MUNICIPALITY OF THE DISTRICT OF LUNENBURG

FINANCIAL STATEMENTS

MARCH 31, 2024

10 Allée Champlain Drive
Cookville, NS
B4V 9E4

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CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

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MUNICIPALITY OF THE DISTRICT OF LUNENBURG CONSOLIDATED FINANCIAL STATMENTS
Year ended March 31, 2024

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Municipality of the District of Lunenburg (the "Municipality") are the responsibility of the Municipality's management and have been prepared in compliance with legislation, and in accordance with the Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of CPA Canada. A summary of the significant accounting policies is described in note 1 to the consolidated financial statements. The preparation of financial statements involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Municipality's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The audit committee meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by Belliveau Veinotte Inc, independent external auditors appointed by the Municipality. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.

Tom MacEwan
Chief Administrative Officer

Elana Wentzell, CPA, CMA
Director of Finance

September 24, 2024

Belliveau Veinotte Inc.
CHARTERED PROFESSIONAL ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT

To the Council of The Municipality of the District of Lunenburg

Opinion

We have audited the consolidated financial statements of The Municipality of the District of Lunenburg (the Municipality), which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at March 31, 2024, and the consolidated results of its operations and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Municipality in accordance with ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality's financial reporting process.

(continues)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Belliveau Veinotte Inc.
CHARTERED PROFESSIONAL ACCOUNTANTS

Bridgewater, Nova Scotia
September 24, 2024

Municipality of the District of Lunenburg
Consolidated Financial Statements
For the year ended March 31, 2024

Consolidated Statement of Financial Position

		2024 Actual		2023 Actual
Financial Assets				
Cash and cash equivalents (note 5)	$	**43,420,481**	$	32,713,961
Taxes receivable (net of asset valuation allowances) (note 6)		**2,000,640**		1,695,320
Other receivables (net of asset valuation allowances) (note 7)		**2,416,068**		3,658,117
Investment in Municipal Joint Service Board (note 21)		**3,528,630**		3,528,630
Assets held for resale (note 14)		**241,633**		97,392
		51,607,452		41,693,420
Liabilities				
Bank Loan (Overdraft)		**54**		1,494,488
Accounts payable and accrued liabilities		**2,931,223**		1,237,854
Long-term debt (note 10)		**-**		-
Other liabilities				
Payable to other governments		**898,736**		535,185
Employee future benefit obligations (note 18b)		**591,463**		540,914
Asset retirement obligation (note 13)		**1,076,901**		1,042,499
Other (note 8)		**11,353,167**		4,329,100
		16,851,544		9,180,041
Net Financial Asset		**34,755,908**		32,513,379
Non-Financial Assets				
Tangible Capital assets (net of accumulated amortization) (note 12)		**59,139,459**		57,828,176
Prepaid expenses		**147,037**		188,472
		59,286,496		58,016,648
Accumulated Surplus (note 30)	$	**94,042,403**	$	90,530,026

Contingent Liabilities (note 11)

Commitments (note 15)

On behalf of the Municipality of the District of Lunenburg

Carolyn Bolivar-Getson Mayor

____________________ Chief Administrative Officer

Consolidated Statement of Operations

	2024		2023
	Budget	**Actual**	Actual
Revenue			
Assessable property taxes[1] (note 16)	$ 25,875,400	**$ 27,546,870**	$ 25,446,286
Grants in lieu of taxes	255,100	**268,565**	255,266
Services provided to other governments	87,100	**94,341**	68,937
Other revenue from own sources (note 17)	3,622,897	**4,309,237**	5,691,779
Unconditional transfers from other governments	95,200	**101,363**	96,063
Conditional transfers from other governments (note 17)	4,485,187	**2,464,662**	4,967,613
	34,420,884	**34,785,036**	36,525,945
Expenditures			
General government services	7,326,890	**6,340,553**	5,514,964
Protective services	10,201,987	**10,144,146**	9,204,629
Transportation services	2,714,573	**2,560,532**	2,302,123
Environmental health services	4,364,679	**5,777,824**	5,183,980
Environmental development services	2,711,404	**2,090,041**	1,819,716
Recreation and cultural services	4,260,968	**4,359,564**	4,106,553
	31,580,501	**31,272,660**	28,131,966
Annual Surplus	2,840,384	**3,512,376**	8,393,979
Accumulated Surplus, beginning of year	90,530,026	**90,530,026**	82,136,048
Accumulated Surplus, end of year (note 30)	$ 93,370,410	**$ 94,042,403**	$ 90,530,026

Note 1 - Assessable property taxes are reported net of Provincial transfers: education, corrections and regional housing.

Consolidated Statement of Cash Flows

	2024 Actual	2023 Actual
Operating Activities		
Annual Surplus	$ **3,512,376**	$ 8,393,979
Change in non-cash items		
Amortization	**2,245,564**	2,176,381
Accretion expense	**34,402**	1,042,499
Taxes receivable (net of asset valuation allowances)	**(305,320)**	(320,144)
Other receivables (net of asset valuation allowances)	**1,242,049**	(1,041,306)
Change in assets held for sale	**(144,241)**	(16,421)
Payables	**1,693,369**	(419,820)
Other liabilities	**7,438,167**	(3,400,806)
Change in prepaid	**41,435**	14,397
	15,757,802	6,428,759
Capital Activities		
Acquisition of tangible capital assets	**(3,764,891)**	(5,629,687)
Disposals of tangible capital assets	**208,044**	137,997
	(3,556,848)	(5,491,690)
Financing Activities		
Change in bank loans (overdraft)	**(1,494,434)**	1,356,582
Principal payments on long-term debt	**-**	-
	(1,494,434)	1,356,582
Investing Activities		
Assets held for sale	**-**	-
Net increase (decrease) in cash and cash equivalents	**10,706,520**	2,293,651
Cash and Cash Equivalents		
Beginning of Year	**32,713,961**	30,420,310
End of Year	$ **43,420,481**	$ 32,713,961

Consolidated Statement of Changes in Net Financial Assets

	2024 Actual	2023 Actual
Annual Surplus	**$ 3,512,376**	$ 8,393,979
Acquisition of tangible capital assets	**(3,764,891)**	(5,629,687)
Amortization of tangible capital assets	**2,245,564**	2,176,381
Disposal of tangible capital assets	**208,044**	137,997
	(1,311,283)	(3,315,309)
Acquisition of assets held for sale	**-**	-
Acquisition of prepaid expenses	**41,435**	14,397
	41,435	14,397
Increase (Decrease) in Net Financial Assets	**2,242,527**	5,093,066
Net Financial Assets		
Beginning of Year	**32,513,379**	27,420,313
End of Year	**$ 34,755,908**	$ 32,513,379

Notes to the Consolidated Financial Statements

1. Summary of Significant Accounting Policies and Reporting Practices

(a) **Basis of Presentation**
The consolidated financial statements of the Municipality of the District of Lunenburg ("Municipality") have been prepared, by Management, in accordance with the CPA Canada Public Sector Accounting Standards.

(b) **Consolidated Entities**
These consolidated statements reflect the assets, liabilities, revenues, expenditures and changes in fund balances of all organizations and enterprises accountable for the administration of their financial affairs and resources to the Municipal Council and which are owned or controlled by the District of Lunenburg. Inter-fund and inter-corporate transactions have been eliminated.

(i) Consolidated Entities
In addition to the general Municipality of the District of Lunenburg departments and funds, the following are consolidated:
- Municipal Joint Services Board
- The Municipality's proportionate share of Lunenburg County Multi-Purpose Centre Corporation

(ii) Non-Consolidated Entities
The following local boards, commission, and agencies are not consolidated:
- Property Valuation Services Corporation
- Western Regional Housing Authority
- South Shore Regional Library Board

(iii) Trust Funds
Trust funds and their related operations are administered by the Municipality for the benefit of external parties and are not consolidated. The remaining trust accounts are reported separately on the trust funds' statement of continuity and statement of financial position. The trust funds administered by the Municipality are comprised of the following:

	2024 Actual	2023 Actual
Burial funds	**$ 3,428**	$ 3,240
School lands	**26,227**	26,227
Lunenburg County Community Fund	**1,000,000**	1,000,000
	$ 1,029,655	$ 1,029,467

1. Summary of Significant Accounting Policies and Reporting Practices (Continued)

(c) Basis of Accounting

(i) PSAB Recommendations

These financial statements have been prepared in accordance with the standards established by the CPA Canada Public Sector Accounting Board "PSAB" which are applicable to Municipalities.

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues.

Funds from external parties and earnings thereon and restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers are recognized in the financial statements as revenues in the period that events giving rise to the transfer occurred, providing the transfers are authorized, the Municipality has met any eligibility criteria, and reasonable estimates of the amounts can be made.

Expenditures are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

(ii) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingencies and the reported amounts of revenue and expenditure in the consolidated financial statements and accompanying notes. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality.

In addition, the Municipality's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs.

