

# **Consolidated Financial Statements and Treasurer's Report for the year ended December 31, 2024**

Prepared by Finance, Office of the Chief Administrative Officer  
Guelph, Ontario

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## Executive Summary

The City of Guelph received a clean (unqualified) audit opinion on its 2024 consolidated financial statements, reaffirming compliance with the Municipal Act and adherence to sound fiscal management practices. This annual audit supports transparency and accountability to residents and allows the City to monitor and benchmark against the City's Long-term Financial Framework, grounded in the principles of Sustainability, Vulnerability, and Flexibility.

The 2024 statements reflect a stable yet evolving financial position. While the City's net financial assets increased modestly by \$359 thousand—compared to a \$1.5 million increase in 2023—tangible capital assets grew significantly, with additions increasing by \$59.5 million. This shift from financial assets (cash and investments) to capital infrastructure aligns with strategic investment in the capital plan and progress led by three major capital facility projects: the Baker District library and parkade, South End Community Centre, and FM Woods Station upgrade.

The Statement of Operations shows strong revenue growth, with development charges, taxation, and provincial funding contributing to a \$101.3 million year-over-year increase in total revenues. A large portion of this increase is driven by revenue recognition associated with the increased capital spending. Operating expenditures also rose by \$46.5 million, resulting in a \$106.7 million annual surplus.

In 2024, the City implemented two new public sector accounting standards and one new accounting guideline:

**PS 3400 (Revenue):** Introduced new guidance on recognizing performance-based vs. non-performance-based revenues, resulting in an additional \$1.7 million in recognized revenue.

**PS 3160 (Public Private Partnerships):** This standard provides infrastructure accounting guidance and was assessed to have no impact on the City's 2024 financials.

**PSG-8 (Purchased Intangibles):** Allowed for intangible asset recognition, though the City recorded no such assets in 2024.

Further analysis of assets, liabilities, revenues, and expenses is available in the Financial Statement Discussion and Analysis section.

# **Message from the General Manager, Finance and City Treasurer**

## **2024: A Year of Progress, Challenges, and Change**

2024 was a year marked by significant progress, challenges, and change for the City of Guelph. The consolidated financial statements provide a year-over-year view of the City's overall financial results and a snapshot of its financial position at the end of 2024.

The City continued to benefit from an enhanced ability to implement capital projects, thanks to the capital program resourcing strategy. Three major growth and renewal facility projects moved into the construction phase in 2024: the South End Community Centre and Baker District Library and Parkade, which are on track to open in late 2026, and upgrades to the FM Woods Water Treatment and Booster Pumping Station that will enable renewal of critical water assets. The York Road reconstruction between Stevenson Street and Victoria Road reached substantial completion in 2024, and the Next Generation 911 systems implementation progressed toward scheduled completion in 2025. The Elliott Community completed renovations to open 29 new long-term care beds with a financial contribution and loan financing from the City. Capital additions far outpaced amortization expense, driving a net increase in tangible capital assets of over \$106 million for the year.

The Guelph Greener Homes program saw excellent uptake, with a growing balance of loans receivable for residential energy efficiency upgrades and the second tranche of loan financing received from the Federation of Canadian Municipalities (FCM). Beyond this interest free loan, no new debt was issued in 2024. Higher-than-normal interest rates boosted the City's investment income, helping to phase in increased social housing and homelessness costs and improving year-end balances in the reserve funds. The final commitments under the Heritage Redevelopment Tax Increment Based Grant program were converted to liabilities in 2024, driving an increase in the planning and development expense category.

In 2024, the City faced financial pressure in three key areas: increased homelessness driving up social housing costs; development charge exemptions and discounts consuming capital funding capacity and exceeding collections; and increased emergency services costs for police, fire, and paramedic services.

These trends are expected to continue, testing the limits of our long-term financial framework. Extensive use of the City's contingency reserves to phase in impacts through the multi-year budget has decreased our capacity to respond to unexpected events, and rebuilding them must be a priority. Diverting capital funds from renewal to growth has increased the estimated number of years to achieve sustainable infrastructure renewal funding. Slower building activity resulted in lower development charge collections, necessitating capital project deferrals for 2026 and future years. While this impact has been partially offset by numerous capital grant

programs from upper levels of government, a substantial gap remains and a shift away from competitive, one-time grant programs to long-term stable and predictable grant funding that can be proactively factored into plans and forecasts is crucial.

2024 was also a year of change, being the first year of the Future Guelph Strategic Plan and the multi-year budget developed to implement it. The City's administrative leadership changed in 2024 with the retirement of Scott Stewart and the appointment of Tara Baker as Chief Administrative Officer.

Looking ahead to 2025, while new challenges continue to emerge, I remain optimistic about Guelph's future. The continued progress toward connecting strategy and budget and the development of a budget prioritization framework has enabled staff to provide critical information to Council as they seek to make financial decisions that balance meeting these challenges with progress for our community.

*Shanna O'Dwyer*

Shanna O'Dwyer, CPA, CA, MA

General Manager, Finance – City Treasurer and Chief Financial Officer

# **Introductory Information**

## **Mayor and Council**

More information about City Council can be found on the City's website at <https://guelph.ca/city-hall/mayor-and-council/city-council/>.

### **Mayor**

Cam Guthrie, [mayor@guelph.ca](mailto:mayor@guelph.ca)

### **Council**

Dan Gibson, Ward 1, [dan.gibson@guelph.ca](mailto:dan.gibson@guelph.ca)

Erin Caton, Ward 1, [erin.caton@guelph.ca](mailto:erin.caton@guelph.ca)

Rodrigo Goller, Ward 2, [rodrigo.goller@guelph.ca](mailto:rodrigo.goller@guelph.ca)

Carly Klassen, Ward 2, [carly.klassen@guelph.ca](mailto:carly.klassen@guelph.ca)

Phil Allt, Ward 3, [phil.allt@guelph.ca](mailto:phil.allt@guelph.ca)

Michele Richardson, Ward 3, [michele.richardson@guelph.ca](mailto:michele.richardson@guelph.ca)

Christine Billings, Ward 4, [christine.billings@guelph.ca](mailto:christine.billings@guelph.ca)

Linda Busuttil, Ward 4, [linda.busuttil@guelph.ca](mailto:linda.busuttil@guelph.ca)

Leanne Caron, Ward 5, [leanne.caron@guelph.ca](mailto:leanne.caron@guelph.ca)

Cathy Downer, Ward 5, [cathy.downer@guelph.ca](mailto:cathy.downer@guelph.ca)

Ken Yee Chew, Ward 6, [ken.chew@guelph.ca](mailto:ken.chew@guelph.ca)

Dominique O'Rourke, Ward 6 (seat declared vacant May 2025)

## **Senior Leadership Team**

Please visit <https://guelph.ca/city-hall/contact-us/organizational-contacts/> for an up-to-date organizational chart. Guelph's senior leadership team is comprised of the following positions and staff:

### **Office of the Chief Administrative Officer**

Tara Baker, Chief Administrative Officer

519-822-1260 extension 2221

[cao@guelph.ca](mailto:cao@guelph.ca)

### **Finance**

Shanna O'Dwyer, General Manager / City Treasurer and Chief Financial Officer

519-822-1260 extension 2300

[shanna.odywer@guelph.ca](mailto:shanna.odywer@guelph.ca)

### **Strategic Initiatives and Intergovernmental Services**

Jodie Sales, General Manager

519-822-1260 extension 3617

[jodie.sales@guelph.ca](mailto:jodie.sales@guelph.ca)

### **Corporate Services**

Gene Matthews, Acting Deputy Chief Administrative Officer, Corporate Services

519-822-1260 extension 2281

[gene.matthews@guelph.ca](mailto:gene.matthews@guelph.ca)

### **City Clerk's Office**

Stephen O'Brien, General Manager / City Clerk

519-822-1260 extension 5644

[stephen.obrien@guelph.ca](mailto:stephen.obrien@guelph.ca)

### **Human Resources**

Andy Ip, General Manager

519-822-1260 extension 2848

[andy.ip@guelph.ca](mailto:andy.ip@guelph.ca)

### **Information Technology**

Adam Fischer, General Manager

519-822-1260 extension 2627

[adam.fischer@guelph.ca](mailto:adam.fischer@guelph.ca)

### **Internal Audit**

Robert Jelacic, General Manager

519-822-1260 extension 3498

[robert.jelacic@guelph.ca](mailto:robert.jelacic@guelph.ca)

### **Legal and Court Services**

Jennifer Charles, General Manager / City Solicitor

519-822-1260 extension 2452

[jennifer.charles@guelph.ca](mailto:jennifer.charles@guelph.ca)

### **Strategic Communications and Community Engagement**

Suzanne Vukosavljevic, General Manager

519-822-1260 extension 2610

[suzanne.vukosavljevic@guelph.ca](mailto:suzanne.vukosavljevic@guelph.ca)

## **Infrastructure, Development and Environment**

Jayne Holmes, Deputy Chief Administrative Officer, Infrastructure, Development and Environment Services

519-822-1260 extension 2248

[jayne.holmes@guelph.ca](mailto:jayne.holmes@guelph.ca)

## **Economic Development and Tourism**

James Goodram, General Manager

519-822-1260 extension 3567

[james.goodram@guelph.ca](mailto:james.goodram@guelph.ca)

## **Engineering and Transportation Services**

Terry Gayman, General Manager

519-822-1260 extension 2369

[terry.gayman@guelph.ca](mailto:terry.gayman@guelph.ca)

## **Environmental Services**

Nectar Tampacopoulos, General Manager

519-822-1260 extension 3599

[nectar.tampacopoulos@guelph.ca](mailto:nectar.tampacopoulos@guelph.ca)

## **Facilities and Energy Management**

Antti Vilkkö, General Manager

519-822-1260 extension 2490

[antti.vilkkö@guelph.ca](mailto:antti.vilkkö@guelph.ca)

## **Planning and Building Services**

Krista Walkey, General Manager

519-822-1260 extension 2395

[krista.walkey@guelph.ca](mailto:krista.walkey@guelph.ca)

## **Public Services**

Colleen Clack-Bush, Deputy Chief Administrative Officer, Public Services

519-822-1260 extension 2588

[colleen.clack-bush@guelph.ca](mailto:colleen.clack-bush@guelph.ca)



## **Culture and Recreation**

Danna Evans, General Manager

519-837-5662 extension 2621

[danna.evans@guelph.ca](mailto:danna.evans@guelph.ca)

## **Fire Services**

Brian Arnold, General Manager / Fire Chief

519-822-1260 extension 2127

[brian.arnold@guelph.ca](mailto:brian.arnold@guelph.ca)

## **Guelph Transit**

Glenn Marcus, Acting General Manager

519-822-1260 extension 3450

[glenn.marcus@guelph.ca](mailto:glenn.marcus@guelph.ca)

## **Guelph-Wellington Paramedic Services**

Stephen Dewar, General Manager / Paramedic Chief

519-822-1260 extension 2805

[stephen.dewar@guelph.ca](mailto:stephen.dewar@guelph.ca)

## **Operations**

Doug Godfrey, General Manager

519-822-1260 extension 2520

[doug.godfrey@guelph.ca](mailto:doug.godfrey@guelph.ca)

## **Parks**

Mallory Lemon, Acting General Manager

519-822-1260 extension 3560

[mallory.lemon@guelph.ca](mailto:mallory.lemon@guelph.ca)

## **About the City of Guelph**

Information about the City of Guelph can be found on the [City's website](#), and in the Guelph [Community Profile](#) published in 2023.

## **Legislative authority**

The Municipal Act requires the City to engage an independent auditor to express an opinion as to whether the Consolidated Financial Statements present fairly, in all material respects, the City's financial position and results from operations and cash flows in accordance with Public Sector Accounting Standards (PSAS). The City's

independent auditors, KPMG LLP, have issued an unqualified Auditor's Report on the financial statements attached to this report.

City Council annually reviews and approves the Consolidated Financial Statements as required under the Municipal Act, 2001. Council review and approval of the Consolidated Financial Statements and review of the Audit Findings Report satisfy the following Audit Committee responsibilities:

- Understand the scope of the external auditor's review of internal financial control over financial reporting and obtain reports on significant findings and recommendations, together with management's responses and the timing of the disposition of significant findings.
- After consultation with the Treasurer and the external auditors, gain reasonable assurance, at least annually, of the quality and sufficiency of the City's accounting, financial personnel, and other resources.
- Review with staff and the external auditors the results of the audit, including any difficulties encountered, and all other matters required to be communicated to the Committee under generally accepted auditing standards.
- If required, at the conclusion of the audit, consult with the external auditors, without the presence of staff, about internal financial controls, compliance, and the completeness and accuracy of the City's Consolidated Financial Statements.
- Ensure the timely presentation of the external auditor's annual audit report to Council.
- Review significant accounting and reporting issues in terms of their impact on the Financial Statements, including complex or unusual transactions, areas high in subjectivity, and recent professional and regulatory pronouncements.
- Review the Financial Statements and consider whether they are complete, consistent with information known to Council, and reflect appropriate accounting principles.
- Approval and distribution of the annual Consolidated Financial Statements.

## **Reporting entity and services**

The Consolidated Financial Statements include all organizations that are owned or controlled by the City. There are three different consolidation methods used, depending on the nature of the organization and its relationship with the City.

The following entities are consolidated in the City's Consolidated Financial Statements:

- [The Elliott Community \(The Elliott\)](#) – fully consolidated
- [Downtown Guelph Business Association \(DGBA\)](#) – fully consolidated
- [Wellington-Dufferin-Guelph Public Health \(Public Health\)](#) – proportionately consolidated (46.7 per cent)
- [Guelph Municipal Holdings Inc. \(GMHI\)](#) – modified equity basis
- [Guelph Junction Railway](#) – modified equity basis
- [Guelph Police Services Board \(Police Board\)](#) – fully consolidated
- [Guelph Public Library Board \(Library Board\)](#) – fully consolidated

Fully consolidated means that the full financial statements of those entities have been combined into the City's statements.

Proportionately consolidated means that only the City's share of Public Health's financial statements have been included in the City's statements.

All inter-organizational transactions have been eliminated between the City and the fully consolidated and proportionately consolidated entities.

Modified equity basis means that the carrying value of the net assets of the investee are shown on the face of the City's Statement of Financial Position as an investment, and any gain or loss in carrying value is shown on the Statement of Operations as government business enterprises earnings. There are no inter-organizational transaction eliminations.

The City of Guelph has many planning documents ranging from the [Community Plan](#), [Strategic Plan](#), [Official Plan](#), [Master Plans and other plans and strategies](#) for several service areas that can be found on the [City's website](#).

## **Financial management and control**

The financial management and control of the City of Guelph is largely governed through by-laws and policies that make up the City's [Long-term Financial Framework](#), including the [Budget Policy](#), [General Reserve and Reserve Fund Policy](#), [Debt Management Policy](#), [Procurement By-law](#), [Investment Policy](#), [Revenue Budgeting Policy](#) and [Asset Management Policy](#).

The City's credit rating is assessed annually by S&P, and the [report](#) is published annually on the City's website. In 2024, the City maintained its AAA credit rating for the third straight year reflecting its strong financial management. However, like many municipalities, the City is closely monitoring evolving economic conditions and fiscal pressures that may influence future assessments.

The City has received the Distinguished Budget Presentation Award from the Government Financial Officers Association of the United States and Canada. The most recent award won is for the multi-year, four-year budget for 2024 - 2027.

## **Performance measurement and benchmarking**

Benchmarking assists in establishing baselines, defining best practices, and identifying improvement opportunities. By comparing the City's experience with that of other municipalities, decision makers can monitor selected indicators over time and evaluate and prioritize improvement opportunities.

The City of Guelph participates in an annual comparative study conducted by BMA Management Consulting Inc. on behalf of 126 Ontario municipalities which brings together a group of indicators to give an overall snapshot for each municipality. The [2024 BMA](#) report can be found on the City's website.

## **Management's responsibility for the financial statements**

The management of The Corporation of the City of Guelph have prepared the Consolidated Financial Statements and are responsible for their accuracy and integrity. The financial statements have been prepared by management in accordance with the accounting principles generally accepted for the public sector as prescribed by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants Canada.

The City's budget is prepared on a modified accrual basis and is intended to serve as a rate revenue setting document, the means to calculate the tax levy, and a spending control tool. Non-cash expenses such as amortization are not included in the budget. The City's [2024 budget](#) can be found on the City website.

By contrast, the Consolidated Financial Statements are prepared in accordance with Public Sector Accounting Standards (PSAS). Annually, City staff prepare a PSAS adjusted budget to present in the Statement of Operations and Accumulated Surplus to enable a better comparison of budgeted to actual results on a PSAS basis; however, this process involves estimates and assumptions, and the timing of Council approval of significant, multi-year capital projects compared with the timing of execution of those projects can result in a PSAS adjusted budget that still looks very different from the actual figures reported.

Staff provide a report describing the PSAS budget adjustments along with the budget for Council's approval annually. This is a requirement of Ontario Regulation 284/09. Details about the PSAS adjusted budget for 2024 are found in [Report 2024-490 – Budget Impacts per Ontario Regulations 284/09 and Budget – Public Sector Accounting Standards Reconciliation 2024](#).

# Financial Information

## Summary

The City of Guelph's 2024 consolidated financial statements received an unqualified (clean) audit opinion from KPMG LLP, confirming compliance with Canadian public sector accounting standards and the Municipal Act. These audited statements present the City's full financial position as of December 31, 2024, and include:

**Statement of Financial Position:** Net financial assets of \$257.7 million and an accumulated surplus of \$1.60 billion reflect continued financial strength.

**Statement of Operations:** The City posted an annual surplus of \$106.7 million, with revenues of \$698.4 million exceeding expenses of \$591.7 million. Growth in taxation, recognition of development charge revenue associated with capital investment, and increased grant revenue contributed to this performance.

**Statement of Change in Net Financial Assets:** A modest year-over-year increase shows the City's conversion of financial resources into infrastructure.

**Statement of Cash Flows:** Demonstrates the use of cash to support capital investment and service delivery, and reduce outstanding debt.

Additional notes and schedules cover reserves, debt, employee benefits, tangible capital assets, and accounting policy. These financial statements are an important component of the City's fiscal transparency and are essential to understanding the overall financial picture for the City in 2024. They are also required for legislative compliance, the annual credit rating review, and long-term financial planning.

## Consolidated Financial Statements

The consolidated financial statements and auditor's report are presented in their entirety in the following pages.

Consolidated Financial Statements

# **City of Guelph**

December 31, 2024

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# City of Guelph

December 31, 2024

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## INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of Council, Inhabitants and Ratepayers of the City of Guelph

### ***Opinion***

We have audited the consolidated financial statements of the City of Guelph (the Entity), which comprise:

- the consolidated statement of the financial position as at December 31, 2024
- the consolidated statement of operations for the year then ended
- the consolidated statement of change in net financial assets 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, 2024, and its consolidated results of operations, its changes in consolidated 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.



