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**THE CORPORATION OF THE VILLAGE OF MONTROSE**

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**FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

# THE CORPORATION OF THE VILLAGE OF MONTROSE

DECEMBER 31, 2015

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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 2015 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 Grant Thornton LLP, Chartered Professional 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, 2015. The external auditors have full and free access to Village Council.

Respectfully submitted,



**Bryan Teasdale**  
**Chief Administrative Officer**



# Grant Thornton

## INDEPENDENT AUDITORS' REPORT

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

Grant Thornton LLP  
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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, 2015 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, 2015 and the

results of its operations, changes in 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.

Yours truly,



Grant Thornton LLP  
C. Donald Catalano CPA, CA  
Partner

Trail, B.C.  
APRIL 18, 2016

# THE CORPORATION OF THE VILLAGE OF MONTROSE

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

	2015	2014
<b>FINANCIAL ASSETS</b>		
Cash (Note 2)	\$2,022,544	\$1,639,241
Accounts receivable (Note 3)	106,732	91,926
	<b>\$2,129,276</b>	<b>\$1,731,167</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 192,535	\$ 147,486
Deposits and prepayments	62,131	77,368
	<b>254,666</b>	<b>224,854</b>
<b>NET FINANCIAL ASSETS</b>	<b>1,874,610</b>	<b>1,506,313</b>
Tangible capital assets (Note 6 and Schedule 15)	7,494,280	7,619,809
Inventory for resale	4,113	5,981
Prepaid expenses	11,792	41,473
<b>ACCUMULATED SURPLUS</b>	<b>\$9,384,795</b>	<b>\$9,173,576</b>
<b>REPRESENTED BY:</b>		
Unappropriated surplus	\$ 484,344	\$ 251,616
Appropriated surplus (Note 10)	122,000	122,000
Capital funds	83,374	74,875
Reserve funds (Schedule 7)	1,200,797	1,105,276
Equity in tangible capital assets (Schedule 5)	7,494,280	7,619,809
<b>TOTAL EQUITY</b>	<b>\$9,384,795</b>	<b>\$9,173,576</b>



Chief Administrative Officer

SEE ACCOMPANYING NOTES

# THE CORPORATION OF THE VILLAGE OF MONTROSE

## CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2015

	BUDGET	2015	2014
<b>REVENUE</b>			
Taxation, grants in lieu, assessments (Note 7)	\$1,198,018	\$ 1,197,073	\$ 1,190,138
Collections for other authorities (Note 7)	761,337	763,281	768,070
Taxation for village purposes (Note 7)	436,681	433,792	422,068
Sales of goods and services	194,970	168,690	88,155
Water and sewer user rates	253,579	257,583	252,678
Investment income	6,000	24,177	20,002
Transfer from other governments	594,177	592,155	420,250
Other	39,680	2,919	3,170
Gain on disposal of tangible capital assets	-	8,500	13,606
	1,525,087	1,487,816	1,219,929
<b>EXPENDITURE</b>			
Protective services (Schedule 8)	27,295	25,263	23,485
Water and sewer operations (Schedule 9)	372,459	235,935	380,563
Parks recreation and culture (Schedule 10)	91,408	72,480	79,464
General government (Schedule 11)	442,248	416,750	408,593
Transportation services (Schedule 12)	198,736	132,233	170,831
Environmental and health (Schedule 13)	34,426	21,921	25,093
Environmental development (Schedule 14)	110,000	88,451	14,849
Amortization	-	283,564	276,110
	1,276,572	1,276,597	1,378,988
<b>ANNUAL SURPLUS (DEFICIT)</b>	248,515	211,219	(159,059)
<b>ACCUMULATED SURPLUS, beginning of year</b>	9,173,576	9,173,576	9,332,635
<b>ACCUMULATED SURPLUS, end of year</b>	<b>\$9,422,091</b>	<b>\$9,384,795</b>	<b>\$9,173,576</b>

