

MILTONVALE PARK COMMUNITY COUNCIL

(Incorporated under the laws of Prince Edward Island)

MILTONVALE PARK, PRINCE EDWARD ISLAND

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2009

MILTONVALE PARK COMMUNITY COUNCIL

YEAR ENDED DECEMBER 31, 2009

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BRADLEY SHEA HANDRAHAN

CHARTERED ACCOUNTANTS

51 Queen Street
Charlottetown, PEI
C1A 4A5

Tel: (902) 628-2242
Fax: (902) 628-1347
Email: info@bshca.pe.ca

PARTNERS:
TROY K. BRADLEY CA, CFP
BRIAN P. SHEA CA
NEIL L. HANDRAHAN CA

AUDITORS' REPORT

To The Residents of Miltonvale Park Community Council

We have audited the statement of financial position of the Miltonvale Park Community Council as at December 31, 2009 and the statements of operations, change in net financial assets and cash flow for the year then ended. These financial statements are the responsibility of council. 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 Miltonvale Park Community Council as at December 31, 2009 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

MARCH 8, 2010

Bradley Shea Handrahan
CHARTERED ACCOUNTANTS

**MILTONVALE PARK COMMUNITY COUNCIL
STATEMENT OF FINANCIAL POSITION**

DECEMBER 31, 2009

	<u>2009</u>	<u>2008</u>
FINANCIAL ASSETS		
Cash	\$ 29,985	\$ 48,991
Short term investments	365,327	361,024
Receivables	19,448	11,472
Communities 13 Inc. facility contribution (Note 2)	<u>87,752</u>	<u>92,198</u>
	<u>502,512</u>	<u>513,685</u>
LIABILITIES		
Payables and accruals	12,169	14,014
Deferred revenues (Note 4)	-	37,397
Long term debt (Note 5)	<u>87,752</u>	<u>92,198</u>
	<u>99,921</u>	<u>143,609</u>
NET FINANCIAL ASSETS	<u>402,591</u>	<u>370,076</u>
NON-FINANCIAL ASSETS		
Prepays	2,410	2,268
Tangible capital assets (Note 6)	94,983	105,657
Contributions in aid of construction (Note 7)	<u>(50,368)</u>	<u>(57,085)</u>
	<u>47,025</u>	<u>50,840</u>
NET ASSETS	<u>\$ 449,616</u>	<u>\$ 420,916</u>
MUNICIPAL POSITION		
Operating surplus	405,001	372,338
Investment in tangible capital assets	<u>44,615</u>	<u>48,578</u>
	<u>\$ 449,616</u>	<u>\$ 420,916</u>

COMMITMENTS - NOTE 9

ON BEHALF OF COUNCIL

Betty Pryor **Councilor**

David Long **Councilor**

MILTONVALE PARK COMMUNITY COUNCIL

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2009

	<u>BUDGET</u>	<u>2009</u>	<u>2008</u>
REVENUES			
Taxation	\$ 132,720	\$ 131,929	\$ 132,905
Infrastructure fund	9,000	37,397	85,650
Equalization - service	12,240	13,239	9,302
Development fees	3,000	5,781	3,598
Interest	6,000	5,155	9,777
Wage assistance	4,300	4,384	4,030
Rentals	2,200	2,300	2,815
Donations	-	725	981
Canada Day grant	350	350	350
Transfers from Operating Surplus	33,000	-	-
Special planning area	-	-	4,796
Recreation	-	-	960
	<u>202,810</u>	<u>201,260</u>	<u>255,164</u>
EXPENDITURES			
Administrative (Page 5)	38,015	36,319	33,856
Facilities and public property (Page 5)	27,160	31,472	26,452
Fire protection	42,875	42,876	42,384
Municipal services and events (Page 5)	54,720	39,814	42,515
Professional services and memberships (Page 5)	10,755	6,276	5,096
Public works (Page 6)	7,650	6,320	53,788
Recreation and parks (Page 6)	21,635	9,477	11,810
	<u>202,810</u>	<u>172,554</u>	<u>215,901</u>
EXCESS REVENUES OVER EXPENDITURES	\$ <u>-</u>	28,706	39,263
CHANGE IN INVESTMENT IN TANGIBLE			
CAPITAL ASSETS		<u>3,957</u>	<u>-</u>
CHANGE IN TOTAL FUND BALANCES		32,663	39,263
OPERATING SURPLUS, BEGINNING OF YEAR		<u>372,338</u>	<u>333,075</u>
OPERATING SURPLUS, END OF YEAR		\$ <u>405,001</u>	\$ <u>372,338</u>

