

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2010

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

DECEMBER 31, 2010

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AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Township of Enniskillen

We have audited the accompanying financial statements of The Corporation of the Township of Enniskillen, which comprise the consolidated balance sheet as at December 31, 2010, and the consolidated statements of , comprehensive income, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Enniskillen as at December 31, 2010, and of its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

May 12, 2011

Chartered Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN
(Incorporated under the Laws of Ontario)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT DECEMBER 31, 2010	
	2010	2009
FINANCIAL ASSETS		
Cash (Note 2)	\$ 1,450,962	\$ 1,347,126
Investments (Note 3)	674,492	653,010
Taxes receivable	127,444	133,799
User charges receivable	28,408	27,119
Accounts receivable	1,039,791	1,049,763
Unbilled revenue	246,879	240,115
Long-term receivables	38,472	40,842
	3,606,448	3,491,774
LIABILITIES		
Accounts payable and accrued liabilities	209,309	174,977
Deferred revenue (Note 4)	17,517	38,269
Tile drain debenture prelevies	24,408	24,846
	251,234	238,092
NET FINANCIAL ASSETS	3,355,214	3,253,682
NON-FINANCIAL ASSETS		
Inventory of supplies	22,708	23,652
Tangible capital assets (Note 5)	19,950,185	19,041,241
ACCUMULATED SURPLUS (Note 6)	\$ 23,328,107	\$ 22,318,575

The accompanying notes are an integral part of these financial statements.

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2010

	2010 Budget	2010 Actual	2009 Actual
	(Unaudited - Note 13)		
REVENUES			
Taxation	\$ 1,025,500	\$ 1,206,820	\$ 1,142,492
User charges	2,104,250	1,969,968	2,272,558
Government of Canada	793,850	456,706	106,248
Province of Ontario	1,082,300	1,503,306	1,463,795
Other municipalities	68,500	7,457	207,688
Investment income	13,200	46,895	46,219
Penalties and interest on taxes	23,000	20,954	23,799
TOTAL REVENUES	5,110,600	5,212,106	5,262,799
EXPENDITURES			
General government	472,650	441,325	427,759
Protection to persons and property	441,122	585,943	567,380
Transportation	947,500	963,146	953,362
Environmental services	1,357,502	1,267,079	1,226,035
Health services	2,300	226	432
Recreation and culture	51,250	166,904	46,883
Planning and development	40,350	21,996	218,048
Amortization	-	755,955	846,730
TOTAL EXPENDITURES	3,312,674	4,202,574	4,286,629
ANNUAL SURPLUS	1,797,926	1,009,532	976,170
ACCUMULATED SURPLUS, beginning of year	22,318,575	22,318,575	21,342,405
ACCUMULATED SURPLUS, end of year	\$ 24,116,501	\$ 23,328,107	\$ 22,318,575

The accompanying notes are an integral part of these financial statements.

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2010

	2010 Budget	2010 Actual	2009 Actual
	(Unaudited - Note 13)		
ANNUAL SURPLUS	\$ 1,797,926	\$ 1,009,532	\$ 976,170
Acquisition of tangible capital assets	-	(1,664,899)	(1,472,822)
Amortization of tangible capital assets	-	755,955	846,731
Acquisition of supplies inventories	-	944	19,075
CHANGE IN NET FINANCIAL ASSETS	1,797,926	101,532	369,154
NET FINANCIAL ASSETS, beginning of year	3,253,682	3,253,682	2,884,528
NET FINANCIAL ASSETS, end of year	\$ 5,051,608	\$ 3,355,214	\$ 3,253,682

The accompanying notes are an integral part of these financial statements.

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009
OPERATING ACTIVITIES		
Annual surplus	\$ 1,009,532	\$ 976,170
Item not requiring cash		
Amortization	755,955	846,731
Operating transactions		
Taxes receivable	6,355	(2,037)
User charges receivable	(1,289)	1,497
Accounts receivable	9,972	(54,548)
Unbilled revenue	(6,764)	(20,543)
Long-term receivables	2,370	25,632
Accounts payable and accrued liabilities	34,331	(188,712)
Deferred revenue	(20,752)	3,281
Tile drain debenture prelevies	(438)	(3,651)
Inventories of supplies	944	19,076
Cash provided by operating activities	1,790,216	1,602,896
INVESTING ACTIVITIES		
Additions to capital assets		
Cash used to acquire tangible capital assets	(1,664,899)	(1,472,822)
Cash used in investing activities	(1,664,899)	(1,472,822)
INCREASE IN CASH, during the year	125,317	130,074
CASH, beginning of the year	2,000,137	1,870,063
CASH, end of the year	\$ 2,125,454	\$ 2,000,137
REPRESENTED BY		
Cash	\$ 1,450,962	\$ 1,347,126
Investments	674,492	653,010
	\$ 2,125,454	\$ 2,000,136

The accompanying notes are an integral part of these financial statements.

