

The Corporation of the Township of Enniskillen
Consolidated Financial Statements
December 31, 2024

Independent Auditor’s Report

Consolidated Financial Statements

Consolidated Statement of Financial Position 1

Consolidated Statement of Operations and Accumulated Surplus 2

Consolidated Statement of Change in Net Financial Assets 3

Consolidated Statement of Cash Flows 4

Notes to the Consolidated Financial Statements 5

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, 2024, and the consolidated statements of operations, accumulated operating 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, 2024, 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Township as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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

May 20, 2025

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

MNP

The Corporation of the Township of Enniskillen

Consolidated Statement of Financial Position

As at December 31, 2024

	2024	2023
Financial assets		
Cash and bank (Note 4)	\$ 3,366,666	\$ 3,191,736
Investments (Note 5)	881,327	865,957
Taxes receivable (Note 6) (Note 21)	166,885	211,661
User charges receivable (Note 21)	356,928	304,049
Accounts receivable (Note 21)	377,834	369,398
Long-term receivables (Note 21)	20,677	30,063
Total financial assets	5,170,317	4,972,864
Financial liabilities		
Accounts payable and accrued liabilities (Note 21)	719,282	532,970
Deferred revenue (Note 7) (Note 21)	123,219	136,643
Tile drain debenture prelevies (Note 21)	1,956	1,956
Total financial liabilities	844,457	671,568
Net financial assets	4,325,860	4,301,296
Non-financial assets		
Prepaid expenses and deposit	15,000	13,040
Inventories of supplies	68,399	57,994
Tangible capital assets (Note 8)	20,821,703	20,266,898
Total non-financial assets	20,905,102	20,337,932
Accumulated surplus (Note 9)	\$ 25,230,962	\$ 24,639,228

Commitments (Note 20)

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, 2024

	<i>Budget</i>	<i>2024</i>	<i>2023</i>
Revenue			
Taxation	\$ 2,814,100	\$ 3,510,607	\$ 3,301,421
User charges	1,800,000	1,818,460	1,660,850
Government of Canada	311,700	91,105	93,596
Province of Ontario	661,800	678,709	867,820
Other municipalities	5,000	16,510	23,969
Investment income and other	150,000	195,334	204,779
Penalties and interest on taxes	32,000	38,365	39,646
Gain on disposal of tangible capital assets	-	20,538	66,330
Total Revenue	5,774,600	6,369,628	6,258,411
Expenses			
General government	707,510	675,921	608,745
Protection to persons and property	676,740	1,086,752	969,175
Transportation	2,000,000	2,002,609	2,521,774
Environmental services	1,628,250	1,891,566	1,829,227
Health services	5,700	8,012	4,177
Recreation and culture	46,400	59,218	53,172
Planning and development	60,000	53,816	31,186
Total Expenses	5,124,600	5,777,894	6,017,456
Annual surplus	650,000	591,734	240,955
Accumulated surplus, beginning of year	24,639,228	24,639,228	24,398,273
Accumulated surplus, end of year	\$ 25,289,228	\$ 25,230,962	\$ 24,639,228

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, 2024

	2024	2023
Annual surplus	\$ 591,734	\$ 240,955
Acquisition of tangible capital assets	(1,374,388)	(1,699,915)
Amortization of tangible capital assets	819,584	1,091,421
Gain on disposal of tangible capital assets	(20,538)	(66,330)
Proceeds on sale of tangible capital assets	20,538	274,800
Change in inventories of supplies	(10,405)	8,168
Change in prepaid expenses and deposit	(1,960)	534,952
Change in net financial assets	24,565	384,052
Net financial assets, beginning of year	4,301,296	3,917,244
Net financial assets, end of year	\$ 4,325,860	\$ 4,301,296

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, 2024

	2024	2023
Operating activities		
Annual surplus	591,734	240,955
Items not requiring cash		
Amortization	819,584	1,091,421
Gain on disposal of tangible capital assets	(20,538)	(66,330)
	1,390,780	1,266,046
Changes in non-cash assets and liabilities related to operations		
Taxes receivable	44,776	(59,576)
User charges receivable	(52,879)	(4,512)
Accounts receivable	(8,436)	111,400
Long-term receivables	9,386	7,423
Prepaid expenses and deposit	(1,960)	534,952
Accounts payable and accrued liabilities	186,314	325,493
Deferred revenue	(13,424)	(128,988)
Tile drain debenture prelevies (Note 21)	-	(4,851)
Inventories of supplies	(10,405)	8,168
Cash provided by operating activities	1,544,153	2,055,556
Capital activities		
Additions to tangible capital assets	(1,374,388)	(1,699,915)
Proceeds on sale of tangible capital assets	20,538	274,800
Purchase of investments	(221,108)	(330,022)
Proceeds from sale of investments	205,735	300,703
Cash used in capital activities	(1,369,223)	(1,454,434)
Increase in cash, during the year	174,930	601,122
Cash, beginning of year	3,191,736	2,590,614
Cash, end of year	\$ 3,366,666	\$ 3,191,736

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, 2024

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, 2024

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, 2024

2. Summary of significant accounting policies (continued)

h. Non-financial assets (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.

