THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

INDEPENDENT AUDITOR'S REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

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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Brigitte Gravel, CAO/Clerk Treasurer
Moonbeam, Ontario

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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 statement of financial position as at December 31, 2024, 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, 2024, 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, 2024, 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, 2024 and at December 31, 2023. Consequently, we were unable to determine whether the carrying value provided is estimated correctly and if any adjustment to this amount is necessary. Our opinion on the consolidated financial statements for the year ended December 31, 2023 was also modified for this qualification.

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.

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INDEPENDENT AUDITOR'S REPORT, (CONT'D)

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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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 consolidated 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
November 6, 2025

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

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THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash	$ 2,268,654	$ 5,279,695
Accounts receivable (Note 7)	2,005,171	979,372
Taxes receivable (Note 8)	524,038	415,903
	4,797,863	6,674,970
LIABILITIES		
Accounts payable and accrued liabilities (Note 10)	845,561	388,055
Deferred revenue - obligatory reserve funds (Note 11)	350,938	614,710
	1,196,499	1,002,765
NET FINANCIAL ASSETS	3,601,364	5,672,205
NON-FINANCIAL ASSETS		
Prepaid expenses	51,597	44,620
Tangible capital assets (Note 13)	11,925,245	8,684,518
	11,976,842	8,729,138
ACCUMULATED SURPLUS (Note 14)	$ 15,578,206	$ 14,401,343

COMMITMENTS AND CONTRACTUAL OBLIGATIONS (Note 16)

CONTINGENCY (Note 17)

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, 2024

	Budget (Note 19)	2024 Actual	2023 Actual
REVENUES (page 25)			
Taxation	$ 2,580,768	$ 2,582,037	$ 2,509,154
User charges	261,561	257,616	245,465
Government transfers - operations	1,523,754	1,294,736	1,158,876
Other revenues	665,866	615,384	659,551
	5,031,949	4,749,773	4,573,046
EXPENSES (pages 26 - 32)			
General government services	900,761	854,451	679,526
Protection services	360,172	369,525	384,972
Transportation services	1,298,298	1,221,675	1,236,346
Environmental services	620,922	606,490	530,523
Health, social and family services	484,018	504,961	447,165
Recreation and cultural services	1,165,307	857,295	656,305
Planning and development services	557,448	371,671	246,560
	5,386,926	4,786,068	4,181,397
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES)	(354,977)	(36,295)	391,649
GOVERNMENT TRANSFERS - CAPITAL	311,039	1,213,158	195,731
ANNUAL SURPLUS (DEFICIT)	$ (43,938)	1,176,863	587,380
ACCUMULATED SURPLUS, BEGINNING OF YEAR		14,401,343	13,813,963
ACCUMULATED SURPLUS, END OF YEAR (Note 14)		$ 15,578,206	$ 14,401,343

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, 2024

	Budget (Note 19)	2024 Actual	2023 Actual
ANNUAL SURPLUS (DEFICIT)	$ (43,937)	$ 1,176,863	$ 587,380
TANGIBLE CAPITAL ASSETS ACTIVITIES			
Acquisition of tangible capital assets	(985,104)	(3,749,873)	(1,107,871)
Amortization of tangible capital assets	-	509,147	465,628
Proceed on disposal of tangible capital asset	-	-	14,908
	(985,104)	(3,240,726)	(627,335)
NON-FINANCIAL ASSETS ACTIVITY			
Change in prepaid expenses	-	(6,978)	(44,620)
DECREASE IN NET FINANCIAL ASSETS	(1,029,041)	(2,070,841)	(84,575)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	5,672,205	5,672,205	5,756,780
NET FINANCIAL ASSETS, END OF YEAR	$ 4,643,164	$ 3,601,364	$ 5,672,205

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, 2024

	2024	2023
OPERATING ACTIVITIES		
Annual surplus	$ 1,176,863	$ 587,380
Items non affecting cash:		
Amortization of tangible capital assets	509,147	465,628
Changes in:		
Accounts receivable	(1,025,799)	(286,634)
Taxes receivable	(108,135)	(103,391)
Accounts payable and accrued liabilities	457,505	(110,344)
Deferred revenue	(70,446)	96,495
Deferred revenue - obligatory reserve funds	(193,326)	(69,973)
Prepaid expenses	(6,977)	(44,620)
	738,832	534,541
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(3,749,873)	(1,107,871)
Proceed on disposal of tangible capital assets	-	14,908
	(3,749,873)	(1,092,963)
DECREASE IN CASH POSITION	(3,011,041)	(558,422)
CASH POSITION, BEGINNING OF YEAR	5,279,695	5,838,117
CASH POSITION, END OF YEAR	$ 2,268,654	$ 5,279,695

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, 2024

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 (PSAS), 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)

ACCRUAL BASIS OF ACCOUNTING

Revenue and expenditures are recorded on the accrual basis of accounting which recognizes revenues as they become available and measurable. Revenues from taxation, grants and all other sources are recognized when the amount is fixed or reasonably determinable and collectability is reasonably assured. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

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 asset 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 liability 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.