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

The Corporation of the Township of Enniskillen is a municipality that was created in 1855. The township provides municipal services such as police, fire, public works, planning, parks and recreation, and other general government operations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) MANAGEMENT RESPONSIBILITY

The consolidated financial statements of The Corporation of the Township of Enniskillen are the representation of management prepared in accordance with accounting principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants as prescribed by the Ministry of Municipal Affairs and Housing.

(b) BASIS OF CONSOLIDATION

These consolidated financial statements reflect the assets, liabilities, revenues and expenditures of the current fund, capital fund, reserve fund and reserves of all municipal organizations, committees, and boards which are owned or controlled by Council. All interfund assets and liabilities and revenues and expenditures have been eliminated on consolidation.

The following board and municipal enterprise owned or controlled by Council have been consolidated:

Enniskillen Water Area

(c) ACCOUNTING FOR REGION AND SCHOOL BOARD TRANSACTIONS

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards and the County of Lambton are not reflected in the municipal fund balances of these financial statements.

(d) TRUST FUNDS

Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately on the Trust Funds Balance Sheet and Statement of Continuity which are shown on pages 22 and 23.

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(e) BASIS OF ACCOUNTING

Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

The consolidated statement of financial position reflects all of the financial assets and liabilities of the municipality. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position of the municipality, and is the difference between its assets and liabilities. This provides information about the municipality's overall future revenue requirements and its ability to finance activities and meet its obligations.

(f) INVESTMENTS

Investments consist of Guaranteed Investment Certificates and are recorded at cost plus accrued interest.

(g) FINANCIAL INSTRUMENTS

The municipality recognizes and measures financial assets and financial liabilities on the statement of financial position when they become a party to the contractual provisions of a financial instrument. All transactions related to financial instruments are recorded on a settlement date basis. All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on whether the financial instrument has been classified as held-for-trading, loans and receivables, available for sale, held-to-maturity or other financial liabilities.

HELD-FOR-TRADING

Financial assets classified as held-for-trading are measured at fair value. The financial instrument included in this category is cash.

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable repayment dates, usually with interest, that are not debt securities or instruments classified as held-for-trading or initial recognition. Accounts receivable, taxes receivable, user charges receivable, unbilled revenue and long-term receivables have been classified as loans and receivables. These instruments are initially recognized at fair value. Direct and incremental transaction costs are expensed immediately. They are subsequently valued at amortized cost using the effective interest method less any provision for impairment.

HELD-TO-MATURITY

Held-to-maturity investments are classified as such because the municipality has the positive intent and ability to hold the securities until maturity. These investments are recorded at amortized cost. Where it is determined that there is an impairment in value that is other than temporary, the impairment is recognized in annual surplus.

OTHER FINANCIAL LIABILITIES

Other financial liabilities are non-derivative financial liabilities and include accounts payable and accruals. These instruments are initially recognized at fair value. Direct and incremental transaction costs are expensed immediately. They are subsequently measured at amortized cost using the effective interest method.

FAIR VALUE

The township has financial instruments recognized in its financial statements consisting of cash, investments and investment income accrued, receivables and accounts payable and accrued liabilities. For the remaining financial instruments, fair value approximates cost due to their short-term nature.

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(h) 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.

(i) TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets excluding land and landfill sites, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful life - years
Building and building improvements	20 - 50
Machinery and equipment	5 - 20
Water and wastewater infrastructure	20 - 80
Roads infrastructure - base	50
Leasehold improvements- surface	15 - 20

Annual amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

(ii) CONTRIBUTIONS OF TANGIBLE CAPITAL ASSETS

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(iii) NATURAL RESOURCES

Natural resources that have not been purchased are not recognized as assets in the financial statements.

(iv) WORKS OF ART AND CULTURAL AND HISTORIC ASSETS

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

(v) TANGIBLE CAPITAL ASSETS DISCLOSED AT NOMINAL VALUES

Where an estimate of fair market value could not be made, the tangible capital asset was recognized at a nominal value. Land is the only category where nominal values were assigned.

