YE2025

Annual Financial Report

City of Dryden

Unaudited Financials as at December 31, 2025

Kim Junko
Corporation of the City of Dryden
5/11/2026

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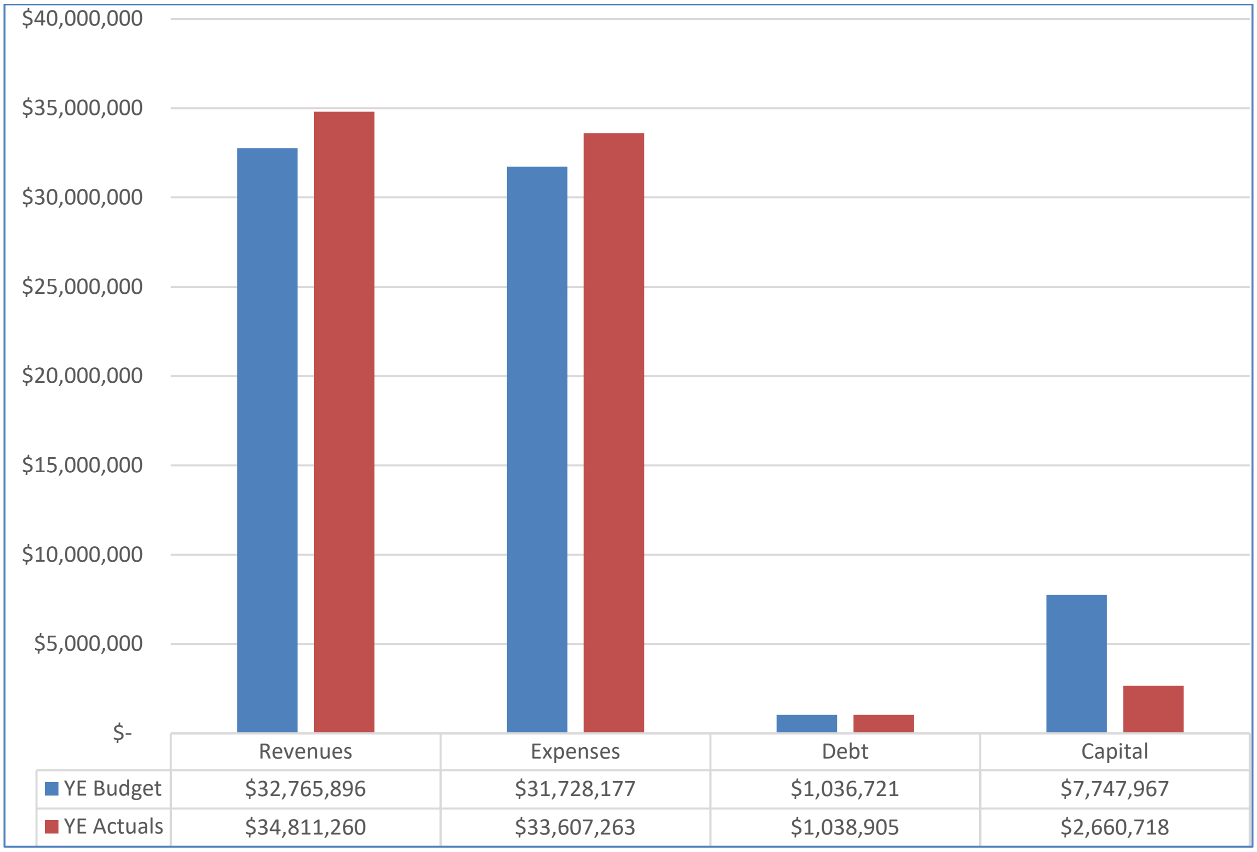
Corporate Summary



[1]

More detailed variance analysis is provided further along in this document.