MILTONVALE PARK COMMUNITY COUNCIL

SCHEDULE OF EXPENDITURES

YEAR ENDED DECEMBER 31, 2009

	<u>BUDGET</u>	<u>2009</u>	<u>2008</u>
ADMINISTRATIVE			
Advertising	\$ 1,000	\$ 1,199	\$ 711
Councilor honorarium and expenses	7,750	5,960	6,475
Deed registration	450	371	-
Depreciation	-	986	-
Grants	500	375	875
Insurance	4,640	4,251	4,637
Interest and bank charges	500	489	492
Office and printing	2,000	1,620	1,697
Telephone	2,000	1,945	2,054
Training and seminars	1,000	834	110
Travel and meetings	1,600	1,270	1,250
Wages and benefits	15,825	16,672	14,805
Website	750	347	750
	<u>\$ 38,015</u>	<u>\$ 36,319</u>	<u>\$ 33,856</u>
FACILITIES AND PUBLIC PROPERTY			
Communities 13 facility contribution	\$ 11,010	\$ 10,931	\$ 10,936
Community hall	1,200	1,925	2,196
Community shelter	2,260	829	2,181
Depreciation	-	5,390	-
Electricity	1,500	1,934	1,531
Insurance	540	487	522
Maintenance - community park	5,000	4,591	4,134
Property taxes	800	665	632
Rent	4,500	4,450	4,150
Sewer	350	270	170
	<u>\$ 27,160</u>	<u>\$ 31,472</u>	<u>\$ 26,452</u>
MUNICIPAL SERVICES AND EVENTS			
Canada day	\$ 1,400	\$ 1,196	\$ 1,281
Community beautification and promotion	2,000	1,302	1,310
Emergency measures	1,000	308	307
Green initiatives	3,000	200	-
Planning services	47,320	36,808	39,617
	<u>\$ 54,720</u>	<u>\$ 39,814</u>	<u>\$ 42,515</u>
PROFESSIONAL SERVICES AND MEMBERSHIPS			
Municipal federation dues	\$ 2,255	\$ 2,132	\$ 1,781
Professional fees	8,500	4,144	3,315
	<u>\$ 10,755</u>	<u>\$ 6,276</u>	<u>\$ 5,096</u>

MILTONVALE PARK COMMUNITY COUNCIL

SCHEDULE OF EXPENDITURES

YEAR ENDED DECEMBER 31, 2009

	<u>BUDGET</u>	<u>2009</u>	<u>2008</u>
PUBLIC WORKS			
Administration	\$ 650	\$ 383	\$ 170
Engineering services	<u>7,000</u>	<u>5,937</u>	<u>53,618</u>
	<u>\$ 7,650</u>	<u>\$ 6,320</u>	<u>\$ 53,788</u>
RECREATION AND PARKS			
Bursaries	\$ 2,750	\$ 2,530	\$ 2,395
Parks	12,385	728	3,318
Wages and benefits	<u>6,500</u>	<u>6,219</u>	<u>6,097</u>
	<u>\$ 21,635</u>	<u>\$ 9,477</u>	<u>\$ 11,810</u>

MILTONVALE PARK COMMUNITY COUNCIL
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
YEAR ENDED DECEMBER 31, 2009

	<u>2009</u>	<u>2008</u>
EXCESS REVENUES OVER EXPENDITURES	\$ 28,706	\$ 39,263
Acquisition of tangible capital assets	(2,417)	(1,100)
Depreciation	6,376	-
Acquisition of prepaid expense	(2,412)	(2,262)
Use of prepaid expense	<u>2,262</u>	<u>1,468</u>
CHANGE IN NET FINANCIAL ASSETS	32,515	38,469
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>370,076</u>	<u>331,607</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>\$ 402,591</u>	<u>\$ 370,076</u>

MILTONVALE PARK COMMUNITY COUNCIL
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2009

	<u>2009</u>	<u>2008</u>
CASH PROVIDED FROM (USED FOR)		
CASH FLOW FROM OPERATING ACTIVITIES		
Excess revenues over expenditures	\$ 28,706	\$ 39,263
Depreciation	<u>6,376</u>	<u>-</u>
	35,082	39,263
Change in non-cash working capital items		
Change in receivables	(7,976)	(6,566)
Change in investments	(4,303)	(30,592)
Change in prepaids	(149)	(800)
Change in deferred revenues	(37,397)	(7,603)
Change in payables and accruals	<u>(1,846)</u>	<u>7,760</u>
	<u>(16,589)</u>	<u>1,462</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term debt	<u>(4,446)</u>	<u>(4,138)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible capital assets	(2,417)	-
Change in Communities 13 facility contribution	<u>4,446</u>	<u>4,138</u>
	<u>2,029</u>	<u>4,138</u>
CHANGE IN CASH	(19,006)	1,462
CASH, BEGINNING OF YEAR	<u>48,991</u>	<u>47,529</u>
CASH, END OF YEAR	<u>\$ 29,985</u>	<u>\$ 48,991</u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

TANGIBLE CAPITAL ASSETS

Effective January 1, 2009 the community adopted Accounting Guideline 7 (PSG-7) of the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants with respect to tangible capital assets reporting.

