



Financial statements

Niagara Central Dorothy Rungeling Airport
Commission

December 31, 2025

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Independent auditor's report

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To the Board Members of the Niagara Central Dorothy Rungeling Airport Commission, Members of Council, Inhabitants and Taxpayers of the Corporation of the City of Welland

Opinion

We have audited the financial statements of the **Niagara Central Dorothy Rungeling Airport Commission** ("the Commission"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, change in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the **Niagara Central Dorothy Rungeling Airport Commission** as at December 31, 2025, and its results of operations, its changes in its net debt, 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 Financial statements* section of our report. We are independent of the Commission 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 these 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 Commission'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 Commission or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission'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 Commission'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 Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Doane Grant Thornton LLP

Mississauga, Canada
April 1, 2026

Chartered Professional Accountants
Licensed Public Accountants

Niagara Central Dorothy Rungeling Airport Commission

Statement of Operations and Accumulated Surplus

Year ended December 31, 2025

	Budget 2025	Actual 2025	Actual 2024
Revenue			
Grants (Note 4)	\$ 200,000	\$ 200,000	\$ 172,000
Rentals	155,398	132,678	192,228
Recovered property taxes	32,800	33,719	31,786
Fuel net earnings (Schedule 1)	13,700	28,607	18,967
Interest	-	6,481	13,541
Donations received on behalf of Canadian Owners and Pilots Association (COPA)	-	1,163	3,093
Other	16,825	2,401	1,266
	418,723	405,049	432,881
Expenses			
Accretion of asset retirement obligation	-	443	427
Amortization of tangible capital assets	75,000	101,277	120,187
Bad debts	-	-	40,460
Bursaries from Canadian Owners and Pilots Association (COPA) donations	1,000	-	1,000
Honorariums	-	1,020	1,200
Insurance	25,000	18,723	18,799
Interest on loans	26,520	25,767	31,376
Light, heat and water	5,900	7,239	6,032
Office	5,550	9,677	6,774
Professional fees	52,130	44,026	166,804
Promotion and marketing	2,000	875	933
Property taxes (Note 9)	76,800	58,313	55,129
Repairs and maintenance	20,930	14,093	26,981
Salaries and wages	80,750	89,792	70,200
	371,580	371,245	546,302
Annual surplus (deficit)	47,143	33,804	(113,421)
Accumulated surplus, beginning of year	1,525,973	1,525,973	1,639,394
Accumulated surplus, end of year	\$ 1,573,116	\$ 1,559,777	\$ 1,525,973

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

Niagara Central Dorothy Rungeling Airport Commission

Statement of Change in Net Debt

Year ended December 31, 2025

	<u>Budget</u> <u>2025</u>	<u>Actual</u> <u>2025</u>	<u>Actual</u> <u>2024</u>
Annual surplus (deficit)	\$ 47,143	\$ 33,804	\$ (113,421)
Amortization of tangible capital assets	75,000	101,277	120,187
Acquisition of tangible capital assets, net	<u>-</u>	<u>(240,165)</u>	<u>(63,912)</u>
	<u>75,000</u>	<u>(138,888)</u>	<u>56,275</u>
Purchase of fuel inventory	(136,300)	(105,119)	(158,399)
Sale of fuel inventory	<u>150,000</u>	<u>104,297</u>	<u>146,149</u>
	<u>13,700</u>	<u>(822)</u>	<u>(12,250)</u>
Acquisition of prepaid expenses	-	(19,714)	(20,580)
Use of prepaid expenses	<u>-</u>	<u>20,580</u>	<u>15,492</u>
	<u>-</u>	<u>866</u>	<u>(5,088)</u>
(Increase) decrease in net debt	135,843	(105,040)	(74,484)
Net debt, beginning of year	<u>(588,468)</u>	<u>(588,468)</u>	<u>(513,984)</u>
Net debt, end of year	\$ (452,625)	\$ (693,508)	\$ (588,468)

