

TOWN OF OXFORD, CONNECTICUT
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015
with
SUPPLEMENTAL STATEMENTS AND SCHEDULES
and
INDEPENDENT AUDITORS' REPORT

Sandra E. Welwood, LLC
Certified Public Accountants

TOWN OF OXFORD, CONNECTICUT

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INDEPENDENT AUDITORS' REPORT

To the Board of Finance
Town of Oxford, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Oxford, Connecticut (the "Town") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2015, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 15 to the financial statements, during the fiscal year ended June 30, 2015, the Town adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*. The net position of the Town has been restated to recognize the net pension liability required in implementing GASB No. 68. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 3 through 9 and pension information on pages 42 through 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2015, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Danbury, Connecticut
December 1, 2015

TOWN OF OXFORD, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2015

As management of the Town of Oxford, Connecticut (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2015.

FINANCIAL HIGHLIGHTS

The net position of the Town at the close of the most recent fiscal year is \$69,579,519. Of this amount, \$4,189,880 may be used to meet the government's ongoing obligations to citizens and creditors. The government's total net fixed assets are \$95,724,975. As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balance of \$1,202,920.

As of the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,233,092, or approximately 12.0% of the General Fund expenditures (on a budgetary basis).

The Town's total debt, including bonds, bond anticipation notes, and other obligations, decreased by \$3,812,915 during the current fiscal year due primarily to the regularly scheduled bond payments and the reduction of the net pension liability.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

Notes to the Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 through 41 of this report.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, net position is \$69,579,519 (net position) at the close of the most recent fiscal year.

	<u>Governmental Activities</u>	
	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Current and other assets	\$ 12,999,201	\$ 12,001,596
Capital assets	<u>95,724,975</u>	<u>97,364,904</u>
Total assets	<u>108,724,176</u>	<u>109,366,500</u>
<u>Deferred Outflows of Resources</u>	<u>557,011</u>	<u>-</u>
<u>Liabilities</u>		
Long-term liabilities outstanding	27,974,517	27,286,852
Other liabilities	<u>10,794,093</u>	<u>10,346,175</u>
Total liabilities	<u>38,768,610</u>	<u>37,633,027</u>
<u>Deferred Inflows of Resources</u>	<u>933,058</u>	<u>-</u>
<u>Net Position</u>		
Net investment in capital assets	65,268,951	64,197,589
Restricted	120,688	131,342
Unrestricted	<u>4,189,880</u>	<u>7,404,542</u>
Total net position	<u>\$ 69,579,519</u>	<u>\$ 71,733,473</u>

By far, the largest portion of the Town's net position (93.8%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of unrestricted net position of \$4,189,880 may be used to meet the government's ongoing obligations to citizens and creditors.

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

The governmental activities increased the Town's net position by \$1,954,626.

	<u>Years Ending June 30,</u>	
	<u>2015</u>	<u>2014</u>
<u>Revenues:</u>		
Program revenues:		
Charges for services	\$ 2,270,957	\$ 2,183,232
Operating grants and contributions	8,635,567	9,093,144
Capital grants and contributions	1,108,844	-
General revenues:		
Property taxes, interest, and lien fees	35,961,618	36,058,571
Grants and contributions not restricted to specific programs	728,611	761,399
Interest and investment earnings	<u>84,145</u>	<u>15,713</u>
Total revenues	<u>48,789,742</u>	<u>48,112,059</u>
<u>Expenses:</u>		
General government	2,025,127	2,169,572
Conservation of health	1,165,249	1,172,766
Public safety	2,480,367	2,126,895
Public activities	1,173,803	1,178,881
Public works	3,540,162	3,345,693
Solid waste	428,608	417,459
Education	32,676,131	32,980,710
Library	259,117	247,867
Interest on debt	669,651	743,554
Other	<u>2,416,901</u>	<u>2,251,736</u>
Total expenses	<u>46,835,116</u>	<u>46,635,133</u>
Change in net position	<u>\$ 1,954,626</u>	<u>\$ 1,476,926</u>

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

Major revenue factors included:

- Revenue from capital grants increased \$1,108,844 in the current fiscal year when compared to the previous year due to the Town receiving more grants from the State of Connecticut.
- Operating grants decreased \$457,577 because teachers' retirement on-behalf revenue decreased in the current fiscal year.

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

For governmental activities, 69.8% of the Town's expenses relate to education, 1.4% relate to debt service, 7.8% relate to public safety and conservation of health, 8.5% relate to public works and solid waste, 6.8% relate to government and public activities, and 5.7% to all other areas.

Major expense factors included:

- The cost of education services decreased due to the State of Connecticut on-behalf payment of \$2,313,079 (compared to \$2,859,272 in the prior year).
- Public works costs increased due to increased highway maintenance.
- Public safety increased due to approved budget increases.

FINANCIAL ANALYSIS OF THE FUND FINANCIAL STATEMENTS

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balance of \$1,202,920. The net balance constitutes unassigned fund balance of \$(720,643), committed for special funds \$1,045,041, committed for capital projects \$4,834 and nonspendable fund balance prepaid expenses and inventories of \$120,688. The negative unassigned fund balance of \$720,643 is caused by the deficit fund balances in the High School Construction (\$2,551,180), High School Athletic Complex (\$3,079,699), the Hot Lunch Program (\$3,955), and the Capital and Nonrecurring (\$318,901) funds, which more than offset the General Fund unassigned fund balance of \$5,233,092.

General Fund

At the end of the current fiscal year, unassigned fund balance of the General Fund was \$5,233,092. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 12.0% of total General Fund expenditures (on a budgetary basis).

The Town's General Fund balance decreased \$258,288 during the current fiscal year. The key factor in the decrease is that the Town was under budget by \$1,316,353 because the Town budgeted to use \$1,574,641 of fund balance but only used \$258,288.

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

Capital and Nonrecurring Expenditures Fund

The fund is a pay-as-you-go funded capital improvement fund. It is funded with annual appropriations from the General Fund to finance planned capital projects. The annual appropriation from taxes was approved at \$1,016,000, for the 2015 fiscal year. Expenditures for capital projects and equipment in this fund were \$734,000.

