

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2011

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

DECEMBER 31, 2011

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INDEPENDENT AUDITORS' REPORT

PARTNERS
STEPHEN J. OUTRIDGE, C.A.
KEVIN M. SABOURIN, C.A.
JAMES D. KEARNEY, C.A. (RET.)

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The Corporation of the Township of Enniskillen, which comprise the consolidated statement of financial position as at December 31, 2011, and the consolidated statements of operations, 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 consolidated financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Enniskillen as at December 31, 2011, the results of its operations, change in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

June 19, 2012
Wallaceburg, Ontario

Bailey Kearney Ferguson LLP
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, 2011	
	2011	2010
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 2,017,809	\$ 1,450,962
Investments (Note 3)	694,048	674,492
Taxes receivable	153,128	127,444
User charges receivable	33,317	28,408
Accounts receivable	681,158	1,039,791
Unbilled revenue	222,279	246,879
Long-term receivables	51,689	38,472
TOTAL FINANCIAL ASSETS	3,853,428	3,606,448
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	193,391	209,309
Deferred revenue (Note 4)	16,983	17,517
Tile drain debenture prelevies	16,867	24,408
TOTAL LIABILITIES	227,241	251,234
NET FINANCIAL ASSETS	3,626,187	3,355,214
NON-FINANCIAL ASSETS		
Inventories of supplies	26,550	22,708
Tangible capital assets (Note 5)	19,641,920	19,950,187
TOTAL NON-FINANCIAL ASSETS	19,668,470	19,972,895
ACCUMULATED SURPLUS (Note 6)	\$ 23,294,657	\$ 23,328,109

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

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 2011

	2011 Budget	2011 Actual	2010 Actual
	(Unaudited - Note 14)		
REVENUE			
Taxation	\$ 1,047,150	\$ 1,226,500	\$ 1,206,820
User charges	2,181,466	1,827,662	1,969,968
Government of Canada	100,000	101,078	456,706
Province of Ontario	1,089,400	1,137,665	1,503,306
Other municipalities	217,000	196,853	7,457
Investment income	16,200	59,485	46,895
Penalties and interest on taxes	21,000	24,467	20,954
TOTAL REVENUE	4,672,216	4,573,710	5,212,106
EXPENSES			
General government	485,750	457,034	458,087
Protection to persons and property	676,741	719,583	653,310
Transportation	1,381,243	1,958,875	1,500,648
Environmental services	1,371,300	1,361,578	1,398,262
Health services	7,800	6,966	226
Recreation and culture	68,050	78,137	170,045
Planning and development	33,000	24,989	21,996
TOTAL EXPENSES	4,023,884	4,607,162	4,202,574
ANNUAL SURPLUS (DEFICIT)	648,332	(33,452)	1,009,532
ACCUMULATED SURPLUS, beginning of year	23,328,109	23,328,109	22,318,577
ACCUMULATED SURPLUS, end of year	\$ 23,976,441	\$ 23,294,657	\$ 23,328,109

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, 2011

	2011 Actual	2010 Actual
ANNUAL SURPLUS (DEFICIT)	\$ (33,452)	\$ 1,009,532
Acquisition of tangible capital assets	(549,571)	(1,664,899)
Amortization of tangible capital assets	848,526	755,955
(Gain) loss on sale of tangible capital assets	6,012	-
Proceeds on sale of tangible capital assets	3,300	-
Acquisition of supplies inventories	(3,842)	944
CHANGE IN NET FINANCIAL ASSETS	270,973	101,532
NET FINANCIAL ASSETS, beginning of year	3,355,214	3,253,682
NET FINANCIAL ASSETS, end of year	\$ 3,626,187	\$ 3,355,214

