

## **Municipality of the District of Lunenburg Minutes of a Meeting of the Audit Committee**

Held at Council Chambers, 10 Allée Champlain Drive, Cookville NS  
Tuesday, September 23, 2025 – 8:30 a.m.

### **Attendance**

Councillor Pam Hubley, District 4, Chair  
Councillor Morgen Reinhardt, District 1, Vice Chair  
Mayor Elspeth McLean-Wile  
Deputy Mayor Chasidy Veinotte, District 10  
Councillor Martin Bell, District 2  
Councillor Wendy Oickle, District 3  
Councillor Cathy Moore, District 5  
Councillor Alison Smith, District 6  
Councillor Edgar Burns, District 7  
Councillor Ben Brooks, District 9

### **Regrets**

Councillor Kacy DeLong, District 8

### **Member-At-Large**

Alex MacDonald, Member-at-Large

### **Staff**

Tom MacEwan, Chief Administrative Officer  
Alex Dumaresq, Deputy Chief Administrative Officer  
Elana Wentzell, Director of Finance  
Angela Veinot, Accounting Manager  
April Whynot-Lohnes, Municipal Clerk  
Joanne Powers, Executive Assistant

### **1. Call to Order**

Councillor Hubley called the meeting to order at 8:30 a.m. and began by acknowledging that the meeting was held in Mi'kma'ki, the traditional territory of the Mi'kmaq people.

### **2. Approval of Agenda**

**Moved by Councillor Bell seconded by Councillor Burns that the Agenda be approved as circulated. Carried unanimously.**

### **3. Approval of Minutes – July 8, 2025**

**The Minutes of the July 8, 2025, Audit Committee meeting were approved as circulated. Carried unanimously.**

#### **4. Management Letter**

Paul Belliveau, Partner, Belliveau Veinotte Inc., explained that during the audit process, enquiries of management are made to determine if they are aware of any fraudulent or illegal acts carried out by any municipal employees. Management and Mr. Belliveau reported no fraud was detected.

The primary purpose of the auditor's examination was to enable them to form an opinion on the Municipality's consolidated financial statements for the year ended March 31, 2025. As part of this process, they reviewed and tested the Municipality's financial system and related accounting controls to the extent deemed necessary, in accordance with generally accepted auditing standards, to evaluate the effectiveness of those systems.

Mr. Belliveau noted that, effective April 1, 2026, Section PS 1202, Financial Statement Presentation, will introduce a new reporting model that builds upon the existing Section PS 1201. Management, along with Michael Belliveau, from Belliveau Veinotte Inc., have already begun working towards this change.

#### **5. Internal Control Letter**

Mr. Belliveau reported that nothing came to their attention requiring disclosure in the Internal Control Letter. He noted one minor item related to a change in the cheque and cash reconciliation process. The Municipality transitioned from using prepopulated cheque stock to printing cheques internally and uploading them directly to the bank as an electronic file. The new control procedures implemented as part of this change are expected to reduce the risk of cheque fraud.

#### **6. Treasurer's Financial Statement Report**

Mr. Belliveau noted that the primary purpose of their role is to issue audit reports on the financial statements. With respect to the Municipality, there are two audit reports that are issued – consolidated and trust funds. Both reports showed no cause for concern.

Elana Wentzell, Director of Finance, provided an overview of the following items from the Treasurer's Report:

- a. Annual cost variances in comparison to budget
- b. Review of the Consolidated Financial Statements
- c. Review of the Hospitality and Expenses of Reportable Individuals
- d. Review of Trust Fund Statements
- e. Compliance

Ms. Wentzell, gave a presentation, titled "District of Lunenburg Audit Committee" (attached to the minutes). The following items were included:

- Introduction to Municipal Financial Statements

- Legislative Requirements and Reporting Standards
- Municipal Financial Statements Information
- Upcoming Public Sector Accounting Standard Changes
- Municipal Financial Statements Components
- Notes and Schedules
- District of Lunenburg Financial Statements
- Consolidated Statement of Financial Position
- Consolidated Statement of Operations
- Consolidated Statement of Operations Variances
- Consolidated Statement of Cash Flows
- Contaminated Sites – Centre School
- Hospitality and Expenses of Reportable Individuals
- PSAB Budget Reconciliation
- Municipal Trust Fund Financial Statements
- Compliance

**7. Draft Audited Financial Statement Year End March 31, 2025**

**Moved by Deputy Mayor Veinotte, seconded by Councillor Bell that the Audit Committee recommends to Council that Municipal Council approves the Municipality of the District of Lunenburg's Financial Statements for the year ended March 31, 2025. Carried unanimously.**

**8. Adjournment**

**There being no further business, the meeting adjourned at 8:55 a.m.**



# District of Lunenburg

Audit Committee

September 23, 2025

# Introduction to Municipal Financial Statements

## Municipal Financial Statements:

- Report on financial activities and balances to ensure
  - Accountability
  - Transparency
- Tool for Council & Administration to report to the taxpayers on the municipal services provided with the resources at their disposal



# Legislative Requirements and Reporting Standards

FRAM -Financial Accounting & Reporting Manual

- FIR - Financial Information Return

CPA Canada PSAB - Public Sector Accounting

- Financial statements are prepared using the net financial assets (net debt) model and must include the reporting of tangible capital assets.



# Municipal Financial Statements Information

- Provide information on
  - a municipality's financial activities and balances for the period
  - its financial position in terms of its assets and liabilities,
  - its net financial resources (called net debt),
  - accumulated surplus or deficit,
  - its tangible capital assets
  - and other non-financial assets



# Upcoming Public Sector Accounting Standard Changes

- New Conceptual Framework issued by CPA Canada
- New Financial Statement Presentation
- Effective for fiscal years beginning on or after April 1, 2026
  - Municipal Budgets for the 2026-27 fiscal year
  - Municipal Financial statements March 2027



# Municipal Financial Statements Components

1. The Consolidated Statement of Financial Position is a statement that reports on:
  - a. assets – what the municipality owns or controls
  - b. liabilities – what the municipality owes
  - c. net financial assets/net debt – financial assets minus liabilities
  - d. accumulated surplus or deficit – what remains after the assets have been used to meet the liabilities.

These remaining assets will be available to provide services to future period.



# Municipal Financial Statements Components

2. The Consolidated Statement of Operations is a statement that reports on:
  - a. revenues
  - b. expenses
  - c. results for a fiscal year or reporting period



# Municipal Financial Statements Components

3. The Consolidated Statement of Change in Net Financial Assets (Net Debt) is a statement that:
  - a. explains the difference between the annual surplus or deficit and the change in net financial assets (net debt)
  - b. reports spending to acquire tangible capital assets and inventories of supplies
  - c. reports disposal of tangible capital assets and the use of inventory



# Municipal Financial Statements Components

4. The Consolidated Statement of Cash Flow is a statement that provides details on changes in cash and cash equivalents since the previous reporting period by:
  - a. identifying where cash came from
  - b. showing how cash was used



# Municipal Financial Statements Components

5. The Consolidated Statement of Remeasurement Gains and Losses (not applicable in MODL) is a statement that records:
  - a. unrealized changes in the fair value of derivative and equity instruments (investments) at the financial statement reporting date
  - b. annual fluctuations in exchange rates from financial assets or liabilities held in foreign currency reported in Canadian dollars at the financial statement reporting date



# Notes & Schedules

- accounting policies
- cash and cash equivalents
- receivables
- equity instruments, derivatives and other investments
- deferred revenue
- employee benefit obligations
- asset retirement obligations
- long-term debt
- tangible capital assets
- commitments and contingencies
- accumulated surplus or deficit



# District of Lunenburg Financial Statements

- Responsibility of Management
- Audited by Belliveau Veinotte Inc.
  - Opinion - these statements present fairly, in all material aspects, the financial position of the Municipality as at March 31, 2025
- Internal Control Systems
  - Provides 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.



