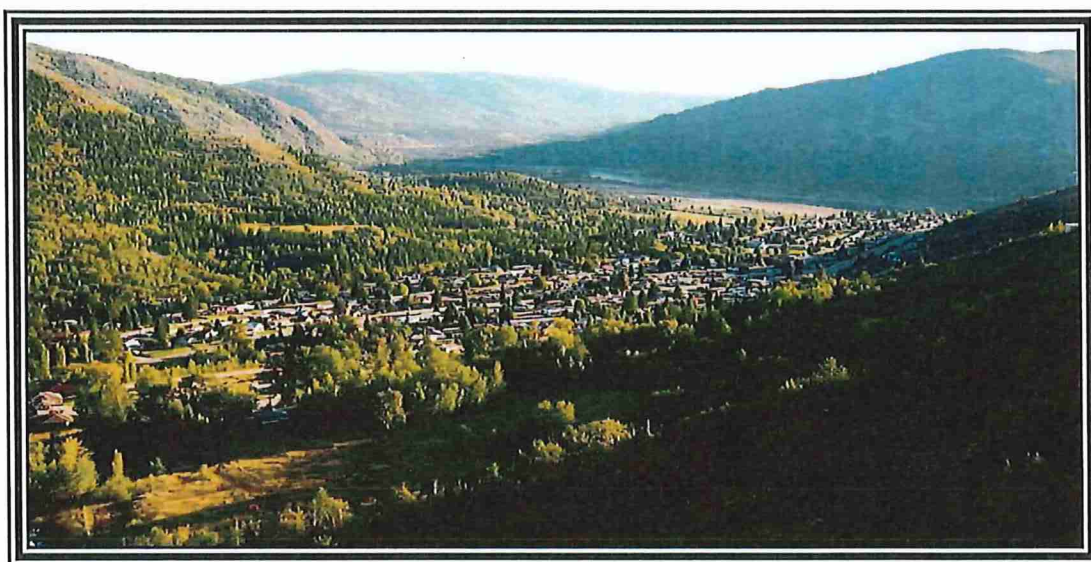


640-20

THE CORPORATION OF THE VILLAGE OF MONTROSE

2023 ANNUAL REPORT



June 2024

PO BOX 510

MONTROSE, BC V0G 1P0

Phone: (250) 367-7234 - Fax: (250) 367-7288

E-mail: admin@montrose.ca

Website: www.montrose.ca

Table of Contents

Introduction	2
Disqualification Declaration	3
Council	4
Permissive Tax Exemptions for 2023	5
Municipal Services & Operations Review for 2023	6
Progress Report on Objectives for 2023	8
Objectives and Performance Measures for 2024	11
Objectives and Performance Measures for 2025	13
Appendices	15

INTRODUCTION

This Annual Report has been prepared by Council and Administration of the Village of Montrose in accordance with the reporting requirements contained within Section 98 of the *Community Charter*.

The Corporation of the Village of Montrose's 2023 Annual Report includes the audited financial statements of the Village for the 2023 fiscal year, pursuant to Section 167 of the *Community Charter*. These statements include the consolidated statement of the financial position of the Village and its financial activities of changes to the general, water and sewer operating funds, as well as financial activities in reserve and capital funds. The statements have been prepared by the Village's independent external auditors, Grant Thornton LLP, and are based on generally accepted accounting principles.

Mike Walsh
Mayor

Larry Plotnikoff
Chief Administrative Officer

DISQUALIFICATION DECLARATION

During the year of 2023, the municipality has not made, nor is the municipality aware of electors of the Village of Montrose having made, an application to court for a declaration of disqualification of a person elected or appointed to office on the Council of the Village of Montrose

COUNCIL

Mayor
Mike Walsh

Councilor
Don Berriault

Councilor
Paul Caron

Councilor
Cindy Cook

Councilor
Rory Steep

Mayor and Council's term commenced October 2022.

Our Vision

"We will work together to maintain a high quality of life and excellent service to our community."

Our Mission

"We will, through strong leadership, provide high quality of life and service for current and future generations through collaboration with our neighbours in a fiscally responsible manner."

Our Values

- **Respect:** We embrace diversity and treat everyone with courtesy, dignity, and fairness.
- **Integrity:** We deal with others honestly, openly, directly - earning trust by doing what we say.
- **Accountability:** We accept responsibility for our decisions, actions, and overall performance.
- **Collaboration:** We work together and communicate, internally and externally, to achieve common goals.
- **Service:** We take pride in adoption of best practices and improving quality service with the resources available.

Our Operating Philosophy

We intend to be known and earn respect for:

- collaborative Council/Management leadership - visionary, strategic, progressive, transparent and focused on the public good
- support for youth and senior services
- service excellence - innovative, accommodating, continually improving
- appreciation for volunteers and community leaders
- strong partnerships and strategic alliances

2023 PERMISSIVE TAX EXEMPTIONS

In 2023, the Corporation of the Village of Montrose, as per Bylaw #723, provided the exemption of property taxes on the following property:

1. Beaver Valley Baptist Church: Parcel B, Block 2, Plan 2541, Kootenay Land District, PID# 015-251-519.

CLASS 08 Assessed Value in 2023@ \$387,000 x 0.0061242 = **\$2,370.07**

Total revenue that could have been generated from the above noted tax exempt property within the Village of Montrose in 2023 was **\$2,370.07**

MUNICIPAL SERVICES & OPERATIONS REVIEW FOR 2023**Revenues**

As per the Audited Consolidated Statement of Operations, the Village of Montrose collected a total of **\$3,995,509** in revenues in 2023. The revenue source breakdown is as follows:

<i>ACTIVITY</i>	<i>TOTAL\$</i>	<i>% of TOTAL</i>
Tax Collection for Village Purposes	546,997	13.7%
Water and Sewer User Fees	386,789	9.7%
Sales of Goods and Services	121,030	3.0%
Investment Income	156,706	3.9%
Transfer from Other Governments	2,775,531	69.5%
Gain on Disposal of Tangible Capital Assets	1,500	0
Other Sources	6,956	0.2%
TOTAL	3,995,509	100%

Expenditures

As per the Audited Consolidated Statement of Operations, the Village's expenditures totaled **\$1,631,755** in 2023. The expenditure source breakdown is as follows:

<i>ACTIVITY</i>	<i>TOTAL\$</i>	<i>% of TOTAL</i>
<u>General Government</u>	493,119	28.4%
Activities include the cost of the administration, including Council operations, the office, legal and auditing services, liability insurance, and other general overhead expenditures.		
<u>Amortization</u>	469,771	27.0%
Amortization costs of existing Village tangible capital assets.		
<u>Loss (TCA)</u>	0	0.00%
Loss from write down of tangible capital assets		
<u>Water and Sewer Operations</u>	268,727	15.5%
Water operations include items related to the supply and distribution of water.		
Sewer operations include items related to the collection and treatment of sewerage.		

