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# Consolidated financial statements of the Township of Champlain

December 31, 2022

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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, 2022, 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, 2022, 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 27, 2023

Chartered Professional Accountants  
Licensed Public Accountants

**MNP s.r.l./LLP**

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**Township of Champlain**  
**Consolidated statement of operations**  
Year ended December 31, 2022



	2022 Budget	2022 Actual	2021 Actual
	\$	\$	\$
<b>Revenues</b>			
Taxation – all classes	15,515,411	<b>15,612,369</b>	15,070,250
Less: amounts received for counties and school boards (Note 3)	(6,959,285)	<b>(7,028,228)</b>	(6,788,113)
Net taxation for municipal purposes	8,556,126	<b>8,584,141</b>	8,282,137
User fees	4,210,237	<b>4,207,334</b>	3,829,681
Transfer payments and others			
Government of Canada	1,816,880	<b>1,929,784</b>	333,219
Province of Ontario	2,546,373	<b>2,269,789</b>	1,709,767
Other municipalities	1,292,369	<b>999,567</b>	888,563
Investment income	32,200	<b>102,509</b>	29,286
Penalties and interest	177,750	<b>153,834</b>	186,049
Other	31,373	<b>37,329</b>	24,610
Loss on disposal of tangible capital assets	0	<b>(94,629)</b>	(21,296)
Donations	2,800	<b>205,834</b>	0
	18,666,108	<b>18,395,492</b>	15,262,016
<b>Expenses (Note 9)</b>			
General government	2,069,719	<b>1,980,588</b>	1,702,447
Protection to person and property	2,950,475	<b>2,763,758</b>	2,747,031
Transportation services	2,454,360	<b>3,268,992</b>	2,925,321
Environmental services	3,274,379	<b>3,992,885</b>	3,873,258
Social and family services	1,280,206	<b>1,292,109</b>	1,255,463
Recreation and cultural services	1,598,434	<b>1,617,835</b>	1,636,314
Planning and zoning	387,978	<b>667,480</b>	345,646
	14,015,551	<b>15,583,647</b>	14,485,480
Annual surplus	4,650,557	<b>2,811,845</b>	776,536
Accumulated surplus, beginning of year	36,065,443	<b>36,065,443</b>	35,288,907
<b>Accumulated surplus, end of year (Schedule 2)</b>	40,716,000	<b>38,877,288</b>	36,065,443

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, 2022

	2022	2021
	\$	\$
<b>Assets</b>		
Financial assets		
Cash	4,066,223	5,437,680
Taxes receivable	802,857	904,469
Accounts receivable	3,213,275	1,327,064
Other	547,762	319,882
	<b>8,630,117</b>	<b>7,989,095</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	4,853,807	4,011,255
Deferred revenues	377,017	584,015
Debts (Note 5)	9,074,650	9,724,231
	<b>14,305,474</b>	<b>14,319,501</b>
Net debt	<b>(5,675,357)</b>	<b>(6,330,406)</b>
Commitments and contingencies (Notes 7 and 8)		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	44,228,773	41,996,283
Inventories	145,540	176,092
Prepaid expenses	178,332	223,474
	<b>44,552,645</b>	<b>42,395,849</b>
<b>Accumulated surplus (Schedule 2)</b>	<b>38,877,288</b>	<b>36,065,443</b>

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, 2022

	2022 Budget	2022 Actual	2021 Actual
	\$	\$	\$
<b>Annual surplus</b>	4,650,557	<b>2,811,845</b>	776,536
Amortization of tangible capital assets	0	<b>1,601,867</b>	1,537,438
Loss on disposal of tangible capital assets	0	<b>94,629</b>	21,296
Purchase of tangible capital assets	(5,494,160)	<b>(4,362,999)</b>	(2,487,649)
Proceeds from sale of tangible capital assets	0	<b>434,013</b>	0
Decrease (increase) in inventories	0	<b>30,552</b>	(45,492)
Decrease (increase) in prepaid expenses	0	<b>45,142</b>	(189,996)
Decrease (increase) in net debt	(843,603)	<b>655,049</b>	(387,867)
Net debt, beginning of year	(6,330,406)	<b>(6,330,406)</b>	(5,942,539)
<b>Net debt, end of year</b>	<b>(7,174,009)</b>	<b>(5,675,357)</b>	(6,330,406)

