

TOWN OF OXFORD
OXFORD, NOVA SCOTIA

CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2016

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Consolidated Financial Statements

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TOWN OF OXFORD

Consolidated Financial Statements

Year Ended March 31, 2016

Management's Responsibility for the Consolidated Financial Statements

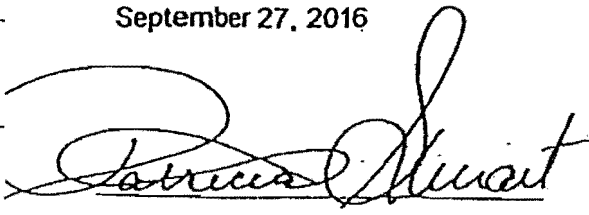
The accompanying consolidated financial statements of Town of Oxford (the "Municipality") are the responsibility of the Municipality's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards established by the Public Sector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

The Municipality'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.

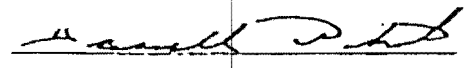
The audit committee meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

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

Oxford, Nova Scotia
September 27, 2016



Trish Stewart
Mayor



Darrell White
Chief Administrative Officer

INDEPENDENT AUDITOR'S REPORT

To the Mayor and
Members of the Council of Town of Oxford

We have audited the accompanying consolidated financial statements of Town of Oxford, which comprise the consolidated statement of financial position as at March 31, 2016 and the consolidated statement of operations and accumulated surplus, consolidated statement of cash flow, consolidated statement of change in net financial assets (debt) for the year then ended, and summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Town of Oxford as at March 31, 2016 and the results of its operations, change in its net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Amherst, Nova Scotia
September 27, 2016


Registered Municipal Auditors

TOWN OF OXFORD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2016

| | <u>2016</u> | <u>2015</u> |
|---|---------------------|---------------------|
| Financial Assets | | |
| Cash and short term investments | \$ 731,627 | \$ 715,004 |
| Taxes and rates receivable | 173,046 | 120,409 |
| Other receivables | 25,322 | 65,113 |
| Total Financial Assets | <u>929,995</u> | <u>900,526</u> |
| Financial Liabilities | | |
| Bank indebtedness | 210,000 | 165,000 |
| Deferred revenue | 718 | 16,921 |
| Accounts payable - trade | 215,467 | 197,091 |
| Long term debt (Note 12) | 1,771,900 | 1,926,900 |
| Provision for landfill closure & post closure costs | 41,888 | 35,459 |
| Provision for accumulated sick time | - | 943 |
| Total Financial Liability | <u>2,239,973</u> | <u>2,342,314</u> |
| Net Financial Assets (Debt) | <u>(1,309,978)</u> | <u>(1,441,788)</u> |
| Non Financial Assets | | |
| Prepaid expenses | 31,874 | 23,371 |
| Inventory | 29,037 | 23,797 |
| | <u>60,911</u> | <u>47,168</u> |
| Tangible capital assets (Note 7) | 8,290,084 | 8,215,520 |
| Total Non Financial Assets | <u>8,350,995</u> | <u>8,262,688</u> |
| Accumulated surplus (Note 15) | <u>\$ 7,041,017</u> | <u>\$ 6,820,900</u> |

TOWN OF OXFORD
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31, 2016

| | 2016 | 2015 |
|--|---------------------|---------------------|
| Revenue | | |
| Taxes | \$ 1,887,449 | \$ 1,862,326 |
| Grants in lieu of taxes | 60,952 | 59,536 |
| Service to other governments | 53,650 | 52,872 |
| Other revenue from own sources | 109,431 | 80,813 |
| Unconditional transfers from government | 204,406 | 189,791 |
| Other | 4,044 | 12,480 |
| Grants - gas tax | 87,372 | 86,634 |
| Sales of services - solid waste operations | 18,554 | 14,569 |
| Other transfers | 25,000 | 25,000 |
| Interest | 5,014 | 4,877 |
| Water sales | 361,670 | 334,474 |
| Transfer 2015 surplus | 1,827 | - |
| Other grants/donations | 89,916 | - |
| Total Revenue | 2,909,285 | 2,723,372 |
| Expenditures | | |
| General government services | 344,926 | 304,895 |
| Protective services | 694,358 | 742,340 |
| Transportation services | 357,811 | 373,771 |
| Environmental health services | 239,600 | 248,810 |
| Environmental development services | 49,851 | 33,566 |
| Recreation and cultural services | 293,642 | 271,553 |
| Public health services | 61,725 | 77,011 |
| Education mandatory contribution | 205,800 | 207,828 |
| Water utility operations | 397,730 | 384,031 |
| Solid waste operations | 41,898 | 38,828 |
| Total Expenditures | 2,687,341 | 2,682,633 |
| Excess of revenue over expenses | 221,944 | 40,739 |
| Accumulated surplus, beginning of year | 6,820,900 | 6,768,964 |
| Transfer 2014 General operating deficit | - | 11,197 |
| Transfer 2015 General operating surplus | (1,827) | - |
| Accumulated surplus, end of year | \$ 7,041,017 | \$ 6,820,900 |

TOWN OF OXFORD
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2016

| | <u>2016</u> | <u>2015</u> |
|--|-------------------|-------------------|
| Excess of revenue over expenditures | \$ 221,944 | \$ 40,739 |
| Non-cash items included in excess (shortfall) of revenue over expenses: | | |
| Amortization of tangible capital assets | 309,167 | 292,659 |
| Loss (gain) on disposal of tangible capital assets | 112 | - |
| Non-cash changes to operations (net changes) | | |
| Decrease (increase) in receivables | (12,846) | 39,832 |
| Decrease (increase) in prepaid expenses | (8,503) | 5,943 |
| Decrease (increase) in inventory | (5,240) | - |
| Increase (decrease) in bank indebtedness | 45,000 | 55,000 |
| Increase (decrease) in deferred revenue | (16,203) | 16,921 |
| Increase (decrease) in accounts payable | 18,376 | (31,572) |
| Increase (decrease) provision for landfill closure & post closure costs | 6,429 | 4,693 |
| Increase (decrease) provision for accumulated sick time | (943) | 943 |
| Cash provided by operating transactions | 335,349 | 384,419 |
| Capital | | |
| Acquisition of tangible capital assets | (384,037) | (214,771) |
| Proceeds on sale of tangible capital assets | 194 | - |
| Total Capital | (383,843) | (214,771) |
| Financing | | |
| Long term debt issue | 150,000 | 269,000 |
| Long term debt repayment | (305,000) | (251,200) |
| Total Financing | (155,000) | 17,800 |
| Net increase(decrease) in cash and cash equivalents | 18,450 | 228,187 |
| General operating opening deficit (surplus) | (1,827) | 11,197 |
| Cash and Cash Equivalent, beginning of year | 715,004 | 475,620 |
| Cash and Cash Equivalent, end of year | \$ 731,627 | \$ 715,004 |