Due to inherent uncertainty in making estimates, actual results could differ from those estimates.

1. Summary of Significant Accounting Policies and Reporting Practices (Continued)

(c) Basis of Accounting (continued)

(iii) Taxation and Related Revenues

Property tax billings are prepared by the Municipality based on assessment rolls issued by Property Valuation Services Corporation (“PVSC”) and adjusted for estimates of appeals and reassessments. Tax rates are established annually by Municipal Council during the budget approval process. Tax adjustments as a result of appeals and reassessments are recorded when the result of the appeal process is known. Valuation allowances are established based on estimated losses that may be incurred in collecting outstanding receivables.

The Municipality includes interest in revenue on overdue taxes it is entitled to collect.

(iv) Accounts Receivable

Accounts receivable are reported net of any allowance for doubtful accounts.

(v) Tangible Capital Assets

Capital assets are recorded at cost in the period they are acquired. Donated assets are capitalized and recorded at their estimated fair value upon acquisition. Certain capital assets for which historical cost information was not available have been recorded at current fair market value discounted by a relevant inflation factor.

Amortization is recorded in the financial statements on a straight-line basis over an asset’s estimated useful life as follows:

	Years
Land improvements	**25**
Buildings	**15-40**
Electronic Equipment	**5-10**
Small Equipment	**3-15**
Machinery and Equipment	**10-15**
Vehicles	**3-15**
Roads and Streets	**30**
Traffic and Street Lights	**30**
Sidewalks	**25**
Sewer Systems	**50**
Wharves	**25**
Other	**25-50**
LaHave River Sewer Systems	**7**

No amortization is recorded in the year of acquisition.

1. Summary of Significant Accounting Policies and Reporting Practices (Continued)

(c) Basis of Accounting (continued)

(vi) Employee Future Benefit Obligations

The Public Sector Accounting Handbook requires accounting for and reporting obligations for employee future benefits. An estimate of these liabilities has been recorded with the Consolidated Statement of Financial Position.

On March 1, 2020 employees of the Municipality entered the Public Service Superannuation Plan ("PSSP"), a contributory pension plan administered by the Pension Services Superannuation Plan Trustee Incorporated, which provides pension benefits based on length of service and earnings. The Municipality is not obligated for any unfunded liability, nor is the Municipality entitled to any surplus that may arise in the PSSP. Employer contributions are recognized as an expense in the period to which they relate.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and balances with banks, bank overdrafts, and highly liquid temporary money instruments with original maturities of three months or less. Bank borrowings are considered to be financing activities.

(e) Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability would be recorded net of any expected recoveries. A liability for remediation of contaminated sites would be recognized when all the following criteria are met:

(i) an environmental standard exists;
(ii) contamination exceeds the environmental standard;
(iii) the Municipality of the District of Lunenburg:
  a. is directly responsible;
  b. or accepts responsibility;
(iv) and a reasonable estimate of the amount can be made.

As at March 31, 2019 the Riverport School site was identified as a contaminated site (Note 8 b). The site received environmental clearance on January 1, 2023.

(f) Asset Retirement Obligations

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

A liability for the removal of asbestos in several of the buildings owned by the Municipality has also been recognized based on estimated future expenses on closure of those sites and post-closure care.

The liability is discounted using a present value calculation, and adjusted yearly for accretion expense.

2. Change in Accounting Policies

PS 3400 – Revenue:

Effective April 1, 2023, the Municipality adopted Public Accounting Standard PS 3400 – Revenue. The new accounting standard differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. The standard was adopted with no impact on revenue recognition for the fiscal year.

No performance obligations have been entered into or recognized as at March 31, 2024.

3. Contributions to Boards, Regional Authorities and Commissions

Together with other municipal units in Lunenburg County, the Municipality is required to finance the operations of the various Boards, Regional Authorities and Commissions based on uniform assessment.

In addition to any budgeted contributions, the municipal units share in the deficits or surpluses of these Boards based on their sharing percentages. The municipal units' share of the surplus or deficit is set up as payable to, or receivable, from the other organizations.

Contribution to Non-Consolidated Boards

The following contributions were made by the Municipality for current year's operations to non-consolidated board, agencies, and commissions:

	2024 Budget	**2024 Actual**	2023 Actual
Western Regional Housing Authority (a)	$ 35,000	**$ 28,950**	$ 26,640
South Shore Regional Library Board (b)	199,700	**199,700**	199,700
Property Valuation Services Corporation (4. c)	690,300	**690,276**	687,452
	$ 925,000	**$ 918,926**	$ 913,792

(a) Contribution to Regional Housing Authority

The Municipality is required to help finance its share of the operating deficit in the Western Regional Housing Authority out of its current year's operation. The cumulative deficit financed for 2023-24 was $28,950 (2022-23 - $26,640).

(b) Contribution to Regional Library Board

During 2023-24, the Municipality paid $199,700 (2022-23 - $199,700) to the Regional Library Board as its share of operating costs.

4. Contributions to Provincial Government Departments and Agencies

(a) Education Contribution

The required contribution to the South Shore Regional Centre for Education is calculated using the mandatory municipal education rate (set by the Minister of Education) multiplied by the Municipality's uniform assessment. For 2023-2024 the education tax rate was $0.3048 (2022-23 - $0.3048) per $100 of uniform assessment multiplied by the uniform assessment of $3,129,872,293 (2022-23 - $2,887,963,821) for a total amount paid of $9,539,851 (2022-23 - $8,802,514).

(b) Correction Contributions

The required contribution for corrections is calculated first using an amount set by the Province, to be recovered from all municipal units. Fifty percent of this recovery amount is allocated among municipal units using each unit's uniform assessment as a percentage of provincial uniform assessment. The other fifty percent is allocated using each unit's number of dwelling units as a percentage of provincial dwelling units. During 2023-24 the Municipality paid $428,002 (2022-23 - $428,251) to the Province for correction services.

4. Contributions to Provincial Government Departments and Agencies (continued)

(c) Assessment Service Contributions

The required contributions for assessment services is calculated using an amount, set by the Property Valuation Services Corporation (PVSC), to be recovered from all municipal units 2023-24 $17.532 million (2022-23 - $17.532 million). Fifty percent of this recovered amount is allocated among municipal units using each unit's uniform assessment as a percentage of provincial uniform assessment. The other fifty percent is allocated using each unit's number of assessment accounts as a percentage of provincial assessment accounts. During 2023-24 the Municipality paid $690,276 (2022-23 - $687,452) to the PVSC for assessment services.

(d) Lunenburg County Multi-Purpose Centre Corporation

On November 10, 2009, the Municipality entered into an agreement with the Town of Bridgewater to form the Lunenburg County Multi-Purpose Centre Corporation ("LCLC") to own and operate a multi-purpose facility. The Municipality has a fifty percent interest in the facility. The original capital cost was paid from reserves and replenished through a special tax rate. The remaining balance at March 31, 2016 of $710,339 was paid in 2016-17. The overage in capital costs was also funded through municipal reserves. The remaining balance was $1,747,478 at March 31, 2016. The LCLC had agreed to forward future capital donations to the Municipality to help replenish this additional reserve drawdown. In 2018-19, no capital donations were received. In prior years, funds were paid back to the reserve fund (2017-18: $25,500; $ 2016-17: $76,000; 2015-16: 22,500). In 2019-20, the Municipality's Council agreed to write off the $1,645,979 remaining balance.

4. Contributions to Provincial Government Departments and Agencies (continued)

(d) Lunenburg County Multi-Purpose Centre Corporation (continued)

Included in the Municipality's consolidated financial statements are its proportionate share of the net assets in the amount of $14,451,682 (2022-23 - $14,741,245). The following table provides supplementary financial information for the LCLC as of March 31:

Financial Position	**2024**		2023
	MODL Share	**TOTAL**	
Financial Assets	**$ 357,936**	**$ 2,888,062**	$ 3,758,557
Liabilities	**272,581**	**2,717,351**	3,667,398
Net Financial Assets (Liabilities)	**85,356**	**170,711**	91,159
Non Financial Assets	**14,366,327**	**28,732,653**	29,391,331
Net Assets (Liabilities)	**$ 14,451,682**	**$ 28,903,364**	$ 29,482,490

As of March 31, 2024, MODL had the following related party transactions with the LCLC:

	2024	2023
Due to LCLC (rentals)	$ 4,152	$ 575
Operating Grants paid to LCLC	671,612	527,463
Capital Grants paid to LCLC	0	137,327
Operating deficit transfer payable to LCLC	123,968	115,697
Capital transfer receivable from LCLC	1,191	1,191

5. Cash and Cash Equivalents

	2024 Actual	2023 Actual
Included in Cash are Restricted Amounts		
Canada Community-Building Fund	**$ 1,803,178**	$ 1,554,018
Lunenburg County Lifestyle Centre	**57,065**	432,002
Tax Sale Surplus	**2,524,416**	2,200,307
Landfill Closure	**887,271**	870,959
	5,271,929	5,057,287
Unrestricted Cash	**38,148,551**	27,656,674
	$ 43,420,481	$ 32,713,961

	2024 Actual	2023 Actual
Cash Made Up Of:		
Operating Fund	**$ 17,466,551**	$ 9,710,493
Capital Fund	**-**	-
Reserve Fund	**25,896,865**	22,571,466
Lunenburg County Lifestyle Centre	**57,065**	432,002
	$ 43,420,481	$ 32,713,961

The Canada Community-Building Fund is restricted to eligible projects, as approved under the Canada-Nova Scotia CCBF Agreement. The landfill closure funds are restricted by provincial regulations to fund eligible landfill costs.

