

AGENDA
Lunenburg County Multi-Purpose Centre Corporation
Thursday, July 15th, 2021 6:00 p.m.
Held in the LCLC, 135 North Park Street, Bridgewater

1. **CALL TO ORDER**
2. **INFORMATION SHARING** (Questions by Board Members and attending members of the public)
3. **APPROVAL OF AGENDA**
4. **PRESENTATION** – Grant Thornton – Year-End Reporting..... 2-41
5. **APPROVAL OF MINUTES** – June 17th, 2021
6. **BUSINESS ARISING FROM MINUTES & UNFINISHED BUSINESS**
 - 6.1 Facility Capital Life-Cycle.....To Follow
7. **CORRESPONDENCE**
8. **NEW BUSINESS**
9. **INFORMATION / UPDATES**
 - 9.1 General Manager’s Monthly Report 42-43
 - 9.2 Aged Receivables..... 44
 - 9.3 Financial Statements.....To Follow
 - 9.4 ParaCup Update
10. **IN CAMERA**
 - 10.1 Contract Negotiations under Section 22(2)(e) – Tender Update
11. **NEXT MEETING** – Thursday, August 19th, 2021 at 6:00 p.m.
12. **ADJOURNMENT**

Lunenburg County Multi-Purpose Centre Corporation

For the year ended March 31, 2021

Report to Board
Audit strategy and results

July 15, 2021

Rob Wadden, CPA, CA	Victoria Ells, CPA
Principal	Manager
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Appendices

Appendix A – Overview and approach
Appendix B – Audit plan and risk assessment
Appendix C – Draft independent auditor’s report
Appendix D – Draft Management representation letter
Appendix E – Adjusting journal entries
Appendix F – Internal control deficiencies

Executive summary

Purpose of report and scope

The purpose of this report is to engage in an open dialogue with you regarding our audit of the consolidated financial statements of Lunenburg County Multi-Purpose Centre Corporation (the "corporation") for the year ended March 31, 2021. This communication will assist Board in understanding our overall audit strategy and results of audit procedures and includes comments on misstatements, significant accounting policies, sensitive estimates and other matters.

The information in this document is intended solely for the information and use of the Board of Directors and management. It is not intended to be distributed or used by anyone other than these specified parties.

We have obtained our engagement letter dated January 6, 2020, which outlines our responsibilities and the responsibilities of management.

We were engaged to provide the following deliverables:

Deliverable

Report on the March 31, 2021 consolidated financial statements

Communication of audit strategy and results

Preparation of the 2021 Canadian tax return

Status of our audit

We have substantially completed our audit of the consolidated financial statements of the corporation and the results of that audit are included in this report.

We will finalize our report upon resolution of the following items that were outstanding as at July 15, 2021:

- Receipt of signed management representation letter (a draft has been attached in the appendices)
- Approval of the consolidated financial statements by the Board
- Inquiry regarding subsequent events

Approach

Our audit approach requires that we establish an overall strategy that focuses on risk areas. We identify and assess risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The greater the risk of material misstatement associated with an area of the consolidated financial statements, including disclosures, the greater the audit emphasis placed on it in terms of audit verification and analysis. Where the nature of a risk of material misstatement is such that it requires special audit consideration, it is classified as a significant risk.

Our approach is discussed further in Appendix A & B

Adjustments and uncorrected misstatements

Adjustments

Misstatements identified and adjusted in the consolidated financial statements by the corporation as a result of our audit procedures are included in Appendix E.

Uncorrected misstatements

We have no non-trivial unadjusted misstatements to report.

Summary of disclosure matters

Our audit did not identify any unadjusted non-trivial misstatements of disclosure matters.

Other reportable matters

Internal control

The audit is designed to express an opinion on the consolidated financial statements. We obtain an understanding of internal control over financial reporting to the extent necessary to plan the audit and to determine the nature, timing and extent of our work. Accordingly, we do not express an opinion on the effectiveness of internal control.

If we become aware of a deficiency in your internal control over financial reporting, the auditing standards require us to communicate to Board those deficiencies we consider significant. However, a financial statement audit is not designed to provide assurance on internal control.

Please refer to Appendix F for a detailed explanation of the internal control observations noted during our audit.

Independence

We have a rigorous process where we continually monitor and maintain our independence. The process of maintaining our independence includes, but is not limited to:

- Identification of threats to our independence and putting into place safeguards to mitigate those threats. For example, we evaluate the independence threat of any non-audit services provided to the corporation
- Confirming the independence of our engagement team members

[Include one of the following:

We have determined that the following information regarding our independence should be brought to your attention:

- Grant Thornton assists with the preparation of the financial statements. Safeguards in place include management review of financial statements prior to being finalized.

Appendix A – Overview and approach

Our audit is planned with the objective of obtaining reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, so that we are able to express an opinion on whether the consolidated financial statements are prepared, in all material respects, in accordance with Canadian public sector accounting standards. The following outlines key concepts that are applicable to the audit, including [tailor as appropriate - the responsibilities of parties involved, our general audit approach and other considerations.

Roles and responsibilities

Role of the board of directors

- Help set the tone for the organization by emphasizing honesty, ethical behaviour and fraud prevention
 - Oversee management, including ensuring that management establishes and maintains internal controls to provide reasonable assurance regarding reliability of financial reporting
 - Oversee the work of the external auditors including reviewing and discussing the audit plan
-

Role of management

- Prepare financial statements in accordance with Canadian public sector accounting standards
 - Design, implement and maintain effective internal controls over financial reporting processes, including controls to prevent and detect fraud
 - Exercise sound judgment in selecting and applying accounting policies
 - Prevent, detect and correct errors, including those caused by fraud
 - Provide representations to external auditors
-

Role of Grant Thornton LLP

- Provide an audit opinion that the financial statements are in accordance with Canadian public sector accounting standards
 - Conduct our audit in accordance with Canadian Generally Accepted Auditing Standards (GAAS)
 - Maintain independence and objectivity
 - Be a resource to management and to those charged with governance
 - Communicate matters of interest to those charged with governance
 - Establish an effective two-way communication with those charged with governance, to report matters of interest to them and obtain their comments on audit risk matters
-

Audit approach

Our understanding of the corporation and its operations drives our audit approach, which is risk based and specifically tailored to Lunenburg County Multi-Purpose Centre Corporation.

