

TOWN OF OXFORD

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

TOWN OF OXFORD
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MARCH 31, 2020

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Consolidated Financial Statements
March 31, 2020

Management's Responsibility for the Consolidated Financial Statements

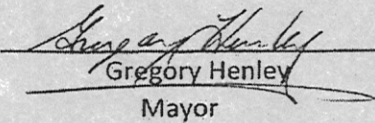
The accompanying consolidated financial statements for the Town of Oxford are the responsibility of the Town's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada ("CPA"). A summary of the significant accounting policies is described in Note 1 to the consolidated financial statements. The preparation of 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.

The Town's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The audit committee meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by Jorgensen & Bickerton Inc., independent external auditors appointed by the Town. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.

Oxford, Nova Scotia
January 11, 2021


Gregory Henley
Mayor

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of Town of Oxford

Opinion

We have audited the consolidated financial statements of Town of Oxford (the Town), which comprise the consolidated statement of operations and accumulated surplus, and the consolidated statements of financial position, changes in net debt and cash flow as at March 31, 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Town as at March 31, 2020, and the consolidated results of its operations and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Town in accordance with 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 in the Schedules is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, 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 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.

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

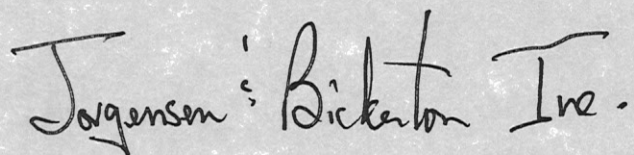
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not 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.

Amherst, Nova Scotia
January 11, 2021



Jorgensen & Bickerton Inc.
Chartered Professional Accountants

Town of Oxford
Consolidated Statement of Operations and Accumulated Surplus

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Year Ended March 31		2020	2019
	Budget (unaudited)	Actual	Actual
Revenue			
Taxes	\$ 1,739,612	\$ 1,738,835	\$ 1,725,099
Payments in lieu of taxes	48,456	50,918	46,995
Services provided to other governments	57,658	57,452	56,215
Sales of services	57,100	48,711	53,551
Other revenue from own sources	86,500	112,979	104,245
Unconditional transfers from other governments	181,828	181,828	181,776
Conditional transfers from other governments	181,467	227,015	255,764
Water rates	414,488	471,669	408,575
Cumberland Joint Services Management Authority	42,628	62,370	19,001
	<u>2,809,737</u>	<u>2,951,777</u>	<u>2,851,221</u>
Expenditures			
General government services	394,910	451,608	348,003
Protective services	693,772	752,179	718,892
Transportation services	460,256	468,871	496,674
Environmental health services	266,954	285,713	267,710
Environmental development services	62,700	63,914	53,263
Public health services	42,537	39,933	41,821
Recreation and cultural services	290,591	334,058	286,040
Water utility	386,732	405,525	387,435
Cumberland Joint Services Management Authority	36,755	16,321	3,703
	<u>2,635,207</u>	<u>2,818,122</u>	<u>2,603,541</u>
Annual surplus (deficit)	<u>\$ 174,530</u>	<u>133,655</u>	<u>247,680</u>
Accumulated surplus, beginning of year		<u>7,649,800</u>	<u>7,402,120</u>
Accumulated surplus, end of year		<u>\$ 7,783,455</u>	<u>\$ 7,649,800</u>

See accompanying notes to the consolidated financial statements

Town of Oxford
Consolidated Statement of Financial Position

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March 31	2020	2019
Financial Assets		
Cash and cash equivalents (Note 3)	\$ 167,475	\$ 715,305
Receivables (Note 4)	<u>380,238</u>	<u>384,884</u>
	<u>547,713</u>	<u>1,100,189</u>
Financial Liabilities		
Short term borrowings (Note 5)	45,224	419,617
Payables and accruals	147,077	106,429
Long term debt (Note 10)	<u>1,407,759</u>	<u>1,779,980</u>
	<u>1,600,060</u>	<u>2,306,026</u>
Net Debt	<u>(1,052,347)</u>	<u>(1,205,837)</u>
Non-financial Assets		
Inventory	29,874	29,037
Capital assets (Note 9)	8,556,443	8,651,330
Equity in CJSMA (Note 7)	191,566	145,494
Prepaid expenses	<u>57,919</u>	<u>29,776</u>
	<u>8,835,802</u>	<u>8,855,637</u>
Accumulated Surplus	<u>\$ 7,783,455</u>	<u>\$ 7,649,800</u>

See accompanying notes to the consolidated financial statements

Town of Oxford
Consolidated Statement of Changes in Net Debt

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Year Ended March 31	2020 <u>Actual</u>	2019 <u>Actual</u>
Annual surplus	\$ 133,655	\$ 247,680
Acquisition of capital assets	(301,015)	(247,068)
Amortization of capital assets	395,903	390,447
Change in equity in CJSMA	(46,072)	(15,298)
Change in inventory	(837)	-
Change in prepaid expenses	<u>(28,144)</u>	<u>(4,616)</u>
Change in net debt	153,490	371,145
Net debt		
Beginning of year	<u>(1,205,837)</u>	<u>(1,576,982)</u>
End of year	<u>\$ (1,052,347)</u>	<u>\$ (1,205,837)</u>

