

The Corporation of the Township of Enniskillen
Consolidated Financial Statements
December 31, 2023

Independent Auditor’s Report

Consolidated Financial Statements

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

Opinion

We have audited the 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, 2023, and the consolidated statements of operations, accumulated surplus, , changes 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 consolidated financial position of the Township as at December 31, 2023, and the results of its operations,, changes in its net financial assets and its 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 Auditor's 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 consolidated 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 the 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.

Auditor's 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 auditor's 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 auditor's 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 auditor's 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Township to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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
June 24, 2024


Chartered Professional Accountants

**The Corporation of the Township of Enniskillen
Consolidated Statement of Financial Position**

As at December 31, 2023

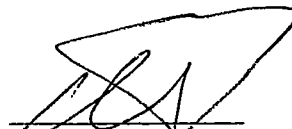
	2023	2022
Financial assets		
Cash and bank (Note 3)	\$ 3,191,736	\$ 2,590,614
Investments (Note 4)	865,957	836,638
Taxes receivable (Note 5)	211,661	152,085
User charges receivable	304,049	299,537
Accounts receivable	369,398	480,798
Unbilled revenue	-	-
Long-term receivables	30,063	37,486
Total financial assets	4,972,864	4,397,158
Financial liabilities		
Accounts payable and accrued liabilities	532,970	\$ 207,476
Deferred revenue (Note 6)	136,643	265,631
Tire drain debenture prelevies	1,956	6,807
Total financial liabilities	671,569	479,914
Net financial assets	4,301,295	3,917,244
Non-financial assets		
Prepaid expenses and deposit	13,040	547,992
Inventories of supplies	57,994	66,163
Tangible capital assets (Note 7)	20,266,898	19,866,874
Total non-financial assets	20,337,932	20,481,029
Accumulated surplus	\$ 24,639,228	\$ 24,398,273

Commitments (Note 19)

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, 2023

	<i>Budget</i>	<i>Total 2023</i>	<i>Total 2022</i>
Revenue			
Taxation	\$ 2,819,000	\$ 3,301,421	\$ 3,207,440
User charges	1,584,600	1,660,850	1,823,114
Government of Canada	315,350	93,596	89,344
Province of Ontario	988,900	867,820	635,506
Other municipalities	5,000	23,969	9,712
Investment income and other	82,950	204,779	111,379
Penalties and interest on taxes	32,000	39,646	31,994
Gain (loss) on disposal of tangible capital assets		66,330	(226,601)
Total Revenue	5,827,800	6,258,411	5,681,888
Expenses			
General government	\$ 656,110	608,745	616,311
Protection to persons and property	505,100	969,175	846,163
Transportation	2,642,800	2,521,774	2,225,550
Environmental services	1,919,000	1,829,227	1,586,995
Health services	5,500	4,177	6,327
Recreation and culture	40,690	53,172	49,859
Planning and development	58,600	31,186	71,121
Total Expenses	5,827,800	6,017,456	5,402,326
Annual surplus	-	240,955	279,562
Accumulated surplus, beginning of year	24,398,273	24,398,273	24,118,711
Accumulated surplus, end of year	\$ 24,398,273	\$ 24,639,228	\$ 24,398,273

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, 2023

	<i>Total 2023</i>	<i>Total 2022</i>
Annual surplus	\$ 240,955	\$ 279,562
Acquisition of tangible capital assets	(1,699,915)	(1,545,728)
Amortization of tangible capital assets	1,091,421	969,559
(Gain) loss on disposal of tangible capital assets	(66,330)	226,601
Proceeds on sale of tangible capital assets	274,800	145,460
Change in inventories of supplies	8,168	(1,701)
Change in prepaid expenses and deposit	534,952	(399,732)
Change in net financial assets	384,051	(325,979)
Net financial assets, beginning of year	3,917,244	4,243,223
Net financial assets, end of year	\$ 4,301,295	\$ 3,917,244

