



Financial Statements

The Corporation of the Village of Montrose

December 31, 2021

The Corporation of the Village of Montrose

December 31, 2021

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Management Responsibility Statement

The management of The Corporation of the Village of Montrose (the "Village") is responsible for preparing the financial statements, the notes to the financial statements and other financial information contained in this annual report.

Management prepares the financial statements in accordance with Canadian public sector accounting standards. The financial statements are considered by management to present fairly the management's financial position and results of operations.

The Village, in fulfilling its responsibilities, has developed and maintains a system of internal accounting controls designed to provide reasonable assurance that management assets are safeguarded from loss or unauthorized use, and that the records are reliable for preparing the financial statements.

The financial statements have been reported on by Grant Thornton LLP, Chartered Professional Accountants, the Mayor and Councilor's auditors. Their report outlines the scope of their examination and their opinion on the financial statements.

Deputy Clerk, Treasurer
April 19, 2022

Independent Auditor's Report

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

Opinion

We have audited the financial statements of The Corporation of the Village of Montrose, which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net financial assets, cash flows, schedules 1 through 3 for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2021, and its results of operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public accounting standards.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Village in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Village's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Village or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Village's financial reporting process.

Independent Auditor's Report (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Village to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Trail, Canada
April 19, 2022

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Chartered Professional Accountants

The Corporation of the Village of Montrose
Statement of Financial Position
as at December 31, 2021

	2021	2020
Financial assets		
Cash and cash equivalents (Note 2)	\$4,376,171	\$4,047,275
Accounts receivable (Note 3)	114,055	108,283
	\$4,490,226	\$4,155,558
Liabilities		
Accounts payable and accrued liabilities (Note 4)	\$ 114,740	\$ 138,399
Deferred revenue (Note 5)	652,341	701,543
Equipment financing (Note 6)	50,387	76,549
	817,468	916,491
Net financial assets	3,672,758	3,239,067
Non-financial assets		
Tangible capital assets (Schedule 1)	\$9,164,929	\$8,841,106
Inventory	6,218	1,172
Prepays	11,184	10,285
Accumulated surplus (Note 7)	\$12,855,089	\$12,091,630

Mayor

SEE ACCOMPANYING NOTES

The Corporation of the Village of Montrose

Statement of Operations

Year ended December 31, 2021

	Budget	2021	2020
Revenue			
Taxation, grants in lieu, assessments (Note 8)	\$1,322,947	\$ 1,382,236	\$ 1,327,900
Collections for other authorities (Note 8)	816,730	859,322	816,732
<hr/>			
Taxation for village purposes (Note 8)	506,217	522,914	511,168
Sales of goods and services	96,811	105,767	90,190
Water and sewer user rates	345,462	346,568	330,459
Investment income	-	15,656	21,593
Transfer from other governments (Note 9)	1,731,813	1,118,546	1,435,159
Other	-	6,637	6,600
Gain on disposal of tangible capital assets	-	22,000	-
<hr/>			
	2,680,303	2,138,088	2,395,169
<hr/>			
Expenditures			
General government	502,231	433,342	428,361
Environment and health	29,650	28,472	28,489
Community planning	90,639	49,007	72,828
Parks, recreation and culture	92,177	99,244	65,839
Protective services	34,825	44,352	30,994
Transportation services	187,600	149,989	159,895
Sewer utility	172,403	124,500	122,738
Water utility	140,311	94,747	106,043
Amortization	-	350,976	342,587
<hr/>			
	1,249,836	1,374,629	1,357,774
<hr/>			
Annual surplus (Note 12)	1,430,467	763,459	1,037,395
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Accumulated surplus, beginning of year	12,091,630	12,091,630	11,054,235
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Accumulated surplus, end of year	\$13,522,097	\$12,855,089	\$12,091,630

SEE ACCOMPANYING NOTES

The Corporation of the Village of Montrose
Statement of Changes in Net Financial Assets
Year ended December 31, 2021

