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**The Corporation of the County of Wellington**

**Financial Statements**

For the year ended December 31, 2025

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# The Corporation of the County of Wellington

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For the year ended December 31, 2025

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the County of Wellington

### ***Opinion***

We have audited the consolidated financial statements of The Corporation of the County of Wellington (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2025
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of remeasurement gains for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2025, and its consolidated results of operations, its consolidated remeasurement of gains and losses, its consolidated changes in net financial assets and its consolidated 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 Financial Statements***” section of our auditor’s report.

We are independent of the Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity'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 Entity'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 Entity 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.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

Kitchener, Canada

June 5, 2026

# The Corporation of the County of Wellington

## Consolidated Statement of Financial Position

As at December 31	2025	2024
	\$	\$
<b>Assets</b>		
<b>Financial Assets</b>		
Cash and cash equivalents (Note 4)	64,500,212	45,185,522
Accounts receivable	27,686,314	18,176,934
Portfolio investments (Note 4)	198,702,662	177,810,133
Loans receivable (Note 5)	3,647	148,335
<b>Total Financial Assets</b>	<b>290,892,835</b>	<b>241,320,924</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	53,747,194	34,852,270
Deferred revenue (Note 6)	35,613,758	39,977,234
Asset retirement obligation (Note 7)	34,435,134	36,613,662
Post-employment/retirement liability (Note 8)	3,145,481	2,921,241
WSIB liability (Note 9)	1,464,378	1,416,898
Net debentures and loans (Note 11)	28,844,500	23,896,425
	157,250,445	139,677,730
<b>Net Financial Assets</b>	<b>133,642,390</b>	<b>101,643,194</b>
<b>Non-Financial Assets</b>		
Tangible capital assets (Note 12)	537,334,643	508,541,724
Inventories of supplies	342,654	892,939
Prepaid expenses	3,705,792	3,465,034
<b>Total Non-Financial Assets</b>	<b>541,383,089</b>	<b>512,899,697</b>
<b>Accumulated Surplus</b>	<b>675,025,479</b>	<b>614,542,891</b>
<b>Accumulated surplus is comprised of:</b>		
Accumulated Operating Surplus (Note 13)	665,281,800	610,245,627
Accumulated Remeasurement Gains	9,743,679	4,297,264
	<b>675,025,479</b>	<b>614,542,891</b>

# The Corporation of the County of Wellington

## Consolidated Statement of Operations

For the year ended December 31	(Note 21)	2025	2024
	Budget		
	\$	\$	\$
<b>Revenues</b>			
Taxation (Note 14)	144,598,300	144,056,381	137,405,413
Government transfers			
Ontario (Note 15)	75,451,479	90,453,315	84,804,199
Canada (Note 15)	90,815,400	66,338,398	39,879,981
Municipal	41,715,800	41,876,381	35,633,732
Fees & charges	14,429,400	26,200,396	14,214,466
Licences, permits, rents	9,905,500	10,256,411	9,768,944
Interest, donations, other	5,263,936	14,193,103	8,830,413
Development charges	1,571,600	5,904,540	3,661,537
<b>Total Revenues</b>	<b>383,751,415</b>	<b>399,278,925</b>	<b>334,198,685</b>
<b>Expenses</b>			
General government	33,766,322	27,149,988	26,527,817
Protection services	20,761,364	20,056,936	19,869,790
Transportation services	32,576,010	47,990,148	36,434,384
Environmental services	15,582,430	15,264,984	16,812,095
Health services	16,298,615	17,306,203	17,962,234
Social housing	54,651,075	62,344,175	51,559,281
Social and family	151,520,746	134,547,561	112,789,372
Library	10,474,052	10,893,582	10,367,657
Museum	3,116,450	3,300,221	3,587,977
Planning	5,894,852	5,388,954	5,125,517
<b>Total Expenses</b>	<b>344,641,916</b>	<b>344,242,752</b>	<b>301,036,124</b>
Operating surplus	39,109,499	55,036,173	33,162,561
Accumulated operating surplus at beginning of year	610,245,627	610,245,627	577,083,066
Accumulated surplus, end of year	649,355,126	665,281,800	610,245,627

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**The Corporation of the County of Wellington**  
**Consolidated Statement of Remeasurement**  
**Gains**

<b>For the year ended December 31</b>	<b>2025</b>	<b>2024</b>
	\$	\$
Accumulated remeasurement gains (losses), beginning of the year	4,297,264	(286,876)
	4,297,264	(286,876)
Unrealized gains (losses) attributable to:		
Long-term investments		
Designated fair value PPN with equity derivative	7,656,405	4,873,400
	7,656,405	4,873,400
Realized (gains) losses, reclassified to the statement of operations:		
Long-term investments		
Designated fair value PPN with equity derivative	(2,209,990)	(289,260)
	5,446,415	4,584,140
<b>Net change in remeasurement gains for the year</b>	<b>5,446,415</b>	<b>4,584,140</b>
<b>Accumulated remeasurement gains (losses), end of year</b>	<b>9,743,679</b>	<b>4,297,264</b>

**The Corporation of the County of Wellington**  
**Consolidated Statement of Change in Net Financial Assets**

For the year ended December 31	(Note 21) Budget	2025	2024
	\$	\$	\$
Operating surplus	39,109,499	55,036,173	33,162,561
Acquisition of tangible capital assets	(75,793,200)	(60,419,568)	(66,684,336)
Amortization of tangible capital assets	27,250,000	32,430,594	30,022,012
Loss (gain) on disposal of TCA and ARO	-	(1,298,066)	(525,917)
Proceeds on sale of tangible capital assets	-	494,121	555,528
	(9,433,701)	26,243,254	(3,470,152)
Acquisition of inventories of supplies	-	(342,654)	(892,939)
Acquisition of prepaid expenses	-	(3,705,792)	(3,465,034)
Consumption of inventories of supplies	-	892,939	1,076,534
Use of prepaid expenses	-	3,465,034	3,528,475
Change in net financial assets	(9,433,701)	26,552,781	(3,223,116)
Net financial assets, beginning of year	101,643,194	101,643,194	100,282,170
Increase in accumulated remeasurement gain	-	5,446,415	4,584,140
Net financial assets, end of year	92,209,493	133,642,390	101,643,194

# The Corporation of the County of Wellington

## Consolidated Statement of Cash Flows

For the year ended December 31	2025	2024
	\$	\$
<b>Operating Activities:</b>		
Annual Surplus	55,036,173	33,162,561
Items not involving cash:		
Amortization tangible capital assets	32,430,594	30,022,012
Loss (gain) on TCA and ARO	(1,298,066)	(525,917)
Contributed tangible capital assets	(4,345,000)	-
Change in post employment/retirement liability	224,240	131,614
Change in WSIB liability	47,480	(70,720)
Change in landfill/ARO liability	(2,178,528)	2,099,152
Change in non-cash assets and liabilities		
Accounts receivable	(9,509,380)	(6,011,026)
Accounts payable and accrued liabilities	18,894,924	7,512,453
Deferred revenue	(4,363,476)	5,186,122
Inventories of supplies	550,285	183,595
Prepaid expenses	(240,758)	63,441
<b>Net change in cash from operating activities</b>	<u>85,248,488</u>	<u>71,753,287</u>
<b>Capital activities:</b>		
Proceeds on sale of tangible capital assets	494,121	555,528
Cash used to acquire tangible capital assets	(56,074,568)	(66,684,336)
<b>Net change in cash from capital activities</b>	<u>(55,580,447)</u>	<u>(66,128,808)</u>
<b>Investing activities:</b>		
Loan receivable collected	144,688	170,121
Change in long-term investments	(15,446,114)	(12,015,519)
<b>Net change in cash from investing activities</b>	<u>(15,301,426)</u>	<u>(11,845,398)</u>
<b>Financing activities:</b>		
Long-term debt issued	8,250,000	-
Long-term debt repaid	(3,301,925)	(3,492,567)
<b>Net change in cash from financing activities</b>	<u>4,948,075</u>	<u>(3,492,567)</u>
<b>Net change in cash and cash equivalents</b>	19,314,690	(9,713,486)
<b>Cash and cash equivalents, beginning of year</b>	45,185,522	54,899,008
<b>Cash and cash equivalents, end of year</b>	<u>64,500,212</u>	<u>45,185,522</u>

The accompanying notes are an integral part of these financial statements

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# The Corporation of the County of Wellington

## Notes to the Financial Statements

For the year ended December 31, 2025

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The County of Wellington (the County) is an upper-tier municipality in the Province of Ontario. The County is comprised of seven member municipalities: the Towns of Erin and Minto, and the Townships of Centre Wellington, Guelph/Eramosa, Mapleton, Puslinch and Wellington North.

### 1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the County of Wellington are prepared by management in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. Significant accounting policies adopted by the County are as follows:

#### a) Basis of consolidation

##### (i) Consolidated entities

These consolidated statements include the activities of all committees of Council and the following boards and municipal corporation which are under the control of Council:

Wellington County O.P.P. Detachment Board

Wellington County Public Library Board

All interfund assets and liabilities and sources of financing and expenses have been eliminated except for loans or advances between reserve funds and any other fund of the municipality and the resulting interest income and expenses.

