

TOWN OF OXFORD, CONNECTICUT

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

with

SUPPLEMENTAL STATEMENTS AND SCHEDULES

and

INDEPENDENT AUDITORS' REPORT

Sandra E. Welwood, LLC
Certified Public Accountants

TOWN OF OXFORD, CONNECTICUT

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INDEPENDENT AUDITORS' REPORT

To the Board of Finance
Town of Oxford, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Oxford, Connecticut (the "Town") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2016, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 15 in the notes to the financial statements, the Town adjusted its government-wide financial statements for the recognition of the Town's pension related contributions payable and other proportionate share of net pension liability adjustments at July 1, 2015, which resulted in the Town restating net position. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 3 through 9 and pension information on pages 45 through 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The General Fund budgetary comparison detail schedules, combining and individual nonmajor fund financial statements and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The General Fund budgetary comparison detail schedules, combining and individual nonmajor fund financial statements and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund budgetary comparison detail schedules, combining and individual nonmajor fund financial statements and other schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2016, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Sanchez E. Welwood, LLC

Danbury, Connecticut
November 18, 2016

TOWN OF OXFORD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2016

As management of the Town of Oxford, Connecticut (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2016.

FINANCIAL HIGHLIGHTS

The net position of the Town at the close of the most recent fiscal year is \$75,668,975. Of this amount, \$9,552,266 may be used to meet the government's ongoing obligations to citizens and creditors. The government's total net fixed assets are \$94,532,433. As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balance of \$8,186,498.

As of the end of the current fiscal year, unassigned fund balance for the General Fund was \$11,106,427, or approximately 25.5% of the General Fund expenditures (on a budgetary basis).

The Town's total debt, including bonds, bond anticipation notes, and other obligations, decreased by \$712,931 during the current fiscal year due primarily to the regularly scheduled bond payments and the reduction of the net pension liability.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the three basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to private-sector businesses.

The Statement of Net Position presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, highways and streets, solid waste disposal, human services, economic development, culture and recreation activities.

The government-wide financial statements can be found on pages 10 and 11 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of resources, as well as on balances of resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains thirteen (13) individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) for the General Fund, the High School Construction Fund, and the High School Athletic Complex Fund, which are considered to be major funds. Nine (9) special revenue funds and one (1) capital project fund are combined into aggregate funds in this presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental funds financial statements can be found on pages 12 through 14 of this report. A statement comparing budgeted amounts to actual amounts, in summary format, can be found on page 15. The Town adopts an annual appropriated budget for its General Fund.

Fiduciary Funds – Trust and agency funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals. These funds include pension trust and agency funds. The Town's Pension Trust Fund is reported in the financial statements. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations.

The fiduciary fund financial statements can be found on pages 16 and 17 of the report.

Notes to the Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 through 44 of this report.

Town of Oxford, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, net position is \$75,668,975 at the close of the most recent fiscal year.

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
Current and other assets	\$ 22,198,016	\$ 12,999,201
Capital assets	<u>94,532,433</u>	<u>95,724,975</u>
Total assets	<u>116,730,449</u>	<u>108,724,176</u>
<u>Deferred Outflows of Resources</u>	<u>1,070,525</u>	<u>557,011</u>
<u>Liabilities</u>		
Long-term liabilities outstanding	27,092,884	27,974,517
Other liabilities	<u>13,720,470</u>	<u>10,794,093</u>
Total liabilities	<u>40,813,354</u>	<u>38,768,610</u>
<u>Deferred Inflows of Resources</u>	<u>1,318,645</u>	<u>933,058</u>
<u>Net Position</u>		
Net investment in capital assets	66,103,570	65,268,951
Restricted	13,139	120,688
Unrestricted	<u>9,552,266</u>	<u>4,189,880</u>
Total net position	<u>\$ 75,668,975</u>	<u>\$ 69,579,519</u>

By far, the largest portion of the Town's net position (87.4%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of unrestricted net position of \$9,552,266 may be used to meet the government's ongoing obligations to citizens and creditors.

Town of Oxford, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

The governmental activities increased the Town's net position by \$6,741,578.

	<u>Years Ending June 30,</u>	
	<u>2016</u>	<u>2015</u>
<u>Revenues:</u>		
Program revenues:		
Charges for services	\$ 2,306,463	\$ 2,270,957
Operating grants and contributions	10,006,368	8,635,567
Capital grants and contributions	-	1,108,844
General revenues:		
Property taxes, interest, and lien fees	36,378,066	35,961,618
Grants and contributions not restricted to specific programs	2,278,715	728,611
Interest and investment earnings	59,158	84,145
Power plant agreement revenue	<u>5,025,000</u>	<u>-</u>
Total revenues	<u>56,053,770</u>	<u>48,789,742</u>
<u>Expenses:</u>		
General government	2,094,050	2,025,127
Conservation of health	1,076,455	1,165,249
Public safety	2,918,345	2,480,367
Public activities	1,440,205	1,173,803
Public works	3,683,861	3,540,162
Solid waste	441,031	428,608
Education	34,029,856	32,676,131
Library	255,574	259,117
Interest on debt	634,052	669,651
Other	<u>2,738,763</u>	<u>2,416,901</u>
Total expenses	<u>49,312,192</u>	<u>46,835,116</u>
Change in net position	<u>\$ 6,741,578</u>	<u>\$ 1,954,626</u>

The primary causes for the increase in net position relates to the following changes.

Major revenue factors included:

- Revenue from capital grants and contributions decreased \$1,108,844 in the current fiscal year when compared to the previous year due to the Town receiving less grants from the State of Connecticut.
- Operating grants and contributions increased \$1,370,801 because teachers' retirement on-behalf revenue increased in the current fiscal year and the Marion Strong contribution was received.
- \$5,025,000 was received related to the power plant agreement.

Town of Oxford, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

For governmental activities, 69.0% of the Town's expenses relate to education, 1.3% relate to debt service, 8.1% relate to public safety and conservation of health, 8.4% relate to public works and solid waste, 7.1% relate to government and public activities, and 6.1% to all other areas.

Major expense factors included:

- The cost of education services increased due to the State of Connecticut on-behalf payment of \$2,672,515 (compared to \$2,313,079 in the prior year) and higher budgeted costs.
- Public safety increased due to approved budget increases and increased police duty costs.

FINANCIAL ANALYSIS OF THE FUND FINANCIAL STATEMENTS

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balance of \$8,186,498. The net balance constitutes unassigned fund balance of \$5,029,458, committed for special funds \$995,263, committed for capital projects \$4,842 and nonspendable fund balance prepaid expenses and inventories of \$13,139. The unassigned fund balance of \$5,029,458 was negatively impacted by the deficit fund balances in the High School Construction (\$2,441,180), High School Athletic Complex (\$2,945,000), the Hot Lunch Program (\$5,696), and the Capital and Nonrecurring Expenditures (\$685,093) funds, which is more than offset the General Fund unassigned fund balance of \$11,106,427.

General Fund

At the end of the current fiscal year, unassigned fund balance of the General Fund was \$11,106,427. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 25.5% of total General Fund expenditures (on a budgetary basis).

The Town's General Fund balance increased \$6,234,960 during the current fiscal year. The key factors of the increase is the \$5,025,000 received related to the power plant agreement, \$1,345,556 received related to the cell tower lease, and \$350,000 for the sale of land, which was partially offset by the pay down of certain notes payable and leases to zero.

Town of Oxford, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

Capital and Nonrecurring Expenditures Fund

The fund is a pay-as-you-go funded capital improvement fund. It is funded with annual appropriations from the General Fund to finance planned capital projects. The annual appropriation from taxes was approved at \$1,217,000 for the 2016 fiscal year and an additional appropriation of \$282,000 was approved during the year. Expenditures for capital projects and equipment in this fund were \$1,833,932.

GENERAL FUND BUDGETARY HIGHLIGHTS

For the 2016 fiscal year, actual results compared to the final budget were favorable by \$8,349,836 primarily from unbudgeted revenue related to the following:

- \$5,025,000 received related to the power plant agreement,
- \$1,345,556 received related to the cell tower lease, and
- \$350,000 for the sale of land

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities as of June 30, 2016, amounts to \$94,532,433 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and park facilities. Capital assets, net of accumulated depreciation, are comprised of the following:

	Governmental Activities
Land	\$ 6,868,354
Buildings and improvements	62,860,300
Machinery, vehicles, and equipment	3,731,418
Infrastructure	<u>21,072,361</u>
Total (net of accumulated depreciation)	<u>\$ 94,532,433</u>

Town of Oxford, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

Debt Administration

The Town's bonded debt decreased \$1,705,000 from 2015 to a balance of \$19,900,000 at June 30, 2016. As of June 30, 2016, the Town had \$6,238,000 in outstanding bond anticipation notes and \$1,029,228 in loans payable. Long-term debt maturities are comprised of the following:

<u>Fiscal Year Ended:</u>	<u>Bond Principal</u>	<u>Bond Interest</u>	<u>Loan Principal</u>	<u>Loan Interest</u>
2017	\$ 1,685,000	\$ 720,469	\$ 244,633	\$ 24,503
2018 – 2022	8,405,000	2,647,450	784,595	22,811
2023 – 2027	7,590,000	1,147,832	-	-
2028 – 2029	<u>2,220,000</u>	<u>65,024</u>	<u>-</u>	<u>-</u>
	<u>\$ 19,900,000</u>	<u>\$ 4,580,775</u>	<u>\$ 1,029,228</u>	<u>\$ 47,314</u>

NEXT YEAR'S BUDGET AND RATES

The Town's budget for the 2016-2017 year is \$45,691,411, which is more than the 2015-2016 budget. The mil rate was approved at 24.21, which is 0.75 less than the 2015-2016 year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 486 Oxford Road, Oxford, Connecticut, 06478.

TOWN OF OXFORD, CONNECTICUT

**STATEMENT OF NET POSITION
JUNE 30, 2016**

Assets

Current assets:

Cash and cash equivalents	\$ 17,875,995
Investments	1,873,454
Receivables:	
Property taxes	1,446,321
Intergovernmental	431,598
Other	424,165
Due from Pension Trust Fund	133,344
Prepaid expenses	4,032
Inventory	9,107

Noncurrent assets:

Capital assets:

Not being depreciated	6,868,354
Being depreciated, net of accumulated depreciation	87,664,079

Total assets

116,730,449

Deferred Outflows of Resources

Pension change in projected and actual investment earnings	295,999
Pension contributions subsequent to measurement date	774,526

Total deferred outflows of resources

1,070,525

Liabilities

Current liabilities:

Accounts payable and accrued liabilities	6,194,085
Accrued interest payable	341,572
Due to Agency Funds	74,708
Unearned revenue	153,884
Pension contributions payable	718,221
Bond anticipation and notes payable	6,238,000

Noncurrent liabilities:

Due within one year	2,111,002
Due in more than one year	24,981,882

Total liabilities

40,813,354

Deferred Inflows of Resources

Advance lease payments	1,318,645
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Net Position

Net investment in capital assets	66,103,570
Restricted for prepaid expenses and inventories	13,139
Unrestricted	9,552,266
Total net position	<u>\$ 75,668,975</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF OXFORD, CONNECTICUT

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General government	\$ (2,094,050)	\$ 991,712	\$ 689,267	\$ -	\$ (413,071)
Conservation of health	(1,076,455)	-	-	-	(1,076,455)
Public safety	(2,918,345)	31,985	-	-	(2,886,360)
Public activities	(1,440,205)	617,286	488,571	-	(334,348)
Public works	(3,683,861)	-	274,226	-	(3,409,635)
Solid waste	(441,031)	-	-	-	(441,031)
Education	(34,029,856)	665,480	8,554,304	-	(24,810,072)
Library	(255,574)	-	-	-	(255,574)
Interest on debt	(634,052)	-	-	-	(634,052)
Other	(2,738,763)	-	-	-	(2,738,763)
Total governmental activities	\$ (49,312,192)	\$ 2,306,463	\$ 10,006,368	\$ -	(36,999,361)
General Revenues:					
Property taxes, interest, and lien fees					36,378,066
Grants and contributions not restricted to specific programs					2,278,715
Interest and investment earnings					59,158
Power plant agreement revenue					5,025,000
Total general revenues					43,740,939
Change in net position					6,741,578
Net position, beginning of year - as reported					69,579,519
Adjustment - Note 15					(652,122)
Net position, beginning of year - as restated					68,927,397
Net position, end of year					\$ 75,668,975

The notes to the financial statements are an integral part of this statement.

