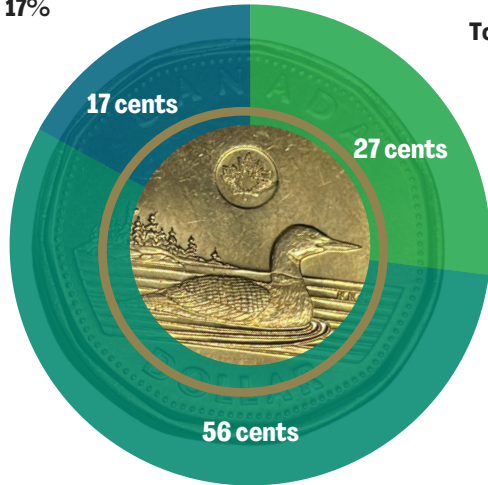


BUDGET GUIDE

School Boards
17%



County of Wellington
56%



LONG TERM BUDGET GOALS

MAINTAIN ASSETS

Keep the Town's assets such as roads, bridges, buildings in a state of good repair



Roads and Bridges



Buildings



Vehicles

CUSTOMER
=Service=



INVEST IN THE COMMUNITY

Improve and increase services to keep up with growth

INVEST FOR THE TOWN'S FUTURE

Put aside funds to pay for future needs and improvements



OPERATING VS CAPITAL BUDGET

OPERATING BUDGET

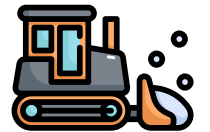
Operating budgets are for day-to-day expenses to keep the Town's operations running. They include expenditures such as salaries, maintenance contracts and office expenses, and revenues from user fees. The Operating Budget includes projected revenues and expenditures for the year.



Utilities



Maintenance



Snow removals

CAPITAL BUDGET

Capital budgets are long-term and reflect an investment in the future of the town. They include the costs of purchase, construction, major repair, replacement and renewal of assets such as roads, bridges, buildings, equipment and technology.



Infrastructure Renewal and Replacement

IMPACT OF CAPITAL BUDGET ON THE OPERATING BUDGET

Assets have a useful life beyond one year.

After the initial purchase of an asset, which comes out of the Capital Budget, it is put into use. The asset then incurs operating costs.

As these assets wear down, money must be allocated from the Operating Budget each year to pay for regular maintenance, and some money is also set aside into the Capital Budget for repairs and replacement.

Examples:



- Recreation centres require staff (facility operators)
- Buildings require utilities such as lights, heat and electricity



- Equipment requires staff to run it and often needs electricity or fuel
- The assets need to be maintained in a state of good repair



- And, as they are used, assets eventually wear down or become obsolete

ONGOING VS ONE-TIME COSTS

ONGOING COSTS

ONGOING costs are continual and extend beyond the current year.

- Examples include: staff salaries, fuel, maintenance contracts
- Funding for ongoing costs must be sustainable and from ongoing revenue streams (e.g. property taxes)
- Cannot be sustained by funding from one-time surpluses
- Included in the base budget

ONE-TIME COSTS

ONE-TIME costs occur once and do not continue beyond the current year.

- Examples include a one-time purchase would be hiring a third party expert for a specific service or relocation of offices
- It may be funded from a reserve or an annual operating surplus
- Not part of the base budget

YOUR TAX DOLLAR

DISTRIBUTION OF YOUR TAX DOLLARS

17 cents - School Boards

56 cents - County of Wellington

27 cents - Town of Erin

