

MUNICIPALITY OF THE DISTRICT OF ARGYLE
AUDIT COMMITTEE MEETING
Monday, September 25, 2017
Tusket, NS 3:00 p.m.

Present: Deputy Warden Danny Muise; Councillors Kathy Bourque and Nicole Albright; Chief Administrative Officer Alain Muise and Municipal Clerk Chris Frotten.

Regrets: Councillor Calvin d'Entremont.

The Audit Committee Meeting is called to order at 3:04 p.m. by Councillor Kathy Bourque.

Introduction:

Mrs. Gloria Banks and Mr. Chris Ellis, both Chartered Accountants with Grant Thornton, were in attendance to present the following three (3) documents to the committee:

- Non-Consolidated Statements (*prepared for Council and staff only*);
- Consolidated Statements (*puts all our assets together, except commissions and boards that we do not control*);
- Report to the Audit Committee (*Communication of Audit Strategy & Results*).

Presentation of Financial Statements – Non-Consolidated and Consolidated (Draft)

Mrs. Gloria Banks circulated draft copies of all three (3) documents to the committee. CAO Muise began by explaining each fund within the Municipality: the Operating Fund, the Tangible Capital Asset Fund, the Capital Reserve Fund and the Operating Reserve Fund.

CAO Muise noted a change in the way the annual deficit was to be recorded, based on new provincial reporting guidelines. He explained the annual surplus before interfund transfers of \$482,061. He continued with an explanation of the positive variances in the revenues and expenses which resulted in the surplus; noting, in particular, the deed transfer tax, the general administrative savings, the lower than expected property inspection costs, cost savings in sewage and garbage collection and disposal and recreation services. He then explained the operating fund balance sheet, the tangible capital assets fund balance sheet, the capital reserve fund balance sheet and the operating reserve fund balance sheet.

Mrs. Banks proceeded to briefly go over the Consolidated Financial Statements explaining that the Statements include the Capital Fund and Capital/Operating Reserves, as well as the assets, liabilities, equity, income, expenses and cash flows of the municipality's subsidiaries. The financial position of the Municipality shows a net surplus of \$311,1979 as compared to a budgeted deficit of \$489,190.

Mrs. Banks continued to review the statements and answered questions asked by committee members. Discussions pursued on a few line items of the statements.

Mrs. Banks mentioned once more to the Committee that the Non-Consolidated Statements which are prepared by our CAO Alain Muise are unaudited and only prepared for Council and Staff. On the other hand, the Consolidated Statements are prepared in accordance with generally accepted accounting standards for Municipalities and has to be approved by Council and forwarded to the Province by September 30th.

Mrs. Banks concluded by going over the Report to the Audit Committee.

CAO Muise and Municipal Clerk Frotten left the Council Chambers so the Committee could have an open discussion regarding the statements with Mrs. Banks and Mr. Ellis without staff present.

Recommendation

It was approved by Danny Muise and seconded by Nicole Albright to recommend that the Consolidated and Financial Statements be prepared for final approval for the upcoming meeting of the Committee of the Whole to be held on September 26th, 2017.
Motion Carried.

There being no further business, it is moved by Danny Muise and seconded Nicole Albright to adjourn the Audit Committee Meeting at 4:43 p.m.

Recorder
Chris Frotten

Date Approved: _____

Chairman/Warden _____

Alain Muise, Chief Administrative Officer _____