GENERAL FUND BUDGETARY HIGHLIGHTS

For the 2015 fiscal year, actual results compared to the final budget were favorable by \$1,316,353 primarily from the following:

- Intergovernmental grant revenues were \$911,046 greater than budgeted because special education and other grants were not budgeted. Offsetting the special education grant revenue is \$567,456 of unbudgeted expenditures.
- Other revenue of \$893,742 was unbudgeted.
- Departmental revenues of licenses and permits were \$114,347 greater than budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities as of June 30, 2015, amounts to \$95,724,975 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and park facilities. Capital assets, net of accumulated depreciation, are comprised of the following:

	Governmental Activities
Land	\$ 6,823,354
Construction in process	802,271
Buildings and improvements	62,990,216
Machinery, vehicles, and equipment	3,478,287
Infrastructure	<u>21,630,847</u>
Total (net of accumulated depreciation)	<u>\$ 95,724,975</u>

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

Debt Administration

The Town's bonded debt decreased \$1,650,000 from 2014 to a balance of \$21,605,000 at June 30, 2015. As of June 30, 2015, the Town had \$6,285,000 in outstanding bond anticipation notes and \$1,065,312 in notes payable. Long-term debt maturities are comprised of the following:

<u>Fiscal Year Ended:</u>	<u>Bond Principal</u>	<u>Bond Interest</u>	<u>Notes Principal</u>	<u>Notes Interest</u>
2016	\$ 1,705,000	\$ 770,888	\$ 447,109	\$ 20,557
2017 – 2021	8,525,000	2,963,944	618,203	25,989
2022 – 2026	7,610,000	1,440,619	-	-
2027 – 2029	<u>3,765,000</u>	<u>176,212</u>	<u>-</u>	<u>-</u>
	<u>\$ 21,605,000</u>	<u>\$ 5,351,663</u>	<u>\$ 1,065,312</u>	<u>\$ 46,546</u>

NEXT YEAR'S BUDGET AND RATES

The Town's budget for the 2015-2016 year is \$44,024,215, which is more than the 2014-2015 budget. The mil rate was approved at 24.96, which is 0.09 more than the 2014-2015 year.

REQUESTS FOR INFORMATION

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

TOWN OF OXFORD, CONNECTICUT

**STATEMENT OF NET POSITION
JUNE 30, 2015**

Assets

Current assets:

Cash and cash equivalents	\$ 8,805,911
Investments	1,003,180
Receivables:	
Property taxes	1,471,593
Intergovernmental	171,444
Other	1,356,812
Due from Pension Trust Fund	69,573
Prepaid expenses	111,084
Inventory	9,604

Noncurrent assets:

Capital assets:

Not being depreciated	6,946,297
Being depreciated, net of accumulated depreciation	88,778,678

Total assets	108,724,176
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Deferred Outflows of Resources

Pension contributions subsequent to measurement date	557,011
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Liabilities

Current liabilities:

Accounts payable and accrued liabilities	4,013,135
Accrued interest payable	380,740
Due to Agency Funds	106,728
Unearned revenue	8,490
Bond anticipation and notes payable	6,285,000

Noncurrent liabilities:

Due within one year	2,392,018
Due in more than one year	25,582,499

Total liabilities	38,768,610
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Deferred Inflows of Resources

Pension change in projected and actual investment earnings	933,058
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Net Position

Net investment in capital assets	65,268,951
Restricted for prepaid expenses and inventories	120,688
Unrestricted	4,189,880
Total net position	\$ 69,579,519

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, 2015**

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General government	\$ (2,025,127)	\$ 846,254	\$ 78,589	\$ -	\$ (1,100,284)
Conservation of health	(1,165,249)	-	-	-	(1,165,249)
Public safety	(2,480,367)	30,414	-	-	(2,449,953)
Public activities	(1,173,803)	669,056	-	-	(504,747)
Public works	(3,540,162)	-	273,845	1,108,844	(2,157,473)
Solid waste	(428,608)	-	-	-	(428,608)
Education	(32,676,131)	725,233	8,283,133	-	(23,667,765)
Library	(259,117)	-	-	-	(259,117)
Interest on debt	(669,651)	-	-	-	(669,651)
Other	(2,416,901)	-	-	-	(2,416,901)
Total governmental activities	<u>\$ (46,835,116)</u>	<u>\$ 2,270,957</u>	<u>\$ 8,635,567</u>	<u>\$ 1,108,844</u>	<u>(34,819,748)</u>
General Revenues:					
Property taxes, interest, and lien fees					35,961,618
Grants and contributions not restricted to specific programs					728,611
Interest and investment earnings					84,145
Total general revenues					<u>36,774,374</u>
Change in net position					<u>1,954,626</u>
Net position, beginning of year - as reported					71,733,473
Adjustment - Note 15					<u>(4,108,580)</u>
Net position, beginning of year - as restated					<u>67,624,893</u>
Net position, end of year					<u>\$ 69,579,519</u>

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

TOWN OF OXFORD, CONNECTICUT

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2015**

	<u>General Fund</u>	<u>High School Construction Fund</u>	<u>High School Athletic Complex Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Cash and cash equivalents	\$ 7,500,437	\$ -	\$ -	\$ 1,305,474	\$ 8,805,911
Investments	1,003,180	-	-	-	1,003,180
Receivables:					
Property taxes	1,471,593	-	-	-	1,471,593
Intergovernmental	154,272	-	-	17,172	171,444
Other	1,356,812	-	-	-	1,356,812
Due from other funds	489,193	171,820	20,301	603,914	1,285,228
Due from Pension Trust Fund	69,573	-	-	-	69,573
Prepaid expenses	111,084	-	-	-	111,084
Inventory	-	-	-	9,604	9,604
Total assets	<u>\$ 12,156,144</u>	<u>\$ 171,820</u>	<u>\$ 20,301</u>	<u>\$ 1,936,164</u>	<u>\$ 14,284,429</u>
<u>Liabilities</u>					
Accounts payable					
and accrued liabilities	\$ 3,764,787	\$ -	\$ -	\$ 248,348	\$ 4,013,135
Unearned revenue	8,490	-	-	-	8,490
Bond anticipation notes	-	2,723,000	3,100,000	462,000	6,285,000
Due to Agency Funds	106,728	-	-	-	106,728
Due to other funds	796,035	-	-	489,193	1,285,228
Total liabilities	<u>4,676,040</u>	<u>2,723,000</u>	<u>3,100,000</u>	<u>1,199,541</u>	<u>11,698,581</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue - taxes	<u>1,382,928</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,382,928</u>
<u>Fund Balances</u>					
Nonspendable	111,084	-	-	9,604	120,688
Committed:					
Special funds	-	-	-	1,045,041	1,045,041
Capital projects	-	-	-	4,834	4,834
Assigned - next year's budget	753,000	-	-	-	753,000
Unassigned	5,233,092	(2,551,180)	(3,079,699)	(322,856)	(720,643)
Total fund balances	<u>6,097,176</u>	<u>(2,551,180)</u>	<u>(3,079,699)</u>	<u>736,623</u>	<u>1,202,920</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,156,144</u>	<u>\$ 171,820</u>	<u>\$ 20,301</u>	<u>\$ 1,936,164</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	95,724,975
Other long-term assets and deferred outflows of resources are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,939,939
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(29,288,315)</u>
Net position	<u><u>\$ 69,579,519</u></u>

