
Consolidated financial statements of the Township of Champlain

December 31, 2023

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To the Members of Council, Inhabitants and Ratepayers of the
Township of Champlain

Opinion

We have audited the consolidated financial statements of the Township of Champlain (the "Municipality"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations, change in net debt and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2023, and the results of its operations, change in its net debt and its cash flow for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Municipality 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.

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 PSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality'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 GAAS 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 GAAS, 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 Municipality'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 Municipality'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 Municipality 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.

Hawkesbury ON
April 25, 2024

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Township of Champlain
Consolidated statement of operations
Year ended December 31, 2023

	2023 Budget	2023 Actual	2022 Actual
	\$	\$	\$
Revenues			
Taxation – all classes	16,230,661	16,308,747	15,612,369
Less: amounts received for counties and school boards (Note 4)	(7,206,388)	(7,284,189)	(7,028,228)
Net taxation for municipal purposes	9,024,273	9,024,558	8,584,141
User fees	3,882,232	4,699,957	4,207,334
Transfer payments and others			
Government of Canada	1,118,197	1,035,808	1,929,784
Province of Ontario	3,576,006	3,859,135	2,269,789
Other municipalities	1,774,882	1,702,874	999,567
Investment income	77,500	184,620	99,929
Penalties and interest	159,250	168,864	156,414
Other	41,673	83,955	37,329
Gain (loss) on disposal of tangible capital assets	0	15,199	(94,629)
Donations	58,500	53,741	205,834
	19,712,513	20,828,711	18,395,492
Expenses (Note 11)			
General government	2,255,814	2,115,017	1,980,902
Protection to person and property	2,846,527	2,776,637	2,760,052
Transportation services	2,767,795	3,836,439	3,272,384
Environmental services	3,397,939	4,512,663	3,992,885
Social and family services	1,447,279	1,705,309	1,292,109
Recreation and cultural services	1,601,053	1,648,414	1,617,835
Planning and zoning	280,281	1,528,653	667,480
	14,596,688	18,123,132	15,583,647
Annual surplus	5,115,825	2,705,579	2,811,845
Accumulated surplus, beginning of year	38,877,288	38,877,288	36,065,443
Accumulated surplus, end of year (Schedule 2)	43,993,113	41,582,867	38,877,288

The accompanying notes and schedules are an integral part of the consolidated financial statements.

Township of Champlain
Consolidated statement of financial position
As at December 31, 2023



	2023	2022
	\$	\$
Assets		
Financial assets		
Cash	1,202,827	4,066,223
Taxes receivable	955,676	802,857
Accounts receivable	3,970,131	3,213,275
Other	1,146,553	547,762
	7,275,187	8,630,117
Liabilities		
Accounts payable and accrued liabilities (Note 6)	5,902,775	4,853,807
Deferred revenues	306,067	377,017
Debts (Note 7)	9,631,651	9,074,650
	15,840,493	14,305,474
Net debt	(8,565,306)	(5,675,357)
Commitments and contingencies (Notes 9 and 10)		
Non-financial assets		
Tangible capital assets (Schedule 1)	49,875,931	44,228,773
Inventories	161,160	145,540
Prepaid expenses	111,082	178,332
	50,148,173	44,552,645
Accumulated surplus (Schedule 2)	41,582,867	38,877,288

The accompanying notes and schedules are an integral part of the consolidated financial statements.

Approved by Council

_____, Mayor

_____, Acting Chief Administrative Officer, Treasurer

Township of Champlain
Consolidated statement of change in net debt
Year ended December 31, 2023



	2023 Budget	2023 Actual	2022 Actual
	\$	\$	\$
Annual surplus	5,115,825	2,705,579	2,811,845
Amortization of tangible capital assets	0	1,733,638	1,601,867
(Gain) loss on disposal of tangible capital assets	0	(15,199)	94,629
Purchase of tangible capital assets	(7,823,948)	(7,389,359)	(4,362,999)
Proceeds from sale of tangible capital assets	0	23,762	434,013
(Increase) decrease in inventories	0	(15,620)	30,552
Decrease in prepaid expenses	0	67,250	45,142
(Increase) decrease in net debt	(2,708,123)	(2,889,949)	655,049
Net debt, beginning of year	(5,675,357)	(5,675,357)	(6,330,406)
Net debt, end of year	(8,383,480)	(8,565,306)	(5,675,357)

The accompanying notes and schedules are an integral part of the consolidated financial statements.

