



Municipalité de
RUSSELL
Township

Consolidated Financial Statements of the Corporation of the Township of Russell

December 31, 2024



Independent Auditor's Report	1 - 2
Consolidated statement of operations	3
Consolidated statement of financial position	4
Consolidated statement of change in net debt.....	5
Consolidated statement of cash flow.....	6
Notes to the consolidated financial statements.....	7 - 14
Schedules	
Consolidated tangible capital assets – Schedule 1	15
Consolidated accumulated surplus – Schedule 2.....	16
Consolidated statement of operations for the reserves and reserve funds – Schedule 3.....	17
Consolidated statement of expenses by object – Schedule 4.....	18

To the members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Russell

Opinion

We have audited the consolidated financial statements of the Corporation of the Township of Russell (the "Municipality") which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations, change in net debt and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2024, and the results of its operations, change in its net debt, and its cash flow 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 Municipality 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 Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality'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 Municipality'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 Municipality'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 Municipality 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.

Hawkesbury ON
May 26, 2025

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Licensed Public Accountants

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Corporation of the Township of Russell
Consolidated statement of operations
Year ended December 31, 2024

	Budget 2024	Actual 2024	Actual 2023
	\$	\$	\$
Revenue			
Taxation – all classes	38,900,148	39,616,848	36,664,148
Less amounts received for:			
United Counties (Note 3)	(14,402,110)	(14,808,626)	(13,611,725)
School boards (Note 3)	(6,164,834)	(6,353,437)	(6,062,002)
Net taxation for municipal purposes	18,333,204	18,454,785	16,990,421
User charges	16,885,784	16,253,899	14,258,941
Government transfers			
Government of Canada	577,690	897,116	702,211
Province of Ontario	1,239,339	1,481,634	1,594,041
Other municipalities	1,218,327	2,773,875	2,340,601
Loss on sale of tangible capital assets	-	(403,748)	(279,810)
Sale of land held for resale	2,000,000	2,952,000	-
Penalties and interest	214,280	262,176	241,040
Donations	38,478	13,564,679	4,250,029
Interest income	269,203	360,060	538,689
Development charges	3,883,892	12,123,657	6,960,044
	44,660,197	68,720,133	47,596,207
Expenses (Schedule 4)			
General government	3,072,204	3,295,624	3,365,237
Protection services	6,259,420	6,558,904	5,828,434
Transportation services	3,131,586	6,267,043	6,994,684
Environmental services	9,022,160	14,790,059	11,720,274
Recreation and cultural services	4,059,360	5,280,340	4,855,515
Child-care services	4,693,780	3,776,854	2,197,133
Planning and development	1,032,823	2,985,144	886,820
	31,271,333	42,953,968	35,848,097
Annual surplus	13,388,864	25,766,165	11,748,110
Accumulated surplus, beginning of year	177,648,627	177,648,627	165,900,517
Accumulated surplus, end of year (Schedule 2)	191,037,491	203,414,792	177,648,627

The accompanying notes and schedules are an integral part of these consolidated financial statements.

Corporation of the Township of Russell
Consolidated statement of financial position
As at December 31, 2024

	2024	2023
	\$	\$
Assets		
Financial assets		
Cash	4,609,935	6,401,913
Accounts receivable	3,899,173	3,398,402
Taxes receivable	3,352,517	1,739,979
User charges receivable	1,691,879	1,516,952
Other assets	27,123	31,526
Land for resale	8,367,374	10,199,520
Investments (Note 4)	1,028,726	1,031,685
Loans to landowners (Note 5)	681,348	775,148
	23,658,075	25,095,125
Liabilities		
Accounts payable and accrued liabilities	8,723,179	7,921,584
Deposits	1,166,961	947,256
Deferred revenues (Note 8)	4,975,365	10,156,264
Accrued interest on debt	153,779	162,262
Debts (Note 9)	15,897,444	12,746,958
Asset retirement obligation liability (Note 10)	5,576,727	5,532,108
	36,493,455	37,466,432
Net debt	(12,835,380)	(12,371,307)
Contingencies and commitments (Notes 13 and 14)		
Non-financial assets		
Tangible capital assets (Schedule 1)	215,773,313	189,603,027
Inventories	67,228	50,472
Prepaid expenses	409,631	366,435
	216,250,172	190,019,934
Accumulated surplus (Schedule 2)	203,414,792	177,648,627

The accompanying notes and schedules are an integral part of these consolidated financial statements.