6. Taxes Receivable

	2024 Actual	2023 Actual
Balance, beginning of year	**$ 1,695,320**	$ 1,375,176
Current year's tax levy	**35,162,632**	31,507,603
Interest on overdue taxes and rates	**367,191**	333,391
	37,225,143	33,216,170
Deduct		
Collections	**34,023,354**	30,531,798
Adjustments,write-offs & bad debt expense	**87,502**	42,927
Exemptions for taxes	**351,284**	271,260
	34,462,140	30,845,985
Sub-total	**2,763,003**	2,370,185
Allowance for doubtful accounts	**(762,363)**	(674,865)
Net taxes receivable	**$ 2,000,640**	$ 1,695,320

7. Other Receivables

(a) Other

	2024 Actual	2023 Actual
Governments		
Government of Canada and its agencies	$ **260,270**	$ 170,622
Province of Nova Scotia and its agencies	**391,773**	1,471,555
Trust Fund	**128,039**	70,207
Municipal Joint Services Board ("MJSB")	**2,075**	1,877
Municipal Governments	**118,210**	239,153
	900,368	1,953,414
General Public	**370,633**	499,793
LaHave River Stright Pipe Loans	**1,006,842**	1,146,093
Clean Energy Financing Loans	**149,635**	69,602
	1,527,109	1,715,488
Allowance for Doubtful Accounts	**(11,409)**	(10,785)
	$ **2,416,068**	$ 3,658,117

Other Receivables Found in:

	2024 Actual	2023 Actual
Operating Fund	$ **732,928**	$ 791,527
Capital Fund	**1,361,433**	2,686,425
Reserve Fund	**-**	-
Trust Fund	**-**	-
Other	**321,706**	180,165
	$ **2,416,068**	$ 3,658,117

(b) Allowances for Doubtful Accounts

	2024 Actual	2023 Actual
Due from general public	$ **11,409**	$ 10,785
	$ **11,409**	$ 10,785

8. Other Liabilities

		2024 Actual		2023 Actual
Deferred Revenues				
Other	$	**536,702**	$	236,872
Province of Nova Scotia	$	**5,586,992**	$	-
Lunenburg County Lifestyle Centre		**77,361**		318,548
		6,201,055		555,420
Other				
Prepaid Taxes		**1,212,024**		1,164,543
Tax Sale Surplus (note 9)		**2,524,416**		2,200,307
Landfill closure liability (note 8a)		**408,830**		408,830
Loans		**1,006,842**		-
	$	**11,353,167**	$	4,329,100

(a) Landfill Site Closure

As of April 1, 2013, the Municipality transferred all of the assets and liabilities of the Lunenburg Regional Recycling and Composting Facility (“LRRCF”) to the Municipal Joint Service Board (“MJSB”).

Municipalities are required to recognize closure costs as an expense and make an equivalent transfer into a special capital reserve fund in each period that the landfill accepts solid waste. Recognition of closure costs started on the date the landfill began accepting solid waste. The Municipality has site closure reserves which are in excess of the landfill liability. Total transfers to site closure capital reserves and interest earned on these reserve funds at March 31, 2024 was $887,271 (2023- $870,959). The landfill was closed to further disposal in 2005 and subsequent costs incurred relate to remediation and monitoring. The present value of the remaining landfill site closure cost is estimated to be $351,232 (2023 – $416,307).

The future landfill site closure costs were forecast with inflation at 2% per annum and discounted back to March 31, 2019 using a discount rate of 2.5%. A gross landfill closure liability of $408,830 (2023 - $408,830) has been reported in the consolidated statement of financial position of the Municipality and includes costs for the assessment of the site monitoring, treatment of leachate, monitoring of ground and surface water, monitoring and recovery of gases and maintenance of required drainage systems and other control systems.

8. Other Liabilities (continued)

8. (a) Landfill Site Closure (continued)

	2024 Actual	2023 Actual
Estimated gross landfill closure cost	**$ 408,830**	$ 408,830
Reserves for Site Closure	**887,271**	870,959

(b) Contaminated Site – Riverport School

Petroleum hydrocarbon contamination was discovered during an Environmental Site Assessment of the Riverport School property. MODL notified the Provincial Department of Environment as per provincial legislation. The Department issued an inspection report with a schedule for compliance for site remediation. On July 16, 2016, Municipal Council approved a plan to demolish the building and remediate to Tier 2 standards. Environmental clearance was received on January 1, 2023. The tear down, remediation and testing follow-up costs were $407,652.

(c) Lunenburg County Community Fund Liability

The Lunenburg County Community Fund (LCCF) donated $1,000,000 to help finance the LaHave River Straight Pipe Project. In accordance with the Memorandum of Understanding between MODL and the LCCF, homeowner payments replenished the donation and were transferred to a Trust Fund in the name of the LCCF to be used on future mutually agreed upon projects. Homeowner payments of $1,000,000 have been received. The liability was paid in 2022.

9. Tax Sale Surplus Account

The Municipality of the District of Lunenburg is required to hold the surplus from tax sales for a period of twenty (20) years. This surplus represents excess funds received at tax sales over and above the original amounts which were owing to the Municipality at the time a particular property was sold. The excess proceeds if not claimed, are to be transferred to the Capital Reserve fund at the end of the twenty (20) year period. A surplus of $3,556 was transferred to the Capital Reserve in Fiscal 2024. Provincial regulations require the tax sale surplus be included on the consolidated statements as a liability. Tax sale surplus account amounts and the respective years in which they arose are as follows:

	2024 Actual	2023 Actual
2004	-	3,556
2005	13,783	13,783
2006	62,358	62,358
2007	4,247	4,247
2008	8,368	8,368
2009	86,299	86,299
2010	113,084	113,084
2011	19,061	19,061
2012	54,221	54,221
2013	59,145	59,145
2014	28,890	28,890
2015	69,981	69,981
2016	46,070	46,070
2017	112,409	112,409
2018	18,188	18,188
2019	38,955	38,955
2020	112,270	112,270
2021	663,206	663,206
2022	571,039	571,039
2023	115,178	115,178
2024	327,665	-
	$ 2,524,416	$ 2,200,307

10. Long-term Debt

(a) Balance of Long-term Debt

The Municipality has paid all long-term debt obligations. There is no long-term debt reported on the consolidated statement of financial position.

(b) Principal Payments

Principal repayments required for the next five (5) years are as follows:

2025	$	-
2026	$	-
2027	$	-
2028	$	-
2029	$	-
2030	$	-

(c) Total Charges for Long-term Debt

Because all long term debt obligations are paid, there are no charges for long-term debt included in the consolidated statement of financing activities.

11. Contingent Liabilities

The Municipality is contingently liable for long-term liabilities for which the responsibility of the payment of principal and interest has been assumed by other organizations as follows:

- ***Lunenburg County Multi-Purpose Centre Corporation*** – The Municipality has guaranteed the Temporary Borrowing Resolution of the "Lunenburg County Multi-Purpose Centre Corporation" in the amount of $3,850,000. There is no balance owing on this capital debt at year end.

- ***Municipal Joint Services Board*** - The Municipality is responsible for their share of the liabilities of the Board: The nature of solid waste management leads to potential for site contamination. Although active mitigation practices are in place, potential environmental liabilities in a final full site closure are undeterminable, however given the nature could potentially be significant.

- ***Blockhouse Volunteer Fire Department*** – The Municipality has provided a loan guarantee to the Blockhouse Volunteer Fire Department in the amount of $100,000 for the purpose of constructing a new fire hall for a period not exceeding ten years. The loan guarantee has been approved by the Minister of Municipal Affairs and expires May 6, 2026. As of March 31, 2024 the loan is in good standing.