Under PSAB standards, the County reports only its share of assets, liabilities, and results of operations of any government partnerships in which it participates. The County participates in the Wellington-Dufferin-Guelph Public Health to the extent of 31.7% (2024 – 31.7%) based on population, as stated in the agreement with the other participants, the City of Guelph, and the County of Dufferin.

##### (ii) Trust funds

Trust funds and their related operations administered by the County are not consolidated but are reported separately on the Trust Funds Statement of Financial Position and Statement of Operations.

#### b) Basis of Accounting

##### (i) Accrual Basis of Accounting

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

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# The Corporation of the County of Wellington

## Notes to the Financial Statements

For the year ended December 31, 2025

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(ii) **Cash and cash equivalents**

Cash and cash equivalents are comprised of the amounts held in the County's bank accounts and investments with an original maturity date of 90 days or less.

(iii) **Financial Instruments**

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted on an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value.

The carrying value of the County's financial instruments including cash, accounts receivable, investments, accounts payable, other liabilities, and deferred revenue approximate their fair values due to the short-term nature of these financial assets and liabilities. The financial instruments are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations.

The following is a list of the financial instruments and their related measurement basis as at December 31, 2025.

<b>Financial assets measurement basis:</b>	
Cash	Cost
Accounts receivable	Cost
Portfolio investments	
Pooled investments	Cost
Bonds	Amortized Cost
Guaranteed Investment Certificates	Cost
Principal Protected Notes (PPN)	Fair value
<b>Financial liabilities measurement basis:</b>	
Accounts payable	Cost
Deferred revenue	Cost

(iv) **Investments**

Investments consist of authorized investments pursuant to provisions of the Municipal Act and comprise of government bonds, pooled investment funds, principal protected notes, and shorter-term instruments of various financial institutions.

The Principal Protected Notes (PPNs) are financial instruments that combine a bond with a derivative component that pays a return based on an index or reference point such as a stock market index. The County has elected to record all PPNs in their entirety (note and embedded derivative) at fair value as they are managed and evaluated on a fair value basis. They are quoted in an active market and are level 1 investments in the fair value hierarchy.

The County has pooled investments consisting of the One Canadian Equity Fund and the One Canadian Corporate Bond Fund. As these are not quoted in an active market, management has recorded all pooled investments at cost value.

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# The Corporation of the County of Wellington

## Notes to the Financial Statements

For the year ended December 31, 2025

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Government bonds are recorded at amortized cost and shorter-term instruments such as guaranteed investment certificates (GIC's) of various financial institutions are recorded at cost.

Investment income earned on available current funds, reserves, and reserve funds (other than obligatory funds) are reported in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue balances.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method (or effective interest rate method).

Unrealized changes in the fair market value of PPNs are recognized in the Consolidated statement of remeasurement gains and losses in the period in which they occur, until they are realized and transferred to the Consolidated statement of operations.

(v) **Foreign Currency**

Foreign exchange gains and losses related to assets and liabilities denominated in foreign currencies are recognized directly in the statement of operations.

(vi) **Loans Receivable**

In accordance with PS 3050 loans receivable are recorded at cost, less any amount for valuation allowance. Valuation allowances are made when collection is in doubt as assessed by Management (Note 5).

(vii) **Deferred Revenue**

In accordance with PSAB requirements obligatory reserve funds are reported as a component of deferred revenue. The County has obligatory development charge reserve funds in the amount of \$21,075,400 (2024 - \$20,407,269). These funds have been set aside, as required by the Development Charges Act, to finance a portion of the cost of growth-related capital projects. Revenue recognition occurs after the funds have been collected and when the County has incurred the expenses for the capital works for which the development charges were raised (Note 6).

Unexpended funds of \$3,108,275 (2024 – \$2,878,995) received by the County from the Canada Community Building Fund (previously Federal Gas Tax) are reported as deferred revenue and will be recognized as revenue in the fiscal year in which the eligible expenses are incurred. Unexpended funds of \$4,582,774 (2024 – \$4,241,406) received by the County under the Ontario Community Infrastructure Fund are reported as deferred revenue and will be recognized as revenue in the fiscal year in which the eligible expenses are incurred. Unexpended funds of \$572,725 (2024 - \$9,020,826) received by the County from the National Housing Co-Investment Fund are reported as deferred revenue and will be recognized as revenue in the fiscal year in which the eligible expenses are incurred.

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# The Corporation of the County of Wellington

## Notes to the Financial Statements

For the year ended December 31, 2025

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(viii) **Asset Retirement Obligation:**

An asset retirement obligation is recognized when, as at the financial reporting date, all the following criteria are met:

- There is a legal obligation to incur retirement costs.
- The past transaction or event giving rise to the liability has occurred.
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability for closure of operational sites and post-closure care relating to landfill sites has been recognized based on estimated future expenses. Liability for the removal of asbestos in buildings owned by the County has also been recognized based on estimated future remediation costs. Also, an additional liability has been recognized for the cost of removal of underground fuel storage tanks. Three underground fuel storage tanks were recognized in 2022, and one was removed in 2023, leaving two fuel storage tanks at December 31, 2025.

Most of these liabilities are long-term in nature and therefore the liability is discounted using a present value calculation and adjusted yearly for accretion expense where there is a known retirement date. For those liabilities that are short-term in nature and of lower value (fuel tanks) no discount has been used.

The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. Where the tangible capital asset is no longer in productive use, and not providing economic benefit, the asset retirement costs are expensed, since there is no longer any period of future benefit associated with the costs. The increase to the tangible capital asset is amortized in accordance with the depreciation accounting policies outlined in (c) (i) (Note 7). For fully amortized tangible capital assets still in productive use, the costs are amortized to expense over the revised estimate of remaining useful life as the ARO related to the initial acquisition, construction or development of the asset would increase its cost base.

(ix) **Taxation**

Under PS3510, taxes receivable and tax revenue are recognized when they meet the definition of an asset, the tax is authorized, and the taxable event has occurred (Note 14).

(x) **Government Transfers**

Under PS3410, government transfers received relate to social services, childcare, housing, police, health, and cultural programmes. Transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made (Note 15).

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# The Corporation of the County of Wellington

## Notes to the Financial Statements

For the year ended December 31, 2025

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(xi) **Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period.

Significant estimates include assumptions used in estimating provisions for accrued liabilities and in performing actuarial valuations of employee future benefits and WSIB liabilities, and the historical cost and useful lives of tangible capital assets.

In addition, the County's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs.

Actual results could differ from these estimates.

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# The Corporation of the County of Wellington

## Notes to the Financial Statements

For the year ended December 31, 2025

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### (c) Physical Assets

#### (i) Tangible Capital Assets

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

Major Asset Classification	Component Breakdown	Useful Life - Years	
Land		N/A	
Landfill Sites		5-50	
Buildings	Structure	8 to 50	
	Exterior	15 to 40	
	Interior	10 to 50	
	Site Elements	15 to 50	
	Leasehold Improvements	Lease Term	
Infrastructure	Roads and Parking Lots - Asphalt	20	
	Roads and Parking Lots - Gravel	50	
	Roads - Base	50	
	Bridges - Surface	20	
	Bridges and Culverts - Structure	50	
	Structural Walls	50	
	Trails	20-50	
	Traffic Signals, Street Signs, Outdoor Lighting	20	
	Vehicles & Machinery	Licensed Equipment	7
		Unlicensed Equipment	15
Machinery and Equipment		7 to 20	
Furniture & Fixtures		5 to 20	
Technology & Communications		4 to 20	
Library Books and Media		5	

#### (ii) Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue. The value of assets contributed in 2025 is \$4,345,000 (2024 - \$0).

#### (iii) Works of Art and Cultural and Historic Assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements. The County's art collection includes approximately 1,390 pieces, either created by a significant Wellington County artist and/or depicting Wellington County subject matter. The Museum's collection contains over 21,700 artifacts. The Archives'

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# The Corporation of the County of Wellington

## Notes to the Financial Statements

For the year ended December 31, 2025

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collection contains over 116,000 photographs, as well as 3,400 maps, textual records, microfilm, and audio-visual and digital media. Both collections relate to the history of Wellington County and are fully catalogued in the County's collections database. The collection is maintained and stored at the Wellington County Museum & Archives as per professional Museum and Archives standards.

### **(iv) Interest Capitalization**

Borrowing costs incurred because of the acquisition, construction and production of an asset that takes a substantial period to prepare for its intended use are capitalized as part of the cost of the asset.

Capitalization of interest costs commences when the expenses are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use are in progress. Capitalization is suspended during periods in which active development is interrupted. Capitalization ceases when substantially all the activities necessary to prepare the asset for its intended use are complete. If only minor modifications are outstanding, this indicates that substantially all the activities are complete.

The capitalized interest costs associated with the acquisition or construction of tangible capital assets during the year were \$0 (2024 - \$224,215).