	Budget	2021	2020
Annual surplus	\$ 1,430,467	\$ 763,459	\$ 1,037,395
Acquisition of tangible capital assets	(2,848,697)	(674,799)	(1,160,109)
Amortization of tangible capital assets	-	350,976	342,587
Gain on sale of tangible capital assets	-	(22,000)	-
Proceeds on sale of tangible capital assets	-	22,000	-
	(1,418,230)	439,636	219,873
Use (acquisition) of inventory	-	(5,046)	2,623
Increase in prepaids	-	(899)	(37)
Increase (decrease) in net financial assets	(1,418,230)	433,691	222,459
Net financial assets, beginning of year	3,239,067	3,239,067	3,016,608
Net financial assets, end of year	\$ 1,820,837	\$ 3,672,758	\$ 3,239,067

SEE ACCOMPANYING NOTES

The Corporation of the Village of Montrose

Statement of Cash Flows Year ended December 31, 2021

	2021	2020
Operating		
Annual surplus	\$ 763,459	\$ 1,037,395
Non-cash items:		
Amortization	350,976	342,587
Gain on disposal of tangible capital assets	(22,000)	-
Changes to non-cash working capital items:		
Accounts receivable	(5,772)	(5,810)
Accounts payable and accrued liabilities	(23,659)	16,807
Deferred revenue	(49,202)	444,622
Prepays	(899)	(37)
Inventory	(5,046)	2,623
	1,007,857	1,838,187
Financing		
Debt principal repaid	(26,162)	(26,757)
Capital		
Tangible capital asset additions	(674,799)	(1,160,109)
Proceeds from disposal of tangible capital assets	22,000	-
	(652,799)	(1,160,109)
Increase in cash	328,896	651,321
Cash, beginning of year	4,047,275	3,395,954
Cash, end of year (Note 2)	\$ 4,376,171	\$ 4,047,275

SEE ACCOMPANYING NOTES

The Corporation of the Village of Montrose

Notes to the Financial Statements

December 31, 2021

1. Significant accounting policies

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.

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 tangible 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 by council to hold assets and to provide funding for specific future requirements.

Water and Sewer Operating Funds - The water and sewer operating 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.

Cash and cash equivalents

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

Inventory

Inventory 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, 2021

1. Significant accounting policies - Continued

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 in 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	5 to 40 years
Buildings	10 to 50 years
Machinery, equipment and vehicles	3 to 20 years
Water Infrastructure	10 to 100 years
Sewer Infrastructure	5 to 80 years
Drainage infrastructure	25 to 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.

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 expenditures 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.

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 Village of Montrose

Notes to the Financial Statements

December 31, 2021

1. Significant accounting policies - Continued

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.

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.

Investment income is recorded on the accrual basis and recognized when earned.

Budget

Budget figures shown represent the Five Year Financial Plan and Annual Budget Bylaw #764 as adopted by Council on May 3, 2021.

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.

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 Village of Montrose

Notes to the Financial Statements

December 31, 2021

2. Cash and cash equivalents

	2021	2020
Operating funds - unrestricted	\$1,024,844	\$ 423,042
Reserve funds - restricted	3,351,327	3,624,233
	\$4,376,171	\$4,047,275

3. Accounts receivable

	2021	2020
Taxes	\$ 63,542	\$ 54,313
Trade receivables	22,001	8,162
Due from federal government	28,512	45,808
	\$ 114,055	\$ 108,283

4. Accounts payable and accrued liabilities

	2021	2020
Trade payables	\$ 57,717	\$ 73,474
Employee accrued liabilities	24,423	23,125
Post-employment benefits	32,600	41,800
	\$ 114,740	\$ 138,399

Post-Employment Benefits

All employees are entitled to earned benefits related to vested sick leave and one employee is entitled to a retirement bonus. The liability and expense for these post-employment benefits and compensated absences are 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 Financial Statements

December 31, 2021

4. Accounts payable and accrued liabilities (continued)

The post-employment benefit liability is based on an actuarial valuation as at December 31, 2021 using the following valuation assumptions:

	2021	2020
Discount rate	2.50 %	2.10 %

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

	2021	2020
Beginning of year	\$ 41,800	\$ 37,900
Current service cost	3,900	4,700
Interest cost	1,000	1,200
Benefits paid	-	-
Actuarial (gain) loss	(14,100)	(2,000)
End of year	\$ 32,600	\$ 41,800

