
THE CORPORATION OF THE VILLAGE OF MONTROSE

FINANCIAL STATEMENTS

DECEMBER 31, 2014

THE CORPORATION OF THE VILLAGE OF MONTROSE

DECEMBER 31, 2014

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THE CORPORATION OF THE VILLAGE OF MONTROSE


REPORT FROM THE CHIEF ADMINISTRATIVE OFFICER

It is my pleasure to present the Corporation of the Village of Montrose's 2014 Annual Municipal Financial Report, which includes the Auditors' report and Audited Financial Statements.

The financial statements are prepared by management in compliance with Section 167 of the Community Charter and in accordance with generally accepted accounting principles, as recommended by the Public Sector Accounting Board (PSAB). Management is responsible for implementing and maintaining a system of internal controls to ensure that reliable financial statements and schedules are prepared, that the Village's assets are safeguarded, and that these financial statements are consistent with other reporting requirements of the Financial Information Act. Village Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and ensuring that internal controls are maximized.

These financial statements were audited by L. Soligo & Associates Ltd., Chartered Accountants. Their responsibility is to express an opinion on the financial statements based on the results of their audit. Their report concludes that these financial statements present fairly, in all material aspects, the financial position of the Village as at December 31, 2014. The external auditors have full and free access to Village Council.

Respectfully submitted,



Bryan Teasdale
Chief Administrative Officer

L. Soligo & Associates Ltd.

CHARTERED ACCOUNTANTS INDEPENDENT AUDITORS' REPORT

**The Mayor and Council Members,
The Corporation of the
Village of Montrose,**

We have audited the accompanying consolidated financial statements of the Corporation of the Village of Montrose, which comprise the consolidated statement of financial position as at December 31, 2014 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated 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.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including assessing the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the municipality as at December 31, 2014 and the results of its operations, net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included in the Other Financial Information section is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information has not been subject to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on them.

Trail, B.C.
May 4, 2015

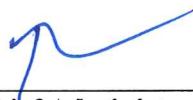
L. Soligo & Associates Ltd.
CHARTERED ACCOUNTANTS

THE CORPORATION OF THE VILLAGE OF MONTROSE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

	2014	2013
FINANCIAL ASSETS		
Cash (Note 2)	\$1,639,241	\$1,549,204
Accounts receivable (Note 3)	91,926	118,821
	\$1,731,167	\$1,668,025
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 147,486	\$ 116,817
Deposits and prepayments	77,368	55,255
	224,854	172,072
NET FINANCIAL ASSETS	1,506,313	1,495,953
Tangible capital assets (Note 7 and Schedule 15)	7,619,809	7,819,415
Inventory for resale	5,981	7,598
Prepaid expenses	41,473	9,669
ACCUMULATED SURPLUS	\$9,173,576	\$9,332,635
REPRESENTED BY:		
Unappropriated surplus	\$ 251,616	\$ 296,147
Appropriated surplus (Note 11)	122,000	122,000
Capital funds	74,875	74,872
Reserve funds (Schedule 7)	1,105,276	1,020,201
Equity in tangible capital assets (Schedule 5)	7,619,809	7,819,415
TOTAL EQUITY	\$9,173,576	\$9,332,635



Chief Administrative Officer

SEE ACCOMPANYING NOTES

THE CORPORATION OF THE VILLAGE OF MONTROSE

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2014

	BUDGET	2014	2013
REVENUE			
Taxation, grants in lieu, assessments (Note 8)	\$1,190,361	\$ 1,190,138	\$ 1,186,388
Collections for other authorities (Note 8)	766,065	768,070	782,774
Taxation for village purposes (Note 8)	424,296	422,068	403,614
Sales of goods and services	116,751	88,155	88,832
Water and sewer user rates	248,500	252,678	246,906
Investment income	6,900	20,002	15,750
Transfer from other governments	418,903	420,250	1,327,848
Other	73,105	3,170	293,964
Gain on disposal of tangible capital assets	-	13,606	-
	1,288,455	1,219,929	2,376,914
EXPENDITURE			
Protective services (Schedule 9)	22,305	23,485	24,979
Water and sewer operations (Schedule 10)	604,421	380,563	396,373
Parks recreation and culture (Schedule 11)	72,485	79,464	58,481
General government (Schedule 12)	404,701	408,593	400,176
Transportation services (Schedule 13)	168,277	170,831	115,748
Environmental and health (Schedule 14)	27,674	25,093	19,370
Environmental development (Schedule 15)	23,845	14,849	42,195
Debt interest, fiscal services and other	-	-	6,308
Amortization	-	276,110	271,814
Loss on disposal of tangible capital assets	-	-	36,270
	1,323,708	1,378,988	1,371,714
ANNUAL SURPLUS (DEFICIT)	(35,253)	(159,059)	1,005,200
ACCUMULATED SURPLUS, beginning of year	9,332,635	9,332,635	8,327,435
ACCUMULATED SURPLUS, end of year	\$9,297,382	\$9,173,576	\$9,332,635

