

2025 Year-end Financial Review

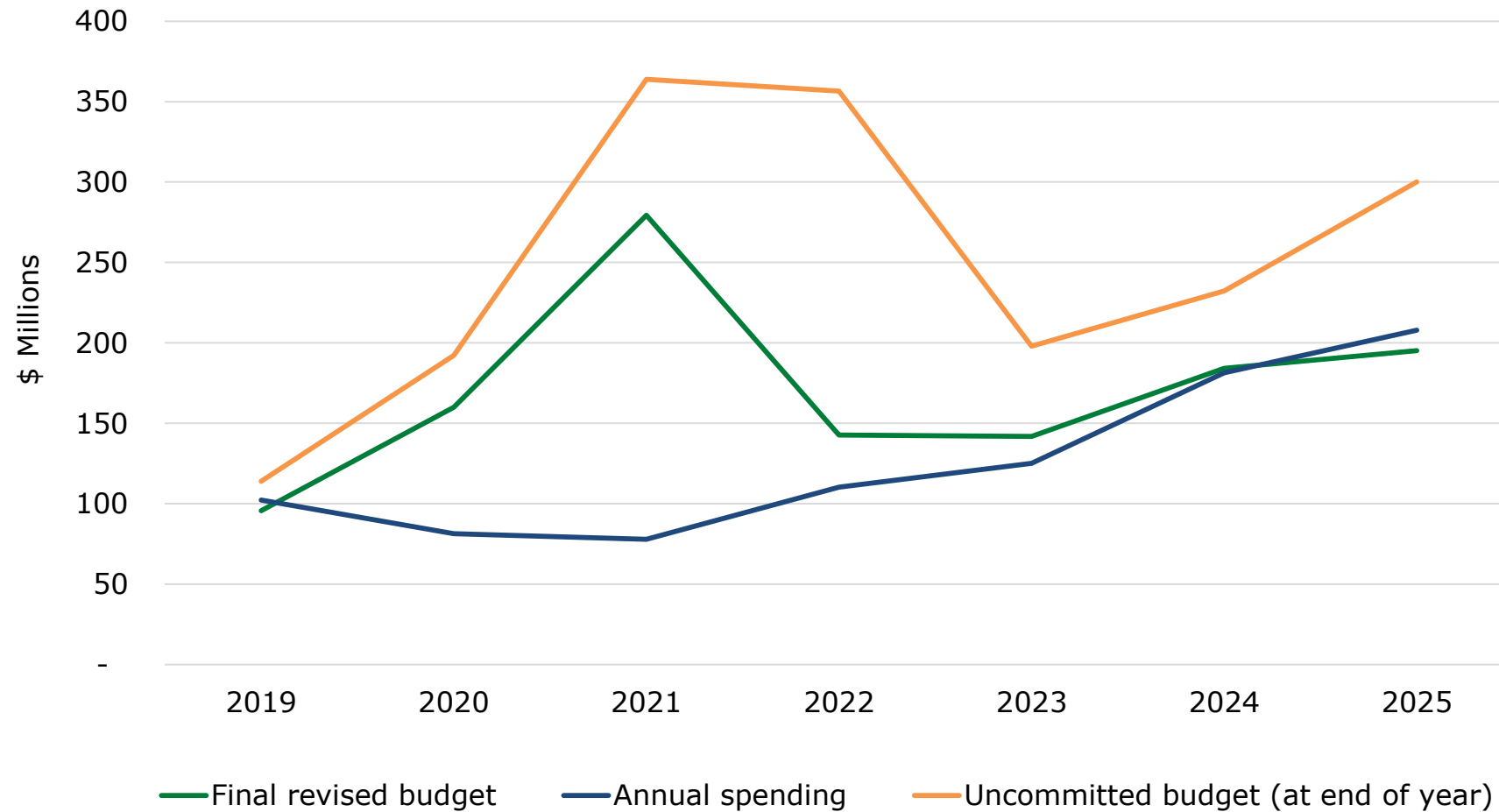
May 5, 2026

Agenda / Overview

Presentation of key highlights from the 2025 Year-end reports:

- 2025 Year-end Capital Budget Monitoring Report
- 2025 Year-end Operating Budget Monitoring and Surplus/Deficit Allocation Report
- 2025 Long-term Financial Statement – Reserves and Debt

Capital Budget Monitoring Results



Committed Capital Budget

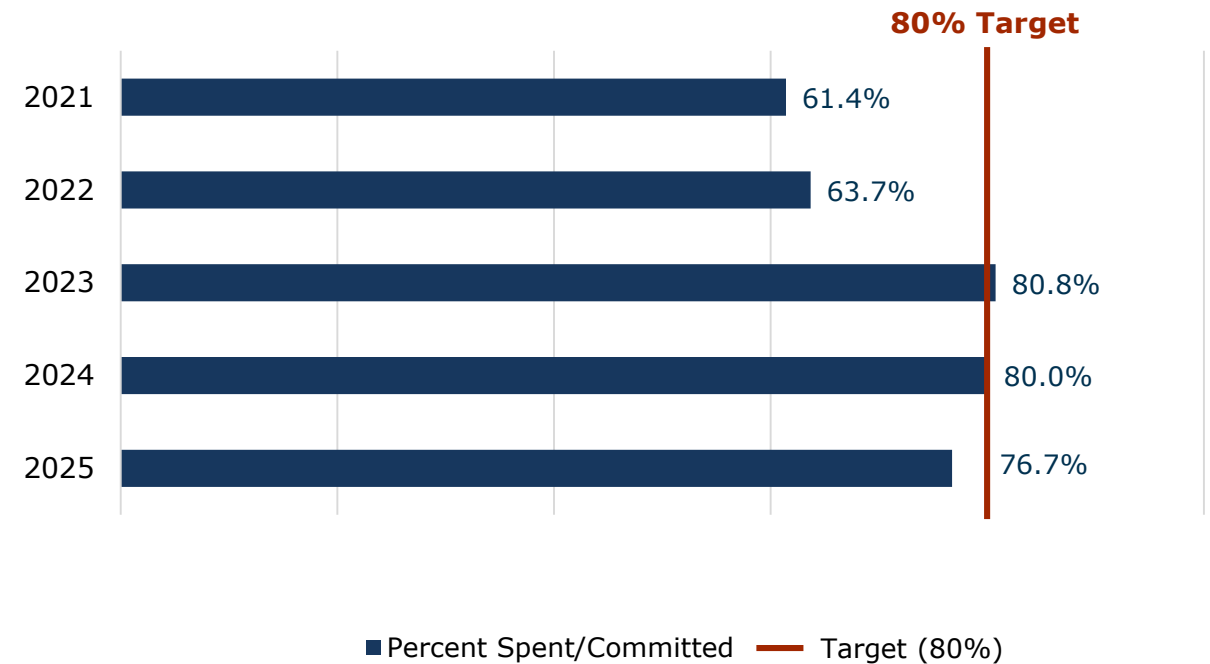
Budgeting is aligned with procurement timelines:

- Complex projects require longer planning cycles before commitments and spending.
- Examples in 2025 include:
 - Tertiary Treatment Process Facility
 - Speedvale Ave East Reconstruction

76.7%

Spent/Committed as of December 31, 2025

ANNUAL CAPITAL SPENDING COMPARED TO TARGET



Capital Budget Recommendations

RECOMMENDATION 1 Q4 2025 Capital Budget Adjustments

Attachment-2 Table 4 – Funding adjustments – two adjustments to change the funding source after budget was reallocated and one to align project funding to the DC background study

RECOMMENDATION 2 2026 Capital Budget Adjustments

Attachment-3 Eight adjustments resulting in a net budget increase of \$1,732,242.

