,941</u>

On Behalf of the Village of Greenwood:

 Chairman

The Village of Greenwood
Schedules to Statement of Operations

Year Ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
General Government Services			
Wages and benefits- clerk	\$ 33,600	\$ 32,246	\$ 30,924
Advertising	1,500	1,763	715
Audit and legal	5,500	4,875	5,376
Awards and grants	1,000	1,000	1,000
Bank charges	500	593	1,367
Commissioners honorarium	12,100	12,198	11,507
Insurance	6,400	7,015	6,325
Office and miscellaneous	12,100	11,615	11,014
Tax collection	16,000	15,540	15,288
Telephone	6,800	6,211	6,579
Civic Building			
Electricity	12,500	7,162	9,275
Fuel	16,000	8,837	17,426
Insurance	6,800	6,804	6,650
Other	7,000	6,897	4,894
Repairs and maintenance	<u>17,600</u>	<u>20,042</u>	<u>15,838</u>
	<u>\$ 155,400</u>	<u>\$ 142,798</u>	<u>\$ 144,178</u>
 Public Works			
Wages and benefits	\$ 88,700	\$ 85,350	\$ 85,629
Garage expenses	18,000	17,896	15,860
Equipment rental	7,000	6,220	-
Tractor and equipment expenses	14,000	9,695	16,284
Truck expenses	8,000	6,118	6,132
Village maintenance	<u>13,000</u>	<u>11,717</u>	<u>12,457</u>
	<u>\$ 148,700</u>	<u>\$ 136,996</u>	<u>\$ 136,362</u>

The Village of Greenwood
Schedule to Statement of Operations

Year Ended March 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Recreational / Cultural Services			
Gardens	\$ 2,600	\$ 2,545	\$ 2,130
Playground repairs and maintenance	3,100	3,063	1,408
Tourism	5,000	5,000	5,000
Canada Day	11,000	10,462	10,747
Sports fields repairs and maintenance	4,000	2,593	2,936
Miscellaneous	<u>4,250</u>	<u>5,033</u>	<u>1,883</u>
	<u>\$ 29,950</u>	<u>\$ 28,696</u>	<u>\$ 24,104</u>

The Village of Greenwood

Statement of Reserve Funds

Balance Sheet

March 31, 2016

	<u>2016</u>	<u>2015</u>
Assets		
Current		
Cash	\$ 67,511	\$ 8,540
Guaranteed Investment Certificates , (0.95-1.05%)	151,818	95,742
Due from Operating Fund	19,422	3,225
HST receivable	57	28,580
Gas Tax receivable	<u>-</u>	<u>16,269</u>
	<u>\$ 238,808</u>	<u>\$ 152,356</u>
Reserves		
Operating Reserve	\$ 30,000	\$ -
Capital Reserves	<u>208,808</u>	<u>152,355</u>
	<u>\$ 238,808</u>	<u>\$ 152,353</u>

Statement of Reserve Funds

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 152,353	\$ 264,659
Add:		
Interest earned	971	2,443
Provision from operating fund	103,274	40,000
Gas Tax Funding	15,692	117,431
Proceeds on sale of equipment	-	6,500
Purchase of tangible capital assets	<u>(33,482)</u>	<u>(278,680)</u>
Balance, end of year	<u>\$ 238,808</u>	<u>\$ 152,353</u>

On Behalf of the Village of Greenwood:

 , Chairman
  , Commissioner

The Village of Greenwood

Notes to Financial Statements

March 31, 2016

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.

(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) Government transfers

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.

(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.

The Village of Greenwood

Notes to Financial Statements

March 31, 2016

1. Significant Accounting Policies (continued)

(f) 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	9,752	160,642	103,112
Buildings	365,401	-	-	-	365,401	10,046	218,939	146,462
Small Equipment	89,540	3,330	-	-	92,870	5,078	86,826	6,044
Machinery & equipment	180,229	-	-	-	180,229	17,697	135,880	44,349
Sidewalks	278,395	-	-	-	278,395	9,553	166,241	112,154
Paving	7,043	21,274	-	-	28,317	1,064	8,107	20,210
Signs	12,205	-	-	-	12,205	643	12,186	19
Street lights	194,067	8,878	-	-	202,944	10,147	19,851	183,093
	<u>\$ 1,394,634</u>	<u>\$ 33,482</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,428,115</u>	<u>\$ 63,980</u>	<u>\$ 808,672</u>	<u>\$ 619,443</u>

The Village of Greenwood

Notes to Financial Statements

March 31, 2016

3. Surplus

	<u>2016</u>	<u>2015</u>
Surplus, beginning of year	\$ 159,774	\$ 124,163
Add (Deduct):		
Operating surplus (deficit), for the year	(60,287)	(20,433)
Amortization	63,980	62,544
Gain on disposal of capital assets	<u>-</u>	<u>(6,500)</u>
Surplus, end of year	<u>\$ 163,467</u>	<u>\$ 159,774</u>

4. Investment in Capital Assets

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 649,941	\$ 391,881
Restate deferred contributions to investment in capital assets (note 7)	<u>-</u>	<u>41,924</u>
Balance, as restated	649,941	433,805
Add (Deduct):		
Capital expenditures paid from reserve	33,482	278,680
Amortization	<u>(63,980)</u>	<u>(62,544)</u>
Balance, end of year	<u>\$ 619,443</u>	<u>\$ 649,941</u>

5. Other Matters

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

Commissioners	
Banks, Brian (Chair)	\$ 2,710
Baker, Robert	2,295
Belliveau, Joseph	383
MacDonald, Donald	2,449
Nickerson, Richard	2,295
Parker, Heather	2,066
Staff	
Elsworth, Marian (Clerk/Treasurer)	<u>29,015</u>
	<u>\$ 41,213</u>

The Village of Greenwood

Notes to Financial Statements

March 31, 2016

6. Comparative Figures

Certain of the comparative figures have been restated to conform to the current year financial statement presentation.

7. Restatement

The opening investment in capital assets has been restated to include the deferred contributions. The funds received were deferred prior to the PSAB government transfer section PS 3410. Under section PS 3410, the funds received would be revenue when received and be included in investment in capital assets. The effect of the restatement is a reduction in deferred contributions from \$41,924 to zero and an increase in investment in capital assets of \$41,924.