



## AGENDA

### Audit Committee Meeting

Thursday, June 10, 2021 at 12:00 p.m. – 12:45 p.m. approx.

Via Zoom

(Agenda is subject to change due to additions and/or amendments)

- 
1. Call to Order - Chair
  2. Acknowledgement of Mi'kma'ki the ancestral and unceded territory of the Mi'kmaq People - Chair
  3. Agenda – motion to approve

**Motion:** moved and seconded to approve the agenda.

4. Audit Committee September 17, 2020 meeting minutes – for information only due to change in Committee membership since the last meeting
5. Business Arising from the Minutes/Unfinished Business
6. New Business
  - a. 2020/21 Municipal Audit Process - Belliveau Veinotte Inc. Chartered Accountants/Town Auditors overview presentation
    - Audit approach overview
    - Extent, timing and completion of the Audit including level of materiality
    - Identification of any potential areas of risk by the Committee for the Auditors' consideration
    - Internal controls
    - Estimated and final Audit fee
    - Review of 2019/20 Audit letter
  - b. Review of Department of Municipal Affairs 2019/20 Financial Condition Indicators (FCI); November 27, 2020 presentation by Kathy Cox-Brown attached for information only
7. Next Meeting Date – September 23, 2021 (TBC)
8. Adjournment – Chair

cc: Paul and Michael Belliveau, Town Auditors  
Jamie Green, Citizen Representatives

**AUDIT COMMITTEE MEETING MINUTES**

**THURSDAY, SEPTEMBER 17, 2020 AT 12:00 P.M.**

**(VIA AUDIO/VIDEO CONFERENCE DURING COVID-19 PANDEMIC)**

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**PRESENT:** Mayor Rachel Bailey  
Deputy Mayor John McGee  
Councillor Ronnie Bachman  
Councillor Danny Croft  
Councillor Peter Mosher  
Councillor Matt Risser  
Jamie Green, Citizen Appointment (arrived at 12:07 p.m.)

**ALSO PRESENT:** Paul Belliveau, FCPA, FCA, Belliveau Veinotte Inc., Chartered Professional Accountants  
Michael Belliveau, CPA, CA, Belliveau Veinotte Inc., Chartered Professional Accountants  
Lisa Dagley, CPA, CGA, Finance Director  
Kathleen Rafuse, Accountant  
Bea Renton, Chief Administrative Officer

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1. Call to Order

The Mayor called the meeting to order at 12:04 p.m. and welcomed everyone.

2. Acknowledgement of Mi'kma'ki the ancestral and unceded territory of the Mi'kmaq People

The Mayor gave introductory remarks respecting the unceded territory of the Mi'kmaq People on which Lunenburg is situated.

3. Agenda

**Motion: moved and seconded to approve the agenda. Motion carried.**

4. Approval of June 4, 2020 Audit Committee Meeting Minutes

**Motion: moved and seconded to approve the June 4, 2020 minutes. Motion carried.**

12:07 p.m. – Mr. Green joined the meeting.

5. Business arising from the Minutes/Unfinished Business

- a. Municipal Audit 2019/20 – Town Auditor/Belliveau Veinotte Inc. Chartered Accountants presentation of Town's 2019/20 audited Financial Statements to March 31, 2020 and review of Auditor's management letter (will be circulated on or before September 11)

The Auditors expressed condolences on the September 15 passing of former Mayor Laurence Mawhinney.

The Auditors provided a summary of the audited financial statements for the Town (Schedule "A").

They next reviewed their management and internal control letters (Schedule "B") noting in particular the importance of continuity of service and safe work practices during the COVID-19 pandemic.

- b. Receive and authorize Mayor and CAO to sign the 2019/20 audited Town of Lunenburg Financial Statements

Motion: moved and seconded to authorize the Mayor and CAO to sign the 2019/20 audited Town of Lunenburg Financial Statements (Schedule "A"). Motion carried.

6. New Business

(Nil.)

7. Adjournment

Motion: moved and seconded to adjourn the meeting. Motion carried.

The meeting was adjourned at 12:37 p.m.

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Bea Renton, CAO

**TOWN OF LUNENBURG**  
**Financial Statements**  
**Year Ended March 31, 2020**

# TOWN OF LUNENBURG

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**TOWN OF LUNENBURG**  
**Consolidated Financial Statements**  
**Year Ended March 31, 2020**  
**Section A**

# TOWN OF LUNENBURG

## SECTION A

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**Management's Responsibility for the Consolidated Financial Statements**

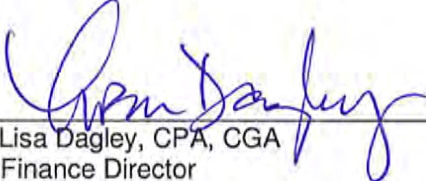
The accompanying consolidated financial statements of the Town of Lunenburg (the "Town") are the responsibility of the Town's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada (CPA Canada). A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Town'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 Town. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.

  
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Bea Renton  
Chief Administrative Officer (CAO)/Clerk

  
\_\_\_\_\_  
Lisa Dagley, CPA, CGA  
Finance Director



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## INDEPENDENT AUDITOR'S REPORT

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September 17, 2020

Her Worship the Mayor and  
Members of the Council  
Town of Lunenburg  
Lunenburg, Nova Scotia

### *Opinion*

We have audited the accompanying consolidated financial statements of the Town of Lunenburg (the "Town"), which comprise the consolidated statement of financial position as at March 31, 2020 and the consolidated statement of financial activities, changes in financial position and changes in net financial assets (liabilities) for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Town of Lunenburg as at March 31, 2020, and the results of its operations and the changes in its financial position 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 Town 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.

### *Other matters*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included in Section B is presented for purposes of additional information and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion on the audit of consolidated financial statements taken as a whole.

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

Management is responsible for the preparation and fair presentation of these 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 Town's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

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

*Auditor's Responsibility for the Audit of the Consolidated 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. 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 Town'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 Town'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 Town 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.

Bridgewater, Nova Scotia  
September 17, 2020

*Belliveau Veinotte Inc.*  
REGISTERED MUNICIPAL AUDITORS  
CHARTERED PROFESSIONAL ACCOUNTANTS

**TOWN OF LUNENBURG**

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## Consolidated Statement of Financial Position

Year Ended March 31, 2020

	2020	2019
<b>ASSETS</b>		
Financial assets		
Cash and bank balances	\$5,613,223	\$ 4,389,399
Taxes receivable (less allowance for doubtful accounts) (Note 13)	230,650	224,670
Other receivables (less allowance for doubtful accounts- 2020 - \$168,571; 2019 - \$156,431) (Note 14 – A-19 – A-21)	2,356,120	2,339,553
Due from Hillcrest Cemetery Perpetual Care Fund	80,040	15,000
	<b>\$ 8,280,033</b>	<b>\$ 6,968,622</b>
<b>LIABILITIES</b>		
Financial liabilities		
Temporary borrowing (Note 5 – A-11)	\$ 154,000	\$ 847,114
Due to Governments	51,521	19,307
Payables	2,248,451	1,933,724
Long-term debt (Note 5 – A-11)	4,172,245	3,986,547
Other liabilities	261,358	284,799
	<b>\$6,887,575</b>	<b>7,071,491</b>
<b>NET FINANCIAL ASSETS (LIABILITIES)</b>	<b>\$1,392,458</b>	<b>\$ (102,869)</b>
<b>NON FINANCIAL ASSETS</b>		
Tangible capital assets (Note 6 – A-12, A-13)	\$37,774,243	\$37,492,722
Inventory not held for resale	179,385	172,367
Prepaid expenses	247,208	279,263
	<b>38,200,836</b>	<b>37,944,352</b>
<b>NET ASSETS</b>	<b>\$39,593,294</b>	<b>\$37,841,483</b>
<b>MUNICIPAL POSITION</b>		
Surplus	\$ 720,100	\$ 719,396
Reserve funds	5,425,195	4,463,025
Investment in capital assets	33,447,999	32,659,062
<b>TOTAL MUNICIPAL POSITION</b>	<b>\$39,593,294</b>	<b>\$37,841,483</b>

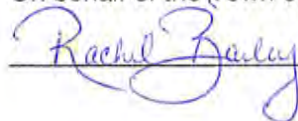
Commitments (Note 7 – A-14, A-15)

Contingencies (Note 8 – A-15)

Subsequent Event (Note 16 – A-23)

See accompanying notes to the consolidated financial statements

On behalf of the Town of Lunenburg



Mayor



Town Manager/Clerk

**TOWN OF LUNENBURG**

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## Consolidated Statement of Financial Activities

Year Ended March 31, 2020

	Budget	2020 Actual	2019 Actual
<b>REVENUES</b>			
Assessable property taxes (net of school board appropriations)	\$4,819,200	\$4,889,489	\$ 4,706,731
Grants in lieu of taxes	237,300	237,200	233,320
Sales of services	8,304,500	8,582,294	8,377,376
Other revenue from own sources	2,731,200	1,170,645	957,401
Unconditional transfers from other governments	50,100	88,076	75,889
Conditional transfers from federal or provincial governments or agencies	2,345,000	1,255,101	945,902
Conditional transfers from other local governments	226,000	159,082	152,214
	<b>18,713,300</b>	<b>16,381,887</b>	<b>15,448,833</b>
<b>EXPENDITURES</b>			
General government services	495,516	486,323	475,242
Protective services	1,764,501	1,665,171	1,638,897
Transportation services	1,781,802	1,261,883	1,180,921
Environmental health services	2,270,400	1,711,995	1,697,252
Public health services	96,100	90,777	96,320
Environmental development services	2,096,595	596,930	535,573
Recreational and cultural services	991,586	958,526	893,781
Water utility services	1,671,600	1,367,279	1,319,362
Electric utility services	7,545,200	6,491,192	6,693,132
	<b>18,713,300</b>	<b>14,630,076</b>	<b>14,530,480</b>
<b>NET REVENUES FOR THE YEAR</b>	\$ -	1,751,811	918,353
Municipal Position, beginning of year		37,841,483	36,923,130
<b>MUNICIPAL POSITION, END OF YEAR</b>		<b>\$39,593,294</b>	<b>\$ 37,841,483</b>

See accompanying notes to the consolidated financial statements

## Consolidated Statement of Changes in Financial Position

Year Ended March 31, 2020

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Net revenues for the year	\$1,751,811	\$ 918,353
Amortization of tangible capital assets	1,653,459	1,713,745
Loss on write down of tangible capital assets	22,057	282,517
Items not affecting cash:		
Taxes receivable	(5,981)	(123,554)
Other receivables	(16,567)	701,204
Hillcrest Cemetery Perpetual Care Fund	(65,040)	65,000
Inventory	(7,018)	(8,864)
Prepaid assets	32,054	(238,648)
Payables	346,942	309,302
Other liabilities	(23,441)	180,416
Changes in non-cash working capital	260,949	884,856
Cash flow from (used by) operating activities	3,688,278	3,799,471
<b>FINANCING ACTIVITIES</b>		
Short-term debt issued	154,000	640,655
Short-term debt redeemed	(847,114)	(910,180)
Long-term debt issued	720,655	925,580
Long-term debt redeemed	(534,959)	(454,149)
Cash flow from (used by) financing activities	(507,418)	201,906
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(1,957,036)	(2,455,152)
Cash flow from (used by) capital activities	(1,957,036)	(2,455,152)
<b>INCREASE IN CASH AND BANK BALANCES</b>	<b>1,223,824</b>	<b>1,546,225</b>
Cash and cash equivalents - beginning of year	4,389,399	2,843,174
<b>CASH AND BANK BALANCES – END OF YEAR</b>	<b>\$5,613,223</b>	<b>\$ 4,389,399</b>

See accompanying notes to the consolidated financial statements

**TOWN OF LUNENBURG****A-7**

## Consolidated Statement of Changes in Net Financial Assets (Liabilities)

Year Ended March 31, 2020

	Budget	2020 Actual	2019 Actual
Annual Surplus (Deficit)	\$ -	\$1,751,811	\$ 918,353
Acquisition of tangible capital assets	(4,506,000)	(1,957,036)	(2,455,152)
Amortization of tangible capital assets	497,750	1,653,459	1,713,745
Loss on write down of tangible capital assets	-	22,057	282,517
Consumption (acquisition) of inventory	-	(7,018)	(8,864)
Consumption (acquisition) of prepaid expenses	-	32,054	(238,648)
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<b>\$(4,008,250)</b>	<b>1,495,327</b>	<b>211,951</b>
Net financial assets (liabilities), beginning of year		(102,869)	(314,820)
<b>NET FINANCIAL ASSETS (LIABILITIES), END OF YEAR</b>		<b>\$1,392,458</b>	<b>\$ (102,869)</b>

See accompanying notes to the consolidated financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICING AND REPORTING PRACTICES

These consolidated financial statements of the Town of Lunenburg ("Town") are the representations of management and are prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada (CPA Canada).

Reporting Entity

These consolidated statements reflect the assets, liabilities, revenues, expenditures and changes in fund balances and financial position of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their financial affairs and resources to Town Council and which are owned or controlled by the Town of Lunenburg.

(a) Consolidated Entities

In addition to the general Town of Lunenburg departments, the reporting entity includes the following where deemed material:

The Town of Lunenburg Electric Utility

The Town of Lunenburg Water Utility

Hillcrest Cemetery

Inter-departmental and organizational transactions have been eliminated.

(b) Non-Consolidated Entities

The following local boards, commissions and agencies are not consolidated:

South Shore Regional Enterprise Network

South Shore Housing Authority

South Shore Regional Library Board

(c) Hillcrest Cemetery Perpetual Care Fund (Page B-25)

This fund and its related operations administered by the Town are not consolidated, but are reported separately on the trust funds' statement of continuity and statement of financial position. The total of these funds as of March 31, 2020 are \$228,025; (2019, \$238,920).

Fund Accounting

In accordance with practices common to public sector entities, the Town follows the fund basis of accounting. The capital fund is used principally to account for assets acquired or obligations incurred which are to be financed from the future revenue of the Town and it is the annual interest cost of this financing that is paid from current (operating fund) operations. Reserve funds are generally created by appropriations from current (operating fund) operations. The use of these funds are restricted to the purposes for which the reserve funds are created.

Taxes and Other Receivables

Taxes and other receivables are reported net of any allowance for doubtful accounts.

Inventories

Inventories held by the Town are not viewed as financial assets. The inventory on hand will be used for future operational or capital purposes, and accordingly have been reflected as non-financial assets in the consolidated statement of financial position.

*(continues)*

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICING AND REPORTING PRACTICES *(cont'd)*Tangible Capital Assets

Effective April 1, 2009, the Town adopted Section 3150 of the Public Sector Accounting Handbook of CPA Canada with respect to the disclosure of tangible capital assets of local governments. Prior to April 1, 2009, the Town previously recorded tangible capital assets at cost in the period they were acquired on the statement of financial position and as an expenditure within the capital fund. Assets were not amortized and they were written off at the end of their estimated useful life.

