CORPORATION OF THE TOWNSHIP OF SPRINGWATER

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

bakertilly

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

TABLE OF CONTENTS

	Page Number
MANAGEMENT REPORT	
INDEPENDENT AUDITOR'S REPORT	
CONSOLIDATED FINANCIAL STATEMENTS	
Statement of Financial Position	1
Statement of Operations and Accumulated Surplus	2
Statement of Remeasurement Gains and Losses	3
Statement of Change in Net Financial Assets	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 20
Schedule of Tangible Capital Assets	21
Schedules of Segment Disclosure	22 - 23
TRUST FUNDS	
Independent Auditor's Report	24
Statement of Financial Position	26
Statement of Continuity	26
Notes to the Financial Statements	27
LOCAL BOARDS	
Springwater Township Public Library Board	28 - 40
Elmvale Business Improvement Area	41 - 52

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

For The Year Ended December 31, 2023

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.

Mayor	Director of Finance	October 1, 2025

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

T: (705) 742-3418
F: (705) 742-9775

www.bakertilly.ca

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, 2023, 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, 2023, 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.

ASSURANCE • TAX • ADVISORY

Baker Tilly KDN LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.

Peterborough *Courtice* *Lindsay* *Cobourg*

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
January 21, 2026

bakertilly

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2023

	2023 $	2022 $ Restated (Note 20)
FINANCIAL ASSETS		
Cash (note 2)	36,713,218	33,582,466
Investments (note 4)	13,343,367	12,668,167
Trade and other receivable	3,651,526	3,030,958
Taxes receivable	2,633,190	2,445,505
TOTAL FINANCIAL ASSETS	56,341,301	51,727,096
LIABILITIES		
Accounts payable and accrued liabilities	14,386,845	12,797,303
Deferred revenue - obligatory reserve funds (note 9)	13,331,602	12,558,759
Deferred revenue - other (note 7)	620,455	169,443
Long term debt (note 10)	1,921,831	2,444,569
Asset retirement obligations (note 17)	214,887	183,875
TOTAL LIABILITIES	30,475,620	28,153,949
NET FINANCIAL ASSETS	25,865,681	23,573,147
NON-FINANCIAL ASSETS		
Tangible capital assets (note 11)	163,093,051	161,851,600
Prepaid expenses	363,068	412,409
TOTAL NON-FINANCIAL ASSETS	163,456,119	162,264,009
ACCUMULATED SURPLUS (note 12)	189,321,800	185,837,156

The accompanying notes are an integral part of these financial statements

bakertilly

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2023

	Budget 2023 $ (note 6)	Actual 2023 $	Actual 2022 $ Restated (Note 20)
REVENUES			
Property taxation	18,743,378	18,820,018	17,162,569
User charges	8,086,137	8,294,959	8,832,116
Government of Canada	11,800	138,696	940,485
Province of Ontario	947,400	2,509,154	1,459,281
Other municipalities	172,496	231,902	109,874
Penalties and interest on taxes	385,000	392,600	379,665
Investment income	200,000	2,153,838	781,576
Donations	47,000	119,204	126,203
Other	215,708	243,493	198,817
Development charges earned (note 9)	185,983	1,131,752	4,513,366
Parkland fees earned (note 9)	-	115,362	-
Canada Community-Building Fund earned (note 9)	-	188,619	585,952
Gain/(loss) on disposal of tangible capital assets	-	5,125	19,525
TOTAL REVENUES	28,994,902	34,344,722	35,109,429
EXPENSES			
General government	4,851,542	4,579,477	4,290,692
Protection services	7,023,007	6,910,711	6,589,327
Transportation services	9,353,743	9,403,980	8,558,181
Environmental services	5,264,602	4,806,205	4,341,888
Health services	58,304	59,827	60,313
Recreation and cultural services	3,836,406	3,737,177	3,269,398
Planning and development	1,341,180	1,362,701	942,544
TOTAL EXPENSES	31,728,784	30,860,078	28,052,343
ANNUAL SURPLUS/(DEFICIT)	(2,733,882)	3,484,644	7,057,086
ACCUMULATED SURPLUS - beginning of year		185,837,156	178,918,001
ADJUSTMENT ON ADOPTION OF THE ASSET RETIREMENT OBLIGATION STANDARD (note 20)		-	(137,931)
ACCUMULATED SURPLUS - beginning of year, as restated		185,837,156	178,780,070
ACCUMULATED SURPLUS - end of year		189,321,800	185,837,156

