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**ATTENDING**

Chair - Councillor Mercedes Brian, Deputy Mayor Wendy Donovan, Gordon Joice, Director Finance Mike MacLean and Recording Secretary Dan Stovel

**ALSO ATTENDING**

Interested members of the public

**ABSENT WITH REGRETS**

Mayor Jeff Cantwell, Chief Administrative Officer Erin Beaudin and Heather Hill

**CALL TO ORDER**

The Audit Committee meeting was called to order at 1:01 pm

**1. APPROVAL OF AGENDA**

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

**CARRIED**

**2. APPROVAL OF MINUTES OF JULY 8, 2016 AUDIT COMMITTEE MEETING**

**MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE MINUTES OF THE REGULAR MEETING OF JULY 8, 2016 BE APPROVED AS CIRCULATED**

**CARRIED**

**3. STAFF REPORTS FOR DISCUSSION**

**a. 2016/2017 1<sup>st</sup> Quarter Variance Report**

- This report comprises one of the components of the Town's commitment to transparency and accountability
- The process includes quarterly updates that first go to the Audit Committee for questions and review. After that, the report will be forwarded to Council to complete that step of updating financial results for the Town
- The quarterly financial update is intended to provide the Audit Committee and Council with an overview of how the Town's financial results are doing in comparison to the budgeted expectations up to the most recent quarter end

**Town Operating Fund**

- The June 30<sup>th</sup> Financial Variance Report focuses on actual results compared to expected budget results for the first quarter of the year
- Results for the surplus variance in the first half of the year are \$305,500 ahead of budget to the end of June 2016, and the adjusted Surplus Forecast is \$144,316
- As is usually the case each year, there are timing differences that, once adjusted for, produce a result that is more reflective of where the Town's results can be expected to be by year end
- The adjusted result is still a forecast of a surplus by year end, assuming the timing difference assumptions hold true and all other budget line items continue the same trend as the first three months.
- At this early stage in the year it would be more conservative to estimate that the Town should at least end the year at break even or a small surplus.



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- Key to future results will be deed transfer tax, winter conditions, final assessment appeals, and other unexpected expenditures (eg. unbudgeted grants to organizations)
  - Departmental variances were reviewed with the Audit Committee

**Water Utility**

- The key indicator in any given year is related to sales
- With only one billing cycle complete, actual sales were approximately \$1,600 below budget
- Overall, operating expenditures are within \$5,500 of budget
- Further information will be brought to the next Audit Committee meeting with respect to larger variances

**Capital Budget**

- The majority of capital projects have not been started in the period of this report

**Accounts Receivable - Outstanding Taxes**

- Final tax bills are not yet due, so it is difficult to know for sure whether the Town will have any new arrears issues to deal with; however, as of August, it can be reported that collections are behind the usual pace by approximately \$100,000
- Further details will be brought to the next Audit Committee meeting, including an update on the number of properties that can be expected to be included in this year's tax sale process

**MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE AUDIT COMMITTEE FORWARD THE INTERIM FINANCIAL REPORT, AS AT JUNE 30, 2016, TO TOWN COUNCIL FOR THE SEPTEMBER 27, 2016 MEETING**

**4. AUDIT COMMITTEE MEETING SCHEDULE**

- The next meeting of the Audit Committee is scheduled for Friday, October 21, 2016

**5. ADJOURNMENT**

**MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE MEETING BE ADJOURNED AT 2:22 PM**

**CARRIED**

**Approved at the October 21, 2016 Audit Committee Meeting.**

**As recorded by Dan Stovel, AA Corporate Services**