



2026 Township of Wilmot Municipal Budget Booklet

Appendix B: Budget Methodology

Township of Wilmot 2026 Municipal Budget – Appendix B

Overview

The 2026 Budget was developed using **zero-based budgeting principles**, an approach that builds the budget from the ground up rather than relying on prior-year spending as a starting point. Under this methodology, each expense is reviewed, justified based on current assumptions and underlying substantive information where relevant, and estimated based on current service needs, actual usage, and reliable data, ensuring that budget figures reflect today's realities rather than historical assumptions.

This approach places emphasis on:

- Reviewing **actual historical spending**,
- Identifying **drivers of cost** (such as usage, contractual obligations, and market conditions),
- Applying **evidence-based assumptions** to develop realistic and defensible projections for the year ahead.

Purpose of this Appendix

This appendix is intended to provide transparency into *how* budget figures are developed, without reproducing the full line-by-line operating budget in this document.

To illustrate the level of analysis and effort involved, this appendix includes **three representative operating line items**:

- Fuel
- Utilities
- Telephone and communications services

For each example, readers will see:

- Prior-year actual expenditures,
- Previous budget allocations,
- 2026 projected costs,
- The underlying assumptions used to develop the projection, including references to historical bills, usage data, contractual rates, and other relevant information.

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These examples are provided to demonstrate the rigor and detail behind the 2026 Budget, and to give insight into the analytical work undertaken by staff and external accounting support, while maintaining a concise and accessible budget document.

Example #1: 2026 Fleet Fuel Budget for Community Services

		2023		2024		2025		Proposed Budget 2026
General Ledger Account	Description	Prior Total Budget	Prior Total Actual	Previous Total Budget	Previous Total Actual	Current Total Budget	Current YTD Actual	
01-5000-3180	Fuel	\$1,500	\$1,769	\$1,800	\$2,321	\$1,800	\$1,624	\$1,800
01-7010-3180	Fuel	\$42,000	\$36,696	\$41,000	\$33,411	\$41,000	\$29,485	\$32,000 (including rental trucks)
01-7120-3180	Fuel	\$9,000	\$12,765	\$10,000	\$6,047	\$10,000	\$127	\$3,000 (electric Zambonis now)
		\$52,500	\$51,230	\$52,800	\$41,779	\$52,800	\$31,236	\$36,800

Past 3 years budgets and actual amounts were reviewed in detail as opposed to carrying forward PY budgeted amounts. Further, potential inflationary impact of gas prices was considered to understand if an adjustment would be required to top up the 2026 budgeted amount. Gas/fuel prices are expected to remain consistent in 2026 compared to 2025 (using independent information from the U.S. Energy Information Administration website).

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Example #2: 2026 Telephone Budget for Community Services

		2023		2024		2025		Proposed Budget 2026
General Ledger Account	Description	Prior Total Budget	Prior Total Actual	Previous Total Budget	Previous Total Actual	Current Total Budget	Current YTD Actual	
01-7000-3275	Telephone/ Cell Phone	\$2,750	\$2,748	\$2,750	\$2,809	\$2,750	\$2,764	\$2,000
01-7010-3275	Telephone/ Cell Phone	\$5,300	\$5,322	\$5,300	\$5,728	\$5,300	\$6,524	\$5,300
01-7110-3275	Telephone/ Cell Phone	\$1,750	\$1,908	\$1,800	\$2,017	\$1,800	\$1,845	\$2,150
01-7120-3275	Telephone/ Cell Phone	\$11,000	\$11,266	\$11,500	\$11,319	\$11,500	\$11,797	\$11,000
01-7142-3275	Telephone/ Cell Phone	\$800	\$868	\$800	\$943	\$800	\$906	\$1,000
01-7143-3275	Telephone/ Cell Phone	\$850	\$868	\$850	\$925	\$850	\$611	\$950
01-7144-3275	Telephone/ Cell Phone	\$1,300	\$1,358	\$1,350	\$1,442	\$1,350	\$1,420	\$1,500
01-7145-3275	Telephone/ Cell Phone	\$1,150	\$1,268	\$1,300	\$1,157	\$1,300	\$1,509	\$1,400
01-7147-3275	Telephone/ Cell Phone	\$750	\$835	\$800	\$829	\$800	\$787	\$900
01-7205-3275	Telephone/ Cell Phone	\$600	\$549	\$550	\$550	\$550	\$582	\$500
		\$26,250	\$26,990	\$27,000	\$27,719	\$27,000	\$28,745	\$26,700

