

## 2024 Financial Statement Summary & Analysis

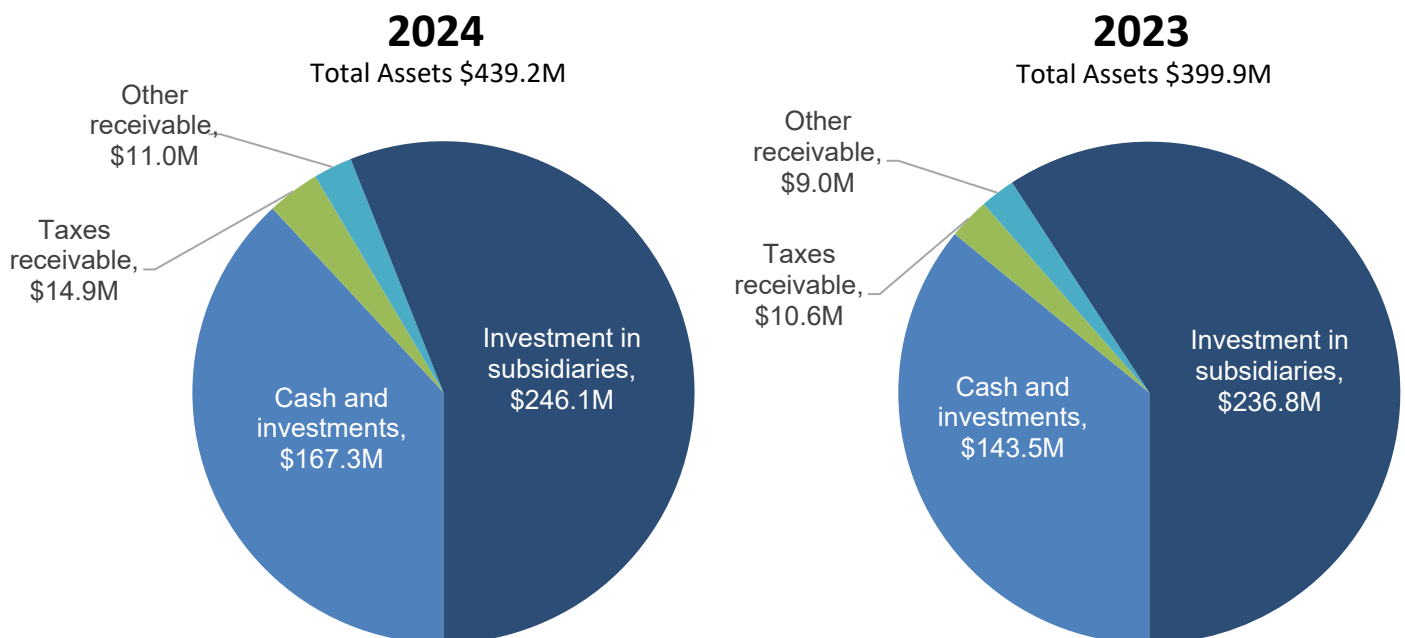
### Consolidated Statement of Financial Position (Balance Sheet)

#### What we own (Assets)

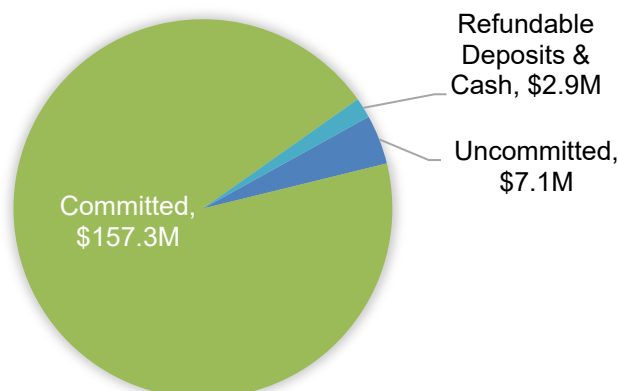
Assets	2024		2023		Change	
Cash and investments	167,271,957	38.08%	143,540,997	35.89%	23,730,960	16.53%
Taxes receivables	14,866,612	3.38%	10,596,491	2.65%	4,270,121	40.30%
Other receivables	10,993,713	2.50%	9,032,901	2.26%	1,960,812	21.71%
Investment in subsidiaries	246,095,391	56.03%	236,774,681	59.20%	9,320,710	3.94%
	<b>\$439,227,673</b>	<b>100.00%</b>	<b>\$399,945,070</b>	<b>100.00%</b>	<b>\$39,282,603</b>	

