

# Financial Statements

The Corporation of the Village of Montrose

December 31, 2022

# The Corporation of the Village of Montrose

December 31, 2022

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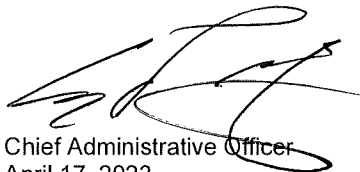
# Management Responsibility Statement

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 17, 2023

## Independent Auditor's Report

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, 2022, 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, 2022, 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.

# Independent Auditor's Report (continued)

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.

## **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.

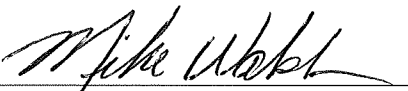
Trail, Canada  
April 17, 2023

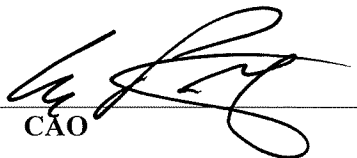
*Grant Thornton LLP*

Chartered Professional Accountants

**The Corporation of the Village of Montrose**  
**Statement of Financial Position**  
**as at December 31, 2022**

	<b>2022</b>	<b>2021</b>
<b>Financial assets</b>		
Cash and cash equivalents (Note 2)	\$4,480,891	\$4,376,171
Accounts receivable (Note 3)	166,495	114,055
	<b>\$4,647,386</b>	<b>\$4,490,226</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	\$ 409,778	\$ 114,740
Deferred revenue (Note 5)	349,922	652,341
Equipment financing (Note 6)	25,896	50,387
	<b>785,596</b>	<b>817,468</b>
<b>Net financial assets</b>	<b>3,861,790</b>	<b>3,672,758</b>
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	\$9,641,549	\$9,164,929
Inventory	3,629	6,218
Prepays	29,054	11,184
	<b>\$13,536,022</b>	<b>\$12,855,089</b>

  
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 Mayor

  
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# The Corporation of the Village of Montrose

## Statement of Operations

Year ended December 31, 2022

	Budget	2022	2021
<b>Revenue</b>			
Taxation, grants in lieu, assessments (Note 8)	\$1,398,048	\$ 1,427,614	\$ 1,382,236
Collections for other authorities (Note 8)	(890,371)	(920,528)	(859,322)
<hr/>			
Taxation for village purposes (Note 8)	507,677	507,086	522,914
Sales of goods and services	110,839	109,555	105,767
Water and sewer user rates	361,865	365,362	346,568
Investment income	-	28,536	15,656
Transfer from other governments (Note 9)	1,757,688	1,285,025	1,118,546
Other	-	17,124	6,637
Gain on disposal of tangible capital assets	-	-	22,000
<hr/>			
	2,738,069	2,312,688	2,138,088
<hr/>			
<b>Expenditures</b>			
General government	549,735	539,271	433,342
Environment and health	28,850	26,318	28,472
Community planning	86,672	115,015	49,007
Parks, recreation and culture	94,555	91,520	99,244
Protective services	37,725	35,843	44,352
Transportation services	192,615	200,826	149,989
Sewer utility	162,920	171,441	124,500
Water utility	137,412	97,741	94,747
Amortization	-	353,780	350,976
<hr/>			
	1,290,484	1,631,755	1,374,629
<hr/>			
<b>Annual surplus (Note 13)</b>	1,447,585	680,933	763,459
<b>Accumulated surplus, beginning of year</b>	12,855,089	12,855,089	12,091,630
<hr/>			
<b>Accumulated surplus, end of year</b>	\$14,302,674	\$13,536,022	\$12,855,089

SEE ACCOMPANYING NOTES

**The Corporation of the Village of Montrose**  
**Statement of Changes in Net Financial Assets**  
**Year ended December 31, 2022**

	<b>Budget</b>	<b>2022</b>	<b>2021</b>
<b>Annual surplus</b>	\$ 1,447,585	\$ 680,933	\$ 763,459
Acquisition of tangible capital assets	(3,680,500)	(830,400)	(674,799)
Amortization of tangible capital assets	-	353,780	350,976
Gain on sale of tangible capital assets	-	-	(22,000)
Proceeds on sale of tangible capital assets	-	-	22,000
	(2,232,915)	204,313	439,636
Use (acquisition) of inventory	-	2,589	(5,046)
Increase in prepaids	-	(17,870)	(899)
<b>Increase (decrease) in net financial assets</b>	(2,232,915)	189,032	433,691
<b>Net financial assets, beginning of year</b>	3,672,758	3,672,758	3,239,067
<b>Net financial assets, end of year</b>	\$ 1,439,843	\$ 3,861,790	\$ 3,672,758