SEE ACCOMPANYING NOTES

# THE CORPORATION OF THE VILLAGE OF MONTROSE

## CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS YEAR ENDED DECEMBER 31, 2015

	2015	2014
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ 211,219	\$ (159,059)
Acquisition of tangible capital assets	(158,034)	(106,401)
Amortization of tangible capital assets	283,564	276,110
(Gain)/Loss on sale of tangible capital assets	(8,500)	(13,606)
Proceeds on sale of tangible capital assets	8,500	43,500
	336,749	40,544
Reduction in (acquisition of) supply inventory	1,868	1,620
Reduction in (acquisition of) prepaid expenses	29,680	(31,804)
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	368,297	10,360
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	1,506,313	1,495,953
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>\$ 1,874,610</b>	<b>\$ 1,506,313</b>

SEE ACCOMPANYING NOTES



# THE CORPORATION OF THE VILLAGE OF MONTROSE

## CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2015

	2015	2014
<b>OPERATING</b>		
Annual surplus (deficit)	\$ 211,219	\$ (159,059)
Non-cash items:		
Amortization expense	283,564	276,110
Gain on disposal of tangible capital assets	(8,500)	(13,606)
Prepaid expenses	29,680	(31,804)
Inventory for resale and other	1,868	1,617
Changes to financial assets and liabilities:		
Accounts receivable	(14,806)	26,895
Accounts payable and accrued liabilities	45,049	30,672
Deposits and prepayments	(15,237)	22,113
	532,837	152,938
<b>CAPITAL</b>		
Tangible capital asset additions	(158,034)	(106,401)
Proceeds from disposal of tangible capital assets	8,500	43,500
	(149,534)	(62,901)
<b>INCREASE (DECREASE) IN CASH</b>	<b>383,303</b>	<b>90,037</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>1,639,241</b>	<b>1,549,204</b>
<b>CASH, END OF YEAR (Note 2)</b>	<b>\$ 2,022,544</b>	<b>\$ 1,639,241</b>

SEE ACCOMPANYING NOTES

# THE CORPORATION OF THE VILLAGE OF MONTROSE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

### 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, 2015

### 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, 2015

### 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 #725 as adopted by Council on May 4, 2015 amended November 16, 2015.

## 2. CASH

	2015	2014
Operating funds - unrestricted	\$ 773,747	\$ 592,644
Reserve funds - restricted	1,248,797	1,046,597
	<b>\$2,022,544</b>	<b>\$1,639,241</b>

## 3. ACCOUNTS RECEIVABLE

	2015	2014
Taxes	\$ 63,860	\$ 62,732
Due from provincial government	-	961
Trade receivables	24,174	6,494
Due from federal government	18,698	21,739
	<b>\$ 106,732</b>	<b>\$ 91,926</b>

# THE CORPORATION OF THE VILLAGE OF MONTROSE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

### 4. SIGNIFICANT TAX PAYERS

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

### 5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015	2014
Trade payables	\$ 149,422	\$ 83,520
Employee accrued liabilities	25,513	44,066
Post-employment benefits	17,600	19,900
	<u>\$ 192,535</u>	<u>\$ 147,486</u>

#### 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.

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 CORPORATION OF THE VILLAGE OF MONTROSE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

### 5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - Continued

The liabilities reported in 2015 are based on an actuarial valuation as at December 31, 2015 using the following valuation assumptions:

	2015	2014
Discount rate	3.40 %	3.30 %
Inflation rate	2.50 %	2.50 %
Rate of compensation increase (both years)	2.58% to 4.50%	

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

	2015	2014
Beginning of year	\$ 19,900	\$ 12,500
Current service cost	3,500	2,400
Interest cost	800	600
Benefits paid	-	-
Actuarial (gain) loss	(6,600)	4,400
End of year	\$ 17,600	\$ 19,900

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, 2015

### 6. TANGIBLE CAPITAL ASSETS

	2015	2014
Land and land improvements	\$ 771,798	\$ 777,517
Buildings	362,123	373,533
Machinery, equipment and vehicles	271,873	229,488
Engineering structures		
Water	2,361,269	2,414,604
Sewer	550,213	559,672
Drainage	136,966	149,203
Roads	2,997,776	3,096,834
Work in progress - Water	18,958	18,958
Work in progress - Sewer	23,304	-
	<b>\$7,494,280</b>	<b>\$7,619,809</b>