<u>Transportation Services</u>	224,201	12.9%
Transportation services include the cost of the public works shop, all the Village's equipment, road maintenance (summer and winter) and streetlights.		
<u>Parks, Recreation and Culture</u>	110,030	6.3%
Parks, recreation and culture includes the operation and maintenance of the community hall, the playing field, and the parks. It also includes the cost of recreation programs and the recreation commission.		
<u>Debt Interest, Fiscal Services and Other</u>	42,972	2.5%
Debt interest and fiscal services includes lease payments, interest on the Community Bonds and other long-term debt, and bank service charges.		
<u>Environment and Health</u>	25,964	1.5%
Environmental health includes the cost of garbage collection and yard waste collection.		
<u>Protective Services</u>	43,334	2.5%
Protective services include bylaw enforcement, hydrant maintenance, and emergency measures.		
<u>Community Planning</u>	59,872	3.4%
Community planning is the cost of planning.		
TOTAL	1,737,990	100.00%

Annual Financial Statements

The Village's complete 2023 Financial Audited Statements, which were prepared by Grant Thornton LLP and received by Council on May 6, 2023, can be found in the Appendices of this report.

PROGRESS REPORT ON OBJECTIVES FOR 2023

In 2023, the Village had several objectives it wished to achieve. The following chart summarizes the Village's position in reaching the objectives that were identified in the 2022 Annual Report.

SERVICE	OBJECTIVE	STRATEGY	PROGRESS
Administration	Staff Training	To continue to provide staff with adequate training opportunities	Staff educated to relevant standards. CAO Position secured until June 2025. Deputy Clerk/Treasurer hired. Admin Clerk hired.
	Regional Governance and Co-operation	Maintain strong relationships with neighbouring local governments to ensure service efficiencies.	Strong, sustainable local shared services
	General Administration	To continue to review and update Village Bylaws and Policies	Continued improvements to Village bylaws and policies,
	Asset Management	To have a comprehensive asset management system.	Completed asset management condition assessment, replacement priority and cost identification..
	Availability of Broadband	Continue to lobby senior levels of govt and CBT and strategize for broadband installation in Montrose	No results to date
	Strategic Planning	Elected Council set a strategic plan for the next four years	Council has completed its strategic priorities.
	Zoning Bylaw	The Village develop a revised zoning bylaw	New zoning bylaw adopted
Public Works	Seniors Housing	A seniors focused housing project is put forward for development.	No progress to date.
	Equipment Replacement	To maintain operating efficiency of the Public Works equipment	Continued to increase reserves for future equipment replacement
	Rooftop HVAC units at Village Office, Community Hall and Village Square replaced.	Utilize FORTISBC energy program to assist with installation and costs	Projects are being engineered with assistance from Fortis BC. CBT has granted the Village funds to replace the unit at the

Water

Village fleet review

Review the Village fleet and identify replacement needs.

Village Square. 2024 Project completion.

Plow truck received
Pick-up truck received
Mighty Truck ordered.

Water Conservation

To continue to practice water conservation

Village Water Conservation practiced.

	Continue a multi-year valve replacement program	Continue to utilize the PW Department for the replacement of end of life water valves	End of life valves replaced.
	Continue a multi-year fire hydrant replacement program	Continue to utilize the PW Department for the replacement of end of life fire hydrants	No replacements for 2023 – several units repaired.
	Water Main Replacement	Identify and upgrade water mains where needed.	No Water main replacement project/funding identified for 2023
	Lower water reservoir replacement investigated	Conduct a study to assess the feasibility/costs to replace the lower reservoir	Feasibility study completed.
Sewer	WWTP Upgrade Project	Construction well underway.	Project completed in 2023..
	Sewer main replacement	Identify and upgrade sewer mains where needed	No Sewer main replacement project/funding identified for 2022/2023
Roads	Continue to monitor road conditions for cost effective localized improvements	Continue to identify and prioritize road replacement as funding permits.	No progress.
Parks and Recreation	Park Improvements Viewmont, Frontier and Montrose Parks.	Projects identified to improve park facilities including rubberized play surfaces, equipment replacement.	Village Square building opened. Public exercise equipment installed.

OBJECTIVES AND PERFORMANCE MEASURES FOR 2024

SERVICE	OBJECTIVE	STRATEGY	MEASURE
Administration	Staff Training/ Replacement	To continue to provide staff with adequate training opportunities. To replace retiring staff members.	Staff educated to relevant standards.
	Regional Governance and Co-operation	Maintain strong relationships with neighbouring local governments to ensure service efficiencies.	Strong, sustainable local shared services
	General Administration	To continue to review and update Village Bylaws and Policies	Continual improvements to Village Bylaws and policies
	Asset Management	To have a comprehensive asset management system.	Complete asset management condition assessment, replacement priority and cost identification
	Availability of Broadband	Work with service providers, CBB and Govt. to develop strategy to bring broadband to the Village.	Broadband development plan and funding is secured.
	Strategic Plan	Plan set	Council completes many of the strategic priorities.
	Good Neighbor Bylaw	The Village develops a Good Neighbor Bylaw	Council adopts a Good Neighbor Bylaw.
	Seniors Housing	A seniors focused housing project is put forward for development.	Plans and funding are established for a seniors focused housing project.
Public Works	Equipment Replacement	To maintain operating efficiency of the Public	Continue to increase reserves for future
Water	Water Conservation	To continue to practice water conservation.	Water policies continued.
	Continue a multi-year valve replacement program	Continue to utilize the PW Department for the replacement of end of life water valves	End of life valves replaced. More efficient operations when isolating water system

	Continue a multi-year fire hydrant replacement program	Continue to utilize the PW Department for the replacement/upgrading of end of life fire hydrants	End of life fire hydrants replaced/upgraded..
	Watermain Replacement	11 th Ave. project tender ready	11 TH Ave project tendered.
Sewer	WWTP Upgrade Project	Construction complete in 2023.	Project to be completed in 2024.
	Sewer Main	11 th Ave project tender ready	11 th Ave project tendered
Roads	Continue to monitor road conditions for cost effective localized improvements	Continue to identify and prioritize road replacement as funding permits.	Priorities/funding are identified and projects completed
	Traffic Calming Plan	Traffic Calming Plan funded and initiated.	Traffic Calming Plan funded, created received and implemented.
Parks and Recreation	Park Improvements Viewmont, Frontier and Montrose Parks, Village Square	Projects Identified, grant funding identified..	Specific projects identified for 2025..

