

MUNICIPALITY OF THE DISTRICT OF LUNENBURG
Minutes of a Meeting of
AUDIT COMMITTEE
Held in Council Chamber, 210 Aberdeen Road, Bridgewater, NS
Tuesday, September 17, 2019 – 11:25 a.m.

ATTENDANCE

Councillor Claudette Garland, District 6, Chair
Councillor Eric Hustvedt, District 1, Vice Chair
Mayor Carolyn Bolivar-Getson (arrived at 12:05 p.m.)
Deputy Mayor Martin Bell, District 2
Councillor Lee Nauss, District 3
Councillor John Veinot, District 4
Councillor Cathy Moore, District 5
Councillor Wade Carver, District 7
Councillor Michael Ernst, District 8
Councillor Reid Whynot, District 9
Councillor Errol Knickle, District 10 (left at 11:45 a.m.)
Stanley Rose, Member-At-Large

Staff: Tom MacEwan, Chief Administrative Officer
Alex Dumaresq, Deputy Chief Administrative Officer
Sherry Conrad, Municipal Clerk
Elana Wentzell, Director of Financial Services
Rachel Hiltz, Recording Secretary

1. CALL TO ORDER

Councillor Garland called the meeting to order at 11:25 a.m.

2. TREASURER'S FINANCIAL STATEMENT REPORT

Ms. Wentzell noted that there was a regulatory change, so a change had to be made to the Financial Statements. The cost sharing for road paving, which included the Active Transportation bike lanes, was included in the capital fund, and it is not supposed to be recorded there.

Ms. Wentzell reviewed the memo titled "Treasurer's Financial Statement Report and Draft Audited Financial Statements for the Year End March 31, 2019" (circulated with Agenda). She also reviewed the variance report attached to the memo.

3. DRAFT AUDITED FINANCIAL STATEMENTS YEAR END MARCH 31, 2019

Mr. Belliveau and Mr. Richards, Belliveau Veinotte Inc., reviewed the draft Audited Financial Statements for the year-end March 31, 2019 (circulated with Agenda). The following points were noted:

- Page A-26 – The transfer to the Public Service Superannuation Plan (PSSP) was discussed. An actuarial valuation will be completed at the date of the transfer, and assets and liabilities will be determined at that time. Any deficiencies will be based on a going-concern basis.

Councillor Knickle left the meeting at 11:45 a.m.

- A discussion was held in relation to the Lunenburg County Lifestyle Centre and the Municipal Joint Services Board, regarding consolidated and non-consolidated entities, and what is included in MODL's financial statements.
- A question arose regarding the water tower debt at Osprey Village. Ms. Wentzell advised that no funds have changed hands at this time. There is only a Memorandum of Understanding, stating funds would be contributed.
- The Municipal Joint Services Board agreed to a proposal regarding the Town of Lunenburg withdrawal from the Waste Site that was recently presented. The proposal was provided to the Town of Lunenburg but no response has been received yet.
- The Lunenburg County Community Fund only gets money put into it by customers who pay their LaHave River Straight Pipe Recovery Charges in full, or if the residents set up a loan, the amounts that are paid each month go in the fund. Any bills that are not paid go as a lien on the property account. The liability has been reflected in the financial statements.

4. INTERNAL CONTROL LETTER:

Mr. Belliveau reviewed the Internal Control Letter (circulated with Agenda).

- Last year, during the audit, it was discovered that a cheque did not have two signatures. Processes were put in place to ensure this does not happen, and during this audit the issue was not found.
- Last year there were also issues with voiding charity receipts, as they are carbon copied. Staff were changing the first copy of the receipt, making the carbon copy illegible. Staff were advised to void the receipts, and create new ones. No further issues were found this year.
- The quarterly councillor expense reports require signatures. They also need to be provided to staff on time. It was suggested they be sent in monthly, as there is considerable work for staff to consolidate the reports and post them online. Councillors receive a reminder on the monthly calendar to submit their expense reports.

Mayor Bolivar-Getson arrived at 12:05 p.m.

5. MANAGEMENT LETTER:

Mr. Paul Belliveau and Mr. Michael Belliveau reviewed the Management Letter (circulated with Agenda). The following points were noted:

- The Lahave River Straight Pipe Replacement project is a precedent setting project. All expenses have been capitalized into the Tangible Capital Assets and will be amortized over 7 years to meet the funding agreement. After seven years, they are fully depreciated and removed from the books and become the sole property of the homeowner. The Lunenburg County Community Fund has billed \$607,000, which is one-third of the cost. MODL has collected \$186,000 so far through loans or full payments. This amount was moved to the Trust account to be held until the full \$1 million has been received, to be in compliance with the Agreement. A liability is on the books for \$466,000.

Moved by Councillor Nauss, seconded by Councillor Carver that the Audit Committee recommends to Council that Municipal Council accept the Municipality of the District of Lunenburg's Financial Statements for the year ended March 31, 2019. Carried unanimously.

6. NEXT MEETING: (TBD)

7. ADJOURNMENT

There being no further business at 12:15 p.m., it was moved by Councillor Whynot, seconded by Mayor Bolivar-Getson that the meeting adjourn. Carried.