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, 2015

### 7. CONSOLIDATED REVENUES

	2015	2014
<b>Taxation, Grants in lieu, Assessments</b>		
Property taxes	\$ 214,014	\$ 202,927
Grants in lieu of taxes	2,946	2,992
Fibre optic access parcel taxes	45,900	46,000
Drainage parcel taxes	24,098	24,150
Water parcel taxes	110,722	110,963
Sewer parcel taxes	58,453	58,581
Collections for other authorities:		
Province of BC - school taxes	313,749	313,617
Province of BC - police taxes	41,313	40,404
Regional District of Kootenay Boundary	348,140	352,581
Kootenay Boundary Regional Hospital District	(1,962)	(727)
West Kootenay Boundary Regional Hospital District	32,889	31,594
BC Assessment Authority	6,789	7,034
Municipal Finance Authority	22	22
	1,197,073	1,190,138
Payment of other authorities	763,281	768,070
<b>Taxation for Village purposes</b>	<b>\$ 433,792</b>	<b>\$ 422,068</b>

### 8. 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, 2015

### 9. PENSION LIABILITY

The employer and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2014, the Plan has about 185,000 active members and approximately 80,000 retired members. Active members include approximately 37,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate is then adjusted to the extent there is amortization of any funding deficit.

The most recent valuation for the Municipal Pension Plan as at December 31, 2012, indicated a \$1,370 million funding deficit for basic pension benefits on a going concern basis.

The Corporation of the Village of Montrose paid \$23,645 for employer contributions to the plan in fiscal 2015, which represents 0.001% of the total plan contributions. The Corporation of the Village of Montrose expects to pay \$24,000 for employer contributions in the next fiscal year.

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, resulting in 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 \$23,645 (2014 \$24,596) for employer contributions to the plan in fiscal 2015.

### 10. EQUITY - APPROPRIATED SURPLUS

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

# THE CORPORATION OF THE VILLAGE OF MONTROSE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

### 11. 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
Interest earned		49
Due from General Operating		(25)
<hr/>		
Closing balance of unspent funds	\$	92,968

### 12. WAGES AND BENEFITS

Included in Schedules 8 through 14 are wages and benefits which total \$459,638 for 2015 and \$467,367 for 2014.

### 13. 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 2 - STATEMENT OF OPERATIONS GENERAL OPERATING FUND YEAR ENDED DECEMBER 31, 2015

	BUDGET	2015	2014
<b>REVENUE</b>			
Taxation, grants in lieu, assessments	\$ 1,028,103	\$ 1,027,898	\$ 1,020,593
Payments to other authorities	761,337	763,281	768,070
Taxation for village purposes	266,766	264,617	252,523
Sales of goods and services	194,970	177,422	97,816
Investment income	6,000	7,556	6,426
Cost recoveries	36,395	36,942	70,055
Transfers from other governments	574,493	587,632	415,557
	1,078,624	1,074,169	842,377
<b>EXPENDITURE</b>			
Protective services	27,295	25,263	23,485
Parks, recreation and culture	91,408	72,480	79,464
General government	442,248	416,750	408,593
Transportation services	198,736	132,231	170,831
Environmental health	34,426	21,921	25,094
Environmental development	110,000	88,451	14,849
	904,113	757,096	722,316
<b>NET EXCESS OF REVENUE OVER EXPENDITURE</b>	174,511	317,073	120,061
Transfers from (to) own funds and reserves:			
Water operating	-	-	(92,825)
Sewer operating	(4,000)	-	-
General capital	(103,000)	(102,917)	(36,366)
Transfers to reserve	(126,900)	(126,900)	(47,829)
Transfers from reserve	75,350	48,000	11,330
Deficit appropriated from prior year	(15,970)	(15,970)	-
	(174,520)	(197,787)	(165,690)
<b>ANNUAL SURPLUS (DEFICIT)</b>	(9)	119,286	(45,629)
<b>ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR</b>	(7,893)	(7,893)	37,736
<b>DEFICIT APPROPRIATED IN CURRENT YEAR</b>	15,970	15,970	-
<b>ACCUMULATED SURPLUS (DEFICIT), END OF YEAR</b>	\$ 8,068	\$ 127,363	\$ (7,893)