The \$39.3M increase in financial assets for the Town is mainly attributed to the following:

- Cash and investments have increased from 2023 due to the delay of capital works, and as a result, funds committed to capital projects remain unspent. Investments include \$20M in GICs, Prudent Investor bonds and equity funds of \$56.4M, and ONE Investment high interest savings account of \$84.8M.
- Taxes receivables have increased from 2023 to a total of \$14.9M. As a percentage of current year taxes billed, the year-end taxes receivable is 13.21% compared to 10.12% for 2023. In January 2025, staff resumed pre-COVID collection practices. Further information regarding these efforts is contained in the Financial Indicators section of this summary report.
- Other receivables have increased primarily due to YMCA capital contributions and receivables for various laterals to be collected from benefiting existing landowners along the servicing route.
- Increase in investment in subsidiaries is due to the equity pick up for InnServices Utilities Inc. of \$7.3M, InnPower Corporation of \$1.9M and Innterprises Inc. of \$48K.



## 2024 Cash & Investments \$167.3M



Cash at the end of the year is comprised of the following:

- Uncommitted – includes operating stabilization reserves and capital reserves needed to support future planned capital works.
- Committed - unspent capital reserves for approved capital projects
- Refundable deposits & operating cash – this includes refundable security deposits related to subdivision agreements and lot grading.

Non-Financial Assets	2024		2023		Change	
Prepays	1,514,308	0.39%	1,200,369	0.32%	313,939	26.15%
Other	244,796	0.06%	343,584	0.09%	(98,788)	(28.75%)
Tangible capital assets	389,798,569	99.55%	378,149,755	99.59%	11,648,814	3.08%
	\$391,557,673	100.00%	\$379,693,708	100.00%	\$11,863,965	

The \$11.8M increase in non-financial assets for the Town is mainly attributed to the following changes in tangible capital assets:

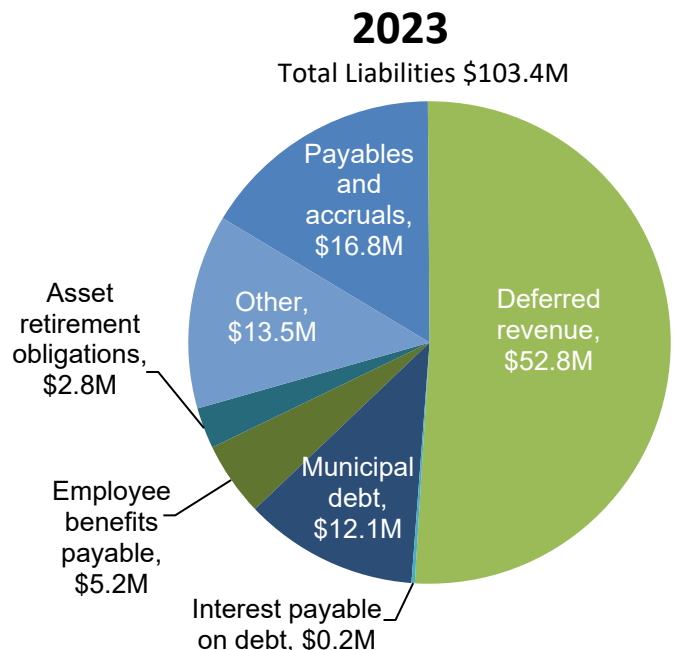
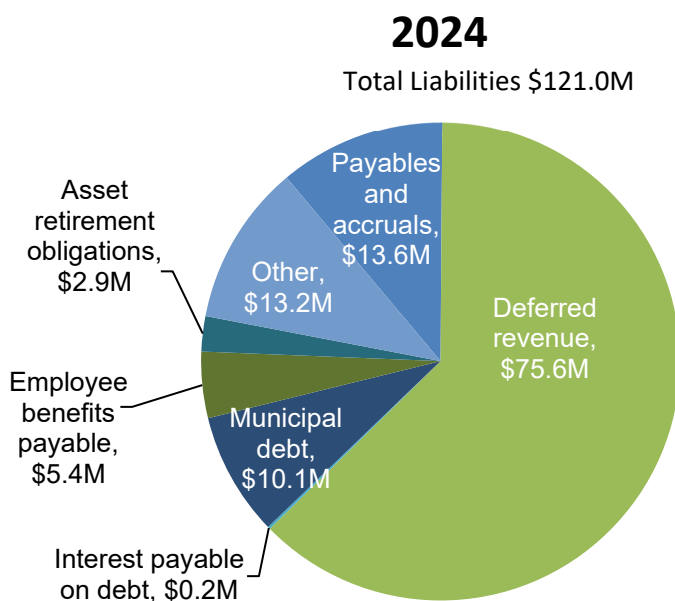
- Capital asset additions and works in progress include the following significant capital works:
  - Road Rehabilitation Program, \$6.5M
  - Contributed Assets from Development, \$6.5M
  - Various Road/Sidewalk Works, \$6.2M
  - Replacement of Vehicles & Equipment, \$3.1M
  - Replacement of Fire Vehicles, \$1.5M
  - Property Acquisition (Stormwater/Parks), \$1.3M
  - New Development Parks Program, \$1.1M
  - Various Facility Improvement Programs, \$0.9M
  - Innisfil Beach Park Master Plan Improvements, \$0.8M
  - Playground Replacement Program, \$0.6M
- Capital additions are offset by \$16.0M in amortization expenses for 2024

