



Consolidated financial statements

Corporation of the City of Welland

December 31, 2025

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# Independent auditor's report

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Doane Grant Thornton LLP  
Suite 800  
201 City Centre Drive  
Mississauga, ON  
L5B 2T4  
T +1 416 366 0100  
F +1 905 804 0509  
www.doanegrantthornton.ca

To the Members of Council of the  
**Corporation of the City of Welland**

## Opinion

We have audited the consolidated financial statements of the **Corporation of the City of Welland** ("the City"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the **Corporation of The City of Welland** as at December 31, 2025, and its results of operations, its 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 City 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 these 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 City's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City'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 City'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 City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the City and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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.

*Doane Grant Thornton LLP*

Mississauga, Canada  
May 15, 2026

Chartered Professional Accountants  
Licensed Public Accountants

# Corporation of the City of Welland

## Consolidated Statement of Financial Position

December 31

2025

2024

### Financial assets

Cash	\$ 11,233,131	\$ 22,424,234
Taxes receivable (Note 19)	17,858,104	13,461,143
Accounts receivable	37,388,931	41,608,166
Interest receivable	1,189,548	2,371,857
Investments (Note 4)	109,898,653	102,170,629
Investment in subsidiary (Note 5)	<u>29,470,341</u>	<u>28,261,750</u>
	<u>207,038,708</u>	<u>210,297,779</u>

### Liabilities

Accounts payable and accrued liabilities	28,076,901	30,554,549
Deferred revenue (Schedule 4) (Note 7)	38,051,826	37,545,053
Accrued interest on long-term debt	667,492	699,101
Obligations under capital lease	-	4,110
Asset retirement obligation (Note 8)	672,784	393,697
Long-term debt (Schedule 5) (Note 9)	66,343,138	64,128,157
Employee future benefits (Note 10)	<u>9,485,720</u>	<u>8,960,166</u>
	<u>143,297,861</u>	<u>142,284,833</u>

### Net financial assets

	<u>63,740,847</u>	<u>68,012,946</u>
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### Non-financial assets

Tangible capital assets (Schedule 6) (Note 11)	439,559,304	399,680,158
Other assets (Note 12)	<u>1,145,686</u>	<u>246,080</u>
	<u>440,704,990</u>	<u>399,926,238</u>

### Accumulated surplus (Note 13)

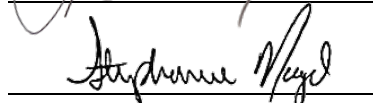
	<u>\$ 504,445,837</u>	<u>\$ 467,939,184</u>
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Contingencies (Note 19)

Approved by:



Chief Administrative Officer



General Manager, Corporate and Enterprise Services, CFO

The accompanying notes are an integral part of the consolidated financial statements.

# Corporation of the City of Welland

## Consolidated Statement of Operations

December 31, 2025

	Budget 2025 (Note 20)	Actual 2025	Actual 2024
<b>Revenue</b>			
Taxation (Schedule 2)	\$ 54,911,558	\$ 55,330,299	\$ 51,799,459
User charges (Schedule 3)	53,529,588	50,869,540	47,811,616
Grants (Schedule 3)	14,882,555	14,968,730	9,269,947
Contributed assets	8,090,000	8,090,788	12,490,900
Cost sharing	5,848,800	5,909,700	2,510,835
Investment income	3,370,000	4,169,978	5,970,940
Other	1,897,020	3,861,248	4,172,594
Penalties, interest, and fines	1,970,034	3,090,914	2,456,999
Equity earnings in subsidiary (Note 5)	-	1,208,591	1,134,763
(Loss) gain on disposal of tangible capital assets	-	(20,263)	30,077,448
	<u>144,499,555</u>	<u>147,479,525</u>	<u>167,695,501</u>
<b>Expenses (Note 18)</b>			
General government	18,080,027	14,407,402	21,677,495
Protection to persons and property	19,084,925	19,926,140	16,222,195
Transportation services	16,449,147	17,085,042	13,864,130
Environmental services	37,141,184	38,241,431	33,593,634
Health services	196,056	192,296	183,804
Social and family services	736,411	791,551	815,644
Recreational and cultural services	18,396,894	16,562,290	12,821,904
Planning and development	3,154,433	3,766,720	3,173,321
	<u>113,239,077</u>	<u>110,972,872</u>	<u>102,352,127</u>
Annual surplus	31,260,478	36,506,653	65,343,374
Accumulated surplus, beginning of year	<u>467,939,184</u>	<u>467,939,184</u>	<u>402,595,810</u>
Accumulated surplus, end of year	<u>\$ 499,199,662</u>	<u>\$ 504,445,837</u>	<u>\$ 467,939,184</u>

The accompanying notes are an integral part of the consolidated financial statements.

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**Corporation of the City of Welland**  
**Consolidated Statement of Change in Net Financial Assets**

December 31, 2025

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	<u>Budget</u> <u>2025</u> (Note 20)	<u>Actual</u> <u>2025</u>	<u>Actual</u> <u>2024</u>
<b>Annual surplus (deficit)</b>	<b>\$ 31,260,478</b>	<b>\$ 36,506,653</b>	<b>\$ 65,343,374</b>
Amortization of tangible capital assets	<b>13,249,250</b>	<b>13,364,084</b>	12,553,098
Acquisition of tangible capital assets	<b>(45,150,000)</b>	<b>(53,422,381)</b>	(53,601,226)
Proceeds on disposal of tangible capital assets	-	<b>158,888</b>	31,087,464
Loss (gain) on disposal of tangible capital assets	-	<b>20,263</b>	(30,077,448)
	<u><b>(640,272)</b></u>	<u><b>(3,372,493)</b></u>	<u>25,305,262</u>
Acquisition of other assets	<b>(74,965)</b>	<b>(993,253)</b>	(156,763)
Use of other assets	<b>82,500</b>	<b>93,647</b>	97,926
	<u><b>7,535</b></u>	<u><b>(899,606)</b></u>	<u>(58,837)</u>
Change in net financial assets	<b>(632,737)</b>	<b>(4,272,099)</b>	25,246,425
Net financial assets, beginning of year	<u><b>68,012,946</b></u>	<u><b>68,012,946</b></u>	42,766,521
<b>Net financial assets, end of year</b>	<u><b>\$ 67,380,209</b></u>	<u><b>\$ 63,740,847</b></u>	<u><b>\$ 68,012,946</b></u>

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The accompanying notes are an integral part of the consolidated financial statements.

# Corporation of the City of Welland

## Consolidated Statement of Cash Flows

December 31

2025

2024

### Operating activities

Annual surplus	\$ 36,506,653	\$ 65,343,374
Non-cash items		
Amortization	13,364,084	12,553,098
Accretion (decretion) of asset retirement obligation	279,087	(38,573)
Increase in investment in subsidiary	(2,208,591)	(2,234,763)
Contributed assets	(8,090,788)	(12,490,900)
Loss (gain) on disposal of tangible capital assets	20,263	(30,077,448)
Changes in the following balances		
Taxes receivable	(4,396,961)	(3,943,935)
Accounts receivable	4,219,233	(22,167,386)
Interest receivable	1,182,309	(410,393)
Accounts payable and accrued liabilities	(2,477,647)	(2,279,302)
Deferred revenue	506,773	1,754,261
Accrued interest on long-term debt	(31,609)	164,656
Employee future benefits	525,554	350,231
Other assets	(899,606)	(58,837)
	<u>38,498,754</u>	<u>6,464,083</u>

### Capital activities

Proceeds from sale of tangible capital assets	158,888	31,262,463
Acquisition of tangible capital assets	(45,331,593)	(41,285,325)
	<u>(45,172,705)</u>	<u>(10,022,862)</u>

### Investing activity

(Increase) decrease in investments – net	<u>(7,728,024)</u>	<u>1,673,995</u>
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### Financial activities

Dividends received from investment in subsidiary (Note 5)	1,000,000	1,100,000
Proceeds on issuance of long-term debt	10,762,630	12,000,000
Repayment of long-term debt	(8,547,648)	(8,932,609)
Repayment of capital lease obligation	(4,110)	(4,775)
	<u>3,210,872</u>	<u>4,162,616</u>

Net (decrease) increase in cash (11,191,103) 2,277,832

Cash, beginning of year 22,424,234 20,146,402

Cash, end of year \$ 11,233,131 \$ 22,424,234

The accompanying notes are an integral part of the consolidated financial statements.

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# Corporation of the City of Welland

## Notes to the Consolidated Financial Statements

December 31, 2025

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### 1. Nature of operations

The Corporation of the City of Welland (“the City”) is a city in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, the Municipal Affairs Act and related legislation.

The City of Welland is known officially as “The Rose City”, Welland is home to over 55,000 residents who represent a blend of many different cultures. Our community is the proud host of an abundance of investment and recreational opportunities and conveniently located in the centre of Niagara Region. The City of Welland is a truly unique canal city blessed with post-secondary opportunities, health care facilities, and commercial amenities that offer big city resources with small town charm.

