

CORPORATION OF THE TOWNSHIP OF FARADAY

FINANCIAL STATEMENTS

DECEMBER 31, 2022

**CORPORATION OF THE TOWNSHIP OF
FARADAY**

FINANCIAL STATEMENTS

DECEMBER 31, 2022

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CORPORATION OF THE TOWNSHIP OF FARADAY

For The Year Ended December 31, 2022

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

July 5, 2023

Baker Tilly KDN LLP
272 Charlotte St.
Peterborough, ON
Canada K9J 2V4

INDEPENDENT AUDITOR'S REPORT

**To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Township of Faraday**

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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, 2022, 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, 2022, 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.

ASSURANCE • TAX • ADVISORY

Baker Tilly KDN LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.

Peterborough

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Cobourg

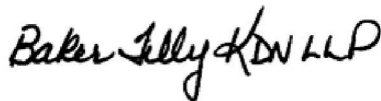
Auditor's Responsibilities for the Audit of the Financial Statements

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.



Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
July 12, 2023

CORPORATION OF THE TOWNSHIP OF FARADAY

STATEMENT OF FINANCIAL POSITION

At December 31, 2022

	2022 \$	2021 \$
FINANCIAL ASSETS		
Cash (note 3)	7,795,675	7,615,132
Taxes receivable	201,135	159,684
Accounts receivable	640,189	551,172
Investments (note 4)	1,190,953	1,172,100
TOTAL FINANCIAL ASSETS	9,827,952	9,498,088
LIABILITIES		
Accounts payable and accrued liabilities	410,424	416,916
Landfill closure and post-closure liability (note 5)	2,803,000	3,452,000
Deferred revenue - other (note 9)	73,555	82,613
Deferred revenue - obligatory reserve funds (note 8)	421,149	327,187
TOTAL LIABILITIES	3,708,128	4,278,716
NET FINANCIAL ASSETS	6,119,824	5,219,372
NON-FINANCIAL ASSETS		
Tangible capital assets (note 10)	9,902,504	8,960,474
Prepaid expenses	117,153	93,870
Inventory	21,564	10,846
TOTAL NON-FINANCIAL ASSETS	10,041,221	9,065,190
ACCUMULATED SURPLUS (note 14)	16,161,045	14,284,562

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, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
REVENUES			
Property taxation	2,726,164	2,782,341	2,711,890
User charges	158,100	193,053	160,700
Government of Canada	614,790	276,612	218,458
Province of Ontario	1,182,710	973,911	902,587
Other municipalities	217,847	190,980	189,163
Penalties and interest on taxes	30,000	34,477	35,912
Investment income	40,000	173,457	56,915
Other grants	56,000	64,725	58,180
Other	2,000	-	2,000
TOTAL REVENUES	5,027,611	4,689,556	4,335,805
EXPENSES			
General government	626,633	592,483	538,564
Protection services	854,531	816,278	794,823
Transportation services	1,252,617	1,251,916	1,197,046
Environmental services	798,551	712,749	639,373
Health services	21,500	21,171	20,500
Recreation and cultural services	68,588	66,146	63,086
Planning and development	7,000	1,330	56
Change in landfill closure and post-closure liability	-	(649,000)	262,000
TOTAL EXPENSES	3,629,420	2,813,073	3,515,448
ANNUAL SURPLUS	<u>1,398,191</u>	1,876,483	820,357
ACCUMULATED SURPLUS - beginning of year		14,284,562	13,464,205
ACCUMULATED SURPLUS - end of year		16,161,045	14,284,562

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF FARADAY

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the Year Ended December 31, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
ANNUAL SURPLUS	1,398,191	1,876,483	820,357
Amortization of tangible capital assets	743,500	813,706	743,500
Acquisition of tangible capital assets	(3,107,509)	(1,756,430)	(877,687)
Loss on disposal of tangible capital assets	-	694	59,247
Proceeds on sale of tangible capital assets	-	-	3,100
Change in prepaid expenses	-	(23,283)	(16,760)
Change in inventory	-	(10,718)	(2,354)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(965,818)	900,452	729,403
NET FINANCIAL ASSETS - beginning of year	5,219,372	5,219,372	4,489,969
NET FINANCIAL ASSETS - end of year	4,253,554	6,119,824	5,219,372