SEE ACCOMPANYING NOTES

THE CORPORATION OF THE VILLAGE OF MONTROSE

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS YEAR ENDED DECEMBER 31, 2014

	2014	2013
ANNUAL SURPLUS (DEFICIT)	\$ (159,059)	\$ 1,005,200
Acquisition of tangible capital assets	(62,901)	(1,109,817)
Amortization of tangible capital assets	276,110	271,814
(Gain)/Loss on sale of tangible capital assets	(13,606)	-
Loss on disposal of tangible capital assets	-	36,270
	40,544	203,467
Reduction in (acquisition of) supply inventory	1,620	(5,045)
Reduction in (acquisition of) prepaid expenses	(31,804)	1,181
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	10,360	199,603
NET FINANCIAL ASSETS, BEGINNING OF YEAR	1,495,953	1,296,350
NET FINANCIAL ASSETS, END OF YEAR	\$ 1,506,313	\$ 1,495,953

SEE ACCOMPANYING NOTES

THE CORPORATION OF THE VILLAGE OF MONTROSE

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2014

	2014	2013
OPERATING		
Annual surplus (deficit)	\$ (159,059)	\$ 1,005,200
Non-cash items:		
Amortization expense	276,110	271,814
Gain on disposal of tangible capital assets	(13,606)	-
Prepaid expenses	(31,804)	1,181
Inventory for resale and other	1,617	(5,045)
Changes to financial assets and liabilities:		
Accounts receivable	26,895	325,058
Accounts payable and accrued liabilities	30,672	(103,762)
Tax sale lands	-	6,300
Deposits and prepayments	22,113	(1,200)
	152,938	1,499,546
FINANCING		
Debt principal repaid	-	(26,771)
Actuarial adjustments	-	(4,546)
	-	(31,317)
CAPITAL		
Tangible capital asset additions	(62,901)	(1,109,817)
Loss on disposal of tangible capital assets	-	36,270
	(62,901)	(1,073,547)
INCREASE (DECREASE) IN CASH	90,037	394,682
CASH, BEGINNING OF YEAR	1,549,204	1,154,522
CASH, END OF YEAR (Note 2)	\$ 1,639,241	\$ 1,549,204

SEE ACCOMPANYING NOTES

THE CORPORATION OF THE VILLAGE OF MONTROSE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF PRESENTATION

The Village follows Canadian accounting principles generally accepted for British Columbia municipalities and applies such principles on a consistent basis. Under the policy, the resources and operations of the Village are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity with responsibility for the stewardship of the assets allocated to it. The consolidated financial statements have been prepared using the guidelines issued by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. Accordingly, all revenues and expenditures are recorded on the accrual basis.

Those standards require management to make estimates and assumptions that reflect 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 expenditures during the reported period. Actual results could differ from these estimates.

B) BASIS OF CONSOLIDATION

The consolidated financial statements include all funds of the Village. Interfund revenues and expenditures have been eliminated.

C) FUNDS OF THE VILLAGE

The operations of the Village of Montrose are divided into a number of funds with specific purposes. Fund statements are presented as supplementary information to the consolidated financial statements. The basic funds are briefly described as follows:

Capital Funds - These funds are used to reflect capital assets offset by related long-term debt and investment in capital assets.

General Revenue Fund - This fund is the main fund of the municipality and is used to reflect the normal municipal operating activities including collection of taxation, administering operations, roads, servicing general debt, etc.

Reserve Funds - These funds have been created to hold assets, in the manner of a trust, and to provide monies for specific future capital requirements.

Water and Sewer Funds - The water and sewer funds have been established as self-liquidating funds to cover the costs of operating these utilities. The capital funds hold the capital assets and long-term debt related to these functions.

