2025 Financial Statement
Summary & Analysis

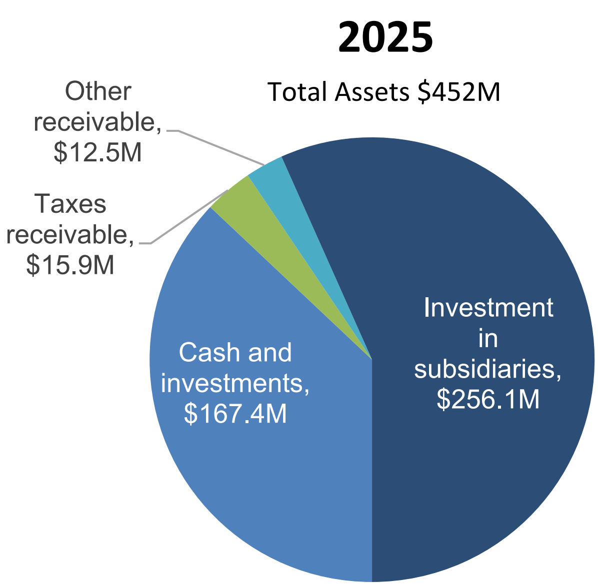
Consolidated Statement of Financial Position (Balance Sheet)

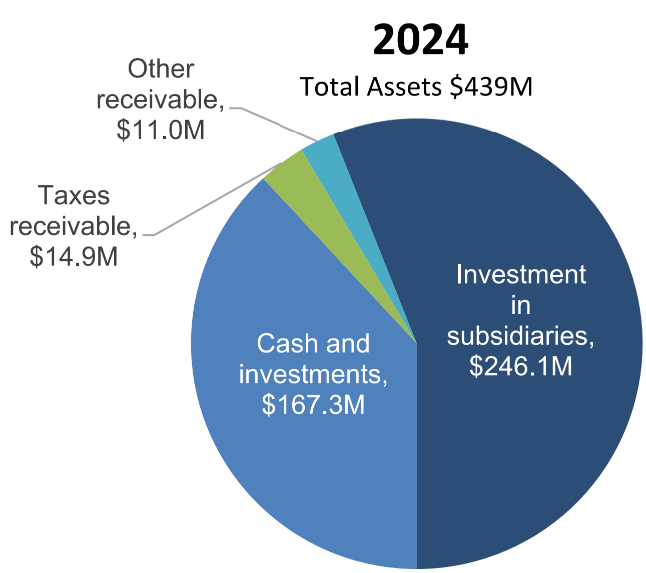
What we own (Assets)

Assets	2025		2024		Change	
Cash and investments	$167,395,213	37.04%	$167,271,957	38.08%	$123,256	0.07%
Taxes receivables	15,899,640	3.52%	14,866,612	3.38%	1,033,028	6.95%
Other receivables	12,518,504	2.77%	10,993,713	2.50%	1,524,791	13.87%
Investment in subsidiaries	256,108,561	56.67%	246,095,391	56.03%	10,013,170	4.07%
	$451,921,918	**100.00%**	**$439,227,673**	**100.00%**	**$12,694,245**	

The $12.7M increase in financial assets for the Town is mainly attributed to the following:

- Cash and investments primarily reflect funds committed to capital projects that remained unspent at year-end. Investments consist of $15.0M in guaranteed investment certificates (GICs), $68.3M in Prudent Investor bonds and equity funds, and $72.8M held in the ONE Investment High Interest Savings Account. Capital project commitments totaling approximately $195M are expected to be spent in 2026 and 2027 and will be funded from current and future reserves and reserve funds. In addition, the Town holds $3.5M in securities related to subdivision agreements, lot grading and other obligations.
- Taxes receivables have increased from 2024 to a total of $15.9M. As a percentage of current year taxes billed, the year-end taxes receivable is 13.24% compared to 13.21% for 2024. 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 increased in 2025, primarily due to higher HST receivables as a result of capital works and increased amounts receivable from Police Service. Other receivables also include 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 $8.5M, InnPower Corporation of $2.0M and Innterprises Inc. of $62K.





