



**CORPORATION OF THE TOWNSHIP OF FARADAY**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**CORPORATION OF THE TOWNSHIP OF  
FARADAY**

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## CORPORATION OF THE TOWNSHIP OF FARADAY

For The Year Ended December 31, 2020

### MANAGEMENT REPORT

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

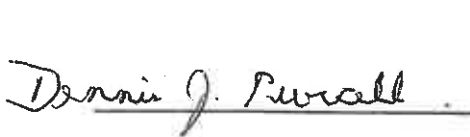
The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it 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 auditor, 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 auditor's report.

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



Mayor



Clerk-Treasurer

May 5, 2021

**INDEPENDENT AUDITOR'S REPORT****To the Members of Council, Inhabitants and Ratepayers  
of the Corporation of the Township of Faraday***Opinion*

We have audited the financial statements of the Corporation of the Township of Faraday (the Township), which comprise the statement of financial position as at December 31, 2020, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the 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 Township as at December 31, 2020, and the results of its operations 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.

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.

*Baker Tilly KDN LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
May 11, 2021

**STATEMENT OF FINANCIAL POSITION**  
**At December 31, 2020**

	2020	2019
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash (note 3)	6,634,596	5,909,720
Taxes receivable	201,923	240,176
Accounts receivable	181,152	197,072
Investments (note 4)	1,152,686	1,119,182
<b>TOTAL FINANCIAL ASSETS</b>	<b>8,170,357</b>	<b>7,466,150</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	260,137	503,820
Landfill closure and post-closure liability (note 5)	3,190,000	2,880,600
Deferred revenue - other (note 9)	76,128	13,390
Deferred revenue - obligatory reserve funds (note 8)	154,123	315,397
<b>TOTAL LIABILITIES</b>	<b>3,680,388</b>	<b>3,713,207</b>
<b>NET FINANCIAL ASSETS</b>	<b>4,489,969</b>	<b>3,752,943</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 10)	8,888,634	8,862,941
Prepaid expenses	77,110	68,091
Inventory	8,492	15,801
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>8,974,236</b>	<b>8,946,833</b>
<b>ACCUMULATED SURPLUS (note 14)</b>	<b>13,464,205</b>	<b>12,699,776</b>

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

**CORPORATION OF THE TOWNSHIP OF FARADAY**



**STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**For the Year Ended December 31, 2020**

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
<b>REVENUES</b>			
Property taxation	2,652,984	2,661,866	2,519,509
User charges	129,700	111,423	118,260
Government of Canada	614,790	-	1,610
Province of Ontario	1,094,410	782,142	1,161,559
Other municipalities	233,678	204,445	208,984
Penalties and interest on taxes	45,000	28,846	45,934
Investment income	57,500	92,002	117,092
Other grants	49,500	35,767	56,764
Other	-	22,360	-
Federal gas tax earned	250,000	250,000	-
<b>TOTAL REVENUES</b>	<b>5,127,562</b>	<b>4,188,851</b>	<b>4,229,712</b>
<b>EXPENSES</b>			
General government	572,993	448,923	509,462
Protection services	878,059	773,329	787,442
Transportation services	1,034,139	1,037,725	920,615
Environmental services	779,664	771,924	682,677
Health services	24,000	20,250	20,500
Recreation and cultural services	121,351	62,485	133,912
Planning and development	7,000	386	9,878
Change in landfill closure and post-closure liability	-	309,400	755,600
<b>TOTAL EXPENSES</b>	<b>3,417,206</b>	<b>3,424,422</b>	<b>3,820,086</b>
<b>ANNUAL SURPLUS</b>	<b><u>1,710,356</u></b>	<b>764,429</b>	<b>409,626</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>12,699,776</b>	<b>12,290,150</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>13,464,205</b>	<b>12,699,776</b>