### ***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.

Chartered Professional Accountants, Licensed Public Accountants

Kitchener, Canada

June 24, 2025

# City of Guelph

## Consolidated statement of financial position as at December 31, 2024 (\$'000's)

	2024	2023
	\$	\$
<b>Financial assets</b>		
Cash	60,948	75,670
Investments (Note 4)	532,338	529,797
Taxes receivable	12,399	8,344
Accounts receivable	56,900	42,920
Loans and notes receivable	3,144	-
Investment in Guelph Junction Railway Limited (Note 5)	17,758	15,406
Investment in Guelph Municipal Holdings Inc. (Note 6)	95,242	92,151
	<b>778,729</b>	764,288
<b>Liabilities</b>		
Accounts payable and accrued liabilities	75,310	48,830
Accrued interest payable	854	911
Vacation and other employee benefits payable	9,326	9,286
Developer agreement deferred revenue	1,826	1,620
Loans and notes payable	-	284
Other deferred revenue	25,438	24,669
Deferred contributions (Note 8)	183,322	201,190
Employee future benefits (Note 10)	66,832	62,821
Debt (Note 11)	107,370	114,665
Obligation under capital lease (Note 12)	1,229	1,416
Other long-term liabilities (Note 13)	15,271	4,659
Liability for contaminated sites (Note 19)	24,446	26,370
Asset retirement obligation liability (Note 15)	9,777	10,198
	<b>521,001</b>	506,919
<b>Net financial assets</b>	<b>257,728</b>	257,369
<b>Non-financial assets</b>		
Tangible capital assets (Note 14)	1,368,454	1,261,822
Inventory	2,949	2,900
Prepaid expenses	4,940	5,245
	<b>1,376,343</b>	1,269,967
Contingencies (Note 20)		
Commitments and guarantees (Note 22)		
<b>Accumulated surplus (Note 16)</b>	<b>1,634,071</b>	1,527,336

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

# City of Guelph

## Consolidated statement of operations and accumulated surplus year ended December 31, 2024 (\$000's)

	2024 Budget (Note 24)	2024 Actual	2023
	\$	\$	\$
<b>Revenues</b>			
Taxation			
Property taxation (Note 3)	329,535	331,394	302,175
Penalties and interest on taxes	1,360	1,777	1,510
	<b>330,895</b>	<b>333,171</b>	303,685
User charges	125,186	137,441	129,729
Contributed subdivision assets	1,346	1,757	1,965
Contributions			
Government of Canada	22,672	10,914	17,774
Province of Ontario	106,923	102,040	86,312
Municipal	12,940	8,879	5,981
Developers	62,408	52,729	8,167
Other contributions	117	922	1,393
Other revenue (Note 7)	36,653	50,558	42,060
Total revenues	<b>699,140</b>	<b>698,411</b>	597,066
<b>Expenses</b>			
General government	53,422	49,610	48,214
Protection services	117,187	122,084	113,833
Transportation services	94,894	87,852	84,055
Environmental services	99,718	90,483	94,959
Health services	50,794	50,612	48,123
Social and family services	74,239	71,071	60,498
Social housing	31,727	35,714	27,372
Recreation and cultural services	60,973	62,433	59,045
Planning and development	11,304	21,817	9,085
Total expenses	<b>594,258</b>	<b>591,676</b>	545,184
Excess of revenues over expenses for the year	<b>104,882</b>	<b>106,735</b>	51,882
Accumulated surplus- beginning of year	<b>1,527,336</b>	<b>1,527,336</b>	1,475,454
<b>Accumulated surplus, end of year</b>	<b>1,632,218</b>	<b>1,634,071</b>	1,527,336

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

# City of Guelph

## Consolidated statement of change in net financial assets year ended December 31, 2024 (\$000's)

	2024 Budget (Note 24)	2024 Actual	2023
	\$	\$	\$
<b>Excess of revenues over expenses for the year</b>	<b>104,882</b>	<b>106,735</b>	51,882
Amortization of tangible capital assets	<b>57,393</b>	<b>60,810</b>	57,529
Acquisition of tangible capital assets	-	<b>(166,131)</b>	(106,436)
Contributed subdivision assets	<b>(1,346)</b>	<b>(1,757)</b>	(1,965)
Gain on disposal of tangible capital assets	-	<b>(195)</b>	(422)
Proceeds from disposal of tangible capital assets	-	<b>641</b>	751
Change in inventory and prepaid expenses	-	<b>256</b>	169
Increase in net financial assets for the year	<b>160,929</b>	<b>359</b>	1,508
Net financial assets, beginning of year	<b>257,369</b>	<b>257,369</b>	255,861
<b>Net financial assets, end of year</b>	<b>418,298</b>	<b>257,728</b>	257,369

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

# City of Guelph

## Consolidated statement of cash flows year ended December 31, 2024 (\$000's)

	2024	2023
	\$	\$
<b>Operating activities</b>		
Excess of revenues over expenses for the year	<b>106,735</b>	51,882
Items not affecting cash:		
Amortization of tangible capital assets	<b>60,810</b>	57,529
Gain on disposal of tangible capital assets	<b>(195)</b>	(422)
Contributed subdivision assets	<b>(1,757)</b>	(1,965)
Government business enterprise earnings	<b>(9,403)</b>	(7,982)
Employee future benefits	<b>4,011</b>	5,512
Asset retirement obligations cost	<b>(421)</b>	2,566
Contaminated sites (recovery) cost	<b>(1,924)</b>	(1,780)
Changes in non-cash working capital:		
Taxes receivable	<b>(4,055)</b>	(2,232)
Accounts receivable	<b>(13,980)</b>	(6,821)
Developer agreement deferred revenue	<b>206</b>	(853)
Inventory and prepaid expenses	<b>256</b>	169
Accounts payable and accrued liabilities	<b>26,480</b>	317
Accrued interest payable	<b>(57)</b>	(70)
Vacation and other employee benefits payable	<b>40</b>	277
Other deferred revenue	<b>769</b>	562
Other long-term liabilities	<b>10,612</b>	(3,043)
Net change in deferred contributions	<b>(17,868)</b>	35,513
Cash provided by operating activities	<b>160,259</b>	129,159
<b>Capital activities</b>		
Acquisition of tangible capital assets	<b>(166,131)</b>	(106,436)
Proceeds from disposal of tangible capital assets	<b>641</b>	751
Cash used by capital activities	<b>(165,490)</b>	(105,685)
<b>Investing activities</b>		
Dividend from Guelph Municipal Holdings Inc. (Note 6)	<b>3,750</b>	3,800
Dividend from Guelph Junction Railway Limited (Note 5)	<b>210</b>	164
Change in loans and notes receivable	<b>(3,428)</b>	(473)
Net investment acquisitions	<b>(2,541)</b>	7,044
Cash used by investing activities	<b>(2,009)</b>	10,535

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

# City of Guelph

Consolidated statement of cash flows  
year ended December 31, 2024  
(\$000's)

	2024	2023
	\$	\$
<b>Financing activities</b>		
Repayment of debt principal	(9,795)	(12,297)
Receipt of loan proceeds from FCM for Guelph Greener Homes	2,500	2,500
Principal repayments on capital lease	(187)	(180)
Cash used in financing activities	(7,482)	(9,977)
Increase in cash for the year	(14,722)	24,032
Cash, beginning of year	75,670	51,638
<b>Cash, end of year</b>	<b>60,948</b>	<b>75,670</b>

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

# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

(\$000's)

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### 1. Significant Accounting Policies

The consolidated financial statements of the Corporation of the City of Guelph (the "City") have been prepared by management in accordance with Canadian public sector accounting standards. Significant accounting policies adopted by the City are as follows:

#### *Reporting entity*

The consolidated financial statements reflect the assets, liabilities, operating revenues and expenses and cash flows of the reporting entity. The reporting entity is comprised of those City functions or entities which have been determined to comprise a part of the aggregate City operations based upon control exercised by the City, except for the City's government businesses which are accounted for on the modified equity basis of accounting.

#### Consolidated entities

In addition to the City departments, the reporting entity includes the following:

Guelph Public Library Board  
Guelph Police Services Board  
Downtown Guelph Business Association ("DGBA")  
The Elliott Community

All interfund assets, liabilities, revenues and expenses have been eliminated.

#### Proportionately consolidated entities

The City reports only its share of assets, liabilities and results of operations of any government partnerships in which it participates. The City participates in the Wellington-Dufferin-Guelph Public Health ("WDGPH") Unit to the extent of 46.7% (2023 – 46.7%) based on population, as stated in agreement with the other participants. In 2023, the proportionate share of each obligated municipality was realigned to the 2021 census.

#### Modified equity basis entities

The investments in Guelph Municipal Holdings Inc. and Guelph Junction Railway Limited are accounted for on a modified equity basis, consistent with public sector accounting standards for the treatment of government business enterprises. Under the modified equity basis, the business enterprises' accounting principles are not adjusted to conform to those of the City, and inter-organizational transactions and balances are not eliminated. Under the modified equity basis of accounting, the carrying value of the investment in subsidiaries is adjusted to reflect the City's share of the net asset change of the investee and the change in net assets is recorded as income from government business enterprises on the statement of operations and accumulated surplus.



# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

(\$000's)

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### 1. Significant Accounting Policies (continued)

#### *Basis of accounting*

##### Accrual basis of accounting

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that gave rise to the revenues; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services or the creation of an obligation to pay.

##### Taxes receivable and related revenues

Property tax billings are prepared by the City based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by the City Council, incorporating amounts to be raised for local services and amounts the City is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issuance of supplementary assessment rolls, which provides updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the City determines the taxes applicable and renders supplementary tax billings.

Taxation revenues are recorded at the time the tax billings are issued. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded as a reduction of tax revenue when the result of the appeal process is reasonably certain. The City is entitled to collect interest and penalties on overdue taxes and these revenues are recorded in the period the interest and penalties are levied. Tax revenue is recorded net of reductions including rebates. Taxes receivable are reported net of any expense or allowance for doubtful accounts.

##### Reserves and reserve funds

Certain amounts, as approved by City Council, are set aside in reserves and reserve funds for future operating and capital purposes. Reserve funds are interest bearing and the current year earned interest is accounted for as interest income and an adjustment within accumulated surplus.

# City of Guelph

## Notes to the consolidated financial statements December 31, 2024 (\$000's)

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### 1. Significant Accounting Policies (continued)

#### *Basis of accounting (continued)*

#### Deferred revenue and deferred contributions

Deferred revenues and deferred contributions represent property taxes, user charges and fees, developer contributions and other grant revenues which have been collected but for which the related services or expenses have yet to be incurred. These revenues have certain restrictions and will be recognized in the fiscal year the services are performed, or expenses incurred. Development charges, funds received for parkland dedication restricted under the Planning Act, funds received in relation to the Ontario Building Code Act, funding received through the following grants: Canada Community-Building Fund, Ontario Dedicated Gas Tax Funds for Public Transportation Program, the Safe Restart Agreement Public Transit Funding Stream, the Guelph Greener Homes grant fund, the Housing Accelerator Fund and the Building Faster Fund which together make up Deferred Contributions, are interest bearing and current year interest earned on these amounts is added to deferred revenue and recognized as revenue when eligible expenses are incurred.

#### Tangible capital assets

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

<b>Asset</b>	<b>Useful Life (Years)</b>
Land improvements	20 - 75
Buildings	10 - 75
Machinery and equipment	3 - 25
Vehicles	5 - 15
Sanitary sewers infrastructure	50 - 80
Storm sewer infrastructure	15 - 80
Transportation infrastructure	20 - 80
Waterworks infrastructure	5 - 80

The City has various capitalization thresholds so that individual tangible capital assets of lesser value are expensed unless the assets have significant value collectively (pooled assets). Examples of pools are desktop and laptop computers, police equipment, traffic signals, streetlights, and fire equipment.

- b) Land purchased for service delivery purposes is recorded as a tangible capital asset at cost. Any land cost premium incurred or discount received related to expropriation will be included as part of the asset to be constructed and amortized over its' useful life.

# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

(\$000's)

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### 1. Significant Accounting Policies (continued)

#### *Basis of accounting (continued)*

#### Tangible capital assets (continued)

- c) Tangible capital assets received as contributions are recognized at their fair value at the date of receipt, and correspondingly recognized as revenue in that period. Similarly, contributions of assets to a third party are recorded as an expense equal to the net book value of the tangible capital asset as of the date of transfer.
- d) Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of the asset 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.

#### Employee future benefit obligations

The cost of future benefits earned by employees is actuarially determined using the projected benefit method prorated on service and assumptions of mortality and termination rates, retirement age and expected inflation rates.

The cost of plan amendments related to prior period employee services are accounted for in the period of the plan amendment. Actuarial gains and losses on the accrued benefit obligation arise from differences between the actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The net actuarial gains or losses are amortized over the estimated average remaining service life.

#### Government transfers

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

#### Financial instruments

Financial instruments include cash and cash equivalents, investments, accounts receivables, accounts payable and accrued liabilities, loan agreement liability and debt.

Financial instruments are recorded at cost on initial recognition. All financial instruments are subsequently recorded at cost or amortized cost unless the City elects to carry the financial instrument at fair value. The City has not elected to carry any financial instruments at fair value.

# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

(\$000's)

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### 1. Significant Accounting Policies (continued)

#### *Basis of accounting (continued)*

#### Financial instruments (continued)

Unrealized changes in fair value are recognized in the Consolidated Statement of Remeasurement Gains and Losses. They are recorded in the Consolidated Statement of Operations when they are realized. There are no unrealized changes in fair value as at December 31, 2024. As a result, the City does not have a Consolidated Statement of Remeasurement Gains and Losses.

Transaction costs incurred on the acquisition of financial instruments recorded at cost are included in the cost.

Sales and purchases of investments are recorded on the trade date.

Accounts receivable, investments, accounts payable and accrued liabilities, and debenture debt are measured at amortized cost.

All financial assets 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 Consolidated Statement of Operations.

#### Investment income

Investment income earned on available funds and loans receivable is reported as revenue in the period earned. Investment income earned on deferred contributions is recorded as an increase to deferred contributions.

#### Contaminated sites

Under PS 3260, contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. This relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination.

#### Use of estimates

The preparation of the 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 dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include valuation allowance for asset backed investments, valuation allowances for receivables, certain accrued liabilities and obligations related to employee future benefits, landfill post closure liability, liability for contaminated sites and the estimated future lives of tangible capital assets. Actual results could differ from these estimates.

# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

(\$000's)

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### 1. Significant Accounting Policies (continued)

#### *Basis of accounting (continued)*

#### Asset retirement obligation

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

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

The liability for closure of operational sites and post-closure care relating to landfill sites has been recognized based on estimated future expenses. A liability for the removal of asbestos in several of the buildings owned by the City has also been recognized based on estimated future expenses on closure of the site and post-closure care. The City has also recognized a liability for decommissioning of wells and retirement of fuel tanks based on current cost estimates.

The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the depreciation accounting policies.

### 2. Change in accounting policies

#### *a) PS - 3160 Public Private Partnerships*

On January 1, 2024, the City adopted Public Accounting Standard PS 3160 – Public Private Partnerships ("PS 3160") prospectively. The new accounting standard establishes the accounting framework for infrastructure acquired by public sector entities through private sector entities and defines specific requirements for the recognition and measurement of the infrastructure. The adoption of PS 3160 had no impact on the City's financial statements.

#### *b) PS - 3400 Revenue*

On January 1, 2024, the City adopted PS 3400 Revenue ("PS 3450") prospectively. This standard distinguishes between revenues associated with performance obligations, categorized as exchange transactions and those without performance obligations, classified as non-exchange transactions. For exchange transactions, revenues are recognized as the City fulfills their performance obligations. For non-exchange transactions, revenue is recognized once the City has authority to claim the economic resources. This standard resulted additional revenues of \$1,741 being recognized in 2024.

# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

(\$000's)

### 2. Change in accounting policies (continued)

#### c) PSG-8 Purchased Intangibles

On January 1, 2024, the City adopted Public Accounting Guideline PSG-8 - Purchased Intangibles ("PSG-8") prospectively. This guideline allows the recognition of intangible assets acquired through an arm's length exchange transaction between willing parties providing the intangibles meet the definition of an asset. The adoption of PSG-8 had no impact on the City's financial statements.

### 3. Taxation revenues

#### *Taxation collected on behalf of school boards*

The net taxation levies collected on behalf of the school boards are comprised of the following:

	2024 \$	2023 \$
Taxation revenue collected - school boards	62,868	61,963
Requisitions	(62,868)	(61,963)
	-	-

### 4. Investments

Investments are recorded amortized at cost. The cost and market values are as follows:

	2024		2023	
	Market \$	Amortized Cost \$	Market \$	Amortized Cost \$
Investments	534,003	532,338	523,628	529,797

# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

(\$000's)

### 5. Investment in Guelph Junction Railway Limited

The City of Guelph owns 100% of Guelph Junction Railway Limited (the "Railway"). The following table provides condensed supplementary financial information for the year ended December 31:

	2024 \$	2023 \$
Financial position		
Current assets	4,629	4,104
Property, plant and equipment	17,737	16,127
Total assets	22,366	20,231
Current liabilities	1,298	664
Long-term debt	-	1,245
Deferred capital contributions	3,310	2,916
Total liabilities	4,608	4,825
<b>Shareholder's equity</b>	<b>17,758</b>	<b>15,406</b>
Results of operations		
Revenues	8,161	7,519
Operating expenses	5,599	5,409
Net income	2,562	2,110
Retained earnings, beginning of year	15,406	13,460
Dividend to City of Guelph (Note 5.b)	(210)	(164)
<b>Shareholder's equity, end of year</b>	<b>17,758</b>	<b>15,406</b>

#### a) Related party transactions

The City pays expenditures and receives revenues on behalf of the Railway with the net amount being included as an intercompany balance on the statement of financial position. At December 31, 2024, the City has a current balance payable of \$359 (2023 - \$396). This intercompany balance is interest free and due on demand.

The City paid the Railway \$313 (2023 - \$157) for services. The City received \$194 (2023 - \$84) in office rent and administration fees for the year and \$15 (2023 - \$15) in municipal property taxes. These transactions were made in the normal course of business and have been recorded at the exchange amounts.

In 2015, the City entered into a long-term loan agreement with Guelph Junction Railway Limited for the purpose of reconstructing a bridge within City limits. The total amount of the loan was \$1,710 repayable monthly through blended principal and interest payments which started January 2016 at 3.395%. The loan agreement was renewed effective December 31, 2020 for a 5 year term. The loan is now repayable monthly through blended principal and interest payments at 3.370%. At December 31, 2024 \$1,245 (2023 - \$1,303) was outstanding and included in loans and notes receivable. In 2024 principal and interest payments were \$58 and \$43 respectively (2023 - \$56, \$45).

# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

(\$000's)

### 5. Investment in Guelph Junction Railway Limited (continued)

#### b) Dividend to Shareholder

On May 28, 2024, the Board of Directors declared a dividend of \$210 based on the income earned in the year ended December 31, 2023. The dividend was paid in fiscal 2024.

### 6. Investment in Guelph Municipal Holding Inc.

The City of Guelph owns 100% of Guelph Municipal Holdings Inc. ("GMHI").

GMHI owns 4.63% of Alectra and has representation on the Board of Directors and has therefore been assessed as having significant influence over Alectra. GMHI has accounted for its investment in Alectra using the equity method as prescribed by International Financial Reporting Standards (IFRS).