Approved by the Board

_____, Mayor

_____, Chief Administrative Officer/Treasurer



Corporation of the Township of Russell
Consolidated statement of change in net debt
Year ended December 31, 2024

	Budget 2024	Actual 2024	Actual 2023
	\$	\$	\$
Annual surplus	13,388,864	25,766,165	11,748,110
Loss on sale of tangible capital assets	-	403,748	279,810
Amortization of tangible capital assets	-	6,396,378	6,093,196
Purchase of tangible capital assets	(8,245,084)	(36,076,406)	(27,139,196)
Proceeds from disposal of tangible capital assets	-	121,450	116,625
Transfer of assets under construction to expenses	-	2,984,544	1,026,966
Increase in prepaid expenses	-	(16,756)	(80,018)
Increase in inventory	-	(43,196)	(21,914)
Increase in net debt	5,143,780	(464,073)	(7,976,421)
Net debt, beginning of year	(12,371,307)	(12,371,307)	(4,394,886)
Net debt, end of year	(7,227,527)	(12,835,380)	(12,371,307)

The accompanying notes and schedules are an integral part of these consolidated financial statements.

Corporation of the Township of Russell
Consolidated statement of cash flow
Year ended December 31, 2024



	2024	2023
	\$	\$
Operating activities		
Annual surplus	25,766,165	11,748,110
Changes in non-cash assets and liabilities		
Increase in accounts receivable	(500,771)	(765,297)
Increase in taxes receivable	(1,612,538)	(250,301)
Increase in user charges receivable	(174,927)	(14,945)
Decrease (increase) in other assets	4,403	(682)
Increase (decrease) in accounts payable and accrued liabilities	122,690	(1,153,079)
Increase (decrease) in deposits	219,705	(419,655)
Decrease in deferred revenue	(5,180,899)	(1,953,619)
Decrease in accrued interest on debt	(8,483)	(8,137)
Increase in asset retirement obligation liability	44,619	71,648
Increase in inventory	(16,756)	(21,914)
Increase in prepaid expenses	(43,196)	(80,018)
	(7,146,153)	(4,595,999)
Non-cash operating items		
Loss on sale of tangible capital assets	403,748	279,810
Amortization of tangible capital assets	6,396,378	6,093,196
Donations in kind of tangible capital assets	(13,467,579)	(4,239,653)
Transfer of assets under construction to expenses	2,984,544	1,026,966
	(3,682,909)	3,160,319
Net increase in cash from operating activities	14,937,103	10,312,430
Capital activities		
Purchase of tangible capital assets	(21,929,922)	(16,473,679)
Proceeds from sale of tangible capital assets	121,450	116,625
	(21,808,472)	(16,357,054)
Investing activities		
Decrease in investments	2,959	3,994,089
Decrease (increase) in land for resale	1,832,146	(2,740,175)
Decrease in loans to landowners	93,800	266,737
	1,928,905	1,520,651
Financing activities		
Proceeds from long-term debt	4,000,000	-
Repayment of long-term liabilities	(849,514)	(818,565)
	3,150,486	(818,565)
Net decrease in cash	(1,791,978)	(5,342,538)
Cash, beginning of year	6,401,913	11,744,451
Cash, end of year	4,609,935	6,401,913

See additional information presented in Note 11.

The accompanying notes and schedules are an integral part of these consolidated financial statements.

1. Change in accounting policies

Section PS 3400, Revenue

Effective January 1, 2024, the Board adopted Section PS 3400, Revenue, which establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. The new Section is applied prospectively. There were no material impacts on the consolidated financial statements.

2. Accounting policies

The consolidated financial statements of the Municipality are the responsibility of management and are prepared in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board ("PSAB") of CPA Canada.