Township of Champlain
Consolidated statement of cash flow
Year ended December 31, 2023



	2023	2022
	\$	\$
Operating activities		
Annual surplus	2,705,579	2,811,845
Change in non-cash assets and liabilities		
(Increase) decrease in taxes receivable	(152,819)	101,612
Increase in accounts receivable	(756,856)	(1,886,211)
Increase in other assets	(598,791)	(227,880)
Increase in accounts payable and accrued liabilities	393,484	219,156
Decrease in deferred revenues	(70,950)	(206,998)
(Increase) decrease in inventories	(15,620)	30,552
Decrease in prepaid expenses	67,250	45,142
	(1,134,302)	(1,924,627)
Non-cash operating items		
Amortization of tangible capital assets	1,733,638	1,601,867
(Gain) loss on disposal of tangible capital assets	(15,199)	94,629
Increase of the liability of ARO	26,463	0
	1,744,902	1,696,496
Net increase in cash from operating activities	3,316,179	2,583,714
Capital activities		
Purchase of tangible capital assets	(6,760,338)	(3,739,603)
Proceeds from sale of tangible capital assets	23,762	434,013
	(6,736,576)	(3,305,590)
Financing activities		
Proceeds from debts	1,220,000	0
Debts principal repayment	(662,999)	(649,581)
	557,001	(649,581)
Net decrease in cash	(2,863,396)	(1,371,457)
Cash, beginning of year	4,066,223	5,437,680
Cash, end of year	1,202,827	4,066,223

Additional information is presented in Note 12.

The accompanying notes and schedules are an integral part of the consolidated financial statements.

1. Change in accounting policies

Section PS 1201, Financial statement presentation

Effective January 1, 2023, the Municipality adopted Section PS 1201 Financial Statement Presentation, which replaces PS 1200 Financial Statement Presentation. PS 1201 is generally equivalent to PS 1200 except that the Municipality is now required to present a Statement of Remeasurement Gains and Losses showing separately: unrealized gains and losses attributable to financial instruments in the fair value category; exchange gains and losses associated with monetary assets and liabilities denominated in a foreign currency that have not been settled; amounts reclassified to the statement of operations upon derecognition or settlement; and, other comprehensive income from government business enterprises and partnerships. Upon adoption of this Section, the Municipality reports on its financial condition by presenting its accumulated surplus or deficit and net debt which includes accumulated remeasurement gains and losses.

Section PS 3280, Asset retirement obligations

Effective January 1, 2023, the Municipality adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of a liability for asset retirement obligations under PS 3280 Asset Retirement Obligations. The new standard establishes when to recognize and how to measure a liability for an asset retirement obligation, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated.

Under the new standard, a liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset when certain criteria are met, as described in Note 3.

Asset retirement obligations in the amount of \$625,178, included in accrual payables, are derived from the Municipality' obligations for closure activities of the landfill site. Since the Municipality adopted the standard prospectively, there were no changes to previous years' numbers.

Section PS 3450, Financial instruments

Effective January 1, 2023, the Municipality adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives under Section PS 3450 Financial Instruments. The new Section is applied prospectively, and prior periods have not been restated. There was no material impact on the financial statements from the prospective application of the new accounting recommendations.

2. Future accounting policies

Effective date: January 1, 2024

Section PS 3400, Revenue

This section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations.

The Municipality is currently evaluating the impacts of this new standard, which may be applied retroactively or prospectively.

3. Accounting policies

The consolidated financial statements of the Municipality are the responsibility of management and are prepared in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board ("PSAB") of CPA Canada.

The focus of PSAB financial statements is on the financial position of the Municipality and the changes thereto. The consolidated statement of financial position reports financial assets and liabilities and non-financial assets of the Municipality. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Net debt is the difference between financial assets and liabilities.