MULTI-EMPLOYER DEFINED BENEFIT PENSION

Substantially all of the employees of the municipality are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit, final average earnings, contributory pension plan. Defined contribution plan accounting is applied to OMERS, whereby contributions are expensed when due as the municipal has insufficient information to apply defined benefit accounting.

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.

2. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

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:

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 PSAS 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, 2024

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

On January 1, 2024, the municipality adopted PS 3400-Revenue. The new standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. The adoption of this new standard did not have an impact on the amounts presented in the financial statements.

4. TRUST FUNDS

Trust funds administered by the municipality amounting to $85,884 (2023 - $157,928) have not been included on the Consolidated Statements of Financial Position nor have their operations been included in these financial statements. .

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

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	2024	2023
Regular tax levy	$ 242,038	$ 215,635	$ 457,673	$ 455,466
Supplementary tax levy	3,152	845	3,997	4,072
Write-offs and adjustments	(119)	(299)	(418)	(1,749)
	$ 245,071	$ 216,181	$ 461,252	$ 457,789

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 19)	2024 Actual	2023 Actual
Porcupine Health Unit	$ 59,983	$ 68,570	$ 49,984
District of Cochrane Social Services Administration Board	349,187	371,961	335,160
	$ 409,170	$ 440,531	$ 385,144

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, 2024

7. ACCOUNTS RECEIVABLE

	2024	2023
Trade receivables	$ 246,861	$ 398,008
Province of Ontario	1,167,260	373,847
Government of Canada	591,050	207,517
	$ 2,005,171	$ 979,372

8. TAXES RECEIVABLE

	2024	2023
Current year	$ 193,174	$ 172,948
Prior years and penalties and interest	330,864	317,628
Less: Allowance for doubtful accounts	-	(74,673)
	$ 524,038	$ 415,903

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

	2024	2023
Trade and accrued expenses	$ 399,837	$ 261,575
Payroll related	167,966	121,754
Holdbacks	269,484	-
School boards	1,868	625
Other	6,406	4,101
	$ 845,561	$ 388,055

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

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				
Municipal taxes	$ 34,385	$ 44,907	$ 34,385	$ 44,907
OCIF - Well No. 3	292,631	-	117,390	175,241
NORDS	28,447	-	9,345	19,102
PAFO	-	40,000	13,688	26,312
MEDC	-	45,000	25,545	19,455
	355,463	129,907	200,353	285,017
OBLIGATORY RESERVE FUNDS				
CCBF	259,247	74,068	267,394	65,921
	$ 614,710	$ 203,975	$ 467,747	$ 350,938

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 17.

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, 2023	Additions	Disposals	Balance at December 31, 2024
Land	$ 224,127			$ 224,127
Land improvements	1,753,199	87,714		1,840,913
Buildings	3,983,593	230,969		4,214,562
Vehicles, machinery and equipment	4,369,551	274,603		4,644,154
Furniture and fixtures	79,259			79,259
Computers	102,512	7,219		109,731
Roads	4,760,258	249,250		5,009,508
Water system	227,352			227,352
Sewer system	3,705,927	33,664		3,739,591
Assets under construction	356,374	2,866,454		3,222,828
	$ 19,562,152	$ 3,749,873		$ 23,312,025

Accumulated Amortization	Balance at December 31, 2023	Disposals	Amortization expense	Balance at December 31, 2024
Land improvements	$ 1,646,433		$ 11,770	$ 1,658,203
Buildings	1,667,882		101,409	1,769,291
Vehicles, machinery and equipment	2,678,705		234,042	2,912,747
Furniture and fixtures	30,074		4,088	34,162
Computers	94,948		3,170	98,118
Roads	3,276,521		82,944	3,359,465
Water system	195,266		2,394	197,660
Sewer system	1,287,804		69,330	1,357,134
	$ 10,877,633	$ -	$ 509,147	$ 11,386,780

