

**THE CORPORATION OF THE TOWNSHIP OF MOONBEAM**

**INDEPENDENT AUDITOR'S REPORT AND  
CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

## 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.

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Carole Gendron, Clerk Treasurer

Moonbeam, Ontario

June 21, 2021

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## **INDEPENDENT AUDITOR'S REPORT**

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

### *Opinion*

We have audited the accompanying consolidated financial statements of The Corporation of the Township of Moonbeam, which comprise the consolidated statement of financial position as at December 31, 2020, 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, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the corporation as at December 31, 2020, 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 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 consolidated 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## INDEPENDENT AUDITOR'S REPORT, (CONT'D)

### *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 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.

**INDEPENDENT AUDITOR'S REPORT, (CONT'D)**

- 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.

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  
June 21, 2021

**THE CORPORATION OF THE TOWNSHIP OF MOONBEAM**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

CONSOLIDATED FINANCIAL STATEMENT

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**THE CORPORATION OF THE TOWNSHIP OF MOONBEAM**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2020**

	2020	2019
<b>FINANCIAL ASSETS</b>		
Cash	\$ 4,628,063	\$ 3,589,642
Short term investments	375,095	369,734
Accounts receivable (Note 6)	366,993	800,621
Taxes receivable (Note 7)	337,993	331,526
	<u>5,708,144</u>	<u>5,091,523</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 9)	487,323	621,398
Deferred revenue - obligatory reserve funds (Note 10)	380,656	207,001
Long-term debt (Note 11)	4,084	51,974
	<u>872,063</u>	<u>880,373</u>
<b>NET FINANCIAL ASSETS</b>	<u>4,836,081</u>	<u>4,211,150</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	6,427	3,617
Tangible capital assets (Note 12)	7,690,729	7,794,687
	<u>7,697,156</u>	<u>7,798,304</u>
<b>ACCUMULATED SURPLUS (Note 13)</b>	<u>\$ 12,533,237</u>	<u>\$ 12,009,454</u>

**COMMITMENTS (Note 14)**

**CONTINGENCY (Note 15)**

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

**THE CORPORATION OF THE TOWNSHIP OF MOONBEAM**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2020**

	Budget (Note 18)	2020 Actual	2019 Actual
<b>REVENUES (page 23)</b>			
Taxation	\$ 2,358,855	\$ 2,358,918	\$ 2,322,840
User charges	215,185	213,190	216,176
Government transfers - operations	1,089,846	1,084,993	1,076,272
Other revenues	196,959	199,986	228,431
	<u>3,860,845</u>	<u>3,857,087</u>	<u>3,843,719</u>
<b>EXPENSES (pages 24 - 30)</b>			
General government services	769,789	607,048	524,539
Protection services	372,090	407,360	397,046
Transportation services	913,953	980,743	905,906
Environmental services	497,655	504,896	471,165
Health, social and family services	435,233	401,269	419,744
Recreation and cultural services	476,219	346,536	480,794
Planning and development services	114,070	85,452	101,635
	<u>3,579,009</u>	<u>3,333,304</u>	<u>3,300,829</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	281,836	523,783	542,890
<b>GOVERNMENT TRANSFERS - CAPITAL</b>	456,980	-	1,653,849
<b>ANNUAL SURPLUS</b>	<u>\$ 738,816</u>	523,783	2,196,739
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u>12,009,454</u>	<u>9,812,715</u>
<b>ACCUMULATED SURPLUS, END OF YEAR (Note 13)</b>		<u>\$ 12,533,237</u>	<u>\$ 12,009,454</u>

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, 2020**

	2020	2019
<b>ANNUAL SURPLUS</b>	<u>\$ 523,783</u>	<u>\$ 2,196,739</u>
<b>TANGIBLE CAPITAL ASSETS ACTIVITIES</b>		
Acquisition of tangible capital assets	(287,917)	(1,680,081)
Amortization of tangible capital assets	<u>391,875</u>	<u>391,998</u>
	<u>103,958</u>	<u>(1,288,083)</u>
<b>NON-FINANCIAL ASSETS ACTIVITY</b>		
Change in prepaid expenses	<u>(2,810)</u>	<u>(276)</u>
<b>INCREASE IN NET FINANCIAL ASSETS</b>	624,931	908,380
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<u>4,211,150</u>	<u>3,302,770</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<u>\$ 4,836,081</u>	<u>\$ 4,211,150</u>