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF FARADAY

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2022

	2022 \$	2021 \$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	1,876,483	820,357
Items not involving cash		
Amortization of tangible capital assets	813,706	743,500
Loss on disposal of tangible capital assets	694	59,247
Change in landfill closure and post-closure liability	(649,000)	262,000
Change in non-cash assets and liabilities		
Taxes receivable	(41,451)	42,239
Accounts receivable	(89,017)	(370,020)
Prepaid expenses	(23,283)	(16,760)
Inventory	(10,718)	(2,354)
Accounts payable and accrued liabilities	(6,492)	156,779
Deferred revenue - obligatory reserve funds	93,962	173,064
Deferred revenue - other	(9,058)	6,485
Net change in cash from operating activities	1,955,826	1,874,537
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(1,756,430)	(877,687)
Proceeds on disposal of tangible capital assets	-	3,100
Net change in cash from capital activities	(1,756,430)	(874,587)
INVESTING ACTIVITIES		
Purchase of investments	(18,853)	(19,414)
NET CHANGE IN CASH	180,543	980,536
CASH - beginning of year	7,615,132	6,634,596
CASH - end of year	7,795,675	7,615,132

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF FARADAY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

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.

CORPORATION OF THE TOWNSHIP OF FARADAY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

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.

Canada Community-Building Fund and parkland fees are 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.

CORPORATION OF THE TOWNSHIP OF FARADAY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF HASTINGS

During 2022, 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	600,671	1,077,530

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

3. CASH

The cash balance consists of the following:

	2022 \$	2021 \$
Unrestricted	7,374,425	7,287,945
Restricted - Canada Community-Building Fund	394,192	301,313
Restricted - Parkland	26,958	25,874
	7,795,575	7,615,132

4. INVESTMENTS

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

	Market Value 2022 \$	2022 \$	2021 \$
One Fund - bond fund	1,063,268	1,189,816	1,170,980
One Fund - money market fund	1,137	1,137	1,120
	1,064,405	1,190,953	1,172,100

CORPORATION OF THE TOWNSHIP OF FARADAY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

5. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The estimated liability for landfill closure and post-closure costs for the landfill site is \$2,803,000 (2021 - \$3,452,000). 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 \$475,400 (2021 - \$425,400) 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 \$250,000 (2021 - \$200,000) 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 8,673 cubic meters (2021 - 10,751) which is 8.63% (2021 - 10.7%) of the site's capacity. The total discounted future cash flows for closure and post-closure cost is estimated at \$6,549,414 (2021 - \$7,729,967) as at December 31, 2022. The landfill is expected to reach its capacity in 2027. The total discounted future cash flows for closure and post-closure costs were calculated using a discount factor of 4.73% and an inflation rate of 3.00%.

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 2022 Annual Report disclosed total actuarial liabilities of \$130,306 million in respect of benefits accrued for service with actuarial assets of \$123,628 million indicating an actuarial deficit of \$6,678 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 2022 were \$53,756 (2021 - \$50,961).

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 01-2022. At December 31, 2022 there was no balance outstanding (2021 - \$Nil).

CORPORATION OF THE TOWNSHIP OF FARADAY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

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:

	2022	2021
	\$	\$
Parkland	26,957	25,874
Canada Community-Building Fund (CCBF)	394,192	301,313
	421,149	327,187

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

	2022	2021
	\$	\$
Balance - beginning of year	327,187	154,123
Add amounts received:		
Distributions of CCBF funding received	44,433	87,148
County of Hastings' share of Distributions of CCBF received	42,501	85,216
Interest	6,228	700
Parkland	800	-
	93,962	173,064
Balance - end of year	421,149	327,187

CORPORATION OF THE TOWNSHIP OF FARADAY

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2022

9. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2022	2021
	\$	\$
Ontario Cannabis Legalization Implementation fund	13,390	13,390
Ontario Safe Restart funding	60,165	69,223
	73,555	82,613

