

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2012

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

DECEMBER 31, 2012

CONTENTS

Page

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position	1
Consolidated Statement of Operations and Accumulated Surplus	2
Consolidated Statement of Change in Net Financial Assets	3
Consolidated Statement of Cash Flows	4
Notes to the Financial Statements	5 - 16

TRUST FUNDS FINANCIAL STATEMENTS

Independent Auditors' Report	17
Trust Funds Statement of Financial Position	18
Trust Funds Statement of Continuity	19
Notes to the Trust Funds Financial Statements	20



INDEPENDENT AUDITORS' REPORT

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

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

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, 2012, and the consolidated statements 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 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, 2012, 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.

May 21, 2013
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, 2012

	2012	2011
FINANCIAL ASSETS		
Cash and bank (Note 2)	\$ 2,261,906	\$ 2,017,809
Investments (Note 3)	710,930	694,048
Taxes receivable	115,032	153,128
User charges receivable	36,437	33,317
Accounts receivable	460,843	681,158
Unbilled revenue	251,942	222,279
Long-term receivables	44,770	51,689
TOTAL FINANCIAL ASSETS	3,881,860	3,853,428
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	191,799	193,391
Deferred revenue (Note 4)	17,005	16,983
Tile drain debenture prelevies	20,277	16,867
TOTAL LIABILITIES	229,081	227,241
NET FINANCIAL ASSETS	3,652,779	3,626,187
NON-FINANCIAL ASSETS		
Inventories of supplies	32,617	26,550
Tangible capital assets (Note 5)	19,361,847	19,641,920
TOTAL NON-FINANCIAL ASSETS	19,394,464	19,668,470
ACCUMULATED SURPLUS (Note 6)	\$ 23,047,243	\$ 23,294,657

APPROVED ON BEHALF OF THE BOARD

_____ **MAYOR**

_____ **TREASURER/ADMINISTRATOR**

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, 2012

	2012 Budget	2012 Actual	2011 Actual
	(Unaudited - Note 14)		
REVENUE			
Taxation	\$ 1,096,740	\$ 1,289,391	\$ 1,226,500
User charges	1,684,809	1,672,155	1,827,662
Government of Canada	100,000	100,000	101,078
Province of Ontario	1,071,600	1,119,209	1,137,665
Other municipalities	216,000	185,231	196,853
Investment income	30,500	57,255	59,485
Penalties and interest on taxes	22,000	25,766	24,467
TOTAL REVENUE	4,221,649	4,449,007	4,573,710
EXPENSES			
General government	493,900	433,295	457,034
Protection to persons and property	676,741	841,764	719,583
Transportation	1,435,070	1,949,929	1,958,875
Environmental services	1,352,654	1,385,462	1,361,578
Health services	3,500	3,697	6,966
Recreation and culture	65,920	55,964	78,137
Planning and development	24,750	26,310	24,989
TOTAL EXPENSES	4,052,535	4,696,421	4,607,162
ANNUAL DEFICIT	169,114	(247,414)	(33,452)
ACCUMULATED SURPLUS, beginning of year	23,976,441	23,294,657	23,328,109
ACCUMULATED SURPLUS, end of year	\$ 24,145,555	\$ 23,047,243	\$ 23,294,657

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, 2012

	2012 Actual	2011 Actual
ANNUAL DEFICIT	\$ (247,414)	\$ (33,452)
Acquisition of tangible capital assets	(678,150)	(549,571)
Amortization of tangible capital assets	803,519	848,526
Loss (gain) on sale of tangible capital assets	(7,016)	6,012
Proceeds on sale of tangible capital assets	161,720	3,300
Acquisition of supplies inventories	(6,067)	(3,842)
CHANGE IN NET FINANCIAL ASSETS	26,592	270,973
NET FINANCIAL ASSETS, beginning of year	3,626,187	3,355,214
NET FINANCIAL ASSETS, end of year	\$ 3,652,779	\$ 3,626,187

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, 2012

	2012	2011
OPERATING ACTIVITIES		
Annual deficit	\$ (247,414)	\$ (33,452)
Items not requiring cash		
Amortization	803,519	848,526
Loss (gain) on sale of capital assets	(7,016)	6,012
Operating transactions		
Taxes receivable	38,096	(25,684)
User charges receivable	(3,120)	(4,909)
Accounts receivable	220,315	358,633
Unbilled revenue	(29,663)	24,600
Long-term receivables	6,919	(13,217)
Accounts payable and accrued liabilities	(1,592)	(15,917)
Deferred revenue	22	(534)
Tile drain debenture prelevies	3,410	(7,541)
Inventories of supplies	(6,067)	(3,843)
Cash provided by operating activities	777,409	1,132,674
INVESTING ACTIVITIES		
Additions to capital assets		
Cash used to acquire tangible capital assets	(678,150)	(549,571)
Proceeds on sale of tangible capital assets	161,720	3,300
Cash used in investing activities	(516,430)	(546,271)
INCREASE IN CASH AND CASH EQUIVALENTS, during the year	260,979	586,403
CASH AND CASH EQUIVALENTS, beginning of the year	2,711,857	2,125,454
CASH AND CASH EQUIVALENTS, end of the year	\$ 2,972,836	\$ 2,711,857
REPRESENTED BY		
Cash and bank	\$ 2,261,906	\$ 2,017,809
Investments	710,930	694,048
	\$ 2,972,836	\$ 2,711,857

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, 2012

The Corporation of the Township of Enniskillen is a lower tier municipality that was created in 1855 in the Province of Ontario. The township provides municipal services such as police, fire, public works, planning, parks and recreation, and 6other 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 and accumulated surplus of the reporting entity. All interfund assets and liabilities and revenue and expenses have been eliminated on consolidation.

