

TOWN OF OXFORD, CONNECTICUT

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

with

SUPPLEMENTAL STATEMENTS AND SCHEDULES

and

INDEPENDENT AUDITOR'S REPORT

Sandra E. Welwood, LLC

Certified Public Accountants

TOWN OF OXFORD, CONNECTICUT

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INDEPENDENT AUDITOR'S 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, 2014, 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.

Auditor's 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, 2014, 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.

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 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 combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules 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 combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2014, 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.



Danbury, Connecticut
November 7, 2014

TOWN OF OXFORD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2014

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, 2014.

FINANCIAL HIGHLIGHTS

The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$71,733,473 (net position). Of this amount, \$7,404,542 may be used to meet the government's ongoing obligations to citizens and creditors. The government's total net fixed assets are \$97,364,904. The net change in assets is primarily attributable to increased tax revenues. As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balance of \$840,198.

As of the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,543,864, or approximately 13.1% of the General Fund expenditures (on a budgetary basis).

The Town's total net debt, including bonds, bond anticipation notes, and other obligations, decreased by \$2,256,854 during the current fiscal year due primarily to the regularly scheduled bond payments.

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. Eight (8) special revenue funds and two (2) capital project funds 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 35 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, assets exceeded liabilities by \$71,733,473 (net position) at the close of the most recent fiscal year.

	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
Current and other assets	\$ 12,001,596	\$ 13,006,253
Capital assets	<u>97,364,904</u>	<u>98,144,905</u>
Total assets	<u>109,366,500</u>	<u>111,151,158</u>
<u>Liabilities</u>		
Long-term liabilities outstanding	27,286,852	29,543,706
Other liabilities	<u>10,346,175</u>	<u>11,350,905</u>
Total liabilities	<u>37,633,027</u>	<u>40,894,611</u>
<u>Net Position</u>		
Net investment in capital assets	64,197,589	62,767,865
Restricted	131,342	10,410
Unrestricted	<u>7,404,542</u>	<u>7,478,272</u>
Total net position	<u>\$ 71,733,473</u>	<u>\$ 70,256,547</u>

By far, the largest portion of the Town's net position (89.5%) 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 \$7,404,542 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 \$1,476,926.

	<u>Years Ending June 30,</u>	
	<u>2014</u>	<u>2013</u>
<u>Revenues:</u>		
Program revenues:		
Charges for services	\$ 2,183,232	\$ 1,998,755
Operating grants and contributions	9,093,144	8,888,939
Capital grants and contributions	-	380,628
General revenues:		
Property taxes, interest, and lien fees	36,058,571	33,723,830
Grants and contributions not restricted to specific programs	761,399	927,946
Interest and investment earnings	<u>15,713</u>	<u>28,770</u>
 Total revenues	 <u>48,112,059</u>	 <u>45,948,868</u>
<u>Expenses:</u>		
General government	2,169,572	1,983,039
Conservation of health	1,172,766	1,086,360
Public safety	2,126,895	2,114,847
Public activities	1,178,881	1,073,052
Public works	3,345,693	2,599,152
Solid waste	417,459	419,983
Education	32,980,710	31,433,090
Library	247,867	241,318
Interest on debt	743,554	795,225
Other	<u>2,251,736</u>	<u>2,332,200</u>
 Total expenses	 <u>46,635,133</u>	 <u>44,078,266</u>
 Change in net position	 1,476,926	 1,870,602
Net position, beginning of year	<u>70,256,547</u>	<u>68,385,945</u>
 Net position, end of year	 <u>\$ 71,733,473</u>	 <u>\$ 70,256,547</u>

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

Major revenue factors included:

- Property tax revenues increased from the prior year by \$2,334,741 because of higher collection of back taxes in the current fiscal year.
- Revenue from capital decreased \$380,628 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 increased \$204,205 because teachers' retirement on-behalf revenue increased in the current fiscal year.

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

For governmental activities, 71% of the Town's expenses relate to education, 2% relate to debt service, 7% relate to public safety and conservation of health, 8% relate to public works and solid waste, 7% relate to government and public activities, and 5% to all other areas.

Major expense factors included:

- The cost of education services increased due to the State of Connecticut on-behalf payment of \$2,859,272 (compared to \$2,416,108 in the prior year) and approved budget increases.
- Public works costs increased due to increased highway maintenance.

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 \$840,198. The net balance constitutes unassigned fund balance of \$(804,852), committed for special funds \$802,539, committed for capital projects \$4,827 and nonspendable fund balance prepaid expenses and inventories of \$131,342. The negative unassigned fund balance of \$804,852 is caused by the deficit fund balances in the High School Construction (\$2,661,180), High School Athletic Complex (\$3,086,635), and the Capital and Nonrecurring (\$600,901) funds, which more than offset the General Fund unassigned fund balance of \$5,543,864.

General Fund

At the end of the current fiscal year, unassigned fund balance of the General Fund was \$5,543,864. As a measure of the General Funds' liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 13.1% of total General Fund expenditures (on a budgetary basis).

The Town's General Fund balance increased \$227,752 during the current fiscal year. The key factor in the increase is that the Town was under budget by \$1,212,967 due to an increase in intergovernmental grants and increased collection of back taxes.

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

Capital and Nonrecurring 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 \$916,000, for the 2014 fiscal year. Expenditures for capital projects and equipment in this fund were \$733,231.

GENERAL FUND BUDGETARY HIGHLIGHTS

For the 2014 fiscal year, actual results compared to the final budget were favorable by \$1,212,967 primarily from the following:

- Intergovernmental grant revenues were \$568,956 greater than budgeted because special education and other grants were not budgeted. Offsetting the special education grant revenue is \$467,203 of unbudgeted expenditures.
- A large collection of back taxes of \$600,000 recorded in property tax revenue was unbudgeted.
- Departmental revenues of licenses and permits were \$274,414 greater than budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities as of June 30, 2014, amounts to \$97,364,904 (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:

	<u>Governmental Activities</u>
Land	\$ 6,823,354
Construction in process	122,943
Buildings and improvements	64,479,561
Machinery, vehicles, and equipment	3,774,180
Infrastructure	<u>22,164,866</u>
Total (net of accumulated depreciation)	<u>\$ 97,364,904</u>

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

Debt Administration

The Town's bonded debt decreased \$1,600,000 from 2013 to a balance of \$23,255,000 at June 30, 2014. As of June 30, 2014, the Town had \$6,677,000 in outstanding bond anticipation notes and \$1,511,853 in notes payable. Long-term debt maturities are comprised of the following:

<u>Fiscal</u> <u>Year Ended:</u>	<u>Bond</u> <u>Principal</u>	<u>Bond</u> <u>Interest</u>	<u>Notes</u> <u>Principal</u>	<u>Notes</u> <u>Interest</u>
2015	\$ 1,650,000	\$ 821,338	\$ 446,541	\$ 21,124
2016 – 2020	8,635,000	3,273,407	1,065,312	46,546
2021 – 2025	7,725,000	1,730,969	-	-
2026 - 2029	<u>5,245,000</u>	<u>347,286</u>	<u>-</u>	<u>-</u>
	<u>\$ 23,255,000</u>	<u>\$ 6,173,000</u>	<u>\$ 1,511,853</u>	<u>\$ 67,670</u>

NEXT YEAR'S BUDGET AND RATES

The Town's budget for the 2014-2015 year is \$42,909,589, which is more than the 2013-2014 budget. The mil rate was approved at 24.87, which is 0.12 more than the 2013-2014 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, 2014

<u>Assets</u>	
Current assets:	
Cash and cash equivalents	\$ 5,824,486
Investments	4,021,679
Receivables:	
Property taxes	1,471,278
Intergovernmental	252,063
Other	294,946
Due from Pension Trust Fund	5,802
Prepaid expenses	105,258
Inventory	26,084
Noncurrent assets:	
Capital assets:	
Not being depreciated	6,946,297
Being depreciated, net of accumulated depreciation	90,418,607
Total assets	\$ 109,366,500
<u>Liabilities</u>	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 3,149,791
Accrued interest payable	404,614
Due to Agency Funds	103,890
Unearned revenue	10,880
Bond anticipation and notes payable	6,677,000
Noncurrent liabilities:	
Due within one year	2,151,541
Due in more than one year	25,135,311
Total liabilities	37,633,027
<u>Net Position</u>	
Net investment in capital assets	64,197,589
Restricted for prepaid expenses and inventories	131,342
Unrestricted	7,404,542
Total net position	71,733,473
Total liabilities and net position	\$ 109,366,500

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, 2014

	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Charges For Services	Operating Grants and Contributions		
Governmental Activities:					
General government	\$ (2,169,572)	\$ 966,318	\$ 51,085	\$ -	\$ (1,152,169)
Conservation of health	(1,172,766)	-	-	-	(1,172,766)
Public safety	(2,126,895)	32,098	-	-	(2,094,797)
Public activities	(1,178,881)	707,206	-	-	(471,675)
Public works	(3,345,693)	-	272,786	-	(3,072,907)
Solid waste	(417,459)	-	-	-	(417,459)
Education	(32,980,710)	477,610	8,769,273	-	(23,733,827)
Library	(247,867)	-	-	-	(247,867)
Interest on debt	(743,554)	-	-	-	(743,554)
Other	(2,251,736)	-	-	-	(2,251,736)
Total governmental activities	<u>\$ (46,635,133)</u>	<u>\$ 2,183,232</u>	<u>\$ 9,093,144</u>	<u>\$ -</u>	<u>(35,358,757)</u>
General Revenues:					
Property taxes, interest, and lien fees					36,058,571
Grants and contributions not restricted to specific programs					761,399
Interest and investment earnings					15,713
Total general revenues					<u>36,835,683</u>
Change in net position					1,476,926
Net position, beginning of year					<u>70,256,547</u>
Net position, end of year					<u>\$ 71,733,473</u>

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

TOWN OF OXFORD, CONNECTICUT

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2014

	General Fund	High School Construction Fund	High School Athletic Complex Fund	Nonmajor Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 5,125,916	\$ -	\$ -	\$ 698,570	\$ 5,824,486
Investments	4,021,679	-	-	-	4,021,679
Receivables:					
Property taxes	1,471,278	-	-	-	1,471,278
Intergovernmental	95,076	-	-	156,987	252,063
Other	291,759	-	-	3,187	294,946
Due from other funds	494,567	171,820	13,365	783,690	1,463,442
Due from Pension Trust Fund	5,802	-	-	-	5,802
Prepaid expenses	105,258	-	-	-	105,258
Inventory	-	-	-	26,084	26,084
Total assets	\$ 11,611,335	\$ 171,820	\$ 13,365	\$ 1,668,518	\$ 13,465,038
Liabilities					
Accounts payable and accrued liabilities	\$ 2,954,779	\$ -	\$ -	\$ 195,012	\$ 3,149,791
Unearned revenue	8,490	-	-	2,390	10,880
Bond anticipation notes	-	2,833,000	3,100,000	744,000	6,677,000
Due to Agency Funds	103,890	-	-	-	103,890
Due to other funds	968,875	-	-	494,567	1,463,442
Total liabilities	4,036,034	2,833,000	3,100,000	1,435,969	11,405,003
Deferred Inflows of Resources					
Unavailable revenue - taxes	1,219,837	-	-	-	1,219,837
Fund Balances					
Nonspendable	105,258	-	-	26,084	131,342
Committed:					
Special funds	-	-	-	802,539	802,539
Capital projects	-	-	-	4,827	4,827
Assigned - next year's budget	706,342	-	-	-	706,342
Unassigned	5,543,864	(2,661,180)	(3,086,635)	(600,901)	(804,852)
Total fund balances	6,355,464	(2,661,180)	(3,086,635)	232,549	840,198
Total liabilities, deferred inflows of resources, and fund balances	\$ 11,611,335	\$ 171,820	\$ 13,365	\$ 1,668,518	
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.					97,364,904
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.					1,219,837
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.					(27,691,466)
Net position					\$ 71,733,473

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, 2014

	General Fund	High School Construction Fund	High School Athletic Complex Fund	Nonmajor Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 35,883,902	\$ -	\$ -	\$ -	\$ 35,883,902
Assessments	2,000	-	-	-	2,000
Intergovernmental	8,850,880	-	-	630,993	9,481,873
Program	-	-	-	879,577	879,577
Investment income	15,690	-	-	30	15,720
Licenses and permits	689,414	-	-	-	689,414
Charges for goods and services	197,978	-	-	411,030	609,008
Other	377,896	-	-	-	377,896
Total revenues	46,017,760	-	-	1,921,630	47,939,390
Expenditures:					
Current:					
General government	2,120,893	-	-	23,735	2,144,628
Conservation of health	1,118,815	-	-	-	1,118,815
Public safety	1,782,598	-	-	-	1,782,598
Public activities	467,959	-	-	671,048	1,139,007
Public works	1,860,082	-	-	-	1,860,082
Solid waste	240,004	-	-	-	240,004
Education	30,419,090	-	-	1,192,496	31,611,586
Library	247,867	-	-	-	247,867
Other	2,219,096	-	-	-	2,219,096
Grants	32,640	-	-	-	32,640
Capital outlay	1,292,122	-	678,934	733,231	2,704,287
Debt service	2,966,279	-	-	-	2,966,279
Total expenditures	44,767,445	-	678,934	2,620,510	48,066,889
Excess of revenues over (under) expenditures	1,250,315	-	(678,934)	(698,880)	(127,499)
Other Financing Sources (Uses):					
Transfers in	-	105,000	-	942,000	1,047,000
Transfers out	(1,022,563)	-	-	(24,437)	(1,047,000)
Total other financing sources (uses):	(1,022,563)	105,000	-	917,563	-
Net change in fund balances	227,752	105,000	(678,934)	218,683	(127,499)
Fund balances (deficits), beginning of year	6,127,712	(2,766,180)	(2,407,701)	13,866	967,697
Fund balances (deficits), end of year	\$ 6,355,464	\$ (2,661,180)	\$ (3,086,635)	\$ 232,549	\$ 840,198

