

**THOSE PRESENT:** Mayor: K. Maskell  
Deputy Mayor: B. White  
Councillors: P. Hambly  
S. Hicks  
R. Hopkins  
E. King  
S. Paterson

**STAFF PRESENT:** M. Dunlop, CAO/Clerk  
C. Walker, Director of Corporate Services & Treasurer

**CHAIRPERSON:** Mayor Kathi Maskell

Mayor Kathi Maskell called the meeting to order at 5:30 p.m.

1. **DISCLOSURE OF PECUNIARY INTEREST:** NIL
2. **DELEGATES:** John Hunt & Anne Irving, BDO Canada LLP, Auditors

John Hunt reviewed the process of what is to be done in the Audit Committee Meeting with the overall review of the Financial Statements and highlights of the statements. The second part of the meeting is for town staff to leave and Council has the ability to ask the auditor questions. The Financial Statement package includes all the Boards. He reviewed the Audit Committee Letter for Council's information. He noted that the audit committee letter is more about the audit findings in terms of their discharge as auditors. He summarized certain aspects of their audit in order to communicate to Council their oversight of town operations and their responsibilities vs. management's responsibilities to keep communications open for both parties.

Technically management is responsible for the financial statements and the auditors assist management with this responsibility. Throughout the audit process, they did not detect any fraudulent and ineligible activities. The quantitative and qualitative information on the financial statement is not misstated.

The lawyer information received has indicated that there is litigation outstanding on a piece of property currently under review with the SVCA that could be a potential liability issue for the town.

John noted that there were prior period adjustments for tangible capital asset purposes due to revisions in land figures as well as the outstanding Saugeen Municipal Airport assets that were only made available in 2011.

Some significant liability issues were noted that are shown yearly on the financial statements:

- a) Landfill Site Closure – This is a significant estimate which is unknown, but required by accounting policies.
- b) Employee Future Benefit Liability – A new review was completed in 2009. This liability is estimated and accrued over the life of the employee – which is a significant number on the statements.

The auditors overall assessment has noted that the Town's finances are very sound. Even after a significant amount of capital projects amounting to over \$5,600,000 in 2011, the Town has significant net financial assets of \$5.8M, a reduction in long term debt by \$386,000, a large annual surplus for 2011 at \$2.8M, and a substantial accumulated surplus at December 31, 2011 of \$71.9M.

At this point in the meeting, the CAO/Clerk and Director of Corporate Services/Treasurer left the meeting so that John and Anne could review the Management Letter with the Audit Committee and answer any questions.

3. ADJOURNMENT - The meeting adjourned 6:10 p.m.

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Kathi Maskell, Mayor

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Christine Walker, Director of Corporate Services/Treasurer