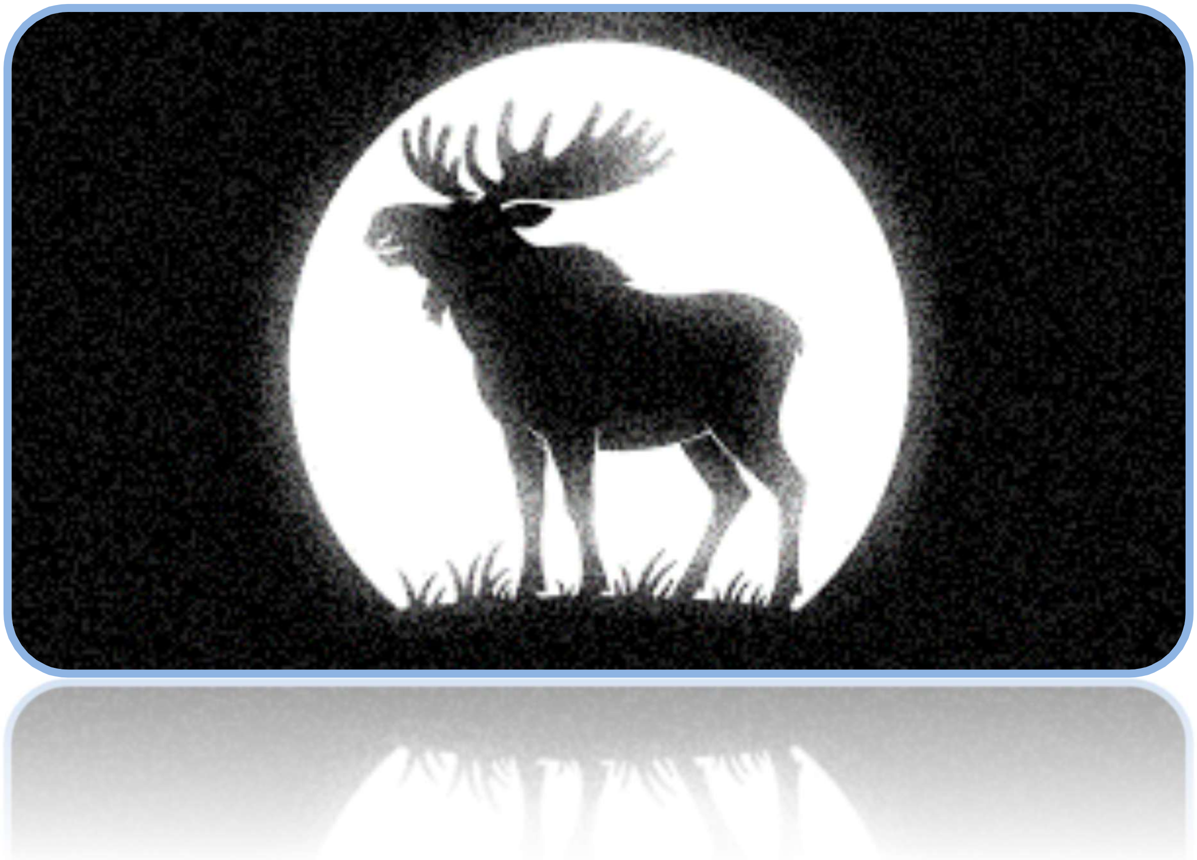
Independent Financial Review of the Rural Municipality of Springfield

An Analysis of Municipal Finances, Trends, and Services — with a Community Perspective,
for Budget 2026



Our Rural Municipality of Springfield

Almost a century and a half of fiscal restraint and responsible budgeting — balancing growth with sustainable services, now facing new rising pressures

Courtesy of Edwin Giesbrecht

Executive Summary

RM of Springfield Financial Behaviour Review
Period Examined: 2015–2025

This review examines the financial behaviour of the Rural Municipality of Springfield over a ten-year period beginning in 2015 and extending through the most recent publicly available financial planning documents for 2025. Particular attention is given to changes in financial patterns that may correspond with shifts in municipal governance and administrative leadership following the 2018 municipal election.

The purpose of this review is to evaluate the municipality's fiscal trajectory through objective financial indicators derived directly from publicly released municipal financial documents. The analysis identifies observable financial patterns within the municipality's audited financial records and financial planning documents that may warrant further public discussion or clarification.

