
THE CORPORATION OF THE VILLAGE OF MONTROSE

FINANCIAL STATEMENTS

DECEMBER 31, 2016

THE CORPORATION OF THE VILLAGE OF MONTROSE

DECEMBER 31, 2016

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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 2016 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 respects, the financial position of the Village as at December 31, 2016. The external auditors have full and free access to Village Council.

Respectfully submitted,

Larry Plotnikoff
Chief Administrative Officer

Independent auditors' report

To the Mayor and Council Members of the Village of Montrose,

We have audited the accompanying financial statements of the Corporation of the Village of Montrose ("the Village"), which comprise the statement of financial position as at December 31, 2016 and the 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 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.

Auditors' 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 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 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 financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2016 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 financial statements taken as a whole. The exhibits included in the Supplemental Information section is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplemental information has not been subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Yours truly,

May 1, 2017
Trail, Canada

Chartered Professional Accountants

THE CORPORATION OF THE VILLAGE OF MONTROSE

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

	2016	2015
FINANCIAL ASSETS		
Cash (Note 2)	\$2,402,964	\$2,022,544
Accounts receivable (Note 3)	94,597	106,732
	\$2,497,561	\$2,129,276
LIABILITIES		
Accounts payable and accrued liabilities (Note 4)	\$ 101,016	\$ 192,535
Deposits and prepayments	65,432	62,131
	166,448	254,666
NET FINANCIAL ASSETS	2,331,113	1,874,610
Tangible capital assets (Schedule 2)	7,313,540	7,494,280
Inventory	2,506	4,113
Prepaid expenses	12,253	11,792
ACCUMULATED SURPLUS (Note 5)	\$9,659,412	\$9,384,795

Chief Administrative Officer

SEE ACCOMPANYING NOTES

THE CORPORATION OF THE VILLAGE OF MONTROSE

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2016

	BUDGET	2016	2015
REVENUE			
Taxation, grants in lieu, assessments (Note 6)	\$1,252,304	\$ 1,240,129	\$ 1,197,073
Collections for other authorities (Note 6)	792,777	782,305	763,281
Taxation for village purposes (Note 6)	459,527	457,824	433,792
Sales of goods and services	146,789	117,276	168,690
Water and sewer user rates	266,277	270,856	257,583
Investment income	7,000	28,249	24,177
Transfer from other governments (Note 7)	565,597	596,539	592,155
Other	41,276	3,430	2,919
Gain on disposal of tangible capital assets	-	-	8,500
	1,486,466	1,474,174	1,487,816
EXPENDITURE			
Protective services (Schedule 3)	37,338	39,506	25,263
Water and sewer operations (Schedule 4)	340,158	189,761	235,935
Parks, recreation and culture (Schedule 5)	98,004	71,929	72,480
General government (Schedule 6)	448,146	433,951	416,750
Transportation services (Schedule 7)	200,505	123,774	132,233
Environmental and health (Schedule 8)	32,401	22,601	21,921
Environmental development (Schedule 9)	54,814	32,578	88,451
Amortization	-	285,457	283,564
	1,211,366	1,199,557	1,276,597
ANNUAL SURPLUS (Note 11)	275,100	274,617	211,219
ACCUMULATED SURPLUS, beginning of year	9,384,795	9,384,795	9,173,576
ACCUMULATED SURPLUS, end of year	\$9,659,895	\$9,659,412	\$9,384,795

SEE ACCOMPANYING NOTES

THE CORPORATION OF THE VILLAGE OF MONTROSE

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS YEAR ENDED DECEMBER 31, 2016