Non-Financial Assets	2025		2024		Change	
Prepaids	$1,266,448	0.30%	$1,514,308	0.39%	($247,860)	(16.37%)
Other	253,221	0.06%	244,796	0.06%	8,425	3.44%
Tangible capital assets	415,781,712	99.64%	389,798,569	99.55%	25,983,143	6.67%
	$417,301,381	**100.00%**	**$391,557,673**	**100.00%**	**$25,743,708**	

The $25.7M 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:
  - Various Road/Sidewalk Works, $7.3M
  - Innisfil Beach Park Master Plan Implementation, $6.9M
  - Road Rehabilitation Program, $6.7M
  - New Development Parks Program, $5.9M
  - Various Facility Improvement Programs, $3.6M
  - Contributed Assets from Development, $3.2M
  - Replacement of Vehicles & Equipment, $2.9M
  - Playground Replacement Program, $1.2M
  - Storm Pond Cleanout/Retrofit Program, $1.0M
  - Cookstown Library & Community Park Phase 3, $0.8M
- Capital additions are offset by $16.7M in amortization expenses for 2025

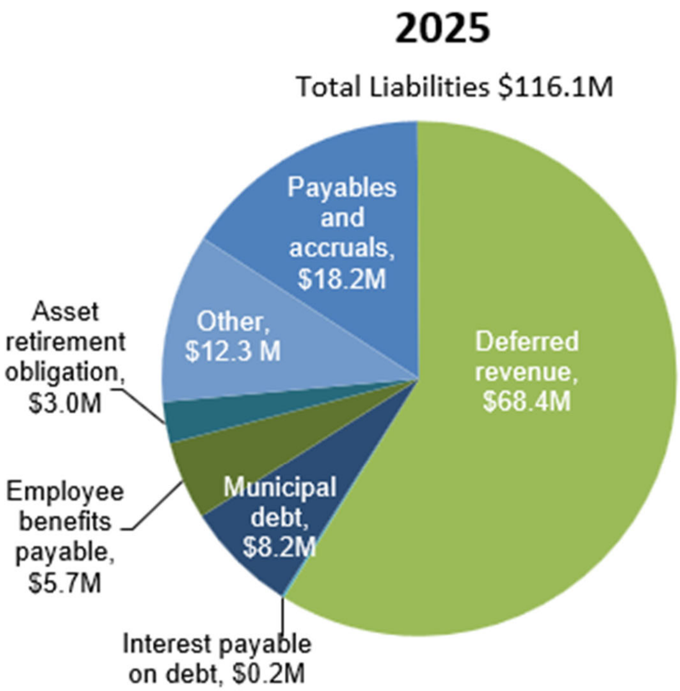
What we owe (Liabilities)

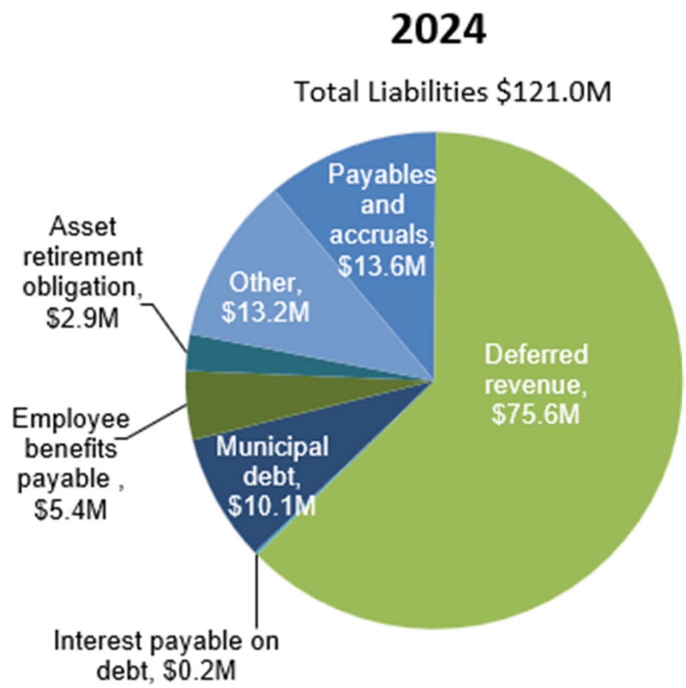
Liabilities	2025		2024		Change	
Payables and accruals	$18,243,269	15.72%	$13,582,734	11.23%	$4,660,535	34.31%
Deferred revenue	68,409,169	58.93%	75,646,381	62.53%	(7,237,212)	(9.57%)
Interest payable on debt	162,191	0.14%	199,311	0.16%	(37,120)	(18.62%)
Municipal debt	8,192,250	7.06%	10,112,814	8.36%	(1,920,564)	(18.99%)
Employee benefits payable	5,744,366	4.95%	5,409,970	4.47%	334,396	6.18%
Asset retirement obligations	3,022,765	2.60%	2,880,196	2.38%	142,569	4.95%
Other	12,305,304	10.60%	13,152,733	10.87%	(847,429)	(6.44%)
	$116,079,314	**100.00%**	**$120,984,139**	**100.00%**	**($4,904,825)**	

