

**THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

# THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

DECEMBER 31, 2015

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## INDEPENDENT AUDITORS' REPORT

### PARTNERS

STEPHEN J. OUTRIDGE, CPA, CA  
KEVIN M. SABOURIN, CPA, CA  
JAMES D. KEARNEY, CPA, CA (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, 2015, 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 Consolidated 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, 2015, 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.

Wallaceburg, Ontario  
May 17, 2016

*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, 2015**

	<b>2015</b>	<b>2014</b>
<b>FINANCIAL ASSETS</b>		
Cash and bank (Note 2)	\$ 1,960,601	\$ 2,301,423
Investments (Note 3)	754,121	742,051
Taxes receivable	120,209	155,967
User charges receivable	33,827	34,138
Accounts receivable	676,939	550,255
Unbilled revenue	222,084	222,066
Long-term receivables	133,974	74,891
<b>TOTAL FINANCIAL ASSETS</b>	<b>3,901,755</b>	<b>4,080,791</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	227,653	398,038
Deferred revenue (Note 4)	12,944	14,169
Tile drain debenture prelevies	14,592	20,734
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>255,189</b>	<b>432,941</b>
<b>NET FINANCIAL ASSETS</b>	<b>3,646,566</b>	<b>3,647,850</b>
<b>NON-FINANCIAL ASSETS</b>		
Inventories of supplies	57,209	56,064
Tangible capital assets (Note 5)	18,968,122	19,079,878
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>19,025,331</b>	<b>19,135,942</b>
<b>ACCUMULATED SURPLUS (Note 6)</b>	<b>\$ 22,671,897</b>	<b>\$ 22,783,792</b>

APPROVED ON BEHALF OF THE COUNCIL

\_\_\_\_\_ 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, 2015

	2015 Budget (Note 14)	2015 Actual	2014 Actual
<b>REVENUE</b>			
Taxation	\$ 1,443,000	\$ 1,658,462	\$ 1,489,724
User charges	1,619,675	1,753,905	1,760,351
Government of Canada	87,400	83,724	82,533
Province of Ontario	734,000	744,377	906,693
Other municipalities	36,500	33,518	223,906
Investment income	37,000	50,313	59,799
Penalties and interest on taxes	25,100	28,942	27,551
<b>TOTAL REVENUE</b>	3,982,675	4,353,241	4,550,557
<b>EXPENSES</b>			
General government	477,100	479,895	471,942
Protection to persons and property	475,300	934,726	775,627
Transportation	1,718,350	1,615,180	2,135,193
Environmental services	1,240,225	1,348,828	1,349,800
Health services	6,500	7,372	2,935
Recreation and culture	47,700	53,498	51,899
Planning and development	17,500	25,637	26,318
<b>TOTAL EXPENSES</b>	3,982,675	4,465,136	4,813,714
<b>ANNUAL DEFICIT</b>	-	(111,895)	(263,157)
<b>ACCUMULATED SURPLUS, beginning of year</b>	22,783,792	22,783,792	23,046,949
<b>ACCUMULATED SURPLUS, end of year</b>	\$ 22,783,792	\$ 22,671,897	\$ 22,783,792

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, 2015

	2015	2014
<b>ANNUAL DEFICIT</b>	\$ (111,895)	\$ (263,157)
Acquisition of tangible capital assets	(971,613)	(699,507)
Amortization of tangible capital assets	876,016	667,051
Loss (gain) on sale of tangible capital assets	110,353	(2,767)
Proceeds on sale of tangible capital assets	97,000	26,381
Acquisition of supplies inventories	(1,145)	(24,016)
<b>CHANGE IN NET FINANCIAL ASSETS</b>	(1,284)	(296,015)
<b>NET FINANCIAL ASSETS, beginning of year</b>	3,647,850	3,943,865
<b>NET FINANCIAL ASSETS, end of year</b>	\$ 3,646,566	\$ 3,647,850

