CORPORATION OF THE TOWNSHIP OF SPRINGWATER

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

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CORPORATION OF THE TOWNSHIP OF SPRINGWATER

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

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2231 Nursery Road
Minesing, Ontario
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CORPORATION OF THE TOWNSHIP OF SPRINGWATER

For The Year Ended December 31, 2024

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Township of Springwater are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Township maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Township's assets are appropriately accounted for and adequately safeguarded.

The Township's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the Township's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Township of Springwater. Council meets periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the independent auditor's report.

The consolidated financial statements have been audited by Baker Tilly KDN LLP in accordance with Canadian generally accepted auditing standards on behalf of the Township. Baker Tilly KDN LLP has full and free access to Council.

May 20, 2026

Mayor

Director of Finance

Baker Tilly KDN LLP
272 Charlotte St.
Peterborough, ON
Canada K9J 2V4

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INDEPENDENT AUDITOR'S REPORT

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

Opinion
We have audited the consolidated financial statements of the Corporation of the Township of Springwater and its local boards (the Township), which comprise the consolidated statement of financial position as at December 31, 2024, the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2024, and the results of its consolidated operations and its consolidated 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 Township in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Township'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 Township or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities 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 Township'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 Township'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 Township 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 5, 2026

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CORPORATION OF THE TOWNSHIP OF SPRINGWATER

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2024

	2024 $	2023 $
FINANCIAL ASSETS		
Cash (note 2)	26,004,205	36,713,218
Investments (note 4)	14,034,237	13,343,367
Trade and other receivable	5,423,660	3,651,526
Taxes receivable	4,181,207	2,633,190
TOTAL FINANCIAL ASSETS	49,643,309	56,341,301
LIABILITIES		
Accounts payable and accrued liabilities	10,181,221	14,386,845
Deferred revenue - obligatory reserve funds (note 9)	14,447,737	13,331,602
Deferred revenue - other (note 7)	640,519	620,455
Long term debt (note 10)	1,515,942	1,921,831
Asset retirement obligations (note 17)	214,887	214,887
TOTAL LIABILITIES	27,000,306	30,475,620
NET FINANCIAL ASSETS	22,643,003	25,865,681
NON-FINANCIAL ASSETS		
Tangible capital assets (note 11)	169,389,939	163,093,051
Prepaid expenses	401,586	363,068
TOTAL NON-FINANCIAL ASSETS	169,791,525	163,456,119
ACCUMULATED SURPLUS (note 12)	192,434,528	189,321,800

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2024

	Budget 2024 $ (note 6)	Actual 2024 $	Actual 2023 $
REVENUES			
Property taxation	19,591,758	20,169,363	18,820,018
User charges	8,190,329	8,907,545	8,294,959
Government of Canada	9,700	130,680	138,696
Province of Ontario	3,192,611	1,832,630	2,509,154
Other municipalities	101,000	393,760	231,902
Penalties and interest on taxes	385,000	477,216	392,600
Investment income	600,000	1,898,492	2,153,838
Donations	45,500	173,808	119,204
Other	262,824	266,815	243,493
Development charges earned (note 9)	17,219,154	898,759	1,131,752
Parkland fees earned (note 9)	-	-	115,362
Canada Community-Building Fund earned (note 9)	1,569,727	830,041	188,619
Gain/(loss) on disposal of tangible capital assets	-	280,986	5,125
TOTAL REVENUES	51,167,603	36,260,095	34,344,722
EXPENSES			
General government	5,437,988	5,118,908	4,579,477
Protection services	7,621,789	7,323,878	6,910,711
Transportation services	9,726,574	9,623,077	9,403,980
Environmental services	4,978,890	5,250,263	4,806,205
Health services	62,625	41,194	59,827
Recreation and cultural services	4,305,187	4,424,923	3,737,177
Planning and development	1,176,717	1,131,314	1,362,701
TOTAL EXPENSES	33,309,770	32,913,557	30,860,078
ANNUAL SURPLUS	17,857,833	3,346,538	3,484,644
ACCUMULATED SURPLUS - beginning of year		189,321,800	185,837,156
ADJUSTMENT ON ADOPTION OF THE REVENUE RECOGNITION STANDARD (note 20)		(233,810)	-
ACCUMULATED SURPLUS - beginning of year, as restated		189,087,990	185,837,156
ACCUMULATED SURPLUS - end of year		192,434,528	189,321,800

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2024

	Budget 2024 $ (note 6)	Actual 2024 $	Actual 2023 $
ANNUAL SURPLUS	17,857,833	3,346,538	3,484,644
Amortization of tangible capital assets	5,976,506	6,139,834	5,976,506
Purchase of tangible capital assets	(29,791,625)	(12,539,786)	(7,194,189)
Gain on disposal of tangible capital assets	-	(280,986)	(5,125)
Proceeds on disposal of tangible capital assets	-	384,050	5,125
Increase to asset retirement obligation asset	-	-	(23,768)
Change in prepaid expenses	-	(38,518)	49,341
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(5,957,286)	(2,988,868)	2,292,534
NET FINANCIAL ASSETS - beginning of year	25,865,681	25,865,681	23,573,147
ADJUSTMENT ON ADOPTION OF THE REVENUE RECOGNITION STANDARD (note 20)	-	(233,810)	-
NET FINANCIAL ASSETS - beginning of year, as restated	25,865,681	25,631,871	23,573,147
NET FINANCIAL ASSETS - end of year	19,908,395	22,643,003	25,865,681