2026 CAPITAL BUDGET ADJUSTMENTS – ATTACHMENT 3

Adjustment	Description	Increase/ (Decrease)
1	Gordon Street	(310,958)
2	Exhibition Area	683,200
3	Clythe Water Treatment Plant	2,070,000
4	Wading Pool Replacements	-
5	CAD Implementation	-
6	Wayfinding	250,000
7	Housing Accelerator Fund	(1,460,000)
8	University Ave	500,000
Net Budget Change		1,732,242

Capital Revenue - Grants

\$12.4
million

Sustainable Grant Streams – 2025 allocation

- Canada Community-Building Fund - \$9.4 million
- Provincial Gas Tax - \$3 million

\$17.6
million

Multi-Year Grant Funding

- Investing in Canada Infrastructure Program, Infrastructure Canada - \$8.5 million receivable
- Housing Accelerator Fund, Government of Canada - \$5.4 million allocation received
- Building Faster Fund, Province of Ontario - \$3.7 million allocation received

\$15.5
million

One-Time Grant Funding

- South End Community Centre, CSIRF - \$10.0 million
- Lyon Outdoor Pool Rehabilitation, CSIRF - \$1.0 million
- York Road Phase 4, Connecting Links - \$3.0 million
- NG 911 Phase 3 - \$778 thousand
- Automated Speed Camera Replacement Measures, RSIF- \$679 thousand

2025 Operating Budget Monitoring Summary

(\$1.6) million **Total Deficit (0.28%)**
Combined tax and non-tax supported position

(\$20) thousand **Tax Supported Deficit (0.01%)**
City Departments - \$1.37 million deficit
Local Boards Shared Services - \$1.35 million surplus

(\$1.6) million **Non-tax Supported Deficit (0.27%)**
Rate funded business units

HISTORICAL YEAR END POSITION AS A PERCENT OF EXPENDITURES

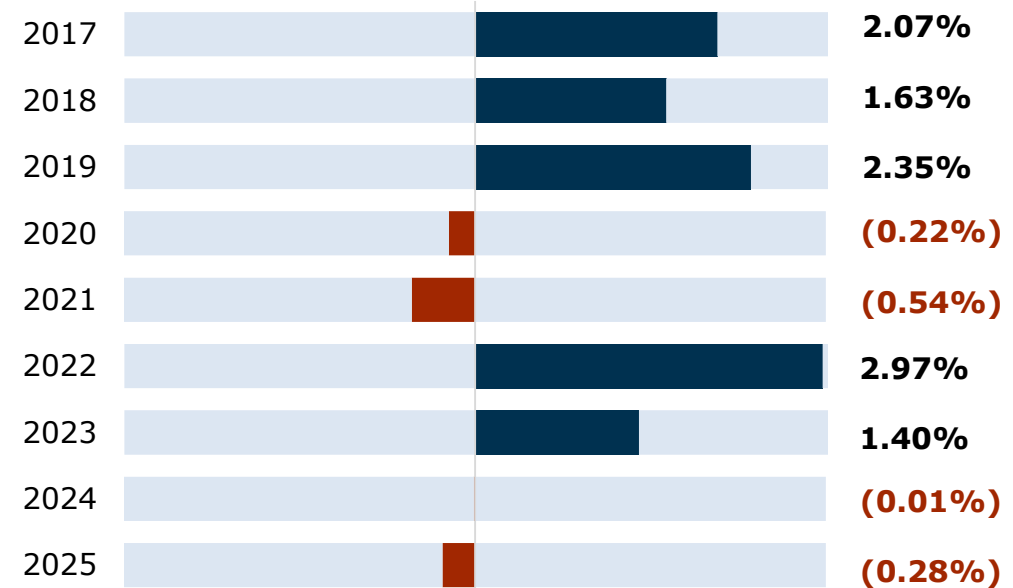


Chart represents combined Tax and Non-Tax Supported position excluding Safe Restart Funding (2020, 2021 and 2022). Includes both City services and LBSS.

Operating Variance Drivers

2.5%

Revenue Surplus

Driven by Transit and Recreation user fees, investment returns, higher tonnage at Solid Waste sites, energy rebates, sale of recycled goods, asset disposal proceeds, and grants.

(1.5%)

Compensation Deficit

Continued labour market challenges and vacancy trends, along with the impacts of CUPE 241 and 973 collective agreements and paramedics overages.

(2.2%)

Purchased Services Pressure

Deficit in purchased services related to repairs and maintenance.

21%

Corporate Fuel Surplus

Higher than budgeted gas prices were offset by stabilization of diesel costs and removal of the federal carbon tax.

