

**THE CORPORATION OF THE
TOWN OF HUNTSVILLE
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

THE CORPORATION OF THE TOWN OF HUNTSVILLE
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Page
Management's Responsibility for the Consolidated Financial Statements	1
Independent Auditors' Report	2 - 3
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations and Accumulated Surplus	5
Consolidated Statement of Change in Net Financial Assets	7
Consolidated Statement of Cash Flow	8
Notes to the Consolidated Financial Statements	9 - 23
Schedule 1 - Consolidated Schedule of Tangible Capital Assets	24
Supplementary Unaudited Schedule of Surplus	25

THE CORPORATION OF THE TOWN OF HUNTSVILLE
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

Management's Responsibility for the Consolidated Financial Statements

The management of the Corporation of the Town of Huntsville (the "Municipality") is responsible for the integrity, objectivity and accuracy of the financial information presented in the accompanying financial statements.

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada ("CPA"). A summary of the significant accounting policies is described in Note 1 to the consolidated financial statements.

The Municipality's management maintains a system of internal controls designed to provide a reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded 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.

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

The consolidated financial statements have been audited by Pahapill and Associates Professional Corporation, independent external auditors appointed by the Municipality. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.

Denise Corry
 Denise Corry

Chief Administrative Officer

Julia McKenzie
 Julia McKenzie

Director of Financial Services/Treasurer

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the
Corporation of the Town of Huntsville

Opinion

We have audited the consolidated financial statements of The Corporation of the Town of Huntsville, which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations, the consolidated change in its net financial assets and its consolidated 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 financial position of The Corporation of the Town of Huntsville as at December 31, 2024, and the results of its operations 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 Municipality 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 in the financial statements, which describes the effects of Canadian public sector accounting standards adopted by the Municipality. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated 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 Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated 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 Municipality'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 management's 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 Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 our auditor's report. However, future events or conditions may cause the Municipality 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 Municipality 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.

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.

Pahapill and Associates

Huntsville, Ontario
September 22, 2025

Pahapill and Associates Professional Corporation
Chartered Professional Accountants
Authorized to practise public accounting by
The Chartered Professional Accountants of Ontario

THE CORPORATION OF THE TOWN OF HUNTSVILLE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash and cash equivalents (<i>Note 3</i>)	\$ 26,902,736	\$ 25,862,496
Taxes receivable	4,400,010	3,928,865
Trade and other receivables, net of allowance of \$215,105 (2023 \$58,754)	1,650,238	798,353
Due from trust funds	67,861	7,630
Portfolio investments (<i>Note 6</i>)	11,145,975	10,274,362
Investment in Lakeland Holding Ltd. (<i>Note 7</i>)	13,844,310	13,505,903
	58,011,130	54,377,609
LIABILITIES		
Accounts payable and accrued liabilities	11,314,957	9,657,731
Deferred revenue - general	1,037,962	1,515,628
Deferred revenue - obligatory reserve funds (<i>Note 8</i>)	6,119,623	6,188,797
Municipal debt (<i>Note 9</i>)	2,978,368	3,648,196
	21,450,910	21,010,352
NET FINANCIAL ASSETS	36,560,220	33,367,257
NON-FINANCIAL ASSETS		
Tangible capital assets - net (<i>Note 12, Schedule 1</i>)	78,220,434	76,091,598
Inventories of supplies	390,520	287,645
Prepaid expenses	361,478	288,236
	78,972,432	76,667,479
ACCUMULATED SURPLUS	\$ 115,532,652	\$ 110,034,736
ACCUMULATED SURPLUS IS COMPRISED OF:		
Accumulated surplus from operations	\$ 114,899,232	\$ 109,826,465
Accumulated remeasurement gains (losses)	633,420	208,271
	\$ 115,532,652	\$ 110,034,736

CONTINGENT LIABILITIES (*Note 17*)

The accompanying notes and schedules are an integral part of these financial statements