OBJECTIVES AND PERFORMANCE MEASURES FOR 2025

SERVICE	OBJECTIVE	STRATEGY	MEASURE
Administration	Staff Training	To continue to provide staff with adequate training opportunities	Staff educated to relevant standards.
	Regional Governance and Co-operation	Maintain strong relationships with neighbouring local governments to ensure service efficiencies.	Strong, sustainable local shared services
	General Administration	To continue to review and update Village Bylaws and Policies	Continual improvements to Village Bylaws and policies
	Asset Management	To utilize a comprehensive asset management system.	Update asset management condition assessment, replacement priority and cost identification.
	Availability of Broadband	Work with service providers, CBB and Govt. to develop strategy to bring broadband to the Village.	Broadband development plan and funding is secured.
	Strategic Plan	Council utilizes its 2023 --: 2026 Strategic Plan	Council works on completing its strategic priorities.
	Seniors Housing	A seniors focused housing project is put forward for development.	Plans and funding are established for a seniors focused housing project.
Public Works	Equipment Replacement	To maintain operating efficiency of the Public Works equipment.	Continue to increase reserves for future equipment replacement.
Water	Water Conservation	To continue to practice water conservation.	Water conservation policies continued.
	Continue a multi-year valve replacement program	Continue to utilize the PW Department for the replacement of end of life water valves	End of life valves replaced. More efficient operations when isolating water system
	Continue a multi-year fire hydrant replacement program	Continue to utilize the PW Department for the replacement of end of life fire hydrants	End of life fire hydrants replaced

Corporation of the Village of Montrose

	Watermain Replacement	Identify and upgrade water mains annually.	Water main replacement project are identified and project completed.
Sewer	WWTP Upgrade Project	Continually improve operability and efficiencies of the WWTP	Plant operates at high level of standard and exceeds Govt. operating standards. WWTP project completed.
	Continue to monitor sewer condition for cost effective localized improvements.	Continue to identify and prioritize sewer replacement as funding permits.	Sewer mains identified for future projects.
Roads	Continue to monitor road conditions for cost effective localized improvements	Continue to identify and prioritize road replacement as funding permits.	Projects identified.
Parks and Recreation	Park Improvements Viewmont, Frontier and Montrose Parks.	Projects Identified to improve park facilities including rubberized play surfaces, equipment replacement.	Specific projects identified and funding secured. Look to secure grants for projects.

APPENDICES

1. Audited Financial Statements Year Ended December 31, 2023
2. Tax Exemptions (2016 - 2025)-Bylaw #723

Financial Statements

The Corporation of the Village of Montrose

December 31, 2023

Draft for discussion purposes

The Corporation of the Village of Montrose

December 31, 2023

Contents

Management Responsibility Statement

Independent Auditor's Report

Statement of Financial Position
Statement of Operations
Statement of Changes in Net Financial Assets
Statement of Cash Flows
Notes to the Financial Statements

Other Financial Information

Schedule 1 - Schedule of Tangible Capital Assets
Schedule 2 - Reserve Funds
Schedule 3 - Segmented Information
Schedule 4 - Growing Communities funds

Supplemental Information - Unaudited

Exhibit 1 - Statement of Financial Position by Fund
Exhibit 2 - Statement of Operations - General Operating Fund
Exhibit 3 - Statement of Operations - Water Operating Fund
Exhibit 4 - Statement of Operations - Sewer Operating Fund
Exhibit 5 - COVID-19 Safe restart funds

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
May 6, 2024

Grant Thornton LLP
1440 Bay Ave
Trail, BC
V1R 4B1

T +1 250 368 6445
F +1 250 368 8488
www.GrantThornton.ca

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, 2023, 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, 2023, 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

Chartered Professional Accountants

The Corporation of the Village of Montrose
Statement of Financial Position
as at December 31, 2023

	2023	2022
Financial assets		
Cash and cash equivalents (Note 3)	\$1,120,124	\$ 899,033
Investments (Note 4)	3,710,076	3,581,858
Accounts receivable (Note 5)	554,820	166,495
	\$5,385,020	\$4,647,386
Liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ 407,008	\$ 409,778
Deferred revenue (Note 7)	193,433	349,922
Equipment financing (Note 8)	171,444	25,896
Asset retirement obligations (Note 9)	914,617	-
	1,686,502	785,596
Net financial assets	3,698,518	3,861,790
Non-financial assets		
Tangible capital assets (Schedule 1)	\$12,037,886	\$9,641,549
Inventory	819	3,629
Prepays	56,318	29,054
Accumulated surplus (Note 10)	\$15,793,541	\$13,536,022

Mayor

SEE ACCOMPANYING NOTES

The Corporation of the Village of Montrose
Statement of Operations
Year ended December 31, 2023

	Budget (Note 15)	2023	2022
Revenue			
Taxation, grants in lieu, assessments (Note 11)	\$1,484,794	\$ 1,522,297	\$ 1,427,614
Collections for other authorities (Note 11)	(953,226)	(975,300)	(920,528)
Taxation for village purposes (Note 11)	531,568	546,997	507,086
Sales of goods and services	177,368	121,030	109,555
Water and sewer user rates	379,594	386,789	365,362
Investment income	-	156,706	28,536
Transfer from other governments (Note 12)	2,512,094	2,775,531	1,285,025
Other	-	6,956	17,124
Gain on disposal of tangible capital assets	-	1,500	-
	3,600,624	3,995,509	2,312,688
Expenses			
General government	535,472	493,119	539,271
Environment and health	28,550	25,964	26,318
Community planning	71,873	59,872	115,015
Parks, recreation and culture	105,005	110,030	91,520
Protective services	36,119	43,334	35,843
Transportation services	199,319	224,201	200,826
Sewer utility	170,600	137,483	171,441
Water utility	141,385	131,244	97,741
Amortization	-	469,771	353,780
Accretion	-	42,972	-
	1,288,323	1,737,990	1,631,755
Annual surplus	2,312,301	2,257,519	680,933
Accumulated surplus, beginning of year	13,536,022	13,536,022	12,855,089
Accumulated surplus, end of year	\$15,848,323	\$15,793,541	\$13,536,022

