

CORPORATION OF THE TOWNSHIP OF FARADAY
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013

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CORPORATION OF THE TOWNSHIP OF FARADAY

For The Year Ended December 31, 2013

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Township of Faraday are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Township maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Township's assets are appropriately accounted for and adequately safeguarded.

The Township's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the Township's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Township of Faraday. Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the independent auditors' report.

The consolidated financial statements have been audited by Collins Barrow Kawarthas LLP in accordance with Canadian generally accepted auditing standards on behalf of the Township. Collins Barrow Kawarthas LLP has full and free access to Council.

Reeve

Date

May 7/14

Clerk-Treasurer

Date

May 7/14

INDEPENDENT AUDITORS' REPORT**To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Faraday***Report on the Financial Statements*

We have audited the accompanying consolidated financial statements of the Corporation of the Township of Faraday, which comprise the consolidated statement of financial position as at December 31, 2013, the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Township of Faraday as at December 31, 2013 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants

Peterborough, Ontario
May 7, 2014

CORPORATION OF THE TOWNSHIP OF FARADAY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2013

	2013	2012
	\$	\$
FINANCIAL ASSETS		
Cash (note 3)	3,773,231	3,270,327
Taxes receivable	365,368	366,587
Accounts receivable	118,518	301,270
TOTAL FINANCIAL ASSETS	4,257,117	3,938,184
LIABILITIES		
Accounts payable and accrued liabilities	219,621	186,550
Obligatory reserve funds (note 6)	226,576	128,823
Long term debt (note 8)	1,600	5,200
Landfill closure and post-closure liability (note 4)	844,144	809,311
TOTAL LIABILITIES	1,291,941	1,129,884
NET FINANCIAL ASSETS	2,965,176	2,808,300
NON-FINANCIAL ASSETS		
Tangible capital assets (note 5)	5,337,398	5,365,234
Other assets	26,497	73,933
TOTAL NON-FINANCIAL ASSETS	5,363,895	5,439,167
ACCUMULATED SURPLUS (note 10)	8,329,071	8,247,467

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF FARADAY

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2013

	Budget 2013 \$ (Unaudited)	Actual 2013 \$	Actual 2012 \$
REVENUES			
Property taxation	2,032,390	1,982,953	2,131,199
User charges	85,137	136,179	139,804
Government of Canada	5,100	1,728	99,747
Province of Ontario	371,895	385,356	438,662
Other municipalities	260,850	194,106	192,533
Penalties and interest on taxes	40,000	62,101	61,091
Investment income	20,000	24,383	22,096
Federal gas tax revenue earned	40,000	-	200,000
Other	-	-	31,543
TOTAL REVENUES	2,855,372	2,786,806	3,316,675
EXPENSES			
General government	392,256	370,395	431,309
Protection services	484,162	489,697	474,967
Transportation services	1,113,600	1,120,617	782,402
Environmental services	724,193	641,249	936,808
Health services	27,200	26,829	63,554
Recreation and cultural services	60,669	53,222	67,339
Planning and development	6,500	3,193	6,147
TOTAL EXPENSES	2,808,580	2,705,202	2,762,526
ANNUAL SURPLUS	46,792	81,604	554,149
ACCUMULATED SURPLUS - beginning of year	8,247,467	8,247,467	7,693,318
ACCUMULATED SURPLUS - end of year	8,294,259	8,329,071	8,247,467

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF FARADAY

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the Year Ended December 31, 2013

	Budget 2013 \$ (Unaudited)	Actual 2013 \$	Actual 2012 \$
ANNUAL SURPLUS	46,792	81,604	554,149
Amortization of tangible capital assets	479,458	432,883	479,458
Acquisition of tangible capital assets	(601,000)	(646,042)	(451,865)
Loss on disposal of tangible capital assets	-	153,495	-
Proceeds on disposal of tangible capital assets	-	87,500	-
Decrease in other assets	-	47,436	19,079
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(74,750)	156,876	600,821
NET FINANCIAL ASSETS - beginning of year	2,808,300	2,808,300	2,207,479
NET FINANCIAL ASSETS - end of year	2,733,550	2,965,176	2,808,300

