

**THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2013**

# THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

DECEMBER 31, 2013

## 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 - 17

#### TRUST FUNDS FINANCIAL STATEMENTS

Independent Auditors' Report	18
Trust Funds Statement of Financial Position	19
Trust Funds Statement of Operations	20
Notes to the Trust Funds Financial Statements	21



Bailey  
Kearney  
Ferguson  
CHARTERED  
ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

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

### PARTNERS

STEPHEN J. OUTRIDGE, CPA, CA  
KEVIN M. SABOURIN, CPA, CA  
JAMES D. KEARNEY, CPA, CA (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, 2013 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 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, 2013, 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.

*Bailey Kearney Ferguson LLP*  
Chartered Accountants  
Licensed Public Accountants

Wallaceburg, Ontario  
June 3, 2014



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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2013**

	<b>2013</b>	<b>2012</b>
<b>FINANCIAL ASSETS</b>		
Cash and bank (Note 2)	\$ 2,621,625	\$ 2,261,906
Investments (Note 3)	725,947	710,930
Taxes receivable	119,218	115,032
User charges receivable	41,261	36,437
Accounts receivable	496,796	460,843
Unbilled revenue	240,285	251,942
Long-term receivables	60,051	44,770
<b>TOTAL FINANCIAL ASSETS</b>	<b>4,305,183</b>	<b>3,881,860</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	319,080	191,799
Deferred revenue (Note 4)	20,521	17,005
Tile drain debenture prelevies	21,717	20,277
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>361,318</b>	<b>229,081</b>
<b>NET FINANCIAL ASSETS</b>	<b>3,943,865</b>	<b>3,652,779</b>
<b>NON-FINANCIAL ASSETS</b>		
Inventories of supplies	32,048	32,617
Tangible capital assets (Note 5)	19,071,036	19,361,847
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>19,103,084</b>	<b>19,394,464</b>
<b>ACCUMULATED SURPLUS (Note 6)</b>	<b>\$ 23,046,949</b>	<b>\$ 23,047,243</b>

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, 2013

	2013 Budget	2013 Actual	2012 Actual
	(Unaudited - Note 14)		
<b>REVENUE</b>			
Taxation	\$ 1,129,260	\$ 1,356,241	\$ 1,289,391
User charges	1,562,940	1,803,206	1,672,155
Government of Canada	121,000	118,706	100,000
Province of Ontario	1,039,600	1,029,991	1,119,209
Other municipalities	201,000	167,071	185,231
Investment income	32,500	59,277	57,255
Penalties and interest on taxes	25,000	22,562	25,766
<b>TOTAL REVENUE</b>	4,111,300	4,557,054	4,449,007
<b>EXPENSES</b>			
General government	523,500	462,074	433,295
Protection to persons and property	513,850	764,225	841,764
Transportation	1,706,440	1,847,437	1,949,928
Environmental services	1,289,760	1,404,594	1,385,462
Health services	4,000	4,587	3,697
Recreation and culture	48,500	57,006	55,964
Planning and development	25,250	17,425	26,310
<b>TOTAL EXPENSES</b>	4,111,300	4,557,348	4,696,420
<b>ANNUAL DEFICIT</b>	-	(294)	(247,413)
<b>ACCUMULATED SURPLUS, beginning of year</b>	23,047,243	23,047,243	23,294,656
<b>ACCUMULATED SURPLUS, end of year</b>	\$ 23,047,243	\$ 23,046,949	\$ 23,047,243

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, 2013

	2013 Actual	2012 Actual
<b>ANNUAL DEFICIT</b>	\$ (294)	\$ (247,413)
Acquisition of tangible capital assets	(534,491)	(678,150)
Amortization of tangible capital assets	779,687	803,519
Loss (gain) on sale of tangible capital assets	(31,385)	(7,016)
Proceeds on sale of tangible capital assets	77,000	161,720
Acquisition of supplies inventories	569	(6,067)
<b>CHANGE IN NET FINANCIAL ASSETS</b>	291,086	26,593
<b>NET FINANCIAL ASSETS, beginning of year</b>	3,652,779	3,626,186
<b>NET FINANCIAL ASSETS, end of year</b>	\$ 3,943,865	\$ 3,652,779