1.1%

LBSS Surplus

Total LBSS year end surplus includes:

- Guelph Police Services \$1.56 million surplus
- County \$2.5 million less reserve support than budgeted – net \$287 thousand deficit
- Guelph Public Library \$123 thousand surplus

2025 Funding Recommendations (Tax)

Tax Supported Surplus / (Deficit) Allocation	Amount \$
Transfer to Library Operating Contingency Reserve (102)	123,772
Transfer to Police Operating Contingency Reserve (115)	5,759
To Police Capital reserve fund (158)	1,250,000
To WSIB reserve (330)	300,000
Transfer from Tax Rate Operating Contingency reserve (180)	(1,699,274)
Tax Supported Total	(19,743)

2025 Funding Recommendations (Non-tax)

Non-tax Supported Surplus / (Deficit) Allocation	Amount \$
Transfer from Parking Capital reserve fund (151)	(1,009,017)
Transfer to Stormwater Capital reserve fund (165)	249,857
Transfer from Water Operating Contingency reserve (181)	(790,427)
Transfer to Wastewater Capital reserve fund (153)	1,705,759
Transfer from Building Services OBC Stabilization reserve fund (188)	(2,316,614)
Transfer to Court Capital Reserve Fund (120)	602,408
Non-Tax Supported Total	(1,558,034)

Year-end Reserve and Reserve Fund Balances

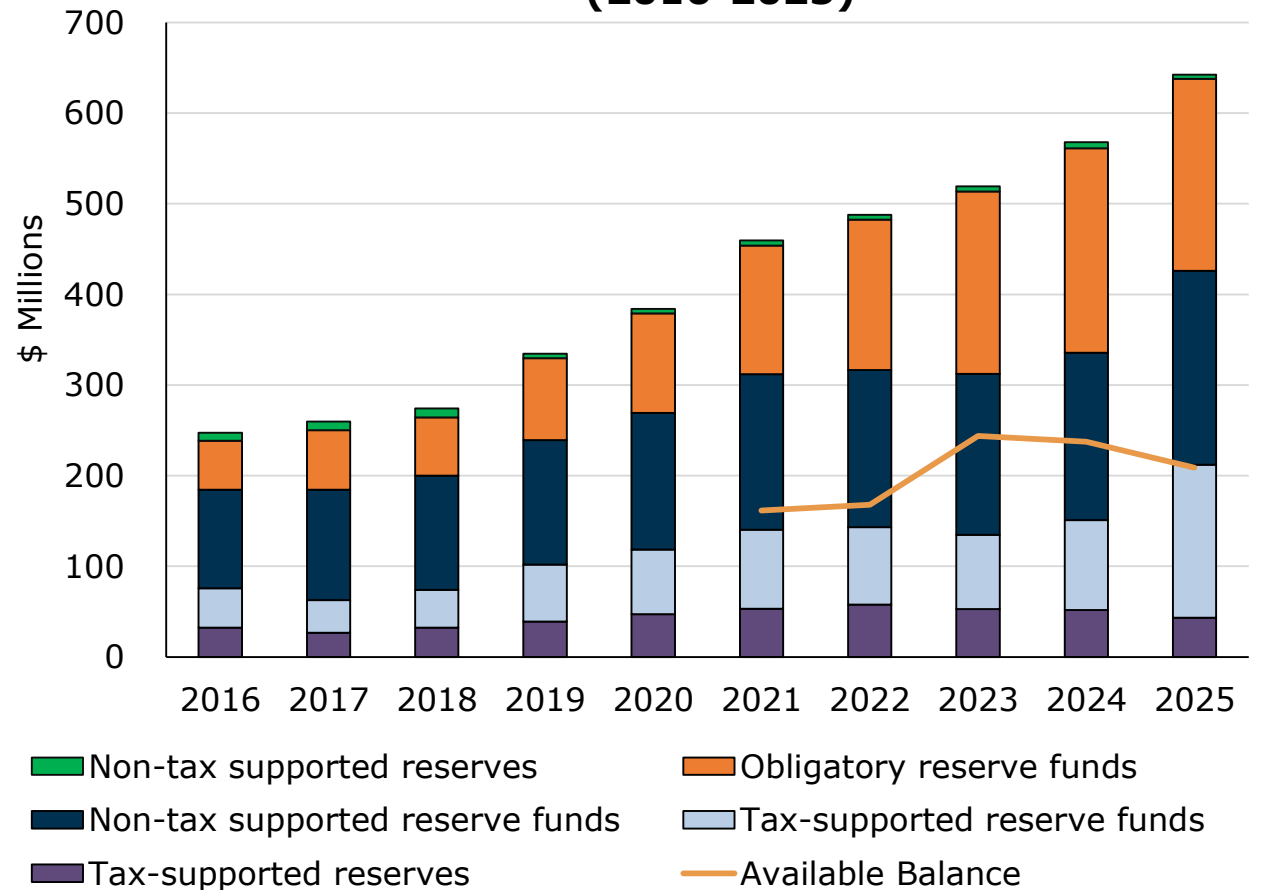
Increase of \$74.2 million to \$642.2 million before commitments