12. Tangible Capital Assets

	Cost - Beg of Year	Additions	Cost Disposals & Write Offs	Cost-End of Year	Amort Disposals & Write Offs	Amort in Year	Acc Amort Beg of Year	Acc Amort End of Year	**Net Book Value 2024**	Net Book Value 2023
Municipal General										
Land	**$ 6,298,357**	$ -	$ 208,044	$ 6,454,605	$ -	$ -	$ -	$ -	**$ 6,454,605**	$ 6,662,649
Land Improvements	**2,380,690**	1,288,809	-	3,875,019	-	81,629	652,337	733,965	**3,141,053**	1,933,873
Buildings	**9,571,367**	179,552	-	10,450,129	-	153,706	747,499	901,205	**9,548,925**	9,523,079
Buildings/Plants - WWTP	**6,243,425**	-	-	6,243,425	-	250,012	4,088,089	4,338,101	**1,905,325**	2,155,337
Electronic Equipment	**84,571**	-	-	84,571	-	7,972	71,137	79,109	**5,462**	13,434
Small Equipment	**260,117**	47,305	-	549,422	-	22,406	142,202	164,608	**384,814**	359,915
Machinery & Equipment	**1,074,421**	56,697	-	1,231,655	-	63,918	599,624	663,542	**568,113**	575,335
Vehicles	**487,914**	225,491	26,317	750,989	26,317	86,046	272,959	332,688	**418,300**	278,856
Wharves	**378,674**	15,017	-	393,691	-	15,136	214,008	229,144	**164,547**	164,666
Roads and Streets	**9,505,168**	-	-	9,637,936	-	289,849	3,298,841	3,588,690	**6,049,246**	6,339,095
Sidewalks	**328,990**	-	-	328,990	-	10,966	67,367	78,333	**250,657**	261,623
Sewer System	**7,627,177**	879,735	-	8,752,567	-	181,744	2,308,988	2,490,732	**6,261,835**	5,563,844
LaHave Straight Pipe Project	**7,623,616**	-	-	9,905,374	-	448,390	1,388,468	1,836,857	**8,068,517**	8,516,906
Work-in-progress	**-**	497,965	-	497,965	-	-	-	-	**497,965**	-
Other	**1,350,934**	351,894	-	1,748,926	-	93,299	579,370	672,669	**1,076,256**	817,661
	53,215,422	3,542,464	234,360	60,905,264	26,317	1,705,075	14,430,888	16,109,646	**44,795,619**	43,166,272
Lunenburg County Multi-Purpose Centre Corporation (50% equity)										
Land	**433,583**	-	-	433,583	-	-	-	-	**433,583**	433,583
Land Improvements	**1,424,272**	-	-	1,424,272	-	56,971	540,222	597,193	**827,079**	884,050
Building	**16,965,357**	178,525	-	17,143,882	-	435,637	3,766,602	4,202,238	**12,941,644**	13,198,756
Furniture and fixtures	**167,852**	-	-	167,852	-	10,174	153,723	163,897	**3,955**	14,129
Computer equipment	**156,797**	-	-	156,797	-	9,674	131,728	141,402	**15,396**	25,070
Equipment	**357,701**	43,903	-	401,604	-	28,034	251,383	279,417	**122,187**	106,318
Work in Progress	**-**	-	-	-	-	-	-	-	**-**	-
Total Tangible Capital Assets	**19,505,561**	222,427	-	19,727,988	-	540,490	4,843,657	5,384,147	**14,343,841**	14,661,904
Total Tangible Capital Assets	**$ 72,720,982**	$ 3,764,891	$ 234,360	$ 80,633,252	$ 26,317	$ 2,245,564	$ 19,274,545	$ 21,493,792	**$ 59,139,459**	$ 57,828,176

13. Asset retirement obligations

The Municipality’s Asset retirement obligation consists of several obligations as follows:

Asbestos obligation

The Municipality owns several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS3280 – Asset retirement obligations, the Municipality recognized an obligation relating to the removal and post-removal care of the asbestos in these building as estimated at April 1, 2022.

Estimated costs have been discounted to the present value using Nova Scotia CPI (March) at the following rates: 2019, 1.3%; 2020, 0.9%; 2021, 2.8%; 2022, 6.8%; 2023, 4.6%; 2024, 3.3%.

The transition and recognition of asset retirement obligations involved the restatement of opening balances (see note 2).

Changes to the asset retirement obligation in the year are as follows:

Asset Retirement Obligaton	Asbestos removal			Balance at March 31, 2024	Balance at March 31, 2023
	MARC Buildings	Wile's Lake Buildings	Centre School		
Opening Balance	$ 189,700	$ 8,970	$ 843,829	$ 1,042,499	$ -
Accretion expense	6,260	296	27,846	34,402	46,248
Closing balance	$ 195,960	$ 9,266	$ 871,675	$ 1,076,901	$ 1,042,499

14. Assets Held for Resale

i) Land Available for Sale

At March 31, 2024, nine parcels of Municipally-owned land were actively on the market for sale in accordance with Policy 065 – Divestiture of Surplus Land. The total asking price is $472,550. These parcels of land were moved from tangible capital assets to land sales inventory at cost (2024 $241,633; 2023: $97,392).

15. Commitments

(a) Payments

The Municipality entered into a four-year contract for garbage collection with a two-year optional extension clause. The contract term is April 1, 2020 to March 31, 2024 and requires the following payments: 2023/24 - $1,155,166. The optional two-year extension amounts are 2024-25 - $1,181,157 and 2025-26 - $1,207,733.

(b) School

On January 31, 1982, the Municipality joined with the other Municipalities and towns in Lunenburg County to form the South Shore Regional School Board which was later replaced by the South Shore Regional Centre for Education (SSRCE). Under the agreement, all school buildings as of December 31, 1981, will remain assets of the Municipality, but will be under the operational control of the SSRCE until such time they are no longer required for school purposes. At that time, control will revert back to the Municipality. Since the Municipality does not have control over the schools that are used by the SSRCE, they are not included in the financial statements of the Municipality. The SSRCE turned over the following schools for which they no longer had use: Blockhouse, Centre, and Riverport. The school facilities are fully depreciated and the value of the school lands was offset by the estimated demolition costs of the school buildings. Blockhouse School was sold in Fiscal 2016. Additional Schools are expected to be declared surplus in the next several years which are anticipated to represent a significant cost to the Municipality to decommission. However Provincial legislation has been altered and municipal acquisition is no longer mandatory.

15. Commitments (continued)

(c) Osprey Village

On April 19, 2010 the Municipality entered into a Memorandum of Understanding with the Town of Bridgewater to make a $1,000,000 contribution to a new water storage reservoir, with interest at 4% compounded annually, payable on or after April 15, 2015.

The Municipality was successful in securing an Investing in Canada Infrastructure grant (73.3% funding) for the water reservoir that will serve Osprey Village and signed the contribution agreement on May 31, 2022. The Municipality of Lunenburg and the Town of Bridgewater are responsible for 27.7% shared equally together with any non eligible costs. The Municipality will build the water reservoir and turn it over to the Public Service Commission of Bridgewater Water Utility (PSC) once complete.

(d) Partnership Project

Effective April 1, 2024 the Municipality renewed its contract with the Canadian Air Engineering Squadron to assist, support, and facilitate the recruitment of reservists by providing a facility in Pinegrove, Lunenburg County, Nova Scotia. This contract expires March 31, 2029.

(e) School Lands Trust Payments

The Municipality receives interest income annually from funds held in trust, representing its interest in school lands. These funds are available for the purchase of books as follows:

	Park View Education Centre	New Germany Rural High	**Total**
Balance, beginning of year	$ 506	$ 506	**$ 1,013**
Interest income earned in trust	758	758	**1,517**
Less: paid to school for books	(506)	(506)	**(1,013)**
Balance available for book purchases	$ 758	$ 758	**$ 1,517**

15. Commitments (continued)

(f) Garbage Disposal

Commencing April 1, 1991, the Municipality entered into an agreement with other Municipal Units in Lunenburg County to share in the capital cost of the site, based on the average of waste collected and uniform assessment over the last five (5) years. Each of the units has a vested interest in the site; however, no unit can receive its vested interest unless all units mutually agree to close the site to solid waste disposal. On April 1, 2012 the Town of Lunenburg ("TOL") withdrew from the partnership. This event is not expected to have a material effect of the LRRCF operations as the TOL waste amounts to less than 8% of the total received at the facility. The remaining partners formed a Municipal Joint Service Board ("MJSB") under Section 60 of the Municipal Government Act to operate the LRRCF beginning in Fiscal 2014. On March 31, 2013 the related assets and liabilities were transferred to the Municipal Joint Services Board.

The three remaining partner units, the Town of Bridgewater, Town of Mahone Bay and the Municipality of the District of Lunenburg continue their discussions with the Town of Lunenburg to determine their rights and obligations under the various waste management agreements as a result of the 2012 withdrawal by the Town of Lunenburg. Should the municipal units fail to reach an agreement, the three remaining partners are responsible for recovering the landfill closeout and post closeout costs from the Town of Lunenburg.

(g) Joint Emergency Measures Organization

The Municipality has an Agreement with the Town of Bridgewater, Town of Mahone Bay and the Municipality of Chester to provide for a coordinated response to emergencies. On April 1, 2015 the Town of Lunenburg was added to the Agreement.