Our vision is to be the municipality that other municipalities measure themselves by; to be the benchmark. Our mission is to plan and provide for a vibrant, safe community that promotes healthy living and supports business growth; to respond to the needs of our diverse community in a timely, innovative and effective manner, through teamwork and partnerships; and to advocate for strong liveable cities on issues impacting Welland. Welland embraces progress, and its historical significance in Ontario’s past.

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### 2. Summary of significant accounting policies

The consolidated financial statements of the City are the representations of management prepared in accordance with Canadian public sector accounting standards (“PSAS”). Significant aspects of the accounting policies adopted by the City are as follows:

A consolidated statement of remeasurement gains and losses is not presented as the City has no accumulated remeasurement gains and losses and no remeasurement gains or losses in the current or prior fiscal period.

#### Basis of consolidation

The consolidated financial statements reflect the assets, liabilities, non-financial assets, revenues, and expenses of the City. The consolidated financial statements are comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the City and which are owned or controlled by the City. In addition to general government tax supported operations, they include the following:

- Welland Public Library Board
- Welland Downtown Business Improvement Area
- North Welland Business Improvement Area
- Youngs Sportsplex

Interdepartmental and organizational transactions and balances are eliminated.

The following joint local board is proportionately consolidated as the City has a non-controlling interest of 55%:

- Niagara Central Dorothy Rungeling Airport Commission (Joint Board)

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# Corporation of the City of Welland

## Notes to the Consolidated Financial Statements

December 31, 2025

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### 2. Summary of significant accounting policies (continued)

#### Basis of consolidation (continued)

Related party transactions are eliminated.

Welland Hydro-Electric Holding Corp. is a subsidiary corporation of the City and is accounted for on a modified equity basis, consistent with generally accepted accounting principles as recommended by PSAS for government business enterprises (Note 5). Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform with those of the City, and inter-organizational transactions and balances are not eliminated.

These consolidated financial statements exclude trust funds that are administered for the benefit of external parties (Note 17).

#### Deferred revenue

Receipts which are restricted by legislation of senior governments or by agreement with external parties are deferred and reported as restricted revenues. When qualifying expenses are incurred, restricted revenues are brought into revenue at equal amounts. Revenues received in advance of expenses which will be incurred in a later period are deferred.

#### Employee future benefits

The present value of the cost of providing employees with future benefits programs is expensed as employees earn these entitlements through service. The cost of the benefits earned by employees is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of retirement ages of employees and expected health care and dental costs. Actuarial gains or losses are amortized on a straight-line basis over the expected average remaining service life of all employees covered.

#### Tangible capital assets

Tangible capital assets are recorded at cost. Cost includes all directly attributable expenses in the acquisition, construction, development and / or betterment of the asset required to install the asset and in the condition necessary for its intended use. Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

The City does not capitalize interest as part of the costs of its tangible capital assets.

Works of art for display in City property are not recorded as tangible capital assets. The works of art are held for exhibition, educational and historical interest. Such assets are deemed worthy of preservation because of the social rather than financial benefits they provide to the community. The cost of art is not determinable or relevant to their significance. No valuation of the collection has been conducted or disclosed in the consolidated financial statements.

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# Corporation of the City of Welland

## Notes to the Consolidated Financial Statements

December 31, 2025

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### 2. Summary of significant accounting policies (continued)

#### Tangible capital assets (continued)

Amortization is calculated on a straight-line basis to write-off the net cost of each asset over its estimated useful life for all classes except land. Land is considered to have an infinite life without amortization. Residual values of assets are assumed to be zero with any net gain or loss arising from the disposal of assets recognized in the consolidated statement of operations. Amortization is based on six months for the year of acquisition regardless of the month purchased and annually thereafter until the asset is fully depreciated, disposed of or replaced. Assets under construction are not amortized until the asset is available for productive use.

Amortization is based on the following classifications and useful lives:

<u>Classification</u>	<u>Useful Life</u>
Land	Nil
Land improvements	10 to 25 years
Buildings	20 to 50 years
Roads and bridges	15 to 75 years
Water and waste water infrastructure	15 to 80 years
Vehicles	5 to 15 years
Computer hardware and software	1 to 5 years
Machinery and equipment	5 to 20 years

#### Leased equipment

Equipment taken on lease with terms which transfer substantially all of the benefits and risks of ownership to the City are accounted for as capital leases, as though an asset has been purchased and a liability incurred. The assets are amortized on a straight-line basis at the lesser of the lease term and expected useful life commencing in the month of purchase. All other items of equipment held on lease are accounted for as operating leases.

Capital lease obligations are recorded at the present value of the minimum lease payments. The discount rate used to determine the present value of the lease payments is the lower of the City's rate of incremental borrowing or the interest rate implicit in the lease.

#### Subdivision infrastructure

Subdivision streets, lighting, sidewalks, drainage and other infrastructure is required to be provided by subdivision developers. The formal assumption of Subdivision development occurs once all obligations of the subdivision agreement between the Developer and the City have complied with the satisfaction of the City Engineer and approval by City Council. The City is not involved in the construction. Subdivision infrastructure provided is recorded at its fair value at the date of receipt and is also recorded as revenue.

#### Reserves for future expenses

Certain amounts, as approved by City Council, are set aside in reserves for future operating and capital expenses.

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# Corporation of the City of Welland

## Notes to the Consolidated Financial Statements

December 31, 2025

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### 2. Summary of significant accounting policies (continued)

#### Government transfer payments

Government transfers, comprised of grants, are recognized as revenues by the City 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 or programs to be carried out in order to keep the transfer. For such transfers, revenue is recognized when the stipulation has been met.

#### Taxation revenue

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect of education taxes. Realty taxes are billed based on the assessment rolls provided by MPAC. Taxation revenue is recorded at the time tax billings are issued.

A normal part of the assessment process is the issue of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings. Assessments of the related property taxes are subject to appeal. Any supplementary billing adjustments made necessary by the determination of such changes will be recognized in the fiscal year they are determined, and the effect shared with the Regional Municipality of Niagara and school boards, as appropriate.

#### Investment income

Investment income earned on operating surplus funds and reserves are recorded as revenue in the period earned. Investment income earned on deferred revenue funds (also known as obligatory reserve funds) are recorded directly to each respective fund balance and forms part of the deferred revenue balance.

#### Revenue recognition

Revenue for user charges and exchange transactions with performance obligations are recognized when performance obligations are met by providing the goods or services to the payor.

#### Region and school board transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the Regional Municipality of Niagara are not reflected in the accumulated surplus balance of these consolidated financial statements.

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# Corporation of the City of Welland

## Notes to the Consolidated Financial Statements

December 31, 2025

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### 2. Summary of significant accounting policies (continued)

#### Contaminated sites

Contaminated sites are the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceed an environmental standard. A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met: a) an environmental standard exists; b) contamination exceeds the environmental standard; c) the organization is directly responsible or accepts responsibility for the liability; d) future economic benefits will be given up; and e) a reasonable estimate of the liability can be made. Changes in this estimate are recorded in the consolidated statement of operations.

#### Management estimates

The preparation of financial statements in accordance with PSAS 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 report period. Significant estimates relate to the allowance for taxes and accounts receivable, accrued liabilities, employee future benefits, contaminated sites and the useful lives of tangible capital assets. Actual results could differ from those estimates.

#### Financial instruments

All financial instruments are recorded at their cost or amortized cost except for portfolio investments in equity instruments quoted in an active market and derivatives which are recorded at their fair value with unrealized remeasurement gains and losses recorded in the consolidated statement of remeasurement gains and losses. Once realized, remeasurement gains and losses are transferred to the consolidated statement of operations. Changes in the fair value on restricted assets are recognized as a liability until the criterion attached to the restrictions has been met, upon which the gain or loss is recognized in the consolidated statement of operations.

Financial liabilities (or part of a financial liability) are removed from the consolidated statement of financial position when, and only when, they are discharged or cancelled or expire.

#### Asset retirement obligations

A liability for an asset retirement obligation is recognized when all of the following criteria are met:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

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# Corporation of the City of Welland

## Notes to the Consolidated Financial Statements

December 31, 2025

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### 2. Summary of significant accounting policies (continued)

#### Asset retirement obligations (continued)

The liability is measured at the City's best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date. The estimate includes costs directly attributable to the asset retirement activities. The costs also include post-retirement operation, maintenance and monitoring that are an integral part of the retirement of the tangible capital asset and the costs of tangible capital assets acquired as part of asset retirement activities to the extent those assets have no alternative use.

Upon initial recognition of the liability for an asset retirement obligation, the carrying amount of the corresponding tangible capital asset (or component thereof) is increased by the same amount. The capitalized asset retirement cost is expensed in a rational and systematic manner over the useful life of the tangible capital asset (or a component thereof). For obligations for which there is no tangible capital asset recognized or for tangible capital assets that are no longer in productive use, the asset retirement costs are expensed immediately.