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, 2022

	2022	2021
	\$	\$
<b>Operating activities</b>		
Annual surplus	2,811,845	776,536
Change in non-cash assets and liabilities		
Decrease in taxes receivable	101,612	356,877
Increase in accounts receivable	(1,886,211)	(237,268)
Increase in other assets	(227,880)	(23,836)
Increase in accounts payable and accrued liabilities	219,156	569,290
(Decrease) increase in deferred revenues	(206,998)	290,252
Decrease (increase) in inventories	30,552	(45,492)
Decrease (increase) in prepaid expenses	45,142	(189,996)
	<b>(1,924,627)</b>	<b>719,827</b>
Non-cash operating items		
Amortization of tangible capital assets	1,601,867	1,537,438
Loss on disposal of tangible capital assets	94,629	21,296
	<b>1,696,496</b>	<b>1,558,734</b>
Net increase in cash from operating activities	<b>2,583,714</b>	<b>3,055,097</b>
<b>Capital activities</b>		
Purchase of tangible capital assets	(3,739,603)	(1,896,239)
Proceeds from sale of tangible capital assets	434,013	0
	<b>(3,305,590)</b>	<b>(1,896,239)</b>
<b>Financing activities</b>		
Debts principal repayment	(649,581)	(651,710)
Net (decrease) increase in cash	<b>(1,371,457)</b>	<b>507,148</b>
Cash, beginning of year	<b>5,437,680</b>	<b>4,930,532</b>
<b>Cash, end of year</b>	<b>4,066,223</b>	<b>5,437,680</b>

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, 2022

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**1. Future accounting policies**

*Effective date: April 1, 2022*

Section PS 1201, Financial statement presentation

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

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

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.

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 for the year.

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



**Township of Champlain**  
**Notes to the consolidated financial statements**  
December 31, 2022

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**1. Future accounting policies (continued)**

*Effective date: April 1, 2023*

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.

**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.



**Township of Champlain**  
**Notes to the consolidated financial statements**  
December 31, 2022

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**2. Accounting policies (continued)**

*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.

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.



**Township of Champlain**  
**Notes to the consolidated financial statements**  
 December 31, 2022

**2. 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.

**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
	\$	\$	\$
<b>2022</b>			
Taxation	<b>2,235,471</b>	<b>4,732,731</b>	<b>6,968,202</b>
Grants in lieu	<b>15,797</b>	<b>44,229</b>	<b>60,026</b>
	<b>2,251,268</b>	<b>4,776,960</b>	<b>7,028,228</b>
<b>2021</b>			
Taxation	2,204,496	4,525,677	6,730,173
Grants in lieu	15,797	42,143	57,940
	2,220,293	4,567,820	6,788,113



**Township of Champlain**  
**Notes to the consolidated financial statements**  
 December 31, 2022

**4. Bank loan**

The Municipality has an authorized line of credit of \$1,000,000 (\$1,000,000 in 2021), at prime rate plus 0.5% (plus 0.5% in 2021) from which \$1,000,000 remained unused at year-end (\$1,000,000 unused in 2021).

The Municipality has pre-authorized loans for tangible capital assets for a total of \$3,000,000 (\$3,000,000 in 2021), of which \$1,533,800 (\$1,390,612 in 2021) was unused at year-end.

**5. Debts**

	2022	2021
	\$	\$
Debts incurred by the Municipality with interest between 1.63% and 6.00%, maturing between 2023 and 2049 including those incurred on behalf of municipal utilities and outstanding at the end of the year amount to	<b>9,101,721</b>	9,760,139
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 2023 and 2027, has been assumed by individuals. At the end of the year, the outstanding principal amount is	<b>(27,071)</b>	(35,908)
	<b>9,074,650</b>	9,724,231

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

	2022	2021
	\$	\$
General taxation	<b>1,180,146</b>	1,435,208
User charges	<b>7,894,504</b>	8,289,023
	<b>9,074,650</b>	9,724,231

	\$
2023	647,539
2024	621,749
2025	522,445
2026	459,197
2027	473,137
Thereafter	6,350,583
	<b>9,074,650</b>

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, 2022

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**6. Pension agreements**

The Municipality makes contributions to the Ontario Municipal Employees Retirement System (OMERS), a multi-employer plan, which, for 2022, was on behalf of 56 members (52 in 2021) 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 2021 was \$302,101 (\$279,097 in 2021) 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 2021 and expires in 2026. Total estimated disbursements over the four years are \$1,277,000.

