

**THE CORPORATION OF THE VILLAGE
OF OIL SPRINGS
CONSOLIDATED FINANCIAL STATEMENTS**
December 31, 2024

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MANAGEMENT'S REPORT

The accompanying consolidated financial statements of the Corporation of the Village of Oil Springs (the "Village") are the responsibility of the Villager's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Village's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regularity requirements, and reliable financial information is available on a timely basis for preparation of consolidated financial statements. These systems are monitored and evaluated by management.

The consolidated financial statements have been audited by MNP LLP, independent external auditors and appointed by the Village. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Village's consolidated financial statements.

Martha Gawley
Clerk - Treasurer

To the Members of Council, Inhabitants, and Ratepayers of Village of Oil Springs:

Opinion

We have audited the financial statements of Village of Oil Springs (the "Village"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations and accumulated surplus, changes 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 consolidated financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2024, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Village 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 Village'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 Village or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village'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 Village'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 Village 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Village as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for the 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.

Sarnia, Ontario

June 3, 2025

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

THE CORPORATION OF THE VILLAGE OF OIL SPRINGS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

	2024	2023
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 329,203	\$ 388,083
Investments (note 3)	134,143	98,653
Taxes receivable (note 4) (note 14)	70,521	113,725
Accounts receivable (note 14)	272,499	332,527
Other receivable (note 14)	67,029	5,707
Investment in Bluewater Power Corporation (note 6)	239,897	231,030
TOTAL FINANCIAL ASSETS	1,113,292	1,169,725
LIABILITIES		
Accounts payable and accrued liabilities (note 14)	166,769	127,501
Deposits (note 14)	25,053	16,853
Municipal debt (note 8) (note 14)	885,932	963,005
TOTAL LIABILITIES	1,077,754	1,107,359
NET FINANCIAL ASSETS	35,538	62,366
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 1)	3,773,003	3,739,138
Prepaid expenses	15,858	13,498
TOTAL NON-FINANCIAL ASSETS	3,788,861	3,752,636
ACCUMULATED SURPLUS (note 11)	\$ 3,824,399	\$ 3,815,002

Approved on behalf of Council:

_____ Mayor

_____ C.A.O./Clerk

_____ Treasurer

THE CORPORATION OF THE VILLAGE OF OIL SPRINGS

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended December 31, 2024

	Budget 2024 \$ (note 10)	Actual 2024 \$	Actual 2023 \$
REVENUES			
Property taxation	539,195	597,147	598,984
Taxation from other governments	-	146,515	131,703
Fees and user charges	438,294	461,545	451,060
Grants	366,964	398,466	320,992
Other	94,256	84,108	148,593
Bluewater Power	6,500	8,867	12,698
TOTAL REVENUES	1,445,208	1,696,648	1,664,030
EXPENSES			
General government	361,271	343,227	391,872
Protection services	258,113	337,446	356,502
Transportation services	506,430	376,522	403,613
Environmental services	525,211	486,242	462,572
Health services	29,105	32,098	22,320
Recreation and cultural services	255,031	107,973	104,421
Planning and development	7,500	3,743	23,090
TOTAL EXPENSES	1,942,662	1,687,251	1,764,390
ANNUAL SURPLUS (Deficit)	(497,453)	9,397	(100,360)
ACCUMULATED SURPLUS - beginning of year	3,815,002	3,815,002	3,915,362
ACCUMULATED SURPLUS - end of year (note 11)	\$ 3,317,549	\$ 3,824,399	\$ 3,815,002

THE CORPORATION OF THE VILLAGE OF OIL SPRINGS

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the year ended December 31, 2024

	Budget 2024 \$ (note 10)	Actual 2024 \$	Actual 2023 \$
ANNUAL SURPLUS (DEFICIT)	(497,453)	9,397	(100,360)
Amortization of tangible capital assets	194,320	194,320	184,710
Acquisition of tangible capital assets		(228,185)	(113,169)
Net book value of disposed tangible capital assets	-	-	-
Increase in prepaid expenses	-	(2,360)	(5,036)
INCREASE IN NET FINANCIAL ASSETS	(303,134)	(26,828)	(33,855)
NET FINANCIAL ASSETS - beginning of year	62,366	62,366	96,221
NET FINANCIAL ASSETS - end of year	(240,768)	35,538	62,366