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

Niagara Central Dorothy Rungeling Airport Commission

Statement of Financial Position

December 31	2025	2024
Financial assets		
Cash	\$ 55,860	\$ 43,423
Portfolio investments	-	170,944
Accounts receivable	<u>2,472</u>	<u>36,497</u>
	<u>58,332</u>	<u>250,864</u>
Financial liabilities		
Accounts payable and accrued liabilities	66,315	68,221
Loans payable (Note 5)	642,715	721,272
Capital lease obligation	-	7,472
Asset retirement obligation (Note 6)	<u>42,810</u>	<u>42,367</u>
	<u>751,840</u>	<u>839,332</u>
Net financial debt	<u>(693,508)</u>	<u>(588,468)</u>
Non-financial assets		
Prepaid expenses	19,714	20,580
Fuel inventory	19,857	19,035
Tangible capital assets (Schedule 2)	<u>2,213,714</u>	<u>2,074,826</u>
	<u>2,253,285</u>	<u>2,114,441</u>
Accumulated surplus (Note 7)	<u>\$ 1,559,777</u>	<u>\$ 1,525,973</u>

Approved on behalf of the Commission

_____ Chair

_____ Chair

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

Niagara Central Dorothy Rungeling Airport Commission

Statement of Cash Flows

Year ended December 31

2025

2024

Net inflow (outflow) of cash related to the following activities:

Operating

Annual surplus (deficit)	\$	33,804	\$	(113,421)
Non-cash changes to operations				
Amortization of tangible capital assets		101,277		120,187
Accretion of asset retirement obligation		443		427
Changes in non-cash assets and liabilities				
Accounts receivable		34,025		(12,570)
Prepaid expenses		866		(5,088)
Accounts payable and accrued liabilities		(1,906)		40,819
Fuel inventory		(822)		(12,250)
		<u>167,687</u>		<u>18,104</u>

Investing

Purchase of investments		(466,323)		(1,203,994)
Proceeds from investments		637,267		1,323,122
Acquisition of tangible capital assets, net		(240,165)		(63,912)
		<u>(69,221)</u>		<u>55,216</u>

Financing

Repayment of capital lease		(7,472)		(8,682)
Repayment of loans payable		(78,557)		(73,123)
		<u>(86,029)</u>		<u>(81,805)</u>

Increase (decrease) in cash

12,437 (8,485)

Cash, beginning of year

43,423 51,908

Cash, end of year

\$ **55,860** \$ 43,423

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

Niagara Central Dorothy Rungeling Airport Commission

Notes to the Financial Statements

December 31, 2025

1. Nature of operations

Niagara Central Dorothy Rungeling Airport Commission (the "Commission") operates a three-runway airport offering a year-round fixed-base operation. The Commission is partially funded by the four nearby municipalities; City of Welland, City of Port Colborne, Town of Pelham and the Township of Wainfleet.

All earnings of the Commission are retained and reinvested in airport operations and development.

2. Summary of significant accounting policies

The financial statements of the Commission have been prepared by management in accordance with Canadian Public Sector Accounting Standards ("PSAS"), and reflect the following significant accounting policies.

Reporting entity

The financial statements reflect the financial assets, financial liabilities, non-financial assets, revenues, expenses and changes in accumulated surplus of the Commission.

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

Budget figures

The budget approved by the Commission for 2025 is reflected on the statements of operations and accumulated surplus and change in net debt.

Portfolio investments

Portfolio investments consist of term deposits and guaranteed investment certificates ("GICs") with maturity dates within twelve months from the date of the statement of financial position and are recorded at amortized cost. If there is a loss in value of a portfolio investments other than a temporary decline, the investment is written down to recognize the loss in the statement of operations. A write-down is not subsequently reversed.