SEE ACCOMPANYING NOTES



# The Corporation of the Village of Montrose

## Statement of Cash Flows Year ended December 31, 2022

	2022	2021
<b>Operating</b>		
Annual surplus	\$ 680,933	\$ 763,459
Non-cash items:		
Amortization	353,780	350,976
Gain on disposal of tangible capital assets	-	(22,000)
Changes to non-cash working capital items:		
Accounts receivable	(52,440)	(5,772)
Accounts payable and accrued liabilities	19,791	(23,659)
Deferred revenue	(302,419)	(49,202)
Prepays	(17,870)	(899)
Inventory	2,589	(5,046)
	<u>684,364</u>	<u>1,007,857</u>
<b>Financing</b>		
Debt principal repaid	(24,491)	(26,162)
<b>Capital</b>		
Tangible capital asset additions	(555,153)	(674,799)
Proceeds from disposal of tangible capital assets	-	22,000
	<u>(555,153)</u>	<u>(652,799)</u>
<b>Increase in cash</b>	104,720	328,896
<b>Cash, beginning of year</b>	4,376,171	4,047,275
<b>Cash, end of year (Note 2)</b>	<u>\$ 4,480,891</u>	<u>\$ 4,376,171</u>

SEE ACCOMPANYING NOTES

**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 tangible 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 tangible 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.

**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 into 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.

**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 Montrose Financial Plan 2022-2026 Bylaw #767 as adopted by Council on May 2, 2022.

**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, 2022**

**2. Cash and cash equivalents**

	2022	2021
Operating funds - unrestricted	\$ 847,578	\$1,024,844
Reserve funds - restricted	3,633,313	3,351,327
	\$4,480,891	\$4,376,171

**3. Accounts receivable**

	2022	2021
Taxes	\$ 57,261	\$ 63,542
Trade receivables	60,705	22,001
Due from federal government	48,529	28,512
	\$ 166,495	\$ 114,055

**4. Accounts payable and accrued liabilities**

	2022	2021
Trade payables	\$ 375,744	\$ 57,717
Employee accrued liabilities	23,634	24,423
Post-employment benefits	10,400	32,600
	\$ 409,778	\$ 114,740

**Post-Employment Benefits**

All employees are entitled to earned benefits related to vested sick leave. 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, 2022**

**4. Accounts payable and accrued liabilities (continued)**

The post-employment benefit liability is based on an actuarial valuation as at December 31, 2022 using the following valuation assumptions:

	2022	2021
Discount rate	4.60 %	2.50 %

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

	2022	2021
Beginning of year	\$ 32,600	\$ 41,800
Current service cost	3,600	3,900
Interest cost	900	1,000
Benefits paid	(17,300)	-
Actuarial gain	(9,400)	(14,100)
End of year	\$ 10,400	\$ 32,600

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

**5. Deferred revenue**

	2022	2021
Prepaid property taxes	\$ 80,096	\$ 75,408
Prepaid utilities	6,774	6,677
Miscellaneous	3,499	3,264
Government transfers (see below)	259,553	566,992
	\$ 349,922	\$ 652,341

**Government transfers**

	2022 Opening	Received	Revenue recognized	2022 Closing
Federal Gas Tax Fund	-	101,716	(101,716)	-
Columbia Basin Trust	-	78,600	-	78,600
Federal and Provincial infrastructure grant	566,992	59,867	(445,906)	180,953
Beaver Valley recreation - capital	-	35,000	(35,000)	-
	566,992	275,183	(606,296)	259,553

**The Corporation of the Village of Montrose**

**Notes to the Financial Statements**

**December 31, 2022**

**6. Equipment financing**

	<b>2022</b>	<b>2021</b>
Municipal Finance Authority of BC equipment financing loan. Repayable in monthly installments of \$2,230 which includes the Municipal Finance Authority of BC's monthly interest rate for equipment financing, maturing December 2023.	\$ 25,896	\$ 50,387

Scheduled principal repayments over the remaining term is as follows:

2023            \$ 25,896

**7. Accumulated surplus**

The accumulated surplus is represented by:

	<b>2022</b>	<b>2021</b>
Unappropriated surplus	\$ 9,302	\$ 119,685
Appropriated surplus	122,000	122,000
Capital funds	155,754	155,754
Reserve funds (Schedule 2)	3,633,313	3,343,108
Equity in tangible capital assets (Exhibit 1)	9,615,653	9,114,542
<b>Total accumulated surplus</b>	<b>\$13,536,022</b>	<b>\$12,855,089</b>

# The Corporation of the Village of Montrose

## Notes to the Financial Statements

December 31, 2022

### 8. Taxation revenues

	<b>2022</b>	<b>2021</b>
<b>Taxation, Grants in lieu, Assessments</b>		
Property taxes	\$ 247,709	\$ 241,928
Grants in lieu of taxes	3,034	3,007
Road maintenance - parcel taxes	57,500	57,375
Community development - parcel taxes	2,300	2,295
Drainage - parcel taxes	23,000	22,950
Water - parcel taxes	116,586	116,332
Sewer - parcel taxes	64,610	64,468
Collections for other authorities:		
Province of BC - school taxes	348,561	330,931
Province of BC - police taxes	48,420	48,232
Regional District of Kootenay Boundary	477,935	450,756
West Kootenay Boundary Regional Hospital District	30,856	37,167
BC Assessment Authority	7,065	6,765
Municipal Finance Authority	38	30
	1,427,614	1,382,236
Payments for other authorities	(920,528)	(859,322)
	<b>\$ 507,086</b>	<b>\$ 522,914</b>

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

### 9. Transfers from other governments

	<b>2022</b>	<b>2021</b>
Federal government	\$ 344,949	\$ 296,657
Provincial government	845,841	719,055
Regional District of Kootenay Boundary	93,094	91,693
Other	1,141	11,141
	<b>\$ 1,285,025</b>	<b>\$ 1,118,546</b>



**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, 2021, the plan has about 227,000 active members and approximately 118,000 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, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The Village paid \$28,861 (2021 - \$25,190) for employer contributions to the plan in fiscal 2022.

The next valuation will be as at December 31, 2024, with results available in 2025.

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.

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**11. Contractual Obligations**

The Village of Montrose entered into an agreement with Paulson Mechanical Systems Ltd. to upgrade the air filtration system for the Village Square Hall for \$30,749 plus GST on November 28, 2022. The project is expected to be completed before August 31, 2023 .

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# The Corporation of the Village of Montrose

## Notes to the Financial Statements

December 31, 2022

### 12. 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).

	2022	2021
Opening balance of unspent funds	\$ 781,857	\$ 581,009
Add: Amount received during the year	101,712	198,784
Interest earned	4,789	1,848
Transfer from (to) General Operating	-	216
Closing balance of unspent funds	\$ 888,358	\$ 781,857

### 13. Budget data

The reconciliation of the approved budget Bylaw #767 for the current year to the budget figures reported in these financial statements is as follows:

Budget surplus per Statement of Operations	\$ 1,447,585
Less: Capital expenditures	(3,680,500)
Less: Repayment of equipment financing	(46,000)
Less: Transfers to other funds	(197,248)
Add: Prior year appropriations	202,430
Add: Long-term debt proceeds	200,000
Add: Transfers from reserves	2,073,733
	\$ -

**The Corporation of the Village of Montrose**  
**Schedule 1 - Schedule of Tangible Capital Assets**  
**Year ended December 31, 2022**