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

5. Deferred revenue

	2021	2020
Prepaid property taxes	\$ 75,408	\$ 74,772
Prepaid utilities	6,677	4,801
Miscellaneous	3,264	273
Government transfers (see below)	566,992	621,697
	\$ 652,341	\$ 701,543

Government transfers

	2021 Opening	Received	Revenue recognized	2021 Closing
Federal Gas Tax Fund	-	198,784	(198,784)	-
Columbia Basin Trust	-	135,366	(135,366)	-
Federal and Provincial infrastructure grant	621,697	118,877	(173,582)	566,992
BC COVID Resiliency - Montrose on the Move	-	70,102	(70,102)	-
Beaver Valley recreation - capital	-	35,000	(35,000)	-
	621,697	558,129	(612,834)	566,992

The Corporation of the Village of Montrose

Notes to the Financial Statements

December 31, 2021

6. Equipment financing

	2021	2020
Municipal Finance Authority of BC equipment financing loan. Repayable in monthly installments of \$2,230, including interest of 2.66%, maturing December 2023.	\$ 50,387	\$ 76,549

Scheduled principal repayments over the remaining term are as follows:

2022	\$ 26,393
2023	<u>23,994</u>
	\$ 50,387

7. Accumulated surplus

The accumulated surplus is represented by:

	2021	2020
Unappropriated deficit	\$ 119,685	\$ (2,111)
Appropriated surplus	122,000	122,000
Capital funds	155,754	159,914
Reserve funds (Schedule 2)	3,343,108	3,047,270
Equity in tangible capital assets (Exhibit 1)	9,114,542	8,764,557
Total accumulated surplus	\$12,855,089	\$12,091,630

The Corporation of the Village of Montrose

Notes to the Financial Statements

December 31, 2021

8. Taxation revenues

	2021	2020
<hr/>		
Taxation, Grants in lieu, Assessments		
Property taxes	\$ 241,928	\$ 234,201
Grants in lieu of taxes	3,007	2,606
Road maintenance - parcel taxes	57,375	57,250
Community development - parcel taxes	2,295	2,290
Drainage parcel taxes	22,950	22,900
Water parcel taxes	116,332	116,332
Sewer parcel taxes	64,468	64,468
Collections for other authorities:		
Province of BC - school taxes	330,931	314,445
Province of BC - police taxes	48,232	46,356
Regional District of Kootenay Boundary	450,756	427,399
West Kootenay Boundary Regional Hospital District	37,167	33,501
BC Assessment Authority	6,765	6,125
Municipal Finance Authority	30	27
	<hr/>	<hr/>
	1,382,236	1,327,900
Payments for other authorities	859,322	816,732
	<hr/>	<hr/>
Taxation for Village purposes	\$ 522,914	\$ 511,168
	<hr/>	<hr/>

The Village is not reliant upon the revenue from any specific large property taxpayer(s) or business(es).

9. Transfers from other governments

	2021	2020
<hr/>		
Federal government	\$ 201,976	\$ 97,069
Provincial government	813,736	1,186,512
Regional District of Kootenay Boundary	91,693	150,198
Other	11,141	1,380
	<hr/>	<hr/>
	\$ 1,118,546	\$ 1,435,159
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The Corporation of the Village of Montrose

Notes to the Financial Statements

December 31, 2021

10. 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 its 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 Village 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, 2020, the plan has about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 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 may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The Village paid \$25,190 (2020 - \$37,629) for employer contributions to the plan in fiscal 2021.

The next valuation will be as at December 31, 2021, with results available in 2022.

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, 2021

11. 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 2).

	2021	2020
Opening balance of unspent funds	\$ 581,009	\$ 592,010
Add: Amount received during the year	198,784	97,069
Interest earned	1,848	2,814
Transfer from (to) General Operating	216	(110,884)
Closing balance of unspent funds	\$ 781,857	\$ 581,009

12. Budget data

The reconciliation of the approved budget Bylaw #764 for the current year to the budget figures reported in these financial statements is as follows:

Budget surplus per Statement of Operations	\$ 1,430,467
Less: Capital expenditures	(2,848,697)
Less: Repayment of equipment financing	(25,000)
Less: Transfers to other funds	(250,894)
Add: Prior year appropriations	166,069
Add: Transfers from reserves	1,528,055
	\$ -