SEE ACCOMPANYING NOTES

The Corporation of the Village of Montrose
Statement of Changes in Net Financial Assets
Year ended December 31, 2023

	Budget	2023	2022
Annual surplus	\$ 2,312,301	\$ 2,257,519	\$ 680,933
Acquisition of tangible capital assets	(3,655,250)	(2,866,108)	(830,400)
Amortization of tangible capital assets	-	469,771	353,780
Gain on sale of tangible capital assets	-	(1,500)	-
Proceeds on sale of tangible capital assets	-	1,500	-
	(1,342,949)	(138,818)	204,313
Use of inventory	-	2,810	2,589
Increase in prepaids	-	(27,264)	(17,870)
Increase (decrease) in net financial assets	(1,342,949)	(163,272)	189,032
Net financial assets, beginning of year	3,861,790	3,861,790	3,672,758
Net financial assets, end of year	\$ 2,518,841	\$ 3,698,518	\$ 3,861,790

SEE ACCOMPANYING NOTES

The Corporation of the Village of Montrose
Statement of Cash Flows
Year ended December 31, 2023

	2023	2022
Operating		
Annual surplus	\$ 2,257,519	\$ 680,933
Non-cash items:		
Amortization	469,771	353,780
Gain on disposal of tangible capital assets	(1,500)	-
Accretion	42,972	-
Changes to non-cash working capital items:		
Accounts receivable	(388,325)	(52,440)
Accounts payable and accrued liabilities	(14,371)	19,791
Deferred revenue	(156,489)	(302,419)
Prepays	(27,264)	(17,870)
Inventory	2,810	2,589
	2,185,123	684,364
Financing		
Debt principal repaid	(54,433)	(24,491)
Proceeds from equipment financing	199,981	-
	145,548	(24,491)
Investing		
Net purchase of investments	(128,218)	(233,932)
Capital		
Tangible capital asset additions	(2,854,507)	(555,153)
Proceeds from disposal of tangible capital assets	1,500	-
Recognition of asset retirement obligation	871,645	-
	(1,981,362)	(555,153)
Increase (decrease) in cash	221,091	(129,212)
Cash, beginning of year	899,033	1,028,245
Cash, end of year (Note 3)	\$ 1,120,124	\$ 899,033

SEE ACCOMPANYING NOTES

The Corporation of the Village of Montrose

Notes to the Financial Statements

December 31, 2023

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.

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. Expenses are recognized as they are incurred and measurable based upon cost of goods and services consumed.

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, 2023

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 expenses during the reporting period.

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

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.

The Corporation of the Village of Montrose

Notes to the Financial Statements

December 31, 2023

1. Significant accounting policies - Continued

Asset retirement obligations

An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset, controlled by a government or government organization. The liability for an asset retirement obligation is recognized when all the following criteria are met:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

Asset retirement obligations are initially measured at the best estimate of the amount required to retire a tangible capital asset at the financial statement date. Asset retirement obligations are recorded as liabilities with a corresponding increase to the carrying amount of the related tangible capital asset. The obligation is adjusted to reflect period-to-period changes resulting from the passage of time and for revisions to either the timing or the amount of the original estimate of the future cash flows or the discount rate.

The asset retirement costs are amortized on a straight-line basis over the estimated useful life of the asset.

A recovery related to asset retirement obligation is recognized when the recovery can be appropriately measured, reasonably estimated, and it is expected that future economic benefits will be obtained. The recovery is not netted against the liability.

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.

Budget

Budget figures shown represent the Montrose Financial Plan 2022-2026 Bylaw #774 as adopted by Council on May 1, 2023.

The Corporation of the Village of Montrose

Notes to the Financial Statements

December 31, 2023

2. Change in accounting policies

PS 3280 Asset Retirement Obligations

Effective January 1, 2023, the Village adopted new Public Sector Accounting Standard Section PS 3280 Asset Retirement Obligations (ARO) which recognizes legal obligations associated with the retirement of tangible capital assets.

The financial statements of the comparative year have not been restated to reflect this change in the accounting policy, which has been applied prospectively. Under the prospective application method, all ARO incurred before and after the transition date have been recognized/adjusted in accordance with the standard. For those tangible capital assets in productive use, there was a related increase in the carrying amount of the related tangible capital asset by the same amount; for those tangible capital assets no longer in productive use, an expense was recognized for the same amount as the liability.

As a result of the adoption of this new accounting policy, the carrying amount of the tangible capital assets and the asset retirement obligations liability were increased by \$871,645 as at January 1, 2023.

PS 3450 Financial Instruments, PS 3041 Portfolio Investments, PS 2601 Foreign Currency Translation and Section 1201 Financial Statement Presentation

Effective January 1, 2023, the Village adopted new Public Sector Accounting Standards Sections PS 3450 Financial Instruments, PS 3041 Portfolio Investments, PS 2601 Foreign Currency Translation and Section 1201 Financial Statement Presentation along with the related amendments. PS 3450 requires the fair value measurement of derivatives and portfolio investments in equities quoted in an active market. All other financial assets and liabilities are measured at cost or amortized cost (using the effective interest method), or, by policy choice, at fair value when the entity defines and implements a risk management or investment strategy to manage and evaluate the performance of a group of financial assets, financial liabilities or both on a fair value basis.

The measurement requirements were applied prospectively. The recognition, derecognition, and measurement policies followed in the comparative period were not reversed and the comparative figures have not been restated.

The adoption of this new accounting policy did not result in any change in the financial statements as the Village does not have any financial instruments that require fair value measurement.

3. Cash and cash equivalents

	2023	2022
Operating funds - unrestricted	\$1,045,081	\$ 838,093
Reserve funds - restricted	75,043	60,940
	<u>\$1,120,124</u>	<u>\$ 899,033</u>

4. Investments

Investments consist of term deposit accounts held with Kootenay Savings Credit Union carried at cost. As at December 31, 2023, the market value of the investments was equal of the cost.

