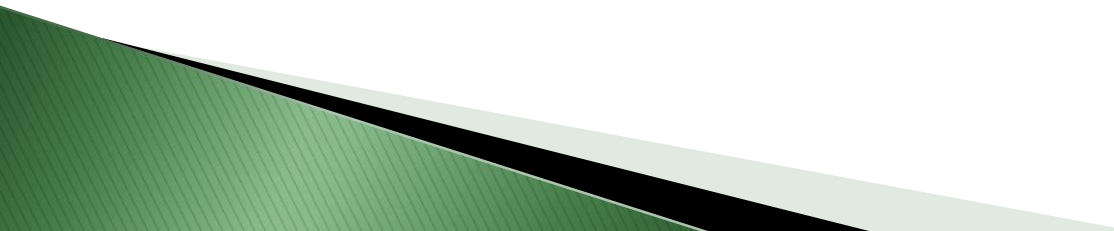


# Council's Role In Financial Management

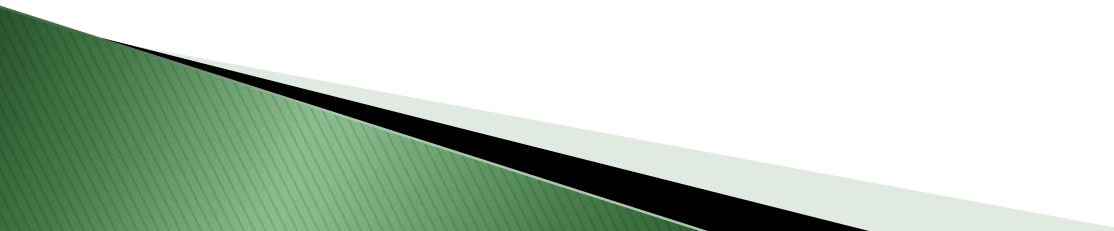
The Fiscal Context



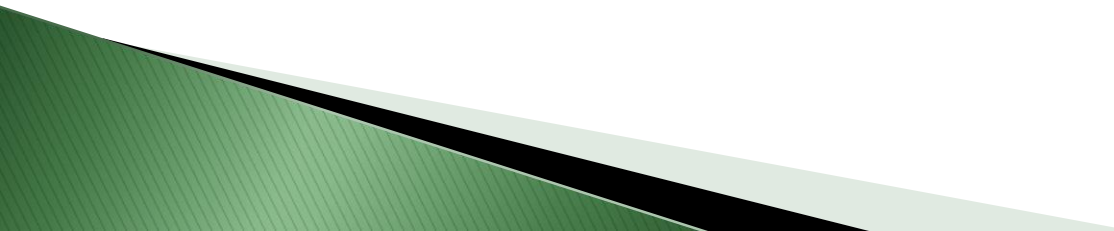
# Financial Management Includes:

- Planning and Budgeting
  - Monitoring
  - Reporting
- 

# Annual Financial Plan (Budget)

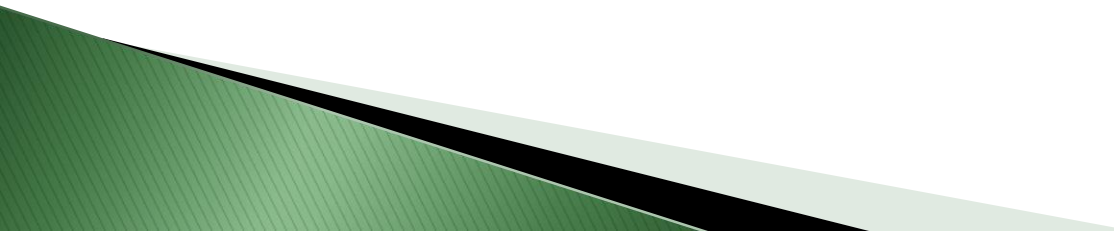
- Operating Budget
  - Capital Budget
  - Five Year Capital Expenditure Program
- 

# Critical Budget Decisions

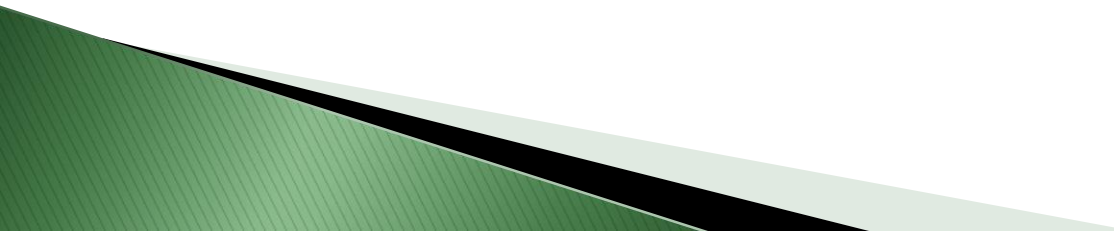
- Do expenditures reflect priorities?
  - Are services affordable and delivered efficiently and effectively?
  - Do tax levels reflect ability and willingness of residents and property owners to pay?
  - Are services sustainable?
- 

# Financial Plan Public Hearing

An opportunity for Council to present:

- Short and long term objectives and goals
  - Financial position of municipality
  - Operating and capital budget proposals
  - Tax impacts to individual property owners
- 