TOWN OF OXFORD, CONNECTICUT

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2016**

	General Fund	High School Construction Fund	High School Athletic Complex Fund	Nonmajor Funds	Total Governmental Funds
<u>Assets</u>					
Cash and cash equivalents	\$ 15,470,254	\$ -	\$ -	\$ 2,405,741	\$ 17,875,995
Investments	1,873,454	-	-	-	1,873,454
Receivables:					
Property taxes	1,446,321	-	-	-	1,446,321
Intergovernmental	126,171	-	-	305,427	431,598
Other	276,146	-	-	148,019	424,165
Due from other funds	1,171,171	171,820	-	574,660	1,917,651
Due from Pension Trust Fund	133,344	-	-	-	133,344
Prepaid expenses	4,032	-	-	-	4,032
Inventory	-	-	-	9,107	9,107
Total assets	\$ 20,500,893	\$ 171,820	\$ -	\$ 3,442,954	\$ 24,115,667
<u>Liabilities</u>					
Accounts payable					
and accrued liabilities	\$ 5,988,238	\$ -	\$ -	\$ 205,847	\$ 6,194,085
Unearned revenue	8,490	-	-	145,394	153,884
Bond anticipation notes	-	2,613,000	2,945,000	680,000	6,238,000
Due to Agency Funds	74,708	-	-	-	74,708
Due to other funds	746,480	-	-	1,171,171	1,917,651
Total liabilities	6,817,916	2,613,000	2,945,000	2,202,412	14,578,328
<u>Deferred Inflows of Resources</u>					
Unavailable revenue - taxes	1,350,841	-	-	-	1,350,841
<u>Fund Balances</u>					
Nonspendable	4,032	-	-	9,107	13,139
Restricted	-	-	-	922,119	922,119
Committed:					
Special funds	-	-	-	995,263	995,263
Capital projects	-	-	-	4,842	4,842
Assigned - next year's budget	1,221,677	-	-	-	1,221,677
Unassigned	11,106,427	(2,441,180)	(2,945,000)	(690,789)	5,029,458
Total fund balances	12,332,136	(2,441,180)	(2,945,000)	1,240,542	8,186,498
Total liabilities, deferred inflows of resources, and fund balances	\$ 20,500,893	\$ 171,820	\$ -	\$ 3,442,954	

Amounts reported in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	94,532,433
Other long-term assets and deferred outflows of resources are not available to pay for current period expenditures and, therefore, are deferred in the funds.	2,421,366
Long-term liabilities and deferred inflows, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(29,471,322)
Net position	\$ 75,668,975

The notes to the financial statements are an integral part of this statement.

TOWN OF OXFORD, CONNECTICUT

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
FOR THE YEAR ENDED JUNE 30, 2016**

	General Fund	High School Construction Fund	High School Athletic Complex Fund	Nonmajor Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 36,410,153	\$ -	\$ -	\$ -	\$ 36,410,153
Assessments	-	-	-	-	-
Intergovernmental	8,541,198	-	-	901,508	9,442,706
Program	-	-	-	797,872	797,872
Investment income	58,529	-	-	629	59,158
Licenses and permits	711,522	-	-	-	711,522
Charges for goods and services	223,502	-	-	531,202	754,704
Other	3,226,245	-	-	977,142	4,203,387
Total revenues	49,171,149	-	-	3,208,353	52,379,502
Expenditures:					
Current:					
General government	2,041,442	-	-	181,867	2,223,309
Conservation of health	1,022,504	-	-	-	1,022,504
Public safety	2,478,057	-	-	-	2,478,057
Public activities	504,129	-	-	713,139	1,217,268
Public works	1,936,373	-	-	-	1,936,373
Solid waste	263,576	-	-	-	263,576
Education	31,084,769	-	-	1,344,682	32,429,451
Library	255,574	-	-	-	255,574
Other	2,575,125	-	-	-	2,575,125
Grants	163,638	-	-	-	163,638
Capital outlay	1,279,049	-	20,301	1,942,486	3,241,836
Debt service	3,742,213	-	-	-	3,742,213
Total expenditures	47,346,449	-	20,301	4,182,174	51,548,924
Excess of revenues over (under) expenditures	1,824,700	-	(20,301)	(973,821)	830,578
Other Financing Sources (Uses):					
Proceeds from issuance of loan	1,128,000	-	-	-	1,128,000
Power plant agreement proceeds	5,025,000	-	-	-	5,025,000
Transfers in	31,260	110,000	155,000	1,477,740	1,774,000
Transfers out	(1,774,000)	-	-	-	(1,774,000)
Total other financing sources (uses):	4,410,260	110,000	155,000	1,477,740	6,153,000
Net change in fund balances	6,234,960	110,000	134,699	503,919	6,983,578
Fund balances (deficits), beginning of year	6,097,176	(2,551,180)	(3,079,699)	736,623	1,202,920
Fund balances (deficits), end of year	\$ 12,332,136	\$ (2,441,180)	\$ (2,945,000)	\$ 1,240,542	\$ 8,186,498

The notes to the financial statements are an integral part of this statement.

TOWN OF OXFORD, CONNECTICUT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds	\$ 6,983,578
 Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	 (1,192,542)
 The issuance of long-term debt (e.g. bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the Statement of Activities. This is the net effect of these differences in the treatment of long-term debt and related items.	 1,940,993
 Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	 360,281
 Revenues from taxes and other sources are reported as income in the year revenues provide current financial resources to governmental funds.	 <u>(1,350,732)</u>
Change in net position	<u><u>\$ 6,741,578</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF OXFORD, CONNECTICUT

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY BASIS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 36,395,651	\$ 36,395,651	\$ 36,410,153	\$ 14,502
Intergovernmental	5,803,263	5,803,263	5,868,683	65,420
Investment income	35,000	35,000	58,529	23,529
Licenses and permits	545,000	545,000	711,522	166,522
Charges for goods and services	225,000	225,000	223,502	(1,498)
Other	267,301	267,301	8,251,245	7,983,944
Total revenues	43,271,215	43,271,215	51,523,634	8,252,419
Expenditures:				
Current:				
General government	2,263,055	2,125,746	2,041,442	84,304
Conservation of health	969,155	1,035,561	1,022,504	13,057
Public safety	1,977,394	2,527,454	2,478,057	49,397
Public activities	503,727	510,526	504,129	6,397
Public works	2,210,350	2,212,223	1,936,373	275,850
Solid waste	298,938	298,938	263,576	35,362
Education	28,113,735	28,113,735	27,964,751	148,984
Education grants - special	-	-	447,503	(447,503)
Library	259,581	259,581	255,574	4,007
Other	2,449,510	2,565,297	2,575,125	(9,828)
Grants	-	-	163,638	(163,638)
Capital outlay	1,217,000	1,356,125	151,049	1,205,076
Debt service	3,761,770	4,380,905	3,742,213	638,692
Total expenditures	44,024,215	45,386,091	43,545,934	1,840,157
Other Financing Sources (Uses):				
Transfers out	-	-	(1,742,740)	(1,742,740)
Total other financing sources (uses)	-	-	(1,742,740)	(1,742,740)
Net change in fund balance	\$ (753,000)	\$ (2,114,876)	6,234,960	\$ 8,349,836
Fund balance, beginning of year			6,097,176	
Fund balance, end of year			\$ 12,332,136	

The notes to the financial statements are an integral part of this statement.

TOWN OF OXFORD, CONNECTICUT

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2016

	Pension Trust Fund	Agency Funds
<u>Assets</u>		
Cash and cash equivalents	\$ 15,910	\$ 145,675
Investments	717,155	-
Due from General Fund	-	74,708
Total assets	733,065	220,383
<u>Liabilities</u>		
Due to General Fund	133,344	-
Due to student groups	-	135,150
Due to developers	-	85,233
Total liabilities	133,344	220,383
<u>Net Position</u>		
Net position held in trust	\$ 599,721	\$ -

The notes to the financial statements are an integral part of this statement.

TOWN OF OXFORD, CONNECTICUT

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016**

	Pension Trust Fund
Investment income:	
Interest and dividends	\$ 7,499
Realized gains (losses)	(41,763)
	<u>(34,264)</u>
Deductions:	
Benefits paid	63,771
Fees and expenses	14,391
	<u>78,162</u>
Change in net position	(112,426)
Net position, beginning of year	<u>712,147</u>
Net position, end of year	<u><u>\$ 599,721</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF OXFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

The Town of Oxford, Connecticut (the “Town”) was incorporated as a town in 1798. The Town operates under a Town Meeting form of government, with a Board of Selectmen consisting of three elected members, and a Board of Finance made up of six elected members. The Town provides a full range of services including public safety, roads, sanitation, health, social services, culture and recreation, education, planning, zoning, and general administrative services to its residents. The accompanying financial statements conform to accounting principles generally accepted in the United States of America as applicable to governments.

Accounting principles generally accepted in the United States of America require that the reporting entity include: 1) the primary government; 2) organizations for which the primary government is financially accountable; and 3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Based on the application of these criteria, there were no organizations which met the criteria described above.

Accounting Estimates

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

Fund Accounting

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as applicable. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the Town government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. At June 30, 2016, the Town had no business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted first, then unrestricted resources as they are needed.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes collected within this 60 day period is an example of such revenue. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. Expenditures generally are recorded when the related liability is incurred, except for debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, which are recorded only when payment is due.

Property taxes and sewer assessments associated with the current fiscal period are all considered to be susceptible to accrual and, therefore, have been recognized as revenues of the current fiscal period when levied. All other revenue items are considered to be measurable and available only when cash is received by the Town or specifically identified.

The Town reports the following major governmental funds:

The **General Fund** is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **High School Construction Fund** (capital project fund) accounts for the costs and related debt incurred in connection with the construction of the Town's high school off Route 188.

The **High School Athletic Complex Fund** (capital project fund) accounts for the costs and related debt incurred in connection with the construction of the high school athletic complex.

The Town also reports the following fund types:

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to be expenditures for specified purposes.

Capital Project Funds account for resources used for the acquisition, renovation, and construction of capital facilities or major repair activities.

Pension Trust Fund accounts for the accumulation of resources to pay to the State of Connecticut Municipal Employees' Retirement Fund (MERS) for the prior service costs of Town employees that switched to the MERS plan when the Town discontinued its own pension fund.

Agency Funds account for monies held as a custodian for outside groups and agencies.

Property Taxes

Property taxes are assessed as of October 1, levied on the following July 1, and are due in two installments, July 1 and the subsequent January 1. Taxes less than \$100 are due in full July 1. Motor vehicle taxes are due in one installment on July 1, and supplemental motor vehicle taxes are due in full January 1. Taxes become delinquent 30 days after the installment is due. Liens are filed by the last day of the fiscal year.

Based on historical collection experience and other factors, the Town has established an allowance for uncollectible accounts of \$1,975,214 as of June 30, 2016.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, in banks, and highly liquid short-term investment funds having maturities of three months or less.

Investments

Investments are stated at fair value using quoted market prices.