### **(v) Leased Tangible Capital Assets**

Leases which transfer substantially all the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are expensed as incurred.

### **(vi) Inventories of Supplies**

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

### **(vii) Tangible Capital Assets recorded at Nominal Value**

Under PS 3150.42 the County has no assets recorded at nominal value.

## **2. CHANGE IN ACCOUNTING POLICIES**

Accounting policies encompass the specific principles, and the methods used in their application that are selected by a government in preparing financial statements. There is a general presumption that accounting policies followed by a government are consistent within each accounting period from one period to the next. However, a change in an accounting policy may be made: to conform to new Public Sector Accounting Standards (PSAS), to adopt PSAS for the first time; or if it is considered that the change would result in a more appropriate presentation of events or transactions in the financial statements.

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# The Corporation of the County of Wellington

## Notes to the Financial Statements

For the year ended December 31, 2025

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a) PS3400 – New Revenue Enhancements

On January 1, 2025, The County adopted Public Sector Accounting Board Standard 3400 and recognized Parking fine revenue at time of ticket issuance rather than payment resulting in a receivable being set up at year-end in the amount of \$48,380 with an allowance for doubtful payments of \$4,863. Also, during 2025 the County began and ended the Automated Speed Enforcement (ASE) Programme and at December 31, 2025, the County set up a receivable for unpaid penalty orders in the amount of \$4,737,999 offset by an allowance for doubtful account of \$473,323.

### 3. TRUST FUNDS

Trust funds administered by the County amounting to a surplus in 2025 of \$742,934 (2024 – (\$4,772)) have not been included in the Consolidated Statement of Financial Position, nor have their operations been included in the Consolidated Statement of Operations.

In February of 2024, the County entered into a project management agreement with Guelph (M.O.G) Welcome In Drop In Centre (Stepping Stone) to assist them to complete the construction of additional shelter space and transitional housing in a timely manner and within budget. The agreement included the requirement to set up a Trust account and a separate bank account where all Federal and Provincial funding would be deposited, and the County would be responsible for the payment of all project invoices.

### 4. CASH AND CASH EQUIVALENTS AND PORTFOLIO INVESTMENTS

Total cash and cash equivalents of \$64,500,212 (2024 - \$45,185,522) are reported on the Consolidated Statement of Financial Position at cost.

Total portfolio investments at cost are \$188,958,983 (2024 - \$173,512,869) and have a market value of \$193,088,425 (2024 - \$177,928,042). As reported on the Consolidated Statement of Financial Position and the Statement of Remeasurement Gains (Losses), the difference between the portfolio investment balance of \$ 198,702,662 (2024 - \$177,810,133) and the total portfolio balance at cost above, is the accumulated remeasurement gain of \$9,743,679 (2024 - gain of \$4,297,264).

On December 31, 2025, the County had two credit facilities arrangements. Facility 1 is \$5,000,000 by way of loans with an interest rate of prime less 0.50% and remains undrawn. Facility 2 is \$500,000 by way of Letters of Credit. The aggregate of Facility 1 and Facility 2 may not exceed \$5,000,000 at any time.

On November 15, 2019, an irrevocable Standby Letter of Credit was issued to finance the Badley (Metcalf Street) bridge replacement in favour of the Receiver General for Canada on behalf of Fisheries and Oceans Canada in the amount of \$201,900. The annual interest rate is 1.35% on any outstanding amounts. In January of 2021, the Letter of Credit was reduced by \$66,500 leaving a balance of \$135,400 at December 31, 2023. In December of 2023, Fisheries and Oceans Canada determined all conditions were satisfied and the Letter of Credit was cancelled by the Royal Bank on January 8, 2024.

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# The Corporation of the County of Wellington

## Notes to the Financial Statements

For the year ended December 31, 2025

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### 5. LOANS RECEIVABLE

#### (i) Cost Sharing Agreements with the Township of Centre Wellington

In 2015, the County and the Township of Centre Wellington agreed to share soil remediation costs for the Fergus Library Expansion Project. The land, originally owned by the Township of Centre Wellington was remediated by the County upfront and will be repaid by the Township at 60%. The Township will repay the County over ten years, interest free, starting in 2016. The amount to be repaid to the County as at December 31, 2025, was \$0 (2024 - \$14,075).

#### (ii) Keep Well – Emergency Business Sustainability Fund

In 2020, the County established the Keep Well – Emergency Business Sustainability Fund to provide up to \$1,000,000 in low-interest loans (3%) to support local businesses. The County has entered into agreements with the Wellington-Waterloo Community Futures Development Corporation (WWCFDC) and the Saugeen Economic Development Corporation (SEDC) to administer these loans. The total loans advanced in 2020 were \$891,400 (WWCFDC \$740,400, SEDC \$151,000). In 2025, two additional loans administered by WWCFDC were written off in the amount of \$8,859 as the businesses had closed resulting in a total of \$26,855 in loans being written off to date. The total principal repaid in 2025 was \$121,754 (WWCFDC \$99,010, SEDC \$22,744) (2024 - total \$156,045, WWCFDC \$130,643, SEDC \$25,402) leaving an outstanding balance at December 31, 2025 of \$3,647 (WWCFDC \$2,441, SEDC \$1,206).

	2025	2024
	\$	\$
Cost sharing agreements with Township of Centre Wellington		
Fergus library soil remediation (0% interest, maturity 2025)	-	13,128
Fergus library site work (0% interest, maturity 2025)	-	947
	-	14,075
Keep Well - Emergency Business Sustainability Fund		
Wellington-Waterloo Community Futures Development Fund		
(3% annual interest less 1% administration fee, maturity 2025)	11,300	110,310
Less: Uncollectable write-offs	(8,859)	-
Saugeen Economic Development Corporation		
(3% annual interest less 1% administration fee, maturity 2025)	1,206	23,950
	3,647	134,260
Total loans receivable	3,647	148,335

# The Corporation of the County of Wellington

## Notes to the Financial Statements

For the year ended December 31, 2025

### 6. DEFERRED REVENUE

Deferred revenue, which is reported on the Consolidated Statement of Financial Position, is further analyzed as follows:

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Canada Community Building Fund	3,108,275	2,878,995
Ontario Community Infrastructure Fund (OCIF)	4,582,774	4,241,406
National Housing Co-Investment Fund	572,725	9,020,826
Development Charges	21,075,400	20,407,269
Deferred Operating and Capital Grants	6,236,297	3,375,005
Other	38,287	53,733
	<b>35,613,758</b>	<b>39,977,234</b>
	<b>2024</b>	<b>2023</b>
Balance, Beginning of Year		
Canada Community Building Fund	2,878,995	4,253,086
OCIF	4,241,406	3,578,085
National Housing Co-Investment Fund	9,020,826	11,842,494
Development Charges	20,407,269	12,250,188
Deferred Operating and Capital Grants	3,375,005	2,806,696
Other	53,733	60,563
	<b>39,977,234</b>	<b>34,791,112</b>
Amounts Received		
Canada Community Building Fund	3,186,129	3,103,611
Provincial Gas Tax	390,400	-
OCIF	2,350,140	2,764,871
Development Charges	5,229,224	10,811,024
Deferred Operating and Capital Grants	8,869,881	5,550,539
Other	205,600	29,601
Interest Earned	1,974,446	1,322,642
	<b>22,205,820</b>	<b>23,582,288</b>
Contributions Realized as Revenue	<b>(26,569,296)</b>	<b>(18,396,166)</b>
Balance, End of Year	<b>35,613,758</b>	<b>39,977,234</b>

### 7. ASSET RETIREMENT OBLIGATION

#### (i) Landfill Obligation

As of December 31, 2025, there were 10 closed landfill sites and 1 active landfill site where the liability for the closure of operational sites and post-closure care has been recognized under PS 3280 – Asset Retirement Obligation (ARO). The costs were based upon current estimates of the

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# The Corporation of the County of Wellington

## Notes to the Financial Statements

For the year ended December 31, 2025

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known obligations that will exist at the estimated year of closure for the 1 active landfill site (2049) and for 50 years post this date. For the 10 closed sites, additional closure costs and annual post-closure costs were estimated to be required for 5 to 50 years. These costs were estimated by a third-party engineering firm and then inflated at a rate of 3.5% and discounted to December 31, 2025, using a discount rate of 4.5%. For 2025, revised estimates for post-closure monitoring costs and timing, resulted in a decrease to the liability of \$974,528 (active landfill - \$742,760 and inactive landfill \$231,768) of which \$742,760 of asset retirement cost (ARC) was written off and \$231,768 was treated as an ARO gain.

For 2025, the estimated annual post-closure costs were \$361,477 (2024 - \$353,449) and actual costs were \$243,794 (2024 - \$230,074) resulting in a gain of \$117,683 (2024 - \$123,375).

(ii) Asbestos obligation

The County owns and operates a significant number of buildings in both the Social Housing and General Government areas that are known to have asbestos, which represents a health hazard upon demolition of the building or disruption of the components of the building and there is a legal obligation to remove it. Following the adoption of PS3280 – Asset retirement obligations, the County recognized an obligation relating to the removal of this asbestos. The cost of these remediations were estimated by a third-party engineering firm and then inflated at a rate of 3.5% and discounted to December 31, 2025, using a discount rate of 4.5% using various estimated useful lives depending on the associated component life cycle.

