



Consolidated Financial Statements

Municipality of the District of Digby

March 31, 2023

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# Independent Auditor's Report

Her Worship the Warden and Members of Council of the Municipality of the District of Digby

## Opinion

We have audited the consolidated financial statements of the Municipality of the District of Digby ("the Municipality"), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations, change in net assets and cash flow 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 financial position of the Municipality of the District of Digby as at March 31, 2023, and its results of operations, its changes in its net assets, and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Municipality in accordance with 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

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included on Pages 8-12 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 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 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 Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Digby, Canada  
July 25, 2023

Chartered Professional Accountants

## 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 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 1 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.

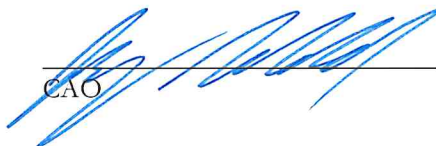
Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized 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 Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Council. The Council reviews internal financial statements on a monthly basis and external audited consolidated financial statements yearly. The Council 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 Municipality of the District of Digby and meet when required. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the consolidated financial statements.

On behalf of the Municipality of the District of Digby

  
Warden

  
CAO

**Municipality of the District of Digby**  
**Consolidated Statement of Operations and Accumulated Surplus**

Year Ended March 31

2023

2022

	<u>Page</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Revenue</b>				
Taxes	8	\$ 6,129,237	\$ 6,229,208	\$ 5,740,656
Grants in lieu of taxes	9	922,143	922,686	865,451
Services provided to other governments	9	88,521	88,521	87,715
Sales of service	9	124,321	125,876	107,546
Other revenue from own sources	9	547,375	948,903	537,969
Unconditional transfers from other governments	9	355,276	357,168	688,063
Conditional transfers from other governments	9	339,240	371,518	705,250
		<u>8,506,113</u>	<u>9,043,880</u>	<u>8,732,650</u>
<b>Expenditures</b>				
General government services	10	1,837,099	1,929,760	1,563,484
Protective services	11	2,853,595	2,847,577	2,538,679
Transportation services	11	838,549	809,793	821,989
Environmental health services	12	1,698,979	1,682,216	1,649,396
Environmental development services	12	766,622	703,217	491,262
Recreational and cultural services	12	683,496	647,879	622,897
		<u>8,678,340</u>	<u>8,620,442</u>	<u>7,687,707</u>
Annual (deficit) surplus before the undernoted		(172,227)	423,438	1,044,943
Loss on disposal of tangible capital assets		-	(32,682)	-
Annual (deficit) surplus		\$ <u>(172,227)</u>	390,756	1,044,943
Accumulated surplus, beginning of the year			<u>17,536,035</u>	<u>16,491,092</u>
Accumulated surplus, end of the year			\$ <u>17,926,791</u>	\$ <u>17,536,035</u>

See accompanying notes and schedules to the consolidated financial statements.

**Municipality of the District of Digby  
Consolidated Statement of Financial Position**

March 31

2023

2022

**Financial Assets**

Cash and cash equivalents	\$ 6,467,646	\$ 5,018,820
Reserve funds - Treasury Account	3,757,281	3,489,748
Tax sale surplus bank (Note 5)	871,507	699,434
Receivables (Note 3)	1,243,650	1,088,174
Pension benefit excess (Note 12)	572,268	639,117
	<u>12,912,352</u>	<u>10,935,293</u>

**Liabilities**

Tax sale surplus (Note 5)	871,507	699,434
Payables and accruals	876,523	630,507
Payable to fire departments	405,034	302,241
Asset Retirement Obligations	516,930	-
Deferred revenue (Note 7)	3,238,398	2,419,785
Long term debt (Note 8)	386,000	565,000
	<u>6,294,392</u>	<u>4,616,967</u>

**Net Financial Assets**

	<u>6,617,960</u>	<u>6,318,326</u>
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**Non-Financial Assets**

Tangible capital assets (Note 6)	<u>11,308,831</u>	<u>11,217,709</u>
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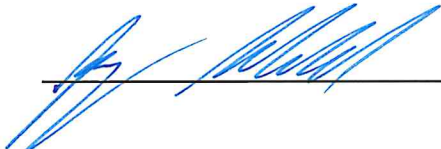
**Accumulated Surplus**

	<u>\$ 17,926,791</u>	<u>\$ 17,536,035</u>
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Commitments and contingencies (Notes 9 and 10)

On behalf of the Municipality of the District of Digby:

  
\_\_\_\_\_  
Warden

  
\_\_\_\_\_  
CAO

See accompanying notes and schedules to the consolidated financial statements.

**Municipality of the District of Digby**  
**Consolidated Statement of Change in Net Financial Assets**

Year Ended March 31

2023

2022

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Annual (deficit) surplus	\$ (172,227)	\$ 390,756	\$ 1,044,943
Acquisition of tangible capital assets	(294,000)	(727,168)	(676,339)
Disposal of tangible capital assets	-	32,683	-
Amortization of tangible capital assets	<u>561,821</u>	<u>603,363</u>	<u>561,821</u>
Increase in net financial assets	\$ <u>95,594</u>	299,634	930,425
Net financial assets, beginning of year		<u>6,318,326</u>	<u>5,387,901</u>
Net financial assets, end of year		\$ <u>6,617,960</u>	\$ <u>6,318,326</u>

See accompanying notes and schedules to the consolidated financial statements.

**Municipality of the District of Digby**  
**Consolidated Statement of Cash Flow**  
Year Ended March 31

2023 2022

**Operating Activities**

Annual surplus	\$ 390,756	\$ 1,044,943
Changes in non-cash working capital		
Disposal of tangible capital assets	32,683	-
Accretion expense	20,360	-
Amortization of tangible capital assets	603,363	561,821
Increase in treasury account	(267,533)	(792,540)
Increase in tax sale surplus bank	(172,073)	(21,011)
(Increase) decrease in receivables	(155,476)	114,474
Decrease (increase) in pension benefit excess	66,849	(28,602)
Increase in tax sale surplus	172,073	21,011
Increase in payables	246,016	261,388
Increase in payable to fire departments	102,793	3,500
Increase in asset retirement obligations	496,570	-
Increase in deferred revenue	818,613	108,255
	<u>2,354,994</u>	<u>1,273,239</u>

**Investing Activities**

Acquisition of tangible capital assets	<u>(727,168)</u>	<u>(676,339)</u>
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**Financing Activities**

Repayment of long term debt	<u>(179,000)</u>	<u>(179,000)</u>
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Change in net cash and cash equivalents	1,448,826	417,900
Cash and cash equivalents		
Beginning of year	<u>5,018,820</u>	<u>4,600,920</u>
End of year	\$ <u>6,467,646</u>	\$ <u>5,018,820</u>

See accompanying notes and schedules to the consolidated financial statements.

