

Financial statements of

**Guelph Junction Railway  
Limited**

December 31, 2025

# Guelph Junction Railway Limited

December 31, 2025

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## **INDEPENDENT AUDITOR'S REPORT**

To the Shareholder of Guelph Junction Railway

### ***Opinion***

We have audited the financial statements of Guelph Junction Railway (the Entity), which comprise:

- the statement of financial position as at December 31, 2025
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of material accounting policy information

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditor’s Responsibilities for the Audit of the Financial Statements***” section of our auditor’s report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS 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.



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- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Kitchener, Canada

June 8, 2026

# Guelph Junction Railway Limited

## Statement of financial position

As at December 31, 2025, with comparative information for 2024

	2025	2024
	\$	\$
<b>Assets</b>		
Current assets		
Cash	<b>1,618,784</b>	1,669,362
Accounts receivable	<b>2,141,262</b>	2,448,102
Due from City of Guelph (note 9)	<b>2,384,988</b>	359,453
Inventory (note 3)	<b>114,497</b>	78,880
Prepaid expenses	<b>73,462</b>	73,462
Total current assets	<b>6,332,993</b>	4,629,259
Property, plant and equipment (note 4)	<b>18,992,929</b>	17,736,443
<b>Total assets</b>	<b>25,325,922</b>	22,365,702
<b>Liabilities and shareholders' equity</b>		
Current liabilities		
Accounts payable and accrued liabilities	<b>920,694</b>	52,574
Current portion of long-term debt (note 5)	<b>60,745</b>	1,245,097
Total current liabilities	<b>981,439</b>	1,297,671
Long-term debt (note 5)	<b>1,124,612</b>	-
Deferred capital contributions (note 6)	<b>3,281,724</b>	3,309,937
Total liabilities	<b>5,387,775</b>	4,607,608
Share capital (note 8)	<b>1</b>	1
Retained earnings (note 10)	<b>19,938,146</b>	17,758,093
Total shareholder's equity	<b>19,938,147</b>	17,758,094
<b>Total liabilities and shareholder's equity</b>	<b>25,325,922</b>	22,365,702

### Approved by the Board:

\_\_\_\_\_ Chair

See accompanying notes to financial statements.

# Guelph Junction Railway Limited

## Statement of comprehensive income

As at December 31, 2025, with comparative information for 2024

	2025	2024
	\$	\$
<b>Revenue</b>		
Freight movement	<b>7,460,709</b>	7,237,908
Non-freight movement	<b>628,174</b>	805,852
Amortization of deferred capital contributions	<b>134,524</b>	117,618
	<b>8,223,407</b>	8,161,378
<b>Expense</b>		
Freight movement	<b>3,207,389</b>	3,124,567
Track maintenance	<b>963,145</b>	906,938
Depreciation	<b>627,244</b>	559,634
Administration and office	<b>889,194</b>	941,485
Interest on long-term debt	<b>41,043</b>	43,020
Consulting	<b>28,137</b>	-
Audit and legal	<b>37,202</b>	23,446
	<b>5,793,354</b>	5,599,090
<b>Net comprehensive income for the year</b>	<b>2,430,053</b>	2,562,288

See accompanying notes to financial statements.

# Guelph Junction Railway Limited

## Statement of changes in equity

As at December 31, 2025, with comparative information for 2024

	Share capital \$	Retained earnings \$	Total \$
Balance at January 1, 2024	1	15,405,805	15,405,806
Dividends	-	(210,000)	(210,000)
Total comprehensive income for the year	-	2,562,288	2,562,288
Balance, December 31, 2024	1	17,758,093	17,758,094
<b>Dividends</b>	-	<b>(250,000)</b>	<b>(250,000)</b>
<b>Total comprehensive income for the year</b>	-	<b>2,430,053</b>	<b>2,430,053</b>
<b>Balance, December 31, 2025</b>	<b>1</b>	<b>19,938,146</b>	<b>19,938,147</b>

See accompanying notes to financial statements.

