THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

INDEPENDENT AUDITOR'S REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

MANAGEMENT'S REPORT

The accompanying consolidated financial statements of the Corporation of the Township of Moonbeam are the responsibility of management and have been prepared in compliance with legislation and in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in the notes to the financial statements. The preparation of the consolidated financial statements necessarily involves the use of estimates based on management's judgments, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Council meets with management to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval.

The consolidated financial statements have been audited by Baker Tilly HKC, independent external auditors appointed by the Council. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the consolidated financial statements.



Brigitte Gravel, Clerk Treasurer
Moonbeam, Ontario
October 23, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the
Corporation of the Township of Moonbeam

Qualified Opinion
We have audited the accompanying consolidated financial statements of The Corporation of the Township of Moonbeam (the corporation), which comprise the consolidated as at December 31, 2023, and the consolidated statement of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the corporation as at December 31, 2023, and the results of its consolidated operations and accumulated surplus, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Qualified 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 corporation 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 qualified opinion.

The corporation is required to evaluate its asset retirement obligations under PS 3280-Asset retirement obligations. As at December 31, 2023, the carrying value of the asset retirement obligations is nil. We were unable to obtain sufficient audit evidence about the carrying amount of the asset retirement obligations reported in the consolidated financial statements as at December 31, 2023 and at December 31, 2022. Consequently, we were unable to determine whether the carrying value provided is estimated correctly and if any adjustment to this amount is necessary.

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

In preparing the consolidated financial statements, management is responsible for assessing the corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going

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INDEPENDENT AUDITOR'S REPORT, (CONT'D)

concern and using the going concern basis of accounting unless management either intends to liquidate the corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the corporation'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 consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the corporation'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 managements' 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 corporation ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the corporation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT, (CONT'D)

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 HKC

Chartered Professional Accountants
Licenced Public Accountants
October 23, 2024

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

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THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

	2023	2022
FINANCIAL ASSETS		
Cash	$ 5,279,695	$ 5,454,920
Short term investments	-	383,197
Accounts receivable (Note 7)	979,372	692,738
Taxes receivable (Note 8)	415,903	312,512
	6,674,970	6,843,367
LIABILITIES		
Accounts payable and accrued liabilities (Note 10)	388,055	498,399
Deferred revenue - obligatory reserve funds (Note 11)	614,710	588,188
	1,002,765	1,086,587
NET FINANCIAL ASSETS	5,672,205	5,756,780
NON-FINANCIAL ASSETS		
Prepaid expenses	44,620	-
Tangible capital assets (Note 13)	8,684,518	8,057,183
	8,729,138	8,057,183
ACCUMULATED SURPLUS (Note 14)	$ 14,401,343	$ 13,813,963

COMMITMENTS AND CONTRACTUAL OBLIGATIONS (Note 15)

CONTINGENCY (Note 16)

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

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

YEAR ENDED DECEMBER 31, 2023

	Budget (Note 18)	2023 Actual	2022 Actual
REVENUES (page 24)			
Taxation	$ 2,509,121	$ 2,509,154	$ 2,419,729
User charges	249,106	245,465	232,062
Government transfers - operations	1,458,003	1,158,876	1,113,919
Other revenues	345,322	659,551	362,608
	4,561,552	4,573,046	4,128,318
EXPENSES (pages 25 - 31)			
General government services	659,695	679,526	854,488
Protection services	356,965	384,972	363,867
Transportation services	1,299,208	1,236,346	986,778
Environmental services	554,484	530,523	602,920
Health, social and family services	458,031	447,165	442,941
Recreation and cultural services	555,668	656,305	458,831
Planning and development services	479,351	246,560	229,301
	4,363,402	4,181,397	3,939,126
EXCESS OF REVENUES OVER EXPENSES	198,150	391,649	189,192
GOVERNMENT TRANSFERS - CAPITAL	416,172	195,731	379,064
ANNUAL SURPLUS	$ 614,322	587,380	568,256
ACCUMULATED SURPLUS, BEGINNING OF YEAR		13,813,963	13,245,707
ACCUMULATED SURPLUS, END OF YEAR (Note 14)		$ 14,401,343	$ 13,813,963