See accompanying notes to the consolidated financial statements

Town of Oxford
Consolidated Statement of Cash Flow

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Year Ended March 31	2020	2019
	<u>Actual</u>	<u>Actual</u>
Operating activities		
Annual surplus	\$ 133,655	\$ 247,680
Amortization of capital assets	395,903	390,447
Change in non-cash assets and liabilities		
Decrease (increase) in		
Receivables	4,646	(194,728)
Inventory	(837)	-
Prepaid expenses	(28,144)	(4,616)
Increase (decrease) in		
Payables and accruals	40,648	(83,607)
Deferred revenue	-	(6,300)
	<u>545,871</u>	<u>348,876</u>
Investing activities		
Acquisition of capital assets	(301,015)	(247,068)
Change in equity in CJSMA	(46,072)	(15,298)
	<u>(347,087)</u>	<u>(262,366)</u>
Financing activities		
Issuance of long term debt	-	99,000
Repayment of long term debt	(372,221)	(357,979)
	<u>(372,221)</u>	<u>(258,979)</u>
Net increase (decrease) in cash and cash equivalents	(173,437)	(172,469)
Cash and cash equivalents, net of short term borrowings		
Beginning of year	<u>295,688</u>	<u>468,157</u>
End of year	<u>\$ 122,251</u>	<u>\$ 295,688</u>
Cash consists of:		
Balances in bank	\$ 167,475	\$ 715,305
Overdraft	(45,224)	(419,617)
	<u>\$ 122,251</u>	<u>\$ 295,688</u>

See accompanying notes to the consolidated financial statements

Town of Oxford
Capital Projects Funding
Year ended March 31, 2020

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	<u>Budget</u>	<u>Actual</u>	<u>Operations</u>	<u>Contributed</u>	<u>Gas Tax</u>	<u>Provincial Grant</u>	<u>County Grant</u>	<u>Firefighters' Association</u>	<u>Debt</u>	<u>Depreciation</u>
<u>General</u>										
Town Suite Software	\$ 34,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Arena Energy Projects	62,000	-	-	-	-	-	-	-	-	-
Paving	80,000	82,150	-	-	82,150	-	-	-	-	-
Arena (small projects)	<u>16,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>192,450</u>	<u>82,150</u>	<u>-</u>	<u>-</u>	<u>82,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Water</u>										
Black River Crossing	220,000	166,293	-	-	-	-	-	-	-	166,293
Generator Shed - Well	-	8,594	-	-	-	-	-	-	-	8,594
Pugwash Road Reservoir	15,000	31,589	-	-	-	-	-	-	-	31,589
Main Street Renewal	<u>205,000</u>	<u>12,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,389</u>
	<u>440,000</u>	<u>218,865</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>218,865</u>
Total	<u>\$ 632,450</u>	<u>\$ 301,015</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218,865</u>

See accompanying notes to the consolidated financial statements

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Town of Oxford are the representations of management prepared in accordance with Generally Accepted Accounting Principles for local governments as established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada).

The focus of PSAB financial statements is on the financial position of the Town of Oxford and the changes thereto. The Consolidated Statement of Financial Position includes all of the assets and liabilities of the Town of Oxford.

Significant aspects of the accounting policies adopted by the Town are as follows:

a) Reporting entity

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

- General Operating and Capital Fund
- Water Utility Operating and Capital Fund
- Special Reserve Funds - Gas Tax, Capital, and Operating
- Cumberland Joint Services Management Authority (Note 7)

For consolidation purposes, inter-departmental and inter-organizational transactions and balances have been eliminated.

b) Fund accounting

Operating funds reflect the financial activities associated with the provision of municipal government services. Capital funds reflect the financial activities associated with the acquisition, construction and funding of tangible capital assets. Reserve funds reflect amounts held to finance future operating or capital activities.

c) Use of estimates

In preparing the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and reported amounts of revenue and expenditures. Actual amounts could differ from these estimates.

d) Valuation allowance

Uncollected taxes and rates

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

e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks and bank overdrafts. Bank borrowings are considered to be financing activities.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Financial instruments

The Town's financial instruments include cash and cash equivalents, receivables, payables and accruals, short term debt and long term debt. It is management's opinion that the Town is not exposed to significant interest or currency risks arising from financial instruments.

The Town is subject to credit risk with respect to taxes receivable to which the Town provides services. An individual may experience financial difficulty and be unable to fulfil their obligations. The large number and diversity of tax payers and customers minimizes the credit risk as does the Town's collection policy.