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2024

	2024 $	2023 $
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	3,346,538	3,484,644
Items not involving cash		
Amortization of tangible capital assets	6,139,834	5,976,506
Gain on disposal of tangible capital assets	(280,986)	(5,125)
Accretion expense	-	7,244
Change in non-cash assets and liabilities		
Trade and other receivable	(1,772,134)	(620,568)
Taxes receivable	(1,548,017)	(187,685)
Prepaid expenses	(38,518)	49,341
Accounts payable and accrued liabilities	(4,205,624)	1,589,542
Deferred revenue - obligatory reserve funds	1,116,135	772,843
Deferred revenue - other	(213,746)	451,012
Net change in cash from operating activities	2,543,482	11,517,754
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(12,539,786)	(7,194,189)
Proceeds on disposal of tangible capital assets	384,050	5,125
Net change in cash from capital activities	(12,155,736)	(7,189,064)
INVESTING ACTIVITIES		
Purchase of investments	(704,574)	(688,177)
Redemption of investments	13,704	12,977
Net change in cash from investing activities	(690,870)	(675,200)
FINANCING ACTIVITIES		
Debt principal repayments	(405,889)	(522,738)
NET CHANGE IN CASH	(10,709,013)	3,130,752
CASH - beginning of year	36,713,218	33,582,466
CASH - end of year	26,004,205	36,713,218

The accompanying notes are an integral part of these financial statements

The Township of Springwater is a lower tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies are as follows:

(a) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the reporting entity.

The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Township and which are owned and controlled by the Township. These consolidated financial statements include:

- Springwater Township Public Library Board
- Elmvale Business Improvement Area
- Anten Mills Community Recreation Association
- Midhurst Community Recreation Association
- Phelpston Community Recreation Association
- Grenfel Community Recreation Association
- Minesing Community Recreation Association
- Hillsdale Community Recreation Association
- Elmvale Community Recreation Association
- Springwater Sports Heritage Committee
- Springwater Community Policing Committee
- Midhurst Union Cemetery

All interfund assets and liabilities and revenues and expenses are eliminated.

(b) Trust Funds

Trust funds and their related operations administered by the Township are not included in these consolidated financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

(c) Deferred Revenue

Deferred revenue represents grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(d) Non-financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the Township because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Township unless they are sold.

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset, as well as legally or contractually required retirement activities. When historical cost records were not available, other methods were used to estimate costs. The cost, less residual value, if any, is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Land improvements	15 years
Buildings	50 years
Vehicles, machinery and equipment	5 to 20 years
Furniture and fixtures	10 years
Roads	30 to 50 years
Water and waste water systems	25 to 100 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

(f) Reserves and Reserve Funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

(g) Use of Estimates

Certain items recognized in the consolidated financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Township's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements or changes in such estimates in future periods could be significant. The Township's significant estimates include:

- The amount recorded for asset retirement obligation is based on estimates of the assets with potential contaminants and management's estimate of the costs to retire those assets - See Note 1(j) and related costs added to tangible capital assets - See Note 1(e)
- Amortization of tangible capital assets is based on estimated useful life and residual value - See Note 1(e)
- Allowance for doubtful accounts receivable is based in management's estimate of future collectibility

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(h) Recognition of Revenues and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

Property taxation

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. The Township's Council establishes the tax rates annually, incorporating amounts to be raised for local services, and amounts the Township is required to collect on behalf of the County and School Boards. 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 assessment can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are reported in the financial statements when amounts can be reasonably determined.

The Township is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

Government funding

Government funding is 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.

Other Revenue

User charges are recognized as revenue in the year the goods and services are provided.

Canada Community-Building Fund, development charges, parkland fees, covid funding and Ontario Community Infrastructure Fund are recognized in the period in which the related expenditures are recorded.

Investment income is recorded and recognized when earned.

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(i) Financial Instruments

Financial instruments are classified as either fair value or amortized cost. The following chart shows the measurement method for each type of financial instrument.

Financial Instrument	Measurement Method
Cash	Amortized Cost
Investments	Amortized Cost
Trade and other receivable	Amortized Cost
Taxes receivable	Amortized Cost
Accounts payable and accrued liabilities	Amortized Cost
Long term debt	Amortized Cost

Fair value category: The Township manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses.

Amortized cost category: Amounts are measured at the initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial instrument asset or financial instrument liability.

The following hierarchy provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

As there are no unrealized gains or losses on financial instruments to report, the Statement of Remeasurement Gains and Losses has not been presented in these financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(j) Asset Retirement Obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

A liability for the Township's gravel pit closure and the costs to return the property to its original state has been recognized. The Township has recognized the liability based on estimated future expenses for remediation or disposal.

The liability is discounted using a present value calculation, and adjusted yearly any amounts paid. The recognition of the liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the accounting policies outlined in (e).

2. CASH

Cash consists of the following:

	2024 $	2023 $
Unrestricted	14,962,583	26,208,306
Restricted	11,041,622	10,504,912
	26,004,205	36,713,218

Restricted funds are comprised of development charges, parkland fees, CCBF and reserve funds.

3. CREDIT FACILITY AGREEMENT

The Township has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to $2,000,000 via an operating loan. Any balance borrowed will accrue interest at the bank’s prime lending rate less 0.75% per annum. Council authorized the temporary borrowing limit by By-law 2024-004. At December 31, 2024 there was no balance outstanding (2023 - $Nil).

4. INVESTMENTS

Investments, recorded at amortized cost consist of the following:

	2024 Annual Interest	2024 $	2023 $
GIC maturing July 16, 2025	4.59%	13,995	13,312
ONE fund high interest savings account	5.20%	13,970,242	13,330,055
GIC maturing Januart 17, 2025	3.61%	50,000	-
		14,034,237	13,343,367

5. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF SIMCOE

During 2024, requisitions were made by the County of Simcoe and School Boards requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	School Boards $	County $
Property taxation	8,307,207	13,586,038
Taxation from other governments	18,314	114,412
Amounts requisitioned and remitted	8,325,521	13,700,450

These amounts have not been included in the Consolidated Statement of Operations and Accumulated Surplus.

6. BUDGET FIGURES

The budget, approved by the Township differs from the budget reflected on the Consolidated Statement of Operations and Accumulated Surplus as the approved budget has been adjusted to comply with PSA reporting requirements.