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, 2011

	2011	2010
OPERATING ACTIVITIES		
Annual surplus (deficit)	\$ (33,452)	\$ 1,009,532
Items not requiring cash		
Amortization	848,526	755,955
Loss on sale of capital assets	6,012	-
Operating transactions		
Taxes receivable	(25,684)	6,355
User charges receivable	(4,909)	(1,289)
Accounts receivable	358,633	9,972
Unbilled revenue	24,600	(6,764)
Long-term receivables	(13,217)	2,370
Accounts payable and accrued liabilities	(15,918)	34,332
Deferred revenue	(534)	(20,752)
Tile drain debenture prelevies	(7,541)	(438)
Inventories of supplies	(3,842)	944
Cash provided by operating activities	1,132,674	1,790,217
INVESTING ACTIVITIES		
Additions to capital assets		
Cash used to acquire tangible capital assets	(549,571)	(1,664,899)
Proceeds on sale of capital assets	(549,571)	(1,664,899)
	3,300	-
Cash used in investing activities	(546,271)	(1,664,899)
INCREASE IN CASH AND CASH EQUIVALENTS, during the year	586,403	125,318
CASH AND CASH EQUIVALENTS, beginning of the year	2,125,454	2,000,136
CASH AND CASH EQUIVALENTS, end of the year	\$ 2,711,857	\$ 2,125,454
REPRESENTED BY		
Cash and cash equivalents	\$ 2,017,809	\$ 1,450,962
Investments	694,048	674,492
	\$ 2,711,857	\$ 2,125,454

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, 2011

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, revenue and expenses 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 revenue and expenses have been eliminated on consolidation.

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

Enniskillen Water Area

(c) BASIS OF ACCOUNTING

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes all revenue 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.

(d) ACCOUNTING FOR REGION AND SCHOOL BOARD TRANSACTIONS

The taxation, other revenue, expenses, 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.

(e) TRUST FUNDS

Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately on the Trust Funds Statement of Financial Position and Statement of Continuity which are shown on pages 18 and 19.

(f) INVESTMENTS

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

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(g) 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
Infrastructure additions- 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, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(h) 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.

(i) GOVERNMENT TRANSFERS

Government transfers are recognized in the consolidated financial statements as revenue 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.

(j) 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 expenses, 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.

(k) 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 revenue and expenses during the period.

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, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(I) FUTURE ACCOUNTING CHANGES

Effective for fiscal periods beginning on or after April 1, 2012, all governments will be required to adopt Public Sector Accounting Board Handbook ("PSAB") Section 3510, Tax Revenue. This standard provides guidance to governments on the accounting and reporting of tax revenue in the financial statements.

Effective for fiscal periods beginning on or after April 1, 2012, all governments will be required to adopt PSAB Section 3410, Government Transfers. This standard provides guidance on accounting and reporting of government transfers to both the transferring government and the recipient government in the financial statements.

Effective for fiscal periods beginning on or after April 1, 2014, all governments will be required to adopt PSAB Section 3260, Liability for Contaminated Sites. This standard provides guidance on how to account for and report a liability associated with the remediation of contaminated sites, defines which activities would be included in the liability for remediation, establishes when to recognize and how to measure a liability for remediation and provides guidance on financial statement presentation and disclosure.

Management is currently in the process of evaluating the potential impact of adopting these standards.

2. CASH AND CASH EQUIVALENTS

The Township's bank accounts are held at one chartered bank. Cash and cash equivalents consist of cash on account and short term investments with original maturities of three months or less and are stated at cost, which approximates market value.

3. INVESTMENTS

The investments consist of Guaranteed Investment Certificates, are classified as held-to-maturity and are recorded at cost plus accrued interest. The investments bear interest at varying rates between 1.65% and 5.00% and mature between January, 2012 and December, 2013. 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	2011 TOTAL	2010 TOTAL
Deferred revenue, beginning of the year	\$ 6,573	\$ 10,944	\$ 17,517	\$ 38,269
Restricted funds received during the year	3,000	95,767	98,767	95,591
Interest earned	112	263	375	2,657
Revenue recognized during the year	-	(99,676)	(99,676)	(119,000)
Deferred revenue, end of the year	\$ 9,685	\$ 7,298	\$ 16,983	\$ 17,517