13. TANGIBLE CAPITAL ASSETS, (CONT'D)

Net book value	Balance at December 31, 2023	Balance at December 31, 2024
Land	224,127	224,127
Land improvements	106,765	182,710
Buildings	2,315,711	2,445,271
Vehicles, machinery and equipment	1,690,846	1,731,407
Furniture and fixtures	49,184	45,097
Computers	7,564	11,613
Roads	1,483,738	1,650,043
Water system	32,086	29,692
Sewer system	2,418,123	2,382,457
Assets under construction	356,374	3,222,828
	$ 8,684,518	$ 11,925,245

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

14. ACCUMULATED SURPLUS

Accumulated surplus consist of the following:

	2024	2023
RESERVES SET ASIDE FOR SPECIFIC PURPOSES BY THE COUNCIL		
Working capital	$ 111,519	$ 66,509
Roads equipment	280,827	262,635
Fire department	65,076	61,666
Operating	15,842	15,000
Remi Lake	-	4,377
Sidewalks and street lights	-	17,367
Official plan	-	5,571
Water and sewer services	95,580	55,566
Infrastructure	172,164	41,395
Nature trails	221,572	210,000
Canada Day	-	2,000
Community hub project	148,925	1,630,295
Well No. 3	247,132	273,950
MMAH Modernization fund	343,000	343,000
Special projects	81,098	23,584
Lac Charette	12,250	22,700
Working capital water and sewer	13,000	-
Recycling site	1,244	-
Kapuskasing Moonbeam Landfill Site	132,558	-
Municipal buildings	45,131	-
	1,986,918	3,035,615
INVESTED IN TANGIBLE CAPITAL ASSETS		
Tangible capital assets - net book value	11,925,245	8,684,518
GENERAL SURPLUS	1,666,043	2,681,210
	$ 15,578,206	$ 14,401,343

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

15. PENSION AGREEMENTS

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employers and employees contribute jointly to the plan. OMERS provides pension services to more than 450,000 active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2024. The results of this valuation disclosed a total accrued pension obligation of $140,766 million (2023 - $134,574 million) in respect of benefits with net assets available for benefits at that date of $138,200 million (2023 - $130,732 million) indicating an actuarial deficit of $4,200 million (2023 - $4,402 million). The primary plan's funded ratio of assets to pension obligation was 98% (2023 - 97%). Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. However, the municipality does not recognize any share of the OMERS pension surplus or deficit.

Contributions made by the municipality to OMERS in 2024 were $26,748 (2023 - $0). Employer contributions are included as an expense on the Consolidated Statement of Operations and Accumulated Surplus.

16. 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, 2024, there are 4.5 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) Cinnamon Toast - proposal for the creation of a new visual identity for $31,000. Commitment left to pay at December 31, 2024 is $17,980.

(iv) EXP Services Inc. - proposal for Marco Avenue storm sewer design for $176,301. Commitment left to pay at December 31, 2024 is $108,179.

(v) Integrity Commissioner Patrice Cormier - the municipality is committed to pay $5,000/year for services for a period of 5 years. At December 31, 2024, there are 2 years left to pay.

(vi) J.L. Richards & Associates - proposal to update the official plan and zoning by-law review for $141,760. Commitment left to pay at December 31, 2024 is $86,719.

(vii) J.L. Richards & Associates - proposal for the commercial community improvement plan for $27,570. Commitment left to pay at December 31, 2024 is $8,704.

17. 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:

	2024	2023
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:

	2024	2023
FINANCIAL ASSETS		
Cash and investments	$ 2,930,087	$ 3,250,939
Accounts receivable	170,783	159,200
	3,100,870	3,410,139
LIABILITIES		
Accounts payable	173,184	682,462
Asset retirement obligation	2,939,872	2,867,872
	3,113,056	3,550,334
NET DEBT	$ (12,186)	$ (140,195)

17. CONTINGENCY, (CONT'D)

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 298 cubic meters which represents about 31%. The expected remaining life of the landfill is 10.9 years (year 2035).

The estimated total liability is based on the sum of discounted cash flows for closure cost of $2,552,804 in 2035 and post-closure activities for 25 years after closure at $45,000 per year using a discount rate of 3.5% (2023 - 3.5%) 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	$ 2,939,872	$ 176,392

The Board’s net debt as at December 31, 2024 is $12,186 (2023 - $140,195). 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, 2024

18. 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 23 - 24). 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, 2024

18. 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.

19. BUDGET AMOUNTS

The 2024 budget for the municipality was adopted by Council on June 6, 2024. 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 Deficit	$	(177,137)
Adjustments:		
Transfers to (from) reserves		(851,905)
Tangible capital assets expenses		985,104
Budgeted Annual Deficit per financial statements	$	(43,938)

20. 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.