The carrying value of financial instruments approximates fair value.

g) Revenue and expenditure recognition

Revenues are recorded using the accrual basis of accounting as they are earned and measurable. Expenditures are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation. Principal payments relating to long term debt are recognized as an expense when paid.

i) Taxation and related revenue

Property tax revenue is based on assessment as determined by Property Valuation Services Corporation. Tax rates are set annually. Taxation revenues are recorded at the time tax billings are issued (twice annually). Assessments are subject to appeal. Penalties on overdue taxes are recorded in the period levied.

ii) Government transfers

Transfers from other governments are recognized in the period in which all eligibility criteria and/or stipulations have been met and the amounts are authorized. Any funding received prior to satisfying these conditions is deferred until the conditions have been met. When revenue is received without eligibility criteria or stipulations, it is recognized when the transfers are authorized by the other governments.

iii) Other revenues

Other revenues are recognized as services or goods are provided, the exchange amount is measurable and collectibility of the amount is reasonably assured.

h) Tangible capital assets

Tangible capital assets and projects in progress are recorded at cost. Interest incurred during construction on significant projects is recorded as part of the cost of the project asset.

Amortization of general capital assets is recorded in the financial statements on a straight line basis over an asset's estimated useful life as noted below. Amortization is not recorded on work in progress until put into use by the Town.

Engineered structures - sewers	15 - 50
Buildings	10 - 40
Roads and streets	30
Land improvements	15
Sidewalks	25
Vehicles and equipment	5 - 15
Street lights	30

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Tangible capital assets

Amortization of capital assets used by the Oxford Water Utility is recorded as prescribed by the Nova Scotia Utility and Review Board and must be funded with financial assets.

Structures and improvements	1.3%
Mains	1.3%
Services	2.0%
Meters	5.0%
Hydrants	1.3%
Equipment	10.0%
Vehicles	10.0%

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

j) Leases

Leases are recorded as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership are accounted for as capital leases. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

k) Budget

The budget figures contained in the consolidated financial statements were approved by Council on July 8, 2019.

2. CONTRIBUTIONS TO BOARDS, REGIONAL AUTHORITIES AND OTHER AGENCIES

The Town of Oxford is required to finance the operations of various Boards, Regional Authorities and other agencies, along with other municipal units based on formulae contained in agreements, legislation or regulation.

In addition, the Town shares in the deficits or surpluses of some of these organizations based upon the relevant cost sharing percentage.

Chignecto Central Regional Centre for Education

During 2019-20, the Town incurred \$223,782 (2019 - \$223,952) as its share of the operations of the Chignecto Central Regional Centre for Education, serving the counties of Cumberland, Colchester, Pictou and East Hants.

Cobequid Housing Authority

An amount of \$23,528 (2019 - \$19,100) was provided as at March 31, 2020 as the Town's share of the operating deficit of the Cobequid Housing Authority, serving Cumberland and Colchester counties.

Cumberland Public Libraries

During 2019-20, the Town incurred \$7,680 (2019 - \$7,680) as its share of the operations of the Cumberland Public Libraries Board.

Assessment Services Contribution

The Town of Oxford is required to contribute to Property Valuation Services Corporation based on a formula calculation. For 2020 the assessment services contribution was \$19,043 (2019 - \$18,958)

Notes to the Consolidated Financial Statements

March 31, 2020

2. CONTRIBUTIONS TO BOARDS, REGIONAL AUTHORITIES AND OTHER AGENCIES (Cont'd)

Cumberland Business Connector

The Town of Oxford along with other municipal units funds a portion of the Cumberland Business Connector. For 2020 the Town's contribution was \$10,000 (2019 - \$8,100). The Cumberland Business Connector is a business led, not for profit organization. The focus of the Cumberland Business Connector is to foster a strong business environment in order to strengthen Cumberland County by removing barriers to business, and connecting businesses with the resources they need to be successful.

3. CASH AND CASH EQUIVALENTS

	2020	2019
General Operating	\$ 512	\$ 256,747
Water Operating	(14,385)	350,037
Water Capital - Depreciation	6,711	25,465
Reserve Funds	174,637	83,056
	<u>\$ 167,475</u>	<u>\$ 715,305</u>

4. RECEIVABLES

	Current Year	Prior Years	2020 Total	2019 Total
Taxes				
Balance, beginning of year	\$ -	\$ 70,140	\$ 70,140	\$ 102,412
Current year levy and interest	<u>1,991,327</u>	<u>-</u>	<u>1,991,327</u>	<u>1,933,344</u>
	1,991,327	70,140	2,061,467	2,035,756
Current year collections	<u>1,920,210</u>	<u>(21,872)</u>	<u>1,898,338</u>	<u>1,908,174</u>
	<u>\$ 71,117</u>	<u>\$ 92,012</u>	<u>163,129</u>	<u>127,582</u>
Valuation allowance			<u>(70,008)</u>	<u>(57,442)</u>
Balance, end of year			93,121	70,140
Water rates			93,241	75,865
Federal Government			20,359	110,828
Provincial Government			-	62,392
Other			<u>173,517</u>	<u>65,659</u>
			<u>\$ 380,238</u>	<u>\$ 384,884</u>

5. SHORT TERM BORROWINGS

The Town has an authorized borrowing limit with a Canadian financial institution, at prime, of \$500,000. At March 31, 2020, the balance of this overdraft was \$45,224 (2019 - \$419,617).