	2016	2015
ANNUAL SURPLUS (DEFICIT)	\$ 274,617	\$ 211,219
Acquisition of tangible capital assets	(104,717)	(158,034)
Amortization of tangible capital assets	285,457	283,564
(Gain)/Loss on sale of tangible capital assets	-	(8,500)
Proceeds on sale of tangible capital assets	-	8,500
	455,357	336,749
Reduction in (acquisition of) supply inventory	1,607	1,868
Reduction in (acquisition of) prepaid expenses	(461)	29,680
INCREASE IN NET FINANCIAL ASSETS	456,503	368,297
NET FINANCIAL ASSETS, BEGINNING OF YEAR	1,874,610	1,506,313
NET FINANCIAL ASSETS, END OF YEAR	\$ 2,331,113	\$ 1,874,610

SEE ACCOMPANYING NOTES

THE CORPORATION OF THE VILLAGE OF MONTROSE

STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2016

	2016	2015
OPERATING		
Annual surplus	\$ 274,617	\$ 211,219
Non-cash items:		
Amortization expense	285,457	283,564
Gain on disposal of tangible capital assets	-	(8,500)
Changes to non-cash working capital items:		
Accounts receivable	12,135	(14,806)
Accounts payable and accrued liabilities	(91,519)	45,049
Deposits and prepayments	3,301	(15,237)
Prepaid expenses	(461)	29,680
Inventory for resale and other	1,607	1,868
	485,137	532,837
CAPITAL		
Tangible capital asset additions	(104,717)	(158,034)
Proceeds from disposal of tangible capital assets	-	8,500
	(104,717)	(149,534)
INCREASE IN CASH	380,420	383,303
CASH, BEGINNING OF YEAR	2,022,544	1,639,241
CASH, END OF YEAR (Note 2)	\$ 2,402,964	\$ 2,022,544

SEE ACCOMPANYING NOTES

THE CORPORATION OF THE VILLAGE OF MONTROSE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF PRESENTATION

The financial statements are the responsibility of and prepared by management in accordance with Canadian public sector accounting standards. The Village's resources and operations are segregated into General, Water, Sewer and Reserve funds for accounting and financial reporting purposes. The financial statements include all of the accounts of these funds with all inter-fund transactions and balances eliminated.

B) 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 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 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.

C) 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 FINANCIAL STATEMENTS

DECEMBER 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

D) 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 recorded at the time of the donation at their estimated fair value, if available. Estimated useful lives are as follows:

Land improvements	20 to 40 years
Buildings	10 to 50 years
Machinery, equipment and vehicles	3 to 20 years
Water Infrastructure	15 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.

E) 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. Significant areas requiring the use of management estimates relate to the determination of tangible capital assets estimated useful life and related amortization expense. Actual results could differ from those estimates.

F) ACCRUAL ACCOUNTING

The 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 FINANCIAL STATEMENTS

DECEMBER 31, 2016

G) 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.

H) FINANCIAL INSTRUMENTS

The Village's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, and deposits and prepayments. 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.

I) BUDGET

Budget figures shown represent the Five Year Financial Plan and Annual Budget Bylaw #727 as adopted by Council on May 2, 2016 and amended October 3, 2016.

J) LIABILITY FOR CONTAMINATED SITES

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Village is directly responsible and accepts responsibility; and
- a reasonable estimate of the amount.

The liability would include all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. To date, the Village does not have reason to believe any such liability exists.

THE CORPORATION OF THE VILLAGE OF MONTROSE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

2. CASH

	2016	2015
Operating funds - unrestricted	\$1,182,265	\$ 773,747
Reserve funds - restricted	1,220,699	1,248,797
	\$2,402,964	\$2,022,544

3. ACCOUNTS RECEIVABLE

Accounts receivable are recorded net of an allowance of \$nil (2015 - \$nil) and are comprised of the following:

	2016	2015
Taxes	\$ 75,871	\$ 63,860
Trade receivables	6,361	24,174
Due from federal government	12,365	18,698
	\$ 94,597	\$ 106,732

THE CORPORATION OF THE VILLAGE OF MONTROSE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
Trade payables	\$ 48,232	\$ 149,422
Employee accrued liabilities	31,684	25,513
Post-employment benefits	21,100	17,600
	\$ 101,016	\$ 192,535