THE CORPORATION OF THE VILLAGE OF OIL SPRINGS

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

	Actual 2024	Actual 2023
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus (deficit)	9,397	(100,360)
Non-cash charges to operations		
Amortization of tangible capital assets	194,320	184,709
Equity basis net income in Bluewater Power Corporation	(16,273)	(19,531)
Change in non-cash assets and liabilities		
Taxes receivable	43,204	(68,023)
Accounts receivable	60,028	13,115
Other receivables	(61,322)	29,404
Accounts payable and accrued liabilities	39,268	20,907
Deposits	8,200	(1,939)
Prepaid expenses	(2,360)	(5,036)
Net increase in cash from operating transactions	274,462	53,247
CAPITAL		
Acquisition of tangible capital assets	(228,185)	(113,169)
INVESTING		
Net change in investments	(35,490)	(98,653)
Dividends received from Bluewater Power Corporation	7,406	6,833
Net increase in cash from investing transactions	(28,084)	(91,820)
FINANCING		
Debt principal repayments	(77,073)	(75,080)
INCREASE IN CASH AND CASH EQUIVALENTS	(58,880)	(226,822)
CASH AND CASH EQUIVALENTS - beginning of year	388,083	614,905
CASH AND CASH EQUIVALENTS - end of year	329,203	388,083

The Corporation of the Village of Oil Springs ("Village") is a municipality in the Province of Ontario, Canada. It was incorporated in 1865 and conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, 2001, Municipal Affairs Act and related legislation. The Village provides municipal services such as fire, public works, planning, parks and recreation and other general government operations.

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Village are the representation of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) as defined in the CPA Canada Public Sector Accounting Handbook. Significant aspects of the accounting policies are as follows:

a) *Basis of Consolidation*

i. *Consolidated 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 committees and local boards accountable for the administration of their financial affairs and resources of the Village and which are owned or controlled by the Village.

These entities, committees and boards include:

- Village of Oil Springs Fire Department;
- Village of Oil Springs Waterworks;
- Village of Oil Springs Cemetery Board - General Fund;
- Oil Springs Parks and Recreation Board; and
- Oil Springs Electricity Holdings Inc.

Inter-departmental and inter-organizational transactions and balances with this entity have been eliminated.

ii. *Government Business Enterprise*

The Village's investment in Bluewater Power Corporation ("BPC") is accounted for on the modified equity basis, consistent with Canadian public sector accounting standards as recommended by PSAB for investments in government business enterprises. Under the modified equity basis, BPC's accounting policies are not adjusted to conform to those of the Village and inter-organizations transactions and balances are not eliminated. The Village recognizes its equity interest in the annual income or loss of BPC in its Consolidated Statement of Operations with corresponding increase or decrease in its investment asset account. Any dividends that the Village may receive from BPC will be reflected as reductions in the investment asset account.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

iii. Accounting for County and School Board Transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards, and the County of Lambton are not reflected in these consolidated financial statements except that any amounts due to or from these organizations are reported on the statement of financial position. Taxation raised by the Village on behalf of these organizations is reflected as a deduction from total taxation on the Statement of Operations and Accumulated Surplus.

vi. Trust funds

Trust funds and their related operations administered by the Village are not consolidated, but are reported separately on the Trust Funds Statement of Continuity and Balance Sheet.

b) Basis of accounting

The Village follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of a receipt of goods or services and/or the creation of a legal obligation to pay.

c) Cash and cash equivalents

Cash equivalents are comprised of guaranteed investment certificates and term deposits with original maturities of 90 days or less.

d) Non-financial assets

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

e) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amount that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Asset	Useful Life - Years
Buildings	50 years
Equipment	5 - 20 years
Fleet	5 - 20 years
Roads	20 - 75 years
Underground and other networks	40 - 80 years
Bridges and other structures	50 years

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Tangible capital assets (continued)

Amortization is charged starting in the year subsequent to acquisition and a full year of amortization is charged in the year of disposition. Assets under construction are not amortized until the year after the asset is available for productive use.