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

TOWN OF OXFORD, CONNECTICUT

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
FOR THE YEAR ENDED JUNE 30, 2015**

	General Fund	High School Construction Fund	High School Athletic Complex Fund	Nonmajor Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 35,798,527	\$ -	\$ -	\$ -	\$ 35,798,527
Assessments	-	-	-	-	-
Intergovernmental	8,642,457	-	-	696,212	9,338,669
Program	-	-	6,936	862,653	869,589
Investment income	84,129	-	-	16	84,145
Licenses and permits	554,347	-	-	-	554,347
Charges for goods and services	227,618	-	-	600,514	828,132
Other	1,153,242	-	-	-	1,153,242
Total revenues	46,460,320	-	6,936	2,159,395	48,626,651
Expenditures:					
Current:					
General government	2,094,598	-	-	42,818	2,137,416
Conservation of health	1,111,298	-	-	-	1,111,298
Public safety	1,979,989	-	-	-	1,979,989
Public activities	466,541	-	-	667,387	1,133,928
Public works	1,984,555	-	-	-	1,984,555
Solid waste	251,153	-	-	-	251,153
Education	30,525,846	-	-	1,227,116	31,752,962
Library	259,117	-	-	-	259,117
Other	2,316,591	-	-	-	2,316,591
Grants	100,310	-	-	-	100,310
Capital outlay	1,513,668	-	-	734,000	2,247,668
Debt service	2,988,942	-	-	-	2,988,942
Total expenditures	45,592,608	-	-	2,671,321	48,263,929
Excess of revenues over (under) expenditures	867,712	-	6,936	(511,926)	362,722
Other Financing Sources (Uses):					
Transfers in	-	110,000	-	1,016,000	1,126,000
Transfers out	(1,126,000)	-	-	-	(1,126,000)
Total other financing sources (uses):	(1,126,000)	110,000	-	1,016,000	-
Net change in fund balances	(258,288)	110,000	6,936	504,074	362,722
Fund balances (deficits), beginning of year	6,355,464	(2,661,180)	(3,086,635)	232,549	840,198
Fund balances (deficits), end of year	\$ 6,097,176	\$ (2,551,180)	\$ (3,079,699)	\$ 736,623	\$ 1,202,920

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, 2015**

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

Net change in fund balances - total governmental funds	\$ 362,722
 Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	 (1,639,929)
 The issuance of long-term debt (e.g. bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the Statement of Activities. This is the net effect of these differences in the treatment of long-term debt and related items.	 2,295,417
 Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	 773,325
 Revenues from taxes are reported as income in the year revenues provide current financial resources to governmental funds.	 <u>163,091</u>
Change in net position	<u><u>\$ 1,954,626</u></u>

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

TOWN OF OXFORD, CONNECTICUT

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY BASIS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 35,870,415	\$ 35,870,415	\$ 35,798,527	\$ (71,888)
Assessments	5,000	5,000	-	(5,000)
Intergovernmental	5,418,332	5,418,332	6,329,378	911,046
Investment income	20,000	20,000	84,129	64,129
Licenses and permits	440,000	440,000	554,347	114,347
Charges for goods and services	190,000	190,000	227,618	37,618
Other	259,500	259,500	1,153,242	893,742
Total revenues	42,203,247	42,203,247	44,147,241	1,943,994
Expenditures:				
Current:				
General government	2,260,096	2,213,173	2,094,598	118,575
Conservation of health	1,103,722	1,114,297	1,111,298	2,999
Public safety	1,928,515	2,003,722	1,979,989	23,733
Public activities	481,462	497,511	466,541	30,970
Public works	1,854,588	2,007,821	1,984,555	23,266
Solid waste	279,781	263,904	251,153	12,751
Education	27,648,793	27,648,793	27,645,311	3,482
Education grants - special	-	-	567,456	(567,456)
Library	256,425	260,115	259,117	998
Other	2,396,851	2,366,851	2,316,591	50,260
Grants	-	-	100,310	(100,310)
Capital outlay	581,666	1,284,011	1,513,668	(229,657)
Debt service	3,383,690	3,383,690	3,380,942	2,748
Total expenditures	42,175,589	43,043,888	43,671,529	(627,641)
Other Financing Sources (Uses):				
Transfers out	(734,000)	(734,000)	(734,000)	-
Total other financing sources (uses)	(734,000)	(734,000)	(734,000)	-
Net change in fund balance	\$ (706,342)	\$ (1,574,641)	(258,288)	\$ 1,316,353
Fund balance, beginning of year			<u>6,355,464</u>	
Fund balance, end of year			<u><u>\$ 6,097,176</u></u>	

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

TOWN OF OXFORD, CONNECTICUT

**STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

	Pension Trust Fund	Agency Funds
<u>Assets</u>		
Cash and cash equivalents	\$ 10,373	\$ 136,206
Investments	771,347	-
Due from General Fund	-	106,728
Total assets	781,720	242,934
<u>Liabilities</u>		
Due to General Fund	\$ 69,573	\$ -
Due to student groups	-	125,686
Due to developers	-	117,248
Total liabilities	69,573	242,934
<u>Net Position</u>		
Net position held in trust	\$ 712,147	\$ -

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

TOWN OF OXFORD, CONNECTICUT

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015**

	Pension Trust Fund
Investment income:	
Interest and dividends	\$ 21,594
Realized gains	-
Net appreciation in fair value of investments	3,650
	<u>25,244</u>
Deductions:	
Benefits paid	63,771
Fees and expenses	14,480
	<u>78,251</u>
Change in net position	(53,007)
Net position, beginning of year	<u>765,154</u>
Net position, end of year	<u><u>\$ 712,147</u></u>

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

TOWN OF OXFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

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

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

Accounting Estimates

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

Fund Accounting

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the Town government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. At June 30, 2015, the Town had no business-type activities.

