



Consolidated financial statements of the

Township of Champlain

December 31, 2020



Township of Champlain

December 31, 2020

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MNP LLP
300 McGill Street
Hawkesbury ON
K6A 1P8
Canada

Tel.: 613-632-4178
Fax: 613-632-7703
www.mnp.ca

Independent Auditor's Report

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, 2020, 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, 2020, 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.

Other Matter – Predecessor Report

The financial statements for the year ended December 31, 2019, were audited by another professional firm who expressed an unmodified opinion on those financial statements dated May 14, 2020.

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.

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

May 4, 2021



Township of Champlain

Consolidated statement of operations

Year ended December 31, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Taxation – all classes	14,778,616	14,784,923	14,274,916
Less: amounts received for counties and school boards (Note 3)	(6,764,874)	(6,758,949)	(6,635,343)
Net taxation for municipal purposes	8,013,742	8,025,974	7,639,573
User fees	4,072,840	3,509,854	3,968,509
Transfer payments and others			
Government of Canada	649,436	586,159	409,558
Province of Ontario	1,279,221	1,880,021	3,161,815
Other municipalities	1,056,265	670,316	1,039,301
Investment income	45,000	32,592	52,924
Penalties and interest	173,000	170,082	176,961
Other	8,500	13,227	104,503
Gain (loss) on disposal of tangible capital assets	-	10,576	(252,401)
Donations	500	6,718	33,566
	15,298,504	14,905,519	16,334,309
Expenses (Note 9)			
General government	1,718,378	1,669,083	1,557,129
Protection to person and property	2,874,316	2,933,896	3,116,830
Transportation services	2,255,908	2,902,364	4,022,433
Environmental services	3,261,378	3,695,214	3,557,985
Social and family services	1,196,127	881,229	1,184,385
Recreation and cultural services	1,661,655	1,666,392	1,798,621
Planning and zoning	335,728	288,537	277,313
	13,303,490	14,036,715	15,514,696
Annual surplus	1,995,014	868,804	819,613
Accumulated surplus, beginning of year	34,420,103	34,420,103	33,600,490
Accumulated surplus, end of year (Schedule 2)	36,415,117	35,288,907	34,420,103

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, 2020

	2020	2019
	\$	\$
Assets		
Financial assets		
Cash	4,930,532	1,051,654
Taxes receivable	1,261,346	1,249,709
Accounts receivable	1,089,796	3,049,549
Other	296,046	311,351
	7,577,720	5,662,263
Liabilities		
Accounts payable and accrued liabilities	2,850,555	2,515,748
Deferred revenues	293,763	503,676
Debts (Note 5)	10,375,941	9,309,951
	13,520,259	12,329,375
Net debt	(5,942,539)	(6,667,112)
Commitments and contingencies (Notes 7 and 8)		
Non-financial assets		
Tangible capital assets (Schedule 1)	41,067,368	40,979,220
Inventories	130,600	93,542
Prepaid expenses	33,478	14,453
	41,231,446	41,087,215
Accumulated surplus (Schedule 2)	35,288,907	34,420,103

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

Approved by Council

_____, Mayor

_____, Chief Administrative Officer

_____, Treasurer



Township of Champlain

Consolidated statement of change in net debt

Year ended December 31, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Annual surplus	1,995,014	868,804	819,613
Amortization of tangible capital assets	-	1,513,896	1,474,575
(Gain) loss on disposal of tangible capital assets	-	(10,576)	252,401
Purchase of tangible capital assets	(3,052,804)	(1,602,044)	(1,831,489)
Proceeds from sale of tangible capital assets	-	10,576	9,286
Increase in inventories	-	(37,058)	(162)
Increase in prepaid expenses	-	(19,025)	(2,753)
(Increase) decrease in net debt	(1,057,790)	724,573	721,471
Net debt, beginning of year	(6,667,112)	(6,667,112)	(7,388,583)
Net debt, end of year	(7,724,902)	(5,942,539)	(6,667,112)

