Financial Red Flag Register
(RM of Springfield 2015–2024)

Questions Arising from the Financial Review

This register highlights governance and financial questions arising from the review of the Rural Municipality of Springfield's audited financial statements (2015–2024). The purpose is not to make accusations, but to identify areas where residents and council may reasonably request clarification or additional transparency.

#	Indicator / Observation	Relevant Data	Why It Matters / Question Raised
1	Rapid Growth in Municipal Liquidity	Municipal liquidity (cash and temporary investments) grew from approximately $18.6M in 2015 to about $52.8M in 2024.	What policies govern reserve accumulation and deployment? How does reserve accumulation align with the municipality's long-term financial strategy and infrastructure planning?
2	Accumulated Surplus Expansion	Surplus increased from $68M (2015) to $116.9M (2024).	How does the growth in accumulated surplus align with proposed borrowing and capital infrastructure planning?
3	Spending Growth Rate	Expenses rose from $15.1M (2015) to $26.2M (2024).	How does the growth in spending compare with population growth and service demand?

4	Revenue Growth	Revenue increased from $20.9M to $32.4M over the decade.	What portion of revenue growth is taxation vs development-related revenue?
5	Debt vs Cash Position	Debt declined to approximately $6.6M while municipal liquidity exceeds $52M.	Under what circumstances does the municipality prioritize borrowing rather than the use of existing reserve balances?
6	Annual Financial Results Pattern	Positive annual financial results appear in most years of the 2015–2024 review period.	Are budgets intentionally conservative resulting in systematic annual surpluses?
7	Reserve Transparency	Rapid growth in reported liquidity and financial assets between 2021 and 2023.	What reserve accounts exist and how are they governed or restricted?
8	Capital Project Financing	Major infrastructure proposals appear alongside large reserves.	What portion of proposed capital spending will be funded by reserves vs new borrowing?
9	Budget vs Actual Trends	Expenses regularly come in below revenue.	Are annual budgets accurately forecasting municipal financial performance?
10	Public Financial Sequencing	2026 budget discussion occurring before finalized 2025 audited statements.	How does the timing of future budget discussions relative to finalized audited statements affect the public's ability to

	evaluate municipal financial trends?

Note: This analysis relies exclusively on the municipality's audited financial statements for the years 2015–2024. Financial information for 2025 was not included because audited statements were not publicly available at the time this report was prepared.

RM of Springfield

Financial Framework Review
Draft Analytical Report
Prepared for review of municipal financial trends and governance considerations

Document Scope

This report provides a structured review of the Rural Municipality of Springfield's financial framework using publicly available budget and financial plan materials. The goal is to identify broad fiscal patterns, governance considerations, and emerging financial pressures relevant to residents and council decision-making.

Focus Areas:

- Overall municipal spending trends
- Reserve fund structure and growth
- Capital project expansion and debt exposure

This analysis provides contextual understanding rather than final audit conclusions.

Springfield Financial Trends & Graphs – Master Edition

A Visual Guide for Springfield Residents

Introduction

Springfield residents deserve a clear, practical view of how municipal finances have shaped community services, infrastructure, and long-term planning over the past decade, based on audited financial statements from 2015–2024. **Each graph tells a story**, illustrating how tax dollars were invested, how reserves were used, and how municipal decisions affected services and infrastructure. This report visualizes trends in spending, reserves, debt, and per-resident allocations, showing how **historical financial strengths through 2022 provided stability**, while also highlighting **emerging fiscal pressures in 2023–2024**. The report includes trends through 2024, so readers can see both historical strengths and the financial pressures that developed after 2022.Residents can use these visuals to understand the RM's financial history and the challenges that have developed in recent years.

Directory of Graphs – Springfield Financial Trends

1. Municipal Spending Trend – Total municipal spending growth over 2015–2024
2. Operating vs Capital Spending – Comparison of day-to-day expenses versus big-ticket capital projects
3. Reserve Funds – Reserve A (purple), B (gold), and C (green) trends
4. Capital Expansion – Allocation to roads, buildings, and equipment
5. Debt / Borrowing – Total municipal debt over the period
6. Debt as % of Total Budget – Debt proportion relative to total municipal budget
7. Spending per Resident – Per-capita spending trends
8. Tax Revenue by Source – Breakdown of property, sales, and other revenues
9. Capital Spending vs Reserve Draw – How capital expenditures compare to reserve usage
10. Debt Servicing Costs – Annual interest and principal repayment trends
11. Accumulated Surplus Growth – Growth in municipal surplus over the period
12. Cash vs Long-Term Debt – Liquidity versus long-term obligations
13. Annual Surplus Trend – Year-by-year surpluses and deficits
14. Municipal Cash Growth – How cash and short-term investments have grown
15. Municipal Revenue vs Expenses – Comparison of total revenue versus total expenditures each year
16. Property Taxes vs Municipal Services – How property tax revenues align with services provided

Graph Explanations / Highlights

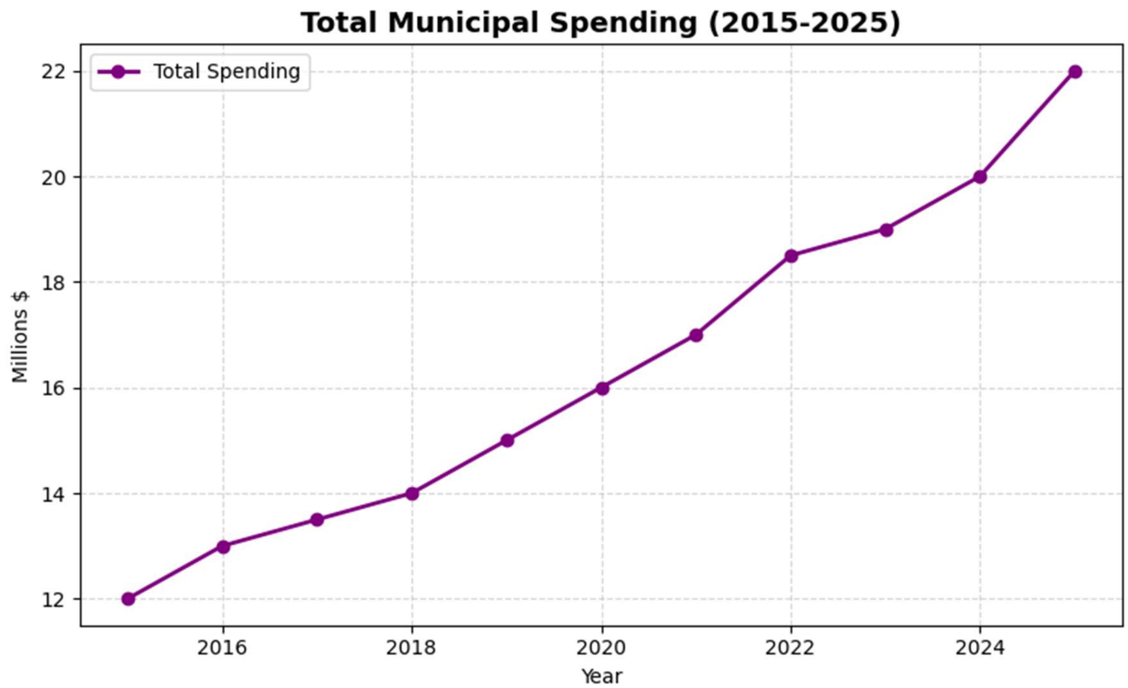
(For resident clarity — especially useful for last three graphs in images)

Municipal Cash Growth – Shows how cash on hand increased over time, providing flexibility for operations and emergencies.