TOWN OF OXFORD
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)
FOR THE YEAR ENDED MARCH 31, 2016

| | <u>2016</u> | <u>2015</u> |
|--|-----------------------------|-----------------------------|
| Excess of revenue over expenses | \$ 221,944 | \$ 40,739 |
| Amortization of tangible capital assets | 309,167 | 292,659 |
| Change in inventory and prepaid expenses | (13,743) | 5,944 |
| Acquisition of tangible capital assets | (384,037) | (214,771) |
| Loss (gain) on disposal of tangible capital assets | 112 | - |
| General operating opening deficit (surplus) | (1,827) | 11,197 |
| Proceeds on sale of tangible capital assets | 194 | - |
| Increase (decrease) in Net Financial Assets | 131,810 | 135,768 |
| Net Debt, beginning of year | (1,441,788) | (1,577,556) |
| Net Debt, end of year | <u>\$(1,309,978)</u> | <u>\$(1,441,788)</u> |

TOWN OF OXFORD
SCHEDULE OF FINANCIAL POSITION
GENERAL OPERATING FUND
MARCH 31, 2016

ASSETS

| | <u>2016</u> | <u>2015</u> |
|--|--------------------------|--------------------------|
| Cash | \$ 11,914 | \$ 10,376 |
| Receivables | | |
| Taxes and sewer rates | 114,570 | 75,356 |
| Due from Federal Government and its agencies | 20,193 | 19,174 |
| Due from own funds and agencies | | |
| General Capital | 105,731 | 14,163 |
| Reserve | - | 62,593 |
| Other receivable | | |
| Trade accounts | 31,113 | 40,842 |
| | <u>283,521</u> | <u>222,504</u> |
| Tangible assets | | |
| Inventories of materials and supplies, at cost | 5,446 | 4,491 |
| Prepaid expenses | <u>31,355</u> | <u>22,869</u> |
| | <u>\$ 320,322</u> | <u>\$ 249,864</u> |

TOWN OF OXFORD
SCHEDULE OF FINANCIAL ACTIVITIES
GENERAL OPERATING FUND
FOR THE YEAR ENDED MARCH 31, 2016

| | <u>2016 Budget</u> | <u>2016 Actual</u> | <u>2015 Actual</u> |
|--|------------------------|------------------------|------------------------|
| Revenue | | | |
| Taxes | \$1,910,949 | \$1,909,601 | \$1,884,279 |
| Grants in Lieu of Taxes | 60,300 | 60,952 | 59,536 |
| Services provided to other governments | 53,650 | 53,650 | 52,872 |
| Other Revenue From Own Sources | 94,667 | 112,631 | 80,813 |
| Unconditional Transfers From Other Governments | 341,856 | 397,156 | 418,921 |
| | <u>2,461,422</u> | <u>2,533,990</u> | <u>2,496,421</u> |
| Expenditures | | | |
| General Government Services | 295,778 | 372,437 | 309,301 |
| Protective Services | 773,191 | 755,523 | 797,857 |
| Transportation Services | 360,275 | 292,640 | 412,817 |
| Environmental Health Services | 209,950 | 193,377 | 205,865 |
| Environmental Development Services | 37,600 | 49,851 | 39,699 |
| Public Health Services | 78,100 | 54,928 | 77,011 |
| Recreation and Cultural Services | 271,728 | 375,239 | 274,015 |
| Education Mandatory Contribution | 205,800 | 205,800 | 207,828 |
| Financing and Transfers | 229,000 | 224,000 | 170,200 |
| | <u>2,461,422</u> | <u>2,523,795</u> | <u>2,494,593</u> |
| Surplus | <u>\$ -</u> | <u>\$ 10,195</u> | <u>\$ 1,828</u> |

TOWN OF OXFORD
SCHEDULE OF FINANCIAL POSITION
WATER OPERATING FUND
MARCH 31, 2016

ASSETS

| | <u>2016</u> | <u>2015</u> |
|---|--------------------------|--------------------------|
| Cash | \$ 21,057 | \$ 519 |
| Receivables | | |
| Consumer rates (less allowance for doubtful accounts) | 83,193 | 79,910 |
| Federal government and its agencies (HST) | 3,923 | 4,441 |
| | <u>87,116</u> | <u>84,351</u> |
| Inventory of materials, at cost | 23,591 | 19,306 |
| | <u>\$ 131,764</u> | <u>\$ 104,176</u> |

LIABILITIES

| | | |
|-------------------------------------|-------------------|-------------------|
| Bank indebtedness | \$ 210,000 | \$ 165,000 |
| Payables | | |
| Trade payables | 13,700 | 4,505 |
| Due to Water Utility - Capital Fund | 1,770 | 860 |
| | <u>225,470</u> | <u>170,365</u> |

SURPLUS/(DEFICIENCY)

| | | |
|-------------------|--------------------------|--------------------------|
| Surplus (Deficit) | <u>(93,706)</u> | <u>(66,189)</u> |
| | <u>\$ 131,764</u> | <u>\$ 104,176</u> |