THE CORPORATION OF THE TOWN OF HUNTSVILLE
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget 2024 (Note 15)	Actual 2024	Actual 2023
REVENUE			
Property taxes	\$ 22,476,886	\$ 22,661,510	\$ 20,003,826
User fees	2,590,375	2,783,514	2,624,380
Government transfers	3,808,128	2,495,859	1,019,077
Government transfers - OMPF	1,933,500	1,933,500	1,859,400
Contributions from obligatory reserve fund	1,088,286	2,034,561	1,084,962
Lakeland Holding Ltd. - share of income (Note 7)	424,400	762,807	931,633
Other (Note 13)	5,335,659	6,938,350	7,265,337
TOTAL REVENUE	37,657,234	39,610,101	34,788,615
EXPENSES			
General government	6,253,910	6,478,576	5,756,526
Protection to persons and property	3,932,873	3,861,789	4,034,139
Transportation services	10,413,888	10,417,182	11,363,732
Environmental services	1,105,882	962,952	1,016,613
Health services	272,019	297,302	382,331
Social and family services	68,639	55,505	69,167
Recreation and culture	9,295,196	9,333,197	8,907,775
Planning and development	3,138,014	3,130,831	2,613,459
TOTAL EXPENSES	34,480,421	34,537,334	34,143,742
ANNUAL SURPLUS (DEFICIT)	3,176,813	5,072,767	644,873
ACCUMULATED SURPLUS, BEGINNING OF YEAR	109,826,465	109,826,465	109,181,592
ACCUMULATED SURPLUS, END OF YEAR	\$ 113,003,278	\$ 114,899,232	\$ 109,826,465

The accompanying notes and schedules are an integral part of these financial statements

THE CORPORATION OF THE TOWN OF HUNTSVILLE
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Actual 2024	Actual 2023
Accumulated remeasurement gains (losses) beginning of year	\$ 208,271	\$ -
Unrealized gains (losses) attributable to:		
Portfolio investments	425,149	208,271
Accumulated remeasurement gains (losses), end of year	\$ 633,420	\$ 208,271

The accompanying notes and schedules are an integral part of these financial statements

THE CORPORATION OF THE TOWN OF HUNTSVILLE
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget 2024 (Note 15)	Actual 2024	Actual 2023
Annual surplus (deficit)	\$ 3,176,813	\$ 5,072,767	\$ 644,873
Acquisition of tangible capital assets	(13,935,859)	(9,410,631)	(4,716,663)
Amortization of tangible capital assets	7,457,387	7,457,387	8,520,988
Contributed tangible capital assets	-	(352,560)	(666,864)
(Gain) loss on disposition of tangible capital assets	-	85,071	261,235
Proceeds on disposition of tangible capital assets	-	91,897	80,944
Change in supplies inventories	-	(102,875)	(28,986)
Change in prepaid expense	-	(73,242)	22,548
Increase in net financial assets, before net remeasurement gains (losses)	(3,301,659)	2,767,814	4,118,075
Net remeasurement gains (losses)	-	425,149	208,271
Increase (decrease) in net financial assets	(3,301,659)	3,192,963	4,326,346
Net financial assets, beginning of year	33,367,257	33,367,257	29,040,911
Net financial assets, end of year	\$ 30,065,598	\$ 36,560,220	\$ 33,367,257

The accompanying notes and schedules are an integral part of these financial statements

THE CORPORATION OF THE TOWN OF HUNTSVILLE
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
Operating transactions		
Annual surplus (deficit)	\$ 5,072,767	\$ 644,873
Non-cash charges to operations:		
Amortization	7,457,387	8,520,988
(Gain) loss on disposal of tangible capital assets	85,071	261,235
	12,615,225	9,427,096
Changes in non-cash items:		
Taxes receivable	(471,145)	(275,503)
Trade and other receivables	(851,885)	738,293
Lakeland Holding Ltd. - share of income (Note 7)	(762,807)	(931,633)
Due to/from trust funds	(60,231)	(18,131)
Accounts payable and accrued liabilities	1,657,226	(752,896)
Deferred revenue - general	(477,666)	597,710
Deferred revenue - obligatory reserve funds	(69,174)	808,168
Inventories of supplies	(102,875)	(28,986)
Prepaid expenses	(73,242)	22,548
	(1,211,799)	159,570
Cash provided by operating transactions	11,403,426	9,586,666
Capital transactions		
Acquisition of tangible capital assets	(9,763,191)	(5,383,527)
Proceeds on disposal of tangible capital asset	91,897	80,944
Cash applied to capital transactions	(9,671,294)	(5,302,583)
Investing transactions		
Dividends received (Note 7)	424,400	424,400
Purchase of portfolio investments	-	(819,784)
Realized (Gain) Loss on portfolio investments	(446,464)	(254,483)
Cash provided by investing transactions	(22,064)	(649,867)
Financing transactions		
Debt principal repayments	(669,828)	(744,809)
Cash applied to financing transactions	(669,828)	(744,809)
Net change in cash and cash equivalents	1,040,240	2,889,407
Cash and cash equivalents, beginning of year	25,862,496	22,973,089
Cash and cash equivalents, end of year	\$ 26,902,736	\$ 25,862,496

The accompanying notes and schedules are an integral part of these financial statements

THE CORPORATION OF THE TOWN OF HUNTSVILLE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2024