During 2008, the community established the historical capital cost, assistance received in regard to the tangible capital assets and the estimated useful life of the assets. These assets have been recorded on the community's records at historical cost with accumulated depreciation recorded as of December 31, 2009. Depreciation expense has been recorded on a prospective basis commencing in 2009 calculated using the straight line method, using the rates outlined in Note 6.

CONTRIBUTIONS IN AID OF CONSTRUCTION

Contributions in aid of construction are recorded at the gross amount received from the different levels of government and are depreciated at the same rates as the applicable asset. These rate are outlined in Note 7.

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.

INVESTMENTS

Investments are stated at the lower of cost and net realizable value.

USE OF ESTIMATES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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 as well as the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

2. COMMUNITIES 13 INC. FACILITY CONTRIBUTIONS

The Community's original contribution of \$115,788 to Communities 13 Inc. is being amortized into operations as the offsetting loan is repaid.

3. BANK INDEBTEDNESS

The community has an overdraft limit of \$80,000 on the operating account, bearing interest at a rate of 3.25%, and is due for renewal in May 2010. As at December 31, 2009 the Community had not drawn upon this overdraft.

MILTONVALE PARK COMMUNITY COUNCIL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

4. DEFERRED REVENUES

	<u>2009</u>	<u>2008</u>
Balance - beginning of year	\$ 37,397	\$ 45,000
Allocation received in year	-	76,990
Eligible expenditures incurred	<u>(37,397)</u>	<u>(84,593)</u>
Balance - end of year	<u>\$ -</u>	<u>\$ 37,397</u>

5. LONG TERM DEBT

	<u>2009</u>	<u>2008</u>
Provincial Treasury of PEI, 7.25% debenture, payable in quarterly installments of principal and interest of \$2,753, due October 2021.	<u>\$ 87,752</u>	<u>\$ 92,198</u>

Long term debt is scheduled to be repaid over the next five years as follows:

2010	\$4,777
2011	5,133
2012	5,516
2013	5,926
2014	4,868

6. TANGIBLE CAPITAL ASSETS

		<u>2009</u>		<u>2008</u>	
	<u>Rate</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land		\$ 11,500	\$ -	\$ 11,500	\$ 11,500
Computer equipment	3 yr S/L	2,545	2,212	333	-
Equipment - community	5 yr S/L	4,991	4,580	411	1,233
Equipment - park	5 yr S/L	2,739	1,448	1,291	1,274
Building - park	10 yr S/L	103,287	25,549	77,738	86,616
Land improvements - park	10 yr S/L	<u>13,239</u>	<u>9,529</u>	<u>3,710</u>	<u>5,034</u>
		<u>\$ 138,301</u>	<u>\$ 43,318</u>	<u>\$ 94,983</u>	<u>\$ 105,657</u>

MILTONVALE PARK COMMUNITY COUNCIL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

7. CONTRIBUTIONS IN AID OF CONSTRUCTION

		2009		2008	
	<u>Rate</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Provincial	10 yr S/L	\$ 33,579	\$ 8,395	\$ 25,184	\$ 28,543
Federal	10 yr S/L	<u>33,579</u>	<u>8,395</u>	<u>25,184</u>	<u>28,542</u>
		<u>\$ 67,158</u>	<u>\$ 16,790</u>	<u>\$ 50,368</u>	<u>\$ 57,085</u>

8. FUNDS HELD IN TRUST

The Island Waste Management Corporation (IWMC) has placed \$200,000 in trust with a third party. This funding is to provide residents of Miltonvale Park with domestic water services under authority of the Charlottetown Water and Sewer Utility. In the event that IWMC is unable to substantially commence the undertaking, the Council may demand payment of these funds, including accrued interest, from the Trustee. The balance of these funds at December 31, 2009 was \$248,840.

9. COMMITMENTS

The Community has entered into a lease commitment with the Province of Prince Edward Island to lease the Community Pasture for a period of six years ending 2015 for an amount of \$1 per year.

The Community has entered into a five year lease to rent the Community Pasture for a period of five years ending 2012. The annual lease revenues are \$2,000 per year under this agreement.

10. COMPARATIVE AMOUNTS

Certain of comparative amounts have been restated to conform with presentation changes adopted in the current year.

11. BUDGETED FIGURES

The budgeted figures presented on the statement of revenue and expenditures have not been subject to audit nor review by the external auditor, and have been included for comparative purposes only.