TOWN OF OXFORD
SCHEDULE OF FINANCIAL ACTIVITIES
WATER OPERATING FUND
YEAR ENDED MARCH 31, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|---|--------------------|--------------------|--------------------|
| Operating revenue | | | |
| Metered sales | \$ 344,238 | \$ 359,546 | \$ 331,678 |
| Flat rate sales | 1,953 | 1,696 | 1,953 |
| Public fire protection | 107,748 | 107,748 | 107,748 |
| Sale of services | 500 | 268 | 363 |
| Sprinkler service | 480 | 160 | 480 |
| | <u>454,919</u> | <u>469,418</u> | <u>442,222</u> |
| Operating expenditures | | | |
| Power and pumping | 103,500 | 105,254 | 98,689 |
| Transmission and distribution | 93,700 | 88,766 | 95,926 |
| Administration and general | 120,292 | 123,135 | 109,986 |
| Depreciation of utility plant | 45,604 | 48,548 | 45,737 |
| Taxes | 22,000 | 22,152 | 21,953 |
| Water treatment | 20,500 | 19,377 | 19,582 |
| | <u>405,596</u> | <u>407,232</u> | <u>391,873</u> |
| Operating profit | <u>49,323</u> | <u>62,186</u> | <u>50,349</u> |
| Non-operating revenue | | | |
| Interest on arrears | 4,000 | 4,277 | 4,442 |
| Transfer from depreciation fund | 8,500 | - | - |
| | <u>12,500</u> | <u>4,277</u> | <u>4,442</u> |
| Non-operating expenditures | | | |
| Debt charges | | | |
| Principal | 81,000 | 81,000 | 81,000 |
| Interest | 10,100 | 12,082 | 12,433 |
| Bank charges | - | 567 | 1,678 |
| Capital expenditures out of operations | - | 331 | 20,742 |
| Excess (deficiency) of revenue over expenditures | <u>91,100</u> | <u>93,980</u> | <u>115,853</u> |
| | <u>\$ (29,277)</u> | <u>\$ (27,517)</u> | <u>\$ (61,062)</u> |

TOWN OF OXFORD
SCHEDULE OF FINANCIAL POSITION
GENERAL CAPITAL FUND
MARCH 31, 2016

ASSETS

| | <u>2016</u> | <u>2015</u> |
|------------------------|-----------------------------|-----------------------------|
| Tangible assets | <u>\$ 10,649,518</u> | <u>\$ 10,430,279</u> |

LIABILITIES

| | | |
|---|------------------|------------------|
| Due to own funds and agencies | | |
| General operating fund | \$ 105,731 | \$ 14,163 |
| Long term debt | | |
| Nova Scotia Municipal Finance Corporation | 1,321,900 | 1,545,900 |
| Accumulated allowance for depreciation | <u>5,113,206</u> | <u>4,864,741</u> |
| | <u>6,540,837</u> | <u>6,424,804</u> |

EQUITY

| | | |
|-------------------------------------|-----------------------------|-----------------------------|
| Investment in capital assets | <u>4,108,681</u> | <u>4,005,475</u> |
| | <u>\$ 10,649,518</u> | <u>\$ 10,430,279</u> |

TOWN OF OXFORD
SCHEDULE OF FINANCIAL ACTIVITIES
GENERAL CAPITAL FUND
FOR THE YEAR ENDED MARCH 31, 2016

| | <u>2016</u> | <u>2015</u> |
|-----------------------------------|---------------------|---------------------|
| Balance, beginning of year | \$ 4,005,475 | \$ 3,901,636 |
| Add | | |
| Term debt retired | 224,000 | 170,200 |
| Capital purchases by operations | 65,260 | 173,614 |
| Grant | 30,000 | - |
| Donation | 32,033 | 5,000 |
| Gas tax | 10,391 | - |
| | <u>361,674</u> | <u>348,814</u> |
| | 4,367,149 | 4,250,450 |
| Deduct | | |
| Amortization of capital assets | 258,468 | 244,975 |
| | <u>258,468</u> | <u>244,975</u> |
| Balance, end of year | \$ 4,108,681 | \$ 4,005,475 |

TOWN OF OXFORD
SCHEDULE OF GENERAL CAPITAL SECTION
GENERAL CAPITAL FUND - PROPERTY AND EQUIPMENT
MARCH 31, 2016

| | Cost 2015 | Additions | Disposals | Cost 2016 |
|--------------------------------|---------------------|-------------------|------------------|---------------------|
| Land | | | | |
| #511 C - Land | \$ 164,050 | \$ - | \$ - | \$ 164,050 |
| #345 - Sewer | 6,912 | - | - | 6,912 |
| #501 - Gravel land | 115 | - | - | 115 |
| #514 - Black River Bridge land | 4,584 | - | - | 4,584 |
| | <u>175,661</u> | <u>-</u> | <u>-</u> | <u>175,661</u> |
| Land improvements | | | | |
| Skate board park | - | 74,934 | - | 74,934 |
| | <u>-</u> | <u>74,934</u> | <u>-</u> | <u>74,934</u> |
| Buildings | | | | |
| #500 A - Town Garage | 65,402 | - | - | 65,402 |
| #504 - Fire Station | 1,045,306 | 3,940 | - | 1,049,246 |
| Town Hall | 897,636 | - | - | 897,636 |
| #510 D - Theatre | 58,814 | 6,400 | - | 65,214 |
| #511 D - Medical Centre | 275,168 | - | - | 275,168 |
| #511 F - Rink | 696,071 | - | - | 696,071 |
| Heritage Square | 20,282 | - | - | 20,282 |
| Trailer | 18,117 | - | - | 18,117 |
| | <u>3,076,796</u> | <u>10,340</u> | <u>-</u> | <u>3,087,136</u> |
| Infrastructures | | | | |
| #506 - Sewer pumps | 63,499 | - | - | 63,499 |
| #344A - Sewer lagoons | 1,900,316 | - | - | 1,900,316 |
| #350-351A - Sewer mains | 1,453,615 | - | - | 1,453,615 |
| #500B - 517C Street paving | 1,751,519 | 84,430 | - | 1,835,949 |
| #508 - Sidewalks | 282,699 | 10,377 | - | 293,076 |
| Street lights | 181,203 | - | - | 181,203 |
| | <u>5,632,851</u> | <u>94,807</u> | <u>-</u> | <u>5,727,658</u> |
| Machinery and equipment | | | | |
| #505 - Fire equipment | 232,590 | - | - | 232,590 |
| #507 - Street equipment | 28,368 | - | - | 28,368 |
| Theatre projector | 13,192 | - | - | 13,192 |
| Library desk | 3,821 | - | - | 3,821 |
| Snowblower | - | 3,840 | - | 3,840 |
| Salt hopper | - | 8,085 | - | 8,085 |
| Dugouts | - | 7,238 | - | 7,238 |
| | <u>277,971</u> | <u>19,163</u> | <u>-</u> | <u>297,134</u> |
| Vehicles | | | | |
| Arena - Zamboni | 10,000 | 29,995 | 10,000 | 29,995 |
| Fire Station | 817,209 | - | - | 817,209 |
| Town Shed | 439,791 | - | - | 439,791 |
| | <u>1,267,000</u> | <u>29,995</u> | <u>10,000</u> | <u>1,286,995</u> |
| | <u>\$10,430,279</u> | <u>\$ 229,239</u> | <u>\$ 10,000</u> | <u>\$10,649,518</u> |