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

**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**For the Year Ended December 31, 2020**

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
<b>ANNUAL SURPLUS</b>	1,710,356	764,429	409,626
Amortization of tangible capital assets	665,949	681,949	665,949
Acquisition of tangible capital assets	(2,181,305)	(780,820)	(990,774)
Loss on disposal of tangible capital assets	-	55,178	-
Proceeds on sale of tangible capital assets	-	18,000	-
Change in prepaid expenses	-	(9,019)	(9,697)
Change in inventory	-	7,309	-
<b>INCREASE IN NET FINANCIAL ASSETS</b>	195,000	737,026	75,104
<b>NET FINANCIAL ASSETS - beginning of year</b>	3,752,943	3,752,943	3,677,839
<b>NET FINANCIAL ASSETS - end of year</b>	3,947,943	4,489,969	3,752,943

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



**STATEMENT OF CASH FLOWS**  
 For the Year Ended December 31, 2020

	2020	2019
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	764,429	409,626
Items not involving cash		
Amortization of tangible capital assets	681,949	665,949
Loss on disposal of tangible capital assets	55,178	-
Change in landfill closure and post-closure liability	309,400	755,600
Change in non-cash assets and liabilities		
Taxes receivable	38,253	62,534
Accounts receivable	15,920	144,937
Prepaid expenses	(9,019)	(9,697)
Inventory	7,309	-
Accounts payable and accrued liabilities	(243,683)	127,519
Deferred revenue - obligatory reserve funds	(161,274)	184,579
Deferred revenue - other	62,738	(25,495)
<b>Net change in cash from operating activities</b>	<b>1,521,200</b>	<b>2,315,552</b>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(780,820)	(990,774)
Proceeds on disposal of tangible capital assets	18,000	-
<b>Net change in cash from capital activities</b>	<b>(762,820)</b>	<b>(990,774)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(33,504)	(24,061)
<b>NET CHANGE IN CASH</b>	<b>724,876</b>	<b>1,300,717</b>
<b>CASH - beginning of year</b>	<b>5,909,720</b>	<b>4,609,003</b>
<b>CASH - end of year</b>	<b>6,634,596</b>	<b>5,909,720</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2020**

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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 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 financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the Township of Faraday.

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

(b) 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. Initial costs for tangible capital assets that were acquired or developed prior to 2009 were obtained using historical cost information or using current fair market values discounted by a relevant inflation factor to the point of acquisition. 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:

Land improvements	15 - 27 years
Buildings	20 - 50 years
Roads	5 - 100 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.

(c) 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.

(d) Reserves

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

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2020

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1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) 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.

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.

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.

Other revenue

User charges are recognized as revenue in the year the goods and services are provided, with the exception of building permits that are recognized when the permits are issued.

Investment income is recorded in the year in which it is earned.

Federal gas tax is recognized in the period in which the related expenditures are recorded.

(f) 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 Township's significant estimates are:

- 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 of tangible capital assets are based on estimates of useful life and residual values.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2020

**2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF HASTINGS**

During 2020, 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 \$
Amounts requisitioned and remitted	587,088	1,000,957

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

**3. CASH**

The cash balance consists of the following:

	2020 \$	2019 \$
Unrestricted	6,480,473	5,594,323
Restricted - Federal gas tax	128,249	291,180
Restricted - Parkland	25,874	24,217
	6,634,596	5,909,720

**4. INVESTMENTS**

Investments consist of a Money Market and Bond Fund with The One Investment Program. All investments are recorded at cost.

	Market Value 2020 \$	2020 \$	2019 \$
One Fund - bond fund	1,124,214	1,151,565	1,118,070
One Fund - money market fund	1,119	1,121	1,112
	1,125,333	1,152,686	1,119,182

**5. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY**

The estimated liability for landfill closure and post-closure costs for the landfill site is \$3,190,000 (2019 - \$2,880,600). 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 \$375,400 (2019 - \$325,400) 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 \$150,000 (2019 - \$100,000) 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 10,871 cubic meters (2019 - 12,303) which is 10.8% (2019 - 12.2%) of the site's capacity. The total discounted future cash flows for closure and post-closure cost is estimated at \$7,161,628 (2019 - \$6,565,010) as at December 31, 2020. The landfill is expected to reach its capacity in 2026. The total discounted future cash flows for closure and post-closure costs were calculated using a discount factor of 2.20% and an inflation rate of 1.70%.