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, 2020**

	<u>2020</u>	<u>2019</u>
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 523,783	\$ 2,196,739
Items non affecting cash:		
Amortization of tangible capital assets	391,875	391,998
Changes in:		
Accounts receivable	433,628	(255,508)
Taxes receivable	(6,467)	(43,390)
Accounts payable and accrued liabilities	(134,075)	233,408
Deferred revenue	171,266	(874,620)
Deferred revenue - obligatory reserve funds	2,389	68,855
Prepaid expenses	(2,810)	(276)
	<u>1,379,589</u>	<u>1,717,206</u>
<b>CAPITAL ACTIVITY</b>		
Acquisition of tangible capital assets	<u>(287,917)</u>	<u>(1,680,081)</u>
<b>FINANCING ACTIVITY</b>		
Principal payments on long-term debt	<u>(47,890)</u>	<u>(46,038)</u>
<b>INCREASE (DECREASE) IN CASH POSITION</b>	<b>1,043,782</b>	<b>(8,913)</b>
<b>CASH POSITION, BEGINNING OF YEAR</b>	<u>3,959,376</u>	<u>3,968,289</u>
<b>CASH POSITION, END OF YEAR</b>	<u>\$ 5,003,158</u>	<u>\$ 3,959,376</u>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 4,628,063	\$ 3,589,642
Short term investments	375,095	369,734
	<u>\$ 5,003,158</u>	<u>\$ 3,959,376</u>

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, 2020

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### 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.

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### 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 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 3.

#### CASH AND CASH EQUIVALENTS

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

# THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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### 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.

#### 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:

**THE CORPORATION OF THE TOWNSHIP OF MOONBEAM**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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**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.

**THE CORPORATION OF THE TOWNSHIP OF MOONBEAM**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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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*

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.

**MEASUREMENT UNCERTAINTY**

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

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# THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 3. TRUST FUNDS

Trust funds administered by the municipality amounting to \$146,495 (2019 - \$141,964) have not been included on the Consolidated Statements of Financial Position nor have their operations been included in these financial statements.

### 4. 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	2020	2019
Regular tax levy	\$ 236,336	\$ 242,670	\$ 479,006	\$ 483,675
Supplementary tax levy	354	40	394	3,412
Write-offs and adjustments	(710)	(267)	(977)	(1,531)
	<u>\$ 235,980</u>	<u>\$ 242,443</u>	<u>\$ 478,423</u>	<u>\$ 485,556</u>

### 5. 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)	2020 Actual	2019 Actual
Porcupine Health Unit	\$ 44,047	\$ 44,047	\$ 44,047
District of Cochrane Social Services Administration Board	329,649	298,818	313,428
	<u>\$ 373,696</u>	<u>\$ 342,865</u>	<u>\$ 357,475</u>

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, 2020

### 6. ACCOUNTS RECEIVABLE

	2020	2019
Accounts receivable	\$ 71,818	\$ 75,322
Province of Ontario	14,846	301,955
Government of Canada	167,201	275,574
Other	113,128	147,770
	<u>\$ 366,993</u>	<u>\$ 800,621</u>

### 7. TAXES RECEIVABLE

	2020	2019
Current year	\$ 134,710	\$ 114,932
Prior years and penalties and interest	293,122	322,817
Less: Allowance for doubtful accounts	(89,839)	(106,223)
	<u>\$ 337,993</u>	<u>\$ 331,526</u>

### 8. BANK INDEBTEDNESS

The municipality has two authorized line of credits, one for \$400,000 bearing interest at prime plus 1% and the other for \$10,000 bearing interest at prime plus 2.5% and both are 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 neither line of credits.