The focus of PSAB consolidated financial statements is on the financial position of the Municipality and the changes thereto. The consolidated statement of financial position reports financial assets and liabilities and non-financial assets of the Municipality. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Non-financial assets are not available to repay liabilities and are used to provide services. The net debt is the difference between financial assets and liabilities.

Reporting entity

Consolidated financial statements

These consolidated financial statements reflect the assets, liabilities, operating revenues and expenses, reserves and reserve funds and changes in investment in tangible capital assets and include the activities of all committees of the Council and the following board and commissions which are under the control of Council:

Township of Russell Public Library Board
Police Village of Russell

Basis of accounting

Accrual basis

Expenses and related sources of financing are reported on the accrual basis of accounting. The accrual basis of accounting 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.

Financial instruments

The Municipality recognizes its financial instruments when the Municipality becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Municipality may irrevocably elect to subsequently measure any financial instrument at fair value. The Municipality has not made such an election during the year.

The Municipality subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. The Municipality has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains and losses. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

2. Accounting policies (continued)

Basis of accounting (continued)

Financial instruments (continued)

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in expenses. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Any impairment, which is not considered temporary, is recorded in the consolidated statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

Tangible capital assets

Tangible capital assets ("TCA") are recorded at cost, which includes all amounts that are directly attributable to acquisitions, construction, development or betterment of the asset. The cost, less residual value of the TCA, is amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	10 to 25 years
Buildings and facilities	20 to 50 years
Waterworks and sewers	20 to 100 years
Vehicles	3 to 25 years
Roads and bridges	25 to 80 years
Machinery and equipment	3 to 15 years

Land is not amortized.

The amortization starts in the month when the asset is put into service and ends in the month of disposal. Assets under construction are not amortized until the TCA are available for productive use.

The Municipality has a capitalization threshold of \$50,000 for civil infrastructure systems, \$10,000 for the vehicles and \$5,000 for pooled assets and all other assets. Items of lesser value are expensed, unless they are pooled because, collectively, they have significant value or for operational reasons. Examples of pooled assets are desktop computer systems, cars, utility poles and equipment.

Contribution of tangible capital assets

TCA received as contributions are recorded in the consolidated statement of financial position at their fair value at the date of receipt, and that fair value is also recorded as revenue. Transfers of TCA to other organizations are recorded as an expense at the net book value as of the date of transfer.

Investments

The investments are recorded at the lower of cost and market value.

Inventories

Inventories held for consumption are recorded at the lower of cost or replacement cost. Cost is determined on a first-in, first-out basis.

Deferred revenues

Funds received for specific purposes are accounted for as deferred revenues until the Municipality discharges its obligation, which led to receipt of the funds.

2. Accounting policies (continued)

Basis of accounting (continued)

Government transfers

Government transfers are recognized as revenues in the period during which the transfer is authorized and any eligibility criteria are met. Government transfers are deferred if they are restricted through stipulations that require specific actions to be carried out in order to keep the transfer. For such transfers, revenue is recognized when the stipulation has been met.

Segment disclosures

A segment is defined as a distinguishable activity or group of activities for which it is appropriate to separately report financial information. Management has determined that existing disclosures in the consolidated statement of operations and within the related notes for both the prior and current years sufficiently disclose information of all appropriate segments and therefore no additional disclosure is required.

Reserves and reserve funds

Reserves and reserve funds consist of funds set aside by the Council for specific purposes.

Asset retirement obligation liability

The Municipality recognizes the liability for an asset retirement obligation arising from the acquisition, development, construction or normal operation of a long-lived asset, in the year in which it is incurred and when a reasonable estimate of the amount of the obligation can be made. The liability is measured at the best estimate of the expenditure required to settle the present obligation.

The corresponding cost is capitalized as part of the related asset and is amortized over the asset's useful life.

In subsequent years, the liability is adjusted for changes resulting from the passage of time and revisions to either the timing or the amount of the original estimate of the undiscounted cash flows or the discount rate. The accretion of the liability as a result of the passage of time is charged to earnings while changes to the liability resulting from revisions to either the original estimate of the undiscounted cash flows or the discount rate are accounted for as an adjustment to the carrying amount of the related long-lived asset.

