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# **TOWN OF OXFORD, CONNECTICUT**

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Annual Financial Statements

For the Year Ended June 30, 2019

**TOWN OF OXFORD, CONNECTICUT**  
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For the Year Ended June 30, 2019

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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, CT, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Oxford, CT'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 of Oxford, CT, as of June 30, 2019, and the respective changes in financial position 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 on pages 3–9, and Pension and OPEB schedules on pages 47-51 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 of Oxford, CT's basic financial statements. The General Fund Schedules of Revenues and Expenditures and combining and individual nonmajor fund financial statements and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2020, on our consideration of the Town of Oxford, CT's internal control over financial reporting and on our tests of 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 of Oxford, CT's internal control over financial reporting and compliance.



King, King & Associates, P.C., CPAs  
Winsted, CT  
January 21, 2020

**TOWN OF OXFORD, CONNECTICUT**  
Management's Discussion and Analysis  
June 30, 2019

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As management of the Town of Oxford, CT, we offer readers of the Town of Oxford, CT's financial statements this narrative overview and analysis of the financial activities of the Town of Oxford, CT for the fiscal year ended June 30, 2019.

## **FINANCIAL HIGHLIGHTS**

- The assets of the Town of Oxford, CT exceeded its liabilities at the close of the most recent fiscal year by \$78,335,755 (*net position*). Of this amount, \$4,164,013 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. Restricted Net Position of \$1,775,091 is restricted for various programs such as housing rehab loans, land acquisition, and other purposes.
- As of the close of the current fiscal year, the Town of Oxford, CT's governmental funds reported combined ending fund balances of \$13,931,964, a decrease of \$3,570,295 in comparison with the prior year. Of this amount, \$5,026,330 is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,486,695 or 12.7 percent of total General Fund expenditures.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Town of Oxford, CT's basic financial statements. The Town of Oxford, CT's basic financial statements comprise 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 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 of Oxford, CT's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town of Oxford, CT's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator whether the financial position of the Town of Oxford, CT is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position is 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 periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town of Oxford, CT that are principally supported by 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 Town has no business-type activities. The governmental activities of the Town of Oxford, CT include education, public safety, general government, public works, conservation of health, public activities, library, and solid waste. Property taxes, state and federal grants, and local revenues such as fees and licenses finance most of these activities.

**TOWN OF OXFORD, CONNECTICUT**  
Management's Discussion and Analysis  
June 30, 2019

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The government-wide financial statements can be found on pages 10-11 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 of Oxford, CT, 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 of Oxford, CT 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 spendable resources*, as well as on *balances of spendable 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 the government-wide financial statements, it is useful to compare the information presented for *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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

The Town of Oxford, CT, maintains thirteen (13) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, and the Capital and Nonrecurring Expenditures fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town of Oxford, CT, adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 12-16 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town of Oxford, CT's own programs.

The basic fiduciary fund financial statements can be found on pages 17-18 of this report.

**Notes to the financial statements.** The notes 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 19-46 of this report.

**TOWN OF OXFORD, CONNECTICUT**  
Management's Discussion and Analysis  
June 30, 2019

**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 of Oxford, CT, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$78,335,755 at the close of the most recent fiscal year.

	2019	(Restated) 2018	Variance
Current and Other Assets	\$ 22,262,441	\$ 24,444,491	\$ (2,182,050)
Capital Assets	96,390,321	96,963,801	(573,480)
Total Assets	<u>\$ 118,652,762</u>	<u>\$ 121,408,292</u>	<u>\$ (2,755,530)</u>
Deferred Outflows of Resources	<u>7,610,426</u>	<u>1,418,726</u>	<u>6,191,700</u>
Other Liabilities	\$ 5,457,040	\$ 6,940,054	\$ (1,483,014)
Long-Term Liabilities	<u>39,349,801</u>	<u>34,841,907</u>	<u>4,507,894</u>
Total Liabilities	<u>44,806,841</u>	<u>41,781,961</u>	<u>3,024,880</u>
Deferred Inflows of Resources	<u>3,120,592</u>	<u>1,305,672</u>	<u>1,814,920</u>
Net Position:			
Net Investment in Capital Assets	72,396,651	70,091,362	2,305,289
Restricted	1,775,091	1,711,195	63,896
Unrestricted	<u>4,164,013</u>	<u>7,936,828</u>	<u>(3,772,815)</u>
Total Net Position	<u>\$ 78,335,755</u>	<u>\$ 79,739,385</u>	<u>\$ (1,403,630)</u>

The largest portion of the Town's net position reflects its investment in capital assets (land, buildings, machinery and equipment, and infrastructure assets such as roads and bridges) less any related debt used to acquire those assets that is still outstanding. The Town uses these assets to provide services to its citizens; consequently, these assets are not available for spending. Net investment in capital assets increased by \$2,305,289 primarily due to paydowns of related debt and purchases of capital assets being greater than the amount of current year depreciation.

The Town's restricted net position of \$1,775,091 increased by \$63,896 compared to last years restricted net position of \$1,711,195.

The Town's unrestricted net position of \$4,164,013 decreased by \$3,772,815 compared to last years unrestricted net position of \$7,936,828. This decrease is primarily due to an increase in the accrued retirement benefits.

**TOWN OF OXFORD, CONNECTICUT**  
Management's Discussion and Analysis  
June 30, 2019

	<u>2019</u>	<u>2018</u>	<u>Variance</u>
<b>REVENUES</b>			
<i>Program:</i>			
Charges for services	\$ 2,747,580	\$ 3,010,169	\$ (262,589)
Operating grants and contributions	7,737,939	10,974,775	(3,236,836)
Capital grants and contributions	316,583	-	316,583
<i>General:</i>			
Property taxes, interest, and lien fees	38,962,807	35,833,743	3,129,064
Grants and contributions, not restricted to specific programs	708,079	544,154	163,925
Interest and investment earnings	453,784	183,515	270,269
Other	<u>206,282</u>	<u>117,761</u>	<u>88,521</u>
Total Revenues	<u>51,133,054</u>	<u>50,664,117</u>	<u>468,937</u>
<b>EXPENSES</b>			
<i>Governmental Activities:</i>			
General Government	4,000,656	2,114,257	1,886,399
Conservation of Health	1,222,839	1,092,489	130,350
Public Safety	3,825,338	2,881,172	944,166
Public Activities	1,613,591	1,303,101	310,490
Public Works	4,329,154	3,082,645	1,246,509
Solid Waste	507,842	430,434	77,408
Education	35,710,588	37,893,901	(2,183,313)
Library	547,582	283,438	264,144
Interest on long-term debt	779,094	755,353	23,741
Other	<u>-</u>	<u>2,824,098</u>	<u>(2,824,098)</u>
Total Expenses	<u>52,536,684</u>	<u>52,660,888</u>	<u>(124,204)</u>
Change in Net Position	(1,403,630)	(1,996,771)	<u>\$ 593,141</u>
Beginning Net Position, Restated	<u>79,739,385</u>	<u>81,736,156</u>	
Ending Net Position	<u>\$ 78,335,755</u>	<u>\$ 79,739,385</u>	

**Governmental activities.** Governmental activities decreased the Town of Oxford, CT's net position by \$1,403,630.

Seventy-six percent (76%) of the revenues of the Town were derived from property taxes, followed by seventeen percent (17%) from grants and contributions, five percent (5%) from charges for services and two percent (2%) of the Town's revenue in the fiscal year was derived from investment and other income.

Major revenue factors included:

- Revenue from operating grants and contributions decreased \$3,236,836 in the current fiscal year when compared to the previous year due to the actuarially determined adjustment for the State Teachers Retirement OPEB plan.

**TOWN OF OXFORD, CONNECTICUT**  
Management's Discussion and Analysis  
June 30, 2019

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- Property tax revenue increased by \$3,129,064 because the mill rate for the current year was increased to 23.05 from 22.21 in the previous year. Also included are the payments in lieu of taxes for the power plant which increased to \$3,150,000 from \$2,700,000 in the prior year.

Sixty-eight percent (68%) of the expenses of the Town relate to education, eight percent (8%) relate to public works, seven percent (7%) relate to public safety, three percent (3%) relate to public activities and library, eight percent (8%) relate to general government, and six percent (6%) related to conservation of health, solid waste, and interest expense.

Major expense factors included:

- The education expenses decreased from the prior year mainly due to the actuarially determined adjustment for the State Teachers Retirement OPEB plan which reduced revenues and expenses for the current year.
- The "Other" category is now allocated to the functions it most directly relates to.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

**Governmental Funds.** The focus of the Town of Oxford, CT'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 of Oxford, CT'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 of Oxford, CT's governmental funds reported combined ending fund balances of \$13,931,964, a decrease of \$3,570,295 in comparison with the prior year. Thirty-six (36%) of this total amount constitutes *unassigned fund balance*, which is available for spending at the government's discretion.

**General Fund.** The General Fund is the chief operating fund of the Town of Oxford, CT. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$6,486,695. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 12.7 percent of total General Fund expenditures.

The fund balance of the Town of Oxford, CT's General Fund decreased by \$3,197,135 during the current fiscal year. Key factors in this decrease are as follows:

- The town budgeted to use \$3,540,000 from fund balance in its original budget.

**Capital and Nonrecurring Expenditures Fund.** The fund is a pay-as-you-go funded capital improvement fund. It is funded with annual appropriations from the General Fund to finance planned capital projects. The total appropriation from taxes was approved at \$2,035,227 for the 2019 fiscal year. Expenditures for capital projects and equipment in this fund were \$1,410,910.

**TOWN OF OXFORD, CONNECTICUT**  
 Management's Discussion and Analysis  
 June 30, 2019

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**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget for the General Fund included the use of fund balance of \$3,540,000. The actual net change in fund balance of the General Fund on a budgetary basis was \$365,322 less than originally budgeted. Budgetary revenues were \$654,849 greater than expected due primarily to state aid, licenses and permits, and investment income higher than anticipated. Budgetary expenditures were \$59,823 greater than expected due primarily to police and fire and insurance coming in over budget.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets.** The Town of Oxford, CT's reported value in capital assets for its governmental activities as of June 30, 2019, amounts to \$96,390,321 (net of accumulated depreciation). This reported value in capital assets includes land, buildings, improvements, machinery and equipment, and infrastructure.

	<u>2019</u>	<u>2018</u>
Land	\$ 6,868,354	\$ 6,868,354
Construction in Progress	1,534,767	668,620
Buildings and Improvements	62,544,119	63,390,367
Machinery, Equipment, and Vehicles	4,844,079	5,180,506
Infrastructure	<u>20,599,002</u>	<u>20,855,954</u>
Total	<u>\$ 96,390,321</u>	<u>\$ 96,963,801</u>

Major capital asset events during the current fiscal year included the following:

- Road improvements
- Ambulance and police cruiser
- Library improvements
- Riverside fire house kitchen

Additional information on the Town of Oxford, CT's capital assets can be found in Note 6 on page 29 of this report.

**Long-term debt.** At the end of the current fiscal year, the Town of Oxford, CT had long-term debt outstanding of \$39,349,801.

	<u>2019</u>	<u>2018</u>
G.O. Bonds	\$ 22,620,000	\$ 24,805,000
Unamortized Premium	1,316,669	1,491,856
Loans Payable	57,001	575,583
Pension Buy-In, Restated	266,199	343,928
Compensated Absences	532,670	557,167
Total OPEB Liability	3,271,117	2,998,925
Net Pension Liability	<u>11,286,145</u>	<u>4,582,463</u>
Total	<u>\$ 39,349,801</u>	<u>\$ 35,354,922</u>

The Town of Oxford, CT's total long-term debt increased \$3,994,879 (11.2 percent) during the current fiscal year due to accrued retirement benefits. Additional information on the Town of Oxford, CT's long-term debt can be found in Note 7 on pages 30-32 of this report.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

A summary of key economic factors affecting the Town are as follows:

- The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which from time to time will affect the amount of intergovernmental revenues the Town will receive.
- Increased threat of losing State funding will continue to be a variable in our local budget.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the Town of Oxford, CT's budget for the 2020 fiscal year. The Town's fiscal year 2020 budget was approved by Town referendum on May 6, 2019. The Town's fiscal year 2020 budgeted expenditures for the General Fund totaled \$48,201,613, an increase of \$1,920,788 or 4.1% over the fiscal year 2019 original approved budgeted expenditures.

The town has assigned \$1,800,000 of fund balance of the General Fund for spending in the 2020 fiscal year budget.

## **REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the Town of Oxford, CT'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, Town of Oxford, 486 Oxford Road, Oxford, CT 06478.