The continuity of deferred revenue - other is as follows:

	2022	2021
	\$	\$
Balance - beginning of year	82,613	76,128
Add: Ontario Safe Restart funding received	-	29,000
Less: Ontario Safe Restart funding recognized	9,058	22,515
Balance - end of year	73,555	82,613

CORPORATION OF THE TOWNSHIP OF FARADAY

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2022

10. TANGIBLE CAPITAL ASSETS

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

	2022	2021
	\$	\$
General		
Land	206,183	206,183
Land improvements	882,387	1,039,498
Buildings	748,744	284,428
Equipment	607,283	636,663
Vehicles	349,715	359,185
Infrastructure		
Roads	7,076,663	6,040,516
	9,870,975	8,566,473
Assets under construction	31,529	394,001
	9,902,504	8,960,474

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

During the year there were no write-downs of assets (2021 - \$Nil) and no interest capitalized (2021 - \$Nil).

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

	2022	2021
	\$	\$
General government	370,846	396,298
Protection services	354,171	234,040
Transportation services	8,027,314	7,014,368
Environmental services	1,081,036	1,238,498
Recreation and cultural services	69,137	77,270
	9,902,504	8,960,474

CORPORATION OF THE TOWNSHIP OF FARADAY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

11. EXPENSES BY OBJECT

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

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
Salaries and benefits	1,031,526	973,799	912,793
Materials	829,941	716,317	649,950
Contracted services	912,058	846,816	779,436
Rents and financial	3,800	3,923	3,761
External transfers	108,595	106,818	104,761
Amortization	743,500	813,706	743,500
Loss on disposal of tangible capital assets	-	694	59,247
Change in landfill closure and post-closure liability	-	(649,000)	262,000
	3,629,420	2,813,073	3,515,448

12. BUDGET FIGURES

The budget, approved by the Township, for 2022 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.

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.

CORPORATION OF THE TOWNSHIP OF FARADAY

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2022

14. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2022	2021
	\$	\$
Surplus/(Deficit)		
Unfunded landfill closure and post-closure liability	(2,803,000)	(3,452,000)
Invested In Capital Assets		
Tangible capital assets - net book value	9,902,504	8,960,474
Surplus	7,099,504	5,508,474
Reserves		
Working capital	570,504	570,502
Capital	6,008,870	5,908,419
Administration equipment	13,366	13,366
Roads	449,905	349,905
Tandem truck	237,100	187,100
Monck road	195,000	370,000
Fire	331,396	281,396
Landfill reclamation	250,000	200,000
Landfill closure costs	475,400	425,400
Asset management plan - roads	315,000	285,000
Asset management plan - structures	215,000	185,000
Total Reserves	9,061,541	8,776,088
	16,161,045	14,284,562

CORPORATION OF THE TOWNSHIP OF FARADAY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

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 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, 2022

	General					Infrastructure	Assets Under Construction	Totals
	Land \$	Land Improvements \$	Buildings \$	Equipment \$	Vehicles \$	Roads \$	\$	\$
COST								
Balance, beginning of year	206,183	2,947,875	828,703	833,857	1,093,443	10,517,670	394,001	16,821,732
Add: additions during the year	-	-	487,167	12,313	59,645	745,256	452,049	1,756,430
Less: disposals during the year	-	-	109,750	-	-	825,130	-	934,880
Internal transfers	-	-	-	-	-	814,521	(814,521)	-
Balance, end of year	206,183	2,947,875	1,206,120	846,170	1,153,088	11,252,317	31,529	17,643,282
ACCUMULATED AMORTIZATION								
Balance, beginning of year	-	1,908,377	544,275	197,194	734,258	4,477,154	-	7,861,258
Add: additions during the year	-	157,111	22,851	41,693	69,115	522,936	-	813,706
Less: disposals during the year	-	-	109,750	-	-	824,436	-	934,186
Balance, end of year	-	2,065,488	457,376	238,887	803,373	4,175,654	-	7,740,778
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	206,183	882,387	748,744	607,283	349,715	7,076,663	31,529	9,902,504