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, 2023

	2023	2022
Operating activities		
Annual surplus	240,955	279,562
Items not requiring cash		
Amortization	1,091,421	969,559
Loss (gain) on disposal of tangible capital assets	(66,330)	226,601
	1,266,046	1,475,722
Changes in non-cash assets and liabilities related to operations		
Taxes receivable	(59,576)	40,917
User charges receivable	(4,512)	(12,002)
Accounts receivable	111,400	(268,391)
Long-term receivables	7,423	(15,956)
Prepaid expenses and deposit	534,952	(399,732)
Accounts payable and accrued liabilities	325,493	(338,824)
Deferred revenue	(128,988)	132,986
Tile drain debenture prelevies	(4,851)	-
Inventories of supplies	8,169	(1,701)
Cash provided by operating activities	2,055,556	613,020
Capital activities		
Additions to tangible capital assets	(1,699,915)	(1,545,728)
Proceeds on sale of tangible capital assets	274,800	145,460
Purchase of investments	(330,022)	-
Proceeds from sale of investments	300,703	-
Cash used in capital activities	(1,454,434)	(1,400,268)
Increase (decrease) in cash, during the year	601,122	(787,248)
Cash resources, beginning of year	2,590,614	3,377,862
Cash resources, end of year	\$ 3,191,736	\$ 2,590,614

The accompanying notes are an integral part of these financial statements

Enniskillen Township
Segmented Information

December 31, 2023

	<i>General Government</i>	<i>Protection</i>	<i>Public Works- Transportation</i>	<i>Public Works- Environmental</i>	<i>Health Services</i>	<i>Recreation and Culture</i>	<i>Planning and Development</i>	<i>Total 2023</i>
Revenue								
Taxation	\$ 3,301,421	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,301,421
User charges	-	8,909	14,040	1,634,576	-	3,325	-	1,660,850
Grants	23,969	-	961,416	-	-	-	-	985,385
Investment income and other	199,357	-	-	5,422	-	-	-	204,779
Penalties and interest on taxes	39,646	-	-	-	-	-	-	39,646
Gain on sale of tangible capital assets	-	-	66,330	-	-	-	-	66,330
Total Revenue	3,564,393	8,909	1,041,786	1,639,998	-	3,325	-	6,258,411
Expenses								
Salaries, wages and benefits	361,184	-	289,588	58,466	-	9,560	30,798	749,596
Operating	235,681	922,688	1,351,325	1,631,269	4,177	30,911	388	4,176,439
Amortization	11,880	46,487	880,861	139,492	-	12,701	-	1,091,421
Total Expenses	608,745	969,175	2,521,774	1,829,227	4,177	53,172	31,186	6,017,456
Annual surplus (deficit)	2,955,648	(960,266)	(1,479,988)	(189,229)	(4,177)	(49,847)	(31,186)	240,955

The accompanying notes are an integral part of these financial statements

**Enniskillen Township
Segmented Information**

December 31, 2022

	<i>General Government</i>	<i>Protection</i>	<i>Public Works- Transportation</i>	<i>Public Works- Environmental</i>	<i>Health Services</i>	<i>Recreation and Culture</i>	<i>Planning and Development</i>	<i>Total 2022</i>
Revenue								
Taxation	\$ 3,207,440	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,207,440
User charges	-	8,909	4,385	1,807,745	-	2,075	-	1,823,114
Grants	9,712	-	724,860	-	-	-	-	734,562
Investment income and other	102,351	-	-	9,028	-	-	-	111,379
Penalties and interest on taxes	31,994	-	-	-	-	-	-	31,994
Loss on sale of tangible capital assets	-	-	(226,601)	-	-	-	-	(226,601)
Total Revenue	3,351,497	8,909	502,634	1,816,773	-	2,075	-	5,681,888
Expenses								
Salaries, wages and benefits	322,346	-	367,619	160,095	-	8,676	31,184	889,920
Operating	281,397	807,932	1,093,765	1,283,619	6,327	29,870	39,937	3,542,847
Amortization	12,568	38,231	764,166	143,281	-	11,313	-	969,559
Total Expenses	616,311	846,163	2,225,550	1,586,995	6,327	49,859	71,121	5,402,326
Annual surplus (deficit)	2,735,186	(837,254)	(1,722,916)	229,778	(6,327)	(47,784)	(71,121)	279,562

The accompanying notes are an integral part of these financial statements

The Corporation of the Township of Enniskillen
Notes to the Financial Statements
For the year ended December 31, 2023

1. Purpose of the Township

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.