The Corporation of the Village of Montrose
Notes to the Financial Statements
December 31, 2023

5. Accounts receivable

	2023	2022
Taxes	\$ 82,865	\$ 57,261
Trade receivables	4,303	60,705
Due from federal government	467,652	48,529
	\$ 554,820	\$ 166,495

6. Accounts payable and accrued liabilities

	2023	2022
Trade payables	\$ 365,606	\$ 375,744
Employee accrued liabilities	24,202	23,634
Post-employment benefits	17,200	10,400
	\$ 407,008	\$ 409,778

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 post-employment benefit liability is based on an actuarial valuation as at December 31, 2023 using the following valuation assumptions:

	2023	2022
Discount rate	4.60 %	2.50 %

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

	2023	2022
Beginning of year	\$ 10,400	\$ 32,600
Current service cost	1,600	3,600
Interest cost	600	900
Benefits paid	-	(17,300)
Actuarial gain	4,600	(9,400)
End of year	\$ 17,200	\$ 10,400

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

The Corporation of the Village of Montrose

Notes to the Financial Statements

December 31, 2023

7. Deferred revenue

	2023	2022
Prepaid property taxes	\$ 83,190	\$ 80,096
Prepaid utilities	5,854	6,774
Miscellaneous	3,289	3,499
Government transfers (see below)	101,100	259,553
	\$ 193,433	\$ 349,922

Government transfers

	2023 Opening	Received/ Receivable	Revenue recognized	2023 Closing
Federal Gas Tax Fund	-	106,590	(106,590)	-
Growing Communities Grant	-	903,000	(903,000)	-
Columbia Basin Trust	78,600	-	-	78,600
Federal and Provincial infrastructure grant	180,953	949,737	(1,130,690)	-
Union of BC Municipalities	-	22,500	-	22,500
Beaver Valley recreation - capital	-	35,000	(35,000)	-
	259,553	2,016,827	(2,175,280)	101,100

8. Equipment financing

	2023	2022
Municipal Finance Authority of BC equipment financing loan. Repaid during the year	\$ -	\$ 25,896
Municipal Finance Authority of BC equipment financing loan. Repayable in monthly installments of \$3,750 which includes the Municipal Finance Authority of BC's monthly interest rate for equipment financing, maturing January 2028.	171,444	-

Scheduled principal repayments over the remaining term is as follows:

2024	\$ 36,514
2025	38,640
2026	40,860
2027	43,209
2028	12,221
	\$ 171,444

The Corporation of the Village of Montrose

Notes to the Financial Statements

December 31, 2023

9. Asset retirement obligations

Existing laws and regulations require the Village to take specific actions regarding the removal and disposal of certain capital assets at the end of their useful life. Following the adoption of Public Accounting Standard PS 3280 Asset Retirement Obligations, the Village recognized an obligation relating to the removal of these assets, as estimated at January 1, 2023. The transition and recognition of asset retirement obligations involved an accompanying increase to the water and sewer infrastructure tangible capital assets. The increase in capital assets is amortized on a straight-line basis over the remaining expected useful life of the related assets.

The Village has adopted this standard prospectively. Under the prospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. Estimated costs totaling \$2,217,643 have been discounted using a present value calculation with a discount rate of 4.93%. The discount rate used is based on borrowing rate for liabilities with similar risks and maturity. The timing of these expenditures is estimated to occur between 2024 and 2063 with the regular replacement, renovation, or disposal of assets. No recoveries are expected at this time. The Village issues debt instruments through the Municipal Finance Authority, pursuant to security issuing bylaws under authority of the Local Government Act, to finance certain capital expenditures.

	2023	2022
Opening asset retirement obligations	\$ -	\$ -
initial recognition of expected discounted cash flows	871,645	-
increase due to accretion	42,972	-
Closing retirement obligation	\$ 914,617	\$ -

10. Accumulated surplus

The accumulated surplus is represented by:

	2023	2022
Unappropriated surplus	\$ 519,054	\$ 9,302
Appropriated surplus	122,000	122,000
Capital funds	155,754	155,754
Reserve funds (Schedule 2)	4,044,908	3,633,313
Equity in tangible capital assets (Exhibit 1)	10,951,825	9,615,653
Total accumulated surplus	\$15,793,541	\$13,536,022

The Corporation of the Village of Montrose

Notes to the Financial Statements

December 31, 2023

11. Taxation revenues

	2023	2022
Taxation, Grants in lieu, Assessments		
Property taxes	\$ 263,070	\$ 247,709
Grants in lieu of taxes	3,306	3,034
Road maintenance - parcel taxes	61,083	57,500
Community development - parcel taxes	2,443	2,300
Drainage - parcel taxes	24,433	23,000
Water - parcel taxes	116,840	116,586
Sewer - parcel taxes	64,752	64,610
Collections for other authorities:		
Province of BC - school taxes	363,032	348,561
Province of BC - police taxes	56,469	48,420
Regional District of Kootenay Boundary	525,968	477,935
West Kootenay Boundary Regional Hospital District	33,452	30,856
BC Assessment Authority	7,408	7,065
Municipal Finance Authority	41	38
	1,522,297	1,427,614
Payments for other authorities	(975,300)	(920,528)
Taxation for Village purposes	\$ 546,997	\$ 507,086

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

12. Transfers from other governments

	2023	2022
Federal government	\$ 773,362	\$ 196,397
Provincial government	1,890,370	994,393
Regional District of Kootenay Boundary	92,672	93,094
Other	19,127	1,141
	\$ 2,775,531	\$ 1,285,025

The Corporation of the Village of Montrose

Notes to the Financial Statements

December 31, 2023

13. 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, 2022, the plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 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 \$30,733 (2022 - \$28,861) for employer contributions to the plan in fiscal 2023.

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.

The Corporation of the Village of Montrose

Notes to the Financial Statements

December 31, 2023

14. 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).

	2023	2022
Opening balance of unspent funds	\$ 888,358	\$ 781,857
Add: Amount received during the year	106,590	101,712
Interest earned	2,097	4,789
Transfer from (to) General Operating	(14,700)	-
Closing balance of unspent funds	\$ 982,345	\$ 888,358

15. Budget data

The reconciliation of the approved budget Bylaw #774 for the current year to the budget figures reported in these financial statements is as follows:

Budget surplus per Statement of Operations	\$ 2,312,301
Less: Capital expenditures	(3,655,250)
Less: Repayment of equipment financing	(67,000)
Less: Transfers to other funds	(1,178,191)
Add: Prior year appropriations	198,140
Add: Long-term debt proceeds	200,000
Add: Transfers from reserves	2,190,000
	\$ -

16. Comparative figures

Some of the comparative figures have been reclassified to conform to the current year's presentation.