The Municipality continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Use of estimates

The preparation of consolidated financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Key components of the consolidated financial statements requiring management to make estimates include the provision for doubtful accounts in respect of receivables, the useful lives of tangible capital assets, the evaluation of asset retirement obligations and the evaluation of certain accrued liabilities. Actual results could differ from these estimates.

3. Operating of the United Counties of Prescott and Russell and the school boards

The amounts collected on behalf of the United Counties of Prescott and Russell and the school boards are comprised of the following:

	United Counties	School boards	Total
	\$	\$	\$
2024			
Taxation	14,777,557	6,353,437	21,130,994
Grants in lieu of taxes	31,069	-	31,069
	14,808,626	6,353,437	21,162,063
2023			
Taxation	13,579,881	6,062,002	19,641,883
Grants in lieu of taxes	31,844	-	31,844
	13,611,725	6,062,002	19,673,727

4. Investments

	2024	2023
	\$	\$
Mutual funds; the fair market value of these investments as at December 31, 2024, is \$1,195,001 (\$1,130,247 in 2023)	1,028,726	1,031,685

Mutual funds result from the proceeds from the sale of former Russell Hydro and are under the exclusive control of the trustees of the Police Village of Russell. These investments, including all revenues derived from them, shall be used solely for the operating costs, expenses of the trustees and for community or capital projects for the general benefit of the residents of Russell.

5. Loans to landowners

	2024	2023
	\$	\$
Loans to landowners, financed by the Municipality's long-term liabilities, interest rates varying from 2.92% to 5.45%, payable by annual instalments from \$11,456 to \$33,138, principal and interest, due from 2026 to 2041	681,348	775,148

Principal repayments for the next fiscal years are as follows:

	\$
2025	85,881
2026	86,201
2027	50,013
2028	51,888
2029	53,838
Thereafter	353,527
	681,348

6. Note receivable

	2024	2023
	\$	\$
Embrun Hydro Cooperative Inc., interest free, no specified terms of repayment	2,862,994	2,862,994
Allowance	(2,862,994)	(2,862,994)
	-	-

At the time of the creation of the Embrun Hydro Cooperative Inc., the Municipality agreed to provide it with an advance of \$2,862,994. According to this agreement, this amount is repayable only in the occurrence of a specific event such as a sale, liquidation or a bankruptcy of the cooperative.

7. Bank loan

The Municipality has an authorized line of credit of \$1,500,000 (\$1,500,000 in 2023), bearing interest at bank's prime rate less 0.5%, renewable in 2025, of which \$1,500,000 (\$1,500,000 in 2023) remained unused at year-end.

8. Deferred revenues

	2024	2023
	\$	\$
Development charges	3,541,534	8,899,739
Recreational land	650,965	583,506
Parking	5,808	24,989
Canada Community - Building Fund	169,776	166,029
Other	607,282	482,001
	4,975,365	10,156,264

The net change during the year in deferred revenues is made up as follows:

Amounts received	7,271,044	5,586,648
Interest earned	124,844	247,318
Recognized revenues	(12,576,787)	(7,787,585)
	(5,180,899)	(1,953,619)
Deferred revenues, beginning of year	10,156,264	12,109,883
Deferred revenues, end of year	4,975,365	10,156,264

9. Debts

The balance of the debts reported in the consolidated statement of financial position is made up of the following:

	2024	2023
	\$	\$
Debts bearing interest between 2.52% and 4.85%, maturing between 2027 and 2041	11,897,444	12,746,958
Debts bearing interest at bank's prime rate plus 2.00% with interest only payment until 2027	4,000,000	-
	15,897,444	12,746,958

Of the debts reported above, principal payments for the next fiscal years are as follows:

	General taxation	User charges	Total
	\$	\$	\$
2025	250,114	596,065	846,179
2026	257,777	620,953	878,730
2027	226,113	583,554	809,667
2028	193,092	605,654	798,746
2029	43,995	628,839	672,834
Thereafter	506,230	11,385,058	11,891,288
	1,477,321	14,420,123	15,897,444

The annual principal and interest payments required to service these debts are within the annual debt repayment limits prescribed by the Ministry of Municipal Affairs and Housing.