- ***Revenues***: higher than expected
- ***Expenses***: higher than expected
- ***Debt***: on budget
- ***Capital spending***: lower than expected

- Financially immaterial
- Financially material (favourable)
- Financially material (unfavourable)

Operating Results Summaries

Revenues

	Budget	Actual	Variance
Operating Revenues	(32,764,896)	(34,811,260)	2,046,364
Tax Levy	(16,737,163)	(16,737,968)	805
Transfer from Reserves	(22,561)	(171,289)	148,728
OMPF	(2,530,400)	(2,530,400)	0
Grants/Donations	(142,072)	(1,131,455)	989,383
Water Sales/Revenue	(2,866,670)	(2,963,198)	96,528
Sewer Sales/Revenue	(2,843,435)	(2,958,122)	114,687
Other User Fees & Charges	(3,278,980)	(3,433,143)	154,163
Other Revenue	(3,265,015)	(3,828,826)	563,811
Fines	(1,078,600)	(1,056,859)	(21,741)

Total operating revenue budget for 2025 was **$32.76 million**, with year-end actual revenues of **$34.81 million**, resulting in a **favourable variance of $2.04 million**.

Grants/Donations are significantly above budget, primarily due to unbudgeted transfers related to OPP programs. The associated costs for these programs are reflected in higher **Contracted Services** expenses. In addition, Nuclear Waste Management Organization (NWMO) provided an unbudgeted grant of **$462k** to support costs related to agreement negotiations and participation in the Deep Geological Repository (DGR) licensing and impact mitigation process.

Other User Fees and Charges show a favourable variance of approximately **$154k**, mainly driven by increased memberships at the golf course and higher ice rental activity at the arena.

Other Revenue is approximately **$563k above budget** at year-end. This variance is largely attributable to **WSIB surplus distribution payments ($301k)**, **proceeds from the sale of land ($93k)**, **Municipal Accommodation Tax (MAT) revenue ($48k)**, and **commercial road work revenue ($43k)** exceeding budget expectations.

Expenses

	Budget	Actual	Variance
Operating Expenses	32,764,898	34,646,169	(1,881,271)
Salary, Wages & Benefits	10,432,365	10,158,728	273,637
External Grant Paid	3,377,256	3,344,986	32,270
Debt Servicing	1,036,721	1,038,905	(2,184)
Maintenance	596,615	700,597	(103,982)
Materials & Other	2,694,510	3,173,141	(478,630)
Utilities	1,653,250	1,620,636	32,615
Capital Out of Taxation	2,022,053	1,181,563	840,490
Transfer to Reserves	1,455,224	2,877,382	(1,422,158)
Contracted Services	8,659,174	9,700,362	(1,041,188)
Insurance	693,880	712,429	(18,549)
Travel/Training	143,850	137,440	6,410

Total operating expenses for 2025 were budgeted at **$32.76 million**, with year-end actual expenditures of **$34.64 million**, resulting in an **unfavourable variance of $1.88 million**.

Maintenance expenses exceeded budget primarily due to unanticipated building repairs, including approximately **$55k at the golf course** and **$25k at the fire hall**.

Materials and Other expenses were also higher than expected, driven mainly by **increased vehicle maintenance costs ($121k)**, **bad debt write-offs ($63k)**, **charitable tax rebates ($46k) (these are 2024 rebates recorded in 2025)**, and generally higher material input costs.

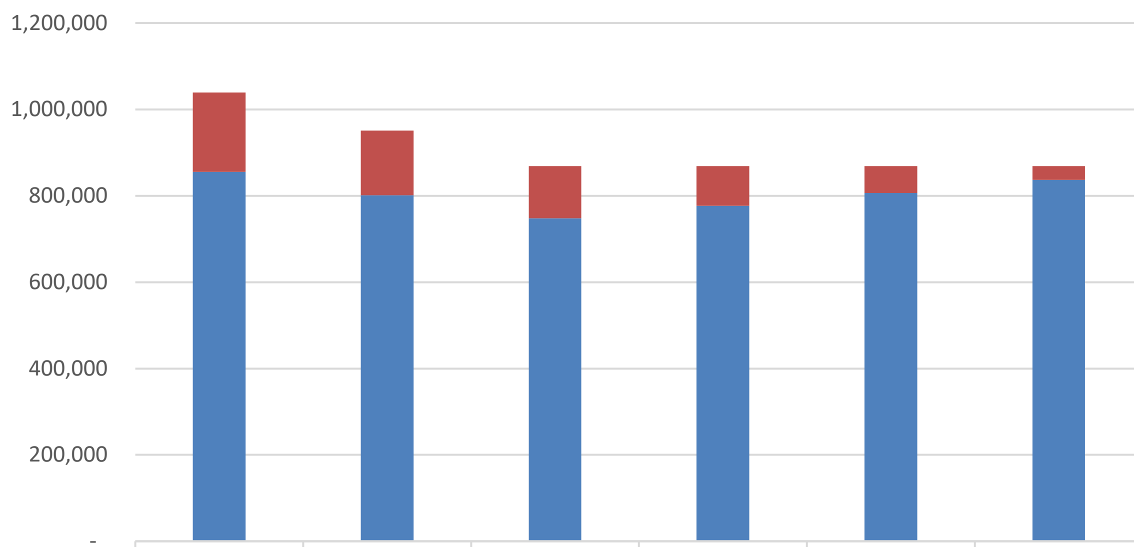
Capital funded from taxation was significantly below budget, reflecting a lower level of capital project completion in 2025. As a result, **transfers to reserves** were higher than anticipated, as unspent funds were redirected for future use.