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF FARADAY

CONSOLIDATED STATEMENT OF CASH FLOWS For the Year Ended December 31, 2013

	2013	2012
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus	81,604	554,149
Decrease in taxes receivable	1,219	15,506
(Increase)/decrease in accounts receivable	182,752	(106,667)
Decrease in other assets	47,436	19,079
Increase in accounts payable and accrued liabilities	33,071	18,228
Increase/(decrease) in obligatory reserve funds	97,753	(94,355)
Non-cash charges to operations		
Amortization of tangible capital assets	432,883	479,458
Loss on disposal of tangible capital assets	153,495	-
Increase in landfill closure and post-closure liability	34,833	248,998
Net increase in cash from operating transactions	1,065,046	1,134,396
CAPITAL		
Acquisition of tangible capital assets	(646,042)	(451,865)
Proceeds on disposal of tangible capital assets	87,500	-
Net decrease in cash from capital transactions	(558,542)	(451,865)
FINANCING		
Debt principal repayments	(3,600)	(6,100)
INCREASE IN CASH	502,904	676,431
CASH - beginning of year	3,270,327	2,593,896
CASH - end of year	3,773,231	3,270,327

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF FARADAY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

The Township of Faraday is a lower tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies are as follows:

(a) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and fund balances of the reporting entity and include all committees of Council. There are no local boards.

All interfund assets and liabilities and revenues and expenses are eliminated.

(b) Trust Funds

Trust funds and their related operations administered by the Township are not included in these Consolidated financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

(c) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Buildings	40 - 50 years
Roads	5 - 25 years
Equipment	4 - 20 years
Vehicles	5 - 10 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

(d) Recognition of Revenues and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

(e) Non-financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the Township because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Township unless they are sold.

CORPORATION OF THE TOWNSHIP OF FARADAY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Reserves and Reserve Funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

(g) Taxation

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. The Township's Council establishes the tax rates annually, incorporating amounts to be raised for local services, and amounts the Township is required to collect on behalf of the County and School Boards. From time to time property assessments are adjusted by MPAC through the reconsideration process or by the Assessment Review Board through the appeal process. Additional assessments, referred to as supplementary and omitted assessment can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are reported in the financial statements when amounts can be reasonably determined.

The Township is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

(h) Government Funding

Government funding is recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(i) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Township's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

- The amounts recorded for landfill closure and post-closure care depend on estimates of costs for closure, post-closure, usage, remaining life and capacity. The provision for future closure and post-closure costs also depends on estimates of such costs; and
- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.

(j) Financial Instruments

The Township's financial instruments consist of cash, taxes receivable, accounts receivable, accounts payable and accrued liabilities and long term debt. Unless otherwise noted, it is management's opinion that the carrying value of the financial instruments approximates their fair values and that the Township does not have any significant concentration of interest, currency or credit risk.

CORPORATION OF THE TOWNSHIP OF FARADAY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF HASTINGS

During 2013, requisitions were made by the County of Hastings and School Boards requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	School Boards \$	County \$
Property taxes	691,631	861,700
Taxation from other governments	6	3,241
Amounts requisitioned and remitted	691,637	864,941

These amounts have not been included in the Consolidated Statement of Operations and Accumulated Surplus.

3. CASH

The cash balance consists of the following:

	2013 \$	2012 \$
Unrestricted	3,560,423	3,154,685
Restricted - Federal gas tax	212,808	115,642
	3,773,231	3,270,327

4. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The liability for landfill closure and post-closure costs of \$844,144 (2012 - \$809,311) has been estimated using discounted future cash flows associated with closure and post-closure care activities for the landfill site. The closure costs include final cover, vegetation and additional monitoring wells. Post-closure costs include monitoring, maintenance of control systems and consulting fees for 25 years after the site is closed. A reserve of \$200,000 (2012 - \$150,000) has been provided for this liability with the remaining costs to be funded from taxation. There are no specific assets designated for settling this liability. The Township also has a reserve of \$200,000 (2012 - \$150,000) for the reclamation of the landfill.

The reported liability is based upon estimates and assumptions with respect to events extending over the remaining life of the landfill. The remaining capacity of the landfill site is estimated at 7,527 cubic meters (2012 - 9,359) which is 7.5% (2012 - 9.3%) of the site's capacity. The total discounted future cash flows for closure and post-closure cost is estimated at \$1,824,971 (2012 - \$1,784,833) as at December 31, 2013. The landfill is expected to reach its capacity in 2019.