The following table provides condensed supplementary financial information for GMHI for the year ended December 31:

	2024 \$	2023 \$
Financial position		
Current assets	1,049	1,351
Due from related parties	2,012	2,102
Investment in Alectra Inc.	108,536	104,446
Total assets	111,597	107,899
Accounts payable and accrued liabilities	-	19
Deferred tax liability	16,355	15,329
Customer deposits and deferred revenue	-	400
Total liabilities	16,355	15,748
<b>Shareholder's equity</b>	<b>95,242</b>	<b>92,151</b>



# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

(\$000's)

### 6. Investment in Guelph Municipal Holding Inc. (continued)

#### Results of operations

##### Revenue

Investment revenue	<b>7,825</b>	6,714
Other revenue	<b>132</b>	131

Total revenue	<b>7,957</b>	6,845
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##### Expenses

GMHI operations and management	<b>73</b>	178
Income taxes	<b>399</b>	309

Total expenses	<b>472</b>	487
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Net income	<b>7,485</b>	6,358
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Retained earnings, beginning of year	<b>24,604</b>	22,549
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Dividend to City of Guelph (note a)	<b>(3,750)</b>	(3,800)
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Refundable portion of deferred tax liability	<b>(627)</b>	(486)
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<b>Retained earnings, end of year</b>	<b>27,712</b>	24,621
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##### Shareholder's Equity

Share capital	<b>67,530</b>	67,530
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Retained earnings, end of year	<b>27,712</b>	24,621
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<b>Shareholder's equity</b>	<b>95,242</b>	92,151
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# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

(\$000's)

### 6. Investment in Guelph Municipal Holding Inc. (continued)

#### a) Related party transactions

In 2024, GMHI paid the City \$47 (2023 - \$40) in fees for administering GMHI's legal, financial and operational activities.

These transactions were made in the normal course of business and have been recorded at the exchange amounts.

Dividends received from GMHI during the year were \$3,750 (2023 - \$3,800).

### 7. Other revenue

Other revenue consists of the following:

	2024 Budget \$	2024 Actual \$	2023 Actual \$
Investment income	10,477	17,645	13,529
Donations	280	686	1,053
Sales of equipment, publications	3,139	4,469	3,896
Recoveries	7,333	6,334	6,082
Licences and permits	5,982	4,758	4,585
Provincial Offences Act revenues	4,530	5,279	3,176
Other fines	1,000	1,789	1,335
Gain on disposal of tangible capital assets	-	195	422
Government business enterprises earnings	3,912	9,403	7,982
	<b>36,653</b>	<b>50,558</b>	42,060

### 8. Deferred contributions

The following funds have statutory restrictions and as such are classified as deferred contributions:

	Beginning balance 2024 \$	Inflows \$	Outflows \$	Ending balance 2024 \$
Development charges	138,159	36,574	67,924	<b>106,809</b>
Grants	37,284	14,099	5,560	<b>45,823</b>
Other	25,747	13,323	8,380	<b>30,690</b>
	<b>201,190</b>	<b>63,996</b>	<b>81,864</b>	<b>183,322</b>

# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

(\$000's)

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### 8. Deferred contributions (continued)

The development charges are restricted for use to fund growth related capital expenditures in accordance with the *Development Charges Act*. The deferred grants include: Canada Community-Building Fund, Ontario Dedicated Gas Tax Funds for Public Transportation Program, Community Benefit Charge, the Safe Restart Agreement Public Transit Funding Stream, Guelph Greener Homes grant fund, the Housing Accelerator Fund and the Building Faster Fund. Each of the grants has a specified set of restrictions that outlines how the funds can be utilized. The other deferred contributions include funds received for parkland dedication as restricted under the *Planning Act* and funds received in relation to the *Ontario Building Code Act*.

### 9. Pension agreement

The City and its consolidated entities make contributions to the Ontario Municipal Employees Retirement System ("OMERS") which is a multi-employer plan, on behalf of the 3,112 (2023 - 2,974) members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The multi-employer plan is valued on a current market basis for all plan assets.

The amount contributed to OMERS for 2024 is \$22,273 (2023 - \$21,146) for current service and is reported as an expense in the consolidated statement of operations and accumulated surplus.

The latest available report for the OMERS plan was as at December 31, 2024. At that time the plan reported a \$2.9 billion actuarial deficit (2023 - \$4.2 billion), based on actuarial liabilities of \$140.8 billion (2023 - \$134.6 billion) and actuarial assets of \$137.9 billion (2023 - \$130.4 billion). The OMERS funded ratio of plan assets to pension obligations for 2024 is 98% (2023 - 97%). Ongoing adequacy of the current contribution rates will need to be monitored and may lead to increased future funding requirements. As at December 31, 2024, the City has no obligation under the past service provisions of the OMERS agreement.

# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

(\$000's)

### 10. Employee future benefits and other liabilities

Employee future benefits are current costs of the City with respect to its employees and retirees for benefits earned but not taken as at December 31, and consist of the following:

	2024 \$	2023 \$
Workplace Safety and Insurance ("WSIB")	<b>26,501</b>	23,531
Sick leave	<b>12,864</b>	12,501
Post-employment and retirement benefits	<b>27,467</b>	26,789
	<b>66,832</b>	62,821

#### a) *Liability for Workplace Safety & Insurance ("WSIB")*

The City is a Schedule II employer under the *Workplace Safety and Insurance Act*. As a Schedule II employer, the City assumes the liability for any award made under the Act. An actuarial update was completed using information as at December 31, 2021 and extrapolated for the 2024 year end. The next required valuation will be performed in 2025 using information as of December 31, 2024.

The significant actuarial assumptions adopted in estimating the City's WSIB liabilities are as follows:

- Discount rate 3.75% (2023 - 3.75%)
- Expected future WSIB payments 176.00% (2023 - 176.00%)  
per lost time injury
- Health care inflation CPI plus 2.00% (2023 - CPI plus 2.00%)
- WSIB administration rate 23.00% (2023 - 23.00%)
- Lost time injury count 61 (2023 - 61)

Information about the City's WSIB liability is as follows:

	2024 \$	2023 \$
Accrued benefit obligation, beginning of year	<b>28,723</b>	26,694
Current service cost	<b>4,671</b>	4,548
Interest	<b>1,095</b>	1,021
Benefits paid	<b>(3,699)</b>	(3,540)
Accrued benefit obligation, end of year	<b>30,790</b>	28,723
Unamortized net actuarial loss	<b>(4,289)</b>	(5,192)
<b>Liability, end of year</b>	<b>26,501</b>	23,531

A reserve in the amount of \$3,567 (2023 - \$4,320) has been accumulated to fund this obligation.

# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

(\$000's)

### 10. Employee future benefits and other liabilities (continued)

#### a) Liability for Workplace Safety & Insurance ("WSIB") (continued)

Information about the City's WSIB expenses recognized in the period is as follows:

	2024 \$	2023 \$
Current period benefit	4,671	4,548
Amortization of net actuarial loss	1,172	1,172
Interest expense	1,096	1,021
	<b>6,939</b>	<b>6,741</b>

#### b) Liability for sick leave

Under the sick leave benefit plan, unused sick leave can accumulate for certain employees and these employees may become entitled to a cash payment when they leave the City's employment.

A comprehensive actuarial valuation was completed using information as at December 31, 2022 and extrapolated for the 2024 year end. The next required valuation will be performed in 2026 using information as of December 31, 2025.

The significant actuarial assumptions adopted in estimating the City's sick leave liabilities are as follows:

- Discount rate 4.50% (2023 - 4.50%)
- Inflation rate 2.00% (2023 - 2.00%)
- Future salaries 3.00% per year (2023 - 3.00%)

Information about the City's sick leave liability is as follows:

	2024 \$	2023 \$
Accrued benefit obligation, beginning of year	11,389	11,044
Current service cost	861	807
Interest	507	494
Benefits paid	(1,099)	(956)
Accrued benefit obligation, end of year	11,658	11,389
Unamortized net actuarial loss	1,206	1,112
<b>Liability, end of year</b>	<b>12,864</b>	<b>12,501</b>

There are currently reserves totaling \$12,816 (2023 - \$12,340) available to fund this obligation.

# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

(\$000's)

### 10. Employee future benefits and other liabilities (continued)

#### b) Liability for sick leave (continued)

Information about the City's sick leave expenditures recognized in the period is as follows:

	2024 \$	2023 \$
Current period benefit cost	861	807
Amortization of net actuarial loss	95	90
Interest expense	507	494
	<b>1,463</b>	<b>1,391</b>

#### c) Post-employment and retirement benefits

The City provides dental and health care benefits between the time an employee retires under OMERS, or retires at a normal retirement age, up to the age of 65 as well as benefits for employees on long-term disability for more than two years.

The significant actuarial assumptions adopted in estimating the City's liabilities are as follows:

- Discount rate 4.50% (2023 – 4.50%)
- Inflation rate 2.00% (2023 – 2.00%)
- Prescription drugs trend rate 5.67% increase for 2024, set at CPI plus 4.00%, reducing by 0.33% per year to reach 4.00% in 2029 and 3.75% per year thereafter. (2023 – 6.00% increase for 2020 vs. 2019 reducing by 0.33% per year to reach 4.00% in 2029 vs. 2028 and 3.75% per year thereafter)
- Dental and other medical trend rate 4.00% (2023 – 4.00%)

Information about the City's employee post-employment benefits are as follows:

	2024 \$	2023 \$
Accrued benefit obligation, beginning of year	26,886	30,992
Actuarial gain	-	(5,181)
Current service cost	1,191	1,123
Increase due to plan amendment	-	582
Interest	1,195	1,172
Benefits paid	(1,863)	(1,802)
Accrued benefit obligation, end of year	27,409	26,886
Unamortized net actuarial loss	58	(97)
<b>Liability, end of year</b>	<b>27,467</b>	<b>26,789</b>

The City includes funding for this obligation in its annual budget.

# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

(\$000's)

### 10. Employee future benefits and other liabilities (continued)

#### c) *Post-employment and retirement benefits (continued)*

Information about the City's employee future benefit expenses recognized in the period are as follows:

	2024 \$	2023 \$
Current period benefit cost	1,191	1,123
Increase due to plan amendment	-	582
Amortization of net actuarial loss	155	330
Interest expense	1,195	1,172
	<b>2,541</b>	<b>3,207</b>

A comprehensive actuarial valuation was completed using information as at December 31, 2022 and extrapolated for the 2024 year end. The next required valuation will be performed in 2026 using information as of December 31, 2025.

### 11. Debt

#### a) *Debt is comprised of the following components:*

	2024 \$	2023 \$
Debentures - repayable at rates ranging from 0.35% to 5.237% and maturing from 2022 to 2039	102,297	111,869
Long-term loan - repayable 0.00% interest, with semi-annual principal repayments over 240 months commencing on the first semi-annual interest payment date following the earlier of the final loan disbursement date or the final loan disbursement deadline for Guelph Greener Homes program loans.	5,000	2,500
Bankers acceptance, interest at 2.07% fixed through a swap transaction, plus a stamping fee of 0.8% for a total of 2.87%, payable in varying installments of principal and interest, maturing June 25, 2025	73	296
	<b>107,370</b>	<b>114,665</b>

All debt is payable in Canadian dollars. Refer to schedule 3 for further details.

# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

(\$000's)

### 11. Debt (continued)

b) The debt is repayable in the following periods and will be funded through the following revenue:

	Discretionary reserve funds \$	User pay, obligatory reserve funds, and other \$	Total \$
2025	3,349	6,474	9,823
2026	16,537	19,561	36,098
2027	2,410	5,427	7,837
2028	2,508	5,520	8,028
2029	2,611	5,625	8,236
Thereafter	20,456	16,892	37,348
	<b>47,871</b>	<b>59,499</b>	<b>107,370</b>

c) Total charges during the year for debt are as follows:

	2024 \$	2023 \$
Principal repayments	9,795	12,299
Interest	2,631	2,834
	<b>12,426</b>	<b>15,133</b>

### 12. Obligation under capital lease

A consolidated entity of the City has financed certain equipment through a capital lease arrangement as follows:

	2024 \$	2023 \$
2024	-	239
2025	239	239
2026	239	239
2027	239	239
2028	239	239
2029	239	239
Thereafter	180	180
Total minimum lease payments	1,375	1,614
Less amount representing interest at 3.92% (2021 - 3.92%)	(146)	(198)
<b>Present value of net minimum capital lease payments</b>	<b>1,229</b>	<b>1,416</b>

Interest of \$52 (2023 - \$59) relating to capital lease obligations has been included in interest expense.



# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

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### 13. Other long-term liabilities

The City offers three tax-increment based grant ("TIBG") programs in the areas of Heritage Redevelopment, Brownfield Redevelopment and Downtown Development.

The tax-increment based grants are approved individually by Council and require annual reporting and property tax payment by the applicant in order for the City to pay a grant installment. The agreements have two identifiable phases: i) grant pre-approval and construction phase; ii) grant approval and payment phase.

The City has TIBG agreements that are in the grant payment phase as follows:

a) *TIBG Agreements*

	2024 \$	2023 \$
Heritage Redevelopment	2,004	380
Downtown Development	8,663	2,963
Brownfield Strategy	4,604	1,316
	<b>15,271</b>	<b>4,659</b>

b) *The TIBGs are repayable in the following periods:*

	2024 \$	2023 \$
2024	-	1,673
2025	6,817	1,299
2026	2,874	710
2027	2,371	653
2028	1,588	205
2029	1,244	-
Thereafter	377	119
	<b>15,271</b>	<b>4,659</b>

# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

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### 14. Tangible capital assets

	2024		
	Balance, beginning of year \$	Additions \$	Disposals \$
<b>Cost</b>			<b>Balance, end of year \$</b>
Land and land improvements	96,955	2,973	-
Buildings	433,956	20,169	(647)
Machinery and equipment	258,925	19,868	(448)
Assets under capital lease	3,151	-	-
Vehicles	100,602	16,003	(2,109)
Infrastructure			
Sanitary sewers & waste water	335,366	21,991	(142)
Storm water	235,706	9,467	(3)
Transportation	477,296	15,069	-
Waterworks	334,022	13,991	-
Assets under construction	98,904	48,357	-
	<b>2,374,883</b>	<b>167,888</b>	<b>(3,349)</b>
			<b>2,539,422</b>
<b>Accumulated amortization</b>			
Land and land improvements	12,485	1,121	-
Buildings	181,399	12,482	(340)
Machinery and equipment	175,031	13,455	(323)
Assets under capital lease	1,335	83	-
Vehicles	63,223	8,493	(2,095)
Infrastructure			
Sanitary sewers & waste water	173,874	4,921	(142)
Storm water	79,511	3,533	(3)
Transportation	283,671	9,721	-
Waterworks	142,532	7,001	-
	<b>1,113,061</b>	<b>60,810</b>	<b>(2,903)</b>
			<b>1,170,968</b>
<b>Net book value</b>			
Land and land improvements	84,470		<b>86,322</b>
Buildings	252,557		<b>259,937</b>
Machinery and equipment	83,894		<b>90,182</b>
Assets under capital lease	1,816		<b>1,733</b>
Vehicles	37,379		<b>44,875</b>
Infrastructure			
Sanitary sewers & waste water	161,492		<b>178,562</b>
Storm water	156,195		<b>162,129</b>
Transportation	193,625		<b>198,973</b>
Waterworks	191,490		<b>198,480</b>
Assets under construction	98,904		<b>147,261</b>
	<b>1,261,822</b>		<b>1,368,454</b>

# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

(\$000's)

### 14. Tangible capital assets (continued)

2023

Cost	Balance, beginning of year \$	Additions \$	Disposals \$	Balance, end of year \$
Land and land improvements	93,491	3,464	-	96,955
Buildings	416,201	17,755	-	433,956
Machinery and equipment	241,131	19,044	(1,250)	258,925
Assets under capital lease	3,151	-	-	3,151
Vehicles	91,450	12,951	(3,799)	100,602
Infrastructure				
Sanitary sewers & waste water	327,807	7,559	-	335,366
Storm water	229,948	5,758	-	235,706
Transportation	470,283	7,013	-	477,296
Waterworks	319,499	14,967	(444)	334,022
Assets under construction	79,014	19,890	-	98,904
	2,271,975	108,401	(5,493)	2,374,883
<b>Accumulated amortization</b>				
Land and land improvements	11,448	1,037	-	12,485
Buildings	169,494	11,905	-	181,399
Machinery and equipment	163,137	12,905	(1,011)	175,031
Assets under capital lease	1,252	83	-	1,335
Vehicles	59,682	7,250	(3,709)	63,223
Infrastructure				
Sanitary sewers & waste water	169,504	4,370	-	173,874
Storm water	76,030	3,481	-	79,511
Transportation	273,970	9,701	-	283,671
Waterworks	136,179	6,797	(444)	142,532
	1,060,696	57,529	(5,164)	1,113,061
<b>Net book value</b>				
Land and land improvements	82,043			84,470
Buildings	246,707			252,557
Machinery and equipment	77,994			83,894
Assets under capital lease	1,899			1,816
Vehicles	31,768			37,379
Infrastructure				
Sanitary sewers & waste water	158,303			161,492
Storm water	153,918			156,195
Transportation	196,313			193,625
Waterworks	183,320			191,490
Assets under construction	79,014			98,904
	1,211,279			1,261,822

# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

(\$000's)

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### 15. Asset retirement obligation

The City's Asset retirement obligation consists of several obligations as follows:

a) *Landfill obligation*

The City owns the closed Eastview landfill site. The liability for the post-closure care has been recognized under PS 3280 – Asset Retirement Obligations. The costs are based upon the presently expected required post-closure activities over the expected remaining 30 year term of the obligation. These costs have been discounted to December 31, 2024 using a discount rate of 4.50% per annum.

b) *Asbestos obligation*

The City owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS 3280 – Asset retirement obligations, the City recognized an obligation relating to the removal and post-removal care of the asbestos in these building. The buildings have an estimated useful life of 75 years from their date of acquisition between 1900 and 2019. The estimated remaining useful life is between 2 to 75 years on the buildings not yet fully amortized. The timing of remediation activities cannot yet be reasonably estimated, accordingly no discounting has been applied to the liability.

c) *Other obligation*

The City also owns inactive wells that must be decommissioned and buried fuel tanks that must be removed on retirement. The City recognized an obligation relating to these retirement activities as estimated at January 1, 2023. These assets have an estimated useful life between 15 and 25 years from the date of acquisition between 1952 and 2019. As such, the assets have a remaining useful life of up to 11 years, if not fully amortized. The timing of remediation activities cannot yet be reasonably estimated, accordingly no discounting has been applied to the liability. The City also includes the DGBA asset retirement obligation for the removal of light installations in downtown Guelph in this grouping.

# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

(\$000's)

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### 15. Asset retirement obligation (continued)

Changes to the asset retirement obligation in the year are as follows:

	Asbestos Obligation \$	Landfill Obligation \$	Other Obligation \$	2024 \$
Opening balance	3,872	6,173	153	<b>10,198</b>
Liabilities incurred	-	-	89	<b>89</b>
Liabilities Settled	(672)	-	-	<b>(672)</b>
Accretion Expense	-	183	4	<b>187</b>
Change in liability estimate	-	(25)	-	<b>(25)</b>
<b>Closing balance</b>	<b>3,200</b>	<b>6,331</b>	<b>246</b>	<b>9,777</b>

# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

(\$000's)

### 16. Accumulated surplus

The accumulated surplus is comprised of the following components:

	2024	2023
	\$	\$
Reserves set aside for specific purpose by Council:		
for corporate	26,792	27,100
for program specific	24,681	23,626
for strategic	6,978	7,942
Reserves set aside by WDGPH:		
for contingency	1,028	978
Total reserves- Schedule 4	59,479	59,646
Reserve funds set aside for specific purpose by Council:		
for capital financing	266,800	259,358
Reserve funds set aside by WDGPH:		
for capital financing	1,609	1,159
Total reserve funds - Schedule 4	268,409	260,517
<b>Total reserve and reserve funds</b>	<b>327,888</b>	<b>320,163</b>
Invested in tangible capital assets	1,368,454	1,261,822
Investment in Guelph Municipal Holdings Inc.	95,242	92,151
Investment in Guelph Junction Railway Limited	17,758	15,406
Operating fund	33,154	51,848
Unfunded liabilities		
Debt	(107,370)	(114,665)
Liability for contaminated sites	(24,446)	(26,370)
Employee future benefits and related liabilities	(66,832)	(62,821)
Asset retirement obligations	(9,777)	(10,198)
Total	1,306,183	1,207,173
<b>Accumulated Surplus</b>	<b>1,634,071</b>	<b>1,527,336</b>

In accordance with the City's policy for reserve funds, interest is earned on the average reserve fund balance for the year at the average rate of return earned on investments during the year. In 2024, \$12,081 (2023 - \$8,641) of interest was earned by the reserve funds.

# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

(\$000's)

### 17. Government partnerships

The City's share of 46.7% (2023 - 46.7%) of the results of the WDGP operations for the year and its financial position at December 31 are included in the consolidated financial statements using proportionate consolidation and include the amounts as follows:

	2024 \$	2023 \$
Financial assets	3,886	3,423
Liabilities	1,310	1,692
Net financial assets	2,576	1,731
Tangible capital assets	8,537	8,942
Prepaid expenses	62	23
Total non-financial assets	8,599	8,965
<b>Accumulated surplus</b>	<b>11,175</b>	10,696
Revenues	13,920	14,173
Expenses	13,397	13,688
Excess of revenues over expenses for the year	523	485
Accumulated surplus, beginning of year	10,595	10,110
<b>Accumulated surplus, end of year</b>	<b>11,118</b>	10,595

During the year, the City contributed \$4,441 (2023 - \$4,681) towards its share of the costs of the partnership. This amount is included in revenue in the table above, but has been eliminated from the statement of operations on consolidation.

#### *Financing Agreement*

On December 19, 2012, the City, the County of Wellington and the County of Dufferin (the "obligated municipalities") entered into a Financing Agreement with Wellington-Dufferin-Guelph Public Health ("Public Health") to finance the cost of building two new Public Health facilities at Chancellors Way, Guelph, and Broadway, Orangeville.

The interest rate is 3.34% per annum, and the term and amortization of the loan is twenty years. Repayment to the obligated municipalities commenced thirty days following certification by the project's architect of substantial completion of both facilities. The whole or any part of the capital financing under this agreement may be prepaid at any time or times without penalty or bonus. The aforementioned loan is included in liabilities in the table above but has been eliminated upon consolidation. This loan was paid in full in 2024.

# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

(\$000's)

### 18. Shared service agreements

The County of Wellington is the Consolidated Municipal Services Manager for Social Services for the City, and provides Social Housing, Child Care, and Ontario Works services in the City. The City is the Service Manager for Paramedic Services and Provincial Offences Act Administration for both the City and the County of Wellington.

#### *Social Service Programs*

The City's share of revenues and expenses from social service programs managed by Wellington County are as follows:

	2024 \$	2023 \$
Provincial Revenues		
Social housing	10,886	8,689
Child care	29,519	23,737
Ontario Works	9,997	8,511
	<b>50,402</b>	<b>40,937</b>
Expenses		
Social housing	35,660	27,288
Child care	34,065	27,347
Ontario works	13,681	11,399
	<b>83,406</b>	<b>66,034</b>
<b>Net expenses</b>	<b>(33,004)</b>	<b>(25,097)</b>

The City's share of net expenses for social housing is 83% (2023 - 82%), child care 67% (2023 - 53%) and social services 73% (2023 - 67%).

The revenue and expenses from programs managed by the City on behalf of the City and the County of Wellington are:

#### *Provincial Offences Act Administration (POA)*

	2024 \$	2023 \$
POA revenues	5,204	3,087
Expenses	3,208	2,447
<b>Net City revenue</b>	<b>1,996</b>	<b>640</b>



# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

(\$000's)

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### 18. Shared service agreements (continued)

#### *Provincial Offences Act Administration (POA) (continued)*

The City's share of net revenue from Provincial Offences Act administration in 2024 was 68% (2023 - 65%). Included in the above expenses figure is \$489 (2023 - \$352) in transfers to the County of Wellington for the County's share of net revenue (expense) from fines collected. Due to the adoption of PS 3400, the City recognized additional revenues of \$1,343 in 2024. This represents the revenue earned from POA and traffic fines but not yet collected as of December 31, 2024. Of the \$1,343, \$920 is net City revenues and \$423 is County of Wellington revenues. Transfers to the County of Wellington are based on the proportional amount of actual collections in the year. Actual collections transferred to the County of Wellington for 2024 was \$489.

# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

(\$000's)

### 18. Shared service agreements (continued)

#### *Land Ambulance*

	2024	2023
	\$	\$
Revenues		
Provincial base	15,652	15,669
Provincial one-time	241	-
Provincial covid-19	-	229
Municipal	8,875	5,954
User charges	29	38
Developers	186	(36)
Other contributions	459	362
Other revenue	-	(2)
	25,442	22,214
Expenses		
Expenses	37,223	34,317
Covid-19 expenses	-	135
	37,223	34,452
	(11,781)	(12,238)

The City's share of net operating expenses for land ambulance in 2024 was 62% (2023 – 64%). Included in the above revenue figures is \$8,875 (2023 – \$5,954) in contributions from the County of Wellington which includes the County's contributions to Land Ambulance capital projects.

The full amount of the revenue and expenses for Land Ambulance and Provincial Offences Act administration are included in the consolidated statement of operations and accumulated surplus.

# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

(\$000's)

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### 19. Liability for contaminated sites

The City reports environmental liabilities related to the management and remediation of contaminated sites where the City is obligated or likely obligated to incur such costs. A contaminated sites liability of \$24,446 (2023 - \$26,370) has been recorded based on environmental assessments or estimates for those sites where an assessment has not been conducted.

The City's ongoing efforts to assess contaminated sites may result in additional environmental remediation liabilities related to newly identified sites or changes in the assessments. Any changes to the City's liabilities for contaminated sites will be accrued in the year in which they are assessed as likely and reasonably estimable.

### 20. Contingencies

From time to time, the City may be involved in legal and other claims in the normal course of business. Management assesses such claims and where considered likely to have material exposure and, where the amount of the claim is quantifiable, provisions for loss are made based on management's assessment of the likely outcome. The City does not provide for claims that are considered unlikely to result in a significant loss, claims for which the outcome is not determinable or claims where the amount of loss cannot be reasonably estimated. Any settlements or awards under such claims are provided when reasonably determinable.

### 21. Financial Instruments and Risk Management

Financial instruments include cash and cash equivalents, investments, receivables, payables, and debt. The City has exposure to the following financial risks from its use of financial instruments: credit risk, liquidity risk, currency risk, interest rate risk, and other price risk.

Management is responsible for safeguarding resources, managing risks, and implementing appropriate policies and framework. This note presents information on how the City manages those financial risks.

#### a) *Credit Risk*

Credit risk is the risk of financial loss to the City of Guelph if a debtor fails to discharge their obligation. The City of Guelph is exposed to credit risk arising from its cash, investments, and accounts receivable. The City of Guelph holds its cash and investments with federally regulated Schedule 1 banks that are insured by the Canadian Deposit Insurance Corporation (CDIC). In the event of default, the City of Guelph's accounts are insured up to \$100,000 with each CDIC member bank.

The City of Guelph's Investment Policy operates within the constraints of the investment guidelines laid out in the Municipal Act which imposes limits on the types of investments the City may invest in and on the composition of the investment portfolio, specifically the bond quality limits, issuer type limits, and geographical exposure.

# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

(\$000's)

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### 21. Financial Instruments and Risk Management (continued)

a) *Credit Risk (continued)*

The City of Guelph manages credit risk by only holding its cash and investments with CDIC member banks and with the ONE Fund. All CDIC member banks in which the City has funds deposited have an AA credit rating.

b) *Liquidity Risk*

Liquidity risk is the risk that The City of Guelph will be unable to meet all cash outflow obligations as they come due. The City of Guelph manages liquidity risk by monitoring cash activities and expected outflows through cash flow forecasting and analysis and applying a ladder investment maturity approach to match large cash outflows with similar magnitude investment maturities. Further, there is communication between departments when large one-time payments are anticipated.

c) *Currency Risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The City of Guelph does not enter into forward or future derivative contracts to hedge its exposure to fluctuations in foreign-denominated payables due to foreign-denominated payables being a minimal portion of the City's total payables. The City of Guelph has a USD-denominated bank account and purchases USD at the market rate when needed. The City of Guelph manages currency risk by paying all invoices, including USD-denominated payables when they are due.

d) *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 City of Guelph is exposed to this risk through its cash balances and through its bond holdings including in One Investment's Canadian Government Bond and Canadian Corporate Bond portfolios. The City of Guelph manages interest rate risk by investing in long-term fixed income securities. Additions to the investment portfolio in 2024 have been high-yielding GICs with guaranteed returns that exceed the City of Guelph's historical investment returns.

e) *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). The City of Guelph is exposed to other price risk related to its investments in equity instruments which are its market-linked GICs, market-linked PPNs, and holdings in One Investment's Canadian Equity portfolio. The return on these investments is based on equity market performance. The City of Guelph manages other price risk by limiting equity holdings to 20% of the total investment portfolio.

# City of Guelph

Notes to the consolidated financial statements  
December 31, 2024  
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## 22. Commitments and guarantees

a) *Guelph General Hospital*

In 2020 the City committed to making a contribution of \$4,500 to Guelph General Hospital, payable in six equal annual installments of \$750 from 2020 through 2026, with no payment in 2021. As of December 31, 2024 the City has commitments of \$1,500 resulting from this agreement.

b) *Heritage Redevelopment Grant Program*

The City has commitments totaling \$nil (2023 - \$1,700) resulting from agreements entered into as part of the Heritage Redevelopment Grant Program. All commitments under the Heritage Redevelopment grant program have been converted to liabilities.

c) *Brownfield Tax Increment Based Grant Program*

The City has commitments totaling \$397 (2023 - \$4,771) resulting from agreements entered into as part of the Brownfield Tax Increment Based Grant Program. Grant expenses will be recognized in the year of reassessment by MPAC and when all eligibility criteria have been met by the applicant.

d) *Major Downtown Activation Grant Program*

The City has commitments totaling \$364 (2023 - \$8,970) resulting from agreements entered into as part of the Major Downtown Activation Grant Program. Grant expenses will be recognized in the year of reassessment by MPAC and when all eligibility criteria have been met by the applicant.

e) *City Commitments*

The City has commitments under a variety of leases and agreements of which the longest expires on May 29, 2033. The minimum lease payments over the next five years and thereafter are as follows:

2025	<b>1,728</b>
2026	<b>1,525</b>
2027	<b>1,078</b>
2028	<b>919</b>
2029	<b>659</b>
Thereafter	<b>150</b>
	<b>6,059</b>

f) *City Grants*

The City has committed to providing various grants to organizations in the community totaling \$5,051 (2023 - \$6,299).

# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

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### **23. Local Immigration Partnership**

Included in the consolidated statement of operations and accumulated surplus are the activities of the Local Immigration Partnership Program (LIPP) which is a federally funded program for the purpose of creating a more welcoming community for immigrants by focusing efforts on employment services, English language training, community integration/inclusion and community services/programs. During 2024, the City of Guelph received \$414 (2023 - \$382) of funding from Citizenship and Immigration Canada related to the operation this program.

### **24. Budget figures**

Budgets are established to set tax rates or to finance projects which may be carried out over one or more years. Budget figures have been adjusted to align with public sector accounting standards on the consolidated statement of operations and accumulated surplus. Adjustments include adding budgeted capital project revenue, amortization of tangible capital assets, budget amounts for consolidated entities and excluding budgeted amounts for debt principal repayment and reserve transfers.

### **25. Comparative figures**

Certain 2023 comparative figures have been reclassified in order to present them in a form comparable to those for 2024.

# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

(\$000's)

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### 26. Segmented information

The City of Guelph is a municipal government institution that provides a wide range of services to its citizens. For management reporting purposes, the City's operations and activities are organized and reported on in three groups: Operating Fund, Capital Fund, and Reserves and Reserve Funds. These funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Within the operating fund, the City's operations are further defined into the Tax Supported and Non Tax Supported categories and then segregated into four service area pillars: Office of the Chief Administrative Officer, Corporate Services, Infrastructure, Development & Environment, and Public Services.

Although City services are provided internally by these defined service areas, for financial reporting, the City has chosen to remain consistent with the Ontario Financial Information Return (FIR) and the nine functional areas that it prescribes. This will allow comparability between our Schedule of Segment Disclosure (Schedules 1 and 2 attached) and several schedules on the FIR that require full segment disclosure of operating expenses and limited disclosure of operating revenues.

The services that have been separately disclosed in the segmented information are defined by the compositional requirements of the FIR as follows:

*a) General Government*

- Governance (election management, Council, Council support, Office of the Mayor).
- Corporate management (Office of the CAO, finance, corporate communications, legal, corporate properties and real estate and information technology).
- Program and support services.

*b) Protection services*

- Police services, fire services, 911 service, court operations, building and structural inspection, parking enforcement, by-law enforcement and animal control.

*c) Transportation services*

- Roadways – including asphalt resurfacing and crack sealing, line painting, sweeping, traffic operations and maintenance of roadside areas, culverts and bridges.
- Winter control, street lighting, parking and public transit.

*d) Environmental services*

- Water, wastewater, storm sewers, and solid waste collection, disposal and recycling.

# City of Guelph

## Notes to the consolidated financial statements

December 31, 2024

(\$000's)

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### 26. Segmented information (continued)

*e) Health services*

- Land ambulance operations and City's proportionate share of Public Health.

*f) Social housing*

- Social housing program costs.

*g) Social and family services*

- General assistance (Ontario Works) and childcare programs, contributions to The Elliott operations.

*h) Recreation and cultural services*

- Parks, recreational facilities, recreational programs, libraries, museums, River Run Centre, Sleeman Centre and other cultural services.

*i) Planning and development services*

- Planning and zoning, Committee of Adjustment, tourism, economic development, and Downtown Guelph Business Association operations.



# City of Guelph

## Consolidated schedule of segment disclosure - Schedule 1 year ended December 31, 2024 (\$'000's)

	General government \$	Protection services \$	Transportation services \$	Environmental services \$	Health services \$	Social and family services \$	Social housing \$	Recreation and cultural services \$	Planning and development \$	Total \$
<b>Revenues</b>										
Taxation	332,470	-	-	-	-	-	-	-	701	333,171
User charges	1,591	3,995	18,972	93,681	29	9,604	-	8,140	1,429	137,441
Contributed subdivision assets	1,757	-	-	-	-	-	-	-	-	1,757
Contributions	1,368	4,947	17,256	8,339	34,580	48,398	10,886	48,714	996	175,484
Other revenue										
Investment income	16,772	-	-	606	233	-	-	34	-	17,645
Donations	(1)	5	-	181	-	-	-	501	-	686
Sales of equipment, publications	1	-	6	1,836	-	227	-	2,399	-	4,469
Recoveries	668	413	677	655	-	2,483	-	983	455	6,334
Licences and permits	67	4,100	566	25	-	-	-	-	-	4,758
Provincial Offences Act revenues	-	5,279	-	-	-	-	-	-	-	5,279
Other fines	-	1,789	-	-	-	-	-	-	-	1,789
(Loss) gain on disposal of tangible capital assets	-	130	468	(298)	-	-	-	(105)	-	195
Government business enterprises earnings	9,403	-	-	-	-	-	-	-	-	9,403
	364,096	20,658	37,945	105,025	34,842	60,712	10,886	60,666	3,581	698,411

# City of Guelph

## Consolidated schedule of segment disclosure - Schedule 1 year ended December 31, 2024 (\$'000's)

	General government \$	Protection services \$	Transportation services \$	Environmental services \$	Health services \$	Social and family services \$	Social housing \$	Recreation and cultural services \$	Planning and development \$	Total \$
<b>Expenses</b>										
Salaries, wages and employee benefits	33,550	99,885	47,199	27,308	39,497	16,498	-	32,204	6,524	302,665
Interest on debt	448	708	595	-	-	159	-	872	-	2,782
Materials	788	2,481	15,990	10,836	2,052	2,927	-	6,704	117	41,895
Purchased services	13,983	7,950	9,837	20,961	3,188	2,345	-	6,173	1,791	66,228
Rents and financial expenses	4,124	195	1,329	2,335	584	7	-	1,653	13	10,240
External transfers	3,082	3,580	-	323	241	47,745	35,660	3,385	13,040	107,056
Internal charges	(12,048)	1,965	(7,369)	10,244	3,388	35	29	3,738	18	-
Amortization of tangible capital assets	5,683	5,320	20,271	18,476	1,662	1,355	25	7,704	314	60,810
	49,610	122,084	87,852	90,483	50,612	71,071	35,714	62,433	21,817	591,676
<b>Excess of revenues over expenses for the year</b>	314,486	(101,426)	(49,907)	14,542	(15,770)	(10,359)	(24,828)	(1,767)	(18,236)	106,735

# City of Guelph

## Consolidated schedule of segment disclosure - Schedule 2

year ended December 31, 2023

(\$000's)

	General government \$	Protection services \$	Transportation services \$	Environmental services \$	Health services \$	Social and family services \$	Social housing \$	Recreation and cultural services \$	Planning and development \$	Total \$
<b>Revenues</b>										
Taxation	303,003	-	-	-	-	-	-	-	682	<b>303,685</b>
User charges	1,292	2,797	18,244	88,192	38	9,684	-	8,527	955	<b>129,729</b>
Contributed subdivision assets	1,965	-	-	-	-	-	-	-	-	<b>1,965</b>
Contributions	2,352	5,172	12,610	11,105	31,198	39,619	8,689	7,338	1,544	<b>119,627</b>
Other revenue										
Investment income	12,738	2	-	521	241	-	-	27	-	<b>13,529</b>
Donations	13	-	-	566	-	3	-	471	-	<b>1,053</b>
Sales of equipment, publications	(1)	2	25	1,227	-	180	-	2,463	-	<b>3,896</b>
Recoveries	752	196	1,008	609	-	2,215	-	955	347	<b>6,082</b>
Licences and permits	76	3,952	501	56	-	-	-	-	-	<b>4,585</b>
Provincial Offences Act revenues	-	3,176	-	-	-	-	-	-	-	<b>3,176</b>
Other fines	-	1,335	-	-	-	-	-	-	-	<b>1,335</b>
(Loss) gain on disposal of tangible capital assets	(73)	94	506	(19)	(2)	-	-	(84)	-	<b>422</b>
Government business enterprises earnings	7,982	-	-	-	-	-	-	-	-	<b>7,982</b>
	<b>330,099</b>	<b>16,726</b>	<b>32,894</b>	<b>102,257</b>	<b>31,475</b>	<b>51,701</b>	<b>8,689</b>	<b>19,697</b>	<b>3,528</b>	<b>597,066</b>