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, 2014**

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

Net change in fund balances - total governmental funds	\$ (127,499)
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.	(780,001)
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.	2,267,822
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.	(56,065)
Revenues from taxes are reported as income in the year revenues provide current financial resources to governmental funds.	<u>172,669</u>
Change in net position	<u><u>\$ 1,476,926</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, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 35,480,884	\$ 35,480,884	\$ 35,883,902	\$ 403,018
Assessments	10,000	10,000	2,000	(8,000)
Intergovernmental	5,422,652	5,422,652	5,991,608	568,956
Investment income	50,000	50,000	15,690	(34,310)
Licenses and permits	415,000	415,000	689,414	274,414
Charges for goods and services	200,000	200,000	197,978	(2,022)
Other	308,567	308,567	377,896	69,329
Total revenues	41,887,103	41,887,103	43,158,488	1,271,385
Expenditures:				
Current:				
General government	2,196,065	2,089,053	2,120,893	(31,840)
Conservation of health	1,091,250	1,134,889	1,118,815	16,074
Public safety	1,822,425	1,859,015	1,782,598	76,417
Public activities	468,135	478,179	467,959	10,220
Public works	1,910,546	1,960,771	1,860,082	100,689
Solid waste	272,466	240,515	240,004	511
Education	27,148,793	27,148,793	27,118,615	30,178
Education grants - special	-	-	467,203	(467,203)
Library	249,837	250,402	247,867	2,535
Other	2,422,374	2,406,274	2,219,096	187,178
Grants	-	-	32,640	(32,640)
Capital outlay	805,063	1,304,278	1,292,122	12,156
Debt service	3,366,149	3,366,149	3,353,279	12,870
Total expenditures	41,753,103	42,238,318	42,321,173	(82,855)
Other Financing Sources (Uses):				
Transfers out	(634,000)	(634,000)	(609,563)	24,437
Total other financing sources (uses)	(634,000)	(634,000)	(609,563)	24,437
Net change in fund balance	\$ (500,000)	\$ (985,215)	227,752	\$ 1,212,967
Fund balance, beginning of year			6,127,712	
Fund balance, end of year			\$ 6,355,464	

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

TOWN OF OXFORD, CONNECTICUT

STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2014

	<u>Pension Trust Fund</u>	<u>Agency Funds</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 17,471	\$ 162,187
Investments	753,485	-
Due from General Fund	-	103,890
Total assets	<u>770,956</u>	<u>266,077</u>
<u>Liabilities</u>		
Due to General Fund	\$ 5,802	\$ -
Due to student groups	-	151,672
Due to developers	-	114,405
Total liabilities	<u>5,802</u>	<u>266,077</u>
<u>Net Position</u>		
Net position held in trust	<u>\$ 765,154</u>	<u>\$ -</u>

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, 2014

	Pension Trust Fund
Investment income:	
Interest and dividends	\$ 18,246
Realized gains	70,898
Net appreciation in fair value of investments	106,691
	<u>195,835</u>
Deductions:	
Benefits paid	63,771
Fees and expenses	19,289
	<u>83,060</u>
Change in net position	112,775
Net position, beginning of year	652,379
Net position, end of year	<u>\$ 765,154</u>

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

**TOWN OF OXFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS**

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, 2014, 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 properly included among program revenues are reported instead as general revenues.

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

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.

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

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 Projects 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 \$1,986,415 as of June 30, 2014.

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 Transactions

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 (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 has no items that qualify for reporting in this category.

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town only has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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 2014.

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.

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

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 (Deficitis) of governmental funds and the changes in net position of governmental activities as reported in the government-wide Statement of Activities.

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

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, 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	\$ 23,255,000
Notes payable	1,511,853
Premium on bonds payable	1,318,848
Accrued interest payable	404,614
Compensated absences	691,151
OPEB obligation	<u>510,000</u>
Net adjustment to fund balances -total governmental funds to arrive at net position of governmental activities	<u>\$ 27,691,466</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 reductions	\$ 2,340,857
Depreciation expense	<u>(3,120,858)</u>
Net adjustment to net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (780,001)</u>

Town of Oxford, Connecticut
Notes to Financial Statements (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	\$ 2,038,102
Premiums on bond issuance amortization	<u>229,720</u>
Net adjustment to net changes in fund balances - total governmental funds to arrive at changes in net position	<u>\$ 2,267,822</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	\$ (45,097)
Compensated absences	59,032
OPEB obligation	<u>(70,000)</u>
Net adjustment to net changes in fund balances – total governmental funds to arrive at changes in net position	<u>\$ (56,065)</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 (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	\$ 43,158,488	\$ 42,321,173	\$ (609,563)
State Teachers’ Retirement on-behalf payment, not recognized for budgetary purposes	2,859,272	2,859,272	-
Reclassifications	<u>-</u>	<u>(413,000)</u>	<u>(413,000)</u>
GAAP basis	<u>\$ 46,017,760</u>	<u>\$ 44,767,445</u>	<u>\$ (1,022,563)</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, 2014, the carrying amount of all Town deposits was \$6,004,144. The bank balances of these funds totaled \$6,912,188 and of that amount, \$6,150,510, was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 5,259,263
Uninsured and collateralized	<u>891,247</u>
	<u>\$ 6,150,510</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 (continued)

Investments

The Town has no formally adopted investment policy that would limit its investment choices due to credit risk other than the State of Connecticut General Statutes that limit investments to obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service.

