



PRINCE EDWARD ISLAND
ÎLE-DU-PRINCE-ÉDOUARD

FINANCIAL PLAN REGULATIONS

PLEASE NOTE

This document, prepared by the *Legislative Counsel Office*, is an office consolidation of this regulation, current to December 23, 2017. It is intended for information and reference purposes only.

This document is *not* the official version of these regulations. The regulations and the amendments printed in the *Royal Gazette* should be consulted on the Prince Edward Island Government web site to determine the authoritative text of these regulations.

For more information concerning the history of these regulations, please see the *Table of Regulations* on the Prince Edward Island Government web site (www.princeedwardisland.ca).

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MUNICIPAL GOVERNMENT ACT
CHAPTER M-12.1
FINANCIAL PLAN REGULATIONS

Pursuant to section 261 of the *Municipal Government Act* R.S.P.E.I. 1988, Cap. M-12.1, Council made the following regulations:

1. Act, defined

In these regulations, “**Act**” means the *Municipal Government Act* R.S.P.E.I. 1988, Cap. M-12.1.

2. Operating budget - estimated revenues

The operating budget of a municipality for a fiscal year shall include the estimated amount of revenues from each of its sources of revenue and transfers for the fiscal year, including

- (a) revenue from taxes;
- (b) revenue from grants and transfers from other governments;
- (c) transfers from the municipality's reserve funds;
- (d) any projected operating surplus incurred in the previous fiscal year; and
- (e) revenue from all other sources, including fees or other charges in respect of the operation of any works, improvements, services and facilities.

3. Operating budget - estimated expenditures

The operating budget of a municipality for a fiscal year shall include the estimated amount needed to fund each of the following expenditures and transfers by the council for the fiscal year:

- (a) the operations of the municipality;
- (b) all debt obligations with respect to borrowings by the municipality, including
 - (i) the interest and principle payments, or
 - (ii) the interest and amortization associated with the borrowing;
- (c) transfers to a reserve fund;
- (d) transfers to the capital budget;
- (e) any projected operating deficit incurred in the previous fiscal year;
- (f) any uncollected tax or any debt or grant in lieu of tax that is not collectible;
- (g) any other amounts that the municipality is required to pay.

4. Estimated revenue - public utilities, municipal utilities, controlled corporations

The operating budget of a municipality for a fiscal year shall include the estimated amount of revenues from each of its public utilities, municipal utilities and controlled corporations for the fiscal year.

5. Estimated expenditures - public utilities, municipal utilities, controlled corporations

The operating budget of a municipality for a fiscal year shall include the estimated amount needed by the council to fund the expenditures and transfers for each of its public utilities, municipal utilities and controlled corporations for the fiscal year.

6. Operating budget - tax rate groups

The operating budget of a municipality for a fiscal year shall list

- (a) the established tax rate groups referred to in subsection 160(2) of the Act;
- (b) the rate or rates approved for each tax rate group pursuant to subsection 160(1) of the Act; and
- (c) the estimated revenue from each tax rate group for the fiscal year.

7. Content of capital budget

A council shall include in its capital budget for a fiscal year the estimates for the fiscal year of

- (a) the costs to acquire, construct, remove or improve each proposed capital project for that fiscal year;
- (b) the anticipated sources and the amounts of money required to pay the costs referred to in clause (a); and
- (c) the amount of money to be transferred from the operating budget or a reserve fund to the capital budget.

8. Content of capital expenditure program

On and after March 31, 2019, a council shall include in its financial plan a five-year capital expenditure program that sets out

- (a) each proposed capital project for the next five years;
- (b) the estimated amount of money required to implement the expenditure program; and
- (c) the anticipated source of the money required to implement the expenditure program.

9. Content of asset management program

(1) On and after March 31, 2019, a council shall maintain in its asset management program

- (a) an inventory of municipally-owned infrastructure, including any inventory of a controlled corporation;
- (b) the financial commitments required to maintain the infrastructure referred to in (a); and
- (c) the financial commitments referred to in clause (b) factored into the five-year capital expenditure program.



Asset management inventory

- (2) The asset management inventory of infrastructure referred to in subsection (1) shall specify
- (a) the condition of each of the items included in the inventory;
 - (b) the purpose for which each item is held;
 - (c) the expected life cycle of the items included in the inventory;
 - (d) the risk rating of each item included in the inventory; and
 - (e) the priority ranking of each item included in the inventory.

10. Scope of auditor's examination

In conducting an audit pursuant to section 172 of the Act, an auditor shall examine the financial statements, financial information returns, records, books of account and other information relating to the financial affairs of the municipality for the fiscal year, including those

- (a) relating to any funds of the municipality held in trust by an officer or employee of the municipality; and
- (b) in the custody or control of any board, committee or other body that is established or appointed by the council and that administers funds of the municipality.