

# 2019

# ANNUAL REPORT

Financial Report & Consolidated Financial Statements  
CITY OF CAMBRIDGE, ONTARIO, CANADA, FOR FISCAL YEAR ENDED DECEMBER 31, 2019

OF  
THE  
CITY  
OF



[cambridge.ca](http://cambridge.ca)



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Produced by the Corporate Services Department in co-  
operation with all the City departments and divisions.

# 2019 ANNUAL REPORT





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# Cambridge at a Glance

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## A MODERN AND INCLUSIVE CITY

Cambridge is a modern, inclusive city with a rich architectural heritage providing a window to the past. Made up of the former communities of Galt, Preston, Hespeler and Blair, the economic diversity, natural beauty, and vibrant culture have helped to make Cambridge the second largest community within the fast-growing Waterloo Region.



## PROPERTY VALUES

The average household assessment value used to calculate property taxes sits at **\$321,700**.

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## POPULATION

A 2019 year-end population of **136,810** within an estimated **49,920** households.

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## WORKFORCE

Cambridge continues to build a skilled and diverse workforce of more than **77,500** and more than **11,473** businesses.

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## INTERNATIONAL ACCESS

Just **50 minutes** to Toronto Pearson International Airport and minutes to **Region of Waterloo International Airport**.

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## LOGISTICS

Convenient access to **Highway 401** for ready access to major cities throughout Canada and the United States.



# Cambridge City Council

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BACK ROW LEFT TO RIGHT: COUNCILLOR FRANK MONTEIRO\*, COUNCILLOR MIKE DEVINE, COUNCILLOR SHANNON AD SHADE, COUNCILLOR NICHOLAS ERMETA, COUNCILLOR MIKE MANN, COUNCILLOR JAN LIGGETT.  
FRONT ROW LEFT TO RIGHT: COUNCILLOR DONNA REID, MAYOR KATHRYN MCGARRY, COUNCILLOR PAM WOLF.

\*COUNCILLOR FRANK MONTEIRO PASSED AWAY ON OCTOBER 15, 2019. COUNCILLOR MONTEIRO SERVED THE CONSTITUENTS OF WARD 7 SINCE 2010 AND WILL BE FONDLY REMEMBERED FOR HIS MANY CONTRIBUTIONS TO THE CITY OF CAMBRIDGE.

## GET TO KNOW YOUR 2018-2022 ELECTED COUNCIL

The City of Cambridge is governed by an elected Council of nine members: the Mayor and eight Councillors who serve a four-year term.

The Mayor and Council are responsible for developing a long-range vision for the future of the community. Council establishes policies that affect the overall operation of the community and are responsive to residents' needs and wishes.

To ensure that these policies are carried out and that the entire community receives equitable service, Council appoints a City Manager who is directly responsible for the City's administration.



# City Administrative Structure

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The Corporate Leadership Team is led by the City Manager and includes the Deputy City Managers of each City department.

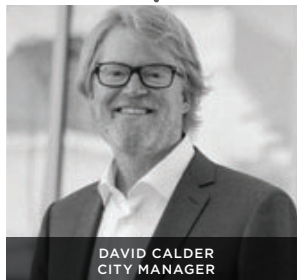
The Corporate Leadership Team is responsible for implementing the direction set out by City Council, including the provision for high quality, community-focused services, overseeing the responsible and sustainable management of resources and monitoring progress.

In recognition of the direction provided by the strategic plan, the Corporate Leadership Team is committed to implementing the goals and objectives outlined under each of the themes People, Place and Prosperity based on the City's corporate core values of Integrity, Respect, Inclusiveness and Service.



KATHRYN MCGARRY  
MAYOR

## MAYOR AND COUNCIL



DAVID CALDER  
CITY MANAGER

## OFFICE OF THE CITY MANAGER

Corporate Communications  
Legal Services



DAVE BUSH  
DEPUTY CITY MANAGER

## CORPORATE SERVICES

Clerks Services  
Financial Services  
Fire Services  
Human Resources  
Technology Services



CHERYL ZAHNLEITER  
DEPUTY CITY MANAGER

## CORPORATE ENTERPRISE

Asset & Project Management  
Corporate Strategy  
Economic Development  
Risk Management



HARDY BROMBERG  
DEPUTY CITY MANAGER

## COMMUNITY DEVELOPMENT

Building Services  
Engineering & Transportation  
Parks, Recreation & Culture  
Planning Services  
Public Works



# Message from the Mayor

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It's been a very busy year for our city, our region, and for myself as a new mayor.

We've seen exciting new projects moving forward at the City, from a decision on the new Cambridge Recreation Complex to the creation of the Core Area Transformation Fund.

Our local economy and private investment remain strong. In 2019, we attracted new developments and businesses, as well as marked the groundbreaking of the Gaslight District and the opening of Tapestry Hall – an incredible new dynamic event space located in the heart of it.

Our city continues to be a magnet for film crews and we were nominated for a film location award. Conestoga College announced that they are creating the largest trade school in Canada right here in Cambridge.

As your Mayor, I've had the privilege of attending and taking part in more than 400 events in our community, and represented our city at meetings and discussions at the regional, provincial, and federal levels.

All too often the citizens of Cambridge do not see the work that staff do behind the scenes on their behalf. In my first year here as Mayor – I can safely say that throughout our organization, we have dedicated and committed public servants. Staff, along with Council and the community, are working hard to deliver solid results to make Cambridge the best possible place to work and live in southern Ontario.

As you see in these pages, 2019 was a significant year for the City of Cambridge and we are well-poised for an even better year ahead.

Together, I believe we will keep building on our strong foundation and attracting new families and new businesses to our great city.

I'm looking forward to continuing to work with you.

















Kathryn McGarry  
Mayor



# Who Does What? Services Overview

## UNDERSTANDING MUNICIPAL VS. REGIONAL SERVICES

In addition to federal and provincial services, Cambridge residents and businesses receive services from two levels of government: The City of Cambridge and the Region of Waterloo. Below is an outline of the general services provided by the City and Regional levels of government.

 <b>CITY OF CAMBRIDGE</b>	 <b>REGION OF WATERLOO</b>
 <b>COMMUNITY WELLBEING</b> Accessibility and diversity services, Ambassador Program, animal control, bylaw enforcement, city-wide emergency planning, crossing guards, fire services, libraries – Idea Exchange, older adult services, youth programs.	 <b>PUBLIC HEALTH AND SOCIAL SERVICES</b> Harm reduction and affordable housing.
 <b>GOVERNANCE AND LEADERSHIP</b> Corporate administration, corporate finance, risk management, Service Cambridge, technology services.	 <b>REGIONAL POLICE AND EMERGENCY RESPONSE</b> Paramedic and policing services.
 <b>ARTS, CULTURE, HERITAGE AND ARCHITECTURE</b> Arts and culture programs, art centres, heritage conservation, policy planning, special events.	 <b>REGIONAL PLANNING</b> Environmental and economic development.
 <b>ENVIRONMENT AND RIVERS</b> Environmental planning, forestry and horticulture services, natural areas, parks, trail maintenance.	 <b>WASTE MANAGEMENT AND WATER TREATMENT</b> Water collection services, water treatment and wastewater management.
 <b>PARKS AND RECREATION</b> Aquatics, arenas, bike and skate parks, Cambridge Farmers' Market, cemeteries, community centres, day camps, playgrounds, pools, recreation programs, splash pads, sports fields.	 <b>REGIONAL TRANSPORTATION</b> Waterloo Region International Airport, Grand River Transit, ION and Regional roads.
 <b>ECONOMIC DEVELOPMENT AND TOURISM</b> Building permits and inspections, business attraction and retention, business licensing, employment land development, planning services, tourism promotion, visitor information.	
 <b>TRANSPORTATION AND INFRASTRUCTURE</b> Asset management, engineering services, facilities management, parking management, roads and winter maintenance, sidewalk maintenance, storm water, street lighting, traffic management, transportation, water and wastewater.	

For more information, view the "A to Z Services" list at [regionofwaterloo.ca](http://regionofwaterloo.ca).



# PEOPLE

To actively engage, inform and create opportunities for people to participate in community building, making Cambridge a better place to live, work, play and learn for all.













## People Feature Story

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How working  
together keeps  
the community  
prepared.

**A PLUME OF HAZARDOUS SMOKE ROSE INTO THE AIR FOLLOWING AN INCIDENT INVOLVING TWO LARGE TRUCKS IN THE AREA OF HIGHWAY 401 AND HOMER WATSON BOULEVARD ONE SUNNY OCTOBER MORNING IN THE NORTH END OF CAMBRIDGE.**

As emergency crews jumped into action, a sudden shift in the wind threatened to send the toxic plume towards a residential area of Kitchener.

Luckily, this terrifying scenario wasn't real, but formed the basis of a large-scale mock disaster called 'Operation Hazy Day' organized by the City of Cambridge.

This joint exercise, which transformed a parking lot at Conestoga College into a 'disaster' zone filled with emergency personnel and a variety

of injured 'victims', involved at least 300 people representing a range of community partners who participated with the intent of testing emergency management policies and procedures.

Among them were firefighters from both Cambridge and Kitchener, provincial police, regional police and paramedics, as well as the Cambridge Memorial Hospital (CMH), CP Rail, Transport Canada, Grand River Conservation Authority, Waterloo Regional REACT and the Ministry of the Environment, Conservation and Parks.

"We try to involve as many partners as possible and make it as realistic as possible," explains Gina Cliffe, Manager of Community and Emergency Planning at the City of Cambridge.



OPERATION HAZY DAY

Region-wide exercises on this scale usually take place every four years. The last one took place in 2015 and focused on a train ‘derailment’ in the Township of North Dumfries. The City also conducts smaller exercises yearly to keep up to date and fine-tune new protocols and procedures. This includes response practice on everything from cyber security breaches and flooding, to evacuations and active threats.

Although these scenarios are often done around a table, they also can take on a real-time large-scale feel as information is received via portable radios and telephone, and various partners are pulled into the loop.

When it comes to community preparedness, Gina says developing partnerships is critical.

“We really couldn’t do it without them,” she says. “Each of us has a role and we all have to be ready.”

In a real-life situation, people could walk away from the site of an emergency not realizing they may have been exposed to a potentially hazardous chemical and show up at a local health clinic with symptoms.

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We really couldn’t do it without them. Each of us has a role and we all have to be ready.

GINA CLIFFE,  
MANAGER OF COMMUNITY AND EMERGENCY PLANNING

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“So, we work with many groups, such as Doctors4Cambridge, and provide them with information so they can make the necessary decisions.”





These partnerships also involve the local business community, like Toyota Canada.

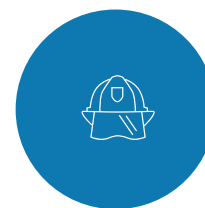
“They may have information or resources we might not have,” she says, adding the City has done emergency planning training with Toyota. “There are lots of great opportunities working with our local businesses and community.”

For Cambridge Memorial Hospital, one of the City’s key partners when it comes to community preparedness, the benefits of collective proactive preparedness are clear.

“All those learning opportunities help us to better respond, whether it’s internally to our own situation, or externally as a partner with the others,” says Patrick Gaskin, President and CEO of CMH, adding emergency planning is part of the hospital’s accreditation process.

He says the recent mock disaster, the first one he has observed as the hospital’s CEO, proved to be very informative. He was one of a several senior CMH staff

## HAZY DAY HIGHLIGHTS



Region-wide education for emergency preparedness



More than 300 community partners involved



Emergency planning for local businesses



members at the Conestoga College scene.

“We had our staff using real time data of what was going at the hospital so as the situation evolved, we looked at how we would respond internally to that,” says Patrick, explaining that while no ‘patients’ were physically transported to CMH, staff went through the procedures as if they were receiving injured people.

“It was an incredible experience for us. There was tons of learning going on.”

Patrick explains that it’s pivotal while working with partners to determine ahead of time what roles each will play if an emergency occurs.

“What’s important in a disaster is having people fulfilling their roles, not getting people into roles in real time,” he says.

Fulfilling a key role in community preparedness

is exactly what Waterloo Regional REACT has been bringing to the table for nearly 50 years. The volunteer organization is a familiar sight at the scene of many incidents, providing valuable support to the City, firefighters, paramedics and police.

Richard Weisler, President of Waterloo Regional REACT, says working in partnership with these groups, whether in real-life situations or a disaster exercise, provides his organization’s 42 volunteers – some of whom who have aspirations to work in the emergency services – with valuable knowledge.

“It gives them insight on what can happen and how things work in relation to different services,” he says.

At the October exercise, REACT provided organizers use of its command centre trailer and Argo ATV to assist paramedics and firefighters





as they ferried and stabilized ‘victims’ at the scene.

“By providing specialized equipment, we’re able to assist the people to do their jobs more effectively,” says Richard, adding REACT volunteers, who come from diverse backgrounds, sign up because they enjoy giving something back to their community.

“We get personal satisfaction from helping others,” he says. “There are many things we could do in our community and this is one that helps out our partners who already do so much.”

Gina says community partnerships are also key when it comes to sharing information to residents which is why the City has been reaching out to business and neighbourhood associations.

“We ask them if they can provide public

information for us on emergency preparedness, such as brochures and giveaways. This is a very cool partnership,” she says, adding the centres can provide important information to residents in the event of an emergency.

“We’re building that program and trying to connect with those organizations and they’ve been very helpful.”

Gina emphasizes that having the necessary information is vital when it comes to community preparedness.

“When we do public education, we always ask people if they have a 72-hour emergency kit,” she says, adding many admit to having ‘pieces’ of a kit on hand. “We really stress that if we had to evacuate you from your home could you, within a minute, walk out the door with whatever you need?”

# Community Wellbeing at a Glance







## Goal #1: Community Wellbeing

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Promote a caring community where people can make strong connections with others and lead safe, healthy and productive lives.

### HOW WE ACCOMPLISHED THIS...

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#### WE WORKED WITH PARTNERS TO CREATE A SAFE, INCLUSIVE AND ACCESSIBLE CITY.

We supported Fire services by acquiring a new 2019 Rosenbauer tanker truck at Station 1, a new 2019 Pierce Pumper truck at Station 5, improving dispatch and radio communications, and continuing the implementation of the new Fire Station 6. Overall, these investments **improve response coverage and public safety**. Community education initiatives included installing wraps on the front bay doors at Station 5 to promote fire safety, and a contest with local schools to name the new Public Education Division mascot - Beeper.

We furthered the City's emergency management planning by developing a business continuity policy, new plans and training, and worked with partners in the Region to undertake a full scale emergency exercise in October (Operation Hazy Day). We also delivered additional training

and education initiatives including an ammonia procedure training exercise and a 72-hour emergency preparedness kit giveaway.

The City's Ambassador Team continued to build awareness of its work through outreach, partnerships and increased afternoon and evening patrols in downtown cores ([cambridge.ca/ambassador](https://cambridge.ca/ambassador)). The City also invested in electric hand tools to reduce our carbon footprint and noise pollution while maintaining plantings, hanging baskets and the overall cleanliness of the cores. We designed, funded and tested a new public sharps container to promote safety and reduce stigma, while also continuing to support Sanguen Health and the Working to Improve Neighbourhood Safety (WINS) program.

## WE SUPPORTED AND FACILITATED COMMUNITY ACCESS TO SERVICES RELATED TO HEALTH, WELLNESS AND PERSONAL DEVELOPMENT.

The City received the results of the Waterloo Region Community Wellbeing Survey and worked with partners to analyze and share the results. Building on the work of the community outreach task force, a transition and implementation plan was developed which led to the creation of a new Community Wellbeing Advisory Committee. This volunteer citizen advisory committee will assist the City in promoting and facilitating the safety, inclusion, belonging and wellbeing of Cambridge residents. It also provides advice to Council and City staff on complex social issues impacting City policies, programs, services and strategies.

In addition to this, City employees supported several charitable events and causes, including raising more than \$31,000 for Muscular Dystrophy with the Firefighter's Boot Drive, and more than \$34,000 through the employee United Way campaign.

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## WE DELIVERED ACCESSIBLE, INCLUSIVE, AGE-FRIENDLY SERVICES, PROGRAMS AND FACILITIES.

Youth engagement is a priority for the City of Cambridge ([cambridge.ca/youth](https://cambridge.ca/youth)). We supported local youth initiatives such as Cambridge OK2BME, including two dances and a meeting hosted at Idea Exchange for youth aged 12 to 19. We also collaborated with the Cambridge Youth Advisory Committee to host a Youth Mix & Mingle event to connect with service providers and community leadership.

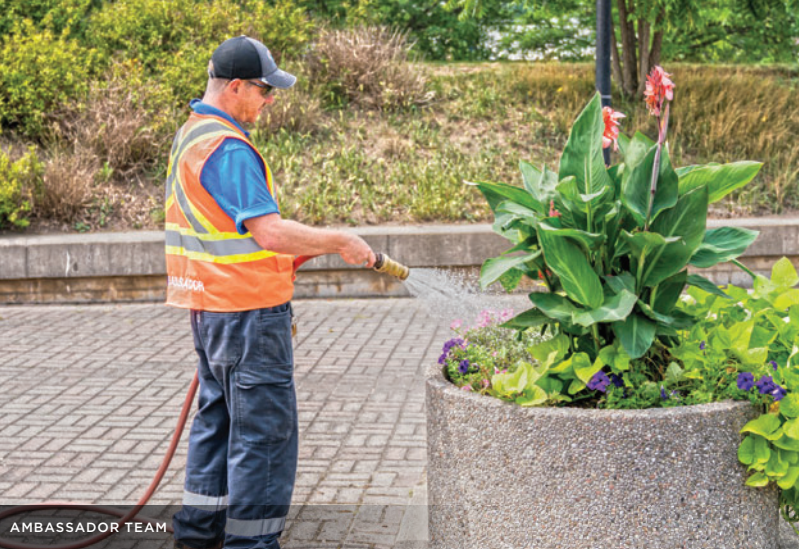
As well, we are working towards HIGH FIVE Accreditation for our recreation programs, demonstrating a commitment to the highest standards of programs for youth in our community.

We continued implementation of our Diversity Inclusion and Accessibility Action Plan, adopted in 2018 ([cambridge.ca/diversity](https://cambridge.ca/diversity)). To date, 22 of the initial 67 actions have been completed. Highlights from 2019 include:

- ➔ Hosting our second 'Conversation with Purpose' to encourage community dialogue and action, with 60 staff and community members in attendance
- ➔ Reviewing and updating our Accessibility Policy
- ➔ Offering Indigenous Cultural Competency Training facilitated by the Ontario Federation of Indigenous Friendship Centre (OFIFC)
- ➔ Adopting the Dynamic Symbol of Access in City-owned properties
- ➔ Jointly hosting a conference centered on equity and inclusiveness with Conestoga College and YWCA Cambridge in October

We also held the city's first Newcomer Day Celebration in September, a special event recognizing and celebrating newcomers, immigrants, and refugees who call Cambridge home that featured a special Canadian citizenship ceremony. The event attracted **more than 460 people and involved 60 community partners**.





AMBASSADOR TEAM



NEWCOMER DAY



CAMBRIDGE CITIZENSHIP



[cambridge.ca](http://cambridge.ca)

BEEPER - FIRE PUBLIC EDUCATION DIVISION MASCOT



NEWCOMER DAY





**WE PROMOTED, FACILITATED AND PARTICIPATED IN THE DEVELOPMENT OF AFFORDABLE, WELCOMING AND VIBRANT NEIGHBOURHOODS.**

The City worked with community partners to advance the Cambridge Neighbourhood Table, a made-in-Cambridge grassroots program with a focus on building relationships in our neighbourhoods through supportive connections and, promoting social inclusion so everyone belongs, feels welcome and no one is left behind. In November, this initiative received funding from both the City and Region to begin work on a pilot project to expand to five locations in the community in 2020.

We participated in the Cambridge Affordable Housing Roundtable, which works with all levels of government and community groups to encourage the construction and retention of affordable housing in Cambridge. Housing Cambridge, a municipal non-profit housing provider that manages nine separate properties, received final approvals allowing for construction of **55 new units** at 195 Hespeler Road: 40 market rate units and 15 affordable housing units. It was also announced



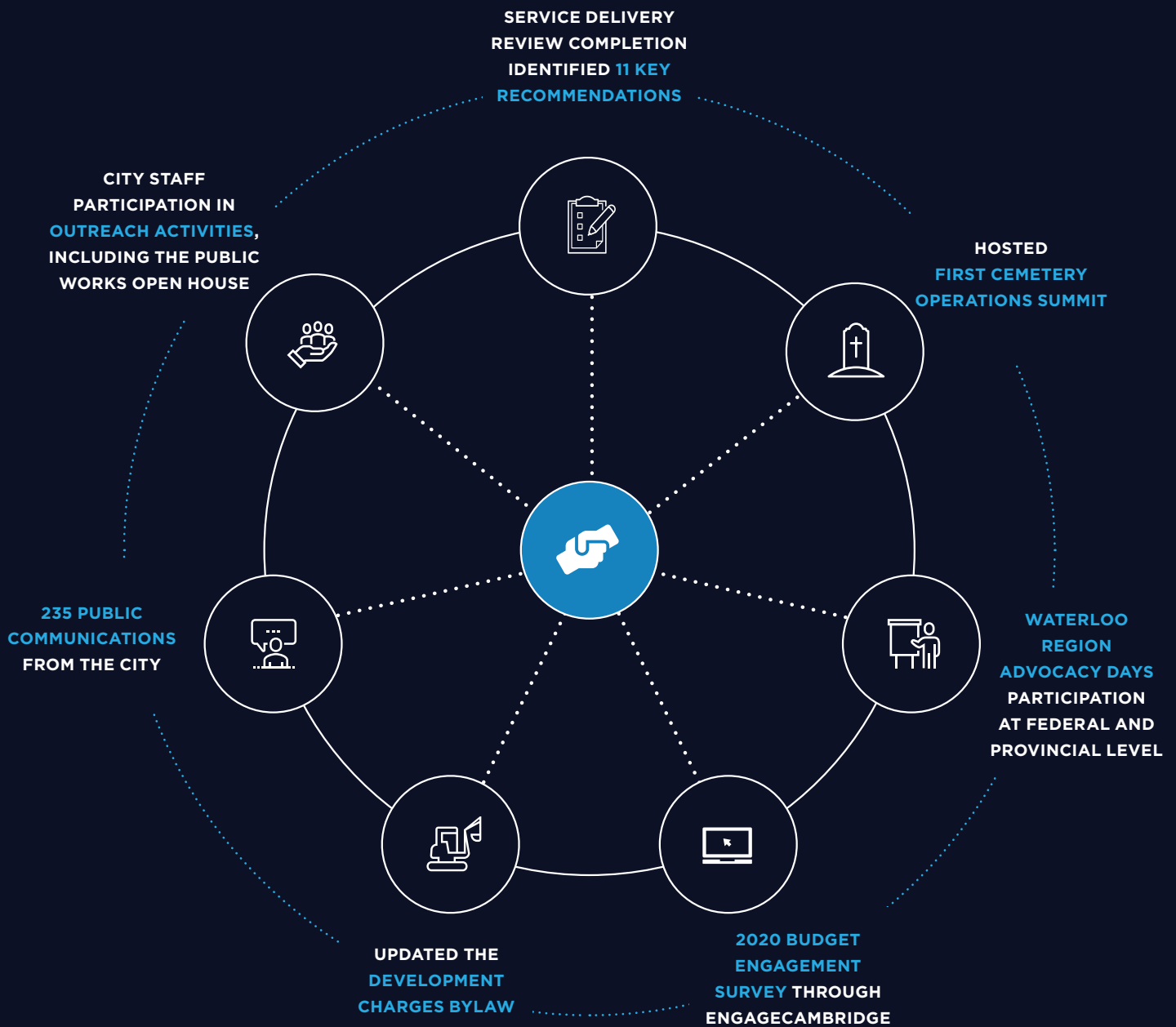
at the 18th National Housing Day on November 21 that the Region has committed to creating 638 new affordable housing units over the next 10 years, including one development in Cambridge. Although the Region of Waterloo is the service provider for affordable housing programs, the City of Cambridge is leading the way when it comes to lower-tier municipalities contributing financial assistance to the building of affordable housing.

Through the City's investment in Cambridge's eight neighbourhood associations, more than \$2 million in additional investment was leveraged to support more than **980 programs and events**, provide equitable access to **832 recreation programs**, and provide life-enriching summer camp experiences for **more than 1,500 children** in the city.

## BY THE NUMBERS

SERVING OUR COMMUNITY	2019	2018	CHANGE
Library in-person visits	829,741	762,733	9%
Library electronic visits	793,943	759,367	5%
Library program attendance	102,266	81,674	25%
Pet tags issued	1,034	2,725	-62%
Fire investigations	103	92	12%
Fire safety building plan reviews	117	128	-9%
Property compliance inspections – Fire	1,553	1,660	-6%
Public education events – Fire	505	460	10%
Public Education home inspections - Fire	38		N/A
Emergency responses – Fire	7,805	7,906	-1%
School crosswalks with crossing guards	55	57	-4%
Property standard inspections – Bylaw	273	233	17%

# Governance & Leadership at a Glance







## Goal #2 Governance & Leadership

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Provide open, transparent, accountable and innovative leadership in local governance and service delivery.