2. Summary of significant accounting policies

a. Management responsibility

These consolidated financial statements of The Corporation of the Township of Enniskillen are the representation of management prepared in accordance with Canadian Public Sector Accounting Standards ("PSAS") as defined in the CPA Canada Public Sector Accounting Handbook. Significant aspects of the 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 revenues, expenditures, 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 21 and 22.

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.

The Corporation of the Township of Enniskillen
Notes to the Financial Statements
For the year ended December 31, 2023

2. Summary of significant accounting policies (continued)

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. 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 waster infrastructure	20 – 80
Road infrastructure – base	50
Road 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.

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.

The Corporation of the Township of Enniskillen
Notes to the Financial Statements
For the year ended December 31, 2023

2. Summary of significant accounting policies (continued)

i. Inventories of supplies

Inventories of supplies held for consumption are recorded at cost.

i. 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.

j. 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.

k. 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 collectability 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.

l. Financial instruments

i. Measurement of financial instruments

Financial instruments are recorded at fair value on initial recognition.

The Township subsequently measures its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable, investments and long-term receivables.

The Corporation of the Township of Enniskillen
Notes to the Financial Statements
For the year ended December 31, 2023

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Unrealized changes in fair value are recognized in the Statement of Remeasurement Gains and Losses until they are realized, when they are transferred to the Statement of Operations. As the Organization has no financial instruments recognized at fair value, the Organization does not have a Statement of Remeasurement Gains and Losses.

ii. Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the Statement of Operations. The write-down reflects the difference between the carrying amount and the higher of:

- a) the present value of the cash flows expected to be generated by the asset or group of assets;
- b) the amount that could be realized by selling the assets or group of assets;
- c) the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the event occurring after the impairment confirms that a reversal is necessary, the reversal is recognized in the Statement of Operations up to the amount of the previously recognized impairment.

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.

n. Accumulated surplus

Accumulated surplus represents the Corporation's net economic resources. It is an amount by which all assets (financial and non-financial) exceed liabilities. An accumulated surplus indicates that the Corporation has net resources (financial and physical) that can be used to provide future services. An accumulated deficit means that liabilities are greater than assets.

3. Cash

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

4. Investments

The investments consist of Guaranteed Investment Certificates, are recorded at cost plus accrued interest. The investments bear interest at varying rates between .95% and 5.05% and mature between January, 2024 and December, 2026. At year end the carrying values approximated their market values. Interest earned on investments in the year was \$199,357 (2022 - \$102,351).

The Corporation of the Township of Enniskillen
Notes to the Financial Statements
For the year ended December 31, 2023

5. Taxes receivable

As at December 31, 2023, the taxes receivables are as follows:

	2023	2022
Taxes receivable	\$ 191,435	\$ 143,116
Penalties and interest	20,226	8,969
	\$ 211,661	\$ 152,085

6. Deferred revenue

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

	2023			2022
	<i>Parkland</i>	<i>Other</i>	<i>Total</i>	<i>Total</i>
Deferred revenue, beginning of the year	\$ 38,031	\$ 227,600	\$ 265,631	\$ 132,644
Restricted fund received during the year	1,000		1,000	133,400
Interest earned	2,146	-	2,146	853
Revenue recognized during the year	-	(132,134)	(132,134)	(1,266)
Deferred revenue, end of the year	\$ 41,177	\$ 95,466	\$ 136,643	\$ 265,631