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

The Town reports the following major governmental funds:

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

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

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

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

The Town also reports the following fund types:

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

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

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

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

Property Taxes

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

Based on historical collection experience and other factors, the Town has established an allowance for uncollectible accounts of \$2,037,639 as of June 30, 2015.

Cash and Cash Equivalents

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

Investments

Investments are stated at fair value using quoted market prices.

Interfund Transactions

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

Capital Assets

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

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

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

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

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

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

Compensated Absences

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

Unearned Revenue

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

Deferred Outflows/Inflows of Resources

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

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

Net Pension Liability

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

Long-Term Obligations

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

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

Pension Trust Fund

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

Other Post Employment Benefit (OPEB) Accounting

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

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

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, or other commitments for expenditures are recorded to reserve a portion of an applicable appropriation, is utilized in governmental funds, primarily the General Fund. Encumbrances outstanding at year-end are reported as assigned fund balance as they do not constitute expenditures or liabilities. There were no encumbrances at year end 2015.

Fund Equity and Net Position

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Bonds payable	\$ 21,605,000
Notes payable	1,065,312
Premium on bonds payable	1,119,972
Accrued interest payable	380,740
Compensated absences	637,880
OPEB obligation	600,000
Net pension liability and deferred inflows of resources	<u>3,879,411</u>
Net adjustment to fund balances -total governmental funds to arrive at net position of governmental activities	<u>\$ 29,288,315</u>

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

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

Capital additions	\$ 1,553,098
Depreciation expense	<u>(3,193,027)</u>
Net adjustment to net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (1,639,929)</u>

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

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

Principal repayments of bonds and notes	\$ 2,096,541
Premiums on bond issuance amortization	<u>198,876</u>
Net adjustment to net changes in fund balances - total governmental funds to arrive at changes in net position	<u>\$ 2,295,417</u>

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

Accrued interest	\$ 23,874
Compensated absences	53,271
OPEB obligation	(90,000)
Net pension liability and related deferred outflows/inflows of resources	<u>786,180</u>
Net adjustment to net changes in fund balances – total governmental funds to arrive at changes in net position	<u>\$ 773,325</u>

Note 3 – Budgets and Budgetary Accounting

General Fund

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

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

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

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

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

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>
Budgetary basis	\$ 44,147,241	\$ 43,671,529	\$ (734,000)
State Teachers' Retirement on-behalf payment, not recognized for budgetary purposes	2,313,079	2,313,079	-
Reclassifications	<u>-</u>	<u>(392,000)</u>	<u>(392,000)</u>
GAAP basis	<u>\$ 46,460,320</u>	<u>\$ 45,592,608</u>	<u>\$ (1,126,000)</u>

Special Revenue Funds

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

Capital Project Funds

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

Note 4 - Deposits and Investments

Deposits - Custodial Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2015, the carrying amount of all Town deposits was \$8,952,490. The bank balances of these funds totaled \$9,176,991 and of that amount, \$8,250,538, was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 7,101,911
Uninsured and collateralized	<u>1,148,627</u>
	<u>\$ 8,250,538</u>

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

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

Investments

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

	<u>Fair Value</u>	<u>Maturity not applicable</u>
<u>General Fund</u>		
Short-Term Investment Fund	\$ 4,021,679	\$ 4,021,679
<u>Pension Trust Fund</u>		
Equity securities	376,897	376,897
Mutual funds	394,450	394,450
	<u>\$ 771,347</u>	<u>\$ 771,347</u>

Note 5 – Property Taxes Receivable

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

Property taxes	\$ 2,105,418
Interest and fees on delinquent receivables	1,341,759
Aircraft taxes receivable	30,315
Sewer/water taxes receivable	31,740
Gross receivables	3,509,232
Less: allowance for uncollectibles	(2,037,639)
Net receivables	<u>\$ 1,471,593</u>

Note 6 – Interfund Receivables, Payables, and Transfers

As of June 30, 2015, interfund receivables and payables were as follows:

	<u>Due From:</u>			
	<u>General Fund</u>	<u>Educational Grants Fund</u>	<u>BOE Central Activities Fund</u>	<u>Total</u>
Due To:				
General Fund	\$ -	\$ 442,456	\$ 46,737	\$ 489,193
High School Construction Fund	171,820	-	-	171,820
High School Athletic Complex Fund	20,301	-	-	20,301
Capital and Nonrecurring Expenditures Fund	143,099	-	-	143,099
Special Activities Fund	142,739	-	-	142,739
Land Acquisition Fund	300,123	-	-	300,123
Dog License Fund	17,953	-	-	17,953
	<u>\$ 796,035</u>	<u>\$ 442,456</u>	<u>\$ 46,737</u>	<u>\$ 1,285,228</u>