Source Documentation

- Audited Financial Statements (2015–2024)
- Municipal Financial Plans and Budget Presentations (2015–2025)
- Public Hearing Financial Plan documents
- Municipal financial schedules and supporting documentation

For clarity, audited financial statements form the primary basis of the financial trend analysis presented in this review. Where draft or planning documents are referenced, they are identified as unaudited planning material and are used only to provide context for forward-looking financial discussions.

Where appropriate, the review also considers the broader context in which financial decisions occurred, including changes in municipal leadership, administrative restructuring, capital infrastructure initiatives, and reserve fund management practices.

Analytical Framework

- Ten Municipal Financial Review Criteria
- Eight Core Municipal Financial Indicators

Municipal financial statements prepared under Public Sector Accounting Board (PSAB) standards present accumulated surplus as a consolidated measure of the municipality's overall financial position. Accumulated surplus includes the accounting value of tangible capital assets such as roads, buildings, and equipment, as well as reserve funds and unrestricted balances.

As a result, accumulated surplus should not be interpreted as liquid cash available for spending.

Similarly, municipal cash and temporary investment balances reported in financial statements represent total municipal liquidity and include funds held within reserve accounts established by by-law for specific municipal purposes. While these balances illustrate the growth in overall municipal financial capacity, portions of these funds may be restricted for particular infrastructure or capital uses under municipal reserve policies.

For clarity and transparency, it would be helpful to distinguish between unrestricted financial assets and funds held within statutory or by-law-restricted reserve accounts when evaluating the municipality's overall liquidity position.

These frameworks allow both rapid high-level evaluation and deeper analytical review of municipal financial behaviour.

Ten Municipal Financial Review Criteria

RM of Springfield Financial Behaviour Review

Purpose: Provide a simple but rigorous framework to evaluate municipal financial behaviour using audited financial statements and financial plans.

This review relies primarily on the Rural Municipality of Springfield's audited Consolidated Financial Statements for the years 2015–2024, which represent the most recent complete set of publicly available audited financial records for the municipality.

The following ten criteria provide a structured framework for evaluating the financial behaviour of the Rural Municipality of Springfield over time.

When applied to the financial timeline presented in Section 02 (2015–2024), these indicators help identify patterns related to taxation trends, administrative growth, infrastructure investment, reserve management, and long-term fiscal sustainability.

The goal is not to evaluate individual projects, but to assess the overall financial trajectory of the municipality and its potential implications for future taxpayers.

1. Annual Surplus or Deficit

Indicates whether the municipality reported a positive or negative annual financial result under PSAB consolidated financial reporting. Persistent surpluses over multiple years may indicate conservative budgeting practices, deferred infrastructure investment, or taxation levels exceeding annual operating needs.

2. Accumulated Surplus (Municipal Net Worth)

Represents the total financial position of the municipality. Growth should generally reflect infrastructure investment and responsible fiscal management.

3. Cash and Temporary Investments

Shows overall municipal liquidity through reported cash and temporary investment balances. These balances include funds held within reserve accounts that may be restricted for specific purposes under municipal reserve by-laws. Large balances may indicate a strong financial position, but may also raise questions if funds intended for specific projects remain unused.

4. Long-Term Debt

Indicates borrowing for capital projects. Moderate debt is common for infrastructure investment, while extremely low debt alongside rising taxes may indicate under-investment.

5. Property Tax Revenue

The primary revenue source for most municipalities. Tracking this year-over-year reveals taxation growth relative to municipal services and infrastructure.

6. Administrative Expenses

Represents the cost of running municipal administration. Rapid growth may signal bureaucratic expansion rather than service improvement.

7. Capital Infrastructure Additions

Shows investment in roads, drainage, buildings, and other long-term assets. Sudden spikes or unexplained drops can signal policy shifts or project anomalies.

8. Reserve Fund Activity

Municipal reserves are set aside for specific future purposes. Transfers into or out of reserves should be consistent with council policy and project planning.

9. Grant and Restricted Funding Use

Provincial or federal grants must typically be used for specific purposes. Financial statements may reveal whether funds remain unused or were reallocated.

