

Five-year Financial Review of

**THE CORPORATION  
OF THE CITY OF WATERLOO**

Year ended December 31, 2018



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## INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of  
The Corporation of the City of Waterloo

We have audited the consolidated financial statements of The Corporation of the City of Waterloo, which comprise the consolidated statement of financial position as at December 31, 2018, the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information prepared in accordance with Canadian public sector accounting standards and expressed an unmodified opinion on the consolidated financial statements on July 4, 2019.

### *Opinion*

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included in the following section is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Canada  
July 23, 2019

# THE CORPORATION OF THE CITY OF WATERLOO

## Five-year financial review

December 31, 2018, with comparative information for the preceding four years

	2018	2017	2016	2015	2014
	\$	\$	\$	\$	\$
Population at the end of the year	139,490	137,420	137,834	135,596	133,395
Area in acres at the end of the year	16,500	16,500	16,500	16,500	16,500
Employees:					
Continuous full time	602	602	586	587	567
Part time	543	463	550	568	556
Number of households	44,710	43,890	43,712	43,002	42,463
Assessment (\$'000):					
Taxable assessment upon which the year's rates of taxation were set:					
Residential and farm	15,486,079	14,344,596	13,647,096	12,826,100	12,035,281
Commercial and industrial	2,877,174	2,647,281	2,448,165	2,386,058	2,308,944
	18,363,253	16,991,877	16,095,261	15,212,158	14,344,225
Per capita	\$ 131,646	\$ 123,649	\$ 116,773	\$ 112,187	\$ 107,532
Non-residential as a percentage of weighted taxable assessment	26%	25%	25%	26%	26%
Exempt assessment (\$'000)	1,327,987	1,265,109	1,239,822	1,176,899	1,046,504
Assessment Growth (%)	1.49%	3.89%	1.93%	1.75%	1.86%
Rate of taxation:					
Residential tax rate for:					
General municipal purposes	0.332798%	0.339706%	0.344856%	0.349805%	0.357465%
Regional purposes	0.605048%	0.611472%	0.613590%	0.614888%	0.618746%
School board purposes	0.170000%	0.179000%	0.188000%	0.195000%	0.203000%
Tax arrears:					
Per capita	94	82	50	56	58
Percentage of current levy	5.08%	4.31%	2.79%	3.25%	3.41%

# THE CORPORATION OF THE CITY OF WATERLOO

Five-year financial review, continued

Year ended December 31, 2018, with comparative information for the preceding four years

	2018	2017	2016	2015	2014
	\$	\$	\$	\$	\$
Net long-term liabilities (\$'000):					
General municipal activities	50,982	52,492	50,293	52,053	53,653
Non-tax supported	9,855	11,489	13,237	14,938	16,595
Total debt	60,837	63,981	63,530	66,991	70,248
Total debt per capita	436	466	461	494	527
Total debt for general municipal activities per capita	365	382	365	384	402
Charges for net long-term liabilities: (\$'000)					
General municipal activities	5,961	5,411	5,365	5,318	6,196
Non-tax supported	1,957	2,108	2,092	2,075	1,001
Total debt charges (principal and interest)	7,918	7,519	7,457	7,393	7,197
Debt charges for general municipal activities per capita	43	39	39	39	46
Revenue for general municipal services: (\$'000)					
Taxation	74,224	70,073	66,613	64,475	62,497
Payments-in-lieu of taxes	2,234	2,167	1,941	1,951	1,978
Conditional grants	10,063	8,317	5,666	5,420	5,719
Other municipalities	3,177	2,696	1,602	1,410	1,692
Fees and service charges	74,635	71,287	64,074	60,101	61,916
Municipal Hydro system	5,618	6,602	6,611	3,977	3,313
Investment Income	6,909	6,544	6,447	6,059	5,976
Other	10,929	26,648	22,268	16,669	11,649
Total revenue	187,789	194,334	175,222	160,062	154,740
Expenditures - general municipal by object (\$'000)					
Salaries, wages and benefits	73,556	69,715	67,746	65,728	61,388
Materials and services	68,915	63,252	61,900	57,033	53,989
Debenture interest	3,787	3,842	3,997	4,136	4,066
Other	1,097	711	744	674	670
Grants to not-for-profit organizations	1,568	1,393	1,913	3,303	3,038
Amortization	23,587	22,911	23,454	21,557	21,441
Operating	172,510	161,824	159,754	152,431	144,592
Expenditures - general municipal by function (\$'000)					
General government	9,207	9,208	9,700	6,086	4,541
Protection to persons and property	26,196	25,401	24,509	23,834	22,879
Transportation services	23,779	23,429	23,204	24,806	28,004
Environmental services	55,132	48,774	47,823	44,546	38,856
Health services	1,900	1,657	1,643	1,594	1,494
Social and family services	1,867	1,811	1,768	1,790	1,629
Recreation and cultural services	44,582	42,738	42,709	41,831	40,268
Planning and development	8,658	6,831	7,192	7,002	6,325
Other	1,189	1,975	1,206	942	596
Operating	172,510	161,824	159,754	152,431	144,592
Consolidated annual surplus (\$'000)	15,279	32,510	15,468	7,631	10,148

# THE CORPORATION OF THE CITY OF WATERLOO

Five-year financial review, continued

Year ended December 31, 2018, with comparative information for the preceding four years

	2018	2017	2016	2015	2014
	\$	\$	\$	\$	\$
Capital Additions (\$'000)	25,409	44,103	33,847	20,476	30,129
Accumulated Surplus (\$'000)					
End of year balances:					
For general reduction of taxation	2,170	2,549	2,457	2,259	4,459
For general reduction of user charges	-	28,349	20,928	14,155	11,415
Capital fund	64,595	56,364	55,660	50,926	39,702
Amounts to be recovered	(77,840)	(79,798)	(78,300)	(81,196)	(83,512)
Discretionary reserve funds	16,178	14,142	11,642	21,502	28,187
Reserves	54,154	25,093	25,891	29,179	28,869
Equity in Waterloo North Hydro Holding Corporation	101,196	98,634	95,088	91,050	89,501
Equity in tangible capital assets	707,795	707,634	687,092	677,115	678,738
Accumulated surplus	868,248	852,967	820,458	804,990	797,359