**Municipality of the District of Digby**  
**Schedules to Consolidated Statement of Operations**

Year Ended March 31

2023

2022

**REVENUE**

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Taxes</b>			
Assessable property			
Residential	\$ 5,533,264	\$ 5,534,305	\$ 5,079,907
Commercial property	923,675	922,892	878,882
Resource			
Taxable assessments	381,098	382,531	342,195
Recreational	2,141	2,248	2,141
Forest (less than 50,000 acres)	22,392	22,380	22,542
Forest (50,000 acres or more)	32,940	32,810	33,430
Collection for other municipalities	259,818	259,261	241,786
Protective services	1,733	1,670	1,699
Sidewalks	11,088	11,088	11,003
Street light rate	83,502	83,351	77,649
Digby Neck fire rate	30,793	30,636	27,814
Smith's Cove fire rate	29,364	29,364	27,380
Freeport fire rate	8,141	8,086	7,480
Tiverton fire rate	5,775	5,775	5,365
Westport fire rate	7,019	7,019	6,665
Brighton/Barton fire rate	58,032	57,637	52,417
Plympton fire rate	19,054	19,048	16,882
Weymouth fire rate	33,663	33,735	31,788
Bear River fire rate	14,229	14,183	12,899
Digby fire rate	74,062	74,007	68,585
Southville fire rate	12,748	12,711	11,762
J Class road rate	864	864	3,219
Sewage charges	216,581	216,367	181,087
Business property			
Based on revenue (Aliant)	35,976	35,976	35,462
NS Power HST rebate	16,000	16,236	16,511
Other taxes			
Deed transfer tax	400,000	493,863	553,434
Wind turbine tax	204,425	204,425	202,401
Transmission of taxes collected for other governments and bodies			
Fire Departments	(287,023)	(287,023)	(263,436)
Village supply	(255,742)	(255,027)	(237,784)
Deficit of Digby Housing Authority	(41,000)	(35,835)	(42,206)
Transfer to Correctional Services	(103,791)	(103,791)	(104,647)
Education expenses as a reduction of tax revenue			
Appropriation to Regional Centre for Education	(1,601,584)	(1,601,584)	(1,563,656)
	<u>\$ 6,129,237</u>	<u>\$ 6,229,208</u>	<u>\$ 5,740,656</u>

See accompanying notes and schedules to the consolidated financial statements.

**Municipality of the District of Digby**  
**Schedules to Consolidated Statement of Operations**  
Year Ended March 31

	2023		2022	
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	
<b>Grants in Lieu of Taxes</b>				
Federal government	\$ 26,579	\$ 27,116	\$ 26,098	
Provincial government				
Crown timberland	62,150	62,020	62,084	
Department of Energy	2,113	2,133	2,112	
Provincial property and supported institutions	67,000	67,262	62,042	
Conservation properties	6,559	6,413	6,559	
Nova Scotia Power Corporation	757,742	757,742	706,556	
	<u>\$ 922,143</u>	<u>\$ 922,686</u>	<u>\$ 865,451</u>	
<b>Services Provided to Other Governments</b>	<u>\$ 88,521</u>	<u>\$ 88,521</u>	<u>\$ 87,715</u>	
<b>Sales of Service</b>				
General government services	\$ 500	\$ 1,100	\$ 875	
Protective services	51,421	51,421	46,400	
Transportation services (airport)	72,400	73,355	60,271	
	<u>\$ 124,321</u>	<u>\$ 125,876</u>	<u>\$ 107,546</u>	
<b>Other Revenue From Own Sources</b>				
Licenses and permits	\$ 12,000	\$ 21,048	\$ 12,417	
Fines	22,050	31,188	18,862	
Return on investment	56,825	296,027	57,384	
Interest on taxes	125,000	141,534	127,213	
Commercial solid waste fees	115,000	128,365	127,461	
Miscellaneous	36,500	31,713	28,814	
Canada Community Building Fund interest	-	74,152	15,029	
Tax sale excess (20 years)	-	7,596	8,377	
Wind turbine revenue	180,000	214,909	143,859	
Tax sale fees	-	2,371	(1,447)	
	<u>\$ 547,375</u>	<u>\$ 948,903</u>	<u>\$ 537,969</u>	
<b>Unconditional Transfers From Other Governments</b>				
Provincial government				
Assessment Act, farm property acreage	\$ 17,660	\$ 17,660	\$ 17,450	
Divert NS	4,000	5,892	3,381	
Department of Municipal Affairs				
Equalization grants	333,616	333,616	667,232	
	<u>\$ 355,276</u>	<u>\$ 357,168</u>	<u>\$ 688,063</u>	
<b>Conditional Transfers From Other Governments</b>				
Other				
Lighthouses	\$ -	\$ -	\$ 25,000	
Special projects	46,880	-	-	
Trail project	38,225	38,501	13,783	
Safe restart	-	10,352	12,178	
Accessibility	-	51,641	-	
Grants for capital projects				
Canada Community-Building Fund	91,135	91,135	651,305	
Provincial Government				
Flood line mapping	160,000	176,876	-	
EMO 911 recovery fee	3,000	3,013	2,984	
	<u>\$ 339,240</u>	<u>\$ 371,518</u>	<u>\$ 705,250</u>	

See accompanying notes and schedules to the consolidated financial statements.

