



**The Corporation of the Township of Tay  
Audit Committee Agenda  
March 27, 2019  
3:00 p.m.**

**Municipal Office – Council Chambers**

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**1. Call to Order:**

1.1 Appointment of Chair

**2. Acceptance of the Agenda:**

**3. Declarations of Pecuniary Interest:**

**4. Adoption of Minutes:**

**5. Correspondence:**

5.1 Auditor Engagement Letter

**6. New & Unfinished Business:**

6.1 Code of Conduct

6.2 Review of Terms of Reference

6.3 2017 Financial Indicator Review

6.4 Meeting Dates

6.5 Items for Future Meetings

**7. Adjournment & Next Meeting:**



# **PAHAPILL and ASSOCIATES Chartered Accountants**

## **Professional Corporation**

December 17, 2018

The Corporation of the Township of Tay  
450 Park Street  
P.O. Box 100  
Victoria Harbour Ontario L0K 2A0  
Attention: Members of Council

Dear Sir / Madam:

### **The Objective and Scope of the Audit**

You have requested that we audit the consolidated financial statements of The Corporation of the Township of Tay, which comprise the consolidated statement of financial position, as at December 31, 2018 and the consolidated statements of operations, the changes in its net financial assets and its cash flows for the year then ended, and notes to the consolidated financial statements (including a summary of significant accounting policies).

We are pleased to confirm our acceptance and our understanding of the nature, scope and terms of this audit engagement and all services related thereto, by means of this letter (the "Engagement").

The objectives of our audit 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 auditor's 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 these consolidated financial statements.

### **The Responsibilities of the Auditor**

We will conduct our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements. 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:

- a. 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.
- b. 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. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the consolidated financial statements that we have identified during the audit.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. 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 auditor's 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 auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- e. 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.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

## Form and Content of Audit Opinion

Unless unanticipated difficulties are encountered, our report will be substantially in the following form:

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### INDEPENDENT AUDITOR'S REPORT

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To the Members of council of The Corporation of the Township of Tay

#### Opinion

We have audited the consolidated financial statements of The Corporation of the Township of Tay (the Corporation), which comprise the consolidated statement of financial position as at December 31, 2018 and the consolidated statements of operations, the changes in its net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2018 and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

#### 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 *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Corporation 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 ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 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 Corporation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

#### Auditor's 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 auditor's 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 these 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 Corporation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Corporation 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.

We 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.

Huntsville, Ontario

Pahapill and Associates Professional Corporation  
Chartered Professional Accountants  
Authorized to practise public accounting by  
the Chartered Professional Accountants of Ontario

If we conclude that a modification to our opinion on the consolidated financial statements is necessary, we will discuss the reasons with you in advance.

### **The Responsibilities of Management**

Our audit will be conducted on the basis that management and, where appropriate, those charged with governance acknowledge and understand that they have responsibility:

- For the preparation and fair presentation of the consolidated financial statements in accordance with the Canadian public sector accounting standards;
- For the design and implementation of 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; and
- To provide us with timely:
  - Access to all the information of which management is aware that is relevant to the preparation and fair presentation of the consolidated financial statements, such as records, documentation and other matters;
  - Information about all known or suspected fraud, any allegations of fraud or suspected fraud and any known or probable instances of non-compliance with legislative or regulatory requirements;
  - Additional information that we may request from management for the purpose of the audit; and
  - Unrestricted access to persons within The Corporation of the Township of Tay from whom we determine it necessary to obtain audit evidence.

As part of the audit process:

- We will make inquiries of management about the representations contained in the consolidated financial statements. At the conclusion of the audit, we will request from management [and, where appropriate, those charged with governance] written confirmation concerning those representations. If such representations are not provided in writing, management acknowledges and understands that we would be required to disclaim an audit opinion.
- We will communicate any misstatements identified during the audit other than those that are clearly trivial. We request that management correct all the misstatements communicated.

### **Confidentiality**

One of the underlying principles of the profession is a duty of confidentiality with respect to client affairs. Each practitioner must preserve the secrecy of all confidential information that becomes known during the practice of the profession. Accordingly, we will not provide any third party with confidential information concerning the affairs of The Corporation of the Township of Tay unless:

- a. We have been specifically authorized with prior consent;
- b. We have been ordered or expressly required by law or by the Ontario *Code of Professional Conduct/Code of Ethics*; or
- c. The information requested is (or enters into) public domain.

### **Communications**

In performing our services, we will send messages and documents electronically. As such communications can be intercepted, misdirected, infected by a virus, or otherwise used or communicated by an unintended third party, we cannot guarantee or warrant that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim, and you release us from any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this Engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from such communications, including any that are consequential, incidental, direct, indirect, punitive, exemplary or special damages (such as loss of data, revenues, or anticipated profits).

If you do not consent to our use of electronic communications, please notify us in writing.

### **Use of Information**

It is acknowledged that we will have access to all information about identified individuals ("personal information") in your custody that we require to complete our Engagement. Our services are provided on the basis that:

- a. You represent to us that management has obtained any required consents for our collection, use, disclosure, storage, transfer and process of personal information required under applicable privacy legislation and professional regulation; and
- b. We will hold all personal information in compliance with our Privacy Statement.

### **Use and Distribution of Our Report**

The examination of the consolidated financial statements and the issuance of our audit report are solely for the use of The Corporation of the Township of Tay and those to whom our report is specifically addressed by us. We make no representations or warranties of any kind to any third party in respect of these consolidated financial statements or our audit report, and we accept no responsibility for their use by any third party or any liability to anyone other than The Corporation of the Township of Tay.

For greater clarity, our audit will not be planned or conducted for any third party or for any specific transaction. Accordingly, items of possible interest to a third party may not be addressed and matters may exist that would be assessed differently by a third party, including, without limitation, in connection with a specific transaction. Our audit report should not be circulated (beyond The Corporation of the Township of Tay) or relied upon by any third party for any purpose, without our prior written consent.