# Guelph Junction Railway Limited

## Statement of cash flows

December 31, 2025, with comparative information for 2024

	2025	2024
	\$	\$
<b>Operating activities</b>		
Cash from operations		
Net income from operations	<b>2,430,053</b>	2,562,288
Items not affecting cash:		
Amortization of deferred capital contributions	<b>(134,524)</b>	(117,618)
Depreciation of property, plant and equipment	<b>627,244</b>	559,634
Changes in non-cash operating working capital components:		
Change in accounts receivable	<b>306,840</b>	(467,911)
Change in from City of Guelph	<b>(2,025,535)</b>	36,527
Change in prepaid expense	-	(2,818)
Change in inventory	<b>(35,617)</b>	(44,188)
Change in accounts payable and accrued liabilities	<b>868,120</b>	(553,854)
	<b>2,036,581</b>	1,972,060
<b>Investing activity</b>		
Acquisition of property, plant and equipment	<b>(1,883,730)</b>	(2,169,550)
Capital contributions	<b>106,310</b>	511,882
	<b>(1,777,420)</b>	(1,657,668)
<b>Financing activity</b>		
Repayment of long-term debt	<b>(59,739)</b>	(57,762)
Dividends paid	<b>(250,000)</b>	(210,000)
	<b>(309,739)</b>	(267,762)
Increase in cash during the year	<b>(50,578)</b>	46,630
Cash, beginning of year	<b>1,669,362</b>	1,622,732
<b>Cash, end of year</b>	<b>1,618,784</b>	1,669,362

See accompanying notes to financial statements.

# Guelph Junction Railway Limited

## Notes to the financial statements

For the year ended December 31, 2025

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### 1. Description of business

Guelph Junction Railway Limited (the "Company") was incorporated under the laws of Canada in 1884. The Company is wholly owned by The City of Guelph (the "City") and is exempt from income taxes. The Company is engaged in the rail and related transportation business in Southwestern Ontario. The Company's head office is located at 1 Carden Street, Guelph, Ontario and is a subsidiary of the City of Guelph.

The financial statements have been approved by the Board of Directors and authorized for issue on June 3, 2026.

### 2. Material accounting policies

#### ***Basis of accounting***

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Boards ("IASB"). The policies set out below were consistently applied to all the periods presented unless otherwise noted below.

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Canadian dollars which is the functional currency of the Company.

#### ***Revenue recognition***

Revenue recognition

Revenues are recorded based on the five-step approach outlined by IFRS 15:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the Company satisfies a performance obligation.

The Company recognizes revenue when (or as) a performance obligation is satisfied, which is when control of the goods or services underlying the particular performance obligation is transferred to the customer. A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

The Company's service revenue is recognized as the service is provided. These services are usually billed on a monthly basis.

#### ***Inventory***

Inventory is valued at the lower of cost and net realizable value on a first-in, first-out basis.

# Guelph Junction Railway Limited

## Notes to the financial statements

For the year ended December 31, 2025

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### 2. Material accounting policies (continued)

#### ***Property, plant and equipment***

Property, plant and equipment are recorded at cost, net of accumulated depreciation and accumulated impairment losses. Cost includes the acquisition cost, labour and other costs directly attributable to bringing the asset to a working condition for its intended use. When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in earnings in the period the asset is derecognized.

Depreciation is calculated using the declining-balance method at rates designed to depreciate the cost of the assets less their residual values over their estimated useful lives as follows:

Tracks and structures	4%
Buildings	4%
Bridges	4%
Crossing equipment	4%
Switches	4%

Work in progress is depreciated once the equipment is available for use.

Depreciation methods, useful lives and residual values are reviewed annually and adjusted prospectively if appropriate.

#### ***Impairment of long-lived assets***

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

# Guelph Junction Railway Limited

## Notes to the financial statements

For the year ended December 31, 2025

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### 2. Material accounting policies (continued)

#### ***Impairment of long-lived assets (continued)***

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in earnings.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in earnings.

#### ***Financial instruments***

At initial recognition, the Company measures its financial assets at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement of the financial asset depends on the classification determined on initial recognition. Financial assets are classified as either amortized cost, fair value through other comprehensive income or fair value through profit or loss, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are not reclassified subsequent to their initial recognition, unless the Company changes its business model for managing financial assets.

Financial liabilities are initially measured at fair value, net of transaction costs incurred. They are subsequently carried at amortized cost using the effective interest rate method; any difference between the proceeds (net of transaction costs) and the redemption value is recognized as an adjustment to interest expense over the period of the borrowings.

The Company has classified its financial instruments, in accordance with IFRS 9, as follows: cash, accounts receivable, accounts payable, Due to City of Guelph and long-term debt are classified as amortized cost.

