



Consolidated Financial Statements

Town of Digby

March 31, 2023

## Contents

	<u>Page</u>
Independent Auditor's Report	1 - 2
Management's Responsibility for Financial Reporting	3
Consolidated Statement of Operations	4
Consolidated Statement of Financial Position	5
Consolidated Statement of Change in Net Financial Assets	6
Consolidated Statement of Cash Flow	7
Schedules to Consolidated Statement of Operations	8-14
Notes to the Consolidated Financial Statements	15-31

# Independent Auditor's Report

His Worship the Mayor and Members of Council of the Town of Digby

## Opinion

We have audited the consolidated financial statements of the Town of Digby ("the Town"), 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 Town of Digby as at March 31, 2023, and its results of operations, its changes in its net assets, and its 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 Town 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 8-14 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 Town'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 Town or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's 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 Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Town 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  
October 2, 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 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.

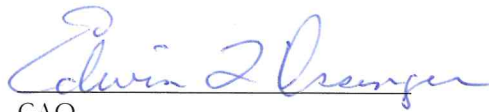
The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Council. The Council reviews internal financial statements on a monthly basis and external audited consolidated financial 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 Town 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 Town of Digby



\_\_\_\_\_  
Mayor



\_\_\_\_\_  
CAO

**Town of Digby**  
**Consolidated Statement of Operations**

Year Ended March 31

2023

2022

	<u>Page</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Revenue</b>				
Taxes	8	\$ 3,483,492	\$ 3,441,840	\$ 3,330,228
Grants in lieu of taxes	8	153,760	154,791	156,318
Services provided to other governments	8	187,124	198,265	209,497
Sales of service	8	16,300	13,574	15,866
Other revenue from own sources	9	108,733	167,201	97,349
Unconditional transfers from other governments	9	397,358	390,614	764,096
Conditional transfers from federal or provincial governments and agencies	9	16,352	158,856	49,390
Conditional transfers from other local governments	9	3,000	3,000	3000
Metered rates		530,140	503,959	522,345
Flat rates		765	765	765
Public fire protection		41,292	41,292	41,292
Private fire protection		3,250	3,250	3,250
Sprinkler service		3,800	3,799	3,798
Interest		-	67,895	16,847
Canada Community-Building Fund		164,434	164,434	336,991
Grants for capital projects		112,711	113,411	104,350
Other		40,200	58,336	42,508
		<u>5,262,711</u>	<u>5,485,282</u>	<u>5,697,890</u>
<b>Expenditures</b>				
General government services	10	845,533	830,452	778,422
Protective services	11	1,533,426	1,522,362	1,394,736
Transportation services	12	893,481	951,155	945,189
Environmental health services	12	889,254	953,444	835,055
Public health services	12	140,621	86,543	80,000
Environmental development services	13	124,875	184,192	119,303
Recreational and cultural services	13	484,144	496,097	477,937
Source of supply	13	26,845	37,036	24,588
Pumping and power	13	67,200	61,123	66,164
Water treatment	13	4,450	7,775	8,023
Transmission and distribution	13	275,053	264,986	253,054
Administration and general	14	77,748	69,592	55,891
Water amortization		138,843	137,445	145,438
Water accretion		-	2,331	-
		<u>5,501,473</u>	<u>5,604,533</u>	<u>5,183,801</u>
Annual (deficit) surplus		\$ <u>(238,762)</u>	(119,251)	514,089
Accumulated surplus, beginning of the year			<u>16,956,243</u>	<u>16,442,154</u>
Accumulated surplus, end of the year			\$ <u>16,836,992</u>	\$ <u>16,956,243</u>

See accompanying notes and schedules to the consolidated financial statements.

**Town of Digby**  
**Consolidated Statement of Financial Position**

March 31

2023

2022

**Financial Assets**

Cash and cash equivalents	\$ 1,855,934	\$ 1,658,624
Cash held in reserve (Note 3)	2,184,703	2,345,167
Receivables (Note 5)	<u>602,092</u>	<u>507,204</u>
	<u>4,642,729</u>	<u>4,510,995</u>

**Liabilities**

Tax sale surplus (Note 13)	59,801	59,801
Payables and accruals (Note 12)	683,506	654,129
Customer deposits	21,544	21,544
Accrued pension fund liability (Note 9)	42,400	52,500
Deferred revenue	539,983	104,669
Asset retirement obligation (Note 15)	120,411	-
Long term debt (Note 4)	<u>1,383,382</u>	<u>1,573,942</u>
	<u>2,851,027</u>	<u>2,466,585</u>

**Net Financial Assets**

	<u>1,791,702</u>	<u>2,044,410</u>
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**Non-Financial Assets**

General capital assets (Note 6)	10,460,429	10,354,565
Water capital assets (Note 6)	4,553,114	4,534,976
Prepaid expenses	22,652	13,768
Inventory	<u>9,095</u>	<u>8,525</u>
	<u>15,045,290</u>	<u>14,911,834</u>

**Accumulated Surplus**

	\$ <u>16,836,992</u>	\$ <u>16,956,244</u>
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Commitments and contingencies (Notes 7 and 10)

On behalf of the Town of Digby:



Mayor



CAO

See accompanying notes and schedules to the consolidated financial statements.