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 post-employment benefit liabilities reported in 2016 are based on an actuarial valuation as at December 31, 2016 using the following valuation assumptions:

	2016	2015
Discount rate	3.60 %	3.40 %
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:

	2016	2015
Beginning of year	\$ 17,600	\$ 19,900
Current service cost	3,400	3,500
Interest cost	700	800
Benefits paid	-	-
Actuarial (gain) loss	(600)	(6,600)
End of year	\$ 21,100	\$ 17,600

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

THE CORPORATION OF THE VILLAGE OF MONTROSE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

5. ACCUMULATED SURPLUS

The accumulated surplus is represented by:

	2016	2015
Unappropriated surplus	\$ 497,499	\$ 484,344
Appropriated surplus	122,000	122,000
Capital funds	83,374	83,374
Reserve funds (Schedule 1)	1,642,999	1,200,797
Equity in tangible capital assets (Exhibit 5)	7,313,540	7,494,280
TOTAL ACCUMULATED SURPLUS	\$9,659,412	\$9,384,795

6. TAXATION REVENUES

	2016	2015
Taxation, Grants in lieu, Assessments		
Property taxes	\$ 214,991	\$ 214,014
Grants in lieu of taxes	2,955	2,946
Road maintenance - parcel taxes	57,375	-
Fibre optic access parcel taxes	-	45,900
Community development - parcel taxes	2,295	-
Drainage parcel taxes	22,950	24,098
Water parcel taxes	116,332	110,722
Sewer parcel taxes	64,468	58,453
Collections for other authorities:		
Province of BC - school taxes	312,049	313,749
Province of BC - police taxes	41,587	41,313
Regional District of Kootenay Boundary	365,340	348,140
Kootenay Boundary Regional Hospital District	-	(1,962)
West Kootenay Boundary Regional Hospital District	33,356	32,889
BC Assessment Authority	6,409	6,789
Municipal Finance Authority	22	22
	1,240,129	1,197,073
Payments for other authorities	782,305	763,281
Taxation for Village purposes	\$ 457,824	\$ 433,792

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

THE CORPORATION OF THE VILLAGE OF MONTROSE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

7. TRANSFERS FROM OTHER GOVERNMENTS

	2016	2015
Federal government	\$ 99,658	\$ 95,365
Provincial government	389,773	407,375
Regional District of Kootenay Boundary	93,454	87,775
Other	13,654	1,640
	<u>\$ 596,539</u>	<u>\$ 592,155</u>

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.
- C) 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, 2015, the Plan has about 189,000 active members and approximately 85,000 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, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis.

The Corporation of the Village of Montrose paid \$23,278 (2015 - \$23,645) for employer contributions to the plan in fiscal 2016.

The next valuation will be as at December 31, 2018, with results available in 2019.

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

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

9. 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 (Schedule 1).

	2016	2015
Opening balance of unspent funds	\$ 92,968	\$ 119
Add: Amount received during the year	95,950	92,825
Interest earned	749	49
Due from General Operating	-	(25)
Closing balance of unspent funds	\$ 189,667	\$ 92,968

10. WAGES AND BENEFITS

Included in Schedules 3 through 9 are wages and benefits which total \$462,640 for 2016 (2015 - \$459,638).

11. BUDGET DATA

The reconciliation of the approved budget Bylaw #727 for the current year to the budget figures reported in these financial statements is as follows:

Budget surplus per Statement of Operations	\$ 275,100
Less: Capital expenditures	(581,668)
Add: transfers to other funds	156,568
Add: prior year appropriation	150,000
	\$ -