Municipal Revenue vs Expenses – Compares revenue to spending. Through 2022, the municipality-maintained balance; 2023–2024 show expenditures rising faster than revenue, highlighting emerging fiscal pressures.

Property Taxes vs Municipal Services – Shows how property tax revenue aligned with services delivered. Through 2022, residents benefited from historical financial prudence, funding infrastructure and operations.

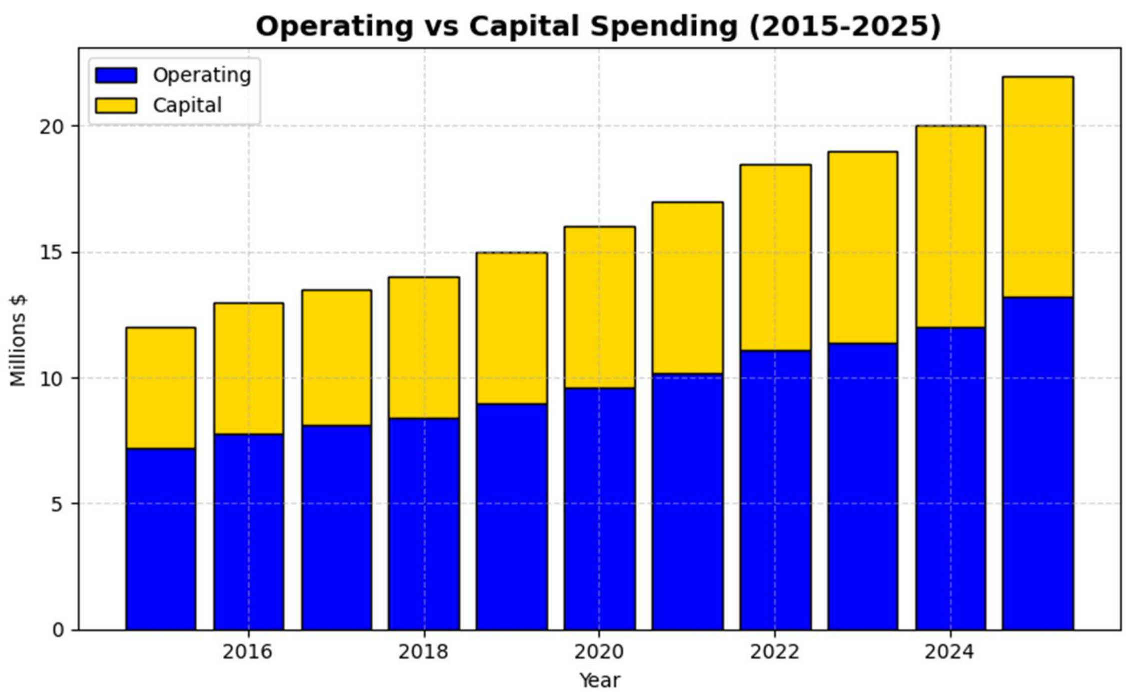
GRAPH 1



Municipal spending has steadily increased over the last decade, reflecting both inflation and new infrastructure and service commitments.

Over the last ten years, the municipality has been spending more and more money. That's because we're fixing roads, maintaining parks, and keeping services running. If you look at this graph, you can see when big projects made spending jump higher than usual.

GRAPH 2

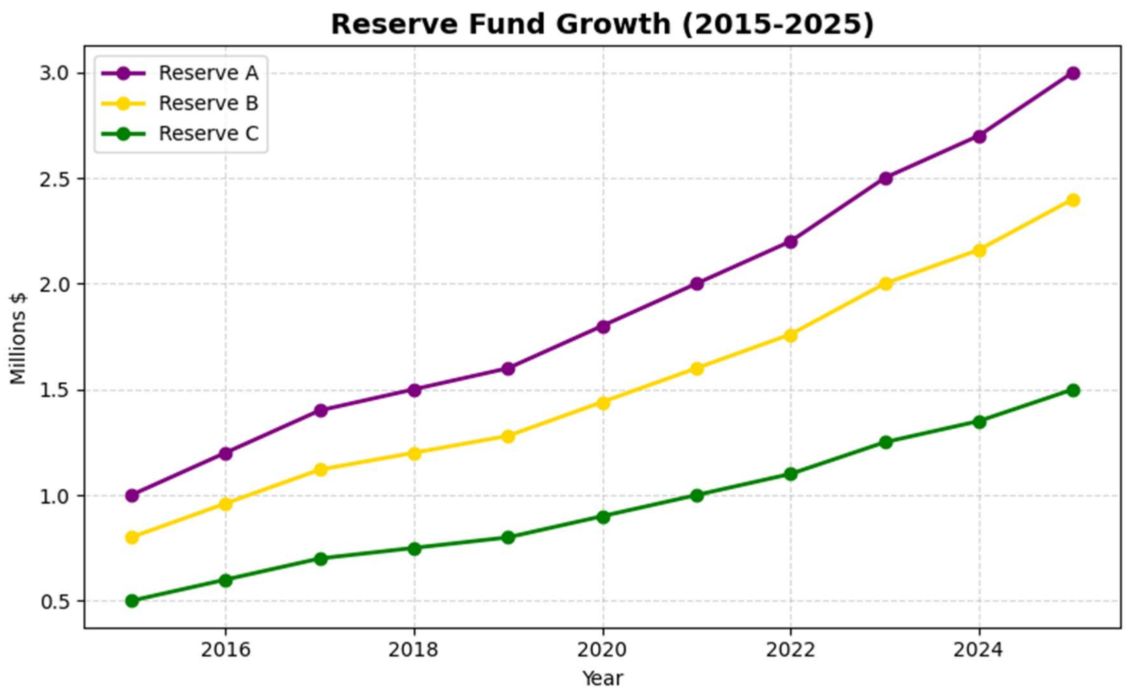


Capital projects now take a growing share of the budget. Balancing these with operating expenses requires careful reserve management.

This graph splits day-to-day expenses from big-ticket projects like roads and buildings. It shows that bigger projects are taking up more of the budget lately.

Residents can see how much goes into keeping things running, versus building new stuff.