**Town of Digby**  
**Consolidated Statement of Change in Net Financial Assets**  
Year Ended March 31

	<b>2023</b>		<b>2022</b>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Annual (deficit) surplus	\$ (238,762)	\$ (119,251)	\$ 514,089
Acquisition of general tangible capital assets	(2,034,904)	(813,679)	(869,437)
Proceeds on disposal of general tangible capital assets	-	72,323	500
Amortization of general tangible capital assets	703,049	703,049	669,464
(Gain) loss on disposal of general tangible capital assets	-	(67,558)	2,699
Loss on disposal of water capital assets	-	-	1,502
Acquisition of water capital assets	(199,000)	(155,582)	(136,262)
Amortization of water capital assets	-	137,444	145,437
	<u>(1,769,617)</u>	<u>(243,254)</u>	<u>327,992</u>
Change in prepaid expenses	-	(8,884)	(2,421)
Change in inventory	-	(570)	(1,564)
	<u>-</u>	<u>(9,454)</u>	<u>(3,985)</u>
(Decrease) increase in net financial assets	\$ <u>(1,769,617)</u>	(252,708)	324,009
Net financial assets, beginning of year		<u>2,044,410</u>	<u>1,720,401</u>
Net financial assets, end of year		\$ <u>1,791,702</u>	\$ <u>2,044,410</u>

See accompanying notes and schedules to the consolidated financial statements.

**Town of Digby**  
**Consolidated Statement of Cash Flow**  
Year Ended March 31

	2023	2022
<b>Operating Activities</b>		
Annual (deficit) surplus	\$ (119,251)	\$ 514,089
Changes in non-cash working capital		
Amortization of general assets	703,049	669,464
Amortization of water assets	137,444	145,437
Accretion expense	3,958	-
(Gain) loss on disposal of general assets	(67,558)	2,699
Loss on disposal of water assets	-	1,502
Increase in asset retirement obligations	116,453	-
Increase in prepaid expense	(8,884)	(2,421)
Increase decrease in inventory	(570)	(1,564)
(Increase) decrease in receivables	(94,888)	341,640
Increase in tax sale surplus	-	42,541
Increase (decrease) in payables and accruals	29,377	(68,214)
Decrease in customer deposits	-	(240)
Increase (decrease) in deferred revenue	435,314	(31,514)
(Decrease) increase in accrued pension fund liability	(10,100)	2,300
	<u>1,124,344</u>	<u>1,615,720</u>
<b>Investing Activities</b>		
Proceeds on disposal of general tangible capital assets	72,323	500
Acquisition of general tangible capital assets	(813,679)	(869,437)
Acquisition of water tangible capital assets	(155,582)	(136,262)
	<u>(896,938)</u>	<u>(1,005,199)</u>
<b>Financing Activities</b>		
Repayment of long term debt	(190,560)	(199,143)
Change in net cash and cash equivalents	36,846	411,378
Cash and cash equivalents		
Beginning of year	<u>4,003,791</u>	<u>3,592,412</u>
End of year	\$ <u>4,040,637</u>	\$ <u>4,003,791</u>
Cash and cash equivalents are comprised of:		
Cash and cash equivalents	1,855,934	1,658,624
Cash held in reserve	<u>2,184,703</u>	<u>2,345,167</u>
	\$ <u>4,040,637</u>	\$ <u>4,003,791</u>

See accompanying notes and schedules to the consolidated financial statements.

**Town 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	\$ 1,939,712	\$ 1,939,323	\$ 1,808,534
Commercial property	1,057,412	1,037,596	1,037,592
Resource	8,749	8,749	9,874
Special assessments			
Environmental health services	587,994	605,392	566,028
Industrial park	72,939	72,939	49,837
Business property			
Based on revenue (Aliant)	12,336	12,336	12,966
Other taxes			
Deed transfer tax	170,000	131,155	212,536
Less: appropriation to regional centre for education	<u>(365,650)</u>	<u>(365,650)</u>	<u>(367,138)</u>
	<u>\$ 3,483,492</u>	<u>\$ 3,441,840</u>	<u>\$ 3,330,228</u>
<b>Grants in lieu of taxes</b>			
Federal government	\$ 35,584	\$ 36,727	\$ 35,794
Federal government agencies			
Canada Post	13,752	13,752	13,833
Provincial government	<u>104,424</u>	<u>104,312</u>	<u>106,691</u>
	<u>\$ 153,760</u>	<u>\$ 154,791</u>	<u>\$ 156,318</u>
<b>Services provided to other governments</b>			
Other local government			
Environmental health services	\$ 187,124	\$ 198,265	\$ 209,497
<b>Sales of service</b>			
Criminal record check	\$ 1,300	\$ 1,205	\$ 1,973
Solid waste drop off fees	9,900	7,594	9,388
Other services	<u>5,100</u>	<u>4,775</u>	<u>4,505</u>
	<u>\$ 16,300</u>	<u>\$ 13,574</u>	<u>\$ 15,866</u>

See accompanying notes and schedules to the consolidated financial statements.

