



Financial Statements

The Corporation of the Village of Montrose

December 31, 2020

The Corporation of the Village of Montrose

December 31, 2020

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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.

Chief Administrative Officer
April 19, 2021

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 (the "Village"), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in net financial assets, cash flows, and 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, 2020, and its results of operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector 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 identify during our audit.

Trail, Canada
April 19, 2021

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

Chartered Professional Accountants

The Corporation of the Village of Montrose
Statement of Financial Position
as at December 31, 2020

	2020	2019
Financial assets		
Cash (Note 2)	\$4,047,275	\$3,395,954
Accounts receivable (Note 3)	108,283	102,473
	\$4,155,558	\$3,498,427
Liabilities		
Accounts payable and accrued liabilities (Note 4)	\$ 138,399	\$ 121,592
Deferred revenue (Note 5)	701,543	256,921
Equipment financing (Note 6)	76,549	103,306
	916,491	481,819
Net financial assets	3,239,067	3,016,608
Non-financial assets		
Tangible capital assets (Schedule 1)	\$8,841,106	\$8,023,584
Inventory	1,172	3,795
Prepays	10,285	10,248
Accumulated surplus (Note 7)	\$12,091,630	\$11,054,235

Chief Administrative Officer

Mayor

The Corporation of the Village of Montrose
Statement of Operations
Year ended December 31, 2020

	Budget	2020	2019
Revenue			
Taxation, grants in lieu, assessments (Note 8)	\$1,276,581	\$ 1,327,900	\$ 1,281,485
Collections for other authorities (Note 8)	777,121	816,732	777,121
Taxation for village purposes (Note 8)	499,460	511,168	504,364
Sales of goods and services	156,216	90,190	111,212
Water and sewer user rates	326,922	330,459	313,080
Investment income	6,000	21,593	32,118
Transfer from other governments (Note 9)	2,441,951	1,435,159	679,259
Other	6,500	6,600	6,251
	3,437,049	2,395,169	1,646,284
Expenditures			
General government	494,527	428,361	459,566
Environment and health	25,980	28,489	23,463
Community planning	110,540	72,828	49,285
Parks, recreation and culture	86,131	65,839	72,303
Protective services	32,439	30,994	33,953
Transportation services	184,774	159,895	193,926
Sewer utility	168,683	122,738	138,357
Water utility	140,229	106,043	96,727
Amortization	-	342,587	315,056
	1,243,303	1,357,774	1,382,636
Annual surplus (Note 12)	2,193,746	1,037,395	263,648
Accumulated surplus, beginning of year	11,054,235	11,054,235	10,790,587
Accumulated surplus, end of year	\$13,247,981	\$12,091,630	\$11,054,235

SEE ACCOMPANYING NOTES

The Corporation of the Village of Montrose
Statement of Changes in Net Financial Assets
Year ended December 31, 2020

	Budget	2020	2019
Annual surplus	\$ 2,193,746	\$ 1,037,395	\$ 263,648
Acquisition of tangible capital assets	(3,992,180)	(1,160,109)	(187,748)
Amortization of tangible capital assets	-	342,587	315,056
	(1,798,434)	219,873	390,956
Use (acquisition) of inventory	-	2,623	1,786
Increase in prepaids	-	(37)	(1,611)
Increase (decrease) in net financial assets	(1,798,434)	222,459	391,131
Net financial assets, beginning of year	3,016,608	3,016,608	2,625,477
Net financial assets, end of year	\$ 1,218,174	\$ 3,239,067	\$ 3,016,608

SEE ACCOMPANYING NOTES

The Corporation of the Village of Montrose

Statement of Cash Flows Year ended December 31, 2020

	2020	2019
Operating		
Annual surplus	\$ 1,037,395	\$ 263,648
Non-cash items:		
Amortization	342,587	315,056
Changes to non-cash working capital items:		
Accounts receivable	(5,810)	8,556
Accounts payable and accrued liabilities	16,807	11,304
Deferred revenue	444,622	164,279
Prepays	(37)	(1,611)
Inventory	2,623	1,786
	<hr/> 1,838,187	<hr/> 763,018
Financing		
Debt principal repaid	(26,757)	(21,694)
Capital		
Tangible capital asset additions	(1,160,109)	(187,748)
	<hr/>	<hr/>
Increase in cash	651,321	553,576
Cash, beginning of year	3,395,954	2,842,378
	<hr/>	<hr/>
Cash, end of year (Note 2)	\$ 4,047,275	\$ 3,395,954

SEE ACCOMPANYING NOTES

The Corporation of the Village of Montrose

Notes to the Financial Statements

December 31, 2020

1. Significant accounting policies

Nature of operations

On March 11, 2020 the World Health Organization officially declared the COVID-19 outbreak a pandemic. The pandemic has forced governments to implement extraordinary measures to slow the progress of infections and to stabilize disrupted economies and financial markets. The Corporation of the Village of Montrose (the "Village") has deployed initiatives in order to protect the health and safety of its employees, to support its customers, and to mitigate the impact of the crisis, while ensuring continuity of its activities. Management will continue to monitor and assess the situation and respond accordingly.

