
THE CORPORATION OF THE VILLAGE OF MONTROSE

FINANCIAL STATEMENTS

DECEMBER 31, 2017

THE CORPORATION OF THE VILLAGE OF MONTROSE

DECEMBER 31, 2017

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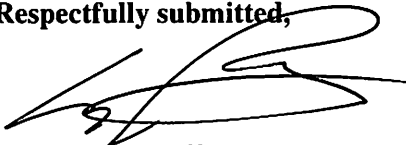
THE CORPORATION OF THE VILLAGE OF MONTROSE
REPORT FROM THE CHIEF ADMINISTRATIVE OFFICER

It is my pleasure to present the Corporation of the Village of Montrose's 2017 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, 2017. The external auditors have full and free access to Village Council, Management and Financial Records.

Respectfully submitted,



Larry Plotnikoff
Chief Administrative Officer

Independent auditors' report

To the Mayor and Council Members of The Corporation of the Village of Montrose;

We have audited the accompanying financial statements of The Corporation of the Village of Montrose, which comprise the statement of financial position as at December 31, 2017 and the statements of operations, changes in net financial assets, cash flows, and schedules 1 through 9 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 Corporation of the Village of Montrose as at December 31, 2017 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 are presented for purposes of additional analysis and are 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,

April 16, 2018
Trail, Canada

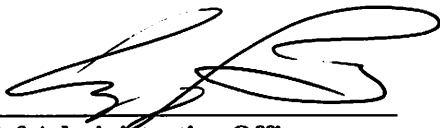

Chartered Professional Accountants

THE CORPORATION OF THE VILLAGE OF MONTROSE

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

	2017	2016
FINANCIAL ASSETS		
Cash (Note 2)	\$2,743,665	\$2,402,964
Accounts receivable (Note 3)	301,055	94,597
	\$3,044,720	\$2,497,561
LIABILITIES		
Accounts payable and accrued liabilities (Note 4)	\$ 280,463	\$ 101,016
Deposits and prepayments	65,441	65,432
	345,904	166,448
NET FINANCIAL ASSETS	2,698,816	2,331,113
Tangible capital assets (Schedule 2)	7,361,945	7,313,540
Inventory	674	2,506
Prepaid expenses	7,227	12,253
ACCUMULATED SURPLUS (Note 5)	\$10,068,662	\$ 9,659,412



Chief Administrative Officer

SEE ACCOMPANYING NOTES

THE CORPORATION OF THE VILLAGE OF MONTROSE

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2017

	BUDGET	2017	2016
REVENUE			
Taxation, grants in lieu, assessments (Note 6)	\$1,222,956	\$ 1,222,897	\$ 1,240,129
Collections for other authorities (Note 6)	740,942	742,766	760,672
Taxation for village purposes (Note 6)	482,014	480,131	479,457
Sales of goods and services	94,365	108,600	117,276
Water and sewer user rates	276,624	286,033	270,856
Investment income	7,000	23,887	28,249
Transfer from other governments (Note 7)	1,214,424	761,245	596,539
Other	3,562	4,295	3,430
	2,077,989	1,664,191	1,495,807
EXPENDITURE			
Protective services (Schedule 3)	33,447	30,505	39,506
Water and sewer operations (Schedule 4)	292,565	225,308	189,762
Parks, recreation and culture (Schedule 5)	84,907	79,174	71,930
General government (Schedule 6)	471,983	432,180	433,949
Transportation services (Schedule 7)	184,722	129,791	123,774
Environmental and health (Schedule 8)	23,662	24,001	22,601
Environmental development (Schedule 9)	76,726	62,058	54,211
Amortization	-	271,924	285,457
	1,168,012	1,254,941	1,221,190
ANNUAL SURPLUS (Note 12)	909,977	409,250	274,617
ACCUMULATED SURPLUS, beginning of year	9,659,412	9,659,412	9,384,795
ACCUMULATED SURPLUS, end of year	\$10,569,389	\$10,068,662	\$9,659,412