# City of Guelph

## Consolidated schedule of segment disclosure - Schedule 2 year ended December 31, 2023 (\$'000's)

	General government \$	Protection services \$	Transportation services \$	Environmental services \$	Health services \$	Social and family services \$	Social housing \$	Recreation and cultural services \$	Planning and development \$	Total \$
<b>Expenses</b>										
Salaries, wages and employee benefits	34,032	94,277	42,432	26,904	37,178	14,984	-	29,766	5,412	<b>284,985</b>
Interest on debt	497	747	640	9	11	167	-	916	2	<b>2,989</b>
Materials	787	2,177	15,492	11,665	2,165	2,945	-	6,505	174	<b>41,910</b>
Purchased services	11,303	6,928	11,510	20,433	3,586	2,488	60	5,805	1,735	<b>63,848</b>
Rents and financial expenses	4,231	190	1,179	5,483	615	10	-	1,748	7	<b>13,463</b>
External transfers	3,071	2,914	-	2,876	-	38,746	27,288	4,464	1,101	<b>80,460</b>
Internal charges	(11,370)	1,799	(5,954)	10,043	2,774	7	-	2,301	400	<b>-</b>
Amortization of tangible capital assets	5,663	4,801	18,756	17,546	1,794	1,151	24	7,540	254	<b>57,529</b>
	48,214	113,833	84,055	94,959	48,123	60,498	27,372	59,045	9,085	<b>545,184</b>
<b>Excess of revenues over expenses for the year</b>	281,885	(97,107)	(51,161)	7,298	(16,648)	(8,797)	(18,683)	(39,348)	(5,557)	<b>51,882</b>

# City of Guelph

## Consolidated schedule of debt - Schedule 3

December 31, 2024

(\$000's)

Bylaw	Project description	Term	Maturity date	Interest rates	2024 \$	2023 \$
<b>Debentures:</b>						
20084	Police HQ Renovations	10	7/20/2026	1.20% to 2.25%	<b>5,957</b>	6,383
20084	Roads Projects - Clair & Laird Road - DC	10	7/20/2026	1.20% to 2.25%	<b>9,665</b>	10,358
20084	Police HQ Renovations - DC	10	7/20/2026	1.20% to 2.25%	<b>5,666</b>	6,071
20084	Victoria Road Recreation Facility Renovation	10	7/20/2026	1.20% to 2.25%	<b>9,384</b>	10,056
18105	New City Hall	25	8/28/2031	5.237%	<b>8,162</b>	9,105
18105	New POA Court	25	8/28/2031	5.237%	<b>2,302</b>	2,568
20417	Police HQ Renovations - DC	20	7/10/2039	1.95% to 2.8%	<b>5,538</b>	5,842
20417	Police HQ Renovations	20	7/10/2039	1.95% to 2.8%	<b>6,427</b>	6,779
20417	Wilson Parkade	20	7/10/2039	1.95% to 2.8%	<b>8,385</b>	8,845
20417	Wilson Parkade - DC	20	7/10/2039	1.95% to 2.8%	<b>3,560</b>	3,755
20417	Farebox	20	7/10/2039	1.95% to 2.8%	<b>1,028</b>	1,085
20417	Fuel Tank	20	7/10/2039	1.95% to 2.8%	<b>1,226</b>	1,293
20607	Baker District- Guelph Central Library - DC	10	6/3/2031	0.35% to 2.4%	<b>8,246</b>	9,361
20607	South End Community Centre - DC	10	6/3/2031	0.35% to 2.4%	<b>26,751</b>	30,368
					<b>102,297</b>	111,869
<b>Other loans:</b>						
N/A	The Elliott Bankers Acceptance - SWAP	10	6/25/2025	2.87%	<b>73</b>	296
N/A	Federation of Canadian Municipalities Loan - Guelph Greener Homes Program	20	9/22/2043	0.00%	<b>5,000</b>	2,500
					<b>5,073</b>	2,796
<b>Total Debt</b>					<b>107,370</b>	114,665

# City of Guelph

## Consolidated schedule of reserves and reserve funds - Schedule 4 December 31, 2024 (\$000's)

Code	Description	2024 \$	2023 \$
<b>Reserves:</b>			
Corporate:			
102	Library Contingency	223	161
115	Police Operating Contingency	2,727	2,812
131	Compensation Contingency	3,319	3,321
180	Tax Rate Stabilization Contingency	8,697	10,121
193	Legal/Insurance	2,268	2,417
198	Environment and Utility Contingency	6,285	6,275
208	Social Housing Contingency	3,273	1,993
		<b>26,792</b>	27,100
Program Specific:			
100	Accumulated Sick Leave - Fire	7,767	7,646
101	Accumulated Sick Leave - Police	5,049	4,694
103	Health Care Spending Account (HCSA) Fire	250	200
106	Parking Operating Contingency	71	133
134	Evergreen Bequests	56	53
181	Water Contingency	1,431	1,730
182	Waste Water Contingency	3,219	1,541
195	Election Costs	551	298
211	Court Contingency	1,459	1,330
330	Workplace Safety and Insurance Board	3,567	4,320
338	Paramedic Retirement	449	423
345	Westminster Woods	35	35
348	Community Paramedicine	189	180
359	Stormwater Contingency	588	1,043
		<b>24,681</b>	23,626
Strategic:			
119	Affordable Housing	176	212
122	Redevelopment Incentives	6,553	7,573
179	Strategic Initiatives	912	832
184	Tourism MAT	394	98
194	Downtown Improvements	492	492
210	Information Technology	13	14
332	Industrial Land	(1,562)	(1,279)
		<b>6,978</b>	7,942
Consolidated Entities:			
	Reserves set aside by Wellington-Dufferin-Guelph Public Health	1,028	978
<b>Total Reserves</b>		<b>59,479</b>	59,646

# City of Guelph

## Consolidated schedule of reserves and reserve funds - Schedule 4 December 31, 2024 (\$000's)

Code	Description	2024 \$	2023 \$
<b>Reserve Funds:</b>			
120	Courts Capital	1,519	1,318
135	Museum Donations	149	142
138	Library Bequests	1,841	1,493
150	Infrastructure Renewal	44,663	42,718
151	Parking Capital	(5,798)	5,432
152	Water Capital	46,157	45,273
153	Wastewater Capital	114,500	105,416
155	City Owned Contaminated Sites	17,293	14,213
156	Growth	(5,232)	234
157	Library	1,654	3,447
158	Police	5,139	4,833
159	City Building	884	(2,145)
162	Sleeman Centre Naming Rights	(2)	(27)
164	Transportation	666	450
165	Stormwater Capital	28,143	19,897
189	Sleeman Capital	114	108
205	Community Investment	297	521
206	Rental Property	549	435
340	River Run	650	529
350	Transportation Demand Management	18	17
351	Efficiency Innovation Opportunity	5,636	6,471
355	100% Renewable Energy	5,343	6,569
356	Public Art	72	69
360	Paramedic Services Provincial Capital	999	783
365	Tree Compensation	1,546	1,162
		<b>266,800</b>	259,358
Consolidated Entities:			
	Reserve funds set aside by Wellington-Dufferin-Guelph Public Health	1,609	1,159
<b>Total Reserve Funds</b>		<b>268,409</b>	260,517
<b>Total Reserves and Reserve Funds</b>		<b>327,888</b>	320,163

# City of Guelph

## Guelph Public Library Board - Schedule 5 Statement of revenues and expenses year ended December 31, 2024 (\$000's)

	2024 Budget \$	2024 Actual \$	2023 Actual \$
<b>Operating fund</b>			
Revenues			
User charges	136	77	76
Contributions	328	322	330
Other revenue	71	410	335
	<b>535</b>	<b>809</b>	741
Expenses			
Salaries, wages and employee benefits	7,567	7,614	7,322
Interest on debt	-	154	162
Materials	1,803	933	926
Purchased services	916	1,206	929
Rents and financial expenses	1,014	955	1,065
Internal charges	112	214	176
	<b>11,412</b>	<b>11,076</b>	10,580
Net operating deficit	<b>(10,877)</b>	<b>(10,267)</b>	(9,839)
<b>Capital fund</b>			
Revenues			
Contributions	-	2,381	(392)
Expenses			
Assets under construction	-	3,163	1,662
Capitalized library books	-	658	665
Amortization of tangible capital assets	-	1,077	1,161
	-	<b>4,898</b>	3,488
Net capital deficit	-	<b>(2,517)</b>	(3,880)
Add: net contributions (to)/from reserves	<b>(882)</b>	<b>(1,955)</b>	(273)
	<b>(882)</b>	<b>(4,472)</b>	(4,153)
<b>Total combined net deficit</b>	<b>(11,759)</b>	<b>(14,739)</b>	(13,992)



# City of Guelph

## Guelph Police Services Board - Schedule 6 Statement of revenues and expenses year ended December 31, 2024 (\$000's)

	2024 Budget \$	2024 Actual \$	2023 Actual \$
<b>Operating fund</b>			
Revenues			
User charges	616	866	723
Contributions	2,894	3,673	3,349
Other revenue	27	468	290
	<b>3,537</b>	<b>5,007</b>	4,362
Expenses			
Salaries, wages and employee benefits	55,053	58,398	54,680
Interest on debt	-	582	607
Materials	1,058	1,236	1,142
Purchased services	5,438	5,293	4,793
Rents and financial expenses	158	79	52
Internal charges	(572)	(585)	(558)
	<b>61,135</b>	<b>65,003</b>	60,716
Net operating deficit	<b>(57,598)</b>	<b>(59,996)</b>	(56,354)
<b>Capital fund</b>			
Revenues			
Contributions	-	1,109	975
Other revenue	-	-	(22)
	-	<b>1,109</b>	953
Expenses			
Amortization of tangible capital assets	-	3,235	2,832
Assets under construction	-	4,243	4,741
	-	<b>7,478</b>	7,573
Net capital deficit	-	<b>(6,369)</b>	(6,620)
Add: Net contributions (to) from reserves	<b>(1,715)</b>	<b>199</b>	524
Less: debt principal repayments	-	<b>(1,488)</b>	(1,172)
	<b>(1,715)</b>	<b>(1,289)</b>	(648)
<b>Total combined net deficit</b>	<b>(59,313)</b>	<b>(67,654)</b>	(63,622)

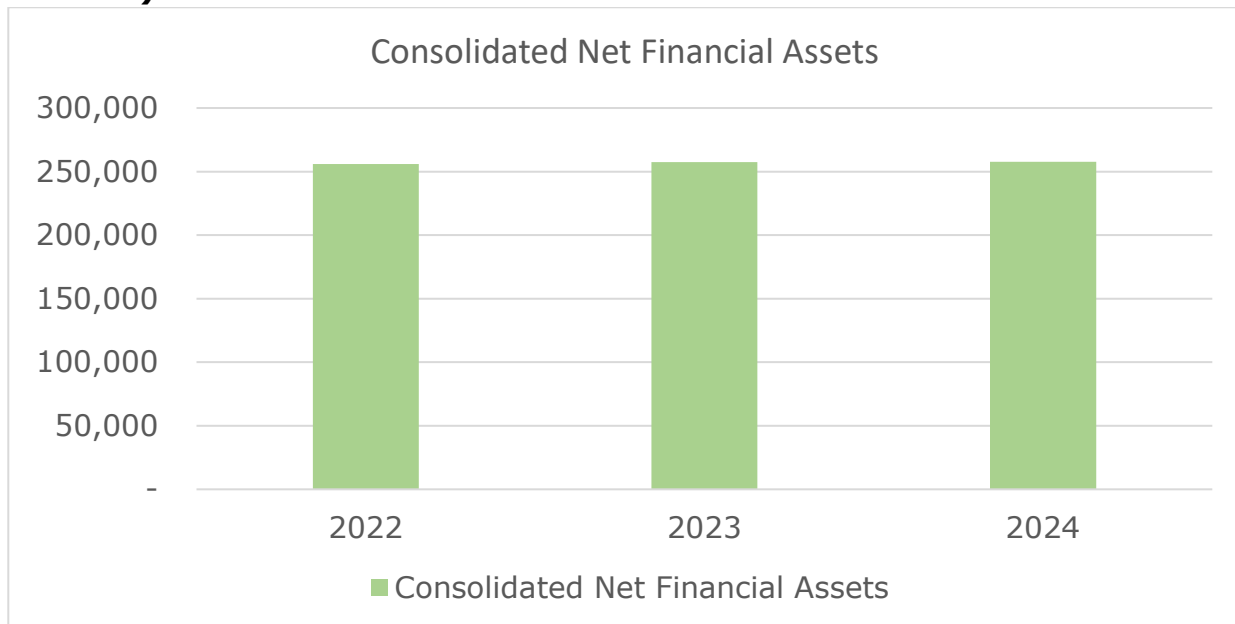
## Financial Statement Discussion and Analysis

### Statement of Financial Position

The Statement of Financial Position is a summary of the consolidated assets, liabilities, and accumulated surplus, which includes reserves and reserve funds. The City's net financial position (net financial assets) is a key indicator of its overall fiscal health and is used by the credit rating agency in the City's annual rating review. As of December 31, 2024, the City's consolidated net financial assets totaled \$257.7 million (2023 - \$257.4 million), an increase of \$359 thousand or 0.1 per cent from 2023. This result shows that the City and its consolidated entities have continued the trend of increasing financial assets at a faster pace than financial liabilities. As noted in the 2023 Treasurer's report, the City expects a shift from financial assets (cash and investments) to non-financial assets (tangible capital assets) in the coming years as capital spending increases and the City takes on more debt to support an ambitious capital program to build housing enabling infrastructure and amenities and renew older assets. The minor increase in net financial assets in 2024 is a direct reflection of this shift. As noted in the 2024 year-end capital report, capital spending increased by \$56.4 million in 2024 compared to 2023 which again demonstrates the trend of the shift from financial assets to non-financial assets.

On a per capita basis, net financial assets per person of is \$1,723 (2023 - \$1,737), which continues to be well above the 2024 municipal average of \$847 per person. Municipal average data is from the 2024 BMA Municipal Study, is based on data from the 2023 Financial Information Return.

**Figure-1: Consolidated net financial assets for years 2022 to 2024 (\$ millions)**



## Cash and investments

Total cash and investment holdings decreased by \$12.2 million in 2024.

**Figure-2: Cash and investment changes for 2024 (\$ millions)**

	Cash	Investments	Total
Opening balance, January 1, 2024	75,670	529,797	605,467
Cash generated from operating activities	160,259	-	160,259
Cash generated from operating activities transferred to investments for future capital expenditures	(2,541)	2,541	-
Net cash spent on capital activities	(164,958)	-	(164,958)
Principal repayments on outstanding debt	(9,982)	-	(9,982)
Debt proceeds received	2,500	-	2,500
Closing balance, December 31, 2024	60,948	532,338	593,286

Although cash and investments decreased in 2024, the City still meets the minimum target measure of cash and investment holdings, which is a 1:1 ratio with the City's reserves and reserve fund balances including deferred contributions. The ratio for 2024 is 1:16 compared to 1:17 in 2023. For detailed information on the City's investment portfolio, refer to the [2024 Year-end Investment Performance Information Report – 2025-201](#).

## Accounts receivable and taxes receivable

Accounts receivable increased by \$14.0 million in 2024 compared with 2023. Several year-over-year fluctuations contribute to this difference, however, the main drivers of the increase in 2024 are due to increases in accrued receivables for grant revenues (\$5.5 million), water and wastewater billing receivable (\$2.6 million), investment income (\$2.4 million), and provincial offenses receivables as a result of the implementation of the new accounting standard PS 3400 (\$1.8 million) and HST and ITC receivables (\$1.7 million).

The balance in taxes receivable at year-end increased by \$4.0 million from 2023 to 2024. More information about taxes receivable can be found in [2024 Property Tax and Receivables and Collections 2025-109](#) information report.

Overall, 9.9 per cent of revenue was in accounts and taxes receivable as of December 31, 2024. This is an increase of 1.3 per cent when compared with 2023.

### **Loans and notes receivable**

The loans and notes receivable balance was \$3.1 million at the end of 2024. The driver of this balance is loans issued under the Guelph Greener Homes program of \$3.4 million. The Guelph Greener Homes program provides interest-free loans to Guelph residents for certain energy efficient upgrades. Detailed information on the program can be found on the City of Guelph [website](#). Decreases in intercompany receivables from GJR and GMHI account for the remaining difference.

### **Investment in GJR**

The City's investment in GJR increased by \$2.4 million as GJR had net income of \$2.6 million in 2024 and paid dividends to the City of \$210 thousand. Further detail can be found in the GJR audited financial statements and annual report to Council as the shareholder.

### **Investment in GMHI**

The City's investment in GMHI increased by \$3.1 million as GMHI earned total comprehensive income of \$7.5 million during the year which was offset by \$3.8 million in dividends paid to the City and an adjustment to retained earnings for the refundable portion of deferred taxes. Further detail can be found in the GMHI audited financial statements and annual report to Council as the shareholder.

### **Accounts payable and accrued liabilities**

Accounts payable and accrued liabilities increased by \$26.5 million compared with 2023. There are many year-over-year fluctuations that contribute to this difference, and much of this balance is dependent on the timing of payments. The largest drivers of the City's increase are in trade accounts payable and accrued liabilities (\$16.4 million) and construction holdbacks (\$6.6 million). These increases are due to large construction projects in progress in 2024. Accrued payroll also increased by \$2.8 million related to the timing of year-end in comparison with pay dates in 2024. The remaining increase of \$700 thousand is due to minor increases in various accounts.

### **Vacation and other employee benefits payable**

Vacation and other employee benefits payable increased slightly (\$40 thousand) compared to 2023.

### **Deferred contributions**

Deferred contributions are the City's obligatory reserve funds which include development charges (for growth-related capital expenditures), the Canada Community Building grant funds, provincial gas tax funds, parkland dedication, community benefits charge funds, Ontario Building Code Act funds and Guelph Greener Homes reserve funds. In 2024, two new reserve funds were added for the Housing Accelerator Fund and the Building Faster Fund.

In 2024 the City had inflows totalling \$64.0 million to deferred contributions and outflows of \$81.9 million for project expenditures funded through these revenue sources, for a net decrease of \$17.9 million at the end of 2024. New inflows in 2024

included transfers from the Housing Accelerator Fund (\$5.4 million) and Building Faster Fund (\$3.3 million).

The largest component of deferred contributions are the development charge reserve funds. Development charge inflows in 2024 were \$36.6 million which is a decrease of \$9.4 million compared with 2023. Of this amount, development charge collections were \$12.0 million, interest earned on development charge reserve fund balances was \$9.3 million and transfers from tax and rate supported capital reserve funds to fund exemptions and discounts were \$15.3 million. Development charge outflows were \$67.9 million in 2024 compared to \$19.8 million in 2023. The increase in outflows was primarily driven by increases in transfers to fund progress on growth related capital projects (\$65.8 million) compared to \$18.5 million in 2023. Notable projects funded include the South End Community Centre and the Baker District library. For further information about the City's obligatory reserve funds, refer to note 8 in the consolidated financial statements and the [2024 Long-term Financial Statement and Debt report – 2023-230](#).

### **Employee future benefits**

The employee future benefits liability includes liabilities for current Workplace Safety and Insurance Board (WSIB) claims; medical and dental benefits for employees on long-term disability longer than 24 months and early retirees (post-employment and retirement benefits); and sick leave/retirement benefits (sick leave benefits). An actuarial valuation is undertaken every three years to determine the liability as of the valuation date, and actuarial estimates of the next three years' liability. The most recent WSIB liability valuation was done in 2021 and in 2022, the post-employment, early retiree, and sick leave benefits valuation was completed.

Employee future benefits liability increased by \$4.0 million from 2023 to a total of \$66.8 million. This increase is attributed to a WSIB liability increase of \$3.0 million, future post-employment and retiree benefits liability increase of \$678 thousand and sick leave/retirement benefit liability increase of \$364 thousand.