The Corporation of the Town of Huntsville is a lower-tier municipality located in the District of Muskoka in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Planning Act, Building Code Act and other related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Town of Huntsville (the "Municipality") are prepared by management in accordance with Canadian public sector accounting standards for local governments as recommended in the Public Sector Accounting Board "PSAB" of the Chartered Professional Accountants Canada. Significant aspects of the accounting policies adopted by the Municipality are as follows:

(a) Reporting Entity

These consolidated statements reflect the assets, liabilities, revenues, expenses and reserve and reserve fund balances of the reporting entity. The reporting entity is comprised of all committees of Council and the boards, joint boards and municipal enterprises for which Council is politically accountable as follows:

(i) Consolidated and Proportionally Consolidated entities

The following local boards are consolidated:

Huntsville Public Library Board

Business Improvement Area Board of Management

Inter-organizational transactions and balances between these organizations are eliminated.

(ii) Modified equity accounting

Government business enterprises are accounted for by the modified equity method. Under this method the business enterprises' accounting principles are not adjusted to conform with those of the Municipality and interorganizational transactions and balances are not eliminated. The following government business enterprise is included in these financial statements: Lakeland Holding Ltd.

(iii) Accounting for District and school board transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the District of Muskoka are not reflected in these consolidated financial statements.

(iv) Trust funds

Trust funds administered by the Municipality are not included in these consolidated financial statements, but are reported separately on the trust funds financial statements.

THE CORPORATION OF THE TOWN OF HUNTSVILLE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2024

(b) Basis of Accounting

(i) Accrual basis of accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. This method recognizes revenues as they become available and measurable; expenditures 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.

The Consolidated Statement of Financial Position reflects all of the financial assets and liabilities of the Municipality. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Net financial assets represents the financial position of the Municipality and is the difference between its financial assets and liabilities. This provides information about the Municipality's overall future revenue requirements and its ability to finance activities and meet its obligations.

(ii) Non-financial assets

Non-financial assets are not available to discharge existing liabilities but are held for use in the provision of Municipal services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(a) Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Tangible capital assets received as contributions are recorded at their fair value at the date of receipt with a corresponding amount recorded as revenue. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements - 3 to 30 years

Buildings - 15 to 50 years

Equipment, fleet and vehicles - 3 to 25 years

Roads, bridges and storm systems - 5 to 50 years

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

The Municipality has a capitalization threshold of \$5,000; individual tangible capital assets of lesser value are expensed in the year of purchase.

THE CORPORATION OF THE TOWN OF HUNTSVILLE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2024

- (b) Inventories of supplies
Inventories held for consumption are recorded at the lower of cost and replacement cost.
- (iii) Cash and cash equivalents
Cash and cash equivalents includes cash on hand, balances with banks and short term deposits with original maturities of three months or less.
- (iv) Portfolio investments
Portfolio investments consists of equity instruments with no maturity. Portfolio investments in equity instruments that are quoted in an active market are recorded at fair value and the associated transaction costs are expensed upon initial recognition. The change in fair value is recognized in the Statement of Remeasurement Gains and Losses as a remeasurement gain or loss until the portfolio investments are realized on disposal. Upon disposal, any accumulated remeasurement gains or losses associated with the portfolio investments are reclassified to the Statement of Operations.
- (v) Reserves and reserve funds
Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Balances related to these funds are included in the accumulated surplus of the Consolidated Statement of Financial Position.
- (vi) Government transfers
Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.
- (vii) Deferred revenue
The Municipality receives Canada Community-Building Fund (formerly gas tax) revenue from the Federal Government and payments in lieu of parkland under the authority of provincial legislation and Municipal by-laws. These funds are restricted in their use and until applied to the applicable expenditures are recorded as deferred revenue. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended. The Municipality also defers recognition of certain government grants which have been collected but for which the related expenditures have yet to be incurred. These amounts will be recognized as revenues in the fiscal year the services are performed.
- (viii) Taxation and related revenues
Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issue of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known. The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

THE CORPORATION OF THE TOWN OF HUNTSVILLE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2024

- (ix) Investment income
Investment income earned on surplus funds is reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the restricted deferred revenue balance.
- (x) Fees and user charges
Fees, user charges, permits, licenses and rents are recognized as revenue when the services are provided and there is reasonable assurance of collection.
- (xi) Pensions and employee benefits
The Municipality is an employer member of the Ontario Municipal Employee Retirement System (OMERS), a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The Municipality has adopted defined contribution plan accounting principles for this plan because insufficient information is available to apply defined benefit plan accounting principles. The Municipality records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the plan for past employee service.
- (xii) Use of estimates
The preparation of consolidated 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 disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include allowance for uncollectible taxes, estimated useful lives of tangible capital assets, allowance for doubtful accounts and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future. The estimates are reviewed periodically and any resulting adjustments are reported in earnings in the year in which they become known.
- (xiii) Land inventory
Land inventory is held for resale and is recorded at the lower of cost and net realizable value. Cost includes amounts for land acquisition and improvements to prepare the land for sale or servicing.