*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 three years are \$1,100,000.

*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 three years are \$465,000.

*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 thirteen years are \$1,724,000.

*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 five years are \$148,000.

**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, 2022

**9. Expenses by object**

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

	2022 Budget	<b>2022 Actual</b>	2021 Actual
	\$	\$	\$
Salaries and benefits	5,766,793	<b>5,537,604</b>	5,328,941
Interest	350,333	<b>330,031</b>	350,888
Materials	2,461,094	<b>2,192,001</b>	2,219,907
Contracted services	5,245,809	<b>5,742,231</b>	4,913,327
Rent and financial expenses	134,137	<b>130,178</b>	99,384
Contributions to other organizations	57,385	<b>49,735</b>	35,595
Amortization of tangible capital assets	0	<b>1,601,867</b>	1,537,438
	<b>14,015,551</b>	<b>15,583,647</b>	14,485,480

**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 \$4,362,999 (\$2,487,649 in 2021), of which \$797,423 (\$388,694 in 2021) were paid after year-end, and \$3,565,576 (\$2,098,958 in 2021) were paid during the year.

**11. Budget amounts**

The operating budget approved by the Municipality for 2022 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 three years are \$69,000.

*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 \$35,000.

*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 four years are \$57,000.



**Township of Champlain**  
**Consolidated tangible capital assets**  
 Year ended December 31, 2022

**Schedule 1**

	Lands and land improvements	Buildings and facilities	Vehicles	Roads	Machinery and equipment	Assets under construction	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>								
Beginning of year	1,896,871	32,023,898	3,385,133	23,980,048	3,979,424	591,109	<b>65,856,483</b>	63,443,370
Purchases	84,436	170,236	82,646	1,265,206	0	2,760,475	<b>4,362,999</b>	2,487,649
Transfers	392,422	296,320	0	0	38,176	(726,918)	<b>0</b>	0
Disposals	(304,611)	(286,532)	(155,183)	0	0	0	<b>(746,326)</b>	(74,536)
End of year	2,069,118	32,203,922	3,312,596	25,245,254	4,017,600	2,624,666	<b>69,473,156</b>	65,856,483
<b>Accumulated amortization</b>								
Beginning of year	42,487	7,463,695	1,766,144	12,415,803	2,172,071	0	<b>23,860,200</b>	22,376,002
Amortization	20,977	549,349	188,577	651,763	191,201	0	<b>1,601,867</b>	1,537,438
Accumulated amortization on disposal	0	(111,038)	(106,646)	0	0	0	<b>(217,684)</b>	(53,240)
End of year	63,464	7,902,006	1,848,075	13,067,566	2,363,272	0	<b>25,244,383</b>	23,860,200
<b>Net book value</b>	2,005,654	24,301,916	1,464,521	12,177,688	1,654,328	2,624,666	<b>44,228,773</b>	41,996,283





**Township of Champlain**  
**Consolidated accumulated surplus**  
 Year ended December 31, 2022

**Schedule 2**

	2022	2021
	\$	\$
<b>Reserves</b>		
Working capital	456,418	439,485
Municipal elections	4,685	30,000
Fire department	200,589	160,589
Infrastructure	1,857,824	1,718,464
Equipment	41,000	26,000
Winter maintenance	216,429	216,429
Water and sewer	1,155,651	1,167,316
Recreation program	355,099	389,305
Roads	474,700	378,700
Library	30,000	30,000
	<b>4,792,395</b>	<b>4,556,288</b>
<b>Reserve funds</b>		
Parks	822	822
Tangible capital assets – Vankleek Hill ward	127,275	124,623
	<b>128,097</b>	<b>125,445</b>
	<b>4,920,492</b>	<b>4,681,733</b>
Invested in tangible capital assets	35,154,124	32,272,052
Operating		
Library	38,482	37,716
Decrease in taxation	1,758,683	1,069,236
Unfinanced tangible capital assets	(2,270,561)	(1,525,549)
Unfinanced operation	(734,366)	(489,745)
Transfer payments recognized in advance	10,434	20,000
	<b>33,956,796</b>	<b>31,383,710</b>
	<b>38,877,288</b>	<b>36,065,443</b>

