



Grant Thornton

Consolidated Financial Statements

Village of Weymouth

March 31, 2014

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Independent Auditors' Report

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To the Chairman and Commissioners of the Village of Weymouth

We have audited the accompanying financial statements of the Village of Weymouth, which comprise the statement of financial position as at March 31, 2014, and the statement of operations and changes in net financial liabilities and financial position 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 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.

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 generally accepted 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, the financial statements present fairly, in all material respects, the financial position of the Village of Weymouth as at March 31, 2014, and the results of its operations, changes in net liabilities and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Digby, Canada
June 23, 2014

Grant Thornton LLP

Chartered Accountants

Management's Responsibility for Financial Reporting

The financial statements are the responsibility of the Board of Commissioners and have been prepared in compliance with legislation, and in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current account period cannot be finalized with certainty until future periods.

The Board of Commissioners maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

On behalf of the Village of Weymouth:

Commissioner: _____

Clerk: _____

Village of Weymouth

Statement of Operations

| Year Ended March 31 | 2014 | 2013 |
|--|---------------------|---------------------|
| Revenues | | |
| Village service rate | \$ <u>43,681</u> | \$ <u>41,976</u> |
| Grants and contributions | | |
| Weymouth Fire Department | 459 | 40,805 |
| Fire District Annual Assessment | 55,325 | 53,697 |
| Municipal Service Grant | 7,250 | 7,250 |
| Municipal protection | <u>40,100</u> | <u>39,300</u> |
| | <u>103,134</u> | <u>141,052</u> |
| Interest | 1,176 | 1,439 |
| Other | 225 | 225 |
| Rental | <u>55,920</u> | <u>56,073</u> |
| | <u>57,321</u> | <u>57,737</u> |
| Total revenues | <u>204,136</u> | <u>240,765</u> |
| Expenditures | | |
| General government | | |
| Salaries | 5,100 | 4,200 |
| Professional fees | 5,241 | 7,569 |
| Repairs and maintenance | 21,361 | 9,538 |
| Miscellaneous | 1,131 | 1,729 |
| Stationery and office | <u>702</u> | <u>999</u> |
| | <u>33,535</u> | <u>24,035</u> |
| Street lighting | <u>16,817</u> | <u>15,649</u> |
| Fire protection | | |
| Building maintenance and equipment | 6,208 | 1,536 |
| Gas, oil and repairs | 1,705 | 1,863 |
| Heat and lights | 10,163 | 6,829 |
| Other | 4,284 | 822 |
| Telephone | <u>832</u> | <u>1,006</u> |
| | <u>23,192</u> | <u>12,056</u> |
| Home care/VON | 24,010 | 26,703 |
| Insurance | 18,181 | 16,358 |
| Interest on long term debt | 7,859 | 9,734 |
| Medical centre utilities and maintenance | 23,450 | 24,547 |
| Recording office utilities and maintenance | - | 467 |
| Amortization | <u>155,187</u> | <u>132,088</u> |
| | <u>228,687</u> | <u>209,897</u> |
| Total expenditures | <u>302,231</u> | <u>261,637</u> |
| Annual deficit | \$ (98,095) | \$ (20,872) |
| Net assets, beginning of year | <u>1,145,233</u> | <u>1,166,105</u> |
| Net assets, end of year | \$ <u>1,047,138</u> | \$ <u>1,145,233</u> |

See accompanying notes to the consolidated financial statements.

| | | |
|----------|------|------|
| March 31 | 2014 | 2013 |
|----------|------|------|

2014

2013

| | | |
|---------------------------|---------------|---------------|
| Cash and cash equivalents | \$ 200,688 | \$ 225,518 |
| Restricted cash | 1,248 | 1,248 |
| Receivables | <u>27,015</u> | <u>18,346</u> |
| | 228,951 | 245,112 |

| | | |
|-------------------------|----------------|----------------|
| Payables and accruals | 36,793 | 18,246 |
| Long term debt (Note 2) | 210,340 | 274,630 |
| Deferred revenue | 7,077 | - |
| | <u>254,210</u> | <u>292,876</u> |

| | | |
|---------------------------|----------|----------|
| Net financial liabilities | (25,259) | (47,764) |
|---------------------------|----------|----------|

| | | |
|----------------------------------|--------------|--------------|
| Tangible capital assets (Note 3) | 1,066,102 | 1,186,702 |
| Prepaid expenses | <u>6,295</u> | <u>6,295</u> |
| | 1,072,397 | 1,192,997 |

| | | |
|-------------------|---------------------|----------------------------|
| Net Assets | \$ 1,047,138 | \$ <u>1.145,233</u> |
|-------------------|---------------------|----------------------------|