TOWN OF OXFORD
SCHEDULE OF FINANCIAL POSITION
WATER CAPITAL FUND
MARCH 31, 2016

ASSETS

| | <u>2016</u> | <u>2015</u> |
|--|---------------------|---------------------|
| Cash - depreciation fund | | |
| Cash | \$ 842 | \$ 232,152 |
| Short term investment | 279,306 | |
| Due from Water Utility - Operating Fund | 1,770 | 860 |
| | <u>281,918</u> | <u>233,012</u> |
| | | |
| Utility plant in service, at cost | <u>3,523,831</u> | <u>3,375,757</u> |
| | <u>\$ 3,805,749</u> | <u>\$ 3,608,769</u> |

LIABILITIES

| | | |
|---|------------------|------------------|
| Long term debt | \$ 450,000 | \$ 381,000 |
| Accumulated allowance for depreciation | 808,704 | 762,413 |
| | <u>1,258,704</u> | <u>1,143,413</u> |

EQUITY

| | | |
|-------------------------------------|---------------------|---------------------|
| Investment in capital assets | <u>2,547,045</u> | <u>2,465,356</u> |
| | <u>\$ 3,805,749</u> | <u>\$ 3,608,769</u> |

TOWN OF OXFORD
SCHEDULE OF FINANCIAL ACTIVITIES
WATER CAPITAL FUND
YEAR ENDED MARCH 31, 2016

| | <u>2016</u> | <u>2015</u> |
|--|---------------------------|---------------------------|
| Balance, beginning of year | \$2,465,356 | \$2,363,179 |
| Add: (deduct) | | |
| Long term debt retired | 81,000 | 81,000 |
| Capital expenditures out of operations | 331 | 20,742 |
| Interest on depreciation fund | 358 | 435 |
| Balance, end of year | <u>\$2,547,045</u> | <u>\$2,465,356</u> |

TOWN OF OXFORD
SCHEDULE OF FINANCIAL POSITION
RESERVE FUND
MARCH 31, 2016

| | <u>Capital Reserve Gas Tax</u> | <u>Capital Reserve Fund</u> | <u>Operating Reserve Fund</u> | <u>2016 Total</u> | <u>2015 Total</u> |
|---------------------------------|--|-------------------------------------|---------------------------------------|--------------------------|-----------------------|
| Assets | | | | | |
| Cash | \$ 14,274 | \$ 89,988 | \$ 263,057 | \$ 367,319 | \$ 377,754 |
| Due from general operating fund | - | - | - | - | 2,984 |
| | <u>\$ 14,274</u> | <u>\$ 89,988</u> | <u>\$ 263,057</u> | <u>\$ 367,319</u> | <u>\$ 380,738</u> |
| Liabilities | | | | | |
| Due to General Operating Fund | \$ - | \$ - | \$ - | \$ - | \$ 65,577 |
| Reserves | | | | | |
| Balance, end of year | 14,274 | 89,988 | 263,057 | 367,319 | 315,161 |
| | <u>\$ 14,274</u> | <u>\$ 89,988</u> | <u>\$ 263,057</u> | <u>\$ 367,319</u> | <u>\$ 380,738</u> |

TOWN OF OXFORD
SCHEDULE OF FINANCIAL ACTIVITIES
RESERVE FUND
FOR THE YEAR ENDED MARCH 31, 2016

| | Capital Reserve Gas Tax | Capital Reserve Fund | Operating Reserve Fund General | 2016 Total | 2015 Total |
|--|-------------------------------|----------------------------|---|------------------|-------------------|
| Balance, beginning of year | \$ 14,322 | \$ 89,988 | \$ 210,851 | \$ 315,161 | \$ 425,220 |
| Interest | - | - | 379 | 379 | - |
| Capital gas tax received | 87,372 | - | - | 87,372 | 86,634 |
| Transfer from operating fund | - | - | 50,000 | 50,000 | - |
| Transfer from operating fund - - sale of land | - | - | - | - | 2,984 |
| Transfer 2015 surplus | - | - | 1,827 | 1,827 | - |
| | <u>87,372</u> | <u>-</u> | <u>52,206</u> | <u>139,578</u> | <u>89,618</u> |
| Transfer to General Operations | 87,372 | - | - | 87,372 | 199,634 |
| Service charge | 48 | - | - | 48 | 43 |
| | <u>87,420</u> | <u>-</u> | <u>-</u> | <u>87,420</u> | <u>199,677</u> |
| Balance, end of year | <u>\$ 14,274</u> | <u>\$ 89,988</u> | <u>\$263,057</u> | <u>\$367,319</u> | <u>\$ 315,161</u> |