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

The Township recognizes revenue from fines and penalties on late tax payments. These non-exchange transactions have no performance obligations and are recognized at their realizable value when the Township has the authority to claim or retain economic inflows based on a past transaction or event giving rise to an asset.

Revenue from transactions with performance obligations is recognized when the Township satisfies a performance obligation by providing the promised goods or services to a payor. The performance obligation is evaluated as being satisfied either over a period of time or at a point in time. The Township recognizes revenues from utilities, licenses and permits, certificates, recycling services, and rentals at a point in time, which occurs when the goods and/or services have been provided. In determining the transaction price, the Township measures revenue based on the consideration that is expected to receive in exchange for providing the goods and/or services.

The Corporation of the Township of Enniskillen
Notes to the Financial Statements
For the year ended December 31, 2024

2. Summary of significant accounting policies (continued)

l. Financial instruments

The Township classifies its financial instruments as either fair value or amortized cost. The Township's accounting policy for each category is as follows:

i. Fair Value

Fair value investments that are measured subsequent to initial recognition at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

This category includes cash. Which is initially recognized at cost and subsequently carried at fair value. Changes in fair value are recognized in the statement of operations. The Township classifies this as a Level 1.

Transaction costs related to financial instruments in the fair value category are expensed as incurred.

ii. Amortized Cost

Financial assets measured at amortized cost include investments, accounts receivable, taxes receivable, user charges receivable, long-term receivables, and accounts payable and accrued liabilities. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest method rate, less any impairment losses on financial assets

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Writedowns on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the writedown being recognized in the statement of operations.

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 Township has no applicable financial instruments recognized at fair value with unrealized changes in fair value, the Township does not have a Statement of Remeasurement Gains and Losses.

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.

The Corporation of the Township of Enniskillen

Notes to the Financial Statements

For the year ended December 31, 2024

2. Summary of significant accounting policies (continued)

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.

o. Budget figures

The Township's council completes separate budget reviews for tax supported operating and capital, as well as water and wastewater budgets each year. Budget figures have been provided for comparison purposes. Given the differences between the budgeting model and generally accepted accounting principles established by the Public Sector Accounting Board (PSAB), certain budgeted amounts have been reclassified to reflect the presentation adopted under PSAB.

3. Change in accounting policy

Effective January 1, 2024, the Township adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of revenue under PS 3400 Revenue. The new standard establishes when to recognize and how to measure revenue, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated.

Previously, the Township recorded revenue affected by this standard when the service or goods have been provided, the amount is determinable and collectability is assured. Under the new standard, revenue is differentiated between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions", as described in Note 2.

There was no material impact on the financial statements from the prospective application of the new accounting recommendations

4. Cash

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

5. Investments

The investments consist of Guaranteed Investment Certificates, are recorded at cost plus accrued interest. The investments bear interest at varying rates between 2.25% and 4.86% (2023 – 2.25% to 5.05%) and mature between January, 2025 and December, 2027. At year end the carrying values approximated their market values. Interest earned on investments in the year was \$194,425 (2023 - \$199,357).

6. Taxes receivable

As at December 31, 2024, the taxes receivables are as follows:

	2024	2023
Taxes receivable	\$ 156,574	\$ 191,435
Penalties and interest	10,311	20,226
	\$ 166,885	\$ 211,661

The Corporation of the Township of Enniskillen

Notes to the Financial Statements

For the year ended December 31, 2024

7. Deferred revenue

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

	2024			2023
	<i>Parkland</i>	<i>Other</i>	<i>Total</i>	<i>Total</i>
Deferred revenue, beginning of the year	\$ 41,177	\$ 95,466	\$ 136,643	\$ 265,631
Restricted fund received during the year	5,393	-	5,393	1,000
Interest earned	-	-	-	2,146
Revenue recognized during the year	-	(18,817)	(18,817)	(132,134)
Deferred revenue, end of the year	\$ 46,570	\$ 76,649	\$ 123,219	\$ 136,643