Interfund Receivables, Payables, and Transactions

Activities between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (current portion of interfund loans) or "advances to/from other funds" (noncurrent portion of interfund loans).

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Capital Assets

Capital assets, which include land, currently acquired infrastructure, buildings, improvements, machinery and equipment are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at fair value at the date of donation.

Town of Oxford, Connecticut
Notes to Financial Statements
June 30, 2016 (continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and improvements	50
Machinery, equipment and vehicles	5- 20
Infrastructure	50

Compensated Absences

Employees are paid by a prescribed formula for absences due to vacation or sickness. The obligation for vacation pay vests when earned. Under various agreements, employees may accumulate unused vacation leave, and in certain cases, unused sick leave, to be paid upon termination. Sick leave and vacation leave expenditures are recognized in the fund financial statements in the current year to the extent they are paid during the year or expected to be paid with available resources. The liability for accrued vacation and sick leave earned is accounted for within the liabilities section of the government-wide financial statements. The vesting method using historical data was used to calculate the liability.

Unearned Revenue

In the government-wide and fund financial statements, this liability represents resources that have been received but not yet earned.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred outflow of resources in the government-wide Statement of Net Position related to pension contributions made subsequent to the measurement date. These amounts are deferred and included in pension expense in the subsequent year. Also, the Town reports a deferred outflow of resources related to pension results from differences between expected and actual experience in the government-wide Statement of Net Position. These amounts are deferred and included in pension expense in a systematic and rational manner.

Deferred inflows of resources represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports a deferred inflow of resources related to the advance lease payments received in the government-wide Statement of Net Position. These amounts are deferred and included in revenue in a systematic and rational manner. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The unavailable revenues from property taxes are reported in the governmental funds Balance Sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Pension Liability

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

Long-Term Obligations

In the government-wide financial statements, long-term future debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the governmental fund financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pension Trust Fund

Currently, employees of the Town are participants in the State of Connecticut Municipal Employees' Retirement System (MERS). Prior to joining MERS, the Town had maintained its own employee pension plan. Several years ago, the Town appropriated \$1,000,000 and invested it so as to provide sufficient funds to pay to MERS annually an amount equal to the annual amortization required for its employees' prior service costs. 2020 is the approximate date the prior service cost amortization will be satisfied. Any funds remaining in the Pension Trust Fund will be returned to the General Fund.

Other Post Employment Benefit (OPEB) Accounting

The net OPEB obligation, the cumulative difference between annual OPEB cost and the Town's contributions to the plan since July 1, 2008, is calculated on an actuarial basis consistent with the requirements of the Governmental Accounting Standards Board Statement No. 45. OPEB obligation is recorded as a noncurrent liability in the government-wide financial statements. Expenditures are recognized when they are paid, or expected to be paid, with current available resources. The OPEB liability is recorded in the government-wide financial statements.

Funding Policy – The Town makes annual contributions on a pay-as-you-go basis.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, or other commitments for expenditures are recorded to reserve a portion of an applicable appropriation, is utilized in governmental funds, primarily the General Fund. Encumbrances outstanding at year-end are reported as assigned fund balance as they do not constitute expenditures or liabilities. There were no encumbrances at year end 2016.

Fund Equity and Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce this category.

Restricted – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This category represents the net position of the Town which is not restricted for any project or other purpose.

Governmental Accounting Standards Board Statement No. 54 (GASB 54) defines the different types of fund balances that the Town must use for its governmental funds. GASB 54 requires the fund balances to be properly reported within one of the following categories for financial reporting purposes.

Nonspendable – generally, amounts that are not expected to be converted to cash, such as inventories or prepaid amounts. This classification also includes some long-term amounts such as property acquired for resale or the long-term portion of loans receivable.

Restricted – amounts that can be used only for specific purposes because of (a) constitutional provisions or enabling legislation, or (b) externally imposed constraints. (External constraints might be imposed by creditors, grantors, contributors, or even the laws or regulations of other governments.)

Committed – amounts that can be used only for specific purposes because of a formal action by the government's highest level of decision-making authority. This classification might also include contractual obligations if existing resources have been committed for use in satisfying those contractual requirements. (The formal sanction to establish constraints should be taken before year-end, even if the amount might not be determined until the subsequent period.)

Assigned – amounts intended to be used for specific purposes but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body (such as a finance committee), or by an official to whom that authority has been given. This is the residual fund balance classification for all governmental funds except the General Fund. Assigned fund balances should not be reported in the General Fund if doing so causes the government to report a negative unassigned General Fund balance.

Unassigned – this is the residual classification for the General Fund (i.e., everything that is not in another classification or in another fund). The General Fund is the only governmental fund that can report a positive unassigned fund balance. Other governmental funds might have a negative unassigned fund balance as a result of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Note 2 – Reconciliation of Government-Wide and Fund Financial Statements

The basic financial statements of the Town include a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide Statement of Net Position. The basic financial statements also include a reconciliation between the Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) of governmental funds and the changes in net position of governmental activities as reported in the government-wide Statement of Activities.

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund Balance Sheet includes a reconciliation between fund balance - total governmental funds and net position of governmental activities as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that "long-term liabilities and deferred inflows, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds." The details are as follows:

Bonds payable	\$ 19,900,000
Premium on bonds payable	920,063
Loan payable	1,029,228
Accrued interest payable	341,572
Pension contributions payable	718,221
Compensated absences	671,976
OPEB obligation	670,000
Net pension liability	3,901,617
Advance lease payments	<u>1,318,645</u>
Net adjustment to fund balances – total governmental funds to arrive at net position of governmental activities	<u>\$ 29,471,322</u>

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) and the Government-Wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details are as follows:

Capital additions (net of disposals)	\$ 2,119,550
Depreciation expense	<u>(3,312,092)</u>
Net adjustment to net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (1,192,542)</u>

Town of Oxford, Connecticut
Notes to Financial Statements
June 30, 2016 (continued)

Another element of that reconciliation states that “The issuance of long-term debt (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the Statement of Activities.” The details of this difference are as follows:

Principal repayments of bonds and notes	\$ 2,869,084
Proceeds from issuance of loan	(1,128,000)
Premiums on bond issuance amortization	<u>199,909</u>
Net adjustment to net changes in fund balances - total governmental funds to arrive at changes in net position	<u>\$ 1,940,993</u>

Another element of that reconciliation states that “Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details are as follows:

Accrued interest	\$ 39,168
Compensated absences	(34,096)
OPEB obligation	(70,000)
Net pension liability and related deferred outflows/inflows of resources	<u>425,209</u>
Net adjustment to net changes in fund balances – total governmental funds to arrive at changes in net position	<u>\$ 360,281</u>

Note 3 – Budgets and Budgetary Accounting

General Fund

The Town's general budget policies in the General Fund are as follows:

- a. No sooner than 90 days prior to the annual budget meeting held in May, the head of each office, board, or commission supported wholly or in part from Town funds, except the Board of Education, files with the Board of Selectmen a detailed estimate of the expenditures to be made in the ensuing year.
- b. The Board of Selectmen prepares a proposed budget, including both estimated revenues and expenditures, for presentation to the Board of Finance not less than 60 days prior to the annual budget meeting.
- c. The Board of Education prepares a proposed budget, including both estimated revenues and expenditures, for presentation to the Board of Finance not less than 60 days prior to the annual budget meeting.

Town of Oxford, Connecticut
Notes to Financial Statements
June 30, 2016 (continued)

- d. The Treasurer submits to the Board of Finance, not less than 45 days prior to the annual budget meeting, an itemized estimate of the proposed revenue for the ensuing fiscal year. This shall include, but not be limited to, the current funds available, anticipated revenue from interest bearing accounts, projected borrowing that requires bonding, and anticipated state and federal monies.

A reconciliation of General Fund operations presented in accordance with accounting principles generally accepted in the United States of America ("GAAP") to the amounts presented on the budgetary basis is as follows:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>
Budgetary basis	\$ 51,523,634	\$ 43,545,934	\$ (1,742,740)
State Teachers' Retirement on-behalf payment, not recognized for budgetary purposes	2,672,515	2,672,515	-
Reclassifications	<u>(5,025,000)</u>	<u>1,128,000</u>	<u>6,153,000</u>
GAAP basis	<u>\$ 49,171,149</u>	<u>\$ 47,346,449</u>	<u>\$ 4,410,260</u>

Special Revenue Funds

The Town does not maintain legally adopted annual budgets for its Special Revenue Funds. Budgets are established in accordance with the requirements of the grantor agencies. Such budgets are non-lapsing and may comprise more than one fiscal year.

Capital Project Funds

Legal authorization for expenditures of the Capital Project Funds is provided by the related bond ordinances and/or intergovernmental grant agreements. Capital appropriations do not lapse until completion of the applicable projects.

Note 4 – Deposits and Investments

Deposits - Custodial Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2016, the carrying amount of all Town deposits was \$17,900,094. The bank balances of these funds totaled \$18,299,951 and of that amount, \$17,375,216, was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 15,070,234
Uninsured and collateralized	<u>2,304,982</u>
	<u>\$ 17,375,216</u>

Due to significantly higher cash flows at certain times of the year, the amount of the Town's deposits that were subject to custodial credit risk was substantially higher at year end. The Town has incurred no bank losses.

Town of Oxford, Connecticut
Notes to Financial Statements
June 30, 2016 (continued)

Investments

Credit Risk – Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town does not have a formal credit risk policy other than restrictions to obligations allowable under the Connecticut General Statutes.

Interest Rate Risk – Interest rate risk is the risk that the Town will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk – Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Town follows the limitations specified in the Connecticut General Statutes. Generally, the Town's deposits cannot be 75% or more of the total capital of any one depository.

	<u>Fair Value</u>	<u>Maturity not applicable</u>
<u>General Fund</u>		
Short-Term Investment Fund	<u>\$ 1,873,454</u>	<u>\$ 1,873,454</u>
<u>Pension Trust Fund</u>		
Equity securities	331,562	331,562
Mutual funds	<u>385,593</u>	<u>385,593</u>
	<u>\$ 717,155</u>	<u>\$ 717,155</u>

Fair Value Measurements

The Town utilizes the market approach as the valuation technique to measure fair value of its financial assets. GAAP establishes a three-level hierarchy for fair value measurements that distinguishes between market participant assumptions developed based on market data obtained from sources independent of the reporting entity ("observable inputs") and the reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances ("unobservable inputs") and requires that the most observable inputs be used when available. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 - Valuation based on unadjusted quoted prices in active markets for identical assets the Town has the ability to access. Since valuations are based on quoted prices readily and regularly available in an active market, valuation of these assets does not entail significant judgment.
- Level 2 - Valuation based on quoted prices for similar assets in active markets; quoted prices for similar assets in inactive markets; or valuations based on models where the significant inputs are observable (e.g. interest rates, yield curves, etc.) or can be corroborated by observable market data.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement. The unobservable inputs reflect the Town's own assumptions about assumptions that market participants might use.

The Town's investments are measured on a recurring basis using Level 1 information (market quotations for investments that have quoted prices in active markets). The Town has no financial assets measured using Level 2 or Level 3 at June 30, 2016.