6. PENSION PLAN

A Defined Contribution pension plan is set up for membership of all permanent employees of the Town, including both union and non-unionized employees. Contributions are shared by the Town and the members as follows: employee 6% and employer 6% of employee's pensionable earnings.

During the year, on behalf of its employees, contributions were made as follows:

Town of Oxford	\$17,682 (2019 - \$18,103)
Town of Oxford - Water Utility	\$7,500 (2019 - \$7,500)

7. GOVERNMENT PARTNERSHIP

The Town of Oxford is one of the municipal partners in the Cumberland Joint Services Management Authority, which operates a landfill site in Little Forks. The pro rata share for the Town of Oxford is 2.38% for 2020 (2019 - 1.90%). As the Town does not exercise any control over the Authority, it does not consolidate the financial position or financial activities on a line by line basis.

8. LIABILITY FOR CONTAMINATED SITES

The Town has a solid waste disposal site which was abandoned 28 years ago. There is no indication of ongoing contamination and no provision has been made for possible remediation.

The Town is responsible for its share of the landfill closure and post closure costs of the Little Forks landfill operated by CJSMA. At March 31, 2020 the Town's share of the unfunded portion of this liability was \$2,579 (2019 - \$5,230)

Town of Oxford
Notes to the Consolidated Financial Statements
March 31, 2020

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9. CAPITAL ASSETS

	Cost 2019	Additions	Disposals	Cost 2020	Accum Amort 2019	Reductions	Amortization	Accum Amort 2020	Net Book Value 2020
General Capital									
Land	\$ 180,956	\$ -	\$ -	\$ 180,956	\$ -	\$ -	\$ -	\$ -	\$ 180,956
Land improvements	74,934	-	-	74,934	19,984	-	4,996	24,980	49,954
Buildings	3,155,759	-	-	3,155,759	1,098,710	-	80,971	1,179,681	1,976,078
Vehicles/equipment	1,758,118	-	-	1,758,118	1,364,980	-	81,098	1,446,078	312,040
Sewer	3,417,429	-	-	3,417,429	1,920,378	-	71,311	1,991,689	1,425,740
Roads and streets	2,242,648	82,150	-	2,324,798	1,303,925	-	71,158	1,375,083	949,715
Sidewalks	334,684	-	-	334,684	134,351	-	13,387	147,738	186,946
Street lights	187,672	-	-	187,672	48,783	-	6,470	55,253	132,419
	<u>11,352,200</u>	<u>82,150</u>	<u>-</u>	<u>11,434,350</u>	<u>5,891,111</u>	<u>-</u>	<u>329,391</u>	<u>6,220,502</u>	<u>5,213,848</u>
Water Capital									
Land	43,970	-	-	43,970	-	-	-	-	43,970
Structures & Improvements	724,557	40,183	-	764,740	186,410	-	10,181	196,591	568,149
Equipment	126,833	-	-	126,833	104,707	-	8,699	113,406	13,427
Mains	3,071,769	178,682	-	3,250,451	560,540	-	42,541	603,081	2,647,370
Services	64,772	-	-	64,772	44,517	-	1,295	45,812	18,960
Meters	104,192	-	-	104,192	64,406	-	2,714	67,120	37,072
Hydrants	26,540	-	-	26,540	12,540	-	354	12,894	13,646
Small tools & equipment	6,039	-	-	6,039	6,039	-	-	6,039	-
Vehicle	7,271	-	-	7,271	6,543	-	728	7,271	-
	<u>4,175,943</u>	<u>218,865</u>	<u>-</u>	<u>4,394,808</u>	<u>985,702</u>	<u>-</u>	<u>66,512</u>	<u>1,052,214</u>	<u>3,342,594</u>
Total	<u>\$ 15,528,143</u>	<u>\$ 301,015</u>	<u>\$ -</u>	<u>\$ 15,829,158</u>	<u>\$ 6,876,813</u>	<u>\$ -</u>	<u>\$ 395,903</u>	<u>\$ 7,272,716</u>	<u>\$ 8,556,442</u>