8. Tangible capital assets

<i>Cost</i>	<i>Balance 2023</i>	<i>Additions</i>	<i>Disposals</i>	<i>Balance 2024</i>
Land	\$ 116,761	\$ 45,000	\$ -	\$ 161,761
Building and building improvements	2,892,534	-	-	2,892,534
Vehicles, machinery and equipment	4,692,376	57,375	(53,600)	4,696,151
Water and wastewater infrastructure	7,607,598	-	-	7,607,598
Road infrastructure	26,258,611	1,272,013	(199,122)	27,331,502
	\$ 41,567,880	\$ 1,374,388	\$ (252,722)	\$ 42,689,548

<i>Accumulated amortization</i>	<i>Balance 2023</i>	<i>Amortization</i>	<i>Disposals</i>	<i>Balance 2024</i>
Building and building improvements	\$ 1,372,635	\$ 73,857	\$ -	\$ 1,446,492
Vehicles, machinery and equipment	2,175,923	165,517	(53,600)	2,287,840
Water and wastewater infrastructure	3,075,477	95,096	-	3,170,573
Road infrastructure	14,676,947	485,112	(199,122)	14,962,937
	\$ 21,300,982	\$ 819,582	\$ (252,722)	\$ 21,867,842

<i>Net book value</i>	<i>Balance 2023</i>	<i>Balance 2024</i>
Land	\$ 116,761	\$ 161,761
Building and building improvements	1,519,899	1,446,042
Vehicles, machinery and equipment	2,516,453	2,408,311
Water and wastewater infrastructure	4,532,121	4,437,025
Road infrastructure	11,581,664	12,368,565
	\$ 20,266,898	\$ 20,821,703

The Corporation of the Township of Enniskillen

Notes to the Financial Statements

For the year ended December 31, 2024

8. Tangible capital assets (continued)

Cost	Balance 2022	Additions	Disposals	Balance 2023
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

Accumulated amortization	Balance 2022	Amortization	Disposals	Balance 2023
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

During the year, the Township had additions to assets under construction totaling \$256,370 (2023 - \$Nil).

9. Accumulated surplus

The accumulated surplus is comprised of the following:

	2024	2023
Surplus		
Available to offset future revenue requirements		
General surplus taxation	\$ 764,599	\$ 940,489
Water	2,704,894	2,818,240
Education scholarship	9,854	12,230
Cannabis	-	11,321
Oil City sewers	62,323	62,214
Marthaville streetlights	14,860	12,949
Oil City streetlights	19,239	16,844
Howlett Lane Streetlights	6,622	6,728
Consolidate Fire surplus	316,660	115,181
	3,899,051	3,996,196
Net book value of tangible capital assets	20,821,703	20,266,898
Acquisition of tangible capital assets to be recovered through taxation or user charges	(1,112,040)	(1,241,114)
	23,608,714	23,021,980
Reserves	1,622,248	1,617,248
	\$ 25,230,962	\$ 24,639,228

The Corporation of the Township of Enniskillen

Notes to the Financial Statements

For the year ended December 31, 2024

9. Accumulated surplus (continued)

Reserves set aside for specific purpose by council:

Working capital	\$ 558,792	\$ 558,792
Water capital	933,635	933,635
Insurance	64,099	59,099
Water and municipal drainage debentures	65,722	65,722
	\$ 1,622,248	\$ 1,617,248

10. 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	
	2024	2023	2024	2023
Taxation and user charges	\$ 1,025,656	\$ 1,042,607	\$ 2,277,634	\$ 2,178,778
Share of payment in lieu	-	-	10,364	10,041
Requisitions	\$ 1,025,656	\$ 1,042,607	\$ 2,287,998	\$ 2,188,819

11. Trust funds

The trust funds administered by the Township amounting to \$12,524 (2023 - \$11,255) have not been included in the consolidated statement of financial position nor have the operations been included in the consolidated statement of operations.

12. 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:

	2024	2023
Tile drainage loans, maturing 2026-2031	\$ 146,064	\$ 174,904
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	(146,064)	(174,904)
	\$ -	\$ -

The Corporation of the Township of Enniskillen

Notes to the Financial Statements

For the year ended December 31, 2024

12. Net long-term liabilities (continued)

- b) Of the total long-term liabilities reported in (a) of this note, \$79,902 in principal payments are payable from 2025 to 2028 and \$66,162 from 2029 to 2031 and are summarized as follows:

	2025 to 2028	2029 to 2031
From benefiting landowners	\$ 79,902	\$ 66,162

- 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, 2024 is \$146,064 (2023 - \$174,904) 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.

13. 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.

The Corporation of the Township of Enniskillen

Notes to the Financial Statements

For the year ended December 31, 2024

13. Segmented information (continued)

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.

14. 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 (2023 – 85) days. If unused, the amount accumulated is not paid out.

