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**ATTENDING**

Chair – Councillor Jodi MacKay, Mayor Jeff Cantwell, Councillor Mercedes Brian, Gordon Joice, Chief Administrative Officer Erin Beaudin, Director Finance Mike MacLean, and Recording Secretary Dan Stovel

**LATE ARRIVALS**

Mayor Jeff Cantwell

**ABSENT WITH REGRETS**

Frank Lussing

**ALSO ATTENDING**

Nancy Frame and Matthew Vandekieft from PricewaterhouseCoopers LLP (PwC)

**CALL TO ORDER**

Chair, Councillor MacKay, called the Audit Committee meeting to order at 9:02 am

**1. APPROVAL OF AGENDA**

**MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE AGENDA BE APPROVED AS CIRCULATED**

**CARRIED**

**2. APPROVAL OF MINUTES OF MAY 19, 2017 AUDIT COMMITTEE MEETING**

**MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE MINUTES OF THE REGULAR MEETING OF MAY 19, 2017 BE APPROVED AS CIRCULATED**

**CARRIED**

**3. 2016/2017 DRAFT FINANCIAL STATEMENTS, Director Finance Mike MacLean**

**a. RFD 045-2017: 2016/2017 Financial Statements**

- Annually the Town’s Finance Department prepares and presents the Financial Statements of the Town for its most recent March 31 year end. In accordance with the [Municipal Government Act](#) (MGA) and the provinces [Financial Reporting and Accounting Manual](#) (FRAM), municipalities are required to have audited Consolidated Financial Statements
- The Town of Wolfville also prepares Non-Consolidated Financial Statements for the benefit of Council and citizens
- It is important to note that the financial statements are the responsibility of town management, and as the Town’s Auditors, PricewaterhouseCoopers LLP (PwC)’s responsibility is to audit and express an opinion on those statements
- The report is intended to assist the Audit Committee, and ultimately Town Council, in the approval process of the audited year end Consolidated Financial Statements as well as the Non-Consolidated Financial Statements
- The auditor’s report relates to the Consolidated Financial Statements, which includes:
  - The Town General Operating Fund (for which tax rates are established),
  - Town Capital Fund,
  - Town Operating Reserve Fund,



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- Town Capital Reserve Fund,
  - Town Water Utility Operating Fund, and
  - Town Water Utility Capital Fund
- Non-Consolidated Statements provide additional information for both Council and the public. As individual funds, they tie directly to the tax rate setting process and annual approved budgets
  - The report provides a general summary of key financial figures and variances reported in the year end statements
  - The results reflected in the year end statements show that the Town is well positioned moving forward to continue to address the capital infrastructure needs of the Town. In addition, the Water Utility results are consistent with the already approved plan to carry out a rate study
  - Approval of the year end consolidated statements is a required step in the financial reporting of the Town of Wolfville
  - Once the Audit Committee has recommended their approval, and Council has formally approved them, the firm of PwC will issue the Independent Auditors' Report and final Internal Control Letter. This will allow the Town to complete its annual financial reporting to the Province
- b. Report to Audit Committee – Review by PwC**
- Nancy Frame and Matthew Vandekieft from PricewaterhouseCoopers LLP (PwC) presented the Audit Report to the Audit Committee
  - The auditors propose to issue an unqualified (clean) report on the financial statements, pending resolution of outstanding items outlined on page 1 of the 2017 year-end report to the Audit Committee
  - The auditor's responsibility is to express an opinion on the Consolidated Financial Statements based on their audit. In the Auditor's opinion, "the Consolidated Financial Statements present fairly, in all material respects, the financial position of the Town of Wolfville as at March 31, 2017 and the results of its operations, changes in net assets and cash flows for the year then ended in accordance with Canadian public-sector accounting standards"
  - Outstanding items at the time of the Audit Committee meeting:
    - Management representation letter (signed once the Financial Statements are approved by Council)
    - Review of final financial statements (part of Audit Committee meeting and to be completed at Town Council Meeting, July 18)
    - Subsequent events procedures – as part of the audit, auditors required to perform audit procedures for the period after the end year (March 31, 2017) to date financial statements approved by Council
    - Receipt of 3 of the 4 legal letter responses
    - Support for certain note disclosures (audit procedures to close out)
  - The purpose of the audit is not to test all internal controls, but for those controls that were examined, the auditors had no significant internal control recommendations to report
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- The Auditors confirmed that the Audit Committee was not aware of any other subsequent events that might affect the financial statements

**4. ADJOURNMENT TO IN-CAMERA**

**MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE REGULAR MEETING OF THE AUDIT COMMITTEE BE ADJOURNED AT 9:55 AM TO AN IN-CAMERA MEETING TO DISCUSS THE 2016/2017 FINANCIAL AUDIT REPORT**

**CARRIED**

**5. IN-CAMERA MEETING ADJOURNED**

**MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE IN-CAMERA MEETING OF THE AUDIT COMMITTEE BE ADJOURNED AT 10:01 AM**

**CARRIED**

**6. REGULAR MEETING RECONVENED**

**MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE REGULAR MEETING OF THE AUDIT COMMITTEE RECONVENE AT 10:02 AM**

**CARRIED**

**7. RFD 045-2017: APPROVAL OF 2016/2017 CONSOLIDATED FINANCIAL STATEMENTS AND NON-CONSOLIDATED FINANCIAL STATEMENTS**

**MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE AUDIT COMMITTEE FORWARD THE FOLLOWING MOTION TO COUNCIL FOR DECISION: THAT COUNCIL APPROVE THE 2016/2017 CONSOLIDATED AND NON-CONSOLIDATED FINANCIAL STATEMENTS**

**CARRIED**

**8. NEXT REGULAR MEETING**

- The next regular meeting of the Audit Committee is tentatively scheduled for Friday, September 8, 2017 at 9:00am

**9. ADJOURNMENT**

**MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE MEETING BE ADJOURNED AT 10:04 AM**

**CARRIED**

Approved at the September 15, 2017 Audit Committee Meeting.

As recorded by Dan Stovel, Town Clerk/AA Corporate Services