The $4.9M decrease in financial liabilities for the Town is primarily attributable to the following:

- The $4.7M increase in payables and accruals relates to timing of payments for capital works progress payments and holdbacks payable.
- Deferred revenue has decreased by $7.2M because of a reduction in development activity and related development charge revenues. 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 2024 to 2025 due to the change in post-employment benefits.
- Asset retirement obligations increased slightly from 2024 to 2025 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	2025		2024		Change	
Accumulated surplus - Operating	$2,127,545	0.28%	$975,543	0.14%	$1,152,002	118.09%
Accumulated surplus - Capital	71,384,277	9.48%	59,336,616	8.36%	12,047,661	20.30%
Investment in tangible capital assets	415,781,712	55.19%	389,798,569	54.92%	25,983,143	6.67%
Asset retirement obligations	(3,022,765)	(0.40%)	(2,880,196)	(0.41%)	(142,569)	4.95%
Reserve and reserve funds	24,352,473	3.23%	31,544,372	4.44%	(7,191,899)	(22.80%)
Investment in subsidiaries	256,108,561	34.00%	246,095,391	34.67%	10,013,170	4.07%
Unfunded debt and other	(13,401,160)	(1.78%)	(15,069,088)	(2.12%)	1,667,928	(11.07%)
Accumulated Surplus	**$753,330,643**		**$709,801,207**		**$43,529,436**	
Accumulated remeasurement losses	(186,658)		-		(186,658)	
Accumulated Surplus and remeasurement losses	**$753,143,985**		**$709,801,207**		**$43,342,778**	6.11%

- Accumulated surplus – Operating: consists of the Town surplus ($2.067M), the Library surplus ($60K).
- 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 2025.
- 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.
- Accumulated remeasurement losses of $187K resulting from changes in the fair market value of financial instruments. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

Consolidated Statement of Operations and Accumulated Surplus (Income Statement)

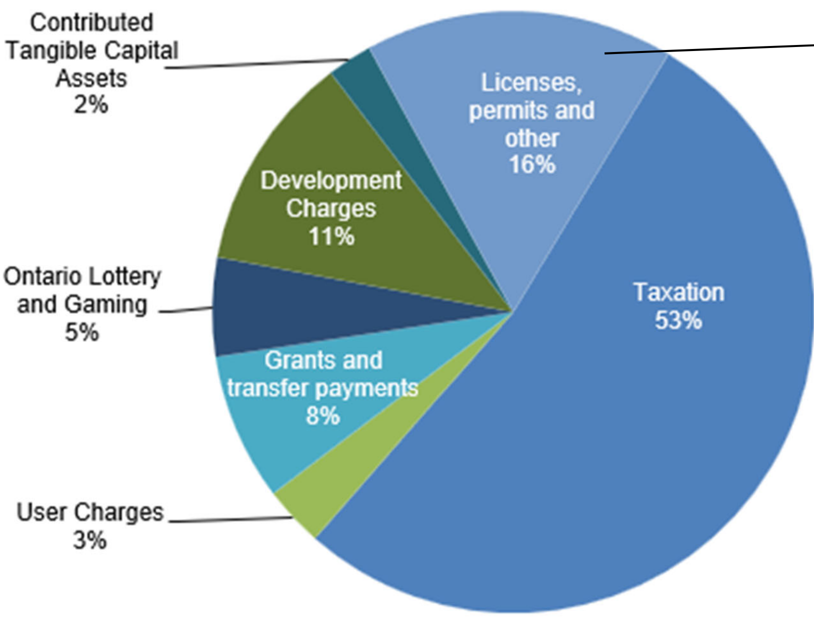
Where the money came from (Revenue)

