

**The Village of Greenwood**

**Greenwood, Nova Scotia**

**Financial Statements**

**March 31, 2017**

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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

We have audited the accompanying financial statements of **The Village of Greenwood**, which comprise the consolidated statement of financial position as at March 31, 2017, 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, 2017 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 17, 2017

*Morse Brewster Lake*

Chartered Professional Accountants  
Licensed Public Accountants  
Registered Municipal Auditor

# The Village of Greenwood

## Consolidated Statement of Financial Position

March 31, 2017

	<u>2017</u>	<u>2016</u>
<b>Financial Assets</b>		
Cash	\$ 224,459	\$ 249,964
Accounts receivable	11,932	10,238
Guaranteed Investment Certificates	<u>208,420</u>	<u>151,818</u>
	444,811	412,020
<b>Financial Liabilities</b>		
Payables and accruals	<u>6,202</u>	<u>9,745</u>
<b>Net Financial Assets</b>	438,609	402,275
<b>Non-Financial Assets (Liabilities)</b>		
Property and Equipment (note 2)	<u>619,250</u>	<u>619,443</u>
	<u>\$1,057,859</u>	<u>\$1,021,718</u>
<b>Surplus</b>		
Operating Fund Balance (note 3)	\$ 164,218	\$ 163,467
Reserve Fund Balances	274,391	238,808
Investment in Capital Assets (note 4)	<u>619,250</u>	<u>619,443</u>
	<u>\$1,057,859</u>	<u>\$1,021,718</u>

On Behalf of the Village of

 Brian L. Banks, Chairman

**The Village of Greenwood**  
**Consolidated Statement of Operations**  
**Year Ended March 31, 2017**

	2017 <u>Budget</u>	2017 <u>Actual</u>	2016 <u>Actual</u>
<b>Revenue</b>			
General tax rates	\$ 394,000	\$ 391,461	\$ 388,505
Capital Grants received	-	18,753	15,692
Grants in lieu of taxes	100	-	-
Interest	200	1,745	1,188
HST offset	1,500	3,367	1,913
Other revenues from own services	37,100	36,453	34,196
Miscellaneous grants and donations	<u>5,000</u>	<u>13,574</u>	<u>6,317</u>
	<u>437,900</u>	<u>465,353</u>	<u>447,811</u>
<b>Expenditures</b>			
General government services (page 9)	144,800	141,756	142,798
Public works (page 9)	146,800	133,847	136,996
Transportation services	32,300	9,991	15,691
Recreational / cultural services (page 10)	39,000	26,433	28,696
North Greenwood Water Extension	-	50,000	-
Amortization	<u>-</u>	<u>67,185</u>	<u>63,980</u>
	<u>362,900</u>	<u>429,212</u>	<u>388,161</u>
<b>Operating Surplus</b>	<u>\$ 75,000</u>	<u>\$ 36,141</u>	<u>\$ 59,650</u>



**The Village of Greenwood**  
**Consolidated Statement of Changes in Net Financial Assets**  
**Year Ended March 31, 2017**

	<u>2017</u>	<u>2016</u>
<b>Annual Surplus</b>	\$ 36,141	\$ 59,650
<b>Add (Deduct):</b>		
Acquisition of tangible capital assets	(66,992)	(33,482)
Amortization of tangible capital assets	<u>67,185</u>	<u>63,980</u>
<b>Increase ( Decrease) in net assets</b>	36,334	90,148
<b>Net Financial Assets, beginning of year</b>	<u>402,275</u>	<u>312,127</u>
<b>Net Financial Assets, end of year</b>	<u>\$ 438,609</u>	<u>\$ 402,275</u>


**The Village of Greenwood**  
**Consolidated Statement of Changes in Cash Flow**  
**Year Ended March 31, 2017**

	<u>2017</u>	<u>2016</u>
<b>Operating Activities</b>		
Operating surplus	\$ 36,141	\$ 59,650
Amortization	67,185	63,980
Sources (uses) of cash		
Increase (decrease) in payables	(3,543)	4,547
(Increase) decrease in accounts receivable	<u>(1,694)</u>	<u>46,088</u>
Cash from operations	<u>98,089</u>	<u>174,265</u>
<b>Investing Activities</b>		
Purchase of capital assets	(66,992)	(33,482)
(Purchase) sale of investments	<u>(56,602)</u>	<u>(56,076)</u>
	<u>(123,594)</u>	<u>(89,558)</u>
<b>Change in net cash</b>	(25,505)	84,707
<b>Cash, beginning of year</b>	<u>249,964</u>	<u>165,257</u>
<b>Cash, end of year</b>	<u>\$ 224,459</u>	<u>\$ 249,964</u>