**Municipality of the District of Digby**  
**Schedules to Consolidated Statement of Operations**

Year Ended March 31

2023

2022

**EXPENDITURES**

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>General Government Services</b>			
Legislative			
Warden remuneration	\$ 41,843	\$ 41,843	\$ 38,763
Council remuneration	115,459	115,459	106,961
Council expenses	55,500	33,026	16,966
Other legislative expenses	21,082	18,788	20,158
General administrative			
Administrative	120,168	120,722	104,532
Administrative support staff	317,586	317,608	283,895
Taxations			
By-law exemptions	41,106	41,478	40,683
Bad debts	-	6,243	1,223
Transfers for assessment services	191,483	191,483	193,644
Property tax exemption	60,000	49,970	44,271
Seasonal business reduction	9,974	9,974	11,438
Advertising	24,400	36,229	23,818
Audit and legal	38,000	44,494	34,456
Employee benefits	191,224	257,878	163,052
Pension contributions	88,572	85,437	82,916
Pension adjustment	6,000	67,370	(28,602)
Common services	13,273	13,041	12,885
Insurance	37,042	37,042	31,585
Office operations	19,000	19,341	12,404
Office administration	76,850	71,293	64,917
Technology improvements	55,256	56,008	50,650
Bank and other fees	60,400	63,242	57,925
Other taxes	72,939	72,939	49,837
Conditional transfers to other governments and agencies	29,000	29,000	29,000
Other general government services			
Barton school	-	-	9,651
Conventions and travel - administration	15,000	8,700	3,381
Grants to organizations and individuals	105,313	90,523	73,570
	<u>1,806,470</u>	<u>1,899,131</u>	<u>1,533,979</u>
Amortization	<u>30,629</u>	<u>30,629</u>	<u>29,505</u>
	<u>\$ 1,837,099</u>	<u>\$ 1,929,760</u>	<u>\$ 1,563,484</u>

See accompanying notes and schedules to the consolidated financial statements.

**Municipality of the District of Digby**  
**Schedules to Consolidated Statement of Operations**

Year Ended March 31

2023

2022

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Protective Services</b>			
Police protection			
RCMP	\$ 1,653,133	\$ 1,653,133	\$ 1,488,830
Prosecuting attorney	3,000	10,182	1,950
Senior's safety program	18,200	18,200	17,500
Special investigations	5,500	5,020	4,752
Fire protection			
Grants - community fire departments	499,694	511,370	465,864
Hydrants	36,772	36,772	38,772
Emergency measures	11,700	8,301	7,174
Dispatch services	313,584	328,723	285,773
Other			
Animal control	38,979	37,653	32,990
Buildings - salaries	218,143	182,609	169,652
- expenses	50,200	50,924	16,139
	<u>2,848,905</u>	<u>2,842,887</u>	<u>2,529,396</u>
Amortization	<u>4,690</u>	<u>4,690</u>	<u>9,283</u>
	<u>\$ 2,853,595</u>	<u>\$ 2,847,577</u>	<u>\$ 2,538,679</u>
<b>Transportation Services</b>			
Road transport			
Administration	\$ 66,386	\$ 63,698	\$ 60,584
Sidewalk snow & ice removal	14,000	9,989	13,052
Street lighting	40,100	34,175	36,965
Public works - salaries	105,342	96,900	96,270
- expenses	24,000	22,840	18,773
Air transport			
Airport building	35,415	33,643	30,128
Office and telephone	12,850	12,940	12,236
Tractor	8,000	10,357	8,449
Other	2,500	2,295	523
Fuel and oil	60,100	58,498	64,322
Maintenance	26,000	20,280	20,577
Administration of public transit			
Kings Transit Authority (Note 13)	271,812	264,494	299,450
Le Transport de Clare Society	30,000	30,000	28,000
	<u>696,505</u>	<u>660,109</u>	<u>689,329</u>
Accretion	-	4,168	-
Amortization	<u>142,044</u>	<u>145,516</u>	<u>132,660</u>
	<u>\$ 838,549</u>	<u>\$ 809,793</u>	<u>\$ 821,989</u>

See accompanying notes and schedules to the consolidated financial statements.

**Municipality of the District of Digby**  
**Schedules to Consolidated Statement of Operations**

Year Ended March 31

2023

2022

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Environmental Health Services</b>			
Sewage collection and disposal			
Sewage collection systems	\$ 52,138	\$ 50,834	\$ 69,539
Sewage lift stations	89,066	91,936	120,503
Sewage treatment and disposal	101,986	109,527	78,427
Debenture interest	6,369	6,369	10,035
Solid waste administration	20,143	20,017	19,963
Waste water administration	21,274	19,118	25,078
Garbage and waste collection and disposal			
Garbage and waste collection	<u>1,146,864</u>	<u>1,113,847</u>	<u>1,067,350</u>
	1,437,840	1,411,648	1,390,895
Accretion	-	1,610	-
Amortization	<u>261,139</u>	<u>268,958</u>	<u>258,501</u>
	<u>\$ 1,698,979</u>	<u>\$ 1,682,216</u>	<u>\$ 1,649,396</u>
<b>Environmental Development Services</b>			
Community development	\$ 87,250	\$ 62,161	\$ 52,963
Subdivision and planning	118,524	30,184	42,577
Community economic development			
Rural internet	-	-	33,475
Western Regional Enterprise Network	39,676	41,413	39,676
Industrial Commission	20,000	20,000	20,000
Tourism	37,500	24,069	13,262
Renewable energy development	257,796	272,576	81,299
Debenture interest	7,657	7,657	9,169
Biogas generator	5,000	3,024	2,636
Wind turbines	<u>85,000</u>	<u>95,622</u>	<u>85,262</u>
	658,403	556,706	380,319
Accretion	-	14,582	-
Amortization	<u>108,219</u>	<u>131,929</u>	<u>110,943</u>
	<u>\$ 766,622</u>	<u>\$ 703,217</u>	<u>\$ 491,262</u>
<b>Recreation and Cultural Services</b>			
Administration and programs	\$ 317,482	\$ 316,982	\$ 303,780
Trail coordinator	53,014	53,827	48,219
Parks & trails	57,725	63,770	51,376
Parks & open space	18,000	12,584	15,743
Lighthouses	24,500	12,955	2,650
Heritage programs	83,415	72,704	79,632
Regional library	58,600	58,600	58,600
Digby library	21,000	10,980	18,710
Weymouth library	22,619	18,336	17,571
Westport library	<u>5,500</u>	<u>5,500</u>	<u>5,687</u>
	661,855	626,238	601,968
Amortization	<u>21,641</u>	<u>21,641</u>	<u>20,929</u>
	<u>\$ 683,496</u>	<u>\$ 647,879</u>	<u>\$ 622,897</u>

See accompanying notes and schedules to the consolidated financial statements.

