

Community of York

Financial Statements

For the Year Ended March 31, 2022



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, 2022, 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, 2022 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.

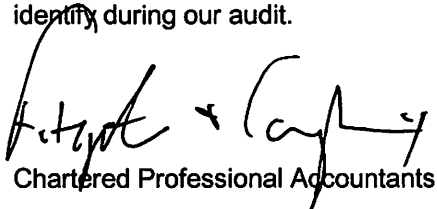
Auditor's Responsibilities for the Audit of the Financial Statements

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.



Chartered Professional Accountants

Charlottetown, PE
January 30, 2023

Community of York

Statement of Financial Position

As at March 31, 2022, with comparative figures for 2021

	2022	2021
Financial assets:		
Cash (note 6)	\$ 79,816	\$ 74,546
Accounts receivable (note 3)	3,155	2,258
	<u>82,971</u>	<u>76,804</u>
Liabilities:		
Accounts payable and accrued liabilities	9,635	6,466
Deferred contributions (note 4)	16,974	15,813
	<u>26,609</u>	<u>22,279</u>
Net financial assets	<u>56,362</u>	<u>54,525</u>
Non-financial assets:		
Prepaid expenses	1,025	1,075
Property and equipment (note 5)	43,800	44,226
	<u>44,825</u>	<u>45,301</u>
Accumulated surplus	\$ <u>101,187</u>	\$ <u>99,826</u>

Approved on Behalf of the Council

_____, Member

_____, Member

Community of York

Statement of Operations

For the Year Ended March 31, 2022, with comparative figures for the Year Ended March 31, 2021

	2022 Budget (note 2) (unaudited)		2022	2021		
Revenue:						
Property taxes	\$	50,917	\$	51,766	\$	50,577
Equalization grant		12,637		12,637		12,064
Hall rental		2,250		4,033		2,045
COVID-19 subsidies		-		-		9,903
Gas tax funding		5,850		207		479
Interest Income		-		14		19
Contribution received		5,850		-		-
Other income		4,503		450		-
		82,007		69,107		75,087
Expenses:						
Administration						
Administrative expenses		9,950		10,599		5,981
Advertising and promotion		1,250		220		120
Fire dues		25,962		23,958		23,684
Interest and bank charges		100		121		74
Office expenses		14,520		1,281		340
Professional fees		4,500		6,535		2,915
Property tax		25		14		-
Salaries and wages		4,200		-		-
Facilities and public property:						
Amortization		-		2,835		2,915
Heat		400		540		169
Insurance		6,100		5,943		4,966
Repairs and maintenance		8,000		8,460		9,087
Special events		350		-		-
Election expenditures		1,000		-		1,365
Utilities		5,650		7,240		5,831
		82,007		67,746		57,447
Annual surplus		-		1,361		17,640
Accumulated surplus, beginning of year		99,826		99,826		82,186
Accumulated surplus, end of year	\$	99,826	\$	101,187	\$	99,826

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, 2022, with comparative figures for 2021

	2022		2021	
Annual surplus	\$	1,361	\$	17,640
Net financial assets at beginning of year		99,826		82,186
Net financial assets at end of year	\$	101,187	\$	99,826

Community of York

Statement of Cash Flows

For the Year Ended March 31, 2022, with comparative figures for the Year End March 31, 2021

	2022	2021
Cash from operating activities:		
Annual surplus	\$ 1,361	\$ 17,640
Amortization of tangible capital assets	2,835	2,915
Change in non-cash working capital	3,483	3,199
	7,679	23,754
Cash flows from investing activities:		
Purchase of tangible capital assets	(2,409)	(7,695)
Net increase in cash	5,270	16,059
Cash, beginning of year	74,546	58,487
Cash, end of year	\$ 79,816	\$ 74,546
Cash consists of the following:		
Cash	\$ 68,261	\$ 64,371
Restricted cash	11,555	10,175
	\$ 79,816	\$ 74,546

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, 2022, with comparative figures for the Year Ended March 31, 2021

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 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.

Community of York

Notes to the Financial Statements

For the Year Ended March 31, 2022, with comparative figures for the Year Ended March 31, 2021

1. Significant accounting policies (continued):

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 otherwise noted.

h) Use of estimates:

The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards requires the Council to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the Council's best estimates as additional information becomes available in the future.

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:

	2022	2021
HST	\$ 2,718	\$ 2,258
Funding	437	-
	<u>\$ 3,155</u>	<u>\$ 2,258</u>

4. Deferred contributions:

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

	2022	2021
Balance, beginning of year	\$ 15,813	\$ 16,292
Gas tax funding	1,368	-
	<u>17,181</u>	<u>16,292</u>
Amounts amortized to revenue	207	479
Balance, end of year	<u>\$ 16,974</u>	<u>\$ 15,813</u>

In the current year the Council received \$ 1,368 (2021 - \$ Nil) 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 \$ Nil (2021 - \$ 5,653). If the remaining \$ 11,555 is not spent on eligible projects by 2024, the Council may be liable to pay back some or all of this amount.

Community of York

Notes to the Financial Statements

For the Year Ended March 31, 2022, with comparative figures for the Year Ended March 31, 2021

5. Tangible capital assets:

	Cost	Accumulated Amortization	2022 Net Book Value	2021 Net Book Value
Land	\$ 9,506	\$ -	\$ 9,506	\$ 9,506
Buildings	31,431	4,036	27,395	27,481
Equipment	12,004	5,272	6,732	6,870
Computer equipment	2,525	2,358	167	369
	\$ 55,466	\$ 11,666	\$ 43,800	\$ 44,226

6. Cash:

	2022	2021
Business account - general	\$ 68,261	\$ 64,371
Gas tax account - restricted	11,555	10,175
	\$ 79,816	\$ 74,546