As of April 1, 2009, tangible capital assets are recorded at cost in the period they are acquired and recorded as expenditures within the capital fund. Donated tangible capital assets are capitalized and recorded at their fair value upon acquisition. If historical cost information was not available during adoption of PSAB 3150, tangible capital assets were recorded using historical appraisal values. The Town does not capitalize interest as part of the costs of its tangible capital assets.

Amortization recorded on tangible capital assets in the general capital fund is calculated on a straight line basis over the asset's estimated useful life. Amortization recorded on assets of the electric and water utilities are calculated based on the Nova Scotia Utility and Review Board approved rates.

Estimated useful lives are as follows:

Buildings - municipal	40 years
Buildings - plants	20 - 25 years
Land improvements	20 - 25 years
Land	Not amortized
Machinery and equipment	10 - 15 years
Office equipment and furniture	5 years
Sewer lines	50 years
Sidewalks	20 - 25 years
Streets, roads and curbs	25 - 30 years
Vehicles	5 years
Electric utility, all assets	28.5 years
Water utility	
Structures and improvements	25 - 75 years
Equipment	5 - 20 years
Mains (Transmission and distribution)	75 years
Meters	20 - 25 years

Capital assets that are classified as work in progress are not amortized until the asset is available for productive use.

Use of Estimates

The preparation of financial statements in conformity with the Canadian Public Sector Accounting Standards of CPA Canada requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

**2. FINANCIAL INSTRUMENTS**

The Town's financial instruments consists of cash and bank balances, amounts receivable, accounts payable and accrued liabilities, deposit liabilities, temporary borrowings and long-term debt. It is management's opinion that the Town is not exposed to significant interest or currency risks arising from these financial instruments.

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

Unless otherwise noted, the carrying value of the financial instrument approximates fair value.

**3. CONTRIBUTIONS TO NON-CONSOLIDATED JOINT BOARDS, AGENCIES AND COMMISSIONS**

The following contributions were made by the Town to non-consolidated board, agencies, and commissions:

	2020 Budget	2020 Actual	2019 Actual
South Shore Housing Authority (a)	\$22,000	<b>\$15,710</b>	\$ 19,307
South Shore Regional Library Board (b)	14,800	<b>14,796</b>	14,760
South Shore Regional Enterprise Network (c)	-	-	3,240
	<b>\$36,800</b>	<b>\$30,506</b>	<b>\$ 37,307</b>

(a) South Shore Housing Authority

The Town is required to finance its share of the operating deficit in the South Shore Housing Authority out of its current year's operations, based on a loss sharing ratio agreed upon by all participating units. The Town is responsible for approximately 10% of the annual deficit of the Housing Authorities projects in the Town's jurisdiction.

(b) South Shore Regional Library Board

The Town is responsible for its share of the South Shore Library Board's operations based on a per capita funding formula.

(c) South Shore Regional Enterprise Network

The SSREN wound up as of September 30, 2018.

**4. MUNICIPAL POSITION**

The consolidated statement of financial position reflects the following fund balances:

	2020	2019
<b>Surplus Funds</b>		
General	\$ 361	\$ 997
Water	252,737	251,881
Electric	467,002	466,518
<b>Reserve Funds</b>		
Town Operating	339,907	370,239
Town Capital	1,873,743	1,261,596
Town Capital - Solid Waste Closure	7,927	12,010
Water Capital	2,275,946	1,961,287
Electric Capital	927,672	857,893
<b>Investment in Capital Assets</b>		
Town Capital	20,793,424	20,002,099
Cemetery Capital	12,301	12,301
Water Capital	10,509,312	10,608,904
Electric Capital	2,132,962	2,035,758
	<b>\$39,593,294</b>	<b>\$37,841,483</b>

**5. LONG-TERM DEBT**

The balance of the net long-term liabilities reported on the consolidated statement of financial position is made up of the following Town agencies. Further details are reported on Page B-30 and B-31.

	2020	2019
Town General (including temporary borrowings)	\$3,137,245	\$ 3,503,911
Water Utility	489,000	529,750
Electric Utility	700,000	800,000
	<b>\$4,326,245</b>	<b>\$ 4,833,661</b>

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

2021	\$ 698,187
2022	\$1,026,389
2023	\$ 389,949
2024	\$ 332,749
2025	\$ 305,764

**TOWN OF LUNENBURG**

Notes to Consolidated Financial Statements

Year Ended March 31, 2020

**6. TANGIBLE CAPITAL ASSETS 2020**

TOWN	Opening Cost	Additions	Disposals	Write-Downs	Ending Cost	Amortization	Accumulated Amortization	Net book Value
Land	\$ 286,697	\$ -	\$ -	\$ -	\$ 286,697	\$ -	\$ -	\$ 286,697
Land Improvements	141,328	-	-	-	141,328	5,492	99,519	41,809
Buildings	12,303,433	758,306	22,246	30,998	13,008,495	372,998	3,782,157	9,226,338
Engineered Structures	23,216,233	697,395	-	-	23,913,628	571,542	11,039,796	12,873,832
Furniture & Equipment	577,116	19,031	-	-	596,147	37,649	477,502	118,646
Heritage & Cultural Equipment	177,097	8,385	-	-	185,482	5,575	174,818	10,663
Machinery & Equipment	2,606,005	122,213	-	-	2,728,408	126,496	1,634,267	1,094,141
Parks & Playgrounds	781,027	-	-	-	781,027	38,866	502,491	278,536
Work in Progress	-	-	-	-	-	-	-	-
<b>ELECTRIC</b>								
Land	2,371	-	-	-	2,371	-	-	2,371
Transmission	2,676,729	-	-	-	2,676,729	90,188	1,345,385	1,331,344
Distribution	1,739,626	83,397	-	-	1,823,023	45,574	1,465,641	357,383
Highway Lighting	237,149	8,222	-	-	245,371	2,820	179,992	65,379
Transformers	1,120,305	70,350	-	1,120	1,189,535	34,311	633,787	555,748
Services	281,252	31,762	-	-	313,014	6,985	153,144	159,870
Meters	309,068	2,504	-	-	311,572	8,586	119,890	191,682
Buildings	93,329	-	-	-	93,329	1,704	74,371	18,959
Equipment	273,978	-	-	-	273,978	8,863	123,747	150,231
Work in Progress	-	-	-	-	-	-	-	-
<b>WATER</b>								
Land & Land Rights	133,454	-	-	-	133,454	-	-	133,454
Structures & Improvements	6,211,002	135,461	-	-	6,346,463	103,979	1,165,356	5,181,108
Equipment	2,421,868	11,852	15,730	-	2,417,990	124,895	1,173,909	1,244,081
Mains	5,162,913	-	-	-	5,162,913	61,126	964,881	4,198,032
Services	179,734	4,145	-	-	183,878	3,595	38,619	145,259
Meters	55,785	-	-	-	55,785	678	12,204	43,580
Hydrants	116,014	4,013	-	-	120,026	1,536	67,227	52,799
Work in Progress	-	-	-	-	-	-	-	-
<b>CEMETERY</b>								
Land	12,301	-	-	-	12,301	-	-	12,301
Equipment	-	-	-	-	-	-	-	-
	<b>\$ 61,115,815</b>	<b>\$ 1,957,036</b>	<b>\$ 37,976</b>	<b>\$ 32,118</b>	<b>\$ 63,002,945</b>	<b>\$ 1,653,458</b>	<b>\$ 25,228,703</b>	<b>\$ 37,774,243</b>

**TOWN OF LUNENBURG**  
Notes to Consolidated Financial Statements  
Year Ended March 31, 2020

6. TANGIBLE CAPITAL ASSETS 2019

TOWN	Opening Cost	Additions	Disposals	Write-Downs	Ending Cost	Amortization	Accumulated Amortization	Net book Value
<b>TOWN</b>								
Land	\$ 286,697	\$ -	\$ -	\$ -	\$ 286,697	\$ -	\$ -	\$ 286,697
Land Improvements	141,328	-	-	-	141,328	5,492	94,024	47,304
Buildings	11,361,136	942,295	-	-	12,303,432	331,639	3,440,157	8,863,276
Engineered Structures	21,947,827	1,273,649	5,243	-	23,216,233	682,699	10,468,254	12,747,980
Furniture & Equipment	564,037	13,079	-	-	577,116	35,545	439,852	137,264
Heritage & Cultural Equipment	177,097	-	-	-	177,097	5,575	169,244	7,853
Machinery & Equipment	2,579,497	28,204	-	-	2,607,701	120,559	1,507,770	1,099,930
Parks & Playgrounds	781,027	-	-	-	781,027	38,866	463,625	317,403
Work in Progress	-	-	-	-	-	-	-	-
<b>ELECTRIC</b>								
Land	2,371	-	-	-	2,371	-	-	2,371
Transmission	2,649,389	27,340	-	-	2,676,729	89,064	1,255,197	1,421,532
Distribution	1,640,858	98,768	-	-	1,739,626	42,117	1,420,067	319,560
Highway Lighting	221,186	15,964	-	-	237,149	8,227	177,172	59,977
Transformers	1,148,159	18,164	-	46,018	1,120,306	33,765	600,596	519,709
Services	276,190	5,063	-	-	281,252	6,807	146,160	135,093
Meters	345,883	4,802	-	41,617	309,068	8,418	111,304	197,764
Buildings	93,329	-	-	-	93,329	1,704	72,667	20,663
Equipment	757,417	-	483,439	-	273,978	9,310	114,884	159,094
Work in Progress	-	-	-	-	-	-	-	-
<b>WATER</b>								
Land & Land Rights	133,454	-	-	-	133,454	-	-	133,454
Structures & Improvements	6,205,739	5,264	-	-	6,211,002	103,822	1,061,377	5,149,626
Equipment	2,399,308	22,560	-	-	2,421,868	123,172	1,064,744	1,357,124
Mains	5,298,146	-	9,399	125,834	5,162,913	61,126	903,756	4,259,158
Services	179,734	-	-	-	179,734	3,595	35,024	144,710
Meters	55,785	-	-	-	55,785	707	11,526	44,259
Hydrants	116,015	-	-	-	116,015	1,536	65,691	50,324
Work in Progress	-	-	-	-	-	-	-	-
<b>CEMETERY</b>								
Land	12,301	-	-	-	12,301	-	-	12,301
Equipment	-	-	-	-	-	-	-	-
	<b>\$ 59,373,909</b>	<b>\$ 2,455,152</b>	<b>\$ 498,081</b>	<b>\$ 213,468</b>	<b>\$ 61,117,513</b>	<b>\$ 1,713,744</b>	<b>\$ 23,623,089</b>	<b>\$ 37,494,423</b>

7. COMMITMENTS

(a) Garbage Collection

The Town is committed to a four-year contract for garbage collection, 2020/21, \$211,800; (2021/22, \$216,600; 2022/23, \$221,400; 2023/24, \$226,400).

(b) Garbage Disposal Site

Commencing April 1, 1991, the Town entered into an agreement with the Town of Bridgewater, Town of Mahone Bay and the Municipality of the District of Lunenburg to share in the capital cost of the site and withdrew from this agreement on March 31, 2012. Negotiations are unresolved to determine any future obligation for Site Closure Liability and the Town's share of the Solid Waste Site's assets.

The Town of Lunenburg can no longer control or derive any future economic benefit associated with its share of the capital assets at the garbage disposal site. According to PSAB 3150, these are no longer considered assets of the Town for financial statement reporting purposes. As such, the value of these assets were reduced to \$Nil in the 2012/2013 consolidated financial statements.

The Town's share of these assets has not been reduced in the non-consolidated financial statements which are not subject to PSAB accounting rules. Capital assets recorded to date are estimates based on the last known value at March 31, 2013. They are recorded as expenditures in accordance with note 1 in regard to the cost of this site which were allocated as follows:

Apportionment of capital costs	
Town of Bridgewater	\$ 3,455,616
Town of Lunenburg	1,062,115
Town of Mahone Bay	436,260
Municipality of the District of Lunenburg	8,122,619
	13,076,610
Other Municipal units' vested interest	(12,014,495)
	\$ 1,062,115

*(continues)*

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**7. COMMITMENTS (cont'd)**

On October 10, 2004, the Town, together with the Town of Bridgewater, Town of Mahone Bay and the Municipality of the District of Lunenburg entered into a twenty year agreement with the District of Chester, commencing January 2, 2006, and terminating on March 31, 2026, to ship all second generation waste resources ("solid waste") from the Lunenburg Regional Community Recycling Centre ("LRCRC") to the second generation solid waste disposal site at Kaizer Meadow Landfill, located in the District of Chester.

The price per metric tonne is subject to an annual escalation clause effective April 1, 2006, which shall be the lesser of the amount of the increase in the consumer price index for all items for Nova Scotia for the previous calendar year, or the sum of 2.5% per annum. The agreement also guarantees a minimum tonnage delivered to the District of Chester's disposal site of 10,000 tonnes.

As a result of this agreement, if at the end of any year, the amount paid by the LRCRC is less than the minimum amount based on the minimum tonnage clause, the LRCRC is obligated to pay the District of Chester the difference to make up the minimum annual payment.

This agreement was not re-negotiated as Chester will continue to add the Town of Lunenburg's solid waste tonnage to that of the LRCRC. Tonnage shortages will be addressed only if the need arises.

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**8. CONTINGENCIES**

As previously noted, the Town, in partnership with the Municipality of the District of Lunenburg and the Towns of Bridgewater and Mahone Bay operated the solid waste disposal site at Whynott's Settlement. The closure of the site was substantially complete at March 31, 2014. The Town has a balance of \$7,927 left in reserve funds after \$132,209 of Site Closure and well monitoring costs were recorded, which Council has not yet agreed to pay. There is an estimated potential liability of \$25,750 remaining for site closure.

The Town has given the Municipal Finance Corporation a guarantee in support of the Lunenburg Home for Special Care Corporation's loan, not to exceed \$908,000 and has agreed to share in the operating deficit of the expansion to the Home that was completed in 1984. No provision for the operating deficit has been made in these statements as the Home adjusts its rates to recoup any deficit so incurred.

Environment Canada investigated a Town waste water pump over flow under the Fisheries Act. As of year end any potential liability is unknown and therefore has not been recorded in the consolidated financial statements.

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## 9. LUNENBURG DISTRICT'S 1 AND 2 FIRE COMMISSION (THE "DISTRICT")

In 1996, the Town entered into an agreement with the District to provide fire protection services to their area. Under the agreement the District pays for 50% of the approved operating costs plus 6.5% administration fee. This contribution is shown as Town revenues as detailed on page B-7, #7 of these statements.

The District has also contributed towards or directly purchased fire protection assets.

Only the Town's equity in the new fire hall, fire fighting vehicle and equipment has been reported in these financial statements. The District's equity is noted below.

The summary of equity in all firefighting assets is as follows:

	2020	2019
Building, net of accumulated amortization	\$ 848,942	\$ 897,217
Equipment, net of accumulated amortization	1,014,984	1,021,691
Training area, net of accumulated amortization	25,694	27,479
Total Equity	1,889,620	1,946,387
Lunenburg District's 1 & 2 Fire Commission equity	(576,996)	(589,847)
Town of Lunenburg Equity	\$1,312,624	\$ 1,356,540

## 10. PENSION PLAN, POST-EMPLOYMENT AND RETIREMENT BENEFITS

The Town of Lunenburg has a defined contribution pension plan consisting of an employee chosen mix of pension and RRSP funds at matched employer contribution rate of 6%.