**Town of Digby**  
**Schedules to Consolidated Statement of Operations**

March 31

2023

2022

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Other revenue from own sources</b>			
Licenses and permits	\$ 5,500	\$ 7,717	\$ 5,724
Fines	13,100	13,736	7,913
Rentals	41,633	37,633	41,698
Return on investments	7,000	42,467	6,089
Penalties and interest on taxes	30,000	24,779	24,461
Miscellaneous	11,500	40,869	11,463
	<u>\$ 108,733</u>	<u>\$ 167,201</u>	<u>\$ 97,349</u>
<b>Unconditional transfers from other governments</b>			
Provincial government			
Department of Transportation gasoline tax rebate	\$ 5,800	\$ 8,014	\$ 5,808
Municipal Financial Capacity and Town Foundation Grant	368,558	368,558	737,116
NS Power Inc. (HST rebate)	23,000	14,042	21,171
	<u>\$ 397,358</u>	<u>\$ 390,614</u>	<u>\$ 764,096</u>
<b>Conditional transfers from federal or provincial governments and agencies</b>			
Protective services	\$ 1,000	\$ 1,000	\$ 1,000
Federal government	9,352	112,041	10,876
Safe restart funding	-	37,315	31,514
Nova Scotia visitor information centre funding	6,000	8,500	6,000
	<u>\$ 16,352</u>	<u>\$ 158,856</u>	<u>\$ 49,390</u>
<b>Conditional transfers from other local governments</b>			
Municipality of the District of Digby - Tourist Bureau	\$ 3,000	\$ 3,000	\$ 3,000

See accompanying notes and schedules to the consolidated financial statements.

**Town 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			
Mayor			
Remuneration	\$ 28,642	\$ 28,768	\$ 27,620
Expenses	400	1,973	37
Council			
Remuneration	79,797	80,149	76,934
Expenses	11,269	6,083	3,939
General administrative			
Administrative	478,533	491,860	429,377
Financial management	24,656	25,884	24,173
Taxation			
Reduced taxation - Exemptions	19,951	17,004	17,766
Assessment services	25,825	25,825	26,501
Assessment services	-	1,015	-
Other general administrative services	81,662	80,710	84,013
Other general government services			
Conventions and delegations	6,400	7,376	5,080
Insurance	13,748	12,504	11,829
Grants to organizations and individuals	42,700	40,234	36,915
Election	3,000	3,000	3,000
Other	9,800	70,342	11,570
Amortization	17,297	17,297	16,389
Interest on debt	853	853	981
Gain on disposal of capital assets	-	(70,325)	-
Pension adjustment	1,000	(10,100)	2,300
	<u>\$ 845,533</u>	<u>\$ 830,452</u>	<u>\$ 778,422</u>

See accompanying notes and schedules to the consolidated financial statements.

**Town 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	\$ 1,008,281	\$ 1,008,107	\$ 908,050
Correctional services	25,476	25,476	25,938
Law enforcement			
Prosecuting attorney	2,000	5,291	1,230
Special constable	56,504	45,451	55,065
Other	20,581	22,504	17,032
Fire protection			
Fire station and building	47,460	39,204	42,072
Firefighting equipment	30,564	36,949	31,804
Insurance	23,755	20,087	20,650
Grants	100,000	100,000	67,500
Other	5,900	6,388	9,298
Emergency measures	5,941	5,425	5,060
Other			
Animal and pest control	3,960	3,600	4,124
Senior safety program	18,200	18,200	17,500
Surveillance camera	400	1,275	-
Protective inspection	33,372	33,372	33,372
Amortization	137,867	137,867	141,359
Gain on disposal of capital assets	-	-	-
Interest on debt	13,165	13,165	14,680
	<u>\$ 1,533,426</u>	<u>\$ 1,522,362</u>	<u>\$ 1,394,736</u>

See accompanying notes and schedules to the consolidated financial statements.

**Town of Digby**  
**Schedules to Consolidated Statement of Operations**  
Year Ended March 31

	2023		2022	
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	
<b>Transportation services</b>				
Common services				
Administration	\$ 19,274	\$ 21,854	\$	18,757
Wages and benefits	332,110	346,497	331,739	
General equipment	19,000	25,631	17,117	
Other	39,427	48,555	44,494	
Public transit	4,000	4,000	4,000	
Road transport				
Roads and streets	198,518	217,648	267,299	
Street lighting	18,400	23,848	21,398	
Traffic services	16,000	14,103	16,198	
Parking	500	-	-	
Amortization	240,057	240,057	217,409	
Loss (gain) on disposal of capital assets	-	2,767	(500)	
Interest on debt	<u>6,195</u>	<u>6,195</u>	<u>7,277</u>	
	<u>\$ 893,481</u>	<u>\$ 951,155</u>	<u>\$ 945,189</u>	
<b>Environmental health services</b>				
Sewage collection and disposal				
Sewage collection systems	\$ 131,052	\$ 186,871	\$	122,158
Sewage lift stations	32,000	33,729	28,107	
Sewage treatment and disposal	148,247	147,833	123,684	
Garbage and waste collection and disposal				
Garbage and waste collection	336,602	342,032	327,373	
Amortization	219,542	219,542	207,006	
Accretion expense	-	1,627	-	
Loss on disposal of capital assets	-	-	3,198	
Interest on debt	<u>21,811</u>	<u>21,811</u>	<u>23,531</u>	
	<u>\$ 889,254</u>	<u>\$ 953,444</u>	<u>\$ 835,055</u>	
<b>Public health services</b>				
Deficit of Digby Housing Authority	\$ 113,871	\$ 77,626	\$	80,000
Doctor recruitment	<u>26,750</u>	<u>8,917</u>	<u>-</u>	
	<u>\$ 140,621</u>	<u>\$ 86,543</u>	<u>\$ 80,000</u>	

See accompanying notes and schedules to the consolidated financial statements.