SEE ACCOMPANYING NOTES

THE CORPORATION OF THE VILLAGE OF MONTROSE

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS YEAR ENDED DECEMBER 31, 2017

	2017	2016
ANNUAL SURPLUS (DEFICIT)	\$ 409,250	\$ 274,617
Acquisition of tangible capital assets	(320,329)	(104,717)
Amortization of tangible capital assets	271,924	285,457
	360,845	455,357
Use of inventory	1,832	1,607
Decrease (increase) in prepaid expenses	5,026	(461)
INCREASE IN NET FINANCIAL ASSETS	367,703	456,503
NET FINANCIAL ASSETS, BEGINNING OF YEAR	2,331,113	1,874,610
NET FINANCIAL ASSETS, END OF YEAR	\$ 2,698,816	\$ 2,331,113

SEE ACCOMPANYING NOTES

THE CORPORATION OF THE VILLAGE OF MONTROSE

STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2017

	2017	2016
OPERATING		
Annual surplus	\$ 409,250	\$ 274,617
Non-cash items:		
Amortization expense	271,924	285,457
Changes to non-cash working capital items:		
Accounts receivable	(206,458)	12,135
Accounts payable and accrued liabilities	9,516	(91,519)
Deposits and prepayments	9	3,301
Prepaid expenses	5,026	(461)
Inventory for resale and other	1,832	1,607
	491,099	485,137
CAPITAL		
Tangible capital asset additions	(150,398)	(104,717)
INCREASE IN CASH	340,701	380,420
CASH, BEGINNING OF YEAR	2,402,964	2,022,544
CASH, END OF YEAR (Note 2)	\$ 2,743,665	\$ 2,402,964

SEE ACCOMPANYING NOTES

THE CORPORATION OF THE THE CORPORATION OF THE VILLAGE OF MONTROSE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

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 Corporation of the Village of Montrose's (the "Village") 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 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 Operating 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 Operating 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) CASH

Cash includes balances with banks and short-term investments with maturities of three months or less.

D) INVENTORY

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

THE CORPORATION OF THE THE CORPORATION OF THE VILLAGE OF MONTROSE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

E) TANGIBLE 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 asset are expensed as incurred.

F) MANAGEMENT UNCERTAINTY (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 expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where necessary. Amortization is based on the estimated useful lives of tangible capital assets.

G) BASIS OF 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 THE CORPORATION OF THE VILLAGE OF MONTROSE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

H) REVENUE RECOGNITION

- i) Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year.
- ii) Sale of services and user fees revenue are recognized when the service or product is rendered by the Village.
- iii) Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. The Village recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Village recognizes revenue as the liability is settled.
- iv) Investment income is recorded on the accrual basis and recognized when earned.

I) BUDGET

Budget figures shown represent the Five Year Financial Plan and Annual Budget Bylaw #735 as adopted by Council on April 18, 2017 and amended January 15, 2018.

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 can be determined.

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.

K) SEGMENTS

The Village conducts its business through a number of reportable segments. These operating segments are established by senior management to facilitate the achievement of the Village's long-term objectives to aid in resource allocation decisions and to assess operational performance.

**THE CORPORATION OF THE THE CORPORATION OF THE VILLAGE
OF MONTROSE**

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

2. CASH

	2017	2016
Operating funds - unrestricted	\$ 989,725	\$1,182,265
Reserve funds - restricted	1,753,940	1,220,699
	\$2,743,665	\$2,402,964

3. ACCOUNTS RECEIVABLE

	2017	2016
Taxes	\$ 79,616	\$ 75,871
Trade receivables	196,033	6,361
Due from federal government	25,406	12,365
	\$ 301,055	\$ 94,597