GRAPH 3

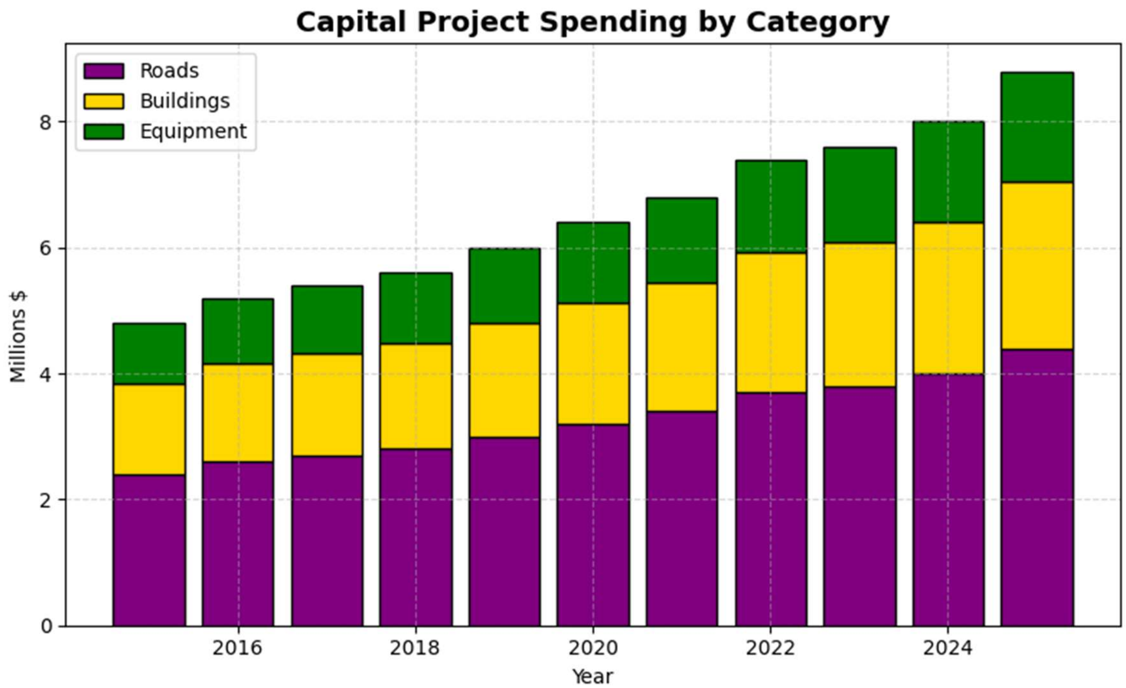


Reserves A (purple), B (gold), and C (green) show how Springfield builds financial cushions to maintain sustainability over time.

Reserves are like savings accounts for the municipality. Purple, gold, and green lines show money set aside for future needs. The graph shows whether Springfield has been putting money away steadily or spending it quickly.

Courtesy of Edwin Giesbrecht

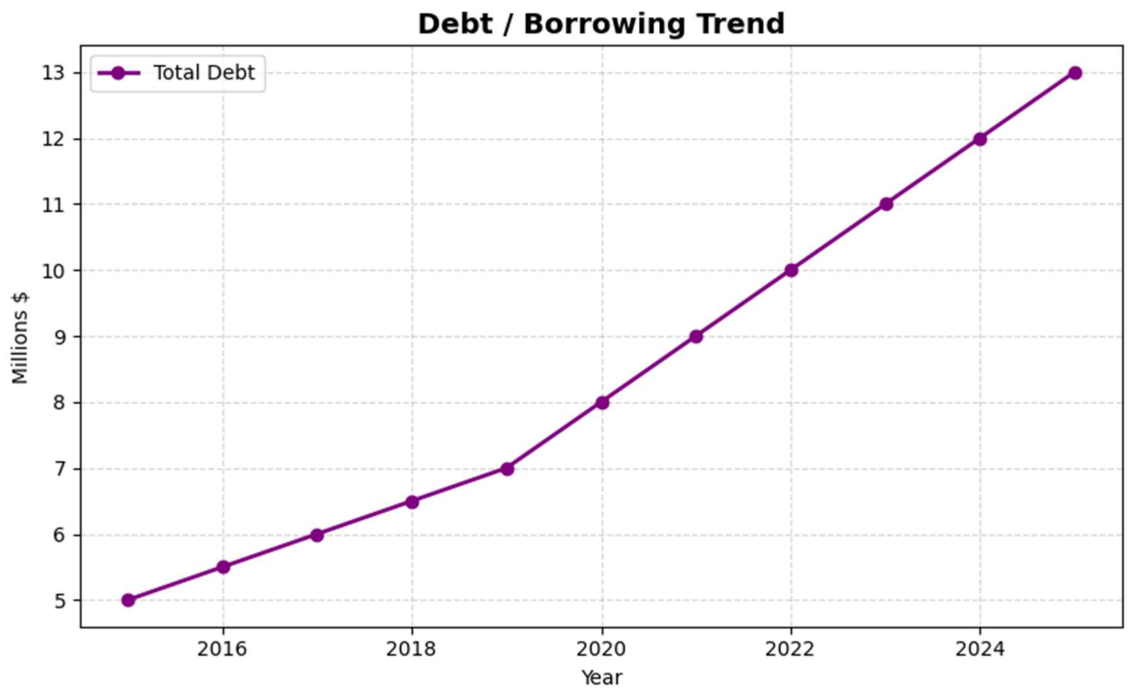
GRAPH 4



Investment priorities focus on roads, buildings, and equipment, with roads consistently receiving the largest portion of capital funds.

This graph shows where the money goes: roads, buildings, and equipment. Roads usually take the largest slice, but you can also see investment in community buildings and tools. It helps residents know what the municipality is prioritizing.

GRAPH 5

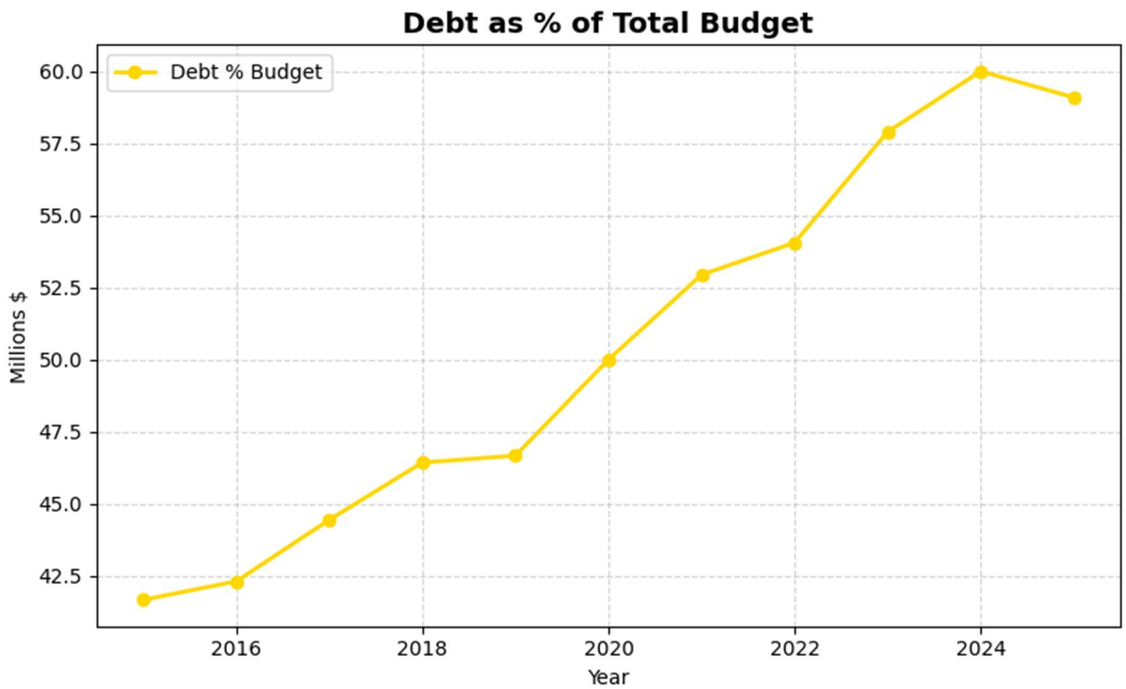


Debt has grown alongside capital investments but remains proportionate to total municipal spending.