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**Municipality of the District of Digby**  
**Notes to the Consolidated Financial Statements**  
March 31, 2023

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**1. Significant accounting policies**

The consolidated financial statements of the Municipality of the District of Digby (the Municipality) are prepared by management in accordance with Canadian public sector accounting standards, as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Municipality are as follows:

**Reporting entity**

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

Interdepartmental and organizational transactions and balances are eliminated.

**Budget**

The budget figures contained in these consolidated financial statements in Note 14 were approved by Council on May 31, 2022.

**Basis of accounting**

The basis of accounting followed in the financial statement presentation includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenditures in the period the goods and services are acquired and a liability is incurred or transfers are due.

**Fund accounting**

Funds within the consolidated financial statements consist of the operating, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate fund balance.

- a) Operating Fund – Costs of providing services to the residents of the Municipality are budgeted based on the revenue generated from property tax assessments.
- b) Capital Fund – The capital fund contains the capital assets which are funded from long term financing and from operations.
- c) Reserve Funds – The reserve funds are restricted funds set by the Municipality for specific projects and are approved by council.

**Valuation allowance**

*Uncollected taxes and rates*

The Municipality provides a valuation allowance for estimated losses that will be incurred in collecting receivables outstanding through a combination of specific account identification and allowing for 5% of outstanding taxes.

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less. Bank borrowings are considered to be financing activities.

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**Municipality of the District of Digby**  
**Notes to the Consolidated Financial Statements**  
March 31, 2023

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**1. Significant accounting policies (continued)**

**Measurement uncertainty**

The preparation of 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Items requiring the use of significant estimates include the useful life of capital assets, rates for amortization, and asset retirement obligations.

Additionally, the Municipality's implementation of PS 3280 Asset retirement obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as timing and duration of these retirement costs.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

**Revenue recognition**

(a) Tax revenue is property tax billings which are prepared by the Municipality based on assessment rolls issued by Property Valuation Services Corporation. Tax rates are established annually by Municipal Council. Taxation revenues are recorded at the time tax billings are issued. Assessments and the related property taxes are subject to appeal. Any supplementary billing adjustments made necessary by the determination of such changes will be recognized in the fiscal year they are determined. The Municipality is entitled to collect interest on overdue taxes and is recorded in the period the interest is levied.

(b) Revenue from provincial or municipal units without eligibility criteria or stipulations is recognized as revenue by the Municipality when the transfer is authorized. Revenue with eligibility criteria is recognized as revenue by the Municipality when the transfer is authorized and all eligibility criteria have been met. Revenue with stipulations is recognized as revenue by the Municipality when the transfer is authorized and all stipulations have been met.

(c) Other revenue is recorded when it is earned.

**Tangible capital assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost of the tangible capital asset is amortized on a straight line basis over the estimated useful life as follows:

<b>Asset type</b>	<b>Years</b>
Municipal buildings	40 years
Buildings and plants	25 years
Electronic data equipment	5 years
Small equipment	5 years
Machinery and equipment	15 years
Vehicles	5 years
Streets, roads and curbs	30 years
Sidewalks	25 years
Lagoons	50 years
Sanitary sewer lines	50 years
Street Lights	25 years
Wind turbines	20 years

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**Municipality of the District of Digby**  
**Notes to the Consolidated Financial Statements**  
March 31, 2023

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**1. Significant accounting policies (continued)**

**Tangible capital assets (continued)**

Assets under construction are not amortized until the asset is available for productive use. Funding related to the purchase of capital assets is recorded as revenue when received. School buildings formally under operational control of the Municipality have not been recorded as tangible capital assets, as it is more likely than not they would be sold and not put into municipal use.

**Contaminated sites**

The Municipality follows Public Sector Accounting Section 3260 Liability for Contaminated Sites, which establishes the recognition, measurement and disclosure requirements for reporting liabilities associated with the remediation of contaminated sites. Management has reviewed all potential sites that are owned for application to this section and has concluded there is no known liability at this time.

**Related party transactions**

The Municipality follows Public Sector Accounting Section 2200, Related Party Transactions, which establishes the disclosure requirements for reporting related party transactions. Management has determined that there are no transactions to disclose at this time.

**Contractual rights**

The Municipality follows Public Sector Accounting Section 3380, Contractual Rights, which establishes the disclosure requirements for contractual rights. Management has determined that there are no contractual rights to disclose at this time.

**Restructuring transactions**

The Municipality follows Public Sector Accounting Section 3430, Restructuring Transactions, which establishes the disclosure requirements for restructuring transactions. Management has determined that there are no transactions to disclose at this time.

**Asset retirement obligation**

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

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

The liability for the closure and decommissioning of wind turbines, transfer station and fuel containers has been recognized based on estimated future expenses. The liability associated with the remediation of contaminants present within buildings/land owned by the Municipality has also been recognized based on estimated future expenses on closure of the sites and post-closure care.

The liability is discounted using a present value calculation and adjusted annually for accretion expense. The recognition of a liability resulted in an accompanying increase to the respective capital assets. The increase to tangible capital assets is being amortized in accordance with the amortization accounting policies.

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**Municipality of the District of Digby**  
**Notes to the Consolidated Financial Statements**  
March 31, 2023

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**1. Significant accounting policies (continued)**

**Employee benefit plans**

The Municipality provides certain employment benefits to employees. The Municipality provides benefits for sick leave under the following conditions:

- a) Full time employees receive an initial sick leave allowance of 216 hours on the date their employment commences and earn an additional 9 hours per month, up to a maximum of 900 hours;
- b) Sick leave can be used only for paid time off for illness or medical appointments of the employee. Sick leave taken off, in time, is paid at the employee's normal rate of pay.
- c) Sick leave will not be paid out when an employee is dismissed, retires, or otherwise ceased employment with the Municipality.