16. Assessed Property Taxation

	2024 Budget	**2024 Actual**	2023 Actual
Total taxes and rates	$ 35,906,800	**$ 37,543,672**	34,703,691
Less:			
Taxes collected on behalf of others:			
School Board levy	9,539,900	**9,539,851**	8,802,514
Correctional Services	456,500	**428,002**	428,251
Deficit of Regional Housing Authority	35,000	**28,950**	26,640
	10,031,400	**9,996,802**	9,257,405
Net taxes and rates	$ 25,875,400	**$ 27,546,870**	$ 25,446,286

17. Schedule of other Revenues and Conditional Transfers

	Actual 2024	Actual 2023
Other revenue from own sources		
Operating fund revenue		
Licenses & permits	$ 118,001	$ 114,595
Police prosecution & fines	87,434	76,877
Rentals	90,625	95,654
CES/CEF Expense Recovery	68,246	61,831
Interest - bank accounts and pension	2,300,658	1,414,047
Interest on overdue taxes	371,822	343,576
Administration charges - REMO	5,800	5,800
Tax Sale fees	57,425	39,096
Open Space Fees	42,530	200,209
Tax Information - third parties	62,390	76,158
Tax Sale surplus	3,556	48,157
Pro-Kids	20,317	20,585
Economic Development grants & VIC	9,187	59,971
Sale of Services	111,282	182,015
Recreation Fees	100,172	81,894
Other Administrative revenues	51,240	33,795
Capital fund revenue		
Aerated compost carts	456	-
Sewer user connect fees	-	-
Sale of Assets (used vehicle, and land)	(35,565)	-
Liability funding - Riverport School	-	501,240
Lun Co Community Fund	2,042	1,011,198
Other Contributions	64,301	4,248
Interest on receivables	1,802	833
Donated assets (land)	-	3,540
Gain on sale of assets	139,001	4,081
LCLC consolidated revenue	636,515	1,312,379
	$ 4,309,237	$ 5,691,779

Conditional transfers from other governments		
Gas Tax revenue	1,235,717	1,180,159
Federal & Provincial capital grants	512,748	2,809,539
Provincial operating grants	221,531	227,926
LCLC consolidated government transfers	494,666	749,990
	$ 2,464,662	$ 4,967,613

18. Employee Benefits

(a) Pension Agreements

Effective March 1, 2020, the Municipality signed a transfer agreement with the Public Service Superannuation Plan Trustee Incorporated ("PSSPTI") to transition its pension plan assets to the PSSP, a contributory multi-employer defined benefit pension plan administered by the PSSPTI, which provides pension benefits based on length of service and earnings.

Upon entering into such agreements, assets and liabilities of a Municipality pension plan are in whole, or in part, transferred to the PSSP. On or after the transfer date, retirees of the former Municipality defined benefit pension plan are deemed to be retirees within the PSSP.

The transition was accounted for as a settlement as the Municipality transferred its assets and any remaining obligation of its defined benefit pension plan to the PSSP. In accordance with the transfer agreement, the Municipality has no further obligations or liabilities in respect of its former defined benefit pension plan and is only responsible to make contributions to the PSSP as an employer. The resulting differential on transfer was a deficit of $166,527 (actuarial estimates were $155,200). This pension benefit deficit was paid and has been recorded in the consolidated statement of operations.

Expenses associated with the transfer including legal and actuarial fees were budgeted utilizing the Employee Pension Reserve. These costs were expensed in the fiscal year in which they are incurred. In 2021/22 the final costs totaled $132,965 (2020/21- $102,045. The transfer costs were paid from the Employee Pension Reserve.

The PSSP is accounted for as a defined contribution plan as the obligation to pay retirement obligations does not reside with the Municipality.

The PSSP is 103.8 % funded with an accrued pension obligation resulting in a $0.287 B funding surplus (extrapolated) as at March 31, 2024 on a going concern basis.

The actual pension obligation as of the actuarial date of December 31, 2023 was a funding excess of $111.4 M.

Contributions to the Plan are required by both the employer and its employees. Total MODL contributions for 2023-2024 were $917,564 and are recognized as an expense in that period.

18. Employee Benefits (continued)

(b) Employee Future Benefit Obligations

Management's estimates of employee future benefit obligations represent future liabilities of the Municipality to its employees for benefits earned but not taken as at March 31, 2024 and consist of the following:

	2024 Actual	2023 Actual	Net Change
Accrued sick leave	**$ 78,847**	$ 95,211	$ (16,363)
Service awards	**23,700**	23,100	600
Vacation pay	**488,916**	422,603	66,313
	$ 591,463	$ 540,914	$ 50,549

Sick leave is accumulated at a rate of 1 ½ days per month to a maximum of 100 days. This benefit is not paid out upon retirement. Service Awards are recognition awards for permanent full-time employees. Employees are compensated based on achieving certain years of service milestones. Awards range from $300 to $2,100 for 5 years to 35 years of service.

(i) Vacation

Vacation pay reflects the value of vacation earned during the year but not taken as at the year end.

(ii) Service Awards

Service awards reflect the value of cash awards for long service employees but not taken at year end.

The Municipality has no material unfunded post-employment benefit obligations.

(iii) Accrued Sick Leave

The Municipality's estimated sick leave entitlements for 2023-24 are $78,847 ($95,211 – 2022-23) based on an estimate of sick leave credit drawdown history.

In lieu of a short-term disability plan, the Municipality has a sick leave policy that allows employees to earn sick leave credits based on time worked.

The accrued sick leave is an estimate of the sick leave credits that may be used in future years, based on past experience.

19. Consolidated Expenditures by Object – Municipal Operations

The following is a summary reclassification by object of the consolidated expenditures as reported in the supplementary financial information.

	2024 Actual	2023 Actual
Salaries, benefits & other personnel costs	**$ 7,463,360**	$ 6,601,343
Long-term interest charges	**46,496**	49,775
Materials, outsourced and other	**10,638,811**	8,603,246
Amortization	**2,245,565**	2,176,382
Asset Retirement obligations	**34,402**	1,042,499
Utilities	**746,322**	633,831
Rents	**11,047**	10,862
Grants	**1,183,241**	847,679
Fire Area Rates	**4,352,169**	3,923,393
Policing and corrections	**4,199,964**	3,971,698
Reduced taxes	**351,284**	271,260
Total consolidated statement of operations expenditures	**$ 31,272,660**	$ 28,131,966

20. Government Transfers

(a) The Municipality receives grants, subsidies and contributions from provincial and federal governments for general purposes, to finance specific program expenditures and to finance capital expenditures. These government transfers are recognized in the consolidated financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made, except when and to the extent that stipulations associated with the transfer give rise to a liability. If a liability is created, the satisfaction the transfer stipulations by the Municipality determines the timing of the recognition of the transfer as revenue.

(b) The Municipality makes discretionary disbursements to individuals, institutions, and agencies. These payments are recorded as grants to organizations and individuals in the consolidated statement of financing activities to the extent that the payments meet the accrual basis of accounting. Amounts paid for Canada Pension Plan are not reported as government transfers. During 2024 fiscal year the Municipality issued payments as government transfers as follows:

	2024		2023
	Budget	**Actual**	Actual
Grants to fire departments	$ 286,600	**$ 330,942**	$ 294,888
Grants to agencies and institutions	1,223,400	**852,299**	552,791
	$ 1,510,000	**$ 1,183,241**	$ 847,679

21. Municipal Joint Services Board (“MJSB”)

As outlined in note 12(f), the Municipal Joint Services Board was incorporated under Section 60 of the Municipal Government Act and began operations on April 1, 2013. The MJSB operates the Lunenburg Regional Community Recycling Centre (“LRCRC”) and identifies opportunities for increased sharing of services among partner Municipalities. Information Technology and Human Resource management have been identified and implemented.

The Capital and Operating budgets of the MJSB are subject to annual approval of at least two of the three partners representing at least 51% of the interest. The Council of each partner are responsible to guarantee any capital borrowings required to implement the annual capital budget.

The costs for the LRCRC are shared by its partners based on a cost sharing formula for metric tonnage received at the facility. Tipping fees are approved by Councils as part of the Operating and Capital Budget process.

21. Municipal Joint Services Board ("MJSB") (continued)

The District of Lunenburg had the following related party transactions with the MJSB:

	2024	2023
Tipping fee payments & monitoring	$ 1,416,247	$ 1,242,096
IT Services	254,260	198,642
HR Services	66,664	23,153
Payable for landfill closure and post closure costs	408,830	408,830
	$ 2,146,001	$ 1,872,721

The MJSB is accounted for as a portfolio investment in MODL's Consolidated Financial Statements as 61.95% of the MJSB April 1, 2013 total equity of $5,695,933, which equates to MODL portfolio investment of $3,528,630.

22. Financial Instruments

The Municipality's financial instruments consist of cash and temporary investments, accounts receivable, investments, debt charges recoverable, bank indebtedness, accounts payable and accrued liabilities, deposit liabilities, and requisition over-levy. It is management's opinion that the Municipality is not currently exposed to significant interest risks arising from these financial instruments.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Municipality is subject to interest rate risk if the interest rate were to drop below current levels; the majority of its cash balances are invested in deposits that pay interest based on current market interest rates. The Municipality does not use derivative financial instruments to alter effects of this risk.