D) INVENTORY FOR RESALE

Inventory for resale is recorded at the lower of cost and net realizable value.

THE CORPORATION OF THE VILLAGE OF MONTROSE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

E) LONG TERM DEBT

Long term debt is recorded net of any related sinking fund balances.

The interest portion of any debt charges are charged against current revenue in the periods in which they are accrued and those in a foreign currency are translated at the rates in effect on the dates of the transactions.

F) CAPITAL ASSETS

Tangible capital assets, comprised of capital assets and capital work-in-progress, are recorded at cost less accumulated amortization and are classified according to their functional use. Amortization is recorded on a straight-line basis over the estimated useful life of the asset commencing the year the asset is put in to service. Work in progress is not amortized. Donated tangible capital assets are reported at the time of the donation. Estimated useful lives are as follows:

Land improvements	25 to 40 years
Buildings	20 to 50 years
Machinery, equipment and vehicles	3 to 20 years
Water Infrastructure	20 to 100 years
Sewer Infrastructure	5 to 80 years
Drainage infrastructure	75 years
Roads	10 to 75 years

The Village capitalizes identifiable assets that have been acquired, constructed or developed for continuing use. Expenditures for repairs and upgrading which do not materially add to the value of the life of an assets are expensed as incurred.

G) USE OF ESTIMATES

The preparation of the financial statements in accordance with Canadian public sector accounting standards 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 revenue and expenditures during the reporting period. Actual results could differ from those estimates.

H) ACCRUAL ACCOUNTING

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based upon cost of goods and services consumed.

THE CORPORATION OF THE VILLAGE OF MONTROSE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

I) REVENUE RECOGNITION

Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year. Sale of services and user fees revenue are recognized when the service or product is rendered by the Village. Grant revenues are recognized when the funding becomes receivable. Investment income is recorded on the accrual basis and recognized when earned.

J) FINANCIAL INSTRUMENTS

The Village's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, deposits and prepayments and long term debt. Unless otherwise noted, it is management's opinion that the Village is not exposed to significant interest or credit risk arising from these financial instruments. The fair value of these financial instruments approximate their carrying value, unless otherwise noted.

K) BUDGET

Budget figures shown represent the Five Year Financial Plan and Annual Budget Bylaw #713 as adopted by Council on May 8, 2014 amended October 6, 2014.

2. CASH

	2014	2013
Operating funds - unrestricted	\$ 592,644	\$ 529,003
Reserve funds - restricted	1,046,597	1,020,201
	\$1,639,241	\$1,549,204

3. ACCOUNTS RECEIVABLE

	2014	2013
Taxes	\$ 62,732	\$ 61,728
Due from provincial government	961	770
Trade receivables	6,494	7,094
Due from federal government	21,739	49,230
	\$ 91,926	\$ 118,822

THE CORPORATION OF THE VILLAGE OF MONTROSE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

4. SIGNIFICANT TAX PAYERS

The Village is not reliant upon the revenue from any specific large property taxpayers or businesses.

5. DEBT RESERVE FUND

The Municipal Finance Authority of British Columbia provides capital financing for regional districts and their member municipalities. The Authority is required to establish the Debt Reserve Fund. Each regional district through its member municipalities who share in the proceeds of the debt issue is required to pay into the Debt Reserve Fund certain amounts set out in the debt agreements. The Authority pays into the Debt Reserve Fund these moneys from which interest earned thereon less administrative expenses becomes an obligation to the regional districts. It must then use this fund, if at any time there are insufficient funds, to meet payments on its obligations. When this occurs the regional districts may be called upon to restore the fund.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2014	2013
Trade payables	\$ 83,520	\$ 60,552
Employee accrued liabilities	44,066	43,765
Post employment benefits	19,900	12,500
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	\$ 147,486	\$ 116,817

Post Employment Benefits

Effective January 1, 2006, the Village adopted the recommendations under Section PS 3255 of the CICA Public Accounting Board Handbook for post-employment benefits.

THE CORPORATION OF THE VILLAGE OF MONTROSE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - Continued

Employees are entitled to earned benefits related to non-vested accumulating sick leave. The liability and expense for these post-employment benefits and compensated absences is recognized in the financial statements in the period in which employees render services and on the basis that the benefits are expected to be provided when the employees are no longer providing active service.