Revenue	Budget	2025		Variance	
Taxation	$71,170,819	$70,732,836	52.84%	($437,983)	(0.62%)
User Charges	3,912,055	4,318,493	3.23%	406,438	10.39%
Grants and transfer payments	7,426,866	10,625,871	7.94%	3,199,005	43.07%
Ontario Lottery and Gaming	7,000,000	7,108,827	5.31%	108,827	1.55%
Development Charges	44,531,016	15,657,131	11.70%	(28,873,885)	(64.84%)
Contributed Tangible Capital Assets	-	3,244,739	2.42%	3,244,739	100.00%
Licenses, permits and other	19,768,390	22,166,296	16.56%	2,397,906	12.13%
	$153,809,146	**$133,854,193**	**100.00%**	**($19,954,953)**	

The $19.9M 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, fire call outs and ice rentals.
- 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 Municipal Ice Storm Assistance (MISA) Grant.
- Ontario Lottery and Gaming (OLG) revenues are transferred to the Alternative Revenue Source Reserve Fund to support one-time strategic initiatives, fund the benefit-to-existing (BTE) portion of growth-related capital projects, and provide an annual grant of $225K to the Innisfil Community Foundation.
- The development charges budget reflects capital projects approved in 2025; however, revenue is recognized when the works are completed. While the 2025 approved capital projects are budgeted in 2025, 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 2026 and 2027. 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 $3.2M 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 trending favourably. This is offset by external contributions budgeted for capital projects that did not materialize as projects were delayed and carried forward into 2026.

Percentage of Revenue



Breakdown of Licenses, permits and other:	
Licenses and permits	2.52%
Fines	1.56%
Penalties and Interest on Taxes	1.77%
InnServices Recoveries	0.20%
Dividends	0.37%
Interest Income	0.15%
Investment Income	1.95%
Donations	0.15%
Developer Chargebacks	0.96%
Miscellaneous	2.00%
Reserve Fund Interest	4.94%
Total	**16.56%**

What the money was used for (Expenditures)

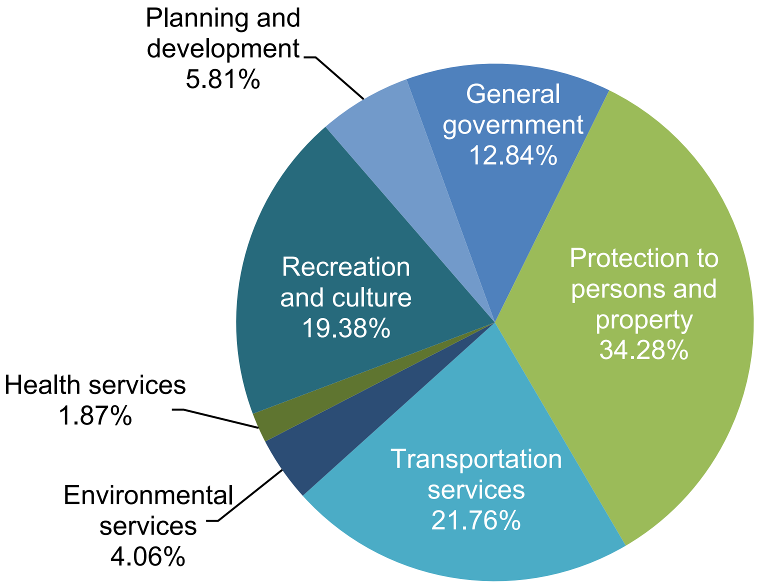
Expenditures	Budget	2025		Variance	
General government	$12,623,361	$12,892,497	12.84%	($269,136)	(2.13%)
Protection to persons and property	34,083,467	34,385,614	34.28%	(302,147)	(0.89%)
Transportation services	27,611,406	21,828,372	21.76%	5,783,034	20.94%
Environmental services	3,436,943	4,071,650	4.06%	(634,707)	(18.47%)
Health services	1,782,937	1,871,641	1.87%	(88,704)	(4.98%)
Recreation and culture	19,490,646	19,447,205	19.38%	43,441	0.22%
Planning and development	8,188,376	5,825,744	5.81%	2,362,632	28.85%
	$107,217,136	**$100,322,723**	**100.00%**	**$6,894,413**	