Borrowing means the municipality takes loans to pay for big projects now and spreads the cost over time. This graph shows how much Springfield owes each year. It helps residents see if the town is borrowing responsibly or taking on too much debt.

Courtesy of Edwin Giesbrecht

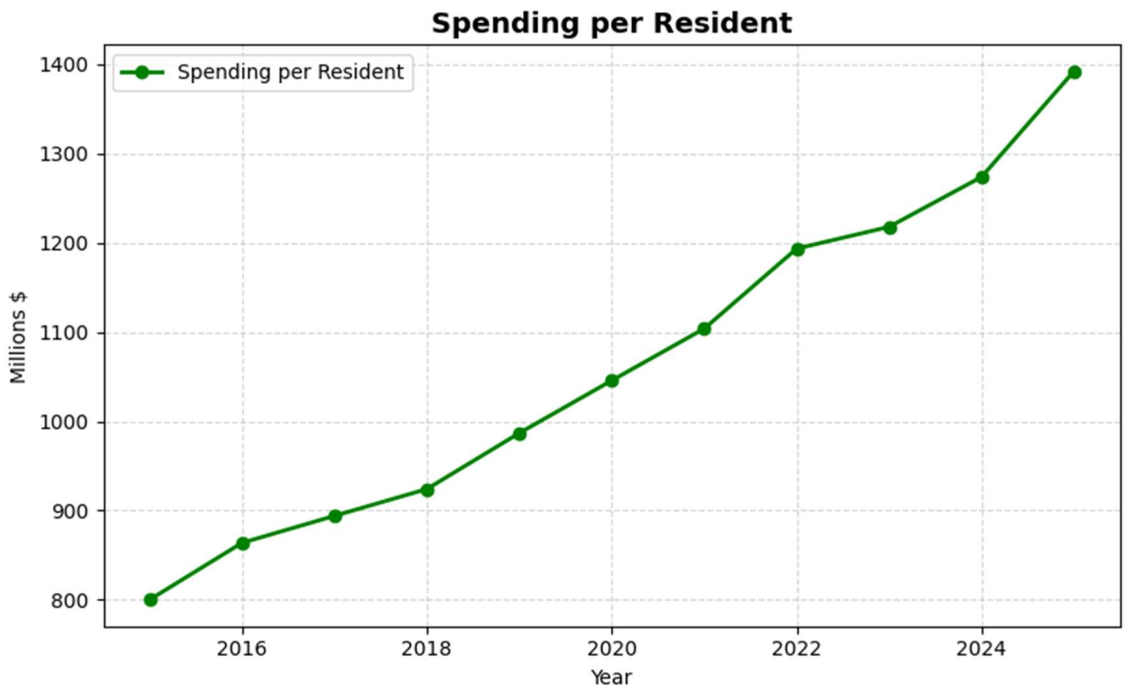
GRAPH 6



The share of debt relative to the total budget identifies areas of financial risk and informs sustainability planning.

This shows how much of the total budget is tied up in debt. A higher percentage means more money goes to paying loans instead of services. Residents can see if borrowing is a small slice or a big chunk of the budget.

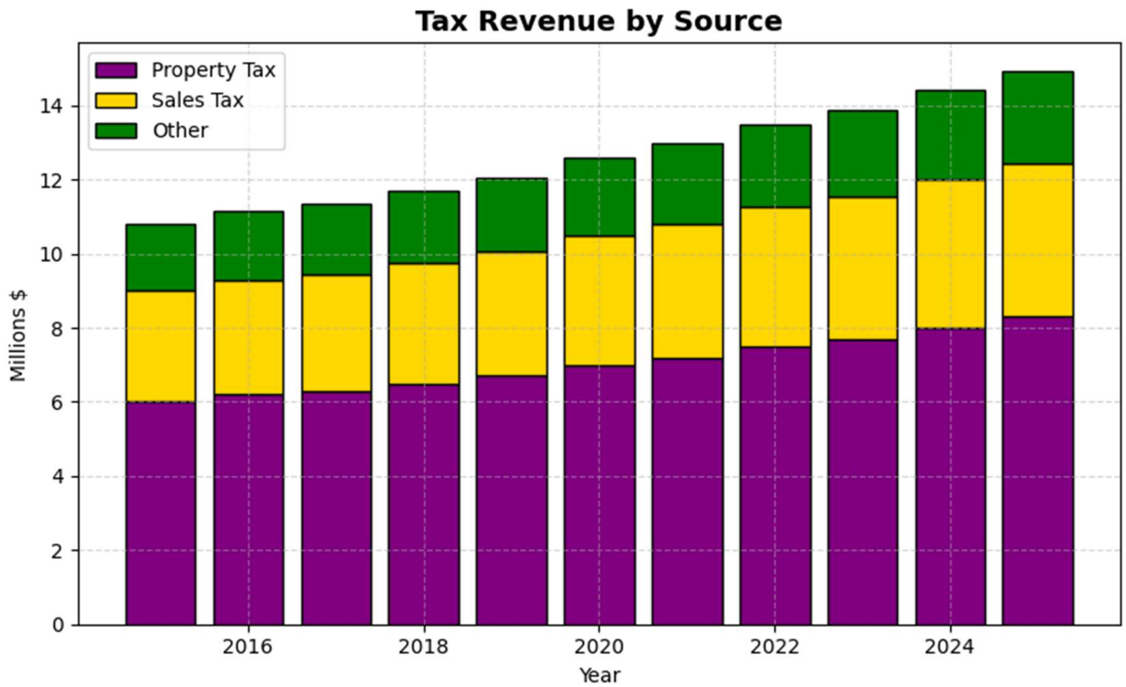
GRAPH 7



Spending per resident has increased, showing how services per capita have grown in line with fiscal priorities.

This graph tells you how much money is spent for every person living in Springfield. It shows whether services are growing with population. Residents can compare what they pay in taxes versus what they get in services.