# TOWN OF OXFORD, CONNECTICUT

## Statement of Net Position

June 30, 2019

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	Governmental Activities
<b>Assets</b>	
Cash and Cash Equivalents	\$ 18,922,221
Restricted Cash	111,773
Investments	638,163
Receivables, Net	2,456,928
Prepays	118,722
Inventory	14,634
Capital Assets:	
Assets Not Being Depreciated	8,403,121
Assets Being Depreciated, Net	<u>87,987,200</u>
<b>Total Assets</b>	<u>118,652,762</u>
 <b>Deferred Outflows of Resources</b>	
Deferred Outflows - Pension	7,448,780
Deferred Outflows - OPEB	<u>161,646</u>
<b>Total Deferred Outflows of Resources</b>	<u>7,610,426</u>
 <b>Liabilities</b>	
Accounts Payable and Accrued Items	4,958,675
Accrued Interest Payable	386,592
Performance Bonds	111,773
Noncurrent Liabilities:	
Due Within One Year	2,571,710
Due In More Than One Year	<u>36,778,091</u>
<b>Total Liabilities</b>	<u>44,806,841</u>
 <b>Deferred Inflows of Resources</b>	
Advance Lease Payments	1,237,912
Prepayment on Power Plant Contract	1,625,005
Deferred Inflows - Pension	219,968
Deferred Inflows - OPEB	<u>37,707</u>
<b>Total Deferred Inflows of Resources</b>	<u>3,120,592</u>
 <b>Net Position</b>	
Net Investment in Capital Assets	72,396,651
Restricted	1,775,091
Unrestricted	<u>4,164,013</u>
<b>Total Net Position</b>	<u>\$ 78,335,755</u>

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

**TOWN OF OXFORD, CONNECTICUT**

Statement of Activities

For the Year Ended June 30, 2019

<b>Functions/Programs</b>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Governmental Activities:</b>					
General Government	\$ 4,000,656	\$ 881,740	\$ 19,340	\$ -	\$ (3,099,576)
Conservation of Health	1,222,839	-	-	-	(1,222,839)
Public Safety	3,825,338	87,426	25,350	-	(3,712,562)
Public Activities	1,613,591	715,500	-	-	(898,091)
Public Works	4,329,154	-	275,833	-	(4,053,321)
Solid Waste	507,842	386,710	-	-	(121,132)
Education	35,710,588	673,917	7,341,575	316,583	(27,378,513)
Library	547,582	2,287	75,841	-	(469,454)
Interest on Long-Term Debt	779,094	-	-	-	(779,094)
Total Governmental Activities	<u>52,536,684</u>	<u>2,747,580</u>	<u>7,737,939</u>	<u>316,583</u>	<u>(41,734,582)</u>
<b>General Revenues:</b>					
					38,962,807
					708,079
					453,784
					206,282
					<u>40,330,952</u>
					(1,403,630)
					<u>79,739,385</u>
					<u>\$ 78,335,755</u>

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

**TOWN OF OXFORD, CONNECTICUT**

Balance Sheet  
Governmental Funds  
June 30, 2019

	General Fund	Capital and Nonrecurring Expenditures Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and Cash Equivalents	\$ 16,297,053	\$ -	\$ 2,625,168	\$ 18,922,221
Restricted Cash	111,773	-	-	111,773
Investments	638,163	-	-	638,163
Receivables, Net of Allowance	2,136,920	-	320,008	2,456,928
Prepays	118,722	-	-	118,722
Inventory	-	-	14,634	14,634
Due from Other Funds	2,104,128	3,018,599	844,657	5,967,384
<b>Total Assets</b>	<u>\$ 21,406,759</u>	<u>\$ 3,018,599</u>	<u>\$ 3,804,467</u>	<u>\$ 28,229,825</u>
<b>Liabilities</b>				
Accounts Payable and Accrued Items	\$ 4,778,121	\$ -	\$ 180,554	\$ 4,958,675
Performance Bonds	111,773	-	-	111,773
Due to Other Funds	3,863,256	-	2,104,128	5,967,384
<b>Total Liabilities</b>	<u>8,753,150</u>	<u>-</u>	<u>2,284,682</u>	<u>11,037,832</u>
<b>Deferred Inflows of Resources</b>				
Unearned Revenue:				
Prepayment on Power Plant Contract	1,625,005	-	-	1,625,005
Unavailable Revenues:				
Property Taxes and Interest	1,635,024	-	-	1,635,024
<b>Total Deferred Inflows of Resources</b>	<u>3,260,029</u>	<u>-</u>	<u>-</u>	<u>3,260,029</u>
<b>Fund Balances</b>				
Nonspendable	118,722	-	-	118,722
Restricted	-	-	1,775,091	1,775,091
Committed	-	3,018,599	1,205,059	4,223,658
Assigned	2,788,163	-	-	2,788,163
Unassigned	6,486,695	-	(1,460,365)	5,026,330
<b>Total Fund Balances</b>	<u>9,393,580</u>	<u>3,018,599</u>	<u>1,519,785</u>	<u>13,931,964</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 21,406,759</u>	<u>\$ 3,018,599</u>	<u>\$ 3,804,467</u>	<u>\$ 28,229,825</u>

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

## TOWN OF OXFORD, CONNECTICUT

### Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2019

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<b>Fund balances reported in governmental funds Balance Sheet</b>	<b>\$ 13,931,964</b>
<b>Amounts reported for governmental activities in the Statement of Net Position are different because:</b>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
<i>Capital Assets</i>	167,643,823
<i>Depreciation</i>	(71,253,502)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
<i>Property taxes, interest and liens receivable greater than 60 days</i>	1,635,024
Advance lease payments are deferred and amortized over time.	(1,237,912)
Certain changes related to pensions are deferred and amortized over time.	
<i>Deferred Outflows - Pension</i>	7,448,780
<i>Deferred Outflows - OPEB</i>	161,646
<i>Deferred Inflows - Pension</i>	(219,968)
<i>Deferred Inflows - OPEB</i>	(37,707)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements.	
<i>Accrued Interest Payable</i>	(386,592)
<i>Bonds Payable</i>	(22,620,000)
<i>Unamortized Bond Premium</i>	(1,316,669)
<i>Loan Payable</i>	(57,001)
<i>Pension Buy-In</i>	(266,199)
<i>Compensated Absences</i>	(532,670)
<i>OPEB Liability</i>	(3,271,117)
<i>Net Pension Liability</i>	<u>(11,286,145)</u>
<b>Net position of governmental activities</b>	<b><u>\$ 78,335,755</u></b>

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

**TOWN OF OXFORD, CONNECTICUT**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2019

	General Fund	Capital and Nonrecurring Expenditures Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property Taxes, Interest and Lien Fees	\$ 35,097,695	\$ -	\$ -	\$ 35,097,695
Intergovernmental Revenues	9,792,383	-	1,088,436	10,880,819
Licenses, Permits, and Charges for Services	1,175,920	-	1,503,249	2,679,169
Investment Income	441,922	-	11,862	453,784
Other Revenue	3,412,549	-	92,674	3,505,223
Total Revenues	<u>49,920,469</u>	<u>-</u>	<u>2,696,221</u>	<u>52,616,690</u>
<b>Expenditures</b>				
Current:				
General Government	2,759,162	-	15,865	2,775,027
Conservation of Health	1,049,927	-	-	1,049,927
Public Safety	3,262,185	-	-	3,262,185
Public Activities	837,671	-	663,520	1,501,191
Public Works	2,932,297	-	-	2,932,297
Solid Waste	329,130	-	-	329,130
Education	34,765,495	-	1,351,964	36,117,459
Library	547,582	-	-	547,582
Other	624,745	-	-	624,745
Grants	255,337	-	-	255,337
Debt Service:				
Principal Payments	2,703,582	-	-	2,703,582
Interest	947,534	-	-	947,534
Capital Outlay	59,480	1,410,910	1,670,599	3,140,989
Total Expenditures	<u>51,074,127</u>	<u>1,410,910</u>	<u>3,701,948</u>	<u>56,186,985</u>
Excess/(Deficiency) of Revenues over Expenditures	(1,153,658)	(1,410,910)	(1,005,727)	(3,570,295)
<b>Other Financing Sources/(Uses)</b>				
Transfers In	-	2,035,227	18,450	2,053,677
Transfers Out	(2,043,477)	-	(10,200)	(2,053,677)
Total Other Financing Sources/(Uses)	<u>(2,043,477)</u>	<u>2,035,227</u>	<u>8,250</u>	<u>-</u>
Net Change in Fund Balances	(3,197,135)	624,317	(997,477)	(3,570,295)
Fund Balances at Beginning of Year, Restated	<u>12,590,715</u>	<u>2,394,282</u>	<u>2,517,262</u>	<u>17,502,259</u>
Fund Balances at End of Year	<u>\$ 9,393,580</u>	<u>\$ 3,018,599</u>	<u>\$ 1,519,785</u>	<u>\$ 13,931,964</u>

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, 2019

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**Net Change in Fund Balances - Total Governmental Funds** \$ (3,570,295)

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

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 as depreciation expense.

<i>Capital expenditures</i>	2,930,831
<i>Depreciation expense</i>	(3,504,311)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.

<i>Property taxes, interest and liens collected accrual basis change</i>	715,112
<i>Amortization of advance lease payments</i>	26,911

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

<i>Principal payments on long-term debt - general obligation bonds</i>	2,185,000
<i>Principal payments on long-term debt - loans</i>	518,582
<i>Amortization of premiums</i>	175,187

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 the governmental funds.

<i>Accrued Interest</i>	18,127
<i>Compensated Absences</i>	24,497
<i>Pension Buy-In</i>	77,729
<i>Net Pension Liability and Related Deferred Outflows/Inflows</i>	(893,596)
<i>OPEB Liability and Related Deferred Outflows/Inflows</i>	<u>(107,404)</u>

**Change in net position of governmental activities** \$ (1,403,630)

**TOWN OF OXFORD, CONNECTICUT**  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Budgetary	Variance
	Original	Amended	Basis	
<b>Revenues</b>				
Property Taxes, Interest, and Lien Fees	\$ 35,374,102	\$ 35,374,102	\$ <b>35,097,695</b>	\$ (276,407)
Intergovernmental	5,064,649	5,114,341	<b>5,393,821</b>	279,480
Charges for Services	270,000	270,000	<b>248,154</b>	(21,846)
Licenses and Permits	615,000	615,000	<b>927,766</b>	312,766
Investment Income	120,000	120,000	<b>400,608</b>	280,608
Other	3,332,301	3,332,301	<b>3,412,549</b>	80,248
<b>Total Revenues</b>	<b>44,776,052</b>	<b>44,825,744</b>	<b>45,480,593</b>	<b>654,849</b>
<b>Expenditures</b>				
Current:				
General Government	3,058,921	2,844,789	<b>2,759,162</b>	85,627
Conservation of Health	1,063,604	1,080,265	<b>1,049,927</b>	30,338
Public Safety	3,079,628	3,177,944	<b>3,262,185</b>	(84,241)
Public Activities	835,852	854,073	<b>837,671</b>	16,402
Public Works	2,916,857	2,950,596	<b>2,932,297</b>	18,299
Solid Waste	330,974	331,636	<b>329,130</b>	2,506
Education	30,029,048	30,099,048	<b>30,025,183</b>	73,865
Library	438,365	550,599	<b>547,582</b>	3,017
Other	384,347	478,350	<b>560,974</b>	(82,624)
Grants	-	20,000	<b>255,337</b>	(235,337)
Debt Service:				
Principal Payments	2,703,582	2,703,582	<b>2,703,582</b>	-
Interest	947,534	947,534	<b>947,534</b>	-
Capital Outlay	492,113	521,805	<b>409,480</b>	112,325
<b>Total Expenditures</b>	<b>46,280,825</b>	<b>46,560,221</b>	<b>46,620,044</b>	<b>(59,823)</b>
<b>Excess of Revenues Over/(Under) Expenditures</b>	<b>(1,504,773)</b>	<b>(1,734,477)</b>	<b>(1,139,451)</b>	<b>595,026</b>
<b>Other Financing Sources (Uses)</b>				
Use of Fund Balance	3,540,000	3,769,704	<b>3,174,678</b>	(595,026)
Transfers Out	(2,035,227)	(2,035,227)	<b>(2,035,227)</b>	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,504,773</b>	<b>1,734,477</b>	<b>1,139,451</b>	<b>(595,026)</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

**TOWN OF OXFORD, CONNECTICUT**

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2019

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	<u>Custodial Fund</u>
	<u>Student Activities</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ <u>151,054</u>
<b>Net Position</b>	
Restricted for Individuals and Organizations	\$ <u>151,054</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  
Fiduciary Funds  
For the Year Ended June 30, 2019

	<b>Custodial Fund</b>
	<b>Student Activities</b>
<b>Additions</b>	
Activity Fees	\$ 445,346
<b>Deductions</b>	
Events and Activities	435,198
Change in Net Position	10,148
Net Position at Beginning of Year, Restated	140,906
Net Position at End of Year	\$ 151,054

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

**TOWN OF OXFORD, CONNECTICUT**  
Notes to the Financial Statements

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of the Town of Oxford, Connecticut (the “Town”) have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing the governmental accounting and financial reporting principles. The Town’s significant accounting policies are described below.