Contracted Services is significantly higher due to increased **legal ($305k), recruitment ($115k)** and **consultant services ($350k).** OPP Grant expenses are included in the increase in contract services. This offsets the increase in Grant revenue.

Debt

Yearly Debenture Schedule

Going into 2025 fiscal year, the City's long-term debt stood at $4.82M with outstanding debt servicing charges (principal and interest) totaling $5.86M. In 2025, approximately $1.04M (2.9%) of city revenue was utilized to service debt. At the end of 2025, our debt now stands at $4.42M



	2025	2026	2027	2028	2029	2030
Interest Paid	183,479	149,442	121,005	92,433	62,769	31,973
Principal Paid	855,426	801,186	747,959	776,531	806,195	836,991

Capital Spending

All approved 2025 capital items are presented below:

Department Name	Project #	Project/Funding Source	Costs	Funding	Deferred (Costs)/Funding	2025 Budget	Variance	Notes
ADMINISTRATION	925003	Property Acquisition-400 Sandy Beach Rd	$537,601.12	$0.00		$600,000.00	($62,398.88)	
		Transfer from Reserve - Land Sale	$0.00	($268,800.56)		($300,000.00)	$31,199.44	
		Transfer from Reserve - Waterfront Dev	$0.00	($268,800.56)		($300,000.00)	$31,199.44	
ADMINISTRATION Total			$537,601.12	($537,601.12)		$0.00	$0.00	
AIRPORT	925014	Runway Regulator (spare)	$18,590.00	$0.00		$35,000.00	($16,410.00)	
		Transfer from Reserve - Airport	$0.00	($18,590.00)		($35,000.00)	$16,410.00	
	925015	Crack Sealing Equipment	$10,000.00	$0.00		$10,000.00	$0.00	
		Transfer from Reserve - Airport	$0.00	($10,000.00)		($10,000.00)	$0.00	
AIRPORT Total			$28,590.00	($28,590.00)		$0.00	$0.00	
ARENA	923018	Rec Mechanical Retrofit -ICIP phase 3	$19,600.00			$0.00	$19,600.00	Holdbacks
		Transfer from Working Fund		($19,600.00)		$0.00	($19,600.00)	
	923021	Arena Brine Pump #2 Replacement	$22,043.25		($22,043.25)	$44,186.00	($44,186.00)	Defer Costs to WIP
		NOHFC Funding - 7510241	$0.00	($16,532.44)	$16,532.44	($33,140.00)	$33,140.00	Claim for 2025
		Transfer from Reserve - Tax Supported Capital	$0.00	$0.00	$0.00	($11,046.00)	$11,046.00	
	924021	Heating Upgrades - looking at $10k Cost	$0.00	$0.00		$28,042.00	($28,042.00)	Deferred to 2026
		NOHFC Funding	$0.00	$0.00		($21,032.00)	$21,032.00	
		Transfer from Reserve - Tax Supported Capital	$0.00	$0.00		($7,010.00)	$7,010.00	
	925001	Dressing Room(IceDogs)Renovation	$0.00	$0.00		$225,000.00	($225,000.00)	Deferred to 2026
		Capital Funding - Grants	$0.00	$0.00		($225,000.00)	$225,000.00	
	925006	Arena Ice Plant Computer Controls	$2,100.00		($2,100.00)	$7,500.00	($7,500.00)	Defer Costs to WIP