12. 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 - RESERVE FUNDS

AS AT DECEMBER 31, 2016

	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	2016	2015
Balance, begin of year	\$ 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
Add:													
Interest Tfrs fm oper fund	15	24	109	13,019	61	1	3,618	1,253	1,052	749	2	19,902	16,621
Deduct: Tfrs to oper fund	40,000	7,500	30,000	100,000	-	-	65,000	25,000	57,250	95,950	1,600	422,300	126,900
	-	-	-	-	-	-	-	-	-	-	-	-	(48,000)
	\$ 45,850	\$ 16,937	\$ 30,380	\$ 690,170	\$ 12,166	\$ 2,519	\$ 341,091	\$ 149,946	\$ 159,483	\$ 189,667	\$ 4,791	\$ 1,642,999	\$ 1,200,797

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 2 - SCHEDULE OF TANGIBLE CAPITAL ASSETS AS AT DECEMBER 31, 2016

Cost		Engineering Structures					Work in Progress	2016 TOTAL	2015 TOTAL		
		Land	Land Improvements	Buildings	Machinery Equipment & Vehicles	Water				Sewer	Drainage
Balance, beginning of year	\$ 697,248	\$ 124,251	\$ 740,751	\$ 730,950	\$ 3,133,528	\$ 1,442,842	\$ 539,012	\$ 4,558,728	\$ 42,262	\$ 12,009,572	\$ 11,917,414
Add: additions during the year	-	12,000	42,146	9,829	-	54,927	-	-	9,119	128,021	158,035
Less: disposals and transfers during the year	-	-	-	-	-	-	-	-	(23,304)	(23,304)	(65,877)
Balance, end of year	697,248	136,251	782,897	740,779	3,133,528	1,497,769	539,012	4,558,728	28,077	12,114,289	12,009,572
Accumulated Amortization											
Balance, beginning of year	-	49,701	378,628	459,077	772,259	892,629	402,046	1,560,952	-	4,515,292	4,297,605
Add: amortization	-	6,319	18,532	53,556	68,138	27,687	12,167	99,058	-	285,457	283,564
Less: accumulated amortization on disposals	-	-	-	-	-	-	-	-	-	-	(65,877)
Balance, end of year	-	56,020	397,160	512,633	840,397	920,316	414,213	1,660,010	-	4,800,749	4,515,292
Net Book Value of Tangible Capital Assets - 2016	\$ 697,248	\$ 80,231	\$ 385,737	\$ 228,146	\$ 2,293,131	\$ 577,453	\$ 124,799	\$ 2,898,718	\$ 28,077	\$ 7,313,540	\$ 7,494,280
Net Book Value of Tangible Capital Assets - 2015	\$ 697,248	\$ 74,550	\$ 362,123	\$ 271,873	\$ 2,361,269	\$ 550,213	\$ 136,966	\$ 2,997,776	\$ 42,262	\$ -	\$ 7,494,280

As of the year end date, playground equipment with a cost of \$4,051 was not in service so no amortization was calculated.

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 3 - PROTECTIVE SERVICES YEAR ENDED DECEMBER 31, 2016

	Budget	2016	2015
Firehall	\$ 11,993	\$ 22,115	\$ 7,522
Contract services	15,176	10,046	8,635
Provincial emergency program	519	154	-
Bylaw enforcement	9,650	7,191	9,106
TOTAL PROTECTIVE SERVICES	\$ 37,338	\$ 39,506	\$ 25,263

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 4 - WATER AND SEWER OPERATIONS YEAR ENDED DECEMBER 31, 2016

	Budget	2016	2015
Administration	\$ 55,568	\$ 21,009	\$ 8,837
Transmission and distribution	39,250	26,161	25,322
Pumping power	13,611	6,334	15,404
Treatment and conservation	84,553	28,004	54,541
Hydrant maintenance	5,938	2,226	3,126
Sewage collection system	26,170	8,394	11,588
Sewage lift stations	27,453	19,219	17,213
Sewage treatment plant	87,615	78,414	99,904
TOTAL WATER AND SEWER OPERATIONS	\$ 340,158	\$ 189,761	\$ 235,935