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, 2015

	2015	2014
<b>OPERATING ACTIVITIES</b>		
Annual deficit	\$ (111,895)	\$ (263,157)
Items not requiring cash		
Amortization	876,016	667,051
Loss (gain) on sale of tangible capital assets	110,353	(2,767)
Operating transactions		
Taxes receivable	35,758	(36,749)
User charges receivable	311	7,123
Accounts receivable	(126,684)	(53,459)
Unbilled revenue	(18)	18,219
Long-term receivables	(59,083)	(14,840)
Accounts payable and accrued liabilities	(170,385)	78,958
Deferred revenue	(1,225)	(6,352)
Inventories of supplies	(1,145)	(24,016)
Cash provided by operating activities	552,003	370,011
<b>CAPITAL ACTIVITIES</b>		
Additions to tangible capital assets	(971,613)	(699,507)
Proceeds on sale of tangible capital assets	97,000	26,381
Cash used in capital activities	(874,613)	(673,126)
<b>FINANCING ACTIVITIES</b>		
Repayment of tile drain debenture prelevies	(6,142)	(983)
Cash used in financing activities	(6,142)	(983)
<b>DECREASE IN CASH, during the year</b>	(328,752)	(304,098)
<b>CASH AND CASH EQUIVALENTS, beginning of the year</b>	3,043,474	3,347,572
<b>CASH AND CASH EQUIVALENTS, end of the year</b>	\$ 2,714,722	\$ 3,043,474
<b>REPRESENTED BY</b>		
Cash and bank	\$ 1,960,601	\$ 2,301,423
Investments	754,121	742,051
	\$ 2,714,722	\$ 3,043,474

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

# THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

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 other general government operations. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

### 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 Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants - Canada ("CPA Canada"). Significant accounting policies adopted by the Municipality are as follows:

#### (b) BASIS OF CONSOLIDATION

These consolidated financial statements reflect the assets, liabilities, revenue and expenses, changes in tangible capital assets 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 in the period in which the transactions or events occurred that gave rise to the revenue; 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 consolidated financial statements.

#### (e) TRUST FUNDS

Trust funds and their related operations administered by the municipality are not consolidated nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus, but are reported separately on the Trust Funds Statement of Financial Position and Statement of Operations which are shown on pages 16 and 17.



# THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### (f) RESERVE AND RESERVE FUNDS

Certain amounts, as approved by council, are set aside in reserves and reserve funds for future operating and capital purposes. Reserve funds are interest bearing and the current year interest is accounted for as an adjustment within accumulated surplus. Transfers to and/or from reserved and reserve funds are an adjustment to the respective funds when approved.

#### (g) INVESTMENTS

Investments consist of Guaranteed Investment Certificates and are recorded at cost plus accrued interest. If the market value of investments becomes lower than cost and this decline is considered to be other than temporary, the investments are written down to market value.

#### (h) CASH AND CASH EQUIVALENTS

The organization's policy is to present bank balances under cash and cash equivalents including investments consisting of Guaranteed Investment Certificates.

#### (i) 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
Vehicles, machinery and equipment	5 - 20
Water and wastewater infrastructure	20 - 80
Roads infrastructure - base	50
Roads infrastructure - 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 consolidated financial statements.

# THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### (iv) WORKS OF ART AND CULTURAL AND HISTORIC ASSETS

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

#### (j) 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.

#### (k) 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. Funding that is stipulated to be used for specific purposes is only recognized as revenue in the fiscal year that the related expenses are incurred and services are performed. If funding is received for which the related expenses have not yet been incurred or services performed, these amounts are recorded as a liability at year end.

# THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### (l) REVENUE RECOGNITION

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Township is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issuance of supplementary assessment rolls, which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Township determines the taxes applicable and renders supplementary tax billings.

Taxation revenues are recorded at the time the taxes are levied. Assessments and related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded as a reduction of tax revenue when the result of the appeal process is reasonably certain. The Township is entitled to collect interest and penalties on overdue taxes and these revenues are recorded in the period the interest and penalties are levied. Tax revenue is recorded net of reductions including rebates. Taxes receivable are reported net of any expense or allowance for doubtful accounts.

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.

#### (m) USE OF ESTIMATES

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards 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 consolidated financial statements, and the reported amounts of revenue and expenses during the period.

Actual results could differ from these estimates.

Significant items subject to such estimates and assumptions include valuation allowances for taxes and accounts receivable, certain accrued liabilities and the carrying value of tangible capital assets.

#### (n) FUTURE ACCOUNTING CHANGES

Effective for fiscal periods beginning on or after April 1, 2016, all governments will be required to adopt PSAB Section 2601, Foreign Currency Translation and PSAB Section 3450, Financial Instruments. Section 2601, provides guidance on how to account for and report transactions that are denominated in foreign currency in government financial statements. Section 3450, provides guidance on how to account for financial instruments including derivatives.

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 two chartered banks.

# THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

### 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 1.70% and 2.60% and mature between January, 2016 and December, 2018. At year end the carrying values approximated their market values. Interest earned on investments in the year was \$28,035 (2014 - \$39,552).

### 4. DEFERRED REVENUE

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

	PARKLAND		GAS TAX		2015 TOTAL	2014 TOTAL
Deferred revenue, beginning of the year	\$	8,102	\$	6,067	\$ 14,169	\$ 20,521
Restricted funds received during the year		1,000		87,400	88,400	89,049
Interest earned		95		307	402	393
Revenue recognized during the year		-		(90,027)	(90,027)	(95,794)
Deferred revenue, end of the year	\$	9,197	\$	3,747	\$ 12,944	\$ 14,169

# THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

### 5. TANGIBLE CAPITAL ASSETS

**2015**

	Land	Building and Building Improvements	Vehicles, Machinery and Equipment	Water and Wastewater Infrastructure	Roads Infrastructure	Total
<b>Cost</b>						
Balance, beginning of year	\$ 105,596	\$ 1,937,109	\$ 3,066,308	\$ 7,632,846	\$ 20,774,263	\$ 33,516,122
Additions	-	391,627	177,632	-	402,354	971,613
Disposals	-	(38,221)	(93,000)	(25,248)	(92,352)	(248,821)
Balance, end of year	105,596	2,290,515	3,150,940	7,607,598	21,084,265	34,238,914
<b>Accumulated Amortization</b>						
Balance, beginning of year	-	908,439	1,662,370	2,237,426	9,628,009	14,436,244
Disposals	-	(21,849)	(6,225)	(8,476)	(4,918)	(41,468)
Amortization expense	-	12,939	353,029	89,582	420,466	876,016
Balance, end of year	-	899,529	2,009,174	2,318,532	10,043,557	15,270,792
<b>Net Book Value, end of year</b>	<b>\$ 105,596</b>	<b>\$ 1,390,986</b>	<b>\$ 1,141,766</b>	<b>\$ 5,289,066</b>	<b>\$ 11,040,708</b>	<b>\$ 18,968,122</b>

**2014**

	Land	Building and Building Improvements	Vehicles, Machinery and Equipment	Water and Wastewater Infrastructure	Roads Infrastructure	Total
<b>Cost</b>						
Balance, beginning of year	\$ 105,596	\$ 1,912,185	\$ 3,047,310	\$ 7,632,846	\$ 20,454,410	\$ 33,152,347
Additions	-	24,924	224,362	-	450,221	699,507
Disposals	-	-	(205,364)	-	(130,368)	(335,732)
Balance, end of year	105,596	1,937,109	3,066,308	7,632,846	20,774,263	33,516,122
<b>Accumulated Amortization</b>						
Balance, beginning of year	-	862,392	1,693,058	2,142,015	9,383,846	14,081,311
Disposals	-	-	(184,704)	-	(127,414)	(312,118)
Amortization expense	-	46,047	154,016	95,411	371,577	667,051
Balance, end of year	-	908,439	1,662,370	2,237,426	9,628,009	14,436,244
<b>Net Book Value, end of year</b>	<b>\$ 105,596</b>	<b>\$ 1,028,670</b>	<b>\$ 1,403,938</b>	<b>\$ 5,395,420</b>	<b>\$ 11,146,254</b>	<b>\$ 19,079,878</b>

# THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**DECEMBER 31, 2015**

### 6. ACCUMULATED SURPLUS

The accumulated surplus is comprised of the following:

	2015	2014
Surplus		
Available to offset future revenue requirements		
General surplus taxation	\$ 184,505	\$ 154,503
Water	2,189,675	2,111,264
Oil Springs Fire	6,769	6,769
Inwood Fire	8,513	4,960
Oil City sewers	86,474	78,921
Marthaville streetlights	4,312	3,717
Oil City streetlights	12,108	10,758
Howlett Lane streetlights	4,823	4,625
Consolidated Fire surplus	168,893	146,904
	2,666,072	2,522,421
Net book value of tangible capital assets	18,968,122	19,079,878
Acquisition of tangible capital assets to be recovered through taxation or user charges	(545,841)	(807,103)
	18,422,281	18,272,775
Reserves	1,583,544	1,988,596
	\$ 22,671,897	\$ 22,783,792
<b>RESERVES SET ASIDE FOR SPECIFIC PURPOSE BY COUNCIL:</b>		
Working capital	\$ 558,792	\$ 558,792
Water capital	861,679	1,325,815
Insurance	29,099	29,099
Water and municipal drainage debentures	133,974	74,890
	\$ 1,583,544	\$ 1,988,596