THE CORPORATION OF THE THE CORPORATION OF THE VILLAGE OF MONTROSE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2017	2016
Trade payables	\$ 219,431	\$ 48,232
Employee accrued liabilities	32,732	31,684
Post-employment benefits	28,300	21,100
	\$ 280,463	\$ 101,016

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 are based on an actuarial valuation as at December 31, 2017 using the following valuation assumptions:

	2017	2016
Discount rate	3.00 %	3.60 %
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:

	2017	2016
Beginning of year	\$ 21,100	\$ 17,600
Current service cost	3,400	3,400
Interest cost	900	700
Benefits paid	-	-
Actuarial (gain) loss	2,900	(600)
End of year	\$ 28,300	\$ 21,100

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

THE CORPORATION OF THE THE CORPORATION OF THE VILLAGE OF MONTROSE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

5. ACCUMULATED SURPLUS

The accumulated surplus is represented by:

	2017	2016
Unappropriated surplus	\$ 693,296	\$ 497,503
Appropriated surplus	122,000	122,000
Capital funds	83,370	83,370
Reserve funds (Schedule 1)	1,808,051	1,642,999
Equity in tangible capital assets (Schedule 2)	7,361,945	7,313,540
TOTAL ACCUMULATED SURPLUS	\$10,068,662	\$9,659,412

6. TAXATION REVENUES

	2017	2016
Taxation, Grants in lieu, Assessments		
Property taxes	\$ 215,658	\$ 214,991
Grants in lieu of taxes	2,872	2,955
Road maintenance - parcel taxes	57,375	57,375
Community development - parcel taxes	2,295	2,295
Drainage parcel taxes	22,950	22,950
Water parcel taxes	116,332	116,332
Sewer parcel taxes	64,468	64,468
Collections for other authorities:		
Province of BC - school taxes	295,494	312,049
Province of BC - police taxes	39,423	41,587
Regional District of Kootenay Boundary	368,469	365,340
West Kootenay Boundary Regional Hospital District	32,315	33,356
BC Assessment Authority	5,224	6,409
Municipal Finance Authority	22	22
	1,222,897	1,240,129
Payments for other authorities	742,766	760,672
Taxation for Village purposes	\$ 480,131	\$ 479,457

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

THE CORPORATION OF THE THE CORPORATION OF THE VILLAGE OF MONTROSE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

7. TRANSFERS FROM OTHER GOVERNMENTS

	2017	2016
Federal government	\$ 202,067	\$ 99,658
Provincial government	465,678	389,773
Regional District of Kootenay Boundary	92,087	93,454
Other	1,413	13,654
	\$ 761,245	\$ 596,539

8. CONTINGENT LIABILITIES

- A) The Village, 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 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 trusted 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, 2016, the plan has about 193,000 active members and approximately 90,000 retired members. Active members include approximately 38,000 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 CORPORATION OF THE THE CORPORATION OF THE VILLAGE OF MONTROSE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

9. CONTINGENT LIABILITIES - continued

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. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

The Village paid \$29,244 (2016 - \$23,278) for employer contributions to the plan in fiscal 2017.

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.

10. FEDERAL GAS TAX

The Village 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).

	2017	2016
Opening balance of unspent funds	\$ 189,667	\$ 92,968
Add: Amount received during the year	96,554	95,950
Interest earned	1,540	749
Closing balance of unspent funds	\$ 287,761	\$ 189,667

THE CORPORATION OF THE THE CORPORATION OF THE VILLAGE OF MONTROSE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

11. WAGES AND BENEFITS

Included in Schedules 3 through 9 are wages and benefits which total \$524,478 for 2017 (2016 - \$494,172).