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 5 - PARKS, RECREATION AND CULTURE YEAR ENDED DECEMBER 31, 2016

	Budget	2016	2015
Recreation commission	\$ 16,053	\$ 17,184	\$ 12,080
Community hall	29,400	23,317	26,078
Skateboard park	6,301	2,170	677
Parks and playfields	41,793	25,281	29,787
Education services	4,457	3,977	3,858
TOTAL PARKS, RECREATION AND CULTURE	\$ 98,004	\$ 71,929	\$ 72,480

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 6 - GENERAL GOVERNMENT YEAR ENDED DECEMBER 31, 2016

	Budget	2016	2015
Legislative	\$ 30,920	\$ 26,200	\$ 25,531
Elections	3,350	3,925	-
Administration personnel	308,295	287,895	286,356
Legal and accounting	25,500	22,512	31,632
Village office	9,353	35,992	8,558
Office operations	22,000	22,294	17,530
Inter-municipal associations	21,000	11,662	17,958
Public relations	12,878	9,644	15,793
Insurance	12,350	12,263	12,179
Miscellaneous	2,500	1,564	1,213
TOTAL GENERAL GOVERNMENT	\$ 448,146	\$ 433,951	\$ 416,750

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 7 - TRANSPORTATION SERVICES YEAR ENDED DECEMBER 31, 2016

	Budget	2016	2015
Equipment	\$ 72,600	\$ 28,956	\$ 43,879
Workshop	20,600	17,646	12,724
Public works	10,785	7,887	8,281
Road maintenance	75,075	40,441	47,546
Traffic services	21,445	28,844	19,803
TOTAL TRANSPORTATION SERVICES	\$ 200,505	\$ 123,774	\$ 132,233

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 8 - ENVIRONMENT AND HEALTH YEAR ENDED DECEMBER 31, 2016

	Budget	2016	2015
Garbage collection	\$ 16,863	\$ 11,310	\$ 10,948
Yard waste collection	4,327	2,434	2,444
Tipping fees	9,500	8,857	8,529
Environmental protection	1,711	-	-
TOTAL ENVIRONMENT AND HEALTH	\$ 32,401	\$ 22,601	\$ 21,921

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 9 -ENVIRONMENTAL DEVELOPMENT YEAR ENDED DECEMBER 31, 2016

	Budget	2016	2015
Planning services	\$ 20,000	\$ 23,292	\$ 18,240
Engineering services	30,000	4,691	7,641
Community development	4,814	4,595	62,570
TOTAL ENVIRONMENTAL DEVELOPMENT	\$ 54,814	\$ 32,578	\$ 88,451