Financial assets and liabilities are recorded in the statement of financial position as current if they mature within one year and non-current if they mature after one year.

#### ***Impairment of financial assets***

The Company recognizes a loss allowance for expected credit losses on a financial asset that is designated as amortized cost or fair value through other comprehensive income. For financial assets designated as fair value through other comprehensive income, the loss allowance is recognized in other comprehensive income and is not reflected in the carrying amount of the financial asset in the statement of financial position.

At each reporting date, the Company assesses whether there is any objective evidence that the credit risk associated with a financial asset not carried at fair value through profit or loss has increased significantly since initial recognition. In the event there is a significant increase in credit risk, a loss allowance is recorded at an amount equal to the lifetime expected credit losses arising from the financial asset. If, at the reporting date, the credit risk has not increased significantly, the loss allowance is measured at an amount equal to the twelve-month expected credit losses.

# Guelph Junction Railway Limited

## Notes to the financial statements

For the year ended December 31, 2025

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### 2. Material accounting policies (continued)

#### ***Financial instruments (continued)***

The carrying values of cash, accounts receivable, and accounts payable approximate their fair values due to the short-term nature of these financial instruments. The fair value of long-term debt represents the value on the date of issuance, based on interest rates in effect as at that date available to the Company for the same or similar debt instruments.

#### ***Government grants and other contributions***

Government grants are recognized in net income on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants were intended to compensate.

Grants that take the form of a transfer of a non-monetary asset for the use of the Company are recognized as deferred contributions in the balance sheet and measured based on the fair value of the asset received. Deferred contributions are transferred to net income on a systematic and rational basis over the useful life of the related assets.

#### ***Related party transactions***

The related party transactions are recorded at the exchange amount transacted as agreed between the Company and the related party.

#### ***Significant accounting estimates and judgments***

The preparation of financial statements requires management to make estimates, assumptions and judgments that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and reported revenues and expenses during the reporting period. Due to the inherent uncertainty involved in making such estimates and judgments, actual results reported could differ from those estimates and judgments. Significant judgments include the determination of cash-generating units for impairment testing, allowances for receivables, determination of useful lives of property, plant and equipment and certain accrued liabilities.

### 3. Inventory

During 2025, inventory expensed to track maintenance was \$35,617 (2024 - \$44,188). There were \$nil (2024 - \$nil) write-offs during the year.

# Guelph Junction Railway Limited

Notes to the financial statements

For the year ended December 31, 2025

## 4. Property, plant and equipment

2025

Cost

	Opening cost	Additions	Disposals	Ending cost
	\$	\$	\$	\$
Land	2,997,210	-	-	2,997,210
Tracks and structures	13,641,025	1,302,555	-	14,943,580
Buildings	615,153	-	-	615,153
Bridges	2,466,660	-	-	2,466,660
Crossing equipment	3,205,019	-	-	3,205,019
Switches	687,899	581,175	-	1,269,074
	<b>23,612,966</b>	<b>1,883,730</b>	<b>-</b>	<b>25,496,696</b>

2025

Accumulated depreciation

	Opening balance	Depreciation	Disposals	Ending balance
	\$	\$	\$	\$
Land	-	-	-	-
Tracks and structures	4,317,693	398,984	-	4,716,677
Buildings	302,103	12,522	-	314,625
Bridges	563,939	76,109	-	640,048
Crossing equipment	529,289	107,029	-	636,318
Switches	163,499	32,600	-	196,099
	<b>5,876,523</b>	<b>627,244</b>	<b>-</b>	<b>6,503,767</b>

2025

Net Book Value

	Opening net book value	Ending net book value
	\$	\$
Land	2,997,210	2,997,210
Tracks and structures	9,323,332	10,226,903
Buildings	313,050	300,528
Bridges	1,902,721	1,826,612
Crossing equipment	2,675,730	2,568,701
Switches	524,400	1,072,975
	<b>17,736,443</b>	<b>18,992,929</b>

