

***KENT DISTRICT PLANNING COMMISSION***

**ANNUAL FINANCIAL REPORT**

Year ended December 31, 2006

# ***KENT DISTRICT PLANNING COMMISSION***

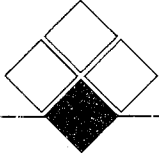
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Year ended December 31, 2006

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LEBLANC NADEAU BUJOLD

chartered accountants

## AUDITORS' REPORT

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To the commissioners of  
Kent District Planning Commission

We have audited the balance sheet of KENT DISTRICT PLANNING COMMISSION as at December 31, 2006 and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the commission's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the commission as at December 31, 2006 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles adopted for New Brunswick municipalities.

Chartered Accountants

Dieppe, New Brunswick  
April 27, 2007

## KENT DISTRICT PLANNING COMMISSION

### REVENUES AND EXPENSES

Year ended December 31,

2006

2005

#### REVENUES

Minister of Environment and Local Government

Contributions	\$ 324,187	\$ 307,660
Translation	-	5,040
Contributions from municipalities	123,182	114,709
Administration fees - variances	7,692	9,067
Permits	40,723	42,617
Interest revenue	3,427	2,047
Leasing revenue	-	50
Transfer of surplus from second previous year	50,541	55,230

549,752

536,420

#### EXPENSES

Salaries	318,543	307,711
Fringe benefits	40,181	38,748
Advertising and promotion	7,131	9,441
Conventions and seminars	704	293
Insurance	4,992	4,998
Interest and bank charges	1,282	894
Postage	1,677	1,748
Professional fees	2,495	1,763
Rent	22,218	22,807
Repairs and maintenance - equipment	1,344	1,815
Stationery and office supplies	9,553	9,676
Sub-contracts	13,446	34,049
Telecommunications	9,039	9,051
Training	3,534	3,810
Translation	4,512	5,040
Travel expenses	29,641	30,005
Travel expenses and meetings - commissioner	23,183	23,273
Contribution to investment in capital assets surplus - acquisition of capital assets	2,473	5,600

495,948

510,722

#### EXCESS OF REVENUES OVER EXPENSES

\$ 53,804 \$ 25,698

**KENT DISTRICT PLANNING COMMISSION**

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**CHANGES IN NETS ASSETS**

Year ended December 31,

2006

2005

	Internally restricted	Invested in capital assets	Unrestricted	Total	Total
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 51,358	\$ 104,285	\$ 73,235	\$ 228,878	\$ 252,810
Excess of revenues over expenses	-	-	53,804	53,804	25,698
Less: transfer of second previous year's surplus	-	-	(50,541)	(50,541)	(55,230)
Plus: transfer to reserves (note 6)	18,000	-	(18,000)	-	-
Plus: acquisition of capital assets	-	2,473	-	2,473	5,600
Less: cost of capital assets written-off	-	(8,515)	-	(8,515)	-
<b>BALANCE, END OF YEAR</b>	\$ 69,358	\$ 98,243	\$ 58,498	\$ 226,099	\$ 228,878

**KENT DISTRICT PLANNING COMMISSION**

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**BALANCE SHEET**

December 31,

2006

2005

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 77,664	\$ 6,050
Term deposits, varying from 2.70% and 3.00%	121,433	121,410
Accounts receivable (note 3)	8,108	10,282
Prepaid expenses	2,170	2,366

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209,375 140,108

**CAPITAL ASSETS**

Equipment and fixtures	98,243	104,285
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\$ 307,618 \$ 244,393

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**LIABILITIES**

**CURRENT LIABILITIES**

Accounts payable (note 5)	\$ 14,179	\$ 15,515
Deferred revenue	67,340	-

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81,519 15,515

**NET ASSETS**

Invested in capital assets	98,243	104,285
Unrestricted	58,498	73,235
Internally restricted (note 6)	69,358	51,358

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226,099 228,878

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\$ 307,618 \$ 244,393

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**COMMITMENT (note 7)**

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ON BEHALF OF THE BOARD

....., Director

....., Director

**KENT DISTRICT PLANNING COMMISSION**

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**CASH FLOWS**

Year ended December 31,

2006

2005

**OPERATING ACTIVITIES**

Excess of revenues over expenses \$ 53,804 \$ 25,698

Items not affecting cash and cash equivalents :