(vi) LEASED TANGIBLE CAPITAL ASSETS

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

(vii) INVENTORIES OF SUPPLIES

Inventories of supplies held for consumption are recorded at cost.

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(i) DEFERRED REVENUE

Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the consolidated statement of financial position. The revenue is reported on the consolidated statement of operations in the year in which it is used for the specified purpose.

(j) GOVERNMENT TRANSFERS

Government transfers are recognized in the consolidated financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.

(k) REVENUE RECOGNITION

Taxation revenue is recognized in the year that the taxes are levied.

Grant revenue is recognized when the amount has been determined and approval has been obtained. If the grants relate to specific expenditures, the revenue is recognized when the resources have been used for the specified purpose.

User charges are recorded when the service has been provided, the amount is determinable and collectibility is assured.

Investment income is reported as revenue in the period earned.

(l) USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities.

In addition, the Township's implementation of the Public Sector Accounting Handbook PS3150 has required management to make estimates of historical cost and useful lives of tangible capital assets.

Actual results could differ from these estimates.

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

2. CASH

The Township's bank accounts are held at one chartered bank and earn interest at varying rates.

3. INVESTMENTS

The investments reported on the consolidation consists of Guaranteed Investment Certificates, are classified as held-to-maturity and are recorded at cost plus accrued interest. At year end the carrying values approximated their market values.

4. DEFERRED REVENUE

The net change during the year in the restricted deferred revenue balance is made up as follows:

	PARKLAND	GAS TAX	2010 TOTAL	2009 TOTAL
Deferred revenue, beginning of the year	\$ 38,269	\$ -	\$ 38,269	\$ 34,988
Restricted funds received during the year	-	95,591	95,591	105,895
Interest earned	2,303	353	2,656	3,634
Revenue recognized during the year	(34,000)	(85,000)	(119,000)	(106,248)
Deferred revenue, end of the year	\$ 6,572	\$ 10,944	\$ 17,516	\$ 38,269

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

5. TANGIBLE CAPITAL ASSETS

2010

	Land	Building and Improvements	Vehicles Machinery and Equipment	Water and Wastewater Infrastructure	Roads Infrastructure	Total
Cost						
Balance, beginning of year	\$ 96,097	\$ 1,804,988	\$ 2,847,570	\$ 7,409,403	\$ 17,968,639	\$ 30,126,697
Additions	-	119,257	54,179	223,442	1,268,021	1,664,899
Balance, end of year	\$ 96,097	\$ 1,924,245	\$ 2,901,749	\$ 7,632,845	\$ 19,236,660	\$ 31,791,596
Accumulated Amortization						
Balance, beginning of year	\$ -	\$ 695,912	\$ 1,209,196	\$ 1,761,765	\$ 7,418,583	\$ 11,085,456
Amortization expense	-	36,872	123,769	94,016	501,298	755,955
Balance, end of year	-	732,784	1,332,965	1,855,781	7,919,881	11,841,411
Net Book Value, end of year	\$ 96,097	\$ 1,191,461	\$ 1,568,784	\$ 5,777,064	\$ 11,316,779	\$ 19,950,185

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

6. TANGIBLE CAPITAL ASSETS (continued)

2009

		Land	Building and Improvements	Vehicles Machinery and Equipment	Water and Wastewater Infrastructure	Roads Infrastructure	Total
Cost							
Balance, beginning of year	\$	96,097	\$ 1,786,238	\$ 2,749,527	\$ 7,360,277	\$ 16,661,736	\$ 28,653,875
Additions		-	18,750	98,043	49,126	1,306,903	1,472,822
Balance, end of year		96,097	1,804,988	2,847,570	7,409,403	17,968,639	30,126,697
Accumulated Amortization							
Balance, beginning of year		-	652,032	1,088,207	1,669,454	6,829,032	10,238,725
Amortization expense		-	43,880	120,989	92,311	589,551	846,731
Balance, end of year		-	695,912	1,209,196	1,761,765	7,418,583	11,085,456
Net Book Value, end of year	\$	96,097	\$ 1,109,076	\$ 1,638,374	\$ 5,647,638	\$ 10,550,056	\$ 19,041,241

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

6. ACCUMULATED SURPLUS

The accumulated surplus is comprised of the following:

	2010	2009
Surplus		
Available to offset future revenue requirements		
General area taxation	\$ 128,459	\$ 168,703
Water	1,309,389	1,112,402
Oil Springs Fire	24,607	6,769
Inwood Fire	3,399	4,960
Petrolia/Wyoming Fire	57,121	47,284
Oil City sewers	71,004	58,653
Marthaville streetlights	4,643	5,028
Oil City streetlights	7,669	6,431
Howlett Lane streetlights	3,843	3,593
Consolidated Fire surplus	26,113	26,113
	1,636,247	1,439,936
Net book value of tangible capital assets	19,950,185	19,041,241
Acquisition of capital assets to be recovered through taxation or user charges	(241,921)	(141,201)
	19,708,264	18,900,040
Reserves	1,983,596	1,978,597
	\$ 23,328,107	\$ 22,318,573
RESERVES SET ASIDE FOR SPECIFIC PURPOSE BY COUNCIL:		
Working capital	\$ 558,792	\$ 558,792
Water capital	1,362,234	1,359,865
Insurance	24,099	19,099
Water and municipal drainage debentures	38,471	40,841
	\$ 1,983,596	\$ 1,978,597

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

7. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF LAMBTON

The total levies raised on behalf of the school board and the County of Lambton are comprised of the following:

	SCHOOL BOARDS		COUNTY OF LAMBTON	
	2010	2009	2010	2009
Taxation and user charges	\$ 1,021,027	\$ 1,020,862	\$ 1,305,558	\$ 1,232,546
Share of payment in lieu	-	-	7,392	7,488
Requisitions	\$ 1,021,027	\$ 1,020,862	\$ 1,312,950	\$ 1,240,034

8. TRUST FUNDS

The trust funds administered by the municipality amounting to \$9,299 (2009 - \$7,790) have not been included in the consolidated statement of financial position nor have the operations been included in the consolidated statement of operations.

9. NET LONG-TERM LIABILITIES

(a) Net long-term liabilities is made up of the following:

	2010	2009
Tile drainage loans, maturing 2011 - 2020	\$ 363,983	\$ 354,360
Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges for tile drainage loans has been assumed by individuals. At the end of the year, the outstanding principal amount of the liability is	(363,983)	(354,360)
	\$ -	\$ -

(b) Of the total long-term liabilities reported in (a) of this note, \$257,790 in principal payments are payable from 2011 to 2015 and \$106,194 from 2016 to 2020 and are summarized as follows:

	2011 to 2015	2016 to 2020
From benefiting landowners	\$ 257,790	\$ 106,194

(c) The municipality is contingently liable for the long-term liabilities with respect to the tile drainage loans. The total amount outstanding at December 31, 2010 is \$363,893 (2009 - \$354,360) and is not recorded on the consolidated statement of financial position.

(d) The long-term liabilities have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

10. SEGMENTED INFORMATION

The Township is a municipal government institution that provides a wide range of services to its citizens, including police, fire and water. For management reporting purposes, the operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, restrictions or limitations.

Segmented information has been identified based upon lines of service provided by the Township. The Township services are provided by departments and their activities are reported by functional area in the body of the financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(a) General Government

General Government is comprised of governance, corporate management and program support.

(b) Protection

Protection is comprised of the Police Services, Fire, conservation authority, protective inspection and control, emergency measures and Provincial offences. The mandate of the Police Services department is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. The Fire department is responsible to provide fire suppression services; fire prevention programs; training and education related to prevention; and detection or extinguishment of fires.

(c) Public Works - Transportation

The Public Works department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, the maintenance of parks and open space, and street lighting.

(d) Public Works - Environment

The Township is responsible for environmental programs such as the engineering and operation of Water and Wastewater systems and Waste Management, the latter of which encompasses Solid Waste Collection Disposal and Recycling.

(e) Health Services

Health Services includes Public Health and Ambulance Services.

(f) Recreation and Cultural Services

Recreation and Cultural Services include Parks, Recreation Programs and Facilities, libraries and cultural services. The Community Services Department provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services, and the development and maintenance of various parks and recreational facilities.

(g) Planning and Development

The Planning and Development department manages development for business interest,

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

environmental concerns and land development plans.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