You agree that our name may be used only with our prior written consent and that any information to which we have attached a communication be issued with that communication, unless otherwise agreed to by us in writing.

If you require our consent in this regard, management agrees to provide, on a timely basis, a draft of the other information for our review prior to the issuance of the audit report.

### **Reproduction of Auditor's Report**

If reproduction or publication of our audit report (or reference to our report) is planned in an annual report or other document, including electronic filings or posting of the report on a website, a copy of the entire document should be submitted to us in sufficient time for our review and approval in writing before the publication or posting process begins.

Should some of the information in the annual report not be available until after the date of the auditor's report, we will request management to provide a written representation that the final version of the document(s) will be provided to us when available (and prior to its issuance) so we can complete our required procedures.

Management is responsible for the accurate reproduction of the consolidated financial statements, the auditor's report and other related information contained in an annual report or other public document (electronic or paper-based). This includes any incorporation by reference to either full or summarized consolidated financial statements that we have audited.



We are not required to read the information contained in your website or to consider the consistency of other information on the electronic site with the original document.

### **Ownership**

The working papers, files, other materials, reports and work created, developed or performed by us during the course of the Engagement are the property of our firm, constitute our confidential information and will be retained by us in accordance with our firm's policies and procedures.

During the course of our work, we may provide, for your own use, certain software, spreadsheets and other intellectual property to assist with the provision of our services. Such software, spreadsheets and other intellectual property must not be copied, distributed or used for any other purpose. We also do not provide any warranties in relation to these items and will not be liable for any lost or corrupted data or other damage or loss suffered or incurred by you in connection with your use of them.

We retain the copyright and all intellectual property rights in any original materials provided to you.

### **File Inspections**

In accordance with professional regulations (and by our firm policy), our client files may be periodically reviewed by practice inspectors and by other engagement file reviewers to ensure that we are adhering to our professional and firm standards. File reviewers are required to maintain confidentiality of client information.

### **Accounting Advice**

Except as outlined in this letter, this Engagement does not contemplate the provision of specific accounting advice or opinions or the issuance of a written report on the application of accounting standards to specific transactions and to the facts and circumstances of the entity. Such services, if requested, would be provided under a separate engagement letter.

### **Governing Legislation**

This engagement letter is subject to, and governed by, the laws of the Province of Ontario. The Province of Ontario will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts to claim that the action has been brought in an inappropriate forum or to claim that those courts do not have jurisdiction.

### **Dispute Resolution**

You agree that any dispute that may arise regarding the meaning, performance or enforcement of this Engagement will, prior to resorting to litigation, be submitted to mediation.

### **Indemnity**

The Corporation of the Township of Tay hereby agrees to indemnify, defend (by counsel retained and instructed by us) and hold harmless our firm (and its partners, agents and employees) from and against any and all losses, costs (including solicitors' fees), damages, expenses, claims, demands and liabilities arising out of (or in consequence of):

- a. The breach by The Corporation of the Township of Tay, or its directors, officers, agents or employees, of any of the covenants or obligations of The Corporation of the Township of Tay herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of, our engagement report or the consolidated financial statements in reference to which the engagement report is issued, or any other work product made available to you by our firm.
- b. A misrepresentation by a member of your management or board of directors.

### **Time Frames**

We will use all reasonable efforts to complete the Engagement as described in this letter within the agreed upon time frames.

However, we shall not be liable for failures or delays in performance that arise from causes beyond our reasonable control, including any delays in the performance by The Corporation of the Township of Tay of its obligations.

### **Costs of Responding to Government or Legal Processes**

In the event we are required to respond to a subpoena, court order, government agency or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this Engagement, you agree to compensate us at our normal hourly rates for the time we expend in connection with such response and to reimburse us for all of our out-of-pocket costs (including applicable HST) incurred.

### **Survival of Terms**

### Survival of Terms

This engagement letter will continue in force for subsequent audits unless terminated by either party by written notice prior to the commencement of the subsequent audit.

### Not Liable For Any Failures or Delays Beyond Our Control

We will use all reasonable efforts to complete the engagement as described in this letter within the agreed-upon time frames. However, we shall not be liable for failures or delays in performance that arise from causes beyond our control, including the untimely performance by your corporation of its obligations.

### Consequential Loss

Our firm and its partners, officers or employees will not be responsible for any consequential loss, injury or damages suffered by the client including but not limited to loss of use, earnings and business interruption, or the unauthorized distribution of any confidential document or report prepared by or on behalf of our firm, including the partners, officers or employees of the accounting firm for the exclusive use of the client.

### Relevant Parties

The client will not assert any claim for damages against our firm unless the client has concurrently or previously asserted a claim against all other persons who might reasonably be liable in relation to that claim. Any release, waiver, or covenant to otherwise not sue or enforce any remedy known to law given by the client to a third party shall be deemed to apply in favour of our firm.

### Third Parties

The financial documents are prepared solely for the use of the client with whom we have entered into a contract and there are no representations of any kind made by us to any party with whom we have not entered into a written contract.

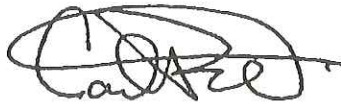
### Conclusion

This engagement letter includes the relevant terms that will govern the Engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements, and if the above terms are acceptable to you, please sign the attached copy of this letter in the space provided and return it to us.

We appreciate the opportunity of continuing to be of service to your corporation.


Yours truly,



Carl Pahapill, CPA, CA, LPA  
Partner

Acknowledged and agreed to on behalf of The Corporation of the Township of Tay by:

  
Ted Walker, Mayor

  
Date signed

  
Joanne Sanders, Director of  
Finance/Treasurer

  
Date signed



# **PAHAPILL and ASSOCIATES Chartered Accountants**

**Professional Corporation**

December 17, 2018

The Corporation of the Township of Tay  
450 Park Street  
P.O. Box 100  
Victoria Harbour Ontario L0K 2A0  
Attention: Mayor and Council

Dear Sir / Madam:

Re: Audit planning

We are writing this letter in connection with our audit of the consolidated financial statements for the year ending December 31, 2018.

