

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

DECEMBER 31, 2016

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INDEPENDENT AUDITORS' REPORT

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, 2016, 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, 2016, 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 16, 2017

Bailey Kearney Ferguson LLP
Chartered Professional 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, 2016

	2016	2015
FINANCIAL ASSETS		
Cash and bank	\$ 2,060,348	\$ 1,960,601
Investments (Note 3)	766,719	754,121
Taxes receivable	141,608	120,209
User charges receivable	30,284	33,827
Accounts receivable	632,514	676,939
Unbilled revenue	229,448	222,084
Long-term receivables	118,405	133,974
TOTAL FINANCIAL ASSETS	3,979,326	3,901,755
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	280,421	227,653
Deferred revenue (Note 4)	14,479	12,944
Tile drain debenture prelevies	14,592	14,592
TOTAL FINANCIAL LIABILITIES	309,492	255,189
NET FINANCIAL ASSETS	3,669,834	3,646,566
NON-FINANCIAL ASSETS		
Inventories of supplies	65,125	57,209
Tangible capital assets (Note 5)	19,156,326	18,968,122
TOTAL NON-FINANCIAL ASSETS	19,221,451	19,025,331
ACCUMULATED SURPLUS (Note 6)	\$ 22,891,285	\$ 22,671,897

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, 2016

	2016 Budget (Note 14)	2016 Actual	2015 Actual
REVENUE			
Taxation	\$ 1,582,700	\$ 1,850,058	\$ 1,658,462
User charges	1,619,675	1,776,259	1,753,905
Government of Canada	93,000	93,000	83,724
Province of Ontario	631,200	649,206	744,377
Other municipalities	12,000	19,123	33,518
Investment income and other	25,000	77,271	50,313
Penalties and interest on taxes	25,100	26,775	28,942
Gain (loss) on disposal of tangible capital assets	-	53,833	(110,353)
TOTAL REVENUE	3,988,675	4,545,525	4,242,888
EXPENSES			
General government	500,050	495,692	479,895
Protection to persons and property	440,550	711,562	934,726
Transportation	1,735,550	1,728,098	1,504,827
Environmental services	1,240,225	1,316,305	1,348,828
Health services	4,500	3,147	7,372
Recreation and culture	45,300	49,720	53,498
Planning and development	22,500	21,613	25,637
TOTAL EXPENSES	3,988,675	4,326,137	4,354,783
ANNUAL SURPLUS (DEFICIT)	-	219,388	(111,895)
ACCUMULATED SURPLUS, beginning of year	22,783,792	22,671,897	22,783,792
ACCUMULATED SURPLUS, end of year	\$ 22,783,792	\$ 22,891,285	\$ 22,671,897

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, 2016

	2016	2015
ANNUAL SURPLUS (DEFICIT)	\$ 219,388	\$ (111,895)
Acquisition of tangible capital assets	(1,200,361)	(971,613)
Amortization of tangible capital assets	865,070	876,016
Gain (loss) on sale of tangible capital assets	(53,833)	110,353
Proceeds on sale of tangible capital assets	200,920	97,000
Acquisition of supplies inventories	(7,916)	(1,145)
CHANGE IN NET FINANCIAL ASSETS	23,268	(1,284)
NET FINANCIAL ASSETS, beginning of year	3,646,566	3,647,850
NET FINANCIAL ASSETS, end of year	\$ 3,669,834	\$ 3,646,566

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, 2016

	2016	2015
OPERATING ACTIVITIES		
Annual surplus (deficit)	\$ 219,388	\$ (111,895)
Items not requiring cash		
Amortization	865,070	876,016
(Gain) loss on sale of tangible capital assets	(53,833)	110,353
Operating transactions		
Taxes receivable	(21,399)	35,758
User charges receivable	3,543	311
Accounts receivable	44,425	(126,684)
Unbilled revenue	(7,364)	(18)
Long-term receivables	15,569	(59,083)
Accounts payable and accrued liabilities	52,768	(170,385)
Deferred revenue	1,535	(1,225)
Inventories of supplies	(7,916)	(1,145)
Cash provided by operating activities	1,111,786	552,003
CAPITAL ACTIVITIES		
Additions to tangible capital assets	(1,200,361)	(971,613)
Proceeds on sale of tangible capital assets	200,920	97,000
Cash used in capital activities	(999,441)	(874,613)
FINANCING ACTIVITIES		
Repayment of tile drain debenture prelevies	-	(6,142)
Cash used in financing activities	-	(6,142)
INCREASE (DECREASE) IN CASH, during the year	112,345	(328,752)
CASH AND CASH EQUIVALENTS, beginning of the year	2,714,722	3,043,474
CASH AND CASH EQUIVALENTS, end of the year	\$ 2,827,067	\$ 2,714,722
REPRESENTED BY		
Cash and bank	\$ 2,060,348	\$ 1,960,601
Investments	766,719	754,121
	\$ 2,827,067	\$ 2,714,722

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, 2016

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 18 and 19.

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

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, 2016

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, 2016

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, 2016

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, 2017 and December, 2018. At year end the carrying values approximated their market values. Interest earned on investments in the year was \$33,885 (2015 - \$28,035).