12. BUDGET DATA

The reconciliation of the approved budget Bylaw #742 for the current year to the budget figures reported in these financial statements is as follows:

Budget surplus per Statement of Operations	\$ 909,977
Less: Capital expenditures	(1,568,000)
Add: transfers to other funds	532,096
Add: prior year appropriation	100,000
Add: amendment to original budget	25,927
	<hr/>
	\$ -

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 1 - RESERVE FUNDS

AS AT DECEMBER 31, 2017

	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	2017	2016
Balance, begin of year	\$ 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
Add:													
Interest	191	73	125	3,929	61	2	5,402	1,521	1,541	1,539	2	14,386	19,902
Tfrs fm oper fund	-	7,500	-	-	-	-	-	22,950	57,375	96,554	1,600	185,979	422,300
Deduct:													
Tfrs to oper fund	-	-	-	-	-	-	(35,314)	-	-	-	-	(35,314)	-
	\$ 46,041	\$ 24,510	\$ 30,505	\$ 694,099	\$ 12,227	\$ 2,521	\$ 311,179	\$ 174,417	\$ 218,399	\$ 287,760	\$ 6,393	\$ 1,808,051	\$ 1,642,999

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 2 - SCHEDULE OF TANGIBLE CAPITAL ASSETS AS AT DECEMBER 31, 2017

	Land	Land Improvements	Buildings	Machinery	Engineering Structures				Work in Progress	2017 TOTAL	2016 TOTAL
				Equipment & Vehicles	Water	Sewer	Drainage	Roads			
Cost											
Balance, beginning 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
Add: additions during the year	-	-	-	18,378	6,620	7,750	35,691	-	257,363	325,802	128,021
Less: disposals and transfers during the year	-	-	-	-	-	-	-	-	(5,473)	(5,473)	(23,304)
Balance, end of year	697,248	136,251	782,897	759,157	3,140,148	1,505,519	574,703	4,558,728	279,967	12,434,618	12,114,289
Accumulated Amortization											
Balance, beginning of year	-	56,020	397,160	512,946	840,397	920,316	413,900	1,660,010	-	4,800,749	4,515,292
Add: amortization	-	5,106	18,532	39,294	68,413	28,462	13,059	99,058	-	271,924	285,457
Balance, end of year	-	61,126	415,692	552,240	908,810	948,778	426,959	1,759,068	-	5,072,673	4,800,749
Net Book Value of Tangible Capital Assets - 2017	\$ 697,248	\$ 75,125	\$ 367,205	\$ 206,917	\$ 2,231,338	\$ 556,741	\$ 147,744	\$ 2,799,660	\$ 279,967	\$ 7,361,945	\$ 7,313,540
Net Book Value of Tangible Capital Assets - 2016	\$ 697,248	\$ 80,230	\$ 385,737	\$ 227,833	\$ 2,293,131	\$ 577,453	\$ 125,112	\$ 2,898,718	\$ 28,077	\$ 7,313,540	\$ -

Tangible capital asset additions for the year ended December 31, 2017 include \$169,931 still in accounts payable at year-end (2016 - nil). As a result, this amount is not included in the purchases of tangible capital assets on the statement of cash flows

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 3 - PROTECTIVE SERVICES YEAR ENDED DECEMBER 31, 2017

	Budget	2017	2016
Firehall	\$ 11,568	\$ 8,518	\$ 22,115
Contract services	12,000	14,141	10,046
Provincial emergency program	529	-	154
Bylaw enforcement	9,350	7,846	7,191
TOTAL PROTECTIVE SERVICES	\$ 33,447	\$ 30,505	\$ 39,506

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 4 - WATER AND SEWER OPERATIONS YEAR ENDED DECEMBER 31, 2017

	Budget	2017	2016
Administration	\$ 42,869	\$ 8,993	\$ 21,010
Transmission and distribution	35,196	30,784	26,161
Pumping power	14,115	17,021	6,334
Treatment and conservation	50,061	29,988	28,004
Hydrant maintenance	5,256	4,263	2,226
Sewage collection system	24,789	5,665	8,394
Sewage lift stations	27,118	20,435	19,219
Sewage treatment plant	93,161	108,159	78,414
TOTAL WATER AND SEWER OPERATIONS	\$ 292,565	\$ 225,308	\$ 189,762