In 2025, the County implemented a unit-based estimation methodology for social housing asbestos obligations, replacing previous whole building estimates. This change included updated remediation data to exclude previously remediated units. This change resulted in a decrease in the liability of \$2,258,750 of which \$1,951,024 of asset retirement cost was written off and \$1,242,385 was treated as an ARO gain.

For 2025, the estimated asbestos abatement costs were \$79,813 (2024 - \$226,595) and actual costs were \$66,177 (2024 - \$45,904) resulting in a gain on settlement of the ARO of \$13,636 (2024 - \$180,691). As well, the ARC asset was retired \$68,277, resulting in a loss on disposal of \$35,265.

(iii) Underground tank removal obligation

The County originally identified three separate underground fuel tanks that required remediation upon removal. The Aberfoyle garage tank was removed and cleaned up during 2023 so the cost for this cleanup was used to estimate the removal and clean-up cost for the remaining two fuel tanks at the Elora (clean-up and removal 2029) and Bruce Dale (clean-up and removal 2027) garages. Therefore, as of December 31, 2025, only 2 fuel tanks remain with associated asset retirement obligations.

# The Corporation of the County of Wellington

## Notes to the Financial Statements

For the year ended December 31, 2025

Asset Retirement Obligation	Landfill Closure	Asbestos Removal	Fuel Tank Removal	Total
	\$	\$	\$	\$
Opening Balance, January 1, 2025	25,421,853	10,930,368	261,441	36,613,662
Estimate Adjustment	(974,528)	(2,258,750)	-	(3,233,278)
Settlement of ARO Liability	(361,477)	(79,813)	-	(441,290)
Adjustment for additional costs	-	7,305	-	7,305
Accretion Expense	1,100,130	388,605	-	1,488,735
Closing Balance, December 31, 2025	25,185,978	8,987,715	261,441	34,435,134

### 8. POST-EMPLOYMENT / RETIREMENT LIABILITY

Post-employment benefits include a provision to pay 90% of the premium cost for retired non-union full-time employees and retired union full-time employees for dental, extended health care and life insurance benefits for an employee voluntarily electing early retirement until the retired employee's 65th birthday. For union full-time employees, the County pays 100% of the premium for eligible early retirees with a retirement effective date of December 1, 2022, or earlier. There is also a provision to pay 50% of the premium cost for retired regular part-time employees for dental and extended health care. To be eligible to receive these benefits, the employee must be at least 55 years of age, have a minimum of ten years of continuous service with the County at the time of retirement and be eligible to retire under the OMERS pension plan.

The present value of these benefit obligations at December 31, 2025 was estimated from an actuarial review completed for December 31, 2023. The review calculated the benefit obligations using an accrued benefit obligation methodology, which recognizes the accrued benefit over the employees' working lifetime.

Of the \$3,145,481 (2024 - \$2,921,241) recognized as a liability, \$408,378 (2024 - \$383,568) is related to the County's share of the Wellington-Dufferin-Guelph Health Unit. \$408,378 (2024 - \$383,568) is included on the Consolidated Statement of Financial Position as a reduction to budgetary accumulated surplus and will be recovered from future general municipal revenues and \$2,737,103 (2024-\$2,537,673) is shown as an amount to be recovered from reserve funds (see Note 13)

Benefit	Number of Employees	2025	2024
		\$	\$
Dental	50	574,792	532,911
Extended Health Care	50	2,052,827	1,903,262
Life Insurance	46	109,484	101,500
County of Wellington		2,737,103	2,537,673
WDG Public Health Unit (Note 17)		408,378	383,568
Consolidated Total		3,145,481	2,921,241

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# The Corporation of the County of Wellington

## Notes to the Financial Statements

For the year ended December 31, 2025

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Information about the County's benefit plan is as follows:

	2025	2024
	\$	\$
Accrued Benefit Obligation		
Balance beginning of year	3,725,728	3,692,914
Current benefit cost	172,803	162,119
Interest	165,147	163,246
Benefits paid	(284,398)	(292,550)
Actuarial loss	-	-
Balance end of year	3,779,280	3,725,729
Unamortized actuarial loss	(1,042,177)	(1,188,056)
Liability for benefits	2,737,103	2,537,673
Wellington-Dufferin Guelph Public Health Unit	408,378	383,568
Consolidated Total	3,145,481	2,921,241

Included in expenses is \$145,878 (2024 - \$145,878) for amortization of the actuarial loss. The unamortized actuarial loss is amortized over the expected average remaining service life of 15 years, beginning in 2024.

The main actuarial assumptions employed for the valuation are as follows:

- (i) The present value of future liabilities and the expense for the 12 months ended December 31, 2025, were determined using a discount rate of 4.50%.
- (ii) Medical costs were assumed to escalate at a rate of 6.00% for 2024 vs. 2023, reducing by .333% per year to 4.00% per year in 2030 vs. 2029 and 4.0% each year thereafter.
- (iii) Dental costs were assumed to increase at the rate of 4.00% per year.

### 9. WORKPLACE SAFETY AND INSURANCE

The County is a Schedule II (self-insured) employer with the Workplace Safety and Insurance Board (WSIB). Payments made to the WSIB in 2025 resulting from approved claims were \$117,710 (2024 -\$116,498) and are reported as a liability transaction on the Consolidated Statement of Financial Position. The WSIB liability is based on an actuarial evaluation completed in December 2023. The evaluation is updated every four years. As WSIB benefits are a compensated absence, PSAB Section PS 3250 requires full recognition of liabilities associated with workplace injuries that occurred on or before the valuation date. The amount reported on the Consolidated Statement of Financial Position as a liability is \$1,464,378 (2024 - \$1,416,898) to be recovered by reserve funds (see Note 13).

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# The Corporation of the County of Wellington

## Notes to the Financial Statements

For the year ended December 31, 2025

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Information about the WSIB liability is as follows:

	2025	2024
	\$	\$
Accrued Benefit Obligation:		
Balance, beginning of year	663,326	1,372,449
Current benefit cost	119,541	115,793
Interest	31,879	29,741
Expected benefit payments	(103,940)	(100,886)
Expected accrued benefit obligation, end of year	710,806	663,326
Actual/expected accrued benefit obligation, end of year	710,806	663,326
Unamortized actuarial gain	753,572	753,572
WSIB Liability	1,464,378	1,416,898

Included as a reduction in expenses is \$77,297 (2024 – \$115,368) for amortization of the actuarial gain. The unamortized actuarial gain on future payments required to WSIB is amortized over the expected period of the liability which is 10 years.

The main actuarial assumptions employed for the valuation are as follows:

- (i) The present value of future liabilities and the expense for the 12 months ended December 31, 2024, were determined using an average discount rate of 4.75%, which is 2.00% more than the 2.75% used for the December 31, 2020, valuation.
- (ii) Administration costs were assumed to be 21% (25% used for December 31, 2020, valuation).
- (iii) Compensation costs, which include loss of earnings benefits, health care costs and non-economic loss awards, were assumed to increase at rates ranging from 0% to 2.00% depending on the benefit type.

The County used to purchase two forms of insurance to limit exposure in the event of a significant work-related accident resulting in a death or permanent disability. Occupational Accident Insurance coverage provides a one-time fixed payment of \$500,000 per incident. Excess Indemnity Insurance is in place to a maximum of \$10,000,000 with a \$500,000 retention. As of January 1, 2025, the County has discontinued this insurance coverage and is fully self-insured against the WSIB exposure. The County established a new WSIB Excess Compensation Reserve Fund to fund catastrophic events with a target balance of \$10,000,000. At December 31, 2025, the balance in the WSIB Excess Compensation Reserve Fund was \$3,161,350 (2024 - \$2,528,090).

### 10. OTHER LONG-TERM LIABILITIES

In 2018, the County of Wellington approved The Invest Well Community Improvement Programme. This programme provides the framework to allow the County to participate financially in member municipalities' grant and loan programmes aimed at revitalizing, beautifying, and attracting investment in Wellington. Tax Increment Equivalent Grants (TIEG) provide funding which is equal to the County portion of a property tax increase that results from a major community improvement project. County grants range from 100% coverage of the County portion tax increment in year one to

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# The Corporation of the County of Wellington

## Notes to the Financial Statements

For the year ended December 31, 2025

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20% in year five. County funding is dependent on the member municipality participating financially through its own local CIP TIEG plan. Tax Increment Equivalent Grants must be approved individually by the County Council and require the annual payment of property taxes by the applicant for the County to pay a grant installment. These agreements have two identifiable phases; i) grant preapproval and construction phase; ii) grant approval and payment phase.