	Land	Land improvements	Buildings	Machinery equipment & vehicles	Engineering Structures				Work in progress	2022	2021
					Water	Sewer	Drainage	Roads			
<b>Cost</b>											
Balance, beginning 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
Additions	-	-	-	128,187	99,642	32,308	-	-	640,365	900,502	674,799
Disposals	-	-	-	-	-	-	-	-	-	-	(46,710)
Change in WIP	-	-	-	-	-	-	-	-	(70,102)	(70,102)	-
<b>Balance, end of year</b>	<b>881,313</b>	<b>251,591</b>	<b>1,081,806</b>	<b>1,113,465</b>	<b>3,900,208</b>	<b>2,591,926</b>	<b>694,971</b>	<b>4,813,188</b>	<b>1,005,457</b>	<b>16,333,925</b>	<b>15,503,525</b>
<b>Accumulated amortization</b>											
Balance, beginning 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
Amortization	-	16,314	25,085	59,065	91,184	46,411	9,393	106,328	-	353,780	350,976
Less: accumulated amortization on disposals	-	-	-	-	-	-	-	-	-	-	(46,710)
<b>Balance, end of year</b>	<b>-</b>	<b>121,492</b>	<b>533,957</b>	<b>754,174</b>	<b>1,340,388</b>	<b>1,170,096</b>	<b>496,101</b>	<b>2,276,168</b>	<b>-</b>	<b>6,692,376</b>	<b>6,338,596</b>
<b>Net book value of tangible capital assets</b>											
<b>2022</b>	<b>\$ 881,313</b>	<b>\$ 130,099</b>	<b>\$ 547,849</b>	<b>\$ 359,291</b>	<b>\$ 2,559,820</b>	<b>\$ 1,421,830</b>	<b>\$ 198,870</b>	<b>\$ 2,537,020</b>	<b>\$ 1,005,457</b>	<b>\$ 9,641,549</b>	<b>\$ 9,164,929</b>
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	

Tangible capital asset additions for the year ended December 31, 2022 include \$275,247 in Accounts payable (2021 - \$Nil). As a result, this amount was not included in the purchases of tangible capital assets on the Statement of Cash Flows.

**The Corporation of the Village of Montrose**

Schedule 2 - Reserve funds

Year ended December 31, 2022

<b>Reserve fund</b>	<b>2021</b>	<b>Interest</b>	<b>Transfers From Operating</b>	<b>Transfers To Operating</b>	<b>2022</b>
Capital vehicle	\$ 92,472	\$ 535	\$ -	\$ -	\$ 93,007
Employee payout	\$ 48,857	1,590	-	-	\$ 50,447
Buildings, Machinery and Equipment	\$ 71,330	411	10,000	-	\$ 81,741
Recreation	\$ 12,457	53	35,000	-	\$ 47,510
Insurance contingency	\$ 2,532	6	-	-	\$ 2,538
Sewer capital	\$ 436,684	2,701	-	-	\$ 439,385
Water capital	\$ 802,870	5,172	-	-	\$ 808,042
Capital drainage	\$ 201,304	1,240	16,000	-	\$ 218,544
Capital transportation	\$ 403,861	2,485	57,500	-	\$ 463,846
Community works	\$ 781,857	4,789	101,712	-	\$ 888,358
Climate action	\$ 12,885	55	48,000	-	\$ 60,940
COVID-19 Safe restart	\$ 475,999	2,956	-	-	\$ 478,955
<b>TOTAL</b>	<b>\$ 3,343,108</b>	<b>\$ 21,993</b>	<b>\$ 268,212</b>	<b>\$ -</b>	<b>\$ 3,633,313</b>

**The Corporation of the Village of Montrose**  
**Schedule 3 - Segmented Information**  
**Year ended December 31, 2022**

	General government	Environment and health	Community planning	Parks and recreation	Protective services	Transportation services	Sewer utility	Water utility	2022 Total	2021 Total
<b>Revenue</b>										
Taxation	\$ 325,890	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,610	\$ 116,586	\$ 507,086	\$ 522,914
Goods and services	24,359	35,242	14,051	14,397	21,506	-	-	-	109,555	105,767
Users rates	-	-	-	-	-	-	203,783	161,579	365,362	346,568
Investment income	28,536	-	-	-	-	-	-	-	28,536	15,656
Government transfers	687,940	-	-	151,180	-	-	445,906	-	1,285,026	1,118,546
Other	-	-	-	-	-	-	3,086	14,038	17,124	28,637
	1,066,725	35,242	14,051	165,577	21,506	-	717,385	292,203	2,312,689	2,138,088
<b>Expenditures</b>										
Salaries and benefits	402,566	11,148	-	18,548	8,141	73,454	77,546	28,641	620,044	524,976
Contracts and services	68,712	-	115,015	16,997	15,745	27,137	29,564	15,284	288,454	155,785
Materials and equipment	65,726	15,170	-	55,975	11,957	100,235	64,331	53,816	367,210	342,296
Debt and interest	2,267	-	-	-	-	-	-	-	2,267	596
	539,271	26,318	115,015	91,520	35,843	200,826	171,441	97,741	1,277,975	1,023,653
Amortization	216,185	-	-	-	-	-	91,184	46,411	353,780	350,976
Internal transfers	(95,487)	6,695	-	6,572	44	20,973	32,006	29,197	-	-
	659,969	33,013	115,015	98,092	35,887	221,799	294,631	173,349	1,631,755	1,374,629
<b>Excess (deficiency) of revenue over expenditures</b>	\$ 406,756	\$ 2,229	\$ (100,964)	\$ 67,485	\$ (14,381)	\$ (221,799)	\$ 422,754	\$ 118,854	\$ 680,934	\$ 763,459