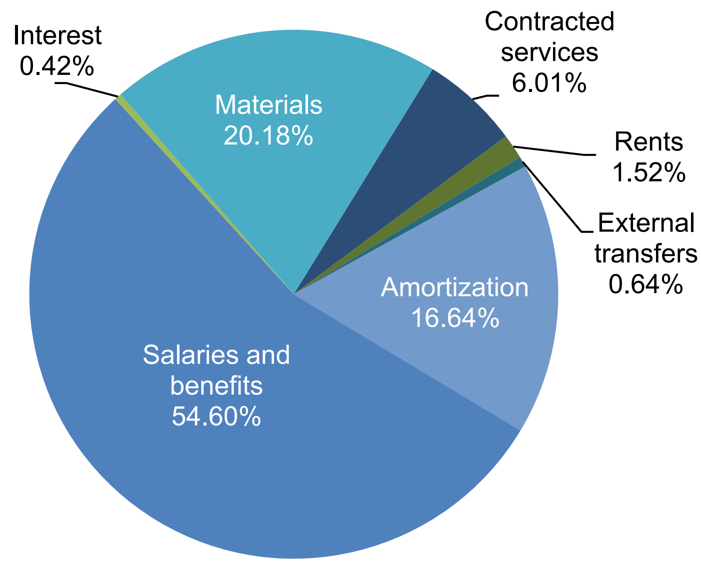
The $6.9M less than budgeted expenditure for the Town is mainly attributable to:

- General government expenses exceed budget due to contacted services related to external legal services and temporary contractor costs. This is partially offset by capital projects budgeted in 2025 that have been carried forward into 2026. 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.
- The Transportation variance is largely a result of works that have been delayed for projects: 20th Sideroad-Big Bay Point Road to 9th Line Paved Shoulders ($2.1M), Carson Creek Improvements ($1.5M) and South Innisfil Drain ($1.1M). 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 expenses exceed budget due to tree maintenance, snow removal, and ice storm cleanup costs.

- Health services expenses are greater than budget due to hydro and generator rental costs for the Rizzardo Health & Wellness Centre.
- Recreation and culture expenses are slightly lower than budget due to salaries and benefits for parks and facilities 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

	2025 BMA Survey Average **	2025	2024	2023	2022	2021
Sustainability						
Financial Assets to Liabilities *	N/A	2.02	1.91	1.92	1.88	1.74
Financial Position per Capita *	$1,013	$2,507	$2,360	$2,133	$1,887	$1,717
Flexibility						
Tax Discretionary Reserves as a % of Taxation	98%	140%	145%	140%	137%	126%
Debt to Reserve Ratio	0.5	0.3	0.3	0.4	0.5	0.6
Vulnerability						
Taxes receivable as a % of Taxes Levied	8.7%	13.2%	13.2%	10.1%	8.6%	8.1%
Tax Debt interest as a % of own source revenue	1.0%	0.4%	0.5%	0.7%	0.8%	1.0%

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

** The 2025 BMA survey results are based on 2024 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 2025 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 and temporary internal borrowing for capital. It compares the cash balance of reserves and discretionary reserve funds to the Town’s annual property tax levy. The indicator does not distinguish between available reserve balances and amounts that have already been committed to future capital works. If these committed funds are excluded, the Town’s 2025 ratio would be approximately 34%. The adequacies of reserves to meet future requirements are an integral indicator of long-term financial stability

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.

Taxes Receivable as a Percentage of Taxes Levied is an indicator of the local economy, taxpayers' ability to pay, and the effectiveness of the Town's tax collection efforts. Staff conducted a comprehensive review of this indicator and determined that collection practices were the primary factor contributing to the current result. Accordingly, in January 2025, the Town reinstated its pre-COVID property tax collection practices to address outstanding tax arrears. While the percentage of taxes receivable has remained relatively unchanged from the prior year, enhanced collection efforts have produced positive results, with more property owners paying outstanding balances or entering into payment arrangements to bring their accounts into good standing. Building on these efforts, Council approved a comprehensive Property Tax Billing and Collection Policy on November 12, 2025. The policy formalizes and strengthens the Town's collection practices, supporting more consistent and effective tax administration going forward.

Tax Debt Interest as a Percentage of Own Source Revenue measures the proportion of debt interest costs relative to the Town's own source revenues, including property taxation, user fees, permits, licences, fines, and other municipal revenues, excluding development charges and government grants. As the Town relies on Ontario Lottery and Gaming (OLG) revenues and development charge revenues to fund a significant portion of its debt servicing costs (both principal and interest), this indicator helps assess the Town's exposure should these funding sources decline or become unavailable. The Town's ratio decreased in 2025 as own source revenues increased, primarily due to higher penalties and interest revenue, donations, and contributed tangible capital assets. In addition, outstanding debt continued to be repaid, resulting in lower interest costs as no significant new debt was issued.