The accompanying notes are an integral part of these financial statements

bakertilly

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2023

	Budget 2023 $ (note 6)	Actual 2023 $	Actual 2022 $ Restated (Note 20)
ANNUAL SURPLUS/(DEFICIT)	(2,733,882)	3,484,644	7,057,086
Amortization of tangible capital assets	5,719,836	5,976,506	5,720,586
Purchase of tangible capital assets	(21,108,667)	(7,194,189)	(6,165,233)
Gain on disposal of tangible capital assets	-	(5,125)	(19,525)
Proceeds on disposal of tangible capital assets	-	5,125	19,525
Increase to asset retirement obligation asset	-	(23,768)	-
Change in prepaid expenses	-	49,341	(127,606)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(18,122,713)	2,292,534	6,484,833
NET FINANCIAL ASSETS - beginning of year	23,573,147	23,573,147	17,265,219
ADJUSTMENT ON ADOPTION OF THE ASSET RETIREMENT OBLIGATION STANDARD (note 20)	-	-	(176,905)
NET FINANCIAL ASSETS - beginning of year, as restated	23,573,147	23,573,147	17,088,314
NET FINANCIAL ASSETS - end of year	5,450,434	25,865,681	23,573,147

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2023

	2023 $	2022 $ Restated (Note 20)
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	3,484,644	7,057,086
Items not involving cash		
Amortization of tangible capital assets	5,976,506	5,720,586
Gain on disposal of tangible capital assets	(5,125)	(19,525)
Accretion expense	7,244	6,970
Change in non-cash assets and liabilities		
Trade and other receivable	(620,568)	(1,093,645)
Taxes receivable	(187,685)	(100,456)
Prepaid expenses	49,341	(127,606)
Accounts payable and accrued liabilities	1,589,542	2,696,879
Deferred revenue - obligatory reserve funds	772,843	4,904,672
Deferred revenue - other	451,012	43,177
Net change in cash from operating activities	11,517,754	19,088,138
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(7,194,189)	(6,165,233)
Proceeds on disposal of tangible capital assets	5,125	19,525
Net change in cash from capital activities	(7,189,064)	(6,145,708)
INVESTING ACTIVITIES		
Purchase of investments	(688,177)	(300,099)
Redemption of investments	12,977	-
Net change in cash from investing activities	(675,200)	(300,099)
FINANCING ACTIVITIES		
Debt principal repayments	(522,738)	(507,703)
NET CHANGE IN CASH	3,130,752	12,134,628
CASH - beginning of year	33,582,466	21,447,838
CASH - end of year	36,713,218	33,582,466

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.

bakertilly

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

In addition, the Township's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets in conjunction with estimates of expected asset retirement costs, as well as the timing and duration of these retirement costs.

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.

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

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.

User charges are recognized as revenue in the year the goods and services are provided, with the exception of building permits that are recognized when the permits are issued.

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 for accretion expense and 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:

	2023 $	2022 $
Unrestricted	26,208,306	23,585,741
Restricted	10,504,912	9,996,725
	36,713,218	33,582,466

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 2023-006. At December 31, 2023 there was no balance outstanding (2022 - $Nil).

4. INVESTMENTS

Investments, recorded at amortized cost consist of the following:

	2023 Annual Interest	2023 $	2022 $
GIC maturing July 17, 2024	5.60%	13,312	12,724
ONE fund investment	5.13%	13,330,055	12,655,443
		13,343,367	12,668,167

5. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF SIMCOE

During 2023, 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	7,867,904	12,384,179
Taxation from other governments	18,314	110,699
Amounts requisitioned and remitted	7,886,218	12,494,878

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.

7. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2023 $	2022 $
Water and sewer	108,954	100,216
Community hub facility contribution	365,000	-
Other	146,501	69,227
	620,455	169,443

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 2023 Annual Report disclosed total actuarial liabilities of $136,185 million in respect of benefits accrued for service with actuarial assets of $131,983 million indicating an actuarial deficit of $4,202 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 2023 were $1,578,618 (2022 - $1,314,668) of which $789,309 (2022 - $657,334) 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:

	2023 $	2022 $
Development charges	8,382,901	8,004,313
COVID relief	525,461	502,961
Parkland fees	779,500	762,259
Canada Community-Building Fund	2,288,854	1,759,421
Ontario Community Infrastructure Fund	1,354,886	1,529,805
	13,331,602	12,558,759

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

	2023 $	2022 $
Balance - beginning of year	12,558,759	7,654,087
Add amounts received:		
Development charges	1,224,235	7,875,719
Canada Community-Building Fund	630,740	604,459
Ontario Community Infrastructure Fund	1,239,524	1,458,264
Interest	532,003	217,647
Parkland fees	91,808	42,450
	3,718,310	10,198,539
Less transfer to operations:		
Development charges earned	1,131,752	4,513,366
Canada Community-Building Fund earned	188,619	585,952
Parkland fees earned	115,362	-
Ontario Community Infrastructure Funds earned	1,509,347	62,699
COVID relief funding earned	387	131,850
	2,945,467	5,293,867
Balance - end of year	13,331,602	12,558,759

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:

	2023 $	2022 $
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	949,467	1,063,654
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	792,071	896,483
Ontario Infrastructure Projects Corporation debenture repayable in blended semi-annual installments of $65,707 including principal and interest with interest of 2.82%, due July 2023	-	128,686
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	355,746
	1,921,831	2,444,569

(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, 2023 is $87,271 (2022 - $104,699).

(d) Interest paid during the year on long term debt amounted to $72,805 (2022 - $84,066).

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

	Principal $	Interest $	Total $
2024	405,890	58,239	464,129
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 and subsequent years	538,101	22,152	560,253
	1,921,831	223,040	2,144,871

11. TANGIBLE CAPITAL ASSETS

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

	2023 $	2022 Restated (Note 20) $
General		
Land and land improvements	37,690,034	37,857,021
Buildings	11,296,980	11,679,595
Vehicles machinery and equipment	9,440,295	11,506,864
Furniture and fixtures	63,596	10,670
Books	245,708	232,729
Infrastructure		
Roads	64,780,681	65,678,731
Water	21,743,300	21,770,036
Sewer	13,646,800	10,451,855
	158,907,394	159,187,501
Assets under construction	4,185,657	2,664,099
	163,093,051	161,851,600

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

During the year there were no write-downs of assets (2022 - $Nil), no interest capitalized (2022 - $Nil) and no contributed assets (2022 - $Nil).

	2023 $	2022 $
General government	14,164,044	14,324,016
Protection services	6,595,466	5,718,389
Transportation services	90,301,878	89,970,484
Environmental services	41,394,079	41,246,033
Health services	8,049	8,049
Recreation and cultural services	10,618,850	10,584,629
Planning and development	10,685	-
	163,093,051	161,851,600

12. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2023 $	2022 Restated (Note 20) $
Surplus/(Deficit)		
Township	2,608,205	1,947,644
Municipal drains	(233,796)	(480,455)
	2,374,409	1,467,189
Invested In Capital Assets		
Tangible capital assets - net book value	163,093,051	161,851,600
Long term debt	(1,921,831)	(2,444,569)
Unfunded capital	(1,459,068)	(643,089)
Unfunded asset retirement obligation	(214,887)	(183,875)
	159,497,265	158,580,067
Surplus	161,871,674	160,047,256
Reserves		
Working funds	57,361	1,306,148
Capital asset acquisitions	10,537,354	8,946,298
General operations	3,772,573	3,842,496
Total Reserves	14,367,288	14,094,942
Reserve Funds		
Capital assets acquisitions	12,893,002	11,513,375
Recreation programs and facilities	189,836	181,583
Total Reserve Funds	13,082,838	11,694,958
	189,321,800	185,837,156

bakertilly

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 2023 $ (note 6)	Actual 2023 $	Actual 2022 $ Restated (Note 20)
Salaries and benefits	12,283,328	11,364,677	10,033,177
Interest charges	261,978	72,806	84,066
Materials	6,250,886	6,077,484	5,460,292
Contracted services	5,978,465	6,177,730	5,552,896
Rents and financial	917,201	873,785	898,753
External transfers	317,090	317,090	302,573
Amortization	5,719,836	5,976,506	5,720,586
	31,728,784	30,860,078	28,052,343

14. TRUST FUNDS

Trust funds administered by the Township amounting to $250,062 (2022 - $214,207) 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 pit. The liability for the closure of these site and the costs to return the property to it's 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. These costs have been discounted to the present value using a discount rate of 3.94% per annum.