The five key phases of our audit approach



Phase	Our approach
1. Planning	<ul style="list-style-type: none"> • We obtain our understanding of your operations, internal controls and information systems • We plan the audit timetable together
2. Assessing risk	<ul style="list-style-type: none"> • We use our knowledge gained from the planning phase to assess financial reporting risks • We customize our audit approach to focus our efforts on key areas
3. Evaluating internal controls	<ul style="list-style-type: none"> • We evaluate the design of controls you have implemented over financial reporting risks • We identify areas where our audit could be more effective or efficient by taking an approach that includes testing the controls • We provide you with information about the areas where you could potentially improve your controls
4. Testing accounts and transactions	<ul style="list-style-type: none"> • We perform tests of balances and transactions • We use technology and tools, including data interrogation tools, to perform this process in a way that enhances effectiveness and efficiency
5. Concluding and reporting	<ul style="list-style-type: none"> • We conclude on the sufficiency and appropriateness of our testing • We finalize our report and provide you with our observations and recommendations

Our tailored audit approach results in procedures designed to respond to an identified risk. The greater the risk of material misstatement associated with the account, class of transactions or balance, the greater the audit emphasis placed on it in terms of audit verification and analysis.

Throughout the execution of our audit approach, we maintained our professional skepticism, recognizing the possibility that a material misstatement due to fraud could exist notwithstanding our past experiences with the entity and our beliefs about management's honesty and integrity.

Materiality

The purpose of our audit is to provide an opinion as to whether the consolidated financial statements are prepared, in all material respects, in accordance with Canadian public sector accounting standards as at March 31, 2021. Therefore, materiality is a critical auditing concept and as such we apply it in all stages of our engagement.

The concept of materiality recognizes that an auditor cannot verify every balance, transaction or judgment made in the financial reporting process. During audit planning, we made a preliminary assessment of materiality for the purpose of developing our audit strategy, including the determination of the extent of our audit procedures. During the completion stage, we consider not only the quantitative assessment of materiality, but also qualitative factors, in assessing the impact on the consolidated financial statements, our audit opinion and whether the matters should be brought to your attention.

Fraud risk factor considerations

We are responsible for planning and performing the audit to obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatement caused by error or by fraud. Our responsibility includes:

- The identification and assessment of the risks of material misstatement of the consolidated financial statements due to fraud through procedures including discussions amongst the audit team and specific inquiries of management
- Obtaining sufficient appropriate audit evidence to respond to the fraud risks noted
- Responding appropriately to any fraud or suspected fraud identified during the audit

Due to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements may not be detected and this is particularly true in relation to fraud. The primary responsibility for the prevention and detection of fraud rests with those charged with governance **[include where management is separate – and management]**.

We are required to communicate with you on fraud-related matters, including:

- Obtaining an understanding of how you exercise oversight of management's processes for identifying and responding to the risks of fraud in the entity and the internal control that management has established to mitigate these risks
- Inquiring as to whether you have knowledge of any actual, suspected or alleged fraud affecting the entity

The following provides a summary of some of the fraud related procedures that are performed during the audit:

- Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the consolidated financial statements
- Reviewing accounting estimates for biases
- Evaluating the business rationale (or the lack thereof) for significant transactions that are or appear to be outside the normal course of operations

Quality control

We have a robust quality control program that forms a core part of our client service. We combine internationally developed audit methodology, advanced audit technology, rigorous review procedures, mandatory professional development requirements, and the use of specialists to deliver high quality audit services to our clients. In addition to our internal processes, we are subject to inspection and oversight by standard setting and regulatory bodies. We are proud of our firm's approach to quality control and would be pleased to discuss any aspect with you at your convenience.

Appendix B – Audit plan and risk assessment

We have executed our audit in accordance with our plan outlined below. We continually reassess the need for changes to our planned audit approach throughout the audit

Risk assessment

Our risk assessment process identified certain significant risks, which are included under “Audit risks and results” in our report. In addition, we identified certain other areas where we focused our attention as follows:

Risk area	Why it is a risk area	Audit procedures and findings
COVID-19 impact on audit risks and responses	<p>The preparation of the financial statements on a going concern basis is appropriate if management has determined that the corporation has the ability to continue as a going concern for a period of at least twelve months from the balance sheet date. Management’s assessment generally takes into consideration all available information about the future, including events that have occurred after the year-end. Current circumstances related to COVID-19 have resulted in many entities encountering financial difficulties, which could call into question use of the going concern assumption.</p> <p>In addition to considering the quantitative impact of COVID-19 on the corporation’s financial statements, management has considered the need to revise existing disclosures and/or add new disclosures to convey the impact of identified matters and events related to COVID-19 that occurred during the year and occurred in the subsequent period. The Impacts of COVID-19 note to the financial statements was added as a result of this assessment:</p>	<ul style="list-style-type: none"> • Discussion with management on impact of the pandemic to operations. • Review of subsequent operating results • Determination that COVID-19 does not have a significant impact on the corporation’s ability to continue as a going concern.
Operating expenses understated or not recorded in the correct period	The accounts payable balance may be understated due to the corporation’s desire to demonstrate a surplus.	<ul style="list-style-type: none"> • We performed a search for unrecorded liabilities • No exceptions noted
Recorded revenues and receivables not valid	Revenue is a presumed fraud risk	<ul style="list-style-type: none"> • Confirmation of grant revenue and receivables • Sampled AR for subsequent receipt testing
Employee compensation and benefit obligations understated	The benefit obligation balances may be understated due to the corporation’s desire to demonstrate a surplus	<ul style="list-style-type: none"> • Analytically reviewed payroll to identify variances • Completed reasonability tests on accruals

Appendix C – Draft independent auditor’s report

Independent Auditor's Report

Grant Thornton LLP

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To the Board of Directors of
Lunenburg County Multi-Purpose Centre Corporation

Opinion

We have audited the consolidated financial statements of Lunenburg County Multi-Purpose Centre Corporation, which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations, change in net financial debt, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the corporation as at March 31, 2021, and consolidated its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

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

Other matter - supplementary financial information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information included in the schedules on pages 17 to 18 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the 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 the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the corporation'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 corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Bridgewater, Canada
July 15, 2021

Grant Thornton LLP

Chartered Professional Accountants

Appendix D – Draft management representation letter

Management Representation Letter

July 15, 2021

Grant Thornton LLP
4th Floor, 197 Dufferin Street
Dawson Centre
Bridgewater NS B4V 2G9

Dear Sir/Madam:

We are providing this letter in connection with your audit of the consolidated financial statements of Lunenburg County Multi-Purpose Centre Corporation as of March 31, 2021, and for the year then ended, for the purpose of expressing an opinion as to whether the consolidated financial statements present fairly, in all material respects, the financial position, results of operations, change in net financial debt, and cash flows of Lunenburg County Multi-Purpose Centre Corporation in accordance with Canadian public sector accounting standards.