THE CORPORATION OF THE VILLAGE OF MONTROSE

EXHIBIT 1 - STATEMENT OF FINANCIAL POSITION BY FUND UNAUDITED

YEAR ENDED DECEMBER 31, 2016

	OPERATING FUNDS			CAPITAL FUNDS		Reserve Funds	Adjustments	2016	2015
	General	Water	Sewer	General	Water				
FINANCIAL ASSETS									
Cash	\$ 1,182,265	\$ -	\$ -	\$ -	\$ -	\$ 1,220,699	\$ -	\$ 2,402,964	\$ 2,022,544
Accounts receivable	67,751	11,614	15,232	-	-	-	-	94,597	106,732
Due (to) from other funds	(1,096,683)	467,600	123,409	45,155	38,193	422,300	-	-	-
	153,333	479,214	138,641	45,155	38,193	1,642,999	-	2,497,561	2,129,276
LIABILITIES									
Accounts payable and accrued liabilities	101,016	-	-	-	-	-	-	101,016	192,535
Deposits and prepayments	65,432	-	-	-	-	-	-	65,432	62,131
	166,448	-	-	-	-	-	-	166,448	254,666
Net Financial Assets	(13,115)	479,214	138,641	45,155	38,193	1,642,999	-	2,331,113	1,874,610
Tangible capital assets	-	-	-	4,414,879	2,321,208	577,453	-	7,313,540	7,494,280
Inventory for resale	2,506	-	-	-	-	-	-	2,506	4,113
Prepaid expenses	12,253	-	-	-	-	-	-	12,253	11,792
ACCUM'D SURPLUS	\$ 1,644	\$ 479,214	\$ 138,641	\$ 4,460,034	\$ 2,359,401	\$ 577,479	\$ -	\$ 9,659,412	\$ 9,384,795
EQUITY, financial									
Unappropriated surplus	\$ (40,356)	\$ 399,214	\$ 138,641	\$ -	\$ -	\$ -	\$ -	\$ 497,499	\$ 484,344
Appropriated surplus	42,000	80,000	-	-	-	-	-	122,000	122,000
Capital funds	-	-	-	45,155	38,193	26	-	83,374	83,374
Reserve funds	-	-	-	-	-	1,642,999	-	1,642,999	1,200,797
EQUITY, in TCA	1,644	479,214	138,641	45,155	38,193	1,642,999	-	2,345,872	1,890,515
	-	-	-	4,414,879	2,321,208	577,453	-	7,313,540	7,494,280
TOTAL EQUITY	\$ 1,644	\$ 479,214	\$ 138,641	\$ 4,460,034	\$ 2,359,401	\$ 577,479	\$ -	\$ 9,659,412	\$ 9,384,795

THE CORPORATION OF THE VILLAGE OF MONTROSE

EXHIBIT 2 - STATEMENT OF OPERATIONS - GENERAL OPERATING FUND UNAUDITED YEAR ENDED DECEMBER 31, 2016

	BUDGET	2016	2015
REVENUE			
Taxation, grants in lieu, assessments	\$ 1,071,504	\$ 1,059,331	\$ 1,027,898
Payments to other authorities	792,777	782,305	763,281
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Taxation for village purposes	278,727	277,026	264,617
Sales of goods and services	146,789	129,590	177,422
Investment income	7,000	8,347	7,556
Cost recoveries	37,856	37,856	36,942
Transfers from other governments	560,935	590,077	587,632
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	1,031,307	1,042,896	1,074,169
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EXPENDITURE			
Protective services	37,338	39,506	25,263
Parks, recreation and culture	98,004	71,929	72,480
General government	448,146	433,951	416,750
Transportation services	200,505	123,774	132,231
Environmental health	32,401	22,601	21,921
Environmental development	54,814	32,578	88,451
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	871,208	724,339	757,096
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NET EXCESS OF REVENUE OVER EXPENDITURE	160,099	318,557	317,073
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Transfers from (to) own funds and reserves:			
Water operating	(185,768)	-	-
Sewer operating	(25,000)	-	-
General capital	(155,900)	(63,976)	(102,917)
Transfers to reserve	(66,350)	(422,300)	(126,900)
Transfers from reserve	122,919	-	48,000
Deficit appropriated from prior year	150,000	150,000	(15,970)
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	(160,099)	(336,276)	(197,787)
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ANNUAL SURPLUS (DEFICIT)	-	(17,719)	119,286
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ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR	127,363	127,363	(7,893)
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DEFICIT APPROPRIATED IN CURRENT YEAR	(150,000)	(150,000)	15,970
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ACCUMULATED SURPLUS (DEFICIT), END OF YEAR	\$ (22,637)	\$ (40,356)	\$ 127,363