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

Asset Retirement Obligation	Gravel pits 2023 $	Gravel pits 2022 $
Opening balance	183,875	176,905
Revaluation of liability	23,768	-
Accretion expense	7,244	6,970
Closing balance	214,887	183,875

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 which are now effective under the PSA Handbook: PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments and PS 3450 Financial Instruments were adopted prospectively on January 1, 2023, and PS 3280 Asset Retirement Obligations was adopted using the modified retroactive method on January 1, 2022.

PS 1201 Financial Statement Presentation replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 Foreign Currency Translation, PS 3450 Financial Instruments, and PS 3041 Portfolio Investments, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 Foreign Currency Translation replaces PS 2600 Foreign Currency Translation. The standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of foreign currency transactions. The adoption of this standard did not have an impact on the Township's consolidated financial statements.

PS 3041 Portfolio Investments replaces PS 3040 Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 Financial Instruments. The adoption of this standard did not have an impact on the Township's consolidated financial statements.

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. Financial instruments are included on the statement of financial position and are measured either at fair value or cost or amortized cost based on the characteristics of the instrument and the Township's accounting policy choices (see Note 1. Significant Accounting Policies). The new standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments. The adoption of this standard did not have an impact on the Township's consolidated financial statements.

PS 3280 Asset Retirement Obligations addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new accounting standard has resulted in a withdrawal of the existing Section PS 3270 – Solid Waste Landfill Closure and Post-Closure Liability.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.

In accordance with the provisions of this new standard, the Township reflected the following adjustments at January 1, 2022:

Asset Retirement Obligation

- An increase of $176,905 to asset retirement obligations, representing the original estimate of the obligation to remediate the gravel pits.
- A decrease to opening accumulated surplus of $137,931, as a result of the recognition of the liability and accompanying increase in amortization expense and accretion expense for the years since the purchase of the assets.
- An increase to tangible capital asset cost of $59,960, accumulated amortization of $20,986 and net book value of $38,974.

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.

The Act provides authority for the Minister of Municipal Affairs and Housing to make regulations respecting transitional matters, including compensation between affected municipalities. No regulations establishing compensation have been filed at this time.

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2023

	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- Restated (Note 20)	42,269,814	19,090,313	20,386,446	147,439	482,531	134,383,438	32,331,218	15,689,781	2,664,099	267,445,079
Add: additions during the year	272,171	25,440	2,245,041	58,808	61,060	2,344,916	387,617	277,578	1,521,558	7,194,189
Less: disposals during the year	-	-	61,475	-	128,417	-	-	-	-	189,892
Asset retirement obligation	23,768	-	-	-	-	-	-	-	-	23,768
Internal transfers	-	-	(3,197,606)	-	-	-	-	3,197,606	-	-
Balance, end 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
ACCUMULATED AMORTIZATION										
Balance, beginning of year- Restated (Note 20)	4,412,793	7,410,718	8,879,582	136,769	249,802	68,704,707	10,561,182	5,237,926	-	105,593,479
Add: additions during the yearr	462,926	408,055	1,114,004	5,882	48,081	3,242,966	414,353	280,239	-	5,976,506
Less: disposals during the year	-	-	61,475	-	128,417	-	-	-	-	189,892
Balance, end 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
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	37,690,034	11,296,980	9,440,295	63,596	245,708	64,780,681	21,743,300	13,646,800	4,185,657	163,093,051

bakertilly

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

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE
For the Year Ended December 31, 2022 - Restated (Note 20)

