



ATTENDING

- Chair – Councillor Jodi MacKay
- Mayor Jeff Cantwell
- Councillor Mercedes Brian
- Gordon Joice
- Frank Lussing
- Director Finance Mike MacLean, and
- Recording Secretary Dan Stovel

ABSENT WITH REGRETS

- Chief Administrative Officer Erin Beaudin

CALL TO ORDER

Chair, Councillor MacKay, called the Audit Committee meeting to order at 9:00 am

Agenda Item

Discussion and Decisions

1. Approval of Agenda

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

CARRIED

**2. Approval of Minutes
July 7, 2017**

MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE MINUTES OF THE REGULAR MEETING OF JULY 7, 2017 BE APPROVED AS CIRCULATED

CARRIED

3. Staff Reports for Discussion

**a. 2017/2018 1ST
Quarter Variance
Report**

- This report comprises one of the components of the Town’s commitment to transparency and accountability
- Included for the Committee in the report is an “All Divisions” summary of variances, sorted from largest to smallest variance for the three months ending Friday, June 30, 2017
- 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



Agenda Item

Discussion and Decisions

Town Operating Fund

- The June 30th Financial Variance Report attached focuses on actual results compared to expected budget results for the first quarter of the year. The monthly breakdown is based on when the revenue or expenditure is planned to occur, not simply a 1/12ths allocation
- Results in the first half of the year are \$460,100 ahead of budget. This compares to a year ago where 1st quarter results were \$303,000 ahead of budget
 - Noted that with Revenue and Expense variance timing adjustments for Expenses, the adjusted surplus forecast was identified as being \$132,074
- 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

Water Utility

- As stated in the past, the key indicator in any given year is related to sales
- As reflected on the June 30 Variance Statement, the Utility saw 1st Quarter Billings well below budget and in fact the lowest quarterly bill in recent years
- Work continues on double checking meter reads to ensure accuracy of meters. With upcoming September read dates, additional attention will be paid to variances. This will be done both thru manual review by Town staff, as well as system software that provides consumption edit reports
- With regard to Utility expenses, overall, they are within \$15,000 of budget and the savings to June 30th have offset the lower than expected metered sales. A number of these "savings" are timing differences where it can be expected to see the actual expenses fall in line with budget, e.g. audit
- Looking towards the 2nd quarter results, it is anticipated that sales could be low again, but this would be more a result of a relatively mild summer season. This year is unlike July to September a year ago where extremely dry weather resulted in a boost in water consumption, attributed to customers using higher than normal water for irrigation



Agenda Item

Discussion and Decisions

Capital Budget

- A summary of capital costs to date was included in the financial 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 the August it can be reported that collections are behind the usual of past years
- A similar situation was experienced a year ago, however by year end outstanding receivables had improved
- The Director verbally updated Committee members that initial work on the tax sale process has begun and that Preliminary Notices will be sent end of day today or Monday next week.

Inquiry put forward with regard to the Audit Committee being made aware of any Operating Plan issues that may be sensitive to the Audit Committee

- Director Finance will investigate Operational Plan issues for Audit Committee review at the October Audit Committee meeting

MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE AUDIT COMMITTEE FORWARD THE INTERIM FINANCIAL REPORT, AS AT JUNE 30, 2017, TO THE OCTOBER 3, 2017 COMMITTEE OF THE WHOLE MEETING

CARRIED

4. Next Regular Meeting

The next regular meeting of the Audit Committee is tentatively scheduled for Friday, October 20, 2017

5. Adjournment

MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE AUDIT COMMITTEE MEETING BE ADJOURNED AT 10:08 AM

CARRIED

Approved at the October 20, 2017 Audit Committee Meeting.

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