	<u>Fair Value</u>	<u>Maturity not applicable</u>
<u>General Fund</u>		
Short-Term Investment Fund	\$ 4,021,679	\$ 4,021,679
<u>Pension Trust Fund</u>		
Equity securities	373,430	373,430
Mutual funds	<u>380,055</u>	<u>380,055</u>
	<u>\$ 753,485</u>	<u>\$ 753,485</u>

Note 5 – Property Taxes Receivable

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

Property taxes	\$ 2,117,823
Interest and fees on delinquent receivables	<u>1,339,870</u>
Gross receivables	3,457,693
Less: allowance for uncollectibles	<u>(1,986,415)</u>
Net receivables	<u>\$ 1,471,278</u>

Note 6 – Interfund Receivables, Payables, and Transfers

As of June 30, 2014, interfund receivables and payables were as follows:

	<u>Due From:</u>			<u>Total</u>
	<u>General Fund</u>	<u>Educational Grants Fund</u>	<u>BOE Central Activities Fund</u>	
Due To:				
General Fund	\$ -	\$ 452,713	\$ 41,854	\$ 494,567
High School Construction Fund	171,820	-	-	171,820
High School Athletic Complex Fund	13,365	-	-	13,365
Hot Lunch Program	26,000	-	-	26,000
Capital and Nonrecurring				
Expenditures Fund	143,099	-	-	143,099
Special Activities Fund	338,012	-	-	338,012
Land Acquisition Fund	236,046	-	-	236,046
Dog License Fund	<u>40,533</u>	<u>-</u>	<u>-</u>	<u>40,533</u>
	<u>\$ 968,875</u>	<u>\$ 452,713</u>	<u>\$ 41,854</u>	<u>\$ 1,463,442</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 (continued)

Note 7 - Capital Assets

	Balance at July 1, 2013	Increases	Decreases	Balance at June 30, 2014
Capital assets not being depreciated:				
Land	\$ 6,823,354	\$ -	\$ -	\$ 6,823,354
Construction in process	<u>-</u>	<u>122,943</u>	<u>-</u>	<u>122,943</u>
Total capital assets not being depreciated	<u>6,823,354</u>	<u>122,943</u>	<u>-</u>	<u>6,946,297</u>
Capital assets being depreciated:				
Buildings and improvements	79,062,739	866,934	-	79,929,673
Machinery, vehicles and equipment	8,447,483	224,269	30,645	8,641,107
Infrastructure	<u>55,645,949</u>	<u>1,126,711</u>	<u>-</u>	<u>56,772,660</u>
Total capital assets being depreciated	<u>143,156,171</u>	<u>2,217,914</u>	<u>30,645</u>	<u>145,343,440</u>
Less accumulated depreciation:				
Buildings and improvements	13,946,232	1,503,880	-	15,450,112
Machinery, vehicles and equipment	4,499,680	397,892	30,645	4,866,927
Infrastructure	<u>33,388,708</u>	<u>1,219,086</u>	<u>-</u>	<u>34,607,794</u>
Total accumulated depreciation	<u>51,834,620</u>	<u>3,120,858</u>	<u>30,645</u>	<u>54,924,833</u>
Capital assets being depreciated, net of depreciation	<u>91,321,551</u>	<u>(902,944)</u>	<u>-</u>	<u>90,418,607</u>
Total governmental activities	<u>\$ 98,144,905</u>	<u>\$ (780,001)</u>	<u>\$ -</u>	<u>\$ 97,364,904</u>

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

General government	\$ 24,944
Conservation of health	53,951
Public safety	344,297
Public activities	39,874
Public works	1,122,181
Solid waste	177,455
Education	<u>1,358,156</u>
Total depreciation expense	<u>\$ 3,120,858</u>

Note 8 – Bond Anticipation Notes

Bond anticipation note transactions for the year ended June 30, 2014, were as follows:

Outstanding as of July 1, 2013	\$ 6,664,000
New borrowings	400,000
Payments	<u>(387,000)</u>
Outstanding as of June 30, 2014	<u>\$ 6,677,000</u>

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

Note 9- Long-Term Obligations

Changes in long-term debt for the year ended June 30, 2014, was as follows:

	<u>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;	\$ 1,090,000	\$ -	\$ 165,000	\$ 925,000	\$ 165,000
General obligation bonds (\$16,815,000) issued 8/1/08, maturing 8/1/29; interest rate of 3.50 to 5.25% per annum;	850,000	-	850,000	-	-
General obligation bonds (\$11,300,000) issued 7/27/11, maturing 8/1/26; interest rate of 2.00 to 4.00% per annum	11,185,000	-	530,000	10,655,000	575,000
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>11,730,000</u>	<u>-</u>	<u>55,000</u>	<u>11,675,000</u>	<u>915,000</u>
Total bonds payable	24,855,000	-	1,600,000	23,255,000	1,655,000
Premiums on bonds	1,548,568	-	229,720	1,318,848	-
Note payable to bank (\$850,000) originated 7/8/10, maturing 7/1/20; interest rate of 4% per annum	650,115	-	650,115	-	-
Note payable for equipment (\$718,614) originated 1/10/11, maturing 12/29/15; interest rate of 1.5% per annum	431,978	-	141,876	290,102	143,982
Loan to purchase motor vehicles and equipment (\$792,392) originated 8/23/12, maturing 4/30/17, interest rate of 1.57% per annum	657,263	-	160,496	496,767	163,016
Loan to purchase motor vehicles and equipment (\$217,053) originated 4/2/13, maturing 4/2/18, interest rate of 1.57% per annum	210,599	-	35,615	174,984	42,729
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	-	550,000	-	550,000	96,814
Other post retirement benefits	440,000	120,000	50,000	510,000	50,000
Compensated absences	<u>750,183</u>	<u>-</u>	<u>59,032</u>	<u>691,151</u>	<u>-</u>
Total long-term obligations	<u>\$ 29,543,706</u>	<u>\$ 670,000</u>	<u>\$ 2,926,854</u>	<u>\$ 27,286,852</u>	<u>\$ 2,151,541</u>

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

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

	Bond Principal	Notes Principal	Bond Interest	Notes Interest	Total
2015	\$ 1,650,000	\$ 446,541	\$ 821,338	\$ 21,124	\$ 2,939,003
2016	1,705,000	447,109	770,888	20,557	2,943,554
2017	1,685,000	306,518	720,469	12,858	2,724,845
2018	1,710,000	141,336	662,187	7,224	2,520,747
2019	1,775,000	98,922	594,500	4,162	2,472,584
2020	1,760,000	71,427	525,363	1,745	2,358,535
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	-	12,373	-	837,373
	<u>\$ 23,255,000</u>	<u>\$ 1,511,853</u>	<u>\$ 6,173,000</u>	<u>\$ 67,670</u>	<u>\$ 31,007,523</u>

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, 2014, there were no authorized and unissued bonds for general, school, or sewer 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, 2014.

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

Note 10 – Operating Deficiencies and Fund Deficits

The following funds had operating deficiencies and/or fund deficits for the year ended June 30, 2014:

	<u>Operating Deficiency</u>	<u>Fund Deficit</u>
Major Funds:		
High School Construction Fund	\$ -	\$ 2,661,180
High School Athletic Complex Fund	678,934	3,086,635
Nonmajor Funds:		
Special Revenue Funds:		
Capital and Nonrecurring Expenditures Fund	-	600,901
BOE Central Activities Fund	49,527	-
Capital Project Funds:		
Great Oak Roof Project	24,437	-

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

Note 11 – Pension Plans

Connecticut State Teachers' Retirement System

Teachers within the Town's school system participate in a retirement plan administered by the Connecticut State Teachers' Retirement Board.