### HOW WE ACCOMPLISHED THIS...

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#### **WE PROVIDED A WIDE RANGE OF WAYS THAT PEOPLE COULD BECOME INVOLVED IN CITY DECISION MAKING.**

We continue to provide updated information related to the City's strategic plan and business plan online through our website ([cambridge.ca/businessplan](https://cambridge.ca/businessplan) and [cambridge.ca/strategicplan](https://cambridge.ca/strategicplan)), ensuring that our plans and progress remain transparent and accessible.

For the 2020 Budget process, we undertook a review of budgeting best practices and engaged the public earlier in the process so that feedback could be built right into the budget preparation by staff, while also providing for public engagement through the delegation night held by the Budget and Audit Committee.

The City continued to consult on the development of projects, plans and policies, including the Recreation Complex site selection, Transportation Master Plan and Climate Adaptation Action Plan, to make sure the voices of residents are heard on the issues that matter most to them.

## WE COMMUNICATED OFTEN AND MADE SURE MESSAGES WERE CLEAR, TIMELY AND DELIVERED IN A VARIETY OF WAYS.

We enhanced our customer service delivery through Service Cambridge and welcomed customer feedback in order to improve these services. We made some services, such as building permits and business licenses, available online, and transitioned Freedom of Information requests to Service Cambridge as well.

The Communications Division provided regular updates on city initiatives through multiple communications channels. In total, the City posted **235 public communications**, including notices, news posts and releases, to the website and shared more than 1,200 posts on social media.

City staff also did outreach in the community encouraging facility visits and tours, including welcoming more than **680 members of the public** to the Bishop Operations Centre for our third Public Works Open House in May and the participation of city staff in a 'career carousel' that educated more than **100 students** at St. Andrews Public School on careers in local government.

## WE ENCOURAGED A CULTURE OF INNOVATION AND ENGAGEMENT THAT ALLOWED ALL STAFF TO CONTRIBUTE TO THE ONGOING RENEWAL OF CITY SERVICES AND PROGRAMS.

The City's continuous improvement program identified 61 new and ongoing initiatives to make our operations more effective. This program led to new ideas to improve services, such as hosting the first annual Cemetery Operations Summit to share best practices with surrounding municipalities and the 'Tommy & Friends' speed management initiative, a low-cost yet high-impact way to encourage safe driving in city neighbourhoods. We also implemented a new Records Management System that improves the efficiency of document management and makes it easier for staff to share information internally.

We offered several programs to support staff development and learning opportunities that will help us to become a more innovative and collaborative corporation, including the Emerging Leaders' Roundtable, the Women and Leadership program, and the Work a Day in My Shoes program.







**WE WORKED COLLABORATIVELY WITH OTHER GOVERNMENT AGENCIES AND PARTNERS TO ACHIEVE COMMON GOALS AND ENSURE REPRESENTATION OF COMMUNITY INTERESTS.**

We partnered with other municipalities in the Region of Waterloo to enter the nation-wide Smart Cities Challenge and were shortlisted as a finalist, creating new ideas and partnerships that focused on youth in our community. We also entered into an agreement with the Region of Waterloo to create a consolidated fire communications centre for the region.

We participated in two Waterloo Region Advocacy Days in February, one at the Federal level and one at the Provincial level. Furthermore, we provided feedback on the Regional Government Review and more than **30 other pieces of provincial legislation**. Mayor Kathryn McGarry and senior staff attended the Association of Municipalities of Ontario (AMO) Conference in August and met several Ministers to speak to local priorities for our community.

The City also hosted professional groups from other municipalities in order to share best practices, including the Network for Municipal Special Event Planners in March and a meeting of Strategic Planners from across the province in June to discuss organizational resilience and planning during times of change.







## WE FOCUSED ON THE RESPONSIBLE MANAGEMENT OF FINANCIAL RESOURCES, ENSURING TRANSPARENCY AND ACCOUNTABILITY.

We presented our annual financial report, providing transparency and accountability into the City's spending. This report has been recognized for four consecutive years with the Canadian Award for Financial Reporting by the Government Finance Officers Association. To further improve our budget reporting, we consolidated the City's business planning with the budget process, presenting a consolidated 2020 Budget and Business Plan document that highlights 2020 goals for each division.

Through collaboration between Finance and the Project Management Office, Cambridge's management team, Council, and the public were kept informed of project status through a joint Capital Forecast and Status report, enabling project managers to operate efficiently and effectively while remaining accountable and transparent.

The City completed an update to our development charges bylaw, as required every five years under the Development Charges Act, 1997. This work ensures that growth continues to pay for the services needed to support that growth, such as roads, water, and sewer networks as well as parks, recreation and library services, while minimizing the financial burden to tax and rate payers and ensuring our local development economy remains strong.

We prepared an updated water and wastewater long-range financial plan for 2019-2028, as required under the Safe Drinking Water Act. This financial plan provides management, Council and the public a realistic and informed view of the water and wastewater operating and capital expenditures needed to maintain current service standards, provide resources to address forecasted growth, and keep the infrastructure in a good state of repair, ensuring the integrity and health of the City's drinking water systems.

In May, Council approved the final report of a Service Delivery Review, which identified more than 160 services and **11 key recommendations** for improvement, such as centralizing facility management for all City of Cambridge facilities and the reallocation of a staff vacancy to a permanent Sustainable Transportation Coordinator position. Implementation of this report is now underway and more opportunities to improve service delivery will be reviewed in 2020.

We also developed Corporate Asset and Project Management policies, reporting, procedures and training, and implemented a new Human Resources system for recruitment, performance management, and learning management.

### BY THE NUMBERS

SERVING OUR COMMUNITY	2019	2018	CHANGE
Property tax bills issued	85,890	85,412	1%
Water bills issued	287,549	283,862	1%

# PLACE

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To take care of, celebrate and share the great features in Cambridge that we love and mean the most to us.









ALFIE HUTCHINS  
VOLUNTEER



## Place Feature Story

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# How community programs build community connections.

### **IT'S A TUESDAY AFTERNOON AT THE WILLIAM E. PAULTER SENIOR CENTRE AND A GROUP OF PICKLEBALL PLAYERS ARE SETTING UP THE NETS AND LACING UP THEIR RUNNING SHOES.**

Holding what looks like an oversized ping-pong paddle, Cambridge resident Alfie Hutchins, a dedicated volunteer, takes a moment to chat about the past-time he has come to love.

"It's a great activity and people of any age can play it," he says, trying to keep his eyes on the action happening on the courts.

It's been approximately seven years since he first picked up a paddle while vacationing in Florida and developed an appreciation for the game which combines elements of tennis, table tennis, and badminton. Now he teaches others how to play the game at least one morning a week.

It's clear from the enthusiastic response of his fellow players as they dart about the courts, they've also come to love the game. Created in 1965, by three men in Washington State who had become bored with traditional summer sports, pickleball's popularity has grown steadily across North America to the point where regular tournaments are now held year-

round in Ontario. (The sport was reportedly named after a dog named 'Pickles' who kept taking their ball).

Locally, pickleball has become a favoured program staple of the City of Cambridge's 50+ Recreation Centres. Alfie says the competitiveness of the sport is a bonus and so is the wide range of skill levels it attracts in terms of players.

"Some of the players are very competitive and others are just average, but you go with the flow," he says, adding the way the game is set up with two players competing against two others, provides the chance to meet more people. "Very seldom do you play with the same people all the time."

It's this type of interaction that supervisor of recreation Nicole Cichello says is key to breaking down cultural, class and identity barriers and improving the quality of life in Cambridge.

"Building community through recreation engages people and builds social cohesion by strengthening community connections, which can lead to reduced isolation and healthier residents," says Nicole.



BASKETBALL - ALISON NEIGHBOURHOOD COMMUNITY CENTRE



CUPCAKE BAKING - ALISON NEIGHBOURHOOD COMMUNITY CENTRE



This sense of community is very apparent at the Alison Neighbourhood Community Centre, which operates out of St. Anne Catholic Elementary School and is one of eight City-supported neighbourhood associations.

“You see people connecting here and sharing some of the information they’ve learned here,” says Courtney Didier, the Centre’s executive director, while a group of excited children chatter in the community space outside her office.

Staff members - many of whom attended the programs themselves as kids - help pick out cupcake toppings for a group activity during an evening drop-in program. In the nearby gym, a few other children have decided to forgo decorating cupcakes to play basketball instead.

“We know that a game of basketball, or a game of hockey, or baking or doing crafts can also be a vehicle to addressing other issues,” says Courtney,

explaining the many supports the centre provides to area children and their families are essential to building a stronger community.

This includes a breakfast program, operated in partnership with the Cambridge Vineyard Church down the road on Elgin Street North, which provides 45 children with a morning meal.

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You see people connecting  
here and sharing information  
they’ve learned here. ””

COURTNEY DIDIER, EXECUTIVE DIRECTOR  
ALISON NEIGHBOURHOOD COMMUNITY CENTRE

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More than just a fun way to spend time, Courtney says recreational activities help to build important community relationships.





JOHN SHAW & SCOTT DAVIES - CAMBRIDGE 50+ WOODWORKERS GROUP

“The connection never starts with: ‘what do you need?’”, she says. “It always starts with: ‘let’s play a game or let’s do something together’ and that opens the door to more conversation or to understanding other issues.”

Over at the Allan Reuter Centre, the Cambridge 50+ Woodworkers group has been bringing together people who share an interest in woodworking for more than 30 years.

“With two fully-equipped woodshops, one at the Allan Reuter Centre and the other at the David Durward Centre, we provide the woodworkers with everything for their projects, except their wood and ideas,” says recreation coordinator Kara Miller.

Scott Davies, vice-president of the group, says ideas are one thing members never run short of.

“Everybody has a different idea,” he says, as members trickle into the Allan Reuter Centre one wet Monday morning and take their place at the several

worktables. “There are always so many projects going on; from furniture to smaller items.”

For Scott, who has been a member for the past five years, being part of the woodworkers groups is a great way to pursue his hobby at minimal cost.

“It’s a lot easier than going out and buying all the tools,” he says, joking that working at Allan Reuter or David Durward also cuts down on the amount of sawdust he would have had to deal with at home.

Long-time member John Shaw, who has been a woodworker for the past 18 years, agrees.

“It’s a fantastic hobby I enjoy doing and you can socialize,” he says, adding the members, which topped the 100 mark this past year and includes men and women, all have different skill levels and are more than happy to share their knowledge.

“In a lot of cases, I learn something from somebody else,” he says.

# Arts, Culture, Heritage & Architecture at a Glance







## Goal #3: Arts, Culture, Heritage & Architecture

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Promote a creative environment that encourages arts, culture, and heritage, and values our unique architectural assets.

### HOW WE ACCOMPLISHED THIS...

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#### **WE ADVANCED ARTS AND CULTURE INITIATIVES THROUGH STRONG PARTNERSHIPS, COLLABORATION AND PROMOTION.**

Arts and culture is a vibrant part of our community and we are proud to promote many exceptional events and programs each year. Events such as the Cambridge Celebration of the Arts, Youth Arts Week, Cookies and Kids, and the Cambridge Scottish Festival appeal to a wide audience and would not be possible without the dedication of many staff members and community volunteers.

We recognized and celebrated community members and groups who have made outstanding commitments to local arts and culture through our awards and bursary programs, including the Arts and Cultural Achievement Recognition awards and the 37th annual Bernice Adams Memorial Awards.

The City also participated in Culture Days, a national celebration of Canadian culture offered coast to coast to coast on the last weekend of September. There were **24 free activities** hosted during Culture Days, including murals, a studio tour, activities at the Farmers' Market and more.



## **WE CONSERVED AND MADE POSITIVE CONTRIBUTIONS TO OUR HERITAGE DISTRICTS AND BUILDINGS THROUGHOUT THE COMMUNITY.**

Heritage is an important part of our community identity, and the City continued to support initiatives to tell our unique story. The City hosted its first Heritage Day event at City Hall on May 11, inviting local history groups and community members to participate and raise awareness of our rich heritage. The Cambridge Hall of Fame re-launch on October 10 saw **nine new inductees** added to the Hall of Fame, from a record 21 nominations. Visitors to the Cambridge Archives have also increased by nearly 20 percent over 2018 ([cambridge.ca/archives](https://cambridge.ca/archives)).

The heritage restoration of the David Durward Centre and repointing of the south façade helped to conserve a significant building in our community, and the Cambridge Mausoleum underwent a roof replacement and restoration of the stained glass windows and main door of the chapel. The Old Post Office also continued to generate positive media coverage, being featured in the National Capital Commission's Urbanism Lab and Wallpaper\* Magazine's worldwide guide to modern libraries.





**WE FACILITATED, SUPPORTED AND PROVIDED A DIVERSE RANGE OF ACTIVITIES, EVENTS AND FESTIVALS THAT BROUGHT PEOPLE TOGETHER FROM ACROSS THE CITY, REGION AND BEYOND.**

The City continued its tradition of offering high-quality community events year-round and was proud to have our signature Christmas in Cambridge event recognized by Festival and Events Ontario as one of the **top 100 festivals** in the province in 2019.

Staff supported **more than 150 events** in a variety of ways throughout the year ([cambridge.ca/specialevents](https://cambridge.ca/specialevents)). We continued to offer a wide range of festivals and programs including free summer events in Civic Square, Concerts in the Park, projection shows at the Old Post Office, Family Day events, the Community Oktoberfest Luncheon and many more.

Doors Open Cambridge also welcomed community members and visitors inviting them to explore **14 sites in Cambridge** on September 21, including a river walk in Galt, the Young Chapel, the Cambridge Mausoleum, places of faith, local businesses and hidden gems.

## BY THE NUMBERS

SNAPSHOT - CAMBRIDGE SPECIAL EVENTS	2019
Estimated Attendance	
Canada Day	35,000
Cambridge Rotary Ribfest	30,000
Christmas in Cambridge	22,500
Cambridge Fall Fair	10,000
Cambridge Santa Claus Parade	6,000
Summer Civic Square Events (Whimsical Wednesday & Outdoor Movie Night)	6,200
Cambridge Scottish Festival	5,000
Kin Carnival	5,000
Cambridge Celebration of the Arts	3,500
Hespeler Village Music Festival	3,000
Cambridge Tour de Grand	3,000
Hot Springs Music Festival	3,000
Hespeler Santa Claus Parade	2,500
Concerts in the Park	1,000





ART MURAL - 43 DICKSON STREET



cambridge.ca

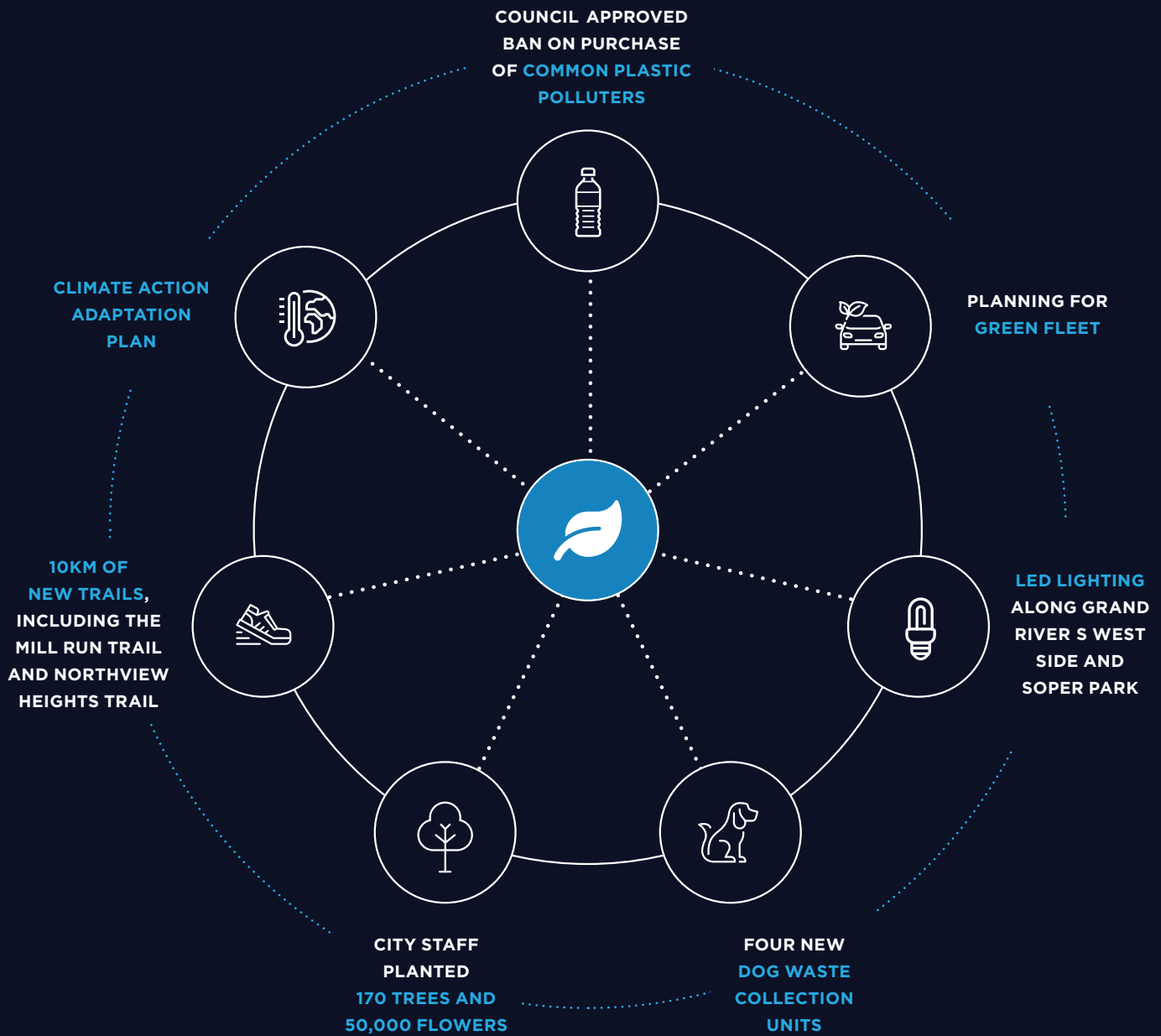
QUEEN'S SQUARE



HESPELER VILLAGE



## Environments & Rivers at a Glance







## Goal #4: Environment & Rivers

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Be good stewards of the rivers, waterways and natural environment that this community enjoys.

### HOW WE ACCOMPLISHED THIS...

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#### WE LOOKED FOR WAYS TO MAKE SUSTAINABILITY PRINCIPLES A PART OF THE CITY DECISION MAKING PROCESSES.

Sustainability and environmental stewardship continue to be a priority for our city operations. We continued with the implementation of our corporate Energy Conservation/Green House Gas (GHG) Plan that applies to facilities, fleet and operations. Highlights include the planning of a **Green Fleet** that will provide electric vehicles for building inspection staff, as well as a new Council-approved ban on the purchase of common plastic polluters, such as stir sticks and plastic utensils. We also began a waste audit to identify areas for additional improvement.

Parks, Recreation, and Culture has also continued to prioritize energy conservation in 2019 by making improvements to energy use, lighting output and public security at parks and recreation properties. Building on previous work upgrading interior lighting within arenas, pools, and other municipal facilities and buildings, the focus shifted to exterior lighting in 2019. All the walkway lighting along the Grand River's West side walkways was upgraded to LED lighting, as were all the pathway lights within Soper Park. These upgrades will lead to a savings of **6.29 kW** and an estimated **27,500 kW hours**,

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reducing the City's GHG impacts by **1.37 metric tonnes** and reducing the City's energy bills by **\$3,572 per year**.

As of today, 95 percent of the current park pathway lighting has been upgraded to LED. As well, additional lighting was installed in Riverside Park along a very prominent walkway that leads from the BMX Park parking area to the splash pad area of the park. Energy retrofits of the Hespeler Arena and improvements to the pumps and chiller in the David Durward Centre and Centre for the Arts further contributed to energy conservation and GHG reduction.

Overall in 2019, we achieved **381,539 kW** in energy savings and reduced our GHG emissions by more than **45 tonnes**. More energy retrofits and lighting upgrades are planned for 2020.

## **WE ENCOURAGED INNOVATIVE APPROACHES TO ADDRESS ENVIRONMENTAL CHALLENGES.**

Climate action was front and centre in 2019 as the City developed and adopted its Climate Action Plan. A youth-led climate strike at City Hall attracted **more than 60 people** in September. In November, City Council joined other area municipalities in declaring a Climate Crisis and adopting the "80 by 50" target for an 80 percent reduction of greenhouse gas emissions by 2050.

We continued and expanded the innovative use of new dog waste collection units to divert waste from landfills and convert it into energy. Four of these units were installed in 2019, which will remove **the equivalent of 0.36 tonnes of CO<sub>2</sub>** from the atmosphere and generate enough energy to power 7.19 homes for a year.



## WE WORKED WITH PARTNERS TO EDUCATE THE PUBLIC TO HELP IMPROVE AND PROTECT OUR NATURAL HERITAGE FEATURES.

The City is a core funder and a proud partner with Reep Green Solutions, an environmental charity that helps people in the Waterloo Region live sustainably. The Reep team now has a “touch-down” desk in City Hall as a way to further our partnership and collaboration. We work closely on a number of sustainability initiatives including ClimateActionWR, neighbourhood-based flood prevention, and a new urban forestry initiative that resulted in the planting of **26 trees** on private land. We also continued with the Urban Forest Renewal Program and planted **170 new trees** on public land ([cambridge.ca/forestry](https://cambridge.ca/forestry)).

The public was invited to help protect and learn about our natural heritage through events and opportunities such as the community-wide clean up event in April, a sensory-based stroll through Forbes Park with a certified Forest Therapy guide on International Trails Day, and our tree giveaway program.

## WE MANAGED CITY RESOURCES IN A RESPONSIBLE AND SUSTAINABLE MANNER, CONSIDERING FUTURE NEEDS FOR RESILIENCY AND COMMUNITY ADAPTATION.

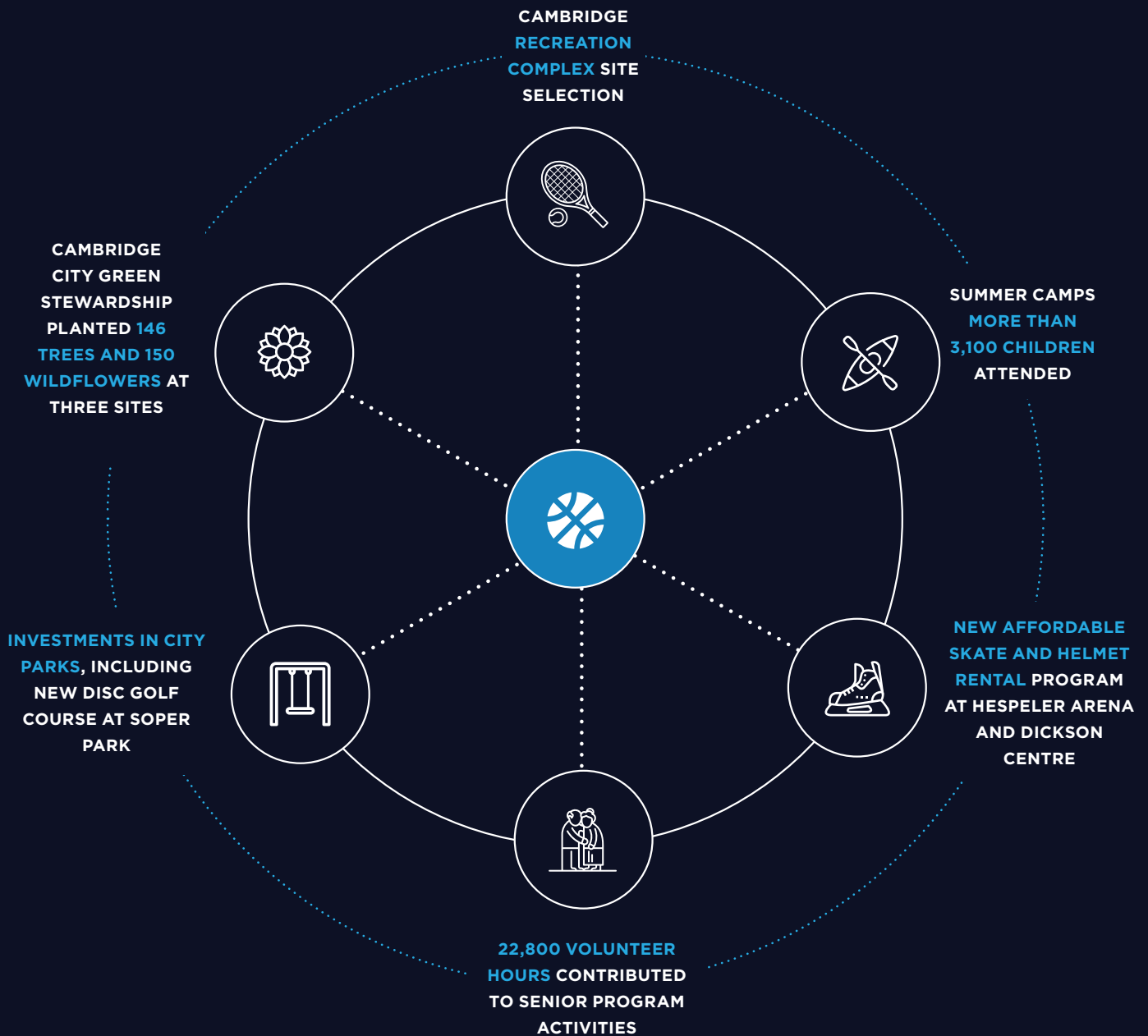
We are committed to ensuring the future of our community is stable and resilient in times of unprecedented environmental change. In addition to the Climate Adaptation Plan and emergency management initiatives, the roads department completed a flood wall construction exercise in August in order to test materials and train staff. The exercise consisted of constructing full emergency flood walls on each of the three bridges in downtown Galt to improve emergency preparedness.