**Financial instruments**

*Initial measurement*

Financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred. Financial instruments consist of receivables, receivables from the Province of Nova Scotia and federal government, bank indebtedness, and payables.

*Subsequent measurement*

At each reporting date, the Municipality measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for investments, which must be measured at fair value. The Municipality uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of operations. The financial instruments measured at amortized cost are bank indebtedness, receivables, payables and accruals, and loans payable.

For financial assets measured at cost or amortized cost, the Municipality regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Municipality determines there is significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Unless otherwise noted, it is managements opinion that the Municipality is not exposed to significant interest or credit risk arising from financial instruments.

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**Municipality of the District of Digby**  
**Notes to the Consolidated Financial Statements**  
March 31, 2023

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**2. Change in accounting policies**

**Asset retirement obligations**

On April 1, 2022, the Municipality adopted Public Sector Accounting Standards PS 3280 - Asset Retirement Obligations ("PS 3280"). The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, including the removal and remediation of contaminants in retired buildings by public sector entities. The standard was adopted on the prospective basis at the date of adoption as the event giving rise to the obligation arose prior to April 1, 2022 and the obligation has not been previously recognized. Under the prospective basis of adoption, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard.

The Municipality recognized an asset retirement obligation upon the adoption of PS 3280 on April 1, 2022. The liability represents the required closure and decommissioning of wind turbines, removal of above ground fuel tanks, and the remediation of contaminants present within/on buildings or lands owned by the Municipality. The assets have expected useful lives ranging from 5-15 years. As of the date of adoption of the standard, the relevant discount rates on tangible assets was 4.1% per annum.

In accordance with the provisions of this new standard, the Municipality has reflected the following adjustments as at April 1, 2022:

- a) An asset retirement obligation in the amount of \$496,570, representing the original \$889,067 obligation discounted to the present value using a discount rate of 4.1% per annum.
- b) An increase to tangible capital assets, representing the original estimate of the obligation as at the date of the transition.

**Financial instruments and foreign currency translation**

On April 1, 2022, the Municipality adopted Public Sector Accounting Standards PS 3450 - Financial Instruments and PS 2601 - Foreign Currency Translation. The standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency translation.

Under PS 3450, all financial instruments, including derivatives, are included on the statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the Municipality's accounting policy choices.

In accordance with the provisions of these new standards, the Municipality does not have any changes reflected in their statements as a result of the adoption of the standards.

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**Municipality of the District of Digby**  
**Notes to the Consolidated Financial Statements**  
 March 31, 2023

<b>3. Receivables</b>			<u>2023</u>	<u>2022</u>
Taxes receivable	<u>Current Year</u>	<u>Prior Years</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ -	\$ 651,976	\$ 651,976	\$ 686,939
Current year's levy	<u>7,468,903</u>	<u>-</u>	<u>7,468,903</u>	<u>6,872,321</u>
	7,468,903	651,976	8,120,879	7,559,260
Add				
Interest	<u>141,534</u>	<u>-</u>	<u>141,534</u>	<u>127,213</u>
	7,610,437	651,976	8,262,413	7,686,473
Deduct				
Current year's collections	<u>(6,952,028)</u>	<u>(513,110)</u>	<u>(7,465,138)</u>	<u>(7,034,497)</u>
Balance, end of year	<u>\$ 658,409</u>	<u>\$ 138,866</u>	<u>797,275</u>	<u>651,976</u>
Fire Departments			<u>181,603</u>	218,403
Town of Digby			<u>29,438</u>	28,842
HST			<u>41,010</u>	26,659
PACE program			<u>101,595</u>	81,804
Province of Nova Scotia			<u>48,898</u>	40,020
Digby Ground Search and Rescue			<u>6,250</u>	12,500
Other			<u>60,529</u>	46,252
			<u>1,266,598</u>	1,106,456
Asset valuation allowance for uncollectible taxes and other			<u>(22,948)</u>	<u>(18,282)</u>
			<u>\$ 1,243,650</u>	<u>\$ 1,088,174</u>

**4. Bank indebtedness**

The Municipality has an unsecured line of credit with a limit of \$1,000,000, and an interest rate of prime minus 0.75%, none of which is used at March 31, 2023 (2022 – nil).

**5. Tax sale surplus**

After a twenty year period of holding these funds in trust has expired, the cash will be transferred to the special reserve.

**Municipality of the District of Digby**  
**Notes to the Consolidated Financial Statements**  
March 31, 2023

**6. Tangible capital assets**

	Opening Cost	Asset Retirement Obligations	Additions	Disposals	Ending Cost
Land	\$ 319,895	\$ -	\$ -	\$ -	319,895
Municipal buildings	2,437,531	6,403	61,367	-	2,505,301
Buildings - plant	1,904,253	101,653	71,239	-	2,077,145
Electronic data equipment	155,479	-	-	-	155,479
Small equipment	241,033	-	-	-	241,033
Machinery and equipment	2,340,722	32,867	25,648	-	2,399,237
Vehicles	161,161	-	40,691	-	201,852
Streets, roads and curbs	1,234,572	-	21,384	-	1,255,956
Sidewalks	217,504	-	10,269	-	227,773
Wind turbines	1,339,460	355,647	-	(54,470)	1,640,637
Street lights	716,332	-	-	-	716,332
Lagoons	1,499,085	-	-	-	1,499,085
Sanitary sewer lines	7,015,305	-	-	-	7,015,305
	<u>\$ 19,582,332</u>	<u>\$ 496,570</u>	<u>\$ 230,598</u>	<u>\$ (54,470)</u>	<u>\$ 20,255,030</u>