The County has one TIEG agreement in the pre-approval and construction phase. In September of 2022, the County signed a financial assistance agreement with the Township of Centre Wellington to participate in a TIEG programme for a proposed development that has six phases of development occurring over a maximum of 15 years. The County will not participate in Phase 1 as it is 100% residential. Upon completion of each phase and reassessment by the Municipal Property Assessment Corporation (MPAC), the County will provide a five-year term grant with 100% of incremental taxes in year one, dropping by 20% each year until taxes return to the full amount in year 6. The proposed grant value is approximately \$953,000 for the Phase 2 – Phase 6 grants.

### 11. NET DEBENTURES AND LOANS

Provincial legislation restricts the use of debentures to financing capital expenses and also authorizes the County to issue long-term debt for both County and Local purposes, with the latter at the request of the Local Municipality. The responsibility for raising the amounts required to service these liabilities rests with the County and such Local Municipalities for which the debt was issued.

At December 31, 2025, debentures outstanding for County purposes were \$28,844,500 (2024 - \$23,896,425). Debentures outstanding for Local Municipal purposes of \$14,266,500 (2024 - \$16,482,000) are direct, unsecured, unsubordinated, joint and several obligations of the County and such Local Municipalities.

- (a) The outstanding principal portion of unmatured debentures for municipal expenditures is reported on the Consolidated Statement of Financial Position, under "Net Debentures and Loans." Net Debentures reported on the Consolidated Statement of Financial Position are comprised of the following:

	2025	2024
	\$	\$
Long-term Liabilities incurred by the County, including those incurred on behalf of member municipalities, and outstanding at the end of the year (Interest rates range from 0.85% to 5.875%)	43,111,000	40,378,425
Long-term Liabilities incurred by the County and recoverable from member municipalities	(14,266,500)	(16,482,000)
Net long-term liabilities at the end of the year	28,844,500	23,896,425

# The Corporation of the County of Wellington

## Notes to the Financial Statements

For the year ended December 31, 2025

The balance of net long-term liabilities is made up of the following:

	<b>2025</b>	<b>2024</b>
Debenture payable, 5.875%, repayable in blended semi-annual payments of \$865,527, due August 12, 2025	-	1,640,425
Debenture payable, 1.80%-2.45%, repayable in annual principal and semi-annual interest payments of approximately \$133,500 annually, due November 30, 2026	130,000	257,000
Debenture payable, 5.00% - 5.35%, repayable in annual principal and semi-annual interest payments ranging from \$176,703 to \$164,280 annually, due June 3, 2030	740,000	870,000
Debenture payable, 0.85%-2.45% repayable in annual principal and semi-annual interest payments of approximately \$115,000 annually for ten years, with a balloon payment of \$1,109,000 due November 30, 2031	1,520,000	1,598,000
Debenture payable, 2.8%-3.85% repayable in annual principal and semi-annual interest payments of approximately \$317,500 annually for ten years, with a balloon payment of \$3,642,500 due June 2, 2032	5,547,500	5,865,000
Debenture payable, 2.8%-3.75% repayable in annual principal and semi-annual interest payments ranging from \$20,962 to \$157,329 annually for ten years, due April 2, 2035	8,250,000	-
Debenture payable, 2.65%-3.45%, repayable in annual principal and semi-annual interest payments of approximately \$765,000 annually for the first ten years and approximately \$430,000 for the final ten years, due May 30, 2038	5,509,000	6,088,000
Debenture payable, 1.9%-2.6%, repayable in annual principal and semi-annual interest payments of approximately \$610,000 annually for twenty years, due November 4, 2039	7,148,000	7,578,000
	<b>\$ 28,844,500</b>	<b>\$ 23,896,425</b>

(b) Future principal payments for net long-term liabilities are as follows:

	<b>Principal</b>
2026	2,415,500
2027	2,339,500
2028	2,400,500
2029	2,121,500
2030	2,172,500
Subsequent to 2030	17,395,000
	<b>28,844,500</b>

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# The Corporation of the County of Wellington

## Notes to the Financial Statements

For the year ended December 31, 2025

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(c) The long-term liabilities in (a) of this note issued in the name of the County, as well as those pending issues of long-term liabilities and commitments to be financed by revenues beyond the term of Council, have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

(d) Total payments for the year for net long-term liabilities are as follows:

	2025	2024
	\$	\$
Principal Payments	3,301,925	3,402,701
Interest	875,562	889,467
	<u>4,177,487</u>	<u>4,292,168</u>

(e) The payments shown on the previous table are recovered as follows:

	2025	2024
	\$	\$
General Municipal Revenues	2,815,332	3,056,126
Development Charges	1,362,155	1,236,042
	<u>4,177,487</u>	<u>4,292,168</u>

(f) Net long-term liabilities are to be recovered are as follows:

	2025	2024
	\$	\$
Net Long-Term Liabilities		
Recovered from General Municipal Revenues	7,975,000	10,465,425
Recovered from Development Charges	20,869,500	13,431,000
	<u>28,844,500</u>	<u>23,896,425</u>

## 12. TANGIBLE CAPITAL ASSETS

County tangible capital assets are identified by asset type. The cost of tangible capital assets, their accumulated amortization and net book value are disclosed in the following schedule:

### i) Assets Under Construction

Assets under construction having a value of \$38,360,233 (2024 - \$50,450,115) have not been amortized. Amortization of these assets will commence when the asset is available for use.

### ii) Write-Down of Tangible Capital Assets and Gain on Disposal

The write-down of tangible capital assets (not including asset retirement cost assets – see Note 7) during the year was \$28,052 (2023 - \$0). The loss on disposal of assets during the year was \$272,141 (2024- \$221,851 gain).

# The Corporation of the County of Wellington

## Notes to the Financial Statements For the year ended December 31, 2025

2025												
	Land	Landfill Sites	Buildings	Infrastructure	Vehicles & Machinery	Furniture and Fixtures	Technology & Communications	Library Books	WHC	Public Health	Capital Work in Progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>												
Balance beginning of year	47,903,641	14,295,524	225,569,541	540,690,751	28,968,039	8,566,720	10,119,597	2,616,799	-	11,938,437	50,450,115	941,119,164
WHC Transfer and Reallocate Fuel Tank	304,679	-	4,730,771	85,320	261,442	15,235	-	-	-	-	1,003,348	6,400,795
Adjusted balance beginning of year	48,208,320	14,295,524	230,300,312	540,776,071	29,229,481	8,581,955	10,119,597	2,616,799	-	11,938,437	51,453,463	947,519,959
Asset retirement obligations	-	(742,760)	(1,951,024)	-	-	-	-	-	-	-	-	(2,693,784)
Additions	1,015,084	-	45,414,525	22,192,207	4,297,872	1,198,031	2,060,520	513,611	-	206,618	23,298,397	100,196,865
Disposals	-	-	(1,961,781)	(2,429,307)	(1,140,448)	(92,653)	(557,340)	(480,863)	-	(1,227,952)	(36,391,627)	(44,281,971)
<b>Balance, end of year</b>	<b>49,223,404</b>	<b>13,552,764</b>	<b>271,802,032</b>	<b>560,538,971</b>	<b>32,386,905</b>	<b>9,687,333</b>	<b>11,622,777</b>	<b>2,649,547</b>	<b>-</b>	<b>10,917,103</b>	<b>38,360,233</b>	<b>1,000,741,069</b>
<b>Accumulated Amortization</b>												
Balance beginning of year	-	2,271,985	100,027,487	302,765,832	15,095,679	4,016,633	5,827,358	1,263,179	-	6,143,396	-	437,411,549
WHC and Reallocate Fuel Tank	-	-	1,454,195	(14,939)	122,121	5,309	-	-	-	-	-	1,566,686
Adjusted balance beginning of year	-	2,271,985	101,481,682	302,750,893	15,217,800	4,021,942	5,827,358	1,263,179	-	6,143,396	-	438,978,235
Asset retirement obligations	-	-	(934,659)	-	-	-	-	-	-	-	-	(934,659)
Disposals	-	-	(1,541,089)	(2,260,799)	(928,120)	(92,653)	(536,269)	(480,863)	-	(1,227,952)	-	(7,067,745)
Amortization Expense	-	379,808	11,429,156	14,454,684	3,395,890	674,230	1,155,587	518,620	-	422,620	-	32,430,595
<b>Balance, end of year</b>	<b>-</b>	<b>2,651,793</b>	<b>110,435,090</b>	<b>314,944,778</b>	<b>17,685,570</b>	<b>4,603,519</b>	<b>6,446,676</b>	<b>1,300,936</b>	<b>-</b>	<b>5,338,064</b>	<b>-</b>	<b>463,406,426</b>
<b>Net Book Value, end of year</b>	<b>49,223,404</b>	<b>10,900,971</b>	<b>161,366,942</b>	<b>245,594,193</b>	<b>14,701,335</b>	<b>5,083,814</b>	<b>5,176,101</b>	<b>1,348,611</b>	<b>-</b>	<b>5,579,039</b>	<b>38,360,233</b>	<b>537,334,643</b>