The Corporation of the Village of Montrose

Notes to the Financial Statements

December 31, 2023

17. Segmented information

The Village is a municipal government which provides a range of services to the citizens of Montrose and surrounding area. The Village is governed by an elected Council comprised of a Mayor and four Councillors whose authority is set in the Community Charter and Local Government Act. The Village's operations are organized and reported by Fund. The Funds have been segmented into the various services provided and are broken down as follows:

General government services include administration, finance, legislative, information services under contract to a third party, development and planning, customer services, and human resources functions. Revenues associated with this segment include all those amounts that cannot be directly attributed to other segments including taxation, grants in lieu, direct service payments and interest revenue.

Environmental and health services include garbage collection and the recycling and organics programs which are both provided under contract to the Regional District.

Community Planning services include planning and implementation of the capital works program for all infrastructure.

Parks, recreation and culture services include various recreational buildings and the parks operations.

Protective services including fire inspections, bylaw enforcement and animal control under contracts to third parties, emergency management services under the direction of the Regional District, building inspection under contract to the Regional District and functions of the Village. Fire protection is provided by the Regional District under a volunteer fire department responsible for fire suppression.

Transportation services is responsible for planning, building, operating and maintaining the Village's physical infrastructure including roads and sidewalks, civic buildings and facilities. In addition, the divisions provide services for storm sewer services and fleet services.

Sewer services include the operating activities that relate to the collection and treatment of wastewater, maintenance of the related equipment including the piping collection system, lift stations and the wastewater treatment plant.

Water services include the operating activities that relate to the treatment, storage, distribution and maintenance of the related equipment and facilities, including the wells and pumps, water treatment system, reservoir tanks and the piping distribution system.

The Corporation of the Village of Montrose

Notes to the Financial Statements

December 31, 2023

18. Financial instruments

Credit Risk

Credit risk is the risk of financial loss to the Village if a debtor fails to discharge their obligation (e.g., pay property taxes to the Village). The Village is exposed to this risk arising from its cash, investments and accounts receivable. The Village holds its cash accounts with a federally regulated chartered bank who is insured by the Canadian Deposit Insurance Corporation. In the event of default, the Village cash accounts are insured up to \$100,000 (2022: \$100,000).

The Village's investment policy operates within the constraints of the investment guidelines laid out in Section 183 of the Community Charter, which puts limits on the types of investments the Village may invest in. The Section permits the Village's funds to be invested in securities of the Municipal Finance Authority; specified pooled investments; securities issued by the Government of Canada, a Canadian province, municipality, or regional district; investments guaranteed by a chartered bank; and deposits in savings institutions or non-equity or membership shares of a credit union.

Accounts receivable is primarily amounts due from government (grants receivable) and Village residents. The Village mitigates credit risk by regular submission of reporting requirements for grants receivable. Property tax receivable risk is mitigated by regular notification to the residents of outstanding amounts and ultimately tax sale for tax recovery, if necessary. If an accounts receivable is held for a long period of time, an impairment allowance is setup to offset the receivable. There were no changes in exposures to credit risk during the period. The amounts outstanding at year end were as follows:

2023						
	Current	31-60 days	61-90 days	91-120 days	Over 120 days	Total
Due from other governments	\$ 467,652	\$ -	\$ -	\$ -	\$ -	\$ 467,652
Taxes receivable	-	-	-	-	82,865	82,865
Other receivables	4,303	-	-	-	-	4,303
Total	\$ 471,955	\$ -	\$ -	\$ -	\$ 82,865	\$ 554,820

2022						
	Current	31-60 days	61-90 days	91-120 days	Over 120 days	Total
Due from other governments	\$ 106,615	\$ -	\$ -	\$ -	\$ -	\$ 106,615
Taxes receivable	-	-	-	-	57,261	57,261
Other receivables	2,619	-	-	-	-	2,619
Total	\$ 109,234	\$ -	\$ -	\$ -	\$ 57,261	\$ 166,495

Liquidity risk

Liquidity risk is the risk that the Village will not be able to meet all cash outflow obligations as they come due. The Village mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise. The following table sets out the expected maturities, representing undiscounted cash-flows of its financial liabilities:

	2024	2025	2026	Thereafter	Total
Accounts payable and accrued liabilities	\$ 407,008	\$ -	\$ -	\$ -	\$ 407,008
Equipment financing	36,514	38,640	40,860	55,430	171,444
Total	\$ 443,522	\$ 38,640	\$ 40,860	\$ 55,430	\$ 578,452

The Corporation of the Village of Montrose

Notes to the Financial Statements

December 31, 2023

18. Financial instruments (continued)

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Village operates within the constraints of the investment guidelines in Section 183 of the Community Charter. The investment portfolio is monitored by management, the investment managers, and Council.

Currency risk

Currency risk arises from the change in price of one currency in relation to another. The Village is not exposed to this risk as it does not transact in foreign currencies.

Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in the fair value or future cash flows of financial instruments because of changes in market interest rates. The Village mitigates this risk by having a fixed rate of interest for its debt. The Village also ensures that they have sufficient cash to meet the outstanding debt obligation if interest rates should rise. The Village monitors expected cash outflow through budgeting and maintenance of loans payable and investments. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk). The Village is not exposed to other price risk as the Village does not have any investments in equity instruments.