We also completed more than **10km of new trails**, including the Mill Run Trail and Northview Heights Trail projects, and engaged the community on the City’s Cycling Master Plan. Our city has a strong network of off-road trails as well as on-street cycling routes on both municipal and regional roads, which support our goals to improve active transportation options within the community.

## BY THE NUMBERS

	2019	2018	CHANGE
<b>INVESTING IN OUR COMMUNITY - NEW OR REPLACED INFRASTRUCTURE</b>			
Street trees planted by City staff	170	206	<b>-17%</b>
Street trees planted by developers	65	481	<b>-86%</b>
Trees planted in parks and natural areas by Cambridge City Green/ Cambridge Stewardship Volunteers	146	220	<b>-34%</b>
<b>SERVING OUR COMMUNITY - MAINTAINING CITY ASSETS</b>			
Street tree inventory	54,325	54,256	<b>0%</b>

# Parks & Recreation at a Glance







## Goal #5: Parks & Recreation

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Facilitate and deliver a wide range of accessible and diverse community recreation opportunities.

### HOW WE ACCOMPLISHED THIS...

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**WE WORKED WITH THE COMMUNITY TO PROVIDE THE RIGHT MIX OF RECREATIONAL OPPORTUNITIES THAT MEET THE NEEDS OF OUR CHANGING AND DIVERSE POPULATION.**

Recognizing that community recreation opportunities need to be accessible to all residents of Cambridge, we introduced an electronic payment plan option to help make recreation options more affordable ([cambridge.ca/recreation](https://cambridge.ca/recreation)). We hosted many free public events, including Family Movie Nights, Whimsical Wednesdays, Community Skate Days, and Cheer on the Raptors in Civic Square.

Our summer camps provided more than **3,100 children and youth** the opportunity to forge new friendships and create wonderful summer memories. New specialty camps such as Archery and Skating as well as a new Leader-In-Training camp helped equip youth with new skills and experiences. More than **70 camp staff and 54 volunteers** helped make our camps a success. Summer camps at the Cambridge Centre for the Arts also welcomed more than **630 campers** last summer.



With assistance from an Ontario Sport and Recreation Communities grant, we introduced affordable skate and helmet rentals at Hespeler Arena and Dickson Centre, and increased the number and types of skating opportunities to provide more options for citizens to get out and get active.

The City also offered programs for older adults and worked with local partners to support events in the community, such as Cambridge Council on Aging's Music & Mindfulness event ([cambridge.ca/seniors](https://cambridge.ca/seniors)). Our senior volunteers made an incredible contribution of more than **22,800 volunteer hours** across the 50+ Recreation Centres, Friendly Visiting and Day Services programs. The Federal Minister of Seniors, Filomena Tassi, toured the City's 50+ Centres in June.

We continued to enhance the amenities in our parks and natural spaces. In addition to ongoing lighting upgrades, the City made numerous improvements including:

- ➔ A new disc golf course in Soper Park
- ➔ A small-dog zone at Maple Grove dog park
- ➔ Improvements to the Sheffield Equipment Storage Building
- ➔ Installation of the Mountview Columbarium
- ➔ Landscaping and paths in the Sunvest Parkette
- ➔ A basketball pad and hoop installed in the Timbercreek Parkette
- ➔ Improvements to Chrisview Park and Centennial Park





## WE INCREASED COMMUNITY PARTICIPATION IN THE ONGOING CARE OF OUR PARKS, NATURAL SPACES AND ENVIRONMENTAL AREAS.

Cambridge City Green engaged residents through a Jane's Walk event at Mill Creek in May, tree and wildflower planting events, Earth Day display and clean-up at the Preston Idea Exchange, and the Cambridge Community Clean-Up, which engaged more than **50 groups** and more than **3,500 volunteers**. The Ancient Mariners also celebrated the 10th anniversary of their Pollinator Preserve project with a planting event, a monitoring project and a ceremony attended by the Mayor and Regional Chair. Three planting events were hosted by City Green's Cambridge Stewardship project including at the Pollinator Preserve, Silverheights Park, and a small site near Southwood Secondary School establishing **150 native wildflowers and 146 trees** in total at the three sites.





SUMMER CAMPS



WHIMSICAL WEDNESDAY - FORBES PARK



YOGA - CIVIC SQUARE



cambridge.ca

SENIORS PROGRAMMING



SUMMER CAMPS



## DEVELOP A STRATEGIC APPROACH TO PROGRAMS AND SERVICES THAT TIE INVESTMENTS AND RESOURCES TO COMMUNITY OUTCOMES.

After significant community consultation on the future of the Cambridge Recreation Complex project, City Council decided in June to move forward with:

- ➔ Building a recreation complex at the City-owned Southeast Galt lands with a 25m swimming pool, gymnasiums, a fitness track and multi-purpose rooms
- ➔ Expanding and improving the Preston Memorial Auditorium to make it a twin pad facility
- ➔ Planning for decommissioning of John Dolson Centre Pool, Karl Homuth Arena, Duncan McIntosh Arena and Dickson Arena as new or improved facilities become operational
- ➔ Entering into discussions with Buckingham Sports Properties about expanding the Cambridge Sports Park to be a four-pad facility
- ➔ Working with municipal and other groups in the Region to explore opportunities for a 50m pool within the Region of Waterloo

This decision was made by weighing the collective feedback received from the community through extensive public consultation while also keeping top of mind that the end result must be an affordable and timely solution that is in the best interest of taxpayers, sports and recreation groups and the community.

### BY THE NUMBERS

	2019	2018	CHANGE
<b>INVESTING IN OUR COMMUNITY - NEW OR REPLACED INFRASTRUCTURE</b>			
Playgrounds	4	3	<b>33%</b>
<b>SERVING OUR COMMUNITY - PROGRAMS / MAINTAINING CITY ASSETS</b>			
Recreation (participant hours)*	1,589,475	1,413,758	<b>12%</b>
Parks	102	102	<b>0%</b>
Playgrounds	66	64	<b>3%</b>
Trails (km)	104	102	<b>2%</b>

\*Based on best estimates

# PROSPERITY



To support and encourage the growth of a highly competitive local economy where there is opportunity for everyone to contribute and succeed.











## Prosperity Feature Story

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Strong foundations  
for the city of the  
future.

**WHEN IT COMES TO ECONOMIC DEVELOPMENT AND CREATING A CITY OF 'THE FUTURE', JAMES GOODRAM, THE CITY'S DIRECTOR OF ECONOMIC DEVELOPMENT SAYS TIME IS ALWAYS NEEDED TO LAY THE NECESSARY GROUNDWORK, BOTH IN TERMS OF INFRASTRUCTURE AND PERCEPTION.**

In downtown Cambridge, 60 Main Street, which had been vacant for years, is now the home to Milestone Integrated Marketing. This renovation, which has transformed that corner, is just one of many exciting projects that have been changing the face of this area.

Others include Craig's Crossing, the Old Post Office - Idea Exchange, and the Hamilton Family Theatre. Private investments, such as HIP Development's Gaslight District, Amico's new seniors' residence on Fraser and the Cambridge Mill's proposed condo/hotel complex, are adding even more building blocks to the city's future.

Students are important for a city's vitality and Conestoga College recently announced they would be housing their trades program in the former Erwin Hymer 250,000-square-foot facility on Reuter Drive. As well, the College's Applied Research Hub, which focuses on advanced manufacturing and cyber-security, is located at Grand Innovations' headquarters at 96 Grand Ave. S.

"These things didn't happen overnight, but they are making a big difference," James says, noting that work has started on the new Cambridge Recreation Complex and that the expansion at the Cambridge Memorial Hospital will soon be completed.

"Hospitals are a key and fundamental building block of a community and important to economic growth as well. Health facilities are near the top of the list, along with recreational and cultural amenities, when it comes to what residents want in their community. "



DOWNTOWN PRESTON ROAD CONSTRUCTION

As well, James says laying out the route and tracks as part of the region's Light Rail Transit (LRT) will create a wave of investment through Cambridge.

"You're going to see change and investment in Preston Towne Centre in the north end and the benefits will continue as the LRT rolls over to Hespeler Road, which is ripe for redevelopment, and then down to its terminus at the pedestrian bridge," he says. "That's really going to connect the city together as well as the larger region."

Greg Durocher, President and CEO of the Cambridge Chamber of Commerce, agrees large scale infrastructure projects are important in terms of positioning a community as a progressive and livable city.

"Without strong infrastructure, you cannot market your community as a place that provides the necessary and basic services that businesses

need to house their employees and grow their businesses and expand their opportunities," he says.

Recent projects to replace aging infrastructure and streetscaping in the core areas along Dickson, Main, King, Queen and Adam streets, are good examples.

"I've worked in downtown renewal for more than 20 years and I've always been big on a municipality putting money where its mouth is," says James. "If you expect people to invest in your downtown or core areas, then you need to show you are committed to the area, too, and you care about the public realm. When you do the streetscapes it creates that sense of commitment and pride."

Yogesh Shah, Director of Asset Management and Project Management Office, points to other



projects this year, such as energy efficiency improvements to Galt Arena Gardens, Preston Memorial Arena, and Hespeler Arena. The installation of new smart meters in households is another example of how the City is always looking at new ways to ensure modern and efficient services.

“The new smart meters use remote meter reading and alerts for possible leaks or flow problems,” says Yogesh. “This real-time data will help ensure bill accuracy and allows City staff and residents the ability to detect potential issues and avoid unnecessary water costs.”

As well, by adopting trenchless technology, a form of underground construction, the City has renewed more than 14 km of pipe without digging up the roads or environmentally sensitive areas which has helped both residents and businesses due to fewer disruptions and caused less wear and tear on vehicles.

In terms of roads, Yogesh says the City is finalizing plans for new collector roads to promote access and attract interest in a 400-acre industrial park in the city’s north end.

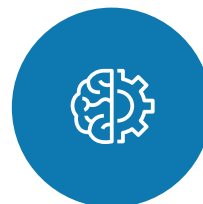
Greg says a strong partnership between the business community and the City is vital in terms of the overall economic development of the region.

“That partnership is extremely important, especially within the perspective of the City’s economic division,” he says. “We’re both in sync with what we want to do which is raise the bar on our economic activity and make our community more prosperous and vibrant where opportunity is the flavour of the day for those looking to other communities to move to, or business opportunities to expand and grow in our community.”

James says the collective drive between the City and many partners to bring Dare Foods’ headquarters to Cambridge is the perfect example of how partnerships are needed. The company had initially looked at relocating to the United States.

“We literally all pulled together in the region,” he says. “What’s good for Cambridge is good for Waterloo Region and vice versa.”

## 2019 TECHNOLOGY ADVANCES



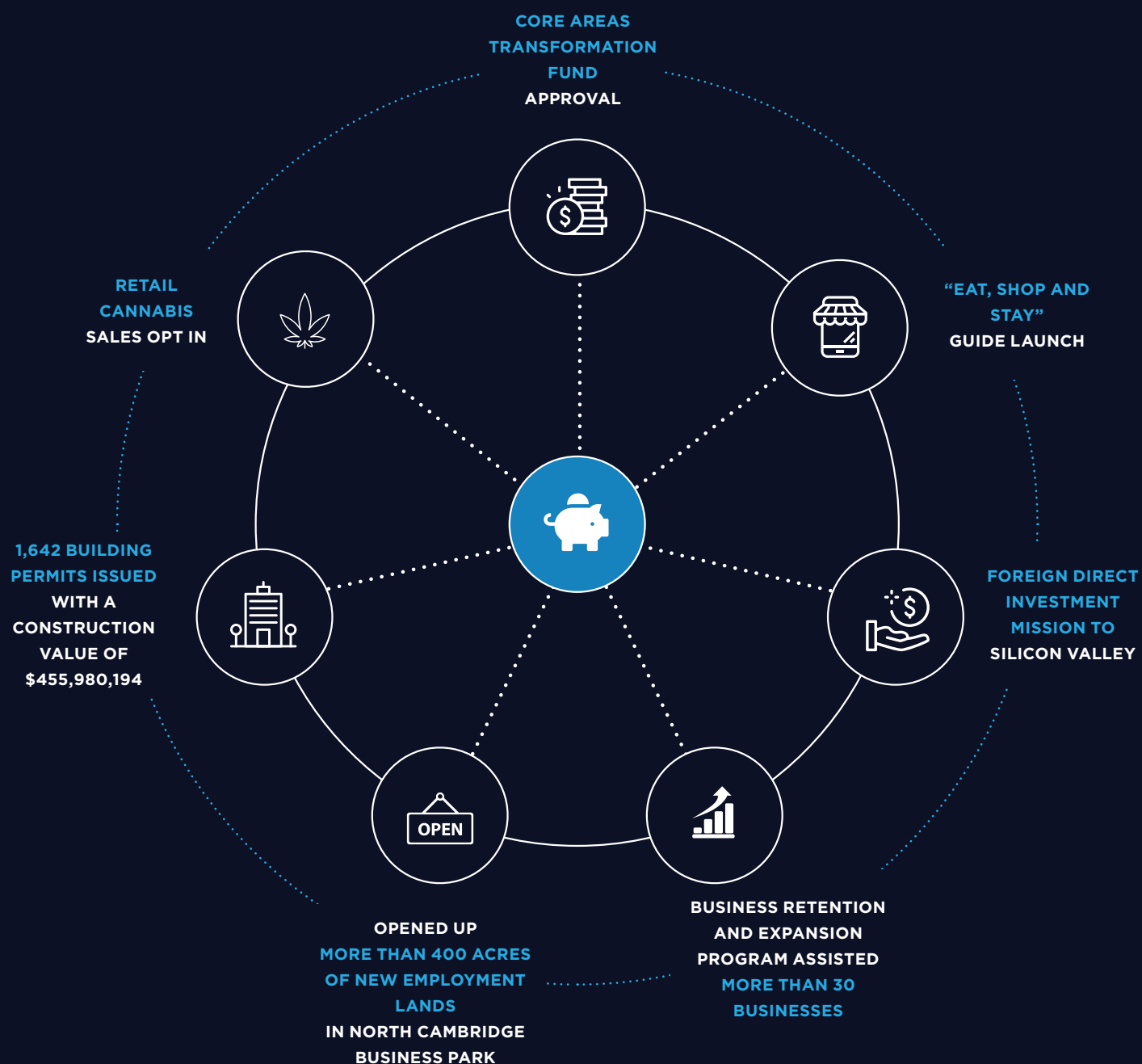
Adopted trenchless technology



Implemented smart meters for remote monitoring



# Economic Development & Tourism at a Glance







## Goal #6: Economic Development & Tourism

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Support and promote a strong, dynamic, and innovative local economy.

### HOW WE ACCOMPLISHED THIS...

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**WE SUPPORTED EXISTING AND NEW EMPLOYMENT OPPORTUNITIES BY CREATING A DESTINATION OF CHOICE FOR BUSINESSES THAT WANT TO THRIVE AND GROW.**

Investment in Cambridge in 2019 included:

- The sale of the remaining 38 acres of industrial land in the Boxwood Business Campus for more than 300,000 square feet of industrial space
  - More than 30 business visits to assist in retention or expansion efforts of local companies
  - Secured investment and worked with private developers to open up more than 400 acres of new employment lands in North Cambridge Business Park
  - Completed phase two of the Downtown Security Camera program
  - Conestoga College acquired 25 Reuter Drive, a 250,000 square foot facility to consolidate and grow their skilled trade programs
  - Assisted Westfalia in establishing their new Roadtrek manufacturing facility
  - A new Lexus line is being added to the Cambridge Toyota plant representing an investment of more than a billion dollars
  - Launch of phase two of the Gaslight District project which includes Foundry Brewing and a new state-of-the art event space known as Tapestry Hall, creating the largest event space in Cambridge
  - Foreign Direct Investment trade mission to Silicon Valley attended by Mayor McGarry, senior staff and Waterloo Economic Development Corporation
  - Issued 1,642 building permits with a total construction value of \$455,980,194. The permits breakdown to \$146,743,314 industrial, commercial and institutional, \$286,298,901 residential and \$22,937,979 other.
  - Opted in to retail cannabis sales creating new opportunities for business development
  - Worked with the Waterloo Regional Tourism Marketing Corporation to implement the Municipal Accommodation Tax to support local tourism
-



## WE PROMOTED OUR VIBRANT DOWNTOWN CORES BY ENCOURAGING PARTNERSHIPS AND CREATING A WIDE RANGE OF UNIQUE, EXCITING DESTINATIONS AND ACTIVITIES.

In July, City Council unanimously approved the creation of the Core Areas Transformation Fund. Over the next decade, this fund will be used for projects that will stimulate growth and investment in the Downtown Cambridge, Hespeler Village and Preston Towne Centre core areas. It focuses on three key areas: private sector stimulus, strategic land acquisitions, and placemaking - art and culture projects.

There is much to celebrate in our commercial areas, as evidenced by the launch of a new interactive “Eat, Shop and Stay” guide to highlight great places to visit throughout the city ([cambridge.ca/eatshopstay](https://cambridge.ca/eatshopstay)). More than **25 new businesses** opened in our core areas. Additionally, **78 businesses** took advantage of the Digital Main Street program to modernize their digital footprint resulting in more than **\$20,000 in grants**.

It was another great year for the film industry

in Cambridge, particularly in our heritage core areas. In total, there were **61 days of filming**, **generating an estimated economic impact of \$1.25 million**. Additionally, the City of Cambridge was recognized by a film industry client for exceptional customer service with a nomination to the Location Managers Guild International for its work with the television series, The Handmaid's Tale. This was the first time a Canadian film office has been nominated for such a prestigious award.

We continued to plan for success and growth by reviewing the city-wide Zoning Bylaw and assessing infilling and intensification, including hosting a public meeting for the Hespeler Road Corridor Draft Secondary Plan and meeting with Main and Dundas Street owners. We also initiated a project looking at proposed building heights in the Galt core area, planned for completion in 2020.



## WE IDENTIFIED LOCAL ECONOMIC STRENGTHS AND LEVERAGED OPPORTUNITIES THROUGH COLLABORATION WITH OUR PARTNERS.

We worked with Grand Innovations and Conestoga College to integrate their programming with the relocation of Invest Cambridge offices to 96 Grand Ave. This award-winning project was recognized by the International Economic Development Council for its innovative approach to economic development partnerships. The focus of this unique and exciting project is on building collaborations with:

- ➔ Conestoga College
- ➔ The Innovation Hub
- ➔ 'thehive' (Cambridge Chamber of Commerce entrepreneur incubator)
- ➔ Our business community

In October, we celebrated Manufacturing Day with bus tours of manufacturing employers in our community. The manufacturing sector represents **more than 500 businesses** and employs **22 percent of our labour force** in Cambridge. We also hosted the second annual Invest Cambridge Appreciation Breakfast, celebrating employers for their achievements and continued investments.

In support of small business and entrepreneurship development, we worked with the Waterloo Region Small Business Centre, promoting the Starter Company Plus program, and offering free seminars, workshops and consultation services for businesses through Invest Cambridge.





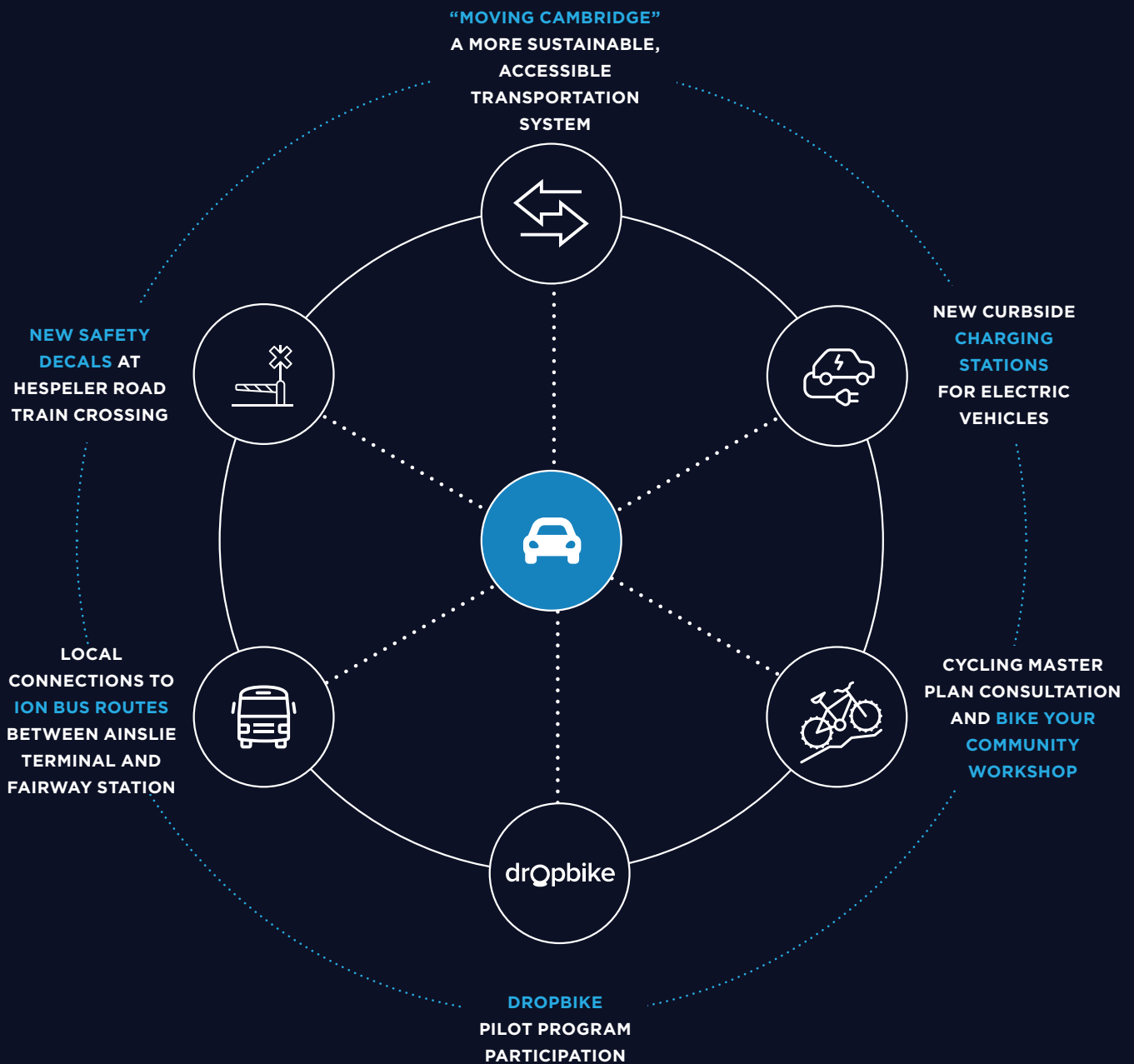




## BY THE NUMBERS

	2019	2018	CHANGE
<b>SERVING OUR COMMUNITY</b>			
Zoning bylaw amendments	9	17	<b>-47%</b>
Official plan amendments	4	4	<b>0%</b>
Site plan control applications	46	88	<b>-48%</b>
Site plan control approvals	39	38	<b>3%</b>
Subdivision applications	1	2	<b>-50%</b>
Minor variance applications	70	66	<b>6%</b>
Severance applications	20	36	<b>-44%</b>
Business licences issued	848	850	<b>-0%</b>
Lottery licences	161	159	<b>1%</b>
Building permits issued	1,642	1,725	<b>-5%</b>
<b>WATERLOO SMALL BUSINESS CENTRE - CAMBRIDGE LOCATION</b>			
Total inquiries	1,399	1,081	<b>29%</b>
Consultations	186	143	<b>30%</b>
Seminars and workshops	27	37	<b>-27%</b>
Business development activities	10	14	<b>-29%</b>
Businesses started	131	183	<b>-28%</b>
Jobs created	152	204	<b>-25%</b>

# Transportation & Infrastructure at a Glance







## Goal #7: Transportation & Infrastructure

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Create and maintain a highly effective, sustainable and coordinated local infrastructure and transportation network.