The following is a reconciliation of Council's approved budget to the annual surplus:

	2024 $
Council approved budgeted surplus	-
Tangible capital asset additions	29,791,625
Amortization of tangible capital assets	(5,976,506)
Long term debt proceeds	(3,842,136)
Principal repayment of long term debt	462,766
Transfers to/(from) reserves and reserve funds	(2,577,916)
Annual surplus reported on the Consolidated Statement of Operations	17,857,833

7. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2024 $	2023 $
Water and sewer	114,920	108,954
Community hub facility contribution	365,000	365,000
Building permits	78,924	-
Other	81,675	146,501
	640,519	620,455

8. PENSION AGREEMENTS

Certain employees of the Township are eligible members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan.

The Actuarial Opinion contained in the 2024 Annual Report disclosed total actuarial liabilities of $142,489 million in respect of benefits accrued for service with actuarial assets of $139,576 million indicating an actuarial deficit of $2,913 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit.

The Township's total contributions to OMERS in 2024 were $1,726,756 (2023 - $1,578,618) of which $863,378 (2023 - $789,309) was contributed by employees.

9. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Township are summarized below:

	2024 $	2023 $
Development charges	9,144,515	8,382,901
COVID relief	450,343	525,461
Parkland fees	852,607	779,500
Canada Community-Building Fund	2,246,747	2,288,854
Ontario Community Infrastructure Fund	1,753,525	1,354,886
	14,447,737	13,331,602

The continuity of deferred revenue - obligatory reserve funds is as follows:

	2024 $	2023 $
Balance - beginning of year	13,331,602	12,558,759
Add amounts received:		
Development charges	1,276,114	1,224,235
Canada Community-Building Fund	691,699	630,740
Ontario Community Infrastructure Fund	1,053,595	1,239,524
Interest	652,296	532,003
Parkland fees	2,000	91,808
	3,675,704	3,718,310
Less transfer to operations:		
Development charges earned	898,759	1,131,752
Canada Community-Building Fund earned	830,041	188,619
Parkland fees earned	-	115,362
Ontario Community Infrastructure Funds earned	732,558	1,509,347
COVID relief funding earned	98,211	387
	2,559,569	2,945,467
Balance - end of year	14,447,737	13,331,602

10. LONG TERM DEBT

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

	2024 $	2023 $
Ontario Infrastructure Projects Corporation debenture repayable in blended semi-annual installments of $79,147 including principal and interest with interest of 4.26%, due October 2030	830,366	949,467
Green Municipal Fund debenture repayable in blended semi-annual installments of $60,914 including principal and interest with interest of 2.00%, due July 2030	685,576	792,071
Ontario Infrastructure and Lands Corporation debenture repayable in blended semi-annual installments of $92,003 including principal and interest with interest of 2.74%, due September 2024	-	180,293
	1,515,942	1,921,831

(b) The long term debt in (a) issued in the name of the Township have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

(c) The Township acts as a collection agency for the Province of Ontario for tile drainage loans for individual ratepayers. The value of these loans outstanding at December 31, 2024 is $72,576 (2023 - $87,271).

(d) Interest paid during the year on long term debt amounted to $58,239 (2023 - $72,805).

(e) The long term debt reported in (a) of this note is repayable as follows:

	Principal $	Interest $	Total $
2025	232,898	47,224	280,122
2026	240,415	39,708	280,123
2027	248,221	31,901	280,122
2028	256,306	23,816	280,122
2029	264,706	15,416	280,122
2030 and subsequent years	273,396	6,736	280,132
	1,515,942	164,801	1,680,743

11. TANGIBLE CAPITAL ASSETS

The net book value of the Township's tangible capital assets are:

	2024 $	2023 $
General		
Land and land improvements	37,288,816	37,690,034
Buildings	10,922,290	11,296,980
Vehicles machinery and equipment	9,836,281	9,440,295
Furniture and fixtures	57,714	63,596
Books	251,034	245,708
Infrastructure		
Roads	64,402,951	64,780,681
Water	21,329,674	21,743,300
Sewer	13,432,159	13,646,800
	157,520,919	158,907,394
Assets under construction	11,869,020	4,185,657
	169,389,939	163,093,051

For additional information, see the Consolidated Schedule of Tangible Capital Assets.

During the year there were no write-downs of assets (2023 - $Nil), no interest capitalized (2023 - $Nil) and no contributed assets (2023 - $Nil).

	2024 $	2023 $
General government	13,865,556	14,164,044
Protection services	11,042,162	6,595,466
Transportation services	93,019,917	90,301,878
Environmental services	40,985,696	41,394,079
Health services	8,049	8,049
Recreation and cultural services	10,457,874	10,618,850
Planning and development	10,685	10,685
	169,389,939	163,093,051

12. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2024 $	2023 $
Surplus/(Deficit)		
Township	2,861,458	2,608,205
Municipal drains	(143,630)	(233,796)
	2,717,828	2,374,409
Invested In Capital Assets		
Tangible capital assets - net book value	169,389,939	163,093,051
Long term debt	(1,515,942)	(1,921,831)
Unfunded capital (see below)	(10,947,484)	(1,459,068)
Unfunded asset retirement obligation	(214,887)	(214,887)
	156,711,626	159,497,265
Surplus	159,429,454	161,871,674
Reserves		
Working funds	-	57,361
Capital asset acquisitions	12,238,953	10,537,354
General operations	4,134,046	3,772,573
Total Reserves	16,372,999	14,367,288
Reserve Funds		
Capital assets acquisitions	16,410,575	12,893,002
Recreation programs and facilities	221,500	189,836
Total Reserve Funds	16,632,075	13,082,838
	192,434,528	189,321,800

Unfunded capital consists of the following:

	2024 $	2023 $
Transportation services	3,623,805	436,085
Protection services	5,158,364	824,374
Environmental services	1,967,143	185,449
General government	198,172	13,160
	10,947,484	1,459,068

13. EXPENSES BY OBJECT

The expenses for the year reported on the Consolidated Statement of Operations and Accumulated Surplus by object are as follows:

	Budget 2024 $ (note 6)	Actual 2024 $	Actual 2023 $
Salaries and benefits	13,562,917	12,629,976	11,364,677
Interest charges	123,668	58,239	72,806
Materials	6,279,349	6,400,141	6,077,484
Contracted services	6,022,042	6,493,844	6,177,730
Rents and financial	984,873	851,108	873,785
External transfers	360,415	340,415	317,090
Amortization	5,976,506	6,139,834	5,976,506
	33,309,770	32,913,557	30,860,078

14. TRUST FUNDS

Trust funds administered by the Township amounting to $249,920 (2023 - $250,062) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Township for the benefit of others, they are not presented as part of the Township's financial position or operations.