### 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2020	2019
Trade and accrued expenses	\$ 237,119	\$ 366,825
Payroll related	127,002	127,732
School boards	119,101	122,800
Other	4,101	4,041
	<u>\$ 487,323</u>	<u>\$ 621,398</u>



# THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 10. 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	32,201	1,751	-	33,952
MMAH COVID-19	-	117,900	-	117,900
MMAH Well No. 3	-	51,615	-	51,615
	42,201	171,266	-	213,467
OBLIGATORY RESERVE FUNDS				
Federal gas tax	164,800	77,077	74,688	167,189
	\$ 207,001	\$ 248,343	\$ 74,688	\$ 380,656

# THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 11. LONG-TERM DEBT

	2020	2019
Caisse populaire Alliance Limitée debenture incurred by the Township to cover cost of capital project and equipment, bearing interest at 3.95%, payable in blended monthly interest and principal payments of \$4,090, secured by a borrowing resolution, due January 2021	\$ 4,084	\$ 51,974

During the year, the municipality paid the following long-term debt charges:

	2020	2019
Principal payments	\$ 47,890	\$ 46,038
Interest charges	1,192	3,044
	<u>\$ 49,082</u>	<u>\$ 49,082</u>

The long-term liabilities issued in the name of the municipality have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayments limit presented by the Ministry of Municipal Affairs and Housing.

**THE CORPORATION OF THE TOWNSHIP OF MOONBEAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**12. TANGIBLE CAPITAL ASSETS**

<b>Cost</b>	<b>Balance at December 31, 2019</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at December 31, 2020</b>
Land	\$ 3,526	\$ -	\$ -	\$ 3,526
Land improvements	1,753,199	-	-	1,753,199
Buildings	3,374,551	49,670	-	3,424,221
Vehicles, machinery and equipment	3,512,898	138,618	-	3,651,516
Furniture and fixtures	21,900	-	-	21,900
Computers	90,150	3,108	-	93,258
Roads	4,288,411	96,521	-	4,384,932
Water system	227,352	-	-	227,352
Sewer system	3,705,927	-	-	3,705,927
	<b>\$ 16,977,914</b>	<b>\$ 287,917</b>	<b>\$ -</b>	<b>\$ 17,265,831</b>

<b>Accumulated Amortization</b>	<b>Balance at December 31, 2019</b>	<b>Disposals</b>	<b>Amortization expense</b>	<b>Balance at December 31, 2020</b>
Land improvements	\$ 1,620,168	\$ -	\$ 8,669	\$ 1,628,837
Buildings	1,329,074	-	71,781	1,400,855
Vehicles, machinery and equipment	1,937,029	-	171,925	2,108,954
Furniture and fixtures	19,108	-	1,396	20,504
Computers	83,338	-	2,470	85,808
Roads	3,007,478	-	58,946	3,066,424
Water system	185,681	-	2,397	188,078
Sewer system	1,001,351	-	74,291	1,075,642
	<b>\$ 9,183,227</b>	<b>\$ -</b>	<b>\$ 391,875</b>	<b>\$ 9,575,102</b>

**THE CORPORATION OF THE TOWNSHIP OF MOONBEAM**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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**12. TANGIBLE CAPITAL ASSETS, (CONT'D)**

Net book value	Balance at December 31, 2019	Balance at December 31, 2020
Land	\$ 3,526	\$ 3,526
Land improvements	133,031	124,362
Buildings	2,045,477	2,023,367
Vehicles, machinery and equipment	1,575,869	1,542,561
Furniture and fixtures	2,792	1,396
Computers	6,812	7,450
Roads	1,280,933	1,318,508
Water system	41,671	39,274
Sewer system	2,704,576	2,630,285
	\$ 7,794,687	\$ 7,690,729

# THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 13. ACCUMULATED SURPLUS

Accumulated surplus consist of the following:

	2020	2019
RESERVES SET ASIDE FOR SPECIFIC PURPOSES BY THE COUNCIL		
Working funds	\$ 90,222	\$ 149,851
Purchase of tires	56,772	43,272
Fire equipment	27,700	52,700
Street lights	-	50,000
Remi Lake	4,377	4,377
Sidewalks - Ave Léonard	20,509	509
Official plan	5,571	5,571
Water and sewer services	30,000	30,000
Road repairs	41,395	41,395
Bear wise program	3,996	3,996
Nature trails	210,000	210,000
Canada Day	2,000	2,000
MEDC	7,000	7,000
Hoist and fuel tank	40,000	40,000
Shuttle tanker	3,000	3,000
Recruitment of doctors	15,000	10,000
Claims and recoveries	9,572	9,572
Riding Association	5,000	5,000
Kapuskasing pool	100,000	100,000
Moonbeam's 100th anniversary	20,000	15,000
Well No. 3	273,950	121,950
MMAH Modernization fund	343,000	343,000
Fire chief vehicle	20,000	10,000
Columbarium	15,000	-
Lac Charette	22,700	-
Baie Ouellette	191,700	-
Tennis and baseball courts	55,000	-
Skating rink	20,000	-
Emergency measures	5,000	-
	1,638,464	1,258,193
INVESTED IN TANGIBLE CAPITAL ASSETS		
Tangible capital assets - net book value	7,690,729	7,794,687
General surplus	3,204,044	2,956,574
	\$ 12,533,237	\$ 12,009,454

**THE CORPORATION OF THE TOWNSHIP OF MOONBEAM**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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**14. COMMITMENTS**

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

- (i) Heart and Soul Foundation - The municipality is committed to pay \$1,233/year as a pledge for a period of 20 years. At December 31, 2020, there are 2 years left to pay.
  - (ii) Xerox Canada Ltd - The municipality is committed to pay \$3,496/year for the lease of a photocopier for a period of 5.5 years. At December 31, 2020, there are 3 years left to pay.
  - (iii) Sensenbrenner Hospital CT Scan - The municipality is committed to pay \$10,000/year as a pledge for a period of 4 years. At December 31, 2020, there are 2 years left to pay.
  - (iv) Ministry of Natural Resources and Forests (MNRF) - Agreement starting on April 1st, 2019 and ending April 2023 to provide forest fire protection at an annual cost of \$4,225 in the first year and indexed to inflation in subsequent years.
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**15. 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:

	2020	2019
<b>LANDFILL</b>		
Town of Kapuskasing	51 %	43 %
Township of Moonbeam	6 %	6 %
Rayonier Advanced Materials Inc. (previously Tembec Inc.)	43 %	51 %
<b>RECYCLING</b>		
Town of Kapuskasing	83 %	82 %
Township of Moonbeam	17 %	18 %

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, 2020**

**15. CONTINGENCY, (CONT'D)**

	2020	2019
<b>FINANCIAL ASSETS</b>		
Cash and investments	\$ 2,557,467	\$ 1,826,972
Accounts receivable	192,903	503,371
	<u>2,750,370</u>	<u>2,330,343</u>
<b>LIABILITIES</b>		
Accounts payable	428,727	121,363
Landfill closure and post-closure liability	2,615,872	2,517,872
	<u>3,044,599</u>	<u>2,639,235</u>
<b>NET DEBT</b>	<u>\$ (294,229)</u>	<u>\$ (308,892)</u>

Canadian Public Sector Accounting Standards and guidelines provided by the Ministry of Municipal Affairs require that landfill operators accrue for the future costs of landfill closure and post-closure on an annual basis. The Board is liable for the closing of this landfill site and post-closure costs for monitoring, reporting and maintenance on an annual basis for an estimated period of 25 years following the closure of the site. Closure and post-closure costs include final covering and landscaping, testing of ground water, environmental monitoring, site inspections and site maintenance. The annual charge should be calculated by dividing the estimated closure costs by the estimated life of the landfill (volumetric capacity or years of service remaining) and charging that amount to operations.

The expected remaining life of the landfill is 10 years and the total estimated capacity of the landfill site is approximately 960,000 metric tons. Cumulative metric tons to date amount to approximately 525,000.

The latest estimate provides for a liability of \$2,615,872 (2019 - \$2,517,872) and a current charge of \$98,000 (2019 - \$100,385). The estimated total liability is based on the sum of discounted cash flows for closure and post-closure activities for 25 years after closure using a discount rate of 3%.

	Total	Moonbeam's share at 6%
Provision for landfill closure and post-closure costs	\$ 98,000	\$ 6,023
Landfill closure and post-closure liability	\$ 2,615,872	\$ 151,072

The Board's net debt as at December 31, 2020 is \$294,229 (2019 - \$308,892). 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, 2020**

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**16. 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.

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# THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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### 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 21 - 22). 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, 2020

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### 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.