**Town 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 development services</b>			
Environment planning and zoning	\$ 21,900	\$ 26,031	\$ 12,816
Other environment development			
Tourism	54,991	52,499	52,477
Other	3,304	39,966	2,029
Industrial commission	20,000	20,000	20,000
Community development			
Transfer to WREN	17,100	17,756	17,011
Other	2,000	22,360	9,391
Amortization	5,580	5,580	5,580
	<u>\$ 124,875</u>	<u>\$ 184,192</u>	<u>\$ 119,303</u>
<b>Recreational and cultural services</b>			
Administration	\$ 318,181	\$ 318,075	\$ 304,532
Parks, playgrounds, and sports fields	26,000	46,519	37,487
Cultural buildings	19,000	19,323	21,014
Library	20,000	11,003	18,710
Regional library	16,700	16,700	12,703
Other	-	215	-
Amortization	82,705	82,705	81,720
Interest on debt	1,558	1,558	1,772
	<u>\$ 484,144</u>	<u>\$ 496,097</u>	<u>\$ 477,937</u>
<b>Source of supply</b>			
Repairs and maintenance	\$ 26,845	\$ 37,036	\$ 24,588
<b>Power and pumping</b>			
Power	\$ 67,200	\$ 61,123	\$ 64,662
Loss on disposal of capital assets	-	-	1,502
	<u>\$ 67,200</u>	<u>\$ 61,123</u>	<u>\$ 66,164</u>
<b>Water treatment</b>			
Power	\$ 1,500	\$ 4,809	\$ 4,539
Repairs and maintenance	2,950	2,966	3,484
	<u>\$ 4,450</u>	<u>\$ 7,775</u>	<u>\$ 8,023</u>
<b>Transmission and distribution</b>			
Maintenance of mains	\$ 71,000	\$ 62,092	\$ 87,065
Wages, benefits and insurance	194,653	180,547	158,959
Operating supplies	5,300	9,822	6,761
Maintenance of meters and hydrants	4,100	12,525	269
	<u>\$ 275,053</u>	<u>\$ 264,986</u>	<u>\$ 253,054</u>

See accompanying notes and schedules to the consolidated financial statements.

**Town of Digby**  
**Schedules to Consolidated Statement of Operations**  
Year Ended March 31

	2023		2022
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Administration and general</b>			
Audit and legal	\$ 4,650	\$ 3,129	\$ 3,004
Uncollectible accounts	6,400	5,116	4,655
Miscellaneous general expenses	28,220	21,308	13,119
Building repairs and maintenance	3,600	3,506	3,610
Consumer billing and accounting	28,478	28,962	25,857
General office expenditures	6,400	7,571	5,647
	<u>\$ 77,748</u>	<u>\$ 69,592</u>	<u>\$ 55,891</u>

See accompanying notes and schedules to the consolidated financial statements.

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**Town 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 Town of Digby are prepared by management in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Town are as follows:

**Reporting entity**

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in 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 Town and which are owned or controlled by the Town.

Interdepartmental and organizational transactions and balances are eliminated.

**Budget**

The budget was approved by the Mayor and Council on June 6, 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.

**Valuation allowance**

*Uncollected taxes and rates*

The Town provides a valuation allowance for estimated losses that will be incurred in collecting receivables outstanding through specific account identification.

In the Water Utility, a valuation allowance is provided for estimated losses that will be incurred in collecting rates receivable outstanding.

**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 Town'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.

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

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

**Revenue recognition**

(a) Tax revenue is property tax billings which are prepared by the Town based on assessment rolls issued by Property Valuation Services Corporation. Tax rates are established annually by Town 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 Town is entitled to collect interest on overdue taxes and is recorded in the period the interest is levied. Annual garbage collection rates are established by Town Council and collected with the property tax billings.

(b) Revenue from Government Grants without eligibility criteria or stipulations is recognized as revenue by the Town when the transfer is authorized. Revenue with eligibility criteria is recognized as revenue by the Town when the transfer is authorized and all eligibility criteria have been met. Revenue with stipulations is recognized as revenue by the Town when the transfer is authorized and all stipulations have been met.

(c) Water and sewer rates are established by the Digby Water Commission per consumption rate of 1,000 imperial gallons. A base rate is also charged bi-monthly to water accounts based on the size of meter at a given property. Meters are read bi-monthly, at which time the associated revenues are recorded.

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

**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 Town 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 Town 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 Town regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Town 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 Town is not exposed to significant interest or credit risk arising from financial instruments.

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

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

**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>
Land improvements	25 years
Municipal buildings	40 years
Buildings and plants	10-40 years
Electronic data equipment	5 years
Small equipment	5 years
Machinery and equipment	10 years
Vehicles	5 years
Streets, roads and curbs	30 years
Traffic and street lights	10-25 years
Sidewalks	15-25 years
Sanitary sewer lines and wastewater lagoons	50 years
Storm drains	25 years
Reservoir, source of supply intake and structures	75 years
Chlorine plant and other	20 years
Purification, transmission and distribution equipment and meters	20 years
Transmission and distribution mains	75 years
Services and hydrants	50 years

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 Town 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.

**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 Town 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 Town for specific projects and are approved by council.

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

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

**Liability for contaminated sites**

Contaminated sites are a result of contamination being introduced into the air, soil, water or sediment of a chemical. Organic or radioactive material or live organism that exceeds an environmental standard. The liability would be recorded net of any expected recoveries. A liability for remediation of contaminated sites would be recognized when all the following criteria are met:

- I. An environmental standard exists;
- II. Contamination exceeds the environmental standard;
- III. The Town of Digby:
  - a. Is directly responsible; or
  - b. Accepts responsibility; and
- IV. A reasonable amount of the estimate can be made.