15. CONTINGENT LIABILITIES

The Township, in the course of its operations, is often named in lawsuits the outcomes of which are indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements.

16. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation. There was no impact on the prior year's annual surplus.

17. ASSET RETIREMENT OBLIGATION

The Township's asset retirement obligation consists of the following:

(a) Gravel pits

The Township owns and operates two gravel pits. The liability for the closure of these site and the costs to return the property to its original state has been recognized under PS 3280 – Asset Retirement Obligations. The costs were based on presently known obligations that will exist at the estimated year of closure of the sites.

Changes to the asset retirement obligation in the year are as follows:

Asset Retirement Obligation	Gravel pits 2024 $	Gravel pits 2023 $
Opening balance	214,887	183,875
Revaluation of liability	-	23,768
Accretion expense	-	7,244
Closing balance	214,887	214,887

18. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in the Township assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

The Township is exposed to the following risks in respect of certain of the financial instruments held:

(a) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The value of fixed income securities will generally rise if interest rates fall and conversely fall when rates rise.

These risks are generally outside the control of the Township but are mitigated by the Township's investment policies, which prescribe the asset mix of investments including the amount of foreign content and credit ratings of bond issuers.

(b) Credit risk

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 Township reduces its exposure to credit risk by creating an allowance for bad debts when applicable. The Township monitors and assesses the collectability of accounts receivable based on past experience to derive a net realizable value.

In the opinion of management, the Township is not exposed to any significant market, liquidity or currency risk.

19. SEGMENTED INFORMATION

The Township of Springwater is a municipal government organization that provides a range of services to its residents. Township services are reported by function and their activities are separately disclosed in the segmented information.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes and certain unconditional government transfers are apportioned based on each segment’s net requirements.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segment Disclosure.

General Government

General government consists of the activities of Council and general financial and administrative management of the Township and its programs and services.

Protection Services

Protection services include police, fire, conservation authority and protective inspection and control.

Transportation Services

The activities of the transportation function include construction and maintenance of the Township's roads and bridges, winter control and street lighting.

Environmental Services

The environmental function is responsible for providing water and sewer services to ratepayers.

Health Services

The health services function consists of the cemetery operations.

Recreation and Cultural Services

The recreation and cultural services function provides indoor and outdoor recreational facilities and programs and library services.

Planning and Development

The planning and development services function manages commercial, industrial, drains, and residential development within the Township.

20. CHANGES IN ACCOUNTING POLICIES

The Township has implemented the following sections and guidelines which are now effective under the PSA Handbook: 3160 Public Private Partnerships, 3400 Revenue, and PSG-8 Purchased Intangibles.

Section 3160 establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The adoption of this standard did not have an impact on the Township's consolidated financial statements.

Section 3400 establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as 'exchange transactions', and transactions that do not have performance obligations, referred to as 'non-exchange transactions'.

In accordance with the provisions of this new standard, which has been applied prospectively, the Township reflected the following adjustments at January 1, 2024:

- An increase of $233,810 to deferred revenue - other and corresponding decrease to accumulated surplus related to the estimated unearned portion of building permit fees due to outstanding performance obligations at December 31, 2023.

Under PSG-8, an entity may recognize purchased intangibles as an asset in its consolidated financial statements if the intangible meets the asset definition and the general recognition criteria. Under the modified retrospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard.

21. SUBSEQUENT EVENTS

On December 11, 2025, the Province of Ontario enacted the Barrie – Oro-Medonte – Springwater Boundary Adjustment Act, 2025, (the Act) which received Royal Assent and comes into force effective January 1, 2026. The Act provides for the annexation of portions of the Township of Springwater and the Township of Oro-Medonte to the City of Barrie, as of the effective date. Under the Act, approximately 1,216 hectares are being transferred from the Township of Springwater to the City of Barrie.

On the effective date, the real property, related infrastructure, and service requirements within the annexed portion of the Township of Springwater will transition to the City of Barrie. The City of Barrie will assume all taxation and other revenues on and after the effective date.

On February 20, 2026, a compensation agreement between the City of Barrie and the Township of Springwater was executed. The Township of Springwater will receive $22,930,000 in total compensation from the City of Barrie, payable in installments over five years, 2026 to 2030.

22. COMMITMENT

In June 2024, the Township of Springwater broke ground on a new fire station located at 1132 Snow Valley Road. At a total cost of $11.6M, the new fire station will feature a four-bay apparatus area, support and vehicle maintenance sections, administration and training spaces, and residential areas, including a day room, kitchen, fitness space, and washroom facilities. The remaining commitment at the end of 2024 is $6.2M. Construction is estimated to be completed by summer 2026.