Our purpose in writing is to ensure effective two-way communication between us in our role as auditors and yourselves with the role of overseeing the financial reporting process. In this letter we will:

- a. Address our responsibilities as independent auditors and provide information about the planned scope and timing of our audit.
- b. Request a response to some audit questions and any additional information you may have that could be relevant to our audit.

## **Auditor Responsibilities**

The respective responsibilities of ourselves and of management in relation to the audit of consolidated financial statements are set out in the engagement letter that was signed by management December 17, 2018.

## **Planned Scope and Timing of Our Audit**

Our objective as auditors is to express an opinion on whether the consolidated financial statements are prepared, in all material respects, in accordance with Canadian public sector accounting standards.

In developing our audit plan, we worked with management to understand the nature of The Corporation of the Township of Tay and to identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error. Our audit plan has been designed to focus on the identified areas of risk.

## **Materiality**

For the current year, we have determined an overall materiality. This amount will be used to:

- a. plan and perform the audit; and,
- b. evaluate the effects of identified and uncorrected misstatements on the audit procedures performed as well as on the consolidated financial statements.

The materiality amount will be reassessed at year end to ensure it remains appropriate.



## Significant Changes During Period

The significant changes that we addressed in planning the audit for the current year are set out below:

- a. Municipality operations and personnel: Municipality's operations are consistent with prior years and no changes to key personnel. No significant changes noted.
- b. accounting and control systems: No significant changes noted.
- c. accounting and auditing standards: No significant changes from prior period.

## Internal Control

To help identify and assess the risks of material misstatement in the financial statements, we obtain an understanding of internal control relevant to the audit. This understanding is used in the design of appropriate audit procedures. It is not used for the purpose of expressing an opinion on the effectiveness of internal control. Should we identify any significant deficiencies in the internal control and accounting systems, we will communicate them to you in our audit findings letter.

## Significant Risks

In planning our audit, we identify significant financial reporting risks that, by their nature, require special audit consideration. The significant risks we have identified and our proposed audit response is outlined below:

Significant Risks	Proposed Audit Response
Management override	<i>Inquiries of management</i> <i>Review of journal entries</i> <i>Review of related-party transactions and management estimates</i>
Accounts payable - completeness	<i>Analytical procedures</i> <i>Substantive testing or tests of control</i>
Accounts receivable - existence	<i>Confirmation of receivable balances</i> <i>Tests of controls over revenues</i>
Estimates - allowance for doubtful accounts	<i>Analytical procedures</i> <i>Inquiries of management</i>

If there are specific areas that warrant our particular attention during the audit or where you would like us to undertake some additional procedures, please let us know.

## Uncorrected Misstatements

Where we identify uncorrected misstatements during our audit, we will communicate them to management and request that they be corrected. If not corrected by management, we will then request that you correct them. If not corrected by you, we will also communicate the effect that they may have individually, or in aggregate, on our audit opinion.

## Engagement Team

Our engagement team for this audit will consist of the following personnel:

Name	Role	Contact Details
Carl Pahapill, CPA, CA, LPA	Senior Partner	705-788-0500
MaryAnne Poland, CPA, CA, LPA	Partner	705-788-0500
Rebecca MacDonald, CPA, CA	Assistant	705-788-0500
Drew Pahapill, B. Comm	Assistant	705-788-0500

## Audit Findings

At the conclusion of our audit, we will prepare an audit findings letter to assist you with your review of the consolidated financial statements. This letter will include our views and comments on matters such as:

- a. significant matters, if any, arising from the audit that were discussed with management;
- b. significant difficulties, if any, encountered during the audit;
- c. qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures;
- d. uncorrected misstatements; and
- e. any other audit matters of governance interest.

## Audit Questions and Requests

### Fraud

To help us in identifying and responding to the risks of fraud within the Municipality, we would appreciate your responses to the following questions:

1. What oversight, if any, do you provide over management's processes for identifying and responding to fraud risks? Management's processes could include policies, procedures, programs or controls that serve to prevent, detect and deter fraud.
2. Do you have any knowledge of any actual, suspected or alleged fraud, including misappropriation of assets or manipulation of the financial statements, affecting the entity? If so, please provide details and how the fraud or allegations of fraud were addressed.

### Other Matters

Would you please bring to our attention any significant matters or financial reporting risks, of which you are aware, that may not have been specifically addressed in our proposed audit plan. This could include such matters as future plans, contingencies, events, decisions, non-compliance with laws and regulations, potential litigation, specific transactions (such as with related parties or outside of the normal course of business) and any additional sources of audit evidence that might be available.

We recognize your significant role in the oversight of the audit and would welcome any observations on our audit plan.

This letter was prepared for the sole use of those charged with governance of The Corporation of the Township of Tay to carry out and discharge their responsibilities. The content should not be disclosed to any third party without our prior written consent, and we assume no responsibility to any other person.

Yours truly,

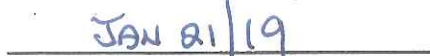


Carl Pahapill, CPA, CA, LPA  
Partner

Agreed to on behalf of The Corporation of the Township of Tay by:



Ted Walker, Mayor



Date signed



Joanne Sanders, Director of  
Finance/Treasurer



Date signed

CLIENT COPY



## THE CORPORATION OF THE TOWNSHIP OF TAY APPROVED COUNCIL POLICIES MANUAL

<b>SUBJECT: Administration Code of Conduct Citizen Appointees Boards &amp; Committees</b>	<b>EFFECTIVE DATE: December 1, 2014</b>
<b>REVISION DATE:</b>	<b>PAGE: 1 of 8</b>

### **Overview**

This Code of Conduct serves as a guide to citizen appointees in the conduct of their duties. In representing the Township, you are required to maintain a high standard of personal and professional conduct and preserve the trust and confidence placed in you by municipal Council and your community. Please ensure that you adhere to this Code by conducting yourself with integrity, competency and impartiality.