Excess of revenues over expenses from second previous year (50,541) (55,230)

3,263 (29,532)

Net change in non-cash working capital items :

Accounts receivable 2,174 (1,967)

Accounts payable (1,336) (8,841)

Other items 67,536 -

71,637 (40,340)

**CASH AND CASH EQUIVALENTS INCREASE (DECREASE)**

71,637 (40,340)

**CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR**

127,460 167,800

**CASH AND CASH EQUIVALENTS, END OF YEAR**

\$ 199,097 \$ 127,460

Cash and cash equivalents consist of the following items :

Cash \$ 77,664 \$ 6,050

Term deposits 121,433 121,410

\$ 199,097 \$ 127,460

Cash flows related to operating activities include the following elements :

Interest received \$ 3,031 \$ 1,941

Interest paid \$ 1,282 \$ 894

# **KENT DISTRICT PLANNING COMMISSION**

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## **NOTES TO FINANCIAL STATEMENTS**

December 31, 2006

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### **1. STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES**

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The Kent District Planning Commission is responsible for advising and helping its partners in the preparation of plans in the urban development field, for offering services relating to the preparation of municipal plans and by-laws, for preparing plans and rural regulations and for studying variances to by-laws for the district of Kent. The Commission is a non-profit organization and is therefore exempt from income taxes by virtue of Paragraph 149(1)(l) of the Income Tax Act.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

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#### **Use of estimates**

The presentation of financial statements in accordance with generally accepted accounting principles adopted for New Brunswick municipalities requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **Revenue recognition**

The organization accounts for contributions using the deferral method. 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 can be reasonably estimated and collection is reasonably assured.

#### **Past years surplus**

The Municipalities Act requires operating surplus/deficit amounts to be absorbed into the operating budgets commencing with the second following year. The commission has adopted a policy that the second previous year's surplus/deficit be absorbed in the current year.

#### **Capital assets**

Capital assets are accounted for at cost. The commission has adopted a policy to not record amortization on capital assets.

## KENT DISTRICT PLANNING COMMISSION

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### NOTES TO FINANCIAL STATEMENTS

December 31, 2006

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<b>3. ACCOUNTS RECEIVABLE</b>	<b>2006</b>	<b>2005</b>
Trade	\$ 1,831	\$ 459
Sales tax receivable	4,997	9,408
Other receivable	469	-
Accrued interest	811	415
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	\$ 8,108	\$ 10,282

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### 4. BANK LOAN

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The commission has an authorized line of credit of \$5,000, bearing interest at prime rate and renewable annually.

<b>5. ACCOUNTS PAYABLE</b>	<b>2006</b>	<b>2005</b>
Trade	\$ 12,254	\$ 13,390
Withholding taxes and contributions	-	275
Accrued expenses	1,925	1,850
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	\$ 14,179	\$ 15,515

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## KENT DISTRICT PLANNING COMMISSION

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### NOTES TO FINANCIAL STATEMENTS

December 31, 2006

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#### 6. RESTRICTIONS ON NET ASSETS

2006

2005

The board of commissioner internally restricted the following funds;

Reserve for legal fees	\$	39,000	\$	36,000
Reserve for moving expenses		15,000		-
Reserve for various items		15,358		15,358
	\$	69,358	\$	51,358

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The Province reserves the right to approve the use of these funds.

During the year, the board of commissioners allocated \$3,000 to the reserve for legal fees in order to update the annual contributions that were approved. Furthermore, the board approved a transfer of \$15,000 to the reserve for moving expenses.

#### 7. COMMITMENT

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The commission has a lease commitment until 2008 for the rental of office space. The balance of the commitment under such lease is \$23,912. Minimum payments payable over the next two years are as follows :

2007- \$13,043

2008- \$10,869

#### 8. FINANCIAL INSTRUMENTS

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##### Fair value

With the exception of term deposits, fair values of current financial assets and liabilities approximate their book values because of their short-term maturity.

The fair value of term deposits is fairly close to their book value since they bear interest at rates close to market rates.