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. Only the Township's share of the liability is recorded in these financial statements.

**6. PENSION AGREEMENTS**

Certain employees of the Township are eligible members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan.

The Actuarial Opinion contained in the 2020 Annual Report disclosed total actuarial liabilities of \$113,055 million in respect of benefits accrued for service with actuarial assets of \$109,844 million indicating an actuarial deficit of \$3,211 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit.

The Township's required contributions to OMERS in 2020 were \$41,391 (2019 - \$40,656).

**7. 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 operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate. Council authorized the temporary borrowing limit by By-law 01-2020. At December 31, 2020 there was no balance outstanding (2019 - \$Nil).

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2020

**8. 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:

	2020	2019
	\$	\$
Parkland	25,874	24,217
Federal gas tax revenues	128,249	291,180
	<b>154,123</b>	<b>315,397</b>

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

	2020	2019
	\$	\$
Balance - beginning of year	315,397	130,818
Add amounts received:		
Parkland	1,600	2,222
Federal gas tax funding received	42,501	90,129
County of Hastings' share of Federal gas tax funding received	42,501	90,129
Interest	2,124	2,099
	<b>88,726</b>	<b>184,579</b>
Less transfer to operations:		
Federal gas tax funding earned	250,000	-
Balance - end of year	<b>154,123</b>	<b>315,397</b>

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2020

9. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2020	2019
	\$	\$
Ontario Cannabis Legalization Implementation fund	13,390	13,390
Ontario Safe Restart funding	62,738	-
	<u>76,128</u>	<u>13,390</u>

The continuity of deferred revenue - other is as follows:

	2020	2019
	\$	\$
Balance - beginning of year	13,390	38,885
Ontario Cannabis Legalization Implementation fund	-	15,000
Ontario Safe Restart funding	85,100	-
	<u>85,100</u>	<u>15,000</u>
Less transfer to operations:		
AMO Main Street Revitalization grant	-	38,885
Ontario Cannabis Legalization Implementation fund	-	1,610
Ontario Safe Restart funding	22,362	-
	<u>22,362</u>	<u>40,495</u>
Balance - end of year	<u>76,128</u>	<u>13,390</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2020

**10. TANGIBLE CAPITAL ASSETS**

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

	2020	2019
	\$	\$
General		
Land	206,183	206,183
Land improvements	1,196,609	1,347,601
Buildings	304,870	325,262
Equipment	678,356	675,048
Vehicles	440,050	515,952
Infrastructure		
Roads	6,029,050	5,465,531
	8,855,118	8,535,577
Assets under construction	33,516	327,364
	8,888,634	8,862,941

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

During the year there were no write-downs of assets (2019 - \$Nil) and no interest capitalized (2019 - \$Nil).

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

	2020	2019
	\$	\$
General government	418,510	440,724
Protection services	277,237	320,434
Transportation services	6,711,524	6,461,271
Environmental services	1,395,960	1,546,976
Recreation and cultural services	85,403	93,536
	8,888,634	8,862,941



**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2020

**11. EXPENSES BY OBJECT**

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

	Budget 2020 \$ (Unaudited)	Actual 2020 \$	Actual 2019 \$
Salaries and benefits	860,122	821,410	837,983
Materials	839,940	601,815	565,807
Contracted services	942,797	848,723	890,301
Rents and financial	4,000	3,254	2,753
External transfers	104,398	102,693	101,693
Amortization	665,949	681,949	665,949
Loss on disposal of tangible capital assets	-	55,178	-
Change in landfill closure and post-closure liability	-	309,400	755,600
	<b>3,417,206</b>	<b>3,424,422</b>	<b>3,820,086</b>

**12. BUDGET FIGURES**

The budget, approved by the Township, for 2020 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budget 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.