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2024

	General					Infrastructure				
	Land and Land Improvements $	Buildings $	Vehicles Machinery and Equipment $	Furniture and Fixtures $	Books $	Roads $	Water $	Sewer $	Assets Under Construction $	Totals $
COST										
Balance, beginning of year	42,565,753	19,115,753	19,372,406	206,247	415,174	136,728,354	32,718,835	19,164,965	4,185,657	274,473,144
Add: additions during the year	58,992	119,004	1,669,376	-	56,438	2,881,227	-	71,386	7,683,363	12,539,786
Less: disposals during the year	-	83,794	457,223	-	50,885	-	-	-	-	591,902
Balance, end of year	42,624,745	19,150,963	20,584,559	206,247	420,727	139,609,581	32,718,835	19,236,351	11,869,020	286,421,028
ACCUMULATED AMORTIZATION										
Balance, beginning of year	4,875,719	7,818,773	9,932,111	142,651	169,466	71,947,673	10,975,535	5,518,165	-	111,380,093
Add: additions during the year	460,210	409,900	1,254,120	5,882	51,112	3,258,957	413,626	286,027	-	6,139,834
Less: disposals during the year	-	-	437,953	-	50,885	-	-	-	-	488,838
Balance, end of year	5,335,929	8,228,673	10,748,278	148,533	169,693	75,206,630	11,389,161	5,804,192	-	117,031,089
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	37,288,816	10,922,290	9,836,281	57,714	251,034	64,402,951	21,329,674	13,432,159	11,869,020	169,389,939

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE
For the Year Ended December 31, 2024

	General Government $	Protection Services $	Transportation Services $	Water and Sewer $	Health Services $	Recreation and Cultural Services $	Planning and Development $	Consolidated $
Revenues								
Property taxation	4,311,204	5,318,422	6,503,735	-	-	3,132,144	903,858	20,169,363
User charges	76,800	1,078,270	320,200	6,195,428	35,522	808,630	392,695	8,907,545
Government transfers - operating	343,010	265,551	313,488	65,781	-	220,440	30,734	1,239,004
Government transfers - capital	-	-	724,306	-	-	-	-	724,306
Other municipalities	-	380,351	-	-	-	63,409	(50,000)	393,760
Penalties and interest on taxes	477,216	-	-	-	-	-	-	477,216
Investment income	1,894,638	-	-	-	-	3,854	-	1,898,492
Donations	17,435	-	-	-	-	156,373	-	173,808
Other	38,114	1,745	175,597	-	-	51,359	-	266,815
Development charges earned	6,724	113,226	397,750	254,834	-	126,225	-	898,759
Canada Community-Building Fund earned	-	-	830,041	-	-	-	-	830,041
Gain/(loss) on disposal of tangible capital assets	181,206	72,500	39,600	(16,770)	-	4,450	-	280,986
Total revenues	7,346,347	7,230,065	9,304,717	6,499,273	35,522	4,566,884	1,277,287	36,260,095
Expenses								
Salaries and benefits	3,462,839	3,075,835	2,784,049	132,117	10,809	2,259,530	904,797	12,629,976
Interest charges	54,526	-	3,713	-	-	-	-	58,239
Materials	1,290,852	669,880	810,825	2,139,199	30,385	1,287,303	171,697	6,400,141
Contracted services	317,877	2,566,023	1,453,843	1,900,734	-	200,547	54,820	6,493,844
Rents and financial	82,346	27,114	726,598	243	-	14,807	-	851,108
External transfers	-	340,415	-	-	-	-	-	340,415
Amortization	375,863	481,046	3,859,049	770,114	-	653,762	-	6,139,834
Internal transfers	(465,395)	163,565	(15,000)	307,856	-	8,974	-	-
Total expenses	5,118,908	7,323,878	9,623,077	5,250,263	41,194	4,424,923	1,131,314	32,913,557
Net surplus/(deficit)	2,227,439	(93,813)	(318,360)	1,249,010	(5,672)	141,961	145,973	3,346,538

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE
For the Year Ended December 31, 2023

	General Government $	Protection Services $	Transportation Services $	Water and Sewer $	Health Services $	Recreation and Cultural Services $	Planning and Development $	Consolidated $
Revenues								
Property taxation	3,819,984	4,888,641	6,686,564	-	-	2,572,394	852,435	18,820,018
User charges	70,995	1,018,414	156,600	5,654,595	57,206	802,542	534,607	8,294,959
Government transfers - operating	339,764	250,784	321,650	-	-	96,939	38,704	1,047,841
Government transfers - capital	-	-	1,509,348	-	-	90,661	-	1,600,009
Other municipalities	-	103,647	-	83,960	-	44,295	-	231,902
Penalties and interest on taxes	392,600	-	-	-	-	-	-	392,600
Investment income	2,153,733	-	-	-	-	105	-	2,153,838
Donations	16,237	-	-	-	-	102,967	-	119,204
Other	60,012	2,000	170,293	-	-	11,188	-	243,493
Development charges earned	13,462	467,803	368,702	220,725	-	61,060	-	1,131,752
Parkland fees earned	-	-	-	-	-	115,362	-	115,362
Canada Community-Building Fund earned	-	-	188,619	-	-	-	-	188,619
Gain/(loss) on disposal of tangible capital assets	-	-	2,825	-	-	2,300	-	5,125
Total revenues	6,866,787	6,731,289	9,404,601	5,959,280	57,206	3,899,813	1,425,746	34,344,722
Expenses								
Salaries and benefits	3,070,289	2,733,558	2,582,569	194,036	9,509	1,952,980	821,736	11,364,677
Interest charges	61,524	-	11,282	-	-	-	-	72,806
Materials	1,262,165	663,103	903,912	1,673,815	44,646	1,002,078	527,765	6,077,484
Contracted services	150,967	2,584,399	1,422,539	1,872,837	5,672	128,116	13,200	6,177,730
Rents and financial	106,812	26,829	724,212	52	-	15,880	-	873,785
External transfers	-	317,090	-	-	-	-	-	317,090
Amortization	367,234	440,178	3,774,691	764,597	-	629,806	-	5,976,506
Internal transfers	(439,514)	145,554	(15,225)	300,868	-	8,317	-	-
Total expenses	4,579,477	6,910,711	9,403,980	4,806,205	59,827	3,737,177	1,362,701	30,860,078
Net surplus/(deficit)	2,287,310	(179,422)	621	1,153,075	(2,621)	162,636	63,045	3,484,644