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

f) Revenue recognition

Property tax billings are prepared by the Village based on the assessment roles issued by the Municipal Property Assessment Corporation. Tax rates are established annually by Council, incorporating amounts to be raised for local services. A normal part of the assessment process is the issue of supplementary assessment rolls, which provide updated information with respect to changes in the property assessments. Once a supplementary assessment roll is received, the Village determines the taxes applicable and renders a supplementary tax billing. Taxation revenues are recorded at the time the tax billings are issued.

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

Taxation revenues in any year may also be reduced as a result of reductions in assessment values arising from assessment and/or tax appeals. Each year, an amount is identified to cover the estimated amount of revenue loss attributable to assessment appeals, tax appeals and other deficiencies in tax revenues (e.g., uncollectible amounts, write-offs, etc.).

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when the monies are receivable. Grants for the acquisition of tangible assets are recognized in the period in which eligible expenditures are made.

Investment income earned on surplus funds is recognized when earned. Investment income earned on deferred revenue is recorded directly to each fund.

The Village's share of net income in Bluewater Power is recognized when earned.

The Village recognizes revenue from fines and penalties on late tax payments. These non-exchange transactions have no performance obligations and are recognized at their realizable value when the Village has the authority to claim or retain economic inflows based on a past transaction or event giving rise to an asset.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Revenue recognition (continued)

Revenue from transactions with performance obligations is recognized when the Village satisfies a performance obligation by providing the promised goods or services to a payor. The performance obligation is evaluated as being satisfied either over a period of time or at a point in time. The Village recognizes revenues from utilities, licenses and permits, certificates, recycling services, and rentals at a point in time, which occurs when the goods and/or services have been provided. In determining the transaction price, the Village measures revenue based on the consideration that is expected to receive in exchange for providing the goods and/or services.

g) Financial instruments

The Village classifies its financial instruments as either fair value or amortized cost. The Village's accounting policy for each category is as follows:

i. Fair Value

Fair value investments that are measured subsequent to initial recognition at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

This category includes cash. Which is initially recognized at cost and subsequently carried at fair value. Changes in fair value are recognized in the statement of operations. The Village classifies this as a Level 1.

Transaction costs related to financial instruments in the fair value category are expensed as incurred.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial instruments (continued)

ii. Amortized Cost

Financial assets measured at amortized cost include temporary investments, accounts receivable, taxes receivable, and other receivables. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, deposits and municipal debt. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest method rate, less any impairment losses on financial assets

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Writedowns on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the writedown being recognized in the statement of operations.

h) Accumulated surplus

Accumulated surplus represents the Corporation's net economic resources. It is an amount by which all assets (financial and non-financial) exceed liabilities. An accumulated surplus indicates that the Corporation has net resources (financial and physical) that can be used to provide future services. An accumulated deficit means that liabilities are greater than assets.

i) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Estimates are used with accounting for items such as accrued receivables and accrued liabilities.

Items requiring the use of significant estimates include those related to the useful life of assets, allowance for doubtful accounts, and accrued accounts payable. Actual results could differ from these estimates.

j) Investments

Investments consist of guaranteed investment certificates ("GICs") with maturity dates greater than 90 days and are recorded at amortized cost. Investment income is reported as revenue in the period earned.

k) Employee future benefits

The contributions to the Ontario Municipal Employers Retirement System ("OMERS"), a multi-employer defined benefit pension plan, are expensed when contributions are due.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Asset retirement obligations

A liability for an asset retirement obligation is recognized when 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. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

As of December 31, 2024, management's best estimate based on their information available does not recognize any asset retirement obligations, and therefore no liability exists. Management will continue to address the new standard and review the policy to determine if any asset retirement obligations are to be reported.

m) Budget figures

The Township's council completes separate budget reviews for tax supported operating and capital, as well as water and wastewater budgets each year. Budget figures have been provided for comparison purposes. Given the differences between the budgeting model and generally accepted accounting principles established by the Public Sector Accounting Board (PSAB), certain budgeted amounts have been reclassified to reflect the presentation adopted under PSAB.