20. 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 and 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

YEAR ENDED DECEMBER 31, 2024

	General Government Services	Protection Services	Trans-portation Services	Environ-mental Services	Health, Social and Family Services	Recreation and Cultural Services	Planning and Development Services	2024	2023
REVENUES									
Taxation	$ 2,582,037	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,582,037	$ 2,509,154
User charges	-	-	-	257,616	-	-	-	257,616	245,465
Government transfers	937,000	797	276,376	-	-	80,563	-	1,294,736	1,158,876
Other revenues	318,482	-	6,049	24,379	-	266,474	-	615,384	659,551
	3,837,519	797	282,425	281,995	-	347,037	-	4,749,773	4,573,046
EXPENSES									
Salaries and benefits	370,846	32,528	566,894	195,697	-	372,447	-	1,538,412	1,432,290
Materials	307,616	38,708	498,624	197,431	3,300	388,128	204,229	1,638,036	1,482,756
Contracted services	138,562	9,353	-	46,702	10,537	-	167,442	372,596	133,757
External transfers	-	238,321	-	-	489,556	-	-	727,877	666,966
Amortization	37,427	50,615	156,157	166,660	1,568	96,720	-	509,147	465,628
	854,451	369,525	1,221,675	606,490	504,961	857,295	371,671	4,786,068	4,181,397
REVENUES OVER EXPENSES (EXPENSES OVER REVENUES)	2,983,068	(368,728)	(939,250)	(324,495)	(504,961)	(510,258)	(371,671)	(36,295)	391,649

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

SEGMENTED INFORMATION

YEAR ENDED DECEMBER 31, 2024

	General Government Services	Protection Services	Trans-portation Services	Environ-mental Services	Health, Social and Family Services	Recreation and Cultural Services	Planning and Development Services	2024	2023
OTHER									
Government transfers - capital	-	-	92,162	263,201	-	857,795	-	1,213,158	195,731
ANNUAL SURPLUS (DEFICIT)	$ 2,983,068	$ (368,728)	$ (847,088)	$ (61,294)	$ (504,961)	$ 347,537	$ (371,671)	$ 1,176,863	$ 587,380

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

SCHEDULE OF REVENUES

YEAR ENDED DECEMBER 31, 2024

	Budget (Note 19)	2024 Actual	2023 Actual
TAXATION			
Municipal Taxation	$ 2,522,050	$ 2,522,056	$ 2,457,985
Education Taxation	457,867	461,252	457,789
Municipal Supplementary Taxation	35,000	44,704	25,769
Municipal Write-offs	(12,000)	(20,648)	(9,479)
	3,002,917	3,007,364	2,932,064
Payments in Lieu of Taxes	35,710	35,925	34,879
TOTAL LEVIED	3,038,627	3,043,289	2,966,943
LESS: LEVIED FOR SCHOOL BOARDS	(457,859)	(461,252)	(457,789)
	2,580,768	2,582,037	2,509,154
USER CHARGES	261,561	257,616	245,465
GOVERNMENT TRANSFERS - OPERATIONS			
Ontario Municipal Partnership Funds	937,000	937,000	933,500
Library	5,058	7,294	7,151
Employment projects	48,543	5,955	9,794
Recreational grants	459,604	67,314	37,844
Federal gas tax fund	72,752	276,376	169,754
Prisoner transportation	797	797	833
	1,523,754	1,294,736	1,158,876
OTHER REVENUES			
Penalty and interest on taxes	55,000	62,323	53,731
Licences, permits and fines	35,050	18,536	35,834
Provincial Offences Act	9,600	6,049	11,255
Interest on investment	165,000	170,391	287,664
Rentals	81,127	67,232	61,736
Sales and other	320,089	290,853	209,331
	665,866	615,384	659,551
TOTAL REVENUES	$ 5,031,949	$ 4,749,773	$ 4,573,046

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

SCHEDULE OF EXPENSES

YEAR ENDED DECEMBER 31, 2024

	Budget (Note 19)	2024 Actual	2023 Actual
GENERAL GOVERNMENT SERVICES			
MEMBERS OF COUNCIL			
Salaries and benefits	$ 55,004	$ 55,268	$ 53,942
Materials	31,200	24,843	29,405
	86,204	80,111	83,347
GENERAL ADMINISTRATION			
Salaries and benefits	393,804	315,578	291,981
Materials	253,353	220,137	158,258
Contracted services	124,179	138,562	69,960
	771,336	674,277	520,199
MUNICIPAL BUILDING			
Materials	43,221	62,636	43,612
AMORTIZATION	-	37,427	32,368
	$ 900,761	$ 854,451	$ 679,526