Reporting entity

Consolidated financial statements

These consolidated financial statements reflect the assets, liabilities, operating revenues and expenses, reserves and reserve funds and changes in investment in tangible capital assets of the Municipality and include the activities of all committees of Council and the following board which is under the control of Council:

Township of Champlain Public Library Board

Non-consolidated entity

Hawkesbury Regional Joint Recycling Committee

The committee is not under Council's control.

The committee's statement of financial position and its related operations administered by the Municipality are consequently not consolidated and are reported under separate financial statements.

Basis of accounting

Accrual basis

Expenses and related sources of financing are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenues; expenses are recognized in the period the goods and services are acquired and responsibility is incurred.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the change in net debt.

3. Accounting policies (continued)

Tangible capital assets

Tangible capital assets ("TCA") are recorded at cost, which includes all amounts that are directly attributable to acquisitions, construction, development or betterment of the asset. The cost, less residual value of the TCA, is amortized on a straight-line basis over their estimated useful life as follows:

Land improvements	10 – 30 years
Buildings and facilities	18 – 70 years
Vehicles	8 – 20 years
Roads	20 – 70 years
Machinery and equipment	5 – 20 years
ARO	25 years

Land is not amortized.

Assets under construction are not amortized until the TCA are available for productive use.

The Municipality has a capitalization threshold of \$25,000 for civil infrastructure systems and pooled assets and \$10,000 for all other assets. Items of lesser value are expensed, unless they are pooled because, collectively, they have significant value or for operational reasons. Examples of pools are desktop computer systems, cars, utility poles and defibrillators.

Contribution of tangible capital assets

TCA received as contributions are recorded in the consolidated statement of financial position at their fair value at the date of receipt, and that fair value is also recorded as revenue. Transfers of TCA to other organizations are recorded as an expense at the net book value as of the date of transfer.

Leases

Leases are classified as capital or operating leases. Leases, which transfer substantially all the benefits and risks incidental to ownership of property, are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Inventories

Inventories held for consumption are recorded at the lower of cost or replacement cost. Cost is determined on a first in, first out basis.

Deferred revenues

Funds received for specific purposes are accounted for as deferred revenues until the Municipality discharges its obligation, which led to receipt of the funds.

Asset retirement obligations

The Municipality recognizes the liability for an asset retirement obligation arising from the acquisition, development, construction or normal operation of a long-lived asset, in the year in which it is incurred and when a reasonable estimate of the amount of the obligation can be made. The liability is measured at the best estimate of the expenditure required to settle the present obligation. The corresponding cost is capitalized as part of the related asset and is amortized over the asset's useful life. In subsequent years, the liability is adjusted for changes resulting from the passage of time and revisions to either the timing or the amount of the original estimate of the undiscounted cash flows or the discount rate. The accretion of the liability as a result of the passage of time is charged to earnings while changes to the liability resulting from revisions to either the original estimate of the undiscounted cash flows or the discount rate are accounted for as an adjustment to the carrying amount of the related long-lived asset.

3. Accounting policies (continued)

Basis of accounting (continued)

Government transfers

Government transfers are recognized as revenues in the period during which the transfer is authorized and any eligibility criteria are met. Government transfers are deferred if they are restricted through stipulations that require specific actions to be carried out in order to keep the transfer. For such transfers, revenue is recognized when the stipulation has been met.

Reserves and reserve funds

Reserves and reserve funds consist of funds set aside by Council for specific purposes.

Segment disclosures

A segment is defined as a distinguishable activity or group of activities for which it is appropriate to separately report financial information. Management has determined that existing disclosures in the consolidated statement of operations and within the related notes for both the prior and current years sufficiently disclose information of all appropriate segments and therefore no additional disclosure is required.

Use of estimates

The preparation of consolidated financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Key components of the consolidated financial statements requiring management to make estimates include the provision for doubtful accounts in respect of receivables, the useful life of TCA and the amount of certain accrued liabilities including an amount for the closure of the landfill site. Actual results could differ from these estimates.