The Town provides retirement (minimum age is 55) benefits in the form of a cash award equal to 1 ¼ days of the employee's daily rate of pay at the time of retirement multiplied by the number of complete years of service that the employee has served with the Town. Additionally, existing employees will receive a payout of accumulated sick leave at a rate of 1 day's pay for every 2 days of unused sick leave. Sick leave is accumulated at a rate of 1 ½ days per month to a maximum accumulation of 140 days.

In 2015, the Town adopted accrual accounting for these retirement benefits. Prior to that date the Town recognized benefit expenses equal to its payments for the actual costs incurred by the retirees and no liability for retirement benefits was recorded in the statement of financial position. An annual accrual is now made for employees who are within 5 years of retirement. No actuarial valuation is made; the accrual is based on the qualifying employees' current rate of pay.

## 11. REMUNERATION, TRAINING, HOSPITALITY AND OTHER APPROVED EXPENSES

Remuneration of Council and the Chief Administrative Officer (CAO)/Clerk were as follows:

	2019/20 Total Honorarium	2019/20 Expenses	Total Remuneration
Mayor Rachel Bailey	\$29,463	\$ 5,058	\$34,521
Deputy Mayor McGee	23,568	280	23,848
Councillor Ronald Bachman	14,620	-	14,620
Councillor Joseph Carnevale	14,620	1,542	16,162
Councillor Danny Croft	14,620	1,257	15,877
Councillor Peter Mosher	14,620	-	14,620
Councillor Matthew Risser	14,620	-	14,620
Sub-total	126,131	8,137	134,268
Chief Administrative Officer (CAO)/Clerk (Salary \$117,878; car allowance \$480; meeting pay \$1,240)	119,598	2,000	121,598
(See B-34 for more information)	\$245,729	\$10,137	\$255,866

#### Hospitality expenses

Commencing January 1, 2019, the Province of Nova Scotia requires that Municipal Units report any hospitality expenses. For the period of April 1, 2019 to March 31, 2020 one hospitality expense, in the amount of \$81.08, was paid for a film location meeting.

## 12. SEGMENT DISCLOSURE (SEE A-22 FOR BREAKDOWN)

The Town of Lunenburg 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:

#### General Government Services:

Activities that provide for the overall operation of the Town and that are common to or affect all of the services provided by the Town. This includes the activities of Council as well as the following administrative activities: human resources, legal services, facilities management, finance and administration, communications and technology.

#### Protective Services:

Activities that provide for the public safety of the citizens of the Town of Lunenburg. These services include police and fire protection as well as by-law enforcement, building inspection services and EMO.

**Transportation Services:**

The activities performed by Public Works and include management, maintenance and development of a wide variety of municipal infrastructure. This Department's activities include but are not limited to road maintenance, sidewalk maintenance, snow removal and salting. Activities also include the operation of a sewer treatment facility and a water treatment facility.

**Environmental Health Services:**

The activities provide provincially regulated environmental services for the Town of Lunenburg. These services include the collection of solid waste materials, and the sanitary wastewater collection and treatment facility and infrastructure.

**Environmental Development Services:**

The activities include the support and management of the Municipality's physical and economic development. These activities include activities related to land use planning, zoning and development and other services to support the business community.

**Recreation and Cultural Services:**

Activities related to the Town of Lunenburg's recreation and cultural facilities, including the operation and maintenance of the Lunenburg War Memorial Community Centre and Arena facilities, parks, trails and various other facilities including a library. This also includes the expenditures for various recreational programming and special events as well as support of volunteer organizations.

**Water Treatment and Distribution:**

Activities related to the treatment and distribution of drinking water residents and businesses of the Town of Lunenburg following the Province of Nova Scotia regulations.

**Electric Utility:**

The Town of Lunenburg owns and operates its own electric utility providing residential and commercial services. The Lunenburg Electric Utility distributes electricity in its service district extending to Mason's Beach and Blue Rocks in the Municipality of the District of Lunenburg.

**13. DETAILED BREAKDOWN OF TAXES AND VALUATION ALLOWANCES****Property taxes**

	Beginning	Tax Billings	Collected	2020 Ending	2019 Ending
Prior Year Billings	\$116,186	\$ -	\$ 42,442	\$ 73,744	\$ 71,469
Current Year Billings	-	4,552,250	4,416,052	136,198	134,238
Interest	\$116,186	\$4,552,250	\$4,458,494	\$209,942 30,198	\$ 205,707 28,453
Total Outstanding				\$240,140	\$234,160
Less: Allowance for Doubtful Accounts				(9,490)	(9,490)
<b>Net Taxes Receivable</b>				<b>\$230,650</b>	<b>\$224,670</b>
<b>Prepayments</b>				<b>\$(133,360)</b>	<b>\$(117,927)</b>

## 14. DETAILED BREAKDOWN OF OTHER RECEIVABLES AND VALUATION ALLOWANCES

**Sewer Charges**

	Beginning	Sewer Billings	Collected	2020 Ending	2019 Ending
Prior Year Billings	\$36,209	\$ -	\$ 28,859	\$ 7,350	\$ 5,137
Current Year Billings		953,590	905,951	47,639	28,998
	\$36,209	\$953,590	\$934,810	\$54,989	34,135
Interest				3,900	2,074
Total Outstanding				58,889	36,209
Add: Accrued Receivable for Sewer Revenue				148,268	135,538
Less: Allowance for Doubtful Accounts				-	-
<b>Net Sewer Charges Receivable</b>				<b>\$207,157</b>	<b>\$ 171,747</b>

**Miscellaneous Other Town Receivables**

	Beginning	Billings	Collected	2020 Ending	2019 Ending
Prior Year Billings	\$77,637	\$ -	\$ 76,528	\$ 1,109	\$ -
Current Year Billings		3,660,996	3,021,836	639,160	77,499
	\$77,637	\$3,660,996	\$3,098,364	\$640,269	77,499
Interest				280	138
Total Outstanding				640,549	77,637
Less: Allowance for Doubtful Accounts				-	-
<b>Net Miscellaneous Receivables</b>				<b>\$640,549</b>	<b>\$ 77,637</b>

**Arena and Community Centre Receivables**

	Beginning	Billings	Collected	2020 Ending	2019 Ending
Prior Year Billings	\$ 21,416	\$ -	\$21,416	\$ -	\$ 571
Current Year Billings		296,090	287,806	8,284	20,590
	\$21,416	\$296,090	\$309,222	\$ 8,284	21,161
Interest				191	255
Total Outstanding				8,475	21,416
Less: Allowance for Doubtful Accounts				-	-
<b>Net Arena and Community Centre Receivables</b>				<b>\$ 8,475</b>	<b>\$ 21,416</b>

*(continues)*

## 14. DETAILED BREAKDOWN OF OTHER RECEIVABLES AND VALUATION ALLOWANCES

*(continued)***Cemetery Receivables**

	Beginning	Billings	Collected	2020 Ending	2019 Ending
Prior Year Billings	\$2,582	\$ -	\$ 1,861	\$ 721	\$ 721
Current Year Billings	-	23,795	22,498	1,297	1,458
Interest	\$2,582	\$23,795	\$24,359	\$2,018 433	2,179 403
Total Outstanding				2,451	2,582
Less: Allowance for Doubtful Accounts				(721)	(721)
<b>Net Cemetery Receivables</b>				<b>\$1,730</b>	<b>\$ 1,861</b>

**Water Billings**

	Beginning	Billings	Collected	2020 Ending	2019 Ending
Prior Year Billings	\$264,058	\$ -	\$258,505	\$ 5,553	\$ 3,890
Current Year Billings		1,528,215	1,285,657	242,558	254,676
Interest	\$264,058	\$1,528,215	\$1,544,162	\$248,111 6,165	258,566 5,492
Total Outstanding				254,276	264,058
Less: Allowance for Doubtful Accounts				(23,553)	(15,386)
<b>Net Water Billings Receivable</b>				<b>\$230,723</b>	<b>\$ 248,672</b>

*(continues)*

14. DETAILED BREAKDOWN OF OTHER RECEIVABLES AND VALUATION ALLOWANCES  
(continued)

**Electric Billings**

	Beginning	Billings	Collected	2020 Ending	2019 Ending
Prior Year Billings	\$711,494	\$ -	\$ 654,370	\$ 57,124	\$ 51,208
Current Year Billings		6,519,491	5,786,006	733,485	612,494
	\$711,494	\$6,519,491	\$6,440,376	\$790,609	663,702
Interest				53,797	47,792
Total Outstanding				844,406	711,494
Add: Accrued Receivable for Electric Revenue				245,805	261,085
Less: Allowance for Doubtful Accounts				(129,359)	(127,359)
<b>Net Electric Billings Receivable</b>				<b>\$960,852</b>	<b>\$ 845,220</b>

**Miscellaneous Electric Receivables**

	Beginning	Billings	Collected	2020 Ending	2019 Ending
Prior Year Billings	\$16,071	\$ -	\$ 5,387	\$10,684	\$ 10,684
Current Year Billings		102,453	80,847	21,606	(7,915)
	16,071	102,453	86,234	32,290	2,769
Interest				4,909	2,334
Total Outstanding				37,199	5,103
Less: Allowance for Doubtful Accounts				(15,338)	(12,965)
<b>Miscellaneous Electric Receivables</b>				<b>\$21,861</b>	<b>\$(7,862)</b>

**Total Other Receivables**

Total Outstanding Other Receivables				\$2,524,691	\$ 2,495,984
Less:					
Total Allowance for Doubtful Accounts				(168,571)	(156,431)
<b>Total Net Other Receivable</b>				<b>\$2,356,120</b>	<b>\$ 2,339,553</b>

**TOWN OF LUNENBURG**

Notes to Consolidated Financial Statements

Year Ended March 31, 2020

15. CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

Town of Lunenburg Consolidated Schedule of Segment Disclosure For the Year Ended March 31, 2020									
	General	Protective	Transportation	Environmental	Environmental	Recreation and	Water	Electric	
Revenues	Government	Services	Services	Health Services	Development Services	Cultural Services	Utility	Utility	2020
Property Taxes	\$3,935,898	\$ -	\$ -	\$953,590	\$ -	\$ -	\$ -	\$ -	\$4,889,488
Grants in Lieu of Taxes	231,775	5,019	406	-	-	-	-	-	237,200
Sales of Service	7,778	-	172,984	15,941	1,698	254,255	1,529,414	6,600,224	8,582,294
Other Revenue from Own Sources	135,582	72,566	7,177	106,627	478,151	268,561	43,540	58,435	1,170,639
Unconditional Tran other govts	77,825	-	-	-	-	-	10,251	-	88,076
Conditional Transfer from Fed & Prov	-	11,000	-	812,413	391,688	40,000	-	-	1,255,101
Cond Trans from other local Govt	-	159,082	-	-	-	-	-	-	159,082
	<b>4,388,858</b>	<b>247,667</b>	<b>180,567</b>	<b>1,888,571</b>	<b>871,537</b>	<b>562,816</b>	<b>1,583,205</b>	<b>6,658,659</b>	<b>16,381,880</b>
<b>Expenditures</b>									<b>0</b>
Salaries, Benefits	243,534	118,355	440,644	165,512	138,890	420,458	482,238	332,419	2,342,050
Interest	1,870	9,608	18,275	22,973	11,801	9,413	19,855	34,674	128,469
Materials and Other Operating	135,879	-	540,853	896,245	330,753	264,063	538,595	5,923,781	8,630,169
Amortization	35,898	125,444	260,374	386,094	182,566	168,242	295,810	199,030	1,653,458
Utilities	9,334	14,949	1,737	241,171	23,696	74,293	30,781	1,288	397,249
Grants	21,471	-	-	-	-	-	-	-	21,471
Fire Department	-	175,250	-	-	-	-	-	-	175,250
Fire Protection Rate	-	325,360	-	-	-	-	-	-	325,360
Policing & Corrections	-	837,979	-	-	-	-	-	-	837,979
Other Protective Services	-	58,226	-	-	-	-	-	-	58,226
Reduced Taxes	38,337	-	-	-	-	-	-	-	38,337
Assets Retired	-	-	0	0	-	22,057	0	0	22,057
	<b>486,323</b>	<b>1,665,171</b>	<b>1,261,883</b>	<b>1,711,995</b>	<b>687,706</b>	<b>958,526</b>	<b>1,367,279</b>	<b>6,491,192</b>	<b>14,630,075</b>
	<b>\$ 3,902,535</b>	<b>-\$ 1,417,504</b>	<b>-\$ 1,081,316</b>	<b>\$ 176,576</b>	<b>\$ 183,831</b>	<b>-\$ 395,710</b>	<b>\$ 215,926</b>	<b>\$ 167,467</b>	<b>\$ 1,751,805</b>

**16. SUBSEQUENT EVENT****COVID-19**

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods, social and physical distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Town in future periods.