Town of Oxford, Connecticut
Notes to Financial Statements
June 30, 2016 (continued)

Note 5 – Property Taxes Receivable

Property taxes receivable, including the applicable allowances for uncollectible accounts, are as follows:

Property taxes	\$ 2,004,341
Interest and fees on delinquent receivables	1,348,831
Aircraft taxes receivable	40,973
Sewer/water taxes receivable	<u>27,390</u>
Gross receivables	3,421,535
Less: allowance for uncollectibles	<u>(1,975,214)</u>
Net receivables	<u>\$ 1,446,321</u>

Note 6 – Interfund Receivables, Payables, and Transfers

As of June 30, 2016, interfund receivables and payables were as follows:

	Due From					Total
	General Fund	Educational Grants Fund	BOE Central Activities Fund	Capital and Nonrecurring Expenditures Fund	Small Cities	
Due To:						
General Fund	\$ -	\$ 895,164	\$ 99,664	\$ 869	\$ 175,474	\$ 1,171,171
High School						
Construction Fund	171,820	-	-	-	-	171,820
Special Activities Fund	173,552	-	-	-	-	173,552
Land Acquisition Fund	359,650	-	-	-	-	359,650
Dog License Fund	19,134	-	-	-	-	19,134
Library Construction	<u>22,324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,324</u>
	<u>\$ 746,480</u>	<u>\$ 895,164</u>	<u>\$ 99,664</u>	<u>\$ 869</u>	<u>\$ 175,474</u>	<u>\$ 1,917,651</u>

Transfers are used to account for unrestricted revenues collected mainly in the General Fund to finance capital projects and other programs accounted for in other funds in accordance with budget and project authorizations.

Town of Oxford, Connecticut
Notes to Financial Statements
June 30, 2016 (continued)

Note 7 – Capital Assets

	Balance at July 1, 2015	Increases	Decreases	Balance at June 30, 2016
Capital assets not being depreciated:				
Land	\$ 6,823,354	\$ 45,000	\$ -	\$ 6,868,354
Construction in process	802,271	-	802,271	-
Total capital assets not being depreciated	<u>7,625,625</u>	<u>45,000</u>	<u>802,271</u>	<u>6,868,354</u>
Capital assets being depreciated:				
Buildings and improvements	79,946,858	1,449,068	-	81,395,926
Machinery, vehicles and equipment	8,763,692	719,309	447,329	9,035,672
Infrastructure	<u>57,506,660</u>	<u>734,000</u>	<u>-</u>	<u>58,240,660</u>
Total capital assets being depreciated	<u>146,217,210</u>	<u>2,902,377</u>	<u>447,329</u>	<u>148,672,258</u>
Less accumulated depreciation:				
Buildings and improvements	16,956,642	1,578,984	-	18,535,626
Machinery, vehicles and equipment	5,285,405	440,622	421,773	5,304,254
Infrastructure	<u>35,875,813</u>	<u>1,292,486</u>	<u>-</u>	<u>37,168,299</u>
Total accumulated depreciation	<u>58,117,860</u>	<u>3,312,092</u>	<u>421,773</u>	<u>61,008,179</u>
Capital assets being depreciated, net of depreciation	<u>88,099,350</u>	<u>(409,715)</u>	<u>25,556</u>	<u>87,664,079</u>
Total governmental activities	<u>\$ 95,724,975</u>	<u>\$ (364,715)</u>	<u>\$ 827,827</u>	<u>\$ 94,532,433</u>

Depreciation expense was charged to functions of the primary government as follows:

General government	\$ 24,324
Conservation of health	53,951
Public safety	387,103
Public activities	60,051
Public works	1,201,460
Solid waste	177,455
Education	<u>1,407,748</u>
Total depreciation expense	<u>\$ 3,312,092</u>

Note 8 – Bond Anticipation Notes

Bond anticipation note transactions for the year ended June 30, 2016, were as follows:

Outstanding as of July 1, 2015	\$ 6,285,000
New borrowings	500,000
Payments	<u>(547,000)</u>
Outstanding as of June 30, 2016	<u>\$ 6,238,000</u>

Town of Oxford, Connecticut
Notes to Financial Statements
June 30, 2016 (continued)

Note 9 – Long-Term Obligations

Changes in long-term debt for the year ended June 30, 2016, was as follows:

	<u>Restated Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General obligation bonds (\$1,600,000) issued 7/1/09, maturing 8/1/19; interest rate of 2.25 to 4.00% per annum	\$ 765,000	\$ -	\$ 160,000	\$ 605,000	\$ 155,000
General obligation bonds (\$11,300,000) issued 7/27/11, maturing 8/1/26; interest rate of 2.00 to 4.00% per annum	10,080,000	-	1,495,000	8,585,000	1,480,000
General obligation bonds (\$11,835,000) issued 5/17/12, maturing 8/1/28; interest rate of 2.00 to 4.00% per annum	<u>10,760,000</u>	<u>-</u>	<u>50,000</u>	<u>10,710,000</u>	<u>50,000</u>
Total bonds payable	21,605,000	-	1,705,000	19,900,000	1,685,000
Premiums on bonds	1,119,972	-	199,909	920,063	181,369
Note payable for equipment (\$718,614) originated 1/10/11, maturing 12/29/15; interest rate of 1.5% per annum	146,120	-	146,120	-	-
Loan to purchase motor vehicles and equipment (\$792,392) originated 8/23/12, maturing 4/30/17, interest rate of 1.57% per annum	333,751	-	333,751	-	-
Loan to purchase motor vehicles and equipment (\$217,053) originated 4/2/13, maturing 4/2/18, interest rate of 1.57% per annum	132,255	-	132,255	-	-
Loan to replace Great Oak Roof and Solar Panel (\$550,000) originated 1/14/14, maturing 7/1/19, interest rate of 2.443% per annum	453,186	-	453,186	-	-
Loan to purchase trucks (\$1,128,000) originating 6/5/15, maturing 6/5/20, interest rate of 1.65% per annum	-	1,128,000	98,772	1,029,228	244,633
Other post employment benefits	600,000	70,000	-	670,000	-
Net pension liability	2,777,651	1,123,966	-	3,901,617	-
Compensated absences	<u>637,880</u>	<u>34,096</u>	<u>-</u>	<u>671,976</u>	<u>-</u>
Total long-term obligations	<u>\$ 27,805,815</u>	<u>\$ 2,356,062</u>	<u>\$ 3,068,993</u>	<u>\$ 27,092,884</u>	<u>\$ 2,111,002</u>

Town of Oxford, Connecticut
Notes to Financial Statements
June 30, 2016 (continued)

The annual debt service requirements of the Town's bonded and notes payable are as follows:

	Bond Principal	Bond Interest	Total	Loan Principal	Loan Interest	Total
2017	\$ 1,685,000	\$ 720,469	\$ 2,405,469	\$ 244,633	\$ 24,503	\$ 269,136
2018	1,710,000	662,187	2,372,187	257,247	11,889	269,136
2019	1,775,000	594,500	2,369,500	261,509	7,627	269,136
2020	1,760,000	525,363	2,285,363	265,839	3,295	269,134
2021	1,595,000	461,425	2,056,425	-	-	-
2022	1,565,000	403,975	1,968,975	-	-	-
2023	1,575,000	347,059	1,922,059	-	-	-
2024	1,500,000	288,747	1,788,747	-	-	-
2025	1,490,000	229,763	1,719,763	-	-	-
2026	1,480,000	171,075	1,651,075	-	-	-
2027	1,545,000	111,188	1,656,188	-	-	-
2028	1,395,000	52,650	1,447,650	-	-	-
2029	825,000	12,374	837,374	-	-	-
	<u>\$ 19,900,000</u>	<u>\$ 4,580,775</u>	<u>\$ 24,480,775</u>	<u>\$ 1,029,228</u>	<u>\$ 47,314</u>	<u>\$ 1,076,542</u>

Notes and Loans Payable

During the year ended June 30, 2016, elected to pay all notes and loans outstanding in full, except the truck loan originating on 6/5/15.

School Construction Grant Receivable

The Town has been awarded funding from the State of Connecticut Department of Education to offset principle and interest payments on school related bonded debt.

Bonds Authorized and Unissued

At June 30, 2016, there was \$3,500,000 authorized and unissued bonds for general purposes.

Prior Years Advance Refundings

In prior years, the Town has defeased bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the Town's financial statements.

Statutory Debt Limitation

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal, and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2016.

Town of Oxford, Connecticut
Notes to Financial Statements
June 30, 2016 (continued)

Note 10 – Operating Deficiencies and Fund Deficits

The following funds had operating deficiencies and/or fund deficits for the year ended June 30, 2016:

	<u>Operating Deficiency</u>	<u>Fund Deficit</u>
Major Funds:		
High School Construction Fund	\$ -	\$ 2,441,180
High School Athletic Complex Fund	-	2,945,000
Nonmajor Funds:		
Special Revenue Funds:		
Hot Lunch Program	2,238	5,696
Capital and Nonrecurring Expenditures Fund	366,192	685,093

The fund deficits will be satisfied through a combination of either General Fund contributions, increases in charges, or issuance of debt.

Note 11 – Employee Retirement Systems

Connecticut Teachers' Retirement System

Description of System

Teachers within the Town's school system participate in a retirement system administered by the Connecticut State Teachers' Retirement Board. This Connecticut State Teachers' Retirement System (the "System") is a cost sharing multiple employer defined benefit pension system with a special funding situation.

The System is considered a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106 or by calling (860) 702-3480.

The System is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). Participation in the System is restricted to certified staff employed in the public schools of Connecticut and members of the professional staff of the State Department of Education or the board of Governors of Higher Education and their constituent units. Participation in the System is mandatory for certified personnel of local boards of education who are employed for an average of at least one-half of a school day. Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate in this system, the State Employees' Retirement System, or the Alternate Retirement System (TIAA-CREF).

Summary of Significant Accounting Policies

For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the State's requirement to contribute to the System, information about the System's fiduciary net position and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Town of Oxford, Connecticut
Notes to Financial Statements
June 30, 2016 (continued)

Benefits Provided

The benefits provided to participants by the System are as follows:

Normal Benefit: A member at age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut, is eligible for vested benefits of 2% of average annual salary times years of credited service (maximum benefit is 75% of average annual salary.)

Prorated Benefit: A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60. The benefit is 2% less 0.1% for each year less than 20 years of average annual salary times years of credited service.

Minimum Benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly retirement benefit of \$1,200 to teachers who retire under the Normal Benefit provisions and who have completed at least 25 years of full time Connecticut service at retirement.

Contribution Requirements

The pension contributions made by the State to the System are determined on an actuarial reserve basis as described in CGS Sections 10-1831 and 10-183z.

Participants are required to contribute 7.25% of their annual salary rate to the System as required by CGS Section 10-183b (7). For the 2015/2016 school year, \$878,807 mandatory contributions were deducted from the salaries of teachers who were participants of the System during that school year. The estimated covered payroll for the Town is \$12,121,355. The Town had 173 active participants in the System at June 30, 2016.

Actuarial Assumptions

The actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2005 – June 30, 2010. The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following key actuarial assumptions:

Inflation	3.00 Percent
Salary increases, including inflation	3.75-7.00 Percent
Long-term investment rate of return, net of pension investment expense, including inflation	8.50 Percent

Mortality rates were based on the RP-2000 Combined Mortality Table RP-2000 projected 19 years using scale AA, with a two-year setback for males and females for the period after service retirement and for dependent beneficiaries. The Scale AA projection to 2019 of the RP-2000 mortality rates with two-year setbacks continues to provide a sufficient margin in the assumed rates of mortality to allow for additional improvement in mortality experience. The post-retirement mortality rates are multiplied by 75% for death in active service. The post-retirement mortality rates are set forward ten years for the period after disability retirement.

Town of Oxford, Connecticut
Notes to Financial Statements
June 30, 2016 (continued)

The long-term expected rate of return on pension investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Mutual Equity	21.0%	7.3%
Developed Markets ISF	18.0%	7.5%
Emerging Markets ISF	9.0%	8.6%
Core Fixed Income	7.0%	1.7%
Emerging Market Debt	5.0%	4.8%
High Yield	5.0%	3.7%
Inflation Linked Bonds	3.0%	1.3%
Liquidity Fund	6.0%	0.4%
Real Estate	7.0%	5.9%
Private Investments	11.0%	10.9%
Alternative Investments	6.0%	0.7%

Discount Rate

The discount rate used to measure the total pension liability was 8.50 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability of the System, calculated using the discount rate of 8.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.50 percent) or 1-percentage-point higher (9.50 percent) than the current rate.