The Corporation of the Village of Montrose
Schedule 1 - Schedule of Tangible Capital Assets
Year ended December 31, 2021

	Land	Land improvements	Buildings	Machinery equipment & vehicles	Engineering Structures				Work in progress	2021	2020
					Water	Sewer	Drainage	Roads			
Cost											
Balance, beginning of year	\$ 697,248	\$ 251,591	\$ 1,075,815	\$ 916,889	\$ 3,756,896	\$ 2,556,255	\$ 679,166	\$ 4,813,188	\$ 128,388	\$ 14,875,436	\$ 13,715,328
Additions	184,065	-	5,991	115,099	43,670	3,363	15,805	-	306,806	674,799	1,199,475
Disposals	-	-	-	(46,710)	-	-	-	-	-	(46,710)	-
Change in WIP	-	-	-	-	-	-	-	-	-	-	(39,367)
Balance, end of year	881,313	251,591	1,081,806	985,278	3,800,566	2,559,618	694,971	4,813,188	435,194	15,503,525	14,875,436
Accumulated amortization											
Balance, beginning of year	-	88,864	480,749	688,487	1,162,101	1,080,751	469,866	2,063,512	-	6,034,330	5,691,743
Amortization	-	16,314	28,123	53,332	87,103	42,934	16,842	106,328	-	350,976	342,587
Less: accumulated amortization on disposals	-	-	-	(46,710)	-	-	-	-	-	(46,710)	-
Balance, end of year	-	105,178	508,872	695,109	1,249,204	1,123,685	486,708	2,169,840	-	6,338,596	6,034,330
Net book value of tangible capital assets											
2021	\$ 881,313	\$ 146,413	\$ 572,934	\$ 290,169	\$ 2,551,362	\$ 1,435,933	\$ 208,263	\$ 2,643,348	\$ 435,194	\$ 9,164,929	\$ 8,841,106
2020	\$ 697,248	\$ 162,727	\$ 595,066	\$ 228,402	\$ 2,594,795	\$ 1,475,504	\$ 209,300	\$ 2,749,676	\$ 128,388	\$ 8,841,106	

The Corporation of the Village of Montrose

Schedule 2 - Reserve funds

Year ended December 31, 2021

Reserve fund	2020	Interest	Transfers From Operating	Transfers To Operating	2021
Capital vehicle	\$ 92,141	\$ 331	\$ -	\$ -	\$ 92,472
Employee payout	\$ 47,895	962	-	-	\$ 48,857
Buildings, Machinery and Equipment	\$ 61,111	219	10,000	-	\$ 71,330
Recreation	\$ 12,412	45	-	-	\$ 12,457
Insurance contingency	\$ 2,527	5	-	-	\$ 2,532
Sewer capital	\$ 433,760	2,924	-	-	\$ 436,684
Water capital	\$ 799,722	3,148	-	-	\$ 802,870
Capital drainage	\$ 177,715	639	22,950	-	\$ 201,304
Capital transportation	\$ 345,272	1,214	57,375	-	\$ 403,861
Community works	\$ 581,009	1,848	199,000	-	\$ 781,857
Climate action	\$ 11,246	39	1,600	-	\$ 12,885
COVID-19 Safe restart	\$ 482,460	1,758	-	(8,219)	\$ 475,999
TOTAL	\$ 3,047,270	\$ 13,132	\$ 290,925	\$ (8,219)	\$ 3,343,108

The Corporation of the Village of Montrose
Schedule 3 - Segmented Information
Year ended December 31, 2021