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

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

DECEMBER 31, 2023

	Budget (Note 18)	2023 Actual	2022 Actual
ANNUAL SURPLUS	$ 614,322	$ 587,380	$ 568,256
TANGIBLE CAPITAL ASSETS ACTIVITIES			
Acquisition of tangible capital assets	(602,645)	(1,107,871)	(569,717)
Amortization of tangible capital assets	-	465,628	417,680
Proceed on disposal of tangible capital asset	-	14,908	-
	(602,645)	(627,335)	(152,037)
NON-FINANCIAL ASSETS ACTIVITY			
Change in prepaid expenses	-	(44,620)	48,066
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	11,677	(84,575)	464,285
NET FINANCIAL ASSETS, BEGINNING OF YEAR	5,756,780	5,756,780	5,292,495
NET FINANCIAL ASSETS, END OF YEAR	$ 5,768,457	$ 5,672,205	$ 5,756,780

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

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Annual surplus	$ 587,380	$ 568,256
Items non affecting cash:		
Amortization of tangible capital assets	465,628	417,680
Changes in:		
Accounts receivable	(286,634)	(242,084)
Taxes receivable	(103,391)	8,609
Accounts payable and accrued liabilities	(110,344)	(48,246)
Deferred revenue	96,495	(5,620)
Deferred revenue - obligatory reserve funds	(69,973)	84,775
Prepaid expenses	(44,620)	48,066
	534,541	831,436
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(1,107,871)	(569,717)
Proceed on disposal of tangible capital asset	14,908	-
	(1,092,963)	(569,717)
INCREASE (DECREASE) IN CASH POSITION	(558,422)	261,719
CASH POSITION, BEGINNING OF YEAR	5,838,117	5,576,398
CASH POSITION, END OF YEAR	$ 5,279,695	$ 5,838,117
CASH CONSISTS OF:		
Cash	$ 5,279,695	$ 5,454,920
Short term investments	-	383,197
	$ 5,279,695	$ 5,838,117

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

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. NATURE OF OPERATIONS

The Corporation of the Township of Moonbeam (the "municipality") is a municipality in the Province of Ontario and operates under the provisions of the Community Charter. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act and other related legislation.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the municipality are prepared in accordance with Canadian Public Sector Accounting Standards, as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the municipality are as follows:

CONSOLIDATION

These consolidated statements reflect the financial assets, liabilities, revenues and expenses of the municipality and include the activities of all committees of the Council and the following boards, which are under the control of the Council: the Public Library Board and the Moonbeam Economic Development Corporation.

All interfund assets, liabilities, revenues and expenses have been eliminated.

NON-CONSOLIDATED JOINT LOCAL BOARDS

The following joint local boards are not consolidated:

District of Cochrane Social Services Administration Board
Porcupine Health Unit

ACCOUNTING FOR SCHOOL BOARD TRANSACTIONS

The municipality is required to collect and remit education support levies in respect of residential and other properties on behalf of the area school boards. The municipality has no jurisdiction or control over the school boards' operations. Therefore the taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in these consolidated financial statements.

TRUST FUNDS

Trust funds and their related operations administered by the Township are not included in these financial statements and additional information is provided in note 4.

2. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and in financial institutions and short-term guaranteed investment certificates.

ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations represent the legal obligations associated with the retirement of a tangible capital asset that result from its acquisition, construction, development or normal use.

The liability associated with an aset retirement obligation is measured with reference to the best estimate of the amount required to ultimately remediate the liability at the consolidated financial statement date to the extent that all recognition criteria are met. Asset retirement obligations are only recognized when there is a legal obligation for the municipality to incur costs in relation to a specific tangible capital asset, when the past transaction or event causing the liaiblity has already occurred, when economic benefits will need to be given up in order to remediate the liability and when a reasonable estimate of such amount can be made. The best estimate of the liability includes all costs directly attributable to the remediation of the asset retirement obligations, based on the most reliable information that is available as at the applicable reporting date. Where cash flows are expected over future periods, the liability is recognized using a present value technique

When a liability for an asset retirement obligation is initially recognized, a corresponding adjustment to the related tangible capital asset is also recognized. Through the passage of time in subsequent reporting periods, the carrying value of the liability is adjusted to reflect accretion expenses incurred in the current period. This expense ensures that the time value of money is considered when recognizing outstanding liabilities at each reporting date. The capitalized asset retirement cost within tangible capital assets is also simultaneously depreciated on the same basis as the underlying asset to which it relates.

At remediation, the municipality derecognizes the liability that was established. In some circumstances, gains or losses may be incurred upon settlements related to the ongoing measurement of the liability and corresponding estimates that were made and are recognized in the consolidated statement of operations and accumulated surplus.

2. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

DEFERRED REVENUE

Grants, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used in the conduct of certain projects or the completion of specific work. In addition, certain fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or the services are performed.