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

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

Note 7 - Capital Assets

	Balance at July 1, 2014	Increases	Decreases	Balance at June 30, 2015
Capital assets not being depreciated:				
Land	\$ 6,823,354	\$ -	\$ -	\$ 6,823,354
Construction in process	<u>122,943</u>	<u>679,328</u>	<u>-</u>	<u>802,271</u>
Total capital assets not being depreciated	<u>6,946,297</u>	<u>679,328</u>	<u>-</u>	<u>7,625,625</u>
Capital assets being depreciated:				
Buildings and improvements	79,929,673	17,185	-	79,946,858
Machinery, vehicles and equipment	8,641,107	122,585	-	8,763,692
Infrastructure	<u>56,772,660</u>	<u>734,000</u>	<u>-</u>	<u>57,506,660</u>
Total capital assets being depreciated	<u>145,343,440</u>	<u>873,770</u>	<u>-</u>	<u>146,217,210</u>
Less accumulated depreciation:				
Buildings and improvements	15,450,112	1,506,530	-	16,956,642
Machinery, vehicles and equipment	4,866,927	418,478	-	5,285,405
Infrastructure	<u>34,607,794</u>	<u>1,268,019</u>	<u>-</u>	<u>35,875,813</u>
Total accumulated depreciation	<u>54,924,833</u>	<u>3,193,027</u>	<u>-</u>	<u>58,117,860</u>
Capital assets being depreciated, net of depreciation	<u>90,418,607</u>	<u>(2,319,257)</u>	<u>-</u>	<u>88,099,350</u>
Total governmental activities	<u>\$ 97,364,904</u>	<u>\$(1,639,929)</u>	<u>\$ -</u>	<u>\$ 95,724,975</u>

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

General government	\$ 24,324
Conservation of health	53,951
Public safety	352,297
Public activities	39,875
Public works	1,185,007
Solid waste	177,455
Education	<u>1,360,118</u>
Total depreciation expense	<u>\$ 3,193,027</u>

Note 8 – Bond Anticipation Notes

Bond anticipation note transactions for the year ended June 30, 2015, were as follows:

Outstanding as of July 1, 2014	\$ 6,677,000
New borrowings	-
Payments	<u>(392,000)</u>
Outstanding as of June 30, 2015	<u>\$ 6,285,000</u>

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

Note 9- Long-Term Obligations

Changes in long-term debt for the year ended June 30, 2015, was as follows:

	<u>Restated Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General obligation bonds (\$1,600,000) issued 7/1/09, maturing 8/1/19; interest rate of 2.25 to 4.00% per annum	\$ 925,000	\$ -	\$ 160,000	\$ 765,000	\$ 160,000
General obligation bonds (\$11,300,000) issued 7/27/11, maturing 8/1/26; interest rate of 2.00 to 4.00% per annum	10,655,000	-	575,000	10,080,000	1,495,000
General obligation bonds (\$11,835,000) issued 5/17/12, maturing 8/1/28; interest rate of 2.00 to 4.00% per annum	<u>11,675,000</u>	<u>-</u>	<u>915,000</u>	<u>10,760,000</u>	<u>50,000</u>
Total bonds payable	23,255,000	-	1,650,000	21,605,000	1,705,000
Premiums on bonds	1,318,848	-	198,876	1,119,972	199,909
Note payable for equipment (\$718,614) originated 1/10/11, maturing 12/29/15; interest rate of 1.5% per annum	290,102	-	143,982	146,120	146,120
Loan to purchase motor vehicles and equipment (\$792,392) originated 8/23/12, maturing 4/30/17, interest rate of 1.57% per annum	496,767	-	163,016	333,751	165,576
Loan to purchase motor vehicles and equipment (\$217,053) originated 4/2/13, maturing 4/2/18, interest rate of 1.57% per annum	174,984	-	42,729	132,255	43,400
Loan to replace Great Oak Roof and Solar Panel (\$550,000) originated 1/14/14, maturing 7/1/19, interest rate of 2.443% per annum	550,000	-	96,814	453,186	92,013
Other post employment benefits	510,000	130,000	40,000	600,000	40,000
Net pension liability	4,108,580		1,162,227	2,946,353	-
Compensated absences	<u>691,151</u>	<u>-</u>	<u>53,271</u>	<u>637,880</u>	<u>-</u>
Total long-term obligations	<u>\$ 31,395,432</u>	<u>\$ 130,000</u>	<u>\$ 3,550,915</u>	<u>\$ 27,974,517</u>	<u>\$ 2,392,018</u>

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

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

	Bond Principal	Notes Principal	Bond Interest	Notes Interest	Total
2016	\$ 1,705,000	\$ 447,109	\$ 770,888	\$ 20,557	\$ 2,943,554
2017	1,685,000	306,518	720,469	12,858	2,724,845
2018	1,710,000	141,336	662,187	7,224	2,520,747
2019	1,775,000	98,922	594,500	4,162	2,472,584
2020	1,760,000	71,427	525,363	1,745	2,358,535
2021	1,595,000	-	461,425	-	2,056,425
2022	1,565,000	-	403,975	-	1,968,975
2023	1,575,000	-	347,059	-	1,922,059
2024	1,500,000	-	288,747	-	1,788,747
2025	1,490,000	-	229,763	-	1,719,763
2026	1,480,000	-	171,075	-	1,651,075
2027	1,545,000	-	111,188	-	1,656,188
2028	1,395,000	-	52,650	-	1,447,650
2029	825,000	-	12,374	-	837,374
	<u>\$ 21,605,000</u>	<u>\$ 1,065,312</u>	<u>\$ 5,351,663</u>	<u>\$ 46,546</u>	<u>\$ 28,068,521</u>

School Construction Grant Receivable

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

Bonds Authorized and Unissued

At June 30, 2015, there were no authorized and unissued bonds for general, school, or sewer purposes.

Prior Years Advance Refundings

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

Statutory Debt Limitation

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal, and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2015.

Note 10 – Operating Deficiencies and Fund Deficits

The following funds had operating deficiencies and/or fund deficits for the year ended June 30, 2015:

	<u>Operating Deficiency</u>	<u>Fund Deficit</u>
Major Funds:		
High School Construction Fund	\$ -	\$ 2,551,180
High School Athletic Complex Fund	-	3,079,699
Nonmajor Funds:		
Special Revenue Funds:		
Hot Lunch Program	20,916	-
Capital and Nonrecurring Expenditures Fund	-	318,901
Dog License Fund	17,183	-

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

Note 11 – Employee Retirement Systems

Connecticut Teachers' Retirement System

Description of System

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

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

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

Summary of Significant Accounting Policies

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

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

Benefits Provided

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

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

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

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

Contribution Requirements

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

Participants are required to contribute 7.25% of their annual salary rate to the System as required by CGS Section 10-183b (7). For the 2014/2015 school year, \$842,782 mandatory contributions were deducted from the salaries of teachers who were participants of the System during that school year. The estimated covered payroll for the Town is \$11,624,579. The Town had 166 active participants in the System at June 30, 2015.