The following municipal enterprise owned or controlled by Council has 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, 2012

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, 2012

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.

Items requiring management's use of estimates include taxes receivable and accounts receivable.

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2012

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 BANK

The Township's bank accounts are held at one chartered bank.

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 2.00% and 5.00% and mature between January, 2013 and January, 2015. 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	2012 TOTAL	2011 TOTAL
Deferred revenue, beginning of the year	\$ 9,685	\$ 7,298	\$ 16,983	\$ 17,517
Restricted funds received during the year	4,000	95,767	99,767	98,767
Interest earned	134	119	253	375
Revenue recognized during the year	-	(99,998)	(99,998)	(99,676)
Deferred revenue, end of the year	\$ 13,819	\$ 3,186	\$ 17,005	\$ 16,983

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2012

5. TANGIBLE CAPITAL ASSETS

2012

	Land	Building and Building Improvements	Vehicles Machinery and Equipment	Water and Wastewater Infrastructure	Roads Infrastructure	Total
Cost						
Balance, beginning of year	\$ 106,096	\$ 1,927,396	\$ 2,987,092	\$ 7,632,846	\$ 19,619,792	\$ 32,273,222
Additions	-	-	174,480	-	503,670	678,150
Disposals	-	-	(167,749)	-	-	(167,749)
Balance, end of year	106,096	1,927,396	2,993,823	7,632,846	20,123,462	32,783,623
Accumulated Amortization						
Balance, beginning of year	-	779,549	1,438,402	1,951,194	8,462,157	12,631,302
Disposals	-	-	(13,045)	-	-	(13,045)
Amortization expense	-	46,796	160,977	95,411	500,335	803,519
Balance, end of year	-	826,345	1,586,334	2,046,605	8,962,492	13,421,776
Net Book Value, end of year	\$ 106,096	\$ 1,101,051	\$ 1,407,489	\$ 5,586,241	\$ 11,160,970	\$ 19,361,847

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2012

5. TANGIBLE CAPITAL ASSETS (continued)

		2011				
		Land	Building and Building Improvements	Vehicles Machinery and Equipment	Water and Wastewater Infrastructure	Roads Infrastructure
Cost						Total
Balance, beginning of year	\$	96,096	\$ 1,924,246	\$ 2,901,750	\$ 7,632,846	\$ 19,236,660
Additions		10,000	3,150	153,289	-	383,132
Disposals		-	-	(67,947)	-	-
Balance, end of year		106,096	1,927,396	2,987,092	7,632,846	19,619,792
Accumulated Amortization						
Balance, beginning of year		-	732,784	1,332,965	1,855,783	7,919,879
Disposals		-	-	(58,635)	-	-
Amortization expense		-	46,765	164,072	95,411	542,278
Balance, end of year		-	779,549	1,438,402	1,951,194	8,462,157
Net Book Value, end of year	\$	106,096	\$ 1,147,847	\$ 1,548,690	\$ 5,681,652	\$ 11,157,635
						\$ 19,641,920

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2012

6. ACCUMULATED SURPLUS

The accumulated surplus is comprised of the following:

	2012	2011
Surplus		
Available to offset future revenue requirements		
General area taxation	\$ 329,918	\$ 167,929
Water	1,759,394	1,550,040
Oil Springs Fire	6,769	6,769
Inwood Fire	4,960	4,960
Petrolia/Wyoming Fire	-	47,284
Oil City sewers	80,664	76,056
Marthaville streetlights	3,485	3,904
Oil City streetlights	9,638	8,452
Howlett Lane streetlights	4,190	3,942
Consolidated Fire surplus	42,424	76,568
	2,241,442	1,945,904
Net book value of tangible capital assets	19,361,847	19,641,920
Acquisition of capital assets to be recovered through taxation or user charges	(549,643)	(281,764)
	18,812,204	19,360,156
Reserves	1,993,597	1,988,597
	\$ 23,047,243	\$ 23,294,657
RESERVES SET ASIDE FOR SPECIFIC PURPOSE BY COUNCIL:		
Working capital	\$ 558,792	\$ 558,792
Water capital	1,355,936	1,349,018
Insurance	34,099	29,099
Water and municipal drainage debentures	44,770	51,688
	\$ 1,993,597	\$ 1,988,597