	General government	Environment and health	Community planning	Parks and recreation	Protective services	Transportation services	Sewer utility	Water utility	2021 Total	2020 Total
Revenue										
Taxation	\$ 342,114	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,468	\$ 116,332	\$ 522,914	\$ 511,168
Goods and services	105,767	-	-	-	-	-	-	-	105,767	90,190
Users rates	-	-	-	-	-	-	193,078	153,490	346,568	330,459
Investment income	15,656	-	-	-	-	-	-	-	15,656	21,593
Government transfers	637,803	-	-	297,161	-	-	183,582	-	1,118,546	1,435,159
Other	22,000	-	-	-	-	-	2,567	4,070	28,637	6,600
	1,123,340	-	-	297,161	-	-	443,695	273,892	2,138,088	2,395,169
Expenditures										
Salaries and benefits	318,144	12,784	-	27,495	8,247	57,632	69,966	30,708	524,976	549,738
Contracts and services	35,131	-	49,007	13,394	16,793	11,185	12,291	17,984	155,785	194,327
Materials and equipment	79,471	15,688	-	58,355	19,312	81,172	42,243	46,055	342,296	268,874
Debt and interest	596	-	-	-	-	-	-	-	596	2,248
	433,342	28,472	49,007	99,244	44,352	149,989	124,500	94,747	1,023,653	1,015,187
Amortization	220,939	-	-	-	-	-	87,103	42,934	350,976	342,587
Internal transfers	(89,095)	8,846	-	8,712	-	16,106	27,351	28,080	-	-
	565,186	37,318	49,007	107,956	44,352	166,095	238,954	165,761	1,374,629	1,357,774
Excess (deficiency) of revenue over expenditures	\$ 558,154	\$ (37,318)	\$ (49,007)	\$ 189,205	\$ (44,352)	\$ (166,095)	\$ 204,741	\$ 108,131	\$ 763,459	\$ 1,037,395

The Corporation of the Village of Montrose
Exhibit 1 - Statement of Financial Position by fund
(Unaudited)

as at December 31, 2021

	Operating funds			Capital funds			Reserve funds	2021	2020
	General	Water	Sewer	General	Water	Sewer			
Financial assets									
Cash and cash equivalents	\$ 1,024,844	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,351,327	\$ 4,376,171	\$ 4,047,275
Accounts receivable	86,777	11,849	15,429	-	-	-	-	114,055	108,283
Due (to) from other funds	(1,150,830)	686,650	316,645	117,538	38,193	23	(8,219)	-	-
	(39,209)	698,499	332,074	117,538	38,193	23	3,343,108	4,490,226	4,155,558
Liabilities									
Accounts payable and accrued liabilities	114,740	-	-	-	-	-	-	114,740	138,399
Deferred revenue	652,341	-	-	-	-	-	-	652,341	701,543
Long term debt	-	-	-	50,387	-	-	-	50,387	76,549
	767,081	-	-	50,387	-	-	-	817,468	916,491
Net Financial Assets	(806,290)	698,499	332,074	67,151	38,193	23	3,343,108	3,672,758	3,239,067
Tangible capital assets									
Inventory	-	-	-	4,812,544	2,551,360	1,801,025	-	9,164,929	8,841,106
Prepays	6,218	-	-	-	-	-	-	6,218	1,172
	11,184	-	-	-	-	-	-	11,184	10,285
Accumulated surplus	\$ (788,888)	\$ 698,499	\$ 332,074	\$ 4,879,695	\$ 2,589,553	\$ 1,801,048	\$ 3,343,108	\$ 12,855,089	\$ 12,091,630
Equity, financial									
Unappropriated surplus	\$ (830,888)	\$ 618,499	\$ 332,074	\$ -	\$ -	\$ -	\$ -	\$ 119,685	\$ (2,111)
Appropriated surplus	42,000	80,000	-	-	-	-	-	122,000	122,000
Capital funds	-	-	-	117,538	38,193	23	-	155,754	159,914
Reserve funds	-	-	-	-	-	-	3,343,108	3,343,108	3,047,270
	(788,888)	698,499	332,074	117,538	38,193	23	3,343,108	3,740,547	3,327,073
Equity in TCA	-	-	-	4,762,157	2,551,360	1,801,025	-	9,114,542	8,764,557
Total equity	\$ (788,888)	\$ 698,499	\$ 332,074	\$ 4,879,695	\$ 2,589,553	\$ 1,801,048	\$ 3,343,108	\$ 12,855,089	\$ 12,091,630

The Corporation of the Village of Montrose
Exhibit 2 - Statement of Operations
General operating fund
(Unaudited)
Year ended December 31, 2021