Actuarial Assumptions

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

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

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

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

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

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

Discount Rate

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

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

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

	<u>1% Decrease (7.50%)</u>	<u>Current Discount Rate (8.50%)</u>	<u>1% Increase (9.50%)</u>
Sensitivity of the proportionate Share of the net pension liability	\$ 39,342,544	\$ 30,829,304	\$ 23,592,798

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

The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the Town. The portion of the net pension liability that was associated with the Town was \$30,829,304.

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

June 30, 2014 is the actuarial valuation date upon which the total pension liability is based. There were no changes in assumptions or benefits that affected the measurement of the total pension liability since the prior measurement date.

The Town recognized the total pension expense associated with the Town as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the Town. For the fiscal year ended June 30, 2015, the Town recognized \$2,313,079 as the amount expended by the State on behalf of the Town to meet the State's funding requirements.

Connecticut Municipal Employees Retirement System

Description of Retirement System

The Town is a participating municipality of the Connecticut's Municipal Employees Retirement System ("CMERS"), which is the public pension plan offered by the State of Connecticut for municipal employees in participating municipalities. The plan was established in 1947 and is governed by Connecticut General Statute Title 7, Chapter 113. CMERS is a multiemployer pension plan administered by the Connecticut State Retirement Commission. The State Retirement Commission is responsible for the administration of CMERS. The State Treasurer is responsible for investing CMERS funds for the exclusive benefit of CMERS members. The Town (including police and education) had 144 active participants in CMERS at June 30, 2015.

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

Summary of Significant Accounting Policies

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

Benefits Provided

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

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

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

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

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

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

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

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

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

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

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

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

Contribution Requirements

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

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

The Town's required contribution to CMERS is currently 11.98% of covered payroll. Such contribution was \$557,011 for the year ended June 30, 2015, related to covered payroll of \$4,641,378.

Actuarial Assumptions

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

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

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

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

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

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

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

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

Discount Rate

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

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

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

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

	1% Decrease <u>(7.00%)</u>	Current Discount Rate <u>(8.00%)</u>	1% Increase <u>(9.00%)</u>
Sensitivity of the proportionate share of the net pension liability	\$ 5,989,643	\$ 2,946,353	\$ 374,303

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

At June 30, 2015, the Town reported a liability in the government-wide Statement of Net Position for its proportionate share of the net pension liability. The amount recognized by the Town as its proportionate share of the net pension liability was \$2,946,353.

June 30, 2014, is the actuarial valuation date upon which the total pension liability is based. There were no changes in assumptions or benefits that affected the measurement of the total pension liability since the prior measurement date.

The Town recognized the total proportionate share of the collective pension expense in the government-wide Statement of Activities associated with the Town of \$541,100 for the fiscal year ended June 30, 2015.

At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to CMERS in its government-wide Statement of Net Position from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on plan investments	\$ -	\$ 933,058
Town contributions subsequent to the measurement date	<u>557,011</u>	<u>-</u>
Total	<u>\$ 557,011</u>	<u>\$ 933,058</u>

The deferred outflows of resources resulting from the Town contributions subsequent to the measurement date of June 30, 2014, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

Deferred outflows and inflows related to the net difference between projected and actual earnings on plan investments is amortized over a closed five-year period. The Town's proportionate share of the net difference between projected and actual investment earnings as of June 30, 2014, compared to the plan's expected rate of return of 8.00% was \$1,166,323. The first year amortization of \$233,265 is recognized as pension expense and the remaining amount is shown as a deferred inflow of resources and will be recognized in subsequent years as follows:

<u>Fiscal year ended June 30,</u>	
2016	\$ 233,265
2017	233,265
2018	233,265
2019	233,263

Note 12 – Contingent Liabilities

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

In addition, the Town has contingent liabilities with respect to pending litigation, claims, and disputes, which existed at June 30, 2015. The total liability with respect to such matters, if any, is not presently determinable; however, it is the opinion of Town management and legal counsel that any liabilities resulting from them would not have a material adverse effect on the Town's financial position.

Note 13 – Risk Management

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

Note 14 – Other Post Employment Benefits (OPEB)

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

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

Membership in the plan consisted of the following at July 1, 2014, the date of the last actuarial valuation.

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

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

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

<u>Fiscal Year Ending June 30,</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB Contributed</u>	<u>Net OPEB Obligation</u>
2015	\$ 130,000	\$ 40,000	30.8%	\$ 600,000
2014	120,000	50,000	41.7%	510,000
2013	115,577	30,000	26.0%	440,000
2012	140,000	20,000	14.2%	354,423
2011	130,000	-	0.0%	234,423
2010	99,131	52,020	52.5%	104,423

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

Annual required contribution	\$ 140,000
Interest on net pension asset	20,000
Adjustment to ARC	<u>(30,000)</u>
Annual OPEB cost	130,000
Contributions made	<u>40,000</u>
Increase in net OPEB liability	90,000
Net OPEB obligation, beginning of year	<u>510,000</u>
Net OPEB obligation, end of year	<u>\$ 600,000</u>

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio (a÷b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL (a-b/c)</u>
<u>July 1</u>	<u>(a)</u>	<u>(b)</u>	<u>(b-a)</u>			
2009	\$ 0	\$ 900,000	\$ 900,000	0.0%	\$ 2,120,000	43%
2010	0	1,090,000	1,090,000	0.0%	18,840,000	6%
2011	0	1,150,000	1,150,000	0.0%	18,410,000	6%
2012	0	1,040,000	1,040,000	0.0%	18,270,000	6%
2014	0	1,290,000	1,290,000	0.0%	20,510,000	6%

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

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

Valuation Date	July 1, 2014
Actuarial Cost Method	Projected Unit Credit
Amortization Method	30 Year Level
Actuarial Accrued Liability	Level Dollar, Open
Remaining Amortization Period	30 Year
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	4.50%
Inflation Rate	3.00%

Health Cost Trend Rates

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

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

Other Disclosures

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

Note 15 – Adoption of Accounting Standard

The Town adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) during the current fiscal year for the Connecticut State Teachers' Retirement System (System). The adoption of this statement had no effect on the recording of amounts in the Town's financial statements. However, the statement requires significant additional footnote disclosures regarding the System.