2. CHANGE IN ACCOUNTING POLICY

Effective January 1, 2024, the Village adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of revenue under PS 3400 Revenue. The new standard establishes when to recognize and how to measure revenue, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated.

Previously, the Village recorded revenue affected by this standard when the service or goods have been provided, the amount is determinable and collectability is assured. Under the new standard, revenue is differentiated between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions", as described in Note 1.

There was no material impact on the financial statements from the prospective application of the new accounting recommendations

3. TEMPORARY INVESTMENTS

The temporary investments consist of guaranteed investment certificates stated at cost, with maturity dates between April and December 2025 and bear interest at rates between 3.50% and 4.00% (2023 – 3.75%).

4. TAXES AND TAX INTEREST RECEIVABLE

As at December 31, the balances are as follows:

	2024	2023
	\$	\$
Current Year	50,890	93,691
Arrears from previous years	15,896	17,058
Allowance for doubtful accounts and interest receivable	3,734	2,976
	70,521	113,725

5. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF LAMBTON

During 2024, requisitions were made by the County of Lambton and School Boards requiring the Village 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 taxes	101,491	261,819
Payments in lieu	-	3,574
	101,491	265,393
Amounts requisitioned and remitted	101,491	265,393

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

6. INVESTMENT IN BLUEWATER POWER CORPORATION

In recognition of the requirements of Bill 35 (The Energy Competition Act, 1998) the Village through Oil Springs Electricity Holdings Inc. (holding company), along with the City of Sarnia, Town of Petrolia, Township of Warwick, Village of Oil Springs and Village of Alvinston passed in the year 2000 transfer by-laws that transferred, effective October 31, 2000, all of their hydro assets and liabilities to Bluewater Power Distribution Corporation. Upon determination of the fair value of assets and liabilities transferred, each municipality received a promissory note from Bluewater Power Distribution Corporation and shares of Bluewater Power Corporation, which owns 100% of Bluewater Power Distribution Corporation, equal to the percentage of the fair market value of assets and liabilities each municipality contributed compared to the total fair market value of the assets and liabilities contributed by the municipalities. The fair market value of the assets and liabilities contributed by the Village of Oil Springs was determined to be 0.33% of the fair market value of all of the assets and liabilities contributed by all of the six participating municipalities.

The financial statements of Bluewater Power Corporation were prepared in accordance with International Financial Reporting Standards (IFRS).

The investment in Bluewater Power Corporation is reported on the modified equity basis.

The investment is comprised of the following:

	2024	2023
	\$	\$
Oil Springs Electricity Holdings Inc. common shares	59,506	59,506
Share of net income since acquisition, net of dividends received	180,391	171,524
	239,897	231,030
Continuity of Investment		
Balance, beginning of year	231,030	218,332
Share of net income for the year	16,273	19,531
Dividends received during the year	(7,406)	(6,833)
Net increase in equity during the year	8,867	12,698
Balance, end of year	239,897	231,030

CORPORATION OF THE VILLAGE OF OIL SPRINGS
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024
NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENT IN BLUEWATER POWER CORPORATION (continued)

The following is the financial information presented by Bluewater Power Corporation:

Consolidated Statement of Financial Position

	2024	2023
	\$	\$
Assets		
Current assets	46,452,761	36,535,515
Property, Plant and equipment	106,756,018	101,615,249
Other assets	6,631,029	8,234,149
Total assets	159,839,808	146,384,913
Regulatory balances	5,877,024	6,777,728
Total assets and regulatory balances	165,716,832	153,162,641
Liabilities		
Current liabilities	27,019,759	24,765,027
Non-current liabilities	63,309,409	56,930,689
	90,329,168	81,695,716
Equity		
Share Capital	18,032,105	18,032,105
Retained Earnings	55,017,910	52,577,061
Accumulated other comprehensive gain (loss)	(353,880)	(600,132)
Total Equity	72,696,135	70,009,034
Total liabilities and equity	163,025,303	151,704,750
Regulatory balances	2,691,529	1,457,891
Total liabilities , Equity and Regulatory balances	165,716,832	153,162,641