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**TOWN OF LUNENBURG**  
**Supplementary Financial Information**  
**Non-Consolidated Financial Statements**  
**Year Ended March 31, 2020**  
**Section B**

# TOWN OF LUNENBURG

## SECTION B

### SUPPLEMENTARY FINANCIAL INFORMATION

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**TOWN OF LUNENBURG**  
 Supplementary Financial Information  
 General Section –Statement of Operations  
 Year Ended March 31, 2020

B-1

	Page	Budget	2020 Actual	2019 Actual
<b>REVENUE</b>				
Taxes	B-6	\$ 5,623,300	\$ 5,712,465	\$ 5,513,115
Grants in lieu of taxes	B-6	237,300	237,200	233,320
Sales of services	B-6	543,400	452,656	454,924
Other revenue from own sources	B-7	354,600	445,692	365,930
Unconditional transfers from Federal and Provincial governments and agencies	B-7	69,100	77,938	69,096
Conditional transfers from Federal and Provincial governments and agencies	B-7	1,500	1,000	1,000
Conditional transfers from other local governments	B-7	176,000	159,084	152,214
Other transfers	B-7	5,300	10,502	41,567
		7,010,500	7,096,527	6,831,166
<b>EXPENDITURES</b>				
General government services	B-8	454,400	450,425	440,616
Protective services	B-9	1,576,300	1,539,914	1,519,752
Transportation services	B-9	972,300	1,001,846	999,947
Environmental health services	B-10	1,193,800	1,325,901	1,193,215
Public Health services	B-10	65,300	59,975	65,386
Environmental development services	B-10	411,500	414,364	372,967
Recreational and cultural services and education	B-11	808,000	767,397	749,792
Fiscal services	B-11	1,528,900	1,536,344	1,488,494
		7,010,500	7,096,166	6,830,169
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>		-	361	997
Accumulated Surplus, Beginning of Year			997	168,376
Transfer of Surplus to Operating Reserve			(997)	(168,376)
<b>SURPLUS – END OF YEAR</b>			\$ 361	\$ 997

**TOWN OF LUNENBURG**

**B-2**

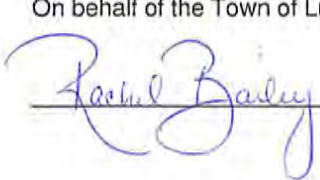
Supplementary Financial Information

General Section – Operating Fund Statement of Financial Position

Year Ended March 31, 2020

	2020	2019
<b>ASSETS</b>		
Cash	\$ 1,400	\$ 1,424
Bank balance	601,321	188,494
Receivables		
Taxes and accrued interest (less allowance for doubtful accounts 2020, \$9,490; 2019, \$9,490)	230,650	224,670
Due from Federal Government and its agencies	268,165	36,856
Due from Provincial Government and its agencies, conditional transfers	285,060	80,410
Due from other Local Governments	62,573	13,126
Sewer receivables	208,433	171,747
Due from Cemetery Fund	12,555	4,423
Due from Perpetual Care	80,040	15,000
Due from Operating Reserve	42,939	-
Other	279,606	900,226
	<b>2,072,742</b>	<b>1,636,376</b>
Inventories of materials and supplies, at cost	49,244	37,711
Prepaid expenses	200,007	242,456
	<b>\$ 2,321,993</b>	<b>\$ 1,916,543</b>
<b>LIABILITIES</b>		
Payables		
Trade balances	\$ 821,706	\$ 608,396
Employee benefits – short term	234,623	224,011
Due to Electric Utility	277,133	64,168
Due to Water Utility	332,066	460,172
Due to Capital Reserve	368,639	56,632
Due to Operating Reserve	-	213,271
	<b>2,034,167</b>	<b>1,626,650</b>
Other liabilities		
Funds received and held for special projects	9,267	7,938
Deferred revenue	134,015	168,602
Employee benefits – long term	144,183	112,356
	<b>2,321,632</b>	<b>1,915,546</b>
<b>NET ASSETS</b>		
Surplus	361	997
	<b>\$ 2,321,993</b>	<b>\$ 1,916,543</b>

On behalf of the Town of Lunenburg



Mayor



Town Manager/Clerk

**TOWN OF LUNENBURG**

**B-3**


Supplementary Financial Information

General Section – Capital Fund Statement of Financial Position

Year Ended March 31, 2020

	2020	2019
<b>ASSETS</b>		
Due from Town	\$ -	\$ -
Property and equipment <i>(page B-5)</i>	24,960,058	24,535,403
	<b>\$24,960,058</b>	<b>\$ 24,535,403</b>
<b>LIABILITIES</b>		
Temporary borrowings	\$ 154,000	\$ 847,114
Long-term debt		
Due to Perpetual Care Fund	215,200	163,820
Due to Municipal Finance Corporation	2,768,045	2,492,979
	<b>3,137,245</b>	<b>3,503,913</b>
<b>EQUITY</b>		
Investment in capital assets <i>(page B-4)</i>	21,822,813	21,031,490
	<b>\$24,960,058</b>	<b>\$ 24,535,403</b>

On behalf of the Town of Lunenburg



Mayor



Town Manager/Clerk

**TOWN OF LUNENBURG****B-4**

## Supplementary Financial Information

## General Section – Statement of Investment in Capital Assets

Year Ended March 31, 2020

	2020	2019
<b>BALANCE - BEGINNING OF YEAR</b>	<b>\$ 21,031,490</b>	<b>\$ 20,263,291</b>
Contributions, other	229,762	227,654
Capital from revenue, fiscal services	152,863	127,487
Grants for capital purposes:		
Federal Gas Tax	121,485	168,672
Nova Scotia Department of Communities, Culture and Heritage	-	160,857
Nova Scotia Clean Water Waste Water	232,780	578,337
Nova Scotia Emergency Services Providers Grant	10,000	-
Federal - ACOA	168,119	-
Parks Canada	100,000	157,686
Department of Housing & Municipal Affairs – Beautification Grant	23,570	-
Municipality of the District of Lunenburg	40,000	-
Canadian Heritage	100,000	-
Department of Housing & Municipal Affairs – PCAP	36,142	-
Temporary debt repayment	206,459	-
Long-term debt retired	394,209	313,399
Transfer from Capital Reserve Fund	156,611	180,481
Capital assets retired	(22,245)	(5,998)
Capital assets revalued	187	80,000
Depreciation expense	(1,158,619)	(1,220,376)
<b>INCREASE (DECREASE) IN INVESTMENT IN CAPITAL ASSETS</b>	<b>791,323</b>	<b>768,199</b>
<b>Balance, end of year</b>	<b>\$ 21,822,813</b>	<b>\$ 21,031,490</b>

**TOWN OF LUNENBURG**  
 Supplementary Financial Information  
 General Section – Capital Assets  
 Year Ended March 31, 2020

**B-5**

	Buildings	Plant Equipment	Other	2020 Total	2019 Total
General government Services	\$ 1,470,269	\$ 104,129	\$ -	\$ 1,574,398	\$ 1,556,858
Protective services Fire	2,241,254	1,009,401	46,855	3,297,510	3,229,470
Transportation services Common services	132,979	780,825	-	913,804	873,516
Road transport streets and sidewalks	-	-	7,318,955	7,318,955	7,246,372
Parking lot	-	-	15,102	15,102	15,102
Heritage signage	-	-	107,378	107,378	98,993
Parking meters	-	-	135,912	135,912	121,838
Tanyard sea wall	-	-	62,382	62,382	47,147
Flying Fish Sculptures Project	-	-	22,356	22,356	22,356
UNESCO Plaza	-	-	24,940	24,940	24,940
Interpretive KIOSKS	-	-	30,807	30,807	30,807
Boat launch	-	-	350,540	350,540	339,259
Environmental health services Sewage collection and disposal	-	-	16,166,651	16,166,651	15,568,355
Pollution abatement system	-	-	692,624	692,624	692,624
Garbage site	1,085,728	350,398	490,476	1,926,602	1,926,602
Environmental development services Lunenburg Academy	6,829,066	-	-	6,829,066	6,252,256
New Town School (Annex)	12,500	-	-	12,500	12,500
Recreation and community services Community Centre/Arena	1,717,600	1,066,373	-	2,783,973	2,600,986
Library	-	135,476	-	135,476	188,721
Public washrooms	122,252	-	-	122,252	122,252
Capt. Angus J. Walters House Museum	245,436	128,872	-	374,308	374,308
Parks, common lands, etc.	-	-	517,837	517,837	517,837
Victoria Road – Blue Barn	101,662	-	-	101,662	101,662
Playground	-	-	50,778	50,778	50,778
	13,958,746	3,575,474	26,033,593	43,567,813	42,015,539
Accumulated amortization	(4,229,134)	(2,442,221)	(11,936,400)	(18,607,755)	(17,480,134)
	\$ 9,729,612	\$ 1,133,253	\$ 14,097,193	\$ 24,960,058	\$ 24,535,405

**TOWN OF LUNENBURG****B-6**

## Supplementary Financial Information

## General Section – Schedules to Statement of Operations

Year Ended March 31, 2020

	2020	2019
<b>1. TAXES</b>		
Assessable property		
Residential	\$ 3,122,396	\$ 2,978,338
Commercial	1,422,965	1,415,185
Resource	6,890	6,941
	<b>4,552,251</b>	<b>4,400,464</b>
Business property		
Based on Revenue (Aliant)	17,983	19,195
Other		
Sewer annual charge	953,590	869,982
Deed transfer tax	188,641	223,474
	<b>1,142,231</b>	<b>1,093,456</b>
	<b>\$ 5,712,465</b>	<b>\$ 5,513,115</b>
<b>2. GRANTS IN LIEU OF TAXES</b>		
Provincial Government		
Provincial building (DNR)	\$ 231,775	\$ 227,533
Property of supported institutions (TIR)	406	768
Fire Protection (Museum)	5,019	5,019
	<b>\$ 237,200</b>	<b>\$ 233,320</b>
<b>3. SALES OF SERVICES</b>		
Parking meters	\$ 138,683	\$ 109,306
Transportation services	34,300	27,201
Miscellaneous	25,755	26,936
	<b>198,738</b>	<b>163,443</b>
Recreational services		
Admissions	23,694	23,173
Rentals and concessions	161,780	193,100
Rentals – School Board	30,049	31,371
Grants	37,424	43,473
Sundry	971	364
	<b>253,918</b>	<b>291,481</b>
	<b>\$ 452,656</b>	<b>\$ 454,924</b>

**TOWN OF LUNENBURG****B-7**

Supplementary Financial Information

General Section – Schedules to Statement of Operations

Year Ended March 31, 2020

	2020	2019
<b>4. OTHER REVENUE FROM OWN SOURCES</b>		
Licenses and permits	\$ 13,647	\$ 13,882
Fines	15,468	10,833
Rentals	266,098	237,209
Interest on investments	19,289	17,555
Interest on taxes	78,826	83,190
Insurance Settlements	48,559	-
Miscellaneous including donations	3,805	3,261
	<b>\$ 445,692</b>	<b>\$ 365,930</b>
<b>5. UNCONDITIONAL TRANSFERS FROM FEDERAL AND PROVINCIAL GOVERNMENTS AND AGENCIES</b>		
HST offset grant	\$ 27,825	\$ 18,985
Equalization grant	50,000	50,000
Farm acreage	113	111
	<b>\$ 77,938</b>	<b>\$ 69,096</b>
<b>6. CONDITIONAL TRANSFERS FROM FEDERAL AND PROVINCIAL GOVERNMENTS AND AGENCIES</b>		
Provincial government		
Emergency Measures Organization	\$ 1,000	1,000
	<b>\$ 1,000</b>	<b>\$ 1,000</b>
<b>7. CONDITIONAL TRANSFERS FROM OTHER LOCAL GOVERNMENTS</b>		
Municipal Fire District 1 and 2 Commission		
Fire protection reimbursements	\$ 159,084	\$152,214
<b>8. OTHER TRANSFERS</b>		
Prior Years Surplus	\$ 997	\$ -
Transfer from Operating and Capital Reserves	9,505	41,567
	<b>\$ 10,502</b>	<b>\$ 41,567</b>

## Supplementary Financial Information

## General Section – Schedules to Statement of Operations

Year Ended March 31, 2020

	2020	2019
<b>9. GENERAL GOVERNMENT SERVICES</b>		
Legislative		
Stipend		
Mayor	\$ 8,624	\$ 7,867
Councillors	29,400	26,709
Travel	483	555
Other legislative services	7,792	6,008
	<b>46,299</b>	<b>41,139</b>
General administrative		
Salaries and benefits	167,528	149,779
Office buildings	59,866	65,703
Legal and other professional service	12,681	14,364
Financial management	31,229	30,807
Interest on capital loan	1,870	2,582
Tax rebates or exemptions (low income)	3,833	4,933
Tax exemptions (Section 71 MGA)	34,505	34,061
Transfer to Assessment Services	47,722	47,067
Other general administrative services	9,320	11,031
	<b>368,554</b>	<b>360,327</b>
Other general government		
Insurance	8,607	8,233
Grants to organizations including in-kind services	21,471	25,606
Other general services	5,494	5,311
	<b>35,572</b>	<b>39,150</b>
	<b>\$ 450,425</b>	<b>\$ 440,616</b>
<b>10. PROTECTIVE SERVICES</b>		
Police Protection		
RCMP	\$ 796,902	\$ 789,040
By-Law Enforcement		
Contracted services	3,148	3,143
Legal	7,683	12,399
Supplies and expense	-	349
Transfer to Correction Service	41,077	41,051
	<b>\$ 51,908</b>	<b>\$ 56,942</b>

(continues)

**TOWN OF LUNENBURG****B-9**

Supplementary Financial Information

General Section – Schedules to Statement of Operations

Year Ended March 31, 2020

	2020	2019
<b>10. PROTECTIVE SERVICES (cont'd)</b>		
Fire Protection		
Fire fighting force	\$ 103,509	\$ 75,305
Water supply and hydrants	325,360	325,360
Training	13,195	12,441
Fire stations and buildings	84,327	80,809
Firefighting equipment	87,837	115,287
Other	29,481	19,753
	<b>643,709</b>	<b>628,955</b>
Emergency Measures Organization	11,603	7,282
Building Inspector and other	35,792	37,533
	<b>\$ 1,539,914</b>	<b>\$ 1,519,752</b>
<b>11. TRANSPORTATION SERVICES</b>		
Common services		
Administrative	\$ 180,758	\$ 173,740
General equipment	138,772	124,460
Small tools and equipment	3,425	4,891
Workshop, yards and other buildings	14,895	8,284
Worker's Compensation	9,720	10,153
	<b>347,570</b>	<b>321,528</b>
Roads and streets		
Labour	261,850	224,289
Supplies	35,216	42,939
Street cleaning	14,258	20,672
Snow and ice control	98,451	143,324
Street and sidewalk maintenance	76,107	81,658
Interest on loans	19,811	19,056
Street lighting	111,457	107,525
Traffic services	12,365	14,111
Parking meters	24,761	24,845
	<b>654,276</b>	<b>678,419</b>
	<b>\$ 1,001,846</b>	<b>\$ 999,947</b>

	2020	2019
<b>12. ENVIRONMENTAL HEALTH SERVICES</b>		
Transfer to Capital Reserve for Solid Waste and Solid Waste Landfill costs	\$ 159,268	\$ 168,049
Labour, benefits and supplies	163,456	141,196
Sewer lift stations	77,002	85,689
Sewage treatment plant	657,077	549,825
Interest on sewer loans	24,351	15,523
	<b>921,886</b>	<b>792,233</b>
Garbage and waste collection and disposal		
Collection contract and other	244,747	232,933
	<b>244,747</b>	<b>232,933</b>
	<b>\$ 1,325,901</b>	<b>\$ 1,193,215</b>
<b>13. PUBLIC HEALTH SERVICES</b>		
Public Health		
Cemetery	\$ 44,265	\$ 46,079
Housing		
Deficit of Regional Housing Authority	15,710	19,307
	<b>\$ 59,975</b>	<b>\$ 65,386</b>
<b>14. ENVIRONMENTAL DEVELOPMENT SERVICES</b>		
Environmental planning and zoning		
Salaries and benefits	\$ 92,368	\$ 90,078
Advertising and other	6,934	3,240
Legal	13,267	1,708
	<b>112,569</b>	<b>95,026</b>
Community development		
South Shore Regional Enterprise Network Costs	-	3,282
Old Fire Hall	32,041	30,828
CNR station	20,999	19,624
Lunenburg Academy	208,828	183,752
Annex – 17 Tannery Road	4,459	1,211
Tourism – general	11,286	12,416
Communications	10,238	10,000
Visitors service centre	13,944	16,828
	<b>301,795</b>	<b>277,941</b>
	<b>\$ 414,364</b>	<b>\$ 372,967</b>