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### 18. BUDGET AMOUNTS

The 2020 budget for the municipality was adopted by Council on June 3rd, 2020. 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, treated repayment of the principal portion of the long-term debt as expenses and included transfers from 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	\$ -
<b>Adjustments:</b>	
Transfers from reserves	(599,130)
Tangible capital assets expenses	1,288,200
Principal payment on long-term debt	<u>49,746</u>
<b>Budgeted Annual Surplus per financial statements</b>	<b>\$ 738,816</b>

### 19. COVID-19 PANDEMIC AND IMPACT ON OPERATIONS

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic and is currently still ongoing. The economic effect within the municipality's environment due to measures being introduced at various levels of government to curtail the spread of the virus have been minor. Management expects the municipality will have adequate cash flow to fund its operations following the crisis through strict controls over the operating expenses and additional government allocations. Management will continue to monitor the on-going financial impact on its cash and budget forecasts and adjusts its operations as required to ensure its ability to fulfill its obligations and continue operations. Management is also continually monitoring and assessing new information and recommendations from health and government authorities as it becomes available, and will continue to respond accordingly.

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**THE CORPORATION OF THE TOWNSHIP OF MOONBEAM**

**SEGMENTED INFORMATION**

**DECEMBER 31, 2020**

	General Government Services	Protection Services	Trans- portation Services	Environ- mental Services	Health, Social and Family Services	Recreation and Cultural Services	Planning and Development Services	2020	2019
<b>REVENUES</b>									
Taxation	\$ 2,358,918	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,358,918	\$ 2,322,840
User charges	-	-	-	213,190	-	-	-	213,190	216,176
Government transfers - operations	995,100	-	74,688	-	-	15,205	-	1,084,993	1,076,272
Other revenues	190,371	-	-	-	-	4,824	4,791	199,986	228,431
	3,544,389	-	74,688	213,190	-	20,029	4,791	3,857,087	3,843,719
<b>EXPENSES</b>									
Salaries and benefits	283,239	38,375	392,387	151,313	1,400	146,809	-	1,013,523	1,035,839
Materials	228,118	67,826	473,157	228,708	4,642	120,861	55,449	1,178,761	1,171,351
Contracted services	79,637	7,858	-	-	5,076	-	30,003	122,574	71,478
Interest on long- term debt	-	346	548	-	-	298	-	1,192	3,044
External transfers	-	235,887	-	-	389,492	-	-	625,379	627,120
Amortization	16,054	57,068	114,651	124,875	659	78,568	-	391,875	391,997
	607,048	407,360	980,743	504,896	401,269	346,536	85,452	3,333,304	3,300,829

**THE CORPORATION OF THE TOWNSHIP OF MOONBEAM**

**SEGMENTED INFORMATION**

**DECEMBER 31, 2020**

	General Government Services	Protection Services	Trans- portation Services	Environ- mental Services	Health, Social and Family Services	Recreation and Cultural Services	Planning and Development Services	2020	2019
REVENUES OVER EXPENSES (EXPENSES OVER REVENUES)	2,937,341	(407,360)	(906,055)	(291,706)	(401,269)	(326,507)	(80,661)	523,783	542,890
<b>OTHER</b>									
Government transfers - capital	-	-	-	-	-	-	-	-	1,653,849
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ 2,937,341	\$ (407,360)	\$ (906,055)	\$ (291,706)	\$ (401,269)	\$ (326,507)	\$ (80,661)	\$ 523,783	\$ 2,196,739

# THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

## SCHEDULE OF REVENUES

DECEMBER 31, 2020

	Budget (Note 18)	2020 Actual	2019 Actual
<b>TAXATION</b>			
Municipal Taxation	\$ 2,340,104	\$ 2,339,646	\$ 2,273,016
Education Taxation	479,663	478,423	485,556
Municipal Supplementary Taxation	10,000	4,500	28,381
Municipal Write-offs	(26,525)	(20,708)	(13,044)
	2,803,242	2,801,861	2,773,909
Payments in Lieu of Taxes	35,275	35,480	34,487
TOTAL LEVIED	2,838,517	2,837,341	2,808,396
LESS: LEVIED FOR SCHOOL BOARDS	(479,662)	(478,423)	(485,556)
	2,358,855	2,358,918	2,322,840
<b>USER CHARGES</b>	215,185	213,190	216,176
<b>GOVERNMENT TRANSFERS - OPERATIONS</b>			
Ontario Municipal Partnership Funds	945,100	945,100	964,500
Library	5,058	5,058	5,058
Employment projects	15,000	10,147	9,143
Ontario Cannabis Legalization Implementation Fund	-	-	15,000
Economic development	-	-	4,200
Ontario Community Infrastructure Fund	50,000	50,000	-
Federal gas tax fund	74,688	74,688	78,371
	1,089,846	1,084,993	1,076,272
<b>OTHER REVENUES</b>			
Penalty and interest on taxes	45,000	27,743	48,401
Licences, permits and fines	21,600	24,842	12,154
Provincial Offences Act	20,965	17,910	25,540
Interest on investment	20,000	33,123	37,505
Rentals	6,000	629	4,419
Sales and other	83,394	95,739	100,412
	196,959	199,986	228,431
<b>TOTAL REVENUES</b>	\$ 3,860,845	\$ 3,857,087	\$ 3,843,719

**THE CORPORATION OF THE TOWNSHIP OF MOONBEAM**

**SCHEDULE OF EXPENSES**

**DECEMBER 31, 2020**

	Budget (Note 18)	2020 Actual	2019 Actual
<b>GENERAL GOVERNMENT SERVICES</b>			
<b>MEMBERS OF COUNCIL</b>			
Salaries and benefits	\$ 37,500	\$ 37,549	\$ 37,305
Materials	21,188	20,229	21,176
	<u>58,688</u>	<u>57,778</u>	<u>58,481</u>
<b>GENERAL ADMINISTRATION</b>			
Salaries and benefits	295,863	245,690	220,834
Materials	226,673	162,006	167,956
Contracted services	138,113	79,637	27,588
	<u>660,649</u>	<u>487,333</u>	<u>416,378</u>
<b>MUNICIPAL BUILDING</b>			
Materials	50,452	45,883	34,152
<b>AMORTIZATION</b>			
	-	16,054	15,528
	<u>\$ 769,789</u>	<u>\$ 607,048</u>	<u>\$ 524,539</u>

**THE CORPORATION OF THE TOWNSHIP OF MOONBEAM**

**SCHEDULE OF EXPENSES**

**DECEMBER 31, 2020**

	Budget (Note 18)	2020 Actual	2019 Actual
<b>PROTECTION SERVICES</b>			
<b>FIRE</b>			
Salaries and benefits	\$ 56,710	\$ 38,375	\$ 40,986
Materials	49,546	44,278	62,992
Contracted services	4,500	4,287	4,224
Interest on long-term debt	-	346	883
	<u>110,756</u>	<u>87,286</u>	<u>109,085</u>
<b>POLICING</b>			
External transfers	<u>239,152</u>	<u>235,887</u>	<u>223,018</u>
<b>CONSERVATION AUTHORITY</b>			
Materials	9,000	7,944	5,515
Contracted Services	3,182	3,571	3,253
	<u>12,182</u>	<u>11,515</u>	<u>8,768</u>
<b>EMERGENCY MEASURES</b>			
Materials	<u>10,000</u>	<u>15,604</u>	<u>-</u>
<b>AMORTIZATION</b>			
	<u>-</u>	<u>57,068</u>	<u>56,175</u>
	<u>\$ 372,090</u>	<u>\$ 407,360</u>	<u>\$ 397,046</u>

**THE CORPORATION OF THE TOWNSHIP OF MOONBEAM**

**SCHEDULE OF EXPENSES**

**DECEMBER 31, 2020**

	Budget (Note 18)	2020 Actual	2019 Actual
<b>TRANSPORTATION SERVICES</b>			
<b>ROADWAYS</b>			
Salaries and benefits	\$ 367,189	\$ 392,387	\$ 330,070
Materials	501,764	444,446	432,371
Winter Control - Material	10,000	14,906	7,459
Interest on long-term debt	-	548	1,400
	<u>878,953</u>	<u>852,287</u>	<u>771,300</u>
<b>STREET LIGHTING</b>			
Materials	<u>35,000</u>	<u>13,805</u>	<u>21,750</u>
<b>AMORTIZATION</b>			
	<u>-</u>	<u>114,651</u>	<u>112,856</u>
	<u>\$ 913,953</u>	<u>\$ 980,743</u>	<u>\$ 905,906</u>