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.

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 to hold assets, in the manner of a trust, 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

Cash 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, 2020

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	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.

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, 2020

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 #756 as adopted by Council on May 4, 2020.

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, 2020

2. Cash

	2020	2019
Operating funds - unrestricted	\$ 423,042	\$ 511,571
Reserve funds - restricted	3,624,233	2,884,383
	\$4,047,275	\$3,395,954

3. Accounts receivable

	2020	2019
Taxes	\$ 54,313	\$ 76,976
Trade receivables	8,162	5,791
Due from federal government	45,808	19,706
	\$ 108,283	\$ 102,473

4. Accounts payable and accrued liabilities

	2020	2019
Trade payables	\$ 73,474	\$ 62,645
Employee accrued liabilities	23,125	21,047
Post-employment benefits	41,800	37,900
	\$ 138,399	\$ 121,592

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 is recognized in the financial statements in the period in which employees render services and on the basis that the benefits are expected to be provided when the employees are no longer providing active service.

The Corporation of the Village of Montrose

Notes to the Financial Statements

December 31, 2020

4. Accounts payable and accrued liabilities (continued)

The post-employment benefit liabilities are based on an actuarial valuation as at December 31, 2020 using the following valuation assumptions:

	2020	2019
Discount rate	2.10 %	2.70 %
Inflation rate	2.50 %	2.50 %
Rate of compensation increase (both years)	2.58 %	to 2.58 %

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

	2020	2019
Beginning of year	\$ 37,900	\$ 30,000
Current service cost	4,700	4,200
Interest cost	1,200	1,100
Benefits paid	-	-
Actuarial (gain) loss	(2,000)	2,600
End of year	\$ 41,800	\$ 37,900

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

5. Deferred revenue

	2020	2019
Prepaid property taxes	\$ 74,772	\$ 67,558
Prepaid utilities	4,801	9,983
Miscellaneous	273	165
Government transfers (see below)	621,697	179,215
	\$ 701,543	\$ 256,921

Government transfers

	2020 Opening	Received	Revenue recognized	2020 Closing
Federal Gas Tax Fund	-	97,069	(97,069)	-
Columbia Basin Trust	121,000	-	(121,000)	-
Federal and Provincial infrastructure grant	-	710,461	(88,764)	621,697
Beaver Valley recreation - capital	58,215	35,000	(93,215)	-
	179,215	842,530	(400,048)	621,697

The Corporation of the Village of Montrose

Notes to the Financial Statements

December 31, 2020

6. Equipment financing

	2020	2019
Municipal Finance Authority of BC equipment financing loan. Repayable in monthly installments of \$2,230, including interest of 2.66%, maturing December 2023.	\$ 76,549	\$ 103,306
Scheduled principal repayments over the next three years are;		
2021	\$ 25,141	
2022	25,773	
2023	25,635	
	\$ 76,549	

7. Accumulated surplus

The accumulated surplus is represented by:

	2020	2019
Unappropriated deficit	\$ (2,111)	\$ (59,098)
Appropriated surplus	122,000	122,000
Capital funds	159,914	186,672
Reserve funds (Schedule 2)	3,047,270	2,884,383
Equity in tangible capital assets (Exhibit 1)	8,764,557	7,920,278
Total accumulated surplus	\$12,091,630	\$11,054,235

The Corporation of the Village of Montrose

Notes to the Financial Statements

December 31, 2020

8. Taxation revenues

	2020	2019
<hr/>		
Taxation, Grants in lieu, Assessments		
Property taxes	\$ 234,201	\$ 228,394
Grants in lieu of taxes	2,606	2,964
Road maintenance - parcel taxes	57,250	57,250
Community development - parcel taxes	2,290	2,290
Drainage parcel taxes	22,900	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	314,445	303,640
Province of BC - police taxes	46,356	42,847
Regional District of Kootenay Boundary	427,399	401,660
West Kootenay Boundary Regional Hospital District	33,501	33,336
BC Assessment Authority	6,125	5,378
Municipal Finance Authority	27	26
	<hr/>	<hr/>
	1,327,900	1,281,485
Payments for other authorities	816,732	777,121
	<hr/>	<hr/>
Taxation for Village purposes	\$ 511,168	\$ 504,364
	<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