# Consolidated Statement of Financial Position

Financial Statement reference: Page 4

	2025 Actual	2024 Actual
<b>Financial Assets</b>		
Cash and cash equivalents (note 5)	\$ 47,461,371	\$ 43,420,481
Taxes receivable (net of asset valuation allowances) (note 6)	2,347,641	2,000,640
Other receivables (net of asset valuation allowances) (note 7)	4,145,050	2,416,068
Investment in Municipal Joint Service Board (note 21)	3,528,630	3,528,630
Assets held for resale (note 14)	229,428	241,633
	<b>57,712,120</b>	<b>51,607,452</b>
<b>Liabilities</b>		
Bank Loan (Overdraft)	-	54
Accounts payable and accrued liabilities	2,793,025	2,931,223
Long-term debt (note 10)	-	-
Other liabilities		
Payable to other governments	1,732,307	898,736
Employee future benefit obligations (note 18b)	695,146	591,463
Asset retirement obligation (note 13)	1,101,670	1,076,901
Other (note 8)	7,226,620	11,353,167
	<b>13,548,768</b>	<b>16,851,544</b>
<b>Net Financial Asset</b>	<b>44,163,352</b>	<b>34,755,908</b>
<b>Non-Financial Assets</b>		
Tangible Capital assets (net of accumulated amortization) (note 12)	60,633,373	59,139,459
Prepaid expenses	307,898	147,037
	<b>60,941,271</b>	<b>59,286,496</b>
<b>Accumulated Surplus (note 30)</b>	<b>\$ 105,104,622</b>	<b>\$ 94,042,403</b>



# Consolidated Statement of Operations

Financial Statement reference: Page 5

	2025		2024
	Budget	Actual	Actual
<b>Revenue</b>			
Assessable property taxes <sup>1</sup> (note 16)	\$ 29,562,100	\$ 30,713,443	\$ 27,546,870
Grants in lieu of taxes	268,700	296,796	268,565
Services provided to other governments	206,300	167,369	94,341
Other revenue from own sources (note 17)	4,917,449	5,676,715	4,309,237
Unconditional transfers from other governments	99,200	106,250	101,363
Conditional transfers from other governments (note 17)	5,238,900	9,351,102	2,464,662
	<u>40,292,649</u>	<u>46,311,675</u>	<u>34,785,036</u>
<b>Expenditures</b>			
General government services	8,359,100	7,739,283	6,340,553
Protective services	11,060,900	10,997,672	10,144,146
Transportation services	3,943,600	3,131,688	2,560,532
Environmental health services	4,946,900	6,037,479	5,777,824
Environmental development services	3,315,400	2,764,928	2,090,041
Recreation and cultural services	4,797,728	4,578,407	4,359,564
	<u>36,423,628</u>	<u>35,249,457</u>	<u>31,272,660</u>
<b>Annual Surplus (note 31)</b>	3,869,021	11,062,219	3,512,376
<b>Accumulated Surplus, beginning of year</b>	94,042,403	94,042,403	90,530,026
<b>Accumulated Surplus, end of year (note 30)</b>	<u>\$ 97,911,424</u>	<u>\$ 105,104,622</u>	<u>\$ 94,042,403</u>
<p>Note 1 - Assessable property taxes are reported net of Provincial transfers: education, corrections and regional housing.</p>			