Covered Employees

The Teachers' Retirement System is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). Participation in the plan 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 plan 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 Plan (TIAA-CREF).

Vesting Requirements

A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60.

Pension Contribution Requirements/Amounts by State

The pension contributions made by the State to the plan are determined on an actuarial reserve basis as described in CGS Sections 10-1831 and 10-183z. For the fiscal year ended June 30, 2014, approximately \$2,859,272 was expended by the State on behalf of the Town to meet the State's funding requirements. The results of the State's actuarial valuation did not contain information, which would show the development of the State's actuarial cost by local districts. The State's appropriation represented 24.79% of the total estimated payroll.

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

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 2013/2014 school year, \$836,213 mandatory contributions were deducted from the salaries of teachers who were participants of the plan during that school year. The estimated covered payroll for the Town is \$11,533,972.

Connecticut Municipal Employees' Retirement System (MERS)

Plan Description

Certain Town and Board of Education employees and police participate in the Connecticut Municipal Employees' Retirement System (MERS). MERS is the administrator of a cost-sharing, multiple employer, public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits for the employees of participating municipalities. MERS is considered to be 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.

Plan Provisions

Plan provisions are set by Statute of the State of Connecticut. MERS provides retirement benefits, as well as death and disability benefits. Annual cost of living increases are applied to disabled and non-disabled retirement benefits and vary based upon member age and date of retirement. For members that retired prior to January 1, 2002, increases between 3% and 5% are paid to those who have reached age 65 and effective January 1, 2002, increases of 2.5% are paid to those who have not yet reached age 65. For those retiring after December 31, 2001, increases between 2.5% and 6.0% are paid regardless of age. All benefits vest after 5 years of continuous service or 15 years of active aggregate service. Vested members who retire after age 55 or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life, in an amount for each year of service equal to:

- If not covered by Social Security: 2% of the average of earnings for the three highest paid years of service.
- If covered by Social Security: 1-1/2% of the average of earnings for the three highest paid years of service not in excess of the year's breakpoint, plus 2% of the average of earnings for the three highest paid years of service in excess of the year's breakpoint. The year's breakpoint for 2013 is \$65,300.

Funding Policy

Covered employees are required by State Statute to contribute 2-1/4% of earnings upon which Social Security tax is paid, plus 5% earnings on which no Social Security tax is paid. Each participating municipality is required to contribute at an actuarially determined rate. The current rate is 11.98% of annual covered payroll for Town and Board of Education employees and 16.96% for police. The contribution requirements of the Town are established and may be amended by the State Retirement Commission. The Town's contribution (including administrative fees) to the MERS for the year ended June 30, 2014, was \$842,294 and was equal to the required contribution for the year.

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

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, 2014. 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 June 30, 2012, the date of the last actuarial valuation.

Retirees and beneficiaries receiving benefits	17
Active plan members	<u>258</u>
Total	<u>275</u>

Town of Oxford, Connecticut
Notes to Financial Statements (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>
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
2010	99,131	52,020	52.5%	104,423
2009	94,709	38,397	40.5%	56,312

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

Annual required contribution	\$ 130,000
Interest on net pension asset	20,000
Adjustment to ARC	<u>(30,000)</u>
Annual OPEB cost	120,000
Contributions made	<u>50,000</u>
Increase in net OPEB liability	70,000
Net OPEB obligation, beginning of year	<u>440,000</u>
Net OPEB obligation, end of year	<u>\$ 510,000</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>UAAL</u>
2009	\$ 0	\$ 900,000	\$ 900,000	0.0%	\$ 2,120,000	43%
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%

Town of Oxford, Connecticut
Notes to Financial Statements (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, 2012
Actuarial Cost Method	Projected Unit Credit
Amortization Method	30 Year Level
Actuarial Accrued Liability	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%

Note 15 – Recently Issued Accounting Standards

The GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, which replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. GASB 68 also enhances accountability and transparency through revised and new note disclosures, and required supplementary information. The provisions in GASB 68 are effective for fiscal years beginning after June 15, 2014, and early adoption is permitted. Management is currently evaluating the effect implementation of this standard will have on its financial statements.

**SUPPLEMENTAL
STATEMENTS AND SCHEDULES**

TOWN OF OXFORD, CONNECTICUT

**GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes:				
Current	\$ 34,780,884	\$ 34,780,884	\$ 34,602,105	\$ (178,779)
Back taxes	400,000	400,000	1,013,837	613,837
Interest and lien fees	300,000	300,000	267,960	(32,040)
	<u>35,480,884</u>	<u>35,480,884</u>	<u>35,883,902</u>	<u>403,018</u>
Assessments	<u>10,000</u>	<u>10,000</u>	<u>2,000</u>	<u>(8,000)</u>
Government grants:				
Grant in lieu of tax	-	-	228,601	228,601
Elderly circuit breaker	43,000	43,000	41,252	(1,748)
Town road aid	273,541	273,541	272,786	(755)
Veteran reimbursement	6,500	6,500	6,815	315
LOCIP	100,000	100,000	-	(100,000)
Education grants	4,903,289	4,903,289	4,670,394	(232,895)
Pupil transportation	-	-	36,522	36,522
Education grants - special	-	-	467,203	467,203
Circuit court	2,240	2,240	2,463	223
Other state revenue	94,082	94,082	236,130	142,048
Mashantucket Pequot	-	-	29,442	29,442
	<u>5,422,652</u>	<u>5,422,652</u>	<u>5,991,608</u>	<u>568,956</u>
Investment income	<u>50,000</u>	<u>50,000</u>	<u>15,690</u>	<u>(34,310)</u>
Licenses and permits:				
Town Clerk	220,000	220,000	246,161	26,161
Building permits	100,000	100,000	172,420	72,420
Planning and Zoning/ZBA	50,000	50,000	130,093	80,093
WPCA sewer hookups	45,000	45,000	140,740	95,740
	<u>415,000</u>	<u>415,000</u>	<u>689,414</u>	<u>274,414</u>
Charges for goods and services:				
Seymour sewer use fees	200,000	200,000	197,434	(2,566)
Sewer interest	-	-	544	544
	<u>200,000</u>	<u>200,000</u>	<u>197,978</u>	<u>(2,022)</u>
Other:				
Telecommunications property taxes	66,847	66,847	31,801	(35,046)
Telecommunications site leases	54,000	54,000	60,181	6,181
Library revenue	4,500	4,500	1,728	(2,772)
Insurance claims	20,000	20,000	111	(19,889)
Aircraft registrations	53,220	53,220	56,050	2,830
BOE unanticipated revenue	-	-	63,781	63,781
Refunds	5,000	5,000	-	(5,000)
Police private duty	55,000	55,000	32,098	(22,902)
Miscellaneous	50,000	50,000	132,146	82,146
	<u>308,567</u>	<u>308,567</u>	<u>377,896</u>	<u>69,329</u>
Total revenues	<u>\$ 41,887,103</u>	<u>\$ 41,887,103</u>	<u>\$ 43,158,488</u>	<u>\$ 1,271,385</u>

See accompanying Independent Auditor's Report.