The Corporation of the Village of Montrose
Schedule 1 - Schedule of Tangible Capital Assets
Year ended December 31, 2023

	Land	Land improvements	Buildings	Machinery equipment & vehicles	Engineering Structures				Work in progress	2023	2022
					Water	Sewer	Drainage	Roads			
Cost											
Balance, beginning of year	\$ 881,313	\$ 251,591	\$ 1,081,806	\$ 1,113,465	\$ 3,900,208	\$ 2,591,926	\$ 694,971	\$ 4,813,188	\$ 1,005,457	\$ 16,333,925	\$ 15,503,525
Additions	-	-	14,000	308,809	438,109	433,536	-	-	1,671,654	2,866,108	900,502
Disposals	-	-	-	(34,446)	-	-	-	-	-	(34,446)	-
Change in WIP	-	-	-	-	-	-	-	-	-	-	(70,102)
Balance, end of year	881,313	251,591	1,095,806	1,387,828	4,338,317	3,025,462	694,971	4,813,188	2,677,111	19,165,587	16,333,925
Accumulated amortization											
Balance, beginning of year	-	121,492	533,957	754,174	1,340,388	1,170,096	496,101	2,276,168	-	6,692,376	6,338,596
Amortization	-	16,314	25,551	79,246	142,558	90,382	9,392	106,328	-	469,771	353,780
Less: accumulated amortization on disposals	-	-	-	(34,446)	-	-	-	-	-	(34,446)	-
Balance, end of year	-	137,806	559,508	798,974	1,482,946	1,260,478	505,493	2,382,496	-	7,127,701	6,692,376
Net book value of tangible capital assets											
2023	\$ 881,313	\$ 113,785	\$ 536,298	\$ 588,854	\$ 2,855,371	\$ 1,764,984	\$ 189,478	\$ 2,430,692	\$ 2,677,111	12,037,886	\$ 9,641,549
2022	\$ 881,313	\$ 130,099	\$ 547,849	\$ 359,291	\$ 2,559,820	\$ 1,421,830	\$ 198,870	\$ 2,537,020	\$ 1,005,457	\$ 9,641,549	

Tangible capital asset additions for the year ended December 31, 2023 include \$286,848 in Accounts payable (2022 - \$275,247). As a result, this amount was not included in the purchases of tangible capital assets on the Statement of Cash Flows.

Current year additions for the water and sewer engineering structures relate to the initial recognition of asset retirement obligation

The Corporation of the Village of Montrose

Schedule 2 - Reserve funds

Year ended December 31, 2023

Reserve fund	2022	Interest	Transfers From Operating	Transfers To Operating	2023
Capital vehicle	\$ 93,007	\$ 206	\$ -	\$ -	\$ 93,213
Employee payout	\$ 50,447	112	-	-	\$ 50,559
Buildings, Machinery and Equipment	\$ 81,741	173	-	-	\$ 81,914
Recreation	\$ 47,510	49	35,000	-	\$ 82,559
Insurance contingency	\$ 2,538	2	-	-	\$ 2,540
Sewer capital	\$ 439,385	1,112	-	-	\$ 440,497
Water capital	\$ 808,042	2,266	-	-	\$ 810,308
Capital drainage	\$ 218,544	526	-	-	\$ 219,070
Capital transportation	\$ 463,846	1,091	-	(8,106)	\$ 456,831
Community works	\$ 888,358	2,097	106,590	(14,700)	\$ 982,345
Climate action	\$ 60,940	532	48,082	(18,786)	\$ 90,768
COVID-19 Safe restart	\$ 478,955	1,182	-	(44,397)	\$ 435,740
Growing communities fund	\$ -	11,528	903,000	(615,964)	\$ 298,564
TOTAL	\$ 3,633,313	\$ 20,876	\$ 1,092,672	\$ (701,953)	\$ 4,044,908

The Corporation of the Village of Montrose
Schedule 3 - Segmented Information
Year ended December 31, 2023

	General government	Environment and health	Community planning	Parks and recreation	Protective services	Transportation services	Sewer utility	Water utility	2023 Total	2022 Total
Revenue										
Taxation	\$ 365,405	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,752	\$ 116,840	\$ 546,997	\$ 507,086
Goods and services	30,029	36,210	8,410	23,226	23,155	-	-	-	121,030	109,555
Users rates	-	-	-	-	-	-	215,757	171,032	386,789	365,362
Investment income	156,706	-	-	-	-	-	-	-	156,706	28,536
Government transfers	1,534,799	-	-	90,667	-	-	1,130,690	19,375	2,775,531	1,285,025
Other	1,500	-	-	-	-	-	2,610	4,346	8,456	17,124
	2,088,439	36,210	8,410	113,893	23,155	-	1,413,809	311,593	3,995,509	2,312,688
Expenses										
Salaries and benefits	366,599	12,684	-	35,436	9,904	75,347	82,794	33,525	616,289	620,045
Contracts and services	37,380	-	59,872	18,817	17,105	14,223	5,961	34,822	188,180	288,454
Materials and equipment	88,439	13,280	-	55,777	16,325	125,668	48,728	62,897	411,114	367,209
Debt and interest	701	-	-	-	-	8,963	-	-	9,664	2,267
	493,119	25,964	59,872	110,030	43,334	224,201	137,483	131,244	1,225,247	1,277,975
Amortization	236,831	-	-	-	-	-	142,558	90,382	469,771	353,780
Accretion	42,972	-	-	-	-	-	-	-	42,972	-
Internal transfers	(103,476)	6,574	-	12,242	73	14,089	37,340	33,158	-	-
	626,474	32,538	59,872	122,272	43,407	247,253	317,381	254,784	1,737,990	1,631,755
Excess (deficiency) of revenue over expenses	\$ 1,461,965	\$ 3,672	\$ (51,462)	\$ (8,379)	\$ (20,252)	\$ (247,253)	\$ 1,096,428	\$ 56,809	\$ 2,257,519	\$ 680,933

The Corporation of the Village of Montrose
Schedule 4 - Growing Communities Fund
Year Ended December 31, 2023

	2023	2022
Opening balance	\$ -	\$ -
Growing Communities Grant	903,000	-
Eligible costs incurred:		
Wastewater Treatment Plant Upgrades	(540,964)	-
Snowplow	(75,000)	-
Interest earned	11,528	-
Balance, December 31, 2023	\$ 298,564	\$ -