# THE CORPORATION OF THE VILLAGE OF MONTROSE

## SCHEDULE 3 - STATEMENT OF OPERATIONS WATER OPERATING FUND YEAR ENDED DECEMBER 31, 2015

	BUDGET	2015	2014
<b>REVENUE</b>			
Parcel taxes	\$ 111,205	\$ 110,722	\$ 110,963
Water user rates	111,399	113,373	111,239
Transfers from other governments	19,684	4,520	4,693
Other	3,285	2,920	3,170
	<u>245,573</u>	<u>231,535</u>	<u>230,065</u>
<b>EXPENDITURE</b>			
Administration	59,645	44,204	160,799
Transmission and distribution	93,360	66,515	65,332
Pumping power	14,738	15,785	10,109
Hydrant maintenance	5,330	3,516	4,863
	<u>173,073</u>	<u>130,020</u>	<u>241,103</u>
<b>NET EXCESS OF REVENUE OVER EXPENDITURE</b>	<u>72,500</u>	<u>101,515</u>	<u>(11,038)</u>
Transfer (to) from other funds and reserves:			
Water capital fund	(200,000)	(17,399)	(26,535)
General operating	-	-	92,825
Transfer to reserves	-	-	(55,000)
Transfers from reserve	127,500	-	-
	<u>(72,500)</u>	<u>(17,399)</u>	<u>11,290</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>-</u>	<u>84,116</u>	<u>252</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>181,562</u>	<u>181,562</u>	<u>181,310</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 181,562</u>	<u>\$ 265,678</u>	<u>\$ 181,562</u>

# THE CORPORATION OF THE VILLAGE OF MONTROSE

## SCHEDULE 4 - STATEMENT OF OPERATIONS SEWER OPERATING FUND YEAR ENDED DECEMBER 31, 2015

	BUDGET	2015	2014
<b>REVENUE</b>			
Parcel taxes	\$ 58,710	\$ 58,453	\$ 58,581
Sewer user rates	142,180	144,210	141,439
	200,890	202,663	200,020
<b>EXPENDITURE</b>			
Administration	22,005	17,441	43,525
Sewage collection system	31,049	12,032	18,254
Sewage lift stations	30,272	18,311	22,066
Sewage treatment plant	116,064	103,805	135,329
	199,390	151,589	219,174
<b>NET EXCESS OF REVENUE OVER EXPENDITURE</b>	1,500	51,074	(19,154)
Transfer from other funds and reserves:			
Transfer from reserve	43,000	-	20,000
Transfer from general fund	4,000	-	-
Sewer capital fund	(48,500)	(37,718)	-
	(1,500)	(37,718)	20,000
<b>ANNUAL SURPLUS (DEFICIT)</b>	-	13,356	846
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	77,947	77,947	77,101
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	\$ 77,947	\$ 91,303	\$ 77,947

# THE CORPORATION OF THE VILLAGE OF MONTROSE

## SCHEDULE 5 - EQUITY IN CAPITAL ASSETS YEAR ENDED DECEMBER 31, 2015

	General Capital Fund		Water Capital Fund		Sewer Capital Fund		Combined	
	2015	2014	2015	2014	2015	2014	2015	2014
<b>Equity in capital assets, beginning of year</b>	\$ 4,663,236	\$ 4,796,196	\$ 2,471,752	\$ 2,515,381	\$ 559,696	\$ 582,710	\$ 7,694,684	\$ 7,894,287
<b>Contributions to capital assets</b>								
Capital expenditures from operating funds	102,917	36,366	17,399	26,535	37,718	-	158,034	62,901
Amortization	(188,957)	(182,932)	(70,734)	(70,164)	(23,873)	(23,014)	(283,564)	(276,110)
Gain/(loss) on disposal	8,500	13,606	-	-	-	-	8,500	13,606
	(77,540)	(132,960)	(53,335)	(43,629)	13,845	(23,014)	(117,030)	(199,603)
<b>Equity in capital assets, end of year</b>	<b>\$ 4,585,696</b>	<b>\$ 4,663,236</b>	<b>\$ 2,418,417</b>	<b>\$ 2,471,752</b>	<b>\$ 573,541</b>	<b>\$ 559,696</b>	<b>\$ 7,577,654</b>	<b>\$ 7,694,684</b>
<b>Equity in capital assets is comprised of the following:</b>								
Financial equity	\$ 45,155	\$ 36,656	\$ 38,193	\$ 38,193	\$ 26	\$ 26	\$ 83,374	\$ 74,875
Physical equity	4,540,541	4,626,580	2,380,224	2,433,559	573,515	559,670	7,494,280	7,619,809
	<b>\$ 4,585,696</b>	<b>\$ 4,663,236</b>	<b>\$ 2,418,417</b>	<b>\$ 2,471,752</b>	<b>\$ 573,541</b>	<b>\$ 559,696</b>	<b>\$ 7,577,654</b>	<b>\$ 7,694,684</b>