	General Government $	Protection Services $	Transportation Services $	Water and Sewer $	Health Services $	Recreation and Cultural Services $	Planning and Development $	Consolidated $
Revenues								
Property taxation	4,669,607	2,729,004	6,477,140	-	-	2,578,984	707,834	17,162,569
User charges	54,644	2,469,403	194,619	5,274,439	81,425	552,731	204,855	8,832,116
Government transfers - operating	653,019	292,363	380,083	-	-	261,602	-	1,587,067
Government transfers - capital	-	-	62,699	-	-	750,000	-	812,699
Other municipalities	-	81,831	-	-	-	28,043	-	109,874
Penalties and interest on taxes	379,665	-	-	-	-	-	-	379,665
Investment income	781,492	-	-	-	-	84	-	781,576
Donations	10,337	-	-	-	-	115,866	-	126,203
Other	25,935	1,300	171,382	-	200	-	-	198,817
Development charges earned	1,021,648	914,712	1,522,005	361,403	-	678,093	15,505	4,513,366
Canada Community-Building Fund earned	-	-	585,952	-	-	-	-	585,952
Gain/(loss) on disposal of tangible capital assets	-	-	19,525	-	-	-	-	19,525
Total revenues	7,596,347	6,488,613	9,413,405	5,635,842	81,625	4,965,403	928,194	35,109,429
Expenses								
Salaries and benefits	2,711,452	2,385,598	2,459,352	178,157	-	1,731,688	566,930	10,033,177
Interest charges	66,265	-	17,801	-	-	-	-	84,066
Materials	1,203,820	681,491	622,198	1,702,767	54,779	849,003	346,234	5,460,292
Contracted services	266,457	2,669,011	987,166	1,490,969	5,534	104,379	29,380	5,552,896
Rents and financial	88,771	28,430	768,442	145	-	12,965	-	898,753
External transfers	-	302,573	-	-	-	-	-	302,573
Amortization	335,553	389,978	3,718,634	713,636	-	562,785	-	5,720,586
Internal transfers	(381,626)	132,246	(15,412)	256,214	-	8,578	-	-
Total expenses	4,290,692	6,589,327	8,558,181	4,341,888	60,313	3,269,398	942,544	28,052,343
Net surplus/(deficit)	3,305,655	(100,714)	855,224	1,293,954	21,312	1,696,005	(14,350)	7,057,086

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

T: (705) 742-3418
F: (705) 742-9775

www.bakertilly.ca

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, 2023, 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, 2023, 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.

ASSURANCE • TAX • ADVISORY

Baker Tilly KDN LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.

Peterborough *Courtice* *Lindsay* *Cobourg*

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
January 21, 2026

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
At December 31, 2023

	Subdivision Trust Funds	H D Russell Recreation and Cemetery Trust Funds	Cemetery Care and Maintenance Trust Funds	2023 Total	2022 Total
	$	$	$	$	$
FINANCIAL ASSETS					
Cash	22,565	-	-	22,565	21,473
Investments (note 2)	-	14,028	195,108	209,136	192,734
Due from Township	-	-	18,361	18,361	-
	22,565	14,028	213,469	250,062	214,207
FUND BALANCES	22,565	14,028	213,469	250,062	214,207

TRUST FUNDS
STATEMENT OF CONTINUITY
For the Year Ended December 31, 2023

	Subdivision Trust Funds	H D Russell Recreation and Cemetery Trust Funds	Cemetery Care and Maintenance Trust Funds	2023 Total	2022 Total
	$	$	$	$	$
BALANCES - beginning of year	21,473	13,412	179,322	214,207	216,276
RECEIPTS					
Investment income	1,092	616	9,277	10,985	5,912
Perpetual care receipts	-	-	30,063	30,063	18,361
	1,092	616	39,340	41,048	24,273
EXPENSES					
Investment fees	-	-	5,193	5,193	3,912
Investment loss	-	-	-	-	22,430
	-	-	5,193	5,193	26,342
BALANCES - end of year	22,565	14,028	213,469	250,062	214,207

The accompanying notes are an integral part of these financial statements

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, 2023. Interest rates range on the GIC's from 2.5% to 5.6% with maturity dates in 2024.