10. Interest Income and Investment Behaviour

Interest earned on municipal funds can reveal how long money remains unused. Large interest income may indicate delayed projects or significant municipal liquidity (cash and temporary investments).

These ten criteria provide a structured lens through which the financial timeline can be interpreted. When applied across multiple years, patterns often emerge that reveal taxation trends, administrative growth, infrastructure investment behaviour, and reserve fund management practices.
Consistent trends in taxation, administrative spending, capital investment, and reserve use can indicate either stable financial governance or structural changes in municipal priorities.

Eight Core Municipal Financial Indicators

1. Accumulated Surplus
2. Annual Surplus (or Deficit)
3. Cash and Temporary Investments
4. Property Tax Revenue
5. Total Municipal Revenue
6. Administrative / General Government Expenses
7. Capital Asset Additions (Infrastructure Investment)
8. Transfers to and from Reserve Funds

Governance Periods Considered in the Analysis

Baseline Period – 2015–2018
Establishes the fiscal baseline prior to the 2018 municipal election.

Administration Period – 2019–2022
Corresponds with the administration following the 2018 election and includes the appointment of the municipality's current Chief Administrative Officer.

Current Administration Period – 2023–2025
Corresponds with the administration following the 2022 municipal election.

Scope of the Review

- Growth in accumulated municipal wealth
- Trends in property taxation
- Reserve fund management practices
- Administrative expenditure growth
- Capital infrastructure investment patterns
- Potential financial anomalies that may warrant clarification

Purpose of the Review

- Support transparent public discussion of municipal financial planning
- Provide residents with an accessible interpretation of municipal financial documents
- Assist in evaluating the municipality's financial planning decisions
- Provide an evidence-based framework for informed questions during budget deliberations

When considered together, the financial timeline, review criteria, and diagnostic indicators presented in this report reveal a clear long-term financial pattern within the municipality.

Over the review period, the RM of Springfield reported positive financial results in most years of the review period under PSAB reporting, with significant growth in accumulated surplus, substantial increases in reported municipal liquidity (cash and temporary investments), and gradually declining long-term debt.

All financial figures referenced in this review are derived directly from publicly released municipal financial documents.

Financial Timeline (Verified from Audited Statements)

Year	PSAB Consolidated Annual Surplus	Accumulated Surplus	Cash & Temporary Investments	Long-Term Debt	Notes
2015	5,865,880	68,000,785	18,579,905	9,147,530	Audit
2016	6,842,962	74,843,747	18,155,588	8,653,194	Audit
2017	4,750,307	79,594,054	26,153,541	10,854,901	Audit
2018	2,904,894	82,498,948	22,800,542	5,485,480	Audit
2019	4,848,543	88,543,492	20,814,396	9,899,050	Audit
2020	5,168,488	90,473,452	26,511,379	8,642,495	Audit
2021	7,347,247	97,820,699	33,453,367	7,843,011	Audit
2022	6,166,726	104,863,406	34,204,284	8,499,001	Audit
2023	5,863,134	110,726,540	49,703,242	7,478,335	Audit
2024	6,177,782	116,904,322	52,789,691	6,622,848	Audit
2025	—	—	—	—	Awaiting audited financial statements

Observed Financial Phases (2015–2024)

Reviewing the ten-year financial timeline reveals three distinct phases in the financial development of the Rural Municipality of Springfield. The period from **2015 to 2018** reflects the baseline financial position of the municipality prior to the 2018 municipal election. During this time accumulated surplus, municipal liquidity (cash and temporary investments), and operating revenues grew steadily while municipal debt remained relatively stable.

The period from 2019 to 2022 corresponds with the administration following the 2018 election. During these years the municipality experienced continued growth in accumulated surplus and overall municipal liquidity alongside increases in annual operating revenues and municipal taxation.

The most recent period from 2023 to 2024 reflects the current administrative term following the 2022 municipal election. Financial indicators during this period show continued growth in municipal liquidity and accumulated surplus, providing the municipality with increased financial capacity relative to earlier years in the review period.

Financial Reporting Note: The financial timeline above is based exclusively on the Rural Municipality of Springfield's audited Consolidated Financial Statements for the years 2015–2024. Cash and temporary investment balances reported in this timeline reflect the municipality's total liquid financial assets as reported in audited financial statements. These balances include funds held within reserve accounts that may be restricted for specific purposes under municipal reserve by-laws.