	Budget	2021	2020
Revenue			
Taxation, grants in lieu, assessments	\$ 1,142,147	\$ 1,201,436	\$ 1,147,098
Payments to other authorities	816,730	859,322	816,732
Taxation for village purposes	325,417	342,114	330,366
Sales of goods and services	86,886	105,767	90,190
Investment income	4,000	15,656	21,593
Transfers from other governments	625,849	934,964	1,346,395
	1,042,152	1,398,501	1,788,544
Expenditures			
Protective services	34,825	44,352	30,994
Parks, recreation and culture	92,177	99,244	65,839
General government	502,231	433,342	428,361
Transportation services	187,600	149,989	159,895
Environmental health	29,650	28,472	28,489
Community planning	90,639	49,007	72,828
	937,122	804,406	786,406
Net excess of revenue over expenditures	105,030	594,095	1,002,138
Transfers from (to) own funds and reserves:			
General capital	(273,661)	(391,062)	(711,356)
Transfer from reserves	191,000	-	446,904
Transfer to reserves	(212,925)	(295,838)	(967,130)
Internal transfers	49,486	55,431	53,937
Surplus appropriated from prior year	166,069	-	-
	(80,031)	(631,469)	(1,177,645)
Annual surplus (deficit)	24,999	(37,374)	(175,507)
Accumulated deficit, beginning of year	(793,515)	(793,515)	(618,008)
Accumulated deficit, end of year	\$ (768,516)	\$ (830,889)	\$ (793,515)

The Corporation of the Village of Montrose
Exhibit 3 - Statement of Operations
Water operating fund
(Unaudited)
Year ended December 31, 2021

	Budget	2021	2020
Revenue			
Parcel taxes	\$ 116,332	\$ 116,332	\$ 116,332
Water user rates	151,465	153,490	146,255
Other	3,670	4,070	4,345
	<u>271,467</u>	<u>273,892</u>	<u>266,932</u>
Expenditures			
Salaries and administration	44,500	30,708	39,569
Contracted services	34,041	17,984	22,998
Materials and supplies	61,770	46,055	43,476
	<u>140,311</u>	<u>94,747</u>	<u>106,043</u>
Net excess of revenue over expenditures	<u>131,156</u>	<u>179,145</u>	<u>160,889</u>
Transfer (to) from other funds and reserves:			
Water capital fund	(71,000)	(43,670)	(157,338)
Transfer from reserves	-	-	157,338
Transfer to reserves	(30,000)	-	-
Internal expense transfers	(30,156)	(28,080)	(27,585)
	<u>(131,156)</u>	<u>(71,750)</u>	<u>(27,585)</u>
Annual surplus (deficit)	-	107,395	133,304
Accumulated surplus, beginning of year	511,104	511,104	377,800
Accumulated surplus, end of year	<u>\$ 511,104</u>	<u>\$ 618,499</u>	<u>\$ 511,104</u>

The Corporation of the Village of Montrose

Exhibit 4 - Statement of Operations

Sewer operating fund

(Unaudited)

Year ended December 31, 2021

	Budget	2021	2020
Revenue			
Parcel taxes	\$ 64,468	\$ 64,468	\$ 64,468
Sewer user rates	193,997	193,078	184,204
Transfers from other governments	1,105,964	183,582	88,764
Other	2,255	2,567	2,255
	1,366,684	443,695	339,691
Expenditures			
Salaries and administration	81,200	69,966	70,689
Contracted services	19,200	12,291	9,482
Materials and supplies	72,003	42,243	42,567
	172,403	124,500	122,738
Net excess of revenue over expenditures	1,194,281	319,195	216,953
Transfer from other funds and reserves:			
Transfer from reserves	1,337,055	-	200,000
Internal transfers	(27,300)	(27,351)	(26,352)
Sewer capital fund	(2,504,036)	(240,067)	(291,411)
	(1,194,281)	(267,418)	(117,763)
Annual surplus (deficit)	-	51,777	99,190
Accumulated surplus, beginning of year	280,297	280,297	181,107
Accumulated surplus, end of year	\$ 280,297	\$ 332,074	\$ 280,297

The Corporation of the Village of Montrose
Exhibit 5 - COVID-19 Safe Restart Funds
Year ended December 31, 2021
(Unaudited)

	2021	2020
Opening balance	\$ 482,460	\$ -
Safe Restart Grant	-	485,000
Eligible costs incurred:		
Emergency planning and response costs	(8,219)	(2,686)
Interest earned	1,758	146
Balance, December 31, 2021	\$ 475,999	\$ 482,460