	Opening Accumulated Amortization	Amortization	Disposals	Ending Accumulated Amortization
Municipal buildings	\$ 1,329,050	\$ 54,563	\$ -	1,383,613
Buildings - plant	1,073,852	91,710	-	1,165,562
Electronic data equipment	142,701	5,560	-	148,261
Small equipment	196,705	14,777	-	211,482
Machinery and equipment	1,032,628	117,011	-	1,149,639
Vehicles	141,789	9,688	-	151,477
Streets, roads and curbs	972,713	17,230	-	989,943
Sidewalks	163,554	8,700	-	172,254
Wind turbines	341,345	87,960	(21,787)	407,518
Street lights	200,820	28,652	-	229,472
Lagoons	548,233	29,982	-	578,215
Sanitary sewer lines	2,221,233	137,530	-	2,358,763
	<u>\$ 8,364,623</u>	<u>\$ 603,363</u>	<u>\$ (21,787)</u>	<u>\$ 8,946,199</u>

	NBV 2023	NBV 2022
Land	\$ 319,895	\$ 319,895
Municipal buildings	1,121,688	1,108,481
Buildings - plant	911,583	830,401
Electronic data equipment	7,218	12,778
Small equipment	29,551	44,328
Machinery and equipment	1,249,598	1,308,094
Vehicles	50,375	19,372
Streets, roads and curbs	266,013	261,859
Sidewalks	55,519	53,950
Wind turbines	1,233,119	998,115
Street lights	486,860	515,512
Lagoons	920,870	950,852
Sanitary sewer lines	4,656,542	4,794,072
	<u>\$ 11,308,831</u>	<u>\$ 11,217,709</u>

**Municipality of the District of Digby**  
**Notes to the Consolidated Financial Statements**  
 March 31, 2023

**7. Deferred revenue**

Funds received with specific spending criteria and stipulations, are recorded in deferred revenue until these funds are spent on eligible expenditures. Canada Community-Building Fund (CCBF) monies must be held in special reserve accounts until spent on specific expenditures in accordance with the Canada – Nova Scotia Gas Tax Agreement. Safe Restart funds must be held in special reserve accounts until spent on specific expenditures in accordance with the Safe Restart Agreement. The deferred revenue balance changed during the year as follows:

	<u>2023</u>	<u>2022</u>
Opening CCBF balance	\$ 1,999,681	\$ 1,903,717
Funding received	381,217	747,269
Eligible expenditures	<u>(91,135)</u>	<u>(651,305)</u>
Ending CCBF balance	2,289,763	1,999,681
Safe Restart funds	175,528	185,880
Tax prepayments	268,586	234,224
Sustainable Services Growth Fund	<u>504,521</u>	<u>-</u>
Total deferred revenue	<u>\$ 3,238,398</u>	<u>\$ 2,419,785</u>

**8. Long term debt**

	<u>2023</u>	<u>2022</u>
NS Dept. of Finance & Treasury Board debenture, bearing interest at rates from 2.46% to 3.614%, repayable in annual instalments of \$110,000 plus interest, maturing in 2024.	\$ 110,000	\$ 220,000
NS Dept. of Finance & Treasury Board debenture, bearing interest at rates from 1.441% to 2.925%, repayable in annual instalments of \$69,000 plus interest, maturing in 2027.	<u>276,000</u>	<u>345,000</u>
	<u>\$ 386,000</u>	<u>\$ 565,000</u>

Principal repayments during the next four years are due as follows:

2024	\$	179,000
2025	\$	69,000
2026	\$	69,000
2027	\$	69,000

All long term debt outstanding at year end has been properly authorized by the Department of Municipal Affairs.

Interest expense on the long term debt during the year was \$14,026.

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**Municipality of the District of Digby**  
**Notes to the Consolidated Financial Statements**  
March 31, 2023

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**9. Commitments**

**Boards in which the Municipality of the District of Digby has less than 100% interest**

The Municipality is required to finance the operations of various boards and commissions, along with other municipal units.

**Digby Housing Authority - 10.05% interest**

Under an agreement between Canada Mortgage and Housing Corporation, the Nova Scotia Department of Housing, the Municipality, Town of Digby and the Digby Housing Authority, the Digby Housing Authority has lease title to certain housing properties for control, operation, management and administration.

The equity in operations, amortization expense and advances for each project is determined under the respective agreements.

The Municipality's net share of the 2023 operating deficit of the Digby Housing Authority which has been included in current expenditures was \$35,835 (2022 - \$42,206).

**Regional Library - 14.06% interest**

During the year ended March 31, 2023, the Municipality paid \$58,600 (2022 - \$58,600) to the Regional Library.

**Digby and Area Recreation Facility - 50% interest**

During the year ended March 31, 2023, the Municipality paid \$301,789 (2022 - \$288,187) as its share of operations for the Digby and Area Recreation Facility.

**Digby Development Agency - 50% interest**

During the year ended March 31, 2023, the Municipality paid \$20,000 (2022 - \$20,000) as its share of operations for the Digby Development Agency.

**Western Regional Enterprise Network - 20.37% interest**

During the year ended March 31, 2023, the Municipality contributed \$41,413 (2022 - \$39,676) to the Western Regional Enterprise Network.

**Provincial police service agreement**

The Municipality has entered into the Provincial Agreement to receive policing services for the period April 1, 2014 to March 31, 2032. The Municipality will be responsible for 30% of the cost to provide and maintain the Provincial Police Service. This agreement can be terminated at any point with written notice not less than 24 months prior to termination.

**Curb-side collection and transportation of source separated solid waste**

The Municipality has entered into a contract with Digby Salvage and Disposal Company Limited to collect and transport the Municipality's solid waste. The contract is effective April 1, 2020 to March 31, 2025. The monthly base cost expected for the respective fiscal years for 2021 through 2025 ranges from, \$43,850 to \$49,355. The amounts paid can be adjusted to reflect changes in fuel costs.

**Transportation and disposal of solid waste**

The Municipality has entered into a contract with the Region of Queens Municipality and Waste Check to transport and dispose of the Municipality's solid waste at the solid waste disposal facility in Milton. The contract is effective January 1, 2006 to March 31, 2027. The Municipality pays a transportation and disposal fee from \$64.50 to \$78.25/tonne. The fee may be increased based on the consumer price index for Nova Scotia.

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**Municipality of the District of Digby**  
**Notes to the Consolidated Financial Statements**  
March 31, 2023

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**9. Commitments (continued)**

**Public transit services**

Effective August 29, 2014, the Municipality has entered into an agreement with the Kings Transit Authority to provide public transportation services. The Municipality is responsible for the net operating costs of the defined route to be paid monthly. This agreement is in effect unless terminated by either party. The expense for the year was \$264,494 (2022 - \$299,450). See Note 13 for detailed breakdown.