**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 principals 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 the 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.

**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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) 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.

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in the demonstrating compliance with finance related legal and contractual provisions. The Town maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with nonmajor funds, if any, aggregated and presented in a single column. The Town maintains fiduciary funds which are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements’ governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation.

## TOWN OF OXFORD, CONNECTICUT

### Notes to the Financial Statements

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Separate financial statements are provided for governmental 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 Statements 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.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Their revenues are recognized when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used 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. Expenditures are generally recorded when a liability is incurred. Exceptions to this general rule include: compensated absences, debt service, capital leases, other post-employment benefit obligations, and claims and judgments that are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Governmental Funds are those through which most governmental functions typically are financed. The following are the Town's major governmental funds:

- The *General Fund* is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another manner. Revenues are derived primarily from property taxes, state grants, licenses, permits, charges for services, and earnings on investments.
- The *Capital and Nonrecurring Expenditures Fund* (capital project fund) accounts for the costs and related debt incurred in connection with the construction of approved projects.

Fiduciary Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, and other governments. Fiduciary funds are not included in the government-wide financial statements. The fiduciary funds are as follows:

- The *Custodial Funds* account for resources held by the Town in a purely custodial capacity for student activities.

**TOWN OF OXFORD, CONNECTICUT**  
Notes to the Financial Statements

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**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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

**Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity**

*Cash and Cash Equivalents* – The Town’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

*Investments* - In general, State of Connecticut Statutes allow the Town to invest in 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, 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. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short-Term Investment Fund. Trust funds are able to invest in a wider range of investments. Investments are stated at fair value, based on quoted market prices. Certificates of Deposit are reported at cost.

The Short-Term Investment Fund (“STIF”) is a money market investment pool managed by the Cash Management Division of the State Treasurer’s Office created by Section 3-27 of the Connecticut General Statutes (“CGS”). Pursuant to CGS 3-27a through 3-27f, the State, municipal entities, and political subdivisions of the State are eligible to invest in the fund. The fund is considered a “2a7-like” pool and, as such, reports its investments at amortized cost (which approximates fair value). A 2a7-like pool is not necessarily registered with the Security and Exchange Commission (“SEC”) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC’s rule 2a7 of the Investment Company Act of 1940 that allows money market mutual funds to use the amortized cost to report net assets. The pool is overseen by the Office of the State Treasurer. The pool is rated AAAM by Standard & Poor’s. This is the highest rating for money market funds and investment pools. The pooled investment funds’ risk category cannot be determined since the Town does not own identifiable securities but invests as a shareholder of the investment pool. The fair value of the position in the pool is the same as the value of the pool shares.

*Taxes Receivable*- All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The Town has established an allowance for uncollectible amounts of \$784,638. Property taxes are assessed as of October 1 and billed the following July. Real property bills are payable in two installments, July 1 and January 1. Motor vehicle and personal property taxes are payable in one installment on July 1, with the Motor vehicle supplemental bills payable on January 1. Assessments for real and personal property, including motor vehicles, are computed at seventy percent of the market value. Liens are filed by the last day of the fiscal year.

*Loans Receivable*- The Town administers a federally funded residential rehabilitation loan program for low to moderate income families. The loans do not accrue interest and repayment of the loans is deferred. The loans become due and payable upon sale or transfer of the property, the owner’s demise, or when the subject property is no longer the applicant’s principal place of residence. The loans may be paid in full or in part by the borrower at any time without penalty. As of June 30, 2019, loans receivable totaled \$280,179 under this program.

**TOWN OF OXFORD, CONNECTICUT**  
Notes to the Financial Statements

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*Due From/To Other Funds* - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables and payables. They arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

*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 Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs 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 is depreciated using the straight-line method over the following estimated useful lives:

<b>Assets</b>	<b>Years</b>
Buildings and Improvements	50
Machinery, Equipment, and Vehicles	5-20
Infrastructure	50

*Unearned Revenues* - Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In the government-wide financial statements, unearned revenues consist of revenue received in advance and/or amounts from grants received before the eligibility requirements have been met.

*Long-term obligations* - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of 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, and debt payments, are reported as debt service expenditures.

*Deferred Outflows/Inflows of Resources* – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Town reports Pension contributions made subsequent to the measurement date as a deferred outflow in the government-wide financial statements. These amounts are deferred and included in pension expense in the subsequent year. Also, the Town reports a deferred outflow of resources related to pension and OPEB results for the differences between expected and actual experience in the government-wide financial statements. These amounts are deferred and included in pension expense in a systematic and rational manner.

**TOWN OF OXFORD, CONNECTICUT**  
Notes to the Financial Statements

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In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *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 reports unavailable revenue from property taxes and related interest in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Town also reports deferred inflows from Pension and OPEB in the government-wide statement of net position, which resulted from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in Pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits. The Town also reports a deferred inflow of resources related to the advance lease payments received in the government-wide financial statements. These amounts are deferred and included in revenue in a rational and systematic manner.

*Compensated absences* - Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement.

*Fund equity and net position* – Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. In the government-wide statement of net position, 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 reduces this category.

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

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

When both restricted and unrestricted resources are available for certain expenses, the Town expends restricted resources first and uses unrestricted resources when the restricted funds are depleted.

In the fund financial statements, fund balances of governmental funds are classified in the following five separate categories:

*Nonspendable Fund Balance* – Indicates amounts that cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Examples are items that are not expected to be converted to cash including inventories and prepaid expenditures. Examples of items legally or contractually required to be maintained intact are the corpus of permanent funds.

*Restricted Fund Balance* – Indicates amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors or, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

## TOWN OF OXFORD, CONNECTICUT

### Notes to the Financial Statements

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*Committed Fund Balance* – Indicates amounts that can be used only for specific purposes pursuant to constraints imposed by formal budgetary action of the Board of Finance and Town Meeting in accordance with provisions of the Connecticut General Statutes.

*Assigned Fund Balance* – Indicates amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by action of Town Officials.

*Unassigned Fund Balance* – Represents the remaining fund balance after amounts are set aside for all other classifications.

The Town does not have a formal policy over the use of fund balance. When both restricted and unrestricted (committed, assigned, unassigned) amounts of fund balance are available for use for expenditures incurred, it is assumed that the Town will use restricted fund balance first if the expenditure meets the restricted purpose, followed by committed, assigned and unassigned amounts.

*Encumbrances* – In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are reported as assigned fund balance since they do not constitute expenditures or liabilities.

#### **Fair Value of Financial Instruments**

In accordance with GASB Statement No. 72, the Town is required to measure the fair value of its assets and liabilities under a three-level hierarchy, as follows:

**Level 1:** Quoted market prices for identical assets or liabilities to which an entity has access to at the measurement date.

**Level 2:** Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets in markets that are not active;
- c. Observable inputs other than quoted prices for the assets or liability;
- d. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

**Level 3:** Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

*Observable inputs* reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting entity; and *unobservable inputs* reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Certificates of Deposit are reported at amortized cost and are excluded from the fair value disclosures.

**TOWN OF OXFORD, CONNECTICUT**  
Notes to the Financial Statements

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**NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING**

***Budgetary Information and Accounting***

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements in accordance with provisions of Connecticut General Statutes and annually adopted budget policies.

- 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.
- 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.
- 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.
- 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.

Accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP basis”). The differences consist primarily of payments made by the State of Connecticut “on-behalf” of the Town into the State Teachers’ Retirement System and OPEB, which are not recorded for budgetary purposes, the excess cost grant which is net against expenditures for budgetary purposes, encumbrances which are not recognized for GAAP, and additional revenues and expenditures pertaining to other Town funds, which are not budgeted for by the Town due to perspective differences.

A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2019:

	<b>Total Revenues</b>	<b>Total Expenditures</b>	<b>Other Financing Sources (Uses)</b>
Budgetary Basis	\$ 45,480,593	\$ 46,620,044	\$ 1,139,451
"On-behalf" payments - State Teachers' Retirement and OPEB	4,131,745	4,131,745	-
Excess Cost Grant	616,817	616,817	-
Use of Fund Balance	-	-	(3,174,678)
Adjustment for Encumbrances	(350,000)	(350,000)	-
Reclassifications for GAAP Purposes	41,314	55,521	(8,250)
GAAP Basis	<u>\$ 49,920,469</u>	<u>\$ 51,074,127</u>	<u>\$ (2,043,477)</u>

**TOWN OF OXFORD, CONNECTICUT**  
Notes to the Financial Statements

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**NOTE 3 – CASH, CASH EQUIVALENTS, AND INVESTMENTS**

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by Statute or in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an “out of state bank” as defined by the Statutes, which is not a “qualified public depository”. The following is a summary of cash and cash equivalents at June 30, 2019.

	Governmental <u>Funds</u>	Fiduciary <u>Funds</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 18,922,221	\$ 151,054	\$ 19,073,275
Restricted Cash	111,773	-	111,773
	<u>\$ 19,033,994</u>	<u>\$ 151,054</u>	<u>\$ 19,185,048</u>

*Custodial Credit Risk - Deposits:* 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. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank’s risk-based capital ratio. The following is a reconciliation of the Town’s deposits subject to custodial credit risk:

Cash, Cash Equivalents, and Restricted Cash	\$ 19,185,048
Less: Cash Equivalents (STIF)	<u>(2,612,263)</u>
	<u>\$ 16,572,785</u>

At year-end, the Town’s carrying amount of deposits subject to custodial credit risk was \$16,572,785 and the bank balance was \$17,436,622. Of the bank balance, Federal Depository Insurance Corporation insured \$1,505,505.

As of June 30, 2019, \$15,638,954 of the Town’s bank balance of \$17,436,622 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 13,973,401
Uninsured and collateral held by pledging bank’s Trust department not in the Town’s name	<u>1,665,553</u>
Total	<u>\$ 15,638,954</u>

**Cash Equivalents**

At June 30, 2019, the Town’s cash equivalents (Short-Term Investment Fund “STIF”) amounted to \$2,612,263. STIF is rated AAAM by Standard and Poor’s and has an average maturity of under 60 days.

**TOWN OF OXFORD, CONNECTICUT**  
Notes to the Financial Statements

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**Investments**

The following is a summary of investments at June 30, 2019:

Investment Type	Fair Value (Level 1)	Investment Maturities (Years)		
		Less Than 1	1 - 10	More Than 10
Corporate Bonds	\$ 432,326	\$ 92,983	\$ 339,343	\$ -
Short-Term Investments	13,560			
Equities	192,277			
Total Investments	\$ 638,163			

*Custodial Credit Risk - Investments.* This is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Town's does not have a policy for custodial credit risk.

*Credit Risk –* The Town does not have an investment policy that limits investment choices further than the Connecticut General Statutes. Generally, credit risk is defined as the risk that an issuer of a debt type investment will not fulfill its obligation to the holder. This is measured by assignment of a rating by a nationally recognized rating organization. Presented below is the average rating of investments in debt securities.