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 5 - PARKS, RECREATION AND CULTURE YEAR ENDED DECEMBER 31, 2017

	Budget	2017	2016
Recreation commission	\$ 12,928	\$ 13,751	\$ 17,184
Community hall	29,801	36,838	23,317
Skateboard park	3,085	1,795	2,170
Parks and playfields	34,687	22,518	25,281
Education services	4,406	4,272	3,978
TOTAL PARKS, RECREATION AND CULTURE	\$ 84,907	\$ 79,174	\$ 71,930

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 6 - GENERAL GOVERNMENT YEAR ENDED DECEMBER 31, 2017

	Budget	2017	2016
Legislative	\$ 31,165	\$ 25,228	\$ 26,200
Elections	3,400	-	3,925
Administration personnel	323,834	308,802	287,893
Legal and accounting	26,800	24,135	22,512
Village office	11,778	7,883	35,992
Office operations	24,870	19,270	22,294
Inter-municipal associations	24,487	20,135	11,662
Public relations	11,950	14,013	9,644
Insurance	11,299	11,547	12,263
Miscellaneous	2,400	1,167	1,564
TOTAL GENERAL GOVERNMENT	\$471,983	\$ 432,180	\$ 433,949

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 7 - TRANSPORTATION SERVICES YEAR ENDED DECEMBER 31, 2017

	Budget	2017	2016
Equipment	\$ 69,976	\$ 33,149	\$ 28,956
Workshop	20,282	14,871	17,646
Public works	9,958	13,135	7,887
Road maintenance	61,109	52,700	40,441
Traffic services	23,397	15,936	28,844
TOTAL TRANSPORTATION SERVICES	\$ 184,722	\$ 129,791	\$ 123,774

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 8 - ENVIRONMENT AND HEALTH YEAR ENDED DECEMBER 31, 2017

	Budget	2017	2016
Garbage collection	\$ 10,090	\$ 12,497	\$ 11,310
Yard waste collection	2,479	2,667	2,434
Tipping fees	9,300	8,837	8,857
Environmental protection	1,793	-	-
TOTAL ENVIRONMENT AND HEALTH	\$ 23,662	\$ 24,001	\$ 22,601

THE CORPORATION OF THE VILLAGE OF MONTROSE

SCHEDULE 9 -ENVIRONMENTAL DEVELOPMENT YEAR ENDED DECEMBER 31, 2017

	Budget	2017	2016
Planning services	\$ 54,583	\$ 55,571	\$ 44,925
Engineering services	16,893	-	4,691
Community development	5,250	6,487	4,595
TOTAL ENVIRONMENTAL DEVELOPMENT	\$ 76,726	\$ 62,058	\$ 54,211