We acknowledge that we have fulfilled our responsibilities for the preparation of the consolidated financial statements in accordance with Canadian public sector accounting standards and for the design and implementation of internal controls to prevent and detect fraud and error. We have assessed the risk that the consolidated financial statements may be materially misstated as a result of fraud, and have determined such risk to be low. Further, we acknowledge that your examination was planned and conducted in accordance with Canadian generally accepted auditing standards (GAAS) so as to enable you to express an opinion on the consolidated financial statements. We understand that while your work includes an examination of the accounting system, internal controls and related data to the extent you considered necessary in the circumstances, it is not designed to identify, nor can it necessarily be expected to disclose, fraud, shortages, errors and other irregularities, should any exist.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the consolidated financial statements would influence the decision of a reasonable person relying on the consolidated financial statements.

We confirm, to the best of our knowledge and belief, as of July 15, 2021, the following representations made to you during your audit.

Financial statements

- 1 The consolidated financial statements referred to above present fairly, in all material respects, the financial position of the entity as at March 31, 2021 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards, as agreed to in the terms of the audit engagement.

Completeness of information

- 2 We have made available to you all financial records and related data and all minutes of the meetings of shareholders, directors, and committees of directors, as agreed in the terms of the audit engagement. Summaries of actions of recent meetings for which minutes have not yet been prepared have been provided to you. All significant board and committee actions are included in the summaries.

- 3 We have provided you with unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- 4 There are no material transactions that have not been properly recorded in the accounting records underlying the consolidated financial statements. The adjusting journal entries which have been proposed by you are approved by us and will be recorded on the books of the entity.
- 5 There were no restatements made to correct a material misstatement in the prior period consolidated financial statements that affect the comparative information.
- 6 We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.
- 7 We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the consolidated financial statements or as the basis of recording a contingent loss.
- 8 We have disclosed to you all known deficiencies in the design or operation of internal control over financial reporting of which we are aware.
- 9 We have identified to you all known related parties and related party transactions, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements guarantees, non-monetary transactions and transactions for no consideration
- 10 You provided a non-audit service by assisting us with drafting the consolidated financial statements and related notes. In connection with this non-audit service, we confirm that we have made all management decisions and performed all management functions, have the knowledge to evaluate the accuracy and completeness of the consolidated financial statements, and accept responsibility for such consolidated financial statements.

Fraud and error

- 11 We have no knowledge of fraud or suspected fraud affecting the entity involving management; employees who have significant roles in internal control; or others, where the fraud could have a non-trivial effect on the consolidated financial statements.
- 12 We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's consolidated financial statements communicated by employees, former employees, analysts, regulators or others.
- 13 We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

Recognition, measurement and disclosure

- 14 We believe that the significant assumptions used by us in making accounting estimates, including those used in arriving at the fair values of financial instruments as measured and disclosed in the consolidated financial statements, are reasonable and appropriate in the circumstances.

- 15 We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities, both financial and non-financial, reflected in the consolidated financial statements.
- 16 All related party transactions have been appropriately measured and disclosed in the consolidated financial statements.
- 17 The nature of all material measurement uncertainties has been appropriately disclosed in the consolidated financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the consolidated financial statements.
- 18 All outstanding and possible claims, whether or not they have been discussed with legal counsel, have been disclosed to you and are appropriately reflected in the consolidated financial statements.
- 19 All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the consolidated financial statements.
- 20 With respect to environmental matters:
 - a) at year end, there were no liabilities or contingencies that have not already been disclosed to you;
 - b) liabilities or contingencies have been recognized, measured and disclosed, as appropriate, in the consolidated financial statements; and
 - c) commitments have been measured and disclosed, as appropriate, in the consolidated financial statements.
- 21 The entity has satisfactory title to (or lease interest in) all assets, and there are no liens or encumbrances on the entity's assets nor has any been pledged as collateral.
- 22 We have disclosed to you, and the entity has complied with, all aspects of contractual agreements that could have a material effect on the consolidated financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
- 23 The Goods and Services Tax (GST) and Harmonized Sales Tax (HST) transactions recorded by the entity are in accordance with the federal and provincial regulations. The GST and HST liability/receivable amounts recorded by the entity are considered complete.
- 24 Employee future benefit costs, assets, and obligations have been determined, accounted for and disclosed in accordance with the requirements of Section 3255 Post-employment benefits, compensated absences and termination benefits of the Chartered Professional Accountants of Canada (CPA Canada) Handbook – Public Sector Accounting Standards.
- 25 There have been no events subsequent to the balance sheet date up to the date hereof, other than those currently disclosed in the financial statements, that would require recognition or disclosure in the consolidated financial statements. Further, there have been no events subsequent to the date of the comparative financial statements that would require adjustment of those financial statements and related notes.

Other

26 We have considered whether or not events have occurred or conditions exist which may cast significant doubt on the Corporation's ability to continue as a going concern and have concluded that no such events or conditions are evident.