**THE CORPORATION OF THE TOWNSHIP OF MOONBEAM**

**SCHEDULE OF EXPENSES**

**DECEMBER 31, 2020**

	Budget (Note 18)	2020 Actual	2019 Actual
<b>ENVIRONMENTAL SERVICES</b>			
<b>SANITARY SEWER SYSTEM</b>			
Materials	\$ 46,300	\$ 21,605	\$ 7,897
<b>WATERWORKS SYSTEM</b>			
Salaries and benefits	69,621	68,090	71,712
Materials	139,098	88,072	102,310
	<u>208,719</u>	<u>156,162</u>	<u>174,022</u>
<b>WASTE COLLECTION AND DISPOSAL</b>			
Salaries and benefits	99,551	83,223	101,628
Materials	143,085	119,031	61,196
	<u>242,636</u>	<u>202,254</u>	<u>162,824</u>
AMORTIZATION	-	124,875	126,422
	<u>\$ 497,655</u>	<u>\$ 504,896</u>	<u>\$ 471,165</u>

**THE CORPORATION OF THE TOWNSHIP OF MOONBEAM**

**SCHEDULE OF EXPENSES**

**DECEMBER 31, 2020**

	Budget (Note 18)	2020 Actual	2019 Actual
<b>HEALTH, SOCIAL AND FAMILY SERVICES</b>			
<b>HEALTH SERVICES</b>			
<b>PUBLIC HEALTH SERVICES</b>			
External transfers	\$ 44,047	\$ 44,047	\$ 44,047
<b>AMBULANCE SERVICES</b>			
External transfers	113,300	113,300	110,554
<b>CEMETERIES</b>			
Salaries and benefits	4,077	1,400	3,176
Materials	2,856	4,642	5,380
Amortization	-	659	659
	6,933	6,701	9,215
<b>HOSPITAL</b>			
Contracted Services	7,977	5,076	6,427
<b>SOCIAL AND FAMILY SERVICES</b>			
<b>GENERAL ASSISTANCE</b>			
External transfers	216,349	185,518	202,874
<b>ASSISTANCE TO AGED PERSONS</b>			
External transfers	46,627	46,627	46,627
	\$ 435,233	\$ 401,269	\$ 419,744

**THE CORPORATION OF THE TOWNSHIP OF MOONBEAM**

**SCHEDULE OF EXPENSES**

**DECEMBER 31, 2020**

	Budget (Note 18)	2020 Actual	2019 Actual
<b>RECREATION AND CULTURAL SERVICES</b>			
<b>RECREATION PROGRAMS</b>			
Salaries and benefits	\$ 131,463	\$ 53,860	\$ 115,048
Materials	40,366	21,161	25,251
	<u>171,829</u>	<u>75,021</u>	<u>140,299</u>
<b>RECREATION FACILITIES</b>			
Salaries and benefits	60,924	15,981	22,851
Materials	102,808	79,505	119,885
Amortization	-	59,995	59,143
	<u>163,732</u>	<u>155,481</u>	<u>201,879</u>
<b>LIBRARY</b>			
Salaries and benefits	99,037	76,968	92,229
Materials	41,471	20,195	24,412
Interest on long-term debt	-	298	761
Amortization	150	18,573	21,214
	<u>140,658</u>	<u>116,034</u>	<u>138,616</u>
	<u>\$ 476,219</u>	<u>\$ 346,536</u>	<u>\$ 480,794</u>

**THE CORPORATION OF THE TOWNSHIP OF MOONBEAM**

**SCHEDULE OF EXPENSES**

**DECEMBER 31, 2020**

	Budget (Note 18)	2020 Actual	2019 Actual
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
<b>PLANNING AND ZONING</b>			
Materials	\$ 82,070	\$ 55,449	\$ 71,649
Contracted services	32,000	30,003	29,986
	<u>\$ 114,070</u>	<u>\$ 85,452</u>	<u>\$ 101,635</u>