2. CHANGE IN ACCOUNTING POLICIES

On January 1, 2024 the Municipality adopted the following Public Accounting Standards. PS 3400 Revenues which provide guidance for the recognition, measurement, presentation and disclosure of revenue from transactions with performance obligations, referred to as exchange transactions, and transactions without performance obligations, referred to as non-exchange transactions. Public Sector Guideline PSG 8 Purchased Intangibles which provides guidance on the accounting and reporting of purchased intangible assets acquired through non-arm's length exchange transactions between knowledgeable, willing parties under no compulsion to act. PS 3160 Public Private Partnerships which provides guidance on accounting and reporting for public private partnerships between public and private sector entities. The standards were adopted prospectively from the date of adoption with no restatement of prior period comparative amounts. Other than PS 3400 Revenues changes below, these standards have no significant impact on the presentation of the financial statements.

THE CORPORATION OF THE TOWN OF HUNTSVILLE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2024

PS 3400 Revenues

Under PS 3400, revenue is deferred when a performance obligation exists at year end and is recognized as revenue when the performance obligation is satisfied.

In accordance with the provisions of this new standard, as at December 31, 2024, \$265,120 of current year building permit revenues have been included in deferred revenues as the performance obligation has not yet been met. Prior to January 1, 2024, this amount would have been recorded as revenue in the current year.

3. CASH AND CASH EQUIVALENTS

Cash consists of the following:

	2024	2023
Unrestricted	\$ 21,160,594	\$ 19,931,388
Restricted		
Canada Community-Building Fund (formerly Federal gas tax)	777,355	1,489,500
Development charges act	4,637,905	4,114,819
Parkland in-Lieu	279,223	316,811
Parking in-Lieu	47,659	9,978
	\$ 26,902,736	\$ 25,862,496

4. OPERATIONS OF SCHOOL BOARDS AND THE DISTRICT MUNICIPALITY OF MUSKOKA

Further to Note 1(a)(iii), the Municipality is required to collect property taxes and payments-in-lieu of taxes on the behalf of the school boards and the District Municipality of Muskoka. The amounts collected, remitted and outstanding are as follows:

	2024 School Boards	2024 District	2024 Total	2023 Total
Payable (receivable) beginning of year	\$ (83,361)	\$ 182,050	\$ 98,689	\$ 91,666
Taxation and payments-in-lieu, net of adjustments	9,756,628	23,897,947	33,654,575	32,102,415
Remitted during the year	(9,756,628)	(23,575,545)	(33,332,173)	(32,095,392)
Payable (receivable) end of year	\$ (83,361)	\$ 504,452	\$ 421,091	\$ 98,689

THE CORPORATION OF THE TOWN OF HUNTSVILLE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2024

5. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$865,785 (2023 \$810,112) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations. As such balances are held in trust by the Municipality for the benefit of others, they are not presented as part of the Municipality's financial position or operations.

6. PORTFOLIO INVESTMENTS

Portfolio investments as of December 31, 2024 consist of the following:

	Fair value hierarchy level	2024	2023
One Investment Program - Canada Equity Fund	level 1	1,509,417	1,386,856
One Investment Program - Global Equity Fund	level 1	3,357,103	3,070,391
One Investment Program - Corporate Bond Fund	level 1	815,382	729,430
One Investment Program - Canada Bond Fund	level 1	1,630,273	1,505,508
One Investment Program - Global Equity Fund	level 1	3,833,800	3,582,177
		\$ 11,145,975	\$ 10,274,362

Investments have a market value of \$11,145,975 (2023 - \$10,274,362) and a cost value of \$10,512,555 (2023 - \$10,066,091) at the end of the year. The One Investment Program is held for the purposes of meeting long-term capital obligations.

The fair value measurements are those derived from:

- Level 1: Quoted prices in active markets for identical assets.
- Level 2: Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets, either directly (ie as prices) or indirectly (ie derived from prices).
- Level 3: Fair value measurements are those derived from valuation methods where inputs are based on non-observable market data.

THE CORPORATION OF THE TOWN OF HUNTSVILLE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2024

7. INVESTMENT IN LAKELAND HOLDING LTD.

Effective June 8, 2018, the Town holds a 21.22% ownership in the common shares of Lakeland Holding Ltd.

As a government business enterprise of the Town, Lakeland Holding Ltd. is accounted for in these consolidated financial statements using the modified equity method. Lakeland Holding Ltd. and its subsidiaries are incorporated under the laws of Ontario and together they generate, sell and distribute hydro electric power and other retail services to users in Bracebridge, Burk's Falls, Huntsville, Magnetawan, Parry Sound and Sundridge, Ontario.