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

as at December 31, 2022

	Operating funds			Capital funds			Reserve funds	2022	2021
	General	Water	Sewer	General	Water	Sewer			
<b>Financial assets</b>									
Cash and cash equivalents	\$ 847,578	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,633,313	\$ 4,480,891	\$ 4,376,171
Accounts receivable	139,864	11,716	14,915	-	-	-	-	166,495	114,055
Due (to) from other funds	(1,066,584)	752,406	158,424	117,538	38,193	23	-	-	-
	(79,142)	764,122	173,339	117,538	38,193	23	3,633,313	4,647,386	4,490,226
<b>Liabilities</b>									
Accounts payable and accrued liabilities	409,778	-	-	-	-	-	-	409,778	114,740
Deferred revenue	349,922	-	-	-	-	-	-	349,922	652,341
Equipment financing	-	-	-	25,896	-	-	-	25,896	50,387
	759,700	-	-	25,896	-	-	-	785,596	817,468
<b>Net Financial Assets</b>	<b>(838,842)</b>	<b>764,122</b>	<b>173,339</b>	<b>91,642</b>	<b>38,193</b>	<b>23</b>	<b>3,633,313</b>	<b>3,861,790</b>	<b>3,672,758</b>
Tangible capital assets	-	-	-	4,654,442	2,559,820	2,427,287	-	9,641,549	9,164,929
Inventory	3,629	-	-	-	-	-	-	3,629	6,218
Prepays	29,054	-	-	-	-	-	-	29,054	11,184
<b>Accumulated surplus</b>	<b>\$ (806,159)</b>	<b>\$ 764,122</b>	<b>\$ 173,339</b>	<b>\$ 4,746,084</b>	<b>\$ 2,598,013</b>	<b>\$ 2,427,310</b>	<b>\$ 3,633,313</b>	<b>\$ 13,536,022</b>	<b>\$ 12,855,089</b>
<b>Equity, financial</b>									
Unappropriated surplus	\$ (848,159)	\$ 684,122	\$ 173,339	\$ -	\$ -	\$ -	\$ -	\$ 9,302	\$ 119,685
Appropriated surplus	42,000	80,000	-	-	-	-	-	122,000	122,000
Capital funds	-	-	-	117,538	38,193	23	-	155,754	155,754
Reserve funds	-	-	-	-	-	-	3,633,313	3,633,313	3,343,108
	(806,159)	764,122	173,339	117,538	38,193	23	3,633,313	3,920,369	3,740,547
<b>Equity in TCA</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,628,546</b>	<b>2,559,820</b>	<b>2,427,287</b>	<b>-</b>	<b>9,615,653</b>	<b>9,114,542</b>
<b>Total equity</b>	<b>\$ (806,159)</b>	<b>\$ 764,122</b>	<b>\$ 173,339</b>	<b>\$ 4,746,084</b>	<b>\$ 2,598,013</b>	<b>\$ 2,427,310</b>	<b>\$ 3,633,313</b>	<b>\$ 13,536,022</b>	<b>\$ 12,855,089</b>

**The Corporation of the Village of Montrose**  
**Exhibit 2 - Statement of Operations**  
**General operating fund**  
(Unaudited)  
Year ended December 31, 2022