	2020	2019
<b>15. RECREATIONAL AND CULTURAL SERVICES AND EDUCATION</b>		
Recreational facilities		
Salaries, wages and benefits	\$ 318,410	\$ 314,726
Administration	11,903	13,592
Maintenance, fields and grounds	3,470	4,702
Maintenance, community centre	35,760	40,396
Maintenance, arena	117,382	109,519
Small tools	1,544	1,546
Program costs	17,357	15,528
Parks and playgrounds	70,545	57,064
Interest on capital loans	9,412	6,662
	<b>585,783</b>	<b>563,735</b>
Cultural buildings and facilities		
Library, local branch	47,193	45,290
Transfer to Regional Library	14,796	14,760
Heritage projects	110,710	115,534
Capt. Angus J. Walters House Museum	2,487	1,883
Other services and public celebrations	6,427	8,590
	<b>181,613</b>	<b>186,057</b>
	<b>\$ 767,396</b>	<b>\$ 749,792</b>
<b>16. FISCAL SERVICES</b>		
Principal instalments		
Debenture principal	\$ 394,209	\$ 313,399
	<b>394,209</b>	<b>313,399</b>
Transfer to own reserves, funds and agencies		
Reserve Fund, Operating Reserve	3,997	62,640
Reserve Fund, Capital Reserve	315,057	305,960
	<b>319,054</b>	<b>368,600</b>
Education		
Appropriation to South Shore Regional Centre for Education	823,080	806,494
	<b>\$ 1,536,343</b>	<b>\$1,488,493</b>

**TOWN OF LUNENBURG**  
 Supplementary Financial Information  
 Cemetery Fund – Statement of Operations  
 Year Ended March 31, 2020

**B-12**

	2020		2019
	Budget	Actual	Actual
<b>REVENUE</b>			
Sale of lots	\$ 1,600	\$ 2,955	\$ 1,890
Burials	22,300	20,840	20,690
Bases for headstones, etc.	1,000	-	930
Interest on cemetery trust and care payments	5,900	7,007	7,424
Donations	-	-	-
Appropriations from town general funds	43,300	44,265	46,079
	74,100	75,067	77,013
<b>EXPENDITURES</b>			
Labour and benefits	34,300	39,471	59,622
Mowing Contract	20,000	20,857	-
Legal fees	500	1,359	499
Supplies and repairs to equipment	14,500	10,052	12,529
Lighting and water	1,300	1,236	1,280
Sundry, insurance and portable radio	900	909	844
Flowers and trees	-	-	-
Audit fees	1,100	1,183	1,043
Provision for doubtful accounts	-	-	-
Road maintenance	1,500	-	1,196
	74,100	75,067	77,013
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	\$ -	\$ -	\$ -

**TOWN OF LUNENBURG****B-13**

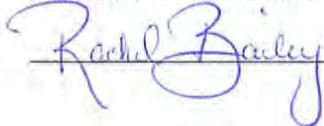
Supplementary Financial Information

Cemetery Fund – Statement of Financial Position

Year Ended March 31, 2020

	2020	2019
<b>ASSETS</b>		
Cash	\$ 12,721	\$ 3,441
Accounts receivable (less allowance for doubtful accounts 2020 \$721; 2019 \$721)	1,730	4,938
Due from Town Departments	1,003	-
	<b>15,454</b>	<b>8,379</b>
Cemetery and improvements	12,301	12,301
	<b>\$ 27,755</b>	<b>\$ 20,680</b>
<b>LIABILITIES</b>		
Accounts payable – trade	\$ 1,000	\$ 1,000
Deferred revenue	1,489	2,156
Due to Perpetual Care Fund	410	800
Due to Town General	12,555	4,423
	<b>15,454</b>	<b>8,379</b>
<b>NET ASSETS</b>		
Investment in capital assets	12,301	12,301
	<b>\$ 27,755</b>	<b>\$ 20,680</b>

On behalf of the Town of Lunenburg



Mayor



Town Manager/Clerk

**TOWN OF LUNENBURG**  
 Supplementary Financial Information  
 Water Utility – Statement of Operations  
 Year Ended March 31, 2020

B-14

	Page	Budget	2020 Actual	2019 Actual
<b>OPERATING REVENUE</b>				
Metered sales		\$ 510,000	\$ 526,591	\$ 505,330
Flat rate sales		645,000	658,509	656,372
Public fire protection		325,400	325,360	325,360
Sprinkler service		7,000	6,600	6,800
Other		12,600	12,354	13,662
		1,500,000	1,529,414	1,507,524
<b>OPERATING EXPENDITURES</b>				
Source of supply	B-19	27,300	25,030	22,883
Pumping	B-19	53,700	43,012	38,538
Water treatment	B-19	298,800	283,089	262,542
Transmission and distribution	B-19	222,500	184,169	173,092
Administrative and general	B-19	413,100	422,836	379,895
Depreciation		294,250	295,809	293,957
Taxes		43,000	43,479	42,987
		1,352,650	1,297,424	1,213,894
<b>NET OPERATING REVENUE</b>		147,350	231,990	293,630
<b>NON-OPERATING REVENUE</b>				
Interest earned		4,500	7,120	5,484
Grants from Province of Nova Scotia		7,000	10,251	6,904
Miscellaneous		500	100	360
		12,000	17,471	12,748
<b>NON-OPERATING EXPENDITURES</b>				
Interest charges – short-term		-	-	(46)
Debt charges				
Principal		40,750	40,750	40,750
Interest and discount		19,900	19,855	21,115
Transfer to capital fund		17,700	107,000	138,500
Transfer to Reserve				
Reserve for land purchase		5,000	5,000	5,000
Reserve for membrane replacement		26,000	26,000	26,000
		109,350	198,605	231,319
<b>NET NON-OPERATING REVENUE (EXPENDITURES)</b>		(97,350)	(181,134)	(218,571)
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>		\$ 50,000	50,856	75,059
Surplus, beginning of year			251,881	251,822
Dividend to Town Capital Reserve		(50,000)	(50,000)	(75,000)
<b>SURPLUS, END OF YEAR</b>			\$ 252,737	\$ 251,881

**TOWN OF LUNENBURG**

B-15

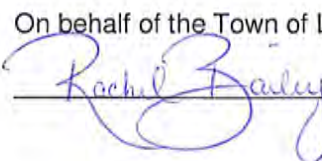
## Supplementary Financial Information

## Water Utility – Operating Fund Statement of Financial Position

Year Ended March 31, 2020

	2020	2019
<b>ASSETS</b>		
Bank balances	\$ 38,303	\$ 33,857
Receivables		
Consumer accounts (less allowance for doubtful accounts 2020, \$23,553; 2019, \$15,385)	230,723	248,672
Accounts Receivable – Town General	332,066	460,171
Accounts Receivable – Electric Utility	1,485	-
Other Governments	364	67
	602,941	742,767
Inventories of materials and supplies, at cost	45,841	50,356
Prepaid expenses	15,091	10,012
	\$ 663,873	\$ 803,135
<b>LIABILITIES</b>		
Trade Payables	\$ 131,794	\$ 101,860
Due to Cemetery Account	1,003	-
Due to Electric Light Utility	-	17,161
Due to Water Capital Reserve	278,339	432,233
	411,136	551,254
<b>EQUITY</b>		
Surplus	252,737	251,881
	\$ 663,873	\$ 803,135

On behalf of the Town of Lunenburg


  
 Rachel Bailey Mayor



Town Manager/Clerk

**TOWN OF LUNENBURG****B-16**

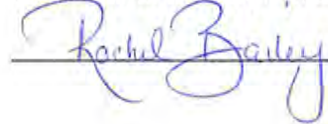
Supplementary Financial Information

Water Utility – Capital Fund Statement of Financial Position

Year Ended March 31, 2020

	2020	2019
<b>ASSETS</b>		
Bank (Book Balances)	\$ 1,997,607	\$ 1,529,055
Due from Operating Fund	278,339	432,233
	<b>2,275,946</b>	1,961,288
Waterworks plant in service <i>(page B-17)</i>	10,998,314	11,138,653
	<b>\$13,274,260</b>	\$13,099,941
<b>LIABILITIES</b>		
Long-term debt, Municipal Finance Corporation	\$ 489,000	\$ 529,750
Reserve for capital purchases <i>(page B-18)</i>	2,275,946	1,961,287
	<b>2,764,946</b>	2,491,037
<b>NET ASSETS</b>		
Investment in capital assets <i>(page B-18)</i>	10,509,314	10,608,904
	<b>\$13,274,260</b>	\$13,099,941

On behalf of the Town of Lunenburg



Mayor



Town Manager/Clerk

**TOWN OF LUNENBURG**  
 Supplementary Financial Information  
 Water Utility - Plant and Equipment  
 Year Ended March 31, 2020

**B-17**

	2020	2019
Land and land rights	\$ 133,454	\$ 133,454
Structures and improvements	6,346,464	6,211,002
Equipment		
Electric pumping equipment	512,020	512,020
Other pumping equipment	71,144	71,144
Purification equipment	1,651,143	1,651,143
Office furniture and equipment	13,728	13,728
Transportation equipment	69,270	69,270
Shop equipment	23,680	27,558
Tools and work equipment	11,842	11,842
Other equipment	65,162	65,162
Mains		
Transmission mains	190,144	190,144
Distribution mains	4,972,768	4,972,768
Services	183,878	179,734
Meters	55,785	55,785
Hydrants	120,027	116,015
	<b>\$ 14,420,509</b>	<b>14,280,769</b>
Accumulated amortization	<b>(3,422,195)</b>	<b>(3,142,116)</b>
	<b>\$ 10,998,314</b>	<b>\$ 11,138,653</b>

**TOWN OF LUNENBURG****B-18**

Supplementary Financial Information

Water Utility – Statement of Investment in Capital Assets

Year Ended March 31, 2020

	2020	2019
<b>BALANCE - BEGINNING OF YEAR</b>	<b>\$10,608,904</b>	<b>\$ 10,843,686</b>
Term debt retired	40,750	40,750
Capital from operating funds/Future Capital	(295,810)	(293,957)
Transfer from Capital Reserve Fund	155,470	27,824
Fixed assets written off	-	(9,399)
	<b>(99,590)</b>	<b>(234,782)</b>
<b>BALANCE - END OF YEAR</b>	<b>\$10,509,314</b>	<b>\$10,608,904</b>

Supplementary Financial Information

Water Utility – Statement of Capital Reserve

Year Ended March 31, 2020

	General and Equipment	Land	Depreciation Funds	2020 Total	2019 Total
<b>BALANCE - BEGINNING OF YEAR</b>	<b>\$ 566,195</b>	<b>\$ 119,572</b>	<b>\$ 1,275,520</b>	<b>\$ 1,961,287</b>	<b>\$ 1,504,397</b>
Interest earned	10,485	2,214	23,621	36,320	21,257
Transfer from Operating Fund	133,000	5,000	295,809	433,809	463,457
Transfer to Capital Fund	-	-	(155,470)	(155,470)	(27,824)
	143,485	7,214	163,960	314,659	456,890
<b>BALANCE- END OF YEAR</b>	<b>\$ 709,680</b>	<b>\$ 126,786</b>	<b>\$ 1,439,480</b>	<b>\$ 2,275,946</b>	<b>\$ 1,961,287</b>

**TOWN OF LUNENBURG****B-19**

## Supplementary Financial Information

## Water Utility – Schedules to Statement of Operations

Year Ended March 31, 2020

	2020	2019
Source of supply		
Supervision and engineering	\$ 15,646	\$ 15,685
Operation and labour	2,028	2,229
Maintenance of plant	7,356	4,969
	<b>\$ 25,030</b>	<b>\$ 22,883</b>
Pumping		
Supervision and engineering	\$ 14,700	\$ 14,739
Operation labour	3,031	1,675
Power	23,929	20,909
Maintenance	1,352	1,215
	<b>\$ 43,012</b>	<b>\$ 38,538</b>
Water treatment		
Supervision and engineering	\$ 17,621	\$ 18,019
Operation labour	78,651	61,093
Supplies and expenses	167,356	158,046
Maintenance of structures and improvements	19,461	25,384
	<b>\$ 283,089</b>	<b>\$ 262,542</b>
Transmission and distribution		
Supervision and engineering	\$ 54,818	\$ 53,116
Operation labour	5,261	4,840
Maintenance of reservoirs	16,025	3,521
Maintenance of mains	24,369	16,571
Maintenance of other distribution plant	23,235	32,646
Stores expenses	46,194	41,990
Transportation expenses	14,267	20,408
	<b>\$ 184,169</b>	<b>\$ 173,092</b>
Administration and general		
Supervision	\$ 38,935	\$ 37,500
Salaries and wages	232,075	205,503
Consumer billing and accounting	59,969	50,041
General office expenses	30,523	23,710
Insurance	25,795	24,777
Audit and legal	29,594	32,372
Regulatory expenses	1,645	1,592
Rent	4,300	4,400
	<b>\$ 422,836</b>	<b>\$ 379,895</b>

**TOWN OF LUNENBURG**  
 Supplementary Financial Information  
 Electric Utility – Statement of Operations  
 Year Ended March 31, 2020

**B-20**

	Budget	2020 Actual	2019 Actual
<b>OPERATING REVENUE</b>			
Residential, commercial and industrial electric energy sales	\$6,318,200	\$6,399,822	\$6,227,971
Street lighting – town and others	123,400	124,664	121,738
Customers' late charges	23,000	37,628	30,321
Miscellaneous	34,600	38,110	34,898
	6,499,200	6,600,224	6,414,928
<b>OPERATING EXPENDITURES</b>			
Power purchased	5,175,200	5,212,593	5,057,616
Substations	77,500	37,915	26,458
Transmission and distribution	406,300	428,629	410,190
Administration and general	586,600	578,351	613,146
Depreciation	203,500	199,030	199,412
	6,449,100	6,456,518	6,306,822
<b>NET OPERATING REVENUE</b>	50,100	143,706	108,106
<b>NON-OPERATING REVENUE</b>			
Interest earned	4,000	12,218	5,922
Miscellaneous	30,000	21,722	26,351
Expired Deposits & Other Settlements	-	1,511	-
	34,000	35,451	32,273
<b>NON-OPERATING EXPENDITURES</b>			
Interest on debt	36,600	34,674	39,192
Principal repayments	100,000	100,000	100,000
Transfer to capital reserve	-	44,000	-
	136,600	178,674	139,192
<b>NET NON-OPERATING REVENUE (EXPENDITURES)</b>	(102,600)	(143,223)	(106,919)
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	(52,500)	483	1,187
Surplus - beginning of year	-	466,519	465,332
<b>SURPLUS - END OF YEAR</b>	-	\$ 467,002	\$ 466,519

**TOWN OF LUNENBURG****B-21**

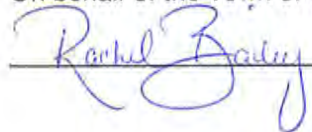
## Supplementary Financial Information

## Electric Utility – Operating Fund Statement of Financial Position

Year Ended March 31, 2020

	2020	2019
<b>ASSETS</b>		
Bank balance	\$ 191,863	\$ 578,951
Power billings (less allowance for doubtful accounts 2020, \$144,697; 2019, \$127,359)	969,852	858,185
Due from Provincial Government	28,165	23,024
Due from Town General Fund	277,133	64,166
Due from Water Utility Operating	-	17,161
Other (less allowance for doubtful Accounts 2020, \$15,338, 2019 \$12,965)	21,860	3,106
	<b>1,488,873</b>	<b>1,544,593</b>
Inventories of materials and supplies, at cost	84,300	84,300
Prepaid expenses	32,110	26,795
	<b>\$1,605,283</b>	<b>\$1,655,688</b>
<b>LIABILITIES</b>		
Trade payables	\$ 965,600	\$ 905,121
Due to Federal Government	866	83
Due to Electric Capital Reserve	53,543	177,659
Due to Water Operating Fund	1,485	-
Due to Town	-	-
	<b>1,021,494</b>	<b>1,082,863</b>
Consumers' deposits and accrued interest	116,787	106,307
	<b>1,138,281</b>	<b>1,189,170</b>
<b>NET ASSETS</b>		
Surplus	467,002	466,518
	<b>\$ 1,605,283</b>	<b>\$1,655,688</b>