The liabilities reported in 2014 are based on an actuarial valuation as at December 31, 2014 using the following valuation assumptions:

		2014	2013
Discount rate		3.30 %	4.30 %
Inflation rate		2.50 %	2.50 %
Rate of compensation increase	2.58% to 4.50%	2.50% to 4.63%	

The continuity of the Village's post-employment benefits liability is as follows:

	2014	2013
Beginning of year	\$ 12,500	\$ 23,100
Current service cost	2,400	3,100
Interest cost	600	1,000
Benefits paid	-	(7,000)
Actuarial (gain) loss	4,400	(7,700)
End of year	\$ 19,900	\$ 12,500

The Village manages the payment of these future payroll obligations as they come due in the current Operating Budget.

THE CORPORATION OF THE VILLAGE OF MONTROSE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

7. TANGIBLE CAPITAL ASSETS

	2014	2013
Land and land improvements	\$ 777,517	\$ 783,236
Buildings	373,533	388,940
Machinery, equipment and vehicles	229,488	230,031
Engineering structures		
Water	2,414,604	2,477,190
Sewer	559,672	582,686
Drainage	149,203	161,440
Roads	3,096,834	3,195,892
Work in progress - Water	18,958	-
	\$7,619,809	\$7,819,415

For additional information, see Consolidated Schedule of Tangible Capital Assets (Schedule 15).

THE CORPORATION OF THE VILLAGE OF MONTROSE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

8. CONSOLIDATED REVENUES

	2014	2013
Taxation Grants in lieu, Assessments		
Property taxes	\$ 202,927	\$ 126,829
Grants in lieu of taxes	2,992	2,902
Road maintenance - parcel taxes	-	100,740
Fibre optic access parcel taxes	46,000	-
Community development - parcel taxes	-	2,415
Drainage parcel taxes	24,150	24,150
Water parcel taxes	110,963	111,205
Sewer parcel taxes	58,581	58,710
Collections for other authorities:		
Province of BC - school taxes	313,617	309,689
Province of BC - police taxes	40,404	39,151
Regional District of Kootenay Boundary	352,581	366,446
Kootenay Boundary Regional Hospital District	(727)	-
West Kootenay Boundary Regional Hospital District	31,594	37,288
BC Assessment Authority	7,034	6,842
Municipal Finance Authority	22	21
	1,190,138	1,186,388
Payment of other authorities	768,070	782,774
Taxation for Village purposes	\$ 422,068	\$ 403,614

9. CONTINGENT LIABILITIES

- A) The Village of Montrose, as a member of the Regional District of Kootenay Boundary, is jointly and severally liable for the borrowing of this authority.
- B) On August 29, 1988, the Village of Montrose became a member of the Municipal Insurance Association of B.C. (M.I.A.B.C.) M.I.A.B.C. is licensed to operate a reciprocal insurance exchange under Section 302 of the insurance Act. M.I.A.B.C. is a municipal self insurance program, supplying general liability coverage to their members up to a maximum of 30 million dollars. Members are liable for their deductible and a pro-rated share of any claims exceeding their deductible.

THE CORPORATION OF THE VILLAGE OF MONTROSE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

10. PENSION LIABILITY

The municipality and its employees contribute to the Municipal Pension Plan (the Plan), a jointly-trusted pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 182,000 active members and approximately 75,000 retired members. Active members include approximately 36,000 contributors from local government.

The latest valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015, with results available in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The Corporation of the Village of Montrose paid \$24,596 for employer contributions to the plan in the 2014 fiscal year (2013 \$24,180).

11. EQUITY - APPROPRIATED SURPLUS

This balance represents amounts set aside by Council for specific purposes.

12. FEDERAL GAS TAX

The Village of Montrose receives Gas Tax provided by the Government of Canada. The use of funding is established by a funding agreement between the Village and the Union of British Columbia Municipalities. Gas Tax funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements. Gas Tax funding that is not spent in the year it is received is transferred to the Community Works Fund Reserve and is held in reserve until the Village undertakes an eligible project. The following provides a summary of funds received that are included in Reserve Funds on the Consolidated Statement of Financial Position.

Opening balance of unspent funds	\$	119
Add: Amount received during the year		92,825
Less: Amount spent on approved projects		(92,825)
<hr/>		
Closing balance of unspent funds	\$	119

THE CORPORATION OF THE VILLAGE OF MONTROSE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

13. WAGES AND BENEFITS

Included in Schedules 8 through 14 are wages and benefits which total \$467,367 for 2014 and \$447,219 for 2013.