4. Operations of school boards and the United Counties of Prescott and Russell

The taxation of the school boards and the United Counties of Prescott and Russell is composed of the following:

	School boards	United Counties	Total
	\$	\$	\$
2023			
Taxation	2,260,530	4,961,423	7,221,953
Grants in lieu	15,797	46,439	62,236
	2,276,327	5,007,862	7,284,189
2022			
Taxation	2,235,471	4,732,731	6,968,202
Grants in lieu	15,797	44,229	60,026
	2,251,268	4,776,960	7,028,228

5. Bank loan

The Municipality has an authorized line of credit of \$1,000,000 (\$1,000,000 in 2022), at prime rate minus 0.5% (plus 0.5% in 2022) from which \$1,000,000 remained unused at year-end (\$1,000,000 unused in 2022).

The Municipality has pre-authorized loans for tangible capital assets for a total of \$3,000,000 (\$3,000,000 in 2022), of which \$474,828 (\$1,533,800 in 2022) was unused at year-end.

6. Accounts payable and accrued liabilities

	2023	2022
	\$	\$
Suppliers	3,546,027	3,296,761
Liability for asset retirement obligation (ARO)	625,178	164,899
Other liabilities	1,731,570	1,392,147
	5,902,775	4,853,807

The Municipality opened a landfill site in September 2006, and is legally required to perform closure and post-closure activities upon retirement of this site, which is estimated to be in 22 years. The Municipality recognized a liability for the asset retirement obligation and a corresponding amount of \$433,816 has been capitalized as an asset retirement cost. The asset retirement cost is amortized on a straight-line basis over the useful life.

The Municipality estimated the amount of the liability using discounted future expenditures estimated to retire the tangible capital asset. The significant assumptions used to determine the best estimate of the liability include:

	2023	2022
	\$	\$
Balance, beginning of year	164,899	164,899
Liabilities incurred	433,816	0
Increase of the liability for ARO	26,463	0
	625,178	164,899

7. Debts

	2023	2022
	\$	\$
Debts incurred by the Municipality with interest between 1.63% and 6.24%, maturing between 2024 and 2049 including those incurred on behalf of municipal utilities and outstanding at the end of the year amount to	9,653,920	9,101,721
Of the debts shown above, the responsibility for payment of principal and interest charges for tile drainage loans with interest of 6.00%, maturing in 2027, has been assumed by individuals. At the end of the year, the outstanding principal amount is	(22,269)	(27,071)
	9,631,651	9,074,650

Of the debts reported above, principal payments for the next fiscal years are as follows:

	2023	2022
	\$	\$
General taxation	2,140,001	1,180,146
User charges	7,491,650	7,894,504
	9,631,651	9,074,650

	\$
2023	654,168
2024	557,162
2025	496,144
2026	512,457
2027	471,205
Thereafter	6,940,515
	9,631,651

The annual principal and interest payments required to service these debts are within the annual debt repayment limits prescribed by the Ministry of Municipal Affairs.

8. Pension agreements

The Municipality makes contributions to the Ontario Municipal Employees Retirement System (OMERS), a multi-employer plan, which, for 2023, was on behalf of 73 members (56 in 2022) of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 2023 was \$332,922 (\$302,101 in 2022) for current service and is included as an expense in the consolidated statement of operations.

Township of Champlain
Notes to the consolidated financial statements
December 31, 2023

9. Commitments

Ontario Clean Water Agency

The Municipality has entered into an agreement with the Ontario Clean Water Agency to maintain and operate the water treatment and distribution systems in its municipality. A contract was signed in 2021 and expires in 2026. Total estimated disbursements over the three years are \$2,013,000.

Solid waste collection

The Municipality entered into an agreement for solid waste collection. The agreement was signed in 2021 and expires in 2025. The total estimated disbursements over the next two years are \$595,000.

Solid waste disposal

The Municipality entered into an agreement for solid waste disposal. The agreement was signed in 2015 and expires in 2025. The estimated disbursements over the next two years are \$256,000.

Water service

The Municipality entered into three agreements for the supply of water. Those agreements were signed between 1993 and 2005 and expire between 2032 and 2035. The estimated disbursements over the next twelve years are \$1,493,000.

Technological services

The Municipality entered into an agreement for technological service support. The agreement was signed in 2023 and expires in 2027. The estimated disbursements over the next four years are \$120,000.