Department Name	Project #	Project/Funding Source	Costs	Funding	Deferred (Costs)/Funding	2025 Budget	Variance	Notes
		Transfer from Working Fund	$0.00	$0.00		($7,500.00)	$7,500.00	
ARENA Total			$43,743.25	($36,132.44)	($7,610.81)	$0.00	$0.00	
DRYDEN FIRE SERVICES	900402	SCBA Replacement	$32,776.90	$0.00		$16,267.00	$16,509.90	
		Transfer from Working Fund	$0.00	($32,776.90)		($16,267.00)	($16,509.90)	
	900403	Bunker Gear	$34,532.65	$0.00		$34,000.00	$532.65	
		Transfer from Working Fund	$0.00	($34,532.65)		($34,000.00)	($532.65)	
	920001	Pumper	$70,842.00	$0.00		$70,848.00	($6.00)	
		Transfer from Working Fund	$0.00	($70,842.00)		($70,848.00)	$6.00	
	921009	Equipment Truck Replacement	$23,891.40	$0.00		$23,892.00	($0.60)	
		Transfer from Working Fund	$0.00	($23,891.40)		($23,892.00)	$0.60	
	925004	Bunker Gear Dryer - Project Cancelled	$0.00	$0.00		$0.00	$0.00	
		Provincial Grant Funding - Fire Protection Grant - Project Cancelled	$0.00	$0.00		$0.00	$0.00	
	925005	SCBA Fill Station	$22,162.33	$0.00		$25,000.00	($2,837.67)	
		Provincial Grant Funding - Fire Protection Grant	$0.00	($22,162.33)		($25,000.00)	$2,837.67	
DRYDEN FIRE SERVICES Total			$184,205.28	($184,205.28)		$0.00	$0.00	
FACILITIES MANAGEMENT	924001	Library/DMTS Roof	$221,596.25	$0.00		$112,000.00	$109,596.25	
		NOHFC Funding - 751260		($84,000.00)		($84,000.00)	$0.00	
		Transfer from Reserve - Land Sale		($28,000.00)		($28,000.00)	$0.00	
		Transfer from Working Fund		($109,596.25)		$0.00	($109,596.25)	
	924002	City Hall/Library HVAC	$31,201.65	$0.00		$190,000.00	($158,798.35)	
		Capital Funding - Grants - Enbridge		($10,000.00)		$0.00	($10,000.00)	
		NOHFC Funding - 751260		($6,567.75)		($48,655.00)	$42,087.25	
		Transfer from Reserve - Land Sale		($14,633.90)		($59,250.00)	$44,616.10	
		Transfer from Reserve - Tax Supported Capital	$0.00	$0.00		($82,095.00)	$82,095.00	
	925017	City Hall & Library Window Replacement	$26,245.23	$0.00		$30,000.00	($3,754.77)	
		Transfer from Working Fund	$0.00	($26,245.23)		($30,000.00)	$3,754.77	

Department Name	Project #	Project/Funding Source	Costs	Funding	Deferred (Costs)/Funding	2025 Budget	Variance	Notes
	925018	PW Building Canopy,Column & Mezz Repairs	$11,520.35			$30,000.00	($18,479.65)	
		Transfer from Working Fund	$0.00	($11,520.35)		($30,000.00)	$18,479.65	
FACILITIES MANAGEMENT Total			$290,563.48	($290,563.48)		$0.00	$0.00	
FLEET MANAGEMENT	922014	Tandem Dump Truck - Capital Lease	$55,749.24	$0.00		$55,752.00	($2.76)	
		Transfer from Working Fund	$0.00	($55,749.24)		($55,752.00)	$2.76	
	924015	Hook & Lift System	$54,667.25	$0.00		$87,744.00	($33,076.75)	
		Transfer from Working Fund	$0.00	($54,667.25)		($87,744.00)	$33,076.75	
	925009	Landfill Compactor Replcmnt-Lease - Moved to Operating	$0.00	$0.00		$40,050.00	($40,050.00)	
		Transfer from Working Fund	$0.00	$0.00		($40,050.00)	$40,050.00	
	925010	Multi-Purpose Tractor Replcmnt-Lease	$5,493.46	$0.00		$42,000.00	($29,217.42)	
		Transfer from Working Fund	$0.00	($5,493.46)		($42,000.00)	$29,217.42	
	925016	1Ton w/ Dump Body (Unit 501)Replcmnt	$104,962.39	$0.00		$95,000.00	$9,962.39	
		Transfer from Working Fund	$0.00	($104,962.39)		($95,000.00)	($9,962.39)	
	925024	Rec Centre Vehicle Replacement	$56,450.32	$0.00		$56,450.32	$0.00	
		Insurance Claim Funding		($11,498.90)		($11,498.00)	($0.90)	
		Transfer from Working Fund	$0.00	($44,951.42)		($42,000.00)	($2,951.42)	
FLEET MANAGEMENT Total			$277,322.66	($277,322.66)		$2,952.32	($2,952.32)	
GOLF COURSE	925012	Tow Behind Broadcast Spreader - No longer needed	$0.00	$0.00		$7,500.00	($7,500.00)	Cancelled for 2025
		Transfer from Working Fund	$0.00	$0.00		($7,500.00)	$7,500.00	
GOLF COURSE Total			$0.00	$0.00		$0.00	$0.00	
IT DEPT	900401	Desktop/Laptop/Printer Replace	$38,741.33	$0.00		$40,000.00	($1,258.67)	
		Transfer from Working Fund	$0.00	($38,741.33)		($40,000.00)	$1,258.67	
	925007	Video/CCTV Storage Appliance Replcmnt	$136,731.97	$0.00		$140,000.00	($3,268.03)	
		Transfer from Working Fund	$0.00	($136,731.97)		($140,000.00)	$3,268.03	
IT DEPT Total			$175,473.30	($175,473.30)		$0.00	$0.00	