%

Driven by \$92.0 million of debentures issued replacing previous reserve funding

Decrease of \$28.8 million after commitments

RESERVE AND RESERVE FUND BALANCES (2016-2025)

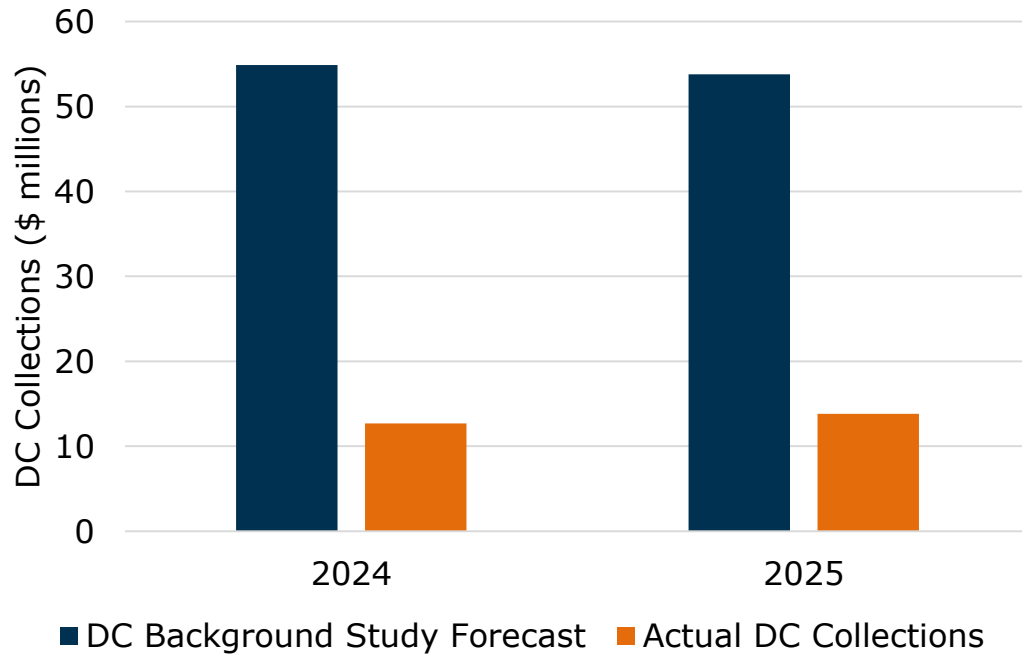


Capital Reserve Funds

Category	Year-end Position	Change from 2024	Key Drivers
Tax Supported	\$14.6M	▲ \$35.9M	<ul style="list-style-type: none"> Issued \$53.3M of tax-supported debt Lower commitments at year end
Non-Tax Supported	\$93.1M	▼ (\$13.3M)	<ul style="list-style-type: none"> Adjusted the Debt Strategy to fund FM Woods Station from Reserve Funds rather than debt finance
Obligatory Corporate	\$49.9M	▼ (\$4.9M)	<ul style="list-style-type: none"> Increased budget commitments for the use of CCBF funding
Development Charges	(\$12.3M)	▼ (\$51.0M)	<ul style="list-style-type: none"> Increased commitments from the \$45M Tertiary Treatment Process Facility