A requirement of Canadian Public Sector Accounting Standards is that the obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation and other agreements restrict how these funds be used and under certain circumstances these funds may possibly be refunded.

RELATED PARTY DISCLOSURES AND INTER-ENTITY TRANSACTIONS

In the normal course of its transactions, the municipality has entered in service or purchase agreements with related parties and/or inter-entities. Transactions carried out by the municipality with related parties and/or inter-entities are carried out at their exchange value.

ACCUMULATED SURPLUS

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

NON-FINANCIAL ASSETS

Non-financial assets are not available to discharge existing liabilities and are held for the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year combined with the annual surplus (deficit) provides the change in net financial assets (debt) for the year.

Tangible Capital Assets

Under Canadian public sector accounting standards guidelines, tangible capital assets are recorded at historical cost which includes all amounts that are directly attributable to acquisition, construction, development or settlement of the asset and amortized over their estimated useful life. Tangible capital assets are defined as non-financial assets with an estimated useful life greater than 1 year, held for use in the production or supply of goods and services, not held for resale, in continuous use, and valued in excess of an established financial threshold. The cost, less residual value, if any, of the tangible capital assets is amortized on a straight-line basis, over the expected useful life of the assets as follows:

2. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

TANGIBLE CAPITAL ASSETS, (CONT'D)

GENERAL	
Land improvements	7 to 50 years
Buildings	25 to 50 years
Vehicles, machinery and equipment	10 to 25 years
Furniture and fixtures	10 years
Computers	5 years
INFRASTRUCTURE	
Roads	7 to 50 years
Water and sewer system	50 years

Assets under construction are not amortized until the asset is available for productive use.

Contribution of Tangible Capital Assets

Tangible Capital Assets received as contributions are recorded at their fair market value at the date of receipt.

REVENUE RECOGNITION

Taxation Revenue

Property tax billings are prepared by the municipality based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act 2001. The Municipal Council establishes the tax rates annually and incorporate amounts to be raised for local services and on behalf of the School Boards in respect of education taxes. 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 assessments can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are processed by the municipality upon receipt and recognized in the fiscal year they are determined. All property taxes are secured by the land and pose minimal collection risk.

2. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

REVENUE RECOGNITION, (CONT'D)

Government Transfers

Government transfer revenues are transfers from senior levels of government that are not the result of an exchange transaction and are not expected to be repaid in the future. Government transfers without eligibility criteria or stipulations are recognized as revenue when the transfer is authorized. All other transfers are recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met, except when and to the extent that any stipulations give rise to an obligation that meets the definition of a liability for the municipality. The municipality also provides transfers to individuals or organizations. These transfers are recognized as expenses once they are authorized and eligibility criteria, if any, are met.

User Charges

User charges relate to various programs, and fees imposed on specific activities. Revenue is recognized when the activity is performed or when the services are rendered.

Other Revenues and contributions

Other revenues, such as fines and penalties and others are recognized in the year that the event giving rise to the revenues occur and the revenues are earned.

The municipality follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which related expenses are incurred. Unrestricted contributions are recognized as revenue when it is received or becomes receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial position and the reported amounts of revenues and expenses during the year. Estimates are used when accounting for items and matters such as allowance for uncollectible taxes and other accounts receivable, useful life of tangible capital assets, accrued liabilities and contingencies. Actual results could differ from those estimates.

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

FINANCIAL INSTRUMENTS

The municipality classifies all of its financial instruments at amortized cost. The maximum exposure to credit risk is the carrying value of the financial instruments. These financial instruments include cash, taxes receivable, accounts receivable, accounts payable and accrued liabilities. All financial instruments are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and accumulated surplus and any unrealized gain is adjusted through the statement of remeasurement. As all financial instruments are measured at cost or amortized cost, there have been no remeasurement gains or losses and the statement of remeasurement has been excluded.

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

3. ADOPTION OF NEW ACCOUNTING STANDARDS

PS 3450-Financial Instruments and PS 2601-Foreign Currency Translation

On January 1, 2023, the municipality adopted PS 3450-Financial Instruments and PS 2601-Foreign Currency Translation. These standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

PS 3280-Asset Retirement Obligations

On January 1, 2022, the municipality adopted PS 3280-Asset Retirement Obligations on a modified retroactive basis.

Asset retirement obligations are legal financial obligations associated with the retirement of capital assets in which a duty or responsibility exists to properly remove or dispose of the capital assets at some future date in time.