Consolidated Statements of Comprehensive Income

	2024	2023
	\$	\$
Revenue	153,689,070	139,839,712
Operating expenditures	144,469,594	131,236,400
Income tax expense	2,339,000	2,205,000
Net income for the year	6,880,476	6,398,312
Net movement in regulatory balances, net of tax	(2,195,342)	136,996
Other comprehensive income (loss) for the year	246,252	(617,039)
Total comprehensive income	4,931,386	5,918,269

7. OPERATING LINE OF CREDIT

The Village has an operating line of credit with a bank with a limit of \$100,000, none of which was drawn at year end. The line of credit is unsecured.

8. MUNICIPAL DEBT

The balance of municipal debt reported on the statement of financial position is comprised of the following loans and debentures:

	2024	2023
	\$	\$
John Deere Credit Loan, non-interest bearing, repayable in monthly payments of \$249, maturing August 2025	4,544	7,528
Ontario Infrastructure debenture, bearing interest at 2.79% repayable in blended semi-annual payments of \$13,258 maturing January 2028	87,839	111,410
Ontario Infrastructure debenture, bearing interest at 3.53% repayable in blended semi-annual payments of \$9,117 maturing April 2032	119,235	132,897
Ontario Infrastructure debenture, bearing interest at 2.43% repayable in blended semi-annual payments of \$26,957 maturing September 2039	674,315	711,169
	885,932	963,005

Principal repayments are as follows:

2025	\$	79,124
2026		79,805
2027		80,414
Thereafter		646,589
	\$	885,932

The total interest charges for the year for municipal debt which is reported on the “Statement of Operations and Accumulated Surplus” was \$24,576 (2023 - \$26,569)

Municipal debt approved after January 1, 1993 have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt limit prescribed by the Ministry of Municipal Affairs and Housing

9. PENSION AGREEMENTS

The Village makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of all permanent, full-time members of its staff. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan. The employer amount contributed to OMERS for 2024 was \$19,551 (2023 - \$16,452).

10. BUDGET FIGURES

The unaudited budget data presented in these financial statements is based upon the 2024 budget approved by Council. Budgets are not prepared on a basis consistent with that used to report actual results under Public Sector Accounting Standards which is allowable as per Ontario Regulation 284/09 of the Municipal Act. Budgets anticipate using surpluses (or deficits) accumulated in previous years to reduce current expenditures in excess of revenues to nil. In addition, the budget expensed all tangible capital assets rather than capitalizing them and recording amortization expense. The budget also expenses principal payments on debt and reserve transfers. As a result, the budget figures presented in the Statement of Operations and Accumulated Surplus represent the budget adopted by the Village's council with the following adjustments.

	2024 Budget Amount
Budgeted deficit for the year	(758,235)
Adjustments to budgeted surplus:	
Debt principal repayments	77,073
Capital expenditures	228,185
Net reserve transfers	149,844
Amortization	(194,320)
	(497,453)

11. ACCUMULATED SURPLUS

Accumulated surplus consists of individual fund surplus/(deficit) and reserves as follows:

	2024	2023
	\$	\$
Surplus		
Tangible capital assets - net book value	3,773,003	3,739,138
Township surplus (deficit)	(143,575)	(261,155)
Investment in Bluewater Power Corporation	239,897	231,030
Unfunded	(1,081,450)	(782,154)
Surplus	2,787,875	2,926,859
Reserves		
Working Capital	201,590	202,890
Fire building addition	134,143	50,039
Community hall maintenance and repairs	117,871	11,871
Fire truck	41,250	-
Administrative building	35,000	30,000
Cannbis implementation	15,000	15,000
Reserve parks events	11,252	32,663
Insurance	10,500	7,000
Animal control	8,394	5,693
EOC generator	7,650	7,650
Sidewalks	7,500	5,000
Garbage	6,242	-
Cemetary memorial	5,855	11,855
Storm Drains	5,000	15,000
Asset management	5,000	2,500
Legal	5,000	2,500
Youth centre equipment	4,501	4,501
Municipal election	3,750	2,500
Youth centre capital	3,320	5,320
Ball Booth	2,024	-
Planning official review	2,000	1,500
Growth committee	823	823
Replacement of equipment	387	65,387
Policing	-	4,977
Emergency management	-	1,000
Total Reserves	634,050	485,669
Reserve Funds		
Water	161,781	161,781
Sewer	240,693	240,693
Total reserve funds	402,474	402,474
Accumulated Surplus	3,824,399	3,815,002

12. SEGMENTED INFORMATION

The Corporation of the Village of Oil Springs is a diversified municipal government institution that provides a wide range of services to its inhabitants such as policing, fire protection, water distribution, sewage collection and treatment, waste collection and disposal, recycling services, recreational services, library facilities, and planning. Distinguishable functional segments have been in the segmented information.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Amounts that are directly attributable to a number of segments have been allocated on a reasonable basis as follows:

Taxation and payment-in-lieu, OMPF Grant, net income of government business enterprise and shared other revenue consisting of penalty and interest on taxes, investment income, have been allocated to those segments that are funded by these amounts based on the net surplus for the year.

The nature of those segments and the activities they encompass are as follows:

General Government

This reports the revenues and expenses that relate to the governance and operations of the Village and cannot be directly attributed to a specific segment.

Protection to Persons and Property

Protection to persons and property is comprised of police services, fire protection, animal control and building inspections. The police services work to ensure the safety and protection of the inhabitants and their property. The fire department, whose members are all volunteers, is responsible to provide for fighting services, fire prevention programs, training and education. The building inspections provides a number of services including enforcement of building and construction codes and a review of all property development plans through its application process.

Transportation Services

Transportation is responsible for maintenance and construction of the Township's roadways, bridges, parking areas, street lighting and winter control.

Environmental Services

Environmental services consist of providing water treatment and distribution, sanitary sewage collection and treatment and ensuring that the Township's sewer and water systems meet all Provincial standards. In addition, environmental services consists of providing solid waste collection and recycling services.

Health Services

Health services consists of cemetery operations.

12. SEGMENTED INFORMATION (continued)

Recreation and Cultural Services

This service provides services to improve health and development of the Village inhabitants. This is accomplished by the Village operating and maintaining an arena, splash pad, parks and ball parks, a bicycle park and providing library facilities.

Planning and Development Services

The Village is responsible for planning and zoning including the Official Plan. In addition, this area of service includes tourist information, promotion and events, drainage, and commercial and residential development.

13. TRUST FUNDS

Trust funds administered by the Township amounting to \$107,927 (2023 - \$105,927) are not included in the Statement of Financial Position nor have their operations been included in the Statement of Financial Activities.

14. COMMITMENTS

The Village has entered into a service agreement with the Ontario Provincial Police for the provision of policing services which will expire on December 31, 2024. The 2024 annual cost will be \$102,664; subsequent years' amounts are to be determined on an annual basis based on estimated salary and benefit costs.

15. FINANCIAL INSTRUMENTS AND RISKS

Unless otherwise noted, it is management's opinion that the Village is not exposed to significant risks. There have been no changes in the Village's risk exposures from the prior year.

Credit risk

The Village is exposed to credit risk through its cash, taxes receivable and accounts receivable. There is a possibility of non-collection of its accounts receivable. The majority of the Village's receivables are from rate payers and government entities. The Village mitigates its exposure to credit loss by placing its cash with major financial institutions.

Accounts receivable credit risk is resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions.

The Village manages its credit risk by limiting the amount of days aged in accounts receivable before appropriate action is taken.