This Code applies to citizen appointees only and is in addition to any legislative requirements regarding the appointment and removal of appointees. Nothing in this policy shall relieve any appointee from the obligation to comply with all legislation.

Members of municipal Council appointed to boards and committees are governed by the Municipal Conflict of Interest Act, their Oath of Office and Roberts Rules of Order. Members of Council shall have regard to this policy and the procedural rules of the committee and board they are appointed to.

Staff appointments are governed by the Township of Tay Personnel Policy Manual, the Township of Tay Operations Policy Manual and the Code of Conduct for their profession, if one exists.

### **Purpose**

The purpose and intent of this code is to establish guidelines for the conduct of citizens appointed by Council to various advisory, ad hoc and special purpose boards and committees of the Township or on which the Township is represented. The Code will ensure that:





## THE CORPORATION OF THE TOWNSHIP OF TAY APPROVED COUNCIL POLICIES MANUAL

<b>SUBJECT: Administration Code of Conduct Citizen Appointees Boards &amp; Committees</b>	<b>EFFECTIVE DATE: December 1, 2014</b>
<b>REVISION DATE:</b>	<b>PAGE: 2 of 8</b>

- The decision making process is open, accessible and equitable;
- Decisions are made through the appropriate channels of government;
- Conflicts of interest are declared with the appointee taking appropriate measures;
- Appointments are not used for personal gain;
- Appointees hold membership for the benefit of the public and community at large;
- There is fairness and respect for differences;
- The deliberative privileges of the board and committee are maintained;
- Personal information is protected.

The following sections commence with a definition, description or explanation of the matter followed by guidelines appointees are expected to abide by.

### **Meetings**

Meetings are generally open to the public. Citizens appointed to Township boards and committees have a duty to conduct themselves at all times in an impartial and objective manner. A citizen should not use their appointment on a board or a committee as a personal platform in which to try to publically embarrass council, other committee members or township staff. All appointees are expected to vote on all matters that come in front of them, unless they have declared a conflict of interest. A refusal to vote is automatically considered a no vote under Roberts Rules of Order and appointees who continually refuse to vote on matters will be considered as not acting in the best interest of the township and the community they have been appointed to represent.



## **THE CORPORATION OF THE TOWNSHIP OF TAY APPROVED COUNCIL POLICIES MANUAL**

<b>SUBJECT: Administration Code of Conduct Citizen Appointees Boards &amp; Committees</b>	<b>EFFECTIVE DATE: December 1, 2014</b>
<b>REVISION DATE:</b>	<b>PAGE: 3 of 8</b>

Boards and committees may close a meeting to the public if the subject matter being considered involves:

- The security of the property of the municipality, board or committee;
  - Personal or personnel matters;
  - Labour relations;
  - Litigation or potential litigation matters;
  - Solicitor/client advice; or
  - A matter authorized by any Provincial Act.
1. **Citizen appointees will not disclose any written or verbal information received at a meeting or part of a meeting closed to the general public.**
  2. **Citizen appointees wishing to dispose of written confidential information received shall do so by shredding it. The Township maintains such a system which may be used by appointees.**

### **Conflict of Interest**

Citizens appointed to Township boards and committees have a duty to conduct themselves in an impartial and objective manner. While the Township values the participation of its citizens, Council does recognize that appointees have a broad range of interests that may lead from time to time to potential, actual or the appearance of a conflict of interest.

Citizen appointees will be considered to have a conflict of interest where their private objectives conflict with municipal objectives. As such citizen appointees shall not:



## THE CORPORATION OF THE TOWNSHIP OF TAY APPROVED COUNCIL POLICIES MANUAL

<b>SUBJECT: Administration Code of Conduct Citizen Appointees Boards &amp; Committees</b>	<b>EFFECTIVE DATE: December 1, 2014</b>
<b>REVISION DATE:</b>	<b>PAGE: 4 of 8</b>

- Benefit financially from their membership other than any honorarium paid by the Township or the Board or Committee on which they sit;
  - Place themselves in a position where he or she is under obligation to any person who may benefit from the circumstance;
  - Use corporate resources including business cards and Board or Committee titles to support a candidate in any election;
  - Deal with any application, agreement or contract in which their spouse, child, grandchild, parent, grandparent, partner, or company has an interest;
  - Gain personal benefit from any knowledge about a municipal related matter; or
  - Give preferential treatment to any person, partner, organization or company where the member has a financial interest.
- 3. Citizen appointees, where a conflict of interest exists, shall declare the conflict or possible conflict, and withdraw from direct involvement in the matter and refrain from any comment that might influence the decision.**
- 4. Citizen appointees shall ensure the conflict or possible conflict of interest is recorded in the minutes.**

### **Quorum**

Where the number of members who, by reason of a declared conflict of interest, are disabled from participating in a meeting such that the remaining members no longer constitute a quorum as set out in the procedural bylaw; and where the procedural bylaw is silent, then the



## THE CORPORATION OF THE TOWNSHIP OF TAY APPROVED COUNCIL POLICIES MANUAL

<b>SUBJECT: Administration Code of Conduct Citizen Appointees Boards &amp; Committees</b>	<b>EFFECTIVE DATE: December 1, 2014</b>
<b>REVISION DATE:</b>	<b>PAGE: 5 of 8</b>

remaining members are deemed to constitute a quorum provided there are not less than two members present.

### **Discrimination, Harassment, Sexual Harassment and Bullying**

The Human Rights Code of Ontario recognizes the dignity and worth of every person and provides for equal rights and opportunities without discrimination. This Code of Conduct for citizen appointees represents general standards and does not replace the law.

- 5. Citizen appointees shall not discriminate against another member of the board or committee, staff or public because of race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, age, marital status, family status or handicap.**
- 6. Citizen appointees shall not harass another member of the board or committee, staff or public because of race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, age, record of offences, marital status, family status or handicap.**

The Occupational Health and Safety Act require policies to protect workers from harassment, sexual harassment and bullying. The Township's Harassment & Violence Policy applies to those appointed to Boards and Committees. You should make yourself aware of the contents of this policy.