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of the Trust Fund of the Corporation of the Township of Springwater (the Trust Fund), which comprise the statement of financial position as at December 31, 2024, the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust Fund as at December 31, 2024, and the continuity of the Trust Fund 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 Financial Statements section of our report. We are independent of the Trust Fund 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 opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trust Funds' 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 Trust Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust Funds' financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 Trust Funds' 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 Trust Funds' 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 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 Trust Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 5, 2026

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CORPORATION OF THE TOWNSHIP OF SPRINGWATER

TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
At December 31, 2024

	Subdivision Trust Funds $	H D Russell Recreation and Cemetery Trust Funds $	Cemetery Care and Maintenance Trust Funds $	2024 Total $	2023 Total $
FINANCIAL ASSETS					
Cash	23,717	-	-	23,717	22,565
Investments (note 2)	-	14,739	211,464	226,203	209,136
Due from Township	-	-	-	-	18,361
	23,717	14,739	211,464	249,920	250,062
FUND BALANCES	23,717	14,739	211,464	249,920	250,062

TRUST FUNDS
STATEMENT OF CONTINUITY
For the Year Ended December 31, 2024

	Subdivision Trust Funds $	H D Russell Recreation and Cemetery Trust Funds $	Cemetery Care and Maintenance Trust Funds $	2024 Total $	2023 Total $
BALANCES - beginning of year	22,565	14,028	213,469	250,062	214,207
RECEIPTS					
Investment income	1,152	711	15,320	17,183	10,985
Perpetual care receipts	-	-	7,156	7,156	30,063
	1,152	711	22,476	24,339	41,048
EXPENSES					
Transfer to Township	-	-	18,361	18,361	-
Investment fees	-	-	6,120	6,120	5,193
	-	-	24,481	24,481	5,193
BALANCES - end of year	23,717	14,739	211,464	249,920	250,062

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook.

(a) Basis of Accounting

Revenue and expenses are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable; 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.

(b) Financial Instruments

The Trust Funds financial instruments consist of cash, investments and due from Township. It is management's opinion that the fair value of the financial instruments are not materially different from their carrying value unless otherwise noted. The Trust Funds do not have any significant concentration of credit, currency or interest rate risk.

(c) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions 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 revenue and expenses during the period and are based on the Township's best information and judgment. Actual results could differ from these estimates.

2. INVESTMENTS

Investments are comprised of Guaranteed Investment Certificates and funds held by Scotiatrust, TD Canada Trust and RBC Dominion Securities and are recorded at cost plus the accrued interest earned at December 31, 2024. Interest rates range on the GIC's from 3.79% to 5.6% with maturity dates in 2025.

3. CARE AND MAINTENANCE FUNDS

The Cemetery Care and Maintenance Fund administered by the Cemetery Board is funded by the sale of cemetery plots. These funds are invested and earnings derived there from are used to perform perpetual care maintenance to the Board's cemeteries. The operations and investments of the Fund are undertaken by the Board in accordance with the regulations of the Funeral, Burial, and Cremation Services Act, 2002. The figures reported for the cemetery perpetual care and maintenance represent the trust fund activities for the Midhurst Union cemetery.

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2024

bakertilly

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Springwater Township Public Library Board, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Springwater

Qualified Opinion
We have audited the financial statements of the Springwater Township Public Library Board of the Corporation of the Township of Springwater (the Board), which comprise the statement of financial position as at December 31, 2024, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Qualified Opinion
In common with many Public Library Boards, the Board derives revenue from donations, fines, and user fees, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Board. Therefore, we were not able to determine whether any adjustments might be necessary to donations, fines, and user fees revenue, annual surplus/(deficit) and cash flows from operations for the years ended December 31, 2024 and 2023, and assets and accumulated surplus as at December 31, 2024 and 2023. Our opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this scope limitation.

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 Board 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board'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 Board or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 Board'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 Board'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 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 Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 5, 2026

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CORPORATION OF THE TOWNSHIP OF SPRINGWATER

SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD
STATEMENT OF FINANCIAL POSITION
At December 31, 2024

	2024 $	2023 $
FINANCIAL ASSETS		
Cash	137,208	-
Short term investments (note 3)	50,000	-
Due from Township (note 4)	18,567	185,675
Accounts receivable	1,770	-
HST receivable	8,535	-
TOTAL FINANCIAL ASSETS	216,080	185,675
LIABILITIES		
Accounts payable	23,612	-
NET FINANCIAL ASSETS	192,468	185,675
NON-FINANCIAL ASSETS		
Tangible capital assets (note 6)	251,033	245,709
Prepaid expenses	8,969	-
TOTAL NON-FINANCIAL ASSETS	260,002	245,709
ACCUMULATED SURPLUS (note 5)	452,470	431,384

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2024

	Budget 2024 $ (note 7)	Actual 2024 $	Actual 2023 $
REVENUES			
Contributions from Township (note 4)	947,227	978,323	1,010,476
Fines and user fees	8,150	22,037	18,309
Government of Canada	-	-	43,734
Other municipalities	13,500	11,600	13,639
Other grants	31,500	82,632	53,230
Interest	-	3,854	105
Donations	3,000	53,316	5,043
TOTAL REVENUES	1,003,377	1,151,762	1,144,536
EXPENSES			
Salaries and benefits	834,437	840,296	800,948
Materials and supplies	78,250	114,938	100,517
Utilities, services and rent	90,690	124,328	79,468
Amortization	48,081	51,114	48,081
TOTAL EXPENSES	1,051,458	1,130,676	1,029,014
ANNUAL SURPLUS/(DEFICIT)	(48,081)	21,086	115,522
ACCUMULATED SURPLUS - beginning of year		431,384	315,862
ACCUMULATED SURPLUS - end of year		452,470	431,384