# Consolidated Statement of Operations Variances

Treasurer Report reference: Page 6

Description of Variance	Variance Amount	Budget	Actual
<b>Revenue</b>			
Assessable property taxes	\$ 1,151,343	\$ 29,562,100	\$ 30,713,443
Grants in lieu of taxes	28,096	268,700	296,796
Services provided to other governments	(38,931)	206,300	167,369
Unconditional government transfers	7,050	99,200	106,250
Licenses, permits, fines, rentals & recoveries	14,741	360,200	374,941
Interest, administration & tax sale fees	682,735	2,431,300	3,114,035
Tax sale surplus & other Finance	(1,217)	78,800	77,583
Economic Development grants & VIC	(2,100)	8,100	6,000
Sale of Services & other revenues	(30,738)	313,900	283,162
Open Space & user connection fees	22,727	50,000	72,727
Recreation fees	8,610	98,000	106,610
Sale of Capital Assets/Donated Assets	641,191	-	641,191
Gas Tax revenue & Federal & Provincial Grants	4,112,202	5,238,900	9,351,102
Insurance, third party & other municipal units	(622,239)	856,700	234,461
LCLC consolidated revenue	45,556	720,449	766,005
<b>Total Revenue</b>	<b>6,019,027</b>	<b>40,292,649</b>	<b>46,311,675</b>



# Consolidated Statement of Operations Variances

Treasurer Report reference: Page 6

Description of Variance	Variance Amount	Budget	Actual
<b>Expenditures</b>			
Council & Other Legislative Services	(74,101)	846,600	772,499
Council Approved Contingency	(47,456)	80,000	32,544
Valuation Allowance	(20,273)	150,000	129,727
Grants to Organizations	(284,865)	1,249,400	964,535
Other Administrative Services	(469,488)	5,939,200	5,469,712
Protective Services	(63,741)	11,059,300	10,995,559
Roads & Streets	(801,325)	2,764,000	1,962,675
Street Lighting	(2,074)	158,100	156,026
Other Engineering Services	(85,008)	737,500	652,492
Fuel Rebate on Garbage Collection Contract	(77,956)	121,200	43,244
Tipping Fees and other Waste Disposal	(37,100)	3,005,500	2,968,400
Sewage Treatment	8,681	1,085,200	1,093,881
Centre School Liability	1,000,000	-	1,000,000
Planning, Zoning and Economic Development	(485,043)	2,825,700	2,340,657
ISP Project	(128,915)	250,000	121,085
Recreation & Cultural Services	(809,638)	3,034,900	2,225,262
Depreciation of Capital Assets	980,692	1,550,000	2,530,692
Asset Retirement Obligation Expense	(25,231)	50,000	24,769
Write off of Capital Assets	251,207	-	251,207
LCLC consolidated expenditures	(2,539)	1,517,028	1,514,489
<b>Total Expenditure</b>	<b>(1,174,171)</b>	36,423,628	35,249,457
<b>Surplus (deficit)</b>	<b>\$ 7,193,198</b>	<b>\$ 3,869,021</b>	<b>\$ 11,062,219</b>



# Consolidated Statement of Cash Flows

Financial Statement reference: Page 6

	2025 Actual	2024 Actual
<b>Operating Activities</b>		
Annual Surplus	\$ 11,062,219	\$ 3,512,376
Change in non-cash items		
Amortization	2,530,693	2,245,564
Accretion expense	24,769	34,402
Taxes receivable (net of asset valuation allowances)	(347,001)	(305,320)
Other receivables (net of asset valuation allowances)	(1,728,982)	1,242,049
Change in assets held for sale	12,205	(144,241)
Payables	(138,198)	1,693,369
Other liabilities	(3,189,293)	7,438,167
Change in prepaid	(160,861)	41,435
	<u>8,065,550</u>	<u>15,757,802</u>
<b>Capital Activities</b>		
Acquisition of tangible capital assets	(4,270,529)	(3,764,891)
Disposals of tangible capital assets	245,923	208,044
	<u>(4,024,606)</u>	<u>(3,556,848)</u>
<b>Financing Activities</b>		
Change in bank loans (overdraft)	(54)	(1,494,434)
Principal payments on long-term debt	-	-
	<u>(54)</u>	<u>(1,494,434)</u>
<b>Investing Activities</b>		
Assets held for sale	-	-
	<u>4,040,890</u>	<u>10,706,520</u>
<b>Cash and Cash Equivalents</b>		
Beginning of Year	<u>43,420,481</u>	<u>32,713,961</u>
End of Year	<u>\$ 47,461,371</u>	<u>\$ 43,420,481</u>