14. COMPARATIVE AMOUNTS

Certain accounts of the prior year have been reclassified for comparative purposes to conform with the presentation adopted in the current year.

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 1 - STATEMENT OF FINANCIAL POSITION BY FUND YEAR ENDED DECEMBER 31, 2014

	OPERATING FUNDS			CAPITAL FUNDS			Reserve Funds	Adjustments	2014	2013
	General	Water	Sewer	General	Water	Sewer				
FINANCIAL ASSETS										
Cash	\$ 592,644	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,046,597	\$ -	\$ 1,639,241	\$ 1,549,204
Accounts receivable	69,208	10,028	12,690	-	-	-	-	-	91,926	118,821
Due (to) from other funds	(450,345)	251,534	65,257	36,656	38,193	26	58,679	-	-	55,000
	211,507	261,562	77,947	36,656	38,193	26	1,105,276	-	1,731,167	1,723,025
LIABILITIES										
Accounts payable and accrued liabilities	147,486	-	-	-	-	-	-	-	147,486	116,817
Deposits and prepayments	77,368	-	-	-	-	-	-	-	77,368	55,255
	224,854	-	-	-	-	-	-	-	224,854	172,072
Net Financial Assets	(13,347)	261,562	77,947	36,656	38,193	26	1,105,276	-	1,506,313	1,550,953
Tangible capital assets	-	-	-	4,626,579	2,433,560	559,670	-	-	7,619,809	7,819,415
Inventory for resale	5,981	-	-	-	-	-	-	-	5,981	7,598
Prepaid expenses	41,473	-	-	-	-	-	-	-	41,473	9,669
ACCUM'D SURPLUS	\$ 34,107	\$ 261,562	\$ 77,947	\$ 4,663,235	\$ 2,471,753	\$ 559,696	\$ 1,105,276	\$ -	\$ 9,173,576	\$ 9,387,635
EQUITY, financial										
Unappropriated surplus	\$ (7,893)	\$ 181,562	\$ 77,947	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 251,616	\$ 296,147
Appropriated surplus	42,000	80,000	-	-	-	26	-	-	122,000	122,000
Capital funds	-	-	-	36,656	38,193	-	-	-	74,875	74,872
Reserve funds	-	-	-	-	-	-	1,105,276	-	1,105,276	1,020,201
EQUITY, in TCA	34,107	261,562	77,947	36,656	38,193	26	1,105,276	-	1,553,767	1,513,220
	-	-	-	4,626,579	2,433,560	559,670	-	-	7,619,809	7,819,415
TOTAL EQUITY	\$ 34,107	\$ 261,562	\$ 77,947	\$ 4,663,235	\$ 2,471,753	\$ 559,696	\$ 1,105,276	\$ -	\$ 9,173,576	\$ 9,332,635

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 2 - STATEMENT OF OPERATIONS GENERAL OPERATING FUND YEAR ENDED DECEMBER 31, 2014

	BUDGET	2014	2013
REVENUE			
Taxation, grants in lieu, assessments	\$ 1,020,446	\$ 1,020,593	\$ 1,016,473
Payments to other authorities	766,065	768,070	782,774
Taxation for village purposes	254,381	252,523	233,699
Sales of goods and services	116,751	97,816	105,588
Investment income	6,900	6,426	5,663
Cost recoveries	70,055	70,055	57,679
Transfers from other governments	414,503	415,557	418,642
	862,590	842,377	821,271
EXPENDITURE			
Protective services	22,305	23,485	24,979
Parks, recreation and culture	72,485	79,464	58,481
General government	404,701	408,593	400,175
Transportation services	168,277	170,831	115,748
Environmental health	27,674	25,094	19,370
Environmental development	23,845	14,849	42,195
	719,287	722,316	660,948
NET EXCESS OF REVENUE OVER EXPENDITURE	143,303	120,061	160,323
Transfers from (to) own funds and reserves:			
Water operating	(84,583)	(92,825)	(90,776)
General capital	(62,150)	(36,366)	(87,704)
Transfers to reserve	(12,900)	(47,829)	(26,305)
Transfers from reserve	16,330	11,330	51,953
	(143,303)	(165,690)	(152,832)
ANNUAL SURPLUS (DEFICIT)	-	(45,629)	7,491
ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR	37,736	37,736	30,245
ACCUMULATED SURPLUS (DEFICIT), END OF YEAR	\$ 37,736	\$ (7,893)	\$ 37,736