TOWN OF OXFORD
SCHEDULE OF FINANCIAL POSITION
CUMBERLAND JOINT SERVICES MANAGEMENT AUTHORITY
MARCH 31, 2016

| | <u>2016</u> | <u>2015</u> |
|---|-------------------|------------------|
| Financial Assets | | |
| Cash and cash equivalents | \$ 101,189 | \$ 94,202 |
| Receivables - tipping fees | 4,662 | 5,635 |
| - HST | 533 | 218 |
| - Other | 672 | 438 |
| Total financial assets | <u>107,056</u> | <u>100,493</u> |
| Financial Liabilities | | |
| Payables and accruals | 2,132 | 1,425 |
| Deferred revenue | 718 | 535 |
| Provision for landfill closure & post closure costs | 40,886 | 35,459 |
| Provision for accumulated sick time | 1,002 | 943 |
| Total financial liabilities | <u>44,738</u> | <u>38,362</u> |
| Net Financial Assets | <u>62,318</u> | <u>62,131</u> |
| Non Financial Assets | | |
| Prepaid expenses | 519 | 501 |
| Capital assets | 38,643 | 36,638 |
| Total Non-Financial Assets | <u>39,162</u> | <u>37,139</u> |
| Accumulated Surplus | <u>\$ 101,480</u> | <u>\$ 99,270</u> |
| Fund Balances | | |
| General operating fund | \$ (30,957) | \$ (28,367) |
| General capital fund | 35,585 | 32,816 |
| Reserve fund | 96,852 | 94,821 |
| Total Fund Balances | <u>\$ 101,480</u> | <u>\$ 99,270</u> |

TOWN OF OXFORD
SCHEDULE OF FINANCIAL ACTIVITIES
CUMBERLAND JOINT SERVICES MANAGEMENT AUTHORITY
FOR THE YEAR ENDED MARCH 31, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|--|-----------------|-------------------|------------------|
| Revenue | | | |
| Solid waste operations | \$ 30,020 | \$ 31,983 | \$ 29,427 |
| Compost operations | 4,591 | 5,134 | 4,988 |
| Recycling operations | 6,067 | 6,218 | 6,087 |
| Interest | - | 889 | 2,346 |
| Gain (loss) on disposal of assets | - | (114) | - |
| Total revenue | <u>40,678</u> | <u>44,110</u> | <u>42,848</u> |
| Expenditures | | | |
| Administration | 7,940 | 7,989 | 8,085 |
| Solid waste operations | 14,412 | 15,976 | 15,237 |
| Compost operations | 2,372 | 2,213 | 2,199 |
| Recycling operations | 12,172 | 13,571 | 11,361 |
| Amortization | - | 2,151 | 1,949 |
| Total expenditures | <u>36,896</u> | <u>41,900</u> | <u>38,831</u> |
| Net Revenue (Expenditure) | <u>\$ 3,782</u> | <u>2,210</u> | <u>4,017</u> |
| Accumulated surplus - beginning of year | | <u>99,270</u> | <u>95,253</u> |
| Accumulated surplus - end of year | | <u>\$ 101,480</u> | <u>\$ 99,270</u> |

TOWN OF OXFORD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of 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 Canadian Professional Accountant of Canada (CPA).

The focus of PSAB financial statements is on the financial position of Town of Oxford and the changes thereto.

a) Reporting Entity

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

- General Operating and General Capital
- Water Utility and Water Capital
- Operating and Capital Reserves
- Cumberland Joint Services Management Authority (1.55%)

Inter-departmental and inter-organizational transactions have been eliminated.

b) Fund Accounting

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

The operating funds reflect the financial activities associated with the provision of municipal government services.

The capital funds reflect the financial activities associated with the acquisition construction and funding of capital assets.

c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and with banks.

d) Financial Instruments

The Town's financial instruments consist of cash and cash equivalents, receivables, payables and accruals and are carried at cost which approximates their fair value.

TOWN OF OXFORD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) Revenue and Expenditure Recognition

Revenues are recorded using the accrual basis of accounting as they are earned and measurable. Expenditures are accounted for in the period the goods and services are acquired and liability is incurred or transfer is due.

Property tax revenue is based on assessment determined in accordance with Nova Scotia Legislation. Tax rates are set annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal. Penalties on overdue taxes are recorded in the period levied.

f) Inventory

Inventory held for consumption are recorded.

g) Government Transfers

Government Transfers are recognized in the period in which the events giving rise to the transfer occur, providing transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

h) Investment Income

Investment income earned on surplus current funds, capital funds and reserve funds are reported as revenue in the period earned.

i) Use of Estimates

The preparation of these financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and to disclosure contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

TOWN OF OXFORD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

j) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use on the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated change in net financial assets (debt) for the year.

i) Tangible Capital Assets

Tangible capital assets are recorded in accordance with Section 3150 of the PSAB Handback which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

| | <u>Years</u> |
|---|--------------|
| Land improvements - skateboard park | 15 years |
| Buildings | 40 years |
| Engineered structures - sewers | 50 years |
| Vehicles and equipment | 5 - 15 years |
| Paving and streets | 5 - 50 years |
| Sidewalks | 25 years |
| Water Utility - Structures and improvements | 1.3% |
| Water Utility - Main | 1.3% |
| Water Utility - Services | 2% |
| Water Utility - Meters | 5% |
| Water Utility - Hydrants | 1.3% |

ii) Contributions of Tangible Capital Assets

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

iii) Leases

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

TOWN OF OXFORD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

l) Government transfers

Government and other contributions are recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met.

m) Investment income

Investment income earned on surplus current funds, is reported as revenue in the period earned.

n) Budget figures

Council completes separate budget reviews for its operating, water utility and capital budgets each year. The approved operating and water utility budget for 2016 is reflected on the Schedule II of Financial Activities - General Operating Fund and Schedule of Financial Activities - Water Operating Fund. For capital spending, budgets are set for individual projects and funding for these activities is determined annually and made by transfers from reserve funds, transfers from the operating/water utility funds, by the application of applicable grants, and by debt financing. As many capital projects are carried out over one or many years it is not practical to present annualized budget information on the Schedule of Capital Fund Operations.

o) Segmented information

The Town of Oxford is a diversified municipal government that provides a wide range of municipal programs and services to its constituents, including fire, RCMP, water supply and distribution, waste water treatment, library, recreation and tourism. Segmented information has been prepared by major functional classification, consistent with the Consolidated Statement of Operations and provincially legislated requirements.

2. CONTRIBUTION TO BOARDS

Town of Oxford is required to finance the operations of various Boards and Commissions, along with the other Municipal Units in Cumberland County to the extent of its participation based on assessment or population formula.

In addition to any budgeted contributions, the Municipal Units share in the deficits or surpluses of these Boards based on their sharing percentages.