4. DEFERRED REVENUE

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

	PARKLAND		GAS TAX		2016 TOTAL	2015 TOTAL
Deferred revenue, beginning of the year	\$	9,197	\$	3,747	\$ 12,944	\$ 14,169
Restricted funds received during the year		5,000		89,081	94,081	88,400
Interest earned		122		332	454	402
Revenue recognized during the year		-		(93,000)	(93,000)	(90,027)
Deferred revenue, end of the year	\$	14,319	\$	160	\$ 14,479	\$ 12,944

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

5. TANGIBLE CAPITAL ASSETS

Cost	Balance 2015	Additions	Disposals	Balance 2016
Land	\$ 105,596	\$ -	\$ -	\$ 105,596
Building and building improvements	2,290,515	-	-	2,290,515
Vehicles, machinery and equipment	3,150,940	638,411	(217,588)	3,571,763
Water and wastewater infrastructure	7,607,598	-	-	7,607,598
Road infrastructure	21,084,265	561,950	-	21,646,215
	\$ 34,238,914	\$ 1,200,361	\$ (217,588)	\$ 35,221,687

Accumulated Amortization	Balance 2015	Amortization	Disposals	Balance 2016
Building and building improvements	\$ 899,530	\$ 54,760	\$ -	\$ 954,290
Vehicles, machinery and equipment	2,009,174	110,747	(70,501)	2,049,420
Water and wastewater infrastructure	2,318,531	95,095	-	2,413,626
Road infrastructure	10,043,557	604,468	-	10,648,025
	\$ 15,270,792	\$ 865,070	\$ (70,501)	\$ 16,065,361

Net Book Value	2015	2016
Land	\$ 105,596	\$ 105,596
Building and building improvements	1,390,985	1,336,225
Vehicles, machinery and equipment	1,141,766	1,522,343
Water and wastewater infrastructure	5,289,067	5,193,972
Road infrastructure	11,040,708	10,998,190
	\$ 18,968,122	\$ 19,156,326

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

5. TANGIBLE CAPITAL ASSETS (cont.)

Cost	Balance 2014	Additions	Disposals	Balance 2015
Land	\$ 105,596	\$ -	\$ -	\$ 105,596
Building and building improvements	1,937,109	391,627	(38,221)	2,290,515
Vehicles, machinery and equipment	3,066,308	177,632	(93,000)	3,150,940
Water and wastewater infrastructure	7,632,846	-	(25,248)	7,607,598
Road infrastructure	20,774,263	402,354	(92,352)	21,084,265
	\$ 33,516,122	\$ 971,613	\$ (248,821)	\$ 34,238,914

Accumulated Amortization	Balance 2014	Amortization	Disposals	Balance 2015
Building and building improvements	\$ 908,440	\$ 12,939	\$ (21,849)	\$ 899,530
Vehicles, machinery and equipment	1,662,370	353,029	(6,225)	2,009,174
Water and wastewater infrastructure	2,237,425	89,582	(8,476)	2,318,531
Road infrastructure	9,628,009	420,466	(4,918)	10,043,557
	\$ 14,436,244	\$ 876,016	\$ (41,468)	\$ 15,270,792

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

6. ACCUMULATED SURPLUS

The accumulated surplus is comprised of the following:

	2016	2015
Surplus (Deficit)		
Available to offset future revenue requirements		
General surplus taxation	\$ 53,924	\$ 184,505
Water	2,330,951	2,189,675
Oil Springs Fire	6,769	6,769
Inwood Fire	8,513	8,513
Oil City sewers	84,586	86,474
Marthaville streetlights	(880)	4,312
Oil City streetlights	2,577	12,108
Howlett Lane streetlights	4,720	4,823
Consolidated Fire surplus	247,413	168,893
	2,738,573	2,666,072
Net book value of tangible capital assets	19,156,326	18,968,122
Acquisition of tangible capital assets to be recovered through taxation or user charges	(587,158)	(545,841)
	18,569,168	18,422,281
Reserves	1,583,544	1,583,544
	\$ 22,891,285	\$ 22,671,897
RESERVES SET ASIDE FOR SPECIFIC PURPOSE BY COUNCIL:		
Working capital	\$ 558,792	\$ 558,792
Water capital	877,249	861,679
Insurance	29,099	29,099
Water and municipal drainage debentures	118,404	133,974
	\$ 1,583,544	\$ 1,583,544

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

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	
	2016	2015	2016	2015
Taxation and user charges	\$ 1,027,612	\$ 1,015,238	\$ 1,595,680	\$ 1,437,886
Share of payment in lieu	-	-	6,065	5,421
Requisitions	\$ 1,027,612	\$ 1,015,238	\$ 1,601,745	\$ 1,443,307

8. TRUST FUNDS

The trust funds administered by the municipality amounting to \$9,656 (2015 - \$9,368) 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:

	2016	2015
Tile drainage loans, maturing 2017 - 2026	\$ 278,356	\$ 270,439
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	(278,356)	(270,439)
	\$ -	\$ -