# The Corporation of the County of Wellington

## Notes to the Financial Statements

For the year ended December 31, 2025

2024												
	Land	Landfill Sites	Buildings	Infrastructure	Vehicles & Machinery	Furniture and Fixtures	Technology & Communications	Library Books	WHC	Public Health	Capital Work in Progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>												
Balance beginning of year	46,390,311	13,173,778	222,294,591	521,863,971	26,956,805	8,004,275	9,754,271	2,724,371	5,397,447	11,784,601	19,093,529	887,437,950
Asset Retirement Obligations	-	1,121,746	(104,709)	-	-	-	-	-	-	-	-	1,017,037
Additions	1,513,330	-	5,198,536	19,450,787	4,377,674	654,936	1,730,242	496,123	1,006,205	159,245	34,800,134	69,387,212
Disposals	-	-	(1,818,877)	(624,007)	(2,366,440)	(92,491)	(1,364,916)	(603,695)	(2,857)	(5,409)	(3,443,548)	(10,322,240)
<b>Balance, end of year</b>	<b>47,903,641</b>	<b>14,295,524</b>	<b>225,569,541</b>	<b>540,690,751</b>	<b>28,968,039</b>	<b>8,566,720</b>	<b>10,119,597</b>	<b>2,616,799</b>	<b>6,400,795</b>	<b>11,938,437</b>	<b>50,450,115</b>	<b>947,519,959</b>
<b>Accumulated Amortization</b>												
Balance beginning of year	-	1,849,512	92,444,648	289,205,420	14,226,144	3,510,811	5,931,259	1,341,916	1,304,543	5,714,685	-	415,528,938
Disposals	-	-	(1,573,642)	(624,007)	(2,282,117)	(92,491)	(1,391,675)	(603,695)	-	(5,088)	-	(6,572,715)
Amortization Expense	-	422,473	9,156,482	14,184,419	3,151,653	598,313	1,287,774	524,958	262,141	433,799	-	30,022,012
<b>Balance, end of year</b>	<b>-</b>	<b>2,271,985</b>	<b>100,027,488</b>	<b>302,765,832</b>	<b>15,095,680</b>	<b>4,016,633</b>	<b>5,827,358</b>	<b>1,263,179</b>	<b>1,566,684</b>	<b>6,143,396</b>	<b>-</b>	<b>438,978,235</b>
<b>Net Book Value, end of year</b>	<b>47,903,641</b>	<b>12,023,539</b>	<b>125,542,053</b>	<b>237,924,919</b>	<b>13,872,359</b>	<b>4,550,087</b>	<b>4,292,239</b>	<b>1,353,620</b>	<b>4,834,111</b>	<b>5,795,041</b>	<b>50,450,115</b>	<b>508,541,724</b>

# The Corporation of the County of Wellington

## Notes to the Financial Statements

For the year ended December 31, 2025

### 13. ACCUMULATED OPERATING SURPLUS

Accumulated surplus shown on the Consolidated Statement of Financial Position is analyzed below:

<b>As at December 31</b>	<b>2025</b>	<b>2024</b>
	\$	\$
<b>Surplus:</b>		
Invested in tangible capital assets	537,334,643	508,541,724
Unexpended capital financing	34,658,443	27,300,915
Share of Public Health Unit (Note 17)	2,668,783	2,173,773
Contingency reserve recovery of Keep Well Loan	3,647	134,259
Amounts to be recovered:		
From future revenues		
Net long-term liabilities	(28,844,500)	(23,896,425)
Asset retirement obligation	(20,905,234)	(24,561,306)
Post employment benefits	(408,378)	(383,568)
From reserve funds		
Asset retirement obligation	(13,529,900)	(12,052,356)
Post employment benefits	(2,737,103)	(2,537,673)
WSIB	(1,464,378)	(1,416,898)
<b>Total surplus</b>	<b>506,776,023</b>	<b>473,302,445</b>
<b>Reserves set aside by Council for :</b>		
Capital Reserves	94,165,337	77,239,491
Contingency and Stabilization	40,078,944	37,891,040
<b>Total reserves</b>	<b>134,244,281</b>	<b>115,130,531</b>
<b>Reserve Funds set aside for specific purposes by Council for:</b>		
Asset Retirement obligation	13,529,900	12,052,356
Workplace Safety and Self-Insurance	1,579,360	1,674,101
WSIB Excess Compensation Self-Insurance	3,161,350	2,528,090
Post Employment Benefit Reserve	2,815,789	2,537,673
Housing Regeneration (Shared)	1,693,028	1,655,508
Museum Donations	304,355	236,862
Library Donation	417,300	391,166
Wellington Terrace Donations	42,165	29,897
Logan Donation Reserve	168,730	160,753
Homeownership Loan	549,519	546,245
<b>Total reserve funds</b>	<b>24,261,496</b>	<b>21,812,651</b>
<b>Accumulated operating surplus</b>	<b>665,281,800</b>	<b>610,245,627</b>

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# The Corporation of the County of Wellington

## Notes to the Financial Statements

For the year ended December 31, 2025

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### 14. TAXATION

Under PS3510, taxes receivable and tax revenue are recognized when they meet the definition of an asset, the tax is authorized, and the taxable event has occurred.

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Property tax levy	139,579,600	128,837,600
Supplementary and omitted taxes	5,075,622	8,079,194
Payment in lieu of taxes	1,048,926	1,006,962
Other	40,230	40,168
	145,744,378	137,963,924
Less:		
Property taxes written off as uncollectible	(1,928,197)	(672,879)
Provision for assessment at risk	240,200	114,368
	(1,687,997)	(558,511)
	144,056,381	137,405,413

# The Corporation of the County of Wellington

## Notes to the Financial Statements

For the year ended December 31, 2025

### 15. PROVINCIAL AND FEDERAL GOVERNMENT TRANSFERS

The government transfers reported on the Consolidated Statement of Operations are:

	2025	2024
	\$	\$
COCHI Community Housing Initiative	2,378,787	1,244,334
Community Policing Partnership, RIDE, 1000 Officers, Court Security Health Unit	403,683	676,802
Homelessness Prevention Programme	6,444,094	6,281,529
Housing Enabling Core Servicing (MHIP)	8,855,609	7,714,569
Long Term Care Operating Subsidy	1,736,367	-
Ministry of Education Funding Child Care	18,275,178	15,350,656
Ontario Community Infrastructure Fund (OCIF)	17,654,164	22,491,230
Ontario Municipal Partnership Fund (OMPF)	2,347,407	2,204,998
Ontario Works Administration and Benefit Subsidy	569,000	669,300
OPHI Ontario Priorities Housing Initiative	27,553,992	24,047,116
Provincial Gas Tax	1,032,435	228,191
Waste Diversion Ontario, Stewardship Ontario, OTS Tire, CIF	390,400	-
Other	1,329,565	1,975,055
<b>Provincial Government Transfers</b>	<b>90,453,315</b>	<b>84,804,199</b>
Canada Community Building Fund	3,164,407	4,686,260
Citizenship and Immigration Canada Subsidy	54,286	649,553
Federal Block Funding Housing	2,012,210	2,334,640
Homeless Partnering Strategy	3,015,103	2,306,970
Ministry of Education Funding Child Care	49,524,454	26,497,790
National Housing Co-Investment Fund	8,448,102	2,821,668
Other	119,836	583,100
<b>Federal Government Transfers</b>	<b>66,338,398</b>	<b>39,879,981</b>
<b>Total Government Transfers</b>	<b>156,791,713</b>	<b>124,684,180</b>

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# The Corporation of the County of Wellington

## Notes to the Financial Statements

For the year ended December 31, 2025

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### 16. CONTINGENT LIABILITIES AND COMMITMENTS

In the normal course of its operations, the County is subject to various litigations and claims. The ultimate outcome of these claims cannot be determined at this time.

In May of 2025, Council approved the Community Housing Development Fund in the amount of \$7,000,000 to provide up to \$1,000,000 per member municipality for the development of housing to address the availability gap between low end market housing and subsidized housing. Applications must be approved by Council and will be received until September 30, 2026. Following approval of the application by Council, the Local Municipality and the County will enter into a contract for the transfer and use of the funds. Funds not accessed by December 31, 2027, will be deemed forfeited.

In 2025, the County entered into one agreement with the Township of Guelph/Eramosa for \$1,000,000 with \$285,000 paid out in 2025 and the remaining \$715,000 to be paid in 2026. Subsequent to December 31, 2025, the County has entered into two more agreements with the Township of Puslinch and the Township of Mapleton, each for \$1,000,000. As of May 2026, payments have been made to the Township of Puslinch for \$485,000 and the Township of Guelph/Eramosa for \$300,000. It is anticipated that the remaining \$515,000 for the Township of Puslinch and \$1,000,000 for the Township of Mapleton will be paid in 2027. The Township of Guelph/Eramosa has a remaining balance of \$415,000 to be paid in 2026.