The Municipality is subject to credit risk with respect to taxes and grants in place of taxes receivables and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Municipality provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

All financial instruments are carried at approximate fair value unless otherwise noted.

23. Remuneration of Elected Officials and Chief Administrative Officer

	Remuneration		Expense Claims		Totals	
	2024	2023	**2024**	2023	**2024**	2023
Mayor Carolyn Bolivar-Getson	**$ 72,410**	$ 68,358	**$ 14,213**	$ 15,923	**$ 86,623**	$ 84,281
Councillor/Deputy Mayor Pamela Hubley	**51,243**	46,886	**5,437**	7,488	**56,680**	54,374
Councillor/Deputy Mayor Wendy Oickle	**49,541**	44,195	**7,603**	3,645	**57,144**	47,840
Councillor Martin Bell	**46,816**	44,195	**3,017**	3,508	**49,833**	47,703
Councillor Michelle Greek	**46,816**	44,195	**8,004**	3,030	**54,820**	47,225
Councillor Leitha Haysom	**46,816**	44,195	**4,867**	4,212	**51,683**	48,407
Councillor Cathy Moore	**46,816**	48,256	**4,800**	7,046	**51,616**	55,302
Councillor Kathryn Petersen Delong	**46,816**	44,195	**5,410**	2,578	**52,226**	46,773
Councillor Sandra Statton	**46,816**	44,195	**2,127**	2,290	**48,943**	46,485
Councillor Chasidy Veinotte	**46,816**	44,195	**9,146**	5,500	**55,962**	49,695
Councillor Reid Whynot	**46,816**	44,195	**3,293**	6,247	**50,109**	50,442
	547,722	517,060	**67,917**	61,467	**615,639**	578,526
Chief Administrative Officer(s)	**190,361**	190,361	**12,727**	11,510	**203,088**	201,871
	$ 738,083	$ 707,421	**$ 80,644**	$ 72,977	**$ 818,726**	$ 780,396

24. Hospitality Expenses

Hospitality expenses are incurred while hosting individuals from outside of the municipality for business purposes including receptions, ceremonies, conferences, business meetings, performances or other group events. The offering of hospitality is done in such a manner to reflect the prudent stewardship of public funds.

The Municipality spent $0 for hospitality in 2023-24 ($0 in 2022-23).

25. Area Rates

	2024 Actual	2023 Actual
Balance, beginning of year	**$ 45,831**	$ 39,788
Rates levied		
Fire protection	**4,370,604**	3,922,545
Street lighting	**161,800**	144,197
Hydrant charges	**78,311**	60,092
Sewer	**490,492**	469,194
	5,101,206	4,596,027
Services provided in current year		
Fire protection payments	**4,352,169**	3,923,393
Street lighting	**152,082**	131,209
Hydrant charges	**73,116**	66,187
	4,577,368	4,120,790
Sewer		
Collection and disposal systems	**1,054,550**	878,768
Transfer to restricted reserve surplus	**175,000**	175,000
Municipal Subsidy	**(739,058)**	(584,574)
Total sewer	**490,492**	469,194
	5,067,860	4,589,984
Balance, end of year	**$ 79,177**	$ 45,831

25. Area Rates (continued)

	Balance, beginning of year	Rates levied for current year	Total	Services Provided in current year	**Balance, end of year**
Fire protection					
Big Tancook Island	**$ 786**	$ 20,538	$ 21,324	$ 20,297	**$ 1,027**
Blockhouse	**1,587**	179,892	181,479	179,466	**2,013**
Conquerall Bank	**936**	117,365	118,301	116,702	**1,599**
Cornwall	**1,385**	131,305	132,690	130,893	**1,797**
Dayspring and District	**1,738**	283,374	285,112	282,518	**2,595**
District No. 1 Fire Protection	**429**	378,348	378,777	378,268	**509**
Hebb's Cross	**1,155**	88,296	89,451	87,907	**1,545**
Hebbville	**5,384**	181,656	187,040	180,623	**6,417**
Hemford and District	**1,217**	73,571	74,788	73,234	**1,554**
Indian Point	**462**	65,948	66,410	65,717	**694**
Italy Cross	**1,493**	113,023	114,516	112,469	**2,047**
LaHave and District	**1,292**	244,589	245,881	239,178	**6,703**
Lapland and District	**893**	63,893	64,786	63,419	**1,368**
Maders Cove	**-**	74,397	74,397	74,327	**70**
Martins River	**1,016**	127,940	128,956	127,523	**1,433**
Midville and District	**1,340**	89,476	90,816	89,158	**1,658**
New Germany	**3,626**	324,821	328,447	323,604	**4,843**
Northfield	**14,148**	405,274	419,422	403,817	**15,605**
Oakhill	**923**	213,144	214,067	212,438	**1,629**
Oakland/Clearland	**26**	114,658	114,684	114,655	**30**
Petite Riviere & Crousetown	**1,125**	131,185	132,310	130,724	**1,585**
Pleasantville	**970**	109,239	110,209	108,736	**1,473**
Riverport	**2,046**	444,275	446,321	443,736	**2,585**
Tri-District[1]	**643**	185,850	186,493	186,076	**417**
United Communities	**1,108**	93,399	94,507	92,703	**1,804**
Walden	**1,114**	21,522	22,636	21,346	**1,290**
Wileville	**1,733**	93,626	95,359	92,637	**2,722**
	48,575	4,370,604	4,419,179	4,352,169	**67,009**
Hydrants	**376**	78,311	78,687	73,116	**5,571**
Sewer services	**-**	490,492	490,492	490,492	**-**
Street lighting	**(3,120)**	161,800	158,680	152,082	**6,598**
	$ 45,831	$ 5,101,206	$ 5,147,037	$ 5,067,860	**$ 79,177**

Note 1 - Tri-District is the combination of Baker's Settlement, Chelsea and Newcombville Departments.

26. Operating Reserve Details

	Balance, beginning of year	Interest on Savings	Transfer (to) from Other Funds	Other	**Balance end of year**
Roads	**$ 299,400**	$ -	$ 25,000		**$ 324,400**
Surveying	**17,202**				**17,202**
General Operations	**16,276,458**		2,903,343	(800,000)	**18,379,802**
Climate Change Reserve	**353,500**				**353,500**
Election	**100,000**		50,000		**150,000**
Open Space Strategic Plan	**584,546**		43,343		**627,889**
Contingency	**324,818**		(50,000)		**274,818**
Depreciation Reserve	**3,530,476**		943,759		**4,474,235**
PACE - Clean Energy Financing	**(46,862)**		(80,033)		**(126,895)**
Restricted To Area Rates (Sewer)	**2,045,193**		65,340		**2,110,533**
LaHave River Sewer Reserve	**24,661**		(24,661)		**-**
NS Transit Grant	**43,364**				**43,364**
LCLC Operating Reserve	**26,994**		165,000		**191,994**
Indian Path	**833**				**833**
Pro Kids	**51,008**		(21,592)		**29,416**
Pine Grove Park	**10,265**				**10,265**
Hirtles Beach	**2,638**				**2,638**
CES-CEF Reserve	**194,270**		25,000		**219,270**
Safe Restart Grant	**253,787**		(241,787)		**12,000**
SNSMR Grant	**42,000**				**42,000**
Pickleball Court Reserve	**-**			800,000	**800,000**
Fire Training Facility	**-**		100,000		**100,000**
	$ 24,134,550	$ -	$ 3,902,713	$ -	**$ 28,037,263**

27. Capital Reserve Details

	Balance, beginning of year	Interest	Net transfers from (to) other funds	**Balance end of year**
Land development - Saw Pit	**$ 6,276**			**$ 6,276**
Landfill Site Closure	**870,959**	52,335	(36,024)	**887,271**
Land Sales	**125,664**		3,556	**129,220**
Recreation complex depreciation	**363,130**	21,820		**384,950**
Sherbrooke Lake	**200,000**			**200,000**
Trails	**6,245**			**6,245**
Lift station replacement	**537**			**537**
Canada Community Building Fund	**1,554,018**	60,450	188,710	**1,803,178**
Open space	**437,292**		42,530	**479,821**
User connection fees	**31,812**			**31,812**
Aerated Carts	**690**			**690**
District General Capital	**48,000**			**48,000**
Sustainable Services Growth Fund	**1,136,943**	-		**1,136,943**
	$ 4,781,567	$ 134,604	$ 198,772	**$ 5,114,943**