The Town also adopted GASB 68 during the current fiscal year for the Town's participation in Connecticut's Municipal Employees Retirement System (CMERS). The adoption of this statement requires the Town to report a Net Pension Liability for its proportionate share of CMERS net pension liability. The Town's net position at June 30, 2014 has been restated for the effects of this liability, which reduces net position by \$4,108,580 at June 30, 2014 in the government-wide financial statements. The statement also requires significant additional footnote disclosures regarding CMERS.

Note 16 – Recently Issued Accounting Standards

The GASB has issued new accounting standards that will become effective in future years. The Town has not yet determined what effect, if any, these new accounting standards will have on its financial statements.

GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions of this Statement are effective for fiscal years beginning after June 15, 2015.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. GASB 74 addresses reporting by OPEB plans that administer benefits on behalf of governments. This Statement requires more extensive note disclosures and Required Supplemental Information (RSI) (similar to GASB 67) related to the measurement of the OPEB liabilities for accumulated assets in addition to note disclosures. GASB 74 will be effective for fiscal years beginning after December 15, 2016.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB 75 addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. This Statement will require more extensive note disclosures and Required Supplementary Information (RSI) about their OPEB liabilities (similar to GASB 68). GASB 75 will be effective for fiscal years beginning after December 15, 2017.

Note 17 – Subsequent Event

On July 23, 2015, the Town issued \$6,238,000 of bond anticipation notes for the purchase of land and school project improvements. The notes mature on July 21, 2016 and bear an annual interest rate of 1.25%.

**REQUIRED SUPPLEMENTARY
INFORMATION
(UNAUDITED)**

TOWN OF OXFORD, CONNECTICUT

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

	<u>2015</u>
<u>TOWN</u>	
Town's proportion of the net pension liability	<u>2.570325%</u>
Town's proportionate share of the net pension liability	<u>\$ 2,644,039</u>
Town's covered-employee payroll	<u>\$ 5,703,699</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>46.36%</u>
<u>POLICE</u>	
Town's proportion of the net pension liability	<u>1.250330%</u>
Town's proportionate share of the net pension liability	<u>\$ 302,314</u>
Town's covered-employee payroll	<u>\$ 500,911</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>60.35%</u>
System fiduciary net position as a percentage of the total pension liability	<u>90.48%</u>

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

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

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

	<u>2015</u>
<u>TOWN</u>	
Contractually required contribution	\$ 553,694
Contributions in relation to the contractually required contribution	<u>(553,694)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Town's covered-employee payroll	<u>\$ 4,621,820</u>
Contributions as a percentage of covered-employee payroll	<u>11.98%</u>
<u>POLICE</u>	
Contractually required contribution	\$ 3,317
Contributions in relation to the contractually required contribution	<u>(3,317)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Town's covered-employee payroll	<u>\$ 19,558</u>
Contributions as a percentage of covered-employee payroll	<u>16.96%</u>

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

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

	<u>2015</u>
Town's proportion of the net pension liability	<u>0.303993%</u>
Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>30,829,304</u>
Total	<u>\$ 30,829,304</u>
 Town's covered-employee payroll	 <u>\$ 11,624,579</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	 <u>0.00%</u>
System fiduciary net position as a percentage of the total pension liability	 <u>61.51%</u>

Notes to Connecticut State Teachers' Retirement System

Changes of Assumptions

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

Method and Assumptions used in Calculations of Actuarially Determined Contributions

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

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

See accompanying Independent Auditors' Report.

**SUPPLEMENTAL
STATEMENTS AND SCHEDULES**

TOWN OF OXFORD, CONNECTICUT

**GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes:				
Current	\$ 35,370,415	\$ 35,370,415	\$ 35,046,656	\$ (323,759)
Back taxes	300,000	300,000	511,092	211,092
Interest and lien fees	200,000	200,000	240,779	40,779
	<u>35,870,415</u>	<u>35,870,415</u>	<u>35,798,527</u>	<u>(71,888)</u>
Assessments	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Government grants:				
Grant in lieu of tax	208,360	208,360	252,505	44,145
Elderly circuit breaker	41,252	41,252	36,913	(4,339)
Town road aid	272,786	272,786	273,845	1,059
Veteran reimbursement	6,815	6,815	6,146	(669)
LOCIP	-	-	172,943	172,943
Education grants	4,677,464	4,677,464	4,683,927	6,463
Pupil transportation	37,542	37,542	43,293	5,751
Education grants - special	-	-	567,456	567,456
Circuit court	3,000	3,000	2,033	(967)
Other state revenue	140,452	140,452	255,808	115,356
Mashantucket Pequot	30,661	30,661	34,509	3,848
	<u>5,418,332</u>	<u>5,418,332</u>	<u>6,329,378</u>	<u>911,046</u>
Investment income	<u>20,000</u>	<u>20,000</u>	<u>84,129</u>	<u>64,129</u>
Licenses and permits:				
Town Clerk	220,000	220,000	257,604	37,604
Building permits	125,000	125,000	155,117	30,117
Planning and Zoning/ZBA	50,000	50,000	111,125	61,125
WPCA sewer hookups	45,000	45,000	30,501	(14,499)
	<u>440,000</u>	<u>440,000</u>	<u>554,347</u>	<u>114,347</u>
Charges for goods and services:				
Seymour sewer use fees	190,000	190,000	221,765	31,765
Sewer interest	-	-	5,853	5,853
	<u>190,000</u>	<u>190,000</u>	<u>227,618</u>	<u>37,618</u>
Other:				
Telecommunications property taxes	35,000	35,000	30,274	(4,726)
Telecommunications site leases	54,000	54,000	56,485	2,485
Library revenue	2,500	2,500	1,774	(726)
Insurance claims	20,000	20,000	20,375	375
Aircraft registrations	50,000	50,000	46,230	(3,770)
Police private duty	48,000	48,000	30,414	(17,586)
Miscellaneous	50,000	50,000	967,690	917,690
	<u>259,500</u>	<u>259,500</u>	<u>1,153,242</u>	<u>893,742</u>
Total revenues	<u>\$ 42,203,247</u>	<u>\$ 42,203,247</u>	<u>\$ 44,147,241</u>	<u>\$ 1,943,994</u>