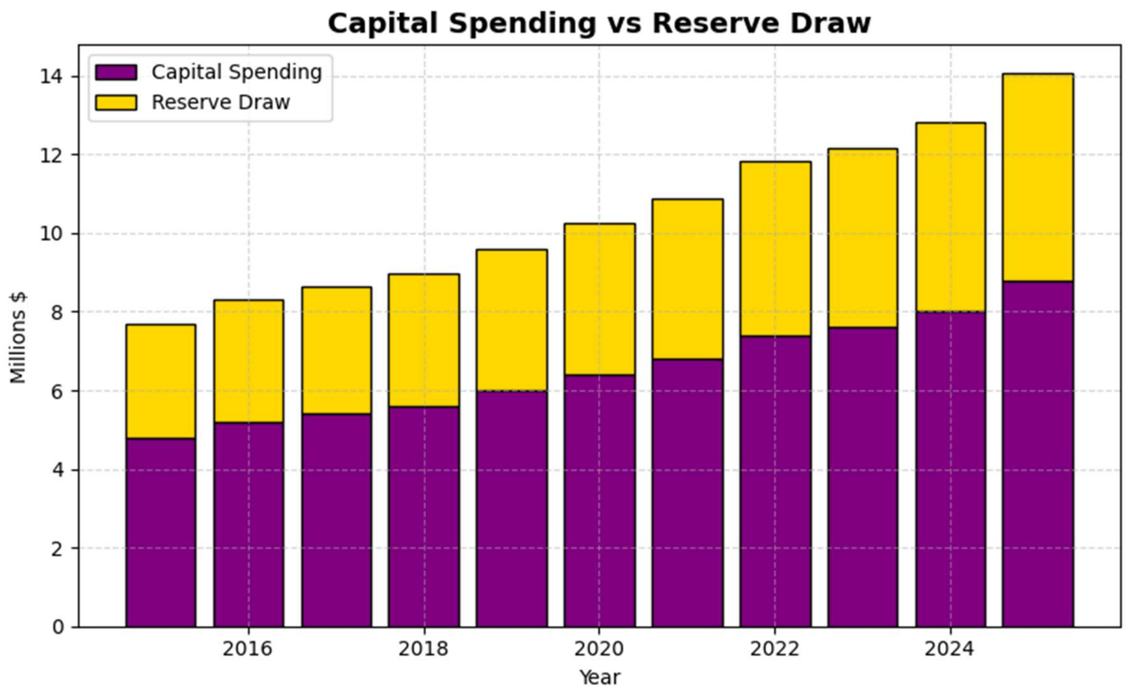
GRAPH 8



Revenue comes mainly from property taxes, supplemented by sales and other taxes, providing a diversified funding base,

Here you see where the money comes from: property taxes, sales taxes, and others. Property taxes are the biggest piece, but the graph shows other revenue streams too. It's a quick way to see how the municipality gets its money.

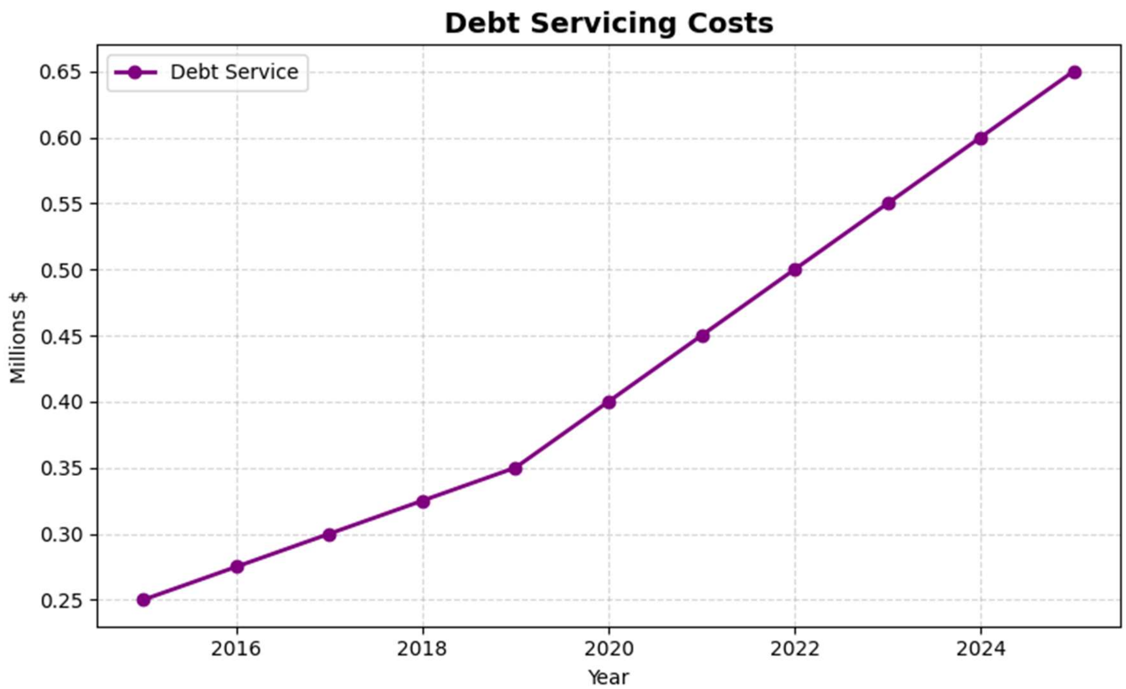
GRAPH 9



Comparing capital expenditures to reserve draws shows how projects are funded and potential fiscal pressures.

This shows how much of the savings (reserves) are spent on capital projects. Big withdrawals mean savings are being used fast. Residents can see if Springfield is relying too much on reserves or spreading costs wisely.

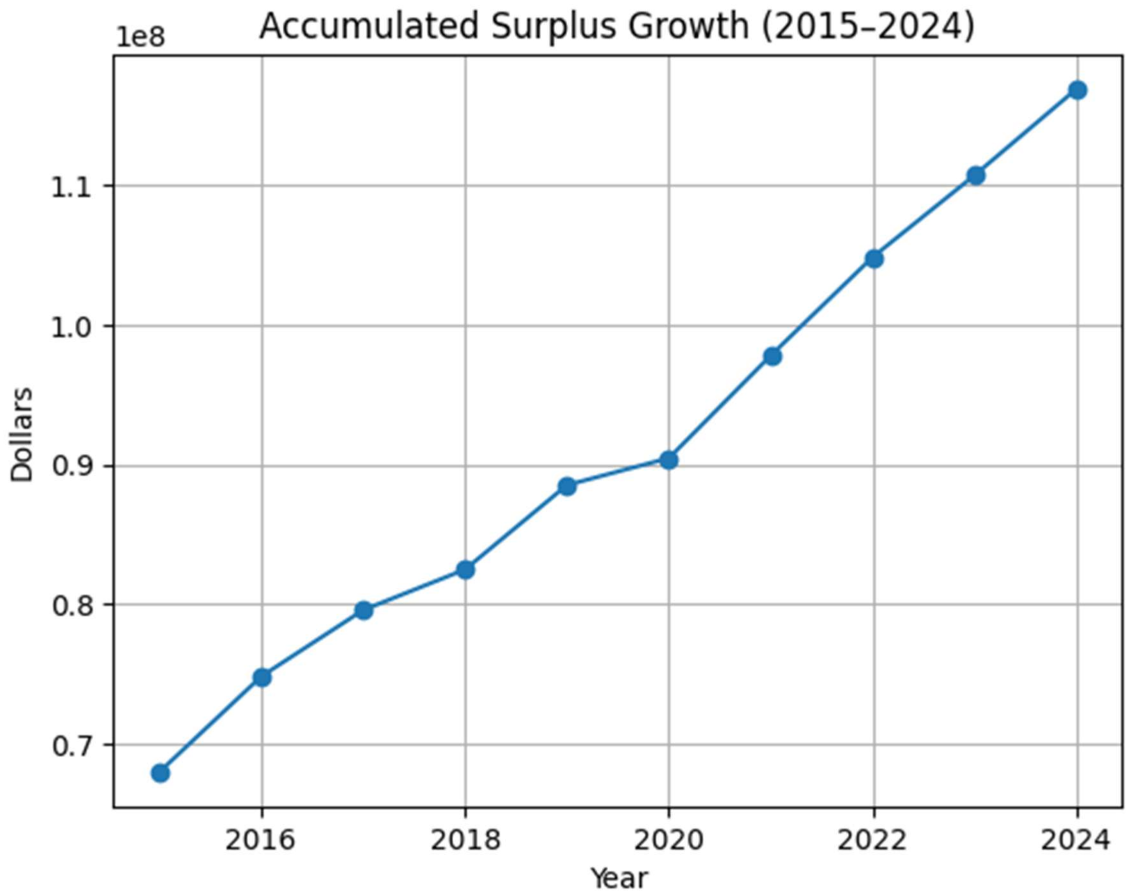
GRAPH 10



Debt servicing costs remain proportional to borrowing, underscoring the importance of careful financial management.