28. Segmented Reporting Statement

	Protective Services	Engineering Services & Streets & Roads	Environmental Health	Planning and Economic Development	Recreation, Cultural & Education	Administration and Other	Consolidated 2024	Consolidated 2023
Revenues								
Property taxes	$ 4,448,914	$ 161,800	$ 490,492	$ -	$ -	$ 22,445,663	**$ 27,546,870**	$ 25,446,286
Grants in lieu of taxes	-		-			268,565	**268,565**	255,266
Services provided to other governments	94,341	-	-	-	-	-	**94,341**	68,937
Other revenue from own sources	204,516	4,076	96,572	316,588	880,599	2,806,885	**4,309,237**	5,691,779
Unconditional transfers from other govts	-	-	-	-	-	101,363	**101,363**	96,063
Conditional transfers from other govts	-	4,200	200,327	143,816	880,603	1,235,717	**2,464,662**	4,967,613
	4,747,771	170,076	787,391	460,403	1,761,202	26,858,193	**34,785,036**	36,525,945
Expenditures								
Salaries, benefits & other personnel costs	950,902	646,054	3,802	1,356,052	1,745,498	2,761,052	**7,463,360**	6,601,343
Interest	-	-	-	-	42,257	4,240	**46,496**	49,775
Materials, outsources and other operating	192,145	1,425,985	4,666,999	516,151	1,577,844	2,259,686	**10,638,811**	8,603,246
Amortization	2,113	307,443	923,203	208,801	692,905	111,100	**2,245,565**	2,176,382
Accretion	-	-	27,846	-	6,556	-	**34,402**	1,042,499
Utilities	81,901	181,050	122,380	-	294,505	66,486	**746,322**	633,831
Rents	2,010	-	-	9,037	-	-	**11,047**	10,862
Grants	362,942	-	33,594	-	-	786,706	**1,183,241**	847,679
Fire area rates	4,352,169	-	-	-	-	-	**4,352,169**	3,923,393
Policing and corrections	4,199,964	-	-	-	-	-	**4,199,964**	3,971,698
Contributions to boards and agencies	-	-	-	-	-	-	**-**	-
Reduced taxes	-	-	-	-	-	351,284	**351,284**	271,260
	10,144,146	2,560,532	5,777,824	2,090,041	4,359,564	6,340,553	**31,272,660**	28,131,967
Annual surplus (Deficit)	$ (5,396,376)	$ (2,390,456)	$ (4,990,433)	$ (1,629,638)	$ (2,598,361)	$ 20,517,640	**$ 3,512,376**	$ 8,393,979

29. Segmented Reporting Detailed Information

The Municipality of the District of Lunenburg (MODL) is a diversified municipal government that provides a wide range of services to its citizens. For management reporting purposes, the Government's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Municipal services are provided by departments and their activities are reported in these funds. Functional activities of certain departments have been separately disclosed in the segmented information to identify key areas of accountability:

(a) Protective Services

Police, Fire, Inspections, Animal Control and Regional Emergency Measures Services.

The Municipality's policing services are under contract to the Royal Canadian Mounted Police. Fire Services are provided by twenty-seven volunteer fire departments. A fire services coordinator is provided through the Municipal administration office. Regional Emergency Measures services are governed by a joint inter-municipal service agreement between MODL and the Municipality of the District of Chester, and the Towns of Mahone Bay, Bridgewater, and Lunenburg. The planning department manages certain areas of protective services such as building and fire inspections. This department ensures an acceptable quality of building construction and maintenance through enforcement of fire regulations and construction codes for the protection of occupants.

(b) Engineering Services, Streets and Roads

The Engineering department is responsible for the delivery of Municipal Public Works services related to the planning, development and maintenance of municipal roads, street lighting, solid waste collection and disposal, and waste water.

(c) Waste Management

The collection of residential waste is through an independent contractor. MODL operates the Lunenburg Regional Community Recycling Centre through an Inter-Municipal Joint Services agreement with the Towns of Bridgewater and Mahone Bay.

(d) Sewers

The District maintains wastewater collection and treatment systems located in New Germany, Hebbville, Conquerall Bank and Cookville.

29. Segmented Reporting Detailed Information (continued)

(e) Planning and Economic Development

The Planning department facilitates economic development by providing services for the approval of all land development plans, the application and enforcement of zoning by-laws, and the processing of building permit applications. MODL also maintains an industrial building and leases space to the Canadian Reserve – Canadian Engineering Squadron. The Economic Development department assists in the development of a long-term perspective and plans for economic development opportunities within MODL.

(f) Recreation, Culture & Tourism

The Recreation department provides services that contribute to neighborhood development and sustainability through the provision of recreation and leisure services as well as supporting tourism by operating a mobile Visitor Information Centre. This department assists in the implementation of MODL's Open Space Strategy and facilitates recreational partnerships with other levels of government. This segment also includes external transfers to the South Shore Regional Library.

Certain allocation methodologies are employed in the preparation of segmented financial information. The General Operating fund reports on Municipal services that are funded primarily by taxation such as property and business tax revenues. Taxation and payments-in-lieu of taxes are apportioned to operating fund segment activities based on the segment's net operating deficit.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in note 1.

30. Accumulated Surplus

	2024 Actual	2023 Actual
Operating fund (schedule 1)	**$ -**	$ -
Capital fund (schedule 2)	**42,909,883**	43,344,033
Reserve fund (schedule 3)	**33,152,207**	28,916,117
Municipal Joint Service Board (note 16)	**3,528,630**	3,528,630
LCMPCC (note 3d)	**14,451,682**	14,741,245
	94,042,403	90,530,026

31. Comparative Figures

Certain 2024 comparative figures have been reclassified to conform to the financial statement presentation adopted for 2024.

Schedule of Operating Fund Financial Position

	2024 Actual	2023 Actual
Financial Assets		
Cash and cash equivalents (note 5)	**$ 17,466,551**	$ 9,710,493
Taxes receivable (net of asset valuation allowances) (note 6)	**2,000,640**	1,695,320
Loan receivables (net of asset valuation allowances)	**149,635**	69,602
Due from other funds and consolidated entities	**4,686,629**	239,704
Other receivables (net of asset valuation allowances)	**583,294**	721,925
	24,886,749	12,437,044
Liabilities		
Accounts payable and accrued liabilities	**2,864,291**	1,289,989
Other liabilities		
Due to other funds and consolidated entities	**17,282,404**	7,296,409
Employee benefit obligations (note 18b)	**591,463**	540,914
Other liabilities	**4,273,142**	3,464,442
	25,011,300	12,591,754
Net Financial Assets	**(124,551)**	(154,710)
Non-Financial Assets		
Prepaid expenses	**124,551**	154,710
Accumulated Surplus	$ -	$ -

Schedule of Operating Fund Financial Activities and change in Fund Balances

	2024 Budget	2024 Actual	2023 Actual
Revenues			
Assessable property taxes	$ 35,906,800	**$ 37,543,672**	$ 34,703,691
Expenditures as a reduction of tax revenue			
Appropriation to regional school board	(9,539,900)	**(9,539,851)**	(8,802,514)
Transfer to correctional services	(456,500)	**(428,002)**	(428,251)
Deficit of Regional Housing Authority	(35,000)	**(28,950)**	(26,640)
Net Assessable property taxes	25,875,400	27,546,870	25,446,286
Grants in lieu of taxes	255,100	**268,565**	255,266
Services provided to other governments	87,100	**94,341**	68,937
Other revenue from own sources	2,349,000	**3,500,685**	2,854,261
Unconditional transfers from other governments	95,200	**101,363**	96,063
Conditional transfers from other governments	243,300	**221,531**	227,926
Total Revenues	28,905,100	**31,733,353**	28,948,740
Expenditures			
General government services	7,248,700	**6,229,453**	5,365,264
Protective services	10,200,500	**10,142,033**	9,202,516
Transportation services	2,498,200	**2,253,089**	1,994,680
Environmental health services	3,687,100	**3,819,933**	3,432,290
Public health services	-	**-**	-
Environmental development services	2,592,300	**1,881,240**	1,634,547
Recreation and cultural services	2,715,700	**2,717,430**	2,325,812
Total Expenditures	28,942,500	**27,043,179**	23,955,109
Annual Operating Surplus	(37,400)	**4,690,174**	4,993,631
Financing and Transfers			
Debenture and term loan principal instalments	-	**-**	-
Transfers from (to) own reserves, fund and agencies	65,100	**(1,253,788)**	(1,974,059)
Change in Surplus after Financing & Transfers	27,700	**3,436,386**	3,019,572
Accumulated Surplus, Beginning of Year	0	**0**	-
Transfer Surplus to Operating Reserve	-	**(3,436,386)**	(3,019,570)
Accumulated Surplus, End of Year	$ 27,700	**0**	$ 0

Schedule of Capital Fund Financial Position

	2024 Actual	2023 Actual
Financial Assets		
Cash and cash equivalents (note 5)	**$ -**	$ -
Receivables (net of asset valuation allowances)	**354,591**	1,540,332
Loan Receivables	**1,006,842**	1,146,093
Due from other funds	**7,006,652**	3,856,406
Assets held for resale (note 14)	**241,633**	97,392
	8,609,718	6,640,223
Liabilities		
Bank overdraft	**54**	1,494,488
Payables	**378,409**	234,436
Due to other funds	**1,813,384**	3,144,928
Long-term debt (note 10)	**-**	-
Other liabilities	**8,303,606**	1,588,609
	10,495,453	6,462,461
Net Financial Asset	**(1,885,735)**	177,761
Non-Financial Assets		
Tangible capital assets (net of accumulated amortization) (note 12)	**44,795,618**	43,166,273
Net Assets	**$ 42,909,883**	$ 43,344,033