# Guelph Junction Railway Limited

Notes to the financial statements

For the year ended December 31, 2025

## 4. Property, plant and equipment (continued)

### 2024

#### Cost

	Opening cost	Additions	Disposals	Ending cost
	\$	\$	\$	\$
Land	2,997,210	-	-	2,997,210
Tracks and structures	11,888,727	1,752,298	-	13,641,025
Buildings	606,927	8,226	-	615,153
Bridges	2,277,835	188,825	-	2,466,660
Crossing equipment	2,668,955	536,064	-	3,205,019
Switches	557,299	130,600	-	687,899
Work in progress	446,463	(446,463)	-	-
	21,443,416	2,169,550	-	23,612,966

### 2024

#### Accumulated depreciation

	Opening balance	Depreciation	Disposals	Ending balance
	\$	\$	\$	\$
Land	-	-	-	-
Tracks and structures	3,965,727	351,966	-	4,317,693
Buildings	289,231	12,872	-	302,103
Bridges	488,593	75,346	-	563,939
Crossing equipment	428,968	100,321	-	529,289
Switches	144,370	19,129	-	163,499
Work in progress	-	-	-	-
	5,316,889	559,634	-	5,876,523

### 2024

#### Net Book Value

	Opening net book value	Ending net book value
	\$	\$
Land	2,997,210	2,997,210
Tracks and structures	7,923,000	9,323,332
Buildings	317,696	313,050
Bridges	1,789,242	1,902,721
Crossing equipment	2,239,987	2,675,730
Switches	412,929	524,400
Work in progress	446,463	-
	16,126,527	17,736,443

# Guelph Junction Railway Limited

## Notes to the financial statements

For the year ended December 31, 2025

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### 5. Long-term debt

The Company entered into a long-term loan agreement with the City for the purpose of reconstructing a bridge.

	<b>2025</b>	2024
	\$	\$
City of Guelph fixed term loan, repayable monthly, blended principal and interest at 4.53%, maturing December 2030	<b>1,185,357</b>	-
City of Guelph fixed term loan, repayable monthly, blended principal and interest at 3.37%, maturing December 2025	-	1,245,097
	<b>1,185,357</b>	1,245,097
Less: current portion of long-term debt	<b>(60,745)</b>	(1,245,097)
Long-term debt	<b>1,124,612</b>	-

The debt is repayable as follows:

	\$
2026	<b>60,745</b>
2027	<b>58,891</b>
2028	<b>61,615</b>
2029	<b>64,465</b>
2030	<b>939,641</b>
	<b>1,185,357</b>

### 6. Deferred capital contributions

The Company receives external funding for some capital projects. These contributions are initially deferred and recognized as revenue over 25 years.

	<b>2025</b>	2024
	<b>Net book value</b>	Net book value
	\$	\$
Deferred contributions - gross	<b>4,508,452</b>	4,402,141
Less: accumulated amortization	<b>(1,226,728)</b>	(1,092,204)
	<b>3,281,724</b>	3,309,937

# Guelph Junction Railway Limited

## Notes to the financial statements

For the year ended December 31, 2025

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### 7. Dividend to Shareholder

On May 29, 2025, the Company declared a dividend of \$250,000 (2024 - \$210,000) based on the income earned in the year ended December 31, 2024. The dividend was paid in fiscal 2025.

### 8. Share capital

	2025	2024
	\$	\$
<i>Issued and outstanding</i>		
1 Common share	1	1

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### 9. Related party transactions

The Company is wholly owned by the City. The City pays cash expenditures and receives cash receipts on behalf of the Company with the net amount being included as an intercompany balance on the financial statements. At December 31, 2025 the Company has a intercompany balance receivable of \$2,384,988 (2024 - \$359,453) from the City. This intercompany balance is interest free and due on demand.

The Company also receives direct revenue from the City which amounted to \$147,129 (2024 - \$124,890) and collected capital contributions from the City which amounted to \$23,080 (2024 - \$69,882). The Company paid the City \$201,430 (2024 - \$193,500) in office rent and administration fees for the year and paid \$7,801 (2024 - \$14,488) 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 Company entered into a loan agreement with the City to finance the reconstruction of a bridge. The loan agreement between the Company and the City of Guelph was renewed on December 31, 2025. The loan amount as of December 31, 2025, was \$1,185,357 with a renewal term of 5 years expiring on December 31, 2030. The amortization period is 15 years, at an annual rate of 4.53%. In 2025, principal and interest payments were \$59,739 and \$41,043 respectively (2024 - \$57,762 and \$43,020).

Members of the board of directors are unpaid.

