
THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

DECEMBER 31, 2020

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Bailey
Kearney
Ferguson
CHARTERED
PROFESSIONAL
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

Opinion

We have audited the accompanying consolidated financial statements of The Corporation of the Township of Enniskillen (the Township), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Township as at December 31, 2020, the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Township in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the consolidated financial statements, management is responsible for assessing the Township's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Township or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Township's financial reporting process.



Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Township's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Township's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Township to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Wallaceburg, Ontario
April 19, 2021

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, 2020

	2020	2019
FINANCIAL ASSETS		
Cash and bank (Note 2)	\$ 2,876,294	\$ 3,008,101
Investments (Note 3)	823,818	792,352
Taxes receivable	154,038	121,730
User charges receivable	29,946	19,616
Accounts receivable	290,725	338,847
Unbilled revenue	290,023	261,790
Long-term receivables	33,210	47,934
TOTAL FINANCIAL ASSETS	4,498,054	4,590,370
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	452,904	366,058
Deferred revenue (Note 4)	96,216	26,463
Tile drain debenture prelevies	6,807	7,378
TOTAL FINANCIAL LIABILITIES	555,927	399,899
NET FINANCIAL ASSETS	3,942,127	4,190,471
NON-FINANCIAL ASSETS		
Prepaid expenses	9,282	-
Inventories of supplies	57,000	60,198
Tangible capital assets (Note 5)	19,435,200	18,884,918
TOTAL NON-FINANCIAL ASSETS	19,501,482	18,945,116
ACCUMULATED SURPLUS (Note 6)	\$ 23,443,609	\$ 23,135,587

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, 2020

	2020 Budget (Note 14)	2020 Actual	2019 Actual
REVENUE			
Taxation	\$ 2,545,218	\$ 2,876,075	\$ 2,655,531
User charges	1,857,475	1,708,520	1,621,385
Government of Canada	85,000	90,924	181,307
Province of Ontario	445,900	478,260	866,590
Other municipalities	15,000	24,407	22,228
Investment income and other	60,000	61,660	107,545
Penalties and interest on taxes	25,000	32,022	27,548
Gain on disposal of tangible capital assets	-	40,379	21,364
TOTAL REVENUE	5,033,593	5,312,247	5,503,498
EXPENSES			
General government	565,710	527,897	526,738
Protection to persons and property	500,988	794,130	825,776
Transportation	2,262,495	1,911,495	2,331,991
Environmental services	1,642,000	1,679,789	1,492,877
Health services	4,000	3,114	4,585
Recreation and culture	34,350	28,543	43,412
Planning and development	24,050	59,257	12,738
TOTAL EXPENSES	5,033,593	5,004,225	5,238,117
ANNUAL SURPLUS	-	308,022	265,381
ACCUMULATED SURPLUS, beginning of year	23,135,587	23,135,587	22,870,206
ACCUMULATED SURPLUS, end of year	\$ 23,135,587	\$ 23,443,609	\$ 23,135,587

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, 2020

	2020	2019
ANNUAL SURPLUS	\$ 308,022	\$ 265,381
Acquisition of tangible capital assets	(1,726,640)	(948,946)
Amortization of tangible capital assets	978,895	1,045,365
Gain on disposal of tangible capital assets	(40,379)	(21,364)
Proceeds on sale of tangible capital assets	237,842	54,620
Change in inventories of supplies	3,198	20,035
Change in prepaid expenses	(9,282)	-
CHANGE IN NET FINANCIAL ASSETS	(248,344)	415,091
NET FINANCIAL ASSETS, beginning of year	4,190,471	3,775,380
NET FINANCIAL ASSETS, end of year	\$ 3,942,127	\$ 4,190,471

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, 2020

	2020	2019
OPERATING ACTIVITIES		
Annual surplus	\$ 308,022	\$ 265,381
Items not requiring cash		
Amortization	978,895	1,045,365
Gain on disposal of tangible capital assets	(40,379)	(21,364)
	1,246,538	1,289,382
Changes in non-cash assets and liabilities related to operations		
Taxes receivable	(32,308)	(35,271)
User charges receivable	(10,330)	9,291
Accounts receivable	48,122	52,736
Unbilled revenue	(28,233)	(1,042)
Long-term receivables	14,724	24,988
Prepaid expenses	(9,282)	-
Accounts payable and accrued liabilities	86,846	(68,837)
Deferred revenue	69,753	2,606
Tile drain debenture prelevies	(571)	-
Inventories of supplies	3,198	20,035
Cash provided by operating activities	1,388,457	1,293,888
CAPITAL ACTIVITIES		
Additions to tangible capital assets	(1,726,640)	(948,946)
Proceeds on sale of tangible capital assets	237,842	54,620
Cash used in capital activities	(1,488,798)	(894,326)
INCREASE (DECREASE) IN CASH, during the year	(100,341)	399,562
CASH AND CASH EQUIVALENTS, beginning of the year	3,800,453	3,400,891
CASH AND CASH EQUIVALENTS, end of the year	\$ 3,700,112	\$ 3,800,453
REPRESENTED BY		
Cash and bank	\$ 2,876,294	\$ 3,008,101
Investments	823,818	792,352
	\$ 3,700,112	\$ 3,800,453