TOWN OF OXFORD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

2. CONTRIBUTION TO BOARDS (cont'd)

Cumberland Regional Housing Authority

Town of Oxford along with other municipal units is required to finance its share of the operating deficit in the Cumberland Regional Housing Authority out of current year's operations. The deficit financed for 2015/16 was \$18,190 (2014/15 - \$36,261).

Cumberland Regional Library

During the year, Town of Oxford paid \$7,680 (2015 - \$7,680) to the Cumberland Regional Library. Town of Oxford does not share in any surplus or deficits.

3. CONTRIBUTION TO PROVINCIAL GOVERNMENT DEPARTMENTS & AGENCIES

Town of Oxford is required to finance the operations of various provincial government departments and boards, along with other municipal units in the province, based upon formulas defined in legislation.

Education Contribution

Town of Oxford is required to contribute to the Chignecto Central Regional School Board based on a calculation using the mandatory municipal education rate (set by the Minister of Education) times Town of Oxford's uniform assessment. For 2015/16 the education contribution was \$205,800 (2014/15 - \$207,828).

Corrections Contribution

The required contribution for corrections is calculated first using an amount set by the Province, to be recovered from all municipal units. Fifty percent of this recovery amount is allocated among municipal units using each unit's uniform assessment as a percentage of provincial uniform assessment. The other fifty percent is allocated using each unit's number of dwelling units as a percentage of provincial dwelling units. During 2015/16 Town of Oxford paid \$15,296 (2014/15 - \$15,271) to the Province for corrections services.

Assessment Services Contributions

The required contribution for assessment services is calculated first using an amount, set by the Province to be recovered from all municipal units. Fifty percent of this recovery amount is allocated among municipal units using each unit's uniform assessment as a percentage of provincial uniform assessment. The other fifty percent is allocated using each unit's number of assessment accounts as a percentage of provincial assessment accounts. During 2015/16 Town of Oxford paid \$18,688 (2014/15 - \$19,156) to the Province for assessment services.

TOWN OF OXFORD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

4. GOVERNMENT PARTNERSHIP

Generally Accepted Accounting Principles for local governments is established by the Public Sector Accounting Board (PSAB) require a government's pro rata share of each of the assets, liabilities, revenues and expenditures (including capital expenditures) of any government partnership to be combined on a line by line basis with similar items in the government's financial statements. Town of Oxford has a partnership with Cumberland Joint Services Management Authority, which operates a landfill site in Little Forks. The pro rata share for Town of Oxford is 1.55%. The 2015 comparative figures for CJSMA have been changed to 1.55% (from 2.44%) for more accurate comparison figures.

5. REMUNERATION PAID TO ELECTED OFFICIALS

| Name | Office | Remuneration |
|-----------------|------------|--------------|
| TRISHA STEWART | MAYOR | \$ 9,000 |
| WADE AD SHADE | COUNCILLOR | \$ 4,205 |
| PAUL JONES | COUNCILLOR | \$ 4,205 |
| DAWN THOMPSON | COUNCILLOR | \$ 4,205 |
| DARLENE ELLIS | COUNCILLOR | \$ 4,205 |
| TOM KAY | COUNCILLOR | \$ 4,205 |
| BARRY PATRIQUIN | COUNCILLOR | \$ 4,205 |

REMUNERATION PAID TO NON-ELECTED OFFICIAL

| Name | Office | Remuneration |
|---------------|----------|--------------|
| DARRELL WHITE | TOWN CEO | \$ 73,075 |

6. PENSION PLAN

The Town maintains a defined contribution pension plan, which provides benefits to the Town CEO on retirement.

TOWN OF OXFORD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
TANGIBLE CAPITAL ASSETS
AS AT MARCH 31, 2016

7. TANGIBLE CAPITAL ASSETS

| | Cost 2015 | Addition | Disposal | Cost 2016 | Accum Dep'n Beg. of Year | Reduction | Amort. | Accum Dep'n End of Year | Net Book Value of Tangible Capital Assets |
|---|---------------------|-------------------|------------------|---------------------|-----------------------------------|------------------|-------------------|----------------------------------|---|
| General | | | | | | | | | |
| Land | \$ 175,661 | \$ - | \$ - | \$ 175,661 | \$ - | \$ - | \$ - | \$ - | \$ 175,661 |
| Land improvements | - | 74,934 | - | 74,934 | - | - | 4,997 | 4,997 | 69,937 |
| Buildings | 3,076,793 | 10,340 | - | 3,087,133 | 780,320 | - | 78,224 | 858,544 | 2,228,589 |
| Vehicles/Equip | 1,544,971 | 49,158 | 10,000 | 1,584,129 | 1,260,356 | 10,000 | 46,168 | 1,296,524 | 287,605 |
| Sewer | 3,417,430 | - | - | 3,417,430 | 1,635,307 | - | 71,224 | 1,706,531 | 1,710,899 |
| Paving/Streets | 1,751,519 | 84,430 | - | 1,835,949 | 1,081,400 | - | 40,092 | 1,121,492 | 714,457 |
| Sidewalks | 282,698 | 10,381 | - | 293,079 | 83,380 | - | 11,723 | 95,103 | 197,976 |
| Street lights | 181,203 | - | - | 181,203 | 23,975 | - | 6,040 | 30,015 | 151,188 |
| Water | | | | | | | | | |
| Land | 43,970 | - | - | 43,970 | - | - | - | - | 43,970 |
| Structures & Improvements | 724,557 | - | - | 724,557 | 148,254 | - | 9,419 | 157,673 | 566,884 |
| Equipment | 90,902 | - | - | 90,902 | 90,902 | - | - | 90,902 | - |
| Mains | 2,357,441 | 127,758 | - | 2,485,199 | 412,250 | - | 32,307 | 444,557 | 2,040,642 |
| Services | 64,772 | - | - | 64,772 | 39,336 | - | 1,295 | 40,631 | 24,141 |
| Meters | 54,263 | 22,573 | 2,257 | 74,579 | 52,305 | 2,257 | 3,729 | 53,777 | 20,802 |
| Hydrants | 26,540 | - | - | 26,540 | 11,144 | - | 344 | 11,488 | 15,052 |
| Small Tools & Equip. | 6,039 | - | - | 6,039 | 6,039 | - | - | 6,039 | - |
| MV - truck | 7,271 | - | - | 7,271 | 2,181 | - | 1,454 | 3,635 | 3,636 |
| CJSMA | 68,531 | 4,463 | 4,599 | 68,395 | 31,892 | 4,293 | 2,151 | 29,750 | 38,645 |
| | <u>\$13,874,561</u> | <u>\$ 384,037</u> | <u>\$ 16,856</u> | <u>\$14,241,742</u> | <u>\$ 5,659,041</u> | <u>\$ 16,550</u> | <u>\$ 309,167</u> | <u>\$ 5,951,658</u> | <u>\$ 8,290,084</u> |
| 2015 Tangible Capital Assets | <u>\$13,659,790</u> | <u>\$ 214,771</u> | <u>\$ -</u> | <u>\$13,874,561</u> | <u>\$ 5,366,382</u> | <u>\$ -</u> | <u>\$ 292,659</u> | <u>\$ 5,659,041</u> | <u>\$ 8,215,520</u> |