Commissioner

Secretary

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Village of Weymouth

Statement of Change in Net Financial Liabilities

| Year Ended March 31 | 2014 | 2013 |
|---|---------------------------|---------------------------|
| Annual deficit | \$ (98,095) | \$ (20,872) |
| Acquisition of tangible capital assets | (34,587) | (89,276) |
| Amortization of tangible capital assets | <u>155,187</u> | <u>132,088</u> |
| | <u>22,505</u> | <u>21,940</u> |
| Acquisition of prepaid expenses | (6,295) | (6,295) |
| Use of prepaid expenses | <u>6,295</u> | <u>6,295</u> |
| | <u>-</u> | <u>-</u> |
| INCREASE IN NET FINANCIAL ASSETS | 22,505 | 21,940 |
| NET FINANCIAL LIABILITIES | | |
| BEGINNING OF YEAR | <u>(47,764)</u> | <u>(69,704)</u> |
| END OF YEAR | \$ <u>(25,259)</u> | \$ <u>(47,764)</u> |

See accompanying notes to the consolidated financial statements.

Village of Weymouth

Statement of Changes in Financial Position

Year Ended March 31

2014

2013

Operating activities

| | | |
|----------------|----------------|----------------|
| Annual deficit | \$ (98,095) | \$ (20,872) |
| Amortization | <u>155,187</u> | <u>132,088</u> |
| | 57,092 | 111,216 |

Change in non-cash working capital

| | | |
|--|---------------|----------------|
| (Increase) decrease in receivables | (8,669) | 3,139 |
| Increase (decrease) in payables and accruals | 18,547 | (2,038) |
| Increase in deferred revenue | <u>7,077</u> | <u>-</u> |
| | <u>74,047</u> | <u>112,317</u> |

Capital transactions

| | | |
|--|-----------------|-----------------|
| Acquisition of tangible capital assets | <u>(34,587)</u> | <u>(89,276)</u> |
|--|-----------------|-----------------|

Financing activities

| | | |
|--|-----------------|-----------------|
| Repayment of long term debt | (64,290) | (56,790) |
| Proceeds from issuance of long term debt | <u>-</u> | <u>30,000</u> |
| | <u>(64,290)</u> | <u>(26,790)</u> |

| | | |
|-------------------------------------|----------|---------|
| Change in cash and cash equivalents | (24,830) | (3,749) |
|-------------------------------------|----------|---------|

| | | |
|-----------------------------------|----------------|----------------|
| Opening cash and cash equivalents | <u>225,518</u> | <u>229,267</u> |
|-----------------------------------|----------------|----------------|

| | | |
|-----------------------------------|-------------------|-------------------|
| Closing cash and cash equivalents | \$ <u>200,688</u> | \$ <u>225,518</u> |
|-----------------------------------|-------------------|-------------------|

See accompanying notes to the consolidated financial statements

Village of Weymouth

Notes to the Financial Statements

March 31, 2014

1. Summary of significant accounting policies

Basis of Presentation

The consolidated financial statements of the Village of Weymouth are the representation of management prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The focus of PSAB financial statements is on the financial position of the Village and the changes thereto. The Statement of Financial Position includes all of the assets and liabilities of the Village.

Significant aspects of the accounting policies adopted by the Village are as follows:

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks.

Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Tangible capital assets received as contributions are recorded at their fair value at the date of receipt. The costs, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

| | |
|---------------------------|---------------|
| Land | Indefinite |
| Land improvements | 20 – 25 years |
| Municipal buildings | 40 years |
| Electronic data equipment | 3 – 5 years |
| Small equipment | 5 years |
| Machinery and equipment | 10 – 15 years |
| Vehicles | 5 years |
| Sidewalks | 20 – 25 years |
| Sewer lines | 50 years |

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

Basis of accounting

The accrual basis of accounting recognizes revenues as they become available and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation.