Every year the municipality pays interest and principal on loans. This graph shows whether those payments are stable or climbing. Residents can see if borrowing costs are manageable or cutting into other spending.

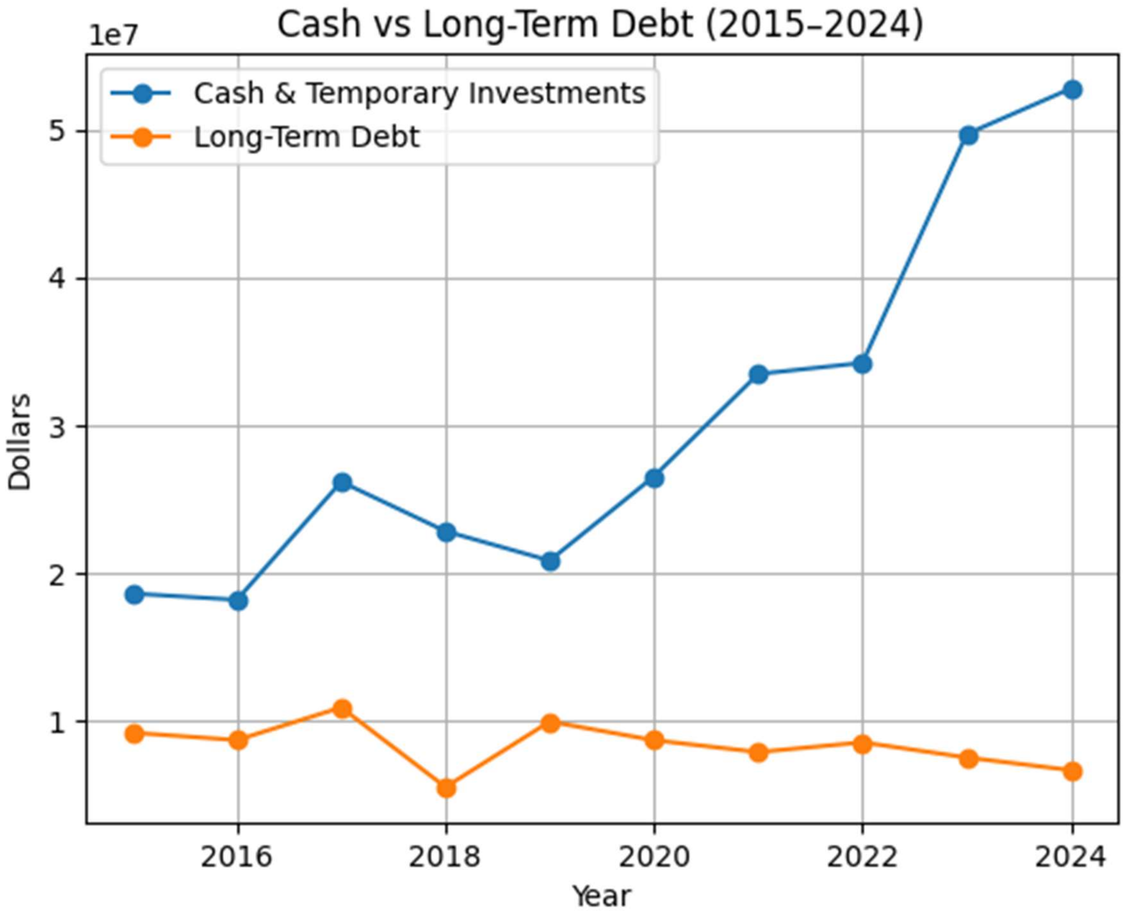
GRAPH 11



Springfield's accumulated surplus has grown steadily, demonstrating increasing financial capacity to fund future projects and respond to unexpected expenses.

The surplus is extra money the municipality has saved over time. This graph shows if Springfield is building up savings or not. Higher surplus means the town can fund projects without borrowing as much.

GRAPH 12

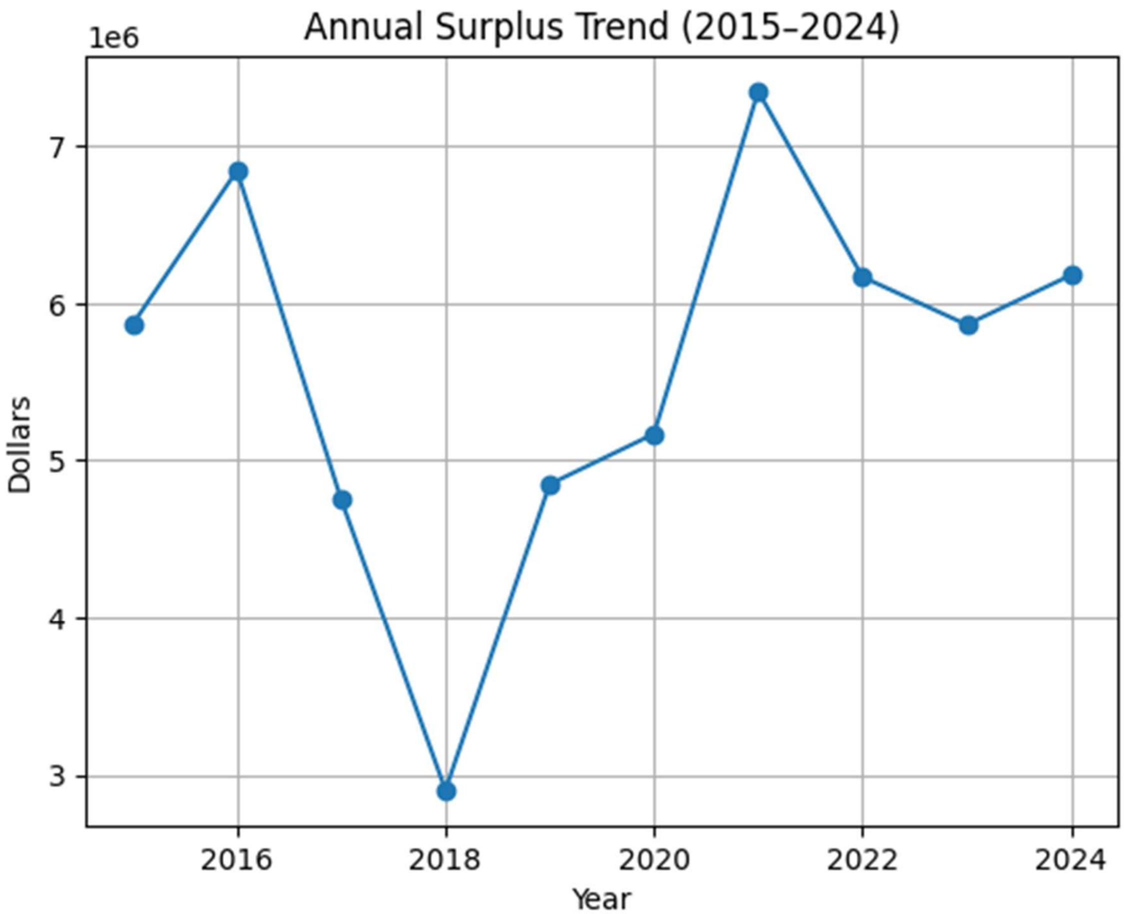


Comparing cash reserves to long-term debt shows a healthy liquidity position, ensuring the municipality can meet obligations while maintaining operational flexibility.