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**10. Contingencies**

The Municipality has a revolving term credit in the amount of \$2,000,000 to allow individual fire departments in the Municipality to fund capital purchases (with each advance guaranteed by the Municipality) and to finance capital expenditures of smaller organizations within the Municipality. The following balances are drawn on the line of credit and guaranteed by the Municipality at year end:

	<u>2023</u>	<u>2022</u>
Brighton/Barton Fire Department	\$ 59,500	\$ 76,500
Smith's Cove Fire Department	\$ 192,600	\$ 214,000
Digby Fire Department	\$ 132,311	\$ 176,414

The fire rates are set to take into consideration the repayment of the loans. All payments are up to date, and there is no expectation for loss to the Municipality.

The Municipality has guaranteed a loan for the Digby and Area Recreation Commission in the amount of \$30,761 (2022 - 41,014).

No amounts have been required for these guarantees in the past. Digby Area Recreation Commission is up to date with the payments and there is no expectation for loss to the Municipality.

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**11. Other matters**

The total remuneration and expense reimbursements to each member of the council and senior management official are as follows:

	<u>2023</u>	<u>2023</u>
	<u>Remuneration</u>	<u>Expenses</u>
<u>Council</u>		
Gregory, L. - Warden	\$ 41,843	\$ 11,973
Ross, M. - Deputy Warden	\$ 33,277	\$ 3,978
Manzer, G. - Councillor	\$ 27,394	\$ 2,952
Thurber, A. - Councillor	\$ 27,394	\$ 3,034
Tudor, D. - Councillor	\$ 27,394	\$ 5,388
<u>Senior Management</u>		
Chief Administrative Officer	\$ 120,722	\$ 5,465

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**Municipality of the District of Digby**  
**Notes to the Consolidated Financial Statements**  
March 31, 2023

**12. Pension plans**

The Municipality contributes to a defined contribution pension plan that covers most of its employees. The plan provides pensions based on accumulated contributions made equally by employees and the Municipality. The expense for the year was \$85,437 (2022 - \$82,916).

The Municipality has a defined benefit plan whereby the spouse of one former employee receives a monthly pension. Actuarial valuations for accounting purposes are performed triennially using a going concern basis. The most recent actuarial valuation was prepared at March 31, 2020 and at that time the pension plan had an accrued benefit excess of \$480,060. The actuarial valuation was based on a number of assumptions about future events. The Municipality's actuary performed an extrapolation of the March 31, 2020 valuation to determine the position of the plan as at March 31, 2023. The accrued benefit excess is estimated to be \$572,268. Benefits paid during the year were \$20,457.

The following summarizes the major assumptions in the 2020 extrapolation:

- the expected inflation rate is 2%;
- the discount rate used to determine the accrued benefit obligation is 4.75%;
- the provision for adverse returns is 5%; and
- mortality assumption based on CPM2014 projected with mortality improvement scale CPM-B.

**13. Kings Transit Authority**

Kings Transit Authority delivers public transit services on behalf of the Municipality (Note 9). Details of the revenues and expenditures relating to the transit service are as follows:

	<u>2023</u>	<u>2022</u>
<u>Revenue</u>		
Fares	\$ 67,713	\$ 51,693
Advertising	-	150
Grants and other	52,859	-
Municipal contributions	<u>271,812</u>	<u>291,700</u>
	<u>392,384</u>	<u>343,543</u>
 <u>Expenses</u>		
Advertising	297	121
Fuel	106,100	65,159
Insurance	30,475	27,130
Management fees	55,885	60,393
Office	9,081	8,312
Rents	7,986	7,260
Repairs and maintenance	47,750	53,044
Salaries and benefits	<u>137,927</u>	<u>126,924</u>
	<u>395,501</u>	<u>348,343</u>
Current year deficit	\$ <u>(3,117)</u>	\$ <u>(4,800)</u>
Budgeted current year Municipal contributions	\$ 271,812	\$ 291,700
Prior year deficit funded via Safe Restart	-	7,750
Overpayment of prior year deficit	<u>(7,318)</u>	<u>-</u>
Total Municipal contributions in fiscal period	<u>\$ 264,494</u>	<u>\$ 299,450</u>

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**Municipality of the District of Digby**  
**Notes to the Consolidated Financial Statements**  
March 31, 2023

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**14. Asset retirement obligation**

The Municipality's asset retirement obligation consists of the liability for the closure and decommissioning of wind turbines, removal of above ground fuel tanks, closure and decommissioning of transfer station site, and the remediation of contaminants present within/on buildings or lands owned by the Municipality. These contaminants represent a health hazard upon demolition or to meet environmental standards, and therefore there is a legal obligation for the removal of these contaminants on decommissioning. Following the adoption of PS 3280 - Asset retirement obligations, the Municipality recognized an obligation relating to this decommissioning and remediation as estimated at April 1, 2022. These assets have remaining useful lives of 5-15 years. Estimated costs have been discounted to the present value using a discount rate of 4.1% per annum.

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

	<u>2023</u>	<u>2022</u>
Opening balance	\$ -	\$ -
Liability recognized on adoption of PS 3280	496,570	-
Settlement	-	-
Accretion expense	<u>20,360</u>	<u>-</u>
Closing balance	<u>\$ 516,930</u>	<u>\$ -</u>

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**Municipality of the District of Digby**  
**Notes to the Consolidated Financial Statements**  
March 31, 2023

**15. Budget figures**

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 fiscal plan in the statement of operations and statement of changes in net assets have been adjusted to be on a consistent basis as actual results. Below is a reconciliation of the figures from the approved fiscal plan to the fiscal plan per the consolidated financial statements. The reconciling items include capital funding from other sources reported as revenue and amortization of tangible capital assets reported as expenses.