THE CORPORATION OF THE VILLAGE OF MONTROSE

EXHIBIT 3 - STATEMENT OF OPERATIONS - WATER OPERATING FUND UNAUDITED YEAR ENDED DECEMBER 31, 2016

	BUDGET	2016	2015
REVENUE			
Parcel taxes	\$ 116,332	\$ 116,332	\$ 110,722
Water user rates	116,859	119,066	113,373
Transfers from other governments	4,662	6,462	4,520
Other	3,420	3,430	2,920
	241,273	245,290	231,535
EXPENDITURE			
Administration	70,354	35,739	44,204
Transmission and distribution	86,370	57,392	66,515
Pumping power	13,611	6,684	15,785
Hydrant maintenance	5,938	2,820	3,516
	176,273	102,635	130,020
NET EXCESS OF REVENUE OVER EXPENDITURE	65,000	142,655	101,515
Transfer (to) from other funds and reserves:			
Water capital fund	(350,768)	(9,119)	(17,399)
Transfers from reserve	285,768	-	-
	(65,000)	(9,119)	(17,399)
ANNUAL SURPLUS (DEFICIT)	-	133,536	84,116
ACCUMULATED SURPLUS, BEGINNING OF YEAR	265,678	265,678	181,562
ACCUMULATED SURPLUS, END OF YEAR	\$ 265,678	\$ 399,214	\$ 265,678

THE CORPORATION OF THE VILLAGE OF MONTROSE

EXHIBIT 4 - STATEMENT OF OPERATIONS - SEWER OPERATING FUND UNAUDITED YEAR ENDED DECEMBER 31, 2016

	BUDGET	2016	2015
REVENUE			
Parcel taxes	\$ 64,468	\$ 64,468	\$ 58,453
Sewer user rates	149,418	151,790	144,210
	213,886	216,258	202,663
EXPENDITURE			
Administration	22,647	23,126	17,441
Sewage collection system	26,170	8,796	12,032
Sewage lift stations	27,452	20,533	18,311
Sewage treatment plant	87,617	84,842	103,805
	163,886	137,297	151,589
NET EXCESS OF REVENUE OVER EXPENDITURE	50,000	78,961	51,074
Transfer from other funds and reserves:			
Transfer from general fund	25,000	-	-
Sewer capital fund	(75,000)	(31,623)	(37,718)
	(50,000)	(31,623)	(37,718)
ANNUAL SURPLUS (DEFICIT)	-	47,338	13,356
ACCUMULATED SURPLUS, BEGINNING OF YEAR	91,303	91,303	77,947
ACCUMULATED SURPLUS, END OF YEAR	\$ 91,303	\$ 138,641	\$ 91,303

THE CORPORATION OF THE VILLAGE OF MONTROSE

EXHIBIT 5 - EQUITY IN CAPITAL ASSETS UNAUDITED YEAR ENDED DECEMBER 31, 2016

	General Capital Fund		Water Capital Fund		Sewer Capital Fund		Combined	
	2016	2015	2016	2015	2016	2015	2016	2015
Equity in capital assets, beginning of year	\$4,585,696	\$4,663,236	\$2,418,417	\$2,471,752	\$ 573,541	\$ 559,696	\$7,577,654	\$7,694,684
Contributions to capital assets								
Capital expenditures from operating funds	63,976	102,917	9,119	17,399	31,623	37,718	104,717	158,034
Amortization	(189,632)	(188,957)	(68,138)	(70,734)	(27,687)	(23,873)	(285,457)	(283,564)
Gain/(loss) on disposal	-	8,500	-	-	-	-	-	8,500
	(125,656)	(77,540)	(59,019)	(53,335)	3,936	13,845	(180,740)	(117,030)
Equity in capital assets, end of year	\$4,460,040	\$4,585,696	\$2,359,398	\$2,418,417	\$ 577,477	\$ 573,541	\$7,396,914	\$7,577,654
Equity in capital assets is comprised of the following:								
Financial equity	\$ 45,155	\$ 45,155	\$ 38,193	\$ 38,193	\$ 26	\$ 26	\$ 83,374	\$ 83,374
Physical equity	4,414,885	4,540,541	2,321,205	2,380,224	577,451	573,515	7,313,540	7,494,280
	\$4,460,040	\$4,585,696	\$2,359,398	\$2,418,417	\$ 577,477	\$ 573,541	\$7,396,914	\$7,577,654