Yours very truly,

Kent Walsh, General Manager

Isobel Leslie, Finance Manager

Appendix E – Adjusting journal entries

Lunenburg County Multi-Purpose Centre Corporation

AJE

Year End: March 31, 2021

Adjusting Journal Entries

Date: 4/1/2020 To 3/31/2021

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
1	3/31/2021	TOB Transfer from Spec Purpose Tax	4023 OP			113,496.98			
1	3/31/2021	MFC debenture interest	5799 OP				113,496.98		
1	3/31/2021	Short Term Financing Grant - TOB	4030C CF				113,496.98		
1	3/31/2021	Interest on LTD (MFC loan)	5006C CF			113,496.98			
		To reallocate TOB debenture interest to capital.							
2	3/31/2021	Due to/from Capital Reserve	2395 OP			56,748.49			
2	3/31/2021	TOB Transfer from Spec Purpose Tax	4023 OP				56,748.49		
		To adjust entry J187 to credits account 4023 rather than 2395.							
3	3/31/2021	Municipal Receivable - TOB	1044C CF				362,032.00		
3	3/31/2021	LTD - 2014 Fall Debenture TOB	2220C CF			362,032.00			
		To record principal repayment on MFC loan in the year.							
4	3/31/2021	Municipal Receivable - TOB	1044C CF				3,573.90		
4	3/31/2021	Accrued Interest LTD	2221C CF			3,573.90			
4	3/31/2021	Short Term Financing Grant - TOB	4030C CF			3,573.90			
4	3/31/2021	Interest on LTD (MFC loan)	5006C CF				3,573.90		
		To adjust accrued interest to agree to debt confirmation.							
5	3/31/2021	Bank - BMO	1010C CF				3.53		
5	3/31/2021	Investment in Capital Assets	3300C CF			1,013,069.13			
5	3/31/2021	Retained Earnings - Fundraising	3500C CF				1,013,069.13		
5	3/31/2021	Interest Income	4610C CF				3.53		
		To record interest earned on capital bank account during the year and reallocate retained earnings.							
6	3/31/2021	Due to/from Capital Reserve	2395 OP				678,600.14		
6	3/31/2021	Capital Assets	9505 OP				81,187.86		
6	3/31/2021	Capital Assets	9505 OP			759,788.00			
6	3/31/2021	Due to/fr Oper Fund - Capital Res	1049C CF				81,187.86		
6	3/31/2021	Due to/fr Oper Fund - Capital Res	1049C CF			759,788.00			
6	3/31/2021	Annual Capital Grant - MODL	4027C CF				379,894.00		
6	3/31/2021	Annual Capital Grant - TOB	4028C CF				379,894.00		
6	3/31/2021	Repairs and maintenance	5100C CF			81,187.86			
		To reallocate mun operating grants received for capital items and capital fund repairs and maintenance.							
7	3/31/2021	Transfer to Equip Reserve	5990 OP				20,000.00		
7	3/31/2021	Building R&M - Arena	6130 OP			20,000.00			
7	3/31/2021	Due to/fr Oper Fund - Equip Res	1052C CF				20,000.00		
7	3/31/2021	Transfer to equipment reserve	8501C CF			20,000.00			
		To record transfer from equipment reserve to building R&M to agree due to/from balances with operating where the transfer has been recorded and adjust entry J1146 in recording the transfer in operating.							
8	3/31/2021	Deferred Revenue - General Capital	2098C CF				679,922.60		
8	3/31/2021	Annual Capital Grant - MODL	4027C CF			339,961.30			
8	3/31/2021	Annual Capital Grant - TOB	4028C CF			339,961.30			
		Per board request, capital fund surplus deferred for future year capital expenditure.							
9	3/31/2021	Deferred Revenue - Memberships	2440 OP				8,368.61		
9	3/31/2021	Memberships	4402 OP			8,368.61			
		To adjust deferred revenue to include deferrals for memberships which were longer than one year.							
10	3/31/2021	Equipment - Concessions	1840 OP			3,700.00			
10	3/31/2021	Due to/from Capital Reserve	2395 OP				3,700.00		
10	3/31/2021	Due to/fr Oper Fund - Capital Res	1049C CF			3,700.00			

Lunenburg County Multi-Purpose Centre Corporation

AJE-1

Year End: March 31, 2021

Adjusting Journal Entries

Date: 4/1/2020 To 3/31/2021

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
10	3/31/2021	Gain/Loss on disposal of capital assets	5600C CF				3,700.00		
		To move proceeds on disposal to capital fund.							
11	3/31/2021	Concession Equipment	1508C CF				8,687.30		
11	3/31/2021	A/D - Concession Equipment	1534C CF			5,646.75			
11	3/31/2021	Gain/Loss on disposal of capital assets	5600C CF			3,040.55			
		To remove soft serve machine cost and accumulated amortization from the GL as it was disposed of in the year, as well as adjust the gain/loss to actual rather than proceeds only.							
12	3/31/2021	IT Equipment	1505C CF			34,823.42			
12	3/31/2021	WIP - Other softcosts	1555C CF			4,225.00			
12	3/31/2021	WIP - Other softcosts	1555C CF			8,400.00			
12	3/31/2021	Repairs and maintenance	5100C CF				47,448.42		
		To capitalize items out of Capital R&M.							
13	3/31/2021	A/D - Ice Resurfacers	1527C CF				15,510.00		
13	3/31/2021	A/D - Ice Covers	1528C CF				13,633.33		
13	3/31/2021	A/D - Storage Trailer	1529C CF				520.00		
13	3/31/2021	A/D - IT Equipment	1531C CF				12,259.74		
13	3/31/2021	A/D - Concession Equipment	1534C CF				8,117.38		
13	3/31/2021	A/D - Furniture & Fixtures	1536C CF				33,570.28		
13	3/31/2021	A/D - Land Improvement	1541C CF				113,941.73		
13	3/31/2021	A/D - Building	1546C CF				797,421.52		
13	3/31/2021	A/D - Equipment	1551C CF				17,648.66		
13	3/31/2021	Amort Expense	5065C CF			1,012,622.64			
		To record Amortization.							
14	3/31/2021	Accum Surplus (Deficit) - Opening	3560 OP			255.01			
14	3/31/2021	Miscellaneous Expenses	5740 OP				255.01		
		To remove accumulated surplus balance to agree to prior year closing balance.							
15	3/31/2021	Operating deficit receivable - MODL	1040 OP			83,778.11			
15	3/31/2021	Operating deficit receivable - TOB	1044 OP			83,778.11			
15	3/31/2021	Operating Deficit - MoDL	4027 OP				83,778.11		
15	3/31/2021	Operating Deficit - TOB	4028 OP				83,778.11		
		To record ending deficit receivable for operating.							
16	3/31/2021	Municipal Payable - MODL	1041C CF				1,191.00		
16	3/31/2021	Municipal Payable - TOB	1046C CF				1,191.00		
16	3/31/2021	Capital fund surplus (deficit) - MODL	4031C CF			1,191.00			
16	3/31/2021	Capital fund surplus (deficit) - TOB	4032C CF			1,191.00			
		To record ending deficit receivable for capital.							
						5,241,401.57	5,241,401.57		
Net Income (Loss)			(988,215.70)						

Appendix F – Internal control deficiencies

A deficiency in internal control exists where the design, implementation, operation or absence of a control means that internal controls are unable to prevent, or detect and correct, misstatements in the consolidated financial statements on a timely basis. The Canadian Auditing Standards require that, where we identify internal control deficiencies during an audit, we assess their importance and severity and communicate them to management and those charged with governance, as appropriate. Deficiencies that are of sufficient importance to merit the attention of those charged with governance are described as "significant deficiencies".