### 17. GOVERNMENT PARTNERSHIP

The County of Wellington is a partner in the Wellington-Dufferin-Guelph Health Unit. The County provides 31.7% (2024 – 31.7%) of the municipal funding to the Health Unit for the Cost Shared Mandatory and related programmes and is responsible for a similar share of the assets, liabilities and municipal position of the Health Unit. Based on 2021 Census information, the County share is 31.7% except for the share of the long-term loan which remained at 32.7%. The County's share of the results of the Health Unit's financial activities for the year and its financial position at year-end have been consolidated in these financial statements. On December 31, 2025, the Health Unit's financial results and financial position are as follows:

	2025	2024
	\$	\$
Financial assets	10,427,810	8,320,396
Liabilities	(3,434,458)	(2,807,095)
Non-financial assets	17,736,753	18,414,921
Accumulated surplus	24,730,105	23,928,222
Revenues	30,587,246	29,806,442
Expenses	29,785,363	28,686,504
Annual Surplus	801,883	1,119,938

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# The Corporation of the County of Wellington

## Notes to the Financial Statements

For the year ended December 31, 2025

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The County Share of the Health Unit's assets, liabilities and accumulated surplus are as follows:

	2025	2024
Financial Assets	3,305,616	2,637,565
Accounts Payable and Deferred Revenue	(680,345)	(506,281)
Non-Financial Assets	43,512	42,489
Share of Health Unit (Note 13)	2,668,783	2,173,773
Long-Term Debt (County share remains at 32.7%)	-	-
Post-Employment Liability (Note 8)	(408,378)	(383,568)
Invested in Tangible Capital Assets (Note 12)	5,579,039	5,795,041
Accumulated Surplus	7,839,444	7,585,246

### 18. PUBLIC LIABILITY INSURANCE

The County has a comprehensive programme of risk identification, evaluation and control to minimize the risk of injury to its employees and third parties and to minimize the risk of damage to its property and the property of others. The County's existing coverage includes \$25,000,000 comprehensive general liability with no aggregate. The environmental liability policy is the maximum that can be purchased at \$3,000,000 per occurrence with an aggregate of \$5,000,000. The County's licensed fleet is insured with liability coverage of \$25,000,000. The deductible (self-retained insurance) is \$10,000 on fleet policies and \$50,000 on property/liability. The County carries Legal Fees Expenses coverage with a maximum of \$100,000 per claim (no deductible) and no aggregate.

Based on claims received to December 31, 2025, the maximum deductible exposure to the County is estimated at \$630,000 pending the settlement of each open claim. These claims have not been accrued in the Financial Statements because the outcome of these claims is not known and the loss will be accounted for in the period in which the loss, if any, becomes likely and can be reasonably estimated. For claims not covered by purchased insurance, the County has a Contingency and Stabilization Reserve, which as of December 31, 2025, totalled \$22,945,103 (2024 - \$21,035,301).

### 19. PENSION AGREEMENTS

The County makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of approximately 994 (2024 - 886) members of its staff. The plan is a defined benefit plan, which specifies the amount of retirement benefit to be received by the employees, based on the length of service and rates of pay.

Contributions of employees with a normal retirement age of 65 were being made at a rate of 9.0% for earnings up to the yearly maximum pensionable earnings of \$71,300 (2024 - \$68,500) and at a rate of 14.6% for earnings over the yearly maximum.

The County's contribution to OMERS for 2025 was \$6,346,690 (2024 - \$5,672,007) for current service and past service costs and is included as an expense on the Consolidated Statement of Operations. Employee contribution to OMERS in 2025 was \$6,346,690 (2024 - \$5,672,007).

As per PSAB 3250.111, the County of Wellington is current with all payments to OMERS, therefore, there is neither a surplus nor deficit with the County's pension plan contributions.

As of December 31, 2025, the OMERS Primary Plan had a funded ratio of assets to pension obligations of 99% (2024 - 98%). The OMERS pension plan funding deficit on December 31, 2025, was \$1.3 billion (2024 - \$2.9 billion).

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# The Corporation of the County of Wellington

## Notes to the Financial Statements

For the year ended December 31, 2025

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### 20. SOCIAL HOUSING PROPERTIES

The County has title to the 1,268 social housing units of the former Wellington-Guelph Housing Authority. The units are in the City of Guelph and throughout the County. The related debt on these units remains with the Province of Ontario. Of the \$1,912,730 (2024 - \$2,334,639) in federal government subsidies provided to the County for social housing, \$0 (2024 - \$117,854) is retained by the province to fund the associated debt servicing costs.

On January 3, 2025, all assets and liabilities of Wellington Housing Corporation (440 King Street in Mount Forest - 39 units) were transferred to the County of Wellington as per Committee and Council resolution. The Corporation, however, has not been legally dissolved and is not anticipated to be dissolved in the foreseeable future.

Also, two additional social housing projects were donated to the County in 2025 appraised at a total of \$4,345,000. New Hope Community Housing at 301 Tucker Street in Arthur (\$3,280,000, 25 Units) and Maryborough Township Housing Corporation at 11 Caroline Drive in Moorefield (\$1,065,000, 15 units).

### 21. BUDGET DATA

The budget data presented in these consolidated financial statements is based upon the 2025 operating and capital budgets approved by Council on January 29, 2025, and capital budget amendments made in 2025 in the amount of \$12,128,500 (2024 - \$674,400) that were approved by Council throughout the year. Amortization was not included in the approved budget however it has been included in the consolidated financial statements budget based on the estimated annual amortization presented to Council prior to budget approval per Ontario Regulation 284/09. The following chart reconciles the approved budget to the budget figures reported in these consolidated financial statements.

# The Corporation of the County of Wellington

## Notes to the Financial Statements

For the year ended December 31, 2025

	2025 Budget	2024 Budget
	\$	\$
<b>Revenues</b>		
Operating Budget	365,362,300	305,532,200
Capital Budget	75,793,200	75,667,700
Health Unit Budget	6,214,614	7,043,388
Less:		
Transfers from other funds	(51,646,500)	(39,214,100)
New debt financing	(2,860,000)	(9,420,000)
Internal recoveries	(9,112,200)	(9,491,900)
<b>Total Revenues</b>	383,751,414	330,117,288
<b>Expenses</b>		
Operating Budget	365,362,300	305,532,200
Capital Budget	75,793,200	75,667,700
Amortization	27,250,000	26,440,000
Health Unit Budget & WHC	6,214,615	6,564,788
Less:		
Transfer to other funds	(41,850,400)	(35,022,400)
Capital Expenses	(75,793,200)	(75,667,700)
Debt principal payments	(3,301,900)	(3,402,811)
Internal charges	(9,032,700)	(9,336,000)
<b>Total Expenses</b>	344,641,915	290,775,777
<b>Annual Surplus</b>	39,109,499	39,341,511

## 22. FINANCIAL INSTRUMENTS

The County of Wellington is exposed to various risks through its financial instruments and continues to monitor, evaluate, and manage these risks. The following analysis provides information about the County's risk exposure and concentration as of December 31, 2025.

### (a) Credit risk

Credit risk arises from the potential of default associated with loans, bonds, or other financial instruments. It is the policy of the County to diversify its investment portfolio through differentiating investments based on sector, maturity, issuer, credit quality, and structure. As well, when contracting with third parties, the County purchasing policy provides guarantees to ensure proper bonding and insurance requirements are met as well as Contractor Performance Evaluations.

### (b) Liquidity risk

Liquidity risk refers to the inability to meet short-term obligations such as accounts payable, payroll, pension contributions and debt servicing due to insufficient cash flow. In order to mitigate liquidity, risk the County uses reserve and reserve funds strategically, has available credit facilities (see Note 4) and monitors its liquidity position regularly through an 18 month cash flow model.

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# The Corporation of the County of Wellington

## Notes to the Financial Statements

For the year ended December 31, 2025

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### (c) Operational risk

Operational risk is the risk associated with errors, fraud, or disruptions in financial operations. The County mitigates this risk through the implementation of internal controls, staff training and continuous process monitoring.

### (d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Corporation is mainly exposed to interest rate risk and other price risk.

- **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. In seeking to minimize the risks from interest rate fluctuations, the County manages exposure through its normal operating and financing activities. For example, fluctuations in interest rates can impact borrowing costs and debt service payments. To mitigate this risk, the County monitors the market and adjusts timing of debt issuance accordingly through responsible debt management and predictable infrastructure investment.

- **Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Corporation is exposed to other price risk through its investment in pooled investments.

Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant other financial risks arising from these financial instruments.

## 23. COMPARATIVE FIGURES

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

## 24. SEGMENTED INFORMATION

The County of Wellington is a diversified municipal government institution that is responsible for ensuring the provision of a wide range of services to its citizens, including police, roads, solid waste services, ambulance, public health, childcare, social housing, Ontario Works, homes for the aged, museum, library and planning.

County services are provided by departments and their activities are reported in the Consolidated Statement of Operations. Certain departments have been separately disclosed in the segmented information in the following schedule.