In accordance with an agreement between the Township and the Town of Bancroft, the Township is responsible for 50% of the liability for closure and post-closure costs.

CORPORATION OF THE TOWNSHIP OF FARADAY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2013

5. TANGIBLE CAPITAL ASSETS

The net book value of the Township's tangible capital assets are:

	2013	2012
	\$	\$
General		
Land	203,186	203,186
Land improvements	1,170,972	1,266,340
Buildings	311,077	331,577
Equipment	358,237	357,527
Vehicles	113,483	145,399
Infrastructure		
Roads	3,115,666	3,061,205
	5,272,621	5,365,234
Assets under construction	64,777	-
	5,337,398	5,365,234

For additional information, see the Consolidated Schedule of Tangible Capital Assets.

During the year there were no write-downs of assets (2012 - \$Nil) and no interest capitalized (2012 - \$Nil).

The allocation of tangible capital assets by segment is as follows:

	2013	2012
	\$	\$
General government	164,456	189,412
Protection services	108,343	86,929
Transportation services	3,638,422	3,563,649
Environmental services	1,374,998	1,471,141
Recreation and cultural services	51,179	54,103
	5,337,398	5,365,234

CORPORATION OF THE TOWNSHIP OF FARADAY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

6. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Township are summarized below:

	2013	2012
	\$	\$
Parkland	13,768	13,181
Federal gas tax revenues	212,808	115,642
	226,576	128,823

The continuity of deferred revenue - obligatory reserve funds is as follows:

	2013	2012
	\$	\$
Balance - beginning of year	128,823	223,178
Add amounts received:		
Parkland	587	1,200
Federal gas tax funding received	48,405	48,405
County share of Federal gas tax funding received	48,405	55,520
Interest	356	520
	97,753	105,645
Less: Federal gas tax funding earned	-	200,000
Balance - end of year	226,576	128,823

7. PENSION AGREEMENTS

The Township makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent, full-time members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Contributions required on account of current service in 2013 were \$34,851 (2012 - \$36,400).

CORPORATION OF THE TOWNSHIP OF FARADAY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

8. LONG TERM DEBT

- (a) The balance of long term debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2013	2012
	\$	\$
Bank loan, repayable in monthly installments of \$300, plus interest at prime rate, due June 2014	1,600	5,200

- (b) The long term debt in (a) issued in the name of the Township 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.

- (c) Interest paid during the year on long term debt amounted to \$102 (2012 - \$229).

- (d) The long term debt reported in (a) of this note is repayable as follows:

	Principal	Interest	Total
	\$	\$	\$
2014	1,600	13	1,613

9. EXPENSES BY OBJECT

The expenses for the year reported on the Consolidated Statement of Operations and Accumulated Surplus by object are as follows:

	Budget 2013 \$ (Unaudited)	Actual 2013 \$	Actual 2012 \$
Salaries and benefits	549,800	647,883	697,337
Interest charges	200	102	229
Materials	937,350	745,060	500,631
Contracted services	745,995	638,332	982,218
Rents and financial	10,600	2,491	5,510
External transfers	85,177	84,956	97,143
Amortization	479,458	432,883	479,458
Loss on disposal of tangible capital assets	-	153,495	-
	2,808,580	2,705,202	2,762,526

CORPORATION OF THE TOWNSHIP OF FARADAY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2013

10. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2013	2012
	\$	\$
Surplus/(Deficit)		
Unfunded landfill closure and post-closure liability	(844,144)	(809,311)
Invested In Capital Assets		
Tangible capital assets - net book value	5,337,398	5,365,234
Long term debt	(1,600)	(5,200)
	5,335,798	5,360,034
Surplus	4,491,654	4,550,723
Reserves		
Working capital	570,504	570,504
Capital	2,132,006	2,136,179
Administration equipment	50,000	50,000
Roads	200,000	150,000
Tandem truck	200,000	150,000
Monck road	100,000	150,000
Fire	182,561	187,715
Fire - special grant	2,346	2,346
Landfill reclamation	200,000	150,000
Landfill closure costs	200,000	150,000
Total Reserves	3,837,417	3,696,744
	8,329,071	8,247,467

11. BUDGET FIGURES

The budget, approved by the Township, for 2013 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

CORPORATION OF THE TOWNSHIP OF FARADAY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

12. CREDIT FACILITY AGREEMENT

The Township has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$500,000 via an overdraft or demand note. Any balance borrowed will accrue interest at the bank's prime lending rate. Council authorized the temporary borrowing limit by By-law 1-2013. At December 31, 2013, there was no balance outstanding (2012 - \$NIL).