The matters reported below are limited to those deficiencies we identified during the audit that we considered to be of sufficient importance to communicate. Had we performed more extensive procedures on internal control, including procedures subsequent to March 31, 2021, we might have identified more deficiencies or reached different conclusions about the deficiencies reported.

Significant deficiencies

Our audit identified the following significant deficiencies in internal control:

Significant deficiency	Description	Recommendation
Incompatible duties for journal entry posting	The corporation has several duties that are not adequately segregated. This is evidenced by finance manager having the ability to initiate, review, and post standard and non-standard journal entries without an independent review. A lack of segregation of duties increases the risk of errors or fraud going undetected. In addition, a lack of segregation of duties also increases the risk of override of the existing internal controls by members of management.	The size of the Corporation means that having segregation of duties is not always possible. However, it is highly recommended that management increase its supervision over financial recording and reporting.
Lack of segregation of duties in the accounting function	There is currently a lack of segregation of duties within the accounting role. The finance manager has total access to and control over all the recordkeeping, both Book King and Sage as well as access to cash. If duties are not segregated between multiple employees, there is an increased risk that the finance manager could make unintentional errors or fraudulent entries or that cash could be misappropriated.	It is recommended that the Corporation segregate accounting duties between multiple employees.

Consolidated Financial Statements

Lunenburg County Multi-Purpose Centre
Corporation

March 31, 2021

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Lunenburg County Multi-Purpose Centre Corporation

Financial Statements

March 31, 2021

Management’s Responsibility for the Consolidated Financial Statements

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management’s responsibility. Management is also responsible for all of the notes to the consolidated financial statements and supplementary schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements. A summary of the significant accounting policies are described in Note 2 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management’s judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are 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.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities. The Board reviews internal financial statements on a regular basis and external audited consolidated financial statements annually. The Board also discusses any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The external auditors, Grant Thornton LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of the Lunenburg County Multi-Purpose Centre Corporation and meet when required. The accompanying Independent Auditor’s Report outlines their responsibilities, the scope of their examination and their opinion on the consolidated financial statements.

On behalf of the Lunenburg County Multi-Purpose Centre Corporation

Kent Walsh
General Manager

Isobel Leslie
Finance Manager

July 15, 2021

Lunenburg County Multi-Purpose Centre Corporation

Consolidated Statement of Operations

Year ended March 31	2021 Budget (Note 10)	2021 Actual	2020 Actual
Revenues			
Active living	\$ 132,573	\$ 29,079	\$ 51,157
Advertising and sponsorship	7,142	900	5,658
Interest income	-	4	108
Aquatics	248,655	134,418	220,958
Arena	334,175	225,980	267,787
Concessions	13,200	20,640	17,136
Government grants (Note 3)	1,650,149	958,611	1,106,535
Library	91,261	93,416	92,212
Memberships	175,707	68,540	140,704
Other grants	16,006	6,209	29,319
Gain on sale of capital assets	-	659	-
Rental and other income	14,652	14,602	52,994
Special events	24,000	-	124,086
	<u>2,707,520</u>	<u>1,553,058</u>	<u>2,108,654</u>
Expenditures			
Advertising and recruiting	10,789	6,377	8,783
Amortization	1,012,623	1,012,623	1,013,069
Bad debt	-	506	(242)
Bank charges and service costs	15,411	10,131	15,890
Concession supplies	9,447	16,382	12,111
General office	21,245	25,998	37,107
Grounds maintenance and snow removal	-	25,081	49,201
Housekeeping supplies	20,294	17,424	22,229
Insurance	-	60,417	51,382
Interest on long-term debt	121,538	109,923	118,897
IT and telecommunications	41,919	34,548	40,340
Pool chemicals and supplies	26,331	20,419	28,049
Professional fees	49,827	32,456	192,368
Programming	15,905	8,588	10,729
Repairs and maintenance	224,707	193,121	179,887
Special events	24,000	21	137,627
Staff training	5,063	4,859	4,686
Utilities	435,422	353,433	409,241
Wages and benefits	925,834	774,141	929,707
	<u>2,960,355</u>	<u>2,706,448</u>	<u>3,261,061</u>
	(252,835)	(1,153,390)	(1,152,407)
Government transfers receivable (Note 12)	<u>-</u>	<u>165,174</u>	<u>139,338</u>
Annual deficit	(252,835)	(988,216)	(1,013,069)
Accumulated surplus, beginning of year	<u>-</u>	<u>30,046,044</u>	<u>31,059,113</u>
Accumulated surplus, end of year	<u>\$ -</u>	<u>\$ 29,057,828</u>	<u>\$ 30,046,044</u>

Lunenburg County Multi-Purpose Centre Corporation
Consolidated Statement of Change in Net Financial Debt

Year Ended March 31	2021 Budget	2021 Actual	2020 Actual
Annual deficit	\$ (1,012,623)	\$ (988,216)	\$ (1,013,069)
Gain on the disposal of tangible capital asses	-	(659)	-
Proceeds on disposal of tangible capital assets	-	3,700	-
Acquisition of tangible capital assets	(835,000)	(47,448)	-
Amortization of tangible capital assets	1,012,623	1,012,623	1,013,069
	<u>177,623</u>	<u>968,216</u>	<u>1,013,069</u>
Change in prepaids	-	(11,285)	(36,862)
Change in net financial assets (debt)	(835,000)	(31,285)	(36,862)
Net financial assets, beginning of year	3,826	3,826	40,688
Net financial (debt) assets, end of year	\$ (831,174)	\$ (27,459)	\$ 3,826

See accompanying notes and schedules to the consolidated financial statements.