15. Expenses by object

Total expenses classified by object are as follows:

	2024	2023
Salaries, wages and employee benefits	\$ 832,158	\$ 749,596
Materials	3,096,995	3,286,182
Contract services	1,029,157	890,257
Amortization	819,584	1,091,421
	\$ 5,777,894	\$ 6,017,456

16. Salary disclosure

In 2024, one employee was paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more.

The Corporation of the Township of Enniskillen

Notes to the Financial Statements

For the year ended December 31, 2024

17. Budget data

The approved operating and capital budgets are approved by Council in March 2024 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.

	2024
Budgeted surplus for the year	\$ 90,194
Adjustments to budgeted surplus	
Capital expenditures	1,374,388
Net reserve transfers	5,000
Amortization	(819,582)
	\$ 650,000

18. 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 2024 was \$36,043 (2023 - \$28,537) for current service. Employer's contributions for current service are included as an expense in the consolidated Statement of Operations.

19. 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.

20. 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.

The Corporation of the Township of Enniskillen

Notes to the Financial Statements

For the year ended December 31, 2024

21. 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.

The Township's maximum exposure to credit risk at the financial statement date is the carrying value of accounts receivable and other accounts receivable as presented on the statement of financial position.

At year end, the amounts outstanding for the Township's accounts receivable are as follows:

2024					
	Current	31-60 days	61-90 days	91-120 days	Total
Taxes receivable	\$ 133,361	\$ -	\$ -	\$ 33,524	\$ 166,885
User charges receivable	325,269	22,953	2,383	6,323	356,928
Accounts receivable	310,187	8,014	-	59,633	377,834
Long-term receivables	-	-	-	20,677	20,677
	\$ 768,817	\$ 30,967	\$ 2,383	\$ 120,157	\$ 922,324

2023					
	Current	31-60 days	61-90 days	91-120 days	Total
Taxes receivable	\$ 140,969	\$ -	\$ -	\$ 70,692	\$ 211,661
User charges receivable	112,708	9,280	3,217	3,120	128,324
Accounts receivable	288,982	13,967	-	66,449	369,398
Long-term receivables	-	-	-	30,063	30,063
	\$ 542,659	\$ 23,247	\$ 3,217	\$ 170,594	\$ 915,171

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.

The following tables sets out the expected maturities (representing undiscounted contractual cash-flow of financial liabilities):

2024				
	Within 1 year	1-5 year	Over 5 years	Total
Accounts payable and accrued liabilities	\$ 631,751	\$ 87,531	\$ -	\$ 719,282
Deferred revenue	-	123,219	-	123,219
Tile drain debenture prelevies	-	-	1,956	1,956
	\$ 631,751	\$ 210,750	\$ 1,956	\$ 844,457

The Corporation of the Township of Enniskillen

Notes to the Financial Statements

For the year ended December 31, 2024

21. Financial Instruments and Risks (continued)

Liquidity risk (continued)

	2023			
	Within 1 year	1-5 year	Over 5 years	Total
Accounts payable and accrued liabilities	\$ 471,944	\$ 61,027	\$ -	\$ 532,970
Deferred revenue	18,816	117,827	-	136,643
Tile drain debenture prelevies	-	-	1,956	1,956
	\$ 490,760	\$ 178,854	\$ 1,956	\$ 671,568

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.

Enniskillen Township

Segmented Information

December 31, 2024

	<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>2024</i>
Revenue								
Taxation	\$ 3,510,607	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,510,607
User charges	-	9,426	6,759	1,796,312	-	5,963	-	1,818,460
Grants	16,510	-	769,814	-	-	-	-	786,324
Investment income and other	194,424	-	-	910	-	-	-	195,334
Penalties and interest on taxes	38,365	-	-	-	-	-	-	38,365
Gain on sale of tangible capital assets	-	-	20,538	-	-	-	-	20,538
Total Revenue	3,759,906	9,426	797,111	1,797,222	-	5,963		6,369,628
Expenses								
Salaries, wages and benefits	359,698	-	329,071	72,137	-	17,436	53,816	832,158
Operating	305,032	1,029,153	1,072,546	1,684,125	8,012	27,284	-	4,126,152
Amortization	11,191	57,599	600,992	135,304	-	14,498	-	819,584
Total Expenses	675,921	1,086,752	2,002,609	1,891,566	8,012	59,218	53,816	5,777,894
Annual surplus (deficit)	\$ 3,083,985	\$ (1,077,326)	\$ (1,205,498)	\$ (94,344)	\$ (8,012)	\$ (53,255)	\$ (53,816)	\$ 591,734

The accompanying notes are an integral part of these financial statements

Enniskillen Township

Segmented Information

December 31, 2023

	General Government	Protection	Public Works- Transportation	Public Works- Environmental	Health Services	Recreation and Culture	Planning and Development	2023
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
Loss 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