## What we owe (Liabilities)

Liabilities	2024		2023		Change	
Payables and accruals	13,582,734	11.23%	16,838,088	16.28%	(3,255,354)	(19.33%)
Deferred revenue	75,646,381	62.53%	52,847,519	51.09%	22,798,862	43.14%
Interest payable on debt	199,311	0.16%	235,550	0.23%	(36,239)	(15.38%)
Municipal debt	10,112,814	8.36%	12,063,050	11.66%	(1,950,236)	(16.17%)
Employee benefits payable	5,409,970	4.47%	5,153,283	4.98%	256,687	4.98%
Asset retirement obligations	2,880,196	2.38%	2,843,250	2.75%	36,946	1.30%
Other	13,152,733	10.87%	13,466,226	13.02%	(313,493)	(2.33%)
	\$120,984,139	100.00%	\$103,446,966	100.00%	\$17,537,173	

The \$17.5M increase in financial liabilities for the Town is primarily attributable to the following:

- The \$3.3M decrease in payables and accruals relates to timing of payments for capital works progress payments.
- Deferred revenue has increased by \$22.8M related to development charge revenues, and development charge funds that have been approved for capital projects but remain unspent at year-end. Spending is planned to occur over future years as growth projects are completed.
- Reduction in municipal debt and interest payable on debt reflects annual debt principal and interest repayments for the Innisfil Recreation Centre, Town Hall, Police and Cookstown Library. These amounts decrease as debt is paid down.
- Employee benefits payable represents post-employment benefits and accrued vacation/lieu balances unused at year end for Town, Police, and Library staff. There was a slight increase from 2023 to 2024 due to the change in post-employment benefits.
- Asset retirement obligations increased slightly from 2023 to 2024 representing the legal obligation to remove any known presence of asbestos in Town owned buildings and costs to decommission wells.
- Other liabilities decreased primarily due to a reduction in refundable developer security deposits.



## Net Worth (Accumulated surplus)

Accumulated Surplus	2024		2023		Change	
Accumulated surplus - Operating	975,543	0.14%	1,108,797	0.16%	(133,254)	(12.02%)
Accumulated surplus - Capital	59,336,616	8.36%	47,390,089	7.01%	11,946,527	25.21%
Investment in tangible capital assets	389,798,569	54.92%	378,149,755	55.92%	11,648,814	3.08%
Asset retirement obligations	(2,880,196)	(0.41%)	(2,843,250)	(0.42%)	(36,946)	1.30%
Reserve and reserve funds	31,544,372	4.44%	32,418,822	4.79%	(874,450)	(2.70%)
Investment in subsidiaries	246,095,391	34.67%	236,774,681	35.02%	9,320,710	3.94%
Unfunded debt and other	(15,069,088)	(2.12%)	(16,807,082)	(2.49%)	1,737,994	(10.34%)
	\$709,801,207		\$676,191,812		\$33,609,395	

- Accumulated surplus – Operating: consists of the Town surplus (\$979K), the Library deficit \$2K.
- Accumulated surplus – Capital: This surplus is represented by projects where funding sources have been applied (excluding development charges) but expenditures have not yet occurred. As the project proceeds and costs are incurred, the expenditures will form part of the tangible capital assets reported on the balance sheet.
- Investments in tangible capital assets represent the net book value of the Town's assets and has increased with the addition of new assets, replacement assets and contributed assets being brought into service in 2024.
- Asset retirement obligations represent estimated future costs to remediate assets with a legal obligation such as asbestos in buildings and decommissioning wells. These costs would be funded from the future revenues.
- The balance in the reserve and reserve funds represents cash that the Town has set aside for future operating and capital needs.
- Investments in subsidiaries reflects the value of the Town's investment in InnServices, InnPower and Innterprises.
- Unfunded debt and other largely represents debt to be funded from future revenues.