CORPORATION OF THE TOWNSHIP OF FARADAY

SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2022

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Change in landfill and post-closure liability \$	Consolidated \$
Revenues									
Property taxation	574,779	817,835	767,725	541,242	21,500	52,860	6,400	-	2,782,341
User charges	11,329	136,274	4,497	34,043	-	4,060	2,850	-	193,053
Government transfers - operating	9,058	-	705,600	-	-	5,595	-	-	720,253
Government transfers - capital	-	-	530,270	-	-	-	-	-	530,270
Other municipalities	-	54,739	6,500	129,741	-	-	-	-	190,980
Penalties and interest on taxes	34,477	-	-	-	-	-	-	-	34,477
Investment income	173,457	-	-	-	-	-	-	-	173,457
Other grants	-	-	-	64,725	-	-	-	-	64,725
Total revenues	803,100	1,008,848	2,014,592	769,751	21,500	62,515	9,250	-	4,689,556
Expenses									
Salaries and benefits	344,731	205,682	311,499	104,177	-	7,710	-	-	973,799
Materials	182,939	109,814	293,768	114,647	671	13,148	1,330	-	716,317
Contracted services	35,438	408,423	66,492	336,463	-	-	-	-	846,816
Rents and financial	3,923	-	-	-	-	-	-	-	3,923
External transfers	-	49,163	-	-	20,500	37,155	-	-	106,818
Amortization	25,452	43,196	579,463	157,462	-	8,133	-	-	813,706
Loss (gain) on disposal of tangible capital assets	-	-	694	-	-	-	-	-	694
Change in landfill closure and post-closure liability	-	-	-	-	-	-	-	(649,000)	(649,000)
Total expenses	592,483	816,278	1,251,916	712,749	21,171	66,146	1,330	(649,000)	2,813,073
Net surplus/(deficit)	210,617	192,570	762,676	57,002	329	(3,631)	7,920	649,000	1,876,483

CORPORATION OF THE TOWNSHIP OF FARADAY

SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2021

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Change in landfill and post-closure liability \$	Consolidated \$
Revenues									
Property taxation	163,592	262,075	1,774,353	430,900	23,000	51,570	6,400	-	2,711,890
User charges	12,763	98,455	10,196	37,336	-	1,350	600	-	160,700
Government transfers - operating	459,958	-	268,458	-	-	5,595	-	-	734,011
Government transfers - capital	-	-	387,034	-	-	-	-	-	387,034
Other municipalities	25	55,066	5,375	128,697	-	-	-	-	189,163
Penalties and interest on taxes	35,912	-	-	-	-	-	-	-	35,912
Investment income	56,915	-	-	-	-	-	-	-	56,915
Other grants	-	-	-	58,180	-	-	-	-	58,180
Other	2,000	-	-	-	-	-	-	-	2,000
Total revenues	731,165	415,596	2,445,416	655,113	23,000	58,515	7,000	-	4,335,805
Expenses									
Salaries and benefits	345,256	206,281	250,089	105,824	-	5,343	-	-	912,793
Materials	140,391	100,934	335,958	59,596	-	13,015	56	-	649,950
Contracted services	26,943	396,746	39,256	316,491	-	-	-	-	779,436
Rents and financial	3,761	-	-	-	-	-	-	-	3,761
External transfers	-	47,666	-	-	20,500	36,595	-	-	104,761
Amortization	22,213	43,196	512,496	157,462	-	8,133	-	-	743,500
Loss (gain) on disposal of tangible capital assets	-	-	59,247	-	-	-	-	-	59,247
Change in landfill closure and post-closure liability	-	-	-	-	-	-	-	262,000	262,000
Total expenses	538,564	794,823	1,197,046	639,373	20,500	63,086	56	262,000	3,515,448
Net surplus/(deficit)	192,601	(379,227)	1,248,370	15,740	2,500	(4,571)	6,944	(262,000)	820,357