	<u>1% Decrease (7.50%)</u>	<u>Current Discount Rate (8.50%)</u>	<u>1% Increase (9.50%)</u>
Sensitivity of the system's proportionate share of the net pension liability related to the Town	\$ 42,062,393	\$ 33,354,233	\$ 25,952,233

Pension Liabilities, Pension Expense, and Deferred Inflows/Outflows of Resources

The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the Town. The portion of the net pension liability that was associated with the Town was \$33,354,233 and 100% of the collective net pension liability is allocated to the State.

Town of Oxford, Connecticut
Notes to Financial Statements
June 30, 2016 (continued)

June 30, 2014, is the actuarial valuation date upon which the total pension liability is based. The total pension liability is determined as of June 30, 2015, using standard roll forward techniques. The roll forward calculation adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year and then applies the expected investment rate of return for the year. The procedure was used to determine the System's total pension liability as of June 30, 2015, which is the measurement date.

The Town recognized the total pension expense associated with the Town as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the Town. For the fiscal year ended June 30, 2016, the Town recognized \$2,672,515 as the amount expended by the State on behalf of the Town to meet the State's funding requirements.

Connecticut Municipal Employees Retirement System

Description of Retirement System

The Town is a participating municipality of the Connecticut's Municipal Employees Retirement System ("CMERS"), which is the public pension plan offered by the State of Connecticut for municipal employees in participating municipalities. The plan was established in 1947 and is governed by Connecticut General Statute Title 7, Chapter 113. CMERS is a multiemployer pension plan administered by the Connecticut State Retirement Commission. The State Retirement Commission is responsible for the administration of CMERS. The State Treasurer is responsible for investing CMERS funds for the exclusive benefit of CMERS members. The Town (including police and education) had 143 active participants in CMERS at June 30, 2016.

CMERS is considered a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106 or by calling (860) 702-3480.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources, and expense information about CMERS net position and additions to/deductions from CMERS net position have been determined on the same basis as they are reported by CMERS. For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Benefits Provided

The benefits provided to participants by CMERS include retirement, disability, and death benefits as follows:

General Employees – Employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active aggregate service, or 25 years of aggregate service.

Policemen and Firemen – Compulsory retirement age for police and fire members is age 65.

Normal Retirement – For members not covered by social security, the benefit is 2% of average final compensation times years of service.

For members covered by social security, the benefit is 1% of the average final compensation not in excess of the year's breakpoint plus 2% of average final compensation in excess of the year's breakpoint, times years of service.

Town of Oxford, Connecticut
Notes to Financial Statements
June 30, 2016 (continued)

The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include workers' compensation and social security benefits.

If any member covered by social security retires before age 62, the benefit until age 62 or until a social security disability award is received, is computed as if the member is not under social security.

Early Retirement – Employees are eligible after 5 years of continuous service or 15 years of active aggregate service. The benefit is calculated based on average final compensation and service to date of termination. Deferred to normal retirement age or an actuarially reduced allowance may begin at the time of separation.

Disability Retirement – Employees are eligible for service-related disability benefits from being permanently or totally disabled from engaging in the service of the municipality provided such disability has arisen out of and in the course of employment with the municipality. Disability due to hypertension or heart disease, in the case of firemen and policemen, is presumed to have been suffered in the line of duty. Disability benefits are calculated based on compensation and service to the date of the disability with a minimum benefit (including workers' compensation benefits) of 50% of compensation at the time of disability.

Employees are eligible for non-service related disability benefits with 10 years of service and being permanently or totally disabled from engaging in gainful employment in the service of the municipality. Disability benefits are calculated based on compensation and service to the date of the disability.

Pre-Retirement Death Benefit – The plan also offers a lump sum return of contributions with interest or surviving spouse benefit depending on length of service.

Contribution Requirements

Employer – As a participating municipality, the Town makes annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability, and a prior service amortization payment, which covers the liabilities of CMERS not met by member contributions.

Employees – For employees not covered by social security, each person is required to contribute 5% of compensation. For employees covered by social security, each person is required to contribute 2.25% of compensation up to the social security taxable wage base plus 5% of compensation, if any, in excess of such base.

The Town's required contribution to CMERS is currently 11.38% (16.73% for police) of covered payroll. Such contribution was \$774,526 for the year ended June 30, 2016, related to covered payroll of \$6,556,327.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25 Percent
Salary increases, including inflation	4.25-11.00 Percent
Long-term investment rate of return, net of pension investment expense, including inflation	8.00 Percent

Town of Oxford, Connecticut
Notes to Financial Statements
June 30, 2016 (continued)

Mortality rates were based on the RP-2000 Combined Mortality Table for annuitants and nonannuitants (set forward one year for males and set back one year for females).

The actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

Future Cost-of-Living adjustments for members who retire on or after January 1, 2002, are 60% of the annual increase in the CPI up to 6%. The minimum annual COLA is 2.5%, the maximum is 6%.

The long-term expected rate of return on pension investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2014, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. Equities	16.0%	5.8%
Developed Non-U.S. Equities	14.0%	6.6%
Emerging Markets (Non-U.S.)	7.0%	8.3%
Core Fixed Income	8.0%	1.3%
Inflation Linked Bonds	5.0%	1.0%
Emerging Market Bonds	8.0%	3.7%
High Yield Bonds	14.0%	3.9%
Real Estate	7.0%	5.1%
Private Investments	10.0%	7.6%
Alternative Investments	8.0%	4.1%
Liquidity Fund	3.0%	0.4%

Discount Rate

The discount rate used to measure the total pension liability was 8.00 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability of CMERS, calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate.

Town of Oxford, Connecticut
Notes to Financial Statements
June 30, 2016 (continued)

	1% Decrease <u>(7.00%)</u>	Current Discount Rate <u>(8.00%)</u>	1% Increase <u>(9.00%)</u>
Sensitivity of the proportionate share of the net pension liability	\$ 7,051,365	\$ 3,901,617	\$ 1,237,673

Pension Liabilities, Pension Expense, and Deferred Inflows/Outflows of Resources

At June 30, 2016, the Town reported a liability in the government-wide Statement of Net Position for its proportionate share of the net pension liability. The amount recognized by the Town as its proportionate share of the net pension liability was \$3,901,617.

June 30, 2014, is the actuarial valuation date upon which the total pension liability is based. The total pension liability was calculated as of the June 30, 2015, measurement date using a standard roll-forward technique. There were no changes in assumptions or benefits that affected the measurement of the total pension liability since the prior measurement date.

The Town recognized the total proportionate share of the collective pension expense in the government-wide Statement of Activities associated with the Town of \$730,804 for the fiscal year ended June 30, 2016.

At June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to CMERS in its government-wide Statement of Net Position from the following sources:

	<u>Deferred Outflows of Resources</u>
Net difference between projected and actual earnings on plan investments	\$ 295,999
Town contributions subsequent to the measurement date	<u>774,526</u>
Total	<u>\$ 1,070,525</u>

The deferred outflows of resources resulting from the Town contributions subsequent to the measurement date of June 30, 2015, will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

Deferred outflows and inflows related to the net difference between projected and actual earnings on plan investments is amortized over a closed five-year period. The Town's proportionate share of the net difference between projected and actual investment earnings as of June 30, 2015, compared to the plan's expected rate of return of 8.00% was \$311,683. The first year amortization of \$15,684 is recognized as pension expense and the remaining amount is shown as a deferred inflow of resources and will be recognized in subsequent years as follows:

<u>Fiscal year ended June 30,</u>	
2017	\$ 790,210
2018	15,684
2019	15,684
2020	248,947

Note 12 – Contingent Liabilities

The Town has received State and Federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

In addition, the Town has contingent liabilities with respect to pending litigation, claims, and disputes, which existed at June 30, 2016. The total liability with respect to such matters, if any, is not presently determinable; however, it is the opinion of Town management and legal counsel that any liabilities resulting from them would not have a material adverse effect on the Town's financial position.

Note 13 – Risk Management

The Town is exposed to various risks of loss relating to liability, theft or impairment of assets, errors or omissions, injuries to employees, and natural disasters. Commercial liability and property insurance coverage is purchased to protect against losses from these risks. The Town does not maintain a self-insurance fund.

Note 14 – Other Post Employment Benefits (OPEB)

The Town provides post-retirement benefits for certain employees for current, and future, health and life insurance benefit expenses through a single-employer defined benefit plan. An annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made July 1, 2008. The post-retirement plan does not issue standalone financial reports. From an accrual accounting perspective, the cost of post-employment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2009, the Town recognizes the cost of post-employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

The contribution requirements of plan members and the Town are established, and may be amended by, the Town. The Town determines the required contribution using the Projected Unit Credit Method.

Membership in the plan consisted of the following at July 1, 2015, the date of the last actuarial valuation.

Retirees and beneficiaries receiving benefits	22
Active plan members	<u>265</u>
Total	<u>287</u>

Town of Oxford, Connecticut
Notes to Financial Statements
June 30, 2016 (continued)

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation was as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Employer</u> <u>Contributions</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2016	\$ 130,000	\$ 60,000	46.2%	\$ 670,000
2015	130,000	40,000	30.8%	600,000
2014	120,000	50,000	41.7%	510,000
2013	115,577	30,000	26.0%	440,000
2012	140,000	20,000	14.2%	354,423
2011	130,000	-	0.0%	234,423

The calculation of the Net Other Post-Retirement Benefits (OPEB) is detailed as follows and is recorded in Governmental Activities:

Annual required contribution	\$ 140,000
Interest on net pension asset	30,000
Adjustment to ARC	<u>(40,000)</u>
Annual OPEB cost	130,000
Contributions made	<u>(60,000)</u>
Increase in net OPEB liability	70,000
Net OPEB obligation, beginning of year	<u>600,000</u>
Net OPEB obligation, end of year	<u>\$ 670,000</u>

The Town's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal cost each year, and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The schedule of funding progress is as follows:

<u>Actuarial</u> <u>Valuation</u> <u>Date</u> <u>July 1</u>	<u>Actuarial</u> <u>Value of</u> <u>Assets</u> <u>(a)</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability</u> <u>(AAL)</u> <u>(b)</u>	<u>Unfunded</u> <u>AAL</u> <u>(UAAL)</u> <u>(b-a)</u>	<u>Funded</u> <u>Ratio</u> <u>(a÷b)</u>	<u>Covered</u> <u>Payroll</u> <u>(c)</u>	<u>UAAL</u> <u>(b-a/c)</u>
2010	\$ 0	\$ 1,090,000	\$ 1,090,000	0.0%	18,840,000	6%
2011	0	1,150,000	1,150,000	0.0%	18,410,000	6%
2012	0	1,040,000	1,040,000	0.0%	18,270,000	6%
2014	0	1,290,000	1,290,000	0.0%	20,510,000	6%
2015	0	1,290,000	1,290,000	0.0%	19,870,000	6%

Town of Oxford, Connecticut
Notes to Financial Statements
June 30, 2016 (continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan, and the annual required contributions of the employer, are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation, and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The information presented was determined as part of the actuarial valuation. Additional information as of the last actuarial valuations follows:

Valuation Date	July 1, 2015
Actuarial Cost Method	Projected Unit Credit
Amortization Method	30 Year Level
Actuarial Accrued Liability	Level Dollar, Open
Remaining Amortization Period	30 Year
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	4.50%
Inflation Rate	3.00%

Health Cost Trend Rates

Annual increases in premium for retired medical and prescription drug benefits are assumed to be as follows:

Year After Valuation Date Increase	
1	9.5%
2	9.0%
3	8.5%
4	8.0%
5	7.5%
6	7.0%
7 or more	6.5% - 5.0%

Other Disclosures

The calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing costs between the employer and plan members to that point. The actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Note 15 – Restatement of Net Position

The Town obtains and relies on information received from the State of Connecticut relating to the Town's participation in Connecticut's Municipal Employees Retirement System (CMERS). The information provided to the Town for its year-end June 30, 2016 financial statements disclosed a restatement of the Town's proportionate share of CMERS net pension liability for the effects of the CMERS pension plan recording for the first time the contributions to be received as of the end of the prior year. In addition, this restatement results in the Town required to record its contribution payable amount in its June 30, 2016 financial statements, with the amount payable at June 30, 2015, requiring a restatement of the Town's net position. The Town's net position at June 30, 2015, has been restated for the effects of these items, which reduces net position by \$652,122 at June 30, 2015, in the government-wide financial statements.

