



ATTENDING

Chair – Councillor Jodi MacKay, Councillor Mercedes Brian, Frank Lussing, Director Finance Mike MacLean and Recording Secretary Dan Stovel

ABSENT WITH REGRETS

Mayor Jeff Cantwell, Chief Administrative Officer Erin Beaudin and Gordon Joice

CALL TO ORDER

Chair, Councillor MacKay, called the Audit Committee meeting to order at 1:03 pm

- Chair welcomed Frank Lussing to the Audit Committee

1. APPROVAL OF AGENDA

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

CARRIED

2. APPROVAL OF MINUTES OF OCTOBER 21, 2016 AUDIT COMMITTEE MEETING

MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE MINUTES OF THE REGULAR MEETING OF OCTOBER 21, 2016 BE APPROVED AS CIRCULATED

CARRIED

3. NEW BUSINESS

a. 3rd Quarter Variance Report

- 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
- Financial Updates include:
 - December 31/16 Financial Variance Report, including Y/E Forecast – Town Operating Fund
 - December 31/16 Capital Project Summary – Town Capital Fund
 - December 31/16 Financial Variance Report, including Y/E Forecast – Water Utility
 - Summary of Significant Variances by Division – Town Operating Fund
- Unlike a year ago, (fiscal 2015/16), this year's results have been tracking closer to a break-even expectation (compared to fiscal 2015/16 when a surplus in excess of \$300,000 was forecast and realized)
- An expectation of surplus result had been reported in the fall as part of the 2nd Quarter Financial update. The year end forecast now, based on December 31st results, is for a small surplus of \$83,200 (just less than a 1% variance from budget). Given the relatively small estimated surplus, it will be important to continue to monitor spending through to the March 31st year end
- The summary of key variances by Division provides much of the information related to both the Dec 31st net variances and year end forecast surplus. A couple of points to note at this time are:
 - Year end estimates do not reflect the use of additional transfers from Operating Reserves connected to unbudgeted extras approved by Council, i.e. \$80,000 grant to L'Arche, extra costs (estimated at \$20,000) for review of water/sewer service extension outside Town borders, \$10,000 grant to Acadia for Rogers national telecast of football game.
 - Deed Transfer Tax is forecast to bring in lower amounts in the final quarter, despite trend during the first 9 months where revenue realized was higher per month than budgeted



- The usual cautionary note is added, that actual results can vary from forecast estimates, and as winter two years ago proved, the final three months of the year can have a material impact on final results
- Given the current forecast of a year-end surplus, no financial implications are applicable at this stage. If actual results start to vary in a material respect to the forecast surplus there may be the need for a motion to be brought to Council to draw additional funding from reserve accounts. If required, this would most likely occur in March
- In reviewing the schedule of Significant Variance Explanations, Director Finance highlighted the following variances to the Committee:
 - Interest on Investments – allocation of interest earned to applicable funds posted for first 9 months of year – entry is traditionally not posted until year end. Budget estimates are also slightly high given continue low interest rates
 - Legal fees – in general government, the Town has utilized less than budget
 - Grants to Organizations – unbudgeted grant to L’Arche approved by Council earlier this year and Acadia Scholar Bursary not yet issued to Acadia University
- The financial update will be forwarded to Committee of the Whole to complete the process of update through to Council

MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE AUDIT COMMITTEE FORWARD THE INTERIM FINANCIAL REPORT (AS AT DECEMBER 31, 2016) TO COMMITTEE OF THE WHOLE FOR THE FEBRUARY 7, 2017 MEETING

CARRIED

4. ROUNDTABLE DISCUSSION

- Beyond reviewing Variance reports, Director Finance highlighted that the Audit Committee also reviews Policies and Bylaws that deal with Financial issues
- The Audit Committee is structured with three members of Council and two Citizen representatives. It is important to have the citizen representation to at least make sure informed discussion goes forward to Council

5. NEXT REGULAR MEETING

- The next regularly scheduled meeting of the Audit Committee is Friday, May 19, 2017

6. ADJOURNMENT

MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE MEETING BE ADJOURNED AT 2:29 PM

CARRIED

Approved at the May 19, 2017 Audit Committee Meeting.

As recorded by Dan Stovel, AA Corporate Services