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, 2020

	2020	2019
	\$	\$
Operating activities		
Annual surplus	868,804	819,613
Change in non-cash assets and liabilities		
Increase in taxes receivable	(11,637)	(142,690)
Decrease (increase) in accounts receivable	1,959,753	(298,077)
Decrease (increase) in other assets	15,305	(4,313)
Increase in accounts payable and accrued liabilities	281,901	230,875
(Decrease) increase in deferred revenues	(209,913)	328,663
Increase in inventories	(37,058)	(162)
Increase in prepaid expenses	(19,025)	(2,753)
	1,979,326	111,543
Non-cash operating items		
Amortization of tangible capital assets	1,513,896	1,474,575
(Gain) loss on disposal of tangible capital assets	(10,576)	252,401
	1,503,320	1,726,976
Net increase in cash from operating activities	4,351,450	2,658,132
Capital activities		
Purchase of tangible capital assets	(1,549,138)	(3,054,136)
Proceeds from sale of tangible capital assets	10,576	9,286
	(1,538,562)	(3,044,850)
Financing activities		
Proceeds from debts	1,665,868	991,792
Debts principal repayment	(599,878)	(530,293)
	1,065,990	461,499
Net increase in cash	3,878,878	74,781
Cash and temporary investments, beginning of year	1,051,654	976,873
Cash, end of year	4,930,532	1,051,654

Additional information is presented in Note 10.

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

Township of Champlain

Notes to the consolidated financial statements

December 31, 2020



1. Future accounting policies

Effective date: April 1st, 2020

Section PS 1201, Financial statement presentation

This section establishes general reporting principles and standards for the disclosure of information in government financial statements.

The Township of Champlain (the "Municipality") is currently evaluating the impacts of this new standard, which is applicable on a prospective basis.

Effective date: April 1st, 2021

Section PS 2601, Foreign currency translation

This section establishes standards on how to account for and report transactions that are denominated in a foreign currency in government financial statements.

The Municipality is currently evaluating the impacts of this new standard, which is applicable on a prospective basis.

Section PS 3041, Portfolio investments

This section establishes standards on how to account for and report portfolio investments in government financial statements.

The Municipality is currently evaluating the impacts of this new standard, which is applicable on a prospective basis.

Section PS 3280, Asset retirement obligations

This section establishes standards on how to account for and report a liability for asset retirement obligations.

The Municipality is currently evaluating the impacts of this new standard, which is applicable on a prospective basis.

Section PS 3450, Financial instruments

This section establishes standards on how to account for and report all types of financial instruments including derivatives.

The Municipality is currently evaluating the impacts of this new standard, which is applicable on a prospective basis.

Effective date: April 1st, 2022

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.

Township of Champlain

Notes to the consolidated financial statements

December 31, 2020



2. 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.

Township of Champlain

Notes to the consolidated financial statements

December 31, 2020



2. 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:

Buildings and facilities	18 – 70 years
Vehicles	8 – 20 years
Roads	20 – 70 years
Machinery and equipment	5 – 20 years

Lands and land improvements are 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.

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.

Township of Champlain

Notes to the consolidated financial statements

December 31, 2020



2. Accounting policies (continued)

Basis of accounting (continued)

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.

3. 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
	\$	\$	\$
2020			
Taxation	2,272,836	4,429,870	6,702,706
Grants in lieu	15,971	40,272	56,243
	2,288,807	4,470,142	6,758,949
2019			
Taxation	2,299,083	4,282,956	6,582,039
Grants in lieu	15,912	37,392	53,304
	2,314,995	4,320,348	6,635,343

Township of Champlain

Notes to the consolidated financial statements

December 31, 2020



4. Bank loan

The Municipality has an authorized line of credit of \$1,000,000 (\$1,000,000 in 2019), at prime rate plus 0.5% (plus 0.5% in 2019) from which \$1,000,000 remained unused at year-end (\$1,000,000 unused in 2019).

The Municipality has pre-authorized loans for tangible capital assets for a total of \$3,000,000 (\$1,500,000 in 2019), of which \$1,249,737 (\$1,500,000 in 2019) was unused at year-end.

5. Debts

	2020	2019
	\$	\$
Debts incurred by the Municipality with interest between 1.63% and 6.00%, maturing between 2021 and 2049 including those incurred on behalf of municipal utilities and outstanding at the end of the year amount to	10,420,186	9,362,061
Of the debts shown above, the responsibility for payment of principal and interest charges for tile drainage loans with interest of 6.00%, maturing between 2022 and 2027 has been assumed by individuals. At the end of the year, the outstanding principal amount is	(44,245)	(52,110)
	10,375,941	9,309,951

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

	2020	2019
	\$	\$
General taxation	1,702,833	1,374,763
User charges	8,673,108	7,935,188
	10,375,941	9,309,951
		\$
2021		651,710
2022		649,579
2023		647,539
2024		621,749
2025		522,445
Thereafter		7,282,919
		10,375,941

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.

