

Deer Park Vineland Road Local Service District Inc.
Financial Statements
December 31, 2020

(Unaudited)

Deer Park Vineland Road Local Service District Inc.

December 31, 2020

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Independent Practitioners' Review Engagement Report

To the Board of Directors
Deer Park Vineland Road Local Service District Inc.

We have reviewed the accompanying financial statements of Deer Park Vineland Road Local Service District Inc. that comprise the statement of financial position as at December 31, 2020, and the Statements of operations, retained earnings and cash flows 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 private enterprises, 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.

Practitioner's Responsibility

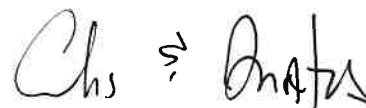
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

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

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Deer Park Vineland Road Local Service District Inc. as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.



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Deer Park Vineland Road Local Service District Inc.

Statement of Financial Position

December 31, 2020

(Unaudited)

	2020	2019
Assets		
Current Assets		
Cash	\$ 43,915	\$ 31,417
Short term investments (Note 2)	25,000	25,000
Accounts receivable, net of allowances (Note 3)	37,042	30,571
HST receivable	12,214	9,741
Prepays	-	16,575
	\$ 118,171	\$ 113,304
Liabilities and Net Assets		
Current Liabilities		
Deferred revenue	\$ -	\$ 345
Net assets	118,171	112,959
	\$ 118,171	\$ 113,304

Approved on Behalf of the Board:

_____, Director

_____, Director

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

Deer Park Vineland Road Local Service District Inc.

Statement of Operations

For the Year Ended December 31, 2020

(Unaudited)

	2020	2019
Revenue		
Road fees	\$ 147,000	\$ 148,200
Fire protection	22,050	20,505
Interest income	445	362
	169,495	169,067
Operating expenses		
Road maintenance - grading	66,394	65,137
Road maintenance - snowclearing	62,244	62,767
Fire prevention	19,483	22,479
Bad debt expense	7,500	7,394
Signage	4,771	3,885
Office expenses	2,105	2,427
Insurance	1,574	1,500
Interest and bank charges	212	125
Sandboxes	-	4,250
	164,283	169,964
Excess (deficiency) of revenues over expenditures	\$ 5,212	\$ (897)

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

Deer Park Vineland Road Local Service District Inc.

Statement of Changes in Net Assets For the Year Ended December 31, 2020

(Unaudited)

	2020	2019
Net assets, beginning of year	\$ 112,959	\$ 113,856
Excess (deficiency) of revenues over expenditures	5,212	(897)
Net assets, end of year	\$ 118,171	\$ 112,959

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

Deer Park Vineland Road Local Service District Inc.

Statement of Cash Flows

For the Year Ended December 31, 2020

(Unaudited)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess (deficiency) of revenues over expenditures	\$ 5,212	\$ (897)
Net changes in non-cash working capital:		
Accounts receivable	(6,471)	(2,251)
HST receivable	(2,473)	4,635
Prepays	16,574	(74)
Deferred revenue	(345)	345
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	12,497	1,758
Net increase in cash and cash equivalents	12,497	1,758
Cash and cash equivalents, beginning of year	56,418	54,659
Cash and cash equivalents, end of year	\$ 68,915	\$ 56,417

Cash and cash equivalents consist of the following:

Cash	\$ 43,915	\$ 31,417
Short term investments	25,000	25,000
	\$ 68,915	\$ 56,417

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

Deer Park Vineland Road Local Service District Inc.

Notes to the Financial Statements
For the Year Ended December 31, 2020

(Unaudited)

1. Significant Accounting Policies

Nature of business/basis of preparation

Deer Park Vineland Road Local Service District Inc. (the company) is incorporated without share capital under the Business Corporations Act of Newfoundland and Labrador. The Corporation's principal activity is to control and manage the affairs of the local service district and, in particular, oversee and contract road maintenance and snowclearing. The Corporation is considered a not for profit organization and as such is exempt from corporate income tax.

Basis of presentation

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not for profit organizations.

Revenue recognition

Revenue is derived from annual road and fire fees earned during the fiscal year. These funds are used for the benefit of residents and for the main purpose of maintaining roads and fire safety within the Corporation's jurisdiction.

Contributed services

Volunteers contribute numerous hours per year to assist the company in carrying out its activities. Because of the difficulty in determining their value, these contributions are not recognized in the financial statements.

Deferred revenue

Deferred revenue represents prepaid road and fire protection fees.

Financial instruments

The company has determined that the estimated fair value of the financial assets and liabilities do not differ considerably from their book value.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. Management makes estimates with respect to the allowance for doubtful accounts. Actual results could differ from those estimates and may have impact on future periods.

Deer Park Vineland Road Local Service District Inc.

Notes to the Financial Statements
For the Year Ended December 31, 2020

(Unaudited)

2. Short term investments

	2020	2019
One year cashable GIC bearing interest at 0%, matures December 6, 2021	\$ 12,000	\$ 12,000
One year cashable GIC bearing interest at 0%, matures December 6, 2021	13,000	13,000
	\$ 25,000	\$ 25,000

3. Accounts receivable

Accounts receivable consist of the following:

	2020	2019
Fees receivable	\$ 64,770	\$ 50,799
Allowance for doubtful accounts	(27,728)	(20,228)
	\$ 37,042	\$ 30,571

4. Credit risk

The company is exposed to normal credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The company's financial instruments that are exposed to concentrations of credit risk relate primarily to accounts receivable. In management's opinion, they are not exposed to significant credit risk as the allowance for doubtful accounts reflects the amounts estimated to be uncollectable.

5. Commitments

The company has entered into a road maintenance and snowclearing contract for the next fiscal year in the amount of \$79,500 plus HST per year. The contract includes snowclearing and three road gradings per year.