**The Village of Greenwood**  
**Operating Fund Balance Sheet**  
**March 31, 2017**

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 192,035	\$ 182,453
Accounts receivable	<u>7,299</u>	<u>10,181</u>
	<u>\$ 199,334</u>	<u>\$ 192,634</u>
<b>Liabilities</b>		
<b>Current</b>		
Payables and accruals	\$ 6,202	\$ 9,745
Due to captial reserve	<u>28,914</u>	<u>19,422</u>
	<u>35,116</u>	<u>29,167</u>
<b>Surplus</b>		
<b>Operating Surplus</b> (note 3)	<u>164,218</u>	<u>163,467</u>
	<u>\$ 199,334</u>	<u>\$ 192,634</u>

On Behalf of the Village of Greenwood:

 Chairman



# The Village of Greenwood

## Statement of Operations

Year Ended March 31, 2017

	2017 <u>Budget</u>	2017 <u>Actual</u>	2016 <u>Actual</u>
<b>Revenue</b>			
General tax rates	\$ 394,000	\$ 391,461	\$ 388,505
Grants in lieu of taxes	100	-	-
Interest	200	217	217
Transfer from operating reserve	-	50,000	-
HST offset	1,500	3,367	1,913
Other revenues from own services	37,100	36,453	34,196
Miscellaneous grants and donations	<u>5,000</u>	<u>13,574</u>	<u>6,317</u>
	<u>437,900</u>	<u>495,072</u>	<u>431,148</u>
<b>Expenditures</b>			
General government services (page 9)	144,800	141,756	142,798
Public works (page 9)	146,800	133,847	136,996
North Greenwood Water Extension	-	50,000	-
Transportation services	32,300	9,991	15,691
Recreational / cultural services (page 10)	<u>39,000</u>	<u>26,433</u>	<u>28,696</u>
	<u>362,900</u>	<u>362,027</u>	<u>324,181</u>
<b>Net Revenue</b>	75,000	133,045	106,967
Transfers to capital reserves	(55,000)	(112,294)	(73,274)
Transfer to operating reserve	<u>(20,000)</u>	<u>(20,000)</u>	<u>(30,000)</u>
<b>Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ 751</u>	<u>\$ 3,693</u>

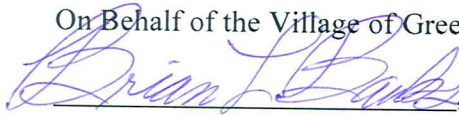
**The Village of Greenwood**

**Capital Fund Balance Sheet**

**March 31, 2017**

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
<b>Property and Equipment (note 2)</b>	\$ <u>619,250</u>	\$ <u>619,443</u>
<b>Equity</b>		
<b>Investment in Capital Assets (note 4)</b>	<u>619,250</u>	<u>619,443</u>
	<u>\$ 619,250</u>	<u>\$ 619,443</u>

On Behalf of the Village of Greenwood:

 Chairman

# The Village of Greenwood

## Schedules to Statement of Operations

Year Ended March 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
<b>General Government Services</b>			
Wages and benefits- clerk	\$ 34,100	\$ 32,681	\$ 32,246
Advertising	2,000	2,285	1,763
Audit and legal	5,500	5,214	4,875
Awards and grants	1,000	1,000	1,000
Bank charges	500	297	593
Commissioners honorarium	12,500	12,056	12,198
Insurance	7,050	7,030	7,015
Office and miscellaneous	13,100	13,391	11,615
Tax collection	16,000	15,658	15,540
Telephone	6,700	5,725	6,211
Civic Building			
Electricity	9,000	7,545	7,162
Fuel	11,000	10,262	8,837
Insurance	6,900	6,930	6,804
Other	6,550	6,153	6,897
Repairs and maintenance	<u>12,900</u>	<u>15,529</u>	<u>20,042</u>
	<u>\$ 144,800</u>	<u>\$ 141,756</u>	<u>\$ 142,798</u>
<b>Public Works</b>			
Wages and benefits	\$ 88,400	\$ 91,815	\$ 85,350
Garage expenses	23,400	16,656	17,896
Equipment rental	8,000	6,410	6,220
Tractor and equipment expenses	11,300	8,585	9,695
Truck expenses	4,500	2,921	6,118
Village maintenance	<u>11,200</u>	<u>7,460</u>	<u>11,717</u>
	<u>\$ 146,800</u>	<u>\$ 133,847</u>	<u>\$ 136,996</u>