Subsequently, the liability is reviewed at each financial statement reporting date and adjusted for (1) changes as a result of the passage of time with corresponding accretion expense and (2) adjusted for any revisions to the timing, amount of the original estimate of undiscounted cash flows, or the discount rate. Adjustments to the liability as a result of revisions to the timing, amount of the estimate of undiscounted cash flows or the discount rate are adjusted to the cost of the related tangible capital asset and the revised carrying amount of the related tangible capital asset is amortized except for adjustments related to tangible capital assets that are not recognized or no longer in productive use, which are expensed in the period they are incurred.

The asset retirement costs are amortized on a straight-line basis over the estimated useful life of the related asset.

A recovery related to asset retirement obligation is recognized when the recovery can be appropriately measured; reasonably estimated and it is expected that future economic benefits will be obtained. The recovery is not netted against the liability.

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### 3. Financial instruments

Financial instruments are classified into three categories: fair value, amortized cost or cost.

Fair value: The City manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense.

Unrealized gains and losses on financial assets are recognized in the consolidated statement of remeasurement gains and losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the consolidated statement of operations and accumulated surplus and related balances reversed from the consolidated statement of remeasurement gains and losses. There were no such financial assets held in the current or prior year.

# Corporation of the City of Welland

## Notes to the Consolidated Financial Statements

December 31, 2025

### 3. Financial instruments (continued)

Amortized cost: Amounts are measured using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, based on the effective interest rate. It is applied to financial assets or financial liabilities that are not in the fair value category and is now the method that must be used to calculate amortized cost.

Cost: Amounts are measured at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt.

The following table provides the carrying amount information of the City's financial instruments by category. The maximum exposure to credit risk for the financial assets would be the carrying values shown below.

	2025	2025	2024	2024
	Amortized	Fair	Amortized	Fair
	cost/cost	Value	cost/cost	Value
	\$	\$	\$	\$
Cash	11,233,131		22,424,234	
Taxes receivable	17,858,104		13,461,143	
Accounts receivable	37,388,931		41,608,166	
Interest receivable	1,189,548		2,371,857	
Investments	109,898,653		102,170,629	
Accounts payable and accrued liabilities	(28,076,901)		(30,554,549)	
Accrued interest on long- term debt	(667,492)		(699,101)	
Long-term debt	(66,343,138)		(64,128,157)	
Employee future benefits		(9,485,720)		(8,960,166)

### Credit risk

The City's principal financial assets are cash and cash equivalents, accounts receivable and long-term investments, which are subject to credit risk. The City holds its cash accounts with a federally regulated chartered bank who is insured by the Canadian Deposit Insurance Corporation. The City's investment policy operates within the constraints of the investment guidelines laid out in the Municipal Act, 2001. For accounts receivable, the City measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the City's historical experience regarding collections.

# Corporation of the City of Welland

## Notes to the Consolidated Financial Statements

December 31, 2025

### 3. Financial instruments (continued)

#### Liquidity risk

Liquidity risk is the risk that the City will not be able to meet all cash outflow obligations as they come due. The City mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining sufficient cash on hand if unexpected cash outflows arise. The following table sets out the expected maturities, representing undiscounted cash-flows of its financial liabilities.

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Accounts payable and accrued liabilities	\$ 28,076,901	\$ -	\$ -	\$ -	\$ 28,076,901
Long-term debt	9,457,869	9,070,457	24,442,957	23,371,855	66,343,138
Employee future benefits	716,049	904,870	1,218,600	6,646,201	9,485,720
	<u>\$ 38,250,819</u>	<u>\$ 9,975,327</u>	<u>\$ 25,661,557</u>	<u>\$ 30,018,056</u>	<u>\$ 103,905,759</u>

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure that risk.

#### Market risk

##### Foreign currency risk

Foreign currency risk is the risk that an investment loses value based on exchange rate fluctuations upon maturity. The City is exposed to foreign currency risk with regard to cash balances denominated in U.S. dollars (USD). As at December 31, 2025, the City held USD \$263,301 (2024 – USD \$82,712). Additionally, the City holds U.S. denominated investments of \$Nil (2024 - USD \$200,000). It is the City's opinion that the City is not exposed to significant foreign currency risk arising from cash balances denominated in U.S. dollars. The City has elected to recognize exchange gains and losses directly in the consolidated statement of operations.

##### Interest rate risk

Interest rate risk is the risk that its fixed income investments decline in value in response to an increase in interest rates. The investment strategy at the City is based on the City's Investment policy which operates within the constraints of the investment guidelines laid out in the Municipal Act, 2001. The purchases are made through varying lengths of maturities to balance investment term exposures, to mitigate the effects of interest rate volatility, as investments mature at face value. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure that risk. The City is also exposed to interest rate risk on its long-term debts which are regularly monitored.

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# Corporation of the City of Welland

## Notes to the Consolidated Financial Statements

December 31, 2025

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### 4. Investments

Investments in the consolidated statement of financial position are reported at cost with the exception of equity investments that are traded in the active market being reported at market value. Investments consist of guaranteed investment certificates (“GICs”) with various chartered banks, bonds, as well as mutual funds and other principal protected investment instruments. As at December 31, 2025, the City currently does not hold any significant equity investments that are traded in the active market, therefore all of the City’s investments are recorded at cost.

The market value of the investments as at December 31, 2025 was \$98,523,028 (2024 - \$94,606,237). Management does not believe the cost base of investments that are higher than market value are permanently impaired, and therefore no write-down is required in accordance with PSAS.

Investments carry an effective interest rate ranging from 2.00% to 6.05%, and maturity dates ranging from January 2026 to December 2051.

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### 5. Subsidiary operations

Welland Hydro-Electric Holding Corp. (“Welland Hydro”), established by City council under municipal By-law 2000-90, is wholly owned by the City, and provides regulated and unregulated electric utility services.

The following table provides condensed supplementary financial information for Welland Hydro:

	<u>2025</u>	<u>2024</u>
<b>Financial position</b>		
Current assets	<b>\$ 17,679,000</b>	\$ 16,677,000
Capital assets	<b>55,968,000</b>	50,300,000
Regulatory assets	<b><u>2,056,000</u></b>	<u>2,660,000</u>
Total assets	<b><u>75,703,000</u></b>	<u>69,637,000</u>
Current liabilities	<b>11,259,000</b>	11,297,000
Long-term debt	<b>22,452,000</b>	19,485,000
Long-term liabilities	<b>13,561,000</b>	10,567,000
Regulatory balances	<b><u>1,144,000</u></b>	<u>2,186,000</u>
Total liabilities	<b><u>48,416,000</u></b>	<u>43,535,000</u>
Net assets	<b><u>\$ 27,287,000</u></b>	<u>\$ 26,102,000</u>

# Corporation of the City of Welland

## Notes to the Consolidated Financial Statements

December 31, 2025

### 5. Subsidiary operations (continued)

	<u>2025</u>	<u>2024</u>
Revenues	\$ 67,185,000	\$ 65,401,000
Operating expenses	(64,002,000)	(61,804,000)
Financing expenses	(662,000)	(694,000)
Other income	147,000	321,000
Net movement in regulatory balances, net of tax	439,000	(260,000)
Income tax expense	<u>(781,000)</u>	<u>(652,000)</u>
Net earnings from operations and increase in equity investment in subsidiary	2,326,000	2,312,000
Dividends	(1,000,000)	(1,100,000)
Other comprehensive loss	<u>(141,000)</u>	<u>(104,000)</u>
Change in equity	<u>\$ 1,185,000</u>	<u>\$ 1,108,000</u>

The City has a 51% share ownership in Welland Solar Joint Venture. The remaining 49% interest is held by Welland Hydro-Electric Holding Corp. (included in the above charts).

The City's investment in Welland Hydro and Welland Solar Joint Venture is comprised of the following:

	<u>2025</u>	<u>2024</u>
Net assets – Welland Hydro	\$ 27,287,000	\$ 26,102,000
City of Welland investment in Welland Solar Joint Venture	<u>2,183,341</u>	<u>2,159,750</u>
	<u>\$ 29,470,341</u>	<u>\$ 28,261,750</u>

The financial position information is as reported by Welland Hydro at December 31, 2025. The results of operations information is as reported by Welland Hydro for the year ended December 31, 2025.

In 2017, Welland Solar Joint Venture (“the company”) obtained a 10 year promissory note from the City of Welland in the amount of \$2,000,000. The note bears interest at 4.3%, calculated and paid semi-annually with the full principal balance due at the end of the ten year term. The company will have the option to renew the loan for an additional eight years within six months of the note maturing.

#### Contingencies

- a) As of May 1, 2002, in order for Welland Hydro to obtain the electricity it requires to distribute to its customers, Welland Hydro was required to provide security to the Independent Electricity System Operator (“IESO”) based on its usage. The security obtained was a letter of credit from a financial institution which requires an interest coverage ratio of more than 1.5 and a debt capitalization ratio less than 0.6. The letter is in the amount of \$2,539,000 and incurs interest at 0.6% annually.

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# Corporation of the City of Welland

## Notes to the Consolidated Financial Statements

December 31, 2025

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### 5. Subsidiary operations (continued)

The following summarizes the City's related party transactions with Welland Hydro for the year. All transactions are in the normal course of operations and are recorded at the exchange value based on normal commercial rates, or as agreed to by the parties.