Town of Oxford
Notes to the Consolidated Financial Statements
March 31, 2020

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10. LONG TERM DEBT	<u>2020</u>	<u>2019</u>
MFC 2.221% debenture maturing in 2019, repayable in equal annual principal instalments of \$53,800, interest payable semi-annually.	\$ -	\$ 53,800
MFC 3.874% - 4.221% debenture maturing in 2021, repayable in equal annual principal instalments of \$58,500, interest payable semi-annually.	117,000	175,500
MFC 2.744% - 3.614% debenture maturing in 2023, repayable in equal annual principal instalments of \$92,000, interest payable semi-annually.	368,000	460,000
MFC 3.256% - 3.645% debenture maturing in 2021, repayable in equal annual principal instalments of \$50,000, interest payable semi-annually.	100,000	150,000
MFC 1.323% - 2.506% debenture maturing in 2026, repayable in equal annual principal instalments of \$93,700, interest payable semi-annually.	655,900	749,600
MFC 2.49% - 3.389% debenture maturing in 2028, repayable in equal annual principal instalments of \$13,600 through 2023 and \$6,200 thereafter.	85,400	99,000
Capital lease obligation 6.25% maturing in 2024, repayable in equal monthly payments of principal and interest of \$1,340 and a residual payment of \$28,179 at maturity.	81,459	92,080
	<u>\$ 1,407,759</u>	<u>\$ 1,779,980</u>

Principal repayments over the next five years are as follows:

2021	\$ 319,104
2022	319,831
2023	212,105
2024	212,928
2025	103,411

11. RATE OF RETURN ON RATE BASE

For the year ended March 31, 2020, the Oxford Water Utility had a rate of return on rate base of 5.67% (2019 - 4.32%)

12. COMPARATIVE FIGURES

Certain of the 2019 figures have been reclassified to conform with financial statement presentation adopted for 2020.

13. REMUNERATION PAID TO ELECTED OFFICIALS AND CAO

The total remuneration paid to member of Council and Chief Administrative Officers are as follows:

	<u>Remuneration</u>	<u>Expenses</u>
Mayor Trish Stewart	9,011	1,091
Councillor Brenton Colburne	4,205	30
Councillor Dave Clark	4,205	484
Councillor Dawn Thompson	4,205	-
Councillor Rick Draper	5,407	588
Councillor Wade Adshade	4,205	238
Councillor Wendy Sweet-Kontuk	4,205	-
Chief Administrative Officers		
Rachel Jones	94,618	2,048
Kevin Matheson	11,626	-

14. SEGMENTED INFORMATION

The Town of Oxford is a municipal unit that provides a wide range of services to its residents and property owners. The Town's operations and activities are organized and reported by fund for the purpose of recording specific activities to meet objectives as outlined by legislation, regulations, by-laws, or other limitations and restrictions. Services are provided in the following categories:

General government services

This includes the legislative function of Town Council which provides direction through by-laws, policies and strategic planning. It also encompasses the administrative functions of the Town including organizational management, finance, accounting, tax billing and collections

Protective services

The Town acquires police services from the RCMP through an agreement with the Province of Nova Scotia and pays the province for correctional services. Fire protection is provided by the Oxford Volunteer Fire Department. The Town pays the operating expenses of the Department. Building Inspection and animal control are contracted from the Municipality of the County of Cumberland.

Transportation services

The Town owns and maintains all public roads, street and sidewalks in the community, including snow removal and streetlights.

Environmental health services

The Town provides both sanitary and storm wastewater management and treatment. Solid waste is accepted at a Town owned transfer station and transported to CJSMA for disposal.

14. SEGMENTED INFORMATION (continued)

Public health services

The Town contributes to public housing through the Cobequid Housing Authority. The Town also owns a medical centre to provide space for health care professionals.

Environmental development services

The Town contracts with the Town of Amherst for planning and development services. The Town also participates in the Cumberland Connector for economic development services as well as providing in house resources for local initiatives.

Recreation and cultural services

The Town has a number of recreational facilities and offers programming in conjunction with other community organizations. Staff assists in planning of community festivals and events.

Oxford Water Utility

The utility sources, treats and distributes potable water to the community and provides flows to assist with fire protection.

15. OTHER MATTERS

During the year, efforts in response to the sinkhole development continued. The Town incurred \$101,551 for the completion of a study conducted by subject experts.

The Town received funding from ACOA in the amount of \$68,500 to carry out the sinkhole study.

16. APPROVAL OF FINANCIAL STATEMENTS

Council and management have approved these financial statements.

17. UNCERTAINTIES RELATED TO COVID-19

On March 11, 2020 the World Health Organization declared a global pandemic due to the outbreak of the coronavirus, COVID-19. The spread of COVID-19 has severely impacted many local economies around the globe. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Government and central banks have responded with monetary and fiscal interventions to stabilise economic conditions. The consolidated financial statements of Town of Oxford prepared as of December 17, 2020, and for the year ended March 31, 2020 reflect the impacts resulting from COVID-19 to the extent known at the reporting date.