## THE CORPORATION OF THE TOWNSHIP OF TAY APPROVED COUNCIL POLICIES MANUAL

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7. Citizen appointees shall not harass, sexually harass or bully other Board or Committee Members, Members of Council, staff, consultants or the public.
8. Citizen appointees shall become acquainted with The Townships Harassment & Violence Policy.

### **Deliberative Privilege**

Boards and committees speak with one voice; that being the motion or bylaw they pass. Discussion on how a member reaches a decision is a matter of privilege of that member.

9. Citizen appointees, whether they are in favour or opposed to a motion or bylaw, shall support the position of the board or committee once a question is decided.
10. Citizen appointees shall not appear before any appeal body or tribunal and speak on behalf of the board or committee without approval by the board or committee.
11. Citizen appointees shall not appear before any appeal body or tribunal and disclose the deliberations of the board or committee without the members of the board or committee waiving its privilege by a unanimous vote and authorizing its member to appear.



## THE CORPORATION OF THE TOWNSHIP OF TAY APPROVED COUNCIL POLICIES MANUAL

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### **Solicitation**

It is not acceptable to use one's position when appointed to a government board or committee to solicit business.

- 12. Citizen appointees shall not in any way use the fact of their membership on a board or committee to solicit business for their own benefit or for the benefit of an immediate family member or business associate.**

### **Privacy**

The Ontario Government through legislation protects the personal information of individuals.

- 13. Citizen appointees shall not disclose any personal information they may become aware of in the conduct of their responsibility as a member on a board or committee.**

### **Enforcement**

The municipal Clerk of the Township will ensure that all citizens appointed to Township boards and committees are aware of this Code of Conduct by the appointee endorsing a copy of the document.

- 14. Citizen appointees who have direct knowledge of a breach of this Code shall advise the Clerk in confidence at their earliest opportunity. The Clerk shall advise Council at the earliest opportunity through Committee of Closed Session of the circumstances.**



## THE CORPORATION OF THE TOWNSHIP OF TAY APPROVED COUNCIL POLICIES MANUAL

<b>SUBJECT: Administration Code of Conduct Citizen Appointees Boards &amp; Committees</b>	<b>EFFECTIVE DATE: December 1, 2014</b>
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### **Removal of Citizen Appointees**

If the Council of the Corporation of the Township of Tay determines, in its sole discretion, that a citizen appointee has failed to fulfill their obligations pursuant to this Code of Conduct, Council may impose the penalties as described in the Municipal Act or remove the citizen appointee from the board or committee. A Closed Session of Council discussion of the matter is required prior to Council making the decision to remove the citizen appointee.

### **Agreement and Signature**

I have received, read and understand the Code of Conduct for Citizen Appointees to Boards and Committees in its entirety.

I agree to be bound by the terms of the Code of Conduct for Citizen Appointees to Boards and Committees in its entirety.

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Board or Committee Names: \_\_\_\_\_

\_\_\_\_\_ for the Council term 2018 to 2022.

Please retain pages 1 to 7.

Complete and return this page to the Municipal Clerk.

## **TOWNSHIP OF TAY AUDIT COMMITTEE TERMS OF REFERENCE**

### **DEFINITIONS**

For the purpose of this by-law, the following definitions shall apply:

- (a) "Township" means the municipal corporation of the Township of Tay;
- (b) "Committee" means the Audit Committee established by this bylaw;
- (c) "Council" means the governing body of the Township;
- (d) "Councillor" means an elected official of the Township including the Mayor;
- (e) "External Auditor" means an auditor appointed for the Township as required by the *Municipal Act*;
- (f) "Internal Controls" means systems, processes and procedures developed to:
  - (i) safeguard assets;
  - (ii) ensure the accuracy of the financial data;
  - (iii) promote operational efficiency; and
  - (iv) promote adherence to policies;
- (h) "Mayor" means the chief elected official of the Township;
- (i) "Member" means an individual appointed to the Committee;
- (j) "Municipal Act" means the Municipal Act 2001, as amended;
- (k) "Procedural Bylaw" means the Township By-law which provides for the Rules of Procedure for Council and its' Committees;

### **ROLE**

As a Committee of Council, the Audit Committee will be responsible for overseeing all material aspects of the corporation's financial reporting, control and audit functions.

The role includes a particular focus on the qualitative aspects of financial reporting and on the organization's processes for the management of financial risk and for compliance with significant applicable legal, ethical and regulatory requirements. The role also includes maintenance of strong, positive working relationships with management, external auditors and other advisors.



The Audit Committee provides a focal point for communication between Council, the external auditor and management and facilitates an impartial, objective and independent review of management practices.

### **COMMITTEE COMPOSITION**

The Committee shall consist of three members of Council and three members of the general public, appointed by Council following a suitable application process with consideration given to individuals with business background practicing in accounting or finance.

Committee members should have: (1) knowledge of the municipal environment in which the corporation operates; (2) the ability to read and understand financial statements (internal and external); and (3) the ability to understand key business and financial risks and related controls and control processes.

At least one member, should be literate in business and financial reporting and control, including knowledge of regulatory requirements, and should have past employment experience in finance or accounting or other comparable experience or background.

Staff representation shall consist of the Treasurer, Financial Analyst and/or designate and other staff as required.

Quorum and rules of procedure will be in accordance with Township of Tay Procedural By-law.

### **PUBLIC MEMBER SELECTION**

Applicants are required to apply for an advertised vacancy by submitting a detailed cover letter highlighting experience in relation to the Committee's criteria along with a resume.

Council shall review all applications based upon the composition criteria and forward recommendations for appointment.

### **APPOINTMENTS**

The Committee members shall be appointed for the Council term.