### 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	
	2015	2014	2015	2014
Taxation and user charges	\$ 1,015,238	\$ 1,018,390	\$ 1,437,886	\$ 1,446,276
Share of payment in lieu	-	-	5,421	6,664
Requisitions	\$ 1,015,238	\$ 1,018,390	\$ 1,443,307	\$ 1,452,940

# THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

### 8. TRUST FUNDS

The trust funds administered by the municipality amounting to \$9,368 (2014 - \$7,449) 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:

	2015	2014
Tile drainage loans, maturing 2016 - 2025	\$ 270,439	\$ 289,660
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	(270,439)	(289,660)
	\$ -	\$ -

(b) Of the total long-term liabilities reported in (a) of this note, \$210,974 in principal payments are payable from 2016 to 2020 and \$59,465 from 2021 to 2025 and are summarized as follows:

	2016 to 2020	2021 to 2025
From benefiting landowners	\$ 210,974	\$ 59,465

(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, 2015 is \$270,439 (2014 - \$289,660) 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 CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

### 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 consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

### 10. SEGMENTED INFORMATION

2015

	General Government	Protection	Public Works- Transportation	Public Works - Environmental	Health Services	Recreation and Culture	Planning and Development	Total
<b>Revenue</b>								
Taxation	\$ 1,658,462	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,658,462
User charges	-	26,555	17,544	1,692,492	-	11,267	6,047	1,753,905
Grants	33,518	-	828,101	-	-	-	-	861,619
Investment income	28,035	-	-	22,278	-	-	-	50,313
Penalties and interest on taxes	28,942	-	-	-	-	-	-	28,942
<b>Total revenue</b>	<b>1,748,957</b>	<b>26,555</b>	<b>845,645</b>	<b>1,714,770</b>	<b>-</b>	<b>11,267</b>	<b>6,047</b>	<b>4,353,241</b>
<b>Expenses</b>								
Salaries, wages and benefits	273,448	-	305,444	113,324	-	4,541	25,637	722,394
Operating	203,696	695,290	809,670	1,114,170	7,372	36,528	-	2,866,726
Amortization	2,751	239,436	500,066	121,334	-	12,429	-	876,016
<b>Total expenses</b>	<b>479,895</b>	<b>934,726</b>	<b>1,615,180</b>	<b>1,348,828</b>	<b>7,372</b>	<b>53,498</b>	<b>25,637</b>	<b>4,465,136</b>
<b>Annual surplus (deficit)</b>	<b>\$ 1,269,062</b>	<b>\$ (908,171)</b>	<b>\$ (769,535)</b>	<b>\$ 365,942</b>	<b>\$ (7,372)</b>	<b>\$ (42,231)</b>	<b>\$ (19,590)</b>	<b>\$ (111,895)</b>

2014

	General Government	Protection	Public Works- Transportation	Public Works - Environmental	Health Services	Recreation and Culture	Planning and Development	Total
<b>Revenue</b>								
Taxation	\$ 1,489,723	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,489,723
User charges	-	28,165	13,937	1,685,719	-	20,805	11,726	1,760,352
Grants	223,906	-	989,226	-	-	-	-	1,213,132
Investment income	40,336	-	-	19,463	-	-	-	59,799
Penalties and interest on taxes	27,551	-	-	-	-	-	-	27,551
<b>Total revenue</b>	<b>1,781,516</b>	<b>28,165</b>	<b>1,003,163</b>	<b>1,705,182</b>	<b>-</b>	<b>20,805</b>	<b>11,726</b>	<b>4,550,557</b>
<b>Expenses</b>								
Salaries, wages and benefits	267,157	-	344,937	102,047	-	5,596	15,165	734,902
Operating	195,763	708,257	1,339,431	1,120,229	2,935	33,993	11,153	3,411,761
Amortization	9,022	67,369	450,826	127,524	-	12,310	-	667,051
<b>Total expenses</b>	<b>471,942</b>	<b>775,626</b>	<b>2,135,194</b>	<b>1,349,800</b>	<b>2,935</b>	<b>51,899</b>	<b>26,318</b>	<b>4,813,714</b>
<b>Annual surplus (deficit)</b>	<b>\$ 1,309,574</b>	<b>\$ (747,461)</b>	<b>\$ (1,132,031)</b>	<b>\$ 355,382</b>	<b>\$ (2,935)</b>	<b>\$ (31,094)</b>	<b>\$ (14,592)</b>	<b>\$ (263,157)</b>

# THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

### 11. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Subsequent to January 1, 2007, 10 sick days per year are granted and may be paid out or accumulated to a maximum of 85 (2014 - 85) days. If unused, the amount accumulated is not paid out. At the year end, the liability for the accumulated days amounted to \$17,000 (2014 - \$12,200) and is included in accounts payable and accrued liabilities.

