

Term	Definition
Account	A classification of expenditure or revenue within a departmental budget to which an estimated budget value or actual expense/revenue amount is assigned.
Accrual Basis of Accounting/Budgeting	An accounting method where revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period in which they are incurred (sometimes referred to as "full accrual", to distinguish it from modified accrual basis accounting).
Actual	Actual revenue and expenditures incurred, as opposed to budgeted revenues or expenditures for the fiscal year indicated.
AMO	Association of Municipalities of Ontario.
Amortization	Accounting process of allocating cost less residual value of a tangible capital asset to operating periods as an expense over its useful life in a rational and systematic manner appropriate to its nature and use; "depreciation accounting" is another commonly used term.
Assessment	An estimate of property value that is established for real property as a basis for property taxes. The Municipal Property Assessment Corporation (MPAC) is responsible for placing an assessment value on all properties in Ontario.
Assessment growth	The increase in assessment value during the year as the result of new properties and improvements to existing properties in the City.
Assessment Value	Value of property as determined by the Municipal Property Assessment Corporation (MPAC). It is provided (or "returned") to municipalities in December as the basis for property taxation in the following year.
Assets	Resources owned or held by the City which have monetary value and includes such things as roads (road surface, sidewalks, curbs, bridges, culverts), water distribution system (pipes, valves, hydrants, services), sanitary collection system (pipes, pumping stations, manholes), storm water management system (pipes, ponds, manholes, catch basins), urban forestry, parks, sport fields, trails, computerized business systems, facilities, vehicles, machinery and equipment.
Balanced Budget	As required for Ontario municipalities under the Municipal Act, a budget that shows estimated revenues are equal to estimated spending.
Base Budget	The budget required to maintain service levels from one budget year to the next, before taking population growth into account.
Budget	A financial plan for a given fiscal year that estimates all planned revenues and expenditures for various municipal services.
Budget & Audit Committee	Standing Committee of Council established to deliberate on the budget and financial matters of the City.
By-Law	Municipal, local or corporate rule or regulation.
Canadian Union of Public Employees (CUPE)	Canada's largest union, with more than 650,000 members across the country. CUPE represents workers in health care, emergency services, education, early learning and childcare, municipalities, social services, libraries, utilities, transportation, airlines and more.
Capital	The word "capital" has a specific meaning in the municipal context: it is used to describe the capital fund transactions, including both long- term expenditures and long-term financing.

Term	Definition
Capital Asset	An asset with a long-term nature. For budgetary purposes, a fixed asset is defined as an item whose cost exceeds \$50,000 with an expected life of more than one year.
Capital Budget	A multi-year plan based on the estimated expenditures and offsetting sources of financing for capital projects.
Capital Expenses	Monies spent for replacement, renovation or maintenance of assets, the benefits of which could spread over several years.
Capital Forecast	The expenditures and funding sources projected for consideration in the subsequent years of the Capital Budget approval year.
Capital Project	A project with a value of more than \$50,000, incurred to acquire or improve land, buildings, engineering structures, machinery and equipment used in improving municipal services. It includes vehicles, office furniture and equipment and normally confers benefit lasting beyond one year and results in the acquisition of, or extends the life of a fixed asset.
City	Corporation of the City of Cambridge.
Consumer Price Index (CPI)	An estimate published by Statistics Canada that measures changes in the price level of consumer goods and services purchased by a typical household. Also known as inflation.
Contingency	An appropriation of funds available to mitigate unforeseen events that may occur during the fiscal year.
Contract Services	Cost of services which have been purchased on a contract basis such as road maintenance, tree planting, snow removal and consulting services such as auditors, architects, and consultants.
Corporate Leadership Team (CLT)	Lead by the City Manager, this team is the body of administration where corporate priorities are set and new corporate initiatives are developed.
Council	The governing body for the City of Cambridge comprised of the Mayor and 8 Councillors.
CUPE	See Canadian Union of Public Employees.
Debenture (or debt)	A debt instrument promising to pay back borrowed money by a specified date, normally with periodic payments of principal and interest. A debenture is typically issued against the general ability of the borrower to repay, as opposed to being secured by specific assets. As per the <i>Municipal Act, 2001</i> , for the City of Cambridge, debentures would be issued by the Region of Waterloo.
Debt Charges	Amount of principal and interest payments on borrowed funds.
Deficit	Excess expenditures over revenues.
Department	A business unit of the City that has overall management responsibility for operations within certain functional areas. Departments are further subdivided into divisions.
Depreciation	An accounting and finance term for the method of attributing the cost of an asset across the useful life of the asset in order to match expenses with revenues.
Development Charges (DC's)	A fee charged to new development, under the <i>Development Charges Act</i> , to finance the cost of new growth-related capital facilities and infrastructure required to satisfy increased servicing needs.
Discretionary Reserve Funds	Created at Council's discretion and earns interest.
Division	A unit within a department that has overall management responsibility of a functional area.