	<u>2025</u>	<u>2024</u>
Electricity purchased	\$ 1,241,000	\$ 1,194,000
Rent paid	10,000	10,000
Dividends received	1,000,000	1,100,000
Property taxes and other taxes received	67,000	64,000
Leases and miscellaneous	19,000	15,000
Water user charges received	3,000	3,000

As at December 31, 2025, the City has an outstanding receivable from Welland Hydro of \$892,000 (2024 - \$875,000).

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### 6. Credit facility

An operating line of credit of \$9,000,000 has been established with a financial institution, of which \$Nil was used as at December 31, 2025 (2024 - \$Nil). Interest is calculated at prime minus an agreed upon percentage. There is no security on this line of credit.

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### 7. Deferred revenue

A requirement of PSAS is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation restricts how these funds may be used and under certain circumstances these funds may be refunded.

The net change during the year in the legislatively restricted deferred revenue balances are summarized in Schedule 4. In 2025, the Province of Ontario introduced Bill 17, Protect Ontario by Building Faster and Smarter Act, with associated regulations which allows developers to defer payment of development charges to occupancy in certain circumstances. As at December 31, 2025, the City is reporting \$116,029 (2024 - \$Nil) in deferred development charge revenue.

# Corporation of the City of Welland

## Notes to the Consolidated Financial Statements

December 31, 2025

### 8. Asset retirement obligation

The City has recorded an asset retirement obligation related to estimated retirement costs related to the removal and disposal of designated substances such as asbestos and fuel tanks from City-owned buildings and equipment.

The City discounts significant obligations where there is a high degree of confidence on the amount and timing of cash flows and the obligation will not be settled for at least five years from the reporting date. The discount and inflation rate is reflective of the risks specific to the asset retirement liability.

As at December 31, 2025, all liabilities for asset retirement obligations are reported at estimated present value.

A reconciliation of the beginning and ending aggregate carrying amount of the asset retirement obligation liability is below.

	<u>2025</u>	<u>2024</u>
Liabilities for asset retirement obligations at beginning of year	\$ 393,697	\$ 432,270
Change in liability due to accretion (decretion)	<u>279,087</u>	<u>(38,573)</u>
Liabilities for asset retirement obligations at end of year	<u>\$ 672,784</u>	<u>\$ 393,697</u>

### 9. Long-term debt

a) The balance for long-term debt reported on the consolidated statement of financial position is comprised of the following:

	<u>2025</u>	<u>2024</u>
The City has assumed responsibility for the payment of principal and interest charges on certain long-term debt issued by the Regional Municipality of Niagara (Note 9(b)).	\$ 66,313,990	\$ 64,087,656
Due to the City of Port Colborne, bearing interest of 4.3% per annum repayable in annual instalments of \$4,113 commencing August 24, 2019, due August 24, 2028.	6,338	8,278
Due to the City of Port Colborne, bearing interest of 3.5% per annum repayable in annual instalments of \$6,012 commencing June 15, 2018, due June 15, 2027.	6,401	9,441
Due to the Town of Pelham, bearing interest of 4.3% per annum repayable in annual instalments of \$3,897 commencing June 15, 2019, due June 15, 2028.	6,053	7,906
Due to the Town of Pelham, bearing interest of 3.5% per annum repayable in annual instalments of \$5,411 commencing June 15, 2018, due June 15, 2027.	5,761	8,497

# Corporation of the City of Welland

## Notes to the Consolidated Financial Statements

December 31, 2025

### 9. Long-term debt (continued)

Due to the Township of Wainfleet, bearing interest of 4.3% per annum repayable in annual instalments of \$1,515 commencing June 15, 2019, due June 15, 2028.

2,354                      3,075

Due to the Township of Wainfleet, bearing interest of 3.5% per annum repayable in annual instalments of \$2,190 commencing June 15, 2018, due June 15, 2027.

2,241                      3,304

\$ 66,343,138      \$ 64,128,157

b) Long-term debt issued by the Regional Municipality of Niagara is comprised of:

Debenture number	Purpose	Interest rates	Maturity dates	2025 \$	2024 \$
134-2011	River Rd MSC	4.08	2038	8,216,000	8,848,000
61-2015	Various	1.15-2.80	2025	-	207,000
115-2012	WIFC	2.88	2035	2,531,850	2,785,035
73-2016	LED Streetlights	2.29	2026	146,074	288,859
37-2016	Various	1.20-2.40	2026	446,707	883,379
51-2017	Various	1.20-2.45	2027	751,859	1,115,213
59-2018	Various	2.05-3.15	2028	3,302,000	4,339,000
14-2019	Various	1.95-2.45	2029	1,942,420	2,401,608
59-2020	Various	0.55-1.56	2030	2,678,000	3,194,000
52-2021	Various	0.40-2.10	2031	12,966,000	15,019,000
61-2022	Various	3.35-4.15	2032	11,565,450	13,006,562
40-2024	Various	3.95-4.50	2034	11,005,000	12,000,000
25-2025	Various	2.70-4.00	2035	9,874,000	-
50-2025	Fire Station	3.93	2035	888,630	-
				<b>66,313,990</b>	<b>64,087,656</b>

c) Principal repayments in each of the next five years are due as follows:

2026	\$ 9,457,869
2027	9,070,457
2028	8,889,635
2029	7,935,908
2030	7,617,414
2031 and thereafter	<u>23,371,855</u>
	<u>\$ 66,343,138</u>

The City paid \$2,151,496 (2024 - \$1,716,272) interest on long-term debt during the year.

# Corporation of the City of Welland

## Notes to the Consolidated Financial Statements

December 31, 2025

### 10. Employee future benefits

	<u>2025</u>	<u>2024</u>
Post-retirement benefits	\$ 9,083,400	\$ 8,677,200
Other	<u>402,320</u>	<u>282,966</u>
	<u>\$ 9,485,720</u>	<u>\$ 8,960,166</u>

Employees who retire under the Ontario Municipal Employee Retirement System Act ("OMERS Act") early retirement provisions are eligible to receive medical and dental benefits to the age of sixty-five and life insurance benefits to age seventy. Total benefit payments for retirees during the year were \$343,784 (2024 - \$133,904).

In addition, under the sick leave benefit plan, for firefighters and grandfathered full-time employees, unused sick leave can accumulate, and employees may become entitled to a cash payment when they leave the City's employment. The liability is for these accumulated days, to the extent they have vested and could be taken in cash by an employee on terminating employment. An amount of \$Nil (2024 - \$39,318) was paid to employees who left the City's employment during the current year for sick leave benefits.

The most recent actuarial valuation of the post-employment benefits was performed at December 31, 2022 using the projected unit credit method.

The post-employment benefit liability as at December 31 includes the following components:

	<u>2025</u>	<u>2024</u>
Actuarial determined accrued benefit obligation	\$ 7,636,000	\$ 7,075,800
Unamortized actuarial gains	<u>1,447,400</u>	<u>1,601,400</u>
	<u>\$ 9,083,400</u>	<u>\$ 8,677,200</u>

The current actuarial valuation is based on a number of assumptions about future events, such as inflation rates, interest rates, medical inflation rates, wage and salary increases, and employee turnover and mortality. The assumptions used reflect the City's best estimates; however actual experience may vary from these estimates. The main actuarial assumptions employed for the valuation are as follows:

#### Salary increase

Salary increase	
Firefighters	2.5% per annum
Non-firefighters	2.0% per annum
Discount rate at January 1, 2025	4.6%
Discount rate at December 31, 2025	4.6%
Medical cost increases	
First year	8.0%
Decreasing 1% per annum to	5.0%

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# Corporation of the City of Welland

## Notes to the Consolidated Financial Statements

December 31, 2025

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### 10. Employee future benefits (continued)

Expected rate of dental cost increase	
First year	6.0%
Decreasing 1% per annum to	3.0%

Estimated average remaining service life of the employee group	10.4 years
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The post-employment benefit (income) expense is reported on the consolidated statement of operations in the various functional categories. Composition of the amount is as follows:

	<u>2025</u>	<u>2024</u>
Current year benefit cost	\$ 484,900	\$ 463,600
Amortization of actuarial gains	(154,000)	(170,400)
Interest on post benefit liability	<u>341,700</u>	<u>317,000</u>
	<u>\$ 672,600</u>	<u>\$ 610,200</u>

As at December 31, 2025, the City has a sick leave reserve of \$40,304 (2024 – \$40,304) (Note 14).