Town of Oxford

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Schedules to Consolidated Statement of Operations

Year Ended March 31

		2020	2019
	Budget (unaudited)	Actual	Actual
Revenue			
Taxes			
Residential	\$ 778,151	\$ 775,494	\$ 753,515
Commercial			
Based on Assessment	1,003,039	1,001,584	992,911
Resource			
Taxable Assessment	10,712	10,712	10,507
Forestry under 50,000 acres	182	182	182
Sewer Rates	179,676	181,439	176,229
Deed Transfer Tax	12,000	18,342	33,550
Based on Revenue - Bell Aliant	3,700	2,935	3,762
HST Offset	10,000	10,423	12,671
	1,997,460	2,001,111	1,983,327
Less: collected for other governments			
Education	(223,782)	(223,782)	(223,952)
Corrections	(14,966)	(14,966)	(15,176)
Public Housing	(19,100)	(23,528)	(19,100)
	<u>\$ 1,739,612</u>	<u>\$ 1,738,835</u>	<u>\$ 1,725,099</u>
Grants in Lieu of Taxes			
Federal Government Agencies	\$ 23,767	\$ 24,991	\$ 24,326
Provincial Government	15,492	15,804	13,469
Provincial Government Agencies	9,197	10,123	9,200
	<u>\$ 48,456</u>	<u>\$ 50,918</u>	<u>\$ 46,995</u>
Services Provided to Other Governments			
Municipality of County of Cumberland - Fire Protection	57,658	57,452	56,215
	<u>\$ 57,658</u>	<u>\$ 57,452</u>	<u>\$ 56,215</u>
Sales of Services			
General Government - Tax Certificates	\$ 100	\$ 800	\$ 510
Recreation			
Ice rentals	48,000	41,521	43,231
Program registrations	9,000	6,390	9,810
	<u>\$ 57,100</u>	<u>\$ 48,711</u>	<u>\$ 53,551</u>

Schedules to Consolidated Statement of Operations

Year Ended March 31

		2020	2019
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(unaudited)		
Revenue (cont'd)			
Other Revenue from Own Sources			
Licences and Permits	\$ 600	\$ 2,890	\$ 80
Fines	500	1,613	913
Rent	27,600	24,980	21,815
Other Concessions - Heritage Gas	16,500	38,173	16,890
Interest on investments	2,500	3,122	2,732
Interest on taxes and rates	25,000	33,638	35,416
Recoveries of accounts	-	(3,088)	12,099
Other	13,800	9,165	14,300
Gain on sale of land	-	2,486	-
	<u>\$ 86,500</u>	<u>\$ 112,979</u>	<u>\$ 104,245</u>
Unconditional Transfers from Other Governments			
Provincial Government			
Equalization	178,171	178,171	178,171
Farm Acreage	2,657	2,657	2,605
Civic Numbering	1,000	1,000	1,000
	<u>\$ 181,828</u>	<u>\$ 181,828</u>	<u>\$ 181,776</u>
Conditional Transfers from Other Governments			
Federal Government	\$ 98,277	\$ 172,014	\$ 4,300
Provincial Government	15,000	15,000	198,233
Efficiency Nova Scotia	-	-	(5,670)
County of Cumberland	46,690	20,000	6,921
Other Organizations	11,500	10,001	21,980
Oxford Firefighters Association	10,000	10,000	30,000
	<u>\$ 181,467</u>	<u>\$ 227,015</u>	<u>\$ 255,764</u>
Expenditures			
General Government Services			
Legislative			
Mayor			
Remuneration	\$ 9,011	\$ 9,011	\$ 9,011
Expenses	2,500	1,092	2,994
Council			
Remuneration	25,231	26,433	23,830
Expenses	12,000	2,562	4,764

Schedules to Consolidated Statement of Operations

Year Ended March 31

		2020	2019
	Budget (unaudited)	Actual	Actual
Expenditures (cont'd)			
General Government Services (cont'd)			
Administrative	275,377	315,608	248,549
Audit	15,000	21,906	14,814
Transfer for Assessment Services	19,043	19,043	18,958
Interest on term debt	2,067	1,700	2,539
Other interest and bank charges	6,000	11,408	10,850
Valuation allowance for taxes	(1,500)	12,664	(17,886)
Amortization	23,181	23,181	23,181
Amortization of debenture discount	-	-	443
Elections	-	-	4,456
Grants to organizations	7,000	7,000	1,500
	<u>\$ 394,910</u>	<u>\$ 451,608</u>	<u>\$ 348,003</u>
Protective Services			
Police Protection	\$ 508,608	\$ 461,448	\$ 503,604
Crossing Guards	8,700	7,290	8,400
Prosecutions	-	300	415
Water Supply and Hydrants	-	-	-
Fire Protection	97,032	98,329	101,680
Emergency measures	6,595	105,465	37,046
Interest on term debt	11,426	11,936	13,862
Amortization	53,411	53,411	53,410
Protective inspections	7,000	14,000	-
Animal control	1,000	-	475
	<u>\$ 693,772</u>	<u>\$ 752,179</u>	<u>\$ 718,892</u>
Transportation Services			
Roads and Streets	\$ 290,459	\$ 304,570	\$ 327,128
Street Lighting	6,500	6,741	7,632
Amortization	143,082	143,082	140,472
Interest on term debt	20,215	14,478	21,442
	<u>\$ 460,256</u>	<u>\$ 468,871</u>	<u>\$ 496,674</u>
Environmental Health Services			
Sewage Collection and Disposal	\$ 80,000	\$ 91,699	\$ 82,612
Amortization	71,311	71,311	71,311
Solid Waste Disposal	115,643	122,703	113,878
	<u>\$ 266,954</u>	<u>\$ 285,713</u>	<u>\$ 267,801</u>