13. CONTINGENT LIABILITIES

The Township in the course of its operations is subject to claims, lawsuits and contingencies. The Township records settlements as liabilities in the period they are reasonably determined. Although it is possible that liabilities may arise in other instances for which no accruals have been made, the Township does not believe that such an outcome will significantly impair its operations or have a material effect on its financial position.

14. COMMITMENT

The Township of Faraday has agreed to commit \$20,000 per year over a 5-year period commencing in 2012 towards the Caring Today for Tomorrow Diagnostic Campaign for the purchase of X-Ray and Ultra Sound Equipment at Quinte Health Care, North Hastings. At December 31, 2013, there was \$60,000 remaining of this commitment.

15. SEGMENTED INFORMATION

The Township of Faraday is a municipal government organization that provides a range of services to its residents. Township services are reported by function and their activities are separately disclosed in the segmented information.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes and certain unconditional government transfers are apportioned based on each segment's net requirements.

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. For additional information see the Consolidated Schedule of Segment Disclosure.

General Government

General government consists of the activities of Council and general financial and administrative management of the Township and its programs and services.

Protection Services

Protection services include police, fire, conservation authority and protective inspection and control.

Transportation Services

The activities of the transportation function include construction and maintenance of the Township's roads and bridges and winter control.

CORPORATION OF THE TOWNSHIP OF FARADAY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

15. SEGMENTED INFORMATION, continued

Environmental Services

This function is responsible for waste collection, waste disposal, and recycling.

Health Services

The health services function consists of external transfers for physician recruitment costs.

Recreation and Cultural Services

The recreation and cultural services function provides indoor and outdoor recreational facilities and external transfer for library services.

Planning and Development

The planning and development services function manages commercial, industrial and residential development within the Township.

CORPORATION OF THE TOWNSHIP OF FARADAY

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2013

	General					Infrastructure		Assets Under Construction	Totals
	Land	Land Improvements	Buildings	Equipment	Vehicles	Roads			
	\$	\$	\$	\$	\$	\$	\$	\$	\$
COST									
Balance, beginning of year	203,186	2,129,506	698,749	585,112	614,906	5,386,454	-	9,617,913	
Add: additions during the year	-	-	-	249,680	28,996	302,589	64,777	646,042	
Less: disposals during the year	-	-	-	283,606	45,090	180,760	-	509,456	
Balance, end of year	203,186	2,129,506	698,749	551,186	598,812	5,508,283	64,777	9,754,499	
ACCUMULATED AMORTIZATION									
Balance, beginning of year	-	863,166	367,172	227,585	469,507	2,325,249	-	4,252,679	
Add: additions during the year	-	95,368	20,500	33,902	34,985	248,128	-	432,883	
Less: disposals during the year	-	-	-	68,538	19,163	180,760	-	268,461	
Balance, end of year	-	958,534	387,672	192,949	485,329	2,392,617	-	4,417,101	
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	203,186	1,170,972	311,077	358,237	113,483	3,115,666	64,777	5,337,398	