# THE CORPORATION OF THE VILLAGE OF MONTROSE

## SCHEDULE 6 - CAPITAL FUNDS FINANCING YEAR ENDED DECEMBER 31, 2015

	General Capital Fund	Water Capital Fund	Sewer Capital Fund	2015 Total	2014 Total
<b>FINANCES ACQUIRED</b>					
<b>UNEXPENDED FUNDS, BEGINNING OF YEAR</b>	\$ 36,656	\$ 38,193	\$ 26	\$ 74,875	\$ 74,875
Transfers from operating funds	102,917	17,399	37,718	158,033	62,901
Proceeds on disposal of tangible capital assets	8,500	-	-	8,500	-
	148,073	55,592	37,744	241,408	137,776
<b>FINANCES APPLIED</b>					
Expenditure for tangible capital assets	102,917	17,399	37,718	158,034	62,901
<b>UNEXPENDED FUNDS, END OF YEAR</b>	<b>\$ 45,156</b>	<b>\$ 38,193</b>	<b>\$ 26</b>	<b>\$ 83,374</b>	<b>\$ 74,875</b>

# THE CORPORATION OF THE VILLAGE OF MONTROSE

## SCHEDULE 8 - PROTECTIVE SERVICES YEAR ENDED DECEMBER 31, 2015

	Budget	2015	2014
Firehall	\$ 10,018	\$ 7,522	\$ 8,595
Contract services	7,532	8,635	6,183
Provincial emergency program	95	-	34
Bylaw enforcement	9,650	9,106	8,673
<b>TOTAL PROTECTIVE SERVICES</b>	<b>\$ 27,295</b>	<b>\$ 25,263</b>	<b>\$ 23,485</b>



# THE CORPORATION OF THE VILLAGE OF MONTROSE

## SCHEDULE 9 - WATER AND SEWER OPERATIONS YEAR ENDED DECEMBER 31, 2015

	Budget	2015	2014
Administration	\$ 54,120	\$ 8,837	\$ 13,203
Transmission and distribution	47,184	25,322	28,725
Pumping power	14,738	15,404	9,728
Treatment and conservation	73,702	54,541	153,779
Hydrant maintenance	5,330	3,126	4,192
Sewage collection system	31,049	11,588	17,873
Sewage lift stations	30,272	17,213	20,853
Sewage treatment plant	116,064	99,904	132,210
<b>TOTAL WATER AND SEWER OPERATIONS</b>	<b>\$ 372,459</b>	<b>\$ 235,935</b>	<b>\$ 380,563</b>

# THE CORPORATION OF THE VILLAGE OF MONTROSE

## SCHEDULE 10 - PARKS, RECREATION AND CULTURE YEAR ENDED DECEMBER 31, 2015

	Budget	2015	2014
Recreation commission	\$ 11,032	\$ 12,080	\$ 11,352
Community hall	28,258	26,078	38,037
Skateboard park	6,232	677	971
Parks and playfields	41,566	29,787	24,399
Education services	4,320	3,858	4,705
<b>TOTAL PARKS, RECREATION AND CULTURE</b>	<b>\$ 91,408</b>	<b>\$ 72,480</b>	<b>\$ 79,464</b>