**Related party transactions**

The Town 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 Town 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 Town 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 wells and transfer station facility has been recognized based on estimated future expenses. The liability associated with the remediation of contaminants present within land owned by the Town 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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**Town 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 Town 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 Town recognized an asset retirement obligation upon the adoption of PS 3280 on April 1, 2022. The liability represents the required closure and decommissioning of wells and transfer station facility. The assets have expected useful lives ranging from 13-59 years. As of the date of adoption of the standard, the relevant discount rates on tangible assets was 3.4% 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 \$116,453, representing the original \$174,616 obligation discounted to the present value using a discount rate of 3.4% 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 Town 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 Town's accounting policy choices.

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

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

**3. Cash held in reserve**

Cash held in reserve consists of \$1,088,258 (\$1,293,991 – 2022) in General Reserve Funds and \$1,096,445 (\$1,051,176 – 2022) in Water Reserve Funds for a total of \$2,184,703 (\$2,345,167 – 2022). Use of any of these funds is subject to approval by Council.

**4. Long term debt**

	Due	Balance March 31, 2022	Repaid	Issued	Balance March 31, 2023	Interest	Interest Rate
Common services M.F.C. Serial debenture	2025	14,084	4,695	-	<b>9,389</b>	427	2.873% - 3.190%
Common services M.F.C. Serial debenture	2026	200,528	20,053	-	<b>180,475</b>	7,947	3.766% - 4.026%
Common services M.F.C. Serial debenture	2026	109,504	21,901	-	<b>87,603</b>	2,411	1.854% - 2.506%
Common services M.F.C. Serial debenture	2027	139,377	23,230	-	<b>116,147</b>	2,970	1.860% - 2.653%
Common services M.F.C. Serial debenture	2028	435,014	36,252	-	<b>398,762</b>	13,864	2.812% - 3.489%
Common services M.F.C. Serial debenture	2029	675,435	84,429	-	<b>591,006</b>	15,962	2.129% - 2.561%
		<b>\$ 1,573,942</b>	<b>190,560</b>	<b>-</b>	<b>\$ 1,383,382</b>	<b>\$ 43,581</b>	

Principal repayments during next five years are due as follows:

2024	\$190,560
2025	\$190,560
2026	\$185,865
2027	\$185,865
2028	\$163,964

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

**5. Receivables**

**Taxes receivable**

			<u>2023</u>	<u>2022</u>
	Current Year	Prior Year	Total	Total
Balance, beginning of year	\$ -	\$ 157,664	\$ 157,664	\$ 221,493
Current year's levy	3,343,228	-	3,343,228	3,212,507
	<u>3,343,228</u>	<u>157,664</u>	<u>3,500,892</u>	<u>3,434,000</u>
Deduct				
Current year's collection	(3,179,839)	(134,494)	(3,314,333)	(3,276,336)
Balance, end of year	\$ <u>163,389</u>	\$ <u>23,170</u>	<u>186,559</u>	<u>157,664</u>
Add interest			<u>11,614</u>	<u>7,920</u>
			<b>198,173</b>	165,584
<b>Other receivables</b>				
HST			<b>34,867</b>	31,348
Federal government - Conditional transfers			<b>47,560</b>	-
Provincial government and its agencies				
Conditional transfers			<b>17,899</b>	31,955
The Municipality of the District of Digby			<b>19,837</b>	41,012
Digby Area Recreation Commission			<b>16,644</b>	22,191
Other			<b>78,453</b>	56,859
Water rates (net of allowance of \$72,065, 2022- \$66,949)			<b>188,659</b>	158,255
			<u>\$ 602,092</u>	<u>\$ 507,204</u>

**Town of Digby**  
**Notes to the Consolidated Financial Statements**

March 31, 2023

**6. Tangible Capital Assets**

	Opening Cost	Additions	Disposals	Ending Cost	Opening Accumulated Amortization	Adjustments	Amortization	Ending Accumulated Amortization	2023 Net Book Value	2022 Net Book Value
<b>General Capital</b>										
Land	\$ 613,293	\$ 26,928	(2,000)	\$ 638,221	-	-	-	-	\$ 638,221	\$ 613,293
Land improvements	1,795,360	-	-	1,795,360	1,586,853	-	44,748	1,631,601	163,759	208,507
Municipal buildings	1,418,723	295,838	(4,427)	1,710,134	676,606	(1,660)	41,685	716,631	993,503	742,117
Buildings - plant	3,844,143	2,925	-	3,847,068	2,224,994	-	97,622	2,322,616	1,524,452	1,619,149
Buildings - plant - ARO	-	47,861	-	47,861	-	-	3,682	3,682	44,179	-
Electronic data equipment	45,629	10,364	-	55,993	42,512	-	3,118	45,630	10,363	3,117
Small equipment	39,223	-	-	39,223	39,223	-	-	39,223	-	-
Machinery and equipment	3,612,772	96,347	(11,624)	3,697,495	2,332,371	(11,624)	213,810	2,534,557	1,162,938	1,280,401
Vehicles	218,539	-	-	218,539	177,398	-	20,571	197,969	20,570	41,141
Streets, roads and curbs	2,706,089	234,512	-	2,940,601	1,172,018	-	81,681	1,253,699	1,686,902	1,534,071
Traffic and street lights	395,997	13,055	-	409,052	203,037	-	24,667	227,704	181,348	192,960
Sidewalks	1,466,918	85,849	-	1,552,767	698,295	-	55,522	753,817	798,950	768,623
Sewer lines	3,525,131	-	-	3,525,131	1,337,971	-	70,503	1,408,474	2,116,657	2,187,160
Storm drains	694,473	-	-	694,473	456,609	-	23,007	479,616	214,857	518,308
Wastewater lagoons	1,121,672	-	-	1,121,672	195,507	-	22,433	217,940	903,732	645,720
	<u>\$ 21,497,962</u>	<u>\$ 813,679</u>	<u>\$ (18,051)</u>	<u>\$ 22,293,590</u>	<u>\$ 11,143,396</u>	<u>\$ (13,284)</u>	<u>\$ 703,049</u>	<u>\$ 11,833,161</u>	<u>\$ 10,460,429</u>	<u>\$ 10,354,565</u>