On behalf of the Town of Lunenburg


 Rachel Bailey

Mayor



Town Manager/Clerk

**TOWN OF LUNENBURG****B-22**

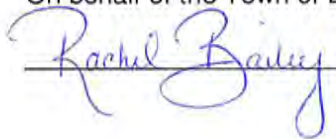
Supplementary Financial Information

Electric Utility – Capital Fund Statement of Financial Position

Year Ended March 31, 2020

	2020	2019
<b>ASSETS</b>		
Bank (book balances)	\$ 874,129	\$ 680,234
Due from Operating fund	53,543	177,659
	<u>927,672</u>	<u>857,893</u>
Utility plant and equipment in service <i>(page B-23)</i>	2,832,962	2,835,758
	<u>\$3,760,634</u>	<u>\$ 3,693,651</u>
<b>LIABILITIES</b>		
Long-term debt, Municipal Finance Corporation	\$ 700,000	\$ 800,000
Reserve for capital expenditures <i>(page B-24)</i>	927,672	857,893
	<u>1,627,672</u>	<u>1,657,893</u>
<b>EQUITY</b>		
Investment in capital assets <i>(page B-24)</i>	2,132,962	2,035,758
	<u>\$ 3,760,634</u>	<u>\$ 3,693,651</u>

On behalf of the Town of Lunenburg


 Rachel Bailey

Mayor



Town Manager/Clerk

**TOWN OF LUNENBURG**  
 Supplementary Financial Information  
 Electric Utility – Plant and Equipment  
 Year Ended March 31, 2020

**B-23**

	2020	2019
Tangible plant		
Sub-station equipment	\$ 2,642,591	\$ 2,642,591
Right-of-way land	2,371	2,371
Transmission		
Overhead conductors	10,057	10,057
Poles, towers and fixtures	24,081	24,081
Distribution		
Overhead conductors	867,979	820,534
Poles and fixtures	955,043	919,091
Street and highway lighting system	245,371	237,149
Transformers and installations	1,189,536	1,120,307
Services	313,015	281,254
Meters and installations	311,572	309,068
Buildings	93,329	93,329
Shop equipment	37,432	37,432
Mobile equipment – trucks	45,823	45,823
Communications equipment	21,674	21,674
Computer and office equipment	100,528	100,528
Computer programs	28,305	28,305
Miscellaneous equipment	40,215	40,215
	<b>6,928,922</b>	<b>6,733,809</b>
Accumulated amortization	<b>(4,095,960)</b>	<b>(3,898,051)</b>
	<b>\$ 2,832,962</b>	<b>\$ 2,835,758</b>

**TOWN OF LUNENBURG****B-24**

Supplementary Financial Information

Electric Utility – Statement of Investment in Capital Assets

Year Ended March 31, 2020

	2020	2019
<b>BALANCE – BEGINNING OF YEAR</b>	<b>\$ 2,035,758</b>	<b>\$ 2,312,191</b>
Term debt retired	100,000	100,000
Other transfers	6,748	8,568
Transfer to Capital Reserve	(9,544)	(37,879)
Fixed assets written off	-	(347,122)
	<b>97,204</b>	<b>(276,433)</b>
<b>BALANCE - END OF YEAR</b>	<b>\$ 2,132,962</b>	<b>\$ 2,035,758</b>

Supplementary Financial Information

Electric Utility – Statement of Capital Reserve

Year Ended March 31, 2020

	Depreciation			2020	2019
	Funds	Equipment	Substation	Total	Total
<b>BALANCE – BEGINNING OF YEAR</b>	\$ 700,554	\$ 133,746	\$ 23,593	<b>\$ 857,893</b>	<b>\$ 673,904</b>
Interest earned	13,258	2,531	447	<b>16,236</b>	14,110
Contributions, other				-	132,000
Transfer from (to) Capital Fund	(189,487)			<b>(189,487)</b>	(161,533)
Transfer from Operating Fund	199,030	44,000	-	<b>243,030</b>	199,412
	22,801	46,531	447	<b>69,779</b>	183,989
<b>BALANCE - END OF YEAR</b>	<b>\$ 723,355</b>	<b>\$ 180,277</b>	<b>\$ 24,040</b>	<b>\$ 927,672</b>	<b>\$ 857,893</b>

**TOWN OF LUNENBURG****B-25**

Supplementary Financial Information

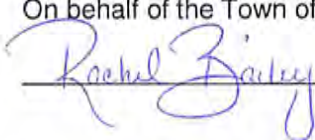
Perpetual Care Funds Statement of Financial Position

Cemetery Care Deposits

Year Ended March 31, 2020

	2020	2019
<b>ASSETS</b>		
Bank (book balances)	\$ 92,455	\$ 74,300
Due from Cemetery Fund	410	800
Due from Operating Loans	-	-
Town Capital Fund – 3.07% March 2024	47,600	59,500
Town Capital Fund – 1.83% March 2021	11,280	16,920
Town Capital Fund – 3.7% March 2028	64,000	15,400
Town Capital Fund – 2.35% March 2023	12,320	72,000
Town Capital Fund – 2.35% March 2029	80,000	-
	<b>215,200</b>	<b>163,820</b>
	<b>308,065</b>	<b>\$ 238,920</b>
<b>LIABILITIES</b>		
Due to Town Capital Fund	\$ 80,040	\$ 15,000
<b>NET ASSETS</b>		
Perpetual Care Funds Reserve	228,025	223,920
	<b>\$ 308,065</b>	<b>\$ 238,920</b>

On behalf of the Town of Lunenburg



Mayor



Town Manager/Clerk

Supplementary Financial Information

Perpetual Care Fund – Statement of Reserve

Year Ended March 31, 2020

	2020	2019
<b>BALANCE – BEGINNING OF YEAR</b>	<b>\$ 223,920</b>	<b>\$ 221,165</b>
Perpetual care receipts and donations	4,105	2,755
<b>BALANCE – END OF YEAR</b>	<b>\$ 228,025</b>	<b>\$ 223,920</b>

**TOWN OF LUNENBURG**

Supplementary Financial Information

Operating Reserve Funds Statement of Financial Position

Year Ended March 31, 2020

	Streets Sewers & Others	Recreation	LAFF	Pro Kids	Operating Surplus Reserve	Region 6 Diversion Spec Projects	2020 Total	2019 Total
<b>ASSETS</b>								
Bank balances	\$ 123,908	\$ 53,668	\$ 15,033	\$ 16,504	\$ 171,361	\$ 2,372	\$382,845	\$156,969
Due from Town General	(42,200)	-	(2,000)	264	997	-	(42,939)	213,270
	\$ 81,708	\$ 53,668	\$ 13,033	\$ 16,768	\$ 172,358	\$ 2,372	\$339,907	\$370,239
<b>LIABILITIES</b>								
Due to Town General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>NET ASSETS</b>								
Operating Reserve	\$ 81,708	\$ 53,658	\$ 13,033	\$ 16,768	\$ 172,358	\$ 2,372	\$339,907	\$370,239

On behalf of the Town of Lunenburg

*Rachel Bailey* Mayor *[Signature]*

Town Manager/Clerk

**TOWN OF LUNENBURG**

Supplementary Financial Information  
 Statement of Operating Reserve Funds  
 Year Ended March 31, 2020

	Streets Sewers & Others	Recreation	LAFF	Pro Kids	Operating Surplus Reserves	Region 6 Diversion Spec. Projects	2020 Total	2019 Total
<b>BALANCE – BEGINNING OF YEAR</b>	\$ 129,843	\$ 47,746	\$ 10,390	\$ 11,554	\$ 168,377	\$ 2,331	\$ 370,241	\$ 150,752
Donations	-	5,000	-	5,510	-	-	10,510	12,967
Interest earned	2,301	922	216	-	2,984	41	6,464	2,804
Contributions, other	-	-	4,427	-	-	-	4,427	4,000
Transfer, from Town General	3,000	-	(2,000)	1,000	997	-	2,997	232,016
Transfer (to) Town General	(53,436)	-	-	(1,296)	-	-	(54,732)	(32,300)
	(48,135)	5,922	2,643	5,214	3,981	41	(30,334)	219,487
<b>BALANCE- END OF YEAR</b>	\$ 81,708	\$ 53,668	\$ 13,033	\$ 16,768	\$ 172,358	\$ 2,372	\$ 339,907	\$ 370,239

**TOWN OF LUNENBURG**

Supplementary Financial Information

Capital Reserve Fund Statement of Financial Position

Year Ended March 31, 2020

**B-28**

	Solid Waste Site Closure	Other Equipment	Fire Equipment	Fed/Prov Gas Tax Funds	Provincial Capital Funds	Deed Transfer Tax	2020 Total	2019 Total
<b>ASSETS</b>								
Bank balances	\$ 12,842	\$ 372,506	\$ 33,117	\$ 387,164	\$ 172,765	\$ 534,638	\$1,513,032	\$1,216,974
<b>LIABILITIES</b>								
Due to (from) General Operating	4,915	(23,063)	(500)	(251,055)	(135,000)	36,065	(368,638)	(56,632)
	4,915	(23,063)	(500)	(251,055)	(135,000)	36,065	(368,638)	(56,632)
<b>EQUITY</b>								
Capital Reserve	7,927	395,569	33,617	638,219	307,765	498,573	1,881,670	1,273,606
	\$ 12,842	\$ 372,506	\$ 33,117	\$ 387,164	\$ 172,765	\$ 534,638	\$1,513,032	\$1,216,974

On behalf of the Town of Lunenburg

*Rachel Bailey*

Mayor

*[Signature]*

Town Manager/Clerk



**TOWN OF LUNENBURG**

Supplementary Financial Information

Statement of Capital Reserve Fund

Year Ended March 31, 2020

**B-29**

	Solid Waste Site Closure	Academy/ Other Equipment	Fire Equipment	Fed/Prov Gas Tax Funds	Provincial Capital Funds	Deed Transfer Tax	2020 Total	2019 Total
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 12,595	\$ 330,594	\$ 32,480	\$ 341,098	\$ 169,444	\$ 387,395	\$ 1,273,606	\$ 1,306,470
Donations	-	9,000	500	-	-	-	9,500	-
Interest earned	247	6,988	637	10,116	3,321	9,522	30,831	23,996
Sale of Lands and Equipment	-	265,000	-	-	-	-	265,000	64
Deed transfer tax	-	-	-	-	-	188,631	188,631	223,474
Conditional transfers from, Provincial government	-	-	-	408,490	135,000	-	543,490	208,879
Transfer from Town General Fund	-	125,926	-	-	-	-	125,926	82,486
Transfer to Town Capital Fund	-	(328,113)	-	(121,485)	-	(86,975)	(536,573)	(548,196)
Transfer, other	(4,915)	(13,826)	-	-	-	-	(18,741)	(23,567)
	(4,668)	64,975	1,137	297,121	138,321	111,178	608,064	(32,864)
<b>BALANCE – END OF YEAR</b>	\$ 7,927	\$ 395,569	\$ 33,617	\$ 638,219	\$ 307,765	\$ 498,573	\$ 1,881,670	\$ 1,273,606

# TOWN OF LUNENBURG

## Supplementary Financial Information

### Schedule of Debt Charges and Long-term Debt

Year Ended March 31, 2020

B-30

	Due	Opening Balance	Issued	Redeemed	Closing Balance	Interest	Interest Rate
<b>General Capital</b>							
Temporary Borrowing		\$ 847,114	\$154,000	\$ 847,114	\$ 154,000	\$ -	Prime Less-1% BA +50pts
<b>Paving</b>							
Debenture – Municipal Finance Corporation	2020	18,143	-	9,071	9,072	554	3.87%
Debenture – Municipal Finance Corporation	2021	25,649	-	8,550	17,099	778	3.256% - 3.654%
Debenture – Municipal Finance Corporation	2023	31,200	-	7,800	23,400	827	2.65% - 3.160%
Debenture – Municipal Finance Corporation	2027	53,100	-	5,900	47,200	1,003	1.350% - 2.653%
Town of Lunenburg – Hillcrest Cemetery	2024	59,500	-	11,900	47,600	1,644	3.07%
Debenture – Municipal Finance Corporation	2019	26,000	-	26,000	-	106	2.24%
Debenture – Municipal Finance Corporation	2025	73,500	-	10,500	63,000	1,645	1.394% - 2.894%
Debenture – Municipal Finance Corporation	2027	174,600	-	19,400	155,200	4,344	1.93% - 3.073%
Debenture – Municipal Finance Corporation	2034	-	210,000	-	210,000	1,942	2.015% - 2.829%
<b>Parking Meters</b>							
Town of Lunenburg – Hillcrest Cemetery	2021	5,940	-	1,980	3,960	91	1.83%
Town of Lunenburg – Hillcrest Cemetery	2023	8,000	-	1,600	6,400	169	2.35%
<b>Town Hall Building</b>							
Debenture – Municipal Finance Corporation	2020	10,399	-	5,199	5,200	318	3.87%
Debenture – Municipal Finance Corporation	2021	51,208	-	17,068	34,140	1,552	3.26% - 3.645%
<b>Community Centre</b>							
Town of Lunenburg – Hillcrest Cemetery	2029	-	80,000	-	80,000	-	3.256% - 3.645%
<b>Arena Building</b>							
Debenture – Municipal Finance Corporation	2021	15,543	-	5,182	10,361	471	3.256% - 3.645%
Debenture – Municipal Finance Corporation	2027	32,400	-	3,600	28,800	806	1.93% - 3.073%
Town of Lunenburg – Hillcrest Cemetery	2023	7,400	-	1,480	5,920	157	2.35%
<b>Public Works Building</b>							
Debenture – Municipal Finance Corporation	2023	15,600	-	3,900	11,700	413	2.65% - 3.160%
<b>Recreation-Boat Launch</b>							
Debenture – Municipal Finance Corporation	2027	271,440	-	27,144	244,296	7,979	2.49% - 3.389%
<b>Public Works Equipment</b>							
Debenture – Municipal Finance Corporation	2027	112,500	-	12,500	100,000	2,799	1.93% - 3.073%
Town of Lunenburg – Hillcrest Cemetery	2027	72,000	-	8,000	64,000	1,959	2.88%
<b>Fire Equipment</b>							
Debenture – Municipal Finance Corporation	2020	2,662	-	1,334	1,328	82	3.87%
Debenture – Municipal Finance Corporation	2023	70,000	-	17,500	52,500	1,855	2.65% - 3.160%
Debenture – Municipal Finance Corporation	2019	4,480	-	4,480	-	18	2.24%
Debenture – Municipal Finance Corporation	2026	359,109	-	44,889	314,220	7,653	1.599% - 2.925%
<b>Sewers</b>							
Debenture – Municipal Finance Corporation	2020	4,394	-	2,196	2,196	134	3.87%
Debenture – Municipal Finance Corporation	2023	112,000	-	28,000	84,000	2,968	2.65% - 3.160%
Debenture – Municipal Finance Corporation	2019	11,000	-	11,000	-	45	2.24%
Debenture – Municipal Finance Corporation	2033	578,716	-	38,581	540,135	18,083	2.49% - 3.551%
Debenture – Municipal Finance Corporation	2034	-	188,455	-	188,455	1,743	2.015% - 2.829%
<b>Old Fire Hall Building</b>							
Debenture – Municipal Finance Corporation	2023	60,024	-	12,005	48,019	1,564	2.49% - 3.048%