	2024	2023
Consolidated Balance Sheet		
Assets:		
Current assets	\$ 3,857,868	\$ 4,307,137
Capital and other assets	31,973,318	31,165,626
Total Assets	\$ 35,831,186	\$ 35,472,763
Liabilities:		
Other liabilities	21,986,876	21,966,860
Total Liabilities	21,986,876	21,966,860
Equity		
Shareholder's equity	13,844,310	13,505,903
Total Equity	13,844,310	13,505,903
Total Liabilities and Equity	\$ 35,831,186	\$ 35,472,763
 Municipality's share of equity	 \$ 13,844,310	 \$ 13,505,903
Consolidated Statement of Operations, Retained Earnings and Comprehensive Income		
Total Revenues	\$ 15,575,848	\$ 14,793,678
Total Expenses	14,813,041	13,862,045
Net income	762,807	931,633
Less: dividends	(424,400)	(424,400)
Net income, net of dividends	\$ 338,407	\$ 507,233
 Municipality's share of net income, net of dividends	 \$ 338,407	 \$ 507,233
 Investment balance, beginning of year	 \$ 13,505,903	 \$ 12,998,670
 Investment balance, end of year	 \$ 13,844,310	 \$ 13,505,903

THE CORPORATION OF THE TOWN OF HUNTSVILLE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2024

8. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

The 2024 continuity of transactions within the obligatory reserve funds are described below:

	Balance beginning of year	Contributions received	Interest earned	Amounts taken into revenue	Balance end of year
Planning act	\$ 326,790	\$ 100,948	\$ 20,759	\$ (121,615)	\$ 326,882
Development charges	4,372,507	893,331	254,521	(504,973)	5,015,386
Canada Community- Building Fund	1,489,500	674,655	60,603	(1,447,403)	777,355
	\$ 6,188,797	\$ 1,668,934	\$ 335,883	\$(2,073,991)	\$ 6,119,623

9. MUNICIPAL DEBT

(a) The balance of the municipal debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2024	2023
Debenture payable to the District Municipality of Muskoka, repayable in semi annual payments of \$24,375 plus interest calculated at 2.45% per annum, maturing 2025 and is secured by future funding.	\$ 24,375	\$ 73,125
Debenture payable to the District Municipality of Muskoka, repayable in semi annual payments of \$61,478 including interest calculated at 5.34% per annum, maturing 2026 and is secured by future funding.	230,333	336,710
Debenture payable to the District Municipality of Muskoka, repayable in semi annual payments of \$54,433 including interest calculated at 5.23% per annum, maturing 2027 and is secured by future funding.	298,660	388,361
Debenture payable to the District Municipality of Muskoka, repayable in annual payments of \$425,000 (varies every 5 years) and semi-annual interest payments at 1.1% to 5.1% per annum, maturing 2030 and is secured by future funding.	2,425,000	2,850,000
	\$ 2,978,368	\$ 3,648,196

THE CORPORATION OF THE TOWN OF HUNTSVILLE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2024

(b) Future estimated principal and interest payments on the municipal debt are as follows:

	Principal	Interest
2025	\$ 655,965	\$ 137,247
2026	617,665	105,356
2027	504,738	75,228
2028	400,000	50,900
2029	400,000	30,600
2030 onwards	400,000	10,200
	\$ 2,978,368	\$ 409,531

(c) Total charges for the year for municipal debt which are reported in the financial statements are as follows:

	2024	2023
Principal payments	\$ 669,828	\$ 744,808
Interest	163,668	198,471
	\$ 833,496	\$ 943,279

The annual principal and interest payments required to service the Municipality's debt were within the annual debt repayment limit of \$5,795,981 prescribed by the Ministry of Municipal Affairs and Housing.

10. BANK INDEBTEDNESS

The Municipality has a revolving demand facility agreement with TD Canada Trust. The maximum amount available under this facility is \$4,500,000 (2023 \$4,500,000), of which \$NIL (2023 \$NIL) was used at the end of the year. The loan is payable on demand and bears interest at the bank's prime rate less 0.5%.

11. COMMITMENTS

During the year, the Town committed to purchasing two plows at a cost of approximately \$450,000 each that are expected to be delivered in 2025. These assets will be recorded when title is transferred to the Town in 2025.

12. TANGIBLE CAPITAL ASSETS

Schedule 1 provides information on the tangible capital assets of the Municipality by major asset class. Additional information relating to these assets is provided below.

(a) Contributed tangible capital assets

The Municipality records all tangible capital assets contributed by external parties at the fair market value. During the year \$352,560 (2023 \$666,864) such contributions were recorded. The 2024 contributions consisted primarily of roads.