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 3 - STATEMENT OF OPERATIONS WATER OPERATING FUND YEAR ENDED DECEMBER 31, 2014

	BUDGET	2014	2013
REVENUE			
Parcel taxes	\$ 111,205	\$ 110,963	\$ 111,205
Water user rates	109,136	111,239	109,073
Transfers from other governments	4,400	4,693	909,206
Other	3,050	3,170	293,964
	227,791	230,065	1,423,448
EXPENDITURE			
Administration	54,241	160,799	48,720
Transmission and distribution	193,435	65,332	58,464
Pumping power	117,820	10,109	191,783
Hydrant maintenance	5,299	4,863	4,989
Debt interest, fiscal services and other	-	-	6,308
	370,795	241,103	310,264
EXCESS OF REVENUE OVER EXPENDITURE	(143,004)	(11,038)	1,113,184
DEBT PRINCIPAL REPAID	-	-	(26,771)
NET EXCESS OF REVENUE OVER EXPENDITURE	(143,004)	(11,038)	1,086,413
Transfer (to) from other funds and reserves:			
Water capital fund	(17,500)	(26,535)	(1,022,113)
General operating	84,585	92,825	90,776
Transfer to reserves	-	(55,000)	(497,460)
Transfers from reserve	75,919	-	359,360
	143,004	11,290	(1,069,437)
ANNUAL SURPLUS (DEFICIT)	-	252	16,976
ACCUMULATED SURPLUS, BEGINNING OF YEAR	181,310	181,310	164,334
ACCUMULATED SURPLUS, END OF YEAR	\$ 181,310	\$ 181,562	\$ 181,310

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 4 - STATEMENT OF OPERATIONS SEWER OPERATING FUND YEAR ENDED DECEMBER 31, 2014

	BUDGET	2014	2013
REVENUE			
Parcel taxes	\$ 58,710	\$ 58,581	\$ 58,710
Sewer user rates	139,364	141,439	137,833
	198,074	200,020	196,543
EXPENDITURE			
Administration	46,542	43,525	37,520
Sewage collection system	27,672	18,254	11,872
Sewage lift stations	21,087	22,066	14,811
Sewage treatment plant	137,578	135,329	102,651
	232,879	219,174	166,854
NET EXCESS OF REVENUE OVER EXPENDITURE	(34,805)	(19,154)	29,689
Transfer from other funds and reserves:			
Transfer from reserve	34,805	20,000	7,000
Transfers to reserve	-	-	(33,000)
Sewer capital fund	-	-	-
	34,805	20,000	(26,000)
ANNUAL SURPLUS (DEFICIT)	-	846	3,689
ACCUMULATED SURPLUS, BEGINNING OF YEAR	77,101	77,101	73,412
ACCUMULATED SURPLUS, END OF YEAR	\$ 77,101	\$ 77,947	\$ 77,101

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 5 - EQUITY IN CAPITAL ASSETS YEAR ENDED DECEMBER 31, 2014

	General Capital Fund		Water Capital Fund		Sewer Capital Fund		Combined	
	2014	2013	2014	2013	2014	2013	2014	2013
Equity in capital assets,								
beginning of year	\$ 4,796,196	\$ 4,885,063	\$ 2,515,381	\$ 1,568,196	\$ 582,710	\$ 607,978	\$ 7,894,287	\$ 7,061,237
Contributions to capital assets								
Capital expenditures from operating funds	36,366	87,704	26,535	1,022,113	-	-	62,901	1,109,817
Amortization	(182,932)	(176,571)	(70,164)	(69,975)	(23,014)	(25,268)	(276,110)	(271,814)
Gain/(loss) on disposal	13,606	-	-	(36,270)	-	-	13,606	(36,270)
	(132,960)	(88,867)	(43,629)	915,868	(23,014)	(25,268)	(199,603)	801,733
Debt retirement								
Long term debt, repayments from								
general operating fund	-	-	-	26,771	-	-	-	26,771
Sinking fund actuarial earnings applied to debenture	-	-	-	3,343	-	-	-	4,546
	-	-	-	30,114	-	-	-	31,317
Equity in capital assets, end of year	\$ 4,663,236	\$ 4,796,196	\$ 2,471,752	\$ 2,514,178	\$ 559,696	\$ 582,710	\$ 7,694,684	\$ 7,894,287
Equity in capital assets is comprised of the following:								
Financial equity	\$ 36,656	\$ 36,655	\$ 38,193	\$ 38,192	\$ 26	\$ 25	\$ 74,875	\$ 74,872
Physical equity	4,626,580	4,759,541	2,433,559	2,475,986	559,670	582,685	7,619,809	7,819,415
	\$ 4,663,236	\$ 4,796,196	\$ 2,471,752	\$ 2,514,178	\$ 559,696	\$ 582,710	\$ 7,694,684	\$ 7,894,287