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

4. TRUST FUNDS

Trust funds administered by the municipality amounting to $157,928 (2022 - $155,731) have not been included on the Consolidated Statements of Financial Position nor have their operations been included in these financial statements.

5. OPERATIONS OF SCHOOL BOARDS

Further to note 2 "Accounting for School Board Transactions", the taxation, other revenues and expenses relating to the school boards are comprised of the following:

Revenues raised and transferred to boards:

	Public	Separate	2023	2022
Regular tax levy	$ 237,695	$ 217,771	$ 455,466	$ 451,148
Supplementary tax levy	2,601	1,471	4,072	4,055
Write-offs and adjustments	(1,003)	(746)	(1,749)	(879)
	$ 239,293	$ 218,496	$ 457,789	$ 454,324

6. CONTRIBUTION TO NON-CONSOLIDATED JOINT LOCAL BOARDS

Further to note 2 “Non-Consolidated Joint Local Boards”, the following contributions were made by the municipality to these entities:

	Budget (Note 18)	2023 Actual	2022 Actual
Porcupine Health Unit	$ 48,455	$ 49,984	$ 48,455
District of Cochrane Social Services Administration Board	349,187	335,160	330,597
	$ 397,642	$ 385,144	$ 379,052

The municipality is contingently liable for its share of any accumulated deficits as at the end of the year.

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

7. ACCOUNTS RECEIVABLE

	2023	2022
Accounts receivable	$ 398,008	$ 191,154
Province of Ontario	373,847	263,335
Government of Canada	207,517	238,249
	$ 979,372	$ 692,738

8. TAXES RECEIVABLE

	2023	2022
Current year	$ 172,948	$ 149,349
Prior years and penalties and interest	317,628	234,649
Less: Allowance for doubtful accounts	(74,673)	(71,486)
	$ 415,903	$ 312,512

9. BANK INDEBTEDNESS

The municipality has an authorized line of credit for $400,000 bearing interest at prime plus 1% secured by general receivables. At the end of the current year and at the end of the previous year, there are no amounts drawn from this line of credit.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Trade and accrued expenses	$ 261,575	$ 364,333
Payroll related	121,754	128,004
School boards	625	1,871
Other	4,101	4,191
	$ 388,055	$ 498,399

11. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

Revenues received that should be used in the next year and have been set aside for specific purposes by legislation, regulation or agreement are included in deferred revenue - obligatory reserve funds. These revenues may only be used in the conduct of certain programs or in the completion of specific work.

Details of these deferred revenue and obligatory reserve funds amounts are as follows:

	Balance, beginning	Received	Utilized	Balance, ending
DEFERRED REVENUE				
Economic development	$ 10,000	$ -	$ 10,000	$ -
Municipal taxes	42,913	34,385	42,913	34,385
OCIF - Well No. 3	164,903	127,728	-	292,631
NORDS	41,152	28,447	41,152	28,447
	258,968	190,560	94,065	355,463
OBLIGATORY RESERVE FUNDS				
Federal gas tax	329,220	99,781	169,754	259,247
	$ 588,188	$ 290,341	$ 263,819	$ 614,710

12. ASSET RETIREMENT OBLIGATIONS

Landfill

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage. The timing of post-closure care is detailed in note 16.

Asbestos removal

The corporation owns building which contain asbestos, and therefore, the corporation is legally required to perform abatement activities upon renovation or demolition of these assets. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. The timing of post-closure care cannot yet be reasonably estimated.

12. ASSET RETIREMENT OBLIGATIONS, (CONT'D)

Septic systems, drinking water wells and monitoring wells

The corporation owns monitoring wells which represent an environmental hazard upon removal and decommissioning and there are legal obligations regarding how it must be removed. The timing of post-closure care cannot yet be reasonably estimated.

13. TANGIBLE CAPITAL ASSETS

Cost	Balance at December 31, 2022	Additions	Disposals	Balance at December 31, 2023
Land	$ 35,526	$ 188,601	$ -	$ 224,127
Land improvements	1,753,199	-	-	1,753,199
Buildings	3,872,066	111,527	-	3,983,593
Vehicles, machinery and equipment	3,864,844	521,271	(16,564)	4,369,551
Furniture and fixtures	79,259	-	-	79,259
Computers	102,512	-	-	102,512
Roads	4,688,577	71,681	-	4,760,258
Water system	227,352	-	-	227,352
Sewer system	3,705,927	-	-	3,705,927
Assets under construction	141,583	214,791	-	356,374
	$ 18,470,845	$ 1,107,871	$ (16,564)	$ 19,562,152