THE CORPORATION OF THE VILLAGE OF MONTROSE

EXHIBIT 1 - STATEMENT OF FINANCIAL POSITION BY FUND UNAUDITED

YEAR ENDED DECEMBER 31, 2017

	OPERATING FUNDS			CAPITAL FUNDS			Reserve Funds	Adjust- ments	2017	2016
	General	Water	Sewer	General	Water	Sewer				
FINANCIAL ASSETS										
Cash	\$ 989,725	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,753,940	\$ -	\$ 2,743,665	\$ 2,402,964
Accounts receivable	273,528	11,953	15,574	-	-	-	-	-	301,055	94,597
Due (to) from other funds	(879,166)	567,000	174,685	45,154	38,193	23	54,111	-	-	-
	384,087	578,953	190,259	45,154	38,193	23	1,808,051	-	3,044,720	2,497,561
LIABILITIES										
Accounts payable and accrued liabilities	280,463	-	-	-	-	-	-	-	280,463	101,016
Deposits and prepayments	65,441	-	-	-	-	-	-	-	65,441	65,432
	345,904	-	-	-	-	-	-	-	345,904	166,448
Net Financial Assets	38,183	578,953	190,259	45,154	38,193	23	1,808,051	-	2,698,816	2,331,113
Tangible Capital assets	-	-	-	4,293,900	2,289,487	778,558	-	-	7,361,945	7,313,540
Inventory for resale	674	-	-	-	-	-	-	-	674	2,506
Prepaid expenses	7,227	-	-	-	-	-	-	-	7,227	12,253
ACCUM'D SURPLUS	\$ 46,084	\$ 578,953	\$ 190,259	\$ 4,339,054	\$ 2,327,680	\$ 778,581	\$ 1,808,051	\$ -	\$ 10,068,662	\$ 9,659,412
EQUITY, financial										
Unappropriated surplus	\$ 4,084	\$ 498,953	\$ 190,259	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 693,296	\$ 497,503
Appropriated surplus	42,000	80,000	-	-	-	-	-	-	122,000	122,000
Capital funds	-	-	-	45,154	38,193	23	-	-	83,370	83,370
Reserve funds	-	-	-	-	-	-	1,808,051	-	1,808,051	1,642,999
	46,084	578,953	190,259	45,154	38,193	23	1,808,051	-	2,706,717	2,345,872
EQUITY, in TCA	-	-	-	4,293,900	2,289,487	778,558	-	-	7,361,945	7,313,540
TOTAL EQUITY	\$ 46,084	\$ 578,953	\$ 190,259	\$ 4,339,054	\$ 2,327,680	\$ 778,581	\$ 1,808,051	\$ -	\$ 10,068,662	\$ 9,659,412

THE CORPORATION OF THE VILLAGE OF MONTROSE

EXHIBIT 2 - STATEMENT OF OPERATIONS - GENERAL OPERATING FUND UNAUDITED YEAR ENDED DECEMBER 31, 2017

	BUDGET	2017	2016
REVENUE			
Taxation, grants in lieu, assessments	\$ 1,042,156	\$ 1,042,097	\$ 1,059,331
Payments to other authorities	740,942	742,766	760,672
Taxation for village purposes	301,214	299,331	298,659
Sales of goods and services	142,760	158,677	129,590
Investment income	7,000	23,887	28,249
Cost recoveries	39,595	37,856	37,856
Transfers from other governments	554,762	574,069	590,077
	1,045,331	1,093,820	1,084,431
EXPENDITURE			
Protective services	33,750	30,636	39,506
Parks, recreation and culture	93,171	85,130	71,930
General government	472,082	432,305	433,949
Transportation services	201,765	151,115	123,774
Environmental health	32,813	33,700	22,601
Environmental development	76,726	62,058	54,211
	910,307	794,944	745,971
NET EXCESS OF REVENUE OVER EXPENDITURE	135,024	298,876	338,460
Transfers from (to) own funds and reserves:			
General capital	(178,000)	(54,069)	(63,976)
Transfers to reserve	(130,050)	(200,366)	(442,202)
Transfers from reserve	47,100	-	-
Deficit appropriated from prior year	100,000	-	150,000
	(160,950)	(254,435)	(356,178)
ANNUAL SURPLUS (DEFICIT)	(25,926)	44,441	(17,718)
ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR	(40,357)	(40,357)	127,361
DEFICIT APPROPRIATED IN CURRENT YEAR	-	-	(150,000)
ACCUMULATED SURPLUS (DEFICIT), END OF YEAR	\$ (66,283)	\$ 4,084	\$ (40,357)