Term	Definition
Environmental Assessment (EA)	A process to predict the effects of proposed initiatives on the environment.
Expenditure	The disbursement of appropriated funds to purchase goods and/or services.
External Funding	Financing from sources external to the City such as regional, provincial or federal funding and grant subsidies.
External Transfers	Funding granted by the City to external organizations.
Fines, Penalties & Interest	Revenues that are used to lower the property taxes raised on the tax-supported operating budget. The majority of this revenue is from parking enforcement and penalties and interest on taxation revenue.
Fleet	A collective group of vehicles owned and operated by the City.
Forecast	The projection of revenues and expenditures for future years.
Full-time Equivalent (FTE)	A measure of staffing equivalent to that produced by one person working full time for one year.
Fund	A sum of money set aside for a specified purpose.
Fund Transfers	Contributions from reserves, reserve funds, and capital for various projects.
Gas Tax	Share of Federal gas tax that is transferred to municipalities to fund local infrastructure.
GIS	Geographic Information System.
Grant	A financial contribution to or from governments to support a particular function, service, or program.
Grants & Government Transfers	Funding received from the federal or provincial governments to support City programs or projects.
Gross Expenditures	Total expenditures of the City prior to the netting of any external revenues and/or recoveries.
IDEA Exchange	Idea Exchange is a municipal tax-supported institution operating under the Public Libraries Act and administered by a volunteer board of Cambridge residents. Board members are appointed for four year terms which are concurrent with the term of City Council.
Inflation	See Consumer Price Index.
Infrastructure	The system of public works in the City, consisting of immovable physical assets, that delivers an essential public service (e.g. road network, water and sewer systems, trails and facilities).
Infrastructure Gap	The difference between capital investment needs and past/current expenditures.
Infrastructure levy	A portion of property taxes collected for the purpose of funding repair and replacement of city assets.
Internal Recoveries	Corporate overhead recovery based on direct costs.
Investment Income	Interest received from investments.
Key Performance Indicators (KPIs)	Refer to a set of quantifiable measurements used to gauge the City's overall long-term performance. KPIs specifically help determine a company's strategic, financial, and operational achievements and can be used to compare to other Municipalities.
Municipal Act	Provincial legislation that sets out rules for Ontario municipalities and recognizes them as a responsible and accountable level of government. The act gives municipalities broad powers to pass bylaws and govern within their jurisdiction.

Term	Definition
Net Expenditure	The portion of the operating budget that must be paid by the tax levy after all other funding sources, including grants and user fees, are taken into account.
Obligatory Reserve Funds	Created by legislation or agreements to accumulate funds to be used for a designated purpose.
Official Plan	A policy document which sets out the goals, objectives and direction for long term growth and development in the City; required by the provincial Planning Act.
Official Plan Amendment	Document outlining amendments to the City's official plan; required where new zoning or land usage does not conform to the Official Plan.
Operating Budget	The annual Council approved financial plan which outlines proposed expenditures, revenues, staffing levels and service levels for operations of the City for the upcoming fiscal year.
Operating Impact from Capital	Operating costs of new capital assets as they come into service, including salaries, debt service and contract costs, and contribution to reserves.
Operations Management Team (OMT)	OMT is the body of the administration responsible for executing the operational portions of corporate initiatives, under the direction of SMT, to whom it is accountable.
Other Revenues	This category includes things such as lease agreements and other miscellaneous revenues.
Own Source Revenues	Revenue that a municipal government raises through its own sources, including property taxes and user charges, but excluding grants or government funding.
Payment in Lieu of Taxes	Set amount of funding paid for by hospitals, universities and colleges located in the municipality, to compensate for municipal services; rate established by the Province.
Program	A specific service and service level mandated by legislation or City Council.
Public Sector Accounting Board (PSAB)	The Public Sector Accounting Board serves the public interest by setting standards and providing guidance for financial and other performance information reported by the public sector.
Rehabilitation	A process of restoring infrastructure to a better condition, thereby extending the useful life of the asset.
Rents and Financial Expenses	Costs in this category include insurance, the tax incentive grant to support brownfield development in the city's core areas, lease agreements, and property taxes for non-exempt properties owned by the City.
Replacement Cost	The cost to replace an asset on the basis of current prices (cost); unrelated to the original asset cost.
Reserve	An allocation of accumulated net revenue that is established by Council for a particular purpose. It has no reference to any specific asset and does not require the physical segregation of money or assets as in the case of a reserve fund.
Reserve Fund	An allocation of accumulated net revenue, similar to a reserve. It differs from a reserve in that reserve fund assets are segregated and restricted to meet a specific purpose. There are two types of reserve funds. Obligatory reserve funds are required under provincial statute, while discretionary reserve funds are created by Council for a specified future use.
Restatement	Budget restatements occur after a change in allocation of revenue or expenses has occurred. This could include such things as a reorganization of City departments or divisions.
Revenue	Income received by the City for the fiscal year; includes tax revenues, user fees, transfers from reserves and interest income.

Term	Definition
Salaries & Benefits	This category consists of compensation for all employees such as salaries, benefits, service pay, overtime, and applicable allowances.
Senior Management Team (SMT)	SMT is the body of the administration responsible for implementing corporate priorities and initiatives and providing input on same to CLT, to whom it is accountable.
Strategic Plan	A document outlining a framework that will help set the stage for priority setting, decision making, and ongoing performance management. The document outlines the goals and objectives to be undertaken that will increase the City's effectiveness in attaining its vision, mission, and values.
Supplementary Taxes	Property taxes collected on new assessment not previously identified by Municipal Property Assessment Corporation (MPAC).
Surplus	The excess of actual revenue over operating expenditures incurred during a budget period. Surpluses at the end of each year must be applied to the following year's operating budget to reduce reliance on the tax levy, unless they are allocated to a reserve by a Council bylaw.
Tax Levy	The amount of property tax, in dollars, which must be raised by the City's taxpayers.
Tax Rate	A rate used to determine the amount of property tax payable. Taxes on individual properties are calculated by multiplying a property's current value assessment (CVA) by the applicable tax rate.
Transfer from Reserves	Transfers from City reserves and reserve funds to cover the cost of current operating expenses or to fund capital.
User Fees & Charges	Fees paid by individuals or organizations to the City for the use of City's facilities (e.g. recreation fees, cultural venue ticket sales) or for provision of municipal services (e.g. planning, engineering & design fees).