Continues

**TOWN OF LUNENBURG**

Supplementary Financial Information

Schedule of Debt Charges and Long-term Debt

Year Ended March 31, 2020

**B-31**

<b>Lunenburg Academy</b>							
Debenture – Municipal Finance Corporation	2025	51,800	-	7,400	44,400	1,159	1.394% - 2.894%
Town of Lunenburg – Hillcrest Cemetery	2021	10,980	-	3,660	7,320	167	1.83%
Debenture – Municipal Finance Corporation	2027	81,180	-	9,020	72,160	2,020	1.93% - 3.073%
Debenture – Municipal Finance Corporation	2027	246,330	-	27,370	218,960	4,651	1.350% - 3.073%
Debenture – Municipal Finance Corporation	2034	-	242,200	-	242,200	2,240	2.015% - 2.829%
		\$ 3,503,911	\$ 874,655	\$ 1,241,323	\$ 3,137,243	\$ 73,939	
<b>Water Capital</b>							
<b>Water Treatment Plant</b>							
Debenture - Municipal Finance Corporation	2026	\$ 529,750	\$ -	\$ 40,750	\$ 489,000	\$ 19,855	3.256%-4.026%
		\$ 529,750	\$ -	\$ 40,750	\$ 489,000	\$ 19,855	
<b>Electric Capital</b>							
<b>Substation Upgrades</b>							
Debenture – Municipal Finance Corporation	2026	\$ 800,000	\$ -	\$ 100,000	\$ 700,000	\$ 34,674	4.53 - 4.59%
		\$ 800,000	\$ -	\$ 100,000	\$ 700,000	\$ 34,674	
		\$ 4,833,661	\$ 874,655	\$ 1,382,073	\$ 4,326,243	\$ 128,468	

**TOWN OF LUNENBURG**  
Supplementary Financial Information  
Statement of Capital Financing  
Year Ended March 31, 2020

**B-32**

	2020	2019
<b>SOURCE</b>		
Federal and Provincial grants	\$ 802,097	\$ 1,065,552
Capital expenditures from revenue	149,226	127,487
Contributions, other organizations	318,863	236,221
Temporary borrowings	234,000	656,054
Withdrawal from Capital and Operating Reserve Funds	505,206	369,838
	<b>\$ 2,009,391</b>	<b>\$ 2,455,152</b>
<b>APPLICATION</b>		
Capital asset acquisitions	\$ 2,009,391	\$ 2,455,152
	<b>\$ 2,009,391</b>	<b>\$ 2,455,152</b>

**TOWN OF LUNENBURG**  
 Supplementary Financial Information  
 Schedule of Capital Project Funding  
 Year Ended March 31, 2020

	Total Capital Cost	Federal & Provincial Grants	Borrowings	Transfer From Reserves	Contributions - Other Organizations	Expenditure From Revenue
<b>General Capital</b>						
Town Hall Snow Load Assessment	\$ 12,941	\$ -	\$ -	\$ -	\$ -	\$ 12,941
Lunenburg Academy Interpretive Panels	4,333	-	-	4,333	-	-
Lunenburg Academy – Lot Development Plan	32,107	16,054	-	16,054	-	-
Lunenburg Academy Building Heritage Classroom	34,549	17,274	-	-	17,274	-
Lunenburg Academy Building Exterior	505,821	350,844	-	154,977	-	-
Fire Department – Turnout Gear	120,205	20,000	-	8,236	42,353	49,616
Streets and sidewalks	87,818	-	72,500	15,235	-	83
Street equipment	40,288	-	40,000	-	-	288
Boat Launch site	11,281	3,325	-	7,956	-	-
Sewer system	598,296	390,407	41,500	71,169	57,511	37,709
Parking Meter Upgrades	14,075	-	-	9,075	-	5,000
Coin Roller-Sorter	4,599	-	-	-	-	4,599
Welcome signage	8,385	4,193	-	4,192	-	-
Arena Brine Repair	14,432	-	-	-	-	14,432
Community Centre Bathroom Renovations	47,230	-	-	28,330	-	18,900
Community Centre Structural Roof Repairs	121,325	-	80,000	-	40,000	1,325
	<b>1,657,685</b>	<b>802,097</b>	<b>234,000</b>	<b>160,247</b>	<b>312,115</b>	<b>149,226</b>
<b>Water Utility</b>						
Replace Oil Tank	11,852	-	-	11,852	-	-
Repairs to Dares Lake Spillway	11,037	-	-	11,037	-	-
Hydrants	4,013	-	-	4,013	-	-
Water Storage Tank upgrades	124,424	-	-	124,424	-	-
Services	4,145	-	-	4,145	-	-
	<b>155,471</b>	<b>-</b>	<b>-</b>	<b>155,471</b>	<b>-</b>	<b>-</b>
<b>Electric Utility</b>						
Overhead Conductors	47,445	-	-	47,445	-	-
Poles and Fixtures	35,952	-	-	35,952	-	-
Street Lighting	8,222	-	-	8,222	-	-
Transformers Line	70,350	-	-	67,342	3,008	-
New Services	31,762	-	-	28,023	3,739	-
Meters	2,504	-	-	2,504	-	-
	<b>196,235</b>	<b>-</b>	<b>-</b>	<b>189,488</b>	<b>6,747</b>	<b>-</b>
	<b>\$ 2,009,391</b>	<b>\$ 802,097</b>	<b>\$ 234,000</b>	<b>\$ 505,206</b>	<b>\$ 318,862</b>	<b>\$ 149,226</b>

**Federal/Provincial Grants**

Town: (1) Province of Nova Scotia CWWF - \$578,337; Communities/Culture & Heritage - \$160,857  
 (2) Government of Canada – Gas Tax \$168,672, Parks Canada \$157,686

<b>Position</b>	<b>Wage Range</b>	
Accountant	\$59,358 -	\$75,150
Assistant Municipal Clerk	\$50,426 -	\$54,966
Business Coordinator	\$41,708 -	\$49,067
Comm. Centre Attendant	\$42,951 -	\$50,834
Comm. Centre Attendant - Seasonal	\$17.55 per hour	
Facilities Superintendent	\$59,072 -	\$70,799
Finance Clerk	\$31,672 -	\$35,192
Finance Officer Accounts Payable	\$48,419 -	\$56,842
Finance Officer Accounts Receivable	\$40,810 -	\$48,011
Finance Officer Electric Coordinator	\$48,419 -	\$56,842
Finance Director	\$87,994 -	\$106,276
Fire Hall Superintendent	\$45,990 -	\$59,841
Heritage Manager	\$73,015 -	\$80,883
Planning & Development Manager	\$58,050	\$61,320
Public Works Superintendent	\$67,364 -	\$76,387
Recreation Director	\$66,421 -	\$74,897
Secretary/Receptionist	\$41,339 -	\$51,219
Secretary II	\$38,873 -	\$44,235
Town Engineer	\$89,926 -	\$112,587
Town Manager/Clerk	\$95,985 -	\$119,302
Public Works - Laborer	\$48,277	+OT
Public Works - Operator	\$51,064	+OT
Public Works - Heavy Equip/Draftsman	\$53,373	+OT
WRO I - Operator in Training Certificate	\$51,979	+OT
WRO I Certificate Level I	\$57,221	+OT
WRO I Certificate Level II (a)	\$58,552	+OT
WRO I Certificate Level II (a) Operator in Overall Direct Responsible Charge	\$64,958	+OT
WRO I Certificate Level II (b)	\$60,715	+OT
WRO I Certificate Level II (b) Operator in Overall Direct Responsible Charge	\$67,122	+OT

N.B - Some employees also receive overtime pay, time in lieu, mileage allowance, and meeting pay not reflected in the above chart



Member of The AC Group of Independent Accounting Firms

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bridgewater@bvca.ca  
www.bvca.ca

September 17, 2020

Mayor Rachel Bailey and Council  
Town of Lunenburg  
PO Box 129  
Lunenburg, Nova Scotia  
B0J 2C0

Dear Mayor Bailey:

We have completed our audit of the Town of Lunenburg for the year ended March 31, 2020. We wish to provide you with the following comments.

During our audit process we do make enquiries of management and employees to determine if they are aware of any fraudulent or illegal acts carried on by any of the Town employees. Management advised us they were not aware of any such acts.

We have performed tests to determine if controls are being effectively carried out, such as ensuring proper rates are charged for taxes, water, electricity, that paid invoices are properly authorized and approved, employees are paid approved rates, etc. Management has been very conscientious in ensuring that proper procedures are followed and have ensured there is as much segregation of duties as possible, considering the limited size of your staff.

Annually the Audit Committee must review the annual summary of Remuneration and Expenses for Reportable Individuals. For the Town of Lunenburg, reportable individuals include Council and the CAO/Clerk. This review is to ensure remuneration agrees to the salary scales set out by Council, and that expenses are reasonable. As a committee you are also required to review the annual hospitality expenses, in the current year there were hospitality expenses incurred. The remuneration and expense details can be found in Note 11 of the financial statements. (Financial Reporting and Accounting Manual 3(3)(b) vi and 3(3)(c) vi)

Environment Canada investigated a Town waste water pump over flow under the Fisheries Act. As of year end any potential liability is unknown and therefore has not been recorded in the consolidated financial statements.

The primary purpose of our examination is to enable us to form an opinion on the financial statements of the Town of Lunenburg for the year ended March 31, 2020. We reviewed and tested the Town's financial system and related accounting controls to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. Our study and evaluation with respect to

Town of Lunenburg  
September 17, 2020  
Page 2

these financial systems was not designed for the purpose of expressing an opinion on the internal accounting control, and it would not necessarily disclose all weaknesses in the system.

If you have any questions regarding any of the items listed above, please do not hesitate to contact our office.

Yours very truly,

Paul F. Belliveau, FCPA, FCA  
Partner

PFB/dm

cc Beatrice Renton – Chief Administrative Officer (CAO)/Clerk  
Lisa Dagley – Finance Director  
Department of Municipal Affairs

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September 17, 2020

Mayor Rachel Bailey and Council  
Town of Lunenburg  
PO Box 129  
Lunenburg, Nova Scotia  
B0J 2C0

Dear Mayor Bailey:

In connection with the audit of the Town of Lunenburg (the “Town”) financial statements as of March 31, 2020 and for the year then ended, the Canadian Auditing Standards require that we advise management and the audit committee (hereinafter referred to as “those charged with governance”) of the following internal control matters identified during our audit.

### **Our responsibilities**

Our responsibilities, as prescribed by the Canadian Auditing Standards, is to plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatements, whether caused by error or fraud. An audit includes consideration of internal control over financial reporting (hereinafter referred to as “internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of identifying deficiencies in internal control or expressing an opinion on the effectiveness of the Town’s internal control.

### **Internal Control Matters**

We have not identified any significant internal control matters that merit your attention.

### **COVID-19 and the work environment**

As we have all learned over the last several months every workplace has changed significantly as staff and management have implemented processes to meet health and safety protocols that require potential changes in timing, locations and nature of the work performed.

We commend staff on their abilities to adapt throughout the last several months, while implementing processes to safeguard the integrity of the financial system. We encourage the Town to continue its progressive work to address the following matters.

## **Technology**

COVID-19 created a tremendous reliance on technology and has expanded our thinking on what technology can be used for in the workplace. On-going technology investments are an important part of a pandemic plan. We understand that staff have begun exploring the use of electronic/digital signatures and other technologies that could enhance the organization's remote operations which we support.

## **Confidentiality**

Protection of confidential information is paramount for Council, management, and staff. The Town has appropriate policies, procedures and agreements concerning confidentiality and sensitive information in place. In response to provincial COVID-19 health and wellness protocols some offsite work may be required. We recommend that employees annually sign a confidentiality agreement and ensure the agreement is appropriate to Council, management, and staff's circumstances as a reminder to maintain the integrity of the data and information that is processed.

## **Risk assessment**

We support the Town's ongoing risk assessments to identify individuals and processes that are integral to the continual day to day operations of the Town.

For example it is important to the Town's operations to ensure employees are paid on a timely basis. Processing customer payments and the payment of vendor invoices is also an important function. These functions would take priority in the accounting department as part of a pandemic or emergency plan.

Another important example is the need to always have one elected and one non-elected signing authority to sign cheques or documents in an event of a quarantine. Which is why safe work practices are so critical to the continued operation of the Town.

We would be pleased to discuss these matters in more detail with you.