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, 2023

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

T: (705) 742-3418
F: (705) 742-9775

www.bakertilly.ca

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, 2023, 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, 2023, 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 and cash flows from operations for the years ended December 31, 2023 and 2022, and assets and accumulated surplus as at December 31, 2023 and 2022. Our opinion on the financial statements for the year ended December 31, 2022 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
January 21, 2026

bakertilly

SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD
STATEMENT OF FINANCIAL POSITION
At December 31, 2023

	2023 $	2022 $
FINANCIAL ASSETS		
Due from Township (note 6)	185,675	83,132
NET FINANCIAL ASSETS	185,675	83,132
NON-FINANCIAL ASSETS		
Tangible capital assets (note 3)	245,709	232,730
ACCUMULATED SURPLUS (note 4)	431,384	315,862

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, 2023

	Budget 2023 $ (note 5)	Actual 2023 $	Actual 2022 $
REVENUES			
Contributions from Township (note 6)	964,148	1,010,476	861,964
Fines and user fees	7,500	18,309	9,607
Government of Canada	-	43,734	4,251
Other municipalities	13,500	13,639	13,043
Other grants	31,500	53,230	39,768
Interest	-	105	84
Donations	5,000	5,043	15,031
TOTAL REVENUES	1,021,648	1,144,536	943,748
EXPENSES			
Salaries and benefits	799,223	800,948	737,813
Materials and supplies	77,650	100,517	68,264
Utilities, services and rent	84,775	79,468	72,980
Amortization	43,234	48,081	43,234
TOTAL EXPENSES	1,004,882	1,029,014	922,291
ANNUAL SURPLUS	16,766	115,522	21,457
ACCUMULATED SURPLUS - beginning of year		315,862	294,405
ACCUMULATED SURPLUS - end of year		431,384	315,862

The accompanying notes are an integral part of these financial statements

bakertilly

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2023

	Budget 2023 $ (note 5)	Actual 2023 $	Actual 2022 $
ANNUAL SURPLUS	16,766	115,522	21,457
Amortization of tangible capital assets	43,234	48,081	43,234
Acquisition of tangible capital assets	(60,000)	(61,060)	(60,440)
INCREASE IN NET FINANCIAL ASSETS	-	102,543	4,251
NET FINANCIAL ASSETS - beginning of year	83,132	83,132	78,881
NET FINANCIAL ASSETS - end of year	83,132	185,675	83,132

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

SPRINGWATER TOWNSHIP PUBLIC LIBRARY BOARD
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2023

	2023 $	2022 $
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	115,522	21,457
Items not involving cash		
Amortization of tangible capital assets	48,081	43,234
Change in non-cash assets and liabilities		
Change in due from Township	(102,543)	(4,251)
Net change in cash from operating activities	61,060	60,440
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(61,060)	(60,440)
NET CHANGE IN CASH	-	-
CASH - beginning of year	-	-
CASH - end of year	-	-

The accompanying notes are an integral part of these financial statements

bakertilly

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
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.

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 which are now effective under the PSA Handbook: PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments and PS 3450 Financial Instruments were adopted prospectively on January 1, 2023, and PS 3280 Asset Retirement Obligations was adopted using the modified retroactive method on January 1, 2022.

PS 1201 Financial Statement Presentation replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 Foreign Currency Translation, PS 3450 Financial Instruments, and PS 3041 Portfolio Investments, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 Foreign Currency Translation replaces PS 2600 Foreign Currency Translation. The standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of foreign currency transactions. The adoption of this standard did not have an impact on the Board's financial statements.

PS 3041 Portfolio Investments replaces PS 3040 Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 Financial Instruments. The adoption of this standard did not have an impact on the Board's financial statements.

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. Financial instruments are included on the statement of financial position and are measured either at fair value or cost or amortized cost based on the characteristics of the instrument and the Board's accounting policy choices (see Note 1. Significant Accounting Policies). The new standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments. The adoption of this standard did not have an impact on the Board's financial statements.

PS 3280 Asset Retirement Obligations addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new accounting standard has resulted in a withdrawal of the existing Section PS 3270 – Solid Waste Landfill Closure and Post-Closure Liability.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. The adoption of this standard did not have an impact on the Board's financial statements.

3. TANGIBLE CAPITAL ASSETS

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

	Equipment $	Books $	2023 Totals $	2022 Totals $
COST				
Balance, beginning of year	30,629	482,533	513,162	452,722
Add: additions during the year	-	61,060	61,060	60,440
Less: disposals during the year	-	128,417	128,417	-
Balance, end of year	30,629	415,176	445,805	513,162
ACCUMULATED AMORTIZATION				
Balance, beginning of year	30,629	249,803	280,432	237,198
Add: additions during the year	-	48,081	48,081	43,234
Less: disposals during the year	-	128,417	128,417	-
Balance, end of year	30,629	169,467	200,096	280,432
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	-	245,709	245,709	232,730

4. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2023 $	2022 $
Invested In Capital Assets		
Tangible capital assets - net book value	245,709	232,730
Surplus	245,709	232,730
Reserve Fund		
Capital asset acquisitions	185,675	83,132
	431,384	315,862

5. 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.