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 6 - CAPITAL FUNDS FINANCING YEAR ENDED DECEMBER 31, 2014

	2014			2013	
	General Capital Fund	Water Capital Fund	Sewer Capital Fund	Total	Total
FINANCES ACQUIRED					
UNEXPENDED FUNDS, BEGINNING OF YEAR	\$ 36,655	\$ 38,192	\$ 23	\$ 74,870	\$ 74,870
Transfers from operating funds	36,366	26,535	-	62,901	1,109,817
	73,021	64,727	23	137,771	1,184,687
FINANCES APPLIED					
Expenditure for capital assets	36,366	26,535	-	62,901	1,109,817
UNEXPENDED FUNDS, END OF YEAR	\$ 36,655	\$ 38,192	\$ 23	\$ 74,870	\$ 74,870

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 7 - RESERVE FUNDS

AS AT DECEMBER 31, 2014

	Capital Vehicle Reserve	Employee Payout Reserve	Reserve for Buildings, mach & Equipment	Water Capital Reserve	Recreation Reserve	Insurance Contingency Reserve	Sewer Capital Reserve	Capital Drainage Reserve	Capital Transp Reserve	Community Works Reserve	Climate Action Reserve	2014	2013
ASSETS													
Due (to) from other funds \$	-	\$	-	\$	55,000	\$	-	\$	22,090	\$	1,589	\$	58,679
Cash	5,821	1,910	47,983	512,542	12,033	2,517	288,023	97,683	77,966	119	-	1,046,597	1,020,201
\$	5,821	\$ 1,910	\$ 47,983	\$ 567,542	\$ 12,033	\$ 2,517	\$ 268,023	\$ 97,683	\$ 100,056	\$ 119	\$ 1,589	\$ 1,105,276	\$ 1,020,201
EQUITY													
Balance, begin of year \$	5,806	\$	52,641	\$	506,046	\$	11,955	\$	283,276	\$	119	\$	1,020,201
Add:	15	-	342	6,496	78	1	4,747	887	1,010	-	-	13,576	5,541
Interest Tfrs fm oper fund	-	-	-	55,000	-	-	-	24,150	22,090	-	1,589	102,829	556,765
Deduct:													
Tfrs to oper fund	-	-	(5,000)	-	-	-	(20,000)	-	(6,330)	-	-	(31,330)	(418,313)
\$	5,821	\$ 1,910	\$ 47,983	\$ 567,542	\$ 12,033	\$ 2,517	\$ 268,023	\$ 97,683	\$ 100,056	\$ 119	\$ 1,589	\$ 1,105,276	\$ 1,020,201

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 8 - PROTECTIVE SERVICES YEAR ENDED DECEMBER 31, 2014

	Budget	2014	2013
Firehall	\$ 7,530	\$ 8,595	\$ 11,248
Contract services	4,532	6,183	5,438
Provincial emergency program	93	34	34
Bylaw enforcement	10,150	8,673	8,259
TOTAL PROTECTIVE SERVICES	\$ 22,305	\$ 23,485	\$ 24,979

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 9 - WATER AND SEWER OPERATIONS YEAR ENDED DECEMBER 31, 2014

	Budget	2014	2013
Administration	\$ 88,280	\$ 13,203	\$ 14,696
Transmission and distribution	152,217	28,725	35,802
Pumping power	118,570	9,728	190,725
Treatment and conservation	53,718	153,779	26,150
Hydrant maintenance	5,299	4,192	4,309
Sewage collection system	27,672	17,873	11,133
Sewage lift stations	21,087	20,853	13,910
Sewage treatment plant	137,578	132,210	99,648
TOTAL WATER AND SEWER OPERATIONS	\$ 604,421	\$ 380,563	\$ 396,373