Department Name	Project #	Project/Funding Source	Costs	Funding	Deferred (Costs)/Funding	2025 Budget	Variance	Notes
POOL & FITNESS CENTRE	900407	Fitness Equipment	$222.76		($222.76)	$25,000.00	($25,000.00)	Defer Costs to WIP
		Transfer from Working Fund	$0.00	$0.00		($25,000.00)	$25,000.00	
	924025	Main Pool Pump Replacement	$14,575.08	$0.00		$15,400.00	($824.92)	
		NOHFC Funding	$0.00	($9,065.83)		($11,550.00)	$2,484.17	
		Transfer from Reserve - Tax Supported Capital	$0.00	($3,850.00)		($3,850.00)	$0.00	
		Transfer from Working Fund - Overage	$0.00	($1,659.25)		$0.00	($1,659.25)	
POOL & FITNESS CENTRE Total			$14,797.84	($14,575.08)	($222.76)	$0.00	$0.00	
ROADS	900404	Capital Sidewalk and Curb Replacement	$122,218.50	$0.00		$195,000.00	($72,781.50)	
		OCIF - ON Community Infra Fund	$0.00	($122,218.50)		($195,000.00)	$72,781.50	
	900405	Streetlight Pole & Wiring Replacement	$49,443.15	$0.00		$40,000.00	$9,443.15	
		Transfer from Working Fund	$0.00	($49,443.15)		($40,000.00)	($9,443.15)	
	900409	Surface Treated Road Capital Rehab	$71,767.25	$0.00		$92,000.00	($20,232.75)	
		Federal Gas Tax Grant - CCBF		($483,915.86)	$412,148.61	($92,000.00)	$20,232.75	
	923010	Hot Mix Patching - Extended Meters	$183,053.33			$179,400.00	$3,653.33	
		Provincial Grant Funding - NORDS		($179,441.66)		($179,400.00)	($41.66)	
		Transfer from Working Fund		($3,611.67)		$0.00	($3,611.67)	
	925002	VanHorne Ext of Services Roads	$39,171.96		($39,171.96)	$214,748.00	($214,748.00)	Defer Costs to WIP
		Federal Gas Tax Grant - CCBF	$0.00			($107,374.00)	$107,374.00	
		Provincial Grant Funding - MTO Intake 10		($1,500,000.00)	$1,500,000.00	($107,374.00)	$107,374.00	Deferred Revenue
	925025	Duke St Casimir to Earl - Aboveground	$13,238.98		($13,238.98)	$0.00	$0.00	Defer Costs to WIP
		Transfer from Working Fund		$0.00		$0.00	$0.00	
ROADS Total			$478,893.17	($2,338,630.84)	$1,859,737.67	$0.00	($0.00)	
SANITARY SEWER	924017	STP - Heat Pumps	$23,644.21		($23,644.21)	$150,000.00	($150,000.00)	Defer Costs to WIP