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011

5. TANGIBLE CAPITAL ASSETS

2011

	Land	Building and Building Improvements	Vehicles Machinery and Equipment	Water and Wastewater Infrastructure	Roads Infrastructure	Total
Cost						
Balance, beginning of year	\$ 96,096	\$ 1,924,246	\$ 2,901,750	\$ 7,632,846	\$ 19,236,660	\$ 31,791,598
Additions	10,000	3,150	153,289	-	383,132	549,571
Disposals	-	-	(67,947)	-	-	(67,947)
Balance, end of year	106,096	1,927,396	2,987,092	7,632,846	19,619,792	32,273,222
Accumulated Amortization						
Balance, beginning of year	-	732,784	1,332,965	1,855,781	7,919,881	11,841,411
Disposals	-	-	(58,635)	-	-	(58,635)
Amortization expense	-	46,765	164,072	95,411	542,278	848,526
Balance, end of year	-	779,549	1,438,402	1,951,192	8,462,159	12,631,302
Net Book Value, end of year	\$ 106,096	\$ 1,147,847	\$ 1,548,690	\$ 5,681,654	\$ 11,157,633	\$ 19,641,920

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011

5. TANGIBLE CAPITAL ASSETS (continued)

2010

	Land	Building and Building Improvements	Vehicles Machinery and Equipment	Water and Wastewater Infrastructure	Roads Infrastructure	Total
Cost						
Balance, beginning of year	\$ 96,096	\$ 1,804,989	\$ 2,847,571	\$ 7,409,404	\$ 17,968,639	\$ 30,126,699
Additions	-	119,257	54,179	223,442	1,268,021	1,664,899
Balance, end of year	96,096	1,924,246	2,901,750	7,632,846	19,236,660	31,791,598
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	\$ 96,096	\$ 1,191,462	\$ 1,568,785	\$ 5,777,065	\$ 11,316,779	\$ 19,950,187

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011

6. ACCUMULATED SURPLUS

The accumulated surplus is comprised of the following:

	2011	2010
Surplus		
Available to offset future revenue requirements		
General area taxation	\$ 167,929	\$ 128,459
Water	1,550,040	1,309,389
Oil Springs Fire	6,769	24,607
Inwood Fire	4,960	3,399
Petrolia/Wyoming Fire	47,284	57,121
Oil City sewers	76,056	71,004
Marthaville streetlights	3,904	4,643
Oil City streetlights	8,452	7,669
Howlett Lane streetlights	3,942	3,843
Consolidated Fire surplus	76,568	26,113
	1,945,904	1,636,247
Net book value of tangible capital assets	19,641,920	19,950,187
Acquisition of capital assets to be recovered through taxation or user charges	(281,764)	(241,921)
	19,360,156	19,708,266
Reserves	1,988,597	1,983,596
	\$ 23,294,657	\$ 23,328,109
RESERVES SET ASIDE FOR SPECIFIC PURPOSE BY COUNCIL:		
Working capital	\$ 558,792	\$ 558,792
Water capital	1,349,018	1,362,234
Insurance	29,099	24,099
Water and municipal drainage debentures	51,688	38,471
	\$ 1,988,597	\$ 1,983,596

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011

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	
	2011	2010	2011	2010
Taxation and user charges	\$ 1,023,285	\$ 1,021,027	\$ 1,307,007	\$ 1,305,558
Share of payment in lieu	-	-	7,311	7,392
Requisitions	\$ 1,023,285	\$ 1,021,027	\$ 1,314,318	\$ 1,312,950

8. TRUST FUNDS

The trust funds administered by the municipality amounting to \$6,863 (2010 - \$9,299) 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:

	2011	2010
Tile drainage loans, maturing 2012 - 2020	\$ 419,089	\$ 363,983
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	(419,089)	(363,983)
	\$ -	\$ -

(b) Of the total long-term liabilities reported in (a) of this note, \$279,303 in principal payments are payable from 2012 to 2016 and \$139,786 from 2017 to 2021 and are summarized as follows:

	2012 to 2016	2017 to 2021
From benefiting landowners	\$ 279,303	\$ 139,786

(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, 2011 is \$419,089 (2010 - \$363,893) 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, 2011

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 to persons and property

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, environmental concerns and land development plans.

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation and payments - in- lieu are apportioned to current fund services based on the fund segment's net surplus, and general program support costs are apportioned based on a percentage of total expenditure by segment.