Development Charge (DC) Reserve Funds

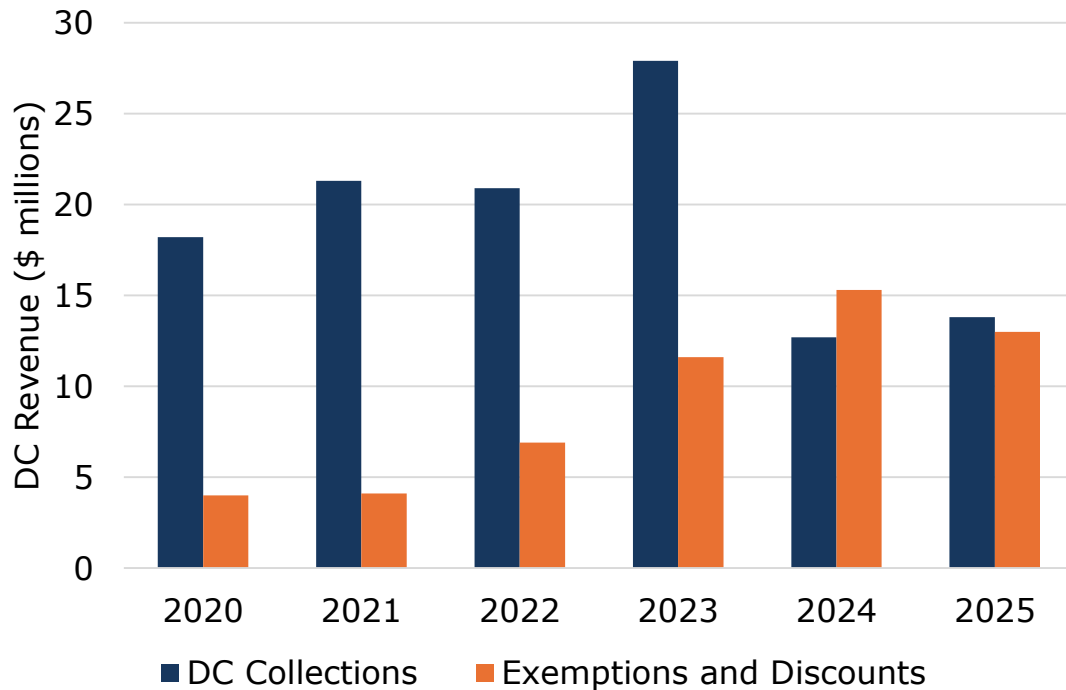
PROJECTED AND ACTUAL DC COLLECTIONS



DC Reserve Fund Activity	Total (\$)
Opening balance	149,274,017
Collections	13,749,072
Interest earned	4,814,616
Capital expenditures	(35,346,616)
Debt servicing costs	(8,324,993)
Closing Balance	124,166,096
Commitments not yet spent	(136,452,356)
Closing Balance after commitments	(12,286,260)

DC Exemptions Policy Update

ANNUAL DC COLLECTIONS AND EXEMPTIONS



2025 BUDGET VS. ACTUAL

Budgeted Contributions

\$11.3M

2025 tax and rate target

Actual Contributions

\$12.2M

+\$0.9M over budget (107%)