Average Rating	Corporate Bonds
AAA	\$ 23,931
AA1	11,994
AA2	39,361
AA3	14,022
A1	88,257
A2	78,322
A3	74,803
BAA1	35,434
BAA2	66,202
	\$ 432,326

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

*Interest Rate Risk -* The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**TOWN OF OXFORD, CONNECTICUT**  
Notes to the Financial Statements

**NOTE 4 – RECEIVABLES**

As of June 30, 2019, Town receivable balances were as follows:

	General Fund	Other Governmental Funds	Total
Property Taxes	\$ 1,472,190	\$ -	\$ 1,472,190
Interest and Lien Fees	1,024,266	-	1,024,266
Aircraft Taxes	53,830	-	53,830
Sewer/Water Taxes	34,071	-	34,071
Intergovernmental	97,092	39,829	136,921
Loans	-	280,179	280,179
Other	240,109	-	240,109
Total Gross Receivables	<u>2,921,558</u>	<u>320,008</u>	<u>3,241,566</u>
Allowance for Uncollectibles	<u>(784,638)</u>	<u>-</u>	<u>(784,638)</u>
Total Net Receivables	<u>\$ 2,136,920</u>	<u>\$ 320,008</u>	<u>\$ 2,456,928</u>

**NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made. At June 30, 2019, the outstanding balances between funds were:

	Due From:		Total
	General Fund	Other Governmental Funds	
<u>Due To:</u>			
General Fund	\$ -	\$ 2,104,128	\$ 2,104,128
Capital and Nonrecurring Expenditures Fund	3,018,599	-	3,018,599
Other Governmental Funds	844,657	-	844,657
	<u>\$ 3,863,256</u>	<u>\$ 2,104,128</u>	<u>\$ 5,967,384</u>

Fund transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and 2) to account for unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers during the year ended June 30, 2019 were as follows:

Transfer Out:	Transfer In:	Total
	Capital and Nonrecurring Expenditures Fund	
General Fund		\$ 2,035,227
General Fund	Other Governmental Funds	\$ 8,250
Other Governmental Funds	Other Governmental Funds	\$ 10,200

**TOWN OF OXFORD, CONNECTICUT**  
Notes to the Financial Statements

**NOTE 6 – CAPITAL ASSETS**

The following is a summary of the change in capital assets as of June 30, 2019:

	Beginning Balance	Increases	Decreases	Ending Balances
Capital assets, not being depreciated				
Land	\$ 6,868,354	\$ -	\$ -	\$ 6,868,354
Construction in Progress	668,620	1,498,012	(631,865)	1,534,767
Total capital assets, not being depreciated	<u>7,536,974</u>	<u>1,498,012</u>	<u>(631,865)</u>	<u>8,403,121</u>
Capital assets, being depreciated				
Buildings and Improvements	85,152,019	849,303	-	86,001,322
Machinery, Equipment, and Vehicles	11,366,576	138,252	-	11,504,828
Infrastructure	60,657,423	1,077,129	-	61,734,552
Total capital assets, being depreciated	<u>157,176,018</u>	<u>2,064,684</u>	<u>-</u>	<u>159,240,702</u>
Less accumulated depreciation for:				
Buildings and Improvements	21,761,652	1,695,551	-	23,457,203
Machinery, Equipment, and Vehicles	6,186,070	474,679	-	6,660,749
Infrastructure	39,801,469	1,334,081	-	41,135,550
Total accumulated depreciation	<u>67,749,191</u>	<u>3,504,311</u>	<u>-</u>	<u>71,253,502</u>
Total capital assets, being depreciated	<u>89,426,827</u>	<u>(1,439,627)</u>	<u>-</u>	<u>87,987,200</u>
<i>Capital assets, net</i>	<u>\$ 96,963,801</u>	<u>\$ 58,385</u>	<u>\$ (631,865)</u>	<u>\$ 96,390,321</u>

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

General Government	\$ 89,467
Conservation of Health	60,441
Public Safety	380,345
Public Activities	78,042
Public Works	1,286,705
Solid Waste	178,712
Education	<u>1,430,599</u>
Total Depreciation Expense	<u>\$ 3,504,311</u>

**TOWN OF OXFORD, CONNECTICUT**  
Notes to the Financial Statements

**NOTE 7 – LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2019 was as follows:

<b>Governmental Activities</b>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds Payable:					
General Obligation Bonds	\$ 24,805,000	\$ -	\$ 2,185,000	\$ 22,620,000	\$ 2,155,000
Unamortized Premium	<u>1,491,856</u>	<u>-</u>	<u>175,187</u>	<u>1,316,669</u>	<u>166,917</u>
Total Bonds Payable	26,296,856	-	2,360,187	23,936,669	2,321,917
Loan Payable	575,583	-	518,582	57,001	57,001
Compensated Absences	557,167	-	24,497	532,670	110,047
Total OPEB Liability	2,998,925	272,192	-	3,271,117	N/A
Net Pension Liability	4,582,463	6,703,682	-	11,286,145	N/A
Pension Buy-In, Restated	<u>343,928</u>	<u>-</u>	<u>77,729</u>	<u>266,199</u>	<u>82,745</u>
Total	<u>\$ 35,354,922</u>	<u>\$ 6,975,874</u>	<u>\$ 2,980,995</u>	<u>\$ 39,349,801</u>	<u>\$ 2,571,710</u>

Long-term obligations are typically liquidated by the General Fund.

**General Obligation Bonds**

The Town issues general obligation bonds to provide financing for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the Town and pledge the full faith and credit of the Town. General obligation bonds outstanding as of June 30, 2019 consisted of the following:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2019</u>
General*	2010	8/1/2019	2.25 - 4%	\$ 1,600,000	\$ 145,000
General, Education*	2012	8/1/2026	2 - 4%	11,300,000	4,025,000
General, Education*	2012	8/1/2028	2 - 4%	11,835,000	10,560,000
General	2018	7/15/2027	3 - 5%	8,300,000	7,890,000
				<u>\$ 33,035,000</u>	<u>\$ 22,620,000</u>

\*Refunding Bonds

**TOWN OF OXFORD, CONNECTICUT**  
Notes to the Financial Statements

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The annual debt service requirements of the Town's general obligation bonds are as follows:

Fiscal Year Ending	Principal	Interest	Total
2020	\$ 2,155,000	\$ 853,882	\$ 3,008,882
2021	2,075,000	770,044	2,845,044
2022	2,050,000	688,469	2,738,469
2023	2,085,000	606,678	2,691,678
2024	2,045,000	521,991	2,566,991
2025-2029	9,530,000	1,333,619	10,863,619
2030-2034	1,850,000	265,993	2,115,993
2035-2039	830,000	42,778	872,778
	<u>\$ 22,620,000</u>	<u>\$ 5,083,454</u>	<u>\$ 27,703,454</u>

Interest paid and expensed on general obligation bonds for the year ended June 30, 2019 totaled \$937,069.

**Bonds Authorized and Unissued**

At June 30, 2019, there was \$44,900,000 authorized and unissued bonds for school purposes and \$935,000 authorized and unissued bonds for general purposes.

**Loan Payable**

The Town has an outstanding loan used for the purchase of vehicles. The loan was originally for \$1,128,000 and has an interest rate of 1.65% per year maturing in June 2020. The annual debt service requirements of the Town's loan are as follows:

Fiscal Year Ending	Principal	Interest	Total
2020	<u>\$ 57,001</u>	<u>\$ 2,088</u>	<u>\$ 59,089</u>

**Pension Buy-In**

The Town has a note outstanding totaling \$266,199 on the buy-in to the State pension plan. Annual debt service requirements to maturity for this payable are as follows:

Fiscal Year Ending	Principal	Interest	Total
2020	\$ 82,745	\$ 19,858	\$ 102,603
2021	88,451	14,152	102,603
2022	95,003	7,600	102,603
	<u>\$ 266,199</u>	<u>\$ 41,610</u>	<u>\$ 307,809</u>

Interest incurred and expensed on the buy-in for the year ended June 30, 2019 totaled \$24,874.

**TOWN OF OXFORD, CONNECTICUT**  
Notes to the Financial Statements

**Prior Year 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.

**Compensated Absences**

Vacation time earned during the fiscal year can be carried over to the succeeding year, subject to limitations as provided in the respective collective bargaining agreements. Employees are entitled to accumulate sick leave up to a maximum amount stipulated in each contract. Payment for accumulated sick leave is dependent upon the length of service and accumulated days. The value of all compensated absences has been reflected in the government-wide financial statements.

**NOTE 8 - FUND BALANCE COMPONENTS**

The components of fund balance for the governmental funds at June 30, 2019 are as follows:

	General Fund	Capital and Nonrecurring Expenditures Fund	Other Governmental Funds	Total
Fund Balances:				
Nonspendable:				
Prepays	\$ 118,722	\$ -	\$ -	\$ 118,722
Restricted for:				
General Government	\$ -	\$ -	\$ 932,900	\$ 932,900
Public Safety	-	-	42,142	42,142
Public Activities	-	-	800,049	800,049
Total Restricted	\$ -	\$ -	\$ 1,775,091	\$ 1,775,091
Committed to:				
General Government	\$ -	\$ -	\$ 510,555	\$ 510,555
Public Activities	-	-	6,576	6,576
Education	-	-	583,108	583,108
Capital	-	3,018,599	104,820	3,123,419
Total Committed	\$ -	\$ 3,018,599	\$ 1,205,059	\$ 4,223,658
Assigned:				
Encumbrances	\$ 350,000	\$ -	\$ -	\$ 350,000
MERS Buy-In Payments	638,163	-	-	638,163
Next Year's Budget	1,800,000	-	-	1,800,000
Total Assigned	\$ 2,788,163	\$ -	\$ -	\$ 2,788,163
Unassigned:	\$ 6,486,695	\$ -	\$ (1,460,365)	\$ 5,026,330

As of June 30, 2019, the Library Construction Fund and Middle School Project Fund, nonmajor governmental funds, had deficit fund balances of \$(242,181) and \$(1,218,184), respectively. The fund deficits will be funded through a combination of either General Fund contributions, grants and contributions, or issuance of debt.

**TOWN OF OXFORD, CONNECTICUT**  
Notes to the Financial Statements

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**NOTE 9 – RETIREMENT BENEFITS**

**Connecticut Municipal Employees' Retirement System**

*Plan Description:* All Town employees not covered by the Town pension plan or the teacher retirement system participate in the Municipal Employees' Retirement System (MERS). This is 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 local government authorities. Chapters 7-425 to 7-451 of the State of Connecticut General Statutes, which can be amended by legislative action, establishes MERS benefits, member contribution rates and other plan provisions. MERS is considered to be part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports can be obtained at [www.ct.gov](http://www.ct.gov).

*Benefit Provisions:* The Plan provides retirement, disability and death benefits, and annual cost-of-living adjustments to plan members and their beneficiaries. Employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active aggregate service, or 25 years of aggregate service. In addition, compulsory retirement is at age 65 for police and fire members.

*Normal Retirement:* For members not covered by social security, retirement benefits are calculated as 2% of the average final compensation, times the years of service. For members covered by social security, retirement benefits are calculated as 1.5% of the average final compensation not in excess of the year's breakpoint, times years of service. Maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually.

*Early Retirement:* Members must have 5 years of continuous or 15 years of active aggregate service. The benefit is calculated on the basis of average final compensation and service to date of termination. Deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

*Disability Retirement – Service Connected:* Employees who are totally and permanently disabled and such disability has arisen out of and in the course of employment with the municipality. Disability due to heart and hypertension in the case of fire and police, hired before July 1, 1996, is presumed to have been suffered in the line of duty. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability with a minimum benefit (including worker's compensation benefits) of 50% of compensation at the time of disability.

*Disability Retirement – Non-Service Connected:* Employees who have 10 years of service and are totally and permanently disabled. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability.

*Pre-Retirement Death Benefit:* The plan also offers a lump-sum return of contributions with interest or if vested and married, the surviving spouse will receive a lifetime benefit.

*Contributions - Member:* Contributions for members not covered by social security are 5% of compensation; for members covered by social security, 2.25% of compensation up to the social security taxable wage base plus 5%, if any, in excess of such base.

**TOWN OF OXFORD, CONNECTICUT**  
Notes to the Financial Statements

*Contributions – Employer:* Participating employers make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment, which covers the liabilities of MERS not met by member contributions.

*Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions:* At June 30, 2019 the Town reports a total liability of \$11,286,145 for government-wide financials for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at that date. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2018, the Town’s proportion was 4.65%.

For the year ended June 30, 2019, the Town recognized pension expense of \$1,863,097. As of June 30, 2019, the Town reported deferred inflows and outflows of resources related to pension from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Town contributions subsequent to the measurement date	\$ 952,359	\$ -
Difference between projected and actual earnings	695,819	-
Difference between expected and actual experience	1,447,032	156,129
Change in assumptions	3,922,877	-
Change in proportional share	430,693	63,839
Total	\$ 7,448,780	\$ 219,968

Amounts reported as deferred outflows of resources related to Town contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Amounts reported as deferred outflows of resources related to pension will be recognized in the pension expense as follows:

Year ended June 30:

2020	\$ 1,915,271
2021	1,647,329
2022	1,269,004
2023	1,444,849
	\$ 6,276,453

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018.