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, 2011

10. SEGMENTED INFORMATION

	2011					
	General Government	Protection	Public Works- Transportation	Public Works - Environmental	Health Services	Recreation and Culture Development
Revenue						Total
Taxation	\$ 1,226,500	\$ -	\$ -	\$ -	\$ -	\$ -
User charges	-	8,909	8,089	1,798,867	-	3,150
Grants	272,517	-	1,057,428	105,651	-	-
Investment income	30,982	-	-	28,503	-	-
Penalties and interest on taxes	24,467	-	-	-	-	-
Total revenue	1,554,466	8,909	1,065,517	1,933,021	-	3,150
Expenses						
Salaries, wages and benefits	312,738	27,881	314,855	104,277	-	21,496
Operating	131,463	624,334	1,053,409	1,091,845	6,966	3,493
Amortization	12,833	67,368	590,611	165,456	-	-
Total expenses	457,034	719,583	1,958,875	1,361,578	6,966	24,989
Annual surplus	\$ 1,097,432	\$ (710,674)	\$ (893,358)	\$ 571,443	\$ (6,966)	\$ (21,839)
						\$ (33,452)

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011

10. SEGMENTED INFORMATION

2010

	General Government	Protection	Public Works- Transportation	Public Works - Environmental	Health Services	Recreation and Culture Development	Planning and Development	Total
Revenue								
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 revenue	1,517,700	19,747	1,595,667	2,032,127	-	43,861	3,004	5,212,106
Expenses								
Salaries, wages and benefits	298,405	31,638	207,086	116,960	-	5,645	16,142	675,876
Operating	142,919	377,439	793,850	1,423,190	226	27,268	5,854	2,770,746
Amortization	16,762	67,367	537,502	131,180	-	3,141	-	755,952
Total expenses	458,086	476,444	1,538,438	1,671,330	226	36,054	21,996	4,202,574
Annual surplus (deficit)	\$ 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, 2011

11. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Subsequent to January 1, 2007, 10 sick days per year are granted, and if unused, may be paid out or accumulated to a maximum of 85 (2010 - 85) days. At the year end, the liability for the accumulated days amounted to \$12,337 (2010 - \$12,200) and is included in accounts payable and accrued liabilities.

12. EXPENSES BY OBJECT

Total expenses classified by object are as follows:

	2011	2010
Salaries, wages and employee benefits	\$ 790,930	\$ 675,876
Materials and services	2,967,707	2,770,746
Amortization	848,525	755,952
	\$ 4,607,162	\$ 4,202,574

13. SALARY DISCLOSURE

In 2011, no employees were paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more.

14. BUDGET DATA

The unaudited budget data in these consolidated financial statements are based upon the 2011 operating and capital budgets approved by Council in August, 2011. 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.

15. COMPARATIVE FIGURES

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



INDEPENDENT AUDITORS' REPORT

PARTNERS
STEPHEN J. OUTRIDGE, C.A.
KEVIN M. SABOURIN, C.A.
JAMES D. KEARNEY, C.A. (RET.)

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 trust funds of The Corporation of the Township of Enniskillen, which comprise the trust funds statement of financial position as at December 31, 2011, and the trust funds statement of continuity 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 trust funds of The Corporation of the Township of Enniskillen as at December 31, 2011, and of its financial performance for the year then ended in accordance with Canadian generally accepted accounting principles.

June 19, 2012
Wallaceburg, Ontario

Bailey Kearney Ferguson LLP
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, 2011

ASSETS		2011	2010
CURRENT			
Cash and cash equivalents	\$	6,863	\$ 9,299
LIABILITIES		2011	2010
CURRENT			
Due to Township	\$	82	\$ 2,568
ACCUMULATED INCOME		6,781	6,731
	\$	6,863	\$ 9,299

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

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

TRUST FUNDS STATEMENT OF CONTINUITY

FOR THE YEAR ENDED DECEMBER 31, 2011

	2011	2010
ACCUMULATED INCOME , beginning of year	\$ 6,731	\$ 5,231
REVENUE		
Interest and donations	64	1,508
EXPENSES		
Transfer to Township	14	8
ACCUMULATED INCOME , end of year	\$ 6,781	\$ 6,731

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, 2011

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 all revenue as they become available 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.

(c) CAPITAL ASSETS

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