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 10 - PARKS, RECREATION AND CULTURE YEAR ENDED DECEMBER 31, 2014

	Budget	2014	2013
Recreation commission	\$ 11,084	\$ 11,352	\$ 9,836
Community hall	26,922	38,037	23,002
Skateboard park	749	971	346
Parks and playfields	29,277	24,399	21,459
Education services	4,453	4,705	3,838
TOTAL PARKS, RECREATION AND CULTURE	\$ 72,485	\$ 79,464	\$ 58,481

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 11 - GENERAL GOVERNMENT YEAR ENDED DECEMBER 31, 2014

	Budget	2014	2013
Legislative	\$ 23,350	\$ 22,466	\$ 21,019
Elections	5,100	4,243	-
Administration personnel	281,977	289,262	277,604
Legal and accounting	27,450	28,895	24,706
Village office	8,970	9,759	7,677
Office operations	18,350	19,459	18,014
Inter-municipal associations	16,850	10,347	16,980
Public relations	9,145	9,155	10,450
Insurance	11,759	11,754	22,462
Miscellaneous	1,750	3,253	1,264
TOTAL GENERAL GOVERNMENT	\$ 404,701	\$ 408,593	\$ 400,176

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 12 - TRANSPORTATION SERVICES YEAR ENDED DECEMBER 31, 2014

	Budget	2014	2013
Equipment	\$ 72,183	\$ 78,539	\$ 42,235
Workshop	15,851	14,985	12,998
Public works	7,634	8,041	10,254
Road maintenance	57,001	47,686	33,932
Traffic services	15,608	21,580	
16,329			
TOTAL TRANSPORTATION SERVICES	\$ 168,277	\$ 170,831	\$ 115,748

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 13 - ENVIRONMENT AND HEALTH YEAR ENDED DECEMBER 31, 2014

	Budget	2014	2013
Garbage collection	\$ 15,916	\$ 10,524	\$ 9,450
Yard waste collection	4,158	2,463	1,891
Tipping fees	7,600	8,152	8,029
Enviromental protection	-	3,954	-
TOTAL ENVIRONMENT AND HEALTH	\$ 27,674	\$ 25,093	\$ 19,370

THE CORPORATION OF THE VILLAGE OF MONTROSE

**SCHEDULE 14 -ENVIRONMENTAL DEVELOPMENT
YEAR ENDED DECEMBER 31, 2014**

	Budget	2014	2013
Planning services	\$ 11,330	\$ 13,633	\$ 40,338
Engineering services	5,000	-	-
Community development	7,515	1,216	1,857
TOTAL ENVIRONMENTAL DEVELOPMENT	\$ 23,845	\$ 14,849	\$ 42,195

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 15 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS AS AT DECEMBER 31, 2014

Cost	Land	Land Improvements	Engineering Structures					Work in Progress	2013		
			Machinery Equipment & Vehicles	Water	Sewer	Drainage	Roads		TOTAL	TOTAL	
Balance, beginning of year	\$ 697,248	\$ 124,251	\$ 736,469	\$ 658,184	\$ 3,108,552	\$ 1,428,428	\$ 539,012	\$ 4,558,728	\$ -	\$ 11,850,872	\$ 10,806,183
Add: additions during the year	-	-	-	79,866	7,577	-	-	-	18,958	106,401	1,109,817
Less: disposals during the year	-	-	-	(39,859)	-	-	-	-	-	(39,859)	(65,128)
Balance, end of year	697,248	124,251	736,469	698,191	3,116,129	1,428,428	539,012	4,558,728	18,958	11,917,414	11,850,872
Accumulated Amortization											
Balance, beginning of year	-	38,263	347,529	428,153	631,362	845,742	377,572	1,362,836	-	4,031,457	3,788,502
Add: amortization	-	5,719	15,407	50,512	70,163	23,014	12,237	99,058	-	276,110	271,814
Less: accumulated amortization on disposals	-	-	-	(9,962)	-	-	-	-	-	(9,962)	(28,859)
Balance, end of year	-	43,982	362,936	468,703	701,525	868,756	389,809	1,461,894	-	4,297,605	4,031,457
Net Book Value of Tangible Capital Assets	\$ 697,248	\$ 80,269	\$ 373,533	\$ 229,488	\$ 2,414,604	\$ 559,672	\$ 149,203	\$ 3,096,834	\$ 18,958	\$ 7,619,809	\$ 7,819,415