Annual surplus figures reflect PSAB consolidated financial reporting and may differ from operating results reported in municipal operating fund statements. The 2025 financial statements are not included because audited statements were not publicly available at the time this report was prepared.

Interpretation of Financial Phases (2015–2024)

The ten-year financial timeline reveals three distinct phases in the financial development of the Rural Municipality of Springfield. From 2015 to 2017, the municipality experienced steady growth in accumulated surplus while maintaining relatively stable spending levels. From 2018 to 2021, financial activity shifted toward increased infrastructure spending and higher annual operating activity, while accumulated surplus continued to rise. Beginning around 2022 through 2024, the municipality shows a notable acceleration in municipal liquidity and overall financial capacity, with accumulated surplus and liquid assets increasing significantly.

Viewed together, these three phases provide residents with a clearer picture of how municipal finances have evolved over the past decade and help frame current discussions about future budgeting, infrastructure expansion, and long-term financial planning.

Eight Financial Indicators (Quick Diagnostic)

RM of Springfield Financial Behaviour Review

Purpose: Provide a rapid analytical sheet that allows observers to assess a municipal financial presentation in real time.

This diagnostic sheet is designed to accompany the Financial Timeline and the Financial Review Criteria (Section 03). The indicators below represent the most revealing financial signals found in municipal financial statements.

Indicator	What It Shows	Why It Matters	Observed Financial Pattern
1. Annual Surplus Trend	Year-to-year consolidated financial result reported under PSAB municipal accounting.	Persistent surpluses over multiple years may indicate conservative budgeting practices, deferred infrastructure spending, or revenues exceeding annual operating requirements.	Positive consolidated financial results were recorded in many years of the 2015–2024 review period under PSAB consolidated reporting, including several years exceeding $5 million. Over time this pattern contributed to substantial growth in accumulated surplus and municipal liquidity.
2. Accumulated Surplus Growth	Overall municipal financial position.	Shows whether municipal wealth is increasing or being depleted.	Accumulated surplus increased substantially from approximately $68M in 2015 to over $116M by 2024, indicating significant growth in the

			municipality’s overall financial position during the review period.

3. Cash & Temporary Investments	Liquidity and available financial resources.	Large balances may indicate unspent project funding or delayed infrastructure implementation.	Cash and temporary investment balances increased significantly during the review period, rising from approximately $18.6 million in 2015 to more than $52 million by 2024. These balances reflect the municipality's total reported liquidity and include funds held within reserve accounts established by by-law for specific municipal purposes. While these balances illustrate the growth in overall municipal financial capacity, some of these funds may be restricted for particular infrastructure or capital uses under municipal reserve policies.
4. Long-Term Debt Ratio	Borrowing used for infrastructure projects.	Very low debt combined with rising taxes may indicate under-investment.	Long-term debt declined from approximately **$9.1 million in 2015** to about **$6.6 million by 2024 while** municipal liquidity (cash and temporary investments) increased substantially over the same period.

5. Property Tax Growth	Trend in property tax revenue.	Shows the burden placed on residents over time.	Property tax revenue increased consistently over the review period, rising from approximately $13.7M in 2015 to over $17.6M by 2024.
6. Administrative Cost Growth	Cost of municipal administration.	Rapid growth may indicate expansion of administrative capacity or organizational structure.	Administrative expenses increased gradually from roughly $2.1M in 2015 to approximately $2.36M by 2024, reflecting steady growth in municipal administration costs.

7. Capital Infrastructure Spending	Investment in roads, drainage, and buildings.	Helps determine whether taxes translate into tangible assets.	Capital infrastructure spending fluctuated significantly year-to-year, with several periods of elevated investment. This suggests episodic infrastructure expansion rather than a uniform annual capital program.
8. Reserve Fund Movement	Transfers into or out of municipal reserves.	Unexpected reserve movements can signal project delays or financial reallocations.	Reserve balances and transfers appear generally consistent with long-term capital planning, while the overall increase in accumulated surplus and liquidity suggests additional future capital capacity.

These eight indicators provide a practical diagnostic framework allowing observers to compare municipal financial presentations with the underlying audited financial record and identify observable financial trends over time.