TOWN OF OXFORD, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
General government:				
Selectmen	\$ 261,486	\$ 262,992	\$ 260,388	\$ 2,604
Finance department	195,350	198,111	194,035	4,076
Treasurer	6,600	6,798	6,798	-
Assessor	186,544	187,014	186,320	694
Tax Collector	139,200	140,913	135,661	5,252
Town Clerk	173,449	177,493	170,043	7,450
Building department	115,086	117,087	106,259	10,828
Registrar of Voters	65,446	67,049	48,974	18,075
Town counsel	138,000	191,640	191,639	1
Probate Court	7,732	7,732	7,608	124
Housing Authority	800	800	377	423
Assessment Board of Appeals	695	695	630	65
Economic Development	61,200	61,200	54,682	6,518
Board of Finance contingency	250,000	-	-	-
Lawn maintenance	51,250	56,000	56,000	-
Water hydrant charges	70,684	70,984	70,984	-
Planning and Zoning	120,485	170,197	169,641	556
Sheriff fees	-	-	90,000	(90,000)
Conservation Commission	117,365	122,643	121,191	1,452
Town Hall - S.B. Church	234,693	249,705	249,663	42
	<u>2,196,065</u>	<u>2,089,053</u>	<u>2,120,893</u>	<u>(31,840)</u>
Conservation of health:				
Ambulance corps	266,719	269,918	269,807	111
Lake Housatonic Authority	7,350	7,350	7,350	-
Lake Zoar Authority	26,544	26,544	26,544	-
Pomperaug Health District	89,989	98,764	98,764	-
Water Pollution Control Authority	690,427	722,067	706,104	15,963
Health and social services	10,221	10,246	10,246	-
	<u>1,091,250</u>	<u>1,134,889</u>	<u>1,118,815</u>	<u>16,074</u>
Public safety:				
Fire Department	317,178	337,878	334,978	2,900
Fire Marshall	111,653	114,487	111,076	3,411
Open burning official	-	1	-	1
Police Department	1,201,750	1,213,070	1,158,552	54,518
Civil preparedness	3,000	3,000	2,978	22
Dog Warden	78,436	80,171	64,873	15,298
Emergency communications	110,408	110,408	110,141	267
	<u>1,822,425</u>	<u>1,859,015</u>	<u>1,782,598</u>	<u>76,417</u>
Public activities:				
Elderly Commission	191,893	197,808	195,473	2,335
Park and Recreation	261,742	265,871	257,986	7,885
Civic activities	11,500	11,500	11,500	-
Cultural and Arts Commission	3,000	3,000	3,000	-
	<u>468,135</u>	<u>478,179</u>	<u>467,959</u>	<u>10,220</u>

See accompanying Independent Auditor's Report.

TOWN OF OXFORD, CONNECTICUT

GENERAL FUND
 SCHEDULE OF EXPENDITURES
 BUDGET AND ACTUAL (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Public works:				
Wages	\$ 854,009	\$ 881,667	\$ 881,665	\$ 2
Highway maintenance	912,620	936,320	836,190	100,130
Street lighting	25,323	25,343	25,343	-
Administration and general	76,594	75,441	74,899	542
Tree Warden	42,000	42,000	41,985	15
	<u>1,910,546</u>	<u>1,960,771</u>	<u>1,860,082</u>	<u>100,689</u>
Solid waste	<u>272,466</u>	<u>240,515</u>	<u>240,004</u>	<u>511</u>
Education	<u>27,148,793</u>	<u>27,148,793</u>	<u>27,118,615</u>	<u>30,178</u>
Education grants - special	<u>-</u>	<u>-</u>	<u>467,203</u>	<u>(467,203)</u>
Library	<u>249,837</u>	<u>250,402</u>	<u>247,867</u>	<u>2,535</u>
Capital outlay	<u>805,063</u>	<u>1,304,278</u>	<u>1,292,122</u>	<u>12,156</u>
Debt service:				
Principal	2,424,196	2,424,196	2,428,116	(3,920)
Interest	941,953	941,953	925,163	16,790
	<u>3,366,149</u>	<u>3,366,149</u>	<u>3,353,279</u>	<u>12,870</u>
Other:				
Employee benefits	2,220,287	2,204,187	2,041,134	163,053
Insurance	202,087	202,087	177,962	24,125
	<u>2,422,374</u>	<u>2,406,274</u>	<u>2,219,096</u>	<u>187,178</u>
Grants	<u>-</u>	<u>-</u>	<u>32,640</u>	<u>(32,640)</u>
Total expenditures	<u>\$ 41,753,103</u>	<u>\$ 42,238,318</u>	<u>\$ 42,321,173</u>	<u>\$ (82,855)</u>

See accompanying Independent Auditor's Report.

TOWN OF OXFORD, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2014

<u>Assets</u>	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total</u>
Cash and cash equivalents	\$ 693,743	\$ 4,827	\$ 698,570
Receivables:			
Intergovernmental	156,987	-	156,987
Other	3,187	-	3,187
Inventory	26,084	-	26,084
Due from other funds	783,690	-	783,690
Total assets	\$ 1,663,691	\$ 4,827	\$ 1,668,518
 <u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 195,012	\$ -	\$ 195,012
Bond anticipation notes	744,000	-	744,000
Unearned revenue	2,390	-	2,390
Due to other funds	494,567	-	494,567
Total liabilities	1,435,969	-	1,435,969
Fund Balances:			
Nonspendable	26,084	-	26,084
Committed	802,539	4,827	807,366
Unassigned	(600,901)	-	(600,901)
Total fund balances	227,722	4,827	232,549
Total liabilities and fund balances	\$ 1,663,691	\$ 4,827	\$ 1,668,518

See accompanying Independent Auditor's Report.

TOWN OF OXFORD, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds	Capital Project Funds	Total
Revenues:			
Intergovernmental	\$ 630,993	\$ -	\$ 630,993
Program	879,577	-	879,577
Charges for goods and services	411,030	-	411,030
Investment income	23	7	30
Total revenues	<u>1,921,623</u>	<u>7</u>	<u>1,921,630</u>
Expenditures:			
Current expenditures:			
General government	23,735	-	23,735
Education	1,192,496	-	1,192,496
Public activities	671,048	-	671,048
Capital outlay	733,231	-	733,231
Total expenditures	<u>2,620,510</u>	<u>-</u>	<u>2,620,510</u>
Excess of revenues over (under) expenditures	<u>(698,887)</u>	<u>7</u>	<u>(698,880)</u>
Other Financing Sources (Uses):			
Transfers in	942,000	-	942,000
Transfers out	-	(24,437)	(24,437)
Total other financing sources (uses)	<u>942,000</u>	<u>(24,437)</u>	<u>917,563</u>
Net change in fund balances	243,113	(24,430)	218,683
Fund balances, beginning of year	<u>(15,391)</u>	<u>29,257</u>	<u>13,866</u>
Fund balances, end of year	<u>\$ 227,722</u>	<u>\$ 4,827</u>	<u>\$ 232,549</u>

See accompanying Independent Auditor's Report.