	<b>Budget</b>	<b>2022</b>	<b>2021</b>
<b>Revenue</b>			
Taxation, grants in lieu, assessments	\$ 1,217,248	\$ 1,246,418	\$ 1,201,436
Payments to other authorities	(890,371)	(920,528)	(859,322)
Taxation for village purposes	326,877	325,890	342,114
Sales of goods and services	101,499	109,555	105,767
Investment income	3,000	28,536	15,656
Transfers from other governments	712,494	839,119	934,964
	1,143,870	1,303,100	1,398,501
<b>Expenditures</b>			
Protective services	37,725	35,843	44,352
Parks, recreation and culture	94,555	91,520	99,244
General government	549,735	539,271	433,342
Transportation services	192,615	200,826	149,989
Environmental health	28,850	26,318	28,472
Community planning	86,672	115,015	49,007
	990,152	1,008,793	804,406
<b>Net excess of revenue over expenditures</b>	153,718	294,307	594,095
Transfers from (to) own funds and reserves:			
Long-term debt proceeds	200,000	-	-
General capital	(584,500)	(58,084)	(391,062)
Transfer from reserves	213,500	-	-
Transfer to reserves	(190,925)	(290,205)	(295,838)
Internal transfers	51,777	61,203	55,431
Long-term debt repayment	(46,000)	(24,491)	-
Surplus appropriated from prior year	202,430	-	-
	(153,718)	(311,577)	(631,469)
<b>Annual surplus (deficit)</b>	-	(17,270)	(37,374)
<b>Accumulated surplus (deficit), beginning of year</b>	(830,889)	(830,889)	(793,515)
<b>Accumulated deficit, end of year</b>	\$ (830,889)	\$ (848,159)	\$ (830,889)

**The Corporation of the Village of Montrose**

**Exhibit 3 - Statement of Operations**

**Water operating fund**

(Unaudited)

**Year ended December 31, 2022**

	<b>Budget</b>	<b>2022</b>	<b>2021</b>
<b>Revenue</b>			
Parcel taxes	\$ 116,332	\$ 116,586	\$ 116,332
Water user rates	159,026	161,579	153,490
Other	3,854	14,038	4,070
	279,212	292,203	273,892
<b>Expenditures</b>			
Salaries and administration	42,800	28,641	30,708
Contracted services	30,500	15,284	17,984
Materials and supplies	64,112	53,816	46,055
	137,412	97,741	94,747
<b>Net excess of revenue over expenditures</b>	141,800	194,462	179,145
Transfer (to) from other funds and reserves:			
Water capital fund	(111,000)	(99,642)	(43,670)
Internal expense transfers	(30,800)	(29,197)	(28,080)
	(141,800)	(128,839)	(71,750)
<b>Annual surplus (deficit)</b>	-	65,623	107,395
<b>Accumulated surplus, beginning of year</b>	618,499	618,499	511,104
<b>Accumulated surplus, end of year</b>	\$ 618,499	\$ 684,122	\$ 618,499



# The Corporation of the Village of Montrose

## Exhibit 4 - Statement of Operations

### Sewer operating fund

(Unaudited)

Year ended December 31, 2022

	<b>Budget</b>	<b>2022</b>	<b>2021</b>
<b>Revenue</b>			
Parcel taxes	\$ 64,468	\$ 64,610	\$ 64,468
Sewer user rates	202,839	203,783	193,078
Transfers from other governments	1,045,194	445,906	183,582
Other	2,486	3,086	2,567
	1,314,987	717,385	443,695
<b>Expenditures</b>			
Salaries and administration	81,200	77,546	69,966
Contracted services	18,500	29,564	12,291
Materials and supplies	63,220	64,331	42,243
	162,920	171,441	124,500
<b>Net excess of revenue over expenditures</b>	1,152,067	545,944	319,195
Transfer from other funds and reserves:			
Transfer from reserves	1,860,233	-	-
Internal transfers	(27,300)	(32,006)	(27,351)
Sewer capital fund	(2,985,000)	(672,673)	(240,067)
	(1,152,067)	(704,679)	(267,418)
<b>Annual surplus (deficit)</b>	-	(158,735)	51,777
<b>Accumulated surplus, beginning of year</b>	332,074	332,074	280,297
<b>Accumulated surplus, end of year</b>	\$ 332,074	\$ 173,339	\$ 332,074

**The Corporation of the Village of Montrose**  
**Exhibit 5 - COVID-19 Safe Restart Funds**  
**Year ended December 31, 2022**  
(Unaudited)

	2022	2021
Opening balance	\$ 475,999	\$ 482,460
Safe Restart Grant	-	-
Eligible costs incurred:		
Emergency planning and response costs	-	(8,219)
Interest earned	2,956	1,758
Balance, December 31, 2022	\$ 478,955	\$ 475,999