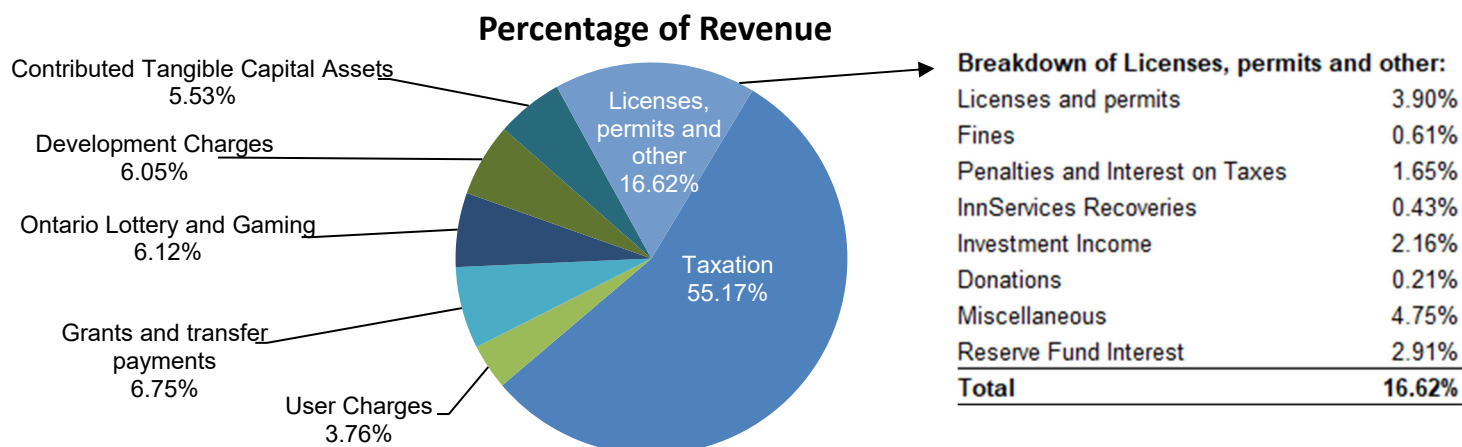
## Consolidated Statement of Operations and Accumulated Surplus (Income Statement)

### Where the money came from (Revenue)

Revenue	Budget	2024		Variance	
Taxation	65,086,849	64,820,944	55.17%	(265,905)	(0.41%)
User Charges	3,573,358	4,418,789	3.76%	845,431	23.66%
Grants and transfer payments	5,288,044	7,928,998	6.75%	2,640,954	49.94%
Ontario Lottery and Gaming	6,200,000	7,193,813	6.12%	993,813	16.03%
Development Charges	22,022,792	7,105,597	6.05%	(14,917,195)	(67.74%)
Contributed Tangible Capital Assets	-	6,495,981	5.53%	6,495,981	100.00%
Licenses, permits and other	16,853,658	19,526,517	16.62%	2,672,859	15.86%
	\$119,024,701	\$117,490,639	100.00%	(\$1,534,062)	

The \$1.5M in revenues less than budgeted for the Town is primarily due to:

- The taxation variance is due to supplementary tax revenue being slightly below budget.
- User charges are higher than budgeted due to revenue sources such as site control fees, plan of subdivision fees and zoning amendments. Moreover, revenue from property standards and ice rentals also exceeded budget.
- Grants are higher than budgeted due to additional grant funding received from Ontario Community Infrastructure Fund (OCIF) for roads rehabilitation, Building Faster Fund (BFF), and Building Safer Communities Fund (BSCF).
- Ontario Lottery and Gaming (OLG) revenues are transferred to the Alternative Revenue Source Reserve Fund and used to fund one-time strategic initiatives and the benefit to existing (BTE) portion of growth-related capital projects.
- The development charges budget reflects capital projects approved in 2024; however, revenue is recognized when the works are completed. While the 2024 approved capital projects are budgeted in 2024, many projects are planned to occur over a 2-3 year time frame. As such, revenue recognized is less than budgeted due to capital works being carried forward into 2025. The most significant component relates to roads capital works. The development charge revenue will be recognized in future years when the works are completed.
- Contributed tangible capital assets of \$6.5M from developers is an unbudgeted revenue recorded when the works in the subdivision agreements are completed.
- The increase in licenses, permits and other is mainly a result of unbudgeted reserve fund interest and investment income and building permit revenue trending favourably. This is offset by external contributions budgeted for capital projects that did not materialize as projects were delayed and carried forward into 2025.



