

Community of York

Financial Statements

For the Year Ended March 31, 2021



Independent Auditor's Report

To the Councillors of Community of York

Opinion

We have audited the accompanying financial statements of Community of York ("the Council") which comprise the statement of financial position as at March 31, 2021, and the statements of operations, the statement of changes in net financial assets and the statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Council as at March 31, 2021 and its financial performance 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 Council 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 Council'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 Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council'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. 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.

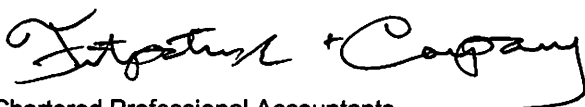
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 Council'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 Council'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 Council 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.

Other Matters

Without modifying our conclusion, we draw attention to Note 6 to the financial statements, which describes the opening balances and lack of assurance provided. The financial statements are prepared with limited assurance over comparative figures as a review engagement was completed in the prior year.



Chartered Professional Accountants

Charlottetown, PE
December 4, 2021

Community of York

Statement of Financial Position

As at March 31, 2021, with comparative figures for 2020

	2021	2020
Financial assets:		
Cash	\$ 74,546	\$ 58,487
Accounts receivable (note 3)	2,256	2,004
	<u>76,802</u>	<u>60,491</u>
Liabilities:		
Accounts payable and accrued liabilities	6,464	2,120
Deferred contributions (note 4)	15,813	16,292
	<u>22,277</u>	<u>18,412</u>
Net financial assets	<u>54,525</u>	<u>42,079</u>
Non-financial assets:		
Prepaid expenses	1,075	660
Property and equipment (note 5)	44,226	39,447
	<u>45,301</u>	<u>40,107</u>
Accumulated surplus	\$ <u>99,826</u>	\$ <u>82,186</u>

Approved on Behalf of the Council

_____, Member

_____, Member

The accompanying notes are an integral part of these financial statements.

Community of York

Statement of Operations

For the Year Ended March 31, 2021, with comparative figures for the Year Ended March 31, 2020

	2021 Budget (note 2) (unaudited)	2021	2020
Revenue:			
Property tax assessments	\$ 50,336	\$ 50,577	\$ 50,016
Canada federal grant	12,064	12,064	12,623
COVID-19 subsidies	-	9,903	-
Gas tax funding	-	479	-
Rent	5,500	2,045	5,855
Interest income	-	19	58
HST rebate	425	-	-
	68,325	75,087	68,552
Expenses:			
Administration			
Administrative expenses	6,700	5,981	6,660
Advertising and promotion	-	120	601
Fire dues	23,413	23,684	22,989
Interest and bank charges	100	74	88
Office expenses	1,650	340	854
Professional fees	4,500	2,915	3,427
Property tax	25	-	-
Facilities and public property:			
Amortization	-	2,915	3,469
Heat	650	169	764
Insurance	3,500	4,966	3,264
Repairs and maintenance	10,576	9,087	10,450
Special events	350	-	282
Election expenditures	500	1,365	-
Utilities	7,110	5,831	6,412
	59,074	57,447	59,260
Annual surplus	9,251	17,640	9,292
Accumulated surplus, beginning of year	82,186	82,186	72,894
Accumulated surplus, end of year	\$ 91,437	\$ 99,826	\$ 82,186

The accompanying notes are an integral part of these financial statements.

Community of York

Statement of Changes in Net Financial Assets

As at March 31, 2021, with comparative figures for 2020

	2021	2020
Annual surplus	\$ 17,640	\$ 9,292
Net Financial Assets at beginning of year	82,186	72,894
Net Financial Assets at end of year	\$ 99,826	\$ 82,186

Community of York

Statement of Cash Flows

For the Year Ended March 31, 2021, with comparative figures for the Year End March 31, 2020

	2021	2020
Cash from operating activities:		
Annual surplus	\$ 17,640	\$ 9,292
Amortization of tangible capital assets	2,915	3,469
Change in non-cash working capital	3,199	17,761
	23,754	30,522
Cash flows from investing activities:		
Purchase of tangible capital assets	(7,695)	-
Net increase in cash	16,059	30,522
Cash, beginning of year	58,487	27,965
Cash, end of year	\$ 74,546	\$ 58,487
Cash consists of the following:		
Cash	\$ 64,371	\$ 58,487
Restricted cash	10,175	-
	\$ 74,546	\$ 58,487

The accompanying notes are an integral part of these financial statements.

Community of York

Notes to the Financial Statements

For the Year Ended March 31, 2021, with comparative figures for the Year Ended March 31, 2020

The Community of York was incorporated in 1986 under the Prince Edward Island Municipalities Act. Its principal activities include the provision of local government services to residents of the incorporated area. These services include community development, land development and zoning, and additional municipal

1. Significant accounting policies:

a) Basis of presentation:

The financial statements of the Community are prepared, in all material respects, 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 Professional Accountants.

b) Cash:

Cash comprises of cash on hand and balances with financial institutions.

c) Restricted cash:

Restricted cash is comprised of a gas tax fund which is externally restricted for eligible projects as defined by the Infrastructure Secretariat.

d) Tangible capital assets:

Tangible capital assets are stated at cost. Amortization is provided for using the declining balance basis at the following rates:

Assets	Rate
Buildings	4%
Equipment	20%
Computer equipment	55%

e) Deferred contributions:

Contributions related to property and equipment are accounted for as a deferred contribution and are amortized on the same basis as the related asset.

f) Revenue recognition:

The Community follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

g) Financial instruments:

The Community's financial instruments consist of cash, accounts receivable and accounts payable. Unless otherwise noted, it is management's opinion that the Community is not exposed to significant interest, currency, or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless

Community of York

Notes to the Financial Statements

For the Year Ended March 31, 2021, with comparative figures for the Year Ended March 31, 2020

2. Budgeted figures:

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Council Members of the York Community Council.

3. Accounts receivable:

	2021	2020
HST	\$ 2,256	\$ 2,004

4. Deferred contributions:

The details of contributions received to assist in the acquisition of property and equipment are as follows:

	2021	2020
Balance, beginning of year	\$ 16,292	\$ -
Gas tax funding	-	16,292
	16,292	16,292
Amounts amortized to revenue	479	-
Balance, end of year	\$ 15,813	\$ 16,292

In the current year the Council received \$ Nil (2020 - \$ 16,292) in Gas Tax Funds from the Infrastructure Secretariat for investment in eligible infrastructure projects. The community has received these amounts within the Capacity Investment Plan, in which they are allocated a certain amount based on their population and approval by the Infrastructure Secretariat of a five-year plan of how funds will be used. Expenditures on eligible projects for the year totaled \$ 5,653 (2020 - \$ Nil). If the remaining \$ 10,639 is not spent eligible projects by 2024, the Council may be liable to pay back some or all of this amount.

5. Tangible capital assets:

	2021	2020		
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 9,506	\$ -	\$ 9,506	\$ 9,506
Buildings	30,397	2,916	27,481	23,124
Equipment	10,629	3,761	6,868	5,995
Computer equipment	2,525	2,154	371	822
	\$ 53,057	\$ 8,831	\$ 44,226	\$ 39,447

6. Comparative figures:

Due to the change from a review engagement in the prior period to a audit engagement in the current period, limited assurance has been provided over comparative figures.