Note 16 – Special Transaction

During the year ended June 30, 2016, the Town received \$5,025,000 in accordance with its agreement with Towantic Energy LLC for the building of a power plant in the Town.

Note 17 – Recently Issued Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements, except for GASB Statement No. 75, which will most likely have a material impact, though the amount has not yet been determined:

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. GASB Statement No. 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide:

- Governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability—the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments.
- Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan.
- Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees.

GASB Statement No. 75 carries forward from GASB Statement No. 45 the option to use a specified alternative measurement method in place of an actuarial valuation for purposes of determining the total OPEB liability for benefits provided through OPEB plans in which there are fewer than 100 plan members (active and inactive). This option was retained in order to reduce costs for smaller governments. The provisions of this Statement are effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 77, Tax Abatement Disclosures. Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time. This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
- The gross dollar amount of taxes abated during the period
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement

Governments should organize those disclosures by major tax abatement program and may disclose information for individual tax abatement agreements within those programs.

Tax abatement agreements of other governments should be organized by the government that entered into the tax abatement agreement and the specific tax being abated. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose:

- The names of the governments that entered into the agreements
- The specific taxes being abated
- The gross dollar amount of taxes abated during the period

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.

GASB Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans. This standard narrows the scope and applicability of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan meeting specific criteria; establishes new guidance for these employers, including separate requirements for recognition and measurement of pension expense or expenditures and liabilities, note disclosures and required supplementary information (RSI). The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.

GASB Statement No. 79, Certain External Investment Pools and Pool Participants. This standard establishes new criteria to continue amortization cost accounting for certain external investment pools in light of recent changes to money market fund criteria. The portfolio quality and monthly shadow pricing requirements of this Statement are effective for periods beginning after December 15, 2015. Earlier application is encouraged.

GASB Statement No. 80, Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of GASB Statement No. 14, The Financial Reporting Entity, as amended. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged.

GASB Statement No. 81, Irrevocable Split-Interest Agreements. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. Earlier application is encouraged.

GASB Statement No. 82, Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged.

Note 18 – Subsequent Events

On July 21, 2016, the Town issued \$5,896,000 of bond anticipation notes, which paid off the bond anticipation notes outstanding at June 30, 2016. The notes matured on November 1, 2016, with an annual interest rate of 1.50%. These bond anticipation notes were paid off through the issuance of new notes in the amount of \$5,896,000. The new bond anticipation notes mature July 19, 2017, and bear interest at an annual interest rate of 2.0%.

**REQUIRED SUPPLEMENTARY
INFORMATION
(UNAUDITED)**

TOWN OF OXFORD, CONNECTICUT

**CONNECTICUT MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

	2016	Restated 2015
<u>TOWN</u>		
Town's proportion of the net pension liability	<u>2.570325%</u>	<u>2.570325%</u>
Town's proportionate share of the net pension liability	<u>\$ 3,519,051</u>	<u>\$ 2,494,760</u>
Town's covered-employee payroll	<u>\$ 6,025,193</u>	<u>\$ 5,897,225</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>58.41%</u>	<u>42.30%</u>
<u>POLICE</u>		
Town's proportion of the net pension liability	<u>1.250330%</u>	<u>1.250330%</u>
Town's proportionate share of the net pension liability	<u>\$ 382,566</u>	<u>\$ 282,891</u>
Town's covered-employee payroll	<u>\$ 531,134</u>	<u>\$ 494,600</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>72.03%</u>	<u>57.20%</u>
System fiduciary net position as a percentage of the total pension liability	<u>92.72%</u>	<u>90.48%</u>

Note: The above information relates to June 30, 2014, the last actuarial valuation.

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT**CONNECTICUT MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF TOWN CONTRIBUTIONS**

	<u>2016</u>	<u>2015</u>
<u>TOWN</u>		
Contractually required contribution	\$ 685,667	\$ 706,488
Contributions in relation to the contractually required contribution	<u>(685,667)</u>	<u>(706,488)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	<u>\$ 6,025,193</u>	<u>\$ 5,897,225</u>
Contributions as a percentage of covered-employee payroll	<u>11.38%</u>	<u>11.98%</u>
<u>POLICE</u>		
Contractually required contribution	\$ 88,859	\$ 83,884
Contributions in relation to the contractually required contribution	<u>(88,859)</u>	<u>(83,884)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	<u>\$ 531,134</u>	<u>\$ 494,600</u>
Contributions as a percentage of covered-employee payroll	<u>16.73%</u>	<u>16.96%</u>

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

**CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the net pension liability	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>33,354,233</u>	<u>30,829,304</u>
Total	<u>\$ 33,354,233</u>	<u>\$ 30,829,304</u>
 Town's covered-employee payroll	 <u>\$ 12,121,355</u>	 <u>\$ 11,624,579</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>
System fiduciary net position as a percentage of the total pension liability	<u>59.50%</u>	<u>61.51%</u>

Notes to Connecticut State Teachers' Retirement System

Changes of Assumptions

In 2011, rates of withdrawal, retirement, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five year period ended June 30, 2010.

Method and Assumptions used in Calculations of Actuarially Determined Contributions

The actuarially determined contributions in the schedule of employer contributions are calculated as of June 30 each biennium for the fiscal years ending two and three years after the valuation date. The following actuarial methods and assumptions were used to determine the most recent contributions reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Single equivalent amortization period	22.4 years
Asset valuation method	4-year smoothed market
Inflation	3.00 percent
Salary increase	3.75-7.00 percent, including inflation
Investment rate of return	8.50 percent, net of investment related expense

See accompanying Independent Auditors' Report.

**SUPPLEMENTAL
STATEMENTS AND SCHEDULES**

TOWN OF OXFORD, CONNECTICUT

**GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes:				
Current	\$ 35,895,651	\$ 35,895,651	\$ 35,540,905	\$ (354,746)
Back taxes	300,000	300,000	522,280	222,280
Interest and lien fees	200,000	200,000	346,968	146,968
	<u>36,395,651</u>	<u>36,395,651</u>	<u>36,410,153</u>	<u>14,502</u>
Government grants:				
Grant in lieu of tax	235,320	235,320	160,573	(74,747)
Elderly circuit breaker	36,913	36,913	38,120	1,207
Town road aid	273,845	273,845	274,226	381
Veteran reimbursement	6,146	6,146	5,791	(355)
LOCIP	275,000	275,000	-	(275,000)
Education grants	4,677,464	4,677,464	4,686,723	9,259
Pupil transportation	35,629	35,629	21,228	(14,401)
Education grants - special	-	-	447,503	447,503
Circuit court	3,000	3,000	1,435	(1,565)
Other state revenue	226,335	226,335	206,044	(20,291)
Mashantucket Pequot	33,611	33,611	27,040	(6,571)
	<u>5,803,263</u>	<u>5,803,263</u>	<u>5,868,683</u>	<u>65,420</u>
Investment income	<u>35,000</u>	<u>35,000</u>	<u>58,529</u>	<u>23,529</u>
Licenses and permits:				
Town Clerk	260,000	260,000	265,711	5,711
Building permits	180,000	180,000	303,856	123,856
Planning and Zoning/ZBA	60,000	60,000	58,797	(1,203)
WPCA sewer hookups	45,000	45,000	83,158	38,158
	<u>545,000</u>	<u>545,000</u>	<u>711,522</u>	<u>166,522</u>
Charges for goods and services:				
Seymour sewer use fees	225,000	225,000	220,639	(4,361)
Sewer interest	-	-	2,863	2,863
	<u>225,000</u>	<u>225,000</u>	<u>223,502</u>	<u>(1,498)</u>
Other:				
Telecommunications property taxes	31,801	31,801	31,052	(749)
Telecommunications site leases	60,000	60,000	1,373,565	1,313,565
Library revenue	2,500	2,500	1,244	(1,256)
Insurance claims	20,000	20,000	26,743	6,743
Aircraft registrations	55,000	55,000	42,870	(12,130)
Police private duty	48,000	48,000	31,985	(16,015)
Miscellaneous	50,000	50,000	6,775,046	6,725,046
	<u>267,301</u>	<u>267,301</u>	<u>8,282,505</u>	<u>8,015,204</u>
Total revenues	<u>\$ 43,271,215</u>	<u>\$ 43,271,215</u>	<u>\$ 51,554,894</u>	<u>\$ 8,283,679</u>

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
General government:				
Selectmen	\$ 240,068	\$ 243,492	\$ 243,094	\$ 398
Finance department	202,970	199,305	195,131	4,174
Treasurer	7,020	7,262	7,262	-
Assessor	205,410	205,410	196,430	8,980
Tax Collector	147,251	147,251	141,032	6,219
Town Clerk	178,814	178,814	177,866	948
Building department	133,869	133,869	122,672	11,197
Registrar of Voters	71,581	71,581	65,079	6,502
Town counsel	97,000	179,887	179,887	-
Probate Court	5,000	6,501	6,501	-
Housing Authority	400	400	-	400
Assessment Board of Appeals	1,415	1,415	1,044	371
Economic Development	59,700	59,700	60,636	(936)
Board of Finance contingency	240,000	20,099	18,696	1,403
Lawn maintenance	56,220	56,220	52,300	3,920
Water hydrant charges	74,616	75,219	75,219	-
Planning and Zoning	170,457	168,057	149,511	18,546
Conservation Commission	125,793	125,793	120,333	5,460
Town Hall - S.B. Church	245,471	245,471	228,749	16,722
	<u>2,263,055</u>	<u>2,125,746</u>	<u>2,041,442</u>	<u>84,304</u>
Conservation of health:				
Ambulance corps	192,866	192,866	191,935	931
Lake Housatonic Authority	11,250	11,250	11,250	-
Lake Zoar Authority	23,281	23,281	23,281	-
Pomperaug Health District	104,408	104,408	104,408	-
Water Pollution Control Authority	626,360	692,766	680,640	12,126
Health and social services	10,990	10,990	10,990	-
	<u>969,155</u>	<u>1,035,561</u>	<u>1,022,504</u>	<u>13,057</u>
Public safety:				
Fire Department	372,421	364,671	357,585	7,086
Fire Marshall	117,235	124,985	126,177	(1,192)
Police Department	1,261,392	1,811,452	1,808,957	2,495
Civil preparedness	7,800	7,800	7,604	196
Dog Warden	85,024	85,024	45,130	39,894
Emergency communications	133,522	133,522	132,604	918
	<u>1,977,394</u>	<u>2,527,454</u>	<u>2,478,057</u>	<u>49,397</u>
Public activities:				
Elderly Commission	204,410	204,410	198,013	6,397
Park and Recreation	284,817	291,616	291,616	-
Civic activities	11,500	11,500	11,500	-
Cultural and Arts Commission	3,000	3,000	3,000	-
	<u>503,727</u>	<u>510,526</u>	<u>504,129</u>	<u>6,397</u>