TOWN OF OXFORD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

8. AMORTIZATION OF CAPITAL ASSETS

| | <u>2016</u> | <u>2015</u> |
|---|-------------------|-------------------|
| General Capital Fund | | |
| General government services | \$ 24,808 | \$ 25,625 |
| Protective services | 46,583 | 46,190 |
| Transportation services | 80,287 | 74,505 |
| Environmental health services | 71,223 | 71,222 |
| Environmental development services | 6,798 | 7,302 |
| Recreation and cultural services | 28,769 | 20,128 |
| | <u>258,468</u> | <u>244,972</u> |
| Water Utility | | |
| Structure and improvements | 9,419 | 9,419 |
| Equipment | 5,024 | 4,008 |
| Mains | 32,307 | 30,511 |
| Hydrants | 344 | 345 |
| Vehicle | 1,454 | 1,454 |
| | <u>48,548</u> | <u>45,737</u> |
| Cumberland Joint Services Management Authority | | |
| Buildings | 1,149 | 1,115 |
| Equipment | 220 | 81 |
| Vehicles | 782 | 754 |
| | <u>2,151</u> | <u>1,950</u> |
| | <u>\$ 309,167</u> | <u>\$ 292,659</u> |

TOWN OF OXFORD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

9. CAPITAL EXPENDITURES

| | <u>2016</u> | <u>2015</u> |
|---|-------------------|-------------------|
| General Capital Fund | | |
| Land improvements - skateboard park | \$ 74,934 | \$ - |
| Building - Fire Station | 3,940 | 5,396 |
| Building - Heritage Square | - | 1,475 |
| Building - Medical Centre | - | 10,295 |
| Building - Arena | - | 38,587 |
| Building - Trailer | - | 18,117 |
| Building - Theatre | 6,400 | - |
| Sidewalks | 10,381 | 11,431 |
| Paving - McCormick Street | 4,800 | - |
| Paving - Tennis Courts | - | 18,771 |
| Paving - Fire Hall Parking Lot | - | 18,875 |
| Paving - Heritage Square Parking Lot | - | 5,214 |
| Paving - Upper Foundry | - | 25,683 |
| Paving - Dufferin Street | - | 2,998 |
| Paving - Waverly Street | - | 12,124 |
| Paving - Rideau Street | - | 5,866 |
| Paving - Jackson Street | - | 9,650 |
| Paving - Henderson Street | - | 4,950 |
| Paving - Sunset Avenue | 16,680 | - |
| Paving - Little River Road | 28,220 | - |
| Paving - Pugwash Road | 10,690 | - |
| Paving - Foundry Street | 11,995 | - |
| Paving - Stanley Street | 3,965 | - |
| Paving - Water Street | 5,630 | - |
| Paving - Handel Street | 2,450 | - |
| Vehicle - Arena - Zamboni | 29,995 | - |
| Equipment - Library Desk | - | 3,821 |
| Equipment - Snowblower | 3,840 | - |
| Equipment - Salt Hopper | 8,085 | - |
| Equipment - Dugouts | 7,238 | - |
| | <u>229,243</u> | <u>193,253</u> |
| Water Utility | | |
| Mains | 127,758 | 20,742 |
| Meters | 22,573 | - |
| | <u>150,331</u> | <u>20,742</u> |
| Cumberland Joint Services Management Authority | | |
| CJSMA (1.55%) | 4,463 | 776 |
| | <u>\$ 384,037</u> | <u>\$ 214,771</u> |

TOWN OF OXFORD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

10. CAPITAL EXPENDITURES - SOURCE OF FINANCING

| | <u>2016</u> | <u>2015</u> |
|---|-------------------|-------------------|
| General Capital Fund | | |
| Capital Out of Revenue | \$ 65,260 | \$ 120,097 |
| Donation and Grants | 72,414 | 5,000 |
| Due to General Operating | 91,567 | 25,108 |
| Debt | - | 43,048 |
| | <u>229,241</u> | <u>193,253</u> |
| Water Capital Fund | | |
| Capital Out of Revenue | 331 | 20,742 |
| Temporary Borrowing | 150,000 | - |
| | <u>150,331</u> | <u>20,742</u> |
| Cumberland Joint Services Management Authority | | |
| Capital Out of Revenue | 66 | 776 |
| Reserve Funds | 4,203 | - |
| Trade-in of baler and skidsteer | 194 | - |
| | <u>4,463</u> | <u>776</u> |
| Total Sources of Financing | <u>\$ 384,035</u> | <u>\$ 214,771</u> |

11. LIABILITY FOR CONTAMINATED SITES

The Town has a garbage disposal site which was abandoned 26 years ago. There is no indication of ongoing contamination and no provision has been made for possible remediation.