THE CORPORATION OF THE VILLAGE OF MONTROSE

EXHIBIT 3 - STATEMENT OF OPERATIONS - WATER OPERATING FUND UNAUDITED YEAR ENDED DECEMBER 31, 2017

	BUDGET	2017	2016
REVENUE			
Parcel taxes	\$ 116,332	\$ 116,332	\$ 116,332
Water user rates	122,886	125,536	119,066
Transfers from other governments	4,662	4,766	6,462
Other	3,562	4,295	3,430
	247,442	250,929	245,290
EXPENDITURE			
Administration	58,534	27,317	35,739
Transmission and distribution	92,911	64,162	57,392
Pumping power	14,750	17,486	6,684
Hydrant maintenance	6,248	5,531	2,820
	172,443	114,496	102,635
NET EXCESS OF REVENUE OVER EXPENDITURE	74,999	136,433	142,655
Transfer (to) from other funds and reserves:			
Water capital fund	(470,000)	(36,695)	(9,119)
Transfers from reserve	395,000	-	-
	(75,000)	(36,695)	(9,119)
ANNUAL SURPLUS (DEFICIT)	(1)	99,738	133,536
ACCUMULATED SURPLUS, BEGINNING OF YEAR	399,215	399,215	265,679
ACCUMULATED SURPLUS, END OF YEAR	\$ 399,214	\$ 498,953	\$ 399,215

THE CORPORATION OF THE VILLAGE OF MONTROSE

EXHIBIT 4 - STATEMENT OF OPERATIONS - SEWER OPERATING FUND UNAUDITED YEAR ENDED DECEMBER 31, 2017

	BUDGET	2017	2016
REVENUE			
Parcel taxes	\$ 64,468	\$ 64,468	\$ 64,468
Sewer user rates	153,738	160,497	151,790
Transfers from other governments	655,000	182,410	-
	873,206	407,375	216,258
EXPENDITURE			
Administration	23,930	19,532	23,126
Sewage collection system	25,794	6,230	8,796
Sewage lift stations	28,387	21,795	20,533
Sewage treatment plant	97,095	113,951	84,841
	175,206	161,508	137,296
NET EXCESS OF REVENUE OVER EXPENDITURE	698,000	245,867	78,962
Transfer from other funds and reserves:			
Transfer from reserve	222,000	35,314	-
Sewer capital fund	(920,000)	(229,565)	(31,623)
	(698,000)	(194,251)	(31,623)
ANNUAL SURPLUS (DEFICIT)	-	51,616	47,339
ACCUMULATED SURPLUS, BEGINNING OF YEAR	138,643	138,643	91,304
ACCUMULATED SURPLUS, END OF YEAR	\$ 138,643	\$ 190,259	\$ 138,643

THE CORPORATION OF THE VILLAGE OF MONTROSE

EXHIBIT 5 - EQUITY IN CAPITAL ASSETS UNAUDITED YEAR ENDED DECEMBER 31, 2017

	General Capital Fund		Water Capital Fund		Sewer Capital Fund		Combined	
	2017	2016	2017	2016	2017	2016	2017	2016
Equity in capital assets, beginning of year	\$4,460,034	\$4,585,690	\$2,359,398	\$2,418,417	\$ 577,478	\$ 573,542	\$7,396,910	\$7,577,649
Contributions to capital assets								
Capital expenditures from operating funds	54,069	63,976	36,695	9,119	229,565	31,623	320,329	104,718
Amortization	(175,049)	(189,632)	(68,413)	(68,138)	(28,462)	(27,687)	(271,924)	(285,457)
	(120,980)	(125,656)	(31,718)	(59,019)	201,103	3,936	48,405	(180,739)
Equity in capital assets, end of year	\$4,339,054	\$4,460,034	\$2,327,680	\$2,359,398	\$ 778,581	\$ 577,478	\$7,445,315	\$7,396,910
Equity in capital assets is comprised of the following:								
Financial equity	\$ 45,154	\$ 45,154	\$ 38,193	\$ 38,193	\$ 23	\$ 23	\$ 83,370	\$ 83,370
Physical equity	4,293,900	4,414,880	2,289,487	2,321,205	778,558	577,455	7,361,945	7,313,540
	\$4,339,054	\$4,460,034	\$2,327,680	\$2,359,398	\$ 778,581	\$ 577,478	\$7,445,315	\$7,396,910