10. Asset retirement obligation liability

The main obligations of the Municipality related to the decommissioning of tangible assets consist of the landfill which is no longer in service, as well as buildings and installations of the Municipality containing lead and asbestos, which must be properly eliminated when they are sold or when renovations are undertaken.

	2024	2023
	\$	\$
Opening balance	5,532,108	746,810
Impact of the application of Section PS 3280	-	4,713,650
Obligation settled	(28,728)	(69,762)
Disposal of the assets	(41,200)	-
Accretion expense	114,547	141,410
	5,576,727	5,532,108

Asset retirement obligation liability is made up as follows:

Landfill post-closure activities	648,320	677,048
Buildings and facilities	4,928,407	4,855,060
	5,576,727	5,532,108

Landfill post-closure activities

Landfill post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, the monitoring of well development, groundwater and surface water sampling and analysis, groundwater level monitoring and reporting to the Ministry.

The reported liability is based on estimates and assumptions with respect to events extending over a 20-year period using the best information available to management. Future events may result in significant changes to the estimated total expenses, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

11. Additional information relating to the consolidated statement of cash flow

Non-cash transactions

During the year, TCA were acquired at an aggregate cost of \$36,076,406 (\$27,139,196 in 2023), of which Nil (\$4,713,650 in 2023) represent the non-cash transactions related to the asset retirement obligation liability, \$13,467,579 (\$4,239,653 in 2023) of donations in kind, \$2,391,119 (\$1,712,214 in 2023) were paid after year-end and \$20,217,708 (\$16,473,679 in 2023) were paid during the year.

12. Pension plans

The Municipality makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer plan, which, for 2024, was on behalf of 195 members (153 in 2023) 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.

The amount contributed to OMERS for 2024 was \$933,838 (\$756,889 in 2023) for current service and is included as an expense in the consolidated statement of operations.

13. Contingencies

Legal actions

Legal actions are still pending against the Municipality by third parties. It is not possible at this time to determine the amount, if any, of any awards that may be made against the Municipality. Any amount awarded in excess of any applicable insurance proceeds as a result of these actions will be charged to operations in the year incurred. The Municipality has outside coverage for public liability claims up to \$25,000,000.

14. Commitments

Drinking water supply

The Municipality signed an agreement in 2007 for the drinking water supply from 2007 to 2037. The total estimated disbursements over the next fourteen years are \$96,180,000.

Waste disposal and collection

The Municipality signed an agreement in 2020 for the waste collection and recycling from 2020 to March 2027. The total estimated disbursements over the next four years are \$2,850,000.

The Municipality signed an agreement in 2014 for the transportation, transfer and disposal of garbage and recycling from 2014 to December 2028. The total estimated disbursements over the next five years are \$1,530,000.

Contractual obligations

The Municipality has signed contracts for capital projects. Future payments aggregate to \$78,300,000.

15. Financial instruments

The Municipality as part of its operations carries a number of financial instruments. It is management's opinion that the Municipality is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

15. Financial instruments (continued)

Interest rate risk (continued)

The Municipality is exposed to price risk arising from variations in interest rates due to its bank loan and its debts, which bear interest at fixed rates. Fixed interest rate instruments subject the Municipality to fair value risk since it varies inversely with variations in market interest rates.

Liquidity risk

The Municipality's objective is to have sufficient liquidity to meet its liabilities when due. The Municipality monitors its cash balances and cash flows generated from operations to meet its requirements. As at December 31, 2024, the financial liabilities are the accounts payable and accrued liabilities and debts.

16. Budget amounts

The initial operating budget, approved by the Municipality for 2024, is reflected in the consolidated statement of operations. The budget established for capital investments in tangible capital assets is on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual purchase amounts.

For the purposes of these consolidated financial statements, budget figures have been presented on a basis consistent with the presentation of actual figures.