11. SEGMENTED INFORMATION

2010

	General Government	Protection	Public Works- Transportation	Public Works - Environmental	Health Services	Recreation and Culture	Planning and Development	Total
Revenues								
Taxation	\$ 1,206,820	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,206,820
User charges	-	19,747	6,366	1,896,990	-	43,861	3,004	1,969,968
Grants	272,517	-	1,589,301	105,651	-	-	-	1,967,469
Investment income	17,409	-	-	29,486	-	-	-	46,895
Penalties and interest on taxes	20,954	-	-	-	-	-	-	20,954
Total revenues	1,517,700	19,747	1,595,667	2,032,127	-	43,861	3,004	5,212,106
Expenditures								
Salaries, wages and benefits	298,405	365,570	104,396	116,960	-	5,645	16,142	907,118
Operating	142,919	43,507	896,540	1,423,190	226	27,268	5,854	2,539,504
Amortization	16,762	67,367	537,502	131,180	-	3,141	-	755,952
Total expenditures	458,086	476,444	1,538,438	1,671,330	226	36,054	21,996	4,202,574
Annual surplus	\$ 1,059,614	\$ (456,697)	\$ 57,229	\$ 360,797	\$ (226)	\$ 7,807	\$ (18,992)	\$ 1,009,532

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

11. SEGMENTED INFORMATION

2009

	General Government	Protection	Public Works- Transportation	Public Works - Environmental	Health Services	Recreation and Culture	Planning and Development	Total
Revenues								
Taxation	\$ 1,142,492	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,142,492
User charges	-	15,729	6,366	2,223,044	-	12,614	14,805	2,272,558
Grants	1,048,910	-	691,344	37,477	-	-	-	1,777,731
Investment income	13,490	-	-	32,729	-	-	-	46,219
Penalties and interest on taxes	23,799	-	-	-	-	-	-	23,799
Total revenues	2,228,691	15,729	697,710	2,293,250	-	12,614	14,805	5,262,799
Expenditures								
Salaries, wages and benefits	232,630	32,782	270,624	104,623	-	5,257	19,951	665,867
Operating	144,894	564,333	707,665	1,116,983	432	41,627	198,097	2,774,031
Amortization	20,806	53,033	632,026	129,477	-	11,389	-	846,731
Total expenditures	398,330	650,148	1,610,315	1,351,083	432	58,273	218,048	4,286,629
Annual surplus (deficit)	\$ 1,830,361	\$ (634,419)	\$ (912,605)	\$ 942,167	\$ (432)	\$ (45,659)	\$ (203,243)	\$ 976,170

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

11. EXPENDITURES BY OBJECT

Total expenditures classified by object are as follows:

	2010	2009
Salaries, wages and employee benefits	\$ 907,118	\$ 665,867
Materials and services	2,436,917	2,774,031
Amortization	755,952	846,731
	\$ 4,099,987	\$ 4,286,629

12. SALARY DISCLOSURE

In 2010, no employees were paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more.

13. BUDGET DATA

The unaudited budget data in these consolidated financial statements are based upon the 2010 operating and capital budgets approved by Council in August, 2010. Amortization was not contemplated on development of the budget and, as such, has not been included.

The approved operating and capital budgets are reflected on the consolidated statement of operations and accumulated surplus for municipal projects. The capital projects benefiting and assessed to landowners and developers, for example water, wastewater, and drainage are not budgeted for. The budgets established for capital projects are on project-oriented basis the costs of which may be carried out over one or more years and therefore, may not be comparable with the current year amounts.

14. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform with the method of financial statement presentation adopted for the current year.

AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Township of Enniskillen

We have audited the accompanying financial statements of The Corporation of the Township of Enniskillen, which comprise the consolidated statement of financial position as at December 31, 2010, and the consolidated statement of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Enniskillen as at December 31, 2010, and of its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

May 12, 2011

Chartered Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN
(Incorporated under the Laws of Ontario)

TRUST FUNDS STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2010

ASSETS		2010	2009
CURRENT			
Cash		\$ 9,299	\$ 7,790
LIABILITIES		2010	2009
CURRENT			
Due to Township		\$ 2,568	\$ 2,560
ACCUMULATED INCOME		6,731	5,230
		\$ 9,299	\$ 7,790

TRUST FUNDS STATEMENT OF CONTINUITY

FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009
ACCUMULATED INCOME , beginning of year	\$ 5,230	\$ 3,829
REVENUES		
Interest and donations	1,509	1,411
EXPENDITURES		
Transfer to Township	8	10
ACCUMULATED INCOME , end of year	\$ 6,731	\$ 5,230

The accompanying notes are an integral part of these financial statements.

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE TRUST FUNDS FINANCIAL STATEMENTS

DECEMBER 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF CONSOLIDATION

These trust funds are for the maintenance and care of the cemetery. These trust funds have not been consolidated with the financial statements of the The Corporation of the Township of Enniskillen.

(b) ACCRUAL BASIS OF ACCOUNTING

The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

(c) CAPITAL ASSETS

The historical cost and accumulated amortization of capital assets are not recorded for municipal purposes.