### HOW WE ACCOMPLISHED THIS...

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#### **WE FOUND NEW WAYS TO HELP PEOPLE MOVE WITHIN AND BEYOND THE CITY WITHOUT USING A CAR (WALKING, CYCLING AND TRANSIT).**

We continued to develop a growing variety of transit options and work with the Region of Waterloo on transit supportive strategies. Significant accomplishments include:

- ➔ Participation in the DropBike pilot program, which allowed users to download a free app to access bicycles in several convenient locations throughout Cambridge and across the region between June and November
- ➔ Ongoing advocacy efforts for Cambridge on the GO and participation in feasibility studies looking at the opportunities for GO transit and LRT service in Cambridge
- ➔ Integrating local transportation options with the new ION buses operating between Ainslie Terminal and Fairway Station
- ➔ Cambridge Council support for the recommended route for Stage 2 ION (rapid transit line from Fairview Mall to Galt)



SAFETY DECALS AT HESPELER TRAIN CROSSING

In the spring, we hosted a Bike Your City community workshop and launched public engagement for the [Cycling Master Plan update](#), listening to the public and stakeholders regarding the proposed cycling network. This project is scheduled for completion in 2020.

In addition to developing new transportation options, we also worked to ensure community safety. Transportation professionals from across Waterloo Region gathered in October to brainstorm ways to improve the wing side visibility for operators during snow events. We also partnered with CN Rail and Operation Lifesaver on a railway safety campaign in September, unveiling new safety decals at the Hespeler Road train crossing during Railway Safety Week.



## **WE WORKED WITH THE REGION AND OTHER PARTNERS TO BETTER COORDINATE THE PLANNING, COMMUNICATION AND DELIVERY OF INFRASTRUCTURE.**

We wrapped up the City's first Transportation Master Plan, "Moving Cambridge" ([cambridge.ca/movingcambridge](https://cambridge.ca/movingcambridge)). This master plan will guide the management of the City's transportation system over the next 25 years.

"Moving Cambridge" is a tool and a policy framework that deals with automobiles, public transit, cycling, walking, trucking, commuting, traffic management and system maintenance. The plan was developed at the same time as the Region's Transportation Master Plan to enhance overall coordination, and will be updated every 5 to 10 years. The City's main goal is to build a more sustainable, accessible transportation system for everyone. This includes planning for new transportation trends such as:

- ➔ Alternative fuels
- ➔ Driverless vehicles
- ➔ New traffic management techniques
- ➔ Travel opportunities including GO commuter service and ION Rapid Transit service

With more than 1,400 electric vehicles registered to owners throughout Waterloo Region, we are implementing and expanding the availability of curbside charging stations for electric vehicles in the city, working in partnership with Grand River Energy to add stations on Dickson Street and Tannery Street East.

We also undertook a number of other infrastructure projects in 2019, including:

- ➔ Provincial approval of the environmental assessment to reconstruct Riverside Dam
- ➔ Completion of environmental assessment for the Beverly Street underpass
- ➔ Ongoing water, sewer and road infrastructure maintenance and replacement
- ➔ Design work for future reconstruction of Black Bridge and Townline Road



**WE PROVIDED INNOVATIVE LEADERSHIP IN THE MANAGEMENT OF CITY ASSETS TO HELP PLAN, FUND AND MAINTAIN ASSETS IN A SUSTAINABLE WAY.**

We updated our existing Asset Management Plan, which is a requirement of the Province, and moved forward on several projects that improve the City's overall maintenance of assets and infrastructure. This included the roll-out of the next phase of the [smart water meter project](#), with city-wide installation of the meters beginning in October.

Following the Service Delivery Review, we moved forward with a [Winter Operations Optimization Study](#) that is anticipated to be completed in 2020. Under the Asset Management Program, we implemented work management systems for the City's facilities division and parks, recreation and culture division. These initiatives will help the City identify ways to efficiently deliver services and improve our business planning practices.



## BY THE NUMBERS

	2019	2018	CHANGE
<b>INVESTING IN OUR COMMUNITY - NEW OR REPLACED INFRASTRUCTURE</b>			
Parking lots	0	1	<b>-100%</b>
Sidewalk (km)	5.2	7.1	<b>-27%</b>
Community trails (km)	0.5	4.9	<b>-90%</b>
Traffic signs	351	310	<b>13%</b>
Roads (km)	10	16	<b>-38%</b>
Street lights	55	209	<b>-74%</b>
Water distribution system (km)	5	4	<b>25%</b>
Sanitary collections system (km)	3.7	5	<b>-26%</b>
Storm collections system (km)	2.3	3.50	<b>-34%</b>
<b>SERVING OUR COMMUNITY - MAINTAINING CITY ASSETS</b>			
Roadways (km)	1,012	1,009	<b>0%</b>
Sidewalks (km)	668	666	<b>0%</b>
Bike lanes on roads (km)	26	26	<b>0%</b>
Stormwater (km)	372	369	<b>1%</b>
Sewer (km)	533	531	<b>0%</b>
Watermains (km)	527	523	<b>1%</b>
Bridges/culverts	73	71	<b>3%</b>
Street lights	10,450	10,296	<b>1%</b>
Maintenance work orders	6,664	6,621	<b>1%</b>
Water maintenance work orders	7,519	5,621	<b>34%</b>
Sewer maintenance work orders	2,691	2,457	<b>10%</b>

## 2019 ROAD PROJECTS COMPLETED

- ➔ Adam Street      ➔ Elliot Street      ➔ Goldie Avenue      ➔ Melrose Street
- ➔ Blair Road      ➔ Francis Street      ➔ Hewat Street      ➔ Wright Avenue
- ➔ Edgar Street      ➔ Frederick Street      ➔ Main Street

## Awards

TOP 100 EVENTS	ECCLESIASTICAL INSURANCE CORNERSTONE AWARD	AZURE ARCHITECTURE AWARD
Top 100 Events of 2019 by Festivals and Events Ontario (FEO) awarded to Christmas in Cambridge for being a well-known and respected celebration in the province	2019 Ecclesiastical Insurance Cornerstone Award by the National Trust for Canada and Ecclesiastical Insurance Inc. awarded to the Old Post Office for exemplary projects and places that contribute to quality of life and sense of place, and illustrate the viability of heritage buildings for traditional or new uses	Azure Architecture Award 2019 - Best Adaptive Re-Use category awarded to the Idea Exchange Old Post Office for gracefully marrying old and new
APEX AWARD	ECONOMIC DEVELOPMENT	BROWNIE AWARD
Silver APEX Award – Public Spaces at the Digital Signage Expo for the digital projection show at the Old Post Office	Silver Excellence in Economic Development Award Partnerships from the International Economic Development Council (IEDC) for an innovative partnership with Conestoga College and Grand Innovations	Legislative, Policy & Program Initiative – Brownie Award 2019 awarded to the Waterloo Brownfields Financial Incentive Program, a partnership with the Region of Waterloo and area municipalities
CANADIAN AWARD FOR FINANCIAL REPORTING		
Canadian Award for Financial Reporting for the City's Annual Financial Report (2018) from the Government Finance Officers Association (GFOA)		
FINALIST	FINALIST	
"Outstanding Film Commission/Office", Location Managers Guild International Awards 2019 (LMGI), the first-ever Canadian office to have received nomination for this prestigious award, one of five finalists	Smart Cities Challenge, Smart Waterloo Region partnership - one of five finalists	



# Canadian Award for Financial Reporting

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The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting (CAnFR) to the Corporation of the City of Cambridge for the fiscal year ended December 31, 2018.

The CAnFR program was established in 1986. The program encourages and assists Canadian local governments to go beyond the minimum requirements and prepare annual financial reports that model transparency and full disclosure. The CAnFR recognizes excellence in government accounting and financial reporting and represents a significant accomplishment by a municipal government and its management.

In order to be awarded a CAnFR, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such report should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

The CAnFR program award submissions are reviewed by a committee of GFOA professional staff, experts in Canadian Public Sector financial reporting, independent auditors, academics, and finance professionals. A CAnFR is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements.

The Corporation of the City of Cambridge received its fourth award in 2019 for the 2018 Financial Report. The City of Cambridge is continuing this standard of high quality reporting for the submission and evaluation for the 2019 award program.



Government Finance Officers Association

## **Canadian Award for Financial Reporting**

Presented to

**The Corporation of the City  
of Cambridge, Ontario**

For its Annual  
Financial Report  
for the Year Ended

**December 31, 2018**

A handwritten signature in black ink that reads "Christopher P. Morill".

Executive Director/CEO

# Report from the Chief Financial Officer

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The City of Cambridge (the “City”) is pleased to present its Annual Financial Report for the year ended December 31, 2019. The financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountant of Canada. The City’s external auditors, KPMG, LLP, has performed an audit of these financial statements in accordance with generally accepted auditing standards and have expressed an unqualified audit opinion that the consolidated statements are free from material misstatement and fairly present the financial position of the City as at December 31, 2019 in all material respects.

The Financial Statements Discussion and Analysis communicates to residents, businesses, and stakeholders the results of the City’s 2019 financial performance. The financial statements show the City is fiscally strong with accumulated surplus of \$736.1 million. A key indicator of a municipality’s financial condition is its net financial assets which represent the difference between the financial assets less liabilities. Overall the City has maintained a strong financial position in 2019 with financial assets exceeding liabilities by \$110.5 million, an increase of \$11.7 million over 2018.

Programs and service levels are provided to the community as established by City of Cambridge Council through the annual budget. The City ended the year with a budget surplus of \$1.39 million which represents a variance of 1.2% of the gross operating budget and indicates good financial management. The surplus is mainly attributed to one-time revenues or savings in expenses that are not expected to continue in future years. This includes salary gapping savings through retirements and staff turnover, and increased investment income as a result of favourable market conditions in 2019. The above noted savings were partially offset by waived development charges exceeding the council approved allocation, the city’s general maintenance cost being over budget due to aging infrastructure and unplanned repairs in recreation and cultural services, and lower than anticipated program revenues in recreation and cultural services. The City’s accumulated surplus increased by \$17 million or 2.37% over 2018, mainly as a result of increased reserves and investment in tangible capital assets.

The City’s Water and Wastewater utility budgets also realized a surplus in 2019 of \$0.71 million and \$0.86 million respectively. The primary drivers of this are savings in bulk water purchases from the Region of Waterloo, a higher percentage of water being billed for revenue, and savings in wastewater treatment costs due to efficiencies realized in inflow and infiltration.

The City’s sustainable and forward thinking approach to financial management continues to serve the organization well as it responds to ongoing challenges within the community such as homelessness and the opioid crisis.

The City continues to be an award winning organization for its government accounting and financial reporting, having been honoured the past four years with the Canadian Award for Financial Reporting by the Government Finance Officers Association. The award is presented annually to Canadian local governments that go beyond the minimum requirements and prepare annual financial reports that model transparency and full disclosure.

There are many contributors to the City’s success and achievements. Thank you to City Council, the City Manager, Deputy City Managers, and staff in all departments for their efforts in ensuring the City remains in a strong financial position.



Sheryl Ayres, CPA, CGA

Chief Financial Officer

May 19, 2020



# Management Responsibility

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## **CITY MANAGEMENT AND COUNCIL ROLES**

The City's management is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures.

The City's management monitors and maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the Consolidated Financial Statements.

City Council meets with management and the external auditor to review the Consolidated Financial Statements and to discuss any significant financial reporting and internal control matters prior to their approval of the Consolidated Financial Statements.

## **FINANCIAL AUDIT**

The Consolidated Financial Statements have been audited by KPMG LLP, an independent external auditor appointed by the City. The Independent Auditor's Report which is included in the statements provides an unqualified opinion on the City's Consolidated Financial Statements for the year ended December 31, 2019. The report also contains the auditor's responsibilities and the scope of their examination.

An audit is conducted in accordance with Canadian generally accepted auditing standards. These standards require that the auditors comply with ethical requirements necessary to plan and perform the audit to obtain reasonable assurance that the Consolidated Financial Statements are free from material error.

An audit involves performing specific procedures chosen by the auditor to obtain evidence in order to verify the amounts and disclosures in the Consolidated Financial Statements as well as to assess the risk of a material misstatement. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

## **FINANCIAL BUDGET**

The budget is an important strategic planning and control tool that is required by legislation. Section 290 of the *Municipal Act, 2001* requires a municipality to adopt a budget including estimates of all sums required during the year for the purpose of the municipality. The City's budget serves as the foundation for the City's financial planning and control. The budget supports many different services and projects and is based on balancing priorities while maintaining current service levels, investing in growth where appropriate and making prudent financial decisions.

The process of budget compilation commences early in the year in an effort to ensure the City has an approved budget in place for the start of the new fiscal year. The City's management prepares a proposed budget which is submitted to the City Council in December for review and approval.

# Financial Statements Discussion and Analysis

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The accompanying Financial Statements are prepared in accordance with the Canadian public sector accounting standards published by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

The Financial Statements Discussion and Analysis and Financial Report is published to provide the City's Council, staff, citizens and other readers with detailed information concerning the financial position and activities of the Corporation of the City of Cambridge.

There are four required Financial Statements: Statement of Financial Position, Statement of Operations and Accumulated Surplus, Statement of Change in Net Financial Assets and Statement of Cash Flows. These Financial Statements provide information on the cost of all City activities, how they were financed, investing activities, as well as the assets and liabilities of the City.

## Risk Management and Significant Financial Management Policies

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The financial management and control of the City is governed through by-laws and Council resolutions that prescribe purchasing, accounting, investing, risk management, and debt policies. City Council has sole authority to allocate funds through the annual operating and capital budget approval process.

The annual operating budget is balanced with revenues equalling expenditures for the budget year. The operating budget must include estimates of all sums required by the municipality including all forms and sources of revenues and expenditures.

Sound financial policies are key to ensuring that the tax levy does not become an increasing burden on the community. The City strives to maximize non-tax sources of revenue to sustain our level of services to our residents. The City charges user fees to recover costs of services where it is appropriate to do so. A review of user fees is completed annually to ensure that fees are increasing at the appropriate yearly rate of inflation. Council annually reviews and approves the City's Municipal Fees and Charges Bylaw.

The City's financial management policies regarding Tangible Capital Assets ("TCAs") stipulate that said assets are recorded at cost and include all amounts that are directly attributable to acquisition, construction, development, or betterment of the asset. The costs, less residual value, of the TCAs are amortized on a straight line basis over their estimated useful lives. TCAs under development are not amortized until the asset is available for productive use, at which time they are capitalized. The City has a capitalization threshold of \$50,000 for each individual asset class, such that individual TCAs of lesser value are expensed unless they are pooled, because collectively they have significant value or could not be operated separately.

The City's financial policies establish guidelines for debt limits, revenue sources and utilization of reserves and reserve funds, budget variance reporting and include the procurement by-law and setting authorization limits. These policies are intended to mitigate risk, safeguard the City's assets and ensure that proper internal controls are in place.

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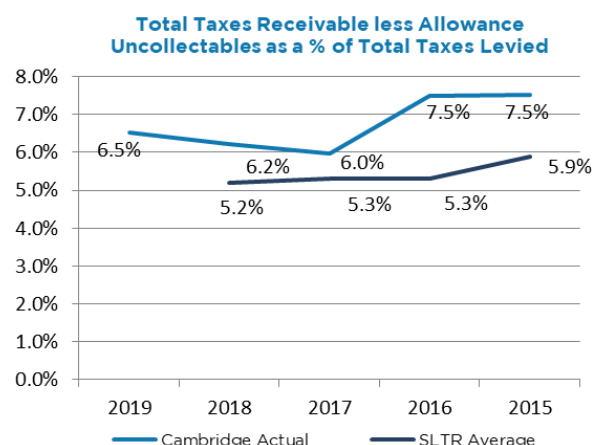


# 2019 Financial Highlights

The financial highlights compare select ratios that are calculated and tracked by the Ministry of Municipal Affairs and Housing (The Ministry) for all municipalities in Ontario. The Ministry also provides comparative benchmarks for municipalities with similar traits to the City in terms of location and tier which allows the City to track themselves against their peers. These ratios fall into two categories, sustainability and flexibility. Sustainability refers to the degree to which the City can maintain its existing obligations in terms of service levels as well as its financial commitments without increasing debt or taxes. In comparison, flexibility ratios provide insight into how much a government can change its debt and tax level to meet its existing financial obligations and its service commitments. The City has included the average of municipalities that fall under The Ministry's South Lower Tier Region Non-Rural category (SLTR) in the analysis below. This will show how the City has been performing in comparison to other municipalities in that category. Please note that the 2019 average data is missing because the Ministry analysis of neighbouring Financial Information Returns has not yet been disclosed.

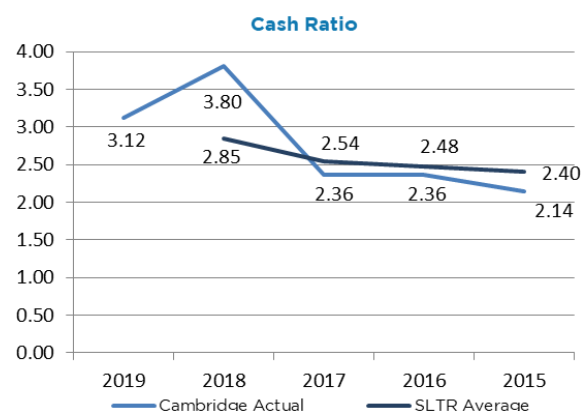
## TOTAL TAXES RECEIVABLE LESS ALLOWANCE UNCOLLECTABLE AS A % OF TOTAL TAXES LEVIED

The City has shown strong fiscal management which is evident in the trend of total taxes receivable less allowance for uncollectible amounts as a percentage of total taxes levied. From 2015 to 2017, the ratio has steadily decreased from 7.5% to 6.0%. The city has experienced a slight increase, moving to 6.2% in 2018 and 6.5% in 2019. Taxes receivable is the amount of outstanding taxes owed to the municipality. High outstanding taxes may reflect the inability of residents to pay their taxes or it could indicate problems with the municipality's tax collection procedures. High outstanding taxes could create cash flow problems for the municipality or result in higher tax rates to fund uncollectable taxes or tax write-offs. The City is showing improvement in recent years and has remained below 7.0% since 2017. Although this is slightly higher than the SLTR average, it demonstrates that the City is sustainably collecting taxes and is remaining consistently below 10.0% which represents the lowest risk threshold as per the Ministry.



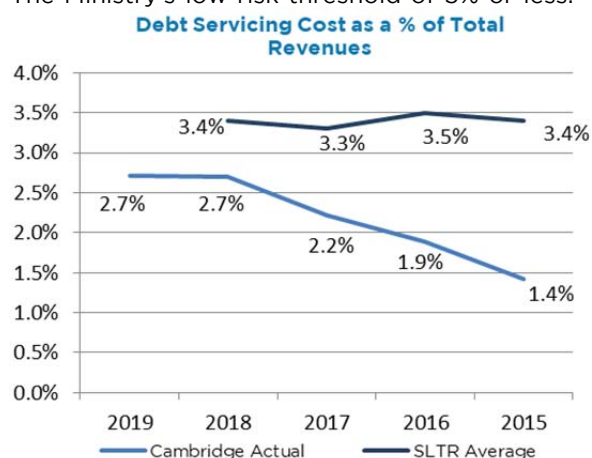
## CASH RATIO

The cash ratio is a key measure of the City's short-term financial health. This ratio compares the cash and cash equivalents to current liabilities and should remain above 0.5:1 to be considered low risk by The Ministry. The ratio is an indicator of how much cash and liquid investments could be available to cover the current obligations of the municipality and is an increasingly important ratio during uncertain times. The City has been improving slowly moving from 2.14:1 in 2015 to 3.80:1 in 2018 where it was performing better than the SLTR average. In 2019, the ratio decreased slightly mainly due to a decrease in cash and cash equivalents during 2019 which funded the acquisition of tangible capital assets and investments. However, the rate of 3.12:1 in 2019 indicates that the City has \$3.12 of liquid assets for every \$1 of current liabilities which is a strong ratio and leaves the City well positioned to endure pressures caused during challenging times.



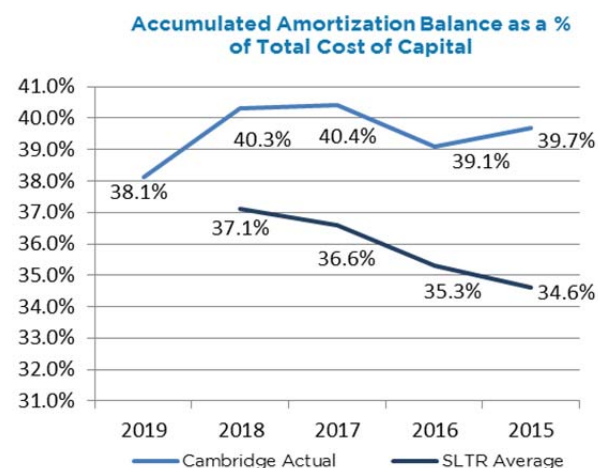
## DEBT SERVICING COSTS AS A % OF TOTAL REVENUES

The audited financial statements indicate that the City is fiscally strong with accumulated surplus, as at December 31, 2019 of \$736.1 million. Strong fiscal management is also confirmed by the City's debt servicing costs to total revenues being 2.7% which is in The Ministry's low risk threshold of 5% or less. Debt servicing costs to total revenues is the amount of principal and interest that a municipality must pay each year to service the debt as a percentage of total revenue less donated tangible capital assets. As debt service increases, it reduces expenditure flexibility. This graph shows that the City has strong financial flexibility as it is consistently below the recommended threshold. Even though The City has seen their percentage of debt servicing to total revenues increase from 1.4% in 2015 to 2.7% in 2019 it has remained consistent year over year and continuously performs better than the SLTR average. The City acknowledges that this ratio will have to increase in the coming years as the City's capital forecast includes many key and growth related projects. However, this only further highlights the strong financial management of the City by persistently keeping debt low in preparation for these projects.



## ACCUMULATED AMORTIZATION BALANCE AS A % OF TOTAL COST OF CAPITAL

The City's accumulated amortization balance as a percent of capital costs for 2019 was 38.1%, a decrease of 2.2% from 2018. Accumulated amortization is the amount of use that a municipality has received from all of its tangible capital asset and the total cost is the amount paid for those assets. Therefore, this ratio is important to show how much of the City's assets' life expectancy has been consumed so far as well as how quickly the City is renewing aging infrastructure. When comparing the City of Cambridge to the SLTR average, the City of Cambridge has used a larger percentage of assets compared to their cost than other municipalities which would signify that the City's infrastructure is older than average. However, it is noteworthy that the City has been working to update its infrastructure and over the last two years has consistently seen this ratio improve. Other municipalities in the area have comparatively been trending in the opposite direction showing that infrastructure is aging at a quicker pace than its being renewed. The City will continue to work to close its infrastructure deficit to ensure that tangible capital assets can be replaced or renewed on a timely basis.





# 2019 Financial Summary

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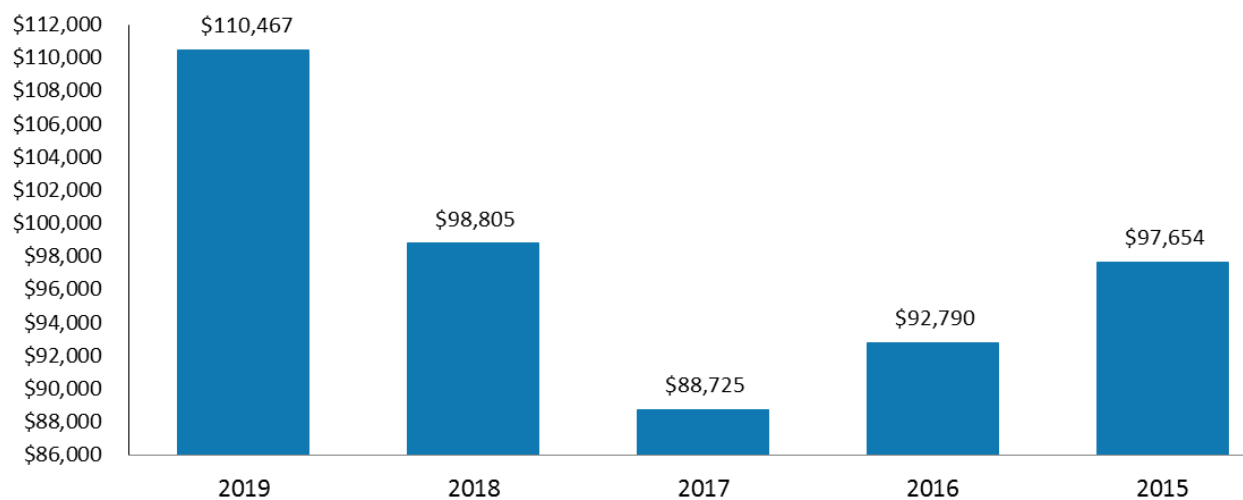
## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### NET FINANCIAL ASSETS

	2019	2018	Change	% Change
Financial assets	\$ 304,425,023	\$ 270,419,876	\$ 34,005,147	12.57%
Less financial liabilities	193,957,902	171,614,833	22,343,069	13.02%
<b>Net financial assets</b>	<b>\$ 110,467,121</b>	<b>\$ 98,805,043</b>	<b>\$ 11,662,078</b>	<b>11.80%</b>

The City ended 2019 with a net financial asset position (financial assets less financial liabilities) of \$110.5 million, an increase of 11.80% or \$11.7 million from the prior year. This is made up of an increase in financial assets of \$34.0 million and an increase in financial liabilities of \$22.3 million. The following chart illustrates the five year trend in net financial assets.