Corporation of the Township of Russell
Consolidated tangible capital assets
Year ended December 31, 2024

Schedule 1

	Land and land improvements	Buildings and facilities	Waterworks and sewers	Vehicles	Roads and bridges	Machinery and equipment	Assets under construction	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost									
Beginning of year	16,685,909	51,113,410	69,901,593	6,730,396	101,235,501	12,035,850	14,642,901	272,345,560	247,781,088
Purchases	130,577	335,991	4,457,710	243,648	11,208,576	561,792	19,138,112	36,076,406	27,139,196
Sales	(53,914)	(149,839)	(384,337)	(311,460)	(185,835)	(207,744)	-	(1,293,129)	(1,547,758)
Transfer to expenses	-	-	-	-	-	-	(2,984,544)	(2,984,544)	(1,026,966)
Transfer	182,984	264,921	68,079	188,020	3,178,228	20,922	(3,903,154)	-	-
End of year	16,945,556	51,564,483	74,043,045	6,850,604	115,436,470	12,410,820	26,893,315	304,144,293	272,345,560
Accumulated amortization									
Beginning of year	2,306,276	20,518,646	15,425,600	2,701,649	36,533,714	5,256,648	-	82,742,533	77,800,660
Amortization	352,992	1,685,491	967,827	439,113	2,370,185	580,770	-	6,396,378	6,093,196
Accumulated amortization on sale	(21,459)	(134,612)	(65,715)	(309,205)	(60,789)	(176,151)	-	(767,931)	(1,151,323)
End of year	2,637,809	22,069,525	16,327,712	2,831,557	38,843,110	5,661,267	-	88,370,980	82,742,533
Net book value	14,307,747	29,494,958	57,715,333	4,019,047	76,593,360	6,749,553	26,893,315	215,773,313	189,603,027



Corporation of the Township of Russell
Consolidated accumulated surplus
Year ended December 31, 2024

Schedule 2

	2024	2023
	\$	\$
Reserves		
Working fund	1,640,406	1,541,335
Tangible capital assets	5,181,578	2,629,271
Other specific projects	6,627,529	7,138,082
	13,449,513	11,308,688
Reserve funds		
Waterworks	8,192,669	7,451,526
Sewer	1,582,564	1,603,447
Township of Russell Public Library Board	563,110	465,651
Police Village of Russell	1,044,784	1,032,750
	11,383,127	10,553,374
Reserves and reserve funds (Schedule 3)	24,832,640	21,862,062
Land for resale	8,367,374	10,199,520
Unfinanced accrued interest	(153,779)	(162,262)
Unfinanced landfill post-closure activities	(648,320)	(677,048)
Invested in tangible capital assets	199,875,869	176,856,069
Unfinanced asset retirement obligation liability	(4,928,407)	(4,855,060)
Expenses to be funded by development charges	(5,654,392)	(6,535,491)
Expenses to be funded by the sale of land for resale	(11,290,682)	(12,257,657)
Internal debt	(6,985,511)	(6,781,506)
	178,582,152	155,786,565
	203,414,792	177,648,627



Corporation of the Township of Russell
Consolidated statement of operations for the reserves and reserve funds
Year ended December 31, 2024

Schedule 3

	Budget 2024	Actual 2024	Actual 2023
	\$	\$	\$
Investment income	269,203	297,239	472,468
Net transfers from:			
Operating	(2,172,857)	5,488,149	5,207,884
Unfinanced tangible capital assets	6,305,206	(2,814,810)	(6,717,780)
Change in reserves and reserve funds	4,401,552	2,970,578	(1,037,428)
Reserves and reserve funds, beginning of year	21,862,062	21,862,062	22,899,490
Reserves and reserve funds, end of year (Schedule 2)	26,263,614	24,832,640	21,862,062



Corporation of the Township of Russell
Consolidated statement of expenses by object
Year ended December 31, 2024

Schedule 4

	Budget 2024	Actual 2024	Actual 2023
	\$	\$	\$
Expenses			
Salaries, wages and benefits	15,742,146	14,673,055	11,846,639
Interest	581,883	573,337	606,501
Materials	3,872,374	6,187,284	3,906,824
Contracted services	10,600,220	14,592,459	12,874,974
Rents and financial expenses	122,756	154,334	138,592
External transfers	351,954	377,121	381,371
Amortization of tangible capital assets	-	6,396,378	6,093,196
Total expenses by object	31,271,333	42,953,968	35,848,097