6. 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:

	2023 $	2022 $
Allocated costs:		
Insurance	17,296	15,394
Audit fees	1,550	1,550
Facility rent	7,500	7,500
	26,346	24,444

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.

7. 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, credit, liquidity, market or currency risk.

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

ELMVALE BUSINESS IMPROVEMENT AREA

FINANCIAL STATEMENTS

DECEMBER 31, 2023

bakertilly

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

T: (705) 742-3418
F: (705) 742-9775

www.bakertilly.ca

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, 2023, 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, 2023, 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.

Baker Tilly KDN LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.

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
January 21, 2026

ELMVALE BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
At December 31, 2023

	2023 $	2022 $
FINANCIAL ASSETS		
Due from Township	23,512	24,338
NET FINANCIAL ASSETS	23,512	24,338
ACCUMULATED SURPLUS (note 3)	23,512	24,338

ELMVALE BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2023

	Budget 2023 $ (note 4)	Actual 2023 $	Actual 2022 $
REVENUES			
Members' tax levy (note 5)	21,060	21,060	21,060
Donations	-	-	1,105
TOTAL REVENUES	21,060	21,060	22,165
EXPENSES			
Networking and communication	15,000	17,936	16,113
Promotion	-	-	5,341
Administration	1,050	1,050	1,050
Tourism and events	7,500	2,900	7,230
TOTAL EXPENSES	23,550	21,886	29,734
ANNUAL DEFICIT	(2,490)	(826)	(7,569)
ACCUMULATED SURPLUS - beginning of year		24,338	31,907
ACCUMULATED SURPLUS - end of year		23,512	24,338

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

ELMVALE BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2023

	Budget 2023 $ (note 4)	Actual 2023 $	Actual 2022 $
ANNUAL DEFICIT	(2,490)	(826)	(7,569)
DECREASE IN NET FINANCIAL ASSETS	(2,490)	(826)	(7,569)
NET FINANCIAL ASSETS - beginning of year	24,338	24,338	31,907
NET FINANCIAL ASSETS - end of year	21,848	23,512	24,338

The accompanying notes are an integral part of these financial statements

bakertilly

CORPORATION OF THE TOWNSHIP OF SPRINGWATER

ELMVALE BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2023

	2023 $	2022 $
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual deficit	(826)	(7,569)
Change in non-cash assets and liabilities		
Due from Township	826	7,569
NET CHANGE IN CASH	-	-
CASH - beginning of year	-	-
CASH - end of year	-	-

The accompanying notes are an integral part of these financial statements

bakertilly

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 which are now effective under the PSA Handbook: PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments and PS 3450 Financial Instruments were adopted prospectively on January 1, 2023, and PS 3280 Asset Retirement Obligations was adopted using the modified retroative method on January 1, 2022.

PS 1201 Financial Statement Presentation replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 Foreign Currency Translation, PS 3450 Financial Instruments, and PS 3041 Portfolio Investments, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 Foreign Currency Translation replaces PS 2600 Foreign Currency Translation. The standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of foreign currency transactions. The adoption of this standard did not have an impact on the Board's financial statements.

PS 3041 Portfolio Investments replaces PS 3040 Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 Financial Instruments. The adoption of this standard did not have an impact on the Board's financial statements.

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. Financial instruments are included on the statement of financial position and are measured either at fair value or cost or amortized cost based on the characteristics of the instrument and the Board's accounting policy choices (see Note 1. Significant Accounting Policies). The new standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments. The adoption of this standard did not have an impact on the Board's financial statements.

PS 3280 Asset Retirement Obligations addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new accounting standard has resulted in a withdrawal of the existing Section PS 3270 – Solid Waste Landfill Closure and Post-Closure Liability.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. 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:

	2023 $	2022 $
Reserve		
General operations	23,512	24,338
	23,512	24,338

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.

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:

	2023 $	2022 $
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.

bakertilly

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.