### NET FINANCIAL ASSETS (IN THOUSAND DOLLARS)



## FINANCIAL ASSETS

In 2019 the City's financial assets have increased by \$34.0 million due to investments increasing by \$49.9 million, trade & other receivables increasing by \$1.8 million, taxes and grants in lieu increasing by \$1.4 million, offset by cash and cash equivalents decreasing by \$12.6 million and land held for resale decreasing by \$6.5 million.

On December 31, 2019 the City's cash and investments totaled \$269.4 million, compared to \$232.1 million on December 31, 2018, an increase of \$37.3 million. An increase in Trade and other receivables is the result of timing of payments at year end. Taxes receivable have increased by \$1.4 million and the average taxes receivable per household increased to \$368 in 2019 compared to \$346 in 2018.

### FINANCIAL ASSETS (IN THOUSAND DOLLARS)





## CASH AND INVESTMENTS

The 2019 year end cash and cash equivalent balance is \$60.5 million compared to \$73.1 million in 2018. This is a decrease of \$12.6 million. Cash and cash equivalents generated a rate of return in 2019 of 2.28% compared to 1.93% in 2018 resulting from the Bank of Canada overnight rate remaining stable throughout 2019 at 1.75%.

Investments are comprised of two types which are the City's investment in Cambridge and North Dumfries Energy Plus Inc. and marketable securities. The investment in Cambridge and North Dumfries Energy Plus Inc. as at December 31, 2019 was \$89.2 million, an increase of \$3.1 million from 2018. Additionally, the City received a dividend from Cambridge and North Dumfries Energy Plus Inc. in 2019 in the amount of \$3.2 million.

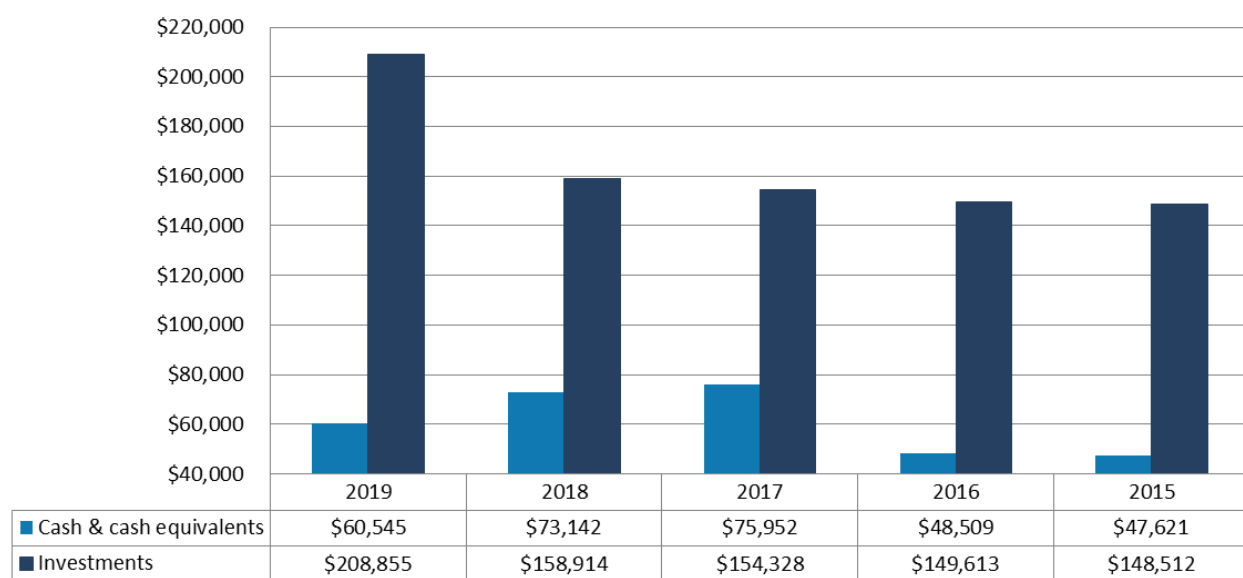
Overall, investment income increased year-over-year in 2019 compared to 2018, largely as a result of the increases in the Bank of Canada's key interest rate which is a driver of the City's bank's prime interest rate and investment options available to the City.

The income on the reserve fund, however, decreased from \$1.5 million in 2018 to \$1.3 million in 2019. This is mainly due to an adjustment to one particular investment product that the City has held for many years. This investment product was associated with bonds, and therefore the market value varied over time from the book value due to changes in interest rates. Generally, investment products are not adjusted to their market values under Public Sector Accounting Standards except when there is a sustained impairment. As staff planned to dispose of this investment product in 2020, its value was therefore adjusted down to its market value as of December 31, 2019 reflecting the impairment.

The return on investment for the reserve fund was therefore only 0.75% in 2019, however would have been 2.42% had it not been for this adjustment. This compares to a return of 2.35% in 2018.

The return on investment for the general fund for 2019 was 2.72%, compared to 2.39% in 2018.

## CASH AND INVESTMENT POSITIONS (IN THOUSAND DOLLARS)



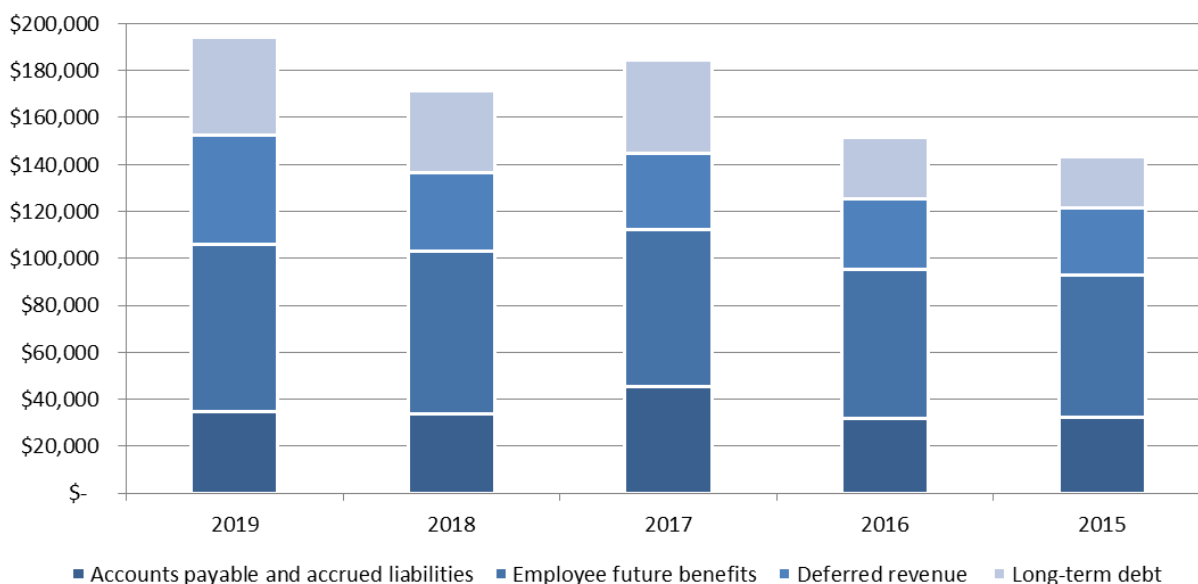
## FINANCIAL LIABILITIES

The major contributors to the increase of financial liabilities of \$22.3 million are an increase in deferred revenue - obligatory reserve funds and long-term debt as well as lesser increases in employee future benefits, deferred revenue and accounts payable and accrued liabilities. The increase in deferred revenue - obligatory reserve funds of \$11.7 million is due to an increase from 2018 of cash collected but not earned related to capital work activity completed and funded through development charges. The increase in long-term debt of \$6.2 million is due to the issuance of debentures in 2019.

The new debentures issued by the City in 2019 totalled \$10.7 million. The City also paid off \$4.5 million worth of long term debentures. The net impact resulted in an increase of net long-term debentures to \$41.6 million.

Guidelines established by the Ontario Municipal Board (OMB) allows for a maximum debt payment ratio of 25% of total own source revenues exclusive of grant funding, which in 2019 equalled to \$46.8 million. The City Council has set further restrictive guidelines of 10% and up to 15% with the inclusion of non-tax supported debt. The City's current debt capacity ratio of 3% is within the guidelines set by both the OMB and City Council.

### FINANCIAL LIABILITIES (IN THOUSAND DOLLARS)



## NON-FINANCIAL ASSETS

Non-financial assets have continued to increase with a 0.87% increase or \$5.4 million. Non-financial assets primarily consists of tangible capital assets, which reflects the City's investment into capital infrastructure and the value of new assets being added to the City's inventory exceeding the annual amortization costs.

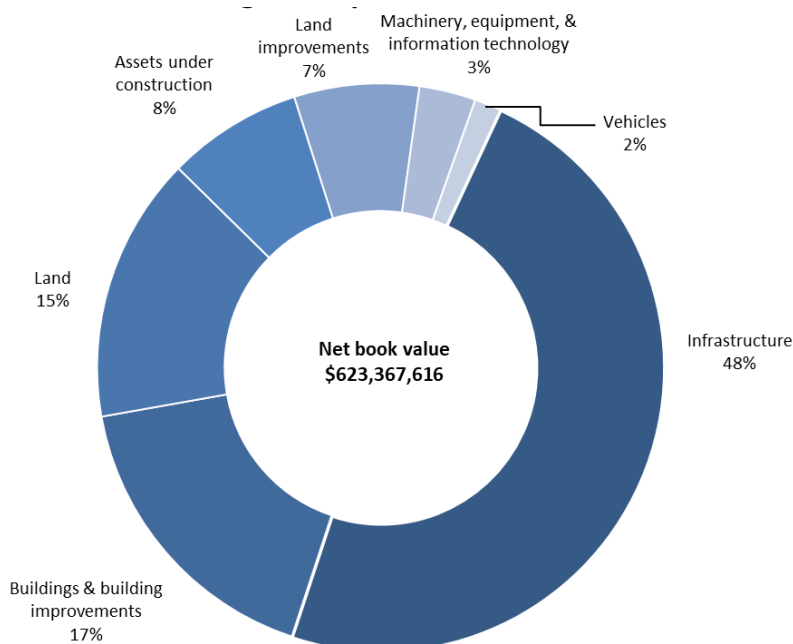
The pie chart on the following page provides the breakdown of tangible capital assets by the type of asset.



## TANGIBLE CAPITAL ASSETS

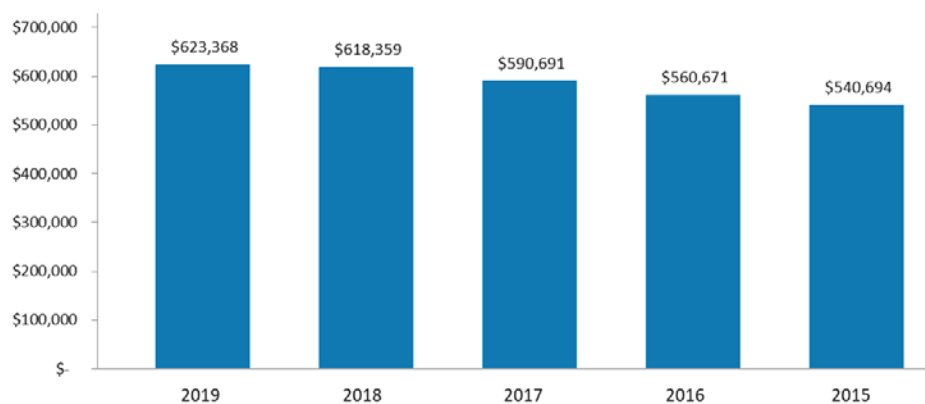
Tangible capital assets totalled \$623.4 million, an increase of \$5.0 million from 2018. The majority of this increase was from infrastructure of \$39.2 million followed by buildings and building improvements of \$20.3 million and machinery, equipment and information technology of \$9.1 million. These increases were offset by a decrease in assets under construction of \$70.1 million. Further details by category can be found on the following page.

### 2019 TANGIBLE CAPITAL ASSET BREAKDOWN



The chart below shows the tangible capital assets growth trend over the previous five years.

### TANGIBLE CAPITAL ASSETS (IN THOUSAND DOLLARS)



## TANGIBLE CAPITAL ASSETS

Asset Type	2019	%	2018	%	Change	%
Land	\$ 94,465,880	15.15%	\$ 91,946,840	14.87%	\$ 2,519,040	2.74%
Land improvements	\$ 44,428,281	7.13%	\$ 43,195,024	6.99%	\$ 1,233,257	2.86%
Buildings & building improvements	\$ 106,847,140	17.14%	\$ 86,522,075	13.99%	\$ 20,325,065	23.49%
Infrastructure	\$ 299,975,078	48.12%	\$ 260,732,714	42.17%	\$ 39,242,364	15.05%
Machinery, equipment, & information technology	\$ 20,134,784	3.23%	\$ 10,986,028	1.78%	\$ 9,148,756	83.28%
Vehicles	\$ 9,381,142	1.50%	\$ 6,714,583	1.09%	\$ 2,666,559	39.71%
Assets under construction	\$ 48,135,311	7.72%	\$ 118,262,040	19.13%	\$ (70,126,729)	-59.30%
<b>Total</b>	<b>\$ 623,367,616</b>	<b>100.00%</b>	<b>\$ 618,359,304</b>	<b>100.00%</b>	<b>\$ 5,008,312</b>	<b>0.81%</b>

## ACCUMULATED SURPLUS

The City has maintained a strong accumulated surplus with a total of \$736.1 million, an increase of 2.37% from the prior year balance of \$719.0 million. The change in the accumulated surplus is generated from the annual excess of revenues over expenses for the year of \$17.1 million. This includes revenues used for the acquisition of tangible capital assets.

It is critical for readers of the Financial Statements to understand that the term “accumulated surplus” cannot be construed as “cash or funds” available for spending, as the bulk of the value is non-financial assets, and reflect the City’s investment in infrastructure which is used to deliver programs and services. They are not assets that are surplus to the operations and available to be liquidated.

A detailed breakdown of accumulated surplus (in thousands) is presented in Note 14 “accumulated surplus” of the Consolidated Financial Statements. Summary information is included in the table below:

## ACCUMULATED SURPLUS

	2019	2018	Change
Reserves & reserve funds	\$ 97,254,050	\$ 88,713,605	\$ 8,540,445
Surpluses			
Invested in tangible capital assets	623,367,616	618,359,304	5,008,312
Invested in repair and replacement of assets	35,877,954	16,893,410	18,984,544
Invested in Government Business Enterprise	89,241,216	86,176,128	3,065,088
Sanitary Sewage Systems	862,490	2,096,880	(1,234,390)
Water Supply System	711,999	578,608	133,391
General revenue fund	969,225	4,108,390	(3,139,165)
Library board	620,111	115,785	504,326
Business improvement areas	72,851	10,768	62,083
Land held for resale	-	6,519,669	(6,519,669)
Amounts to be recovered			
Employee benefits and post-employment liabilities	(71,305,417)	(69,148,342)	(2,157,075)
Long-term debt	(41,576,835)	(35,379,063)	(6,197,772)
<b>Total accumulated surplus</b>	<b>\$ 736,095,260</b>	<b>\$ 719,045,142</b>	<b>\$ 17,050,118</b>

The reserve and reserve fund balances have increased by \$8.5 million primarily due the sale of industrial land in the Boxwood Business Campus and the creation of the Core Areas Transformation fund.

The amounts to be recovered balance is comprised of the principal outstanding on debentures issued by the City and estimates of future employee benefit costs.

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

The Consolidated Statement of Operations is the municipal equivalent of the private sector’s income statement, providing a summary of revenues and expenses throughout the year. Annual surplus reported on this statement is the difference between the cost of providing the City’s services and the revenues recognized for the year on an accrual basis. Budget figures represent operating and water/wastewater budgets combined in Note 13 of the Financial Statements.



## REVENUES

The City's revenues (excluding other income) for 2019 were \$186.8 million, compared to a budgeted amount of \$178.0 million. The variances between budget and actual primarily relate to differences in land sales and other, investment income, and taxation. Land sales and other for 2019 performed better than budget by \$6.7 million primarily due to the unbudgeted sale of industrial land at the Boxwood Business Campus in 2019. Investment income for 2019 performed better than budget by \$1.4 million primarily due to investments earning a higher rate of return from the prior year and a change in strategy to maximize investment returns. Taxation revenue for 2019 performed better than budget by \$0.7 million primarily due to additional supplemental levies and lower tax write-offs than planned. This and other increases were partially offset by user fees and charges coming in under budget by \$0.9 million, largely resulting from the actual amount of water usage being below the estimated levels as well as regional contract revenues being lower than budgeted.

Note 13 "Budget figures" in the financial statements provides a reconciliation between the statements and the operating and water/wastewater budgets previously approved by City Council.

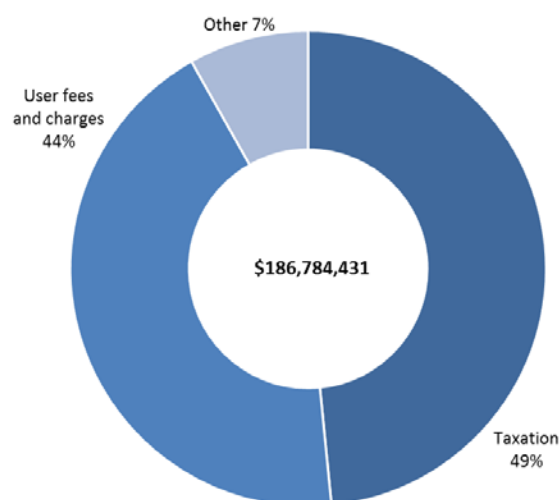
### 2019 REVENUE BUDGET TO ACTUAL COMPARATIVE ANALYSIS

	Budget	Actual	Variance	% Variance
Taxation	\$ 89,791,600	\$ 90,463,238	\$ 671,638	0.74%
User fees and charges	\$ 81,963,800	\$ 81,071,814	(891,986)	-1.10%
Penalties and interest on taxes	\$ 2,600,000	\$ 2,978,059	378,059	12.69%
Investment income	\$ 1,173,100	\$ 2,592,498	1,419,398	54.75%
Fines	\$ 614,000	\$ 818,063	204,063	24.94%
Federal government transfers	\$ 72,000	\$ 308,438	236,438	76.66%
Provincial government transfers	\$ 1,333,700	\$ 1,384,911	51,211	3.70%
Deferred revenue earned	\$ 202,000	\$ 202,000	-	0.00%
Land sales & other	\$ 222,200	\$ 6,965,410	6,743,210	96.81%
<b>Total</b>	<b>\$ 177,972,400</b>	<b>\$ 186,784,431</b>	<b>\$ 8,812,031</b>	<b>4.72%</b>

### TOTAL REVENUES

Total revenue reported for the year 2019 was \$186.8 million, an increase of \$6.7 million from last year's amount of \$180.1 million. Various increases and decreases in revenue offset each other in a year over year comparison. One of the main sources of an increase in revenue was the increase in taxation by \$2.5 million compared to the 2018 amount of \$88.0 million. This was mainly due to the tax levy increase of \$3.3 million ratified by Council during the 2019 budget approval process based on projected operating requirements.

### 2019 REVENUE BY TYPE



Summary information is included in the table below:

## REVENUE

	2019	2018	Change	% Change
Taxation	\$ 90,463,238	\$ 87,984,087	\$ 2,479,151	2.82%
User fees and charges	\$ 81,071,814	\$ 78,627,230	2,444,584	3.11%
Penalties and interest on taxes	\$ 2,978,059	\$ 2,614,718	363,341	13.90%
Investment income	\$ 2,592,498	\$ 3,017,201	(424,703)	-14.08%
Fines	\$ 818,063	\$ 1,433,329	(615,266)	-42.93%
Federal government transfers	\$ 308,438	\$ 142,325	166,113	116.71%
Provincial government transfers	\$ 1,384,911	\$ 1,518,001	(133,090)	-8.77%
Deferred revenue earned	\$ 202,000	\$ 153,200	48,800	31.85%
Land sales & other	\$ 6,965,410	\$ 4,582,638	2,382,772	52.00%
<b>Total</b>	<b>\$ 186,784,431</b>	<b>\$ 180,072,729</b>	<b>\$ 6,711,702</b>	<b>3.73%</b>

## OTHER INCOME

Other income reported for the year 2019 was \$16.1 million, a decrease of \$14.3 million from last year's amount of \$30.4 million. Various decreases contributed to the year over year comparison.

The main source of the decrease was in donated tangible capital assets by \$5.8 million compared to the 2018 amount of \$6.5 million. This was as a result of no subdivision assumptions being taken during 2019. The City receives assets from developers as part of their obligation under subdivision agreements, which are deemed to be donated assets because no cash changed hands. These assets are transferred into the ownership of the City and must be recorded on the City's Statement of Financial Position as part of the tangible capital assets pool. At the same time, the value of the assets contributed must be recognized as revenue received by the City on the Statement of Operations and Accumulated Surplus.

Another decrease in other income is from deferred revenue earned. Deferred revenue earned decreased by \$4.1 million compared to the 2018 amount of \$7.9 million. Deferred revenue earned includes development charges earned for the capital expenses incurred within the calendar year and do not include the actual cash collected in that year. The decrease in this revenue source was related to the decrease in capital work activity completed and funded through development charges.

Federal Government transfers decreased by \$2.4 million from the 2018 amount of \$6.6 million, primarily related to a reduction in federal funding for capital projects completed during 2019. Provincial Government transfers decreased by \$1.5 million from the 2018 amount of \$1.6 million. The decrease in Provincial and Federal Government transfers is not based on less cash received, but rather based on recognition of capital expenditures under the accrual method.

The City owns 92.1% of Cambridge and North Dumfries Energy Plus Inc. As such the City is required to recognize our proportionate share of the consolidated operating gain for the year ended December 31, 2019 which was \$6.2 million, a decrease of \$0.1 million from 2018.

## OTHER INCOME

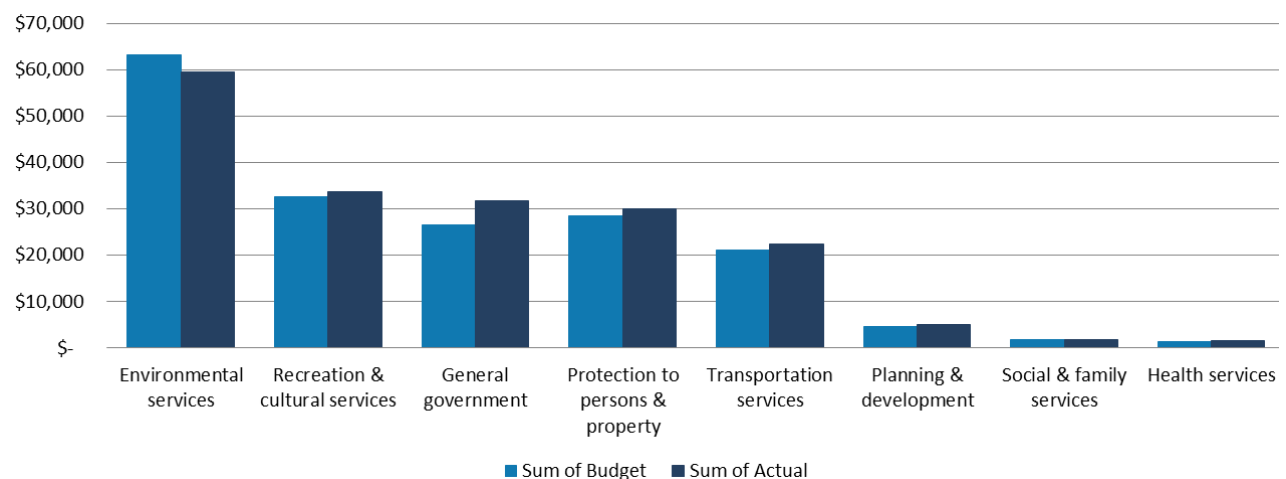
	2019	2018	Change	% Change
Grants and transfers related to capital				
Deferred revenue earned	\$ 3,757,934	\$ 7,855,922	\$ (4,097,988)	-52.16%
Government transfers - Ontario	\$ 58,509	\$ 1,572,632	(1,514,123)	100.00%
Government transfers - Federal	\$ 4,225,780	\$ 6,579,991	(2,354,211)	-35.78%
Donated tangible capital assets	\$ 675,000	\$ 6,524,773	(5,849,773)	-89.65%
Share of net income for the year from Cambridge and North Dumfries Energy Plus Inc.	\$ 6,219,084	\$ 6,344,460	(125,376)	-1.98%
Interest earned on reserves	\$ 1,204,416	\$ 1,514,477	(310,061)	-20.47%
<b>Total</b>	<b>\$ 16,140,723</b>	<b>\$ 30,392,255</b>	<b>\$ (14,251,532)</b>	<b>-46.89%</b>



## EXPENSES

The 2019 operating position of the City results in actual expenses totalling \$185.9 million which is \$6.2 million greater than budgeted expenses of \$179.7 million. The unfavourable variance in expenses was primarily driven by general government, protection to persons and property and recreation and cultural services. General government was over budget mainly due to the waived development charges recognized in 2019 of \$4.2 million. The City's Development Charges Bylaw allows for an exemption of development charges in any of the City's three core areas. When the City of Cambridge waives or discounts any development charge, the City is then obligated to make up for that amount of waived development charges. Protection to persons and property was over budget mainly due to increased amortization expense including a full year of amortization for Fire Station 6 as well as the purchase of new vehicles. In addition, protection to persons and property capital expenditures were higher than anticipated mainly from the acquisition of the Intergraph computer aided dispatch system. Recreation and cultural services expenses was over budget mainly due to the Library incorporating tangible capital assets in their financial statements in 2019, and the recognition of the associated amortization expense in 2019. The major favourable variance in expenses was primarily due to environmental services. In 2019, the water loss was less than anticipated, resulting in lower bulk water purchases from the Region, as well as lower than anticipated expenditures in materials and program supplies as a result of fewer service related repairs, and salary gapping savings. In addition the sewer budget was better than anticipated due to better than expected inflow and infiltration. Additionally, lateral repairs and blockages in 2019 were 27% less than 2018, and in-house use of relining technology reduced contracted services and restoration costs.