The Committee shall review the Terms of Reference of the Committee prior to the last regularly scheduled Committee meeting of the Council term and make any recommendations for amendments prior to the appointment of the new Committee.

## **COMMUNICATIONS**

The Committee shall maintain an open avenue of contact throughout the year with senior management, as applicable, to strengthen the committee's knowledge of relevant current and prospective organizational issues.

## **MEETING ATTENDEES**

The committee shall request members of management as well as any other external expert as is deemed appropriate, to participate in committee meetings as applicable, to carry out the committee's responsibilities.

## **MEETINGS**

The committee shall meet at least quarterly. Additional meetings shall be scheduled as considered necessary by the committee or chair. The Administrative Assistant (Clerk's) shall be the Recording Secretary.

At its first meeting of each term of office, the Audit Committee shall elect a Chairperson from among its members.

If the office of Chairperson becomes vacant for any reason during a term of office of the Audit Committee, the Audit Committee shall elect a new Chairperson from among its members.

The Audit Committee shall meet at least four times per year, with additional meetings at the call of the Chairperson in order to properly discharge its responsibilities as set out in this by-law.

An Agenda shall be prepared and distributed to all Members of Council for each regular Audit Committee meeting and the business of the Committee shall be taken up in the order in which it appears on the Agenda,

Minutes shall be prepared and confirmed at the next meeting of the Audit Committee before being submitted to Council as part of the regular Council Correspondence.

## **GENERAL POWERS OF THE COMMITTEE**

The Committee may request a report from the Director of Finance/Treasurer on matters within its mandate and within approved budgets.

When the Committee reviews a report it may:

- (a) Receive it for information;
- (b) Send it to Council with or without recommendations;
- (c) Request additional information about matters relating to the report before sending it to Council with or without recommendations;

## **REPORTING TO COUNCIL**

The Committee, through the committee chair, shall report periodically, as deemed necessary.

## **COMMITTEE RESPONSIBILITIES**

Financial Reporting:

Review and assess the annual and quarterly financial statements before they are brought forward to Council;

Review and assess the key financial statement issues and risks, their impact or potential effect on reported financial information, the processes used by management to address such matters, related auditors' views, and the basis for audit conclusions;

Approve changes in important accounting principles and the application thereof in both interim and annual financial reports;

Review reports from the independent auditors as well as any audit problems or difficulties and management's response.

## **RISKS AND CONTROLS**

Review and assess the corporation's business and financial risk management process, including the adequacy of the overall control environment and controls in selected areas representing significant risk.

Review and assess the corporation's system of internal controls for detecting accounting and financial reporting errors, fraud and defalcations, legal violations, and non-compliance with the corporate code of conduct.

Review the related findings and recommendations of the external auditors, together with management's responses.

## **EXTERNAL AUDITS**

Recommend to Council the external auditor firm to be engaged.

Monitor performance of the external auditors and ensure that all relevant issues are reported to the committee.

Obtain a formal written statement from the external auditors on their independence. Additionally, discuss with the auditors any relationships or non-audit services that may affect their objectivity or independence.

Consider, in consultation with the external auditors, their audit scopes and plans to ensure completeness of coverage, reduction of redundant efforts and the effective use of audit resources.

Review with management and the external auditors the results of the annual audits and related comments, including any difficulties or disputes with management, any significant changes in the audit plans, the rationale behind adoptions and changes in accounting principles, accounting estimates requiring significant judgments, and the quality of the accounting principles and financial disclosures adopted.

#### **OTHER**

Review and approve the scope, terms of reference and fees of professional services retained for purposes related to the Audit Committee's responsibilities.

Provide opportunities for private discussion of sensitive matters raised by the external auditor, management relating to personnel, legal, or other matters which could be prejudicial to the corporate interest if discussed in open committee.

Ensure that Audit Committee members receive appropriate orientation regarding the work of the Committee and that training to enhance financial literacy is made available.

Complete periodic self-assessments of the effectiveness of the Audit Committee against its mandate.

Review the Audit Committee Mandate periodically and recommend modifications to Council, as necessary.





## STAFF REPORT

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**Department/Function:** General Government & Finance

**Chair:** Deputy Mayor Jim Crawford

**Meeting Date:** December 12, 2018

**Report No.:** GGF-2018-64

**Report Title:** Financial Indicator Review

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**RECOMMENDATION:**

**That Report GGF-2018-64 regarding the Financial Indicator Review dated November 8, 2018, be received for information.**

**INTRODUCTION/BACKGROUND:**

Municipalities are required to submit financial data to the Ministry of Municipal Affairs under Subsection 294 of the Municipal Act. The Financial Information Return (FIR) is the main data collection document used by the Ministry of Municipal Affairs to collect financial and statistical information from municipalities.

The Ministry of Municipal Affairs reviews each municipality's financial performance through the use of key financial indicators in relation to established provincial thresholds. The attached Financial Indicator Review has been calculated using the 2017 Financial Information Return data.

**ANALYSIS:**

For the purpose of comparison of financial indicators, municipalities are organized into municipal groupings. The groupings were defined to reflect different size and service responsibilities, type of municipality (single, lower or upper tier) and rural versus non-rural. Tay Township has been placed in the South, Lower Tier within a County and Non-Rural grouping, with 33 comparators. The South, Lower Tier within a County and Rural grouping has 148 comparators.

Based on the 2017 data the Township of Tay is in the Low level of Risk for all financial indicators the Ministry is currently reviewing.

The indicators have been grouped according to two categories, Sustainability and Flexibility. These groupings align the indicators with the Public Sector Accounting Boards definitions.

Under Sustainability, the Total Taxes Receivable less Allowance for Uncollectable as a % of Total Taxes Levied is currently at 9.3%. This has been decreasing annually for the last 5 years. Our percentage is high in comparison to the Non Rural group average of 6.5%, however the Rural group average is 9.5%. The Township of Tay adds unpaid invoices to taxes, such as water and wastewater, septic re-inspection invoices and building permit file maintenance fees. Although this is a more efficient and less expensive means of collection it may increase the percentage of uncollected taxes in comparison to other municipalities who do not add as many unpaid items to taxes. Being predominately residential and within a lower income area may also contribute to a higher percentage for this indicator.