## TOWN OF OXFORD, CONNECTICUT

### Notes to the Financial Statements

*Actuarial Assumptions:* The total pension liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary increases, including inflation	3.25-10.00 Percent
Long-term investment rate of return, net of pension investment expense, including inflation.	7.00 Percent

Mortality rates were based on the RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees for the period after retirement and for dependent beneficiaries. The RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB is used by Police and Fire for the period after retirement and for dependent beneficiaries. For disabled retirees, the RP-2014 Disabled Retiree Mortality Table projected to 2020 by Scale BB is used.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2012 – June 30, 2017.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	20.00%	5.30%
Developed Market International	11.00%	5.10%
Emerging Market International	9.00%	7.40%
Core Fixed Income	16.00%	1.60%
Inflation Linked Bond	5.00%	1.30%
Emerging Market Bond	5.00%	2.90%
High Yield Bonds	6.00%	3.40%
Real Estate	10.00%	4.70%
Private Equity	10.00%	7.30%
Alternative Investments	7.00%	3.20%
Liquidity Fund	<u>1.00%</u>	0.90%
Total	<u>100.00%</u>	

*Discount Rate:* The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

**TOWN OF OXFORD, CONNECTICUT**  
Notes to the Financial Statements

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*Sensitivity of the Net Pension Liability to Changes in the Discount Rate:* The following presents the Town’s proportionate share of the net pension liability, calculated using the discount rate of 7.00%, as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	6.0%	7.0%	8.0%
Net Pension Liability as of June 30, 2019	\$ 15,655,351	\$ 11,286,145	\$ 6,808,861

**Connecticut State Teacher’s Retirement System**

*Plan Description:* Teachers, principals, superintendents, or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers’ Retirement System (the “System”). The System is a cost sharing multiple-employer defined benefit pension plan administered by the Connecticut State Teachers’ Retirement Board (CTRB). Chapter 167a of the State Statutes grants authority to establish and amend the benefited terms to the CTRB Board. The CTRB issues a publicly available financial report that can be obtained at [www.ct.gov](http://www.ct.gov), or by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

*Benefit Provisions:* The Plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

*Normal Retirement:* Retirement benefits for the employees are calculated as 2% of the average annual salary times years of credited service (maximum benefit is 75% of average annual salary during the 3 highest years of salary).

*Early Retirement:* Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

*Disability Retirement:* Employees are eligible for service-related disability regardless of length of service. Five years of credited service is required for non-service-related disability or eligibility. Disability benefits are calculated as 2% per year of service times the average of the highest three years of pensionable salary, as defined per the plan, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

*Contributions:* Per Connecticut General Studies Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended, and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

*Employer (School Districts):* School District employers are not required to make contributions to the plan. The statutes require the State of Connecticut to contribute 100% of each school districts’ required contributions, which are actuarially determined as an amount, that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

**TOWN OF OXFORD, CONNECTICUT**  
Notes to the Financial Statements

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*Employees:* Participants are required to contribute 7% of their annual salary to the System as required by the CGS Section 10-183b(7). For the year ended June 30, 2019 the certified teachers' contribution to the Connecticut Teachers Retirement Board was \$900,613. Covered payroll for the Town for the year ended June 30, 2019 was approximately \$12,865,988.

*Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions:* At June 30, 2019 the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>41,596,457</u>
Total		<u>\$ 41,596,457</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2019, the Town had no proportionate share of the net pension liability.

For the year ended June 30, 2019, the Town recognized benefits expense and contribution revenue of \$4,020,205 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$4,668,467 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

*Actuarial Assumptions:* The total pension liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.75 Percent
Salary increases, including inflation	3.25-6.50 Percent
Long-term investment rate of return, net of pension investment expense, including inflation.	8.00 Percent

Mortality rates were based on the RPH-2014 White Collar Table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

**TOWN OF OXFORD, CONNECTICUT**  
Notes to the Financial Statements

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Future cost-of-living increases for members who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. Equities	21.00%	5.80%
Developed Non-U.S. Equities	18.00%	6.60%
Emerging Markets (Non-U.S.)	9.00%	8.30%
Real Estate	7.00%	5.10%
Private Equity	11.00%	7.60%
Alternative Investments	8.00%	4.10%
Core Fixed Income	7.00%	1.30%
High Yield Bonds	5.00%	3.90%
Emerging Market Bond	5.00%	3.70%
Inflation Linked Bond Fund	3.00%	1.00%
Cash	<u>6.00%</u>	0.40%
Total	<u>100.00%</u>	

*Discount Rate:* The discount rate used to measure the total pension liability was 8.0%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate:* The Town's proportionate share of the net pension liability is \$0 and therefore the change in the discount rate would only impact the amount recorded by the State of Connecticut.

**TOWN OF OXFORD, CONNECTICUT**  
Notes to the Financial Statements

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**Other Post-Employment Benefits**

*Plan Description:* The Town provides post-retirement benefits for certain employees for current, and future, health and life insurance benefits through a single-employer defined benefit plan (the “Plan”). Benefits provisions are established by contract and may be amended by union negotiations. The plan does not issue a publicly available financial report and is not included in the financial statements of another entity. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

*Benefits Provided:* The OPEB Plan provides for medical and life insurance benefits for all eligible Town retirees.

*Eligibility:* Teachers and Administrators (Certified) – A Teacher or administrator retiring under the Connecticut State Teachers Retirement System shall be eligible to receive health benefits for self and spouse. Other Employees – An employee retiring under the Connecticut Municipal Employment Retirement System may retire after age 55 with at least 5 years of service or after completion of at least 25 years of service. Other employees may retire from various ages beginning with age 55 with 13 or 18 year of service to age 62 with 13 years of service.

*Employees Covered by Benefit Terms:* At June 30, 2019, the following employees were covered by the benefit terms:

Retirees and beneficiaries receiving benefits	24
Active plan members	285
	309
	309

*Total OPEB Liability:* The Town’s total OPEB liability of \$3,271,117 was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018.

*Actuarial Assumptions and Other Inputs:* 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 rate. 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. The information presented was determined as part of the actuarial valuation. Additional information as of the last actuarial valuation follows:

Valuation Date	July 1, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Discount Rate	2.79% (Municipal Bond 20-year High Grade Rate Index)
Inflation Rate	3.00%

Mortality rates were based on the RP-2014 Mortality Table with MP-2016 projection.

**TOWN OF OXFORD, CONNECTICUT**  
Notes to the Financial Statements

*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	8.00%
2	7.50%
3	7.00%
4	6.50%
5	6.00%
6	5.50%
7 or more	5.00%

**Changes in the Total OPEB Liability:**

	Total OPEB Liability
Balance at 6/30/18	\$ 2,998,925
Changes for the year:	
Service Cost	108,709
Interest	87,744
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	86,611
Changes in Assumptions	98,127
Benefit Payments	<u>(108,999)</u>
Net Changes	<u>272,192</u>
Balance at 6/30/19	<u>\$ 3,271,117</u>

Changes of assumptions primarily reflects a change in the discount rate from 2.98% to 2.79%.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:* The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.79%) or 1-percentage-point higher (3.79%) than the current discount rate:

	1% Decrease 1.79%	Current Discount Rate 2.79%	1% Increase 3.79%
Total OPEB Liability	\$ 3,787,570	\$ 3,271,117	\$ 2,754,664

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates:* The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	\$ 2,639,750	\$ 3,271,117	\$ 4,048,901

**TOWN OF OXFORD, CONNECTICUT**  
Notes to the Financial Statements

**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended June 30, 2019, the Town recognized OPEB expense of \$216,403. As of June 30, 2019, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 75,785	\$ 37,707
Change in assumptions	85,861	-
Total	\$ 161,646	\$ 37,707

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Year ended June 30:		
2020	\$	19,950
2021		19,950
2022		19,950
2023		19,950
2024		19,951
Thereafter		24,188
	\$	123,939

**Connecticut Teachers' Retirement System - OPEB**

*Plan Description* - Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with benefits, including retiree health insurance, through the Connecticut Teachers' Retirement System—a cost sharing multiemployer defined benefit pension plan administered by the TRB. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at [www.ct.gov](http://www.ct.gov).

*Benefit Provisions* - The Plan covers retired teachers and administrators of public schools in the State who are receiving benefits from the Plan. The Plan provides healthcare insurance benefits to eligible retirees and their spouses. Any member that is currently receiving a retirement or disability benefit through the Plan is eligible to participate in the healthcare portion of the Plan. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue healthcare coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut. Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the system. If they elect to remain in the Plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

**TOWN OF OXFORD, CONNECTICUT**  
Notes to the Financial Statements

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*Contributions* - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

School district employers are not required to make contributions to the Plan. The State of Connecticut's estimated allocated contribution to the Plan on behalf of the Town was \$111,540.

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers' pay for one third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

*Actuarial Assumptions* - The total OPEB liability was determined by an actuarial valuation as of June 30, 2018 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.75%
Real Wage Growth	0.50%
Wage Inflation	3.25%
Salary increases	3.25-6.50%, including inflation
Long-term investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
<u>Municipal bond index rate:</u>	
Measurement Date	3.87%
Prior Measurement Date	3.56%

The projected fiduciary net position is projected to be depleted in 2019.

Single equivalent interest rate

Measurement Date	3.87%, net of OPEB plan investment expense, including price inflation
Prior Measurement Date	3.56%, net of OPEB plan investment expense, Including price inflation

Healthcare cost trend rates:

Pre-Medicare	5.95% for 2018 decreasing to an ultimate Rate of 4.75% by 2025
Medicare	5.00% for 2018 decreasing to an ultimate Rate of 4.75% by 2028

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

*Long-Term Rate of Return* - The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluation the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class.

**TOWN OF OXFORD, CONNECTICUT**  
Notes to the Financial Statements

The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Expected 10-Year Geometric Real Rate of Return	Standard Deviation
U.S. Treasuries (Cash Equivalents)	100.0%	0.27%	2.74%
Price inflation		2.75%	
Expected rate of return (Rounded nearest 0.25%)		3.00%	

*Discount Rate* - The discount rate used to measure the total OPEB liability was 3.87%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of June 30, 2018. In addition to the actuarial methods and assumptions of the June 30, 2018 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.25%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- No future employer contributions were assumed to be made.

Based on those assumptions, the plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

*Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates* - The following presents the total OPEB liability, calculated using current cost trend rates, as well as what the Plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than current healthcare cost trend rates:

	1% Lower Trend Rates	Current Trend Rates	1% Higher Trend Rates
Initial Healthcare Cost Trend Rate	4.95%	5.95%	6.95%
Ultimate Healthcare Cost Trend Rate	3.75%	4.75%	5.75%
Total OPEB Liability	\$ 6,968,578	\$ 8,315,429	\$ 10,103,254

**TOWN OF OXFORD, CONNECTICUT**  
Notes to the Financial Statements

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*Sensitivity of the Net OPEB Liability to Changes in Discount Rates* - The following presents the net OPEB liability, calculated using the current discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Net OPEB liability	\$ 9,873,946	\$ 8,315,429	\$ 7,071,583

*Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions:* At June 30, 2019 the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Town were as follows:

Town's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the Town		<u>8,315,429</u>
Total		<u>\$ 8,315,429</u>

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2019, the Town had no proportionate share of the net OPEB liability.

For the year ended June 30, 2019, the Town recognized OPEB expense and revenue of \$111,540 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized (\$2,762,381) for OPEB expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

**NOTE 10 – RISK MANAGEMENT**

The Town is exposed to various risks of loss involving torts, theft of, damage to, and destruction of assets, errors and omissions, injuries of employees, natural disaster and public official liabilities. The Town generally obtains commercial insurance for these risks. Coverage has not been significantly reduced and settled claims have not exceeded commercial coverage in any of the last three fiscal years.

**NOTE 11 – LITIGATION AND CONTINGENCIES**

The Town is not a defendant in any lawsuits that, in the opinion of Town Management, in consultation with the Town Attorney, will have an adverse, material effect on the Town's financial position.

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 the terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

**TOWN OF OXFORD, CONNECTICUT**  
Notes to the Financial Statements

**NOTE 12 – TAX ABATEMENT**

The Town entered into a property tax abatement agreement in connection with its agreement with Towantic Energy LLC and the building of a power plant facility under the Connecticut General Statutes Section 32-71a. The agreement specifies that the Town will receive specified amounts annually from July 1, 2017 to January 1, 2038 in lieu of the normal assessment and payment of personal property taxes in annual amounts ranging from \$2,700,000 to \$7,631,564.

**NOTE 13 – SUBSEQUENT EVENTS**

On October 23, 2019, the Town issued General Obligation Bonds in the amount of \$10,000,000. The bonds bear annual interest ranging from 4% to 5% with principal and interest due serially from August 2022 through August 2039. The Town also issued General Obligation Refunding Bonds in the amount of \$2,310,000. The bonds bear annual interest ranging from 4% to 5% with principal and interest due serially from August 2020 through August 2026. The Town also issued General Obligation Refunding Bonds in the amount of \$9,895,000. The bonds bear annual interest ranging from 1.8% to 2.4% with principal and interest due serially from August 2020 through August 2028.