Yours very truly,

Paul F. Belliveau, FCPA, FCA  
Partner

PFB/dm

cc Beatrice Renton - Chief Administrative Officer (CAO)/Clerk  
Lisa Dagley – Finance Director  
Department of Municipal Affairs

2020-09-17-town of lunenburg-2020 internal control letter.docx



# Financial Condition Indicators

For 2019-2020 Draft

**Town of Lunenburg – Nov 2020**

# Development



## Collaborative Development (Continues)

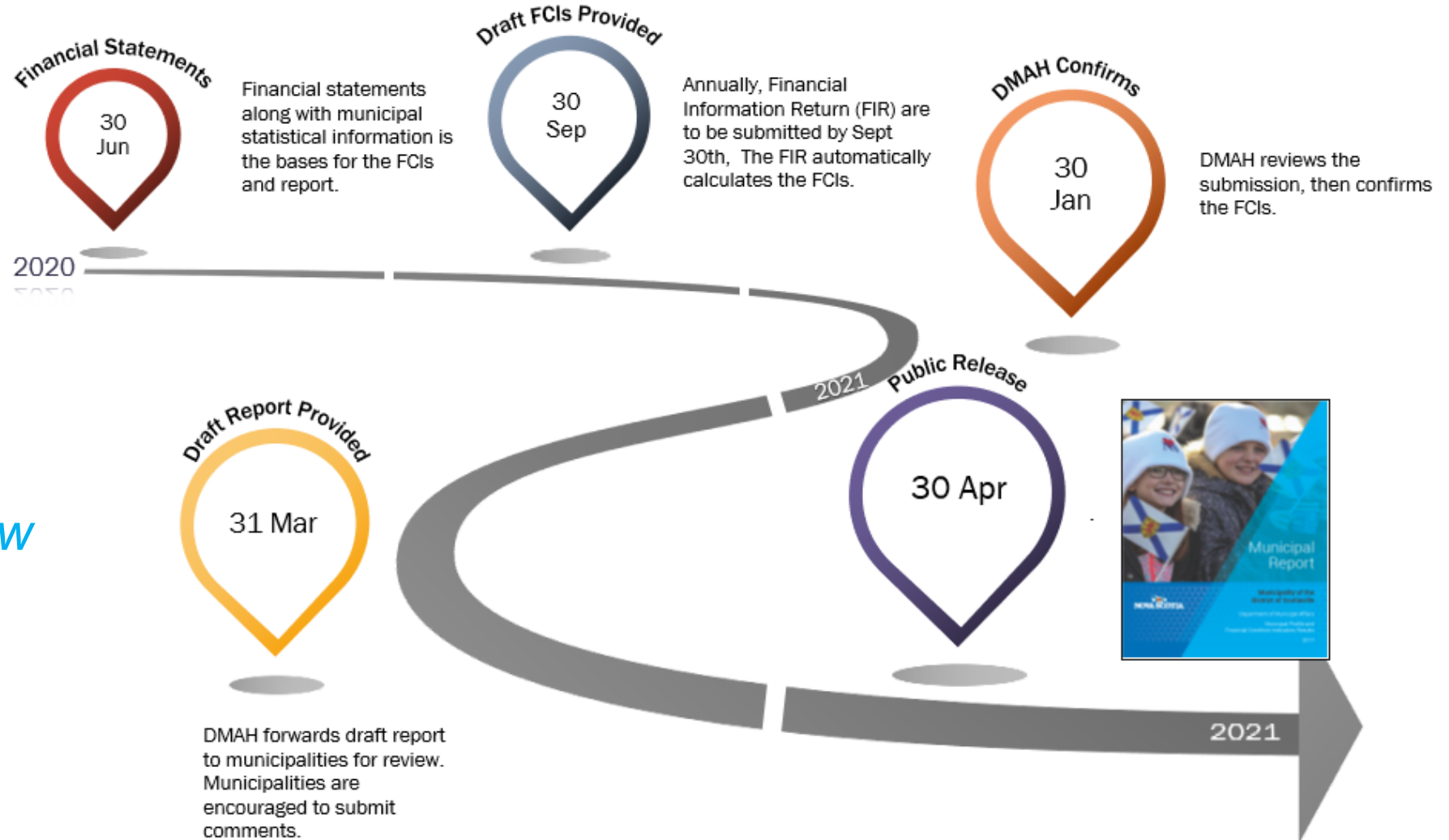
- Federation of Nova Scotia Municipalities
- Nova Scotia Association of Municipal Administrators
- Province
- Dalhousie University

## Approach

- Other Jurisdictions
- Best Practices
- Data Modelling

# Reporting Timing

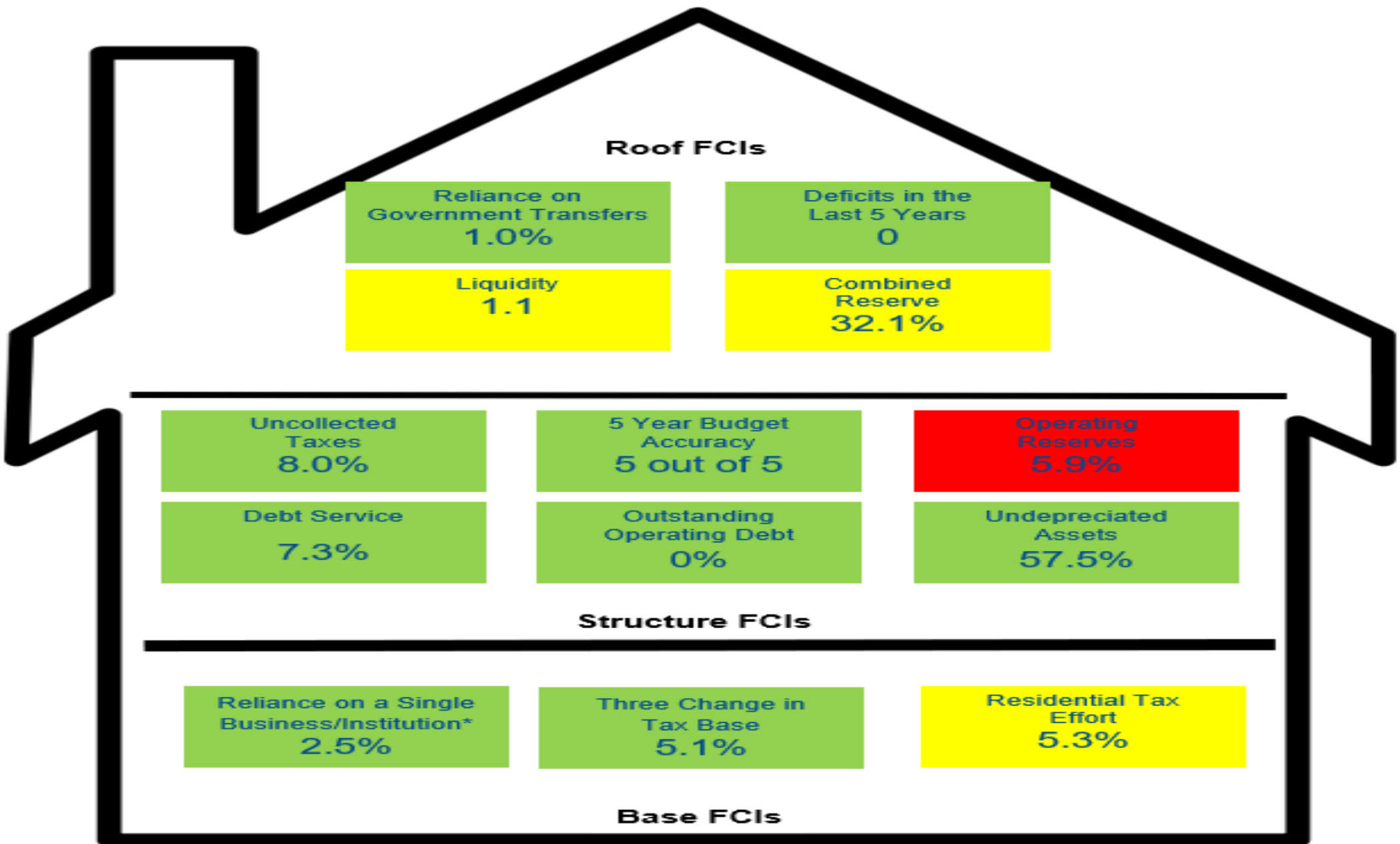
*Audit Committee  
Members are  
required to review  
FCIs*



# Financial Condition Indicators



- › 13 Indicators
- › Organized into 3 dimensions
- › Graphically presented in 'House' format
- › To interpret the Indicators we use a risk threshold range:
  - › **Low risk - green**
  - › **Moderate risk- yellow**
  - › **High risk- red**



# Financial Condition Indicators (The Base Indicators)




# Financial Condition Indicators

## BASE DIMENSION

### Reliance on a Single Business or Institution

- This indicator speaks to municipality's reliance on one employer for significant portion of their tax base.
- Over reliance on any source of revenue can represent a vulnerability


FCI	2020 Results	Low-risk (green) Thresholds	Risks	Change from Prior Yr	5 Yr Trend
Reliance on Single Business or Institution	2.5%	Below 10%	No vulnerability noted	↓ -0.1%	

# Financial Condition Indicators

## BASE DIMENSION

### 3-year Change in Tax Base

- This indicator speaks if the municipality has a stable or growing tax base
- Growth in a municipality's tax base must keep pace with inflation for a municipality to maintain current level of services and taxes.


FCI	2020 Results	Low-risk (green) Thresholds	Risks	Change from Prior Yr	5 Yr Trend
Three Year Change in Tax Base	5.1%	equal or above CPI	No vulnerability noted	↓ -0.8%	

# Financial Condition Indicators

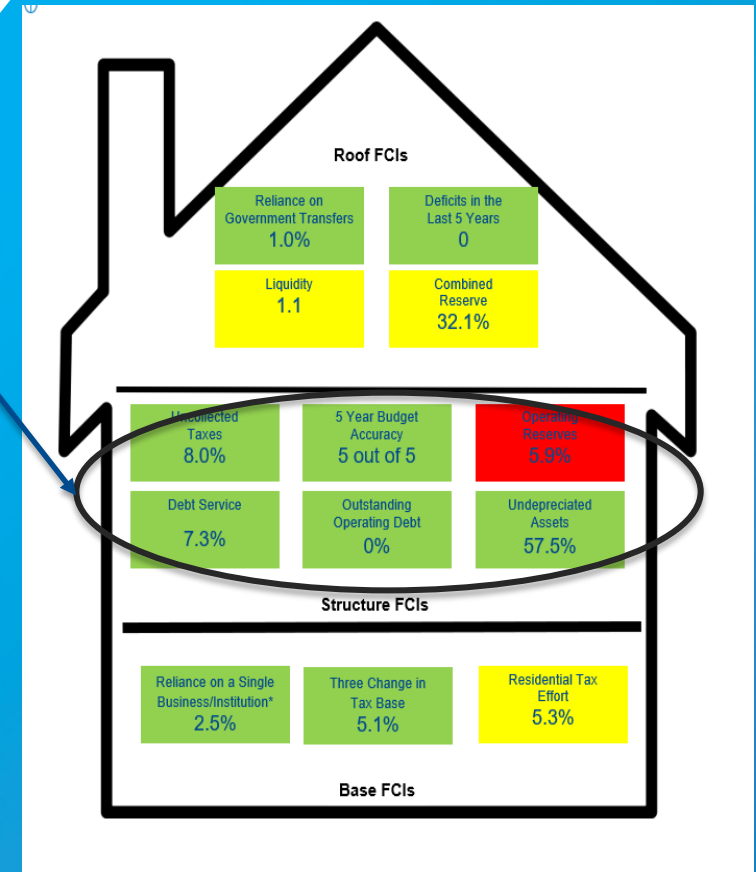
## BASE DIMENSION

### Residential Tax Effort

- This indicator speaks to what is the average property tax burden per household in the municipality.

FCI	2020 Results	Low-risk (green) Thresholds	Risks	Change from Prior Yr	5 yr Trend
Residential Tax Effort	5.3%	Below 4%	Risk to flexibility ↑	0.2%	

# Financial Condition Indicators (Structure Indicators)




# Financial Condition Indicators

## STRUCTURE DIMENSION

### Uncollected Taxes

- This indicator speaks to if the municipality is able to collect revenues owed.
- Cash flow and management are critical elements for any organization sustainability

FCI	2020 Results	Low-risk (green) Thresholds	Risks	Change from Prior Yr	5 Yr Trend
Uncollected Taxes	8.0%	Below 10%	No vulnerability noted	↑ 0.5%	

# Financial Condition Indicators

## STRUCTURE DIMENSION

### Budget Accuracy

- This indicator speaks to municipality's success at projecting the revenue required to maintain a balanced operating budget.


FCI	2020 Results	Low-risk (green) Thresholds	Risks	Change from Prior Yr	5 yr Trend
Budget Expenditures Accuracy	5	5	No risk noted	0	

# Financial Condition Indicators

## STRUCTURE DIMENSION

### Operating Reserves

- This indicator speaks to if the municipality is setting aside funds to address unforeseen circumstances.


FCI	2020 Results	Low-risk (green) Thresholds	Risks	Change from Prior Yr	5 yr Trend
Operating Reserves	5.9%	Above 20%	Vulnerability noted ↓	-0.9%	

# Financial Condition Indicators

## STRUCTURE DIMENSION

### Debt Service

- This indicator speaks to how much of municipal revenue goes towards paying off debt.

FCI	2020 Results	Low-risk (green thresholds)	Risks	Change from Prior Yr	5 Yr Trend
Debt Service	7.3%	below 10%	No risk noted	↑ 1.3%	

# Financial Condition Indicators

## STRUCTURE DIMENSION

### Outstanding Operating Debt

- This indicator speaks to how leverages is a municipality or how much operating debt does it hold relative to its revenue. MGA has restrictions.


FCI	2020 Results	Low-risk (green thresholds)	Risks	Change from Prior Yr
Outstanding Operating Debt	0.0%	below 25%	No risk noted	→ 0.0%

# Financial Condition Indicators

## STRUCTURE DIMENSION

### Undepreciated Assets

- This indicator speaks to how old the municipality's existing capital assets are.

FCI	2020 Results	Low-risk (green thresholds)	Risks	Change from Prior Yr	5 Yr Trend
Undepreciated Assets	57.5%	above 50%	No risk noted	↓ -1.1%	

# Financial Condition Indicators (KPI Indicators)




# Financial Condition Indicators

## KPI DIMENSION

### Reliance on Government Transfers

- This indicator speaks to municipality's reliance on transfer from other government and self-sufficiency.
- Over reliance on any source of revenue can represent a vulnerability

FCI	2020 Results	Low-risk (green) Thresholds	Risks	Change from Prior Yr	5 Yr Trend
Reliance on Gov Transfers	1.0%	Below 15%	No vulnerability noted →	0.0%	

# Financial Condition Indicators

## KPI DIMENSION

### Liquidity

- This indicator speaks to if the municipality has enough cash to pay bills as they come due.
- This indicator can highlight any cash flow problem or indication of concerns in other areas such as potential revenue collection concerns

FCI	2020 Results	Low-risk (green) Thresholds	Risks	Change from Prior Yr	5 yr Trend
Liquidity	1.1	Above 1.5	Risks to sustainability →	0.0	

# Financial Condition Indicators

## KPI DIMENSION

### Deficits in the Last 5-years

- This indicator speaks to municipality's success in maintaining a balanced operating budget.
- A high number of deficits may indicate a municipality is struggling to meet services. If there is a deficit, further investigation would be required to determine the size and the cause of the deficit


FCI	2020 Results	Low-risk (green) Thresholds	Risks	Change from Prior Yr
Deficits in the Last 5 years	0	0	No vulnerability noted →	0

# Financial Condition Indicators

## KPI DIMENSION

### Combined Reserves

- This indicator speaks to if the municipality is investing enough to keep pace with aging assets and unforeseen events.

FCI	2020 Results	Low-risk (green thresholds)	Risks	Change from Prior Yr	5 Yr Trend
Combined Reserve	32.1%	above 40%	Vulnerability noted ↑	7.5%	

# Financial Condition Indicators

## Key Points

- The Town's tax base continues to grow.
- Indicators on deficits and budget show a purposefully shrewd approach to managing revenues and cost estimates.
- Low uncollected tax and debt indicators show prudent cash and financing management
- Residential effort reflects lower flexibility, common pressure with Towns
- Combined reserves although a vulnerability the trend indicate an effort to build the reserve.
- Operating reserves indicate a higher vulnerability to unforeseen events.
- Liquidity levels are sufficient but could be strengthened.

# Financial Condition Indicators

## What are the next steps?



- Recognize your strengths
- Analysis risks (spreadsheet)
- Were appropriate implement activities to reduce or eliminate risks

# Financial Condition Indicators



Additional support and training available

# Questions