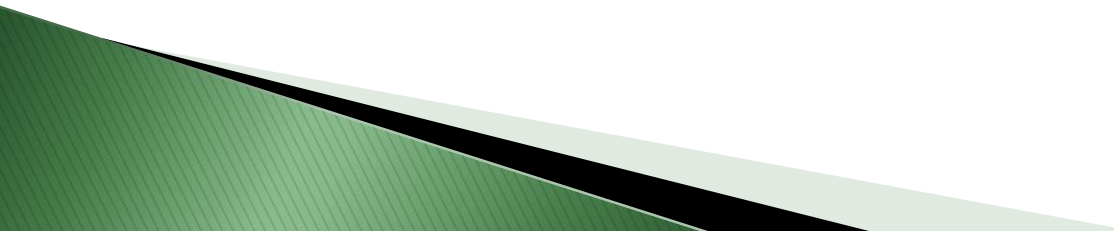
# Taxation

- Main source of revenue for most municipalities
  - Raised by applying a tax (mill) rate to the taxable assessment of properties
  - General municipal mill rate
  - Special service and local improvement taxes
- 

# Property Tax Level (Mill Rate)

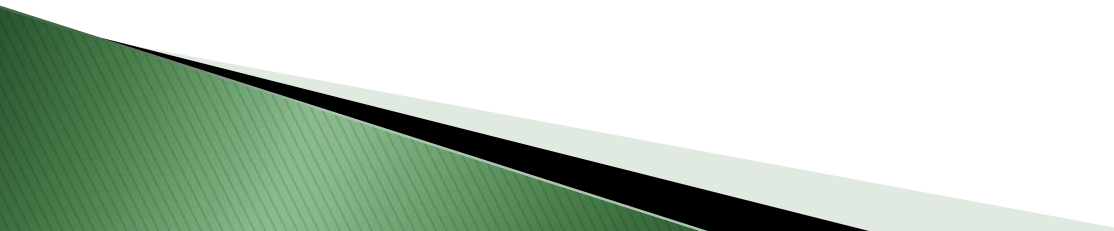
- 1 mill on \$1,000 portioned assessment = \$1
- Total expenditures / assessment x 1,000 = total municipal mill rate (for your municipality)
- Individual assessed value x mill rate / 1,000 = tax owed (per property)

# Capital Projects and Borrowing

- Prioritize
  - Partner with other municipalities
  - Consider the impacts
- 



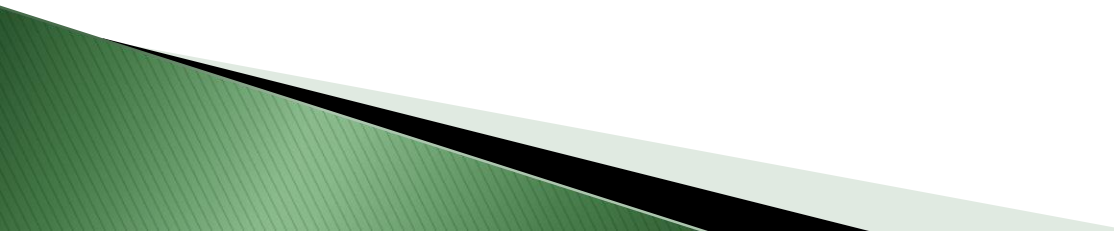
# Capital Projects and Borrowing

- ▶ Borrowing
  - ▶ Involve your citizens and property owners
  - ▶ The Municipal Board approval
- 

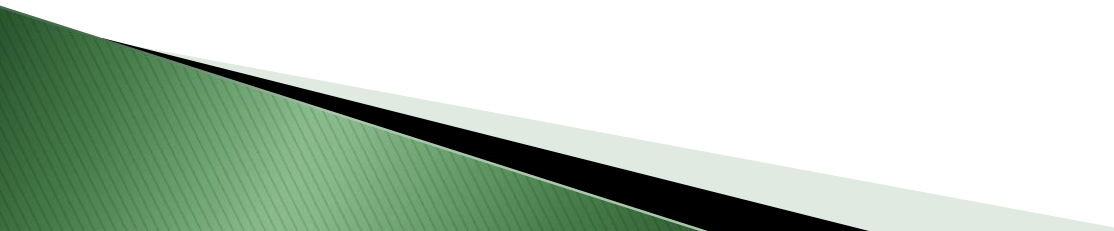
# Financial Monitoring:

- Financial reports:
  - Regular (monthly)
  - Easy to understand
- Policies:
  - Tendering and procurement
  - Expenditure authority
  - Collection of accounts

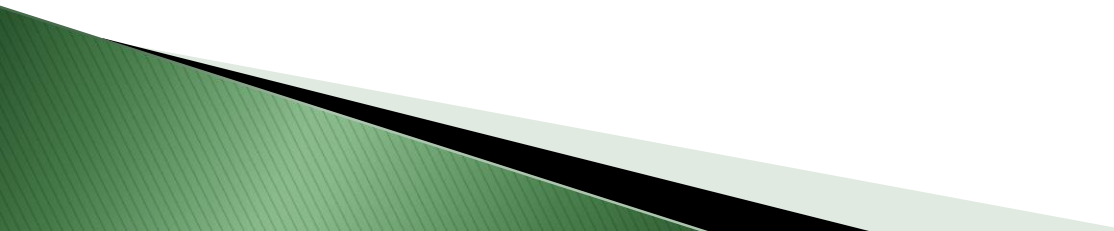
# Annual Financial Reporting

- Council's most important tool for reporting on the financial position of the municipality
  - Ensures accountability and transparency
  - Provides citizens the opportunity to compare actual year-end results with the financial plan
- 

# Auditor's Supplementary Report

- Identifies any problems the auditors encountered during the audit
  - If the report indicates that immediate action is required, Council must act
  - If Council does not act, the Minister may take action
- 

# Remember!

- Council is responsible for the financial position of the municipality
  - The financial plan should reflect Council's service and program priorities
  - Monitor the financial affairs of the municipality to ensure you are staying on course
  - Make sure your annual audited statements are received on time and available to the public
- 

**QUESTIONS?**