The cost of future employee benefits can vary depending on the various assumptions incorporated into the calculations including future inflation rates, future salary escalations, future costs of long-term debt, future cost of health care, various demographic inputs, collective agreement changes, and City of Guelph specific historical data and employee coverages, among others. Further, legislative changes to enhance WSIB coverage for emergency services workers have been a key driver for the increasing liability.

### **Debt**

The City did not issue any new debt direct to market in 2024 due to the higher interest rate environment. The City did receive \$2.5 million in debt proceeds from FCM under the Guelph Greener Homes program loan agreement, for which the City acts as a flow through to program recipients. Reserve funds have been used temporarily to internally finance capital projects for which planned debt financed spending occurred and will be issued in 2025 and future.

The City and its consolidated entities made debt principal repayments totalling \$9.8 million in 2024. Refer to the [2024 Long-term Financial Statement and Debt report – 2023-230](#) for further detail on City debt.

### **Obligation under capital lease**

Obligation under capital lease decreased by \$187 thousand in 2024 as The Elliott made the expected principal payments on its capital lease.

### **Asset Retirement Obligation**

The Asset Retirement Obligation (ARO) liability decreased by \$421 thousand in 2024. This driver of the decrease is the result of settled liabilities for buildings with asbestos abated in 2024 as well as the removal of a liability for a building that does not contain hazardous materials. The decreases were offset with increases due to accretion expense and the addition of the Downtown Guelph Business Association ARO liability for the removal of light installations in downtown Guelph. Refer to note 15 of the financial statements for detailed information on the City's asset retirement obligations.

### **Other long-term liabilities**

Other long-term liabilities are amounts owing under the City's three Tax Increment Based Grants (TIBG) programs: Heritage Redevelopment, Downtown Community Improvement Plan, and the Brownfield Redevelopment Community Improvement Plan. The amounts included in the liability are amounts owing for completed agreements that have met all the eligibility criteria. At the time of entering into an agreement, the cost is reflected as a commitment disclosure in the financial statements; when the criteria in the agreement have been met (i.e., the improvements have been completed and the Municipal Property Assessment Corporation has reassessed the property), the commitment is converted to a liability.

In 2024, the liability increased by \$10.6 million, which is the net result of \$2.2 million being paid out to eligible developments under these agreements, and \$12.8 million in new liabilities being converted from commitments. No new agreements were entered into in 2024.

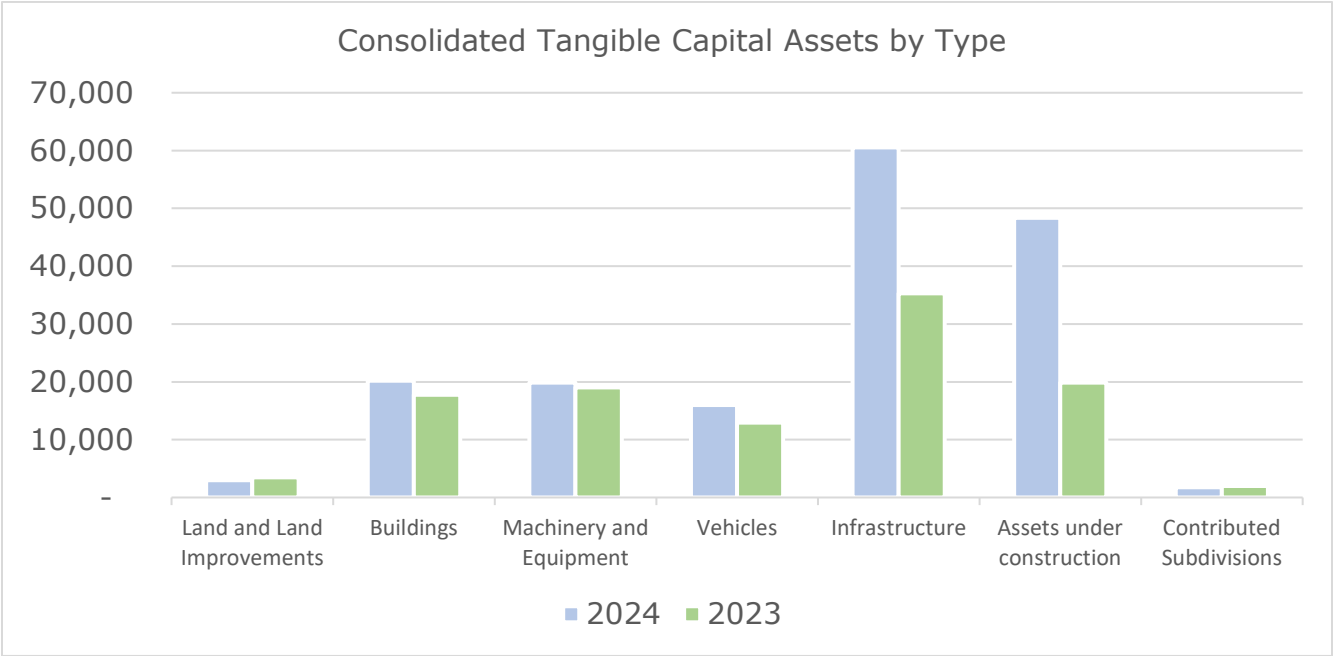
### **Liability for contaminated sites**

The liability for contaminated sites decreased by \$1.9 million in 2024 as site investigations were completed for two sites which required no remediation. A revised estimated for annual monitoring has been included in the liability.

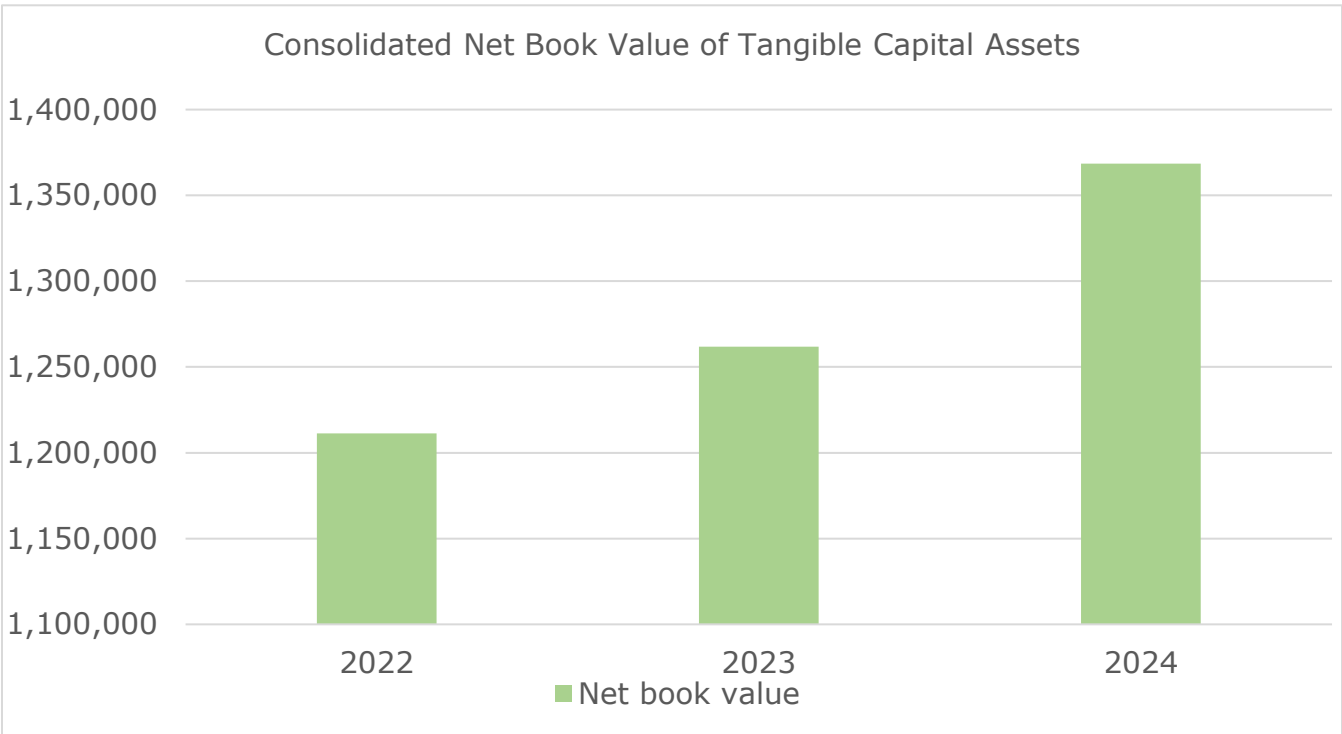
### **Tangible Capital Assets**

The City and its consolidated entities acquired \$167.9 million in tangible capital assets in 2024 (2023 - \$108.4 million). Of this, \$1.8 million (2023 - \$2.0 million) were contributed subdivision assets. The net book value of the City's tangible capital assets increased by \$106.6 million compared to 2023. This increase shows continued improvement in the execution of the capital program as outlined in the [2024 Year-end Capital Budget Monitoring Report - 2025-215](#).

**Figure-3: Consolidated tangible capital assets by type for the year 2024 (\$ millions)**



**Figure-4: Consolidated net book value of tangible capital assets (\$ millions):**



## Reserves and Reserve Funds

Please refer to the [2024 Long-term Financial Statement and Debt report – 2025-230](#) for details about reserves and reserve fund activity in 2024.

## Statement of Operations and Accumulated Surplus

The statement of operations shows the total revenues earned by the City and the total expenses incurred in the fiscal year. The City and its consolidated entities ended the year with an excess of revenues over expenses of \$106.7 million, compared with \$51.9 million in 2023.

The audited Consolidated Financial Statements are prepared in accordance with PSAS, and as a result, the net surplus reported in these financial statements is different from the surplus reported by staff in the [2024 Year-end Operating Budget Monitoring Report and Surplus Allocation and Deficit Funding 2025-212](#). Both reports are generated using the same underlying data, however, as shown in Figure-5 they are presented differently based on the requirements of modified cash basis operating and capital budgeting versus full accrual-based financial reporting.

### Figure-5: Reconciliation of PSAS surplus versus operating budget deficit (in millions)

Description	Amount
<b>Ending surplus - PSAS</b>	\$106,735
Net capital-related revenues and depreciation	(\$9,006)
Debt-related and non-cash items	\$1,060
Reserve related transfers	(\$92,573)
Consolidated entities	(\$6,280)
<b>Adjusted modified cash basis surplus</b>	<b>(\$64)</b>
Ending surplus – tax supported	(\$398)
Ending surplus – non-tax supported	\$334
<b>Total</b>	<b>(\$64)</b>
Difference	\$0

## Revenue Highlights

Revenue increased by \$101.3 million compared to 2023 due to planned growth-related activity and associated capital investments.

Property tax revenue, the City's largest and most stable funding source, increased by \$29.2 million to support inflationary pressures and enhanced service level investment as well as from assessment growth. Development charge revenues increased by \$44.5 million compared to 2023, reflecting funding spent for significant, multi-year capital projects underway in 2024. As well, user fees

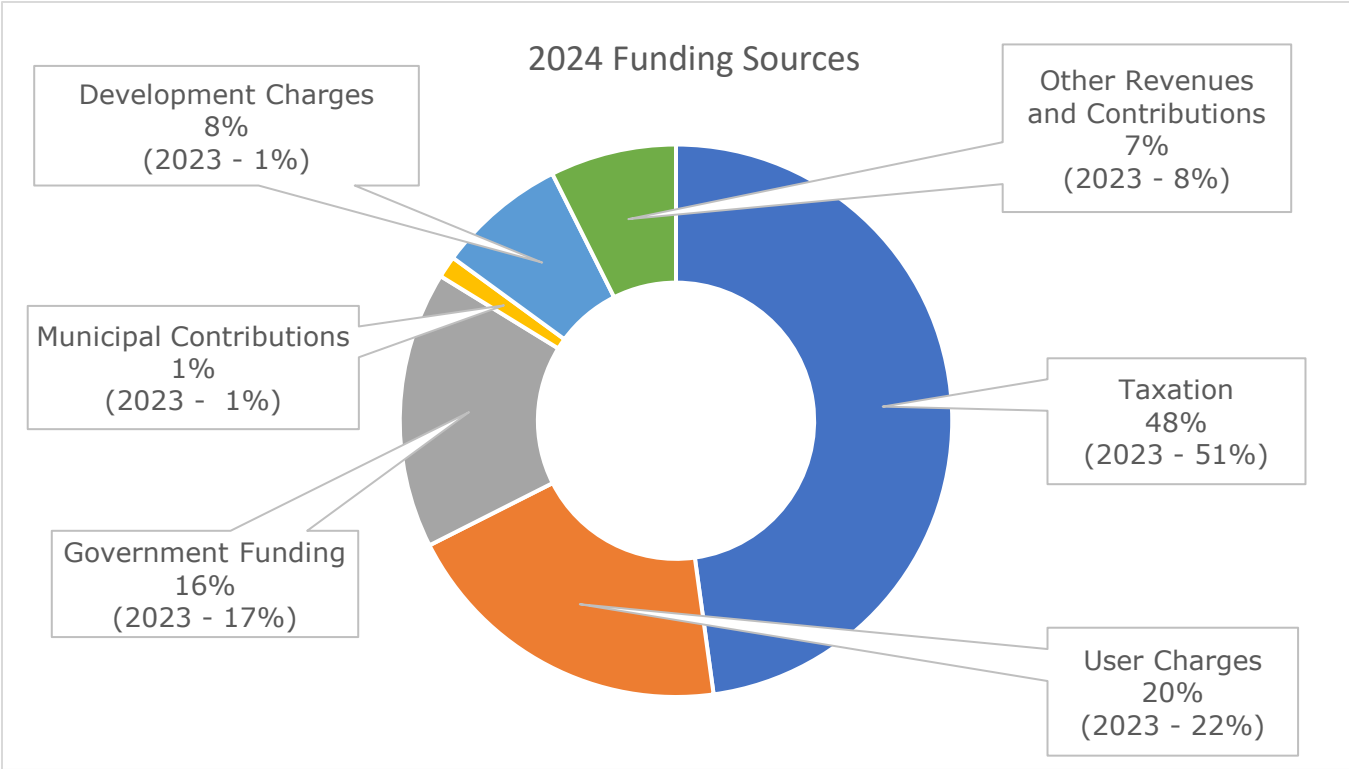


increased by \$7.7 million over 2023. The largest areas of increases in user charges are water and wastewater rate revenues (\$4.1 million), stormwater revenues (\$1.8 million), transit revenues (\$890 thousand) and solid waste transfer station tip fees (\$733 thousand).

Contributions from the federal government decreased by \$6.9 million in 2024 mainly due to the Circular Opportunity Innovation Launchpad (COIL) and Smart Cities programs ending in 2023. Contributions from the provincial government increased by \$15.7 million in 2024. A significant portion of the federal and provincial contribution revenues is related to the City's recognition of its proportionate amount of federal and provincial grant funding for social services, to better reflect the true investment in these services in our community. These grant funding sources increased by \$9.5 million in 2024 with the largest increase being childcare services. Other federal and provincial grants received by the City are generally for paramedic services and capital projects. Capital project grant revenue is recognized as the expenditures for which the grants are provided are incurred, so fluctuations from year to year are common, and not necessarily indicative of the amount of grant support approved from upper levels of government in any given year.

Revenue recognized related to contributions from developers was \$52.7 million in 2024 (2023 - \$8.2 million). Contributions from developers include development charge revenue recognized as expenditures are incurred for growth related capital projects (\$65.8 million), development charge funded debt (\$1.2 million), direct developer contributions for capital projects where the benefits of the project are shared between the City and the developer (\$145 thousand), and is offset by the amounts transferred from property tax and rate supported reserve funds for development charge exemptions and discounts (\$15.3 million). In 2024, there was also a one-time transfer of \$863 thousand for the City's contribution to the Elliott's long-term care bed expansion. This revenue line can fluctuate significantly from year to year based on the timing and nature of capital projects executed during the year, and the amount of development charge revenue loss from exemptions and discounts. Significant development charge revenues were recognized due to large growth-related construction projects in progress in 2024.

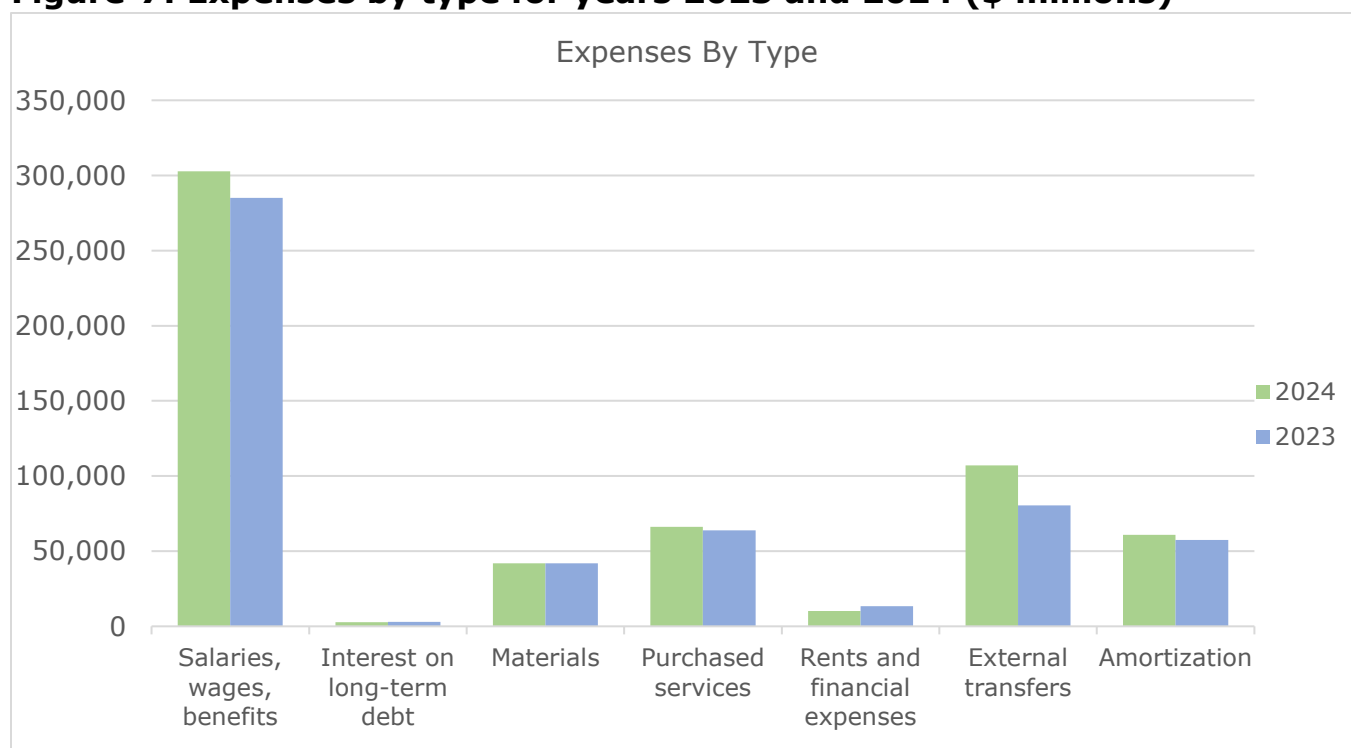
**Figure-6: 2024 Revenue source distribution (%)**



**Expense Highlights**

In 2024 total expenses increased by \$46.5 million (2023 - \$30.6 million increase) compared with 2023.