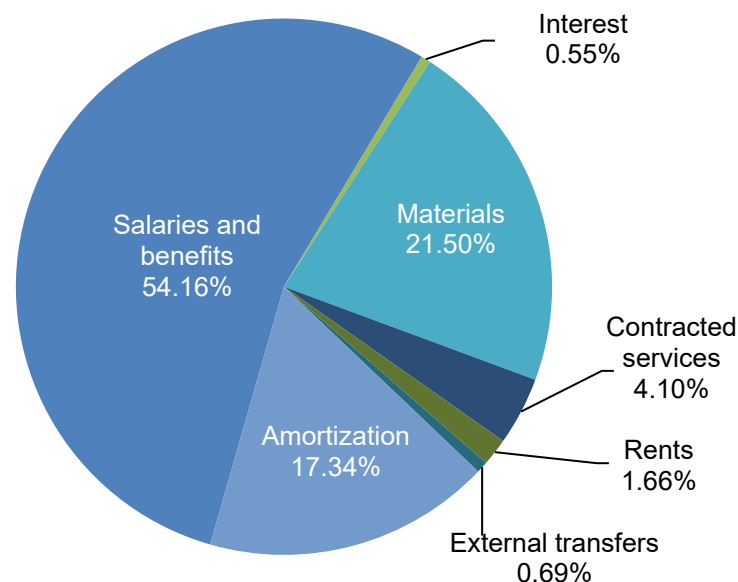
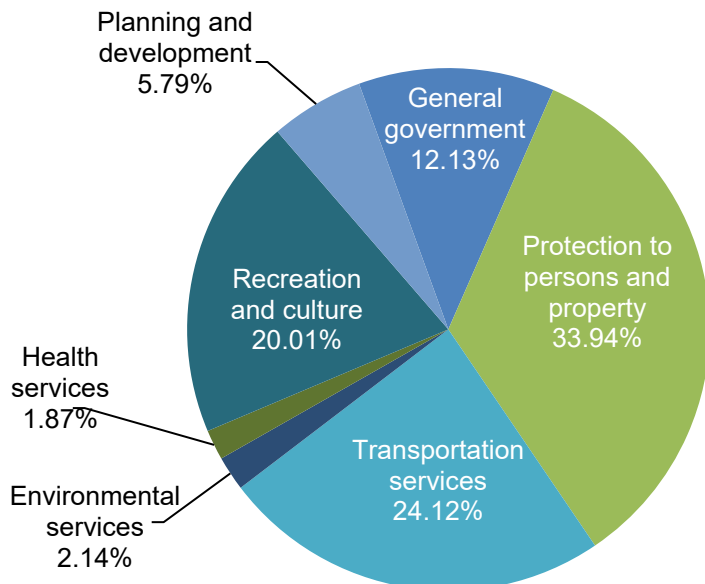
## What the money was used for (Expenditures)

Expenditures	Budget	2024		Variance	
General government	12,444,806	11,233,539	12.13%	1,211,267	9.73%
Protection to persons and property	29,914,701	31,376,345	33.94%	(1,461,644)	(4.89%)
Transportation services	24,023,287	22,298,184	24.12%	1,725,103	7.18%
Environmental services	2,211,334	1,974,347	2.14%	236,987	10.72%
Health services	1,384,625	1,726,361	1.87%	(341,736)	(24.68%)
Recreation and culture	17,792,820	18,498,105	20.01%	(705,285)	(3.96%)
Planning and development	6,789,545	5,349,899	5.79%	1,439,646	21.20%
	\$94,561,118	\$92,456,780	100.00%	\$2,104,338	

The \$2.1M less than budgeted expenditure for the Town is mainly attributable to:

- General government expenses are lower than budget as capital projects budgeted in 2024 have been carried forward into 2025. Included are projects such as Asset Management Plan implementation and Strategic Plan implementation.
- Protection expenses are higher than budget due to salaries, benefits and materials exceeding budget for Fire and Police.
- In Transportation, the variance is largely a result of works that have been delayed for South Innisfil Drain (\$1.7M) and Carson Creek Improvements (\$1.6M). Until cancelled or completed any unexpended capital budget is brought forward to the following year to be reported against expenditures incurred in that year.
- Environmental services are lower than budget due to delays for Invasive Phragmites Control Program and Stormwater Management Operations and Maintenance Manual project.
- Health services expenses are greater than budget due to unbudgeted spending on wages and materials associated with delivering BSCF grant initiatives.
- Recreation and culture expenses are greater than budget largely due to salaries and benefits exceeding for parks, facilities, and library staff.
- Planning and development expenses are lower than budgeted due to various planning studies, master plans and consulting costs that will occur in future years.

## Percentage of Expenditures



## Financial Indicators

	2024 BMA Survey Average **		2024	2023	2022	2021	2020
<b>Sustainability</b>							
Financial Assets to Liabilities *	N/A	●	1.91	1.92	1.88	1.74	1.79
Financial Position per Capita *	\$847	●	\$2,360	\$2,133	\$1,887	\$1,717	\$1,457
<b>Flexibility</b>							
Tax Discretionary Reserves as a % of Taxation	97%	●	49%	55%	53%	51%	65%
Debt to Reserve Ratio	0.7	●	0.3	0.4	0.5	0.6	0.6
<b>Vulnerability</b>							
Taxes receivable as a % of Taxes Levied	7.4%	●	13.2%	10.1%	8.6%	8.1%	10.1%
Tax Debt interest as a % of own source revenue	1.0%	●	0.5%	0.7%	0.8%	1.0%	1.5%

\* The Town's investment in InnServices has been removed in the calculation to enable a better comparison to the BMA results.

\*\* The 2024 BMA survey results are based on 2023 financial information

### Sustainability

Sustainability measures the Town's ability to maintain its existing service and financial commitments without increasing debt or tax burden on its residents.

The Financial Assets to Liabilities ratio measures the Town's ability to pay short and long-term obligations. To have a ratio greater than one demonstrates the Town's ability to pay off liabilities without burdening the taxpayer.

The Financial Position per Capita ratio is the net Financial Assets on a per capita basis. A positive balance indicates the Town's ability to cover its debt obligations and set aside funds for future sustainability. This ratio has increased in 2024 due to a variety of factors including unspent funds for approved capital projects and an increase in investment in subsidiaries.

### Flexibility

Flexibility measures the degree to which the Town uses debt instead of increasing taxation to meet its operating and capital commitments.

The Tax Discretionary Reserve as a Percent of Taxation measures the Town's flexibility in meeting operating needs & temporary internal borrowing for capital. The adequacies of reserves to meet future requirements are an integral indicator of long-term financial stability. Increasing capital replacement works continue to draw from reserves depleting reserve balances faster than in prior years. The continuation of the capital levy is essential to ensure funding to address asset management programs to achieve maximum life cycles and to replace aging or end of life assets.

The Debt to Reserve Ratio represents the comparison between available reserves and the amount of debt issued. It is ideal to have a ratio less than 1 as this means that the debt outstanding does not exceed the reserve balance.



## **Vulnerability**

Vulnerability measures the Town's dependence on external sources of funding that it cannot always control and its exposure to risks.

The Taxes Receivable as a Percent of Taxes Levied can be an indication of the local economy and the ability of residents to pay their taxes, or the effectiveness of collection efforts. Staff did a thorough review of this indicator and determine that tax collection efforts were the main factor contributing to this result. As a result, in January 2025, staff reinstated pre-COVID tax collection practices with the objective of addressing outstanding property tax arrears. This change has yielded promising results, demonstrating a positive trend toward reducing the percentage of outstanding tax obligations. To build on this, Staff will be introducing a comprehensive Property Tax Collection Policy to Council in late 2025. This policy will formalize and enhance current practices, ensuring more efficient and effective tax collection efforts.

Tax Debt Interest as a Percent of Own Source Revenue indicates the percentage of debt interest compared to own revenues from taxation, user fees, permits, fines etc. (excluding development charges and government funding). The Town relies on OLG and DC revenues to pay for a significant portion of the debt (principal and interest) and this measure indicates vulnerability to the municipality if those revenues sources are not available. The Town's ratio decreased as own source revenues such as penalties and interest, donations, and contributed tangible capital assets increased. However, debt continues to be paid off, incurring less interest without the addition of new debt.