The remuneration of key management personnel during the year was \$259,484 (2024 - \$287,664).

### 10. Capital management

The Company manages its capital to ensure sufficient liquidity to protect the Company's long-term viability as a going concern.

The Company's total capital is defined as shareholder's equity. Shareholder's equity at December 31, 2025, is \$19,938,146 (December 31, 2024 - \$17,758,093). There have been no changes to the Company's approach to capital management.

# Guelph Junction Railway Limited

## Notes to the financial statements

For the year ended December 31, 2025

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### 11. Financial risk management

#### *Financial assets and liabilities*

The following table analyzes financial assets and liabilities by the categories defined in IAS 39. In addition, IFRS 7 requires that financial instruments held at fair value be categorized into one of the following three levels to reflect the degree to which observable inputs are used in determining the fair values:

- 'Level 1' fair value measurements are those derived without adjustment from quoted prices in active markets for identical assets or liabilities.
- 'Level 2' fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- 'Level 3' fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has no financial assets or financial liabilities held at fair value. The fair value of the debt payable to the City of Guelph, a related party, approximates its carrying value.

	<b>Loans and receivables</b>	<b>Liabilities at amortized cost</b>	<b>Total carrying value</b>	<b>Fair value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>As at December 31, 2025</b>				
<b>Financial assets not held at fair value</b>				
<b>Cash</b>	<b>1,618,784</b>	<b>-</b>	<b>1,618,784</b>	<b>1,618,784</b>
<b>Trade and other receivables</b>	<b>2,141,262</b>	<b>-</b>	<b>2,141,262</b>	<b>2,141,262</b>
<b>Due from the City of Guelph</b>	<b>2,384,988</b>	<b>-</b>	<b>2,384,988</b>	<b>2,384,988</b>
<b>Total financial assets</b>	<b>6,145,034</b>	<b>-</b>	<b>6,145,034</b>	<b>6,145,034</b>
<b>Financial liabilities not held at fair value</b>				
<b>Trade and other payables</b>	<b>-</b>	<b>920,694</b>	<b>920,694</b>	<b>920,694</b>
<b>Long-term debt</b>	<b>-</b>	<b>1,185,357</b>	<b>1,185,357</b>	<b>1,185,357</b>
<b>Total financial liabilities</b>	<b>-</b>	<b>2,106,051</b>	<b>2,106,051</b>	<b>2,106,051</b>

# Guelph Junction Railway Limited

## Notes to the financial statements

For the year ended December 31, 2025

### 11. Financial risk management (continued)

	Loans and receivables \$	Liabilities at amortized cost \$	Total carrying value \$	Fair value \$
As at December 31, 2024				
Financial assets not held at fair value				
Cash	1,669,362	-	1,669,362	1,669,362
Trade and other receivables	2,448,102	-	2,448,102	2,448,102
Due from the City of Guelph	359,453	-	359,453	359,453
<b>Total financial assets</b>	<b>4,476,917</b>	<b>-</b>	<b>4,476,917</b>	<b>4,476,917</b>
Financial liabilities not held at fair value				
Trade and other payables	-	52,574	52,574	52,574
Long-term debt	-	1,245,097	1,245,097	1,245,097
<b>Total financial liabilities</b>	<b>-</b>	<b>1,297,671</b>	<b>1,297,671</b>	<b>1,297,671</b>

#### *Interest rate risk*

Interest rate risk is the risk that market rates will fluctuate and affect the debt carrying costs paid by the Company. The Company has one fixed rate term loan and is only exposed to interest rate risk when the facility is renewed.

#### *Currency risk*

Currency risk is the risk that variation in exchange rates between the Canadian dollar and other foreign currencies will affect the Company's operations and financial results. The Company is not exposed to currency risk as transactions in foreign currencies are insignificant.

#### *Credit risk*

Credit risk is the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company.

The Company's maximum exposure to credit risk is the carrying value of financial assets on the statement of financial position.

During 2025, three customers made up 74% (2024 – three, 78%) of freight and non-freight revenue and three customers made up 65% (2024 – three, 68%) of accounts receivables outstanding at year end.

#### *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

All contractual cash flows related to the Company's financial liabilities are expected to be settled within one year, except for those amounts due to the City of Guelph and the long-term debt payable to the City of Guelph, which has a renewal term to expire December 31, 2030, and remaining amortization period of 15 years.