To estimate the budgeted amount for telephone/cellphone expenses, past 3 years of budgeted and actual expenses were reviewed in detail to understand the trending of these expenses. Based on this detailed review, it was noted that historical budgets were reasonably consistent with actual expenses incurred in those years. Requirements for 2026 were also considered in addition to the service providers' (Rogers, Bell etc.) most recent, negotiated contract prices which, resulted in the estimate for 2026 to be consistent with prior years' budgeted and actual amounts.

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Example #3: Hydro Charges for Community Services

		2023		2024		2025		Proposed Budget 2026
General Ledger Account	Description	Prior Total Budget	Prior Total Actual	Previous Total Budget	Previous Total Actual	Current Total Budget	Current YTD Actual	
01-5000-3290	Hydro Charges	\$820	\$770	\$820	\$741	\$820	\$888	\$1,000
01-7002-3290	Hydro Charges	\$3,800	\$4,233	\$4,400	\$3,458	\$4,400	\$4,495	\$5,000
01-7006-3290	Hydro Charges	\$900	\$751	\$800	\$675	\$800	\$808	\$900
01-7009-3290	Hydro Charges	\$42,000	\$43,169	\$47,000	\$42,548	\$47,000	\$53,731	\$59,000
01-7010-3290	Hydro Charges	-	-	\$7,500	\$1,445	\$10,000	\$3,666	\$4,000
01-7110-3290	Hydro Charges	\$22,500	\$19,671	\$18,800	\$17,187	\$18,800	\$18,092	\$20,000
01-7120-3290	Hydro Charges	\$366,000	\$361,509	\$366,000	\$384,520	\$366,000	\$389,527	\$425,000
01-7141-3290	Hydro Charges	\$4,300	\$4,091	\$4,800	\$3,326	\$4,800	\$4,157	\$4,500
01-7142-3290	Hydro Charges	\$3,300	\$2,719	\$2,800	\$2,153	\$2,800	\$2,772	\$3,000
01-7143-3290	Hydro Charges	\$2,500	\$1,961	\$2,150	\$1,668	\$2,150	\$1,828	\$2,000
01-7144-3290	Hydro Charges	\$11,500	\$9,046	\$10,250	\$6,902	\$10,250	\$9,724	\$11,000
01-7145-3290	Hydro Charges	\$20,000	\$16,892	\$17,500	\$12,439	\$17,500	\$15,219	\$17,000
01-7146-3290	Hydro Charges	\$1,500	\$1,095	\$1,300	\$1,604	\$1,300	\$2,020	\$2,200
01-7147-3290	Hydro Charges	\$3,700	\$3,111	\$3,000	\$3,558	\$3,000	\$4,338	\$4,700
		\$482,820	\$469,018	\$487,120	\$482,224	\$489,620	\$511,265	\$559,300

To estimate the budgeted amount for hydro charges, past 3 years of budgeted and actual expenses were reviewed in detail to understand the trending of these expenses. Based on this detailed review, it was noted that historical budgets were reasonably consistent with actual expenses incurred in those years. Requirements for 2026 were also considered i.e. the expectation for hydro charges increase of 10%, in consultation with WattsWorth (<https://wattsworth.com/about>). The total amount was accordingly adjusted by 10% higher over historical data to estimate the 2026 budget for this category.