	2020	2019
<hr/>		
Federal government	\$ 97,069	\$ 199,571
Provincial government	1,186,512	421,867
Regional District of Kootenay Boundary	150,198	56,447
Other	1,380	1,374
	<hr/>	<hr/>
	\$ 1,435,159	\$ 679,259
	<hr/>	<hr/>

The Corporation of the Village of Montrose

Notes to the Financial Statements

December 31, 2020

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, 2019, the plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 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 \$37,629 (2019 - \$33,957) for employer contributions to the plan in fiscal 2020.

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, 2020

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).

	2020	2019
Opening balance of unspent funds	\$ 592,010	\$ 390,715
Add: Amount received during the year	97,069	197,686
Interest earned	2,814	3,609
Transfer to General Operating	(110,884)	-
Closing balance of unspent funds	\$ 581,009	\$ 592,010

12. Budget data

The reconciliation of the approved budget Bylaw #756 for the current year to the budget figures reported in these financial statements is as follows:

Budget surplus per Statement of Operations	\$ 2,193,746
Less: Capital expenditures	(3,992,180)
Less: Repayment of equipment financing	(25,000)
Less: Transfers to other funds	(197,925)
Add: Prior year appropriations	279,347
Add: Transfers from reserves	1,742,012
	\$ -

The Corporation of the Village of Montrose
Schedule 1 - Schedule of Tangible Capital Assets
Year ended December 31, 2020

	Land	Land improvements	Buildings	Machinery equipment & vehicles	Engineering Structures				Work in progress	2020	2019
					Water	Sewer	Drainage	Roads			
Cost											
Balance, beginning of year	\$ 697,248	\$ 136,251	\$ 809,441	\$ 916,889	\$ 3,593,508	\$ 2,370,145	\$ 576,713	\$ 4,558,728	\$ 56,405	\$13,715,328	\$13,527,580
Additions	-	115,340	266,374	-	163,388	186,110	102,453	254,460	111,350	1,199,475	187,748
Change in WIP	-	-	-	-	-	-	-	-	(39,367)	(39,367)	-
Balance, end 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
Accumulated amortization											
Balance, beginning of year	-	72,551	453,248	645,822	1,075,654	1,034,054	453,232	1,957,184	-	5,691,744	5,376,688
Amortization	-	16,313	27,501	42,665	86,447	46,697	16,634	106,329	-	342,586	315,056
Balance, end of year	-	88,864	480,749	688,487	1,162,101	1,080,751	469,866	2,063,513	-	6,034,330	5,691,744
Net book value of tangible capital assets											
2020	\$ 697,248	\$ 162,727	\$ 595,066	\$ 228,402	\$ 2,594,795	\$ 1,475,504	\$ 209,300	\$ 2,749,675	\$ 128,388	\$ 8,841,106	\$ 8,023,584
2019	\$ 697,248	\$ 63,700	\$ 356,192	\$ 271,067	\$ 2,517,855	\$ 1,336,091	\$ 123,481	\$ 2,601,544	\$ 56,405	\$ 8,023,584	

The Corporation of the Village of Montrose

Schedule 2 - Reserve funds

Year ended December 31, 2020

Reserve fund	2019	Interest	Transfers	Transfers	2020
			From	To	
			Operating	Operating	
Capital vehicle	\$ 76,732	\$ 409	\$ 15,000	\$ -	\$ 92,141
Employee payout	\$ 39,629	766	7,500	-	\$ 47,895
Buildings, Machinery and Equipment	\$ 50,860	251	10,000	-	\$ 61,111
Recreation	\$ 12,350	62	-	-	\$ 12,412
Insurance contingency	\$ 2,523	4	-	-	\$ 2,527
Sewer capital	\$ 528,581	5,179	100,000	(200,000)	\$ 433,760
Water capital	\$ 874,854	4,868	77,338	(157,338)	\$ 799,722
Capital drainage	\$ 223,741	1,024	22,950	(70,000)	\$ 177,715
Capital transportation	\$ 473,480	1,792	136,020	(266,020)	\$ 345,272
Community works	\$ 592,010	2,814	97,069	(110,884)	\$ 581,009
Climate action	\$ 9,623	23	1,600	-	\$ 11,246
COVID-19 Safe restart	\$ -	146	482,314	-	\$ 482,460
TOTAL	\$ 2,884,383	\$ 17,338	\$ 949,791	\$ (804,242)	\$ 3,047,270

