

MILTONVALE PARK COMMUNITY COUNCIL

(Incorporated under the laws of Prince Edward Island)

MILTONVALE PARK, PRINCE EDWARD ISLAND

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

MILTONVALE PARK COMMUNITY COUNCIL

YEAR ENDED DECEMBER 31, 2008

CONTENTS

	PAGE
AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Operations	3
Schedule of Expenditures	4 - 5
Statement of Change in Net Financial Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 10

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, 2008 and the statements of operations, change in net financial assets and cash flows for the year then ended. These financial statements are the responsibility of 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 Miltonvale Park Community Council as at December 31, 2008 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.



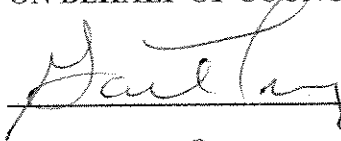
CHARTERED ACCOUNTANTS


FEBRUARY 26, 2009

MILTONVALE PARK COMMUNITY COUNCIL
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008

	<u>2008</u>	<u>2007</u>
FINANCIAL ASSETS		
Cash	\$ 48,991	\$ 47,529
Investments	361,024	330,432
Receivables	11,472	4,906
Communities 13 Inc. facility contribution (Note 2)	<u>92,198</u>	<u>96,336</u>
	<u>513,685</u>	<u>479,203</u>
LIABILITIES		
Payables and accruals	14,014	6,260
Deferred revenues (Note 4)	37,397	45,000
Long term debt (Note 5)	<u>92,198</u>	<u>96,336</u>
	<u>143,609</u>	<u>147,596</u>
NET FINANCIAL ASSETS	<u>370,076</u>	<u>331,607</u>
NON-FINANCIAL ASSETS		
Prepaids	2,268	1,468
Tangible capital assets (Note 6)	105,657	-
Contributions in aid of construction (Note 7)	<u>(57,085)</u>	<u>-</u>
	<u>50,840</u>	<u>1,468</u>
NET ASSETS	<u>\$ 420,916</u>	<u>\$ 333,075</u>
MUNICIPAL POSITION		
Accumulated surplus	372,338	333,075
Investment in tangible capital assets	<u>48,578</u>	<u>-</u>
	<u>420,916</u>	<u>333,075</u>

ON BEHALF OF COUNCIL

 _____ **Councilor**

 _____ **Councilor**

MILTONVALE PARK COMMUNITY COUNCIL
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2008

	<u>BUDGET</u>	<u>2008</u>	<u>2007</u>
REVENUES			
Taxation	\$ 130,980	\$ 132,905	\$ 128,679
Infrastructure fund	128,500	85,650	2,802
Interest	7,000	9,777	8,829
Equalization - service	5,600	9,302	5,634
Special planning area	-	4,796	-
Wage assistance	3,700	4,030	3,509
Development fees	3,000	3,598	2,910
Rentals	2,200	2,815	2,425
Donations	-	981	250
Recreation	-	960	-
Canada Day grant	<u>250</u>	<u>350</u>	<u>250</u>
	<u>281,230</u>	<u>255,164</u>	<u>155,288</u>
 EXPENDITURES			
Administrative (Page 4)	40,535	33,896	37,505
Facilities and public property (Page 4)	28,690	26,452	28,040
Fire protection	41,815	42,384	39,016
Municipal services and events (Page 4)	84,145	42,475	7,362
Professional services and memberships (Page 4)	10,355	5,096	5,383
Public works (Page 5)	60,650	53,788	5,074
Recreation and parks (Page 5)	<u>14,800</u>	<u>11,810</u>	<u>11,267</u>
	<u>280,990</u>	<u>215,901</u>	<u>133,647</u>
 EXCESS REVENUES OVER EXPENDITURES	 \$ <u>240</u>	 39,263	 21,641
 SURPLUS, BEGINNING OF YEAR		 <u>333,075</u>	 <u>311,434</u>
 SURPLUS, END OF YEAR		 \$ <u>372,338</u>	 \$ <u>333,075</u>

MILTONVALE PARK COMMUNITY COUNCIL
SCHEDULE OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008

	<u>BUDGET</u>	<u>2008</u>	<u>2007</u>
ADMINISTRATIVE			
Advertising	1,100	1,587	990
Councilor honorarium and expenses	7,950	6,475	6,503
Insurance	4,630	4,637	4,512
Interest and bank charges	500	492	486
Office and printing	2,000	1,736	1,490
Provincial administration fees	4,980	-	4,897
Telephone	2,000	2,054	1,981
Training and seminars	1,000	110	180
Travel and meetings	950	1,250	1,209
Wages and benefits	13,925	14,805	13,020
Website	1,500	750	2,237
	<u>\$ 40,535</u>	<u>\$ 33,896</u>	<u>\$ 37,505</u>
FACILITIES AND PUBLIC PROPERTY			
Communities 13 facility contribution	\$ 11,010	\$ 10,936	\$ 10,942
Community hall	1,200	2,196	1,750
Community shelter - construction costs	4,500	2,181	4,810
Electricity	1,750	1,531	1,935
Insurance	530	522	530
Maintenance - community park	4,500	4,134	3,550
Property taxes	525	632	523
Rent	4,150	4,150	3,850
Sewer	525	170	150
	<u>\$ 28,690</u>	<u>\$ 26,452</u>	<u>\$ 28,040</u>
MUNICIPAL SERVICES AND EVENTS			
Canada day	\$ 1,500	\$ 1,281	\$ 1,165
Community beautification and promotion	1,750	1,310	1,241
Emergency measures	1,000	307	676
Green initiatives	1,500	-	-
Planning services	78,395	39,577	4,280
	<u>\$ 84,145</u>	<u>\$ 42,475</u>	<u>\$ 7,362</u>
PROFESSIONAL SERVICES AND MEMBERSHIPS			
Municipal federation dues	\$ 1,855	\$ 1,781	\$ 1,388
Professional fees	8,500	3,315	3,995
	<u>\$ 10,355</u>	<u>\$ 5,096</u>	<u>\$ 5,383</u>