Accumulated Amortization	Balance at December 31, 2022	Disposals	Amortization expense	Balance at December 31, 2023
Land improvements	$ 1,641,970	$ -	$ 4,464	$ 1,646,434
Buildings	1,573,917	-	93,965	1,667,882
Vehicles, machinery and equipment	2,460,443	(1,656)	219,918	2,678,705
Furniture and fixtures	25,987	-	3,381	29,368
Computers	91,567	-	4,087	95,654
Roads	3,207,758	-	68,763	3,276,521
Water system	192,872	-	2,394	195,266
Sewer system	1,219,148	-	68,656	1,287,804
	$ 10,413,662	$ (1,656)	$ 465,628	$ 10,877,634

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

13. TANGIBLE CAPITAL ASSETS, (CONT'D)

Net book value	Balance at December 31, 2022	Balance at December 31, 2023
Land	$ 35,526	$ 224,127
Land improvements	111,229	106,765
Buildings	2,298,149	2,315,711
Vehicles, machinery and equipment	1,404,400	1,690,846
Furniture and fixtures	53,271	49,184
Computers	10,946	7,564
Roads	1,480,820	1,483,738
Water system	34,480	32,086
Sewer system	2,486,779	2,418,123
Assets under construciton	141,583	356,374
	$ 8,057,183	$ 8,684,518

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

14. ACCUMULATED SURPLUS

Accumulated surplus consist of the following:

	2023	2022
RESERVES SET ASIDE FOR SPECIFIC PURPOSES BY THE COUNCIL		
Working funds	$ 66,509	$ 66,509
Roads equipment	262,635	83,772
Fire department	61,666	41,700
Operating	15,000	15,000
Remi Lake	4,377	4,377
Sidewalks and street lights	17,367	20,509
Official plan	5,571	5,571
Water and sewer services	55,566	45,000
Infrastructure	41,395	41,395
Bear wise program	-	3,996
Nature trails	210,000	210,000
Canada Day	2,000	2,000
MEDC	-	7,000
Hoist and fuel tank	-	40,000
Shuttle tanker	-	3,000
Community hub project	1,630,295	-
Claims and recoveries	-	9,572
Riding association	-	5,000
Kapuskasing pool	-	100,000
Well No. 3	273,950	273,950
MMAH Modernization fund	343,000	343,000
Fire chief vehicle	-	20,000
Special projects	23,584	-
Lac Charette	22,700	22,700
Tennis and baseball courts	-	55,000
Skating rink	-	20,000
New dome for garage	-	100,000
	3,035,615	1,539,051
INVESTED IN TANGIBLE CAPITAL ASSETS		
Tangible capital assets - net book value	8,684,518	8,057,183
General surplus	2,681,210	4,217,729
	$ 14,401,343	$ 13,813,963

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

15. COMMITMENTS AND CONTRACTUAL OBLIGATIONS

The municipality has entered into the following long-term agreements:

(i) Xerox Canada Ltd - The municipality is committed to pay $3,463/year for the lease of a photocopier for a period of 5.5 years. At December 31, 2023, there are 5.5 years left to pay.
(ii) Ministry of Natural Resources and Forests - Agreement starting on April 1, 2023 and ending April 2033 to provide forest fire protection at an annual cost of $4,225 in the first year and indexed to inflation in subsequent years.
(iii) J.L. Richards & Associates - Proposal for Community Hub and Nature Trails for $206,950. Commitment left to pay at December 31, 2023 is $84,604. The contract for this project was awarded to Ward Construction Inc. in November 2023 for $2,572,326 and will start in 2024. There were no payments made on this contract.
(iv) EXP Services Inc. - Proposal for Marco Avenue Strom Sewer Design for $176,301. Commitment left to pay at December 31, 2023 is $138,053.
(v) Integrity Commissioner Patrice Cormier - the muncipality is committed to pay $5,000/year for services for a period of 5 years. At December 31, 2023, there are 3 years left to pay.
(vi) Brandt Equipement - purchase of a loader wing for a total of $87,185.
(vii) Sensenbrenner Hospital - grant for doctors' recruitment for $9,204.
(viii) Cinnamon Toast - proposal for the creation of a new visual identity for $31,000.
(ix) J.L. Richards & Associates - Proposal to update the official plan for $141,760.