**Figure-7: Expenses by type for years 2023 and 2024 (\$ millions)**



Salaries, wages, and benefits increased by \$17.7 million compared to 2023. The drivers of the increase include inflationary increases for wages and benefits, growth in positions (contract and permanent), extended hours for part-staff and increased overtime hours to deliver services to a larger population. Other factors contributing to the increase include legislative impacts, enhanced OMERS pension plan eligibility and increased employee future benefit costs. The largest salaries, wages, and benefits increases were in protection services (\$5.6 million), transportation (\$4.8 million), recreation and culture (\$2.4 million) and health (\$2.3 million).

Purchased services increased by \$2.4 million compared to 2023. This increase is the result of the fluctuating nature of expenses in this category that vary based on organizational needs in a given year.

External transfers increased by \$26.6 million compared to 2023. There were three TIBG conversions this year for \$12.8 million. This increase was offset with an overall decrease in payments for various community grants and overall decreases in transfers to other organizations. The largest reduction in transfers to other organizations was due to the COIL and Smart Cities programs ending in 2023. The net impact of these amounts was an increase of \$9.2 million. The remainder of the increase in external transfers was social services expenditures which increased by \$17.4 million.

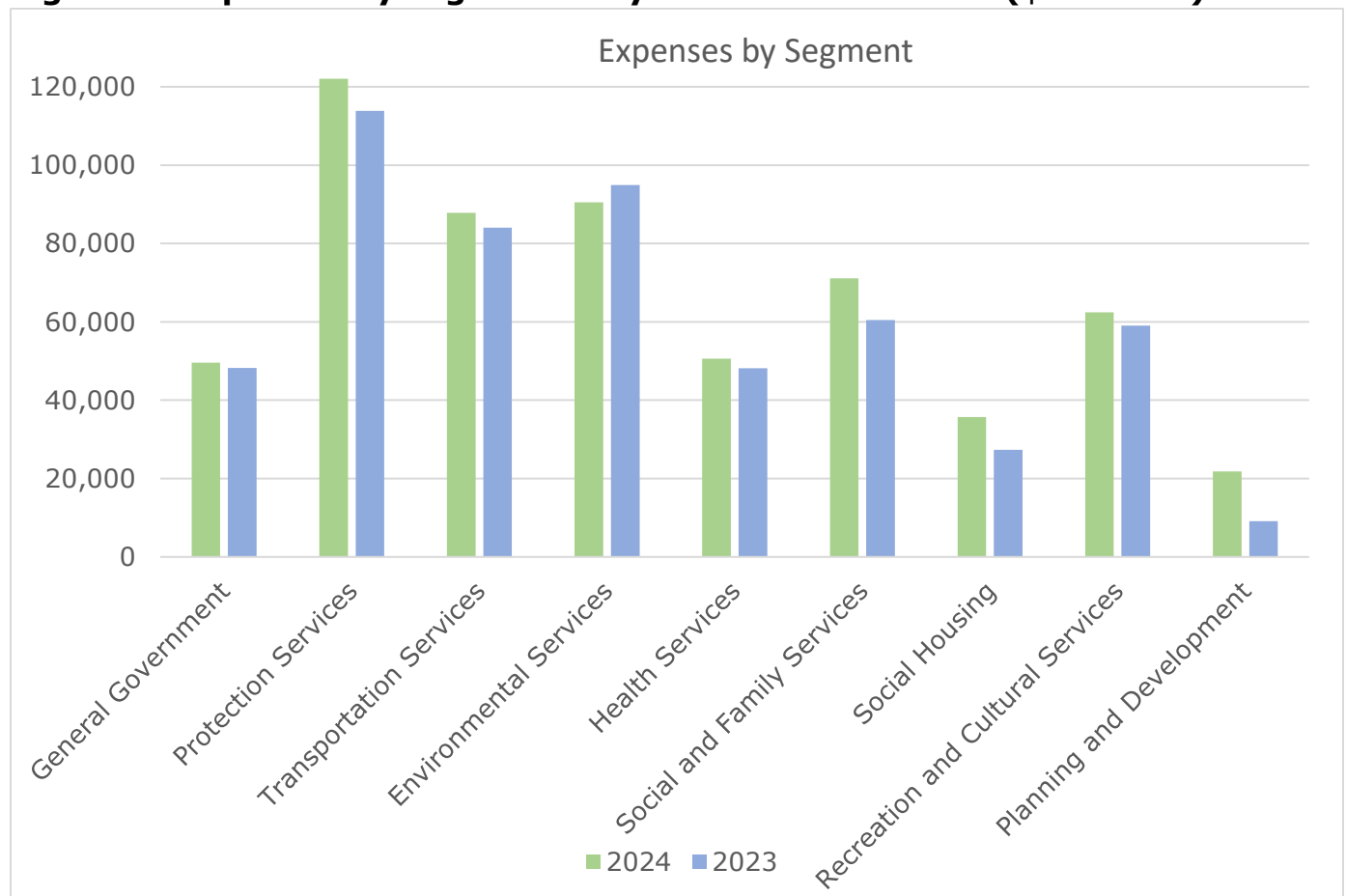
The County of Wellington provides social services on behalf of the City and receives grant funding from upper levels of government to support these programs, along with transfer payments from the City. The City records Guelph's proportionate

share of these government grants as both revenue and expense, to more accurately reflect the total investment in social services within the community. In 2024, the City paid a total of \$32.9 million to the County for social housing, Ontario works, and childcare social services (2023 - \$25.4 million). In addition, the City recorded revenue and expenses of \$50.4 million, representing the Guelph portion of the federal and provincial grants received for these programs by the County (2023 - \$40.9 million).

Overall, total expenditures for social services programs increased from \$66.0 million in 2023, to \$83.4 million in 2024, an increase of \$17.4 million. Of the \$17.4 million overall increase, the City's direct financial contribution increased by \$7.6 million while the total investment in social services in the community was \$17.0 million in 2024.

Investments within the Guelph community for social housing increased by \$7.4 million, while the City's direct financial contribution increased by \$5.2 million. The investment in the Guelph community for child care increased by \$7.6 million while that City's direct financial contributions for childcare increased by \$1.9 million. The level of investment in the Ontario works program in the community increased by \$2.0 million while the City's direct contribution increased by \$538 thousand, as the province fully funds Ontario Works benefits, and the City and County share a portion of the program administration costs.

**Figure-8: Expenses by segment for years 2023 and 2024 (\$ millions)**



General government expenses increased by \$1.4 million in 2024. This is the result of inflationary increases across compensation and increased repair and maintenance costs within purchased services for aging city infrastructure. These increases were offset with minor decreases in other expense categories.

Protection services expenses increased by \$8.3 million in 2024. The driver of this increase is \$5.9 million which is related to compensation. Contributing factors for this increase include inflationary increases in salary and benefit costs, new positions to keep pace with service delivery requirements, increased over time costs and expenses for employee future benefit costs.

Transportation services expenses increased by \$3.8 million in 2024. Compensation increased by \$4.8 million in 2024 as a result of inflationary pressures as well as increased staffing needed to meet operational requirements. The compensation increase was offset by decreases in purchased services of \$1.7 million. The driver of the decrease in purchased services is due to their being a one-time, large expense for bridge work in 2023.

Environmental services expenses decreased by \$4.5 million in 2024. The driver of the decrease is due to the COIL and Smart Cities program ending in 2023 (\$2.9

million) and the change in estimate of liability for the landfill post closure costs that was done in 2023 (\$2.5 million). These increases were offset with inflationary increases in other categories.

Health services expenses increased by \$2.5 million in 2024. This the driver of the increase in compensation (\$2.3 million) is due to the increased use of temporary staffing hours and overtime fulfill operational needs and cover employees who are on leave.

Social and family services expenses increased by \$10.6 million compared to 2023. The main drivers of the increase are increased costs for the City's share of the County of Wellington childcare and social services expenses of \$6.7 million and \$2.3 million respectively, noting that these expenditure figures include the City portion of expenditures funded by grants. The other main driver of the year over year increase is related to a \$1.5 million increase in the Elliott's compensation costs for 2024, driven by inflationary increases as well as staffing up to open the 29 new long-term care beds in fall 2024.

Social housing expenses increased by \$8.3 million compared to 2023 which is the increase in the City's share of County of Wellington social housing costs including federal and provincial grant funded expenses.

Recreation and Culture expenses increased by \$3.4 million in 2024. The driver of the increase is compensation expenses. Increased costs for contract staff and extended hours for part-time staff were required to meet service delivery requirements in 2024.

Planning and development expenses increased by \$12.7 million compared to 2023. The driver of this increase is due the conversion of three Tax-Increment Based Grants (TIBG) from commitments to liabilities in 2024. TIBG's are grant payments that support redevelopment in the City. Through TIBG's, the City is making a significant investment in incentives that have created new housing opportunities.

Detailed information on City expenditures in 2024 can be found in the [2024 Year-end Operating Budget Monitoring Report and Surplus Allocation and Deficit Funding, 2025-212](#)

## **Statement of Cash Flows**

This statement provides a summary of how cash was generated during the fiscal year and where it was spent. The purpose of this statement is to reconcile the excess of revenue over expenses for the year from the Statement of Operations and Accumulated Surplus to the City's cash at the end of the fiscal year, as shown in the Statement of Financial Position.

The first section of the Statement of Cash Flows highlights the cash generated from operations and begins with the excess of revenues over expenses for the year of \$106.7 million. Items that are non-cash in nature or which reflect changes in non-cash working capital items from the Statement of Financial Position are then added

or subtracted. During 2024, the City and its consolidated entities generated \$160.3 million in cash from operations (2023 - \$129.2 million).

The next two sections relate to capital, investing, and financing activities, which show how the City has used and generated its cash during the year. The City spent \$166.1 million to acquire tangible capital assets and received \$641 thousand from the sale of capital assets. \$2.5 million was invested into the City's investments and the City received dividends totalling \$3.8 million from GMHI and \$210 thousand from GJR. Debt principal repayments totalling \$10.0 million were made during the year, offset by \$2.5 million in proceeds received from the interest free loan from the Federation of Canadian Municipalities for the Guelph Greener Homes program.

Overall, the consolidated cash position decreased year-over-year by \$14.7 million, ending 2024 with a balance of \$60.9 million.

## **Audit Opinion**

KPMG issued a clean audit opinion on the City's 2024 consolidated financial statements. KPMG's Audit Findings Report was provided to Council as an attachment to report 2025-321 – 2024 Consolidated Financial Statements and External Audit Findings Report.

# Statistical Information

There are three categories of financial indicators in the City’s [Long-Term Financial Framework](#): sustainability, vulnerability, and flexibility.

**Sustainability** is the ability to maintain services over an extended period of time, providing continuous service at the expected level to all intended customers.

**Vulnerability** is the level of resiliency within the organization to mitigate unexpected negative factors while maintaining financial and service commitments.

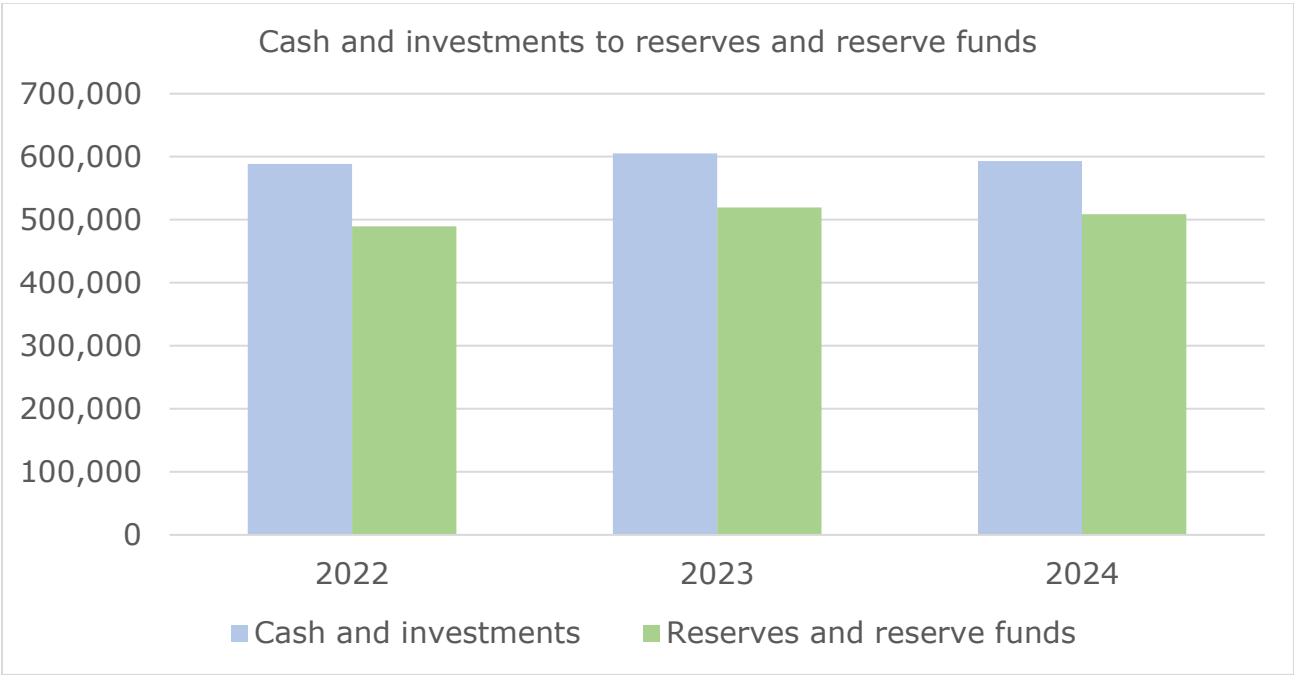
**Flexibility** is the ability of the organization to adapt to a changing environment to both capitalize on opportunities and avoid threats.

## Sustainability

The key sustainability measures are:

- Ratio of cash and investments to reserves and reserve funds
- Consolidated net financial assets
- Asset consumption ratio

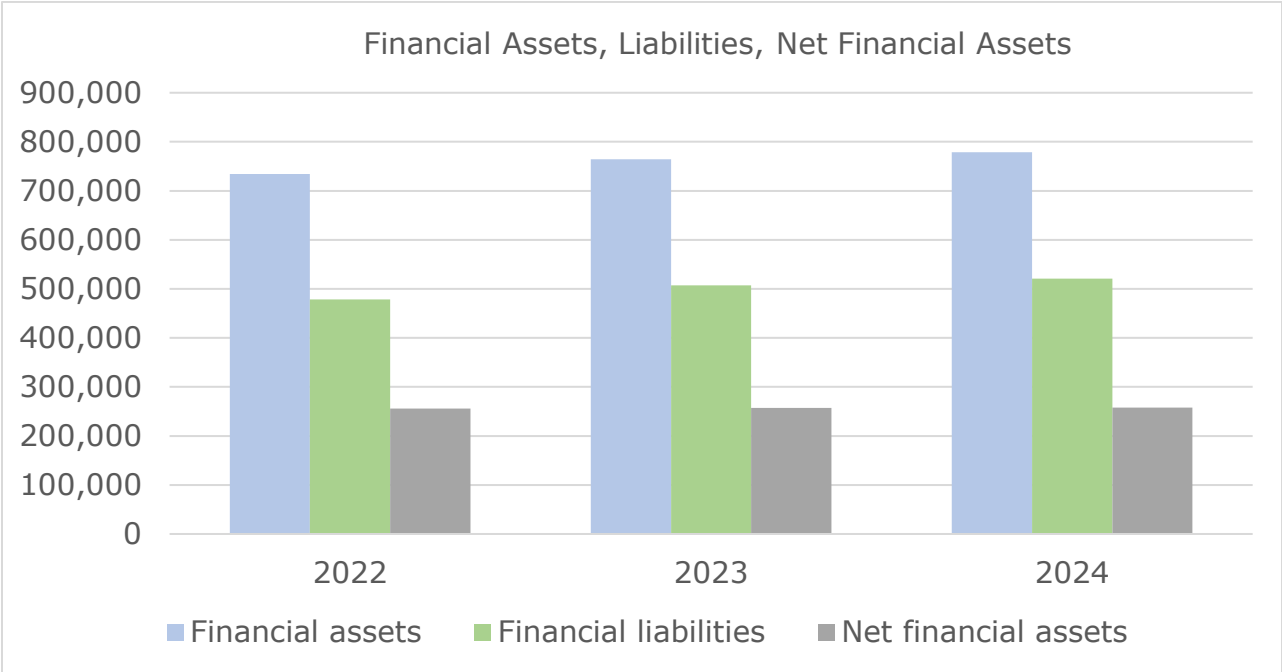
**Figure-9: Cash and investments and reserve and reserve funds for years 2022 to 2024 (\$ millions)**



In 2024, the City’s cash and investments to reserves and reserve funds ratio decreased slightly to 1.16:1 (2023 - 1.17:1). The City remains about the minimum target of 1:1. This result is consistent with the City’s reliance on reserve and reserve funds to manage through the high-interest rate environment of 2023 and 2024 instead of issuing debt.

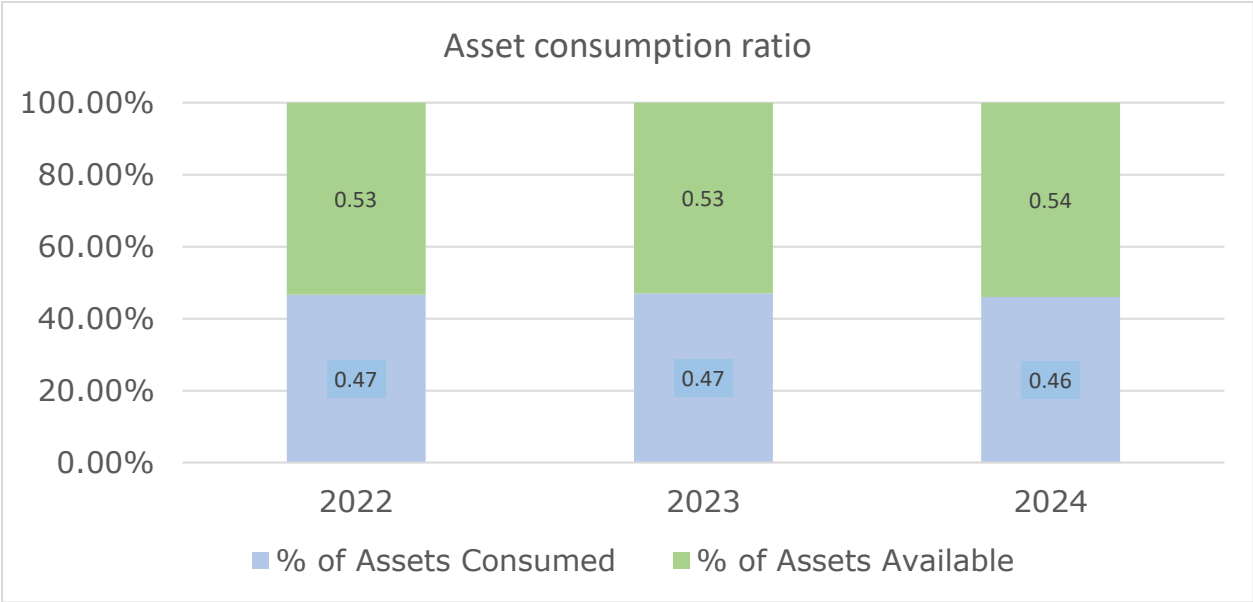


**Figure-10: Financial assets, financial liabilities and net financial assets for years 2022 to 2024 (\$ millions)**



Net financial position is financial assets minus financial liabilities. The City’s financial assets exceed its financial liabilities which means the City is in a net financial asset position (as opposed to net debt). In 2024, net financial assets increased by \$359 thousand (0.1 per cent). Net financial assets has remained stable over the past three years, reversing the previous trend of financial assets building up due to capital resourcing constraints which were addressed through the capital program resourcing strategy. This picture is expected to change in 2025 and future, as reserve supported capital spending is projected to continue at a higher than historical rate, and debt will be issued to finance capital spending.