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

6. Tangible Capital Assets (continued)

	Opening Cost	Additions	Disposals	Ending Cost	Opening Accumulated Amortization	Adjustments	Amortization	Ending Accumulated Amortization	2023 Net Book Value	2022 Net Book Value
<b>Water Utility</b>										
Land and land rights										
Source of supply	\$ 44,051	\$ -	\$ -	\$ 44,051	\$ -	\$ -	\$ -	\$ -	\$ 44,051	\$ 44,051
Mount Pleasant	163,708	-	-	163,708	-	-	-	-	163,708	163,708
Crawford Road	4,000	-	-	4,000	-	-	-	-	4,000	4,000
Reservoirs										
Town	585,275	-	-	585,275	486,162	-	9,579	495,741	89,534	99,113
Structures										
Source of supply	944,143	27,850	-	971,993	836,878	-	11,034	847,912	124,081	107,265
Source of supply - ARO	-	68,592	-	68,592	-	-	1,358	1,358	67,234	-
Power and pumping	23,154	-	-	23,154	23,154	-	-	23,154	-	-
Chlorine plant	353,153	13,244	-	366,397	117,750	-	6,674	124,424	241,973	235,403
Equipment										
Electrical pumping	242,224	-	-	242,224	222,554	-	3,837	226,391	15,833	19,670
Purification	132,069	-	-	132,069	111,200	-	8,087	119,287	12,782	20,869
Computer	186,001	-	-	186,001	186,001	-	-	186,001	-	-
Water Testing	59,204	-	-	59,204	59,204	-	-	59,204	-	-
Mains										
Transmission	1,246,714	-	-	1,246,714	502,960	-	16,291	519,251	727,463	743,754
Distribution	3,894,160	45,896	-	3,940,056	1,234,003	-	64,605	1,298,608	2,641,448	2,660,157
Services	177,289	-	-	177,289	40,941	-	3,472	44,413	132,876	136,348
Meters	309,256	-	-	309,256	269,983	-	4,792	274,775	34,481	39,273
Hydrants	62,791	-	-	62,791	19,772	-	782	20,554	42,237	43,019
Vehicles	31,515	-	-	31,515	25,212	-	6,303	31,515	-	6,303
Other	90,225	-	-	90,225	88,372	-	630	89,002	1,223	1,853
Depreciation deferral	-	-	-	-	(210,162)	-	-	(210,162)	210,162	210,162
	<u>\$ 8,548,958</u>	<u>\$ 155,582</u>	<u>\$ -</u>	<u>\$ 8,704,540</u>	<u>\$ 4,013,982</u>	<u>\$ -</u>	<u>\$ 137,444</u>	<u>\$ 4,151,426</u>	<u>\$ 4,553,114</u>	<u>\$ 4,534,976</u>

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

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**7. Commitments**

**Organizations in which the Town of Digby contributes**

The Town of Digby is required to contribute to the operations of various boards and commissions, along with other municipal units.

**Digby Housing Authority**

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

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

The Town of Digby's net share of the 2023 operating deficit of the Digby Housing Authority which has been included in current expenditures was \$77,626 (2022 - \$80,000).

**Digby Development Agency**

During the year ended March 31, 2023, the Town of Digby paid \$20,000 (2022 - \$20,000) as its share of operations for the Joint Industrial Commission.

**Digby and Area Recreation Facility**

During the year ended March 31, 2023, the Town of Digby contributed \$316,981 (2022 - \$303,498) as its share of operations for the Digby and Area Recreation Facility.

**Western Region Solid Waste Resource Management Authority (Waste Check)**

During the year ended March 31, 2023, the Town of Digby contributed \$5,313 (2022 - \$5,400) as its share of the operation of the Western Region Solid Waste Resource Management Authority.

**Western Regional Enterprise Network**

During the year ended March 31, 2023, the Town of Digby contributed \$17,756 (2022 - \$17,011) to the Western Regional Enterprise Network.

**Digby Area Senior Safety Society**

During the year ended March 31, 2023, the Town of Digby contributed \$18,200 (2022 - \$17,500) to the Digby Area Senior Safety Society.

**Provincial police service agreement**

The Town of Digby has entered into an agreement with the Province of Nova Scotia to receive RCMP policing services for the period April 1, 2012 to March 31, 2032. The Town of Digby will be responsible for 70% of the cost to provide and maintain the service, which is calculated based on the number of RCMP members and other services required. 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 Town of Digby has entered into a contract with Digby Salvage and Disposal to collect and transport the Town's solid waste. The contract is effective April 1, 2021 to March 31, 2026 with a cost of \$10,866 per month with an increase of 5% each year.