Lunenburg County Multi-Purpose Centre Corporation

Consolidated Statement of Financial Position

Year ended March 31 2021 2020

Financial Assets

Cash and cash equivalents	\$ 750,864	\$ 104,152
Accounts receivable (Note 5)	78,064	145,427
Due from Government and its agencies (Note 4)	3,461,865	3,801,635
Inventory	4,883	9,486
	4,295,676	4,060,700

Liabilities

Payables and accruals (Note 7)	202,401	239,765
Deferred revenue	862,448	196,791
Long term debt (Note 8)	3,258,286	3,620,318
	4,323,135	4,056,874

Net Financial Assets (Debt)

	(27,459)	3,826
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Non-Financial Assets

Tangible capital assets (Note 6)	29,027,828	29,996,044
Prepays	57,459	46,174
	29,085,287	30,042,218

Accumulated Surplus (Note 16)

	\$ 29,057,828	\$ 30,046,044
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Impacts of COVID-19 (Note 9)
 Economic dependence (Note 14)
 Contingent liability (Note 15)

On behalf of the board

_____ Director

_____ Director

Lunenburg County Multi-Purpose Centre Corporation

Notes to the Consolidated Financial Statements

March 31, 2021

1. Nature of operations

Lunenburg County Multi-Purpose Centre Corporation (the "Corporation") was created based on an inter-municipal service agreement between the Town of Bridgewater and the Municipality of the District of Lunenburg (the "Municipal Partners"). The Corporation was established November 10, 2009 pursuant to Section 60 of the Municipal Government Act of Nova Scotia and is exempt from income taxes under Section 149 of the Income Tax Act.

The Corporation owns and manages a multi-purpose recreation facility known as the Lunenburg County Lifestyle Centre (LCLC). The LCLC consists of the following program components:

- One arena with a NHL size ice surface and a capacity of approximately 1,500 people
- One aquatics centre which includes a leisure/therapeutic pool and a six lane competitive pool
- A regional library with administrative offices
- Various multi-purpose and active living spaces

2. Significant accounting policies

Basis of presentation

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards of the Chartered Professional Accountants Canada Public Sector Accounting Board. These financial statements consolidate all funds of the Corporation, which include the operating, capital and equipment reserve funds.

Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and balances with financial institutions.

Use of estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be significant.

Lunenburg County Multi-Purpose Centre Corporation

Notes to the Consolidated Financial Statements

March 31, 2021

2. Significant accounting policies (continued)

Revenue recognition

Government transfers

Government transfers are recognized as revenue in the period during which the transfer is authorized and any eligibility criteria are met, except when and to the extent, stipulations by the transferor gives rise to an obligation that meets the definition of a liability. Stipulations by the transferor may require that funds only be used for providing specific services or for the acquisition of tangible capital assets. For transfers with stipulations an equivalent amount of revenue is recognized as the liability is settled. Surplus funds at the end of each fiscal year are recorded as transfers repayable to the Municipal Partners.

In kind contributions

Donated assets are recorded as revenue at an amount equal to their fair value at the date of contribution.

Investment income

Investment income is reported as revenue in the period earned.

Fundraising revenue

Fundraising revenue is recorded upon receipt due to the uncertainty of collectibility related to pledges received.

Rental revenue

Rental revenues are recorded monthly based on the occupancy and use of the arena, aquatics centre, library and active living spaces.

Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less residual value, of a tangible capital asset is amortized over the estimated useful life of the asset using the straight line method of amortization. Amortization is calculated at one-half the annual rate in the year of acquisition or disposal. The estimated useful lives of the tangible capital assets are as follows:

Land improvements	25 years Straight-line
Buildings	10-25 years Straight-line
Furniture and fixtures	10 years Straight-line
Computer equipment	2-5 years Straight-line
Equipment	10-15 years Straight-line

When conditions indicate that a tangible capital asset no longer contributes to the Corporation's ability to provide services, the cost of the tangible capital asset is reduced to reflect the decline in the asset value. Write-downs of tangible capital assets are accounted for as an expense on the statement of operations and are not reversed if there is a subsequent change in conditions.

The Corporation capitalizes interest costs associated with the acquisition, construction or development of tangible capital assets.

Lunenburg County Multi-Purpose Centre Corporation

Notes to the Consolidated Financial Statements

March 31, 2021

2. Significant accounting policies (continued)

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the operating surplus or deficit, provides the change in net financial assets or net debt for the year.

3. Government grants

The Corporation has received various grants from the following governments for the construction and ongoing operations of the Lunenburg County Lifestyle Centre.

	2021 Budget (Note 10)	2021 Actual	2020 Actual
Municipality of the District of Lunenburg - operating	\$ 384,411	\$ 384,411	\$ 443,711
Town of Bridgewater - operating	384,411	384,411	443,711
Municipality of the District of Lunenburg - capital	379,894	39,933	47,901
Town of Bridgewater - capital	379,894	39,933	47,901
Town of Bridgewater - debenture interest	121,539	109,923	118,896
NS Government Accessibility Grant	-	-	4,415
	\$ 1,650,149	\$ 958,611	\$ 1,106,535

4. Due from government and its agencies

	2021	2020
Construction receivable - Town of Bridgewater	\$ 3,296,691	\$ 3,662,297
Transfers receivable - Town of Bridgewater	83,778	69,669
Transfers receivable - Municipality of the District of Lunenburg	83,778	69,669
Capital repayable - Town of Bridgewater	(1,191)	-
Capital repayable - Municipality of the District of Lunenburg	(1,191)	-
	\$ 3,461,865	\$ 3,801,635

The construction receivable from the Town of Bridgewater is comprised of their share of the construction costs of the Lunenburg County Lifestyle Centre less payments received to date. To finance their portion of the construction receivable, the Town of Bridgewater has agreed to make the repayments on a 15 year debenture obtained by the Corporation, as disclosed in Note 8.

The annual surplus or deficit is accrued as payable or receivable on a 50/50 basis to the Town of Bridgewater and the Municipality of the District of Lunenburg in compliance with clause 6(d) of the inter-municipal agreement. This is considered government transfers repayable.

Lunenburg County Multi-Purpose Centre Corporation

Notes to the Consolidated Financial Statements

March 31, 2021

5. Accounts receivable

	<u>2021</u>	<u>2020</u>
Trade receivables	\$ 69,999	\$ 113,121
Allowance for doubtful account	(1,000)	(1,000)
HST receivable	<u>9,065</u>	<u>33,306</u>
	<u>\$ 78,064</u>	<u>\$ 145,427</u>

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Lunenburg County Multi-Purpose Centre Corporation