15. FINANCIAL INSTRUMENTS AND RISKS (continued)

The Village’s maximum exposure to credit risk at the financial statement date is the carrying value of accounts receivable and other accounts receivable as presented on the statement of financial position.

At year end, the amounts outstanding for the Village’s accounts receivable are as follows:

2024					
	Current	31-60 days	61-90 days	91-120 days	Total
Accounts receivable	193,239	-	-	79,260	272,499
Taxes receivable	52,308	-	-	18,213	70,521
Other receivables	-	-	-	67,029	67,029
Total	245,547	-	-	164,501	410,048

2023					
	Current	31-60 days	61-90 days	91-120 days	Total
Accounts receivable	331,944	523	-	60	332,527
Taxes receivable	95,252	-	-	18,473	113,725
Other receivables	-	-	-	5,707	5,707
Total	427,196	523	-	24,240	451,959

Liquidity risk

Liquidity risk is the risk that the Village will not be able to meet its obligations as they become due. The Village is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and deferred revenue. The Village manages this risk by establishing budgets and funding plans to fund its expenses and debt repayments. The Village also maintains certain credit facilities, which can be drawn upon as needed.

The following tables sets out the expected maturities (representing undiscounted contractual cash-flow of financial liabilities):

2024				
	Within 1 year	1-5 years	Over 5 years	Total
Accounts payable and accrued liabilities	166,769	-	-	166,769
Deposits	25,053	-	-	25,053
Municipal debt	79,124	346,919	459,889	885,932
Total	270,946	346,919	459,889	1,077,754

2023				
	Within 1 year	1-5 years	Over 5 years	Total
Accounts payable and accrued liabilities	127,601	-	-	127,601
Deposits	16,753	-	-	16,753
Municipal debt	77,073	308,726	577,205	963,004
Total	221,428	308,726	577,205	1,107,359

THE CORPORATION OF THE VILLAGE OF OIL SPRINGS

SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2024

		Land	Buildings	Equipment	Fleet	Roads	Underground and Other Networks	Bridges and Other Structures	Totals
		\$	\$	\$	\$	\$	\$	\$	\$
COST									
Balance, beginning of year	\$	223,535	\$ 560,110	\$ 499,951	\$ 751,732	\$ 2,565,594	\$ 3,817,963	\$ 252,246	\$ 8,671,131
Add: additions during the year		-	-	-	133,034	41,638	53,512.40	-	228,185
Less: disposals during the year		-	-	-	-	(11,340)	-	-	(11,340)
Balance, end of year	\$	223,535	\$ 560,110	\$ 499,951	\$ 884,766	\$ 2,595,892	\$ 3,871,475	\$ 252,246	\$ 8,887,975
ACCUMULATED AMORTIZATION									
Balance, beginning of year	\$	-	\$ 322,070	\$ 397,691	\$ 518,352	\$ 1,199,612	\$ 2,307,396	\$ 186,873	\$ 4,931,993
Add: amortization for the year		-	8,241	8,289	27,042	84,766	61,458	4,524	194,320
Less: disposals during the year		-	-	-	-	(11,340)	-	-	(11,340)
Balance, end of year	\$	-	\$ 330,311	\$ 405,980	\$ 545,394	\$ 1,273,038	\$ 2,368,854	\$ 191,397	\$ 5,114,972
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$	223,535	\$ 229,799	\$ 93,972	\$ 339,372	\$ 1,322,854	\$ 1,502,622	\$ 60,849	\$ 3,773,003