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

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**7. Commitments (continued)**

**Solid waste disposal**

Effective January 1, 2006 to March 31, 2027, the Town has entered into an agreement with the Region of Queens Municipality to process solid waste provided by the Town. The costs for 1<sup>st</sup> and 2<sup>nd</sup> generation solid waste are \$48.50 and \$67.50 per tonne respectively. Commencing April 1, 2007, Queens can increase the cost once per annum equal to the percent increase in the preceding 10 year average consumer price index for Nova Scotia or an actual percent increase due to significant regulatory changes beyond the control of the parties.

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**8. Rate of return on rate base**

For the year ended March 31, 2023, the Water Utility had a rate of return on rate base of 1.48% (2022 – 1.52%).

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

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**9. Pension plans**

The Town 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 Town. The pension expense for the year was \$55,324 (2022 - \$56,341), which is recorded in their respective areas.

The Town contributed to the Municipal Clerk Pension Plan, a multi-employer defined benefit plan whereby a former employee receives a monthly pension. Actuarial valuations for accounting purposes are performed triennially using the going concern basis. The most recent actuarial valuation was prepared at January 1, 2021 and at that time the pension plan had a deficit of \$40,000. The actuarial valuation was based on a number of assumptions about future events.

The Town's actuary performed an extrapolation of the January 1, 2021 valuation to determine the position of the plan as at March 31, 2023. The deficit is estimated to be \$42,400 (2022 - \$52,500).

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**10. Contingencies**

The Town 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 in the past and management expects that there will be no payment for these guarantees in the future.

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**11. Other Matters**

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

<u>Council</u>	<u>Remuneration</u>	<u>Expenses</u>
Bartlett, M.	\$ 21,280	\$ 1,410
Cleveland, B.	28,768	1,973
McCormick, W	19,623	117
Saulnier, P	19,623	117
Turnbull, P	19,623	117
<u>Senior Management</u>		
CAO	\$ 107,360	\$ 1,459

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

**12. Payables and accruals**

Payables and accruals include government remittances (other than income taxes) totalling \$Nil as of March 31, 2023 (2022 - \$Nil).

	<u>2023</u>	<u>2022</u>
Trade	\$ 159,328	\$ 183,116
Employee	277,895	250,170
Other	<u>246,283</u>	<u>220,842</u>
	<u>\$ 683,506</u>	<u>\$ 654,129</u>

**13. Tax sale surplus**

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

**14. Credit facilities**

The Town has an authorized line of credit of \$650,000 with the Bank of Nova Scotia, which bears interest at prime minus 0.75% per annum. At year end, they have drawn \$NIL (2022 – \$NIL). Security for the line of credit is a registered borrowing resolution.

**15. Asset retirement obligation**

The Town's asset retirement obligation consists of the liability for the decommissioning of wells, and closure and decommissioning of transfer station. Closure is required to meet environmental standards, and therefore there is a legal obligation for decommissioning. Following the adoption of PS 3280 - Asset retirement obligations, the Town recognized an obligation relating to this decommissioning and remediation as estimated at April 1, 2022. These assets have remaining useful lives of 13-59 years. Estimated costs have been discounted to the present value using a discount rate of 3.4% 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	116,453	-
Settlement	-	-
Accretion expense	<u>3,958</u>	-
Closing balance	<u>\$ 120,411</u>	<u>\$ -</u>

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

**16. 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 has 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 financial statements:

	Approved Fiscal Plan	Adjustments for PSA	Fiscal Plan Per Financial Statements
<b>Revenues</b>			
Taxes	\$ 3,527,503	\$ (44,011)	\$ 3,483,492
Grants in lieu of taxes	153,760	-	153,760
Services provided to other governments	187,124	-	187,124
Sales of service	163,958	(147,658)	16,300
Other revenue from own sources	123,933	(15,200)	108,733
Unconditional transfers from other governments	397,358	-	397,358
Conditional transfers from federal or provincial governments and agencies	16,352	-	16,352
Conditional transfers from other local governments	3,000	-	3,000
Metered rates	530,140	-	530,140
Flat rates	765	-	765
Public fire protection	239,057	(197,765)	41,292
Private fire protection	3,250	-	3,250
Sprinkler service	3,800	-	3,800
Canada Community-Building Fund	-	164,434	164,434
Grants for capital projects	-	112,711	112,711
Other	40,200	-	40,200
	<u>5,390,200</u>	<u>(127,489)</u>	<u>5,262,711</u>
<b>Expenditures</b>			
General government services	828,236	17,297	845,533
Protective services	1,593,324	(59,898)	1,533,426
Transportation services	653,424	240,057	893,481
Environmental health services	669,712	219,542	889,254
Public health services	140,621	-	140,621
Environmental development services	119,295	5,580	124,875
Recreational and cultural services	401,439	82,705	484,144
Source of supply	26,845	-	26,845
Pumping and power	67,200	-	67,200
Water treatment	4,450	-	4,450
Transmission and distribution	290,253	(15,200)	275,053
Administration and general	269,417	(191,669)	77,748
Water amortization	138,843	-	138,843
	<u>5,203,059</u>	<u>298,414</u>	<u>5,501,473</u>
Annual surplus	\$ <u>187,141</u>	\$ <u>(425,903)</u>	\$ <u>(238,762)</u>

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

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**17. Segmented Information**

The Town of Digby is a diversified municipal unit that provides a wide range of services to its citizens. For

Municipal services are provided by departments and their activity is reported in these funds. The services provided

General Government Services

This department is responsible for the overall financial and local government administration. Its tasks include tax, water and sewer 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 fire protection.