The reductions in the balance of the Sustainability Indicators are predominately a result of lower balances in reserves and additional financing through debt. In the last 5 years we have undertaken several large projects, including water and wastewater plant upgrades, Duck Bay Bridge rehabilitation and replacement of the Old Fort Fire Hall.

Under the Flexibility Indicators, the Debt Servicing Costs as a % of Total Revenues, is affected by the increase in debt and also by changes in revenues. Changes in revenue include grants, the value of donated assets (new subdivisions) and any gain or loss on disposal of assets.

The Amortization Ratio has remained consistent showing approximately 33% of our assets total life has been used up.

The Annual Surplus (PSAB surplus) as a % of taxation and user fee revenue, although consistently a positive number, shows substantial change from year to year. This is affected by grant revenue, deferred revenue spent (i.e. gas tax from prior years) and donated assets.

Along with the Financial Indicators, the form also reports additional data on the top of the form including; household count, population, the median household income, residential % of total taxable assessment, own purpose taxation dollars and the Municipal Fiscal Circumstances Index (MFCI). The MFCI measures a municipality's fiscal circumstances and has risen from 5.1 to 5.4. This index is used in the formula for the OMPF grant (A higher number means greater challenges).

**FINANCIAL/BUDGET IMPACT:**

The Ministry notes that financial indicators are an important but incomplete indicator of municipal financial health. This information is not intended to be used on its own and should be used in conjunction with other financial information and resources available.

**CONCLUSION:**

This report is provided for Council's information.

Prepared By;

Date Prepared:

Joanne Sanders  
Director of Finance

Reviewed By:

Date:

Robert J. Lamb, CECd, Ec.D.  
Chief Administrative Officer

# FINANCIAL INDICATOR REVIEW

(Based on 2017 Financial Information Return)

## Tay Tp

Date Prepared:		2017 Households:	5,401	Median Household Income:	65,190
MSO Office:	Central	2017 Population:	10,033	Taxable Residential Assessment as a	
Prepared By:		2018 MFCI Index:	5.4	% of Total Taxable Assessment:	93.9%
Tier:	LT			Own Purpose Taxation:	8,276,994

## SUSTAINABILITY INDICATORS

Indicator	Ranges		Actuals	South - LT - Counties - Non-Rural		Level of Risk
				Median	Average	
Total Taxes Receivable less Allowance for Uncollectibles as a % of Total Taxes Levied	Low: < 10% Mod: 10% to 15% High: > 15%	2013	15.2%	8.2%	8.4%	HIGH
		2014	13.0%	7.7%	7.8%	MODERATE
		2015	12.5%	6.8%	7.2%	MODERATE
		2016	11.1%	6.4%	7.1%	MODERATE
		2017	9.3%	6.3%	6.5%	LOW
Net Financial Assets or Net Debt as % of Own Purpose Taxation, User Fees and Service Charges	Low: > -50% Mod: -50% to -100% High: < -100%	2013	121.2%	-11.4%	-16.2%	LOW
		2014	105.9%	-8.0%	-13.1%	LOW
		2015	78.9%	-3.9%	-11.2%	LOW
		2016	45.7%	-5.1%	7.6%	LOW
		2017	30.0%	21.9%	23.5%	LOW
Total Reserves and Discretionary Reserve Funds as a % of Municipal Expenses	Low: > 20% Mod: 10% to 20% High: < 10%	2013	127.0%	50.1%	52.3%	LOW
		2014	110.0%	49.1%	52.4%	LOW
		2015	101.9%	53.4%	56.9%	LOW
		2016	79.3%	57.6%	59.1%	LOW
		2017	68.5%	68.5%	66.6%	LOW
Cash Ratio (Total Cash and Cash Equivalents as a % of Current Liabilities)	Low: > 0.5:1 Mod: 0.5:1 to 0.25:1 High: < 0.25:1	2013	10.35:1	1.87:1	2.39:1	LOW
		2014	6.08:1	1.61:1	2.4:1	LOW
		2015	6.62:1	2.06:1	2.5:1	LOW
		2016	3.52:1	2.19:1	3.06:1	LOW
		2017	4.26:1	3.29:1	3.43:1	LOW

## FLEXIBILITY INDICATORS

Debt Servicing Cost as a % of Total Revenues	Low: < 5% Mod: 5% to 10% High: >10%	2013	4.2%	6.5%	6.5%	LOW
		2014	4.3%	5.6%	6.2%	LOW
		2015	5.0%	5.2%	5.9%	LOW
		2016	5.1%	5.2%	5.7%	MODERATE
		2017	4.4%	5.0%	5.9%	LOW
Closing Amortization Balance as a % of Total Cost of Capital Assets (Asset Consumption Ratio)	Low: < 50% Mod: 50% to 75% High: > 75%	2013	34.0%	33.9%	33.9%	LOW
		2014	35.4%	35.1%	34.1%	LOW
		2015	33.7%	35.2%	34.4%	LOW
		2016	35.4%	35.3%	35.1%	LOW
		2017	33.1%	36.5%	37.2%	LOW
Annual Surplus / (Deficit) as a % of Own Purpose Taxation, User Fees and Service Charges (Operating Surplus Ratio)	Low: > -1% Mod: -1% to -30% High: < -30%	2013	24.9%	15.7%	16.6%	LOW
		2014	17.0%	12.5%	17.6%	LOW
		2015	0.1%	15.7%	19.1%	LOW
		2016	9.0%	14.1%	22.4%	LOW
		2017	30.1%	22.3%	25.4%	LOW

\*\*\*\*\*  
The data and information contained in this document is for informational purposes only. It is not an opinion about a municipality and is not intended to be used on its own - it should be used in conjunction with other financial information and resources available. It may be used, for example, to support a variety of strategic and policy discussions.  
\*\*\*\*\*

# FINANCIAL INDICATOR REVIEW

(Based on 2017 Financial Information Return)

Tay Tp

## NOTES

*Financial Information Returns ("FIRs") are a standard set of year-end reports submitted by municipalities to the Province which capture certain financial information. On an annual basis, Ministry staff prepare certain financial indicators for each municipality, based on the information contained in the FIRs. It is important to remember that these financial indicators provide a snapshot at a particular moment in time and should not be considered in isolation, but supported with other relevant information sources. In keeping with our Financial Information Return review process and follow-up, Ministry staff may routinely contact and discuss this information with municipal officials.*

### Supplementary Indicators of Sustainability and Flexibility

The following is a summary, adapted from the Chartered Professional Accountants of Canada Statement of Recommended Practice (SORP) 4.