Department Name	Project #	Project/Funding Source	Costs	Funding	Deferred (Costs)/Funding	2025 Budget	Variance	Notes
		Transfer from Working Fund	$0.00			($150,000.00)	$150,000.00	
	925019	STP-Heated Storage Facility Roof	$45,792.00			$50,000.00	($4,208.00)	
		Transfer from Working Fund	$0.00	($45,792.00)		($50,000.00)	$4,208.00	
SANITARY SEWER Total			$69,436.21	($45,792.00)	($23,644.21)	$0.00	$0.00	
STORM SEWER	900413	Storm Sewer Replacement	$215,499.56	$0.00		$252,800.00	($37,300.44)	
		OCIF - ON Community Infra Fund	$0.00	($215,499.56)		($252,800.00)	$37,300.44	
	900416	Storm Sewer Lining - Cancelled	$0.00	$0.00		$130,000.00	$0.00	Cancelled for 2025
		Transfer from Working Fund - Cancelled	$0.00	$0.00		($130,000.00)	$0.00	Cancelled for 2025
STORM SEWER Total			$215,499.56	($215,499.56)		$0.00	$0.00	
WATERWORKS	922024	Valve Install & Replace	$139,153.09	$0.00		$150,000.00	($10,846.91)	
		Transfer from Working Fund	$0.00	($139,153.09)		($150,000.00)	$10,846.91	
	925001	VanHorne Ext of Services W&WW	$99,587.09		($99,587.09)	$3,493,840.00	($3,493,840.00)	Defer Costs to WIP
		Transfer from Working Fund	$0.00	$0.00		($943,337.00)	$943,337.00	
		Provincial Grant Funding - HEWSF ($750,148.00)		($1,287,019.75)	$1,287,019.75	($2,550,503.00)	$2,550,503.00	Deferred Revenue
		Provincial Grant Funding - Roads HECS ($536,871.75)						
	925020	WTP-Overload Relay	$74,022.02	$0.00		$65,000.00	$9,022.02	
		Transfer from Working Fund	$0.00	($74,022.02)		($65,000.00)	($9,022.02)	
	925021	WTP-Generator Control Panel - Increase of $15k in budget	$0.00	$0.00		$105,330.00	($105,330.00)	Deferred to 2026
		Transfer from Working Fund	$0.00	$0.00		($105,330.00)	$105,330.00	
	925022	Watermain Re-Route Duke & Kirkpatrick - part of Duke Street Project	$1,505.83		($1,505.83)	$80,000.00	($80,000.00)	Defer Costs to WIP
		Transfer from Working Fund	$0.00			($80,000.00)	$80,000.00	
	925023	Watermain Upgrade-St.Charles St.	$30,324.49		($30,324.49)	$500,000.00	($500,000.00)	Defer Costs to WIP

Department Name	Project #	Project/Funding Source	Costs	Funding	Deferred (Costs)/Funding	2025 Budget	Variance	Notes
		Transfer from Working Fund	$0.00	$0.00		($500,000.00)	$500,000.00	
WATERWORKS Total			$344,592.52	($1,500,194.86)	$1,155,602.34	$0.00	$0.00	
Grand Total			**$ 2,660,718.39**	**($5,644,580.62)**	**$ 2,983,862.23**	**$ 2,952.32**	**-$ 2,952.32**	

The 2025 Capital program called for $2.05M in City Funding for Capital, with $1.18M utilized, resulting in an $870k underspend.

The following capital projects were deferred (partially or fully) into 2026:

Arena:

1. Project 923021 – Arena Brine Pump #3 Replacement
   a. Could not be done until the ice is out
2. Project 924021 – Heating Upgrades
3. Project 925001 – Dressing Room (IceDogs) Renovation
   a. Waiting for funding approval
4. Project 925006 – Arena Ice Plant Computer Controls

Pool & Fitness Centre:

1. Project 900407 – Fitness Equipment
   a. Ordered in December 2025

Sanitary Sewer:

1. Project 924017 – STP Heat Pumps

Waterworks:

1. Project 925021 - WTP – Generator Control Panel
2. Project 925022 – Watermain Re-route Duke & Kirkpatrick
3. Project 925023 – Watermain Upgrade – St. Charles Street (Deferred to 2027)