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### 11. Tangible capital assets

The net book values of tangible capital assets are as follows:

	<u>2025</u>	<u>2024</u>
Land and land improvements	\$ 39,871,959	\$ 27,681,203
Buildings	71,023,472	69,935,011
Roads and bridges	95,002,551	73,339,479
Water and wastewater infrastructure	125,793,178	126,294,950
Vehicles	11,254,742	9,904,855
Computer hardware and software	949,187	908,118
Machinery and equipment	4,938,252	4,740,053
Assets under construction	<u>90,725,963</u>	<u>86,876,489</u>
	<u>\$ 439,559,304</u>	<u>\$ 399,680,158</u>

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### 12. Other assets

	<u>2025</u>	<u>2024</u>
Prepaid expenses	\$ 666,768	\$ 160,718
Inventory	<u>478,918</u>	<u>85,362</u>
	<u>\$ 1,145,686</u>	<u>\$ 246,080</u>

# Corporation of the City of Welland

## Notes to the Consolidated Financial Statements

December 31, 2025

### 13. Accumulated surplus

	<u>2025</u>	<u>2024</u>
Surplus		
City	\$ 36,211,538	\$ 31,827,504
Welland Public Library	(2,655)	725,823
North Welland Business Improvement Area	136,706	126,326
Welland Downtown Business Improvement Area	103,613	93,984
Niagara Central Airport Commission	(336,119)	(361,105)
Youngs Sportsplex	<u>178,031</u>	<u>178,031</u>
	<u>36,291,114</u>	<u>32,590,563</u>
Investment in tangible capital assets	<u>439,559,304</u>	<u>399,680,158</u>
Investment in subsidiary	<u>29,470,341</u>	<u>28,261,750</u>
Unfunded		
Long-term debt	(66,343,138)	(64,128,157)
Obligations under capital lease	-	(4,110)
Employee benefit obligations	<u>(9,485,720)</u>	<u>(8,960,166)</u>
	<u>(75,828,858)</u>	<u>(73,092,433)</u>
Reserve and reserve funds (Note 14)	<u>74,953,936</u>	<u>80,499,146</u>
	<u>\$ 504,445,837</u>	<u>\$ 467,939,184</u>

### 14. Reserve and reserve funds

	<u>2025</u>	<u>2024</u>
Reserves set aside for specific purposes by Council		
Integrated library systems	\$ 1,196,177	\$ 874,242
Bequests	-	5,000
	<u>1,196,177</u>	<u>879,242</u>
Reserve funds set aside for specific purposes by Council		
Sick leave	40,304	40,304
Workers' Safety Insurance Board	691,785	691,785
Capital expenditure		
Courthouse maintenance	99,463	153,497
Parks and recreation	122,728	113,730
Economic development	11,441,983	19,352,713
Fire	8,337	8,337
Airport	-	86,646
Fleet	909,780	799,885
Parking	32,657	22,657
Sports and culture	292	292
Municipal incentive grants	566,994	766,994
Recreational canal lands	13,935,536	14,143,563
Water/wastewater surplus	5,338,651	4,324,010
Operating surplus	5,664,828	6,967,981

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# Corporation of the City of Welland

## Notes to the Consolidated Financial Statements

December 31, 2025

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### 14. Reserve and reserve funds (continued)

Insurance	1,390,948	1,490,948
YSP sustainability	7,983,998	7,580,088
Downtown Brownfield	1,109,417	1,109,417
Capital surplus	6,836,444	4,986,197
Infrastructure renewal	12,663,023	12,058,761
Atlas landfill	3,068,110	3,177,618
Tax reduction	786,929	786,929
Clerks	306,552	231,552
Affordable housing	659,000	676,000
Arena	<u>100,000</u>	<u>50,000</u>
	<u>73,757,759</u>	<u>79,619,904</u>
	<u>\$ 74,953,936</u>	<u>\$ 80,499,146</u>

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### 15. Collections for the Regional Municipality of Niagara and school boards

Total taxation, user charges and development charges received or receivable on behalf of the Regional Municipality of Niagara and the school boards were as follows:

	<u>2025</u>	<u>2024</u>
Regional Municipality of Niagara (Schedule 2)	\$ 60,454,033	\$ 53,979,507
School boards (Schedule 2)	<u>13,386,731</u>	<u>13,015,453</u>
	<u>\$ 73,840,464</u>	<u>\$ 66,994,960</u>

The City is required to levy and collect taxes on behalf of the Regional Municipality of Niagara and the school boards. These taxes are recorded as revenue at the amounts levied. The taxes levied over (under) the amounts requisitioned are recorded as accounts payable (receivable).

The City also collects development charges on behalf of the Regional Municipality of Niagara amounting to \$8,465,525 in 2025 (2024 - \$8,554,756). Development charges collected in excess of those paid to the Regional Municipality of Niagara are recorded as accounts payable.

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### 16. Niagara Central Dorothy Rungeling Airport Commission

Niagara Central Dorothy Rungeling Airport Commission operates a two runway airport offering a year-round fixed base operation. The Commission is funded by the four nearby municipalities: City of Welland, City of Port Colborne, Town of Pelham and the Township of Wainfleet. The City of Welland has a non-controlling interest in the airport of 55%.

The following table provides condensed supplementary financial information for Niagara Central Dorothy Rungeling Airport Commission:

# Corporation of the City of Welland

## Notes to the Consolidated Financial Statements

December 31, 2025

### 16. Niagara Central Dorothy Rungeling Airport Commission (continued)

	<u>2025</u>	<u>2024</u>
<b>Financial position</b>		
Financial assets	\$ 58,332	\$ 250,864
Financial liabilities	<u>751,840</u>	<u>839,332</u>
Net debt	<u>(693,508)</u>	<u>(588,468)</u>
 Non-financial assets	 <u>2,253,285</u>	 <u>2,114,441</u>
 Accumulated surplus	 <u>\$ 1,559,777</u>	 <u>\$ 1,525,973</u>
 Revenues	 \$ 405,049	 \$ 432,881
Expenses	<u>(371,245)</u>	<u>(546,302)</u>
 Investment in subsidiary	 <u>\$ 33,804</u>	 <u>\$ (113,421)</u>

The financial position as at December 31, 2025 and results of operations for the year then ended is reported by the Niagara Central Dorothy Rungeling Airport Commission.

The City has recorded in the financial statements its 55% share of the Niagara Central Dorothy Rungeling Airport Commissions' assets, liabilities, accumulated surplus, revenues, expenses, and annual surplus.

The following summarizes the City's related party transactions with the Niagara Central Dorothy Rungeling Airport Commission for the year. All transactions are in the normal course of operations and are recorded at the exchange value based on normal commercial rates, or as agreed to by the parties.

	<u>2025</u>	<u>2024</u>
Note payable, bearing interest at 3.75% per annum, repayable in annual blended installments of \$4,363 commencing July 1, 2023, due July 1, 2038.	\$ 523,475	\$ 555,708
Note payable, bearing interest at 4.3% per annum, repayable in annual instalments of \$12,123 commencing June 15, 2019, due June 15, 2028.	32,237	44,722
Note payable, bearing interest of 3.5% per annum, repayable in annual instalments of \$16,533 commencing June 15, 2018, due June 15, 2027.	32,007	47,204
Grants	110,547	95,070

### 17. Trust fund

The trust fund administered by the City, amounting to \$732,650 (2024 - \$717,147), has not been included in the consolidated statement of financial position, nor have their financial activities been included in the consolidated statement of operations.

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# Corporation of the City of Welland

## Notes to the Consolidated Financial Statements

December 31, 2025

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### 18. Classification of expenditures by object

The consolidated statement of operations presents the expenditures by function, whereas the following classifies those same expenditures by object:

	<u>2025</u>	<u>2024</u>
Salaries, wages and employee benefits	\$ 48,757,793	\$ 44,121,080
Net long-term debt charges	2,134,259	1,898,186
Materials, services and other	44,367,619	39,059,707
Rents and finance expenses	1,043,988	3,662,202
External transfers	1,026,042	1,096,426
Accretion (decretion) of asset retirement obligation	279,087	(38,572)
Amortization	<u>13,364,084</u>	<u>12,553,098</u>
	<u>\$ 110,972,872</u>	<u>\$ 102,352,127</u>

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### 19. Contingencies

Certain property owners in the City of Welland have been successful in appealing their tax assessments with the result that previous years' taxes will eventually be refunded. Based on the results of these appeals it is likely that additional taxes for years up to 2025 will also be subject to appeal and it is further likely that these taxes will be refunded.

Although an estimate cannot be made of the contingent liability, the City has provided \$1,000,000 (2024 - \$500,000) as an allowance for doubtful accounts. The amount of loss will be recorded in the year in which the settlement occurs.

#### *Litigation*

The City is involved from time to time in litigation, which arises in the normal course of business. In respect of any outstanding claims, the City believes that insurance coverage is adequate and that no material exposure exists on the eventual settlement of such litigation, therefore no provision has been made in these consolidated financial statements.

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### 20. Budget amounts

The budget amounts presented in these consolidated financial statements are based upon the 2025 tax and rate supported operating and capital budgets adopted by the City on December 4, 2024.

An amount for employee future benefits expense has been added and is based on management's best estimate determined at the beginning of the year. The change in the employee future benefit liability is an unfunded liability and was not included in the original council approved budget.