The following is a reconciliation of the Council approved budget amounts to the PSA amounts:

	(Unaudited) Revenue \$	(Unaudited) Expenses \$
Council approved budget: Operating and capital	5,434,764	5,434,764
Less: Tangible capital assets capitalized	-	(2,181,305)
Add: Amortization of tangible capital assets	-	665,949
Less: Transfers to/from reserves	(308,000)	(503,000)
Less: Reclassification for financial statement purposes	798	798
<b>Adjusted budget per Statement of Operations</b>	<b>5,127,562</b>	<b>3,417,206</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2020

**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. ACCUMULATED SURPLUS**

Accumulated surplus consists of the following:

	2020	2019
	\$	\$
<b>Surplus/(Deficit)</b>		
Unfunded landfill closure and post-closure liability	(3,190,000)	(2,880,600)
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	8,888,634	8,862,941
<b>Surplus</b>	5,698,634	5,982,341
<b>Reserves</b>		
Working capital	570,502	570,502
Capital	5,320,902	4,725,766
Administration equipment	13,366	13,366
Roads	196,905	43,905
Tandem truck	127,100	67,100
Monck road	370,000	370,000
Fire	231,396	151,396
Landfill reclamation	150,000	100,000
Landfill closure costs	375,400	325,400
Asset management plan - roads	255,000	225,000
Asset management plan - structures	155,000	125,000
<b>Total Reserves</b>	7,765,571	6,717,435
	13,464,205	12,699,776

**15. UNCERTAINTY CAUSED BY COVID-19**

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Township's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Township's operations. The extent of the impact of this outbreak and related containment measures on the Township's operations cannot be reliably estimated at this time.

**16. 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 financial statements as disclosed in Note 1. For additional information see the 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.

**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



## SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2020

	General					Infrastructure	Assets Under Construction	Totals
	Land	Land Improvements	Buildings	Equipment	Vehicles	Roads		
	\$	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>								
Balance, beginning of year	206,183	2,947,875	841,765	801,476	1,120,540	9,450,719	327,364	15,695,922
Add: additions during the year	-	-	17,526	69,015	-	683,082	11,197	780,820
Less: disposals during the year	-	-	30,588	36,634	-	203,452	-	270,674
Internal transfers	-	-	-	-	-	305,045	(305,045)	-
Balance, end of year	206,183	2,947,875	828,703	833,857	1,120,540	10,235,394	33,516	16,206,068
<b>ACCUMULATED AMORTIZATION</b>								
Balance, beginning of year	-	1,600,274	516,503	126,428	604,588	3,985,188	-	6,832,981
Add: additions during the year	-	150,992	20,543	39,453	75,902	395,059	-	681,949
Less: disposals during the year	-	-	13,213	10,380	-	173,903	-	197,496
Balance, end of year	-	1,751,266	523,833	155,501	680,490	4,206,344	-	7,317,434
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	206,183	1,196,609	304,870	678,356	440,050	6,029,050	33,516	8,888,634