**NOTE 14 – PRIOR PERIOD RESTATEMENT**

	<u>Governmental Activities</u>	<u>General Fund</u>	<u>Small Cities Fund</u>	<u>Pension Trust Fund</u>	<u>Custodial Funds</u>
Net position as previously reported at June 30, 2018	\$ 78,628,373	\$ 11,930,095	\$ 36,479	\$ 660,620	\$ -
To reclass investments not in a trust for MERS Buy-In to the General Fund	660,620	660,620	-	(660,620)	-
To correct beginning MERS Buy-In liability balance	169,087	-	-	-	-
To remove unearned revenue for Small Cities loans	281,305	-	281,305	-	-
To reclassify funds as a result of the implementation of GASB 84	-	-	-	-	140,906
Net position as restated at July 1, 2018	<u>\$ 79,739,385</u>	<u>\$ 12,590,715</u>	<u>\$ 317,784</u>	<u>\$ -</u>	<u>\$ 140,906</u>

**NOTE 15 – UPCOMING PRONOUNCEMENTS**

**GASB Pronouncements Issued, But Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

GASB Statement No. 87 – *Leases* - This statement improves the accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of

**TOWN OF OXFORD, CONNECTICUT**  
Notes to the Financial Statements

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resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period* - The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. As a result, interest cost before the end of a construction period will not be included in the historical cost of the capital asset. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

**TOWN OF OXFORD, CONNECTICUT**  
Connecticut Municipal Employees' Retirement System  
Proportionate Share of the Net Pension Liability  
Last Five Fiscal Years

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**TOWN**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's Percentage of Collective Net Pension Liability	2.584%	2.464%	2.464%	2.570%	2.570%
Town's Portion of Net Pension Liability	<u>\$9,881,622</u>	<u>\$4,073,609</u>	<u>\$4,836,982</u>	<u>\$3,519,051</u>	<u>\$2,494,760</u>
Town's Covered Payroll	<u>\$7,272,649</u>	<u>\$6,562,747</u>	<u>\$6,176,460</u>	<u>\$6,025,193</u>	<u>\$5,897,225</u>
Town's Portion of Net Pension Liability as a % of Covered Payroll	135.87%	62.07%	78.31%	58.41%	42.30%

**POLICE**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's Percentage of Collective Net Pension Liability	2.067%	1.273%	1.273%	1.250%	1.250%
Town's Portion of Net Pension Liability	<u>\$1,404,523</u>	<u>\$ 508,854</u>	<u>\$ 594,980</u>	<u>\$ 382,566</u>	<u>\$ 282,891</u>
Town's Covered Payroll	<u>\$1,171,017</u>	<u>\$ 930,496</u>	<u>\$ 711,730</u>	<u>\$ 531,134</u>	<u>\$ 494,600</u>
Town's Portion of Net Pension Liability as a % of Covered Payroll	119.94%	54.69%	83.60%	72.03%	57.20%
Plan Fiduciary Net Position as a % of Total Pension Liability	73.60%	91.68%	88.29%	92.72%	90.48%

See accountant's report.

**TOWN OF OXFORD, CONNECTICUT**  
Connecticut Municipal Employees' Retirement System  
Schedule of Contributions  
Last Five Fiscal Years

<u><b>TOWN</b></u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's Contractually Required Contribution	\$ 763,157	\$ 770,467	\$ 702,880	\$ 685,667	\$ 706,488
Town's Contributions in Relation to the Contractually Required Contributor	<u>763,157</u>	<u>770,467</u>	<u>702,880</u>	<u>685,667</u>	<u>706,488</u>
Town's Contribution Deficiency (Excess)	<u>\$ -</u>				
Town's Covered Payroll	7,272,649	6,562,747	6,176,460	6,025,193	5,897,225
Town's Contributions as a Percentage of Covered Payroll	10.49%	11.74%	11.38%	11.38%	11.98%
<u><b>POLICE</b></u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's Contractually Required Contribution	\$ 189,202	\$ 159,394	\$ 119,072	\$ 88,859	\$ 83,884
Town's Contributions in Relation to the Contractually Required Contributor	<u>189,202</u>	<u>159,394</u>	<u>119,072</u>	<u>88,859</u>	<u>83,884</u>
Town's Contribution Deficiency (Excess)	<u>\$ -</u>				
Town's Covered Payroll	1,171,017	930,496	711,730	531,134	494,600
Town's Contributions as a Percentage of Covered Payroll	16.16%	17.13%	16.73%	16.73%	16.96%

**Notes to Schedule**

Actuarial valuation date	June 30, 2018
Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	21 years
Inflation	2.50%
Salary Increases	3.5%-10.00%, including inflation
Investment rate of return	7.00%, net of investment related expense

See accountant's report.

**TOWN OF OXFORD, CONNECTICUT**  
State Teacher's Retirement System  
Proportionate Share of Net Pension Liability  
Last Five Fiscal Years

**Schedule of Proportionate Share of Net Pension Liability**

	2019	2018	2017	2016	2015
Town's percentage of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension liability associated with the Town	41,596,457	41,558,678	43,844,723	33,354,233	30,829,304
Total	\$ 41,596,457	\$ 41,558,678	\$ 43,844,723	\$ 33,354,233	\$ 30,829,304
Town's covered payroll	\$ 12,865,988	\$ 12,168,696	\$ 12,522,293	\$ 12,121,355	\$ 11,624,579
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll.	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	57.69%	55.93%	52.26%	59.50%	61.51%

**Notes to Schedule**

Changes in benefit terms	Beginning January 1, 2018, member contributions increased from 6% to 7% of salary.
Changes in assumptions	In 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2015.
Actuarial cost method	Entry Age
Amortization method	Level percent of salary, closed
Remaining amortization period	17.6 years
Asset valuation method	4 year smoothed market
Inflation	2.75%
Salary increases	3.25% - 6.50% average, including inflation
Investment rate of return	8.0% net of investment expense, including inflation

See accountant's report.

**TOWN OF OXFORD, CONNECTICUT**  
Other Post Employment Benefits (OPEB) Plan  
Schedule of Changes in Total OPEB Liability  
Last Two Fiscal Years\*

	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>		
Service Cost	\$ 108,709	\$ 109,616
Interest	87,744	85,939
Changes in Benefit Terms	-	-
Differences Between Expected and Actual Experience		
Including Assumption Changes	184,738	(43,991)
Benefit Payments, Including Refunds of Member Contributions	<u>(108,999)</u>	<u>(73,017)</u>
<b>Net Change in Total OPEB Liability</b>	272,192	78,547
<b>Total OPEB Liability - Beginning</b>	<u>2,998,925</u>	<u>2,920,378</u>
<b>Total OPEB Liability - Ending</b>	<u><u>\$ 3,271,117</u></u>	<u><u>\$ 2,998,925</u></u>

\* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**Notes to Schedule**

Measurement Date	June 30, 2019
Valuation Date	July 1, 2018
Inflation Rate	3.00%
Actuarial Cost Method	Entry Age Normal
Salary Increases	3.00%
Healthcare Cost Trend Rates	8.00% decreasing to 5% ultimate

See accountant's report.

**TOWN OF OXFORD, CONNECTICUT**  
 State Teacher's Retirement System  
 Proportionate Share of Net OPEB Liability  
 Last Two Fiscal Years

**Schedule of Proportionate Share of Net OPEB Liability**

	2019	2018
Town's percentage of the net OPEB liability	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	8,315,429	10,696,727
Total	\$ 8,315,429	\$ 10,696,727
Town's covered payroll	\$ 12,865,988	\$ 12,168,696
Town's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll.	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.49%	1.79%

**Notes to Schedule**

Changes in Benefit Terms	Effective July 1, 2018, Medicare Advantage Plan was added to available options, changed the base plan to the Medicare Advantage Plan for the purposes of determining retiree subsidies and/or cost sharing amounts, and introduced a two-year waiting period for re-enrollment in a System-sponsored Plan for those who cancel their coverage or choose not to enroll after the effective date.
Changes of Assumptions	<p>The expected rate of return on assets was changed from 2.75% to 3.00% to reflect the anticipated return on cash and other high quality short-term fixed income investments.</p> <p>The discount rate was increased from 3.56% to 3.87% to reflect the change in the Municipal Bond Index Rate.</p> <p>Changes were also made to the assumed per capita health care claim costs, the assumed age related percentage increases in expected annual per capita health care claim costs, long-term health care cost trend rates, the percentage of retired members who are not currently participating in the Plan but are expected to elect coverage in the future, the percentage of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan, the post-disability mortality table, which was updated to extend the period of projected mortality improvements from 2017 to 2020, and the percentage of deferred vested members who will become ineligible for future health care benefits.</p>
Actuarial Cost Method	Entry age
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	30 years, open
Asset Valuation Method	Market Value of Assets
Investment Rate of Return	3.00%, net of investment related expense

See accountant's report.

**TOWN OF OXFORD, CONNECTICUT**  
Schedule of Revenues and Other Financing Sources  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
<b>Property Taxes</b>				
Current	\$ 34,324,102	\$ 34,324,102	\$ 33,677,046	\$ (647,056)
Back Taxes	750,000	750,000	1,160,071	410,071
Interest and Lien Fees	300,000	300,000	260,578	(39,422)
<b>Total Property Taxes</b>	<b>35,374,102</b>	<b>35,374,102</b>	<b>35,097,695</b>	<b>(276,407)</b>
<b>Intergovernmental</b>				
Education Grants	4,049,000	4,049,000	4,051,467	2,467
Town Aid Road Grant	275,643	275,643	275,833	190
Grant in Lieu of Tax	105,784	105,784	166,978	61,194
Veteran Reimbursement	6,146	6,146	3,965	(2,181)
LOCIP Funds	492,113	541,805	373,209	(168,596)
Circuit Court	3,000	3,000	1,038	(1,962)
Disability Exemption	1,039	1,039	868	(171)
Revenue Sharing - CT	84,313	84,313	351,856	267,543
Other State Revenue	14,000	14,000	168,607	154,607
Mashantucket Pequot	33,611	33,611	-	(33,611)
<b>Total Intergovernmental</b>	<b>5,064,649</b>	<b>5,114,341</b>	<b>5,393,821</b>	<b>279,480</b>
<b>Investment Income</b>	<b>120,000</b>	<b>120,000</b>	<b>400,608</b>	<b>280,608</b>
<b>Licenses and Permits</b>				
Town Clerk	260,000	260,000	294,388	34,388
Building Permits	250,000	250,000	351,373	101,373
Planning and Zoning/ZBA	60,000	60,000	143,449	83,449
WPCA Sewer Hookups	45,000	45,000	138,556	93,556
<b>Total Licenses and Permits</b>	<b>615,000</b>	<b>615,000</b>	<b>927,766</b>	<b>312,766</b>
<b>Charges for Goods and Services</b>				
Sewer Use Fees	270,000	270,000	241,331	(28,669)
Sewer Interest	-	-	6,823	6,823
<b>Total Charges for Goods and Services</b>	<b>270,000</b>	<b>270,000</b>	<b>248,154</b>	<b>(21,846)</b>
<b>Other Revenues</b>				
Telecommunications Property Taxes	31,801	31,801	22,272	(9,529)
Library Revenue	1,500	1,500	2,287	787
Insurance Claims	20,000	20,000	51,999	31,999
Aircraft Registrations	50,000	50,000	38,765	(11,235)
Police Private Duty	29,000	29,000	66,124	37,124
Miscellaneous	50,000	50,000	66,335	16,335
Grants - Private Source	-	-	14,767	14,767
Towantic Energy Revenue	3,150,000	3,150,000	3,150,000	-
<b>Total Other Revenues</b>	<b>3,332,301</b>	<b>3,332,301</b>	<b>3,412,549</b>	<b>80,248</b>
<b>Other Financing Sources - Use of Fund Balance</b>	<b>3,540,000</b>	<b>3,769,704</b>	<b>3,174,678</b>	<b>(595,026)</b>
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 48,316,052</b>	<b>\$ 48,595,448</b>	<b>\$ 48,655,271</b>	<b>\$ 59,823</b>

See accountant's report.