16. CONTINGENCY

The municipality along with the Town of Kapuskasing manages and operates the Kapuskasing-Moonbeam Landfill Site Management Board (the Board). The net cost of the site was shared on a usage basis at the following rates:

	2023	2022
LANDFILL		
Town of Kapuskasing	62 %	59 %
Township of Moonbeam	6 %	6 %
GreenFirst Forest Products Inc.	32 %	35 %
RECYCLING		
Town of Kapuskasing	69 %	69 %
Township of Moonbeam	31 %	31 %

The following represents a summary of the net debt due by the Board at December 31:

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

16. CONTINGENCY, (CONT'D)

	2023	2022
FINANCIAL ASSETS		
Cash and investments	$ 3,250,939	$ 2,957,988
Accounts receivable	159,200	95,058
	3,410,139	3,053,046
LIABILITIES		
Accounts payable	682,462	515,642
Asset retirement obligation	2,867,872	2,795,872
	3,550,334	3,311,514
NET DEBT	$ (140,195)	$ (258,468)

The Board operates a open landfill site and is legally required to perform closure and post-closure activities upon retirement of this site. Closure and post-closure activities include final land covering, landscaping, site inspection, site maintenance and surface and ground water monitoring.

According to the latest study, the estimated remaining capacity of the landfill is 319 cubic meters which represents about 33%. The expected remaining life of the landfill is 13 years (year 2036).

The estimated total liability is based on the sum of discounted cash flows for closure cost of $2,694,246 in 2036 and post-closure activities for 25 years after closure at $45,000 per year using a discount rate of 3.5% (2022 - 3.4%) which is the average borrowing rate of the Corporation of the Town of Kapuskasing.

The closure and post-closure costs for the open landfill site, and the post-closure costs for the closed site, are based upon best estimates by management. Future events may result in significant changes to the estimated total expense, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

	Total	Moonbeam's share at 6%
Provision for asset retirement obligation	$ 72,000	$ 4,320
Asset retirement obligation	$ 2,867,872	$ 172,072

The Board's net debt as at December 31, 2023 is $140,195 (2022 - $258,468). Neither the provision for the future costs or the net debt have been reflected in these financial statements.

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

17. SEGMENTED INFORMATION

The municipality is a municipal government institution that provides a range of services to its citizens. Municipal services are reported by function and their activities are separately disclosed in the Schedule of Segmented Information (pages 22 - 23). The nature of the segments and the activities they encompass are as follows:

General Government services

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

Protection Services

Protection services include police and fire services.

Transportation Services

Transportation services include construction and maintenance of the municipality's roads and bridges, winter control and street lighting.

Environmental Services

This function is responsible for providing water and sewer services to certain areas within the municipality. It is also responsible for providing waste collection, waste disposal and recycling services.

Health Services

Health services consists of the activities of the cemetery and other medical services.

Social and Family Services

This function provides general assistance for social and family services.

Recreation and Cultural Services

Recreation and cultural services provide indoor and outdoor recreational facilities and programs and library services.

Planning and Development Services

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

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

17. SEGMENTED INFORMATION, (CONT'D)

The accounting policies used in these segments are the same as those described in note 2. For each reported segment, revenues and expenses represent amounts that are directly attributable to each segment. Tax revenues are reported as part of General Government.

18. BUDGET AMOUNTS

The 2023 budget for the municipality was adopted by Council on May 31, 2023. It was not prepared on a basis consistent with Public Sector Accounting Standards that were used to report actual results. The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. These budget figures treated all tangible capital asset purchases as expenses, did not include amortization expense on tangible capital assets and included transfers from/to reserves. As a result, the budget figures presented on the Consolidated Statement of Operations and Accumulated Surplus are adjusted as follows:

Approved budget:		
Budgeted Annual Surplus	$	-
Adjustments:		
Transfers from reserves		11,677
Tangible capital assets expenses		602,645
Budgeted Annual Surplus per financial statements	$	614,322

19. FINANCIAL INSTRUMENTS RISKS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of consolidated financial statements in assessing the extent of risk related to financial instruments.

(a) CREDIT RISK

The municipality does have credit risk in accounts receivable and taxes receivable. Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The corporation maintains strict credit policies and limits in respect to counterparties. In the opinion of management the credit risk exposure to the corporation is low and is not material.

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

19. FINANCIAL INSTRUMENTS RISKS, (CONT'D)

(b) LIQUIDITY RISK

The municipality does have a liquidity risk in the accounts payable and accrued liabilities. Liquidity risk is the risk that the corporation cannot repay its obligations when they become due to its creditors. The corporation reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors as they become due. In the opinion of management the liquidity risk exposure to the corporation is low and is not material.