# CORPORATION OF THE TOWNSHIP OF FARADAY



## SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2020

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Change in landfill closure and post- closure liability \$	Consolidated \$
<b>Revenues</b>									
Property taxation	8,882	131,565	1,849,770	530,449	24,000	112,700	4,500	-	2,661,866
User charges	12,046	71,162	3,536	23,134	-	445	1,100	-	111,423
Government transfers - operating	175,512	-	551,035	-	-	5,595	-	-	732,142
Government transfers - capital	-	-	50,000	-	-	-	-	-	50,000
Other municipalities	-	67,092	8,250	129,103	-	-	-	-	204,445
Penalties and interest on taxes	28,846	-	-	-	-	-	-	-	28,846
Investment income	92,002	-	-	-	-	-	-	-	92,002
Other grants	-	-	-	35,767	-	-	-	-	35,767
Other	22,360	-	-	-	-	-	-	-	22,360
Federal gas tax earned	-	-	250,000	-	-	-	-	-	250,000
<b>Total revenues</b>	<b>339,648</b>	<b>269,819</b>	<b>2,712,591</b>	<b>718,453</b>	<b>24,000</b>	<b>118,740</b>	<b>5,600</b>	<b>-</b>	<b>4,188,851</b>
<b>Expenses</b>									
Salaries and benefits	265,118	202,653	239,268	106,464	-	7,907	-	-	821,410
Materials	124,888	83,830	247,522	134,339	-	10,850	386	-	601,815
Contracted services	33,450	396,801	55,893	362,579	-	-	-	-	848,723
Rents and financial	3,254	-	-	-	-	-	-	-	3,254
External transfers	-	46,848	-	-	20,250	35,595	-	-	102,693
Amortization	22,213	43,197	457,239	151,167	-	8,133	-	-	681,949
Loss on disposal of tangible capital assets	-	-	37,803	17,375	-	-	-	-	55,178
Change in landfill closure and post-closure liability	-	-	-	-	-	-	-	309,400	309,400
<b>Total expenses</b>	<b>448,923</b>	<b>773,329</b>	<b>1,037,725</b>	<b>771,924</b>	<b>20,250</b>	<b>62,485</b>	<b>386</b>	<b>309,400</b>	<b>3,424,422</b>
<b>Net surplus/(deficit)</b>	<b>(109,275)</b>	<b>(503,510)</b>	<b>1,674,866</b>	<b>(53,471)</b>	<b>3,750</b>	<b>56,255</b>	<b>5,214</b>	<b>(309,400)</b>	<b>764,429</b>

# CORPORATION OF THE TOWNSHIP OF FARADAY



## SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2019

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Change in landfill closure and post- closure liability \$	Consolidated \$
<b>Revenues</b>									
Property taxation	11,254	712,096	1,089,281	480,445	22,500	188,933	15,000	-	2,519,509
User charges	11,469	72,518	6,150	21,913	-	3,510	2,700	-	118,260
Government transfers - operating	1,067,079	-	-	-	-	5,595	-	-	1,072,674
Government transfers - capital	-	1,610	88,885	-	-	-	-	-	90,495
Other municipalities	30	51,501	8,125	149,328	-	-	-	-	208,984
Penalties and interest on taxes	45,934	-	-	-	-	-	-	-	45,934
Investment income	117,092	-	-	-	-	-	-	-	117,092
Other grants	-	-	-	56,764	-	-	-	-	56,764
<b>Total revenues</b>	<b>1,252,858</b>	<b>837,725</b>	<b>1,192,441</b>	<b>708,450</b>	<b>22,500</b>	<b>198,038</b>	<b>17,700</b>	<b>-</b>	<b>4,229,712</b>
<b>Expenses</b>									
Salaries and benefits	283,580	192,586	253,153	96,153	-	12,511	-	-	837,983
Materials	148,856	98,241	167,982	56,100	-	84,750	9,878	-	565,807
Contracted services	50,935	401,868	58,841	378,657	-	-	-	-	890,301
Rents and financial	2,753	-	-	-	-	-	-	-	2,753
External transfers	1,125	43,473	-	-	20,500	36,595	-	-	101,693
Amortization	22,213	51,274	440,639	151,767	-	56	-	-	665,949
Change in landfill closure and post-closure liability	-	-	-	-	-	-	-	755,600	755,600
<b>Total expenses</b>	<b>509,462</b>	<b>787,442</b>	<b>920,615</b>	<b>682,677</b>	<b>20,500</b>	<b>133,912</b>	<b>9,878</b>	<b>755,600</b>	<b>3,820,086</b>
<b>Net surplus/(deficit)</b>	<b>743,396</b>	<b>50,283</b>	<b>271,826</b>	<b>25,773</b>	<b>2,000</b>	<b>64,126</b>	<b>7,822</b>	<b>(755,600)</b>	<b>409,626</b>