TOWN OF OXFORD, CONNECTICUT

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 20134

	<u>Educational Grants Fund</u>	<u>Hot Lunch Program</u>	<u>Capital and Nonrecurring Expenditures Fund</u>	<u>Parks and Recreation Commission Fund</u>	<u>Special Activities Fund</u>	<u>Dog License Fund</u>	<u>Board of Education Central Activities Fund</u>	<u>Land Acquisition Fund</u>	<u>Total</u>
<u>Assets</u>									
Cash and cash equivalents	\$ 381,235	\$ 87,104	\$ -	\$ 6,520	\$ 94,698	\$ -	\$ 124,186	\$ -	\$ 693,743
Receivables:									
Intergovernmental	141,997	14,990	-	-	-	-	-	-	156,987
Other	-	-	-	-	-	-	3,187	-	3,187
Inventory	-	26,084	-	-	-	-	-	-	26,084
Due from other funds	-	26,000	143,099	-	338,012	40,533	-	236,046	783,690
Total assets	\$ 523,232	\$ 154,178	\$ 143,099	\$ 6,520	\$ 432,710	\$ 40,533	\$ 127,373	\$ 236,046	\$ 1,663,691
<u>Liabilities and Fund Balances</u>									
Liabilities:									
Accounts payable	\$ 30,679	\$ 127,613	\$ -	\$ -	\$ -	\$ 5,397	\$ 31,323	\$ -	\$ 195,012
Bond anticipation notes	-	-	744,000	-	-	-	-	-	744,000
Unearned revenue	2,390	-	-	-	-	-	-	-	2,390
Due to other funds	452,713	-	-	-	-	-	41,854	-	494,567
Total liabilities	485,782	127,613	744,000	-	-	5,397	73,177	-	1,435,969
Fund Balances:									
Nonspendable	-	26,084	-	-	-	-	-	-	26,084
Committed	37,450	481	-	6,520	432,710	35,136	54,196	236,046	802,539
Unassigned	-	-	(600,901)	-	-	-	-	-	(600,901)
Total fund balances	37,450	26,565	(600,901)	6,520	432,710	35,136	54,196	236,046	227,722
Total liabilities and fund balances	\$ 523,232	\$ 154,178	\$ 143,099	\$ 6,520	\$ 432,710	\$ 40,533	\$ 127,373	\$ 236,046	\$ 1,663,691

See accompanying Independent Auditor's Report.

TOWN OF OXFORD, CONNECTICUT

SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
 FOR THE YEAR ENDED JUNE 30, 2014

	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	Total
Revenues:									
Intergovernmental Program	\$ 524,508	\$ 106,485	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 630,993
Charges for goods and services	-	411,030	-	-	707,206	22,876	107,688	41,807	879,577
Investment income	-	-	-	23	-	-	-	-	23
Total revenues	<u>524,508</u>	<u>517,515</u>	<u>-</u>	<u>23</u>	<u>707,206</u>	<u>22,876</u>	<u>107,688</u>	<u>41,807</u>	<u>1,921,623</u>
Expenditures:									
Current expenditures:									
General government	-	-	-	-	-	12,077	-	11,658	23,735
Education	507,154	528,127	-	-	-	-	157,215	-	1,192,496
Public activities	-	-	-	-	671,048	-	-	-	671,048
Capital outlay	-	-	733,231	-	-	-	-	-	733,231
Total expenditures	<u>507,154</u>	<u>528,127</u>	<u>733,231</u>	<u>-</u>	<u>671,048</u>	<u>12,077</u>	<u>157,215</u>	<u>11,658</u>	<u>2,620,510</u>
Excess of revenues over (under) expenditures	<u>17,354</u>	<u>(10,612)</u>	<u>(733,231)</u>	<u>23</u>	<u>36,158</u>	<u>10,799</u>	<u>(49,527)</u>	<u>30,149</u>	<u>(698,887)</u>
Other Financing Sources (Uses):									
Transfers in	-	26,000	916,000	-	-	-	-	-	942,000
Total other financing sources (uses)	<u>-</u>	<u>26,000</u>	<u>916,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>942,000</u>
Net change in fund balances	<u>17,354</u>	<u>15,388</u>	<u>182,769</u>	<u>23</u>	<u>36,158</u>	<u>10,799</u>	<u>(49,527)</u>	<u>30,149</u>	<u>243,113</u>
Fund balances (deficits), beginning of year	<u>20,096</u>	<u>11,177</u>	<u>(783,670)</u>	<u>6,497</u>	<u>396,552</u>	<u>24,337</u>	<u>103,723</u>	<u>205,897</u>	<u>(15,391)</u>
Fund balances (deficits), end of year	<u>\$ 37,450</u>	<u>\$ 26,565</u>	<u>\$ (600,901)</u>	<u>\$ 6,520</u>	<u>\$ 432,710</u>	<u>\$ 35,136</u>	<u>\$ 54,196</u>	<u>\$ 236,046</u>	<u>\$ 227,722</u>

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TOWN OF OXFORD, CONNECTICUT

CAPITAL PROJECT FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2014

	Library Construction	Great Oak Roof and Solar Panel	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 4,827	\$ -	\$ 4,827
Total assets	\$ 4,827	\$ -	\$ 4,827
<u>Fund Balances</u>			
Fund Balances:			
Committed	\$ 4,827	\$ -	\$ 4,827
Total fund balances	4,827	-	4,827
Total liabilities and fund balances	\$ 4,827	\$ -	\$ 4,827

See accompanying Independent Auditor's Report.

TOWN OF OXFORD, CONNECTICUT

CAPITAL PROJECT FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014

	Library Construction	Great Oak Roof and Solar Panel	Total
Revenues:			
Investment income	\$ 7	\$ -	\$ 7
Total revenues	<u>7</u>	<u>-</u>	<u>7</u>
Expenditures:			
Current expenditures:			
Capital outlay	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>7</u>	<u>-</u>	<u>7</u>
Other Financing Sources (Uses):			
Transfers out	-	(24,437)	(24,437)
	<u>-</u>	<u>(24,437)</u>	<u>(24,437)</u>
Net change in fund balances	7	(24,437)	(24,430)
Fund balances, beginning of year	<u>4,820</u>	<u>24,437</u>	<u>29,257</u>
Fund balances, end of year	<u>\$ 4,827</u>	<u>\$ -</u>	<u>\$ 4,827</u>

See accompanying Independent Auditor's Report.