CORPORATION OF THE TOWNSHIP OF FARADAY

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2013

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	104,304	408,558	1,027,533	372,097	26,829	42,839	793	1,982,953
User charges	7,706	63,548	1,737	58,923	-	1,865	2,400	136,179
Government transfers - operating	199,963	3,399	159,994	18,133	-	5,595	-	387,084
Other municipalities	52,585	36,696	6,125	98,700	-	-	-	194,106
Penalties and interest on taxes	62,101	-	-	-	-	-	-	62,101
Investment income	24,383	-	-	-	-	-	-	24,383
Total revenues	451,042	512,201	1,195,389	547,853	26,829	50,299	3,193	2,786,806
Expenses								
Salaries and benefits	208,355	142,603	201,250	83,477	-	12,198	-	647,883
Interest charges	-	-	-	102	-	-	-	102
Materials	107,148	58,430	446,071	113,834	1,629	14,755	3,193	745,060
Contracted services	22,295	224,114	44,230	347,693	-	-	-	638,332
Rents and financial	2,491	-	-	-	-	-	-	2,491
External transfers	5,150	31,261	-	-	25,200	23,345	-	84,956
Amortization	24,956	9,862	298,998	96,143	-	2,924	-	432,883
Loss on disposal of tangible capital assets	-	23,427	130,068	-	-	-	-	153,495
Total expenses	370,395	489,697	1,120,617	641,249	26,829	53,222	3,193	2,705,202
Net surplus/(deficit)	80,647	22,504	74,772	(93,396)	-	(2,923)	-	81,604

CORPORATION OF THE TOWNSHIP OF FARADAY

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2012

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and		Consolidated \$
						Cultural Services \$	Planning and Development \$	
Revenues								
Property taxation	585,518	317,161	681,618	469,320	17,038	56,497	4,047	2,131,199
User charges	6,088	76,886	4,149	48,258	-	2,323	2,100	139,804
Government transfers - operating	343,900	1,700	-	-	4,973	5,595	-	356,168
Government transfers - capital	-	-	-	182,241	-	-	-	182,241
Other municipalities	2,413	66,103	4,000	110,017	10,000	-	-	192,533
Penalties and interest on taxes	61,091	-	-	-	-	-	-	61,091
Investment income	22,096	-	-	-	-	-	-	22,096
Federal gas tax revenue earned	-	-	200,000	-	-	-	-	200,000
Other	-	-	-	-	31,543	-	-	31,543
Total revenues	1,021,106	461,850	889,767	809,836	63,554	64,415	6,147	3,316,675
Expenses								
Salaries and benefits	215,313	139,905	234,561	94,360	-	13,198	-	697,337
Interest charges	-	-	-	229	-	-	-	229
Materials	153,705	70,885	151,256	65,617	38,554	14,467	6,147	500,631
Contracted services	26,325	223,349	52,085	680,459	-	-	-	982,218
Rents and financial	5,510	-	-	-	-	-	-	5,510
External transfers	5,500	29,893	-	-	25,000	36,750	-	97,143
Amortization	24,956	10,935	344,500	96,143	-	2,924	-	479,458
Total expenses	431,309	474,967	782,402	936,808	63,554	67,339	6,147	2,762,526
Net surplus/(deficit)	589,797	(13,117)	107,365	(126,972)	-	(2,924)	-	554,149

INDEPENDENT AUDITORS' REPORT**To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Faraday***Report on the Financial Statements*

We have audited the accompanying financial statements of the Trust Fund of the Corporation of the Township of Faraday, which comprise the statement of financial position as at December 31, 2013, the statement of continuity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust Fund of the Township as at December 31, 2013 and the continuity of the Trust Fund for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants

Peterborough, Ontario
May 7, 2014

CORPORATION OF THE TOWNSHIP OF FARADAY

TRUST FUND STATEMENT OF FINANCIAL POSITION At December 31, 2013

	2013	2012
	\$	\$
FINANCIAL ASSETS		
Cash	123	875
CURRENT LIABILITIES		
Due to Province	-	715
Due to Township	123	160
	123	875

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF FARADAY

TRUST FUND STATEMENT OF CONTINUITY For the Year Ended December 31, 2013

	2013	2012
	\$	\$
BALANCE - beginning of year	-	1,102
RECEIPTS		
Interest earned	-	4
EXPENSES		
Administration	-	37
Transfer to Province	-	715
Transfer to Township	-	354
	-	1,106
BALANCE - end of year	-	-

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF FARADAY

TRUST FUND NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook.

(a) Basis of Accounting

Revenue and expenses are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable; expenses 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.

(b) Financial Instruments

The Trust Fund financial instruments consist of cash and due to Township. It is management's opinion that the fair value of the financial instruments are not materially different from their carrying value unless otherwise noted. The Trust Fund does not have any significant concentration of credit, currency or interest rate risk.

(c) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period and are based on the Township's best information and judgment. Actual results could differ from these estimates.