MUNICIPALITY OF THE COUNTY OF
ANTIGONISH

# Audit Committee Meeting Minutes

Tuesday, October 13, 2026, 3:30 pm
Multipurpose Room
Municipal Administration Building
285 Beech Hill Road
Beech Hill, NS B2G 0B4

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| Present were: | Warden Nicholas MacInnis (Chair)<br>Councillor Gary Mattie<br>Councillor Harris McNamara<br>Councillor Adam Baden-Clay<br>Bobby Mattie (member from the public) |
| Regrets: | None |
| Staff Present: | Shirlyn Donovan, CAO<br>Jackie Cleary, Acting CFO<br>Beth Schumacher, Municipal Clerk |
| Others Present: | Kyle Musial, Senior Manager, MNP Ltd. |

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## Call to Order – Warden MacInnis

The meeting of the Audit Committee was called to order by Warden MacInnis, at 3:37pm.

## Approval of Agenda

Warden MacInnis called for any additions or deletions to the agenda. No additions were made.

Moved and Seconded

That the agenda be approved as presented.

**Motion Carried**

## Review of the June 23, 2026 Audit Committee Minutes

Warden MacInnis called for any errors of omissions in the minutes of June 23, 2026. Councillor Baden-Clay noted that under “Call to Order”, the meeting was noted as the Committee of the Whole instead of the Audit Committee. Hearing no further concerns, the minutes were considered accepted as amended.

Moved and Seconded

That the minutes of June 23, 2026 be approved as amended.

**Motion Carried**

## Delegations

2026 Audit Findings and Presentation of the Financial Statements – MNP – Kyle Musial, CPA, CA

Mr. Musial reviewed the audit findings for the benefit of the Committee. He went through the summary document of the audit findings, reviewing each of the appendices in the document.

He noted that in Appendix D, Management Letter, two recommendations were put forward for management to act on:

- Credit Card Reconciliations
- Clearing of Aged Items in the General Ledger

Both items relate to the timeliness of these items being handled. Items are not significant risk, but do represent some risk, and are items that management are actively working on. Mrs. Donovan noted that staff has been actively working on catching up on this paperwork backlog over the year since it was last identified.

Councillor Mattie asked about the public to paying their taxes using credit cards. Mrs. Donovan and Mrs. Cleary provided further details on the fees paid by the municipality for the public to be able to pay their taxes using their credit cards.

Councillor Baden-Clay asked for further clarification regarding the summary of differences in Appendix E, and Mr. Musial explained the table in detail.

Mr. Musial then reviewed the non-consolidated financial information summary with the committee. He noted that where the operating costs were expected to be in a deficit, needing to draw from the operating reserve, the actual expenditures for the year were less than budgeted, resulting in a smaller draw needed from the operating reserve.

Mr. Musial spoke to the changes in the reserve funds from the beginning of 2025 to the end of 2026, looking at all of the reserve funds collectively. The funds sat at $18.2mil at the end of 2024, where at the end of 2026 those funds sat collectively at $18.5mil, even though some funds had to be used from the operating reserves. The various ways that the investment income of the different reserves has provided growth in the reserves was discussed.

In reviewing the documents for the Water Utility, Mr. Musial noted that there are increases in the costs incurred by the utility. This highlighted the need for a water rate study to be completed, to allow for an increase in rates to cover the expenses incurred by the utility. The utility is currently in a deficit and using reserves. Mrs. Donovan noted that the municipality has been in the queue for a year with the limited firms that are available to undertake a water rate study. A question was asked about how depreciation of assets in the budget impacts the numbers. Mr.

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Musial spoke to how the budget process may need to be reviewed, to reflect the NSUARB requirement to show depreciation in the capital fund in full. He noted that 2025/2026 was a lighter year for capital investments in the water budget.

Finally, Mr. Musial reviewed the consolidated financial statements for the organization. The challenges of looking at a surplus in the consolidated statements was discussed, with specific mention of the impact of capital grants on the consolidated statement. Mr. Musial stressed the importance of focussing on the operating funds. A question was asked about the separate entries that were summarized, and how they fit into the consolidated statements.

Mr. Musial reviewed the net financial assets of the municipality, and he noted that the number showed that the municipality is in a very good position, in part due to using internal borrowing from reserves as opposed to utilizing external debt. He noted that there were no changes to policy suggested.

The floor was then opened for questions. With no questions from the committee, Mr. Musial thanked staff, including Mrs. Donovan and Mrs. Cleary, for all of their assistance with undertaking the audit. Mrs. Donovan thanked Mr. Musial for his team's work, and thanked Mrs. Cleary and her team for getting the audit and reporting completed for the fall while Mrs. Duggan is off. Mrs. Donovan asked the committee for a motion approving the audited financial statements as presented.

Moved and Seconded

The Committee recommends that Municipal Council approve the audited financial statements for 2025/2026 financial year as presented.

**Motion Carried**

## Continuing Business

There was no continuing business.

## New Business

There was no new business.

## Additions to the Agenda

There were no additions to the agenda.

## Adjournment

Moved

That the Audit Committee meeting be adjourned at 4:46pm.

**Motion Carried**

Nicholas MacInnis, Warden

Shirlyn Donovan, CAO

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