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# Corporation of the City of Welland

## Notes to the Consolidated Financial Statements

December 31, 2025

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### 20. Budget amounts (continued)

Budgets established for tangible capital asset acquisitions are on a project-oriented basis, the costs of which may be carried out over one or more years. Where amounts were budgeted on a project-oriented basis, the amounts used are based on actual projects that took place during the year to reflect the same basis of accounting that was used to report the actual results. An amount for amortization expense has been added and is based on management's best estimate of amortization expense determined at the beginning of the year. Amortization expense was not included in the original council approved budget.

Amounts included in the original council approved capital budget which are not recognized as tangible capital assets are included in the consolidated statement of operations under the appropriate functional expense category, while those recognized as tangible capital assets are included in the consolidated statement of changes in net financial assets.

The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	<b>Budget Amount</b>
<b>Revenues</b>	
<b>Operating:</b>	
Approved budget	\$ 122,199,118
Less:	
Transfers from capital	(4,861,213)
Transfers from reserves	(3,509,900)
<b>Capital:</b>	
Development charges / Cash-in-lieu of parkland	6,400,100
Grants and subsidies	10,503,450
Other contributions	<u>13,768,000</u>
<b>Total revenue</b>	<b><u>144,499,555</u></b>
<b>Expenses</b>	
<b>Operating:</b>	
Approved budget	122,199,118
Add:	
Amortization	13,249,250
Employee Future Benefits	406,200
Capital expenses	5,820
Less:	
Transfers to reserves, including capital	(14,042,262)
Debt principal payments	<u>(8,579,049)</u>
<b>Total expenses</b>	<b><u>113,239,077</u></b>
<b>Annual surplus</b>	<b><u>\$ 31,260,478</u></b>

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# Corporation of the City of Welland

## Notes to the Consolidated Financial Statements

December 31, 2025

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### 21. Liability for contaminated sites

The City has recorded a liability of \$125,000 (2024 - \$125,000) in accounts payable and accrued liabilities for City owned sites which contained elevated levels of elements in the soil. The liability estimate of \$125,000 for the sites identified were based on the environmental assessment conducted by a third-party engineering firm and cost of possible remediation alternatives. Estimated recoveries are expected to be \$Nil.

#### *Landfill*

The City owns and monitors one closed landfill site and is legally required to perform post-closure maintenance and monitoring activities. Currently, an area of this landfill has been remediated to prepare the site for a future park. The remaining area of the site is under post-closure maintenance and monitoring activities. The costs for any further remediation cannot be reasonably estimated at this time and, therefore, no liability has been recorded related to the remediation costs in the consolidated statement of financial position as at December 31, 2025.

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### 22. Segmented information

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Taxation revenue is allocated to segments based on the portion of taxation dollars budgeted to each segment.

The accounting policies used in these segments are consistent with those followed in the preparation of the unconsolidated financial statements as disclosed in Note 2.

#### **General government**

This segment includes general revenues and expenses as well as the Mayor and Council operations and the Chief Administrative Officer ("CAO"), Communication, City Clerks, Legal, Finance, Human Resources and Information Services.

The CAO's Office is responsible for corporate leadership and direction of the general management of the corporation as well as participating in the overall stewardship of the City.

The Communications Division oversees communications with community and internal and external stakeholders, facilitates increased awareness of issues that affect the community, and fosters community involvement through the development of communications strategies.

The Office of the City Clerk is responsible for various corporate and administrative functions and is in frequent contact with all City departments, elected officials, other levels of government and the general public.

The Legal Division oversees legal support services and liaises with external legal counsel, all City Departments, the registry office, courts, tribunals, and other boards or agencies that deal with legal proceedings affecting the Corporation.

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# Corporation of the City of Welland

## Notes to the Consolidated Financial Statements

December 31, 2025

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### **22. Segmented information (continued)**

The Finance Division performs statutory duties of the City Treasurer under the Ontario Municipal Act, Municipal By-laws and Council policies; provides financial analysis and reporting services to Council; and the department imparts financial and purchasing assistance to all departments, residents and Welland City Council. It also provides and / or manages tax and utility billing services to the residents and businesses of the City. The Finance Division administers all the accounting and financial services for the City.

The Human Resources Division is responsible for fostering consistent, fair and equitable employee and labour relations in the workplace. Human Resources defines, implements and monitors activities which positively influence the effectiveness of employees as they work towards achieving organizational goals and objectives.

The Information Services Division of the City of Welland offers innovative system solutions, robust modern technology, strong data management, reliable telephones and telecommunication infrastructure, and helps City Departments meet their information processing and communication needs.

#### **Protection to persons and property**

Protection is the City of Welland Fire and Emergency Services department's responsibility. The men and women of the Welland Fire Department are dedicated professionals whose mission is to protect the residents, employers, and visitors of the City of Welland from the consequences of fires and other emergencies. This mission encompasses the "Three Lines of Defense" which are Education, Enforcement and development of fire safety codes, and Emergency Response.

Part of Planning and Development Services, the Building and Inspection Division reviews plans and conducts inspections for permits, unsafe buildings and property standards complaints in accordance with the Ontario Building Code Act. By-law complaints, licensing for plumbers and businesses and administration of the SWAP and LASSR programs are also handled by this Division.

#### **Transportation services**

This segment maintains and provides services for roadways, sidewalks, street lighting, traffic & parking control.

The Roads Section repairs and maintains City roadways, curbs, catch basins, culverts, and sidewalks. It also deals with drainage concerns in ditches and watercourses. This Section also provides winter plowing and sand / salt applications.

The Fleet Maintenance Section provides for all of the vehicle and equipment needs for the City. This involves licensed mechanics for repairs, parts and stores operations, as well as the preparation of specifications and tenders for equipment purchasing.

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# Corporation of the City of Welland

## Notes to the Consolidated Financial Statements

December 31, 2025

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### 22. Segmented information (continued)

Traffic Operations and Safety primarily deals with the evaluation of existing roadways. Staff reviews roadways for safety and operational issues including traffic signals. Other areas of review include speeding, all-way stop requests, collisions, traffic and parking signage, traffic and parking bylaw administration and the traffic data collection and analysis.

Parking Operations oversees all maintenance and operations of the City's Parking Lots and on-street parking locations. In addition, staff reviews requests for on-street parking regulations.

Street Lighting is the responsibility of the City. Staff reviews existing and new street light locations.

Parking Enforcement staff issue infractions under the Traffic and Parking Bylaw 89-2000. These infractions include violations relating to Disabled Parking, Private Property, Fire Routes, Restricted.

Parking Zones and enforcement within the Municipal Parking Lots and on-street paid parking locations.

School Crossing Guard Operations consist of numerous locations throughout the City and 35 staff members. Staff reviews existing and new locations to identify the need for added protection for pedestrians.

Transportation Planning reviews the impacts on existing and new roadways and the roadway design requirements needed through Commercial and Residential Development.

### **Environmental services**

This division includes waterworks, wastewater and storm sewers, including the maintenance of watermain and wastewater sewers and the operation of the water system, water metering and the wastewater system.

The Water/Wastewater Section operates the water and wastewater system with provincially-licensed operators to maintain water quality and sampling, repair watermain breaks, flush watermains, clean and unplug sewers, replace water/wastewater service connections, and maintain water meters.

### **Health services**

This segment includes the cemeteries operated by the City.

### **Social and family services**

This segment includes the Welland Community Centre ("WCC").

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# Corporation of the City of Welland

## Notes to the Consolidated Financial Statements

December 31, 2025

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### 22. Segmented information (continued)

#### Recreation and cultural services

This Division delivers Parks, Facilities and Leisure Programs and Services to the City. The Division is committed to working together to protect, support and enrich the quality of life of the people who live with and play in the City of Welland.

Facilities Division is responsible for the physical amenities including repairs and maintenance of several facilities, including the Civic Square, Museum, Fire Halls, Courthouse, WCWC, Arenas and Community Halls; maintain and repair of numerous playgrounds and multiple swimming pools, splash pad and wading pools; and responsible for building operations including security, caretaking and energy management.

The Parks Division is responsible for care and maintenance of numerous community parks and parkettes, sports fields and horticulture displays. The Parks Division also operates two City owned cemeteries. Winter operations include outdoor rinks and snow removal at numerous City owned Parks and Facilities. Forestry Crew take care of planting, trimming and removing dead dying or diseased trees on City boulevards, parks and naturalization areas throughout the City.

The Leisure Services Division includes Recreation Program Development, Community Development, Community Arenas, Playing Fields, Playgrounds, Halls and Market Square, and Marketing, Promotion and Public Awareness.

The functions of Recreation Program Development include Children, Youth, Adult, Older Adults; Aquatic; Summer Camp and Special Interest; Community Development includes Accessibility Advisory Committee and Consultation with Community Groups.

#### Planning and development

The Planning Division is responsible for the administration, review and processing of various Applications submitted under the Planning Act to include preparation of various Agreements and By-laws for approval of Council. Mapping, Property matters and various other studies / programs are also dealt with by the Division.

The Economic Development Division actively recruits new businesses and industries interested in establishing or expanding their enterprises in the City, as well as building working relationships with local businesses. It also promotes new business and investment opportunities within the City and will provide the business community with information and assistance with their respective needs and concerns.