7. Tangible capital assets

<i>Cost</i>	<i>Balance 2022</i>	<i>Additions</i>	<i>Disposals</i>	<i>Balance 2023</i>
Land	\$ 116,761	\$ -	\$ -	\$ 116,761
Building and building improvements	2,677,554	214,980	-	2,892,534
Vehicles, machinery and equipment	4,238,276	762,053	(307,953)	4,692,376
Water and wastewater infrastructure	7,607,598	-	-	7,607,598
Road infrastructure	25,703,179	722,881	(167,449)	26,258,611
	\$ 40,343,368	\$ 1,699,914	\$ (475,402)	\$ 41,567,880

<i>Accumulated amortization</i>	<i>Balance 2022</i>	<i>Amortization</i>	<i>Disposals</i>	<i>Balance 2023</i>
Building and building improvements	\$ 1,300,239	\$ 72,396	\$ -	\$ 1,372,635
Vehicles, machinery and equipment	2,128,766	202,661	(155,504)	2,175,923
Water and wastewater infrastructure	2,980,381	95,096	-	3,075,477
Road infrastructure	14,067,108	721,267	(111,428)	14,676,947
	\$ 20,476,494	\$ 1,091,420	\$ (266,932)	\$ 21,300,982

<i>Net book value</i>	<i>Balance 2022</i>		<i>Balance 2023</i>
Land	\$ 116,761		\$ 116,761
Building and building improvements	1,377,315		1,519,899
Vehicles, machinery and equipment	2,109,510		2,516,453
Water and wastewater infrastructure	4,722,312		4,532,121
Road infrastructure	11,464,593		11,581,664
	\$ 19,662,766		\$ 20,266,898

The Corporation of the Township of Enniskillen
Notes to the Financial Statements
For the year ended December 31, 2023

<i>Cost</i>	<i>Balance 2021</i>	<i>Additions</i>	<i>Disposals</i>	<i>Balance 2022</i>
Land	\$ 116,761	\$ -	\$ -	\$ 116,761
Building and building improvements	2,611,114	66,440	-	2,677,554
Vehicles, machinery and equipment	4,130,918	454,632	(327,274)	4,238,276
Water and wastewater infrastructure	7,607,598	-	-	7,607,598
Road infrastructure	24,493,648	1,024,657	(265,126)	25,703,179
	\$ 39,410,039	\$ 1,545,729	\$ (612,400)	\$ 40,343,368

<i>Accumulated amortization</i>	<i>Balance 2021</i>	<i>Amortization</i>	<i>Disposals</i>	<i>Balance 2022</i>
Building and building improvements	\$ 1,230,555	\$ 69,684	\$ -	\$ 1,300,239
Vehicles, machinery and equipment	2,152,377	183,566	(207,177)	2,128,766
Water and wastewater infrastructure	2,885,286	95,095	-	2,980,381
Road infrastructure	13,479,055	621,214	(33,161)	14,067,108
	\$ 19,747,273	\$ 969,559	\$ (240,338)	\$ 20,476,494

8. Accumulated surplus

The accumulated surplus is comprised of the following:

	<i>2023</i>	<i>2022</i>
Surplus		
Available to offset future revenue requirements		
General surplus taxation	\$ 940,489	\$ 211,586
Water	2,818,240	2,896,652
Education scholarship	12,230	15,921
Cannabis	11,321	11,321
Oil City sewers	62,214	74,625
Marthaville streetlights	12,949	11,340
Oil City streetlights	16,844	14,396
Howlett Lane Streetlights	6,728	6,433
Consolidate Fire surplus	115,181	393,300
	\$ 3,996,196	\$ 3,635,574
Net book value of tangible capital assets	20,266,898	19,866,874
Acquisition of tangible capital assets to be recovered through taxation or user charges	(1,241,114)	(717,719)
	19,025,784	19,149,155
Reserves	1,617,248	1,613,544
	\$ 24,639,228	\$ 24,398,273
Reserves set aside for specific purpose by council:		
Working capital	\$ 558,792	\$ 558,792
Water capital	933,635	929,931
Insurance	59,099	59,099
Water and municipal drainage debentures	65,722	65,722
	\$ 1,617,248	\$ 1,613,544