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2024

	Budget 2024 $ (note 7)	Actual 2024 $	Actual 2023 $
ANNUAL SURPLUS/(DEFICIT)	(48,081)	21,086	115,522
Amortization of tangible capital assets	48,081	51,114	48,081
Acquisition of tangible capital assets	(60,000)	(56,438)	(61,060)
Change in prepaid expenses	-	(8,969)	-
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(60,000)	6,793	102,543
NET FINANCIAL ASSETS - beginning of year	185,675	185,675	83,132
NET FINANCIAL ASSETS - end of year	125,675	192,468	185,675

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2024

	2024 $	2023 $
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	21,086	115,522
Items not involving cash		
Amortization of tangible capital assets	51,114	48,081
Change in non-cash assets and liabilities		
Short term investments	(50,000)	-
Accounts receivable	167,108	(102,543)
Other receivables	(1,770)	-
HST receivable	(8,535)	-
Prepaid expenses	(8,969)	-
Accounts payable	23,612	-
Net change in cash from operating activities	193,646	61,060
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(56,438)	(61,060)
NET CHANGE IN CASH	137,208	-
CASH - beginning of year	-	-
CASH - end of year	137,208	-

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions of events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

User fees are recognized as revenue in the year the goods and services are provided.

Fines and donations are recognized when the amounts are received.

(b) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Board's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The Board's significant estimates include:

- Amortization of tangible capital assets is based on estimated useful life and residual value - See Note 1(d)

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Financial Instruments

Financial instruments are classified as either fair value or amortized cost. The following chart shows the measurement method for each type of financial instrument.

Financial Instrument	Measurement Method
Cash	Amortized Cost
Short term investments	Amortized Cost
Due from Township	Amortized Cost
Accounts receivable	Amortized Cost
HST receivable	Amortized Cost
Accounts payable	Amortized Cost

Fair value category: The Board manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses.

Amortized cost category: Amounts are measured at the initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial instrument asset or financial instrument liability.

The following hierarchy provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

As there are no unrealized gains or losses on financial instruments to report, the Statement of Remeasurement Gains and Losses has not been presented in these financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset, as well as legally or contractually required retirement activities. When historical cost records were not available, other methods were used to estimate costs. The cost, less residual value, if any, is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Books	7 years
Equipment	5 to 20 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

(e) Non-Financial Assets

Tangible capital assets and other non-financial assets are accounted for as assets by the Board because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Board unless they are sold.

(f) Government Funding

Government funding is 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.

(g) Reserve Funds

Certain amounts, as approved by the Board, are set aside in reserve funds for future operating and capital purposes. Transfers to and/or from reserve funds are an adjustment to the respective fund when approved.

(h) Inter-Entity Transactions

The Springwater Township Public Library Board is a Board of the Township of Springwater and is consolidated with the Township's financial statements.

Allocated costs and recovery of costs are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Unallocated costs are measured at the carrying amount, which is the amount recorded in the records of the Township.

2. CHANGES IN ACCOUNTING POLICIES

The Board has implemented the following sections and guidelines which are now effective under the PSA Handbook: 3160 Public Private Partnerships, 3400 Revenue, and PSG-8 Purchased Intangibles.

Section 3160 establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The adoption of this standard did not have an impact on the Board's financial statements.

Section 3400 establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as 'exchange transactions', and transactions that do not have performance obligations, referred to as 'non-exchange transactions'. The adoption of this standard did not have an impact on the Board's financial statements.

Under PSG-8, an entity may recognize purchased intangibles as an asset in its consolidated financial statements if the intangible meets the asset definition and the general recognition criteria. The adoption of this standard did not have an impact on the Board's financial statements.

3. INVESTMENTS

Investments, recorded at amortized cost consist of the following:

	2024 Annual Interest	2024 $	2023 $
GIC maturing January 17, 2025	3.61%	50,000	-

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4. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the Township of Springwater.

As part of the budgeting process, the Township approves a contribution to the Board which is identified on the Statement of Operations and Accumulated Surplus. In addition, the Township collects and remits development charges to the Board for library capital expenditures. These revenues are reported on the Statement of Operations and Accumulated Surplus.

Details of the inter-entity expense transactions are as follows:

	2024 $	2023 $
Allocated costs:		
Insurance	18,724	17,296
Audit fees	1,550	1,550
Facility rent	7,500	7,500
	27,774	26,346

In addition, the following services are provided to the Board by the Township at no cost.

- Accounting and administrative services
- Other administrative costs

All balances with the Township of Springwater have been identified on the Statement of Financial Position. Due from (to) balances are unsecured, without interest and have no terms of repayment.

5. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2024 $	2023 $
Deficit		
Operating deficit	(20,062)	-
Invested In Capital Assets		
Tangible capital assets - net book value	251,033	245,709
Surplus	230,971	245,709
Reserve Fund		
Capital asset acquisitions	221,499	185,675
	452,470	431,384

6. TANGIBLE CAPITAL ASSETS

The net book value of the Board's tangible capital assets are:

	Equipment $	Books $	2024 Totals $	2023 Totals $
COST				
Balance, beginning of year	30,629	415,176	445,805	513,162
Add: additions during the year	-	56,438	56,438	61,060
Less: disposals during the year	-	50,885	50,885	128,417
Balance, end of year	30,629	420,729	451,358	445,805
ACCUMULATED AMORTIZATION				
Balance, beginning of year	30,629	169,467	200,096	280,432
Add: additions during the year	-	51,114	51,114	48,081
Less: disposals during the year	-	50,885	50,885	128,417
Balance, end of year	30,629	169,696	200,325	200,096
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	-	251,033	251,033	245,709

7. BUDGET FIGURES

The budget, approved by the Board differs from the budget reflected on the Statement of Operations and Accumulated Surplus as the approved budget has been adjusted to comply with PSA reporting requirements.

8. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in the Board assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

In the opinion of management, the Board is not exposed to any significant credit, liquidity, market or currency risk.

(a) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The value of fixed income securities will generally rise if interest rates fall and conversely fall when rates rise.