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

as at December 31, 2023

	Operating funds			Capital funds			Reserve funds	2023	2022
	General	Water	Sewer	General	Water	Sewer			
Financial assets									
Cash and cash equivalents	\$ 1,045,081	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,043	\$ 1,120,124	\$ 899,033
Investments	-	-	-	-	-	-	3,710,076	3,710,076	3,581,858
Accounts receivable	141,812	10,984	402,024	-	-	-	-	554,820	166,495
Due (to) from other funds	(1,195,481)	900,329	(120,389)	117,538	38,193	23	259,788	-	-
	(8,588)	911,313	281,635	117,538	38,193	23	4,044,907	5,385,020	4,647,386
Liabilities									
Accounts payable and accrued liabilities	407,008	-	-	-	-	-	-	407,008	409,778
Deferred revenue	193,433	-	-	-	-	-	-	193,433	349,922
Equipment financing	-	-	-	171,444	-	-	-	171,444	25,896
Asset retirement obligation	-	-	-	-	459,708	454,909	-	914,617	-
	600,441	-	-	171,444	459,708	454,909	-	1,686,502	785,596
Net Financial Assets (Net Debt)	(609,029)	911,313	281,635	(53,906)	(421,515)	(454,886)	4,044,907	3,698,518	3,861,790
Tangible capital assets	-	-	-	4,740,421	2,855,370	4,442,095	-	12,037,886	9,641,549
Inventory	819	-	-	-	-	-	-	819	3,629
Prepays	56,318	-	-	-	-	-	-	56,318	29,054
Accumulated surplus	\$ (551,892)	\$ 911,313	\$ 281,635	\$ 4,686,515	\$ 2,433,855	\$ 3,987,209	\$ 4,044,907	\$ 15,793,541	\$ 13,536,022
Equity, financial									
Unappropriated surplus	\$ (593,892)	\$ 831,313	\$ 281,635	\$ -	\$ -	\$ -	\$ -	\$ 519,056	\$ 9,302
Appropriated surplus	42,000	80,000	-	-	-	-	-	122,000	122,000
Capital funds	-	-	-	117,538	38,193	23	-	155,754	155,754
Reserve funds	-	-	-	-	-	-	4,044,907	4,044,907	3,633,313
	(551,892)	911,313	281,635	117,538	38,193	23	4,044,907	4,841,717	3,920,369
Equity in TCA	-	-	-	4,568,977	2,395,662	3,987,186	-	10,951,825	9,615,653
Total equity	\$ (551,892)	\$ 911,313	\$ 281,635	\$ 4,686,515	\$ 2,433,855	\$ 3,987,209	\$ 4,044,907	\$ 15,793,542	\$ 13,536,022

The Corporation of the Village of Montrose

Exhibit 2 - Statement of Operations

General operating fund

(Unaudited)

Year ended December 31, 2023

	Budget	2023	2022
Revenue			
Taxation, grants in lieu, assessments	\$ 1,303,142	\$ 1,340,707	\$ 1,246,418
Payments to other authorities	(953,226)	(975,300)	(920,528)
Taxation for village purposes	349,916	365,407	325,890
Sales of goods and services	164,712	121,030	109,555
Investment income	6,000	156,706	28,536
Transfers from other governments	1,562,094	1,625,466	839,119
Gain on disposal of assets	-	1,500	-
	2,082,722	2,270,109	1,303,100
Expenses			
Protective services	36,119	43,334	35,843
Parks, recreation and culture	105,005	110,030	91,520
General government	535,472	493,119	539,271
Transportation services	199,319	224,201	200,826
Environmental health	28,550	25,964	26,318
Community planning	71,873	59,872	115,015
	976,338	956,520	1,008,793
Net excess of revenue over expenses	1,106,384	1,313,589	294,307
Transfers from (to) own funds and reserves:			
Long-term debt proceeds	200,000	199,981	-
General capital	(589,133)	(322,809)	(58,084)
Transfer from reserves	200,000	160,988	-
Transfer to reserves	(1,100,450)	(1,113,547)	(290,205)
Internal transfers	52,059	70,499	61,203
Long-term debt repayment	(67,000)	(54,434)	(24,491)
Surplus appropriated from prior year	198,140	-	-
	(1,106,384)	(1,059,322)	(311,577)
Annual surplus (deficit)	-	254,267	(17,270)
Accumulated surplus (deficit), beginning of year	(848,159)	(848,159)	(830,889)
Accumulated deficit, end of year	\$ (848,159)	\$ (593,892)	\$ (848,159)

The Corporation of the Village of Montrose

Exhibit 3 - Statement of Operations

Water operating fund

(Unaudited)

Year ended December 31, 2023

	Budget	2023	2022
Revenue			
Parcel taxes	\$ 116,332	\$ 116,840	\$ 116,586
Water user rates	167,057	171,032	161,579
Transfers from other governments	-	19,375	-
Other	4,046	4,346	14,038
	287,435	311,593	292,203
Expenses			
Salaries and administration	38,000	33,525	28,641
Contracted services	39,500	34,822	15,284
Materials and supplies	63,885	62,897	53,816
	141,385	131,244	97,741
Net excess of revenue over expenses	146,050	180,349	194,462
Transfer (to) from other funds and reserves:			
Water capital fund	(46,000)	-	(99,642)
Transfer to reserves	(70,000)	-	-
Internal expense transfers	(30,050)	(33,158)	(29,197)
	(146,050)	(33,158)	(128,839)
Annual surplus	-	147,191	65,623
Accumulated surplus, beginning of year	684,122	684,122	618,499
Accumulated surplus, end of year	\$ 684,122	\$ 831,313	\$ 684,122

The Corporation of the Village of Montrose

Exhibit 4 - Statement of Operations

Sewer operating fund

(Unaudited)

Year ended December 31, 2023

	Budget	2023	2022
Revenue			
Parcel taxes	\$ 65,320	\$ 64,752	\$ 64,610
Sewer user rates	212,537	215,757	203,783
Transfers from other governments	950,000	1,130,690	445,906
Other	2,610	2,610	3,086
	1,230,467	1,413,809	717,385
Expenses			
Salaries and administration	87,700	82,794	77,546
Contracted services	17,000	5,961	29,564
Materials and supplies	65,900	48,728	64,331
	170,600	137,483	171,441
Net excess of revenue over expenses	1,059,867	1,276,326	545,944
Transfer from other funds and reserves:			
Transfer from reserves	1,990,000	540,964	-
Internal transfers	(29,750)	(37,340)	(32,006)
Sewer capital fund	(3,020,117)	(1,671,654)	(672,673)
	(1,059,867)	(1,168,030)	(704,679)
Annual surplus (deficit)	-	108,296	(158,735)
Accumulated surplus, beginning of year	173,339	173,339	332,074
Accumulated surplus, end of year	\$ 173,339	\$ 281,635	\$ 173,339

The Corporation of the Village of Montrose
Exhibit 5 - COVID-19 Safe Restart Funds
Year ended December 31, 2023
(Unaudited)

	2023	2022
Opening balance	\$ 478,955	\$ 475,999
Eligible costs incurred:		
Emergency planning and response costs	(44,397)	-
Interest earned	1,182	2,956
Balance, December 31, 2023	\$ 435,740	\$ 478,955