### 2019 OPERATING EXPENSES BY FUNCTION (IN THOUSAND DOLLARS)



Environmental Services	Transportation Services	General Government	Planning & Development	Social & Family Services
<ul style="list-style-type: none"> <li>Drainage and structural maintenance</li> <li>Water &amp; sewer</li> </ul>	<ul style="list-style-type: none"> <li>Roads &amp; winter maintenance</li> <li>Street lighting</li> <li>Development &amp; infrastructure</li> <li>Traffic &amp; transportation</li> <li>Field services</li> </ul>	<ul style="list-style-type: none"> <li>Corporate expenditures</li> <li>Technology services</li> <li>Human resources services</li> <li>Internal audit and insurance</li> <li>City Hall</li> <li>Financial services</li> <li>Clerks</li> <li>Mayor/council</li> <li>City solicitor</li> </ul>	<ul style="list-style-type: none"> <li>Chamber/Visitor information</li> <li>Small business centre</li> <li>Policy planning</li> <li>Development planning</li> <li>Cambridge Farmers' Market</li> </ul>	<ul style="list-style-type: none"> <li>Centres (David Durward, Ted Wake, Allan Reuter, W.E. Pautler)</li> <li>Programs (Special Day, Friendly Visiting, Cultural Diversity)</li> <li>Social planning council</li> </ul>
Recreation & Cultural Services	Protection to Persons & Property			Health Services
<ul style="list-style-type: none"> <li>Community development</li> <li>Parks &amp; forestry</li> <li>Community centres</li> <li>Arenas</li> <li>Library</li> </ul>	<ul style="list-style-type: none"> <li>Fire</li> <li>Bylaw services</li> </ul>			<ul style="list-style-type: none"> <li>Cemetery</li> </ul>

Total expenses reported for the year was \$185.9 million, an increase of \$12.9 million from last year's amount of \$173.0 million. The main sources of increases are as follows:

**General government:** General government expenses totalled \$31.8 million, an increase by \$4.5 million compared to the 2018 amount of \$27.3 million. This was mainly due to the waived development charges recognized in 2019 of \$4.2 million, compared to \$0.3 million in 2018 (excluding the water and sewer portions).

**Recreation and cultural services:** Recreation and cultural services expenses totalled \$33.6 million, an increase by \$3.2 million compared to the 2018 amount of \$30.4 million. This was mainly due to the Library incorporating tangible capital assets in their financial statements in 2019, and the recognition of the associated amortization expense in 2019.

**Protection to persons and property:** Protection to persons and property expenses totalled \$30.0 million, an increase by \$2.2 million compared to the 2018 amount of \$27.8 million. This was mainly due to an increase in salaries, wages and employee benefits from Fire Suppression of \$1.5 million, as a result of the first full year of operations of Fire Station 6 and due to less staff retirements and resulting vacancies in 2019 compared to 2018.

## EXPENSE

	2019		2018		Change	% Change
General government	\$	31,822,711	\$	27,269,284	\$ 4,553,427	16.70%
Protection to persons & property		30,013,580		27,797,933	2,215,647	7.97%
Transportation services		22,409,366		20,849,356	1,560,010	7.48%
Environmental services		59,636,539		57,938,558	1,697,981	2.93%
Health services		1,569,493		1,451,278	118,215	8.15%
Social & family services		1,781,697		1,862,732	(81,035)	-4.35%
Recreation & cultural services		33,639,623		30,387,951	3,251,672	10.70%
Planning & development		5,002,027		5,442,240	(440,213)	-8.09%
<b>Total</b>	<b>\$</b>	<b>185,875,036</b>	<b>\$</b>	<b>172,999,332</b>	<b>\$ 12,875,704</b>	<b>7.44%</b>

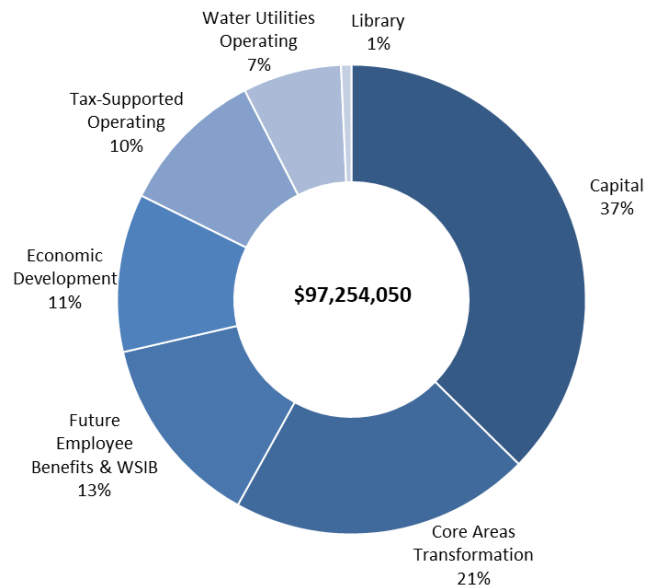


## RESERVES

The City of Cambridge has established reserve and reserve funds to provide stability to tax rates in the event of unforeseen economic events, to provide funding for one-time requirements, to make provisions for the acquisition and replacement of infrastructure, and to provide flexibility to manage debt levels.

Reserves and reserve funds totalled \$97.3 million at December 31, 2019, an increase of \$8.5 million from 2018. Reserves and reserve fund levels have been increasing but are not at a sufficient level to adequately be used to provide funding for the replacement of tangible capital assets on a timely basis which is contributing to the infrastructure deficit. Annual transfers to reserves and reserve funds will need to be increased in order to maintain and replace over \$2.7 billion (at replacement cost) of capital assets that the city owns. It is anticipated that reserves and reserve funds will decline in the future as the City continues to implement the planned capital expansion and repair and replacement programs to address the infrastructure deficit.

### 2019 RESERVES



## **CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**

The purpose of the Statement of Changes in Net Financial Assets is to assist Financial Statement users in fully understanding the nature of the City's financial activities in the period. The statement backs out all of the non-financial activity from the Statement of Operations (e.g. amortization, gains/losses, acquisition and disposal of assets, changes in inventories and prepaid expenses). Thus, the financial impact on the surplus attributable to change in financial assets is an increase of \$11.7 million, compared to last year's increase of \$10.1 million.

## **CONSOLIDATED STATEMENT OF CASH FLOWS**

The Consolidated Statement of Cash Flows explains how the City financed its activities and met its cash requirements. It also details items not involving cash such as annual amortization and donated tangible capital assets. This schedule reconciles the change in cash and cash equivalents from one year to another. The consolidated cash and cash equivalents position of the City decreased by \$12.6 million to \$60.5 million.

The most significant cash outflows were the net change in investments of \$49.9 million, the acquisition of tangible capital assets of \$26.0 million and the debt principal repayment of \$4.5 million.

The most significant cash inflow was \$10.7 million increase in debt issued.



# Responsibility for Financial Reporting

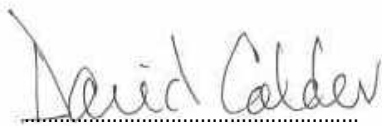
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The accompanying Consolidated Financial Statements and all other information contained in this Annual Report are the responsibility of the management of The Corporation of the City of Cambridge. The preparation of periodic financial statements involves the use of estimates and approximations because the precise determination of financial information frequently depends on future events. These Consolidated Financial Statements have been prepared by management within the reasonable limits of materiality and within the framework of Canadian generally accepted accounting principles for governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.


In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

Prior to their submission to Council, the Consolidated Financial Statements are reviewed and approved by the Corporate Leadership Team. In addition, management meets periodically with the City's external auditors to approve the scope and timing of their respective audits, to review their findings and to satisfy itself that their responsibilities have been properly discharged.

KPMG LLP, as the City's appointed external auditors have audited the Consolidated Financial Statements. The external auditors have full and free access to management and Council. The Auditors' Report is dated May 19, 2020 and appears on the following pages. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatements and present fairly the financial position and results of operations of the City in accordance with Canadian public sector accounting standards.



David Calder,  
City Manager



Sheryl Ayres, CPA, CGA  
Chief Financial Officer

# Independent Auditors' Report



KPMG LLP  
115 King Street South  
2nd Floor  
Waterloo ON N2J 5A3  
Canada  
Tel 519-747-8800  
Fax 519-747-8830

## INDEPENDENT AUDITORS' REPORT

To the Mayor and Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Cambridge

### ***Opinion***

We have audited the consolidated financial statements of the Corporation of the City of Cambridge (the Entity), which comprise:

- the consolidated statement of the financial position as at December 31, 2019
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of change in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2019, and its consolidated results of operations, its changes in consolidated net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.





### ***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 “***Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements***” section of our auditors’ report.

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

### ***Other Matter – Comparative Information***

The financial statements for the year ended December 31, 2018 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 23, 2019.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.



### ***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





Page 4

- 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 auditors' report to the related disclosures in the consolidated 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 auditors' 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Canada  
May 19, 2020

# Consolidated Statement of Financial Position

**AS AT DECEMBER 31, 2019**

	2019	2018 (Note 15)
<b>Financial assets</b>		
Cash and cash equivalents	\$ 60,544,881	\$ 73,142,262
Taxes and grants-in-lieu (Note 5)	18,379,281	17,025,989
Trade and other receivables (Note 5)	16,646,298	14,817,977
Land held for resale	-	6,519,669
Investments (Note 6)	208,854,563	158,913,979
	<b>304,425,023</b>	<b>270,419,876</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	34,693,309	33,892,732
Employee future benefits (Note 7)	71,305,417	69,148,342
Deferred revenue - obligatory reserve funds (Note 8)	42,776,522	31,082,922
Deferred revenue - other	3,605,819	2,111,774
Long-term debt (Note 9)	41,576,835	35,379,063
	<b>193,957,902</b>	<b>171,614,833</b>
<b>Net financial assets</b>	<b>110,467,121</b>	<b>98,805,043</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 10)	623,367,616	618,359,304
Inventories of supplies	763,188	867,491
Prepaid expenses	1,497,335	1,013,304
	<b>625,628,139</b>	<b>620,240,099</b>
<b>Accumulated surplus (Note 14)</b>	<b>\$ 736,095,260</b>	<b>\$ 719,045,142</b>

The accompanying notes are an integral part of these financial statements.

Approved by

*Kathryn McGarry*.....

*Michael S. Moore*.....

# Consolidated Statement of Operations and Accumulated Surplus

FOR THE YEAR ENDED DECEMBER 31, 2019

	2019 Budget (Note 13)	2019 Actual	2018 Actual (Note 15)
<b>Revenues</b>			
Taxation	\$ 89,791,600	\$ 90,463,238	\$ 87,984,087
User fees and charges	81,963,800	81,071,814	78,627,230
Penalties and interest on taxes	2,600,000	2,978,059	2,614,718
Investment income	1,173,100	2,592,498	3,017,201
Fines	614,000	818,063	1,433,329
Government transfers			
Canada	72,000	308,438	142,325
Ontario	1,333,700	1,384,911	1,518,001
Deferred revenue earned	202,000	202,000	153,200
Land sales and other	222,200	6,965,410	4,582,638
<b>Total revenues</b>	<b>177,972,400</b>	<b>186,784,431</b>	<b>180,072,729</b>
<b>Expenses</b>			
General government	26,458,470	31,822,711	27,269,284
Protection to persons and property	28,457,896	30,013,580	27,797,933
Transportation services	21,098,851	22,409,366	20,849,356
Environmental services	63,172,360	59,636,539	57,938,558
Health services	1,456,749	1,569,493	1,451,278
Social and family services	1,831,900	1,781,697	1,862,732
Recreation and cultural services	32,682,143	33,639,623	30,387,951
Planning and development	4,571,748	5,002,027	5,442,240
<b>Total expenses</b>	<b>179,730,117</b>	<b>185,875,036</b>	<b>172,999,332</b>
<b>Net revenues (expenses) before other income</b>	<b>(1,757,717)</b>	<b>909,395</b>	<b>7,073,397</b>
<b>Other income</b>			
Grants and transfers related to capital			
Deferred revenue earned		3,757,934	7,855,922
Government transfers - Ontario		58,509	1,572,632
Government transfers - Federal		4,225,780	6,579,991
Donated tangible capital assets (Note 10)		675,000	6,524,773
Share of net income for the year from Cambridge and North Dumfries Energy Plus Inc. (Note 6)		6,219,084	6,344,460
Interest earned on reserves		1,204,416	1,514,477
		<b>16,140,723</b>	<b>30,392,255</b>
<b>Annual Surplus</b>		<b>17,050,118</b>	<b>37,465,652</b>
Accumulated surplus, beginning of year		<b>719,045,142</b>	<b>681,579,490</b>
<b>Accumulated surplus, end of year</b>		<b>\$ 736,095,260</b>	<b>\$ 719,045,142</b>

The accompanying notes are an integral part of these financial statements.



# Consolidated Statement of Change in Net Financial Assets

FOR THE YEAR ENDED DECEMBER 31, 2019

	2019 Budget (Note 13)	2019 Actual	2018 Actual
<b>Annual surplus</b>	\$ (1,757,717)	\$ 17,050,118	\$ 37,465,652
Acquisition of tangible capital assets	-	(25,977,407)	(38,071,830)
Amortization of tangible capital assets	-	20,308,531	16,585,287
Loss on disposal of tangible capital assets	-	1,335,564	259,208
Proceeds on disposal of tangible capital assets	-	-	83,507
Donated tangible capital assets	-	(675,000)	(6,524,773)
Change in supplies inventories	-	104,303	(359,456)
Change in prepaid expenses	-	(484,031)	642,285
<b>Change in net financial assets</b>	(1,757,717)	<b>11,662,078</b>	10,079,880
Net financial assets, beginning of year	98,805,043	<b>98,805,043</b>	88,725,163
<b>Net financial assets, end of year</b>	\$ 97,047,326	<b>\$ 110,467,121</b>	\$ 98,805,043

The accompanying notes are an integral part of these financial statements.

# Consolidated Statement of Cash Flows

FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018 (Note 15)
<b>Operating</b>		
Annual surplus	\$ 17,050,118	\$ 37,465,652
Sources (uses)		
Taxes and grants-in-lieu	(1,353,292)	(1,401,755)
Trade and other receivables	(1,828,321)	1,156,068
Accounts payable and accrued liabilities	800,577	(11,301,867)
Employee future benefits	2,157,075	1,943,543
Deferred revenue - obligatory reserve funds	11,693,600	(1,309,568)
Deferred revenue - other	1,494,045	2,111,774
Inventories of supplies	104,303	(359,456)
Prepaid expenses	(484,031)	642,285
Land held for resale	6,519,669	4,920,697
Items not involving cash		
Amortization	20,308,531	16,585,287
Donated tangible capital assets	(675,000)	(6,524,773)
Loss (gain) on disposal of tangible capital assets	1,335,564	259,208
Cash provided from operations	57,122,838	44,187,095
<b>Capital</b>		
Acquisition of tangible capital assets	(25,977,407)	(38,071,830)
Proceeds on disposal of tangible capital assets	-	83,507
Net investment in tangible capital assets	(25,977,407)	(37,988,323)
<b>Investing</b>		
Net change in investments	(49,940,584)	(4,586,397)
<b>Financing</b>		
Debt issued	10,706,000	-
Debt principal repayment	(4,508,228)	(4,421,699)
Net (decrease) increase in cash from financing activities	6,197,772	(4,421,699)
<b>Net change in cash</b>	<b>(12,597,381)</b>	<b>(2,809,324)</b>
Cash and cash equivalents, beginning of year	73,142,262	75,951,586
<b>Cash and cash equivalents, end of year</b>	<b>\$ 60,544,881</b>	<b>\$ 73,142,262</b>

The accompanying notes are an integral part of these financial statements.

# Notes to the Consolidated Financial Statements

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## 1. MUNICIPAL STATUS

The Corporation of the City of Cambridge ("the City") was created on January 1, 1973 when the three municipalities of Galt, Preston, and Hespeler and the settlement of Blair were amalgamated into a single legal entity under a new name.

The City operates as a lower tier government in the Province of Ontario, Canada. Cambridge provides municipal services such as fire protection, public works, water distribution, urban planning, recreation and cultural services, and other general government services. The City owns 92.1% of its subsidiary, Cambridge and North Dumfries Energy Plus Inc. and its affiliates.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the City are the representation of management, prepared in accordance with local government accounting standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The following is a summary of the significant accounting policies followed in the preparation of these financial statements:

### (A) BASIS OF CONSOLIDATION

#### (i) Consolidated entities

These consolidated statements reflect the financial assets, liabilities, operating revenues and expenses, reserve funds and reserves, changes in investment in tangible capital assets and cash flows and include the activities of all governmental functions controlled and exercised by the City and the following boards which are under the control of Council:

The Cambridge Public Library Board

Preston Towne Centre Business Improvement Area

Downtown Cambridge Business Improvement Area

Hespeler Village Business Improvement Area

All inter-organizational transactions and balances between these entities have been eliminated.

#### (ii) Government Business Enterprises

The Cambridge and North Dumfries Energy Plus Inc. and its affiliates are not consolidated but are accounted for on the modified equity basis which reflects the City's investment in the enterprises and its share of net income or loss less dividends received since acquisition. Under the modified equity basis, the enterprises' accounting principles are not adjusted to conform with those of the City and inter-organizational transactions and balances are not eliminated.

#### (iii) Accounting for Region and School Board transactions

The taxation, other revenues, expenses, assets and liabilities, with respect to the operations of the School Boards and the Regional Municipality of Waterloo, are not reflected in these consolidated financial statements.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

### (A) BASIS OF CONSOLIDATION - CONTINUED

#### (iv) Trust funds

Trust funds and their related operations administered by the City are not consolidated, but are reported separately on the Trust Funds Statement of Financial Position and Statement of Continuity (see Note 4).

### (B) BASIS OF ACCOUNTING

The City follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the legal obligation to pay.

### (C) NON-FINANCIAL ASSETS

Non-financial assets are not normally available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess revenues over expenses, provides the consolidated change in net financial assets for the year.

#### (i) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost less residual value of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

<b>Land</b>	Not Amortized
<b>Buildings</b>	40 to 50 years
<b>Vehicles</b>	
Specialty and fire trucks	9 to 20 years
Vehicles	5 years
<b>Computer hardware and software</b>	5 years
<b>Water and waste plants and networks</b>	
Underground networks	40 to 80 years
<b>Transportation</b>	
Roads	25 to 35 years
Bridges and structures	30 to 50 years
<b>Other</b>	
Machinery and equipment	3 to 15 years
Land improvements	15 to 50 years
Leasehold improvements	24 years

The full amount of annual amortization is charged in year of disposal. Assets under construction are not amortized until the asset is available for productive use.

#### (ii) Contributions of tangible capital assets (donated)

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

### **(C) NON-FINANCIAL ASSETS - CONTINUED**

#### **(iii) Interest capitalization**

The City does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

#### **(iv) Works of art and cultural and historic assets**

These non-operational heritage assets are not recorded in these financial statements.

#### **(v) Leases**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

#### **(vi) Inventories and prepaid expenses**

Inventories held for consumption are recorded at the lower of cost and replacement cost.

Prepaid expenses relate to expenditures incurred in the current period which relate to and will be expensed in a future fiscal period.

### **(D) EMPLOYEE FUTURE BENEFITS**

The contributions to a multi-employer, defined benefit plan are expensed when the contributions are due. The costs of post-employment benefits are recognized when the event that obligates the City occurs. Costs include projected future income payments, health care continuation costs, and fees paid to independent administrators of these plans, calculated on a present value basis.

The costs of post-employment benefits are actuarially determined using the projected benefits method prorated on service and management's best estimate of retirement ages of employees, salary escalation, and expected health care costs. Any gains or losses from changes in assumptions or experience are amortized over the average remaining service period for active employees.

### **(E) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are comprised of accounts maintained at chartered financial institutions with an original maturity of three months or less.

### **(F) INVESTMENTS**

Investments generally consist of high grade bonds, guaranteed investment certificates, and interest rate savings accounts, and are recorded at the lower of cost plus accrued interest and market value. Investment income is reported as revenue in the period earned. Investment income earned on obligatory reserve funds is considered deferred until the funds are applied.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

### (G) REVENUE RECOGNITION

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recorded as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Government transfers, contributions, and other amounts are received from third parties pursuant to legislation, regulation, or agreement and may only be used in the conduct of certain programs, in the completion of specific work, or the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible assets are acquired.

Tax revenue is recognized when it is authorized and in the period for which the tax is levied. Tax revenue reported relates to property taxes.

### (H) LAND HELD FOR RESALE

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for land acquisition and improvements to prepare the land for sale or servicing.

### (I) LIABILITY FOR CONTAMINATED SITES

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. the City:
  - is directly responsible; or
  - accepts responsibility; and
- iv. a reasonable estimate of the amount can be made.

A liability for contaminated sites has not been accrued for as of December 31, 2019.

### (J) USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. These estimates and assumptions, including employee benefits payable, taxation assessment appeals, legal claims provisions, liability for contaminated sites, the valuation of tangible capital assets and their related useful lives and amortization, are based on management's best information and judgement and may differ significantly from future actual results.



### 3. OPERATIONS OF SCHOOL BOARDS AND THE REGION OF WATERLOO

Further to note (2) (a) (iii), the taxation, other revenues, and requisitions of the School Boards and the Regional Municipality of Waterloo are comprised of the following:

	School Boards	Region of Waterloo
Taxation and user charges	\$ 66,542,976	\$ 164,196,184
Share of payment in lieu of taxes	80,399	691,590
Amounts requisitioned	\$ 66,623,375	\$ 164,887,774

### 4. TRUST FUNDS

Trust funds administered by the City amounting to **\$10,741,563** (\$10,215,131 in 2018), have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. The trust funds under administration are composed of the following:

#### 2019

	Balance, beginning of year	Receipts	Expenditures	Balance, end of year
Cemetery Care and Maintenance Fund	\$ 6,108,409	\$ 506,936	\$ 164,419	6,450,926
Cemetery Care and Maintenance Monuments	548,525	30,477	14,577	564,425
Cemetery Charges Prepaid	3,204,173	213,236	138,071	3,279,338
Election Surplus	4,155	109	-	4,264
Arthur White Scholarship Fund	15,444	392	400	15,436
C.I.T.C. Training Cambridge	16,760	439	-	17,199
Prepaid Rent	9,884	259	-	10,143
School of Architecture Bursary	52,903	1,386	-	54,289
Ancient Mariners Canoe Club Fund	20,457	7,374	-	27,831
Allan Reuter Centre Renovation	21,768	10,669	2,562	29,875
Fiddlesticks Neighbourhood Association	120,539	64,319	-	184,858
Cambridge Rowing Club	1,458	38	-	1,496
David Durward Centre	33,353	6,970	4,296	36,027
G.E. (Ted) Wake Lounge Seniors Fund	13,313	349	-	13,662
Arts Guild Improvement	43,445	7,790	-	51,235
Cambridge Arts Guild	545	14	-	559
<b>Total</b>	<b>\$ 10,215,131</b>	<b>\$ 850,757</b>	<b>\$ 324,325</b>	<b>\$ 10,741,563</b>

#### 2018

	Balance, beginning of year	Receipts	Expenditures	Balance, end of year
Cemetery Care and Maintenance Fund	\$ 5,831,490	\$ 430,051	\$ 153,132	\$ 6,108,409
Cemetery Care and Maintenance Monuments	530,875	31,492	13,842	548,525
Cemetery Charges Prepaid	3,106,790	230,036	132,653	3,204,173
Election Surplus	4,050	105	-	4,155
Arthur White Scholarship Fund	15,015	829	400	15,444
C.I.T.C. Training Cambridge	16,341	419	-	16,760
Prepaid Rent	9,637	247	-	9,884
School of Architecture Bursary	51,582	1,321	-	52,903
Ancient Mariners Canoe Club Fund	27,280	1,177	8,000	20,457
Allan Reuter Centre Renovation	23,662	603	2,497	21,768
Fiddlesticks Neighbourhood Association	98,003	22,536	-	120,539
Cambridge Rowing Club	1,423	35	-	1,458
David Durward Centre	38,615	1,061	6,323	33,353
G.E. (Ted) Wake Lounge Seniors Fund	12,980	333	-	13,313
Arts Guild Improvement	35,972	7,473	-	43,445
Cambridge Arts Guild	531	14	-	545
<b>Total</b>	<b>\$ 9,804,246</b>	<b>\$ 727,732</b>	<b>\$ 316,847</b>	<b>\$ 10,215,131</b>

## 5. TAXES AND ACCOUNTS RECEIVABLE

Taxes receivable and accounts receivable are reported net of a valuation allowance of **\$5,438,110** (\$5,438,110 in 2018) and **\$285,452** (\$207,657 in 2018) respectively.