These risks are generally outside the control of the Board but are mitigated by the Board's investment policies.

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

ELMVALE BUSINESS IMPROVEMENT AREA

FINANCIAL STATEMENTS

DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Elmvale Business Improvement Area, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Springwater

Opinion

We have audited the financial statements of the Elmvale Business Improvement Area of the Corporation of the Township of Springwater (the Board), which comprise the statement of financial position as at December 31, 2024, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2024, and the results of its operations and 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 Financial Statements section of our report. We are independent of the Board 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 opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board'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 Board or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 Board'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 Board'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 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 Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 5, 2026

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CORPORATION OF THE TOWNSHIP OF SPRINGWATER

ELMVALE BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
At December 31, 2024

	2024 $	2023 $
FINANCIAL ASSETS		
Due from Township	20,032	23,512
NET FINANCIAL ASSETS	20,032	23,512
ACCUMULATED SURPLUS (note 3)	20,032	23,512

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

ELMVALE BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2024

	Budget 2024 $ (note 4)	Actual 2024 $	Actual 2023 $
REVENUES			
Members' tax levy (note 5)	21,060	21,060	21,060
Donations	-	1,740	-
TOTAL REVENUES	21,060	22,800	21,060
EXPENSES			
Networking and communication	15,000	22,130	17,936
Administration (note 5)	1,275	1,050	1,050
Tourism and events	7,500	3,100	2,900
TOTAL EXPENSES	23,775	26,280	21,886
ANNUAL DEFICIT	(2,715)	(3,480)	(826)
ACCUMULATED SURPLUS - beginning of year		23,512	24,338
ACCUMULATED SURPLUS - end of year		20,032	23,512

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

ELMVALE BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2024

	Budget 2024 $ (note 4)	Actual 2024 $	Actual 2023 $
ANNUAL DEFICIT	(2,715)	(3,480)	(826)
DECREASE IN NET FINANCIAL ASSETS	(2,715)	(3,480)	(826)
NET FINANCIAL ASSETS - beginning of year	23,512	23,512	24,338
NET FINANCIAL ASSETS - end of year	20,797	20,032	23,512

The accompanying notes are an integral part of these financial statements

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CORPORATION OF THE TOWNSHIP OF SPRINGWATER

ELMVALE BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2024

	2024 $	2023 $
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual deficit	(3,480)	(826)
Change in non-cash assets and liabilities		
Due from Township	3,480	826
NET CHANGE IN CASH	-	-
CASH - beginning of year	-	-
CASH - end of year	-	-

The accompanying notes are an integral part of these financial statements

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1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions of events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due. The members' tax levy is recognized in the year it is levied for.

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions 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 revenue and expenses during the period and are based on the Board's best information and judgment. Actual results could differ from these estimates.

(c) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The Board has no significant tangible capital assets.

(d) Reserves

Certain amounts, as approved by the Board, are set aside in reserves for future operating and capital purposes. Transfers to and/or from reserves are an adjustment to the respective fund when approved.

(e) Inter-Entity Transactions

The Elmvale Business Improvement Area is a Board of the Township of Springwater and is consolidated with the Township's financial statements.

Allocated costs and recovery of costs are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Unallocated costs are measured at the carrying amount, which is the amount recorded in the records of the Township.

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Financial Instruments

Financial instruments are classified as either fair value or amortized cost. The following chart shows the measurement method for each type of financial instrument.

Financial Instrument	Measurement Method
Due from Township	Amortized Cost

Fair value category: The Board manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses.

Amortized cost category: Amounts are measured at the initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial instrument asset or financial instrument liability.

The following hierarchy provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

As there are no unrealized gains or losses on financial instruments to report, the Statement of Remeasurement Gains and Losses has not been presented in these financial statements.

2. CHANGE IN ACCOUNTING POLICY

The Board has implemented the following sections and guidelines which are now effective under the PSA Handbook: 3160 Public Private Partnerships, 3400 Revenue, and PSG-8 Purchased Intangibles.

Section 3160 establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The adoption of this standard did not have an impact on the Board's financial statements.

Section 3400 establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as 'exchange transactions', and transactions that do not have performance obligations, referred to as 'non-exchange transactions'. The adoption of this standard did not have an impact on the Board's financial statements.

Under PSG-8, an entity may recognize purchased intangibles as an asset in its consolidated financial statements if the intangible meets the asset definition and the general recognition criteria. The adoption of this standard did not have an impact on the Board's financial statements.

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2024 $	2023 $
Reserve		
General operations	20,032	23,512
	20,032	23,512

4. BUDGET FIGURES

The budget, approved by the Board differs from the budget reflected on the Statement of Operations and Accumulated Surplus as the approved budget has been adjusted to comply with PSA reporting requirements.

The following is a reconciliation of Board's approved budget to the annual deficit:

	2024 $
Board approved budgeted surplus	-
Transfers to/(from) reserves and reserve funds	(2,715)
Annual deficit reported on the Statement of Operations	(2,715)

5. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the Township of Springwater.

As part of the budgeting process, the Township approves a contribution to the Board which is identified on the Statement of Operations and Accumulated Surplus. The contribution is based on an additional tax levy on the businesses within the geographical boundaries of the Elmvale Business Improvement Area. The Township bills the tax levy and contributes this tax levy adjusted for any applicable supplementary tax billing or tax write-off annually to the Board.

Details of the inter-entity expense transactions are as follows:

	2024 $	2023 $
Allocated costs:		
Audit fees	1,050	1,050
	1,050	1,050

In addition, the following services are provided to the Board by the Township at no cost:

- Accounting and administrative services
- Other administrative costs

All balances with the Township of Springwater have been identified on the Statement of Financial Position. Due from (to) balances are unsecured, without interest and have no terms of repayment.

6. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in the Board assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

In the opinion of management, the Board is not exposed to any significant interest rate, liquidity, market, credit or currency risk.