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

SCHEDULE OF EXPENSES

YEAR ENDED DECEMBER 31, 2024

	Budget (Note 19)	2024 Actual	2023 Actual
PROTECTION SERVICES			
FIRE			
Salaries and benefits	$ 52,080	$ 32,528	$ 32,718
Materials	53,675	35,753	45,260
Contracted services	4,825	4,824	4,666
	110,580	73,105	82,644
POLICING			
External transfers	239,996	238,321	240,841
CONSERVATION AUTHORITY			
Materials	4,996	2,955	4,913
Contracted services	4,600	4,529	4,503
	9,596	7,484	9,416
AMORTIZATION	-	50,615	52,071
	$ 360,172	$ 369,525	$ 384,972

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

SCHEDULE OF EXPENSES

YEAR ENDED DECEMBER 31, 2024

	Budget (Note 19)	2024 Actual	2023 Actual
TRANSPORTATION SERVICES			
ROADWAYS			
Salaries and benefits	$ 633,789	$ 566,894	$ 543,148
Materials	632,124	467,460	531,571
Winter control - Material	20,000	17,490	19,579
	1,285,913	1,051,844	1,094,298
STREET LIGHTING			
Materials	12,385	13,674	12,601
AMORTIZATION	-	156,157	129,447
	$ 1,298,298	$ 1,221,675	$ 1,236,346

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

SCHEDULE OF EXPENSES

YEAR ENDED DECEMBER 31, 2024

	Budget (Note 19)	2024 Actual	2023 Actual
ENVIRONMENTAL SERVICES			
SANITARY SEWER SYSTEM			
Materials	$ 32,000	$ 10,449	$ 11,178
Contracted services	2,134	2,402	-
	34,134	12,851	11,178
WATERWORKS SYSTEM			
Salaries and benefits	82,019	81,293	78,887
Materials	140,730	106,411	99,793
Contracted services	170,134	44,300	-
	392,883	232,004	178,680
WASTE COLLECTION AND DISPOSAL			
Salaries and benefits	102,842	114,404	99,878
Materials	91,063	80,571	75,370
	193,905	194,975	175,248
AMORTIZATION	-	166,660	165,417
	$ 620,922	$ 606,490	$ 530,523

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

SCHEDULE OF EXPENSES

YEAR ENDED DECEMBER 31, 2024

	Budget (Note 19)	2024 Actual	2023 Actual
HEALTH, SOCIAL AND FAMILY SERVICES			
HEALTH SERVICES			
PUBLIC HEALTH SERVICES			
External transfers	$ 59,983	$ 68,570	$ 49,984
AMBULANCE SERVICES			
External transfers	125,883	125,845	125,883
CEMETERIES			
Materials	18,084	3,300	8,560
Amortization	-	1,568	1,568
	18,084	4,868	10,128
HOSPITAL			
Contracted services	9,204	10,537	10,912
SOCIAL AND FAMILY SERVICES			
GENERAL ASSISTANCE			
External transfers	223,304	246,116	209,277
ASSISTANCE TO AGED PERSONS			
External transfers	47,560	49,025	40,981
	$ 484,018	$ 504,961	$ 447,165

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

SCHEDULE OF EXPENSES

YEAR ENDED DECEMBER 31, 2024

	Budget (Note 19)	2024 Actual	2023 Actual
RECREATION AND CULTURAL SERVICES			
RECREATION PROGRAMS			
Salaries and benefits	$ 117,125	$ 195,292	$ 166,446
Materials	209,327	100,582	66,363
	326,452	295,874	232,809
RECREATION FACILITIES			
Salaries and benefits	264,197	47,293	60,105
Materials	399,174	247,044	138,231
Amortization	-	79,285	67,099
	663,371	373,622	265,435
LIBRARY			
Salaries and benefits	132,766	129,862	105,185
Materials	42,718	40,502	35,218
Amortization	-	17,435	17,658
	175,484	187,799	158,061
	$ 1,165,307	$ 857,295	$ 656,305

THE CORPORATION OF THE TOWNSHIP OF MOONBEAM

SCHEDULE OF EXPENSES

YEAR ENDED DECEMBER 31, 2024

	Budget (Note 19)	2024 Actual	2023 Actual
PLANNING AND DEVELOPMENT SERVICES			
PLANNING AND ZONING			
Materials	$ 500,777	$ 204,229	$ 202,844
Contracted services	56,671	167,442	43,716
	$ 557,448	$ 371,671	$ 246,560