Notes to the Consolidated Financial Statements

March 31, 2021

6. Property and equipment

								2021
	Land	Land improvement	Building	Furniture and fixtures	Computer equipment	Equipment	Work in Progress	Total
Cost								
At March 31, 2020	\$ 867,165	\$ 2,848,543	\$ 31,729,097	\$ 335,703	\$ 236,940	\$ 633,748	\$ 5,500	\$ 36,656,696
Additions	-	-	-	-	34,823	-	12,625	47,448
Disposals	-	-	-	-	-	(8,687)	-	(8,687)
At March 31, 2021	<u>\$ 867,165</u>	<u>\$ 2,848,543</u>	<u>\$ 31,729,097</u>	<u>\$ 335,703</u>	<u>\$ 271,763</u>	<u>\$ 625,061</u>	<u>\$ 18,125</u>	<u>\$ 36,695,457</u>
Accumulated amortization								
At March 31, 2020	\$ -	\$ 738,619	\$ 5,161,204	\$ 206,735	\$ 217,159	\$ 336,935	\$ -	\$ 6,660,652
Amortization	-	113,942	797,422	33,570	12,260	55,429	-	1,012,623
Disposals	-	-	-	-	-	(5,646)	-	(5,646)
At March 31, 2021	<u>\$ -</u>	<u>\$ 852,561</u>	<u>\$ 5,958,626</u>	<u>\$ 240,305</u>	<u>\$ 229,419</u>	<u>\$ 386,718</u>	<u>\$ -</u>	<u>\$ 7,667,629</u>
Net book amount at March 31, 2020	<u>\$ 867,165</u>	<u>\$ 2,109,924</u>	<u>\$ 26,567,893</u>	<u>\$ 128,968</u>	<u>\$ 19,781</u>	<u>\$ 296,813</u>	<u>\$ 5,500</u>	<u>\$ 29,996,044</u>
Net book amount at March 31, 2021	<u>\$ 867,165</u>	<u>\$ 1,995,982</u>	<u>\$ 25,770,471</u>	<u>\$ 95,398</u>	<u>\$ 42,344</u>	<u>\$ 238,343</u>	<u>\$ 18,125</u>	<u>\$ 29,027,828</u>

Lunenburg County Multi-Purpose Centre Corporation

Notes to the Consolidated Financial Statements

March 31, 2021

7. Payables and accruals

	2021	2020
Trade payables	\$ 83,781	\$ 109,281
Accrued liabilities	57,650	78,587
Accrued wages and benefits	60,970	51,897
	\$ 202,401	\$ 239,765

8. Long-term debt

	2021	2020
Municipal Finance Corporation debenture 34-A-1, maturing in November 2029, repayable in annual principal repayments of \$362,032 plus semi-annual interest payments at rates varying from 2.455% to 3.559%. Secured by an unconditional guarantee from the Town of Bridgewater.	\$ 3,258,286	\$ 3,620,318

Estimated principal repayments are as follows:

2022	\$ 362,032
2023	362,032
2024	362,032
2025	362,032
2026	362,032
Subsequent years	1,448,126
	\$ 3,258,286

Principal and interest repayments are financed by grants received from the Town of Bridgewater.

9. Impacts of COVID-19

The outbreak of a novel strain of coronavirus (“COVID-19”) was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

In response to the Provincial Government directions around limiting crowd size, decreased contact and social distancing the LCLC closed its doors to the public for several months during the year. The closure of the Lunenburg County Lifestyle Centre has eliminated all revenues typically realized though public access to the facility. As a Corporation operating under the Municipal Government units the LCLC has not been eligible to receive the financial interventions made available by federal or provincial governments. The Corporation’s Municipal Partners remain committed to the long term service delivery of the facility and will continue to support through the pandemic.

Lunenburg County Multi-Purpose Centre Corporation

Notes to the Consolidated Financial Statements

March 31, 2021

10. Budget

The Corporation's operating and capital budgets are subject to the annual approval of the Town of Bridgewater and the Municipality of the District of Lunenburg councils. Annual capital purchases and annual deficits are shared on an equal 50/50 basis. The budgeted figures are presented for comparison purposes and are unaudited.

Public Sector Accounting Standards require a comparison of the results for the period with those originally planned on the same basis as that used for actual results. The budget in the consolidated statements of operations has been adjusted to reflect amortization to be on a consistent basis as actual results.

	Approved fiscal plan	Adjustments	Fiscal plan per consolidated financial statements
Revenues	\$ 2,707,519	\$ -	\$ 2,707,519
Expenditures	(1,947,731)	(1,012,623)	(2,960,354)
Annual deficit	\$ 759,788	\$ (1,012,623)	\$ (252,835)

11. Pension plan

The Corporation contributes to a defined contribution pension plan managed by Standard Life Canada for full-time permanent employees. Contributions are calculated as a fixed percentage of employee compensation. During the year the Corporation contributed \$11,220 (2020 - \$19,952) for their portion of the pension contributions.

Lunenburg County Multi-Purpose Centre Corporation

Notes to the Consolidated Financial Statements

March 31, 2021

12. Government transfers repayable

	<u>2021</u>	<u>2020</u>
Annual deficit	\$ (1,153,390)	\$ (1,152,407)
Less: Capital grants approved for asset additions	(47,448)	-
Add: Amortization	1,012,623	1,013,069
Add: Gain on disposal of tangible capital assets	(659)	-
Less: Proceeds on disposal of tangible capital assets	3,700	-
Add: Transfer from equipment reserve	<u>20,000</u>	<u>-</u>
Transfers (receivable) repayable	<u>\$ (165,174)</u>	<u>\$ (139,338)</u>

The (deficit) surplus has been accrued as payable on a 50/50 basis to the Town of Bridgewater and the Municipality of the District of Lunenburg in compliance with clause 6(d) of the inter-municipal agreement. It is made up of the following:

	<u>2021</u>	<u>2020</u>
Operating fund (deficit) surplus	\$ (167,556)	\$ (139,338)
Capital fund surplus	<u>2,382</u>	<u>-</u>
	<u>\$ (165,174)</u>	<u>\$ (139,338)</u>

13. Comparative figures

In some cases, comparative figures have been adjusted to conform to changes in the current year presentation.

14. Economic dependence

The Corporation is dependant upon funding agreements entered into with the Town of Bridgewater and the Municipality of the District of Lunenburg (the "Municipal Partners"). These agreements require the Municipal Partners to finance any cost overruns related to construction of the Lunenburg County Lifestyle Centre and for any annual deficits incurred by the Corporation. Should the Corporation not be able to obtain these funds for any reason, their ability to continue operating would be in question.

15. Contingent liability - Infrastructure Canada

The Corporation received \$10 million in funding from Infrastructure Canada for construction of the Lunenburg County Lifestyle Centre. If the Corporation sells or disposes of the LCLC it will be required to repay the \$10 million in funding received from Infrastructure Canada less 4% for each year the facility is in use after April 1, 2015. The contingent liability at March 31, 2021 equals \$7.79 million (2020 - \$8.11 million).

