

Community of York

Financial Statements

For the 455 days Ended March 31, 2019
(Unaudited)



INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Community of York

We have reviewed the accompanying financial statements of Community of York that comprise the statement of financial position as at 31 March 2019 and the statement of operations, the statement of changes in net financial assets, the statement of cash flows and a summary of significant accounting policies and other explanatory information for the 455 day period then ended.

Councils' Responsibility for the Financial Statements

Council is responsible for the preparation and fair presentation of these financial statements in accordance with public sector accounting standards, and for such internal control as council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.


The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Community of York as at March 31, 2019, and the results of its operations and its cash flows for the 455 day period then ended in accordance with Public Sector Accounting Standards

Other Matters

Without modifying our conclusion, we draw attention to note four and five on the financial statements. Note 4 indicates that the fiscal year end changed from December to March, resulting in a one time presentation of operations for 455 days. Note 5 provides disclosure concerning an adjustment to record a tangible capital asset from a prior period.



Chartered Professional Accountants
September 26, 2019
Charlottetown, PE

Community of York

Statement of Financial Position

As at March 31, 2019, with comparative figures for the year ended December 31, 2017

(Unaudited)

	2019	2017
Financial assets:		
Cash	\$ 27,965	\$ 20,715
Accounts receivable (note 2)	2,754	3,839
	<u>30,719</u>	<u>24,554</u>
Liabilities:		
Accounts payable and accrued liabilities	1,203	2,334
Deferred contributions	-	6,927
	<u>1,203</u>	<u>9,261</u>
Net financial assets	29,516	15,293
Non-financial assets:		
Prepaid expenses	462	951
Tangible Capital Assets (note 3)	42,916	30,445
	<u>43,378</u>	<u>31,396</u>
Accumulated surplus	\$ 72,894	\$ 46,689

On Behalf of the Council:

_____, Member

_____, Member

Community of York

Statement of Operations

For the 455 day period ended March 31, 2019, with comparative figures for the year ended December 31, 2017
(Unaudited)

	Budget (Unaudited)	2019	2017
Revenue:			
Property tax assessments	\$ 28,190	\$ 53,234	44,698
Canada federal grant	10,748	9,853	9,000
Rental	5,763	6,116	4,955
Gas tax transfer	7,476	14,403	5,540
Interest	3	34	1
GST rebate	3,414	-	-
	55,594	83,640	64,194
Expenditures:			
Administration			
Administration	7,400	5,859	3,800
Advertising and promotion	200	740	684
Custom work		-	1,057
Fire dues	27,023	23,214	21,618
Interest and bank charges	125	127	83
Office expenses	364	138	2,197
Professional fees	1,035	3,735	900
Property tax		(1,957)	1,957
Facilities and public property			
Amortization		2,446	-
Heat	1,621	982	1,235
Insurance	2,516	4,294	1,565
Repairs and maintenance	8,750	7,795	6,693
Special events	500	190	8,441
Election Expenditures	1,500	2,269	-
Utilities	5,494	7,603	4,025
	56,528	57,435	54,255
Annual surplus	(934)	26,205	9,939
Accumulated surplus at beginning of year, as previously reported	-		20,862
Prior period adjustments	-		15,888
Accumulated surplus at beginning of year, restated (note 5)	-	46,689	36,750
Accumulated surplus at end of year	\$ -	\$ 72,894	\$ 46,689

Community of York

Statement of Changes in Net Financial Assets

As at March 31, 2019, with comparative figures for the year ended December 31, 2017
(Unaudited)

	2019	2017
Annual surplus	\$ 26,205	\$ 9,939
Net financial assets at beginning of year	46,689	20,862
Prior year adjustment		15,888
Net financial assets at end of year	\$ 72,894	\$ 46,689

Community of York

Statement of Cash Flows

As at March 31, 2019, with comparative figures for the year ended December 31, 2017

(Unaudited)

	2019	2017
Cash flows from operating activities:		
Net earnings	\$ 26,205	\$ 9,939
Amortization	2,446	-
Change in non-cash working capital	(6,484)	(16,631)
Purchase of property and equipment	(14,917)	(5,051)
	7,250	(11,743)
Cash at beginning of year	20,715	32,458
Cash at end of year	\$ 27,965	\$ 20,715

Community of York

Notes to the Financial Statements

For the 455 day period Ended March 31, 2019, with comparative figures for the year ended December 31, 2017
(Unaudited)

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 services.

1. Significant accounting policies:

The Community applies the Canadian Public Sector Accounting Standards.

a) Basis for 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) Tangible capital Assets:

Property and equipment are stated at cost. Amortization is provided for using the declining balance basis at the following rates:

	Rate
Buildings	5%
Equipment	20%
Computer Equipment	55%

c) 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.

d) Financial instruments:

The Community's financial instruments consist of cash, accounts receivable, prepaid expenses 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 otherwise noted.

Community of York

Notes to the Financial Statements

For the 455 day period Ended March 31, 2019, with comparative figures for the year ended December 31, 2017
(Unaudited)

1. Significant accounting policies: (continued)

e) Government transfers:

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, and any eligibility criteria have been met and reasonable estimates on the amounts can be determined.

2. Accounts receivable:

	2019		2017	
Property tax	\$	341	\$	1,494
HST		2,413		2,345
	\$	2,754	\$	3,839

3. Tangible capital assets:

	Cost		Accumulated Amortization		2019 Net Book Value		2017 Net Book Value	
Land	\$	9,506	\$	-	\$	9,506	\$	9,506
Buildings		25,007		920		24,087		20,939
Equipment		8,325		833		7,492		-
Computer Equipment		2,525		694		1,831		-
	\$	45,363	\$	2,447	\$	42,916	\$	30,445

A building and a parcel of land were gifted by the Women's Institute and Provincial Government. Since the fair value of these gifts were not available, they are recognized at a nominal amount of \$ 1 recorded in each of land and building accounts as original costs. Additions over the years to the building are renovation costs to upgrade the facility.

4. New Municipal Government Act:

The New Municipal Government Act was released in April 2017. This is expected to change many facets of operations and governance, including but not limited to change of year-end from December to March. This will result in a one-time 15 month reporting period from January 1, 2018 to March 31, 2019.

5. Tangible capital asset renovations:

During the year, it was found that gas tax funding spent on building renovations were not recognised as a tangible capital assets in the previous period. Prior to 2017, \$15,888 was spent on tangible capital assets, and therefore accumulated surplus is increased by this amount. The 2017 annual surplus also had \$5,050 expensed that related to tangible capital assets. As a result, this increased the 2017 surplus to \$9,939. The financial statements have been restated to correct the recognition of tangible capital assets and effect on accumulated surplus.