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

SEGMENTED INFORMATION

DECEMBER 31, 2023

	General Government Services	Protection Services	Trans-portation Services	Environ-mental Services	Health, Social and Family Services	Recreation and Cultural Services	Planning and Development Services	2023	2022
REVENUES									
Taxation	$ 2,509,154	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,509,154	$ 2,419,729
User charges	-	-	-	245,465	-	-	-	245,465	232,062
Government transfers - operations	933,500	-	169,754	-	-	55,622	-	1,158,876	1,113,919
Other revenues	387,257	-	72,991	177,775	-	-	21,528	659,551	362,608
	3,829,911	-	242,745	423,240	-	55,622	21,528	4,573,046	4,128,318
EXPENSES									
Salaries and benefits	345,923	32,718	543,148	178,765	-	331,736	-	1,432,290	1,076,402
Materials	231,275	50,173	563,751	186,341	8,560	239,812	202,844	1,482,756	1,485,174
Contracted services	69,960	9,169	-	-	10,912	-	43,716	133,757	304,165
External transfers	-	240,841	-	-	426,125	-	-	666,966	655,705
Amortization	32,368	52,071	129,447	165,417	1,568	84,757	-	465,628	417,680
	679,526	384,972	1,236,346	530,523	447,165	656,305	246,560	4,181,397	3,939,126

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

SEGMENTED INFORMATION

DECEMBER 31, 2023

	General Government Services	Protection Services	Trans-portation Services	Environ-mental Services	Health, Social and Family Services	Recreation and Cultural Services	Planning and Development Services	2023	2022
REVENUES OVER EXPENSES (EXPENSES OVER REVENUES)	3,150,385	(384,972)	(993,601)	(107,283)	(447,165)	(600,683)	(225,032)	391,649	189,192
OTHER									
Government transfers - capital	-	-	98,210	-	-	97,521	-	195,731	379,064
ANNUAL SURPLUS (DEFICIT)	$ 3,150,385	$ (384,972)	$ (895,391)	$ (107,283)	$ (447,165)	$ (503,162)	$ (225,032)	$ 587,380	$ 568,256

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

SCHEDULE OF REVENUES

DECEMBER 31, 2023

	Budget (Note 18)	2023 Actual	2022 Actual
TAXATION			
Municipal Taxation	$ 2,455,452	$ 2,457,985	$ 2,361,930
Education Taxation	455,950	457,789	454,324
Municipal Supplementary Taxation	35,000	25,769	33,889
Municipal Write-offs	(16,000)	(9,479)	(10,687)
	2,930,402	2,932,064	2,839,456
Payments in Lieu of Taxes	34,669	34,879	34,597
TOTAL LEVIED	2,965,071	2,966,943	2,874,053
LESS: LEVIED FOR SCHOOL BOARDS	(455,950)	(457,789)	(454,324)
	2,509,121	2,509,154	2,419,729
USER CHARGES	249,106	245,465	232,062
GOVERNMENT TRANSFERS - OPERATIONS			
Ontario Municipal Partnership Funds	933,500	933,500	934,300
Library	5,058	7,151	12,908
Employment projects	10,627	10,627	11,644
Recreational grants	168,818	37,844	94,795
Federal gas tax fund	340,000	169,754	-
FCM Municipal Asset Management Program	-	-	41,272
AFO Feasability Study	-	-	19,000
	1,458,003	1,158,876	1,113,919
OTHER REVENUES			
Penalty and interest on taxes	39,500	53,731	36,595
Licences, permits and fines	23,000	35,834	21,696
Provincial Offences Act	9,300	11,255	5,924
Interest on investment	100,000	287,664	107,222
Rentals	62,393	61,736	57,951
Sales and other	111,129	209,331	133,220
	345,322	659,551	362,608
TOTAL REVENUES	$ 4,561,552	$ 4,573,046	$ 4,128,318

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

SCHEDULE OF EXPENSES

DECEMBER 31, 2023

	Budget (Note 18)	2023 Actual	2022 Actual
GENERAL GOVERNMENT SERVICES			
MEMBERS OF COUNCIL			
Salaries and benefits	$ 53,350	$ 53,942	$ 35,999
Materials	35,120	29,405	48,716
	88,470	83,347	84,715
GENERAL ADMINISTRATION			
Salaries and benefits	278,336	291,981	277,612
Materials	191,618	158,258	349,740
Contracted services	56,860	69,960	69,939
	526,814	520,199	697,291
MUNICIPAL BUILDING			
Materials	44,411	43,612	40,114
AMORTIZATION	-	32,368	32,368
	$ 659,695	$ 679,526	$ 854,488