(b) Tangible capital assets recorded at nominal value

Certain tangible capital assets have been assigned a nominal value because of the difficulty of establishing a reasonable historical cost. Land is the only category where nominal values were assigned.

THE CORPORATION OF THE TOWN OF HUNTSVILLE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2024

(c) Works of art and historical treasures

The Town holds various pieces of art and historical treasures including Muskoka Heritage Place, Public Art and Sports Memorabilia Collections. The value of these are not included in the balances provided in Schedule 1.

(d) Capitalization of Interest

The Municipality has a policy of expensing borrowing costs related to the acquisition of tangible capital assets.

13. OTHER INCOME

	2024	2023
Fees, permits, licences and fines	\$ 3,680,432	\$ 4,241,053
Penalties and interest on taxation	607,664	547,655
Investment income	1,650,511	1,300,874
Donations	62,061	181,373
Contributed tangible capital assets	352,560	666,864
Sale of miscellaneous items and other	670,193	273,840
Gain (loss) on sale of tangible capital assets	(85,071)	48,678
	\$ 6,938,350	\$ 7,260,337

THE CORPORATION OF THE TOWN OF HUNTSVILLE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2024

14. SEGMENT DISCLOSURES AND EXPENDITURES BY OBJECT

The Municipality and its Boards and Committees provide a wide range of services to its citizens. The schedule and segment disclosure provides a breakdown of the annual surplus (deficit) reported on the Consolidated Statement of Operations by major reporting segment. The segments correspond to the major functional categories used in the Municipality's Financial Information Return, which include the following activities:

General Government

General Government accounts for the revenues and expenses that relate to the operations of the Municipality itself and cannot be directly attributed to any specific segment. Included in this category is Lakeland Holding Ltd. income.

Protection Services

Protection is comprised of fire protection, by-law enforcement services, emergency planning, and maintenance and enforcement of building and construction codes. The fire department is responsible to provide fire suppression services, fire prevention programs, training and education. The members of the fire department includes volunteers.

Transportation

Transportation is responsible for the maintenance of roads, winter control, storm sewer maintenance, street lighting and the municipal transit system.

Environmental Services

Includes storm system maintenance and solar generation activity.

Health Services

Included in health services is the maintenance and upkeep of the municipally controlled cemeteries.

Social and Family Services

This service area provides services meant to improve the health and development of the Municipality's citizens.

Recreation and Culture

Recreational programs and cultural programs like swimming and skating lessons are provided at arenas, aquatic centers and community centers. Also, the Municipality provides library services to assist with its citizens' information needs.

Planning and Development

This department provides a number of services including town and economic planning and review of all property development plans through its application process.

In preparation of segmented financial information, some allocation of expenses is made. This generally includes charges of rent to specific segments.

THE CORPORATION OF THE TOWN OF HUNTSVILLE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2024

14. SEGMENT DISCLOSURES AND EXPENDITURES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2024

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Culture	Planning and Development	Consolidated
REVENUE									
Property taxes	\$ 3,472,272	\$ 1,784,444	\$ 9,759,589	\$ 397,869	\$ 117,470	\$ (35,102)	\$ 6,600,445	\$ 564,523	\$ 22,661,510
User fees	109,691	77,414	193,949	11,036	157,067	42,970	1,985,407	205,980	2,783,514
Government transfers	298,488	332,872	1,596,987	-	-	49,253	130,392	87,867	2,495,859
Government transfers - OMPF	312,904	160,805	879,486	35,854	10,586	(3,163)	499,138	37,890	1,933,500
Contributions from obligatory reserve funds	133,602	98,002	1,464,048	-	-	-	338,909	-	2,034,561
Lakeland Holding Ltd - share of income	762,807	-	-	-	-	-	-	-	762,807
Penalties and interest on taxation	98,341	50,538	276,406	11,268	3,327	(994)	156,870	11,908	607,664
Other	2,523,084	977,785	384,682	27,095	95,432	498	162,633	2,159,477	6,330,686
TOTAL REVENUE	7,711,189	3,481,860	14,555,147	483,122	383,882	53,462	9,873,794	3,067,645	39,610,101
EXPENSES									
Salaries, wages and benefits	4,289,023	2,386,712	3,063,261	223,317	195,487	51,422	5,347,005	1,260,436	16,816,663
Long-term debt charges (interest)	23,803	10,402	46,327	362	-	-	82,774	-	163,668
Operating expenses	1,382,831	220,148	1,532,064	26,627	40,222	4,083	1,143,598	355,881	4,705,454
Contracted services	1,089,431	212,120	1,319,283	50,484	29,297	-	945,683	1,524,071	5,170,369
Rents and financial expenses	48,224	56,502	10,275	-	270	-	85,066	23,456	223,793
Internal allocations	(670,264)	591,670	(151,768)	146,978	4,790	-	112,864	(34,270)	-
Amortization	315,528	384,235	4,597,740	515,184	27,236	-	1,616,207	1,257	7,457,387
TOTAL EXPENSES	6,478,576	3,861,789	10,417,182	962,952	297,302	55,505	9,333,197	3,130,831	34,537,334
ANNUAL SURPLUS (DEFICIT)	\$ 1,232,613	\$ (379,929)	\$ 4,137,965	\$ (479,830)	\$ 86,580	\$ (2,043)	\$ 540,597	\$ (63,186)	\$ 5,072,767