Reserves & Reserve Funds

Reserves	Opening Balance	2025 Additions	2025 Draws	Interest Earned	YE Balance	Notes
Election	27,515			1,238	28,753	
Museum	85,325			3,838	89,164	
Aaron Park	31,272	44,582		1,407	77,261	2
Emergency Capital	290,019	599,367		13,047	902,432	15,18
Airport	58,758		(46,868)	2,643	14,533	8,9,14
General Operating	323,801	238,545		14,567	576,912	1,17
Total	**816,689**	**882,494**	**(46,868)**	**36,740**	**1,689,055**	

Reserve Fund	Opening Balance	2025 Additions	2025 Draws	Interest Earned*	YE Balance	Notes
Legacy	4,254			273	4,526	
Provincial Gas Tax	217,303			5,159	222,462	
DFS Equipment	65,746	10,228		1,561	77,535	5
Land Sales	699,240	96,093	(311,434)	16,600	500,498	20,3,6,21
Tax Supported Capital (aka General Capital Reserve)	953,808	742,734	(3,850)	22,643	1,715,335	7,19,10
Waterfront Dev.	781,062	311,772	(268,801)	18,542	842,575	11,4
Sewer/Wastewater	209,733	444,625		4,979	659,337	12
Waterworks	1,222,266	983,731	-	29,016	2,235,013	13
Community Well-Being	238,525	-	(153,011)	5,663	91,177	16
Total	4,391,938	2,589,182	(737,096)	104,435	6,348,458	
Grand Total	**5,208,627**	**3,471,676**	**(783,964)**	**141,174**	**8,037,513**	

Note #	
1	$54,678.22 Allocation to reserve from Waste Management Dept 4471
2	$19,581.73 operating surplus allocation Actual + $25,000 Funding for Playground Reserve
3	$268,800.56 Draw from Land Sale reserve - Sandy Beach Golf Course
4	$268,800.56 Draw from Waterfront Dev reserve - Sandy Beach Golf Course
5	$10,228 allocation based on Fire Marque revenue
6	$28,000 Draw from Land Sale Reserve - Library/Former DMTS Building Roof
7	$375,000 allocation related to Domtar Tax Agreement Value Add $s (Budgeted)
8	$18,590 Draw from RATI for Runway Regulator (Spare) - Capital
9	$10,000 Draw from RATI for Crack Sealing Equipment - Capital
10	$3,850 Draw from Tax Supported Capital - Main Pool Pump Replacement
11	$311,771.52 MAT revenue allocation
12	$444,625.22 Sewer/Wastewater Operating Surplus
13	$983,730.59 WW Surplus
14	$18,278.03 Draw from RATI to balance budget to zero - Actual Deficit
15	$415,500 OPP Facility Renovations - No longer accruing expense
16	$153,011 Draw from Community Well Being Reserve for Golf Course Design - late invoice from 2024
17	$183,866.94 - Prior Year (2024) Surplus
18	$183,866.94 - Prior Year (2024) Surplus
19	$367,733.88 - Prior Year (2024) Surplus
20	$96,092.57 - Land Sales
21	$14,633.90 - Draw from Land Sale Reserve City Hall HVAC

Reserve Fund Targets

As per the City's Reserves and Reserve Funds Policy, there are four established targeted funding levels.

1. Total Discretionary Reserve Funds (excluding Waterworks and Sanitary/Wastewater) target of 50% of Property Tax Revenue.
    - For 2025, the target equates to ~$8.37M
    - For 2025, the actual YE Total Discretionary Reserve Funds total is $5.14M, a $3.23M shortfall from target.

2. Waterworks Reserve Fund target of 100% of Waterworks Own Source Revenue. For 2025, the target equates to $2.96M
    - For 2025, the actual YE Waterworks Reserve Fund total is $2.2M, a $728k shortfall from target.

3. Sanitary/Wastewater Reserve Fund target of 50% of Sanitary/Wastewater Own Source Revenue.
    - For 2025, the target equates to $1.48M
    - For 2025, the actual YE Sanitary/Wastewater Reserve Fund total is $659k, a $821k shortfall from target.

4. General Operating Reserve target of 2 Months Payroll Expenditures.
    - For 2025, the target equates to $1.7M
    - For 2025, the actual YE General Operating Reserve total is $576k, a $1.12M shortfall from target.

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