

2019 CITY OF CAMBRIDGE

# BUDGET

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2019 Draft Consolidated Budget Summary

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## Consolidated Budget

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### Total Household Impact

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The City's 2019 budget has a combined annual impact for the average household of \$98, based on an average assessment value of \$310,200 and estimated annual water consumption of 204 cubic meters.

	AVERAGE HOUSEHOLD IMPACT	RATE IMPACT %
City portion of tax bill	<b>\$50</b>	<b>3.72%</b>
Water bill - City portion	\$25	2.25%
Water bill - Region portion	\$23	2.06%
Total water bill Impact	<b>\$48</b>	<b>4.31%</b>
<b>Total annual increase per household</b>	<b>\$98</b>	

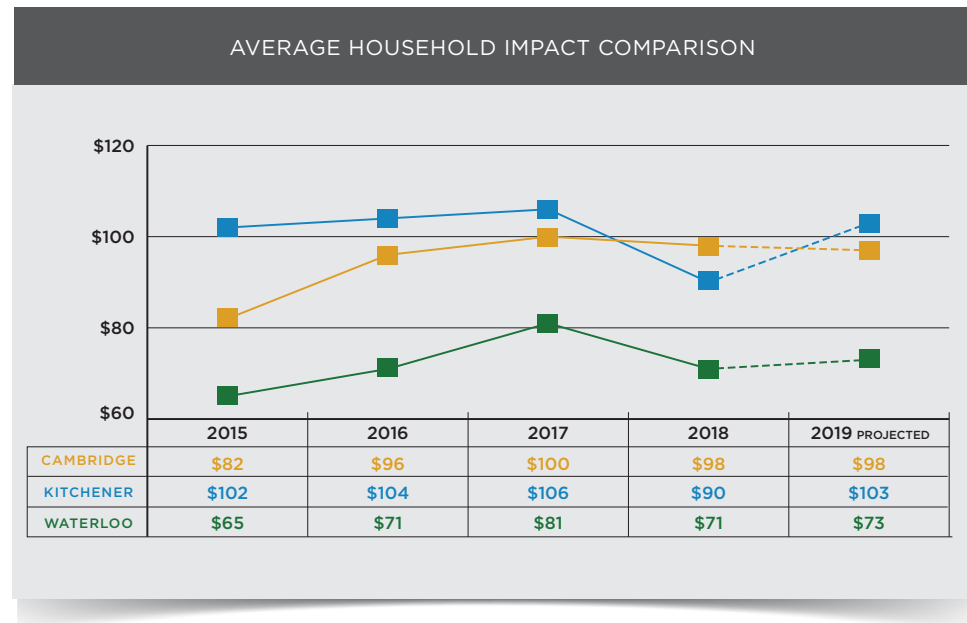
In addition to their tax levy and water utility rates, the cities of Kitchener and Waterloo also have separate user rates for stormwater. For the city of Cambridge, stormwater is currently included on the tax bill. Therefore, to compare rates across the cities in the Region, it is important to look at the combined average household impact of tax increase, stormwater increase, and water utility increase.

When including these three components, the increase for Cambridge has traditionally been in line with increases in Kitchener and Waterloo. This is based on annual water consumption of 204 cubic meters and the respective average residential assessment for each city for that year.

For information purposes, the average residential assessment value for 2018 by city is:

- **Cambridge: \$310,200**
- **Kitchener: \$308,800**
- **Waterloo: \$383,900**

## Consolidated Budget



## Basis of Accounting / Budgeting

The operating budget is prepared to align with the corporate structure, showing the budget by division and department. The water utility budget is separated from the operating budget to align the budgets with the individual bills that every property receives from the City: the tax bill (tax-supported operating budget) and the water bill (water utility budget).

Combining these two budgets shows the total expenses and revenues of the city, referred to as the consolidated budget. Additionally, the budget for Idea Exchange is also fully consolidated into the City's budget. The consolidated budget is presented using the groupings from annual audited financial statements to best compare to year-end actual results.