Schedules to Consolidated Statement of Operations

Year Ended March 31

		2020	2019
	Budget (unaudited)	<u>Actual</u>	<u>Actual</u>
Expenditures (cont'd)			
Public Health Services			
Medical Centre Operating Costs	\$ 34,050	\$ 32,390	\$ 34,075
Amortization	6,879	6,879	6,879
Interest on term debt	1,608	664	867
	<u>\$ 42,537</u>	<u>\$ 39,933</u>	<u>\$ 41,821</u>
Environmental Development Services			
Town of Amherst - Planning services	\$ 16,000	\$ 15,643	\$ 15,643
Transfer to Cumberland Business Connector	8,100	10,000	8,100
Other Community Development	27,800	26,702	22,076
Beautification	10,800	11,569	7,444
	<u>\$ 62,700</u>	<u>\$ 63,914</u>	<u>\$ 53,263</u>
Recreation and Cultural Services			
Arena	\$ 158,237	\$ 191,070	\$ 149,094
Ballfield	3,000	1,445	723
Theatre	11,977	13,193	12,585
Programs and administration	61,589	72,921	68,938
Other	2,000	1,240	1,612
Interest on term debt	4,080	3,841	3,380
Amortization	31,528	31,528	31,528
Library - local branch	10,500	11,140	10,500
Transfer to Regional Library	7,680	7,680	7,680
	<u>\$ 290,591</u>	<u>\$ 334,058</u>	<u>\$ 286,040</u>

Schedule of Oxford Water Utility
Statement of Operations - Operating Fund
Year Ended March 31

22

		2020	2019
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(unaudited)		
Operating revenue			
Metered sales	\$ 412,088	\$ 467,863	\$ 405,335
Flat rate sales	1,950	2,806	2,388
Public fire protection	115,407	120,934	115,407
Sale of services	250	801	452
Sprinkler service	200	200	400
	<u>529,895</u>	<u>592,604</u>	<u>523,982</u>
Expenditures			
Source of Supply	-	-	6,036
Power and pumping	101,634	100,594	90,846
Transmission and distribution	91,891	95,819	84,939
Administration and general	110,327	112,975	92,714
Depreciation, net of amortization of deferred contributions	53,000	64,604	60,541
Taxes	18,000	18,998	18,430
Purification	23,880	20,418	41,022
	<u>398,732</u>	<u>413,408</u>	<u>394,528</u>
Operating profit	<u>131,163</u>	<u>179,196</u>	<u>129,454</u>
Non-operating revenue			
Interest on overdue accounts	5,000	2,941	2,910
Recovery of accounts and adjustments	-	(3,088)	12,099
	<u>5,000</u>	<u>(147)</u>	<u>15,009</u>
Non-operating expenditures			
Debt charges			
Principal	93,000	98,311	93,000
Interest	11,000	14,096	13,010
Bank charges	500	222	313
Amortization of debenture discount	-	322	322
	<u>104,500</u>	<u>112,951</u>	<u>106,645</u>
Annual Surplus/(Deficit)	\$ <u>31,663</u>	<u>66,098</u>	<u>37,818</u>
Accumulated surplus (Deficit), beginning of year		<u>(53,017)</u>	<u>(90,835)</u>
Accumulated surplus (Deficit), end of year		<u>\$ 13,081</u>	<u>\$ (53,017)</u>

Schedule of Oxford Water Utility

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Statement of Financial Position - Operating Fund

March 31

2020

2019

Financial Assets

Cash & cash equivalents	\$(14,385)	\$ 350,037
Receivables		
Consumer rates (net of valuation allowance)	93,241	75,865
Own funds		
Water capital	-	4,813
	<u>78,856</u>	<u>430,715</u>

Liabilities

Payables and accruals	3,681	4,497
Own funds		
Water capital	71,547	-
General operating	22,550	465,276
Special reserve - operating	-	40,000
	<u>97,778</u>	<u>509,773</u>

Net Financial Assets (Liabilities)

<u>(18,922)</u>	<u>(79,058)</u>
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Non-Financial Assets

Inventories of supplies and materials, at cost	29,874	23,591
Debenture discount	<u>2,129</u>	<u>2,450</u>
	<u>32,003</u>	<u>26,041</u>

Accumulated Surplus (Deficit)

<u>\$ 13,081</u>	<u>\$ (53,017)</u>
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Schedule of Oxford Water Utility

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Statement of Investment in Capital Assets - Capital Fund

Year Ended March 31

2020

2019

Balance, beginning of year	\$ 2,789,792	\$ 2,694,151
Interest revenue	29	2,691
Service charges	(78)	(50)
Term debt retired	<u>93,000</u>	<u>93,000</u>
Balance, end of year	<u>\$ 2,882,743</u>	<u>\$ 2,789,792</u>