- A government (including a municipality) may choose to report supplementary information on financial condition, to expand on and help explain the government's financial statements.
- Supplementary assessment of a government's financial condition needs to consider the elements of sustainability and flexibility.
- Sustainability in this context may be seen as the degree to which a municipality can maintain its existing financial obligations both in respect of its service commitments to the public and financial commitments to creditors, employees and others without inappropriately increasing the debt or tax burden relative to the economy within which it operates.
- Sustainability is an important element to include in an assessment of financial condition because it may help to describe a government's ability to manage its financial and service commitments and debt burden. It may also help to describe the impact that the level of debt could have on service provision.
- Flexibility is the degree to which a government can change its debt or tax level on the economy within which it operates to meet its existing financial obligations both in respect of its service commitments to the public and financial commitments to creditors, employees and others.
- Flexibility provides insights into how a government manages its finances. Increasing taxation or user fees may reduce a municipality's flexibility to respond when adverse circumstances develop if the municipality approaches the limit that citizens and businesses are willing to bear.  
A municipality may temporarily use current borrowing, subject to the requirements set out in the Municipal Act to meet expenses and certain other amounts required in the year, until taxes are collected and other revenues are received. Municipal current borrowing cannot be carried over the long term or converted to long term borrowing except in very limited circumstances.
- For each element of financial condition, the report on indicators of financial condition should include municipality-specific indicators and municipality-related indicators. It may be useful to also include economy-wide information when discussing financial condition.

### ***Additional Notes on what Financial Indicators may indicate:***

**Total Taxes Receivable less Allowance for Uncollectibles as a % of Total Taxes Levied** - *How much of the taxes billed are not collected.*

**Net Financial Assets or Net Debt as % of Own Purpose Taxation, User Fees and Service Charges** - *How much tax and fee revenue is servicing debt?*

**Reserves and Reserve Funds as a % of Municipal Expenses** - *How much money is set aside for future needs / contingencies?*

**Cash Ratio (Total Cash and Cash Equivalents as a % of Current Liabilities)** - *Measures the ability of the municipality to meet its current obligations with its current resources on hand.*

**Debt Servicing Cost as a % of Total Revenues** - *Indicates the extent to which past borrowing decisions may impact the current budget.*

**Closing Amortization Balance as a % of Total Cost of Capital Assets (Asset Consumption Ratio)** - *measures the age of a municipality's physical assets. It measures the extent to which depreciable assets have been consumed by comparing the amount of the assets that have been used up and their historical cost.*

**Annual Surplus / (Deficit) as a % of Own Purpose Taxation, User Fees and Service Charges (Operating Surplus Ratio)**- *Indicates the municipality's ability to cover its operational costs and have funds available for other purposes (i.e. reserves, debt repayment, etc.)*

**The Northern and Rural Municipal Fiscal Circumstances Index (MFCl)** *is used by the Ministry of Finance to calculate the "Northern and Rural Fiscal Circumstances Grant" aimed at northern as well as single and lower-tier rural municipalities. The index measures a municipality's fiscal circumstances. The MFCl is determined by six indicators: Weighted Assessment per Household, Median Household Income, Average Annual Change in Assessment (New Construction), Employment Rate, Ratio of Working Age to Dependent Population, and Per Cent of Population Above Low-Income Threshold. A lower MFCl corresponds to relatively positive fiscal circumstances, whereas a higher MFCl corresponds to more challenging fiscal circumstances. (Note: the MFCl index is only available for northern and rural municipalities)*



# FINANCIAL INDICATOR REVIEW

(Based on 2017 Financial Information Return)

Tay Tp

## CALCULATIONS

Total Taxes Rec. less Allowance for Uncollectibles as % of Total Taxes Levied	SLC 70 0699 01 / (SLC 26 9199 03 - SLC 72 2899 09)
Net Financial Assets or Net Debt as % of Own Purpose Taxation, User Fees and Service Charges	SLC 70 9945 01 / (SLC 10 0299 01 + SLC 10 1299 01)
Total Reserves and Reserve Funds as a % of Municipal Expenses	(SLC 60 2099 02+SLC 60 2099 03)/(SLC 40 9910 11-SLC 12 9910 03-SLC 12 9910 07)
Cash Ratio (Total Cash and Cash Equivalents as a % of Current Liabilities)	SLC 70 0299 01 / (SLC 70 2099 01 + SLC 70 2299 01)
Debt Servicing Cost as a % of Total Revenues	(SLC 74 3099 01 + SLC 74 3099 02) / SLC 10 9910 01
Closing Amortization Balance as a % of Total Cost of Capital Assets (Asset Consumption Ratio)	SLC 51 9910 10 / SLC 51 9910 06
Annual Surplus / (Deficit) as a % of Own Purpose Taxation, User Fees and Service Charges (Operating Surplus Ratio)	SLC 10 2099 01 / (SLC 10 0299 01 + SLC 10 1299 01)

## *Audit Committee – 2019 Meeting Calendar*

<i><b>Date</b></i>	<i><b>Time</b></i>
March 27	3:00 pm
TBD	
TBD	
TBD	

Meetings are held in the Council Chambers at the Municipal Office