The Corporation of the Township of Enniskillen
Notes to the Financial Statements
For the year ended December 31, 2023

9. Operations of School Boards and The County of Lambton

The total levies raised on behalf of the school boards and the County of Lambton are comprised of the following:

	School Boards		County of Lambton	
	2023	2022	2023	2022
Taxation and user charges	\$ 1,042,607	\$ 1,034,616	\$ 2,178,778	\$ 2,084,424
Share of payment in lieu	-	-	10,041	9,811
Requisitions	\$ 1,042,607	\$ 1,034,616	\$ 2,188,819	\$ 2,094,235

10. Trust funds

The trust funds administered by the Township amounting to \$11,255 (2022 - \$10,649) have not been included in the consolidated statement of financial position nor have the operations been included in the consolidated statement of operations.

11. Net long-term liabilities

The Township initially deposits assessments into the General Fund and then subsequently transfers the applicable portion of the assessment to the Reserve Fund according to the budget.

a) Net long-term liabilities made up of the following:

	2023	2022
Tile drainage loans, maturing 2023-2030	\$ 174,904	\$ 203,469
Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges for the tile drainage loans has been assumed by individuals. At the end of the year, the outstanding principal amount of the liability is	(174,904)	(203,469)
	\$ -	\$ -

b) Of the total long-term liabilities reported in (a) of this note, \$146,711 in principal payments are payable from 2023 to 2027 and \$56,758 from 2028 to 2032 and are summarized as follows:

	2023 to 2027	2028 to 2032
From benefiting landowners	\$ 100,694	\$ 74,210

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, 2023 is \$174,904 (2022 - \$203,469) and is not recorded on the consolidated statement of financial position.

d) The long-term liabilities have been approved by by-law. The annual principle 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
For the year ended December 31, 2023

12. 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
For the year ended December 31, 2023

13. 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 (2022 – 85) days. If unused, the amount accumulated is not paid out.

14. Expenses by object

Total expenses classified by object are as follows:

	2023	2022
Salaries, wages and employee benefits	\$ 749,596	\$ 889,920
Materials	3,286,182	2,772,674
Contract services	890,257	770,173
Amortization	1,091,421	969,559
	\$ 6,017,456	\$ 5,402,326

15. Salary disclosure

In 2023, one employee was paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more.

16. Budget data

The approved operating and capital budgets are approved by Council in March 2023 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.

17. 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 2023 was \$28,537 (2022 - \$26,769) for current service. Employer's contributions for current service are included as an expense in the consolidated Statement of Operations.

18. Credit facility agreement

Effective May 1, 2015 the Township entered into a credit facility arrangement with its financial institution. The agreement was further renewed on November 1, 2020. The amount available under this credit facility is \$700,000 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.

The Corporation of the Township of Enniskillen
Notes to the Financial Statements
For the year ended December 31, 2023

19. Commitments

a) Recycling services

The Township has entered into an agreement with Waste Management for recycling services which commenced September, 2023 at an annual cost of \$48,400. The contract expires in December, 2025.

b) Waste collection services

The Township has entered into an agreement for waste collection services which commenced in September, 2023 at an annual cost of \$50,820. The contract expires December, 2025.

c) The Township has entered into an agreement to manage the collection of recycling materials on behalf of the producer group. The annual revenue generated from this agreement is \$81,600 annually. This contract expires in December, 2025.

20. Financial Instruments and Risks

Unless otherwise noted it is management's opinion that the Township is not exposed to significant risks. There have been no changes in the Township's risk exposures from the prior year.

Credit Risk

The Township is exposed to credit risk through its cash, trade and other receivables loans receivable and long-term receivables. There is a possibility of non-collection of its trade and other receivables. The majority of the Township's receivables are from rate payers and government entities. The Township mitigates its exposure to credit loss by placing its cash with major financial institutions.