Statement of Deferred Contributions - Capital Fund

Year Ended March 31

2020

2019

Balance, beginning of year	\$ 180,694	\$ 167,914
Clean Water & Wastewater Fund		
Current additions	-	64,181
Adjustments relating to prior years	5,240	(48,276)
Amortization	<u>(1,908)</u>	<u>(3,125)</u>
Balance, end of year	<u>\$ 184,026</u>	<u>\$ 180,694</u>

Statement of Continuity of Depreciation Funds - Capital Fund

Year Ended March 31

2020

2019

Balance, beginning of year	\$ 274,245	\$ 321,117
Interest, net of service charges	(49)	2,641
Current depreciation	64,604	60,541
Adjustments relating to prior years	5,240	(48,276)
Purchase of capital assets	<u>(218,865)</u>	<u>(61,778)</u>
	<u>\$ 125,175</u>	<u>\$ 274,245</u>
Comprised of		
Cash	6,711	25,465
Due from (to) General Operating	46,917	253,593
Due from (to) Water Operating	<u>71,547</u>	<u>(4,813)</u>
	<u>\$ 125,175</u>	<u>\$ 274,245</u>

Schedule of Oxford Water Utility
Statement of Financial Position - Capital Fund
March 31

25

	2020	2019
Financial Assets		
Cash	\$ 6,711	\$ 25,465
Due from own funds		
Water Operating	71,546	-
General Operating	46,917	253,593
	<u>125,174</u>	<u>279,058</u>
Financial Liabilities		
Due to own funds		
Water Operating	-	4,813
Long-term debt - Municipal Finance Corporation	401,000	494,000
	<u>401,000</u>	<u>498,813</u>
Net Financial Liabilities	<u>(275,826)</u>	<u>(219,755)</u>
Non-financial Assets		
Tangible capital assets	4,394,808	4,175,943
Less: Accumulated Depreciation	(1,052,213)	(985,702)
Deferred contributions	(184,026)	(180,694)
	<u>3,158,569</u>	<u>3,009,547</u>
Investment in Capital Assets	<u>\$ 2,882,743</u>	<u>\$ 2,789,792</u>

Town of Oxford
Schedule of Consolidated Segmented Disclosure

26

Year Ended March 31, 2020

	<u>General government services</u>	<u>Protective services</u>	<u>Transportation services</u>	<u>Environmental health services</u>	<u>Public health services</u>	<u>Environmental developmental services</u>	<u>Recreation and cultural services</u>	<u>Water utility</u>	<u>Total</u>
Revenues									
Taxes	\$ 1,557,396	\$ -	\$ -	\$ 181,439	\$ -	\$ -	\$ -	\$ -	\$ 1,738,835
Payments in lieu of taxes	50,918	-	-	-	-	-	-	-	50,918
Services provided to other governments	-	57,452	-	-	-	-	-	-	57,452
Sales of services	800	-	-	-	-	-	47,911	-	48,711
Other revenue from own sources	79,630	1,751	-	-	19,130	-	12,615	147	112,979
Unconditional transfers from other governments	180,828	1,000	-	-	-	-	-	-	181,828
Conditional transfers from other governments	46,365	78,500	82,150	-	-	-	20,000	-	227,015
Water rates	-	-	-	-	-	-	-	471,669	471,669
Cumberland Joint Services Management Authority	-	-	-	62,370	-	-	-	-	62,370
	<u>1,915,937</u>	<u>138,703</u>	<u>82,150</u>	<u>243,809</u>	<u>19,130</u>	<u>-</u>	<u>80,526</u>	<u>471,522</u>	<u>2,951,777</u>
Expenditures									
Salaries, wages and benefits	277,962	-	142,424	72,217	-	17,313	118,298	165,852	794,066
Contracted services	41,831	475,448	-	52,868	-	15,643	-	-	585,790
Other operating	76,593	211,384	168,887	105,638	32,390	20,958	172,711	158,844	947,405
Other Boards and Agencies	19,043	-	-	-	-	10,000	7,680	-	36,723
Interest	12,998	11,936	14,478	-	664	-	3,841	14,318	58,235
Amortization	23,181	53,411	143,082	71,311	6,879	-	31,528	66,511	395,903
	<u>451,608</u>	<u>752,179</u>	<u>468,871</u>	<u>302,034</u>	<u>39,933</u>	<u>63,914</u>	<u>334,058</u>	<u>405,525</u>	<u>2,818,122</u>
Annual Surplus	<u>\$ 1,464,329</u>	<u>\$ (613,476)</u>	<u>\$ (386,721)</u>	<u>\$ (58,225)</u>	<u>\$ (20,803)</u>	<u>\$ (63,914)</u>	<u>\$ (253,532)</u>	<u>\$ 65,997</u>	<u>\$ 133,655</u>