Tangible capital assets

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

Niagara Central Dorothy Rungeling Airport Commission

Notes to the Financial Statements

December 31, 2025

2. Summary of significant accounting policies (continued)

Tangible capital assets (continued)

<u>Asset</u>	<u>Useful Life</u>
Runways, taxiways and aprons	7 years
Buildings	20 years
Machinery and equipment	5 to 20 years
Infrastructure	10 to 20 years
Office equipment	5 years
Website	2 years

Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Revenue recognition

Grants are recognized when approved to the extent the related expenses have been incurred and collection can be reasonably assured.

Rentals, fuel, recovery property taxes, and other revenues are recorded when the services are performed, or goods are delivered and collection is reasonably assured.

Interest revenue is recorded when earned.

Donations received on behalf of Canadian Owners and Pilots Association (COPA) are recognized when received.

Reserves for future expenses

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

Financial instruments

The Commission initially measures its financial assets and financial liabilities at fair value.

The Commission subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, investments and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, loans payable, capital lease obligation and asset retirement obligation.

Niagara Central Dorothy Rungeling Airport Commission

Notes to the Financial Statements

December 31, 2025

2. Summary of significant accounting policies (continued)

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Commission may undertake in the future. Significant accounting estimates include accrued liabilities, useful lives of tangible capital assets, allowance for doubtful accounts and asset retirement obligation. Actual results could differ from those estimates and may have an impact on future periods.

There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of \$42,810 (2024 – \$42,367). These estimates are subject to uncertainty because of several factors including but not limited to incomplete information on the extent of controlled materials used (e.g. asbestos included in inaccessible construction material), indeterminate settlement dates, the allocation of costs between required and discretionary activities and/or change in the discount rate.

3. Portfolio investments

	<u>2025</u>	<u>2024</u>
GIC matured February 9, 2025, bearing interest 3.25%	\$ <u>-</u>	\$ <u>170,944</u>

4. Grants

	<u>2025</u>	<u>2024</u>
Operating		
City of Welland	\$ 110,547	\$ 95,070
City of Port Colborne	39,724	34,163
Town of Pelham	36,073	31,023
Township of Wainfleet	<u>13,656</u>	<u>11,744</u>
	<u>\$ 200,000</u>	<u>\$ 172,000</u>

Niagara Central Dorothy Rungeling Airport Commission

Notes to the Financial Statements

December 31, 2025

5. Loans payable

	2025	2024
Due to the City of Welland, bearing interest of 3.75% per annum repayable in monthly blended instalments of \$4,363 commencing July 1, 2023, due June 1, 2038.	\$ 523,475	\$ 555,708
Due to the City of Welland, bearing interest of 4.3% per annum repayable in annual blended instalments of \$12,123 commencing June 15, 2019, due June 15, 2028.	34,237	44,722
Due to the City of Welland, bearing interest of 3.5% per annum repayable in annual blended instalments of \$16,533 commencing June 15, 2018, due June 15, 2027.	32,007	47,204
Due to the City of Port Colborne, bearing interest of 4.3% per annum repayable in annual blended instalments of \$4,113 commencing August 24, 2019, due August 24, 2028.	11,523	15,051
Due to the City of Port Colborne, bearing interest of 3.5% per annum repayable in annual blended instalments of \$6,012 commencing June 15, 2018, due June 15, 2027.	11,639	17,165
Due to the Town of Pelham, bearing interest of 4.3% per annum repayable in annual blended instalments of \$3,897 commencing June 15, 2019, due June 15, 2028.	11,005	14,375
Due to the Town of Pelham, bearing interest of 3.5% per annum repayable in annual blended instalments of \$5,411 commencing June 15, 2018, due June 15, 2027.	10,475	15,449
Due to the Township of Wainfleet, bearing interest of 4.3% per annum repayable in annual blended instalments of \$1,515 commencing June 15, 2019, due June 15, 2028.	4,280	5,590
Due to the Township of Wainfleet, bearing interest of 3.5% per annum repayable in annual blended instalments of \$2,104 commencing June 15, 2018, due June 15, 2027.	4,074	6,008
Balance, end of year	\$ 642,715	\$ 721,272