**TOWN OF OXFORD, CONNECTICUT**  
 Schedule of Expenditures and Other Financing Uses  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<b>Actual</b>	<u>Variance</u>
	<u>Original</u>	<u>Amended</u>	<b>Budgetary Basis</b>	
<b>General Government</b>				
Selectmen	\$ 440,896	\$ 449,031	\$ 459,545	\$ (10,514)
Finance Department	296,107	303,422	303,990	(568)
Treasurer	8,088	8,088	8,344	(256)
Assessor	293,613	300,884	279,259	21,625
Tax Collector	222,995	228,544	232,990	(4,446)
Town Clerk	298,610	298,868	307,147	(8,279)
Building Department	216,947	221,841	196,486	25,355
Registrar of Voters	89,309	89,309	71,691	17,618
Town Counsel	102,500	116,707	112,807	3,900
Probate Court	5,835	5,914	5,914	-
Housing Authority	435	435	435	-
Assessment Board of Appeals	951	951	893	58
Economic Development	10,843	33,651	33,651	-
Board of Finance Contingency	320,000	22,417	2,130	20,287
Water Hydrant Charges	95,480	95,525	95,525	-
Planning and Zoning	210,909	216,783	200,779	16,004
Conservation Commission	159,811	166,827	163,728	3,099
Town Hall - S.B. Church	284,631	284,631	283,087	1,544
Zoning Board of Appeals	961	961	761	200
<b>Total General Government</b>	<b><u>3,058,921</u></b>	<b><u>2,844,789</u></b>	<b><u>2,759,162</u></b>	<b><u>85,627</u></b>
<b>Conservation of Health</b>				
Ambulance Corps	183,118	183,118	182,622	496
Lake Housatonic Authority	14,712	14,712	14,712	-
Lake Zoar Authority	18,761	18,761	18,761	-
Pomperaug Health District	117,375	117,375	117,375	-
Water Pollution Control Authority	709,731	726,392	696,969	29,423
Health and Social Services	19,907	19,907	19,488	419
<b>Total Conservation of Health</b>	<b><u>1,063,604</u></b>	<b><u>1,080,265</u></b>	<b><u>1,049,927</u></b>	<b><u>30,338</u></b>
<b>Public Safety</b>				
Fire Department	443,129	443,129	452,374	(9,245)
Fire Marshal	170,235	170,235	196,096	(25,861)
Police Department	2,199,729	2,298,045	2,371,227	(73,182)
Civil Preparedness	14,328	14,328	14,472	(144)
Dog Warden	99,136	99,136	81,627	17,509
Emergency Communications	153,071	153,071	146,389	6,682
<b>Total Public Safety</b>	<b><u>3,079,628</u></b>	<b><u>3,177,944</u></b>	<b><u>3,262,185</u></b>	<b><u>(84,241)</u></b>

See accountant's report.

**TOWN OF OXFORD, CONNECTICUT**  
Schedule of Expenditures and Other Financing Uses  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
<b>Public Activities</b>				
Elderly Commission	320,551	329,472	326,324	3,148
Park and Recreation	500,301	509,601	496,347	13,254
Civic Activities	12,000	12,000	12,000	-
Cultural and Arts Commission	3,000	3,000	3,000	-
<b>Total Public Activities</b>	<b>835,852</b>	<b>854,073</b>	<b>837,671</b>	<b>16,402</b>
<b>Public Works</b>				
Wages	1,566,243	1,633,924	1,633,923	1
Highway Maintenance	1,063,957	1,033,782	1,030,308	3,474
Street Lighting	33,000	32,955	23,221	9,734
Administration and General	98,356	94,634	89,544	5,090
Tree Warden	155,301	155,301	155,301	-
<b>Total Public Works</b>	<b>2,916,857</b>	<b>2,950,596</b>	<b>2,932,297</b>	<b>18,299</b>
<b>Solid Waste</b>	<b>330,974</b>	<b>331,636</b>	<b>329,130</b>	<b>2,506</b>
<b>Education</b>	<b>30,029,048</b>	<b>30,099,048</b>	<b>30,025,183</b>	<b>73,865</b>
<b>Library</b>	<b>438,365</b>	<b>550,599</b>	<b>547,582</b>	<b>3,017</b>
<b>Capital Outlay</b>	<b>492,113</b>	<b>521,805</b>	<b>409,480</b>	<b>112,325</b>
<b>Debt Service</b>				
Principal	2,703,582	2,703,582	2,703,582	-
Interest	947,534	947,534	947,534	-
<b>Total Debt Service</b>	<b>3,651,116</b>	<b>3,651,116</b>	<b>3,651,116</b>	<b>-</b>
<b>Other</b>				
Employee Benefits	77,947	131,538	131,538	-
Insurance	306,400	346,812	429,436	(82,624)
<b>Total Other</b>	<b>384,347</b>	<b>478,350</b>	<b>560,974</b>	<b>(82,624)</b>
<b>Grants</b>	<b>-</b>	<b>20,000</b>	<b>255,337</b>	<b>(235,337)</b>
<b>Other Financing Uses</b>				
Capital Nonrecurring Fund Appropriation	2,035,227	2,035,227	2,035,227	-
<b>Total Expenditures and Other Financing Uses</b>	<b>\$ 48,316,052</b>	<b>\$ 48,595,448</b>	<b>\$ 48,655,271</b>	<b>\$ (59,823)</b>

See accountant's report.

**TOWN OF OXFORD, CONNECTICUT**

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2019

	<b>SPECIAL REVENUE FUNDS</b>					
	<u>Educational Grants Fund</u>	<u>Hot Lunch Program</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>
<b>Assets</b>						
Cash and Cash Equivalents	\$ 652,121	\$ 30,660	\$ -	\$ 317,432	\$ -	\$ 647,920
Investments	-	-	-	-	-	-
Receivables, Net	17,176	19,418	-	-	-	3,235
Inventory	-	14,634	-	-	-	-
Due from Other Funds	-	8,250	6,576	166,476	47,980	-
<b>Total Assets</b>	<u>\$ 669,297</u>	<u>\$ 72,962</u>	<u>\$ 6,576</u>	<u>\$ 483,908</u>	<u>\$ 47,980</u>	<u>\$ 651,155</u>
<b>Liabilities and Fund Balances</b>						
Liabilities:						
Accounts Payable and Accrued Items	\$ -	\$ 58,246	\$ -	\$ -	\$ 5,838	\$ 114,498
Unearned Revenue	-	-	-	-	-	-
Due to Other Funds	<u>563,981</u>	-	-	-	-	<u>73,581</u>
Total Liabilities	<u>563,981</u>	<u>58,246</u>	-	-	<u>5,838</u>	<u>188,079</u>
Fund Balances:						
Restricted	-	-	-	483,908	42,142	-
Committed	105,316	14,716	6,576	-	-	463,076
Unassigned	-	-	-	-	-	-
Total Fund Balances	<u>105,316</u>	<u>14,716</u>	<u>6,576</u>	<u>483,908</u>	<u>42,142</u>	<u>463,076</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 669,297</u>	<u>\$ 72,962</u>	<u>\$ 6,576</u>	<u>\$ 483,908</u>	<u>\$ 47,980</u>	<u>\$ 651,155</u>

See accountant's report.

**TOWN OF OXFORD, CONNECTICUT**

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2019

	<b>SPECIAL REVENUE FUNDS</b>		<b>CAPITAL PROJECTS FUNDS</b>			
	Land Acquisition Fund	Small Cities	High School Construction Fund	Library Construction	Middle School Project Fund	Total
<b>Assets</b>						
Cash and Cash Equivalents	\$ 934,872	\$ 42,163	\$ -	\$ -	\$ -	\$ 2,625,168
Investments	-	-	-	-	-	-
Receivables, Net	-	280,179	-	-	-	320,008
Inventory	-	-	-	-	-	14,634
Due from Other Funds	510,555	-	104,820	-	-	844,657
<b>Total Assets</b>	<u>\$ 1,445,427</u>	<u>\$ 322,342</u>	<u>\$ 104,820</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,804,467</u>
<b>Liabilities and Fund Balances</b>						
Liabilities:						
Accounts Payable and Accrued Items	\$ 1,972	\$ -	\$ -	\$ -	\$ -	\$ 180,554
Unearned Revenue	-	-	-	-	-	-
Due to Other Funds	-	6,201	-	242,181	1,218,184	2,104,128
Total Liabilities	<u>1,972</u>	<u>6,201</u>	<u>-</u>	<u>242,181</u>	<u>1,218,184</u>	<u>2,284,682</u>
Fund Balances:						
Restricted	932,900	316,141	-	-	-	1,775,091
Committed	510,555	-	104,820	-	-	1,205,059
Unassigned	-	-	-	(242,181)	(1,218,184)	(1,460,365)
Total Fund Balances	<u>1,443,455</u>	<u>316,141</u>	<u>104,820</u>	<u>(242,181)</u>	<u>(1,218,184)</u>	<u>1,519,785</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 1,445,427</u>	<u>\$ 322,342</u>	<u>\$ 104,820</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,804,467</u>

See accountant's report.

**TOWN OF OXFORD, CONNECTICUT**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2019

	<b>SPECIAL REVENUE FUNDS</b>					
	<u>Educational Grants Fund</u>	<u>Hot Lunch Program</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>
<b>Revenues</b>						
Intergovernmental Revenues	\$ 633,948	\$ 133,257	\$ -	\$ 4,648	\$ -	\$ -
Licenses, Permits and Charges for Services	13,704	416,050	-	715,500	21,302	244,163
Investment Income	-	-	-	-	-	-
Other Revenue	-	-	-	-	2,141	-
Total Revenues	<u>647,652</u>	<u>549,307</u>	<u>-</u>	<u>720,148</u>	<u>23,443</u>	<u>244,163</u>
<b>Expenditures</b>						
Current:						
General Government	-	-	-	-	14,222	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Public Activities	-	-	-	663,520	-	-
Recreation	-	-	-	-	-	-
Education	676,603	565,904	-	-	-	109,457
Capital Outlay	-	-	-	-	-	-
Total Expenditures	<u>676,603</u>	<u>565,904</u>	<u>-</u>	<u>663,520</u>	<u>14,222</u>	<u>109,457</u>
Excess/(Deficiency) of Revenues Over Expenditures	(28,951)	(16,597)	-	56,628	9,221	134,706
<b>Other Financing Sources/(Uses)</b>						
Transfers In	-	8,250	-	-	-	-
Transfers Out	-	-	-	(10,200)	-	-
Total Other Financing Sources/(Uses)	<u>-</u>	<u>8,250</u>	<u>-</u>	<u>(10,200)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(28,951)	(8,347)	-	46,428	9,221	134,706
Fund Balances at Beginning of Year, Restated	134,267	23,063	6,576	437,480	32,921	328,370
Fund Balances at End of Year	<u>\$ 105,316</u>	<u>\$ 14,716</u>	<u>\$ 6,576</u>	<u>\$ 483,908</u>	<u>\$ 42,142</u>	<u>\$ 463,076</u>

See accountant's report.

**TOWN OF OXFORD, CONNECTICUT**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2019

	<u>SPECIAL REVENUE FUNDS</u>		<u>CAPITAL PROJECTS FUNDS</u>			
	<u>Land Acquisition Fund</u>	<u>Small Cities</u>	<u>High School Construction Fund</u>	<u>Library Construction</u>	<u>Middle School Project Fund</u>	<u>Total</u>
<b>Revenues</b>						
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ 316,583	\$ 1,088,436
Licenses, Permits and Charges for Services	92,530	-	-	-	-	1,503,249
Investment Income	11,862	-	-	-	-	11,862
Other Revenue	14,692	-	-	75,841	-	92,674
Total Revenues	<u>119,084</u>	<u>-</u>	<u>-</u>	<u>75,841</u>	<u>316,583</u>	<u>2,696,221</u>
<b>Expenditures</b>						
Current:						
General Government	-	1,643	-	-	-	15,865
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Public Activities	-	-	-	-	-	663,520
Recreation	-	-	-	-	-	-
Education	-	-	-	-	-	1,351,964
Capital Outlay	6,380	-	67,000	99,207	1,498,012	1,670,599
Total Expenditures	<u>6,380</u>	<u>1,643</u>	<u>67,000</u>	<u>99,207</u>	<u>1,498,012</u>	<u>3,701,948</u>
Excess/(Deficiency) of Revenues Over Expenditures	112,704	(1,643)	(67,000)	(23,366)	(1,181,429)	(1,005,727)
<b>Other Financing Sources/(Uses)</b>						
Transfers In	-	-	-	10,200	-	18,450
Transfers Out	-	-	-	-	-	(10,200)
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,200</u>	<u>-</u>	<u>8,250</u>
Net Change in Fund Balances	112,704	(1,643)	(67,000)	(13,166)	(1,181,429)	(997,477)
Fund Balances at Beginning of Year, Restated	1,330,751	317,784	171,820	(229,015)	(36,755)	2,517,262
Fund Balances at End of Year	<u>\$ 1,443,455</u>	<u>\$ 316,141</u>	<u>\$ 104,820</u>	<u>\$ (242,181)</u>	<u>\$ (1,218,184)</u>	<u>\$ 1,519,785</u>

See accountant's report.

**TOWN OF OXFORD, CONNECTICUT**  
Schedule by Source  
Capital Assets Used in the Operation of Governmental Funds  
For the Year Ended June 30, 2019

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<b>Function</b>	<b>Land</b>	<b>Improvements</b>	<b>Equipment</b>	<b>Infrastructure</b>	<b>Total</b>
General Government	\$ 601,361	\$ 4,545,785	\$ 103,799	\$ -	\$ 5,250,945
Conservation of Health	180,522	2,417,420	177,455	-	2,775,397
Public Safety	12,900	2,878,798	7,983,907	-	10,875,605
Public Activities	1,811,571	1,555,646	28,395	318,030	3,713,642
Public Works	4,889	953,605	2,950,348	52,585,903	56,494,745
Solid Waste	-	-	42,000	8,830,619	8,872,619
Education	4,257,111	73,650,068	218,924	-	78,126,103
<b>Total Capital Assets</b>	<b>\$ 6,868,354</b>	<b>\$ 86,001,322</b>	<b>\$ 11,504,828</b>	<b>\$ 61,734,552</b>	<b>\$ 166,109,056</b>

See accountant's report.