An amount of \$773,316 from the accumulated surplus for decrease in taxation was used in the 2023 budget.



**Township of Champlain**

**Consolidated statement of operations for the reserves and reserve funds**

Year ended December 31, 2022

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**Schedule 3**

	2022 Budget	2022 Actual	2021 Actual
	\$	\$	\$
<b>Revenues</b>			
Investments	0	2,651	1,362
Net transfers to reserves	306,102	236,108	721,122
Change in reserves and reserve funds	306,102	238,759	722,484
Reserves and reserve funds, beginning of year	4,681,733	4,681,733	3,959,249
<b>Reserves and reserve funds, end of year (Schedule 2)</b>	4,987,835	4,920,492	4,681,733

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, 2022, 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, 2022, 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 27, 2023

Chartered Professional Accountants  
Licensed Public Accountants

**MNP s.r.l./LLP**

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**Township of Champlain Public Library Board**  
**Statement of operations**  
 Year ended December 31, 2022

	2022 Budget	2022 Actual	2021 Actual
	\$	\$	\$
<b>Revenues</b>			
Municipal contribution – operating	221,407	<b>221,407</b>	203,061
Grant of the Province of Ontario	17,063	<b>17,669</b>	22,454
Contract receipts	5,000	<b>5,009</b>	4,950
Non-resident fees, book fees, memberships and fines	2,600	<b>2,672</b>	2,779
Donations	2,000	<b>3,472</b>	2,656
	248,070	<b>250,229</b>	235,900
<b>Expenses</b>			
Salaries, wages and benefits	165,000	<b>168,582</b>	139,009
Materials, services and rents			
Books and videos	46,380	<b>42,354</b>	44,135
Utilities	9,850	<b>9,610</b>	9,013
Insurance	3,700	<b>2,301</b>	2,851
Maintenance and repairs	17,240	<b>17,020</b>	14,037
Professional services	2,600	<b>2,580</b>	2,544
Other	9,000	<b>7,016</b>	6,023
	253,770	<b>249,463</b>	217,612
Annual surplus	(5,700)	<b>766</b>	18,288
Accumulated surplus, beginning of year	67,716	<b>67,716</b>	49,428
<b>Accumulated surplus, end of year</b>	62,016	<b>68,482</b>	67,716
Consists of:			
Operating	32,016	<b>38,482</b>	37,716
Reserves	30,000	<b>30,000</b>	30,000
	62,016	<b>68,482</b>	67,716

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, 2022



	<b>2022</b>	<b>2021</b>
	\$	\$
<b>Assets</b>		
Financial assets		
Receivable from the Municipality	<b>68,482</b>	67,716
<b>Accumulated surplus</b>	<b>68,482</b>	67,716

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. Future accounting policies**

*Effective date: April 1, 2022*

Section PS 1201, Financial statement presentation

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

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

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.

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 for the year.



**2. Future accounting policies (continued)**

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

*Effective date: April 1, 2023*

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 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.





**3. 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
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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.

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, 2022



**Schedule 1**

	Machinery and equipment	<b>2022</b>	2021
	\$	\$	\$
<b>Cost</b>			
Beginning of year	426,125	<b>426,125</b>	426,125
Purchases	0	<b>0</b>	0
End of year	426,125	<b>426,125</b>	426,125
<b>Accumulated amortization</b>			
Beginning of year	426,125	<b>426,125</b>	426,125
Amortization	0	<b>0</b>	0
End of year	426,125	<b>426,125</b>	426,125
<b>Net book value</b>	<b>0</b>	<b>0</b>	<b>0</b>