(b) Of the total long-term liabilities reported in (a) of this note, \$209,871 in principal payments are payable from 2017 to 2021 and \$68,485 from 2022 to 2026 and are summarized as follows:

	2017 to 2021	2022 to 2026
From benefiting landowners	\$ 209,871	\$ 68,485

(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, 2016 is \$278,356 (2015 - \$270,439) 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, 2016

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 FINANCIAL STATEMENTS

DECEMBER 31, 2016

10. SEGMENTED INFORMATION

2016

	General Government	Protection	Public Works- Transportation	Public Works- Environmental	Health Services	Recreation and Culture	Planning and Development	Total
Revenue								
Taxation	\$ 1,850,058	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,850,058
User charges	-	8,909	6,764	1,741,367	-	8,315	10,904	1,776,259
Grants	19,123	-	742,206	-	-	-	-	761,329
Investment income and other	52,410	-	-	24,861	-	-	-	77,271
Penalties and interest on taxes	26,775	-	-	-	-	-	-	26,775
Gain on sale of tangible capital assets	-	53,833	-	-	-	-	-	53,833
Total revenue	1,948,366	62,742	748,970	1,766,228	-	8,315	10,904	4,545,525
Expenses								
Salaries, wages and benefits	284,748	-	325,875	148,638	-	5,971	21,613	786,845
Operating	199,689	665,372	731,120	1,043,692	3,147	31,202	-	2,674,222
Amortization	11,255	46,190	671,103	123,975	-	12,547	-	865,070
Total expenses	495,692	711,562	1,728,098	1,316,305	3,147	49,720	21,613	4,326,137
Annual surplus (deficit)	\$ 1,452,674	\$ (648,820)	\$ (979,128)	\$ 449,923	\$ (3,147)	\$ (41,405)	\$ (10,709)	\$ 219,388

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

10. SEGMENTED INFORMATION

2015

	General Government	Protection	Public Works- Transportation	Public Works - Environmental	Health Services	Recreation and Culture	Planning and Development	Total
Revenue								
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 and other	28,035	-	-	22,278	-	-	-	50,313
Penalties and interest on taxes	28,942	-	-	-	-	-	-	28,942
Loss on sale of tangible capital assets	-	(110,353)	-	-	-	-	-	(110,353)
Total revenue	1,748,957	(83,798)	845,645	1,714,770	-	11,267	6,047	4,242,888
Expenses								
Salaries, wages and benefits	273,448	-	305,444	113,324	-	4,541	25,637	722,394
Operating	203,696	695,290	699,317	1,114,170	7,372	36,528	-	2,756,373
Amortization	2,751	239,436	500,066	121,334	-	12,429	-	876,016
Total expenses	479,895	934,726	1,504,827	1,348,828	7,372	53,498	25,637	4,354,783
Annual surplus (deficit)	\$ 1,269,062	\$(1,018,524)	\$ (659,182)	\$ 365,942	\$ (7,372)	\$ (42,231)	\$ (19,590)	\$ (111,895)

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

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 (2015 - 85) days. If unused, the amount accumulated is not paid out. At the year end, the liability for the accumulated days amounted to \$20,000 (2015 - \$17,000) and is included in accounts payable and accrued liabilities.

12. EXPENSES BY OBJECT

Total expenses classified by object are as follows:

	2016	2015
Salaries, wages and employee benefits	\$ 786,845	\$ 722,394
Materials and services	2,674,222	2,756,373
Amortization	865,070	876,016
	\$ 4,326,137	\$ 4,354,783

13. SALARY DISCLOSURE

In 2016, 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 2016 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 under this credit facility 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.



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, 2016 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, 2016, and of its financial performance for the year then ended in accordance with Canadian public sector accounting standards.

Wallaceburg, Ontario
May 16, 2017

Bailey Kearney Ferguson LLP
Chartered Professional 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, 2016	
	2016	2015
FINANCIAL ASSETS		
Cash and bank	\$ 9,656	\$ 9,368
FINANCIAL LIABILITIES		
Due to Township	98	98
NET FINANCIAL ASSETS AND ACCUMULATED SURPLUS	\$ 9,558	\$ 9,270

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, 2016

	2016	2015
REVENUE		
Interest and donations	\$ 288	\$ 1,919
ANNUAL SURPLUS	288	1,919
ACCUMULATED SURPLUS, beginning of year	9,270	7,351
ACCUMULATED SURPLUS, end of year	\$ 9,558	\$ 9,270

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, 2016

	2016 Actual	2015 Actual
ANNUAL SURPLUS (DEFICIT)	\$ 288	\$ 1,919
NET FINANCIAL ASSETS, beginning of year	9,270	7,351
NET FINANCIAL ASSETS, end of year	\$ 9,558	\$ 9,270

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, 2016

	2016	2015
OPERATING ACTIVITIES		
Annual surplus (deficit)	\$ 288	\$ 1,919
Operating transactions Due to Township	-	-
Cash provided by operating activities	288	1,919
INCREASE IN CASH AND BANK, during the year	288	1,919
CASH AND BANK, beginning of the year	9,368	7,449
CASH AND BANK, end of the year	\$ 9,656	\$ 9,368

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, 2016

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.