**Figure-11: Asset consumption ratio for years 2022 to 2024**



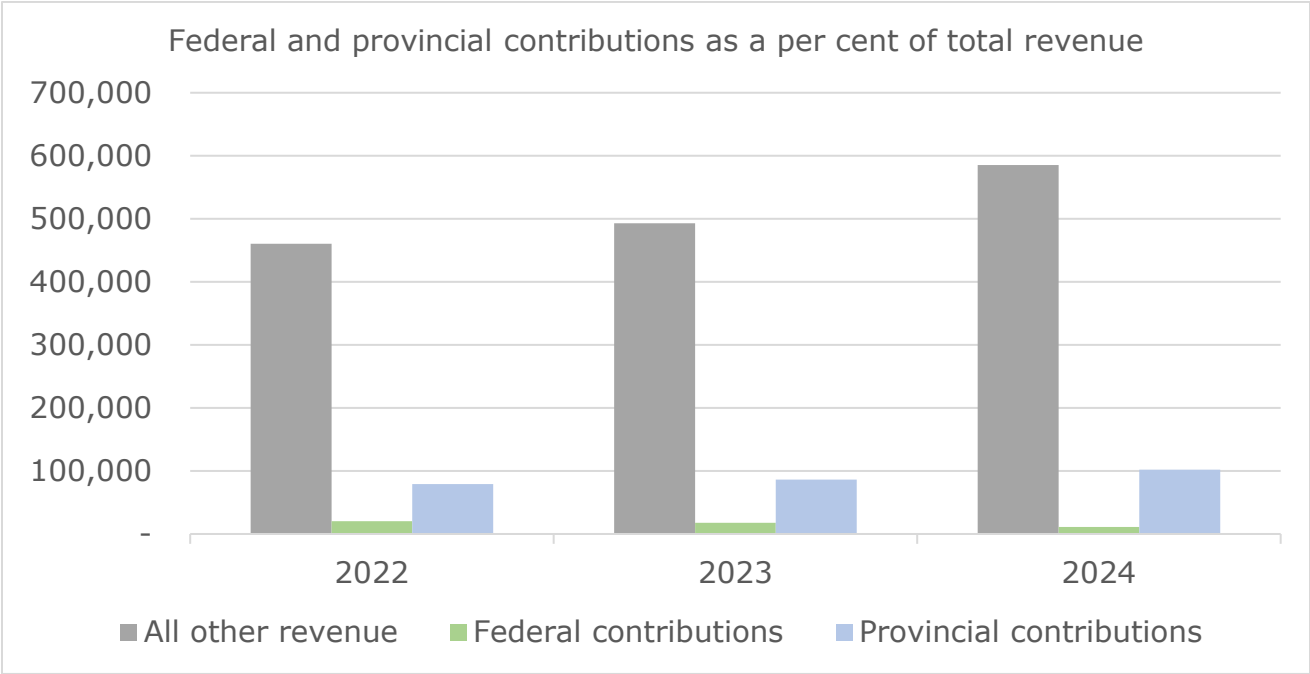
The asset consumption ratio is accumulated amortization divided by the gross cost of capital assets and it gives insight into how old or used up the City’s assets are. In 2024, the City’s asset consumption ratio increased from 0.53 per cent to 0.54 per cent. This increase is a positive sign and signals that the City is replacing older assets at a faster pace than has historically been possible. This is a direct result of capital strategies that have been put in place over the past few years to increase capital spending (the capital program resourcing strategy).

**Vulnerability**

The key vulnerability measures are:

- Federal and provincial contributions as a per cent of total revenue
- Tax arrears as a per cent of taxes levied
- Return on investment

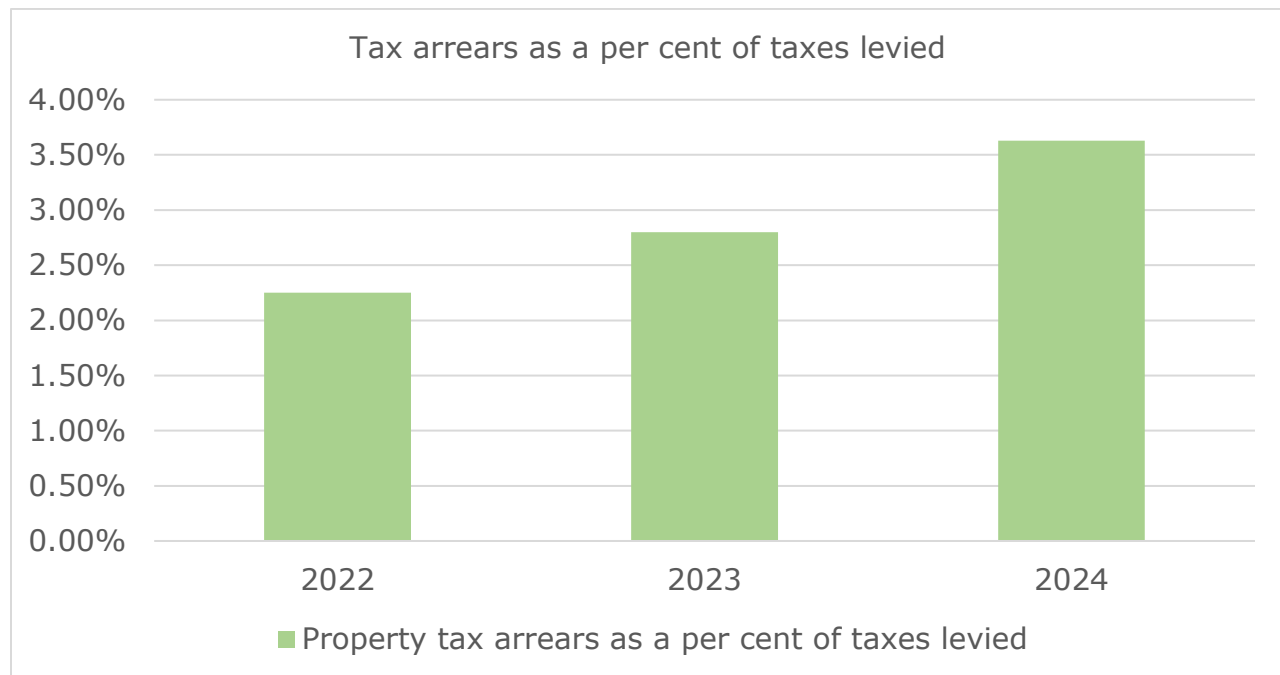
**Figure-12: Federal and provincial contributions as a per cent of total revenue for years 2022 to 2024 (\$ millions)**



Federal and provincial contributions as a per cent of total revenue decreased in 2024 to 16.2 per cent compared to 2023 (17.4 per cent). Year over year, federal and provincial grants increased by 8.5 per cent compared with 2023 due to new grants received in 2024, but large development charge supported spending in 2024 was a significant contributor to driving up the “all other revenue” category.

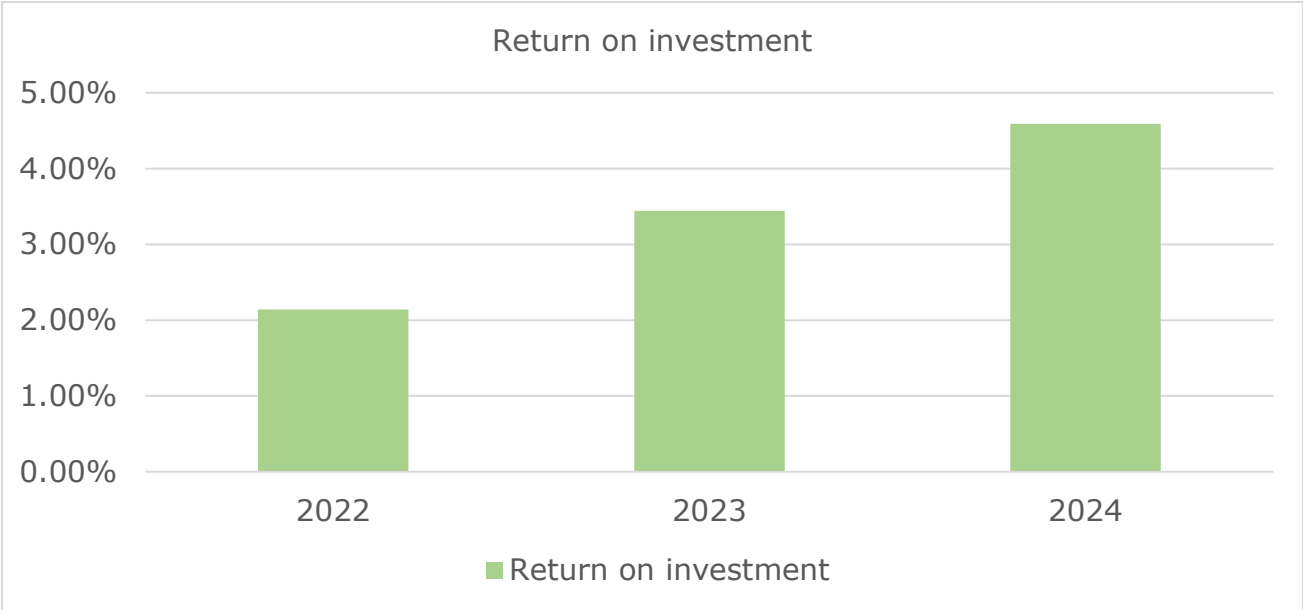
Monitoring the reliance on grant funding is important because it can represent a risk if stable sources of funding from other levels of government were to be decreased or discontinued. In 2024, the City was awarded a number of significant capital grants, and this grant revenue will be recognized as it is spent. There are three primary ongoing stable and predictable grant funding streams received by the City: the Canada Community-Building Fund (federal gas tax), the Dedicated Gas Tax Funds for Public Transit (provincial gas tax) and the paramedic services operating grant. As development charge collections have lagged projections and exemptions have grown, the City is growing more reliant on capital grants from upper levels of government to support capital spending. A core component of the City’s advocacy work is focused on encouraging a shift from competitive, one-time grant programs to long-term stable and predictable grant funding that can be proactively factored into plans and forecasts.

**Figure-13: Tax arrears as a per cent of taxes levied for years 2022 to 2024**



Tax arrears as a percentage of taxes levied gives us insight into the percentage of property owners unable to pay their property taxes and is an important indicator of economic health. In 2024, the percentage of tax arrears increased to 3.63 per cent which is up from 2.80 per cent in 2023. A portion of the increase can be attributed to the current economic environment and the postal strike which occurred in late 2024 delaying the mailing of arrears notices. Overall, the City continues to experience a consistent low level of tax arrears but this metric will continue to be monitored as affordability is a primary concern for our community.

**Figure-14: Return on investment for years 2022 to 2024**





The City’s return on investment increased from 3.44 per cent in 2023 to 4.59 per cent in 2024. The main drivers of increased investment earnings in 2024 were the strategic disposition of two investments for a one-time realized gain and higher than normal interest rates. For detailed information on the City’s investment performance for 2024, refer to the [2024 Year end Investment Report, 2025-201](#).






**Flexibility**

Flexibility measures help us to understand the capacity of the City to respond to unexpected opportunities and threats. The City’s reserve and debt positions are integral to its flexibility.

**Reserves and Reserve Funds**

Reserves and reserve funds provide the City with the flexibility to address operating requirements, prevent spikes in funding requirements for capital projects, allow time to access debt markets to take advantage of favourable conditions, and fund one-time or short-term requirements without impacting tax rates, among many other benefits.

Category	2024 change from 2023	Increase/(Decrease) (\$ millions) / %
Tax supported corporate contingency reserves		(307) (1.2%)
Tax supported program-specific reserves		63 0.4%

Tax supported strategic reserves		(964) (13.8%)
Tax supported program-specific reserve funds		(270) (2.0%)
Tax supported corporate capital reserve funds		529 0.8%
Non-tax supported program contingency reserves		991 14.7%
Non-tax supported program specific reserve funds		7,183 3.9%

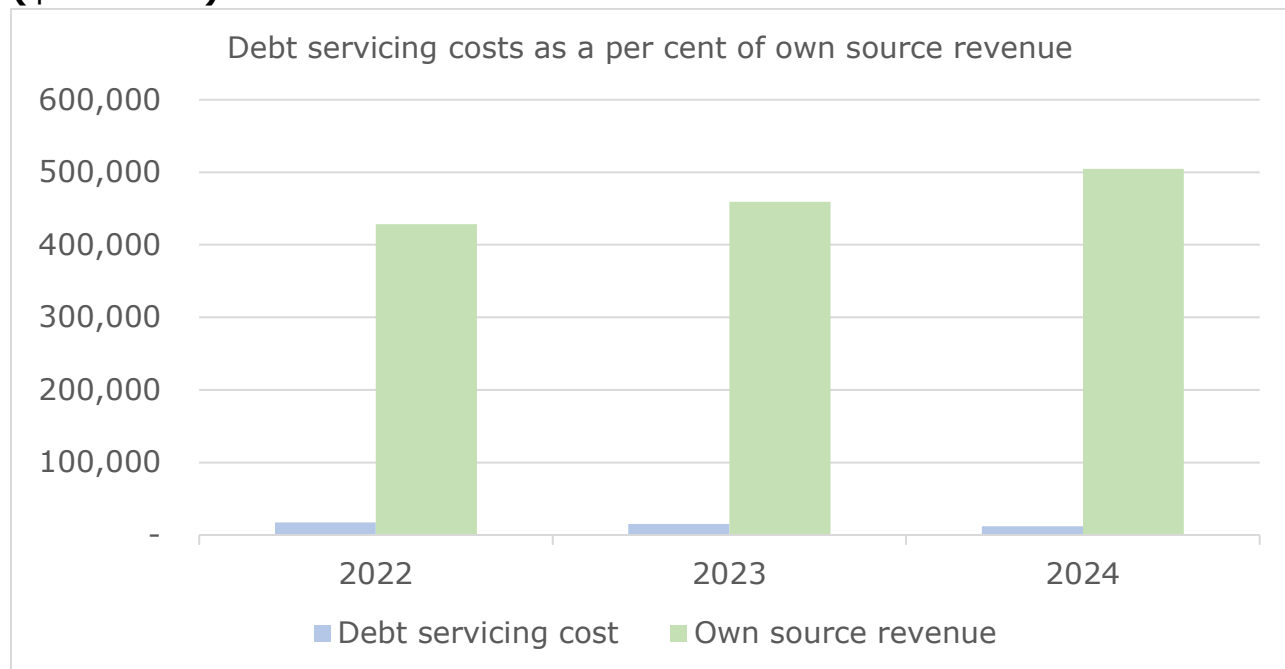
Detailed information on the City's reserve and reserve funds can be found in the [2024 Long-term Financial Statement and Debt report – 2025-230](#).

## Debt

Low debt in comparison with established thresholds also provides the City with flexibility. There are three key thresholds for debt:

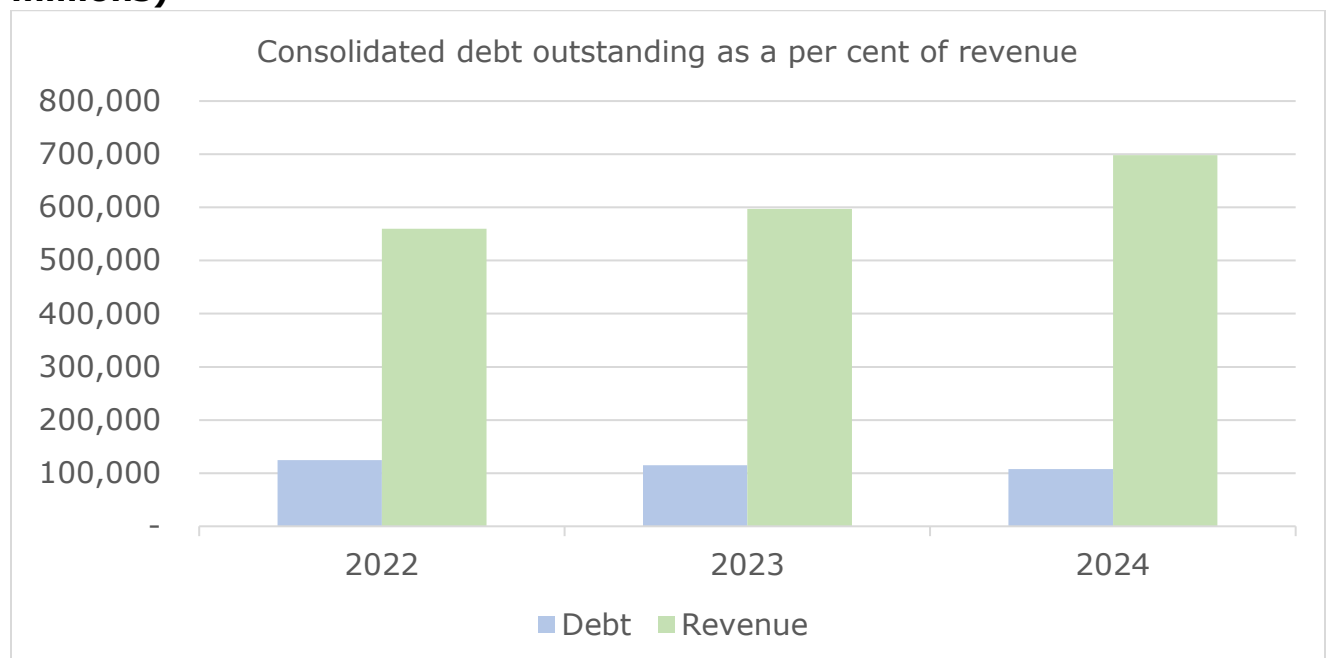
- The Ministry of Municipal Affairs and Housing requirement that no more than 25 per cent of total Own Source Revenue is used to service debt (principal and interest).
- The City of Guelph's policy limit which requires outstanding debt to be less than 55 per cent of operating revenue; and
- The S&P recommendation that outstanding debt be less than 30 per cent of operating revenue.

**Figure-15: Debt servicing costs as a per cent of own source revenue (\$ millions)**



The City's consolidated debt servicing costs as a per cent of own source revenue decreased to 2.4 per cent in 2024 (2023 – 3.3 per cent). This percentage is will increase in 2025 as the City issues debt to finance large capital projects as outlined in the [Debt Strategy](#) published with the 2024 – 2027 multi-year budget materials.

**Figure-16: Consolidated debt outstanding as a per cent of revenue (\$ millions)**



The City's consolidated debt outstanding as a per cent of revenue decreased in 2024 to 15.4 per cent (2023 – 19.2 per cent). The decrease is due to large increases in development charge revenues and provincial grants in 2024 as well as no new debentures being issued. This metric will also be impacted in future years as the City issues debt to finance large capital projects.

For detailed information about the City's debt, please see the [2024 Long-term Financial Statement and Debt report – 2025-230](#).