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2012

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	
	2012	2011	2012	2011
Taxation and user charges	\$ 1,023,307	\$ 1,023,285	\$ 1,347,474	\$ 1,307,007
Share of payment in lieu	-	-	5,174	7,311
Requisitions	\$ 1,023,307	\$ 1,023,285	\$ 1,352,648	\$ 1,314,318

8. TRUST FUNDS

The trust funds administered by the municipality amounting to \$7,222 (2011 - \$6,863) 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:

	2012	2011
Tile drainage loans, maturing 2012 - 2020	\$ 369,956	\$ 419,089
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	(369,956)	(419,089)
	\$ -	\$ -

(b) Of the total long-term liabilities reported in (a) of this note, \$265,700 in principal payments are payable from 2013 to 2017 and \$104,256 from 2018 to 2022 and are summarized as follows:

	2013 to 2017	2018 to 2022
From benefiting landowners	\$ 265,700	\$ 104,256

(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, 2012 is \$369,956 (2011 - \$419,089) 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, 2012

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, 2012

10. SEGMENTED INFORMATION

2012

Revenue	General Government	Protection	Public Works- Transportation	Public Works - Environmental	Health Services	Recreation and Culture	Planning and Development	Total
Taxation	\$ 1,289,391	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,289,391
User charges	-	17,518	14,034	1,621,712	-	12,368	6,523	1,672,155
Grants	185,231	-	1,109,077	110,132	-	-	-	1,404,440
Investment income	35,923	-	-	21,332	-	-	-	57,255
Penalties and interest on taxes	25,766	-	-	-	-	-	-	25,766
Total revenue	1,536,311	17,518	1,123,111	1,753,176	-	12,368	6,523	4,449,007
Expenses								
Salaries, wages and benefits	301,044	-	446,599	103,353	-	4,132	20,382	875,510
Operating	121,119	781,305	935,216	1,129,051	3,697	41,076	5,928	3,017,392
Amortization	11,132	60,459	568,114	153,058	-	10,756	-	803,519
Total expenses	433,295	841,764	1,949,929	1,385,462	3,697	55,964	26,310	4,696,421
Annual surplus	\$ 1,103,016	\$ (824,246)	\$ (826,818)	\$ 367,714	\$ (3,697)	\$ (43,596)	\$ (19,787)	\$ (247,414)

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2012

10. SEGMENTED INFORMATION

2011

	General Government	Protection	Public Works- Transportation	Public Works - Environmental	Health Services	Recreation and Culture	Planning and Development	Total
Revenue								
Taxation	\$ 1,226,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,226,500
User charges	-	8,909	8,089	1,798,867	-	8,647	3,150	1,827,662
Grants	272,517	-	1,057,428	105,651	-	-	-	1,435,596
Investment income	30,982	-	-	28,503	-	-	-	59,485
Penalties and interest on taxes	24,467	-	-	-	-	-	-	24,467
Total revenue	1,554,466	8,909	1,065,517	1,933,021	-	8,647	3,150	4,573,710
Expenses								
Salaries, wages and benefits	312,738	27,881	314,855	104,277	-	9,683	21,496	790,930
Operating	131,463	624,334	1,053,409	1,091,845	6,966	56,196	3,493	2,967,706
Amortization	12,833	67,368	590,611	165,456	-	12,258	-	848,526
Total expenses	457,034	719,583	1,958,875	1,361,578	6,966	78,137	24,989	4,607,162
Annual surplus (deficit)	\$ 1,097,432	\$ (710,674)	\$ (893,358)	\$ 571,443	\$ (6,966)	\$ (69,490)	\$ (21,839)	\$ (33,452)

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2012

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 (2011 - 85) days. At the year end, the liability for the accumulated days amounted to \$12,200 (2011 - \$12,337) and is included in accounts payable and accrued liabilities.

12. EXPENSES BY OBJECT

Total expenses classified by object are as follows:

	2012	2011
Salaries, wages and employee benefits	\$ 875,510	\$ 790,930
Materials and services	3,017,392	2,967,706
Amortization	803,519	848,526
	\$ 4,696,421	\$ 4,607,162

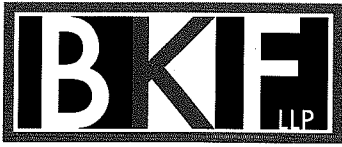
13. SALARY DISCLOSURE

In 2012, 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 2012 operating and capital budgets approved by Council in August, 2012. 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.



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, 2012, 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, 2012, and of its financial performance for the year then ended in accordance with Canadian generally accepted accounting principles.

May 21, 2013
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, 2012

ASSETS		2012	2011
CURRENT			
Cash and bank		\$ 7,222	\$ 6,863
LIABILITIES		2012	2011
CURRENT			
Due to Township		\$ 91	\$ 82
ACCUMULATED INCOME		7,131	6,781
		\$ 7,222	\$ 6,863

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, 2012

	2012	2011
ACCUMULATED INCOME , beginning of year	\$ 6,781	\$ 6,731
REVENUE		
Interest and donations	359	64
EXPENSES		
Transfer to Township	9	14
ACCUMULATED INCOME , end of year	\$ 7,131	\$ 6,781

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, 2012

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.