POLICY UPDATE OBJECTIVES



Alignment with updated DC Act interpretation



Maintains growth enabling infrastructure funding



Introduces tax and rate payer balance



Improves clarity and transparency

**Recommendation for Approval:
New DC Exemption Reserve Funds**

Debt

2.6%

Debt servicing to own source revenue

Legislated annual maximum: 25%

Stable in 2025

Will increase in 2026 as new debt is serviced

30.1%

Direct debt to operating revenue

Policy maximum: 55%

Crosses S&P 30% lowest-risk threshold

Expected to increase

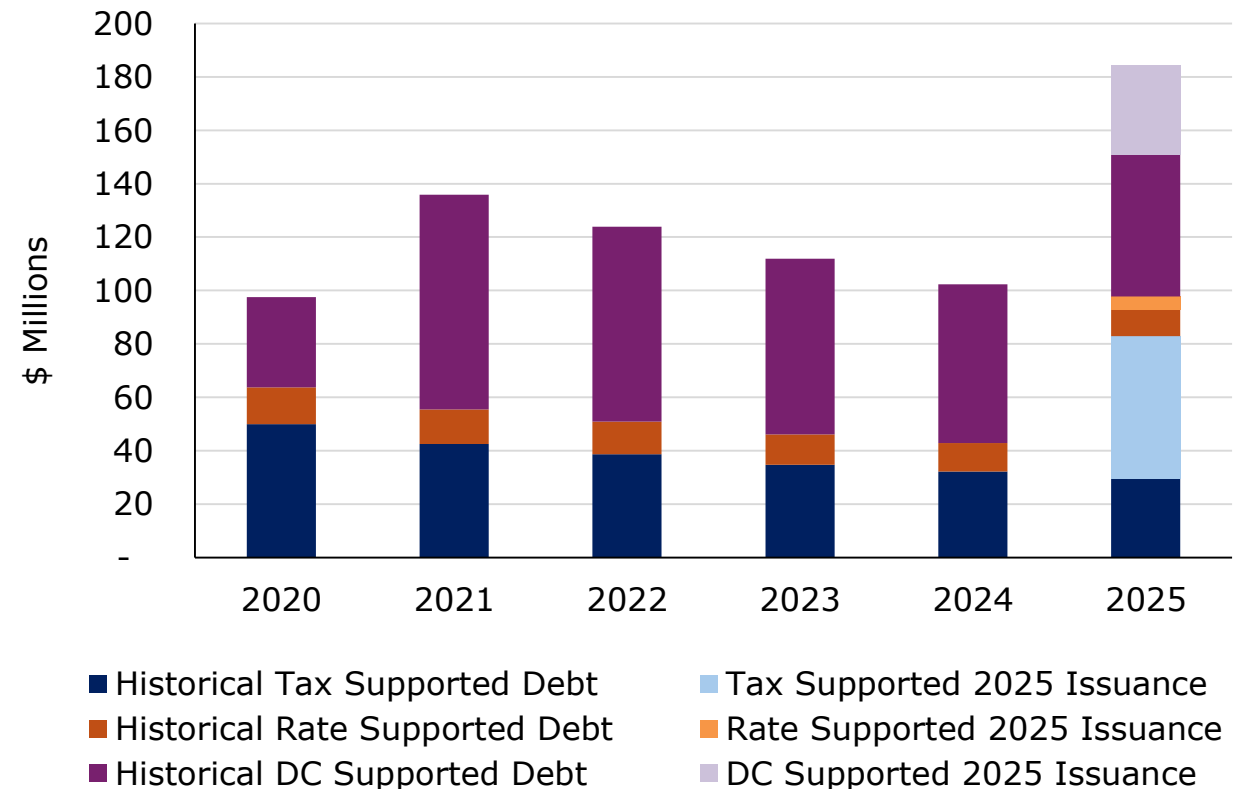
\$92.0M

Debt issued in 2025
via two debentures





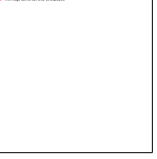
\$184.5M

Total debt outstanding
Within policy and
legislative limits

**HISTORICAL DEBT OUTSTANDING
AND 2025 ISSUANCES**



Summary

	<p>(\$1.6M) Operating Deficit 0.3% of tax and non-tax gross expenditures</p>	<p>Operating results near breakeven despite significant cost pressures.</p>
	<p>\$207.9M Capital Spent and Committed 76.7% of budget</p>	<p>Capital execution fell slightly short of 80% target; largest capital program in recent years.</p>
	<p>\$20M Grants Secured \$45M still under review</p>	<p>Grants strategy helping offset funding gaps and minimizing tax and rate impacts.</p>
	<p>\$208.7M Available Reserves ▼(12.1%) from 2024</p>	<p>Continued monitoring of reserve balances and DC collections to maintain a balanced capital forecast.</p>
	<p>\$184.5M Debt Outstanding \$92M issued in 2025</p>	<p>Strategic use of debt as a tool to deliver infrastructure sooner while managing affordability.</p>

Thank you!