## 6. INVESTMENTS

Investments are comprised of the following:

	2019	2018
Investment in Cambridge and North Dumfries Energy Plus Inc.		
Capital Stock	\$ 37,792,000	\$ 37,792,000
Increase in equity since acquisition	51,449,216	48,384,128
	<b>89,241,216</b>	86,176,128
Marketable securities	119,613,347	72,737,851
Total investments	<b>\$ 208,854,563</b>	\$ 158,913,979

Marketable securities have a market value of **\$120,048,604** (\$71,355,477 in 2018).

On August 1, 2000, pursuant to requirements of the Ontario Government's Electricity Competition Act (Bill 35), the net assets of the Hydro Electric Commission of Cambridge and North Dumfries were transferred to Cambridge and North Dumfries Energy Plus Inc. ("Energy Plus") and affiliated companies. Energy Plus and affiliates will carry on the former business of the Commission with all its rights, duties, obligations and responsibilities from the date of transfer. The City of Cambridge owns 92.1% of Energy Plus and the change in the cost of the original investment by return of capital and its proportionate share of the consolidated operating gain of Energy Plus for the year ended December 31, 2019 is as follows (see note 2(a) (ii)):

	2019	2018
Investment, beginning of year	\$ 86,176,128	\$ 83,521,652
Increase in equity for year:		
Share of net income for year	6,219,084	6,344,460
Dividends received during year	(3,153,996)	(3,689,984)
Net increase for year	<b>3,065,088</b>	2,654,476
Investment, end of year	<b>\$ 89,241,216</b>	\$ 86,176,128

## 6. INVESTMENTS - CONTINUED

The following table provides condensed financial information in respect of Energy Plus for its fiscal 2019 year:

	2019 (000's)	2018 (000's)
<b>Financial position</b>		
Current assets	\$ 42,256	\$ 46,975
Capital assets	181,121	171,646
Goodwill	18,965	18,965
Other assets	3,328	5,751
<b>Total assets</b>	<b>245,670</b>	<b>243,337</b>
Current liabilities	72,614	35,194
Long-term liabilities	81,248	111,782
<b>Total liabilities</b>	<b>153,862</b>	<b>146,976</b>
<b>Net assets</b>	<b>91,808</b>	<b>96,361</b>
<b>Statement of operations</b>		
Revenues	234,183	226,540
Operating expenses	(226,851)	(216,910)
Non-operating revenues (expenses)	1,361	(671)
Payments in lieu of corporate income taxes	(1,940)	(2,071)
<b>Net income</b>	<b>6,753</b>	<b>6,888</b>
<b>City's share of net income - 92.1%</b>	<b>\$ 6,220</b>	<b>\$ 6,344</b>

## 7. EMPLOYEE AND POST EMPLOYMENT BENEFITS

The City provides certain employee benefits which will require funding in future periods. An actuarial estimate of future liabilities has been completed and forms the basis for the estimated liability reported in these financial statements. All liabilities were estimated by an actuarial update as at December 31, 2019.

	2019	2018	Change
Post-employment benefits	\$ 60,141,156	\$ 59,179,742	\$ 961,414
Sick leave benefits	6,831,414	6,929,604	(98,190)
Workplace safety & insurance benefits	4,332,847	3,038,996	1,293,851
	<b>\$ 71,305,417</b>	<b>\$ 69,148,342</b>	<b>\$ 2,157,075</b>



## 7. EMPLOYEE AND POST EMPLOYMENT BENEFITS - CONTINUED

The significant actuarial assumptions adopted in measuring the City's accrued benefit obligations for the accumulated sick leave and post-retirement benefit entitlements at December 31, 2019, are as follows:

	Sick leave and post-retirement benefits	Library post-retirement benefits
Future cost of long term debt	3.75%	4.00%
Future inflation rates	1.75%	1.75%
Future salaries escalations	2.75%	
Future dental premium rates escalations	3.75%	3.75%
Future health care premium rates		
2019	6.75%	6.42%
Declining by	2028 to 3.75%	2027 to 3.75%

Information about the City's benefit plan is as follows:

	2019	2018
<b>Accrued Liability</b>		
Balance, beginning of the year	\$ 69,148,342	\$ 67,204,799
Current service cost	2,166,799	2,047,972
Plan amendment	1,117,560	-
Interest cost	2,769,259	2,708,310
Amortization of net actuarial loss	(238,324)	272,851
Benefit payments	(3,658,219)	(3,085,590)
Balance, end of the year	\$ 71,305,417	\$ 69,148,342

### A) PENSION PLAN

The City makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of members of its staff. The Plan is a defined benefit plan, which specifies the amount of retirement benefit to be received by the employees based on the lengths of service and rates of pay. Employee contributions are matched by the City.

The amount contributed to OMERS for 2019 was **\$5,918,336** (\$5,902,724 in 2018) for current service and is included as an expenditure on the consolidated statement of operations.

The OMERS pension plan has a deficit. The last available report for the OMERS plan was on December 31, 2019. At that time the plan reported a \$3.4 billion actuarial deficit (2018 - \$4.2 billion), based on actuarial liabilities of \$107.7 billion (2018 - \$100.1 billion) and actuarial assets of \$104.3 billion (2018 - \$95.9 billion). If actuarial surpluses are not available to offset the existing deficit and subsidize future contributions, increases in contributions will be required in the future.

## 7. EMPLOYEE AND POST EMPLOYMENT BENEFITS - CONTINUED

### B) POST-RETIREMENT BENEFITS

The City makes available to qualifying employees who retire before the age of 65, the opportunity to continue their coverage for such benefits as extended health and drugs, dental care, and life insurance. Coverage ceases at the age of 65 except for life insurance and extended health and drugs. In addition, changes in assumptions, and experience gains and losses are amortized on a straight-line basis over 11 years, which represents the expected average remaining service life of the employee group. Amortization is calculated beginning in the year following the year of occurrence of the actuarial gains or losses. In fiscal 2019, an actuarial valuation report estimated the actuarial loss for the above mentioned post-retirement benefits to be \$5,834,084 which is being amortized at \$486,174 per year.

The actuarial valuation report estimated the liability for the above mentioned employee future benefits to be **\$60,141,156** (\$59,179,742 in 2018) at year end based on present value of the current obligation for past and current employees.

### C) SICK LEAVE

Under the sick leave benefit plan, unused sick leave can accumulate and certain employees may become entitled to a cash payment when they leave the City's employment. In addition, adjustments arising from the plan amendment, changes in assumptions, and experience gains and losses are amortized on a straight-line basis over 12 years, which represents the expected average remaining service life of the employee group. Amortization is calculated beginning in the year following the year of occurrence of the actuarial gains or losses. In fiscal 2019, an actuarial valuation report estimated the actuarial gain for the above mentioned sick leave to be \$1,710,318 which is being amortized at \$131,563 per year.

The liability for these accumulated days based on an actuarial assessment, to the extent that they have vested and could be taken in cash by an employee on termination or retirement, amounted to **\$6,831,414** (\$6,929,604 in 2018) at the end of the year. An amount of **\$723,501** (\$648,224 in 2018) was paid to employees who either changed union groups or left the City's employment during the current year.

The reserve fund was established to fund the cost of future employee benefits provided by the City. The balance at the end of the year was **\$10,442,213** (\$10,118,352 in 2018).

### D) WORKPLACE SAFETY & INSURANCE

In 1996, in order to decrease workers' compensation expense, the City assumed the risk of workers' compensation coverage.

The potential liability, based on an actuarial valuation update for all existing claims as at December 31, 2019 amounted to **\$4,332,847** (\$3,038,996 in 2018).

A self-insurance Reserve Fund for Workers' Compensation was established which, at December 31, 2019, amounted to **\$2,540,818** (\$2,348,869 in 2018). Premiums which otherwise could be paid to Workplace Safety & Insurance Board are paid into the fund and workers' compensation claims are charged to the fund.

## 8. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the Public Sector Accounting Board, of the Chartered Professional Accountants of Canada, is that obligatory reserves be reported as deferred revenue, as these are restricted revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may be refunded. Deferred revenue balances are as follows:

	2019	2018
<b>Revenue</b>		
Development charges and user fees	\$ 13,524,575	\$ 7,268,891
Gas tax funding	8,053,516	4,037,045
Investment income	84,610	12,841
	<b>21,662,701</b>	<b>11,318,777</b>
Deferred revenue recognized and other adjustments	(9,969,101)	(12,628,345)
<b>Change in deferred revenue</b>	<b>11,693,600</b>	<b>(1,309,568)</b>
Deferred revenue, beginning of year	<b>31,082,922</b>	<b>32,392,490</b>
<b>Deferred revenue, end of year</b>	<b>42,776,522</b>	<b>31,082,922</b>
<b>Represented as follows:</b>		
Development charges	<b>31,137,395</b>	24,542,371
Recreational land	<b>176,429</b>	(244,199)
Building permits	<b>3,387,208</b>	2,700,398
Gas tax funding	<b>8,075,490</b>	4,084,352
	<b>\$ 42,776,522</b>	<b>\$ 31,082,922</b>

## 9. LONG-TERM DEBT

The City has assumed the responsibility for the payment of principal and interest charges on certain debt issued by the Region of Waterloo, which in fiscal 2019 amounted to **\$10,706,000** (\$0 in 2018).

The City has assumed responsibility for the payment of principal and interest charges on certain long-term debt issued by the Region of Waterloo. At the end of the year, the total outstanding principal amount of this liability is **\$41,576,835** (\$35,379,063 in 2018). This debt bears interest at rates ranging from 1.15% to 3.95% per annum.

Principal repayments required over the next 5 years and thereafter are as follows:

2020 -	\$	5,578,115
2021 -		4,415,760
2022 -		3,425,760
2023 -		3,483,760
2024 -		3,550,760
Thereafter -		<u>21,122,680</u>
		<b>\$41,576,835</b>

Interest charges for fiscal 2019 relating to long-term debt were **\$981,743** (\$1,090,102 in 2018).

The City has enacted and passed by-laws authorizing the issue of debentures, not to exceed \$37.46 million, for the rehabilitation of existing assets and construction or purchase of new assets contained in the Capital Funding Program.



## 10. TANGIBLE CAPITAL ASSETS

	Land	Land improvements	Buildings	Leasehold improvements	Infrastructure	Information technology	Machinery & equipment	Vehicles	Total
<b>2019</b>									
<b>Cost</b>									
Balance, beginning of year	\$ 91,946,840	\$ 83,307,013	\$ 155,313,787	\$ 4,438,819	\$ 462,895,510	\$ 13,235,394	\$ 9,375,814	\$ 17,436,218	\$ 837,949,395
Additions	2,519,040	3,218,848	23,915,357	337,718	47,837,676	3,835,710	10,316,151	4,726,354	96,706,854
Disposals	-	230,513	-	-	2,038,973	821,690	523,259	1,410,447	5,024,882
<b>Cost, end of year</b>	<b>94,465,880</b>	<b>86,295,348</b>	<b>179,229,144</b>	<b>4,776,537</b>	<b>508,694,213</b>	<b>16,249,414</b>	<b>19,168,706</b>	<b>20,752,125</b>	<b>929,631,367</b>
<b>Accumulated amortization</b>									
Balance, beginning of year	-	40,111,989	72,222,373	1,008,158	202,162,796	6,292,514	5,332,666	10,721,635	337,852,131
Disposals	-	230,513	-	-	1,627,985	821,690	519,904	561,508	3,761,600
Amortization expense	-	1,985,591	3,774,514	153,496	8,184,324	2,378,204	2,621,546	1,210,856	20,308,531
<b>Accumulated amortization, end of year</b>	<b>-</b>	<b>41,867,067</b>	<b>75,996,887</b>	<b>1,161,654</b>	<b>208,719,135</b>	<b>7,849,028</b>	<b>7,434,308</b>	<b>11,370,983</b>	<b>354,399,062</b>
<b>Assets under construction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48,135,311</b>
<b>Net book value, end of year</b>	<b>\$ 94,465,880</b>	<b>\$ 44,428,281</b>	<b>\$ 103,232,257</b>	<b>\$ 3,614,883</b>	<b>\$ 299,975,078</b>	<b>\$ 8,400,386</b>	<b>\$ 11,734,398</b>	<b>\$ 9,381,142</b>	<b>\$ 623,367,616</b>

	Land	Land improvements	Buildings	Leasehold improvements	Infrastructure	Information technology	Machinery & equipment	Vehicles	Total
<b>2018</b>									
<b>Cost</b>									
Balance, beginning of year	\$ 91,946,840	\$ 83,307,013	\$ 155,313,787	\$ 4,438,819	\$ 435,819,921	\$ 5,015,363	\$ 7,482,770	\$ 17,357,021	\$ 800,681,534
Additions	-	-	-	-	29,106,017	8,220,031	1,893,044	942,214	40,161,306
Disposals	-	-	-	-	2,030,428	-	-	863,017	2,893,445
<b>Cost, end of year</b>	<b>91,946,840</b>	<b>83,307,013</b>	<b>155,313,787</b>	<b>4,438,819</b>	<b>462,895,510</b>	<b>13,235,394</b>	<b>9,375,814</b>	<b>17,436,218</b>	<b>837,949,395</b>
<b>Accumulated amortization</b>									
Balance, beginning of year	-	38,206,165	68,725,053	862,666	196,389,312	4,449,482	4,730,122	10,454,774	323,817,574
Disposals	-	-	-	-	1,719,424	-	-	831,306	2,550,730
Amortization expense	-	1,905,824	3,497,320	145,492	7,492,908	1,843,032	602,544	1,098,167	16,585,287
<b>Accumulated amortization, end of year</b>	<b>-</b>	<b>40,111,989</b>	<b>72,222,373</b>	<b>1,008,158</b>	<b>202,162,796</b>	<b>6,292,514</b>	<b>5,332,666</b>	<b>10,721,635</b>	<b>337,852,131</b>
<b>Assets under construction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118,262,040</b>
<b>Net book value, end of year</b>	<b>\$ 91,946,840</b>	<b>\$ 43,195,024</b>	<b>\$ 83,091,414</b>	<b>\$ 3,430,661</b>	<b>\$ 260,732,714</b>	<b>\$ 6,942,880</b>	<b>\$ 4,043,148</b>	<b>\$ 6,714,583</b>	<b>\$ 618,359,304</b>

- (a) During the year, roads and underground networks contributed to the City totalled **\$675,000** (\$6,524,773 in 2018) and were capitalized at their fair value at the time of receipt.
- (b) Amortization expense for the year amounts to **\$20,308,531** (\$16,585,287 in 2018).

## 11. GENERAL INSURANCE COVERAGE

In order to decrease insurance premiums, the City has undertaken a portion of the risk through increased deductibles. The deductibles generally range up to \$50,000 depending on the types of claims. Insurance coverage is in place for claims in excess of these deductibles up to various policy limits.

The City has made provision for a Reserve for Self-Insurance for various types of insurance, the balance of which at December 31, 2019 amounted to **\$2,183,498** (\$2,261,423 in 2018), and is reported in Note 14 under Reserves. The City budgets annually for claims related to self-insurance and the difference between budgeted and actual claims during the year is drawn from the reserve fund. In 2019 the amount drawn from the reserve was \$Nil (\$Nil in 2018). Claims for all forms of self-insurance during the year amounting to **\$391,491** (\$727,757 in 2018), including adjusters' fees and costs, are reported as an expenditure on the Consolidated Statement of Operations and Accumulated Surplus.

The City has an agreement with members of the Waterloo Region municipalities to purchase property damage and public liability insurance on a group basis and share a retained level of risk. The members pay an annual levy to fund insurance coverage, losses, and contribute to a surplus. The pool has purchased insurance to fund losses above a pre-determined deductible and any losses above a pre-determined total in any year.

## 12. CONTINGENT LIABILITIES

The City is involved in several legal suits of varying dollar amounts, the outcome of which is not presently determinable. No provision for possible liability has been recorded in these financial statements.

In the event the City is found liable, any amounts not recoverable from City's insurers will be adjusted against future revenues.

## 13. BUDGET FIGURES, UNAUDITED

Budget figures reported on the Consolidated Statement of Operations and Accumulated Surplus are based on the 2019 municipal operating and water/wastewater budgets as approved by Council on March 4, 2019 and February 21, 2019 respectively, and include subsequent amendments.

Approved budget figures have been reclassified and adjusted for the purposes of these financial statements to comply with Public Sector Accounting Board ("PSAB") reporting requirements. The chart below reconciles the approved operating budgets to the amended budget figures:

	Budget Amount
<b>Approved operating budget revenues</b>	<b>\$ 185,183,400</b>
Budget amendments and reallocations	
PSAB reporting adjustments:	
Dividends from Cambridge and North Dumfries Energy Plus Inc.	(3,007,000)
Contributions from reserves and reserve funds	(4,204,000)
<b>Net operating budget revenues</b>	<b>\$ 177,972,400</b>
<b>Approved operating budget expenses</b>	<b>\$ 185,183,400</b>
Budget amendments and reallocations	
PSAB reporting adjustments:	
Amortization of tangible capital assets	16,585,287
Non-tangible capital asset expenditures	4,592,487
Unfunded accrual for employee future benefit obligation	1,943,543
Contribution to reserves and reserve funds	(23,375,500)
Debt principal repayments	(5,199,100)
<b>Net operating budget expenses</b>	<b>179,730,117</b>
<b>Net expenses before other income</b>	<b>\$ (1,757,717)</b>

#### 14. ACCUMULATED SURPLUS

Accumulated surplus consists of individual surpluses, reserve funds and reserves as follows:

	2019	2018 (Note 15)
<b>Reserve funds</b>		
Capital Works	\$ 5,434,953	\$ 3,733,242
Capital Works Debt Retirement	970,988	1,837,744
Capital Works Committed	1,166,622	1,955,399
Waterwater Capital	8,846,916	12,170,642
Wastewater Rate Stabilization	3,219,358	3,225,076
Water System Capital	9,397,207	7,571,308
Water Rate Stabilization	3,398,519	3,420,016
Heritage Conservation	69,147	72,065
Cemetery	525,681	756,676
Equipment	4,305,109	3,461,349
Water Meter Replacement	-	2,258,155
Facility Maintenance	4,398,737	4,620,874
Archives	39,209	38,786
Election	272,101	188,652
Winter Reg Road Maintenance	-	140,347
Winter Maintenance	22,326	128,426
Sports Field Revitalization	-	431,317
Soccer Facility Capital	216,334	182,770
Library	694,809	697,564
Public Art	192,076	135,507
Legal	-	41,078
Energy Conservation	1,590,807	1,447,818
Economic Development	10,594,263	19,442,300
Cash in Lieu of Parking	25,322	25,049
Self Insurance	2,183,498	2,261,423
Future Employee Benefits	10,442,213	10,118,352
Workplace Safety and Insurance	2,540,818	2,348,869
Affordable Housing	17,045	-
Replacement Tree Planting	129,572	-
Municipal Accommodation Tax	161,086	-
Core Areas Transformation	20,133,532	-
Jacob Hespeler Field Capital	226,834	-
<b>Total reserves funds</b>	<b>91,215,082</b>	<b>82,710,804</b>



#### 14. ACCUMULATED SURPLUS - CONTINUED

	2019	2018 (Note 15)
<b>Reserves</b>		
Hydro Dividend Stabilization	\$ 2,049,432	\$ 1,239,003
Training and Development	-	697,486
Contaminated Sites Grant Program	547,980	497,980
Building Revitalization Program	218,950	301,022
Rate Stabilization	3,222,606	3,267,310
<b>Total reserves</b>	<b>6,038,968</b>	<b>6,002,801</b>
<b>Total reserves funds and reserves</b>	<b>97,254,050</b>	<b>88,713,605</b>
<b>Surpluses</b>		
Invested in tangible capital assets	623,367,616	618,359,304
Invested in repair and replacement of assets	35,877,954	16,893,410
Investment in Government Business Enterprise	89,241,216	86,176,128
Sanitary Sewage Systems	862,490	2,051,242
Water Supply System	711,999	565,900
General revenue fund	969,225	4,166,736
Library board	620,111	115,785
Business improvements areas	72,851	10,768
Land held for resale	-	6,519,669
Amounts to be recovered		
Employee benefit and post-employment liabilities	(71,305,417)	(69,148,342)
Long-term debt	(41,576,835)	(35,379,063)
<b>Total surplus</b>	<b>638,841,210</b>	<b>630,331,537</b>
<b>Accumulated surplus</b>	<b>\$ 736,095,260</b>	<b>\$ 719,045,142</b>

#### 15. COMPARATIVE FIGURES

Certain of the prior year's comparative figures have been restated to conform to the current year's presentation.

#### 16. SUBSEQUENT EVENT

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial and market impact. Markets are prone to volatility and the COVID-19 virus has presented many uncertainties and is threatening the outlook for future global trade and GDP as well as disrupting the abilities of some organizations to operate.

At this time these factors present uncertainty over future cash flows and may cause significant changes to the operations and financial position of the organization. An estimate of the financial effect is not practicable at this time.

## 17. SEGMENTED INFORMATION

The City of Cambridge is a diversified municipal government institution that provides a wide range of services to its citizens, including fire, road, water distribution, sewer collection/conveyance, storm sewer, libraries, and community services.

Segmented information has been prepared by major functional classification of activities provided, consistent with the Consolidated Statement of Operations and Accumulated Surplus and provincially legislated requirements.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 2.