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### 23. Comparative figures

Certain comparative figures have been reclassified to conform to the current year presentation.

# Corporation of the City of Welland

## Schedules to Consolidated Statement of Operations

Schedule 1 – Segment information

Year ended December 31, 2025

	General government	Protection to persons and property	Transportation services	Environmental services	Health services	Social and family services	Recreational and cultural services	Planning and development	2025 Consolidated
<b>Revenue</b>									
Taxation	\$ 8,980,452	\$ 15,576,701	\$ 12,314,860	\$ 1,798,496	\$ 60,502	\$ 2,276,155	\$ 12,183,877	\$ 2,139,256	\$ 55,330,299
User charges	710,908	5,732,085	1,364,170	38,831,923	79,313	994	3,450,331	699,816	50,869,540
Grants	4,047,700	157,986	2,263,819	7,007,141	-	-	1,479,751	12,333	14,968,730
Contributed assets	-	-	82,750	371,809	-	-	7,636,229	-	8,090,788
Cost sharing	35,486	-	4,613,959	1,064,755	-	-	195,500	-	5,909,700
Investment income (loss)	3,242,151	-	88,380	(42,491)	11,794	-	870,144	-	4,169,978
Other	1,061,514	8,520	426,198	(8,773)	-	25,925	2,254,963	92,901	3,861,248
Penalties, interest, and fines	2,439,068	260,745	391,101	-	-	-	-	-	3,090,914
Equity earnings in subsidiary	1,208,591	-	-	-	-	-	-	-	1,208,591
(Loss) gain on disposal of tangible capital assets	-	2,603	(45,566)	9,525	-	-	13,175	-	(20,263)
	<u>21,725,870</u>	<u>21,738,640</u>	<u>21,499,671</u>	<u>49,032,385</u>	<u>151,609</u>	<u>2,303,074</u>	<u>28,083,970</u>	<u>2,944,306</u>	<u>147,479,525</u>
<b>Expenses</b>									
Salaries, wages and employee benefits	7,053,849	16,331,367	9,364,193	3,098,172	84,350	54,906	10,927,938	1,843,018	48,757,793
Net long-term debt charges	1,212,013	-	14,172	558,971	-	-	349,103	-	2,134,259
Materials, services and other	3,725,825	2,459,206	2,585,703	31,330,490	67,259	463,770	1,871,275	1,864,091	44,367,619
Rents and finance expenses	650,366	-	-	369,388	-	-	24,234	-	1,043,988
External transfers	678,541	-	-	-	-	-	330,000	17,501	1,026,042
Accretion of Asset retirement obligation	-	-	13,637	-	-	-	265,450	-	279,087
Amortization	1,086,808	1,135,567	5,107,337	2,884,410	40,687	272,875	2,794,290	42,110	13,364,084
	<u>14,407,402</u>	<u>19,926,140</u>	<u>17,085,042</u>	<u>38,241,431</u>	<u>192,296</u>	<u>791,551</u>	<u>16,562,290</u>	<u>3,766,720</u>	<u>110,972,872</u>
<b>Annual surplus (deficit)</b>	<u>\$ 7,318,468</u>	<u>\$ 1,812,500</u>	<u>\$ 4,414,629</u>	<u>\$ 10,790,954</u>	<u>\$ (40,687)</u>	<u>\$ 1,511,523</u>	<u>\$ 11,521,680</u>	<u>\$ (822,414)</u>	<u>\$ 36,506,653</u>

# Corporation of the City of Welland

## Schedules to Consolidated Statement of Operations

Schedule 1 – Segment information

Year ended December 31, 2024

	General government	Protection to persons and property	Transportation services	Environmental services	Health services	Social and family services	Recreational and cultural services	Planning and development	2024 Consolidated
<b>Revenue</b>									
Taxation	\$ 10,257,013	\$ 14,327,171	\$ 9,385,854	\$ 340,357	\$ 913	\$ 2,341,088	\$ 13,332,986	\$ 1,814,077	\$ 51,799,459
User charges	567,479	3,360,231	1,782,288	38,575,258	87,789	442	2,559,366	878,763	47,811,616
Gain on disposal of tangible capital assets	-	13,026	57,154	19,499	-	-	29,987,769	-	30,077,448
Contributed assets	-	-	12,490,900	-	-	-	-	-	12,490,900
Grants	3,898,412	460,000	2,796,256	1,769,858	-	-	337,588	7,833	9,269,947
Investment income	4,363,964	-	453,417	19,516	54,668	-	1,079,375	-	5,970,940
Other	1,499,168	45,226	180,723	31,954	-	22,640	1,889,180	503,703	4,172,594
Cost sharing	153,832	-	2,130,342	180,283	-	-	46,378	-	2,510,835
Penalties, interest, and fines	1,896,915	188,790	371,294	-	-	-	-	-	2,456,999
Equity earnings in subsidiary	1,134,763	-	-	-	-	-	-	-	1,134,763
	<u>23,771,546</u>	<u>18,394,444</u>	<u>29,648,228</u>	<u>40,936,725</u>	<u>143,370</u>	<u>2,364,170</u>	<u>49,232,642</u>	<u>3,204,376</u>	<u>167,695,501</u>
<b>Expenses</b>									
Salaries, wages and employee benefits	7,311,127	13,282,576	8,556,169	3,022,707	118,426	71,003	9,967,578	1,791,494	44,121,080
Net long-term debt charges	1,011,072	-	17,257	494,125	-	-	375,732	-	1,898,186
Materials, services and other	7,254,252	1,820,324	842,933	27,328,527	24,691	471,766	(21,483)	1,338,697	39,059,707
Rents and finance expenses	3,631,642	-	-	-	-	-	30,560	-	3,662,202
External transfers	1,096,426	-	-	-	-	-	-	-	1,096,426
Accretion of Asset retirement obligation	-	-	340	-	-	-	(38,912)	-	(38,572)
Amortization	1,372,976	1,119,295	4,447,431	2,748,275	40,687	272,875	2,508,429	43,130	12,553,098
	<u>21,677,495</u>	<u>16,222,195</u>	<u>13,864,130</u>	<u>33,593,634</u>	<u>183,804</u>	<u>815,644</u>	<u>12,821,904</u>	<u>3,173,321</u>	<u>102,352,127</u>
<b>Annual surplus (deficit)</b>	<u>\$ 2,094,051</u>	<u>\$ 2,172,249</u>	<u>\$ 15,784,098</u>	<u>\$ 7,343,091</u>	<u>\$ (40,434)</u>	<u>\$ 1,548,526</u>	<u>\$ 36,410,738</u>	<u>\$ 31,055</u>	<u>\$ 65,343,374</u>

# Corporation of the City of Welland

## Schedules to Consolidated Statement of Operations

Schedule 2 – Taxation revenue  
Year ended December 31, 2025

	Budget 2025 (Note 20)	Actual 2025	Actual 2024
<b>Taxation</b>			
Real property	<u>\$ 126,438,132</u>	<u>\$ 127,668,366</u>	<u>\$ 117,327,488</u>
From other governments			
Public Works Canada	34,853	34,718	33,649
St. Lawrence Seaway Authority	67,399	68,052	66,181
Niagara College and Hospital	435,266	470,475	438,525
Hydro One Networks Inc.	139,456	136,395	135,664
Ministry of Government Services	187,384	157,216	138,969
Municipal enterprises	67,573	66,510	63,687
Railways	126,511	127,451	129,064
Regional Municipality of Niagara	<u>574,766</u>	<u>441,880</u>	<u>461,192</u>
	<u>1,633,208</u>	<u>1,502,697</u>	<u>1,466,931</u>
	128,071,340	129,171,063	118,794,419
Less: taxation collected on behalf of			
Regional Municipality of Niagara	(60,203,330)	(60,454,033)	(53,979,507)
School boards	<u>(12,956,452)</u>	<u>(13,386,731)</u>	<u>(13,015,453)</u>
Net taxes available for municipal purposes	<u>\$ 54,911,558</u>	<u>\$ 55,330,299</u>	<u>\$ 51,799,459</u>
Residential and farm	\$ 42,059,303	\$ 42,265,000	\$ 39,453,237
Multi-residential	2,679,734	2,798,314	2,462,065
Commercial	6,885,409	6,976,310	6,671,539
Industrial	3,106,179	3,106,179	3,007,606
Local improvements	20	-	24,099
Business Improvements Area	<u>180,913</u>	<u>184,496</u>	<u>180,913</u>
Net taxes available for municipal purposes	<u>\$ 54,911,558</u>	<u>\$ 55,330,299</u>	<u>\$ 51,799,459</u>