10. Contingencies

Proceedings have been initiated against the Municipality by third parties. It is not possible at this time to determine the amount, if any, of any awards that may be made against the Municipality. Any amount awarded in excess of any applicable insurance proceeds as a result of these procedures will be charged to operations in the year incurred. No provision has been recorded.

11. Expenses by object

Current expenses for the year, reported on the consolidated statement of operations, are as follows:

	2023 Budget	2023 Actual	2022 Actual
	\$	\$	\$
Salaries and benefits	6,196,761	5,972,154	5,537,604
Interest	357,105	353,435	330,031
Materials	2,731,706	2,683,239	2,192,001
Contracted services	5,103,470	7,160,783	5,742,231
Rent and financial expenses	153,576	150,663	130,178
Contributions to other organizations	54,070	42,757	49,735
Amortization of tangible capital assets	0	1,733,638	1,601,867
Increase of the liability of ARO	0	26,463	0
	14,596,688	18,123,132	15,583,647

12. Additional information relating to the consolidated statement of cash flow

Non-cash transactions

During the year, TCA were acquired at an aggregate cost of \$7,389,359 (\$4,362,999 in 2022), of which \$1,116,287 (\$797,423 in 2022) were paid after year-end, and \$6,273,072 (\$3,565,576 in 2022) were paid during the year.

13. Budget amounts

The operating budget approved by the Municipality for 2023 is reflected on the consolidated statement of operations. The budget established for capital investments in TCA is on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual acquisition amounts.

For the purposes of these consolidated financial statements, budget figures have been presented on a basis consistent with the presentation of actual figures.

14. Contractual rights

Rental agreement

The Municipality has entered into a rental space agreement with the United Counties of Prescott and Russell. The agreement was signed in December 2019 and expires in January 2025. The total estimated amounts receivable in the next two years are \$31,000.

Fire protection services

The Municipality has entered into an agreement for fire protection services with the Corporation of the Township of North Glengarry. The agreement was signed in May 2013 and can be annually renewed. The total estimated amounts receivable in the next year are \$50,000.

Sublease agreement

The Municipality has entered into a sublease space agreement with Riverest Inc. The agreement was signed in February 2021 and expires in January 2026. The total estimated amounts receivable in the next three years are \$39,000.

15. Corresponding figures

Certain corresponding figures have been reclassified to conform to the current year's presentation.

Township of Champlain
Consolidated tangible capital assets
Year ended December 31, 2023

Schedule 1

	Land and land improvements	Buildings and facilities	Vehicles	Roads	Machinery and equipment	ARO	Assets under construction	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost									
Beginning of year	2,069,118	32,203,922	3,312,596	25,245,254	4,017,600	0	2,624,666	69,473,156	65,856,483
Purchases	37,886	84,949	59,982	567,931	660,728	433,816	5,544,067	7,389,359	4,362,999
Transfers	0	4,738,082	0	0	345,823	0	(5,083,905)	0	0
Disposals	0	0	(59,681)	0	(45,334)	0	0	(105,015)	(746,326)
End of year	2,107,004	37,026,953	3,312,897	25,813,185	4,978,817	433,816	3,084,828	76,757,500	69,473,156
Accumulated amortization									
Beginning of year	63,464	7,902,006	1,848,075	13,067,566	2,363,272	0	0	25,244,383	23,860,200
Amortization	22,964	591,934	189,878	661,468	247,675	19,719	0	1,733,638	1,601,867
Accumulated amortization on disposal	0	0	(59,681)	0	(36,771)	0	0	(96,452)	(217,684)
End of year	86,428	8,493,940	1,978,272	13,729,034	2,574,176	19,719	0	26,881,569	25,244,383
Net book value	2,020,576	28,533,013	1,334,625	12,084,151	2,404,641	414,097	3,084,828	49,875,931	44,228,773

Township of Champlain
Consolidated accumulated surplus
 Year ended December 31, 2023