Niagara Central Dorothy Rungeling Airport Commission

Notes to the Financial Statements

December 31, 2025

5. Loans payable (continued)

Principal repayments required on loans payable for the next five years consist of the following:

2026	\$	84,507
2027		83,577
2028		56,710
2029		37,325
2030		38,749
Thereafter		<u>341,847</u>
	\$	<u>642,715</u>

6. Asset retirement obligations

The Commission 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.

	<u>2025</u>	<u>2024</u>
Liabilities for asset retirement obligations at beginning of year	\$ 42,367	\$ 41,940
Liabilities incurred during the year	-	-
Increase in liabilities reflecting changes in the estimate of liabilities ¹	-	-
Increase in liabilities due to accretion ²	443	427
Liabilities settled during the year	<u>-</u>	<u>-</u>
Liabilities for asset retirement obligations at end of year	<u>\$ 42,810</u>	<u>\$ 42,367</u>

¹ Reflecting changes in the estimated cash flows and the discount rate

² Increase in the carrying amount of a liability due to the passage of time

7. Accumulated surplus

	<u>2025</u>	<u>2024</u>
Consists of		
Operating surplus	\$ 31,588	\$ 64,719
Reserves (Note 8)	-	157,539
Long term debt	(642,715)	(721,272)
Investment in tangible capital assets	<u>2,170,904</u>	<u>2,024,987</u>
	<u>\$ 1,559,777</u>	<u>\$ 1,525,973</u>

Niagara Central Dorothy Rungeling Airport Commission

Notes to the Financial Statements

December 31, 2025

8. Reserves

	2025	2024
Reserves set aside for specific purposes		
Capital expenditures		
Balance, beginning of year	\$ 157,539	\$ 157,539
Transfer of funds from operations	-	-
Funds used to acquire tangible capital assets	(157,539)	-
Balance, end of year	\$ -	\$ 157,539

9. Related party transactions

The Commission is funded by the four nearby municipalities: City of Welland, City of Port Colborne, Town of Pelham and the Township of Wainfleet (Note 4). These four municipalities each have a non-controlling interest in the Commission.

Property taxes of \$58,313 (2024 - \$55,129) were paid to the Town of Pelham. All transactions are in the normal course of operations and are recorded at the exchange value.

10. Financial Instruments

The Commission uses comprehensive risk management procedures to limit the risk inherent in the use of financial instruments. Risks may include credit, currency, interest rate, market and liquidity risk. The significant risks that the Commission is exposed to are noted below:

Credit risk

The Commission is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Commission's maximum exposure to credit risk would be the carrying value of its financial assets: cash, investments, and accounts receivable.

The Commission holds its cash accounts and investments with a federally regulated chartered bank who is insured by the Canadian Deposit Insurance Corporation. For accounts receivable, the Commission manages risk by reviewing accounts receivable aging and following up on outstanding amounts. An allowance for doubtful accounts of \$Nil (2024 - \$40,460) is recorded.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Commission is exposed to interest rate risk with respect to its fixed income investments. The Commission manages the risk by closing monitoring investment terms and strategy to balance exposure.

Niagara Central Dorothy Rungeling Airport Commission

Notes to the Financial Statements

December 31, 2025

10. Financial Instruments (continued)

Liquidity risk

Liquidity risk refers to the adverse consequence that the Commission will encounter difficulty in paying its liabilities as they become due. The Commission manages its liquidity risk by monitoring its operating requirements to ensure financial resources are available.

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	\$ 66,315	\$ -	\$ -	\$ -	\$ 66,315
Loans payable	84,507	83,577	132,784	341,847	642,715
Asset retirement obligation	-	-	-	42,810	42,810
Total	\$ 150,822	\$ 83,577	\$ 132,784	\$ 384,657	\$ 751,840

Changes in risk

Except for the allowance noted above, there have been no significant changes in the Commission's risk exposures from the prior year.