### 12. EXPENSES BY OBJECT

Total expenses classified by object are as follows:

	2015	2014
Salaries, wages and employee benefits	\$ 722,394	\$ 734,902
Materials and services	2,866,726	3,411,761
Amortization	876,016	667,051
	\$ 4,465,136	\$ 4,813,714

### 13. SALARY DISCLOSURE

In 2015, 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 approved operating and capital budgets are approved by Council in March, 2015 and 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. Amortization was not contemplated on development of the budget and, as such, has not been included.

### 15. CREDIT FACILITY AGREEMENT

Effective May 1, 2015 the Township entered into a credit facility arrangement with its main financial institution. The amount available at any time for facility A is \$750,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate plus 0.50% per annum. Council authorized the borrowing limit pursuant to By-law. The credit facility was not utilized at year end.

### 16. COMPARATIVE FIGURES

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



**B**ailey  
**K**earney  
**F**erguson  
CHARTERED  
ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

### PARTNERS

STEPHEN J. OUTRIDGE, CPA, CA  
KEVIN M. SABOURIN, CPA, CA  
JAMES D. KEARNEY, CPA, CA (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, 2015 and the trust funds statement of operations and accumulated surplus 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 public sector accounting standards, 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, 2015, and of its financial performance for the year then ended in accordance with Canadian public sector accounting standards.

Wallaceburg, Ontario  
May 17, 2016

*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, 2015**

	<b>2015</b>	<b>2014</b>
<b>FINANCIAL ASSETS</b>		
Cash and bank	\$ 9,368	\$ 7,449
<b>FINANCIAL LIABILITIES</b>		
Due to Township	98	98
<b>NET FINANCIAL ASSETS AND ACCUMULATED SURPLUS</b>	<b>\$ 9,270</b>	<b>\$ 7,351</b>

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

# THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

## TRUST FUNDS STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	2014
<b>REVENUE</b>		
Interest and donations	\$ 1,919	\$ 42
<b>ANNUAL SURPLUS</b>	1,919	42
<b>ACCUMULATED SURPLUS, beginning of year</b>	7,351	7,309
<b>ACCUMULATED SURPLUS, end of year</b>	\$ 9,270	\$ 7,351

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

**THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN**

**TRUST FUNDS STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<b>2015 Actual</b>	<b>2014 Actual</b>
<b>ANNUAL SURPLUS</b>	\$ 1,919	\$ 42
<b>NET FINANCIAL ASSETS, beginning of year</b>	7,351	7,309
<b>NET FINANCIAL ASSETS, end of year</b>	\$ 9,270	\$ 7,351

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

# THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

## TRUST FUNDS STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	2014
<b>OPERATING ACTIVITIES</b>		
Annual deficit	\$ 1,919	\$ 42
Operating transactions Due to Township	-	(1)
Cash provided by operating activities	1,919	41
<b>INCREASE IN CASH AND BANK, during the year</b>	1,919	41
<b>CASH AND BANK, beginning of the year</b>	7,449	7,408
<b>CASH AND BANK, end of the year</b>	\$ 9,368	\$ 7,449

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

# THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

## NOTE TO THE TRUST FUNDS FINANCIAL STATEMENTS

DECEMBER 31, 2015

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) MANAGEMENT RESPONSIBILITY

The trust funds financial statements of The Corporation of the Township of Enniskillen are the representation of management prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants - Canada ("CPA Canada"). Significant accounting policies adopted by the Municipality are as follows:

#### (b) REPORTING ENTITY

The financial statements reflect the assets, liabilities, revenues and expenses of the Township's trust funds. The Township's assets, liabilities, revenues and expenses are reported separately in the Township's consolidated financial statements.

#### (c) REVENUE RECOGNITION

Investment income is reported as revenue in the period earned.