THE CORPORATION OF THE TOWN OF HUNTSVILLE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2024

14. SEGMENT DISCLOSURES AND EXPENDITURES BY OBJECT (continued)

FOR THE YEAR ENDED DECEMBER 31, 2023

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Culture	Planning and Development	Consolidated
REVENUE									
Property taxes	\$ 5,604,530	\$ 1,726,374	\$ 8,380,480	\$ 395,479	\$ 90,375	\$ (852)	\$ 3,140,817	\$ 666,623	\$ 20,003,826
User fees	85,079	57,748	193,654	39,783	142,953	24,881	1,871,869	208,413	2,624,380
Government transfers	106,146	347,463	214,679	-	118,348	49,298	118,143	65,000	1,019,077
Government transfers - OMPF	552,776	170,273	826,569	39,006	8,914	(84)	209,575	52,371	1,859,400
Contributions from obligatory reserve funds	-	188,822	692,160	19,131	-	-	184,849	-	1,084,962
Lakeland Holding Ltd - share of income	931,633	-	-	-	-	-	-	-	931,633
Penalties and interest on taxation	162,811	50,151	243,452	11,489	2,625	(25)	61,727	15,425	547,655
Other	2,128,413	1,187,138	801,190	26,691	29,035	855	412,505	2,131,855	6,717,682
TOTAL REVENUE	9,571,388	3,727,969	11,352,184	531,579	392,250	74,073	5,999,485	3,139,687	34,788,615
EXPENSES									
Salaries, wages and benefits	3,584,030	2,545,075	2,682,993	170,097	169,207	58,262	4,938,190	1,039,706	15,187,560
Long-term debt charges (interest)	32,778	12,861	54,344	638	-	-	97,850	-	198,471
Operating expenses	1,475,370	318,700	1,696,654	75,696	97,402	10,905	1,163,249	281,792	5,119,768
Contracted services	922,609	300,145	1,360,831	31,789	85,412	-	919,701	1,256,519	4,877,006
Rents and financial expenses	37,865	55,758	56,508	-	333	-	69,281	20,204	239,949
Internal allocations	(615,887)	464,070	(220,929)	216,729	4,200	-	137,836	13,981	-
Amortization	319,761	337,530	5,733,331	521,664	25,777	-	1,581,668	1,257	8,520,988
TOTAL EXPENSES	5,756,526	4,034,139	11,363,732	1,016,613	382,331	69,167	8,907,775	2,613,459	34,143,742
ANNUAL SURPLUS (DEFICIT)	\$ 3,814,862	\$ (306,170)	\$ (11,548)	\$ (485,034)	\$ 9,919	\$ 4,906	\$ (2,908,290)	\$ 526,228	\$ 644,873

THE CORPORATION OF THE TOWN OF HUNTSVILLE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2024

15. BUDGET FIGURES

The unaudited budget adopted for the current year was prepared on a fund basis, and has been amended to conform with the accounting and reporting standards adopted for the current year actual results. Town Council approved a balanced budget as required under the Municipal Act. The budget in the financial statements has been amended in order to comply with PSAB requirements to prepare the financial statements on a full accrual basis.

The following schedule provides additional detail regarding the 2024 unconsolidated municipal operating surplus.

SUPPLEMENTARY MUNICIPAL INFORMATION

		Municipal Budget 2024
CONSOLIDATED ANNUAL SURPLUS (DEFICIT)	\$	3,176,813
Transfer (to) from municipal reserves		3,971,487
Transfer to unfunded liabilities		(669,828)
Municipal amortization		7,457,387
Municipal capital expenditures		(13,935,859)
MUNICIPAL SURPLUS (DEFICIT)	\$	-

16. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employee Retirement Fund (OMERS), which is a multi-employer plan, on behalf of certain members of its staff. 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. 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 total actuarial liabilities of \$140,766 million with respect to benefits accrued for service with actuarial assets at that date of \$137,853 million indicating an actuarial deficit of \$2,913 million. Because OMERS is a multi employer plan, any Plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Municipality does not recognize any share of the Plan surplus or deficit.