11. Comparative figures

Certain comparative figures have been adjusted to conform to the changes in the current year presentation.

Niagara Central Dorothy Rungeling Airport Commission

Schedule 1 – Schedule of Fuel Operations

Year ended December 31

2025

2024

Sales	\$ <u>132,904</u>	\$ <u>165,116</u>
Cost of sales		
Inventory, beginning of year	19,035	6,785
Purchases	<u>105,119</u>	<u>158,399</u>
	124,154	165,184
Inventory, end of year	<u>19,857</u>	<u>19,035</u>
	<u>104,297</u>	<u>146,149</u>
Net earnings	\$ <u>28,607</u>	\$ <u>18,967</u>

Niagara Central Dorothy Rungeling Airport Commission

Schedule 2 – Schedule of Tangible Capital Assets

Year ended December 31, 2025

	Land	Railways taxiways and aprons	Buildings	Machinery and equipment	Infrastructure	Office equipment	Website	2025	2024
Cost									
Beginning of year	\$ 1,048,950	\$ 2,032,944	\$ 1,165,153	\$ 362,061	\$ 310,605	\$ 10,075	\$ 7,875	\$ 4,937,663	\$ 4,873,749
Add: additions during the year	-	-	211,584	8,465	20,112	-	-	240,161	63,912
End of year	1,048,950	2,032,944	1,376,737	370,526	330,717	10,075	7,875	5,177,824	4,937,661
Accumulated amortization									
Beginning of year	-	2,012,177	510,026	173,386	152,893	6,777	7,575	2,862,834	2,742,648
Add: amortization for the year	-	11,276	43,819	27,699	16,659	1,523	300	101,276	120,187
End of year	-	2,023,453	553,845	201,085	169,552	8,300	7,875	2,964,110	2,862,835
Net book value of tangible capital assets	\$ 1,048,950	\$ 9,491	\$ 822,892	\$ 169,441	\$ 161,165	\$ 1,775	\$ -	\$ 2,213,714	\$ 2,074,826

Niagara Central Dorothy Rungeling Airport Commission

Schedule 2 – Schedule of Tangible Capital Assets

Year ended December 31, 2024

	Land	Railways taxiways and aprons	Buildings	Machinery and equipment	Infrastructure	Office equipment	Website	2024	2023
Cost									
Beginning of year	\$ 1,048,950	\$ 2,032,944	\$ 1,116,244	\$ 362,062	\$ 295,599	\$ 10,075	\$ 7,875	\$ 4,873,749	\$ 4,266,831
Add: additions during the year	-	-	48,905	-	15,007	-	-	63,912	606,918
End of year	<u>1,048,950</u>	<u>2,032,944</u>	<u>1,165,149</u>	<u>362,062</u>	<u>310,606</u>	<u>10,075</u>	<u>7,875</u>	<u>4,937,661</u>	<u>4,873,749</u>
Accumulated amortization									
Beginning of year	-	1,976,271	472,719	145,986	137,113	5,254	5,305	2,742,648	2,633,664
Add: amortization for the year	-	35,906	37,307	27,401	15,781	1,523	2,269	120,187	108,984
End of year	-	<u>2,012,177</u>	<u>510,026</u>	<u>173,387</u>	<u>152,894</u>	<u>6,777</u>	<u>7,574</u>	<u>2,862,835</u>	<u>2,742,648</u>
Net book value of tangible capital assets	<u>\$ 1,048,950</u>	<u>\$ 20,767</u>	<u>\$ 655,123</u>	<u>\$ 188,675</u>	<u>\$ 157,712</u>	<u>\$ 3,298</u>	<u>\$ 301</u>	<u>\$ 2,074,826</u>	<u>\$ 2,131,101</u>