Schedule of Capital Fund Financial Activities and Change in Fund Balances

	2024 Budget	2024 Actual	2023 Actual
Revenue			
Capital Contributions			
From federal and provincial governments	$ 2,751,600	**$ 512,748**	$ 2,809,539
Canada Community Building Fund (Gas Tax)	1,112,400	**1,235,717**	1,180,159
From other municipal governments	123,400	**-**	-
Sundry	530,000	**33,035**	1,019,819
Change in Riverport School Liability	-	**-**	501,240
Gain on sale of assets	-	**139,001**	4,081
Total Revenue	4,517,400	**1,920,502**	5,514,838
Expenditures			
Write off/Disposal of assets	-	**-**	58,656
Liability for Straight Pipe Loans	-	**1,006,842**	-
Change in Landfill Closure Liability	-	**-**	-
Amortization	1,200,000	**1,705,075**	1,645,057
Accretion	-	**34,402**	46,248
Other - prior year adjustment	-	**62,418**	-
	1,200,000	**2,808,737**	1,749,961
Annual Capital Surplus			
	3,317,400	**(888,234)**	3,764,877
Financing and Transfers			
Loan payments from operating fund	-	**-**	-
Transfers from own reserves, funds	3,884,600	**454,085**	(1,585)
	3,884,600	**454,085**	(1,585)
Change in Fund Balance	7,202,000	**(434,150)**	3,763,292
Beginning Balance	43,344,033	**43,344,033**	39,580,741
Ending Balance	$ 50,546,033	**$ 42,909,883**	$ 43,344,033

Schedule of Reserve Fund Financial Position

	2024 Actual	2023 Actual
Financial assets		
Cash and cash equivalents (note 5)	**$ 25,896,865**	$ 22,571,466
Due from other funds	**9,894,773**	7,300,833
	35,791,638	29,872,298
Liabilities and Fund Balance		
Due to other funds	**2,639,429**	956,180
Net Financial Assets	**33,152,207**	28,916,117
Fund Balance		
Capital	**5,114,943**	4,781,567
Operating	**28,037,263**	24,134,550
	$ 33,152,207	$ 28,916,117

Schedule of Reserve Fund Financial Activities and Change in Fund Balance

	Capital Reserve Actual	Operating Reserve Actual	**2024** Total Reserve Actual	2023 Total Reserve Actual
Revenue				
Interest on savings	$ 134,604	$ -	**$ 134,604**	$ 81,693
Total Revenue	134,604	-	**134,604**	81,693
Expenditures				
Municipalities & other	-	-	**-**	-
Annual Reserve Surplus	134,604	-	**134,604**	81,693
Financing and Transfers				
Transfers (from) to own				
Capital Fund & Operating Fund	198,772	466,327	**665,099**	1,893,952
Operating Surplus Transfer	**-**	3,436,386	**3,436,386**	3,019,570
	198,772	3,902,713	**4,101,485**	4,913,522
Change in Fund Balance	333,376	3,902,713	**4,236,089**	4,995,215
Beginning Balance	4,781,567	24,134,550	**28,916,117**	23,920,902
Ending Balance	$ 5,114,943	$ 28,037,263	**$ 33,152,207**	$ 28,916,117

Schedule of Tax Sale Accounts

Assets and Liabilities

	2024 Actual	2023 Actual
Financial Assets		
Cash and cash equivalents	**$ 2,524,416**	$ 2,200,307
Tax Sale Surplus Liability (note 9)	**$ 2,524,416**	**$ 2,200,307**

Schedule of Tax Sale Operations

	2024 Actual	2023 Actual
Revenue		
Tax Sale Surplus funds received	**$ -**	$ -
Expenses		
Tax Sale Surplus payments	**324,109**	62,707
Change in Tax Sale Surplus	**324,109**	62,707
Beginning Tax Sale Surplus	**2,200,307**	2,137,600
Ending Tax Sale Surplus	**$ 2,524,416**	$ 2,200,307

MUNICIPALITY OF THE DISTRICT OF LUNENBURG TRUST FUNDS FINANCIAL STATEMENTS

MARCH 31, 2024

10 Allée Champlain Drive
Cookville, NS
B4V 9E4

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INDEPENDENT AUDITOR'S REPORT

To the Council of The Municipality of the District of Lunenburg Trust Fund

Opinion

We have audited the financial statements of The Municipality of the District of Lunenburg Trust Fund (the Trust), which comprise the statement of financial position as at March 31, 2024, and the statement of revenues and expenditures for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

(continues)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Belliveau Veinotte Inc.
CHARTERED PROFESSIONAL ACCOUNTANTS

Bridgewater, Nova Scotia
September 24, 2024

Municipality of the District of Lunenburg
Trust Fund Financial Statements
As at March 31, 2024

Statement of Financial Position

	Burial Funds	School Lands	LCCF		March 31 2024 Actual	March 31 2023 Actual
Assets						
Cash	$ 3,240	$ 27,240	$1,070,207		**1,100,687**	$1,060,932
Due from the District of Lunenburg	188	1,517	57,832		**59,537**	39,754
	$ 3,428	$ 28,757	$1,128,039	$	**1,160,224**	$1,100,687
Liabilities						
Due to the District of Lunenburg	$ -	$ 2,530	$ 128,039	$	**130,569**	71,220
Accounts payable - schools	-	-	-		**-**	-
Reserves						
Trust funds reserves	3,428	26,227	1,000,000		**1,029,655**	1,029,467
Reserves and Liabilities	$ 3,428	$ 28,757	$1,128,039	$	**1,160,224**	$1,100,687

Reserves Detail	(note 3) Burial Funds	(note 4) School Lands	(note 5) LCCF		Year Ended March 31 2024 Actual	Year Ended March 31 2023 Actual
Balance, beginning of year	$ 3,240	$ 26,227	$1,000,000	$	**1,029,467**	$1,029,346
Interest received on trust accounts	188	1,517	57,832		**59,537**	39,754
Funds received in trust	-	-	-		**-**	-
	3,428	27,744	1,057,832		**1,089,004**	1,069,101
Trust expenses	-	1,517	57,832		**59,349**	39,634
	-	1,517	57,832		**59,349**	39,634
Balance, end of year	$ 3,428	$ 26,227	$1,000,000	$	**1,029,655**	$1,029,467

On behalf of the Municipality of the District of Lunenburg

_______________ Mayor

_______________ Chief Administrative Officer

Notes to the Financial Statements

1. Purpose of Trust

Trusts under administration by the Municipality of the District of Lunenburg.

2. Significant accounting policies

a. Basis of presentation

The Trust's financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

b. Accounting estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's best knowledge of current events and actions that the Trust may undertake in the future. Actual results may differ from these estimates.

c. Financial assets and liabilities

Initial measurement
Upon initial measurement, the Trust's financial assets and liabilities are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs.

Subsequent measurement
At each reporting date, the Trust measures its financial assets and liabilities at amortized cost (including any impairment in the case of financial assets). With respect to financial assets measured at amortized cost, the Trust assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Trust determines that during the year there was a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it will then recognize a reduction as an impairment loss in operations. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost is recognized in operations in the year the reversal occurs.

2. Significant accounting policies (continued)

d. Revenue recognition

Contributions
The Trust follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses are deferred and are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income
Investment transactions are recorded on the transaction date and resulting revenues are recognized using the accrual method of accounting. Interest income is recognized on a time apportionment basis.

3. Burial Funds

	2024 Actual	2023 Actual
Distribution of funds		
Conrad, Ray	**$ 1,954**	$ 1,847
Smith, Everette	**904**	855
Wagner, Willis	**570**	539
	$ 3,428	$ 3,240

4. School Lands

The Municipality of the District of Lunenburg is holding in trust a total of $26,227 which represents the Municipality's interest. The interest earned annually is held for distribution of funds to pay for book purchases for New Germany Rural High School and Park View Education Centre.

5. Lunenburg County Community Fund

The Municipality of the District of Lunenburg (MODL) is holding a trust fund in the amount of $1,000,000 for the Lunenburg County Community Fund (LCCF). The LCCF committed $1,000,000 towards the cost of the LaHave River Straight Pipe Replacement Program. As per a Memorandum of Understanding between MODL and the LCCF, homeowner payments made under the program were transferred to a Trust Fund. This Trust Fund can be used towards other mutually agreed upon projects.

	2024 Actual	2023 Actual
Balance, beginning of year	**$ 1,000,000**	$ 1,000,000
Homeowner payments	**-**	-
Balance, end of year	**$ 1,000,000**	$ 1,000,000