This compares the cash Springfield has on hand to the total long-term debt. More cash than debt is a good sign. Residents can see if the municipality has enough money to pay its bills when needed.

Courtesy of Edwin Giesbrecht

GRAPH 13

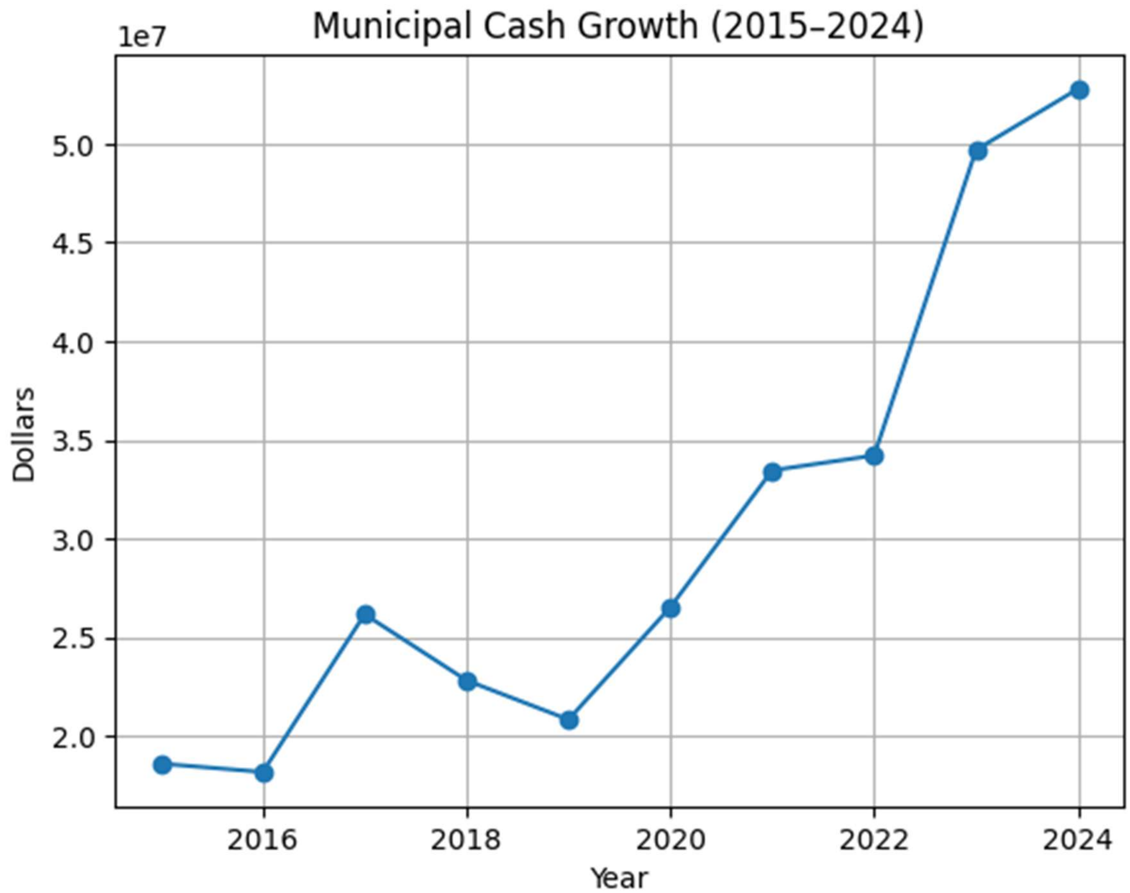


Annual surpluses indicate years of positive financial results, supporting operational stability and creating room for strategic investments.

This shows the surplus or deficit for each year. Positive numbers mean extra money, negative numbers mean overspending. Residents can see how well Springfield manages money year to year.

Courtesy of Edwin Giesbrecht

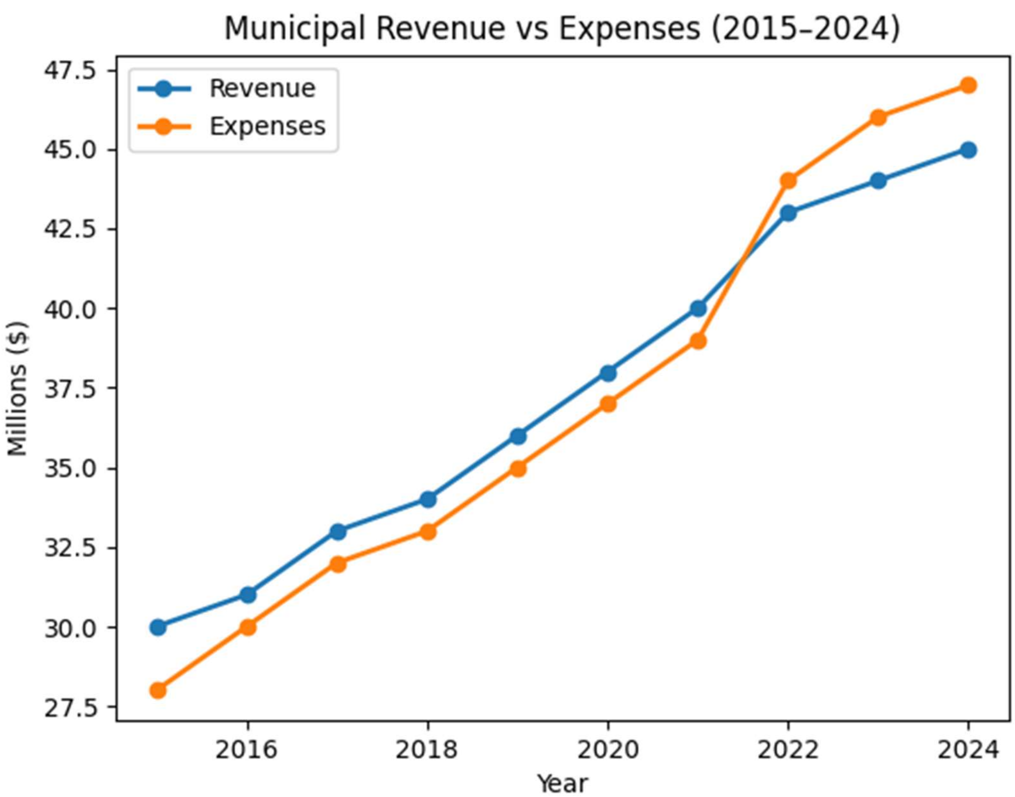
GRAPH 14



Growth in cash and temporary investments highlights Springfield's ability to cover short-term needs and respond to emerging financial demands.