### FOR THE YEAR ENDED DECEMBER 31, 2019

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Total
<b>Revenue</b>									
Taxation	\$ 27,621,842	\$ 25,082,600	\$ 10,578,100	\$ 885,296	\$ 353,800	\$ 385,500	\$ 22,009,100	\$ 3,547,000	\$ 90,463,238
User fees and charges	1,886,062	4,381,180	2,509,123	64,956,470	1,006,346	452,889	5,055,584	824,160	81,071,814
Penalties and interest on taxes	2,978,059	-	-	-	-	-	-	-	2,978,059
Investment income	2,592,498	-	-	-	-	-	-	-	2,592,498
Fines	(11,336)	100,807	728,592	-	-	-	-	-	818,063
Government transfers - Canada	54,634	-	-	-	-	-	253,804	-	308,438
Government transfers - Ontario	242,479	-	2,930	-	-	1,044,807	84,286	10,409	1,384,911
Deferred revenue earned	32,000	-	160,000	-	-	-	10,000	-	202,000
Land sales and other	183,719	(848,939)	278,806	(40,807)	425,230	-	2,165,705	4,801,696	6,965,410
<b>Total revenue</b>	<b>35,579,957</b>	<b>28,715,648</b>	<b>14,257,551</b>	<b>65,800,959</b>	<b>1,785,376</b>	<b>1,883,196</b>	<b>29,578,479</b>	<b>9,183,265</b>	<b>186,784,431</b>
<b>Operating Expenses</b>									
Salaries, wages and employee benefits	18,124,056	24,977,407	8,414,693	5,915,721	1,165,503	1,455,767	16,312,844	3,357,785	79,723,776
Long term debt charges	97,933	-	211,834	138,991	-	-	532,985	-	981,743
Materials	6,975,719	2,501,448	6,151,581	3,348,842	63,871	179,735	5,149,407	435,277	24,805,880
Contracted services	3,776,897	1,676,498	2,773,205	36,585,406	124,422	141,146	3,476,090	558,559	49,112,223
Rents and financial expenses	5,661,979	132,278	216,190	1,539,272	-	-	29,675	68,287	7,647,681
External transfers	933,378	-	4,700	-	-	-	1,729,043	628,081	3,295,202
Amortization of tangible capital assets	2,725,057	573,203	4,931,636	6,544,177	35,176	-	5,499,282	-	20,308,531
Interfunctional adjustments	(6,472,308)	152,746	(294,473)	5,564,130	180,521	5,049	910,297	(45,962)	-
<b>Total expenses</b>	<b>31,822,711</b>	<b>30,013,580</b>	<b>22,409,366</b>	<b>59,636,539</b>	<b>1,569,493</b>	<b>1,781,697</b>	<b>33,639,623</b>	<b>5,002,027</b>	<b>185,875,036</b>
<b>Net income (expenses) before other income</b>	<b>\$ 3,757,246</b>	<b>\$ (1,297,932)</b>	<b>\$ (8,151,815)</b>	<b>\$ 6,164,420</b>	<b>\$ 215,883</b>	<b>\$ 101,499</b>	<b>\$ (4,061,144)</b>	<b>\$ 4,181,238</b>	<b>\$ 909,395</b>

### FOR THE YEAR ENDED DECEMBER 31, 2018 (NOTE 15)

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Total
<b>Revenue</b>									
Taxation	\$ 26,121,590	\$ 24,280,905	\$ 11,400,416	\$ 897,362	\$ 322,581	\$ 433,564	\$ 21,262,930	\$ 3,264,739	\$ 87,984,087
User fees and charges	2,300,578	4,328,566	2,267,173	63,360,642	926,756	464,157	4,092,134	887,224	78,627,230
Penalties and interest on taxes	2,614,718	-	-	-	-	-	-	-	2,614,718
Investment income	3,017,201	-	-	-	-	-	-	-	3,017,201
Fines	482	191,999	1,240,848	-	-	-	-	-	1,433,329
Government transfers - Canada	37,397	-	-	3,360	-	-	101,568	-	142,325
Government transfers - Ontario	185,300	-	7,500	-	-	1,019,020	231,543	74,638	1,518,001
Deferred revenue earned	-	-	153,200	-	-	-	-	-	153,200
Land sales and other	221,019	-	(68,425)	342,156	320,059	-	1,055,357	2,712,472	4,582,638
<b>Total revenue</b>	<b>34,498,285</b>	<b>28,801,470</b>	<b>15,000,712</b>	<b>64,603,520</b>	<b>1,569,396</b>	<b>1,916,741</b>	<b>26,743,532</b>	<b>6,939,073</b>	<b>180,072,729</b>
<b>Operating Expenses</b>									
Salaries, wages and employee benefits	20,521,062	23,579,984	8,581,833	5,991,309	1,068,546	1,506,783	15,086,337	3,079,074	79,414,928
Long term debt charges	105,644	-	241,787	155,957	-	-	586,714	-	1,090,102
Materials	5,321,056	2,677,189	5,023,504	4,862,407	65,531	157,511	5,610,693	865,546	24,583,437
Contracted services	3,195,383	796,566	2,611,454	34,916,626	96,790	190,338	3,563,411	376,111	45,746,679
Rents and financial expenses	1,796,403	132,278	178,188	230,306	-	-	28,405	26,911	2,392,491
External transfers	468,319	-	4,700	-	-	-	1,644,086	1,069,303	3,186,408
Amortization of tangible capital assets	2,380,162	408,016	4,594,250	5,726,957	30,949	-	3,444,953	-	16,585,287
Interfunctional adjustments	(6,518,745)	203,900	(386,360)	6,054,996	189,462	8,100	423,352	25,295	-
<b>Total expenses</b>	<b>27,269,284</b>	<b>27,797,933</b>	<b>20,849,356</b>	<b>57,938,558</b>	<b>1,451,278</b>	<b>1,862,732</b>	<b>30,387,951</b>	<b>5,442,240</b>	<b>172,999,332</b>
<b>Net income (expenses) before other income</b>	<b>\$ 7,229,001</b>	<b>\$ 1,003,537</b>	<b>\$ (5,848,644)</b>	<b>\$ 6,664,962</b>	<b>\$ 118,118</b>	<b>\$ 54,009</b>	<b>\$ (3,644,419)</b>	<b>\$ 1,496,833</b>	<b>\$ 7,073,397</b>

## GENERAL STATISTICS

	2019	2018	2017	2016	2015
<b>Population</b> at the end of the year*	136,810	135,060	133,900	129,920	134,900
<b>Area</b> in acres at the end of the year*	28,556	28,556	28,556	28,556	28,556
<b>Employees</b> - continuous full-time positions**	646	643	610	609	608
Number of households*	49,920	49,160	48,640	48,235	48,700
Value of permits	456,879,030	235,851,648	387,235,986	356,417,228	185,099,268
<b>Building permits issued:*</b>					
Residential properties (6 units or less)	1,198	623	500	386	247
Multi-residential properties (7 units or more)	5	162	3	12	5
All other property classes	439	185	569	961	1,023
<b>Total number of building permits issued</b>	<b>1,642</b>	<b>970</b>	<b>1,072</b>	<b>1,359</b>	<b>1,275</b>

\* Source: Development & Infrastructure Department, City of Cambridge.

\*\* Source: Corporate Services Department, City of Cambridge. Positions are stated in either full time or part time equivalents.

## TAXATION STATISTICS

Taxable assessments (thousand dollars)	2019	2018	2017	2016	2015
Residential, multi residential & farm	\$ 14,472,582	\$ 14,228,810	\$ 14,061,956	\$ 12,014,400	\$ 11,569,032
Commercial - all classes	2,635,635	2,618,501	2,585,768	2,178,299	2,122,959
Industrial - all classes	911,268	896,838	917,196	863,330	831,295
Pipeline & managed forests	34,634	34,239	34,026	29,970	29,359
<b>Total taxable assessments</b>	<b>\$ 18,054,119</b>	<b>\$ 17,778,388</b>	<b>\$ 17,598,946</b>	<b>\$ 15,085,999</b>	<b>\$ 14,552,645</b>

Taxes receivable	2019	2018	2017	2016	2015
Taxes receivable, beginning of year	\$ 17,025,989	\$ 15,624,234	\$ 19,036,695	\$ 18,787,087	\$ 22,597,491
Plus:					
Amounts added to tax bills for collection purposes only	2,840,634	2,142,595	2,134,119	2,496,174	2,259,257
Tax amounts levied in the year	285,400,845	277,440,284	268,428,961	259,710,383	253,039,388
Current year penalties & interest	2,978,059	2,614,718	3,020,865	2,957,432	4,485,310
Adjustment for allowance	-	-	1,267,419	-	-
Less:					
Total cash collections	286,508,812	277,217,824	272,115,054	259,368,735	260,419,467
Tax adjustments before allowances	3,719,857	3,951,904	6,530,299	5,900,565	3,298,120
Tax adjustments not applied to taxation	(362,422)	(373,886)	(381,528)	(354,919)	(123,228)
<b>Taxes receivable, end of year</b>	<b>\$ 18,379,280</b>	<b>\$ 17,025,989</b>	<b>\$ 15,624,234</b>	<b>\$ 19,036,695</b>	<b>\$ 18,787,087</b>

Tax levy	2019	2018	2017	2016	2015
City of Cambridge	\$ 89,563,226	\$ 86,267,469	\$ 81,715,780	\$ 78,651,305	\$ 75,632,732
Region of Waterloo	126,879,126	121,431,155	116,900,478	112,777,470	109,019,998
Education	65,667,071	65,243,477	65,738,213	65,214,391	64,728,234
<b>Total tax levy</b>	<b>\$ 282,109,424</b>	<b>\$ 272,942,101</b>	<b>\$ 264,354,471</b>	<b>\$ 256,643,166</b>	<b>\$ 249,380,963</b>

Tax arrears	2019	2018	2017	2016	2015
Tax arrears per capita	134.3	126.1	116.7	146.5	139.3
Percentage of current levy	6.44%	6.14%	5.82%	7.33%	7.42%



## PRINCIPAL CORPORATE TAXPAYERS

Principal corporate taxpayers	2019 Assessed value
Toyota Motor Manufacturing	\$ 202,812,411
Devcam Properties Ltd.	\$ 178,335,001
Bridgcam Shopping Centres	\$ 165,889,250
CP Reit Ont Prop Ltd Trustee	\$ 83,350,000
Waterloo Regional	\$ 65,424,125
Lena Crescent Holdings Inc.	\$ 57,386,364
Centurion Apartment	\$ 40,701,250
Killam Investments Inc.	\$ 40,475,503
Riocan Holdings Inc.	\$ 40,169,501
TSO ATL-TOR Propco GP, LLC	\$ 39,454,700

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2019	2018	2017	2016	2015
<b>Financial assets</b>					
Cash & cash equivalents	\$ 60,544,881	\$ 73,142,262	\$ 75,951,586	\$ 48,509,280	\$ 47,621,068
Taxes & grants-in-lieu	18,379,281	17,025,989	15,624,234	19,036,695	18,787,087
Trade & other receivables	16,646,298	14,817,977	15,974,045	14,897,363	12,533,911
Land held for resale	-	6,519,669	11,440,366	13,940,682	13,423,828
Investments	208,854,563	158,913,979	154,327,582	149,613,243	148,512,302
	<b>304,425,023</b>	<b>270,419,876</b>	<b>273,317,813</b>	<b>245,997,263</b>	<b>240,878,196</b>
<b>Liabilities</b>					
Accounts payable & accrued liabilities	34,693,309	33,892,732	45,194,599	31,739,139	32,293,484
Employee future benefits	71,305,417	69,148,342	67,204,799	64,942,725	60,636,966
Deferred revenue	46,382,341	33,194,696	32,392,490	30,346,557	28,583,426
Long-term debt	41,576,835	35,379,063	39,800,762	26,178,753	21,710,155
	<b>193,957,902</b>	<b>171,614,833</b>	<b>184,592,650</b>	<b>153,207,174</b>	<b>143,224,031</b>
<b>Net financial assets</b>	<b>110,467,121</b>	<b>98,805,043</b>	<b>88,725,163</b>	<b>92,790,089</b>	<b>97,654,165</b>
<b>Non-financial assets</b>					
Tangible capital assets	623,367,616	618,359,304	590,690,703	560,670,532	540,694,384
Inventories of supplies	763,188	867,491	508,035	533,012	867,236
Prepaid expenses	1,497,335	1,013,304	1,655,589	1,216,740	885,090
	<b>625,628,139</b>	<b>620,240,099</b>	<b>592,854,327</b>	<b>562,420,284</b>	<b>542,446,710</b>
<b>Accumulated surplus</b>	<b>\$ 736,095,260</b>	<b>\$ 719,045,142</b>	<b>\$ 681,579,490</b>	<b>\$ 655,210,373</b>	<b>\$ 640,100,875</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION STATISTICS

Tangible capital assets - net book value	2019	2018	2017	2016	2015
<b>Net book value</b>					
Land	\$ 94,465,880	\$ 91,946,840	\$ 91,946,840	\$ 90,054,844	\$ 89,638,236
Land improvements	44,428,281	43,195,024	45,100,848	46,831,070	37,135,238
Buildings	103,232,257	83,091,414	86,588,734	88,625,522	91,241,989
Leasehold improvements	3,614,883	3,430,661	3,576,153	3,721,644	3,867,136
Infrastructure	299,975,078	260,732,714	239,430,609	244,095,043	209,762,636
Information technology	8,400,386	6,942,880	565,881	372,487	581,894
Machinery & equipment	11,734,398	4,043,148	2,752,648	3,228,390	3,264,325
Vehicles	9,381,142	6,714,583	6,902,247	8,037,547	8,231,221
Assets under construction	48,135,311	118,262,040	113,826,743	75,703,985	96,971,709
<b>Net book value</b>	<b>\$ 623,367,616</b>	<b>\$ 618,359,304</b>	<b>\$ 590,690,703</b>	<b>\$ 560,670,532</b>	<b>\$ 540,694,384</b>

Tangible capital assets - activity	2019	2018	2017	2016	2015
<b>Additions &amp; disposals</b>					
Assets - beginning of year	837,949,395	800,681,534	795,927,175	735,495,736	690,737,371
Additions	96,706,854	40,161,306	6,568,595	61,731,413	46,900,609
Disposals & write downs	(5,024,882)	(2,893,445)	(1,814,236)	(1,299,974)	(2,142,244)
<b>Assets - end of year</b>	<b>\$ 929,631,367</b>	<b>\$ 837,949,395</b>	<b>\$ 800,681,534</b>	<b>\$ 795,927,175</b>	<b>\$ 735,495,736</b>

<b>Accumulated amortization</b>					
Accumulated amortization - beginning of year	337,852,131	323,817,574	310,960,628	291,773,061	276,763,819
Current year expense	20,308,531	16,585,287	14,634,716	20,357,745	16,784,868
Accumulated amortization on disposals	(3,761,600)	(2,550,730)	(1,777,770)	(1,170,178)	(1,775,626)
<b>Accumulated amortization - end of year</b>	<b>\$ 354,399,062</b>	<b>\$ 337,852,131</b>	<b>\$ 323,817,574</b>	<b>\$ 310,960,628</b>	<b>\$ 291,773,061</b>

<b>Assets under construction</b>	<b>\$ 48,135,311</b>	<b>\$ 118,262,040</b>	<b>\$ 113,826,743</b>	<b>\$ 75,703,985</b>	<b>\$ 96,971,709</b>
<b>Net book value</b>	<b>\$ 623,367,616</b>	<b>\$ 618,359,304</b>	<b>\$ 590,690,703</b>	<b>\$ 560,670,532</b>	<b>\$ 540,694,384</b>

Long-term debt	2019	2018	2017	2016	2015
<b>Outstanding debt by function</b>					
Roads	\$ 7,735,276	\$ 6,586,284	\$ 7,620,289	\$ 5,040,864	\$ 5,023,684
Program Support	4,648,620	5,273,517	5,890,345	6,500,000	
Parking	1,029,609	1,273,003	1,442,260	1,609,438	1,775,000
Water distribution/transmission	13,220,342	5,462,815	6,189,046	6,901,246	7,601,581
Parks	1,697,920	1,825,418	2,021,897	498,699	550,000
Recreational facilities	1,783,588	2,959,786	4,102,925	5,215,505	6,299,891
Library	11,195,480	11,682,240	12,169,000	-	
Museums	266,000	316,000	365,000	413,000	460,000
<b>Total outstanding debt by function</b>	<b>\$ 41,576,835</b>	<b>\$ 35,379,063</b>	<b>\$ 39,800,762</b>	<b>\$ 26,178,752</b>	<b>\$ 21,710,155</b>

<b>Outstanding debt - tax levy vs. water and sewer user fees supported debt</b>					
Tax levy supported debt	28,356,493	29,916,248	33,611,716	19,277,507	14,108,574
Water and Sewer user fees supported debt	13,220,342	5,462,815	6,189,046	6,901,246	7,601,581
<b>Total outstanding debt - tax levy vs. water and sewer user fees supported debt</b>	<b>\$ 41,576,835</b>	<b>\$ 35,379,063</b>	<b>\$ 39,800,762</b>	<b>\$ 26,178,753</b>	<b>\$ 21,710,155</b>

<b>Long-term debt per capita</b>					
Population at the end of the year	136,810	135,060	133,900	129,920	134,900
<b>Total Long-term debt per capita</b>	<b>\$ 304</b>	<b>\$ 262</b>	<b>\$ 297</b>	<b>\$ 201</b>	<b>\$ 161</b>

<b>Principal payments</b>					
Tax levy supported debt	3,765,755	3,695,468	2,809,791	2,081,068	1,612,201
Water and Sewer user fees supported debt	742,473	726,231	712,200	700,334	402,387
<b>Total principal payments</b>	<b>\$ 4,508,228</b>	<b>\$ 4,421,699</b>	<b>\$ 3,521,991</b>	<b>\$ 2,781,402</b>	<b>\$ 2,014,588</b>

<b>Interest payments</b>					
Tax levy supported debt	842,752	934,145	485,608	408,161	347,189
Water and Sewer user fees supported debt	138,991	155,957	170,772	183,510	82,608
<b>Total interest payments</b>	<b>\$ 981,743</b>	<b>\$ 1,090,102</b>	<b>\$ 656,380</b>	<b>\$ 591,671</b>	<b>\$ 429,798</b>

Legal debt limit	2019	2018	2017	2016	2015
Estimated annual repayment limit*	\$ 41,343,658	\$ 39,296,077	\$ 37,292,832	\$ 35,760,022	\$ 34,934,245

\* The debt limit is based on the Financial Information Return.

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

Revenue by source	2019	2018	2017	2016	2015
Taxation	\$ 90,463,238	\$ 87,984,087	\$ 82,731,507	\$ 79,228,209	\$ 77,257,657
User fees & charges	81,071,814	78,627,230	74,596,561	74,180,057	68,909,763
Penalties & interest on taxes	2,978,059	2,614,718	3,020,865	2,957,433	3,090,288
Investment income	2,592,498	3,017,201	1,123,204	882,517	891,577
Fines	818,063	1,433,329	1,151,089	1,080,487	1,153,798
Government transfers - Canada	308,438	142,325	78,156	72,000	72,000
Government transfers - Ontario	1,384,911	1,518,001	1,394,908	1,457,149	1,499,141
Deferred revenue earned	202,000	153,200	195,500	190,700	929,748
Land sales & other	6,965,410	4,582,638	4,767,980	3,449,664	3,414,026
<b>Total revenues</b>	<b>\$ 186,784,431</b>	<b>\$ 180,072,729</b>	<b>\$ 169,059,770</b>	<b>\$ 163,498,216</b>	<b>\$ 157,217,998</b>

### Other income

Grants & transfers related to capital					
Deferred revenue earned	3,757,934	7,855,922	6,853,416	1,438,568	3,115,027
Government transfers - Ontario	58,509	1,572,632	-	-	-
Government transfers - Federal	4,225,780	6,579,991	4,421,010	6,127,352	5,119,426
Donated tangible capital assets	675,000	6,524,773	2,588,156	15,990,209	12,542,520
Share of net income for the year from Cambridge & North Dumfries Energy Plus Inc.	6,219,084	6,344,460	7,302,609	5,903,610	5,571,129
Interest earned on reserves	1,204,416	1,514,477	1,254,021	1,210,129	1,208,790
<b>Total other income</b>	<b>\$ 16,140,723</b>	<b>\$ 30,392,255</b>	<b>\$ 22,419,212</b>	<b>\$ 30,669,868</b>	<b>\$ 27,556,892</b>

<b>Total revenues &amp; other income</b>	<b>\$ 202,925,154</b>	<b>\$ 210,464,984</b>	<b>\$ 191,478,982</b>	<b>\$ 194,168,084</b>	<b>\$ 184,774,890</b>
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Expenses by function	2019	2018	2017	2016	2015
Salaries, wages & employee benefits	\$ 79,723,776	\$ 79,414,928	\$ 76,066,484	\$ 72,853,444	\$ 70,992,112
Long-term debt charges	981,743	1,090,102	656,380	591,671	429,798
Materials	24,805,880	24,583,437	27,400,915	62,912,838	42,689,993
Contracted services	49,112,223	45,746,679	41,749,650	18,356,572	33,897,607
Rents & financial expenses	7,647,681	2,392,491	451,306	264,579	234,751
External transfers	3,295,202	3,186,408	4,150,414	2,251,805	2,001,562
Amortization of tangible capital assets	20,308,531	16,585,287	14,634,716	20,357,745	16,784,868
<b>Total expenses by function</b>	<b>\$ 185,875,036</b>	<b>\$ 172,999,332</b>	<b>\$ 165,109,865</b>	<b>\$ 177,588,654</b>	<b>\$ 167,030,690</b>

Expenses by object	2019	2018	2017	2016	2015
General government	\$ 31,822,711	\$ 27,269,284	\$ 26,770,839	\$ 25,001,480	\$ 22,398,367
Protection to persons & property	30,013,580	27,797,933	25,660,531	25,452,248	25,156,955
Transportation services	22,409,366	20,849,356	19,132,800	24,298,127	22,609,197
Environmental services	59,636,539	57,938,558	54,462,792	63,714,869	57,485,116
Health services	1,569,493	1,451,278	1,434,431	1,363,943	1,345,081
Social & family services	1,781,697	1,862,732	2,266,070	2,507,508	2,556,984
Recreation & cultural services	33,639,623	30,387,951	31,371,017	31,186,689	31,743,288
Planning & development	5,002,027	5,442,240	4,011,385	4,063,790	3,735,702
<b>Total expenses by object</b>	<b>\$ 185,875,036</b>	<b>\$ 172,999,332</b>	<b>\$ 165,109,865</b>	<b>\$ 177,588,654</b>	<b>\$ 167,030,690</b>

Annual surplus	2019	2018	2017	2016	2015
Annual surplus	\$ 17,050,118	\$ 37,465,652	\$ 26,369,117	\$ 16,579,430	\$ 17,744,200



## ACCUMULATED SURPLUS, RESERVES, AND RESERVE FUNDS

Reserve funds	2019	2018	2017	2016	2015
Capital Works	5,434,953	3,733,242	3,076,443	1,757,184	1,799,597
Capital Works Debt Retirement	970,988	1,837,744	1,341,598	2,184,833	840,077
Capital Works Committed	1,166,622	1,955,399	1,885,588	2,627,786	2,467,762
Wastewater Capital	8,846,916	12,170,642	13,020,069	12,457,872	7,643,977
Wastewater Rate Stabilization	3,219,358	3,225,076	3,062,005	2,922,682	2,802,850
Water System Capital	9,397,207	7,571,308	3,582,717	2,275,624	2,624,417
Water Rate Stabilization	3,398,519	3,420,016	3,253,104	1,998,224	974,871
Heritage Conservation	69,147	72,065	70,655	1,641,262	1,593,498
Cemetery	525,681	756,676	745,150	544,813	296,621
Equipment	4,305,109	3,461,349	3,279,871	3,225,192	2,700,250
Water Meter Replacement	-	2,258,155	1,957,583	1,642,191	2,080,479
Facility Maintenance	4,398,737	4,620,874	2,853,361	1,656,106	1,155,884
Archives	39,209	38,786	38,022	37,286	36,522
Election	272,101	188,652	406,436	298,925	192,894
Winter Reg Road Maintenance	-	140,347	137,581	134,918	132,154
Winter Maintenance	22,326	128,426	39,906	43,110	229,145
Sports Field Revitalization	-	431,317	367,397	248,781	241,712
Soccer Facility Capital	216,334	182,770	166,591	136,934	173,757
Library	694,809	697,564	683,820	661,815	564,033
Public Art	192,076	135,507	79,919	78,372	48,903
Legal	-	41,078	40,269	830	70,260
Energy Conservation	1,590,807	1,447,818	1,308,541	1,220,042	946,519
Economic Development	10,594,263	19,442,300	12,584,250	10,771,990	11,495,150
Cash in Lieu of Parking	25,322	25,049	24,555	24,080	23,587
Self Insurance	2,183,498	2,261,423	2,194,908	2,265,718	2,199,878
Future Employee Benefits	10,442,213	10,118,352	9,727,020	10,121,707	9,677,873
Workplace Safety and Insurance	2,540,818	2,348,869	2,223,760	2,417,133	2,301,796
Affordable Housing	17,045	-	-	-	-
Replacement Tree Planting	129,572	-	-	-	-
Municipal Accommodation Tax	161,086	-	-	-	-
Core Areas Transformation	20,133,532	-	-	-	-
Jacob Hespeler Field Capital	226,834	-	-	-	-
<b>Total reserve funds</b>	<b>\$ 91,215,082</b>	<b>\$ 82,710,804</b>	<b>\$ 68,151,120</b>	<b>\$ 63,395,410</b>	<b>\$ 55,314,464</b>

Reserves	2019	2018	2017	2016	2015
Hydro Dividend Stabilization	2,049,432	1,239,003	1,182,725	1,899,439	2,944,698
Training and Development	-	697,486	927,786	1,256,856	1,255,082
Contaminated Sites Grant Program	547,980	497,980	447,980	559,980	509,980
Building Revitalization Program	218,950	301,022	411,390	353,381	350,031
Rate Stabilization	3,222,606	3,267,310	3,197,496	2,988,205	2,928,022
<b>Total reserves</b>	<b>\$ 6,038,968</b>	<b>\$ 6,002,801</b>	<b>\$ 6,167,377</b>	<b>\$ 7,057,861</b>	<b>\$ 7,987,813</b>
<b>Total reserves &amp; reserve funds</b>	<b>\$ 97,254,050</b>	<b>\$ 88,713,605</b>	<b>\$ 74,318,497</b>	<b>\$ 70,453,271</b>	<b>\$ 63,302,277</b>

Accumulated surplus	2019	2018	2017	2016	2015
Reserves & reserve funds	\$ 97,254,050	\$ 88,713,605	\$ 74,318,497	\$ 70,453,271	\$ 63,302,277
Invested in tangible capital assets	623,367,616	618,359,304	590,690,703	560,670,532	540,694,384
Invested in repair & replacement of assets	35,877,954	16,893,410	27,864,040	21,743,958	29,015,787
Invested in Government Business Enterprise	89,241,216	86,176,128	83,521,652	79,236,333	75,879,960
Sanitary Sewage Systems	862,490	2,096,880	(24,849)	-	-
Water Supply System	711,999	578,608	(3,078)	-	-
General revenue fund	969,225	4,108,390	581,241	209,288	60,184
Library board	620,111	115,785	102,644	4,083	6,789
Business improvements areas	72,851	10,768	93,835	73,704	64,787
Land held for resale	-	6,519,669	11,440,366	13,940,682	13,423,828
Amounts to be recovered					
Employee benefits and post-employment liabilities	(71,305,417)	(69,148,342)	(67,204,799)	(64,942,725)	(60,636,966)
Long-term debt	(41,576,835)	(35,379,063)	(39,800,762)	(26,178,753)	(21,710,155)
<b>Accumulated surplus</b>	<b>\$ 736,095,260</b>	<b>\$ 719,045,142</b>	<b>\$ 681,579,490</b>	<b>\$ 655,210,373</b>	<b>\$ 640,100,875</b>

2019

# ANNUAL REPORT

2019



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