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, 2013

	2013	2012
<b>OPERATING ACTIVITIES</b>		
Annual deficit	\$ (294)	\$ (247,413)
Items not requiring cash		
Amortization	779,687	803,519
Gain on sale of capital assets	(31,385)	(7,016)
Operating transactions		
Taxes receivable	(4,186)	38,096
User charges receivable	(4,824)	(3,120)
Accounts receivable	(35,953)	220,315
Unbilled revenue	11,657	(29,663)
Long-term receivables	(15,281)	6,919
Accounts payable and accrued liabilities	127,281	(1,591)
Deferred revenue	3,516	22
Tile drain debenture prelevies	1,440	3,410
Inventories of supplies	569	(6,068)
Cash provided by operating activities	832,227	777,410
<b>INVESTING ACTIVITIES</b>		
Additions to capital assets		
Vehicles	(534,491)	(678,150)
Proceeds on sale of tangible capital assets	77,000	161,720
Cash used in investing activities	(457,491)	(516,430)
<b>INCREASE IN CASH AND CASH EQUIVALENTS, during the year</b>	<b>374,736</b>	<b>260,980</b>
<b>CASH AND CASH EQUIVALENTS, beginning of the year</b>	<b>2,972,836</b>	<b>2,711,856</b>
<b>CASH AND CASH EQUIVALENTS, end of the year</b>	<b>\$ 3,347,572</b>	<b>\$ 2,972,836</b>
<b>REPRESENTED BY</b>		
Cash and bank	\$ 2,621,625	\$ 2,261,906
Investments	725,947	710,930
	<b>\$ 3,347,572</b>	<b>\$ 2,972,836</b>

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, 2013**

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 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 accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

#### **(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 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 19 and 20.



# THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 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.

#### (g) INVESTMENTS

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

#### (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	5 - 20
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.

# THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

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

#### (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.

#### (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.

# THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

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

#### (m) USE OF ESTIMATES

The preparation of the 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, 2015, all governments will be required to adopt PSAB Section 2601, Foreign Currency Translation, PSAB Section 3450, Financial Instruments and PSAB Section 1201, Financial Statement Presentation. This standard provides guidance on how to account for and report on Financial Instruments and related revenue and expenditures and also provides guidance on financial statement presentation and disclosure.

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, 2014 and December, 2015. At year end the carrying values approximated their market values.

# THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 4. DEFERRED REVENUE

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

	PARKLAND		GAS TAX		2013 TOTAL	2012 TOTAL
Deferred revenue, beginning of the year	\$	13,819	\$	3,186	\$ 17,005	\$ 16,983
Restricted funds received during the year		3,064		95,767	98,831	99,767
Interest earned		134		318	452	253
Revenue recognized during the year		-		(95,767)	(95,767)	(99,998)
Deferred revenue, end of the year	\$	17,017	\$	3,504	\$ 20,521	\$ 17,005

# THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 5. TANGIBLE CAPITAL ASSETS

2013

	Land	Building and Building Improvements	Vehicles Machinery and Equipment	Water and Wastewater Infrastructure	Roads Infrastructure	Total
<b>Cost</b>						
Balance, beginning of year	\$ 106,096	\$ 1,927,396	\$ 2,993,823	\$ 7,632,846	\$ 20,123,462	\$ 32,783,623
Additions	-	-	163,220	-	371,271	534,491
Disposals	(500)	(15,211)	(109,733)	-	(40,323)	(165,767)
Balance, end of year	105,596	1,912,185	3,047,310	7,632,846	20,454,410	33,152,347
<b>Accumulated Amortization</b>						
Balance, beginning of year	-	826,345	1,586,334	2,046,605	8,962,492	13,421,776
Disposals	-	(6,030)	(73,799)	-	(40,323)	(120,152)
Amortization expense	-	42,077	180,522	95,411	461,677	779,687
Balance, end of year	-	862,392	1,693,057	2,142,016	9,383,846	14,081,311
<b>Net Book Value, end of year</b>	<b>\$ 105,596</b>	<b>\$ 1,049,793</b>	<b>\$ 1,354,253</b>	<b>\$ 5,490,830</b>	<b>\$ 11,070,564</b>	<b>\$ 19,071,036</b>

# THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 5. TANGIBLE CAPITAL ASSETS (continued)

2012

	Land	Building and Building Improvements	Vehicles Machinery and Equipment	Water and Wastewater Infrastructure	Roads Infrastructure	Total
<b>Cost</b>						
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
<b>Accumulated Amortization</b>						
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
<b>Net Book Value, end of year</b>	<b>\$ 106,096</b>	<b>\$ 1,101,051</b>	<b>\$ 1,407,489</b>	<b>\$ 5,586,241</b>	<b>\$ 11,160,970</b>	<b>\$ 19,361,847</b>

# THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 6. ACCUMULATED SURPLUS

The accumulated surplus is comprised of the following:

	2013	2012
Surplus		
Available to offset future revenue requirements		
General area taxation	\$ 454,691	\$ 329,918
Water	1,913,392	1,759,394
Oil Springs Fire	6,769	6,769
Inwood Fire	4,960	4,960
Oil City sewers	88,285	80,664
Marthaville streetlights	3,642	3,485
Oil City streetlights	10,474	9,638
Howlett Lane streetlights	4,408	4,190
Consolidated Fire surplus	86,836	42,424
	2,573,457	2,241,442
Net book value of tangible capital assets	19,071,036	19,361,847
Acquisition of capital assets to be recovered through taxation or user charges	(586,140)	(549,643)
	18,484,896	18,812,204
Reserves	1,988,596	1,993,597
	\$ 23,046,949	\$ 23,047,243
<b>RESERVES SET ASIDE FOR SPECIFIC PURPOSE BY COUNCIL:</b>		
Working capital	\$ 558,792	\$ 558,792
Water capital	1,340,655	1,355,936
Insurance	29,099	34,099
Water and municipal drainage debentures	60,050	44,770
	\$ 1,988,596	\$ 1,993,597

### 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	
	2013	2012	2013	2012
Taxation and user charges	\$ 1,014,987	\$ 1,023,307	\$ 1,403,101	\$ 1,347,474
Share of payment in lieu	-	-	5,406	5,174
Requisitions	\$ 1,014,987	\$ 1,023,307	\$ 1,408,507	\$ 1,352,648

# THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 8. TRUST FUNDS

The trust funds administered by the municipality amounting to \$7,408 (2012 - \$7,222) 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:

	2013	2012
Tile drainage loans, maturing 2014 - 2023	\$ 348,864	\$ 369,956
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	(348,864)	(369,956)
	\$ -	\$ -

(b) Of the total long-term liabilities reported in (a) of this note, \$245,236 in principal payments are payable from 2014 to 2018 and \$103,628 from 2019 to 2023 and are summarized as follows:

	2014 to 2018	2019 to 2023
From benefiting landowners	\$ 245,236	\$ 103,628

(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, 2013 is \$348,864 (2012 - \$369,956) 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, 2013

### 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, 2013

### 10. SEGMENTED INFORMATION

2013

	General Government	Protection	Public Works- Transportation	Public Works - Environmental	Health Services	Recreation and Culture	Planning and Development	Total
<b>Revenue</b>								
Taxation	\$ 1,356,241	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,356,241
User charges	-	36,088	8,315	1,613,404	-	32,764	9,464	1,700,035
Grants	167,071	-	1,148,696	103,172	-	-	-	1,418,939
Investment income	36,373	-	-	22,904	-	-	-	59,277
Penalties and interest on taxes	22,562	-	-	-	-	-	-	22,562
<b>Total revenue</b>	<b>1,582,247</b>	<b>36,088</b>	<b>1,157,011</b>	<b>1,739,480</b>	<b>-</b>	<b>32,764</b>	<b>9,464</b>	<b>4,557,054</b>
<b>Expenses</b>								
Salaries, wages and benefits	305,329	-	189,895	104,836	-	6,349	14,097	620,506
Operating	147,148	696,856	1,096,796	1,171,873	4,587	36,567	3,328	3,157,155
Amortization	9,597	67,369	560,746	127,885	-	14,090	-	779,687
<b>Total expenses</b>	<b>462,074</b>	<b>764,225</b>	<b>1,847,437</b>	<b>1,404,594</b>	<b>4,587</b>	<b>57,006</b>	<b>17,425</b>	<b>4,557,348</b>
<b>Annual surplus (deficit)</b>	<b>\$ 1,120,173</b>	<b>\$ (728,137)</b>	<b>\$ (690,426)</b>	<b>\$ 334,886</b>	<b>\$ (4,587)</b>	<b>\$ (24,242)</b>	<b>\$ (7,961)</b>	<b>\$ (294)</b>

# THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 10. SEGMENTED INFORMATION

	2012						
	General Government	Protection	Public Works- Transportation	Public Works - Environmental	Health Services	Recreation and Culture	Planning and Development Total
<b>Revenue</b>							
Taxation	\$ 1,289,391	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,289,391
User charges	-	17,518	14,034	1,621,712	-	12,368	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
<b>Total revenue</b>	<b>1,536,311</b>	<b>17,518</b>	<b>1,123,111</b>	<b>1,753,176</b>	<b>-</b>	<b>12,368</b>	<b>4,449,007</b>
<b>Expenses</b>							
Salaries, wages and benefits	301,044	-	176,599	103,353	-	4,132	605,510
Operating	121,119	781,305	1,205,215	1,129,051	3,697	41,076	3,287,391
Amortization	11,132	60,459	568,114	153,058	-	10,756	803,519
<b>Total expenses</b>	<b>433,295</b>	<b>841,764</b>	<b>1,949,928</b>	<b>1,385,462</b>	<b>3,697</b>	<b>55,964</b>	<b>4,696,420</b>
<b>Annual surplus (deficit)</b>	<b>\$ 1,103,016</b>	<b>\$ (824,246)</b>	<b>\$ (826,817)</b>	<b>\$ 367,714</b>	<b>\$ (3,697)</b>	<b>\$ (43,596)</b>	<b>\$ (247,413)</b>

# THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 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 (2012 - 85) days. At the year end, the liability for the accumulated days amounted to \$12,200 (2012 - \$12,200) and is included in accounts payable and accrued liabilities.

### 12. EXPENSES BY OBJECT

Total expenses classified by object are as follows:

	2013	2012
Salaries, wages and employee benefits	\$ 620,506	\$ 605,510
Materials and services	3,157,155	3,287,391
Amortization	779,687	803,519
	<u>\$ 4,557,348</u>	<u>\$ 4,696,420</u>

### 13. SALARY DISCLOSURE

In 2013, 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 2013 operating and capital budgets approved by Council in August, 2013. Amortization was not contemplated on development of the budget and, as such, has not been included.

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

### 15. COMPARATIVE FIGURES

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



Bailey  
Kearney  
Ferguson  
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, 2013 and the trust funds statement of operations 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, 2013, and of its financial performance for the year then ended in accordance with Canadian public sector accounting standards.

*Bailey Kearney Ferguson LLP*

Chartered Accountants  
Licensed Public Accountants

Wallaceburg, Ontario  
June 3, 2014



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

**TRUST FUNDS STATEMENT OF FINANCIAL POSITION**

AS AT DECEMBER 31, 2013

ASSETS		2013	2012
<b>CURRENT</b>			
Cash and bank		\$ 7,408	\$ 7,222
<b>LIABILITIES</b>			
		2013	2012
<b>CURRENT</b>			
Due to Township		\$ 99	\$ 91
<b>ACCUMULATED SURPLUS</b>		7,309	7,131
		\$ 7,408	\$ 7,222

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

# THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

## TRUST FUNDS STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2013

	2013	2012
ACCUMULATED SURPLUS, beginning of year	\$ 7,131	\$ 6,781
REVENUE		
Interest and donations	186	359
EXPENSES		
Transfer to Township	8	9
ACCUMULATED SURPLUS, end of year	\$ 7,309	\$ 7,131

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, 2013**

### **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. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles as defined in the Canadian Institute of Chartered Accountants Public Sector Accounting Handbook.

#### **(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) STATEMENT OF CASH FLOWS**

The statement of cash flows has not been included in these financial statements as it would not provide any additional useful information in understanding the cash flows for the year. The sources and uses of cash are readily apparent from the information included in the financial statements.