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Public works:				
Wages	\$ 877,720	\$ 877,720	\$ 865,335	\$ 12,385
Highway maintenance	1,179,051	1,162,363	901,022	261,341
Street lighting	30,000	31,873	31,873	-
Administration and general	81,539	98,227	96,103	2,124
Tree Warden	42,040	42,040	42,040	-
	<u>2,210,350</u>	<u>2,212,223</u>	<u>1,936,373</u>	<u>275,850</u>
Solid waste	<u>298,938</u>	<u>298,938</u>	<u>263,576</u>	<u>35,362</u>
Education	<u>28,113,735</u>	<u>28,113,735</u>	<u>27,974,751</u>	<u>138,984</u>
Education grants - special	<u>-</u>	<u>-</u>	<u>447,503</u>	<u>(447,503)</u>
Library	<u>259,581</u>	<u>259,581</u>	<u>255,574</u>	<u>4,007</u>
Capital outlay	<u>1,217,000</u>	<u>1,356,125</u>	<u>1,368,049</u>	<u>(11,924)</u>
Debt service:				
Principal	2,895,711	3,514,846	3,429,697	85,149
Interest	866,059	866,059	859,516	6,543
	<u>3,761,770</u>	<u>4,380,905</u>	<u>4,289,213</u>	<u>91,692</u>
Other:				
Employee benefits	2,233,232	2,290,590	2,304,402	(13,812)
Insurance	216,278	274,707	270,723	3,984
	<u>2,449,510</u>	<u>2,565,297</u>	<u>2,575,125</u>	<u>(9,828)</u>
Grants	<u>-</u>	<u>-</u>	<u>163,638</u>	<u>(163,638)</u>
Total expenditures	<u>\$ 44,024,215</u>	<u>\$ 45,386,091</u>	<u>\$ 45,319,934</u>	<u>\$ 66,157</u>

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2016**

	Special Revenue Funds	Capital Project Funds	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 1,990,287	\$ 415,454	\$ 2,405,741
Receivables:			
Intergovernmental	305,427	-	305,427
Other	148,019	-	148,019
Inventory	9,107	-	9,107
Due from other funds	552,336	22,324	574,660
Total assets	\$ 3,005,176	\$ 437,778	\$ 3,442,954
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 205,847	\$ -	\$ 205,847
Bond anticipation notes	680,000	-	680,000
Unearned revenue	145,394	-	145,394
Due to other funds	1,171,171	-	1,171,171
Total liabilities	2,202,412	-	2,202,412
Fund Balances:			
Nonspendable	9,107	-	9,107
Restricted	489,183	432,936	922,119
Committed	995,263	4,842	1,000,105
Unassigned	(690,789)	-	(690,789)
Total fund balances	802,764	437,778	1,240,542
Total liabilities and fund balances	\$ 3,005,176	\$ 437,778	\$ 3,442,954

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2016**

	Special Revenue Funds	Capital Project Funds	Total
Revenues:			
Intergovernmental	\$ 901,508	\$ -	\$ 901,508
Program	797,872	-	797,872
Charges for goods and services	531,202	-	531,202
Investment income	10	619	629
Other	488,571	488,571	977,142
Total revenues	<u>2,719,163</u>	<u>489,190</u>	<u>3,208,353</u>
Expenditures:			
Current expenditures:			
General government	181,867	-	181,867
Education	1,344,682	-	1,344,682
Public activities	713,139	-	713,139
Capital outlay	1,886,240	56,246	1,942,486
Total expenditures	<u>4,125,928</u>	<u>56,246</u>	<u>4,182,174</u>
Excess of revenues over (under) expenditures	<u>(1,406,765)</u>	<u>432,944</u>	<u>(973,821)</u>
Other Financing Sources (Uses):			
Transfers in	1,477,740	-	1,477,740
Transfers out	-	-	-
Total other financing sources (uses)	<u>1,477,740</u>	<u>-</u>	<u>1,477,740</u>
Net change in fund balances	70,975	432,944	503,919
Fund balances, beginning of year	<u>731,789</u>	<u>4,834</u>	<u>736,623</u>
Fund balances, end of year	<u><u>\$ 802,764</u></u>	<u><u>\$ 437,778</u></u>	<u><u>\$ 1,240,542</u></u>

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

**SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2016**

	Educational Grants Fund	Hot Lunch Program	Capital and Nonrecurring Expenditures Fund	Parks and Recreation Commission Fund	Special Activities Fund	Dog License Fund	Board of Education Central Activities Fund	Land Acquisition Fund	Small Cities	Total
<u>Assets</u>										
Cash and										
cash equivalents	\$ 736,295	\$ 74,594	\$ -	\$ 6,539	\$ 169,061	\$ -	\$ 412,712	\$ 410,612	\$ 180,474	\$ 1,990,287
Receivables:										
Intergovernmental	286,269	19,158	-	-	-	-	-	-	-	305,427
Other	-	-	-	-	-	-	7,625	-	140,394	148,019
Inventory	-	9,107	-	-	-	-	-	-	-	9,107
Due from other funds	-	-	-	-	173,552	19,134	-	359,650	-	552,336
Total assets	\$ 1,022,564	\$ 102,859	\$ -	\$ 6,539	\$ 342,613	\$ 19,134	\$ 420,337	\$ 770,262	\$ 320,868	\$ 3,005,176
<u>Liabilities and Fund Balances</u>										
Liabilities:										
Accounts payable	\$ 30,901	\$ 99,448	\$ 4,224	\$ -	\$ -	\$ -	\$ 67,620	\$ 3,654	\$ -	\$ 205,847
Bond anticipation										
notes	-	-	680,000	-	-	-	-	-	-	680,000
Unearned revenue	-	-	-	-	-	-	-	-	145,394	145,394
Due to other funds	895,164	-	869	-	-	-	99,664	-	175,474	1,171,171
Total liabilities	926,065	99,448	685,093	-	-	-	167,284	3,654	320,868	2,202,412
Fund Balances:										
Nonspendable	-	9,107	-	-	-	-	-	-	-	9,107
Restricted	-	-	-	-	-	-	-	489,183	-	489,183
Committed	96,499	-	-	6,539	342,613	19,134	253,053	277,425	-	995,263
Unassigned	-	(5,696)	(685,093)	-	-	-	-	-	-	(690,789)
Total fund balances	96,499	3,411	(685,093)	6,539	342,613	19,134	253,053	766,608	-	802,764
Total liabilities and fund balances	\$ 1,022,564	\$ 102,859	\$ -	\$ 6,539	\$ 342,613	\$ 19,134	\$ 420,337	\$ 770,262	\$ 320,868	\$ 3,005,176

TOWN OF OXFORD, CONNECTICUT

**SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
FOR THE YEAR ENDED JUNE 30, 2016**

	Educational Grants Fund	Hot Lunch Program	Capital and Nonrecurring Expenditures Fund	Parks and Recreation Commission Fund	Special Activities Fund	Dog License Fund	Board of Education Central Activities Fund	Land Acquisition Fund	Small Cities	Total
Revenues:										
Intergovernmental	\$ 603,747	\$ 122,588	\$ -	\$ -	\$ 4,087	\$ -	\$ -	\$ 612	\$ 170,474	\$ 901,508
Program	4,124	-	-	-	617,286	2,808	144,044	29,610	-	797,872
Charges for goods and services	-	463,719	-	-	-	9,766	57,717	-	-	531,202
Investment income	-	-	-	10	-	-	-	-	-	10
Other	-	-	-	-	-	-	-	488,571	-	488,571
Total revenues	<u>607,871</u>	<u>586,307</u>	<u>-</u>	<u>10</u>	<u>621,373</u>	<u>12,574</u>	<u>201,761</u>	<u>518,793</u>	<u>170,474</u>	<u>2,719,163</u>
Expenditures:										
Current expenditures:										
General government	-	-	-	-	-	11,393	-	-	170,474	181,867
Education	601,215	598,545	-	-	-	-	144,922	-	-	1,344,682
Public activities	-	-	-	-	713,139	-	-	-	-	713,139
Capital outlay	-	-	1,833,932	-	-	-	-	52,308	-	1,886,240
Total expenditures	<u>601,215</u>	<u>598,545</u>	<u>1,833,932</u>	<u>-</u>	<u>713,139</u>	<u>11,393</u>	<u>144,922</u>	<u>52,308</u>	<u>170,474</u>	<u>4,125,928</u>
Excess of revenues over (under) expenditures	<u>6,656</u>	<u>(12,238)</u>	<u>(1,833,932)</u>	<u>10</u>	<u>(91,766)</u>	<u>1,181</u>	<u>56,839</u>	<u>466,485</u>	<u>-</u>	<u>(1,406,765)</u>
Other Financing Sources (Uses):										
Transfers in	-	10,000	1,467,740	-	-	-	-	-	-	1,477,740
Total other financing sources (uses)	<u>-</u>	<u>10,000</u>	<u>1,467,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,477,740</u>
Net change in fund balances	<u>6,656</u>	<u>(2,238)</u>	<u>(366,192)</u>	<u>10</u>	<u>(91,766)</u>	<u>1,181</u>	<u>56,839</u>	<u>466,485</u>	<u>-</u>	<u>70,975</u>
Fund balances (deficits), beginning of year	<u>89,843</u>	<u>5,649</u>	<u>(318,901)</u>	<u>6,529</u>	<u>434,379</u>	<u>17,953</u>	<u>196,214</u>	<u>300,123</u>	<u>-</u>	<u>731,789</u>
Fund balances (deficits), end of year	<u>\$ 96,499</u>	<u>\$ 3,411</u>	<u>\$ (685,093)</u>	<u>\$ 6,539</u>	<u>\$ 342,613</u>	<u>\$ 19,134</u>	<u>\$ 253,053</u>	<u>\$ 766,608</u>	<u>\$ -</u>	<u>\$ 802,764</u>

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

**CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2016**

	Library Construction	Total
<u>Assets</u>		
Cash and cash equivalents	\$ 415,454	\$ 415,454
Due from other funds	22,324	22,324
Total assets	\$ 437,778	\$ 437,778
<u>Fund Balances</u>		
Fund Balances:		
Restricted	\$ 432,936	\$ 432,936
Committed	4,842	4,842
Total fund balances	437,778	437,778
Total liabilities and fund balances	\$ 437,778	\$ 437,778

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

CAPITAL PROJECT FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2016**

	Library Construction	Total
Revenues:		
Investment income	\$ 619	\$ 619
Other	488,571	488,571
Total revenues	<u>489,190</u>	<u>489,190</u>
Expenditures:		
Current expenditures:		
Capital outlay	56,246	56,246
Total expenditures	<u>56,246</u>	<u>56,246</u>
Excess of revenues over (under) expenditures	<u>432,944</u>	<u>432,944</u>
Other Financing Sources (Uses):		
Transfers out	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Net change in fund balances	432,944	432,944
Fund balances, beginning of year	<u>4,834</u>	<u>4,834</u>
Fund balances, end of year	<u><u>\$ 437,778</u></u>	<u><u>\$ 437,778</u></u>

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 JUNE 30, 2016

	Student Activity Funds	Performance Bonds	Total
<u>Assets</u>			
Beginning balance - cash	\$ 125,686	\$ 10,520	\$ 136,206
Additions	425,292	5	425,297
Deductions	415,828	-	415,828
Ending balance - cash	135,150	10,525	145,675
Beginning balance - due from General Fund	-	106,728	106,728
Additions	-	1,500	1,500
Deductions	-	33,520	33,520
Ending balance - due from General Fund	-	74,708	74,708
Total assets	\$ 135,150	\$ 85,233	\$ 220,383
<u>Liabilities</u>			
Beginning balance - due to student groups	\$ 125,686	\$ -	\$ 125,686
Additions	425,292	-	425,292
Deductions	415,828	-	415,828
Ending balance - due to student groups	135,150	-	135,150
Beginning balance - due to developers	-	117,248	117,248
Additions	-	1,505	1,505
Deductions	-	33,520	33,520
Ending balance - due to developers	-	85,233	85,233
Total liabilities	\$ 135,150	\$ 85,233	\$ 220,383