TOWN OF OXFORD, CONNECTICUT

AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 JUNE 30, 2014

<u>Assets</u>	<u>Student Activity Funds</u>	<u>Performance Bonds</u>	<u>Total</u>
Beginning balance - cash	\$ 137,786	\$ 10,508	\$ 148,294
Additions	449,362	7	449,369
Deductions	435,476	-	435,476
Ending balance - cash	<u>151,672</u>	<u>10,515</u>	<u>162,187</u>
Beginning balance - due from General Fund	-	166,575	166,575
Additions	-	42,610	42,610
Deductions	-	105,295	105,295
Ending balance - due from General Fund	<u>-</u>	<u>103,890</u>	<u>103,890</u>
Total assets	<u>\$ 151,672</u>	<u>\$ 114,405</u>	<u>\$ 266,077</u>
<u>Liabilities</u>			
Beginning balance - due to student groups	\$ 137,786	\$ -	\$ 137,786
Additions	449,362	-	449,362
Deductions	435,476	-	435,476
Ending balance - due to student groups	<u>151,672</u>	<u>-</u>	<u>151,672</u>
Beginning balance - due to developers	-	177,083	177,083
Additions	-	42,617	42,617
Deductions	-	105,295	105,295
Ending balance - due to developers	<u>-</u>	<u>114,405</u>	<u>114,405</u>
Total liabilities	<u>\$ 151,672</u>	<u>\$ 114,405</u>	<u>\$ 266,077</u>

See accompanying Independent Auditor's Report.

TOWN OF OXFORD, CONNECTICUT

**SCHEDULE BY SOURCE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
JUNE 30, 2014**

	<u>Land</u>	<u>Improvements</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
General government	\$ 601,361	\$ 787,450	\$ 98,069	\$ -	\$ 1,486,880
Conservation of health	180,522	2,417,420	168,551	-	2,766,493
Public safety	12,900	2,703,001	5,985,347	-	8,701,248
Public activities	1,766,571	520,250	28,395	318,030	2,633,246
Public works	4,889	953,605	2,271,424	47,624,011	50,853,929
Solid waste	-	-	16,850	8,830,619	8,847,469
Education	4,257,111	72,547,947	72,471	-	76,877,529
Total capital assets	<u>\$ 6,823,354</u>	<u>\$ 79,929,673</u>	<u>\$ 8,641,107</u>	<u>\$ 56,772,660</u>	<u>\$ 152,166,794</u>

See accompanying Independent Auditor's Report.

TOWN OF OXFORD, CONNECTICUT

**SCHEDULE OF CHANGES
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
JUNE 30, 2014**

	Beginning Balance	Additions	Deletions	Ending Balance
General government	\$ 1,486,880	\$ -	\$ -	\$ 1,486,880
Conservation of health	2,766,493	-	-	2,766,493
Public safety	8,556,251	144,997	-	8,701,248
Public activities	2,495,246	138,000	-	2,633,246
Public works	49,628,591	1,255,983	30,645	50,853,929
Solid waste	8,847,469	-	-	8,847,469
Education	76,198,595	678,934	-	76,877,529
Total capital assets	\$ 149,979,525	\$ 2,217,914	\$ 30,645	\$ 152,166,794

See accompanying Independent Auditor's Report.

TOWN OF OXFORD, CONNECTICUT

REPORT OF THE TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2014

Grand List October 1,	Taxes	Lawful Corrections		Suspense Transfers	Adjusted Taxes Receivable	Collections			Taxes
	Receivable July 1, 2013	Additions	Deductions			Taxes	Interest and Liens	Total	Receivable June 30, 2014
2012	\$ 35,006,073	\$ 58,416	\$ 4	\$ -	\$ 35,064,485	\$ 34,510,809	\$ 105,668	\$ 34,616,477	\$ 553,676
2011	631,965	28,041	2,908	-	657,098	273,273	61,623	334,896	383,825
2010	374,100	50,836	-	-	424,936	136,844	37,218	174,062	288,092
2009	320,298	14,211	2,963	-	331,546	85,842	25,721	111,563	245,704
2008	253,568	9,119	1,455	-	261,232	59,581	23,456	83,037	201,651
2007	107,746	37,042	128	544	145,204	54,903	10,215	65,118	90,301
2006	85,164	39,376	-	6	124,546	26,295	1,015	27,310	98,251
2005	129,195	39,038	-	753	168,986	33,002	1,063	34,065	135,984
2004	40,363	56,426	37,408	34	59,415	41,410	52	41,462	18,005
2003	283,576	57,483	265,890	28	75,197	55,250	334	55,584	19,947
2002	43,029	99,508	78,796	41	63,782	43,815	79	43,894	19,967
2001	354,698	59,142	388,014	28	25,854	10,327	888	11,215	15,527
2000	304,053	62,881	345,287	16	21,663	5,624	35	5,659	16,039
1999	497,525	48,698	486,115	16	60,124	40,624	4,013	44,637	19,500
1998	263,234	19,566	229,158	-	53,642	42,288	-	42,288	11,354
	<u>\$ 38,694,587</u>	<u>\$ 679,783</u>	<u>\$ 1,838,126</u>	<u>\$ 1,466</u>	<u>\$ 37,537,710</u>	<u>\$ 35,419,887</u>	<u>\$ 271,380</u>	<u>\$ 35,691,267</u>	<u>\$ 2,117,823</u>

See accompanying Independent Auditor's Report.

TOWN OF OXFORD, CONNECTICUT
STATEMENT OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES SECTION 7.374(B)
FOR THE YEAR ENDED JUNE 30, 2014

Total tax collection including interest and lien fees for the year ended June 30, 2014	\$	35,691,267			
Reimbursement for revenue loss:					
Tax Relief for Elderly		41,252			
Base		<u><u>\$ 35,732,519</u></u>			
Debt Limitation:					
2 1/4 times base	\$	80,398,168	\$	\$	\$
4 1/2 times base			160,796,336		
3 3/4 times base			133,996,946		
3 1/4 times base				116,130,687	
3 times base					107,197,557
Total debt limitation		<u>80,398,168</u>	<u>160,796,336</u>	<u>133,996,946</u>	<u>116,130,687</u> <u>107,197,557</u>
Indebtedness:					
Notes payable	961,853	550,000	-	-	-
Bonds payable	2,420,000	20,835,000	-	-	-
Bonds anticipation note payable	744,000	5,933,000	-	-	-
Total indebtedness	<u>4,125,853</u>	<u>27,318,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 76,272,315</u>	<u>\$ 133,478,336</u>	<u>\$ 133,996,946</u>	<u>\$ 116,130,687</u>	<u>\$ 107,197,557</u>

See accompanying Independent Auditor's Report.