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, 2020

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 Township 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 Township. 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 Township, and is the difference between its assets and liabilities. This provides information about the Township'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 Township 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 CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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, 2020

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, 2020

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 on the accrual basis. Investment income earned on reserve funds is recorded directly to each fund balance.

(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.

Due to the inherent uncertainty in making estimates, actual results could differ from management's best estimates as additional information becomes available in the future.

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.

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, 2020

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 3.08% and mature between January, 2021 and December, 2023. At year end the carrying values approximated their market values. Interest earned on investments in the year was \$38,562 (2019 - \$83,034).

4. DEFERRED REVENUE

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

	PARKLAND		COVID		2020 TOTAL	2019 TOTAL
Deferred revenue, beginning of the year	\$	26,463	\$	-	\$ 26,463	\$ 23,857
Restricted funds received during the year		1,000		68,360	69,360	183,307
Interest earned		393		-	393	606
Revenue recognized during the year		-		-	-	(181,307)
Deferred revenue, end of the year	\$	27,856	\$	68,360	\$ 96,216	\$ 26,463

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

5. TANGIBLE CAPITAL ASSETS

Cost	Balance 2019	Additions	Disposals	Balance 2020
Land	\$ 95,596	\$ -	\$ -	\$ 95,596
Building and building improvements	2,611,114	-	-	2,611,114
Vehicles, machinery and equipment	3,392,660	1,033,645	(414,609)	4,011,696
Water and wastewater infrastructure	7,607,598	-	-	7,607,598
Road infrastructure	23,277,973	692,995	-	23,970,968
	\$ 36,984,941	\$ 1,726,640	\$ (414,609)	\$ 38,296,972

Accumulated Amortization	Balance 2019	Amortization	Disposals	Balance 2020
Building and building improvements	\$ 1,093,691	\$ 68,432	\$ -	\$ 1,162,123
Vehicles, machinery and equipment	2,053,227	179,185	(217,146)	2,015,266
Water and wastewater infrastructure	2,698,911	95,095	-	2,794,006
Road infrastructure	12,254,194	636,183	-	12,890,377
	\$ 18,100,023	\$ 978,895	\$ (217,146)	\$ 18,861,772

Net Book Value	2019	2020
Land	\$ 95,596	\$ 95,596
Building and building improvements	1,517,423	1,448,991
Vehicles, machinery and equipment	1,339,433	1,996,430
Water and wastewater infrastructure	4,908,687	4,813,592
Road infrastructure	11,023,779	11,080,591
	\$ 18,884,918	\$ 19,435,200

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

5. TANGIBLE CAPITAL ASSETS (cont.)

Cost	Balance 2018	Additions	Disposals	Balance 2019
Land	\$ 105,596	\$ -	\$ (10,000)	\$ 95,596
Building and building improvements	2,611,114	-	-	2,611,114
Vehicles, machinery and equipment	3,416,397	15,683	(39,420)	3,392,660
Water and wastewater infrastructure	7,607,598	-	-	7,607,598
Road infrastructure	22,347,434	933,263	(2,724)	23,277,973
	\$ 36,088,139	\$ 948,946	\$ (52,144)	\$ 36,984,941

Accumulated Amortization	Balance 2018	Amortization	Disposals	Balance 2019
Building and building improvements	\$ 1,025,259	\$ 68,432	\$ -	\$ 1,093,691
Vehicles, machinery and equipment	1,923,523	148,592	(18,888)	2,053,227
Water and wastewater infrastructure	2,603,816	95,095	-	2,698,911
Road infrastructure	11,520,948	733,246	-	12,254,194
	\$ 17,073,546	\$ 1,045,365	\$ (18,888)	\$ 18,100,023

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

6. ACCUMULATED SURPLUS

The accumulated surplus is comprised of the following:

	2020	2019
Surplus (Deficit)		
Available to offset future revenue requirements		
General surplus taxation	\$ 275,940	\$ 248,298
Water	2,625,668	2,515,039
Education scholarship	19,829	22,505
Cannabis	10,137	15,000
Revitalization and Scholarship	41,454	41,454
Oil City sewers	90,345	80,963
Marthaville streetlights	7,754	5,565
Oil City streetlights	12,567	10,040
Howlett Lane streetlights	5,844	5,529
Consolidated Fire surplus (deficit)	(3,216)	268,058
	3,086,322	3,212,451
Net book value of tangible capital assets	19,435,200	18,884,918
Acquisition of tangible capital assets to be recovered through taxation or user charges	(681,457)	(560,326)
	18,753,743	18,324,592
Reserves	1,603,544	1,598,544
	\$ 23,443,609	\$ 23,135,587
RESERVES SET ASIDE FOR SPECIFIC PURPOSE BY COUNCIL:		
Working capital	\$ 558,792	\$ 558,792
Water capital	962,444	947,720
Insurance	49,099	44,099
Water and municipal drainage debentures	33,209	47,933
	\$ 1,603,544	\$ 1,598,544

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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	
	2020	2019	2020	2019
Taxation and user charges	\$ 1,118,002	\$ 1,080,322	\$ 2,028,598	\$ 1,827,997
Share of payment in lieu	-	-	6,305	5,811
Requisitions	\$ 1,118,002	\$ 1,080,322	\$ 2,034,903	\$ 1,833,808

8. TRUST FUNDS

The trust funds administered by the Township amounting to \$9,995 (2019 - \$9,994) 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:

	2020	2019
Tile drainage loans, maturing 2021 - 2030	\$ 323,825	\$ 324,026
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	(323,825)	(324,026)
	\$ -	\$ -

(b) Of the total long-term liabilities reported in (a) of this note, \$207,635 in principal payments are payable from 2021 to 2025 and \$116,190 from 2026 to 2030 and are summarized as follows:

	2021 to 2025	2026 to 2030
From benefiting landowners	\$ 207,635	\$ 116,190

(c) The Township is contingently liable for the long-term liabilities with respect to the tile drainage loans. The total amount outstanding at December 31, 2020 is \$323,825 (2019 - \$324,026) 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, 2020

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 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, 2020

10. SEGMENTED INFORMATION

2020

Revenue	General Government	Protection	Public Works- Transportation	Public Works- Environmental	Health Services	Recreation and Culture Development	Planning and Development	Total
Taxation	\$ 2,876,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,876,075
User charges	-	10,679	11,657	1,676,134	-	-	10,050	1,708,520
Grants	24,407	-	569,184	-	-	-	-	593,591
Investment income and other	38,563	-	-	23,097	-	-	-	61,660
Penalties and interest on taxes	32,022	-	-	-	-	-	-	32,022
Gain on sale of tangible capital assets	-	-	40,379	-	-	-	-	40,379
Total revenue	2,971,067	10,679	621,220	1,699,231	-	-	10,050	5,312,247
Expenses								
Salaries, wages and benefits	377,244	-	363,955	127,749	-	463	59,257	928,668
Operating	138,085	763,159	767,950	1,408,759	3,114	15,595	-	3,096,662
Amortization	12,568	30,971	779,590	143,281	-	12,485	-	978,895
Total expenses	527,897	794,130	1,911,495	1,679,789	3,114	28,543	59,257	5,004,225
Annual surplus (deficit)	\$ 2,443,170	\$ (783,451)	\$ (1,290,275)	\$ 19,442	\$ (3,114)	\$ (28,543)	\$ (49,207)	\$ 308,022

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

10. SEGMENTED INFORMATION

2019

	General Government	Protection	Public Works- Transportation	Public Works - Environmental	Health Services	Recreation and Culture Development	Planning and Development	Total
Revenue								
Taxation	\$ 2,655,531	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,655,531
User charges	-	26,902	21,657	1,556,184	-	4,469	12,174	1,621,386
Grants	22,228	-	1,047,896	-	-	-	-	1,070,124
Investment income and other	83,035	-	-	24,510	-	-	-	107,545
Penalties and interest on taxes	27,548	-	-	-	-	-	-	27,548
Loss on sale of tangible capital assets	-	-	21,364	-	-	-	-	21,364
Total revenue	2,788,342	26,902	1,090,917	1,580,694	-	4,469	12,174	5,503,498
Expenses								
Salaries, wages and benefits	372,773	-	371,427	123,705	-	4,236	12,738	884,879
Operating	141,397	796,434	1,103,028	1,235,738	4,585	26,691	-	3,307,873
Amortization	12,568	29,342	857,536	133,434	-	12,485	-	1,045,365
Total expenses	526,738	825,776	2,331,991	1,492,877	4,585	43,412	12,738	5,238,117
Annual surplus (deficit)	\$ 2,261,604	\$ (798,874)	\$ (1,241,074)	\$ 87,817	\$ (4,585)	\$ (38,943)	\$ (564)	\$ 265,381