Revenue recognition

The Municipality of the District of Digby assesses and collects Village service rates on behalf of the Village. Revenue is recorded when the Village receives the service rates annually from the Municipality of Digby. Rental revenue is recognized at the beginning of each month.

Village of Weymouth

Notes to the Financial Statements

March 31, 2014

1. Summary of significant accounting policies (continued)

Financial instruments

The Village's financial instruments consist of cash and cash equivalents, receivables, and payables and accruals. Unless otherwise noted, it is the Village's opinion that the Village is not exposed to significant interest, currency or credit risk arising from financial instruments. The fair market value of these financial instruments approximate their carrying values.

Use of estimates

In preparing the Village's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and reported amounts of revenue and expenses. Actual amounts could differ from these estimates.

2. Long term debt

| | <u>2014</u> | <u>2013</u> |
|--|-------------------|-------------------|
| Municipal Finance Corporation, debenture, bearing interest of 4.577% - 5.01% payable semi-annually. Principal payments are \$17,500 annually, maturing in 2017. The loan proceeds were used for renovating the Medical Centre for VON home care. | \$ 70,000 | \$ 87,500 |
| Municipality of Digby, bearing interest at the Municipality's cost of borrowing. The loan was borrowed on behalf of the Weymouth Fire Department. Principal payments are \$39,290 annually, maturing in 2018. The loan is to be repaid from future fire service rates. The loan proceeds were used to purchase a fire truck. | 117,840 | 157,130 |
| Municipality of Digby loan, bearing interest at 3%, payable in annual instalments of \$7,500 principal plus interest, maturing June 2016. The loan was borrowed on behalf of the Weymouth Fire Department and is to be repaid from future fire service rates. The loan proceeds were used to purchase a fire truck. | <u>22,500</u> | <u>30,000</u> |
| | <u>\$ 210,340</u> | <u>\$ 274,630</u> |

Principal payments in each of the next four years are as follows:

| | |
|------|-----------|
| 2015 | \$ 64,290 |
| 2016 | \$ 64,290 |
| 2017 | \$ 64,260 |
| 2018 | \$ 17,500 |

Village of Weymouth

Notes to the Financial Statements

Year Ended March 31

3. Tangible Capital Assets

| | Beginning Cost | Additions | Disposals | Ending Cost | Opening Accumulated Amortization | Adjustments | Amortization | Ending Accumulated Amortization | 2014 Net Book Value | 2013 Net Book Value |
|---------------------------|---------------------|------------------|-------------|---------------------|--|-------------|-------------------|---------------------------------------|---------------------------|---------------------------|
| Land | \$ 45,001 | \$ - | \$ - | \$ 45,001 | \$ - | \$ - | \$ - | \$ - | \$ 45,001 | \$ 45,001 |
| Land improvements | 77,576 | - | - | 77,576 | 47,322 | - | 2,127 | 49,449 | 28,127 | 30,254 |
| Municipal buildings | 876,016 | 2,086 | - | 878,102 | 242,739 | - | 20,059 | 262,798 | 615,304 | 633,277 |
| Electronic data equipment | 12,654 | 6,719 | - | 19,373 | 11,126 | - | 2,133 | 13,259 | 6,114 | 1,528 |
| Small equipment | 6,364 | - | - | 6,364 | 4,675 | - | 949 | 5,624 | 740 | 1,689 |
| Machinery and equipment | 111,072 | 18,216 | - | 129,288 | 55,344 | - | 8,619 | 63,963 | 65,325 | 55,728 |
| Vehicles | 465,762 | 7,565 | - | 473,327 | 211,835 | - | 72,343 | 284,178 | 189,149 | 253,927 |
| Sidewalks | 937,343 | - | - | 937,343 | 842,660 | - | 46,867 | 889,527 | 47,816 | 94,683 |
| Sewer lines | 104,519 | - | - | 104,519 | 33,904 | - | 2,090 | 35,994 | 68,525 | 70,615 |
| | <u>\$ 2,636,307</u> | <u>\$ 34,586</u> | <u>\$ -</u> | <u>\$ 2,670,893</u> | <u>\$ 1,449,605</u> | <u>\$ -</u> | <u>\$ 155,187</u> | <u>\$ 1,604,792</u> | <u>\$ 1,066,101</u> | <u>\$ 1,186,702</u> |