**TOWN OF OXFORD, CONNECTICUT**  
Schedule of Changes  
Capital Assets Used in the Operation of Governmental Funds  
For the Year Ended June 30, 2019

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<b>Function</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
General Government	\$ 5,151,738	\$ 99,207	\$ -	\$ 5,250,945
Conservation of Health	2,775,397	-	-	2,775,397
Public Safety	10,749,802	125,803	-	10,875,605
Public Activities	3,081,777	631,865	-	3,713,642
Public Works	55,386,683	1,108,062	-	56,494,745
Solid Waste	8,872,619	-	-	8,872,619
Education	78,026,356	99,747	-	78,126,103
<b>Total Capital Assets</b>	<u>\$ 164,044,372</u>	<u>\$ 2,064,684</u>	<u>\$ -</u>	<u>\$ 166,109,056</u>

See accountant's report.

**TOWN OF OXFORD, CONNECTICUT**  
Schedule of Property Taxes Levied, Collected, and Outstanding  
For the Year Ended June 30, 2019

	Outstanding July 1, 2018	Current Levy	Lawful Corrections		Collectible Taxes	Collections During the Year				Transfers to Suspense	Outstanding June 30, 2019
			Additions	Deductions		Taxes	Interest	Liens	Total		
List of 10/1:											
2017		\$ 34,868,316	\$ 39,964	\$ 98,954	\$ 34,809,326	\$ 34,350,923	\$ 82,428	\$ 60	\$ 34,433,411	\$ 64	\$ 458,339
2016	\$ 434,887	-	3,742	11,444	427,185	190,915	54,714	1,152	246,781	56	236,214
2015	267,177	-	1,689	3,823	265,043	98,554	38,549	484	137,587	61	166,428
2014	152,733	-	17,714	891	169,556	36,020	19,954	196	56,170	20,320	113,216
2013	119,100	-	2,916	144	121,872	16,741	14,860	114	31,715	13,345	91,786
2012	101,918	-	13,429	182	115,165	21,607	21,696	114	43,417	1,297	92,261
2011	82,316	-	-	-	82,316	10,345	9,422	113	19,880	1,820	70,151
2010	75,219	-	-	154	75,065	7,647	9,586	31	17,264	3,321	64,097
2009	75,942	-	-	318	75,624	5,900	8,535	30	14,465	16,586	53,138
2008	39,657	-	-	-	39,657	2,901	9,919	24	12,844	1,807	34,949
2007	25,128	-	-	-	25,128	209	3	24	236	1,031	23,888
2006	26,667	-	-	363	26,304	-	-	-	-	4,567	21,737
2005	22,054	-	-	-	22,054	-	-	-	-	-	22,054
2004	12,471	-	-	-	12,471	-	-	-	-	-	12,471
2003	11,461	-	-	-	11,461	-	-	-	-	-	11,461
	<b><u>\$1,446,730</u></b>	<b><u>\$ 34,868,316</u></b>	<b><u>\$ 79,454</u></b>	<b><u>\$ 116,273</u></b>	<b><u>\$ 36,278,227</u></b>	<b><u>34,741,762</u></b>	<b><u>269,666</u></b>	<b><u>2,342</u></b>	<b><u>35,013,770</u></b>	<b><u>\$ 64,275</u></b>	<b><u>\$ 1,472,190</u></b>
Net Grand List - October 1, 2017				Total Suspense Collections		3,300	7,212	5	10,517		
Tax Rate: 23.05 mills				Total Collections	<b><u>\$ 34,745,062</u></b>	<b><u>\$ 276,878</u></b>	<b><u>\$ 2,347</u></b>	<b><u>\$ 35,024,287</u></b>			

See accountant's report.

**TOWN OF OXFORD, CONNECTICUT**

Schedule of Debt Limitation

June 30, 2019

Total Tax Collections, Including Interest and Lien Fees - Prior Fiscal Year \$ 33,474,457

Reimbursement for Revenue Loss on:

Tax Relief for Elderly and Disabled - Prior Fiscal Year 865

Base \$ 33,475,322

	<u>General Purposes</u> (2.25 x base)	<u>Schools</u> (4.50 x base)	<u>Sewers</u> (3.75 x base)	<u>Urban Renewal</u> (3.25 x base)	<u>Pension Deficit</u> (3.00 x base)
Debt Limitation:					
Statutory Debt Limits by Function	<u>\$ 75,319,475</u>	<u>\$150,638,949</u>	<u>\$125,532,458</u>	<u>\$108,794,797</u>	<u>\$100,425,966</u>
Indebtedness:					
Bonds Payable	3,707,000	18,913,000	-	-	-
Loans Payable	<u>57,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Indebtedness	<u>3,764,001</u>	<u>18,913,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Debt*	<u>\$ 71,555,474</u>	<u>\$131,725,949</u>	<u>\$125,532,458</u>	<u>\$108,794,797</u>	<u>\$100,425,966</u>

\*In no event shall total debt exceed seven times annual receipts from base. The maximum amount permitted under this formula would be approximately \$234,327,254.

See accountant's report.

**TOWN OF OXFORD, CONNECTICUT**  
 Schedule of Assessed Value of Taxable Property  
 Last Ten Fiscal Years

<b>Grand List October 1,</b>	<b>Real Property (%)</b>	<b>Personal Property (%)</b>	<b>Motor Vehicle (%)</b>	<b>Gross Taxable Grand List</b>	<b>Less Exemptions</b>	<b>Net Taxable Grand List</b>	<b>Percent Changed</b>
2017	83.6%	8.8%	7.6%	\$ 1,548,608,955	\$ 50,078,364	\$ 1,498,530,591	1.46%
2016	84.0%	8.0%	8.0%	1,498,546,100	21,588,024	1,476,958,076	2.19%
2015	84.5%	7.5%	8.0%	1,463,102,350	17,838,440	1,445,263,910	0.19%
2014	85.1%	6.8%	8.1%	1,458,179,117	15,600,960	1,442,578,157	1.14%
2013	85.3%	6.9%	7.8%	1,442,702,265	16,435,710	1,426,266,555	1.27%
2012	85.7%	6.7%	7.6%	1,425,341,100	16,988,430	1,408,352,670	0.38%
2011	85.7%	6.7%	7.6%	1,415,840,194	12,876,160	1,402,964,034	0.44%
2010	85.8%	6.9%	7.3%	1,408,276,150	11,469,760	1,396,806,390	-4.88%
2009	86.7%	6.6%	6.7%	1,479,669,507	11,132,400	1,468,537,107	4.47%
2008	89.8%	3.4%	6.8%	1,416,190,835	10,482,110	1,405,708,725	2.88%

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

See accountant's report.

**TOWN OF OXFORD, CONNECTICUT**  
Schedule of Principal Taxpayers  
Last Fiscal Year

<b>Taxpayer</b>	<b>Nature of Business</b>	<b>Assessed Value</b>	<b>Percent of Net Taxable Grand List</b>
Eversource	Utility	\$ 46,327,290	3.09%
Algonquin Gas Transmission LLC	Utility	22,369,760	1.49%
Towantic Interconnect	Utility	20,204,080	1.35%
Oxford Town Center LLC	Commercial Real Estate	10,194,200	0.68%
CPV Towantic LLC	Utility	8,084,410	0.54%
Firstlight Hydro Generation Co.	Power Company	5,104,200	0.34%
HF Industrial Park Limited Partnership	Commercial Real Estate	4,969,400	0.33%
EAN Holdings LLC	Auto Rental	4,784,150	0.32%
Glendale at Oxford LLC	Retirement Home	4,597,484	0.31%
Price Chopper Supermarkets	Retail	4,568,220	0.30%
		<u>\$ 131,203,194</u>	<u>8.76%</u>

Source: Assessor's Office, Town of Oxford

See accountant's report.

**TOWN OF OXFORD, CONNECTICUT**  
 Schedule of Tax Levy Collections  
 Last Ten Fiscal Years

Grand List October 1,	Fiscal Year Ending June 30,	Net Taxable Grand List	Mill Rate	Adjusted Tax Levy	Percent Collected in Year Due	Uncollected (Pro Forma)	
						Percent Uncollected in Year Due	Percent Uncollected as of 8/31/19
2017	2019	\$ 1,498,530,591	23.05	\$ 34,809,326	98.7%	1.3%	1.1%
2016	2018	1,476,958,076	22.21	32,984,156	98.7%	1.3%	0.3%
2015	2017	1,445,263,910	24.21	35,247,753	98.4%	1.6%	0.4%
2014	2016	1,442,578,157	24.96	35,641,351	98.4%	1.6%	0.7%
2013	2015	1,426,266,555	24.87	35,758,406	98.5%	1.5%	0.5%
2012	2014	1,408,352,670	24.75	35,064,485	98.4%	1.6%	0.4%
2011	2013	1,402,964,034	24.10	33,320,400	98.1%	1.9%	0.5%
2010	2012	1,396,806,390	23.21	32,456,789	98.1%	1.9%	0.4%
2009	2011	1,468,537,107	21.05	30,990,184	98.0%	2.0%	0.4%
2008	2010	1,405,708,725	20.44	27,192,114	97.9%	2.1%	0.4%

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

See accountant's report.

**TOWN OF OXFORD, CONNECTICUT**  
Ratios of General Fund Long-Term Debt to  
Valuation, Population, and Income  
Last Ten Fiscal Years

<b>Fiscal Year Ending June 30,</b>	<b>Net Assessed Value</b>	<b>Estimated Full Value</b>	<b>General Fund Long-Term Debt</b>	<b>Ratio of General Fund Long-Term Debt to Assessed Value</b>	<b>Ratio of General Fund Long-Term Debt to Estimated Full Value</b>	<b>General Fund Long-Term Debt Per Capita</b>	<b>Ratio of General Fund Long-Term Debt per Capita to Per Capita Income</b>
2019	\$ 1,498,530,591	\$ 2,140,757,987	\$ 22,620,000	1.51%	1.06%	\$ 1,735	4.06%
2018	1,476,958,076	2,109,940,109	24,805,000	1.68%	1.18%	1,920	4.88%
2017	1,445,263,910	2,064,662,729	18,215,000	1.26%	0.88%	1,415	3.59%
2016	1,442,578,157	2,060,825,939	19,900,000	1.38%	0.97%	1,569	3.67%
2015	1,426,266,555	2,037,523,650	21,605,000	1.51%	1.06%	1,706	3.99%
2014	1,408,352,670	2,011,932,386	23,255,000	1.65%	1.16%	1,837	4.30%
2013	1,402,964,034	2,004,234,334	24,855,000	1.77%	1.24%	1,963	4.60%
2012	1,396,806,390	1,995,437,700	26,520,000	1.90%	1.33%	2,094	4.90%
2011	1,468,537,107	2,097,910,153	28,485,000	1.94%	1.36%	2,250	5.27%
2010	1,405,708,725	2,008,155,321	29,931,000	2.13%	1.49%	2,364	5.53%

See accountant's report.

**TOWN OF OXFORD, CONNECTICUT**

Schedule of Debt Statistics

For the Year Ended June 30, 2019

<b>Population</b>	<b>13,035</b>
<b>Net Taxable 2017 Grand List</b>	<b>\$ 1,498,530,591</b>
<b>Estimated Full Value 2017 Grand List</b>	<b>\$ 2,140,757,987</b>
<b>Equalized Net 2017 Grand List</b>	<b>\$ 2,259,033,790</b>

	<u>Total Direct Debt</u>	<u>Net Direct Debt</u>	<u>Total Net Overall Debt</u>
Total Debt	\$ 22,620,000	\$ 22,620,000	\$ 22,620,000
Per Capita	1,735	1,735	1,735
Total Debt to Net Taxable 2017 Grand List	1.51%	1.51%	1.51%
Total Debt to Estimated Full Value 2017 Grand List	1.06%	1.06%	1.06%
Total Debt to Equalized Net 2017 Grand List	1.00%	1.00%	1.00%

**Total Debt at June 30, 2019**

Long-Term Debt	
Bonds	\$ 22,620,000
Short-Term Debt	
Bond Anticipation Notes	<u>                  -</u>
<b>Total</b>	<b><u><u>\$ 22,620,000</u></u></b>

See accountant's report.