# Consolidated Statement of Changes in Net Financial Assets

Financial Statement reference: Page 7

	2025 Actual	2024 Actual
<b>Annual Surplus</b>	\$ 11,062,219	\$ 3,512,376
Acquisition of tangible capital assets	(4,270,529)	(3,764,891)
Amortization of tangible capital assets	2,530,693	2,245,564
Disposal of tangible capital assets	245,923	208,044
	<b>(1,493,914)</b>	<b>(1,311,283)</b>
Acquisition of assets held for sale	-	-
Acquisition of prepaid expenses	(160,861)	41,435
	<b>(160,861)</b>	<b>41,435</b>
<b>Increase (Decrease) in Net Financial Assets</b>	<b>9,407,444</b>	<b>2,242,527</b>
<b>Net Financial Assets</b>		
Beginning of Year	34,755,908	32,513,379
End of Year	\$ 44,163,352	\$ 34,755,908

# Contaminated Sites – Centre School

Financial Statement reference:  
Note 7 d. Pages 18 & 19

## 7. Other Liabilities

	2025 Actual	2024 Actual
<b>Deferred Revenues</b>		
Other	\$ 499,349	\$ 536,702
Province of Nova Scotia	\$ 281,023	\$ 5,586,992
Lunenburg County Lifestyle Centre	273,720	77,361
	<u>1,054,093</u>	<u>6,201,055</u>
<b>Other</b>		
Prepaid Taxes	1,381,646	1,212,024
Tax Sale Surplus (note 9)	2,613,042	2,524,416
Landfill closure liability (note 8a)	408,830	408,830
Environmental liability - Centre School	1,000,000	-
Loans	769,010	1,006,842
	<u>\$ 7,226,620</u>	<u>\$ 11,353,167</u>

PSAB Section 3260 Liability for Contaminated Sites: a liability for remediation of contaminated sites should be recognized when all of the following conditions are met, as at the financial reporting date:

- a) an environmental standard exists;
- b) contamination exceeds the environmental standard;
- c) the government:
  - a. is directly responsible; or
  - b. accepts responsibility;
- d) it is expected that future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made.

# Hospitality and Expenses of Reportable Individuals

Financial Statement reference:  
Notes 23 & 24 Page 36

	Remuneration		Expense Claims		Totals	
	2025	2024	2025	2024	2025	2024
Mayor Elspeth McLean Wile	\$ 30,579	\$ -	\$ 5,969	\$ -	\$ -	\$ -
Mayor Carolyn Bolivar-Getson	46,412	72,410	6,161	14,213	52,573	86,623
Deputy Mayor Chasidy Veinotte	51,508	46,816	8,201	9,146	59,708	55,962
Councillor Martin Bell	48,659	46,816	10,615	3,017	59,274	49,833
Councillor Ben Brooks	19,771	-	3,405	-	23,176	-
Councillor Edgar Burns	19,771	-	1,337	-	21,108	-
Councillor Michelle Greek	30,007	46,816	1,301	8,004	31,308	54,820
Councillor Leitha Haysom	30,007	46,816	6,674	4,867	36,681	51,683
Councillor Pamela Hubley	48,659	51,243	4,011	5,437	52,670	56,680
Councillor Cathy Moore	48,659	46,816	3,064	4,800	51,723	51,616
Councillor Wendy Oickle	53,242	49,541	6,555	7,603	59,797	57,144
Councillor Kathryn Petersen Delong	48,659	46,816	10,493	5,410	59,152	52,226
Councillor Morgan Reinhardt	19,771	-	2,446	-	22,217	-
Councillor Alison Smith	19,771	-	3,800	-	23,571	-
Councillor Sandra Statton	30,007	46,816	3,338	2,127	33,345	48,943
Councillor Reid Whynot	30,007	46,816	259	3,293	30,266	50,109
	<b>575,491</b>	<b>547,722</b>	<b>77,628</b>	<b>67,917</b>	<b>616,571</b>	<b>615,639</b>
Chief Administrative Officer(s)	218,454	190,361	18,094	12,727	236,548	203,088
	<b>\$ 793,945</b>	<b>\$ 738,083</b>	<b>\$ 95,721</b>	<b>\$ 80,644</b>	<b>\$ 853,117</b>	<b>\$ 818,727</b>

The Municipality spent \$0 for hospitality in 2024-25 (\$0 in 2023-24).