**The Village of Greenwood**  
**Schedule to Statement of Operations**  
**Year Ended March 31, 2017**

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
<b>Recreational / Cultural Services</b>			
Gardens	\$ 3,000	\$ 2,838	\$ 2,545
Playground repairs and maintenance	13,000	1,955	3,063
Fales River Trail repairs	2,000	-	-
Tourism	5,000	5,000	5,000
Canada Day	11,000	10,867	10,462
Sports fields repairs and maintenance	4,000	5,392	2,593
Miscellaneous	<u>1,000</u>	<u>381</u>	<u>5,033</u>
	<u>\$ 39,000</u>	<u>\$ 26,433</u>	<u>\$ 28,696</u>

# The Village of Greenwood

## Statement of Reserve Funds

March 31, 2017

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 32,424	\$ 67,511
Guaranteed Investment Certificates , (0.95-1.05%)	208,420	151,818
Due from Operating Fund	28,914	19,422
HST receivable	2,141	57
Gas Tax receivable	<u>2,492</u>	<u>-</u>
	<u>\$ 274,391</u>	<u>\$ 238,808</u>
<b>Reserves</b>		
Operating Reserve	\$ -	\$ 30,000
Capital Reserves	<u>274,391</u>	<u>208,808</u>
	<u>\$ 274,391</u>	<u>\$ 238,808</u>

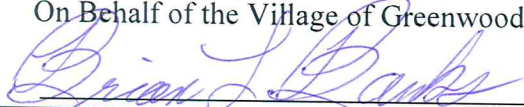
## Statement of Capital Reserve

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 208,808	\$ 152,353
Add (deduct):		
Interest earned	1,528	971
Provision from operating fund	112,294	73,274
Gas Tax Funding	18,753	15,692
Purchase of tangible capital assets	<u>(66,992)</u>	<u>(33,482)</u>
Balance, end of year	<u>\$ 274,391</u>	<u>\$ 208,808</u>

## Statement of Operating Reserve

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 30,000	\$ -
Add (deduct):		
Provision from operating fund	20,000	30,000
North Greenwood water extension	<u>(50,000)</u>	<u>-</u>
Balance, end of year	<u>\$ -</u>	<u>\$ 30,000</u>

On Behalf of the Village of Greenwood:

 , Chairman

 , Commissioner



# The Village of Greenwood

## Notes to Financial Statements

March 31, 2017

### 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 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) 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, 2017

### 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	-	(11,146)	-	252,608	9,504	159,001	93,607
Buildings	365,401	-	-	-	365,401	10,046	228,986	136,415
Small Equipment	92,870	2,294	(4,434)	-	90,730	4,093	86,484	4,246
Machinery & equipment	180,229	20,336	-	-	200,565	20,984	156,865	43,700
Sidewalks	278,396	44,362	-	-	322,758	11,327	177,569	145,189
Paving	28,317	-	-	-	28,317	1,064	9,170	19,147
Signs	12,205	-	(3,010)	-	9,195	20	9,195	-
Street lights	202,945	-	-	-	202,944	10,147	29,998	172,946
	<u>\$ 1,428,117</u>	<u>\$ 66,992</u>	<u>\$ (18,590)</u>	<u>\$ -</u>	<u>\$ 1,476,518</u>	<u>\$ 67,185</u>	<u>\$ 857,268</u>	<u>\$ 619,250</u>

# The Village of Greenwood

## Notes to Financial Statements

March 31, 2017

### 3. Surplus

	<u>2017</u>	<u>2016</u>
Surplus, beginning of year	\$ 163,467	\$ 159,774
Add (Deduct):		
Operating surplus (deficit), for the year	<u>751</u>	<u>3,693</u>
Surplus, end of year	<u>\$ 164,218</u>	<u>\$ 163,467</u>

### 4. Investment in Capital Assets

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 619,443	\$ 649,941
Add (Deduct):		
Capital expenditures paid from reserve	66,992	33,482
Amortization	<u>(67,185)</u>	<u>(63,980)</u>
Balance, end of year	<u>\$ 619,250</u>	<u>\$ 619,443</u>

### 5. Other Matters

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

Commissioners	
Banks, Brian (Chair)	\$ 2,745
Baker, Robert	2,325
MacDonald, Donald	2,325
Nickerson, Richard	969
Parker, Heather	2,530
Sealby, Robert	1,163
Staff	
Elsworth, Marian (Clerk/Treasurer)	<u>29,872</u>
	<u>\$ 41,929</u>

### 6. Comparative Figures

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