## Consolidated Budget

CONSOLIDATED OPERATING BUDGET	2018 FORECAST	2018 BUDGET	2019 BUDGET	CHANGE OVER 2018 BUDGET
<b>Revenue Summary</b>				
Taxation	\$86,500,700	\$86,500,700	\$90,962,500	5.2%
User fees and charges	\$77,418,907	\$78,716,000	\$81,747,100	3.9%
Penalties and interest on taxes	\$2,650,000	\$2,650,000	\$2,550,000	-3.8%
Investment income	\$874,700	\$874,700	\$878,600	0.4%
Fines	\$775,900	\$619,900	\$669,000	7.9%
Government transfers - Canada	\$100,728	\$72,000	\$72,000	0.0%
Government transfers - Ontario	\$1,569,532	\$1,372,200	\$1,328,700	-3.2%
Deferred revenue earned	\$157,700	\$10,000	\$202,000	28.1%
Land sales and other	\$398,000	\$398,000	\$222,200	-44.2%
Contributions from reserves & reserve funds	\$4,505,990	\$4,280,900	\$4,324,000	1.0%
Dividend from Energy+	\$3,689,984	\$1,950,000	\$3,007,000	54.2%
<b>Budgeted Revenues</b>	<b>\$178,642,141</b>	<b>\$177,444,400</b>	<b>\$185,963,100</b>	<b>4.8%</b>

<b>Expenditure Summary</b>				
<b>General Operating Fund</b>				
General government	\$21,493,268	\$21,414,400	\$21,691,400	1.3%
Protection to persons and property	\$26,875,000	\$26,680,500	\$28,300,700	6.1%
Transportation services	\$14,337,823	\$13,956,800	\$14,834,800	6.3%
Environmental services	\$52,823,000	\$55,635,200	\$56,089,000	0.8%
Health services	\$1,389,000	\$1,369,000	\$1,425,800	4.1%
Social and family services	\$1,796,600	\$1,801,300	\$1,901,100	5.5%
Recreation and cultural services	\$27,235,392	\$26,826,300	\$28,191,000	5.1%
Planning and development	\$4,222,540	\$4,045,000	\$4,304,000	6.4%
Contribution to reserves & reserve funds	\$22,593,118	\$20,832,100	\$23,736,700	13.9%
Debt principal repayments	\$4,883,800	\$4,883,800	\$5,488,600	12.4%
<b>Budgeted Expenditures</b>	<b>\$177,649,541</b>	<b>\$177,444,400</b>	<b>\$185,963,100</b>	<b>4.8%</b>

## Consolidated Budget

The City uses an accrual basis for budgeting that reports income when earned and expenses when incurred, matching income with their related expenses. In addition, the budget is prepared based on the requirements of the Municipal Act, 2001, which differs from the City's audited financial statements that are prepared under Public Sector Accounting Board (PSAB) guidelines for financial statement presentation. Those differences are:

- Including all transfers to and from reserves and reserve funds
- Including debt principal payments
- Including dividends from Energy Plus
- The treatment of non-capital expenses included in the capital budget but excluded in the operating budget
- Depreciation of tangible capital assets is excluded from the City's operating budget, as allowed under Ontario Regulation 284/09.
- The actuarial cost of post-employment benefits is excluded from the City's operating budget, as allowed under Ontario Regulation 284/09.

## Consolidated Budget

RECONCILIATION TO ANNUAL FINANCIAL STATEMENTS	2018 FORECAST	2018 BUDGET	2019 BUDGET
Budgeted Revenues	\$178,642,141	\$177,444,400	\$185,963,100
Budgeted Expenditures	\$177,649,541	\$177,444,400	\$185,963,100
<b>Budgeted Surplus/Deficit</b>	<b>\$992,600</b>	<b>\$-</b>	<b>\$-</b>

### Remove From Budget

Contributions from reserves and reserve funds	\$(4,505,990)	\$(4,280,900)	\$(4,324,000)
Dividend from Energy+	\$(3,689,984)	\$(1,950,000)	\$(3,007,000)
Contribution to reserves and reserve funds	\$22,593,118	\$20,832,100	\$23,736,700
Debt principal repayments	\$4,883,800	\$4,883,800	\$5,488,600

### Add To Budget

Amortization of tangible capital assets*	\$(14,634,700)	\$(14,634,700)	\$(14,634,700)
Non-tangible capital asset expenditures*	\$(4,197,100)	\$(4,197,100)	\$(4,197,100)
Unfunded accrual for employee future benefit obligation*	\$(2,194,600)	\$(2,194,600)	\$(2,194,600)
	<b>\$(1,745,456)</b>	<b>\$(1,541,400)</b>	<b>\$867,900</b>

<b>Net revenues (expenses) before other income per financial statements</b>	<b>\$(752,856)</b>	<b>\$(1,541,400)</b>	<b>\$867,900</b>
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\*Unbudgeted amounts shown are based on 2017 Actuals