# Corporation of the City of Welland

## Schedules to Consolidated Statement of Operations

Schedule 3 – User charges & Grants revenue  
Year ended December 31, 2025

	Budget 2025 (Note 20)	Actual 2025	Actual 2024
<b>User charges</b>			
Operating			
Fees, services charges, permits, licenses and donations	\$ 6,407,488	6,637,335	5,708,586
Water billings	15,935,768	14,707,904	15,661,636
Wastewater billings	<u>24,868,332</u>	<u>23,205,509</u>	<u>22,310,187</u>
	<u>47,211,588</u>	<u>44,550,748</u>	<u>43,680,409</u>
Capital			
Development charges and cash-in-lieu of parkland	<u>6,318,000</u>	<u>6,318,792</u>	4,131,207
	<u>6,318,000</u>	<u>6,318,792</u>	<u>4,131,207</u>
	<u>\$ 53,529,588</u>	<u>\$ 50,869,540</u>	<u>\$ 47,811,616</u>
<b>Grants</b>			
Operating			
Province of Ontario	\$ 4,239,278	\$ 4,292,533	\$ 4,159,878
Government of Canada	-	9,500	15,268
Other	<u>277,699</u>	<u>298,202</u>	<u>64,644</u>
	<u>4,516,977</u>	<u>4,600,235</u>	<u>4,239,790</u>
Capital			
Province of Ontario	5,707,378	5,707,880	3,996,126
Government of Canada	4,323,000	4,325,415	839,555
Other	<u>335,200</u>	<u>335,200</u>	<u>194,476</u>
	<u>10,365,578</u>	<u>10,368,495</u>	<u>5,030,157</u>
	<u>\$ 14,882,555</u>	<u>\$ 14,968,730</u>	<u>\$ 9,269,947</u>

## Corporation of the City of Welland

### Schedule 4 – Consolidated Schedule of Deferred Revenue

Year ended December 31, 2025

	Balance, beginning of year	Adjustments	Restricted funds received	Interest earned	Revenue recognized	Balance, end of year
Development Charges Act	\$ 15,048,967	\$	\$ 2,715,905	\$ 261,774	\$ (6,011,065)	\$ 12,015,581
Lot levies and subdivider contributions	6,414,676		844,278	74,173	(2,864,134)	4,468,993
Recreational land (planning act)	7,894,370		1,052,074	206,000	(749,129)	8,403,315
Canada Community Building Fund	3,772,580		1,825,819	90,260	(2,013,817)	3,674,842
Building provision replacement	3,146,393		1,158,349	56,330	(1,052,267)	3,308,805
Ontario Community Infrastructure Fund	-	2,054,675	3,035,395	147,971	(1,758,028)	3,480,013
Building Faster Fund	-	1,223,516	1,542,932	21,266	(2,388,585)	399,129
Housing Enabling Water Systems Fund	-		5,101,765	84,068	(3,735,195)	1,450,638
Other deferred revenue	1,049,944		792,412	-	(1,046,319)	796,037
Young Sportsplex	218,123		54,473	-	(218,123)	54,473
<b>2025 Total</b>	<b>\$ 37,545,053</b>	<b>\$ 3,278,191</b>	<b>\$ 18,123,402</b>	<b>\$ 941,842</b>	<b>\$(21,836,662)</b>	<b>\$ 38,051,826</b>
2024 Total	\$ 35,398,799	\$ -	\$ 8,864,064	\$ 1,075,947	\$ (7,793,757)	\$ 37,545,053

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**Corporation of the City of Welland**  
**Schedule 5 - Consolidated Schedule of Long-Term Debt**

Year ended December 31, 2025

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	<u>2025</u>	<u>2024</u>
<b>Municipal debt</b>		
General government	\$ 1,483,834	\$ 2,450,131
Protection to persons and property	1,528,416	763,705
Transportation services	24,846,089	22,607,610
Environmental services		
Sanitary sewer system	8,867,770	8,166,822
Storm sewer system	2,782,558	1,284,712
Waterworks system	10,906,900	11,396,133
Recreational and cultural services	15,858,503	17,418,543
Planning and development	<u>39,920</u>	-
	<u>66,313,990</u>	<u>64,087,656</u>
<b>Other</b>		
Due to City of Port Colborne, Town of Pelham and Township of Wainfleet	<u>29,148</u>	<u>40,501</u>
	<u>\$ 66,343,138</u>	<u>\$ 64,128,157</u>

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# Corporation of the City of Welland

## Schedule 6 - Consolidated Schedule of Tangible Capital Assets

Year ended December 31, 2025

	<u>Land and land improvements</u>	<u>Buildings</u>	<u>Roads and bridges</u>	<u>Water and wastewater infrastructure</u>	<u>Vehicles</u>	<u>Computer hardware and software</u>	<u>Machinery and equipment</u>	<u>Assets under construction</u>	<u>2025 Total</u>
Cost									
Balance, beginning of year	\$ 54,456,440	\$ 109,545,678	\$ 149,802,618	\$ 182,465,368	\$ 18,718,663	\$ 5,419,087	\$ 15,669,172	\$ 86,876,489	\$ 622,953,515
Add: additions during year	11,348,205	2,114,743	25,711,057	1,724,614	2,784,392	288,047	1,340,626	19,909	45,331,593
Add: contributed subdivision									
Infrastructure	2,138,617	1,720,047	30,750	371,809	-	-	-	3,829,565	8,090,788
Less: disposals during year	<u>79,964</u>	<u>97,667</u>	<u>-</u>	<u>-</u>	<u>830,839</u>	<u>128,387</u>	<u>473,206</u>	<u>-</u>	<u>1,610,063</u>
Balance, end of year	<u>67,863,298</u>	<u>113,282,801</u>	<u>175,544,425</u>	<u>184,561,791</u>	<u>20,672,216</u>	<u>5,578,747</u>	<u>16,536,592</u>	<u>90,725,963</u>	<u>674,765,833</u>
Accumulated amortization									
Balance, beginning of year	26,775,237	39,610,667	76,463,139	56,170,418	8,813,808	4,510,969	10,929,119	-	223,273,357
Add: amortization	1,296,066	2,746,329	4,078,735	2,598,195	1,361,268	246,978	1,036,513	-	13,364,084
Less: accumulated amortization of disposals	<u>79,964</u>	<u>97,667</u>	<u>-</u>	<u>-</u>	<u>757,602</u>	<u>128,387</u>	<u>367,292</u>	<u>-</u>	<u>1,430,912</u>
Balance, end of year	<u>27,991,339</u>	<u>42,259,329</u>	<u>80,541,874</u>	<u>58,768,613</u>	<u>9,417,474</u>	<u>4,629,560</u>	<u>11,598,340</u>	<u>-</u>	<u>235,206,529</u>
Net book value	\$ <u>39,871,959</u>	\$ <u>71,023,472</u>	\$ <u>95,002,551</u>	\$ <u>125,793,178</u>	\$ <u>11,254,742</u>	\$ <u>949,187</u>	\$ <u>4,938,252</u>	\$ <u>90,725,963</u>	\$ <u>439,559,304</u>

# Corporation of the City of Welland

## Schedule 6 - Consolidated Schedule of Tangible Capital Assets

Year ended December 31, 2024

	Land and land improvements	Buildings	Roads and bridges	Water and wastewater infrastructure	Vehicles	Computer hardware and software	Machinery and equipment	Assets under construction	2024 Total
<b>Cost</b>									
Balance, beginning of year	\$ 54,522,261	\$ 109,514,607	\$ 134,081,029	\$ 166,730,873	\$ 17,464,910	\$ 5,147,891	\$ 14,715,949	\$ 69,988,128	\$ 572,165,648
Add: additions during year	798,716	31,071	13,559,219	5,405,965	2,426,800	532,982	1,467,212	16,888,361	41,110,326
Add: contributed subdivision Infrastructure	-	-	2,162,370	10,328,530	-	-	-	-	12,490,900
Less: disposals during year	<u>864,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,173,047</u>	<u>261,786</u>	<u>513,989</u>	<u>-</u>	<u>2,813,359</u>
Balance, end of year	<u>54,456,440</u>	<u>109,545,678</u>	<u>149,802,618</u>	<u>182,465,368</u>	<u>18,718,663</u>	<u>5,419,087</u>	<u>15,669,172</u>	<u>86,876,489</u>	<u>622,953,515</u>
<b>Accumulated amortization</b>									
Balance, beginning of year	25,682,145	36,913,927	72,930,623	53,690,312	8,578,713	4,292,463	10,435,418	-	212,523,601
Add: amortization	1,093,092	2,696,740	3,532,516	2,480,106	1,264,698	480,292	1,005,654	-	12,553,098
Less: accumulated amortization of disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,029,603</u>	<u>261,786</u>	<u>511,953</u>	<u>-</u>	<u>1,803,342</u>
Balance, end of year	<u>26,775,237</u>	<u>39,610,667</u>	<u>76,463,139</u>	<u>56,170,418</u>	<u>8,813,808</u>	<u>4,510,969</u>	<u>10,929,119</u>	<u>-</u>	<u>223,273,357</u>
Net book value	\$ <u>27,681,203</u>	\$ <u>69,935,011</u>	\$ <u>73,339,479</u>	\$ <u>126,294,950</u>	\$ <u>9,904,855</u>	\$ <u>908,118</u>	\$ <u>4,740,053</u>	\$ <u>86,876,489</u>	\$ <u>399,680,158</u>