TOWN OF OXFORD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

12. Long-term debt

| | <u>Matures</u> | <u>Balance Mar. 31/15</u> | <u>Issued</u> | <u>Redeemed</u> | <u>Balance Mar.31/16</u> | <u>2016 Debt Interest</u> |
|--|------------------|-------------------------------|-------------------|-------------------|------------------------------|-------------------------------|
| Nova Scotia Municipal Finance Corporation interest rates ranging from 1.12% to 2.221% Principal payments due annually on November 17 th in the amount of \$53,800 | Nov. 19, 2017 | \$ 269,000 | \$ - | \$ 53,800 | \$ 215,200 | \$ 2,548 |
| Nova Scotia Municipal Finance Corporation interest rates ranging from 1.63% to 3.115% Principal payments due annually on May 30 th in the amount of \$19,700 | May 30, 2016 | 39,400 | - | 19,700 | 19,700 | 817 |
| Nova Scotia Municipal Finance Corporation interest rates ranging from 1.630% to 4.221% Principal payments due annually on May 30 th in the amount of \$58,500 | May 30, 2021 | 409,500 | - | 58,500 | 351,000 | 13,495 |
| Nova Scotia Municipal Finance Corporation interest rates ranging from 1.285% to 3.614% Principal payments due annually on November 15 th in the amount of \$92,000 | Nov.15, 2023 | 828,000 | - | 92,000 | 736,000 | 23,628 |
| Nova Scotia Municipal Finance Corporation interest rates from 1.219% to 3.645% | 2021 | 350,000 | - | 50,000 | 300,000 | 9,812 |
| Nova Scotia Municipal Finance Corporation interest rates from 2.97% to 4.56% | 2015 | 31,000 | - | 31,000 | - | 247 |
| Bank of Nova Scotia (temporary borrowing) | | - | 150,000 | - | 150,000 | 2,026 |
| | | <u>\$1,926,900</u> | <u>\$ 150,000</u> | <u>\$ 305,000</u> | <u>\$ 1,771,900</u> | <u>\$ 52,573</u> |

TOWN OF OXFORD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

13. PROVISION FOR LANDFILL CLOSURE & POST CLOSURE COSTS

Town of Oxford along with the Municipality of the County of Cumberland, Town of Amherst and Town of Parrsboro owns and operates through Cumberland Joint Services Management Authority (CJSMA), one open and one closed landfill site. The Town has an obligation under the Nova Scotia Environmental Protection Act for costs related to the closure and post closure care of the sites once capacity is reached. These costs are shared pro rata on use with the other municipalities party to CJSMA, where a reserve has been established to provide for the future costs. The Town's 2016 pro rata share is 1.55%.

Closure and post closure activities for this site includes final covering and landscaping, pumping of ground water and leachates from the site and ongoing environmental monitoring, site inspections and maintenance.

The estimated liability for the care of the landfill site is the present value of future cash flows associated with closure and post closure costs discounted using a long-term borrowing rate of 3.05% and a forecasted inflation rate of 3%. The liability was adjusted for capacity used of 76.75% (2015 - 68.37%).

The total estimated present value of future expenses for closure and post closure care as at March 31, 2016 is \$3,436,876 (2015 - \$3,345,828). The liability to date is \$2,637,819 (2015 - \$2,287,693) based on capacity used.

Town of Oxford's 2016 share of the liability is estimated at \$40,886 (2015 - \$35,459) for closure and post closure costs. These costs have been reported on the consolidated statement of financial position. The Town's share of the cash reserve in CJSMA to fund the liability is \$41,686 (2015 - \$39,076).

TOWN OF OXFORD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

14. EXPENSES BY OBJECT

The following is a summary of the expenditures as reported in the Schedule of Operations:

| | 2016 Budget | 2016 Actual | 2015 Actual |
|-------------------------------|------------------------|------------------------|------------------------|
| General Operating Fund | | | |
| Wages and benefits | \$ 510,948 | \$ 545,432 | \$ 485,218 |
| Interest on long term debt | 47,355 | 48,033 | 49,975 |
| Administrative costs | 53,050 | 52,762 | 64,000 |
| Building and facility costs | 163,808 | 169,379 | 182,086 |
| Vehicle and equipment costs | 164,780 | 209,103 | 148,028 |
| Materials and supplies | 110,535 | 77,203 | 113,566 |
| Other municipal costs | 400,600 | 520,592 | 561,448 |
| Fiscal services | 20,188 | 43,236 | 36,176 |
| Police protection | 464,000 | 508,924 | 452,769 |
| Insurance | 4,800 | 5,200 | 4,800 |
| Professional fees | 16,600 | 17,719 | 19,098 |
| Solid waste | 83,950 | 53,331 | 99,480 |
| | <u>\$ 2,040,614</u> | <u>\$ 2,250,914</u> | <u>\$ 2,216,644</u> |
| Water Operating Fund | | | |
| Wages and benefits | \$ 138,250 | \$ 149,961 | \$ 136,266 |
| Administrative costs | 58,642 | 60,784 | 52,347 |
| Power and pumping | 82,000 | 77,293 | 77,473 |
| Vehicle and equipment costs | 5,700 | 5,500 | 5,500 |
| Transmission and distribution | 45,000 | 38,266 | 49,126 |
| Water treatment | 18,500 | 17,377 | 17,582 |
| Depreciation | 45,604 | 48,549 | 45,737 |
| | <u>\$ 393,696</u> | <u>\$ 397,730</u> | <u>\$ 384,031</u> |

TOWN OF OXFORD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

15. ACCUMULATED SURPLUS

Accumulated surplus consists of individual fund surplus (deficit) and reserves as follows:

| | <u>2016</u> | <u>2015</u> |
|--|---------------------|---------------------|
| Surplus (deficit) | | |
| Invested in tangible capital assets | \$ 6,691,311 | \$ 6,503,647 |
| General operating fund | 10,195 | 1,828 |
| Water operating fund | (93,706) | (66,189) |
| Solid waste disposal - CJSMA | (30,957) | (28,367) |
| Reserves | | |
| Town of Oxford | | |
| Capital reserve gas tax | 14,274 | 14,322 |
| Capital reserve fund | 89,988 | 89,988 |
| Operating reserve fund | 263,057 | 210,851 |
| CJSMA (1.55%) | | |
| Equipment reserve (1.55%) | 11,256 | 14,219 |
| Little Forks II closure/post closure (1.55%) | 41,688 | 39,076 |
| New cell development (1.55%) | 43,911 | 41,525 |
| | <u>\$ 7,041,017</u> | <u>\$ 6,820,900</u> |