Schedule 2

	2023	2022
	\$	\$
Reserves		
Working capital	474,049	456,418
Municipal elections	10,000	4,685
Fire department	135,589	200,589
Infrastructure	1,907,824	1,857,824
Equipment	111,000	41,000
Winter maintenance	216,429	216,429
Water and sewer	802,040	1,155,651
Recreation program	20,099	355,099
Roads	572,700	474,700
Library	30,000	30,000
Land purchase	150,000	0
	4,429,730	4,792,395
Reserve funds		
Parks	822	822
Tangible capital assets – Vankleek Hill ward	133,179	127,275
	134,001	128,097
	4,563,731	4,920,492
Invested in tangible capital assets	40,244,280	35,154,124
Operating		
Library	65,278	38,482
Decrease in taxation	1,403,401	1,758,683
Unfinanced tangible capital assets	(3,341,781)	(2,270,561)
Unfinanced operation	(1,352,042)	(734,366)
Transfer payments recognized in advance	0	10,434
	37,019,136	33,956,796
	41,582,867	38,877,288

An amount of \$79,830 from the accumulated surplus for decrease in taxation was used in the 2024 budget.

Township of Champlain

Consolidated statement of operations for the reserves and reserve funds

Year ended December 31, 2023

Schedule 3

	2023 Budget	2023 Actual	2022 Actual
	\$	\$	\$
Revenues			
Investments	0	5,904	2,651
Net transfers to reserves	255,300	(362,665)	236,108
Change in reserves and reserve funds	255,300	(356,761)	238,759
Reserves and reserve funds, beginning of year	4,920,492	4,920,492	4,681,733
Reserves and reserve funds, end of year (Schedule 2)	5,175,792	4,563,731	4,920,492

To the Board Members of the
Township of Champlain Public Library Board

Opinion

We have audited the financial statements of the Township of Champlain Public Library Board (the "Board"), which comprise the statement of financial position as at December 31, 2023, and the statement of operations for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2023, and the results of its operations, change in its net financial assets and its cash flow for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Board 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.

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 PSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board'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 Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board'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 GAAS 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 GAAS, 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 Board'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 Board'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 Board 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.

Hawkesbury ON
April 25, 2024

Chartered Professional Accountants
Licensed Public Accountants

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Township of Champlain Public Library Board
Statement of operations
Year ended December 31, 2023



	2023 Budget	2023 Actual	2022 Actual
	\$	\$	\$
Revenues			
Municipal contribution – operating	255,307	255,307	221,407
Grant of the Province of Ontario	17,063	18,999	17,669
Contract receipts	5,000	5,099	5,009
Non-resident fees, book fees, memberships and fines	2,600	3,455	2,672
Donations	2,000	3,124	3,472
	281,970	285,984	250,229
Expenses			
Salaries, wages and benefits	185,000	177,699	168,582
Materials, services and rents			
Books and videos	47,650	40,745	42,354
Utilities	9,590	9,484	9,610
Insurance	2,600	1,375	2,301
Maintenance and repairs	22,200	18,452	17,020
Professional services	6,730	3,457	2,580
Other	8,200	7,976	7,016
	281,970	259,188	249,463
Annual surplus	0	26,796	766
Accumulated surplus, beginning of year	68,482	68,482	67,716
Accumulated surplus, end of year	68,482	95,278	68,482
Consists of:			
Operating	38,482	65,278	38,482
Reserves	30,000	30,000	30,000
	68,482	95,278	68,482

The accompanying notes and schedule are an integral part of the financial statements.

Township of Champlain Public Library Board
Statement of financial position
 As at December 31, 2023



	2023	2022
	\$	\$
Assets		
Financial assets		
Receivable from the Municipality	95,278	68,482
Accumulated surplus	95,278	68,482

The accompanying notes and schedule are an integral part of the financial statements.

1. Description of the Board

The Township of Champlain Public Library Board (the “Board”) offers residents and local organizations reading material, services and activities that meet the educational, informational and recreational needs of the community.