**MILTONVALE PARK COMMUNITY COUNCIL
SCHEDULE OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008**

	<u>BUDGET</u>	<u>2008</u>	<u>2007</u>
PUBLIC WORKS			
Administration	\$ 650	\$ 170	\$ 125
Engineering services	<u>60,000</u>	<u>53,618</u>	<u>4,949</u>
	<u>\$ 60,650</u>	<u>\$ 53,788</u>	<u>\$ 5,074</u>
RECREATION AND PARKS			
Bursaries	\$ 2,850	\$ 2,395	\$ 2,760
Parks	5,450	3,318	2,584
Wages and benefits	<u>6,500</u>	<u>6,097</u>	<u>5,923</u>
	<u>\$ 14,800</u>	<u>\$ 11,810</u>	<u>\$ 11,267</u>

**MILTONVALE PARK COMMUNITY COUNCIL
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
YEAR ENDED DECEMBER 31, 2008**

	<u>2008</u>	<u>2007</u>
EXCESS REVENUE	\$ 39,263	\$ 21,641
Acquisition of prepaid expense	(2,262)	(1,468)
Use of prepaid expense	<u>1,468</u>	<u>922</u>
CHANGE IN NET FINANCIAL ASSETS	38,469	21,095
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>331,607</u>	<u>310,512</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>\$ 370,076</u>	<u>\$ 331,607</u>

MILTONVALE PARK COMMUNITY COUNCIL
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2008

	<u>2008</u>	<u>2007</u>
CASH PROVIDED FROM (USED FOR)		
CASH FLOW FROM OPERATING ACTIVITIES		
Excess revenues over expenditures	\$ 39,263	\$ 21,641
Change in non-cash working capital items		
Receivables	(6,566)	23,269
Investments	(30,592)	(47,932)
Prepays	(800)	(546)
Deferred revenues	(7,603)	45,000
Payables and accruals	<u>7,760</u>	<u>(18,583)</u>
	<u>1,462</u>	<u>22,849</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term debt	<u>(4,138)</u>	<u>(3,581)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in Communities 13 facility contribution	<u>4,138</u>	<u>3,581</u>
INCREASE IN CASH	1,462	22,849
CASH, BEGINNING OF YEAR	<u>47,529</u>	<u>24,680</u>
CASH, END OF YEAR	<u>\$ 48,991</u>	<u>\$ 47,529</u>

MILTONVALE PARK COMMUNITY COUNCIL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

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 has 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, 2008. No depreciation expense has been recorded in the current year. Depreciation expense will be 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 6.50%. As at December 31, 2008 the Community had not drawn upon this overdraft.

MILTONVALE PARK COMMUNITY COUNCIL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

4. DEFERRED REVENUES

During the year, the community was allocated \$76,990 under the New Deal Gas Tax Funding for Cities and Communities agreement. Of the funds, \$60,000 is to fund a Water and Waste Water Feasibility Study and \$16,990 is to fund a study on Special Planning Area regulations of the Greater Charlottetown area. During 2007, the community was allocated \$45,000 under the New Deal Gas Tax Fund to be used for the community's Official Plan.

	<u>2008</u>	<u>2007</u>
Balance - beginning of year	\$ 45,000	\$ -
Allocation received in year	76,990	45,000
Eligible expenditures incurred	<u>(84,593)</u>	<u>-</u>
Balance - end of year	<u>\$ 37,397</u>	<u>\$ 45,000</u>

5. LONG TERM DEBT

	<u>2008</u>	<u>2007</u>
Provincial Treasurer of PEI, 7.25% debenture, payable in quarterly installments of principal and interest of \$2,753, due October 2021.	<u>\$ 92,198</u>	<u>\$ 96,336</u>

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

2009	\$4,446
2010	4,777
2011	5,133
2012	5,516
2013	5,926

6. TANGIBLE CAPITAL ASSETS

	<u>Rate</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land		\$ 11,500	\$ -	\$ 11,500
Computer equipment	3 yr S/L	2,048	2,048	-
Equipment - community	5 yr S/L	4,991	3,758	1,233
Equipment - park	5 yr S/L	2,269	995	1,274
Building - park	10 yr S/L	101,837	15,221	86,616
Land improvements - park	10 yr S/L	<u>13,239</u>	<u>8,205</u>	<u>5,034</u>
		<u>\$ 135,884</u>	<u>\$ 30,227</u>	<u>\$ 105,657</u>

MILTONVALE PARK COMMUNITY COUNCIL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

7. CONTRIBUTIONS IN AID OF CONSTRUCTION

	<u>Rate</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Provincial	10 yr S/L	\$ 33,579	\$ 5,036	\$ 28,543
Federal	10 yr S/L	<u>33,579</u>	<u>5,037</u>	<u>28,542</u>
		<u>\$ 67,158</u>	<u>\$ 10,073</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, 2008 was \$237,684.

9. COMPARATIVE AMOUNTS

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

10. 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.