# THE CORPORATION OF THE VILLAGE OF MONTROSE

## SCHEDULE 11 - GENERAL GOVERNMENT YEAR ENDED DECEMBER 31, 2015

	Budget	2015	2014
Legislative	\$ 30,000	\$ 25,531	\$ 22,466
Elections	4,000	-	4,243
Administration personnel	309,801	286,356	289,262
Legal and accounting	26,835	31,632	28,895
Village office	8,762	8,558	9,759
Office operations	19,350	17,530	19,459
Inter-municipal associations	19,450	17,958	10,347
Public relations	9,150	15,793	9,155
Insurance	12,150	12,179	11,754
Miscellaneous	2,750	1,213	3,253
<b>TOTAL GENERAL GOVERNMENT</b>	<b>\$442,248</b>	<b>\$ 416,750</b>	<b>\$ 408,593</b>

# THE CORPORATION OF THE VILLAGE OF MONTROSE

## SCHEDULE 12 - TRANSPORTATION SERVICES YEAR ENDED DECEMBER 31, 2015

	Budget	2015	2014
Equipment	\$ 76,644	\$ 43,879	\$ 78,539
Workshop	20,326	12,724	14,985
Public works	10,671	8,281	8,041
Road maintenance	70,086	47,546	47,686
Traffic services	21,009	19,803	21,580
<b>TOTAL TRANSPORTATION SERVICES</b>	<b>\$ 198,736</b>	<b>\$ 132,233</b>	<b>\$ 170,831</b>

# THE CORPORATION OF THE VILLAGE OF MONTROSE

## SCHEDULE 13 - ENVIRONMENT AND HEALTH YEAR ENDED DECEMBER 31, 2015

	Budget	2015	2014
Garbage collection	\$ 17,052	\$ 10,948	\$ 10,524
Yard waste collection	4,242	2,444	2,463
Tipping fees	9,500	8,529	8,152
Enviromental protection	3,632	-	3,954
<b>TOTAL ENVIRONMENT AND HEALTH</b>	<b>\$ 34,426</b>	<b>\$ 21,921</b>	<b>\$ 25,093</b>

# THE CORPORATION OF THE VILLAGE OF MONTROSE

## SCHEDULE 14 -ENVIRONMENTAL DEVELOPMENT YEAR ENDED DECEMBER 31, 2015

	Budget	2015	2014
Planning services	\$ 41,800	\$ 18,240	\$ 13,633
Engineering services	2,500	7,641	-
Community development	65,700	62,570	1,216
<b>TOTAL ENVIRONMENTAL DEVELOPMENT</b>	<b>\$ 110,000</b>	<b>\$ 88,451</b>	<b>\$ 14,849</b>

# THE CORPORATION OF THE VILLAGE OF MONTROSE

## SCHEDULE 1 - STATEMENT OF FINANCIAL POSITION BY FUND YEAR ENDED DECEMBER 31, 2015

	OPERATING FUNDS				CAPITAL FUNDS			Reserve Funds	Adjustments	2015	2014
	General	Water	Sewer	General	Water	Sewer					
<b>FINANCIAL ASSETS</b>											
Cash	\$ 773,747	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,248,797	\$ -	\$ 2,022,544	\$ 1,639,241	
Accounts receivable	84,309	9,647	12,776	-	-	-	-	-	106,732	91,926	
Due (to) from other funds	(449,932)	336,031	78,527	45,155	38,193	26	(48,000)	-	-	-	
	408,124	345,678	91,303	45,155	38,193	26	1,200,797	-	2,129,276	1,731,167	
<b>LIABILITIES</b>											
Accounts payable and accrued liabilities	192,535	-	-	-	-	-	-	-	192,535	147,486	
Deposits and prepayments	62,131	-	-	-	-	-	-	-	62,131	77,368	
	254,666	-	-	-	-	-	-	-	254,666	224,854	
<b>Net Financial Assets</b>	153,458	345,678	91,303	45,155	38,193	26	1,200,797	-	1,874,610	1,506,313	
Tangible Capital assets	-	-	-	4,540,536	2,380,227	573,517	-	-	7,494,280	7,619,809	
Inventory for resale	4,113	-	-	-	-	-	-	-	4,113	5,981	
Prepaid expenses	11,792	-	-	-	-	-	-	-	11,792	41,473	
<b>ACCUM'D SURPLUS</b>	\$ 169,363	\$ 345,678	\$ 91,303	\$ 4,585,691	\$ 2,418,420	\$ 573,543	\$ 1,200,797	\$ -	\$ 9,384,795	\$ 9,173,576	
<b>EQUITY, financial</b>											
Unappropriated surplus	\$ 127,363	\$ 265,678	\$ 91,303	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 484,344	\$ 251,616	
Appropriated surplus	42,000	80,000	-	-	-	-	-	-	122,000	122,000	
Capital funds	-	-	-	45,155	38,193	26	-	-	83,374	74,875	
Reserve funds	-	-	-	-	-	-	1,200,797	-	1,200,797	1,105,276	
<b>EQUITY, in ICA</b>	169,363	345,678	91,303	45,155	38,193	26	1,200,797	-	1,890,515	1,553,767	
	-	-	-	4,540,536	2,380,227	573,517	-	-	7,494,280	7,619,809	
<b>TOTAL EQUITY</b>	\$ 169,363	\$ 345,678	\$ 91,303	\$ 4,585,691	\$ 2,418,420	\$ 573,543	\$ 1,200,797	\$ -	\$ 9,384,795	\$ 9,173,576	