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

SCHEDULE OF EXPENSES

DECEMBER 31, 2023

	Budget (Note 18)	2023 Actual	2022 Actual
PROTECTION SERVICES			
FIRE			
Salaries and benefits	$ 43,500	$ 32,718	$ 31,175
Materials	56,776	45,260	39,810
Contracted services	4,500	4,666	4,318
	104,776	82,644	75,303
POLICING			
External transfers	242,689	240,841	229,093
CONSERVATION AUTHORITY			
Materials	5,000	4,913	4,492
Contracted Services	4,500	4,503	4,169
	9,500	9,416	8,661
AMORTIZATION	-	52,071	50,810
	$ 356,965	$ 384,972	$ 363,867

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

SCHEDULE OF EXPENSES

DECEMBER 31, 2023

	Budget (Note 18)	2023 Actual	2022 Actual
TRANSPORTATION SERVICES			
ROADWAYS			
Salaries and benefits	$ 563,508	$ 543,148	$ 354,443
Materials	688,406	531,571	480,622
Winter Control - Material	15,000	19,579	8,666
	1,266,914	1,094,298	843,731
STREET LIGHTING			
Materials	32,294	12,601	10,713
AMORTIZATION	-	129,447	132,334
	$ 1,299,208	$ 1,236,346	$ 986,778

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

SCHEDULE OF EXPENSES

DECEMBER 31, 2023

	Budget (Note 18)	2023 Actual	2022 Actual
ENVIRONMENTAL SERVICES			
SANITARY SEWER SYSTEM			
Materials	$ 24,000	$ 11,178	$ 10,168
Contracted services	-	-	72,965
	24,000	11,178	83,133
WATERWORKS SYSTEM			
Salaries and benefits	78,864	78,887	77,207
Materials	118,000	99,793	90,942
Contracted services	42,742	-	29,312
	239,606	178,680	197,461
WASTE COLLECTION AND DISPOSAL			
Salaries and benefits	99,849	99,878	90,272
Materials	191,029	75,370	110,412
	290,878	175,248	200,684
AMORTIZATION	-	165,417	121,642
	$ 554,484	$ 530,523	$ 602,920

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

SCHEDULE OF EXPENSES

DECEMBER 31, 2023

	Budget (Note 18)	2023 Actual	2022 Actual
HEALTH, SOCIAL AND FAMILY SERVICES			
HEALTH SERVICES			
PUBLIC HEALTH SERVICES			
External transfers	$ 48,455	$ 49,984	$ 48,455
AMBULANCE SERVICES			
External transfers	125,883	125,883	112,506
CEMETERIES			
Salaries and benefits	-	-	1,992
Materials	7,547	8,560	7,591
Amortization	-	1,568	1,568
	7,547	10,128	11,151
HOSPITAL			
Contracted Services	5,282	10,912	5,178
SOCIAL AND FAMILY SERVICES			
GENERAL ASSISTANCE			
External transfers	223,304	209,277	218,091
ASSISTANCE TO AGED PERSONS			
External transfers	47,560	40,981	47,560
	$ 458,031	$ 447,165	$ 442,941

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

SCHEDULE OF EXPENSES

DECEMBER 31, 2023

	Budget (Note 18)	2023 Actual	2022 Actual
RECREATION AND CULTURAL SERVICES			
RECREATION PROGRAMS			
Salaries and benefits	$ 150,590	$ 166,446	$ 78,226
Materials	92,980	66,363	42,579
	243,570	232,809	120,805
RECREATION FACILITIES			
Salaries and benefits	75,604	60,105	38,703
Materials	197,147	138,231	102,145
Amortization	-	67,099	60,624
	272,751	265,435	201,472
LIBRARY			
Salaries and benefits	-	105,185	90,773
Materials	39,347	35,218	27,447
Amortization	-	17,658	18,334
	39,347	158,061	136,554
	$ 555,668	$ 656,305	$ 458,831

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

SCHEDULE OF EXPENSES

DECEMBER 31, 2023

	Budget (Note 18)	2023 Actual	2022 Actual
PLANNING AND DEVELOPMENT SERVICES			
PLANNING AND ZONING			
Materials	$ 415,457	$ 202,844	$ 111,017
Contracted services	63,894	43,716	118,284
	$ 479,351	$ 246,560	$ 229,301