

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.

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 OPERATING BUDGET	2019 ACTUALS	2020 FORECAST	2020 BUDGET RESTATED	2021 BUDGET	CHANGE OVER 2020 BUDGET
Revenue Summary					
Taxation	\$ 90,463,238	\$ 94,373,200	\$ 94,418,200	\$ 96,152,200	1.8%
User fees and charges	81,071,814	80,173,101	85,144,600	83,103,600	-2.4%
Penalties and interest on taxes	2,978,059	2,506,000	2,550,000	2,550,000	0.0%
Investment income	2,592,498	1,557,800	1,557,800	1,289,900	-17.2%
Fines	818,063	548,000	714,000	574,000	-19.6%
Government transfers - Canada	308,438	135,900	72,000	72,000	0.0%
Government transfers - Ontario	1,384,911	1,383,900	1,310,200	1,303,000	-0.5%
Deferred revenue earned	202,000	1,357,000	210,200	1,204,000	472.8%
Land sales and other	6,965,410	241,100	274,900	280,100	1.9%
Contributions from reserves and reserve funds	9,412,181	3,909,600	4,216,200	6,175,400	46.5%
Dividend from Energy+	3,153,996	2,939,889	3,745,000	2,560,000	-31.6%
Budgeted Revenues	\$ 199,350,608	\$ 189,125,490	\$ 194,213,100	\$ 195,264,200	0.5%
Expenditure Summary					
General government	\$ 24,292,158	\$ 23,709,675	\$ 23,768,700	\$ 24,541,300	3.3%
Protection to persons and property	28,720,392	29,153,900	29,272,800	30,627,400	4.6%
Transportation services	14,147,668	14,159,661	14,902,500	14,498,600	-2.7%
Environmental services	53,215,423	55,859,954	58,430,300	58,090,500	-0.6%
Health services	1,534,317	1,426,891	1,510,800	1,526,400	1.0%
Social and family services	1,781,697	1,252,375	1,889,400	1,883,300	-0.3%
Recreation and cultural services	27,254,989	25,127,714	28,554,100	28,302,500	-0.9%
Planning and development	4,981,233	4,470,695	4,566,400	4,732,800	3.6%
Contribution to reserves and reserve funds	26,137,505	25,109,569	25,413,300	26,048,400	2.5%
Debt principal repayments	4,508,228	5,904,800	5,904,800	5,013,000	-15.1%
Budgeted Expenditures	\$ 186,573,610	\$ 186,175,234	\$ 194,213,100	\$ 195,264,200	0.5%

Reconciliation to Annual Financial Statements	2019 Actuals	2020 Forecast	2020 Budget Restated	2021 Budget
Budgeted Revenues	\$ 199,350,608	\$ 189,125,490	\$ 194,213,100	\$ 195,264,200
Budgeted Expenditures	186,573,610	186,175,234	194,213,100	195,264,200
Budgeted surplus (deficit)	\$ 12,776,998	\$ 2,950,256	\$ -	\$ -

Remove from budget:

Contributions from reserves and reserve funds	\$ (9,412,181)	\$ (3,909,600)	\$ (4,216,200)	\$ (6,175,400)
Dividend from Energy+	(3,153,996)	(2,939,889)	(3,745,000)	(2,560,000)
Contribution to reserves and reserve funds	26,137,505	25,109,569	25,413,300	26,048,400
Debt principal repayments	4,508,228	5,904,800	5,904,800	5,013,000

Add to budget:

Amortization of tangible capital assets*	(20,308,531)	(20,308,531)	(20,308,531)	(20,308,531)
Non-tangible capital asset expenditures*	(7,481,553)	(7,481,553)	(7,481,553)	(7,481,553)
Unfunded accrual for employee future benefit obligation*	(2,157,075)	(2,157,075)	(2,157,075)	(2,157,075)
	\$ (11,867,603)	\$ (5,782,279)	\$ (6,590,259)	\$ (7,621,159)

Net revenues (expenses) before other income per financial statements	\$ 909,395	\$ (2,832,023)	\$ (6,590,259)	\$ (7,621,159)
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*Unbudgeted amounts shown are based on 2019 Actuals.