Transport Services

This department is responsible for transportation services within the Town. Its tasks include maintaining roads and sidewalks, and street lighting.

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.

Public Health Services

This department is responsible for their portion for the Digby Housing Authority deficit and contributions towards doctor recruitment.

Environmental Development Services

This department is responsible for the planning and development within the Town. 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 Town's residents.

Digby Water Commission

This department is responsible for the maintenance and operations of water services provided to residents and other customers. Operations are segmented by Source of Supply, Power and Pumping, Water Treatment, Transmission and Distribution, and Administration & General.

**Town of Digby**  
**Notes to the Consolidated Financial Statements**

March 31, 2023

**17. Segmented Information - Town of Digby**

	General Government Services		Protective Services		Transportation Services		Environmental Health Services		Public Health Services		Environmental Development Services		Recreation and Cultural Services		2023 Consolidated		2022 Consolidated	
<b>Revenue</b>																		
Taxes	\$	592,546	\$	1,074,618	\$	626,147	\$	623,185	\$	98,547	\$	87,512	\$	339,285	\$	3,441,840	\$	3,330,228
Grants in lieu of taxes		26,648		48,329		28,160		28,027		4,432		3,936		15,259		154,791		156,319
Services provided to other governments		-		-		-		198,265		-		-		-		198,265		209,497
Sales of services		-		-		-		-		-		13,574		-		13,574		15,866
Other revenue from own sources		153,465		13,736		-		-		-		-		-		167,201		97,349
Unconditional transfers from other governments		67,248		121,958		71,061		70,725		11,184		9,932		38,506		390,614		764,094
Conditional transfers from federal or provincial governments and agencies		149,356		1,000		-		-		-		-		8,500		158,856		49,390
Conditional transfers from other local governments		-		-		-		-		-		-		3,000		3,000		3,000
Interest		31,801		-		-		-		-		-		-		31,801		8,837
CCBF		-		-		-		164,434		-		-		-		164,434		336,991
Grants for capital projects		-		-		-		112,711		-		-		700		113,411		104,350
		<u>1,021,064</u>		<u>1,259,641</u>		<u>725,368</u>		<u>1,197,347</u>		<u>114,163</u>		<u>114,954</u>		<u>405,250</u>		<u>4,837,787</u>		<u>5,075,921</u>
<b>Expenditures</b>																		
Salaries and benefits		600,777		45,451		368,351		100,797		-		41,200		-		1,156,576		1,072,765
Goods and services		218,126		29,076		336,551		-		86,543		137,412		411,834		1,219,542		1,104,785
Amortization		17,297		137,867		240,057		1,627		-		5,580		82,705		485,133		669,463
Interest		853		13,165		6,195		21,811		-		-		1,558		43,582		48,241
Other		(6,601)		1,296,802		-		829,028		-		-		-		2,119,229		1,735,388
		<u>830,452</u>		<u>1,522,361</u>		<u>951,154</u>		<u>953,263</u>		<u>86,543</u>		<u>184,192</u>		<u>496,097</u>		<u>5,024,062</u>		<u>4,630,642</u>
Surplus (deficit) for the year	\$	<u>190,612</u>	\$	<u>(262,720)</u>	\$	<u>(225,786)</u>	\$	<u>244,084</u>	\$	<u>27,620</u>	\$	<u>(69,238)</u>	\$	<u>(90,847)</u>	\$	<u>(186,275)</u>	\$	<u>445,279</u>

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

**17. Segmented Information - Digby Water Commission**

	Source of Supply	Power and Pumping	Water Treatment	Transmission and Distribution	Admin & General	2023 Consolidated	2022 Consolidated
<b>Revenue</b>							
Metered rates	\$ 29,978	\$ 75,042	\$ 4,969	\$ 307,150	\$ 86,820	\$ 503,959	\$ 522,344
Flat rates	46	114	8	466	131	765	765
Public fire protection	2,456	6,149	407	25,166	7,114	41,292	41,293
Private fire protection	193	484	32	1,981	560	3,250	3,250
Sprinkler service	227	566	37	2,315	654	3,799	3,799
Interest	-	-	-	-	36,094	36,094	8,010
Other	-	-	-	-	58,336	58,336	42,508
	<u>32,900</u>	<u>82,355</u>	<u>5,453</u>	<u>337,078</u>	<u>189,709</u>	<u>647,495</u>	<u>621,969</u>
<b>Expenditures</b>							
Salaries and benefits	-	-	-	180,547	-	180,547	158,959
Goods and services	37,036	61,123	7,775	84,439	-	190,373	192,870
Amortization	-	-	-	-	137,445	137,445	145,438
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	71,923	71,923	55,891
	<u>37,036</u>	<u>61,123</u>	<u>7,775</u>	<u>264,986</u>	<u>209,368</u>	<u>580,288</u>	<u>553,158</u>
Surplus (deficit) for the year	\$ <u>(4,136)</u>	\$ <u>21,232</u>	\$ <u>(2,322)</u>	\$ <u>72,092</u>	\$ <u>(19,659)</u>	\$ <u>67,207</u>	\$ <u>68,811</u>