Liquidity risk

Liquidity risk is the risk that the Township will not be able to meet its obligations as they become due. The Township manages this risk by establishing budgets and funding plans to fund its expenses and debt payments.

Interest rate risk

Interest rate risk is the risk of potential loss caused by fluctuations in fair value of cashflow of financial instruments due to the changes in market interest rates. The Township is exposed to this risk through its interest-bearing investments. The Township manages this risk through investing in fixed-rate securities of short to medium term maturity and plans to hold the securities to maturity.

21. Comparative figures

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

**The Corporation of the Township of Enniskillen
Trust Funds Financial Statements**
December 31, 2023

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

Opinion

We have audited the financial statements of The Corporation of the Township of Enniskillen (the "Township"), which comprise the trust funds statement of financial position as at December 31, 2023, and the trust funds statements of operations and accumulated surplus, remeasurement gains and losses, changes 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, 2023, and the results of its operations, its remeasurement gains and losses and its 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 Auditor's 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 the 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.

Auditor's 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 auditor's 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 auditor's 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 auditor's 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Township to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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
June 24, 2024

MNP LLP
Chartered Professional Accountants

The Corporation of the Township of Enniskillen
Trust Funds Statement of Financial Position

As at December 31, 2023

	2023	2022
Financial assets		
Cash and bank	\$ 11,353	\$ 10,747
Financial liabilities		
Accounts payable and accrued liabilities	98	98
Net financial assets and accumulated surplus	\$ 11,255	\$ 10,649

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, 2023

	<i>Total 2023</i>	<i>Total 2022</i>
Revenue		
Interest and lot sales	\$ 606	\$ 751
Annual Surplus	606	751
Accumulated surplus, beginning of year	10,649	9,898
Accumulated surplus, end of year	\$ 11,255	\$ 10,649

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, 2023

	<i>Total 2023</i>		<i>Total 2022</i>
Annual surplus	\$ 606	\$	751
Net financial assets, beginning of year	10,649		9,898
<hr/>			
Net financial assets, end of year	\$ 11,255	\$	10,649

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, 2023

	2023	2022
Operating activities		
Annual surplus	606	751
Increase in cash, during the year	606	751
Cash resources, beginning of year	10,747	9,996
Cash resources, end of year	\$ 11,353	\$ 10,747

The accompanying notes are an integral part of these financial statements

The Corporation of the Township of Enniskillen
Notes to the Financial Statements
For the year ended December 31, 2023

1. Purpose of the Township

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.

2. 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. Basis of consolidation

These trust funds have not been consolidated with the financial statements of the The Corporation of the Township of Enniskillen.

d. Accrual accounting

Sources of revenues and expenditures are reported on the accrual basis of accounting.

The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

e. Revenue recognition

Donations are recognized as revenues in the period in which they are received or receivable. Municipal contributions and fundraising fees are recognized as revenue when related goods or services are provided and collectability is reasonably assumed.

Interest earned on surplus funds is recognized as revenue when earned.

f. Financial Instruments

(i) Measurement of financial instruments

The trust initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The trust subsequently measures its financial assets at amortized cost. Financial assets measured at amortized cost include cash and guaranteed investment certificates, accounts receivable and amounts due from the Township of Enniskillen.

2. Summary of significant accounting policies

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the statement of operations. The write-down reflects the difference between the carrying amount and the higher of:

- 1) the present value of the cash flows expected to be generated by the asset or group of assets;
- 2) the amount that could be realized by selling the assets or group of assets;
- 3) the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the event occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in the statement of operations up to the amount of the previously recognized impairment.

Use of Estimates and Measurement Uncertainty

The preparation of financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Actual results could differ from the estimates. Estimates are used with accounting for items such as accrued receivables.

3. Financial Instruments and Risk

All financial instruments are considered current in nature and accordingly their value approximates fair value. Management has determined that the Trust is not exposed to interest rate risk, credit risk and liquidity risk.