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

SCHEDULE BY SOURCE CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS JUNE 30, 2016

	<u>Land</u>	<u>Improvements</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
General government	\$ 601,361	\$ 787,450	\$ 59,471	\$ -	\$ 1,448,282
Conservation of health	180,522	2,417,420	168,551	-	2,766,493
Public safety	12,900	2,813,129	6,627,251	-	9,453,280
Public activities	1,811,571	923,781	28,395	318,030	3,081,777
Public works	4,889	953,605	2,062,683	49,092,011	52,113,188
Solid waste	-	-	16,850	8,830,619	8,847,469
Education	4,257,111	73,500,541	72,471	-	77,830,123
Total capital assets	<u>\$ 6,868,354</u>	<u>\$ 81,395,926</u>	<u>\$ 9,035,672</u>	<u>\$ 58,240,660</u>	<u>\$ 155,540,612</u>

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

**SCHEDULE OF CHANGES
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
JUNE 30, 2016**

	Beginning Balance	Additions	Deletions	Ending Balance
General government	\$ 1,486,880	\$ -	\$ 38,598	\$ 1,448,282
Conservation of health	2,766,493	-	-	2,766,493
Public safety	8,809,658	812,252	168,630	9,453,280
Public activities	2,633,246	448,531	-	3,081,777
Public works	51,619,289	734,000	240,101	52,113,188
Solid waste	8,847,469	-	-	8,847,469
Education	76,877,529	952,594	-	77,830,123
Total capital assets	\$ 153,040,564	\$ 2,947,377	\$ 447,329	\$ 155,540,612

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

**REPORT OF THE TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2016**

Grand List October 1,	Taxes Receivable July 1, 2015	Lawful Corrections		Suspense Transfers	Adjusted Taxes Receivable	Collections			Taxes Receivable June 30, 2016
		Additions	Deductions			Taxes	Interest and Liens	Total	
2014	\$ 36,204,206	\$ 77,455	\$ 141,468	\$ (34)	\$ 36,140,159	\$ 35,570,164	\$ 94,828	\$ 35,664,992	\$ 569,995
2013	521,125	4,541	48,954	(257)	476,455	209,678	53,714	263,392	266,777
2012	327,573	13,390	4,326	(6,645)	329,992	88,896	39,135	128,031	241,096
2011	295,303	345	4,377	(6,581)	284,690	77,454	49,899	127,353	207,236
2010	250,232	150	330	(7,119)	242,933	60,602	49,508	110,110	182,331
2009	217,455	-	310	(17,268)	199,877	39,210	38,487	77,697	160,667
2008	179,378	-	-	(16,491)	162,887	25,173	26,869	52,042	137,714
2007	88,395	-	-	(11,432)	76,963	12,490	22,612	35,102	64,473
2006	93,731	-	-	(34,581)	59,150	3,676	785	4,461	55,474
2005	36,702	-	-	-	36,702	-	-	-	36,702
2004	18,005	-	87	-	17,918	(87)	640	553	18,005
2003	17,059	-	-	-	17,059	23	66	89	17,036
2002	17,633	-	-	-	17,633	-	-	-	17,633
2001	14,334	470	-	-	14,804	470	-	470	14,334
2000	14,868	-	-	-	14,868	-	-	-	14,868
	<u>\$ 38,295,999</u>	<u>\$ 96,351</u>	<u>\$ 199,852</u>	<u>\$ (100,408)</u>	<u>\$ 38,092,090</u>	<u>\$ 36,087,749</u>	<u>\$ 376,543</u>	<u>\$ 36,464,292</u>	<u>\$ 2,004,341</u>

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

STATEMENT OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES SECTION 7.374(b)
FOR THE YEAR ENDED JUNE 30, 2016

Total tax collection including interest and
 lien fees for the year ended June 30, 2016

\$ 36,464,292

Reimbursement for revenue loss:

Tax Relief for Elderly

38,121

Base

\$ 36,502,413

	<u>General</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt Limitation:					
2 1/4 times base	\$ 82,130,429	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	164,260,859	-	-	-
3 3/4 times base	-	-	136,884,049	-	-
3 1/4 times base	-	-	-	118,632,842	-
3 times base	-	-	-	-	109,507,239
Total debt limitation	<u>82,130,429</u>	<u>164,260,859</u>	<u>136,884,049</u>	<u>118,632,842</u>	<u>109,507,239</u>
Indebtedness:					
Bonds payable	1,852,000	18,048,000	-	-	-
Loan payable	1,029,228	-	-	-	-
Bond anticipation notes payable	180,000	5,948,000	-	-	-
Authorized and unissued	3,500,000	-	-	-	-
Total indebtedness	<u>6,561,228</u>	<u>23,996,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 75,569,201</u>	<u>\$ 140,264,859</u>	<u>\$ 136,884,049</u>	<u>\$ 118,632,842</u>	<u>\$ 109,507,239</u>

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation.

**OTHER
SUPPLEMENTARY
INFORMATION**

TOWN OF OXFORD, CONNECTICUT
SCHEDULE OF ASSESSED VALUE OF TAXABLE PROPERTY

Grand List October 1,	Real Property (%)	Personal Property (%)	Motor Vehicle (%)	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List	Percent Change
2015	84.5%	7.5%	8.0%	\$ 1,463,102,350	\$ 17,838,440	\$ 1,445,263,910	0.19%
2014	85.1%	6.8%	8.1%	1,458,179,117	15,600,960	1,442,578,157	1.14%
2013	85.3%	6.9%	7.8%	1,442,702,265	16,435,710	1,426,266,555	1.27%
2012	85.7%	6.7%	7.6%	1,425,341,100	16,988,430	1,408,352,670	0.38%
2011	85.7%	6.7%	7.6%	1,415,840,194	12,876,160	1,402,964,034	0.44%
2010	85.8%	6.9%	7.3%	1,408,276,150	11,469,760	1,396,806,390	-4.88%
2009	86.7%	6.6%	6.7%	1,479,669,507	11,132,400	1,468,537,107	4.47%
2008	89.8%	3.4%	6.8%	1,416,190,835	10,482,110	1,405,708,725	2.88%
2007	89.9%	2.9%	7.2%	1,374,867,757	8,474,202	1,366,393,555	2.42%
2006	90.1%	2.7%	7.2%	1,341,396,168	7,247,617	1,334,148,551	4.40%

Source: Assessor's Office, Town of Oxford, as of October 1 (before Supplemental Motor Vehicle)

TOWN OF OXFORD, CONNECTICUT

SCHEDULE OF MAJOR TAXPAYERS

2014 GRAND LIST

JUNE 30, 2016

Taxpayer	Nature of Business	Assessed Value	Percent of Net Taxable Grand List
Eversource	Utility	\$ 39,640,220	2.75%
Algonquin Gas Transmission LLC	Utility	22,440,640	1.56%
Ziff Brothers Investments LLC	Aircraft	5,264,040	0.36%
Firstlight Hydro Generation Co.	Power Company	5,104,200	0.35%
HF Industrial Park Limited Partnership	Commercial Real Estate	4,969,400	0.34%
Roller Bearing Co. of America, Inc.	Manufacturer	4,394,740	0.30%
Glendale at Oxford LLC	Retirement home	4,286,900	0.30%
Timberlake Development Partners	Residential Real Estate	3,820,840	0.26%
Yankee Gas Services Co.	Utility	3,657,840	0.25%
Pulte Homes of New England LLC	Residential Real Estate	3,508,020	0.24%
		<u>\$ 97,086,840</u>	<u>6.73%</u>

(1) The net taxable grand list as of October 1, 2014, totaled: \$ 1,442,578,157

Source: Assessor's Office, Town of Oxford

TOWN OF OXFORD, CONNECTICUT
SCHEDULE OF TAX LEVY COLLECTIONS

Grand List October 1,	Fiscal Year Ending June 30,	Net Taxable Grand List	Mill Rate	Adjusted Tax Levy	Percent Collected in Year Due	Uncollected (Pro Forma)	
						Percent Uncollected in Year Due	Percent Uncollected as of 8/31/16
2014	2016	\$ 1,442,578,157	24.96	\$ 35,641,351	98.4%	1.6%	1.4%
2013	2015	1,426,266,555	24.87	35,758,406	98.5%	1.5%	0.7%
2012	2014	1,408,352,670	24.75	35,064,485	98.4%	1.6%	0.7%
2011	2013	1,402,964,034	24.10	33,320,400	98.1%	1.9%	0.6%
2010	2012	1,396,806,390	23.21	32,456,789	98.1%	1.9%	0.5%
2009	2011	1,468,537,107	21.05	30,990,184	98.0%	2.0%	0.5%
2008	2010	1,405,708,725	20.44	27,192,114	97.9%	2.1%	0.5%
2007	2009	1,366,393,555	20.33	27,988,747	97.9%	2.1%	0.2%
2006	2008	1,334,148,551	19.37	25,971,396	97.3%	2.7%	0.2%
2005	2007	1,277,640,070	19.37	24,756,757	97.3%	2.7%	0.1%

Source: Tax Collector's Office and Assessor's Office, Town of Oxford

TOWN OF OXFORD, CONNECTICUT
SCHEDULE OF DIRECT AND INDIRECT DEBT

PRINCIPAL AMOUNT OF OUTSTANDING DEBT (AS OF JUNE 30)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Long-Term Debt					
Bonds	\$ 19,900,000	\$ 21,605,000	\$ 23,255,000	\$ 24,855,000	\$ 26,520,000
Short-Term Debt					
Bond Anticipation Notes	<u>6,238,000</u>	<u>6,285,000</u>	<u>6,677,000</u>	<u>6,664,000</u>	<u>4,349,000</u>
Total	<u>\$ 26,138,000</u>	<u>\$ 27,890,000</u>	<u>\$ 29,932,000</u>	<u>\$ 31,519,000</u>	<u>\$ 30,869,000</u>

RATIOS OF GENERAL FUND LONG-TERM DEBT TO VALUATION, POPULATION AND INCOME

Fiscal Year Ending June 30,	Net Assessed Value	Estimated Full Values	General Fund Long-Term Debt	Ratio of General Fund Long-Term Debt to Assessed Value	Ratio of General Fund Long-Term Debt to Estimated Full Value	General Fund Long-Term Debt per Capita	Ratio of General Fund Long-Term Debt per Capita to per Capita Income
2016	\$ 1,442,578,157	\$ 2,060,825,939	\$ 19,900,000	1.38%	0.97%	\$ 1,569.03	3.67%
2015	1,426,266,555	2,037,523,650	21,605,000	1.51%	1.06%	1,706.29	3.99%
2014	1,408,352,670	2,011,932,386	23,255,000	1.65%	1.16%	1,836.60	4.30%
2013	1,402,964,034	2,004,234,334	24,855,000	1.77%	1.24%	1,962.96	4.60%
2012	1,396,806,390	1,995,437,700	26,520,000	1.90%	1.33%	2,094.46	4.90%
2011	1,468,537,107	2,097,910,153	28,485,000	1.94%	1.36%	2,249.64	5.27%
2010	1,405,708,725	2,008,155,321	29,931,000	2.13%	1.49%	2,363.84	5.53%
2009	1,366,393,555	1,951,990,793	31,284,000	2.29%	1.60%	2,466.61	5.77%
2008	1,334,148,551	1,905,926,501	15,742,000	1.18%	0.83%	1,241.19	2.91%
2007	1,277,640,070	1,825,200,100	7,175,000	0.56%	0.39%	565.72	1.32%
2006	816,890,993	1,166,987,133	6,428,000	0.79%	0.55%	506.85	1.19%