2. Change in accounting policies

Section PS 1201, Financial statement presentation

Effective January 1, 2023, the Board adopted Section PS 1201 Financial Statement Presentation, which replaces PS 1200 Financial Statement Presentation. PS 1201 is generally equivalent to PS 1200 except that the Board is now required to present a Statement of Remeasurement Gains and Losses showing separately: unrealized gains and losses attributable to financial instruments in the fair value category; exchange gains and losses associated with monetary assets and liabilities denominated in a foreign currency that have not been settled; amounts reclassified to the statement of operations upon derecognition or settlement; and, other comprehensive income from government business enterprises and partnerships. Upon adoption of this Section, the Board reports on its financial condition by presenting its accumulated surplus or deficit and net debt which includes accumulated remeasurement gains and losses.

Section PS 3280, Asset retirement obligations

Effective January 1, 2023, the Board adopted the Public Sector Accounting Board’s (PSAB) new standard for the recognition, measurement and disclosure of a liability for asset retirement obligations under PS 3280 Asset Retirement Obligations. The new standard establishes when to recognize and how to measure a liability for an asset retirement obligation, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated.

Under the new standard, a liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset when certain criteria are met.

There was no material impact on the financial statements from the prospective application of the new accounting standard.

Section PS 3450, Financial instruments

Effective January 1, 2023, the Board adopted the Public Sector Accounting Board’s (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives under Section PS 3450 Financial Instruments. The new Section is applied prospectively, and prior periods have not been restated. There was no material impact on the financial statements from the prospective application of the new accounting recommendations.

3. Future accounting policies

Effective date: January 1, 2024

Section PS 3400, Revenue

This section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations.

The Board is currently evaluating the impacts of this new standard, which may be applied retroactively or prospectively.

4. Accounting policies

The financial statements of the Board are the responsibility of management and are prepared in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Public Sector Accounting Board ("PSAB") of CPA Canada.

The focus of PSAB financial statements is on the financial position of the Board and the changes thereto. The statement of financial position reports financial assets and liabilities and non-financial assets of the Board. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Net financial assets are the difference between financial assets and liabilities.

Reporting entity

Financial statements

These financial statements reflect the assets, liabilities, operating revenues and expenses, reserves and reserve funds and changes in investment in tangible capital assets of the Board.

Basis of accounting

Accrual basis

Expenses and related sources of financing are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the change in net financial assets.

4. Accounting policies (continued)

Basis of accounting (continued)

Tangible capital assets

Tangible capital assets ("TCA") are recorded at cost, which includes all amounts that are directly attributable to acquisitions, construction, development or betterment of the asset. The cost, less residual value of the TCA, is amortized on a straight-line basis over their estimated useful life as follows:

Machinery and equipment	20 years
-------------------------	----------

Assets under construction are not amortized until the TCA are available for productive use.

The Board has a capitalization threshold of \$25,000 for civil infrastructure systems and pooled assets and \$10,000 for all other assets. Items of lesser value are expensed, unless they are pooled because, collectively, they have significant value or for operational reasons.

Contribution of tangible capital assets

TCA received as contributions are recorded in the statement of financial position at their fair value at the date of receipt, and that fair value is also recorded as revenue. Transfers of TCA to other organizations are recorded as an expense at the net book value as of the date of transfer.

Leases

Leases are classified as capital or operating leases. Leases, which transfer substantially all of the benefits and risks incidental to ownership of property, are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Government transfers

Government transfers are recognized as revenues in the period during which the transfer is authorized and any eligibility criteria are met. Government transfers are deferred if they are restricted through stipulations that require specific actions to be carried out in order to keep the transfer. For such transfers, revenue is recognized when the stipulation has been met.

Reserves

Reserves consist of funds set aside by Council for specific purposes.

Use of estimates

The preparation of financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Key components of the financial statements requiring management to make estimates include the useful life of TCA. Actual results could differ from these estimates.

5. Statements of cash flow and change in net financial assets not presented

The statements of cash flow and change in net financial assets are not presented since the information is readily apparent from other financial statements and related notes.

Township of Champlain Public Library Board
Tangible capital assets
Year ended December 31, 2023



Schedule 1

	Machinery and equipment	2023	2022
	\$	\$	\$
Cost			
Beginning of year	426,125	426,125	426,125
Purchases	0	0	0
End of year	426,125	426,125	426,125
Accumulated amortization			
Beginning of year	426,125	426,125	426,125
Amortization	0	0	0
End of year	426,125	426,125	426,125
Net book value	0	0	0