# PSAB Budget Reconciliation

Financial Statement reference:  
Note 33 Page 43

The District of Lunenburg prepares budgets for spending control, revenue rate-setting and calculating a property tax levy. The budgets include interfund transfers and do not include amortization costs. The following adjustments reconcile the operating budget surplus to the consolidated surplus presented under Canadian Public Sector Accounting Standards (PSAS).

	2025	2024
Approved budget surplus		
Operating Fund	27,000	27,700
Adjustments		
Reserve Fund		
Operating Reserve Budget	(4,955,500)	(4,240,600)
Capital Reserve Budget	1,196,600	370,900
Capital Fund		
Capital Additions	9,701,700	8,402,000
Debt Financing & proceeds	-	-
Debt repayment	-	-
Amortization & Accretion	(1,600,000)	(1,200,000)
Consolidated Entities		
LCLC	(500,780)	(519,617)
Net PSAB Adjustments	<u>3,842,020</u>	<u>2,812,683</u>
PSAB adjusted budget surplus	<u>3,869,021</u>	<u>2,840,384</u>



# Municipal Trust Fund Financial Statements

Financial Statement reference: Page 54

	Burial Funds	School Lands	LCCF	March 31	
				2025	2024
				Actual	Actual
<b>Assets</b>					
Cash	\$ 3,427	\$ 26,227	\$1,000,000	1,029,654	\$1,100,687
Due from the District of Lunenburg	170	1,299	49,523	50,991	59,537
	<u>\$ 3,597</u>	<u>\$ 27,526</u>	<u>\$1,049,523</u>	<u>\$ 1,080,645</u>	<u>\$1,160,224</u>
<b>Liabilities</b>					
Due to the District of Lunenburg	\$ -	\$ 1,299	\$ 49,523	\$ 50,821	130,569
Accounts payable - schools	-	-	-	-	-
<b>Reserves</b>					
Trust funds reserves	3,597	26,227	1,000,000	1,029,824	1,029,655
Reserves and Liabilities	<u>\$ 3,597</u>	<u>\$ 27,526</u>	<u>\$1,049,523</u>	<u>\$ 1,080,645</u>	<u>\$1,160,224</u>

	(note 3) Burial Funds	(note 4) School Lands	(note 5) LCCF	Year Ended March 31	
				2025	2024
				Actual	Actual
<b>Reserves Detail</b>					
Balance, beginning of year	\$ 3,427	\$ 26,227	\$1,000,000	\$ 1,029,654	\$1,029,467
Interest received on trust accounts	170	1,299	49,523	50,991	59,537
Funds received in trust	-	-	-	-	-
	<u>3,597</u>	<u>27,526</u>	<u>1,049,523</u>	<u>1,080,645</u>	<u>1,089,004</u>
Trust expenses	-	1,299	49,523	50,821	59,349
	<u>-</u>	<u>1,299</u>	<u>49,523</u>	<u>50,821</u>	<u>59,349</u>
<b>Balance, end of year</b>	<u>\$ 3,597</u>	<u>\$ 26,227</u>	<u>\$1,000,000</u>	<u>\$ 1,029,824</u>	<u>\$1,029,655</u>



# Compliance

Committee Responsibility: Review:	Staff Responsibility Submit:
✓ Audited financial statements	✓ Annual expenditure report
✓ Annual budget variances	✓ Capital investment plan
✓ Expenses for reportable individuals	✓ Statement of estimates
✓ Hospitality expenses	✓ Financial information return





# Thank You

Elana Wentzell, CPA, CMA

Director of Finance and Municipal Treasurer

Municipality of District of Lunenburg  
10 Allée Champlain Drive  
Cookville NS B4V 9E4