Township of Champlain

Notes to the consolidated financial statements

December 31, 2020



6. Pension agreements

The Municipality makes contributions to the Ontario Municipal Employees Retirement System (OMERS), a multi-employer plan, which, for 2020, was on behalf of 53 members (50 in 2019) 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 2020 was \$261,463 (\$251,040 in 2019) for current service and is included as an expense in the consolidated statement of operations.

7. 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 2016 and expires in 2021. Total estimated disbursements over the next year are \$581,000.

Solid waste collection

The Municipality entered into an agreement for solid waste collection. The agreement was signed in 2020 and expires in 2025. The total estimated disbursements over the next five years are \$1,912,000.

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 five years are \$762,000.

Water service

The Municipality entered into three agreements for the supply of water. Those agreements were signed between 1993 and 2005 and expire between 2023 and 2035. The estimated disbursements over the next fifteen years are \$2,278,000.

8. 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.

Township of Champlain

Notes to the consolidated financial statements

December 31, 2020



9. Expenses by object

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

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Salaries and benefits	5,170,341	4,722,696	4,857,633
Interest	388,415	354,436	364,354
Materials	2,595,968	2,542,881	2,718,553
Contracted services	4,916,532	4,691,643	5,848,372
Rent and financial expenses	190,737	180,787	214,012
Contributions to other organizations	41,497	30,376	37,197
Amortization of tangible capital assets	-	1,513,896	1,474,575
	13,303,490	14,036,715	15,514,696

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

Non-cash transactions

During the year, TCA were acquired at an aggregate cost of \$1,602,044 (\$1,831,489 in 2019), of which \$429,276 (\$376,370 in 2019) were paid after year-end, and \$1,172,768 (\$1,455,119 in 2019) were paid during the year.

11. Budget amounts

The operating budget approved by the Municipality for 2020 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.

12. 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 five years are \$108,000.

13. Reclassification

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



Township of Champlain

Consolidated tangible capital assets

Year ended December 31, 2020

Schedule 1

	Lands and land improvements	Buildings and facilities	Vehicles	Roads	Machinery and equipment	Assets under construction	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$
Cost								
Beginning of year	1,856,699	31,258,534	2,876,619	22,105,566	3,797,746	93,400	61,988,564	61,008,179
Purchases	40,172	-	350,454	931,292	126,525	153,601	1,602,044	1,831,489
Disposals	-	-	(136,360)	-	(10,878)	-	(147,238)	(851,104)
End of year	1,896,871	31,258,534	3,090,713	23,036,858	3,913,393	247,001	63,443,370	61,988,564
Accumulated amortization								
Beginning of year	5,877	6,422,938	1,559,755	11,209,160	1,811,614	-	21,009,344	20,124,186
Amortization	17,603	519,315	163,002	629,297	184,679	-	1,513,896	1,474,575
Accumulated amortization on disposal	-	-	(136,360)	-	(10,878)	-	(147,238)	(589,417)
End of year	23,480	6,942,253	1,586,397	11,838,457	1,985,415	-	22,376,002	21,009,344
Net book value	1,873,391	24,316,281	1,504,316	11,198,401	1,927,978	247,001	41,067,368	40,979,220



Township of Champlain

Consolidated accumulated surplus
Year ended December 31, 2020

Schedule 2

	2020	2019
	\$	\$
Reserves		
Working capital	460,155	415,155
Municipal elections	20,000	10,000
Fire department	27,589	267,907
Infrastructure	1,688,464	1,636,464
Equipment	6,000	41,500
Winter maintenance	241,043	241,043
Water and sewer	1,075,197	1,120,185
Recreation program	224,305	101,305
Roads	87,700	-
Library	4,713	4,713
	3,835,166	3,838,272
Reserve funds		
Parks	822	822
Tangible capital assets – Vankleek Hill ward	123,261	120,865
	124,083	121,687
	3,959,249	3,959,959
Invested in tangible capital assets	30,691,426	31,669,268
Operating		
Library	44,715	20,710
Decrease in taxation	698,117	509,953
Unfinanced tangible capital assets	(28,601)	(1,416,225)
Unfinanced operation	(125,999)	(323,562)
Transfer payments recognized in advance	50,000	-
	31,329,658	30,460,144
	35,288,907	34,420,103