	Approved Operating Fiscal Plan	Adjustments	Fiscal Plan Per Financial Statements
Taxes	\$ 6,129,237	\$ -	\$ 6,129,237
Grants in lieu of taxes	922,143	-	922,143
Services provided to other governments	88,521	-	88,521
Sales of service	124,321	-	124,321
Other revenue from own sources	547,375	-	547,375
Unconditional transfers from other governments	355,276	-	355,276
Conditional transfers from other governments	248,105	91,135	339,240
	<u>8,414,978</u>	<u>91,135</u>	<u>8,506,113</u>
<b>Expenditures</b>			
General government services	1,806,470	30,629	1,837,099
Protective services	2,848,905	4,690	2,853,595
Transportation services	696,505	142,044	838,549
Environmental health services	1,437,840	261,139	1,698,979
Environmental development services	658,403	108,219	766,622
Recreational and cultural services	661,855	21,641	683,496
	<u>8,109,978</u>	<u>568,362</u>	<u>8,678,340</u>
Annual surplus	305,000	(477,227)	(172,227)
Approved transfers	<u>(305,000)</u>	<u>305,000</u>	<u>-</u>
Planned annual result	<u>\$ -</u>	<u>\$ (172,227)</u>	<u>\$ (172,227)</u>

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## Municipality of the District of Digby

### Notes to the Consolidated Financial Statements

March 31, 2023

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#### 16. Segmented information

The Municipality is a diversified municipal unit that provides a wide range of services to its citizens. For management reporting purposes, the Municipality'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 activity is reported in these funds. The services provided by these departments are as follows:

##### General Government Services

This department is responsible for the overall financial and local government administration. Its tasks include tax billings and payments, accounts payable and receivables, budgets and financial statements, the Municipal Government Act, administration and maintenance of bylaws and change of address.

##### Protective Services

This department is responsible for ensuring the safety of the residents. Its tasks include bylaw enforcement, animal control, emergency measures and maintaining the radio dispatch system.

##### Transport Services

This department is responsible for transportation services within the Municipality. Its tasks include maintaining roads and sidewalks, street lighting, maintaining the airport and administering public transit.

##### Environmental Health Services

This department is responsible for the maintenance and operations of waste and sewer services provided to residents and other customers. Its tasks include recycling, composting and sewer hook-up.

##### Environmental Development Services

This department is responsible for the planning and development within the Municipality. Its tasks include developing strategies and planning reports, issuing development permits and approving subdivision applications.

##### Recreation and Cultural Services

This department is responsible for promoting and offering recreation opportunities and activities to the Municipality's residents.

**Municipality of the District of Digby**  
**Notes to the Consolidated Financial Statements**  
 March 31, 2023

**16. Segmented information (continued)**

	General Government Services				Environmental Health Services		Environmental Development Services		Recreation and Cultural Services		2022 Consolidated	
	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Environmental Development Services	Recreation and Cultural Services	2023 Consolidated	2022 Consolidated				
<b>Revenue</b>												
Taxes	\$ 1,394,462	\$ 2,057,684	\$ 585,164	\$ 1,215,584	\$ 508,151	\$ 468,163	\$ 6,229,208	\$ 5,740,656				
Grants in lieu of taxes	206,551	304,789	86,676	180,055	75,269	69,346	922,686	865,451				
Services provided to other governments	19,816	29,241	8,316	17,274	7,221	6,653	88,521	87,715				
Sales of services	1,100	51,421	73,355	-	-	-	125,876	107,546				
Other revenue from own sources	459,137	62,347	13,296	155,984	247,503	10,636	948,903	537,969				
Unconditional transfers from other governments	79,955	117,983	33,552	69,699	29,136	26,843	357,168	688,063				
Conditional transfers from other governments	51,641	3,013	37,025	54,109	176,876	48,854	371,518	705,250				
	<u>2,212,662</u>	<u>2,626,478</u>	<u>837,384</u>	<u>1,692,705</u>	<u>1,044,156</u>	<u>630,495</u>	<u>9,043,880</u>	<u>8,732,650</u>				
<b>Expenditures</b>												
Salaries and benefits	1,006,317	449,878	96,900	-	85,250	116,756	1,755,101	1,437,752				
Goods and services	491,610	1,712,358	517,337	1,405,279	256,473	509,482	4,892,539	4,653,619				
Amortization	30,629	4,690	149,684	270,568	146,511	21,641	623,723	561,821				
Interest	-	-	-	6,369	7,657	-	14,026	19,204				
Other	401,204	680,651	45,872	-	207,326	-	1,335,053	1,015,311				
	<u>1,929,760</u>	<u>2,847,577</u>	<u>809,793</u>	<u>1,682,216</u>	<u>703,217</u>	<u>647,879</u>	<u>8,620,442</u>	<u>7,687,707</u>				
Surplus (deficit) for the year	\$ <u>282,902</u>	\$ <u>(221,099)</u>	\$ <u>27,591</u>	\$ <u>10,489</u>	\$ <u>340,939</u>	\$ <u>(17,384)</u>	\$ <u>423,438</u>	\$ <u>1,044,943</u>				

**Municipality of the District of Digby**  
**Notes to the Consolidated Financial Statements**  
 March 31, 2023

17. Reserve funds

	Operating Surplus	Special Capital	Power Board	Sustainable Growth Fund	Doctor Recruitment	Heritage Properties	Election	Gas Tax	Trails	Lighthouses	2023 Total	2022 Total
Revenue												
Interest	\$ -	\$ 7,596	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,152	\$ -	\$ -	\$ 81,748	\$ 23,406
Grants	-	-	-	-	-	-	-	-	-	-	-	25,000
Transfers from (to) other funds	440,215	58,039	-	-	-	8,136	-	-	8,000	(10,215)	504,175	703,019
Annual (deficit) surplus	440,215	65,635	-	-	-	8,136	-	74,152	8,000	(10,215)	585,923	751,425
Accumulated surplus, beginning of year	5,010,370	1,237,970	149,379	-	200,000	23,864	28,447	102,718	66,400	64,178	6,883,326	6,131,901
Accumulated surplus, end of year	\$ 5,450,585	\$ 1,303,605	\$ 149,379	\$ -	\$ 200,000	\$ 32,000	\$ 28,447	\$ 176,870	\$ 74,400	\$ 53,963	\$ 7,469,249	\$ 6,883,326