THE CORPORATION OF THE VILLAGE OF OIL SPRINGS

SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2023

		Land	Buildings	Equipment	Fleet	Roads	Underground and Other Networks	Bridges and Other Structures	Totals
		\$	\$	\$	\$	\$	\$	\$	\$
COST									
Balance, beginning of year	\$	223,535	\$ 560,110	\$ 499,951	\$ 823,808	\$ 2,500,448	\$ 3,817,963	\$ 252,246	\$ 8,678,061
Add: additions during the year		-	-	-	48,023	65,146	-	-	113,169
Less: disposals during the year		-	-	-	(120,099)	-	-	-	(120,099)
Balance, end of year	\$	223,535	\$ 560,110	\$ 499,951	\$ 751,732	\$ 2,565,594	\$ 3,817,963	\$ 252,246	\$ 8,671,131
ACCUMULATED AMORTIZATION									
Balance, beginning of year	\$	-	\$ 311,908	\$ 390,141	\$ 620,880	\$ 1,115,613	\$ 2,246,491	\$ 182,349	\$ 4,867,382
Add: amortization for the year		-	8,241	9,470	17,571	83,999	60,905	4,524	184,710
Less: disposals during the year		-	-	-	(120,099)	-	-	-	(120,099)
Balance, end of year	\$	-	\$ 320,149	\$ 399,611	\$ 518,352	\$ 1,199,612	\$ 2,307,396	\$ 186,873	\$ 4,931,993
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$	223,535	\$ 239,961	\$ 100,340	\$ 233,380	\$ 1,365,982	\$ 1,510,567	\$ 65,373	\$ 3,739,138

THE CORPORATION OF THE VILLAGE OF OIL SPRINGS

SCHEDULE 2 - CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the year ended December 31, 2024

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenue								
Property taxation	540,290	-	-	56,857	-	-	-	597,147
Taxation from other governments	-	146,515	-	-	-	-	-	146,515
Fees and user charges	35,134	56,476	-	326,913	30,715	12,007	300	461,545
Grants	228,377	17,177	152,912	-	-	-	-	398,466
Other	41,039	10,879	14,100	-	7,808	10,282	-	84,108
Bluewater Power	8,867	-	-	-	-	-	-	8,867
Total revenues	853,707	231,047	167,012	383,770	38,523	22,289	300	1,696,648
Expenses								
Salaries and benefits	226,670	74,308	108,463	25,175	5,312	36,265	3,733	479,926
Materials and supplies	114,801	118,405	148,090	275,674	26,486	68,266	10	751,732
Contracted services	-	119,306	-	116,170	-	-	-	235,476
Interest on long term debt	-	-	17,059	7,517	-	-	-	24,576
Amortization	835	25,427	102,910	61,706	-	3,442	-	194,320
Other	921	-	-	-	300	-	-	1,221
Total expenses	343,227	337,446	376,522	486,242	32,098	107,973	3,743	1,687,251
Net surplus/(deficit)	510,480	(106,399)	(209,510)	(102,472)	6,425	(85,684)	(3,443)	9,397

THE CORPORATION OF THE VILLAGE OF OIL SPRINGS

SCHEDULE 2 - CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the year ended December 31, 2023

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenue								
Property taxation	544,186	-	-	54,798	-	-	-	598,984
Taxation from other governments	-	131,703	-	-	-	-	-	131,703
Fees and user charges	32,093	9,494	-	355,879	19,388	13,670	20,536	451,060
Grants	183,070	1,477	136,445	-	-	-	-	320,992
Other	44,657	83,872	5,550	-	7,241	7,273	-	148,593
Bluewater Power	12,698	-	-	-	-	-	-	12,698
Total revenues	816,704	226,546	141,995	410,677	26,629	20,943	20,536	1,664,030
Expenses								
Salaries and benefits	202,703	6,436	82,766	19,512	5,560	28,143	5,829	350,949
Materials and supplies	186,917	210,662	210,592	246,804	16,460	72,836	17,261	961,532
Contracted services	-	113,623	-	126,471	-	-	-	240,094
Interest on long term debt	-	-	17,938	8,631	-	-	-	26,569
Amortization	2,016	25,781	92,317	61,154	-	3,442	-	184,710
Other	236	-	-	-	300	-	-	536
Total expenses	391,872	356,502	403,613	462,572	22,320	104,421	23,090	1,764,390
Net surplus/(deficit)	424,832	(129,956)	(261,618)	(51,895)	4,309	(83,478)	(2,554)	(100,360)