Township of Champlain

Consolidated statement of operations for the reserves and reserve funds
Year ended December 31, 2020

Schedule 3

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Investments	-	2,396	4,579
Net transfers to reserves	5,821	(3,106)	641,062
Change in reserves and reserve funds	5,821	(710)	645,641
Reserves and reserve funds, beginning of year	3,959,959	3,959,959	3,314,318
Reserves and reserve funds, end of year (Schedule 2)	3,964,780	3,959,249	3,959,959



MNP LLP
300 McGill Street
Hawkesbury ON
K6A 1P8
Canada

Tel.: 613-632-4178
Fax: 613-632-7703
www.mnp.ca

Independent Auditor's Report

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, 2020, 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, 2020, 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.

Other Matter – Predecessor Report

The financial statements for the year ended December 31, 2019, were audited by another professional firm who expressed an unmodified opinion on those financial statements dated May 14, 2020.

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.

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

May 4, 2021



Township of Champlain Public Library Board

Statement of operations

Year ended December 31, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Revenues			
Municipal contribution – operating	197,559	197,559	179,256
Grant of the Province of Ontario	15,263	17,179	16,626
Contract receipts	4,906	4,921	4,926
Non-resident fees, book fees, memberships and fines	4,200	3,247	4,329
Donations	1,000	1,827	5,121
	222,928	224,733	210,258
Expenses			
Salaries, wages and benefits	134,564	131,339	123,299
Materials, services and rents			
Books and videos	42,655	32,939	39,175
Utilities	9,050	7,741	8,178
Insurance	2,469	2,469	2,090
Maintenance and repairs	17,690	11,185	14,992
Professional services	7,000	10,555	-
Other	9,500	4,500	9,085
	222,928	200,728	196,819
Annual surplus	-	24,005	13,439
Accumulated surplus, beginning of year	25,423	25,423	11,984
Accumulated surplus, end of year	25,423	49,428	25,423
Consists of:			
Operating	20,710	44,715	20,710
Reserves	4,713	4,713	4,713
	25,423	49,428	25,423

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, 2020

	2020	2019
	\$	\$
Assets		
Financial assets		
Receivable from the Municipality	49,428	25,423
Non-financial assets		
Tangible capital assets (Schedule 1)	-	-
Accumulated surplus	49,428	25,423

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



Township of Champlain Public Library Board

Notes to the financial statements

December 31, 2020

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. Future accounting policies

Effective date: April 1st, 2020

Section PS 1201, Financial statement presentation

This section establishes general reporting principles and standards for the disclosure of information in government financial statements.

The Board is currently evaluating the impacts of this new standard, which is applicable on a prospective basis.

Effective date: April 1st, 2021

Section PS 2601, Foreign currency translation

This section establishes standards on how to account for and report transactions that are denominated in a foreign currency in government financial statements.

The Board is currently evaluating the impacts of this new standard, which is applicable on a prospective basis.

Section PS 3041, Portfolio investments

This section establishes standards on how to account for and report portfolio investments in government financial statements.

The Board is currently evaluating the impacts of this new standard, which is applicable on a prospective basis.

Section PS 3280, Asset retirement obligations

This section establishes standards on how to account for and report a liability for asset retirement obligations.

The Board is currently evaluating the impacts of this new standard, which is applicable on a prospective basis.

Section PS 3450, Financial instruments

This section establishes standards on how to account for and report all types of financial instruments including derivatives.

The Board is currently evaluating the impacts of this new standard, which is applicable on a prospective basis.

Effective date: April 1st, 2022

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.



Township of Champlain Public Library Board

Notes to the financial statements

December 31, 2020

3. 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.

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
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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.



Township of Champlain Public Library Board

Notes to the financial statements

December 31, 2020

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

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.

4. 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, 2020

Schedule 1

	Machinery and equipment	2020	2019
	\$	\$	\$
Cost			
Beginning of year	426,125	426,125	426,125
Purchases	-	-	-
End of year	426,125	426,125	426,125
Accumulated amortization			
Beginning of year	426,125	426,125	426,125
Amortization	-	-	-
End of year	426,125	426,125	426,125
Net book value	-	-	-