# THE CORPORATION OF THE VILLAGE OF MONTROSE

## SCHEDULE 7 - RESERVE FUNDS AS AT DECEMBER 31, 2015

	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	2015	2014
<b>ASSETS</b>													
Due (to) from other funds \$	-	\$	(48,000)	\$	-	\$	-	\$	-	\$	-	\$	(48,000)
Cash	5,835	9,413	48,271	577,151	12,105	2,518	272,473	123,693	101,181	92,968	3,189	1,248,797	1,046,597
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>EQUITY</b>													
Balance, begin of year \$	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
Add:	14	3	288	9,609	72	1	4,450	1,010	1,125	49	-	16,621	13,576
Interest Tfrs fm oper fund	-	7,500	-	-	-	-	-	25,000	-	92,800	1,600	126,900	102,829
Deduct: Tfrs to oper fund	-	-	(48,000)	-	-	-	-	-	-	-	-	(48,000)	(31,330)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	5,835	9,413	271	577,151	12,105	2,518	272,473	123,693	101,181	92,968	3,189	1,200,797	1,105,276



# THE CORPORATION OF THE VILLAGE OF MONTROSE

## SCHEDULE 15 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS AS AT DECEMBER 31, 2015

Cost	Land	Land Improvements	Buildings & Vehicles	Engineering Structures				Work in Progress	2015 TOTAL	2014 TOTAL	
				Water	Sewer	Drainage	Roads				
Balance, beginning 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
Add: additions during the year	-	-	4,282	98,656	17,399	14,414	-	-	23,304	158,035	106,401
Less: disposals during the year	-	-	-	(65,877)	-	-	-	-	-	(65,877)	(39,859)
<b>Balance, end of year</b>	<b>697,248</b>	<b>124,251</b>	<b>740,751</b>	<b>730,950</b>	<b>3,133,528</b>	<b>1,442,842</b>	<b>539,012</b>	<b>4,558,728</b>	<b>42,262</b>	<b>12,009,572</b>	<b>11,917,414</b>
<b>Accumulated Amortization</b>											
Balance, beginning of year	-	43,982	362,936	468,703	701,525	868,756	389,809	1,461,894	-	4,297,605	4,031,457
Add: amortization	-	5,719	15,692	56,251	70,734	23,873	12,237	99,058	-	283,564	276,110
Less: accumulated amortization on disposals	-	-	-	(65,877)	-	-	-	-	-	(65,877)	(9,962)
<b>Balance, end of year</b>	<b>-</b>	<b>49,701</b>	<b>378,628</b>	<b>459,077</b>	<b>772,259</b>	<b>892,629</b>	<b>402,046</b>	<b>1,560,952</b>	<b>-</b>	<b>4,515,292</b>	<b>4,297,605</b>
<b>Net Book Value of Tangible Capital Assets</b>	<b>\$ 697,248</b>	<b>\$ 74,550</b>	<b>\$ 362,123</b>	<b>\$ 271,873</b>	<b>\$ 2,361,269</b>	<b>\$ 550,213</b>	<b>\$ 136,966</b>	<b>\$ 2,997,776</b>	<b>\$ 42,262</b>	<b>\$ 7,494,280</b>	<b>\$ 7,619,809</b>