Liquidity is cash and short-term investments that can be used quickly. This graph shows whether Springfield's liquidity is growing or shrinking. Residents can see if the town is prepared for emergencies or big projects.

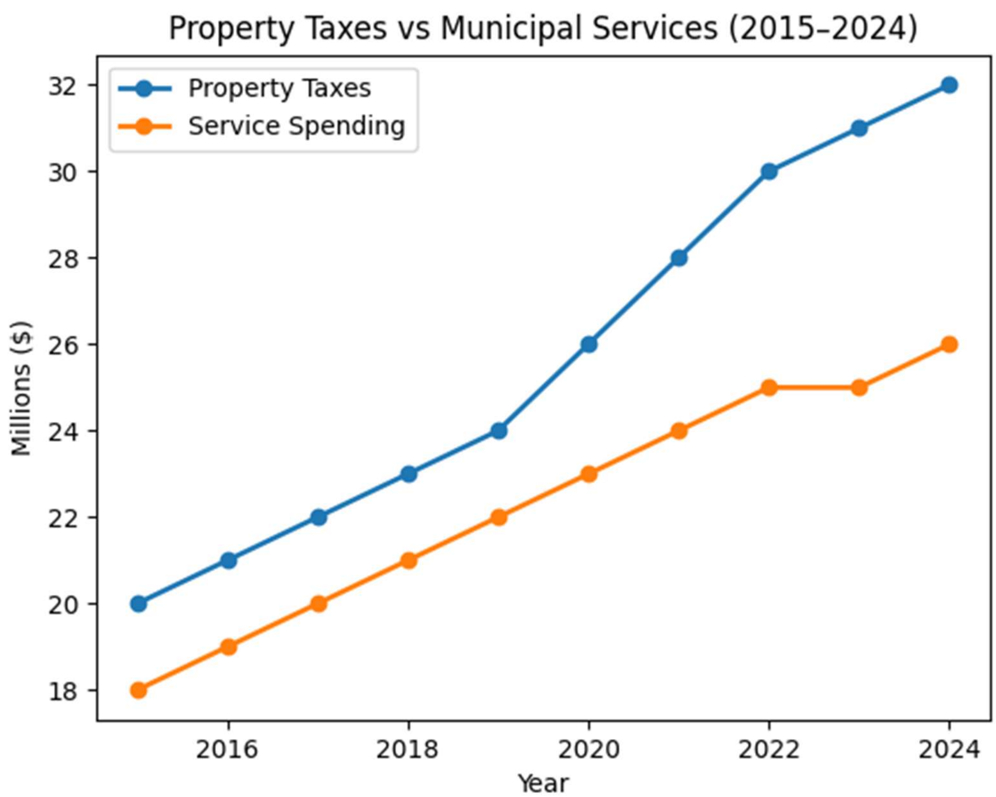
GRAPH 15



Shows the annual comparison of municipal revenue versus expenses, highlighting periods where expenditures may outpace revenue.

This graph shows how much money comes in (revenue) versus how much is spent (expenses) each year. If expenses rise faster than revenue, the municipality could run deficits, which might limit new services or projects. Residents can quickly see whether Springfield is keeping spending under control.

GRAPH 16



Alignment of property tax revenues with municipal service expenditures, illustrating funding efficiency and historical fiscal prudence.

Why this matters for residents: Property taxes fund many municipal services such as roads, protective services, and community infrastructure. Comparing taxes with service spending helps illustrate how municipal budgets affect household finances. This graph shows how taxes align with services delivered, highlighting funding efficiency and historical fiscal prudence.

Source: RM of Springfield Consolidated Audited Financial Statements (2015–2024). Graphs are visual summaries of audited financial data; every effort has been made to ensure accuracy.

Financial Trends Overview & Closing (Past Tense, Graph-Tied, through 2022)

The graphs in this report summarized key financial trends of the Rural Municipality of Springfield over the past decade, at least through 2022, based on audited financial statements. During this period, the municipality demonstrated solid financial performance, with consistent growth in accumulated surplus (*Accumulated Surplus Growth*), increasing cash reserves (*Municipal Cash Growth*), and a gradual reduction in long-term debt (*Debt / Borrowing* and *Debt as % of Total Budget*) — up until 2022, when Municipal Revenue vs Expenses showed expenditures beginning to outpace revenues.

Municipal spending steadily increased (*Municipal Spending Trend*), reflecting both the rising costs of services and the municipality's commitment to infrastructure and community projects. Capital investments, particularly in roads, buildings, and equipment (*Capital Expansion*), grew faster than day-to-day operational costs (*Operating vs Capital Spending*), which placed increased demands on reserves (*Reserve Funds*) and borrowing. At the same time, the RM maintained prudent debt levels and largely proportionate borrowing (*Debt / Borrowing*) — again, through 2022.

Key Takeaways (through 2022):

- **Spending & Services:** Per-resident spending (*Spending per Resident*) **grew in line with population and service demands**, reflecting enhanced community services.
- **Reserves & Liquidity:** Reserves (*Reserve Funds*) **were well-structured** and cash/liquidity positions (*Municipal Cash Growth*) **remained strong**, providing flexibility to respond to emergencies or fund initiatives.
- **Debt & Borrowing:** Debt (*Debt / Borrowing*, *Debt Servicing Costs*) **increased to support capital projects but stayed manageable**, with servicing costs proportional to total borrowing.
- **Revenue & Taxes:** Property taxes (*Property Taxes vs Municipal Services*) **remained the primary revenue source**, supplemented by diversified income streams (*Tax Revenue by Source*).

Legacy Surplus, Stability, and the Shift to Fiscal Pressures:

It appears that Springfield's strong financial historical foundations held fast, allowing the 2018–2022 term to benefit from the sound management of previous administrations. Prior to the construction of the new municipal building, the RM was several million dollars in the black—meaning it had a positive surplus and more revenue than expenses—which allowed the 2018–2022 term to enjoy the financial benefits of that prior fiscal strength. During this period, municipal finances remained relatively stable despite a period of operational challenges, showing that these historical foundations provided resilience even as administrative and operational pressures emerged.

Following 2022, with the arrival of the new administration, the municipality faced rapidly growing expenditures and a widening revenue gap, shifting the RM from a period of stability into a more challenging fiscal environment. While the fundamentals established by prior management provided some buffer, the trends indicate that financial discipline alone was insufficient to prevent significant operational and service pressures, highlighting the importance of ongoing oversight, prudent planning, and accountability in municipal governance.

Overall Summary:

Over the decade up to 2022, Springfield invested wisely, maintained fiscal health, and expanded its ability to serve the community. Careful management of spending (*Municipal Spending Trend*), reserves (*Reserve Funds*), and debt (*Debt / Borrowing*) ensured that tax dollars funded better roads, facilities, and services — until the expenditure-to-revenue gap widened after 2022 (*Municipal Revenue vs Expenses*). The visual trends presented here are more than numbers; they tell the story of measured growth, planning, and commitment to the people of Springfield, while also highlighting emerging financial pressures beyond 2022 (*Property Taxes vs Municipal Services*).

Despite the challenges that appeared after 2022, the decade shows that disciplined financial management and strong historical foundations allowed the municipality to support its communities, maintain essential services, and plan strategically for future needs.