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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 (2019 - 85) days. If unused, the amount accumulated is not paid out. At the year end, the liability for the accumulated days amounted to \$25,000 (2019 - \$25,000) and is included in accounts payable and accrued liabilities.

12. EXPENSES BY OBJECT

Total expenses classified by object are as follows:

	2020	2019
Salaries, wages and employee benefits	\$ 928,668	\$ 884,879
Materials and services	3,096,662	3,307,873
Amortization	978,895	1,045,365
	\$ 5,004,225	\$ 5,238,117

13. SALARY DISCLOSURE

In 2020, there were no employees that 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 2020 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. PENSION AGREEMENTS

The Township makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer plan, on behalf of members of its employees. The plan is a contributory defined benefit plan which specifies the amount of the retirement benefit to be received by employees based on the length of service and rates of pay. Employers and employees contribute jointly to the plan.

Because OMERS is a multi-employer pension plan, any pension surpluses or deficits are a joint responsibility of the Ontario Municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS pension plan surplus or deficit. The amount contributed to OMERS for 2020 was \$18,837 (2019 - \$8,703) for current service. Employers contributions for current service are included as an expense in the consolidated Statement of Operations.

THE CORPORATION OF THE TOWNSHIP OF ENNISKILLEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

16. CREDIT FACILITY AGREEMENT

Effective May 1, 2015 the Township entered into a credit facility arrangement with its main financial institution. The agreement was further renewed on November 1, 2020. 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.

17. OTHER INFORMATION

The COVID - 19 outbreak in Canada has caused business disruption through mandated and voluntary closings of multiple industries. While the disruption is expected to be temporary, there is considerable uncertainty around the duration of the closings. At this time there is significant uncertainty over future cash flows which may cause changes to the assets and liabilities and may have a significant impact on future operations. In the face of the pandemic, the Municipality has adopted several specific measures, which include the cancellation of festivals, events and public gatherings, as well as the closure, until further notice, of several cultural and sports facilities. Estimates and assumptions have been made by management to try and quantify the financial effect of these activities. Management is managing all aspects of the budget very closely and adjusting and reacting as needed.

18. 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^{LLP}
CHARTERED
PROFESSIONAL
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

Opinion

We have audited the accompanying financial statements of the trust funds of The Corporation of the Township of Enniskillen (the Township), which comprise the trust funds statement of financial position as at December 31, 2020, and the trust funds statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the trust funds financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the trust funds of the Township as at December 31, 2020, the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Township in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Township's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Township or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Township's financial reporting process.



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Township's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Township's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Township to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Wallaceburg, Ontario
April 19, 2021

Baird Keary 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, 2020	
	2020	2019
FINANCIAL ASSETS		
Cash and bank	\$ 9,995	\$ 9,994
FINANCIAL LIABILITIES		
Due to Township	98	98
NET FINANCIAL ASSETS AND ACCUMULATED SURPLUS	\$ 9,897	\$ 9,896

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, 2020

	2020	2019
REVENUE		
Interest	\$ 1	\$ 2
ANNUAL SURPLUS	1	2
ACCUMULATED SURPLUS, beginning of year	9,896	9,894
ACCUMULATED SURPLUS, end of year	\$ 9,897	\$ 9,896

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, 2020

	2020 Actual	2019 Actual
ANNUAL SURPLUS	\$ 1	\$ 2
NET FINANCIAL ASSETS, beginning of year	9,896	9,894
NET FINANCIAL ASSETS, end of year	\$ 9,897	\$ 9,896

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, 2020

	2020	2019
OPERATING ACTIVITIES		
Annual surplus	\$ 1	\$ 2
INCREASE IN CASH AND BANK, during the year	1	2
CASH AND BANK, beginning of the year	9,994	9,992
CASH AND BANK, end of the year	\$ 9,995	\$ 9,994

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, 2020

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 Township 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 on the accrual basis.