The Corporation of the Village of Montrose
Schedule 3 - Segmented Information
Year ended December 31, 2020

	General government	Environment and health	Community planning	Parks and recreation	Protective services	Transportation services	Sewer utility	Water utility	2020 Total	2019 Total
Revenue										
Taxation	\$ 330,368	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,468	\$ 116,332	\$ 511,168	\$ 504,364
Goods and services	61,459	-	5,337	23,394	-	-	-	-	90,190	111,212
Users rates	-	-	-	-	-	-	184,204	146,255	330,459	313,080
Investment income	21,593	-	-	-	-	-	-	-	21,593	32,118
Government transfers	1,024,956	-	-	321,439	-	-	88,764	-	1,435,159	679,259
Other	-	-	-	-	-	-	2,255	4,345	6,600	6,251
	1,438,376	-	5,337	344,833	-	-	339,691	266,932	2,395,169	1,646,284
Expenditures										
Salaries and benefits	341,064	13,844	-	23,828	6,719	54,025	70,689	39,569	549,738	547,735
Contracts and services	30,635	-	72,828	15,278	14,063	29,043	9,482	22,998	194,327	149,878
Materials and equipment	54,414	14,645	-	26,733	10,212	76,827	42,567	43,476	268,874	367,028
Debt and interest	2,248	-	-	-	-	-	-	-	2,248	2,939
	428,361	28,489	72,828	65,839	30,994	159,895	122,738	106,043	1,015,187	1,067,580
Amortization	209,442	-	-	-	-	-	86,448	46,697	342,587	315,056
Internal transfers	(89,925)	10,168	-	7,201	15	18,604	26,352	27,585	-	-
	547,878	38,657	72,828	73,040	31,009	178,499	235,538	180,325	1,357,774	1,382,636
Excess (deficiency) of revenue over expenditures	\$ 890,498	\$ (38,657)	\$ (67,491)	\$ 271,793	\$ (31,009)	\$ (178,499)	\$ 104,153	\$ 86,607	\$ 1,037,395	\$ 263,648

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

as at December 31, 2020

	Operating funds			Capital funds			Reserve funds	2020	2019
	General	Water	Sewer	General	Water	Sewer			
Financial assets									
Cash	\$ 423,042	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,624,233	\$ 4,047,275	\$ 3,395,954
Accounts receivable	84,517	10,482	13,284	-	-	-	-	108,283	102,473
Due (to) from other funds	(430,586)	580,622	267,013	121,698	38,193	23	(576,963)	-	-
	76,973	591,104	280,297	121,698	38,193	23	3,047,270	4,155,558	3,498,427
Liabilities									
Accounts payable and accrued liabilities	138,399	-	-	-	-	-	-	138,399	121,592
Deferred revenue	701,543	-	-	-	-	-	-	701,543	256,921
Long term debt	-	-	-	76,549	-	-	-	76,549	103,306
	839,942	-	-	76,549	-	-	-	916,491	481,819
Net Financial Assets	(762,969)	591,104	280,297	45,149	38,193	23	3,047,270	3,239,067	3,016,608
Tangible capital assets									
Inventory	-	-	-	4,642,421	2,594,791	1,603,894	-	8,841,106	8,023,584
Prepays	1,172	-	-	-	-	-	-	1,172	3,795
	10,285	-	-	-	-	-	-	10,285	10,248
Accumulated surplus	\$ (751,512)	\$ 591,104	\$ 280,297	\$ 4,687,570	\$ 2,632,984	\$ 1,603,917	\$ 3,047,270	\$ 12,091,630	\$ 11,054,235
Equity, financial									
Unappropriated surplus	\$ (793,512)	\$ 511,104	\$ 280,297	\$ -	\$ -	\$ -	\$ -	\$ (2,111)	\$ (59,098)
Appropriated surplus	42,000	80,000	-	-	-	-	-	122,000	122,000
Capital funds	-	-	-	121,698	38,193	23	-	159,914	186,672
Reserve funds	-	-	-	-	-	-	3,047,270	3,047,270	2,884,383
	(751,512)	591,104	280,297	121,698	38,193	23	3,047,270	3,327,073	3,133,957
Equity in TCA	-	-	-	4,565,872	2,594,791	1,603,894	-	8,764,557	7,920,278
Total equity	\$ (751,512)	\$ 591,104	\$ 280,297	\$ 4,687,570	\$ 2,632,984	\$ 1,603,917	\$ 3,047,270	\$ 12,091,630	\$ 11,054,235