The amount contributed to OMERS for the current year was \$1,092,878 (2023 \$937,457) for current service and is included as an expense on the Consolidated Statement of Operations.

17. CONTINGENT LIABILITY

In the normal course of business, the Municipality is named to lawsuits related to its operations. Management is of the view that these lawsuits are without merit and any settlement would not be material to the financial position of the Municipality.

THE CORPORATION OF THE TOWN OF HUNTSVILLE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2024

18. LIABILITIES FOR CONTAMINATED SITES

The Municipality reports environmental liabilities related to the management and remediation of any contaminated sites where the Municipality is obligated or likely obligated to incur such costs.

The Municipality identified one potential site. The extent and amount of any future remediation is currently unknown and therefore no liability has been recorded.

The Municipality's ongoing efforts to assess contaminated sites may result in future environmental remediation liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. Any changes to the Municipality's liabilities for contaminated sites will be accrued in the year in which they are assessed as likely and can be reasonably estimated.

19. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

THE CORPORATION OF THE TOWN OF HUNTSVILLE
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024

Schedule 1

	Land and Land Improvements	Buildings	Equipment, Fleet and Vehicles	Roads, Bridges, and Storm Systems	Assets Under Construction	TOTAL 2024	TOTAL 2023
COST							
Balance, beginning of year	\$ 20,220,105	\$ 43,724,665	\$ 16,066,095	\$ 113,590,036	\$ 632,521	\$ 194,233,422	\$ 190,009,069
Additions and betterments	515,989	345,953	2,147,643	3,708,702	3,044,904	9,763,191	5,383,527
Disposals and writedowns	(70,968)		(980,546)	(1,005,649)	(68,825)	(2,125,988)	(1,159,174)
Allocation from work in progress	164,594	470,349		2,255,184	(2,890,127)		
BALANCE, END OF YEAR	20,829,720	44,540,967	17,233,192	118,548,273	718,473	201,870,625	194,233,422
ACCUMULATED AMORTIZATION							
Balance, beginning of year	7,170,902	21,381,800	8,138,515	81,450,607		118,141,824	110,437,831
Annual amortization	776,095	1,133,224	1,219,149	4,328,919		7,457,387	8,520,988
Amortization disposals	(41,092)		(956,371)	(951,557)		(1,949,020)	(816,995)
BALANCE, END OF YEAR	7,905,905	22,515,024	8,401,293	84,827,969		123,650,191	118,141,824
TANGIBLE CAPITAL ASSETS-NET	\$ 12,923,815	\$ 22,025,943	\$ 8,831,899	\$ 33,720,304	\$ 718,473	\$ 78,220,434	\$ 76,091,598

THE CORPORATION OF THE TOWN OF HUNTSVILLE

SUPPLEMENTARY UNAUDITED SCHEDULE OF SURPLUS

2024

	2024	2023
RESERVES AND RESERVE FUNDS		
Operating		
BIA	\$ 61,926	\$ 66,958
General government	2,875,928	2,980,745
Protection services	1,056,557	1,881,488
Transportation services	85,000	85,000
Health services	4,632,049	4,206,369
Recreation and culture	314,763	303,305
Planning and development	1,594,924	1,677,446
Working funds	4,014,130	2,468,002
Capital		
Library	1,030,049	900,790
General government	2,761,386	2,089,060
Protection services	625,911	1,117,925
Transportation services	5,059,351	4,230,353
Health services	278,167	219,658
Recreation and culture	1,145,665	1,498,460
Planning and development	20,469	15,239
TOTAL RESERVES AND RESERVE FUNDS	25,556,275	23,740,798
OTHER		
Investment in tangible capital assets	78,220,434	76,091,598
General operating surplus (deficit)	(158,887)	(114,150)
Investment in inventory for own use	390,520	287,645
Unfunded accommodation tax reserve	-	(62,081)
Investment in Lakeland Holding Ltd. (Note 7)	13,844,310	13,505,903
Accumulated Remeasurement Gains	633,420	208,271
Capital outlay financed by long-term liabilities and to be recovered in future years	(2,978,368)	(3,648,196)
Share of Lakeland Holding Ltd.'s accumulated comprehensive loss	(2,614)	(2,614)
Change in Lakeland Holding Ltd.'s comprehensive loss (defined benefit plan)	27,562	27,562
TOTAL OTHER	89,976,377	86,293,938
ACCUMULATED SURPLUS	\$115,532,652	\$110,034,736

HuntsvilleConsolidated_FS24

Final Audit Report

2025-10-08

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By:	RAVEN IVANY (RIVANY@PAHAPILL.CA)
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