# The Corporation of the County of Wellington

## Notes to the Financial Statements For the year ended December 31, 2025

2025											
	General Government	Protection	Transportation Services	Environmental Services	Health Services	Social Housing	Social and Family Services	Library	Museum	Planning & Development	Consolidated
Revenues											
Taxation	17,338,832	20,395,627	42,620,396	10,953,807	12,964,905	7,627,847	14,879,917	9,947,123	3,339,376	3,988,551	\$ 144,056,381
Grants and Subsidies	635,700	444,305	7,629,234	1,329,565	6,444,094	26,808,334	113,188,306	141,275	61,564	109,336	156,791,713
Municipal Revenue	315,195	506,682	5,260,288	22,378	68,443	28,405,828	6,932,610	58,080	-	306,878	41,876,382
Fees & Service Charges	893,525	344,640	11,826,628	4,606,108	930,866	6,117,667	32,464	89,509	1,358,989	26,200,396	
Licences, Permits, Rents	1,435,034	126,525	30,159	55,500	8,483,840	16,423	55,033	53,896	10,256,410		
Interest, Donations, Other	9,085,292	20,956	24,867	86,944	4,775,757	126,326	13,836	52,718	6,407	14,193,103	
Development Charges	-	-	4,917,778	393,491	-	-	-	374,592	-	218,679	5,904,540
Total Revenues	\$ 29,703,578	\$ 21,838,735	\$ 72,279,191	\$ 17,335,508	\$ 19,619,886	\$ 77,032,472	\$ 141,261,249	\$ 10,622,403	\$ 3,597,063	\$ 5,988,840	\$ 399,278,925
Expenses											
Salaries and Benefits	\$ 15,302,610	\$ 656,753	\$ 9,210,017	\$ 3,658,752	\$ 4,975,192	\$ 6,698,259	\$ 42,355,972	\$ 6,185,135	\$ 1,887,529	\$ 3,701,311	\$ 94,631,530
Goods and Services	8,248,256	1,394,564	18,416,557	9,053,941	1,705,570	18,308,374	6,767,462	2,654,855	770,876	757,871	68,078,326
Transfer Payments	645,758	17,238,280	-	-	10,202,821	29,348,415	82,880,177	-	500	740,258	141,056,209
Insurance and Interest	1,240,917	42,306	2,704,469	400,878	-	885,449	866,582	252,006	82,311	82,440	6,557,358
Amortization	1,693,224	725,033	17,643,213	1,051,283	422,620	6,750,189	1,677,368	1,801,585	559,005	107,074	32,430,594
Accretion	19,223	-	15,892	1,100,130	-	353,489	-	-	-	-	1,488,734
Total Expenses	\$ 27,149,988	\$ 20,056,936	\$ 47,990,148	\$ 15,264,984	\$ 17,306,203	\$ 62,344,175	\$ 134,547,561	\$ 10,893,581	\$ 3,300,221	\$ 5,388,954	\$ 344,242,752
Annual Surplus	2,553,590	1,781,799	24,289,043	2,070,524	2,313,683	14,688,297	6,713,688	(271,178)	296,842	599,886	55,036,173

# The Corporation of the County of Wellington

## Notes to the Financial Statements For the year ended December 31, 2025

2024											
	General Government	Protection	Transportation Services	Environmental Services	Health Services	Social Housing	Social and Family Services	Library	Museum	Planning & Development	Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues											
Taxation	15,632,315	20,365,906	40,644,325	11,539,220	9,884,243	7,246,775	15,760,455	9,286,610	3,234,995	3,810,569	\$ 137,405,413
Grants and Subsidies	1,136,379	676,802	6,868,693	1,975,054	6,281,529	19,124,629	88,428,755	141,275	51,064	-	124,684,180
Municipal Revenue	195,325	510,468	1,690,600	31,859	-	24,590,222	8,196,000	41,760	-	377,498	35,633,732
Fees & Service Charges	1,215,969	287,558	1,013,315	4,277,132	-	(21,608)	6,035,217	51,797	90,647	1,264,439	14,214,466
Licences, Permits, Rents	1,522,841	1,950	-	30,869	55,500	8,001,200	16,292	59,043	81,249	-	9,768,944
Interest, Donations, Other	7,449,869	17,763	-	-	113,880	973,740	151,262	13,928	107,556	2,415	8,830,413
Development Charges	46,326	-	3,531,772	83,439	-	-	-	-	-	-	3,661,537
Total Revenues	27,199,024	21,860,447	53,748,705	17,937,573	16,335,152	59,914,958	118,587,981	9,594,413	3,565,511	5,454,921	334,198,685
Expenses											
Salaries and Benefits	14,019,224	648,521	8,533,761	3,470,249	4,687,271	5,945,759	39,964,398	5,863,781	1,811,215	3,395,671	88,339,850
Goods and Services	8,972,815	1,465,243	9,623,248	10,781,685	2,629,109	12,980,776	5,827,764	2,522,026	1,161,870	738,024	56,702,560
Transfer Payments	546,339	16,955,424	-	-	10,208,975	26,409,227	64,387,765	-	500	805,164	119,313,394
Insurance and Interest	1,198,084	35,855	1,383,759	380,560	3,080	790,324	934,922	191,794	77,244	78,955	5,074,577
Amortization	1,775,814	764,747	16,878,408	1,069,660	433,799	4,993,009	1,671,668	1,790,056	537,148	107,703	30,022,012
Accretion	15,541	-	15,208	1,109,941	-	440,186	2,855	-	-	-	1,583,731
Total Expenses	26,527,817	19,869,790	36,434,384	16,812,095	17,962,234	51,559,281	112,789,372	10,367,657	3,587,977	5,125,517	301,036,124
Annual Surplus	671,207	1,990,657	17,314,321	1,125,478	(1,627,082)	8,355,677	5,798,609	(773,244)	(22,466)	329,404	33,162,561

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**The Corporation of the County of Wellington Trust Funds**

**Financial Statements**

For the year ended December 31, 2025

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KPMG LLP  
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## INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the County of Wellington

### ***Opinion***

We have audited the financial statements of the Trust Funds The Corporation of the County of Wellington (the Entity), which comprise:

- the statement of financial position as at December 31, 2025
- the statement of operations for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025, and its results of operations, 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 auditor’s report.

We are independent of the Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity'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 Entity'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 Entity 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.
- 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.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Kitchener, Canada

June 5, 2026

## The Corporation of the County of Wellington Trust Funds

### Statement of Financial Position

As at December 31, 2025

	Comfort Money	County Wellness Centre	Safe Communities	Stepping Stones	2025	2024
	\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>						
Cash and Bank	43,025	51,841	65,358	89,540	249,764	220,634
Accounts Receivable	-	-		1,228,534	1,228,534	45,781
Prepaid	-	-	847	-	847	-
<b>Liabilities</b>						
Accounts Payable	-	800	570	34,840	36,210	171,187
Loan Payable	-	-	-	700,000	700,000	100,000
<b>Balance</b>	<b>43,025</b>	<b>51,041</b>	<b>65,635</b>	<b>583,234</b>	<b>742,935</b>	<b>(4,772)</b>

## The Corporation of the County of Wellington Trust Funds

### Statement of Operations

As at December 31, 2025

	Comfort Money	County Wellness Centre	Safe Communities	Stepping Stones	2025	2024
	\$	\$	\$	\$	\$	\$
<b>Opening Balance</b>	36,986	41,304	51,680	(134,742)	(4,772)	107,892
Source of Funds:						
Deposits	183,295	87,163	48,473	3,735,114	4,054,045	1,828,819
Use of Funds:						
Withdrawals	177,256	77,426	34,518	3,017,138	3,306,338	1,941,483
<b>Ending Balance</b>	<b>43,025</b>	<b>51,041</b>	<b>65,635</b>	<b>583,234</b>	<b>742,935</b>	<b>(4,772)</b>

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# The Corporation of the County of Wellington Trust Funds

## Notes to the Financial Statements

For the year ended December 31, 2025

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### 1. ACCOUNTING POLICIES

These trust funds have not been consolidated with the financial statements of the County of Wellington (the "County").

These financial statements reflect the financial activity and financial position of funds held in trust by the County for residents of the Wellington Terrace Long Term Care Home (Comfort Money), for County staff who are members of the County Wellness Centre, for the Wellington County Safe Communities Committee and new for 2024 was the creation of the Stepping Stone Trust fund.

The Stepping Stone Trust fund was established in February 2024 when the County of Wellington entered into a project management agreement with Guelph (M.O.G.) Welcome Drop-in Centre, also known as Stepping Stone, providing project management services for the construction of additional transitional supportive housing at 23-25 Gordon Street in Guelph.

Funds held in trust are maintained in separate bank accounts by the County on behalf of the Wellington Terrace residents (non-interest bearing), Safe Communities Committee (interest bearing) and the Guelph (M.O.G.) Welcome Drop-in Centre (non-interest bearing). Net County Wellness Centre membership proceeds are maintained in the County's general bank account and interest is credited to the County Wellness Centre Trust fund based on the balance in the fund.

Trust Fund's financial instruments include cash, accounts receivable, accounts payable and loan payable. The carrying value of these approximate their face value due to the short-term nature of these financial assets and liabilities. As all financial instruments are measured at cost or amortized cost, there have been no remeasurement gains or losses. Therefore, the Statement of Gains (Losses) has been excluded.