The Corporation of the Village of Montrose
Exhibit 2 - Statement of Operations
General operating fund
(Unaudited)
Year ended December 31, 2020

	Budget	2020	2019
Revenue			
Taxation, grants in lieu, assessments	\$ 1,095,782	\$ 1,147,098	\$ 1,100,685
Payments to other authorities	777,121	816,732	777,121
Taxation for village purposes	318,661	330,366	323,564
Sales of goods and services	156,216	90,190	111,212
Investment income	6,000	21,593	32,118
Transfers from other governments	593,761	1,346,395	679,259
	1,074,638	1,788,544	1,146,153
Expenditures			
Protective services	32,439	30,994	33,953
Parks, recreation and culture	86,131	65,839	72,303
General government	489,748	428,361	459,566
Transportation services	184,774	159,895	193,926
Environmental health	25,980	28,489	23,463
Community planning	110,540	72,828	49,285
	929,612	786,406	832,496
Net excess of revenue over expenditures	145,026	1,002,138	313,657
Transfers from (to) own funds and reserves:			
General capital	(910,000)	(711,356)	(168,323)
Transfer from reserves	631,000	446,904	-
Transfer to reserves	(197,925)	(967,130)	(570,764)
Internal transfers	52,552	53,937	53,604
Surplus appropriated from prior year	279,347	-	-
	(145,026)	(1,177,645)	(685,483)
Annual surplus (deficit)	-	(175,507)	(371,826)
Accumulated surplus (deficit), beginning of year	(618,008)	(618,008)	(246,182)
Accumulated deficit, end of year	\$ (618,008)	\$ (793,515)	\$ (618,008)

The Corporation of the Village of Montrose

Exhibit 3 - Statement of Operations

Water operating fund

(Unaudited)

Year ended December 31, 2020

	Budget	2020	2019
Revenue			
Parcel taxes	\$ 116,332	\$ 116,332	\$ 116,332
Water user rates	143,725	146,255	138,618
Other	4,245	4,345	3,954
	<u>264,302</u>	<u>266,932</u>	<u>258,904</u>
Expenditures			
Salaries and administration	43,900	39,569	39,496
Contracted services	37,000	22,998	11,591
Materials and supplies	59,329	43,476	45,640
	<u>140,229</u>	<u>106,043</u>	<u>96,727</u>
Net excess of revenue over expenditures	<u>124,073</u>	<u>160,889</u>	<u>162,177</u>
Transfer (to) from other funds and reserves:			
Water capital fund	(250,381)	(157,338)	(13,375)
Transfer from reserves	157,164	157,338	-
Internal expense transfers	(30,856)	(27,585)	(27,593)
	<u>(124,073)</u>	<u>(27,585)</u>	<u>(40,968)</u>
Annual surplus (deficit)	-	133,304	121,209
Accumulated surplus, beginning of year	<u>377,800</u>	<u>377,800</u>	<u>256,591</u>
Accumulated surplus, end of year	<u>\$ 377,800</u>	<u>\$ 511,104</u>	<u>\$ 377,800</u>

The Corporation of the Village of Montrose

Exhibit 4 - Statement of Operations

Sewer operating fund

(Unaudited)

Year ended December 31, 2020

	Budget	2020	2019
Revenue			
Parcel taxes	\$ 64,468	\$ 64,468	\$ 64,468
Sewer user rates	183,197	184,204	174,462
Transfers from other governments	1,848,190	88,764	-
Other	2,255	2,255	2,297
	2,098,110	339,691	241,227
Expenditures			
Salaries and administration	72,700	70,689	70,864
Contracted services	18,500	9,482	10,586
Materials and supplies	77,483	42,567	56,907
	168,683	122,738	138,357
Net excess of revenue over expenditures	1,929,427	216,953	102,870
Transfer from other funds and reserves:			
Transfer from reserves	953,848	200,000	-
Internal transfers	(26,475)	(26,352)	(26,011)
Sewer capital fund	(2,856,800)	(291,411)	(6,049)
	(1,929,427)	(117,763)	(32,060)
Annual surplus (deficit)	-	99,190	70,810
Accumulated surplus, beginning of year	181,107	181,107	110,297
Accumulated surplus, end of year	\$ 181,107	\$ 280,297	\$ 181,107

The Corporation of the Village of Montrose
Exhibit 5 - COVID-19 Safe Restart Funds
Year ended December 31, 2020
(Unaudited)

	2020	2019
Safe Restart Grant	\$ 485,000	-
Eligible costs incurred:		
Emergency planning and response costs	(2,686)	-
Interest earned	146	-
Balance, December 31, 2020	\$ 482,460	-