Lunenburg County Multi-Purpose Centre Corporation

Notes to the Consolidated Financial Statements

March 31, 2021

16. Accumulated surplus

	Operating Fund	Capital Fund	Investment in Capital Assets	Equipment Reserve Fund	Total 2021
Opening balance \$	-	-	\$ 29,996,044	\$ 50,000	\$ 30,046,044
Annual surplus (deficit)	(187,556)	46,130	(1,011,964)	-	(1,153,390)
Government transfer repayable (Note 11)	167,556	(2,382)	-	-	165,174
Purchase of tangible capital assets	-	(47,448)	47,448	-	-
Proceeds on disposal of tangible capital assets	-	3,700	(3,700)	-	-
Transfer from equipment reserve	20,000	-	-	(20,000)	-
Closing balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,027,828</u>	<u>\$ 30,000</u>	<u>\$ 29,057,828</u>

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Lunenburg County Multi-Purpose Centre Corporation
Schedule 1 - Operating Fund
Non-consolidated Statement of Financial Activities

(Unaudited)

Year Ended March 31

	2021	2021	2020
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue			
Government grants	\$ 768,823	\$ 768,823	\$ 887,421
Active living	132,573	29,079	51,157
Arena	334,175	225,980	267,787
Aquatics	248,655	134,418	220,958
Library	91,261	93,416	92,212
Memberships	175,707	68,540	140,704
Special events	24,000	-	124,086
Other grants	16,006	6,209	29,319
Advertising and sponsorships	7,142	900	5,658
Rental and other Income	14,652	14,602	52,994
Concessions	13,200	20,640	17,136
	<u>1,826,194</u>	<u>1,362,607</u>	<u>1,889,432</u>
Expenditures			
Advertising and recruiting	10,789	6,377	8,783
Bad debt	-	506	(242)
Bank charges and service costs	15,411	10,131	15,891
Concession supplies	9,447	16,382	12,111
General office	21,245	25,998	37,107
Grounds maintenance and snow removal	-	25,081	49,201
Housekeeping supplies	20,294	17,424	22,229
Insurance	-	60,417	51,382
IT and telecommunications	41,919	34,548	40,340
Pool chemicals and supplies	26,331	20,419	28,049
Professional fees	49,827	32,456	192,368
Programming	15,905	8,588	10,729
Repairs and maintenance	224,707	159,382	124,562
Special events	24,000	21	137,627
Staff training	5,063	4,859	4,686
Utilities	435,422	353,433	409,241
Wages and benefits	925,834	774,141	929,707
	<u>1,826,194</u>	<u>1,550,163</u>	<u>2,073,771</u>
Annual surplus	\$ -	(187,556)	(184,338)
Transfer from capital fund		-	45,000
Transfer from equipment reserve		20,000	-
Government transfers repayable		167,556	139,338
Opening fund balance		-	-
Closing fund balance		\$ -	\$ -

Lunenburg County Multi-Purpose Centre Corporation
Schedule 2 - Capital Fund
Non-consolidated Statement of Financial Activities

(Unaudited)

Year Ended March 31

	2021	2021	2020
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue			
Government grants	\$ 881,326	\$ 189,788	\$ 219,114
Interest income	-	4	108
Gain on the sale of tangible capital assets	-	659	-
	<u>881,326</u>	<u>190,451</u>	<u>219,222</u>
Expenditures			
Amortization	1,012,623	1,012,623	1,013,069
Interest on long-term debt	121,538	109,923	118,897
Repairs and maintenance	-	33,739	55,326
	<u>1,134,161</u>	<u>1,156,285</u>	<u>1,187,292</u>
Annual deficit	<u>\$ (252,835)</u>	<u>(965,834)</u>	(968,069)
Transfer to operating fund		-	(45,000)
Government transfers repayable		(2,382)	-
Opening fund balance		<u>29,996,044</u>	31,009,113
Closing fund balance		<u>\$ 29,027,828</u>	\$ 29,996,044

DRAFT



GM Report

Strategy: Strengthening regional promotion / marketing and event development, through story telling (what we do and why), communicating the benefit of the LCLC to the community, in turn measure and communicate the economic spin-off of the LCLC to the local region.

We have launched a member recognition campaign whereby users nominate other and we in turn will work to share their stories

Strategy: Broaden the LCLC capacity to host a wide diversity of events by strengthening our collaboration with key partners and stakeholders.

We are meeting regularly with Truro and our Atlantic Venue Partners to seek out regional opportunities. The general consensus is that facilities are targeting January as a return to event hosting.

We have started the conversation with the Neptune Theatre and they are very excited about the prospect of bringing a show to the LCLC. We have also made a good contact with Sonic Entertainment, they specialize in promoting kids shows.

Strategy: Collaborate with municipal partners to ensure that the LCLC becomes the hub for recreation promotion in the region.

This project continues to be a major focus, Staff training on the new fusion platform is complete and we will be loading program and booking information in preparation for the launch date.

- August 1st Marketing around the changes begins
- August 15th beginning of the Hybrid model where Fusion is the software registration is still possible in all locations.
- August 15th on will be evaluation on uptake with a full switch pending the Rec Directors appraisal of the readiness of the user base.

We were successful in our application for an accessibility grant for \$10,000 towards this new registration software program.

Strategy: Add depth and variety to our program offerings with a focus on meeting user demand.

No report

Strategy: Prioritize variety of sport & entertainment activity within the facility

No report

Strategy: Strengthen ways for the membership to recreate through outdoor opportunities in and around the LCLC.

Bike loan program is underway, we have added 3 kids bikes to go along with the 7 adult bikes.

YMCA is running ball hockey out of the lower parking lot and it has been well attended.

We took delivery of 4 picnic tables

Day Camps

Our camp are going great, We are averaging 50 campers a day and the staff have done a great job in planning and coordinating the smooth delivery of the camp programs.

Ice use

In this phase of restrictions, with increased group size, adult hockey has returned and we are averaging around 20 hours of booking a week.

Energy Upgrades Tender and ICIP Grant

We were successful in our application to the ICIP Grant, The provincial and federal government will be contributing approximately \$1.2 towards energy conservation upgrades and dehumidification at the LCLC.

As the prospective bidders get into the weeds on manufacture and delivery of components the initial timelines look to be optimistic. The bulk of the work will be done during our hokey operation.

Tender closed on the 12th