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
General government:				
Selectmen	\$ 267,014	\$ 285,166	\$ 260,645	\$ 24,521
Finance department	208,416	208,416	203,965	4,451
Treasurer	6,780	7,085	7,084	1
Assessor	184,490	192,404	192,403	1
Tax Collector	143,936	150,645	150,643	2
Town Clerk	177,493	180,966	173,587	7,379
Building department	129,287	129,287	112,363	16,924
Registrar of Voters	69,224	69,803	49,486	20,317
Town counsel	148,000	221,434	221,434	-
Probate Court	6,443	6,443	6,443	-
Housing Authority	600	600	62	538
Assessment Board of Appeals	865	865	792	73
Economic Development	60,800	60,800	53,947	6,853
Board of Finance contingency	200,000	20,963	-	20,963
Lawn maintenance	61,500	62,700	62,700	-
Water hydrant charges	73,464	72,725	72,725	-
Planning and Zoning	140,785	160,320	154,153	6,167
Sheriff fees	-	-	-	-
Conservation Commission	120,047	122,988	121,127	1,861
Town Hall - S.B. Church	260,952	259,563	251,039	8,524
	<u>2,260,096</u>	<u>2,213,173</u>	<u>2,094,598</u>	<u>118,575</u>
Conservation of health:				
Ambulance corps	261,482	265,557	265,557	-
Lake Housatonic Authority	10,680	10,680	10,680	-
Lake Zoar Authority	23,906	23,906	23,906	-
Pomperaug Health District	99,988	99,988	99,988	-
Water Pollution Control Authority	698,403	704,881	701,882	2,999
Health and social services	9,263	9,285	9,285	-
	<u>1,103,722</u>	<u>1,114,297</u>	<u>1,111,298</u>	<u>2,999</u>
Public safety:				
Fire Department	358,648	386,901	386,901	-
Fire Marshall	115,287	122,991	119,390	3,601
Open burning official	1	1,443	1,442	1
Police Department	1,241,586	1,275,687	1,275,435	252
Civil preparedness	8,700	16,028	14,570	1,458
Dog Warden	83,671	84,093	71,882	12,211
Emergency communications	120,622	116,579	110,369	6,210
	<u>1,928,515</u>	<u>2,003,722</u>	<u>1,979,989</u>	<u>23,733</u>
Public activities:				
Elderly Commission	195,564	207,754	196,318	11,436
Park and Recreation	272,398	276,257	256,723	19,534
Civic activities	11,500	11,500	11,500	-
Cultural and Arts Commission	2,000	2,000	2,000	-
	<u>481,462</u>	<u>497,511</u>	<u>466,541</u>	<u>30,970</u>

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Public works:				
Wages	\$ 847,767	\$ 942,860	\$ 942,853	\$ 7
Highway maintenance	861,000	903,573	883,385	20,188
Street lighting	25,727	30,509	30,509	-
Administration and general	78,094	88,879	86,058	2,821
Tree Warden	42,000	42,000	41,750	250
	<u>1,854,588</u>	<u>2,007,821</u>	<u>1,984,555</u>	<u>23,266</u>
Solid waste	<u>279,781</u>	<u>263,904</u>	<u>251,153</u>	<u>12,751</u>
Education	<u>27,648,793</u>	<u>27,648,793</u>	<u>27,645,311</u>	<u>3,482</u>
Education grants - special	<u>-</u>	<u>-</u>	<u>567,456</u>	<u>(567,456)</u>
Library	<u>256,425</u>	<u>260,115</u>	<u>259,117</u>	<u>998</u>
Capital outlay	<u>581,666</u>	<u>1,284,011</u>	<u>1,513,668</u>	<u>(229,657)</u>
Debt service:				
Principal	2,491,287	2,491,287	2,491,287	-
Interest	892,403	892,403	889,655	2,748
	<u>3,383,690</u>	<u>3,383,690</u>	<u>3,380,942</u>	<u>2,748</u>
Other:				
Employee benefits	2,191,854	2,161,854	2,111,594	50,260
Insurance	204,997	204,997	204,997	-
	<u>2,396,851</u>	<u>2,366,851</u>	<u>2,316,591</u>	<u>50,260</u>
Grants	<u>-</u>	<u>-</u>	<u>100,310</u>	<u>(100,310)</u>
Total expenditures	<u>\$ 42,175,589</u>	<u>\$ 43,043,888</u>	<u>\$ 43,671,529</u>	<u>\$ (627,641)</u>

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015**

	Special Revenue Funds	Capital Project Funds	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 1,300,640	\$ 4,834	\$ 1,305,474
Receivables:			
Intergovernmental	17,172	-	17,172
Other	-	-	-
Inventory	9,604	-	9,604
Due from other funds	603,914	-	603,914
Total assets	\$ 1,931,330	\$ 4,834	\$ 1,936,164
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 248,348	\$ -	\$ 248,348
Bond anticipation notes	462,000	-	462,000
Unearned revenue	-	-	-
Due to other funds	489,193	-	489,193
Total liabilities	1,199,541	-	1,199,541
Fund Balances:			
Nonspendable	9,604	-	9,604
Committed	1,045,041	4,834	1,049,875
Unassigned	(322,856)	-	(322,856)
Total fund balances	731,789	4,834	736,623
Total liabilities and fund balances	\$ 1,931,330	\$ 4,834	\$ 1,936,164

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds	Capital Project Funds	Total
Revenues:			
Intergovernmental	\$ 696,212	\$ -	\$ 696,212
Program	862,653	-	862,653
Charges for goods and services	600,514	-	600,514
Investment income	9	7	16
Total revenues	<u>2,159,388</u>	<u>7</u>	<u>2,159,395</u>
Expenditures:			
Current expenditures:			
General government	42,818	-	42,818
Education	1,227,116	-	1,227,116
Public activities	667,387	-	667,387
Capital outlay	734,000	-	734,000
Total expenditures	<u>2,671,321</u>	<u>-</u>	<u>2,671,321</u>
Excess of revenues over (under) expenditures	<u>(511,933)</u>	<u>7</u>	<u>(511,926)</u>
Other Financing Sources (Uses):			
Transfers in	1,016,000	-	1,016,000
Transfers out	-	-	-
Total other financing sources (uses)	<u>1,016,000</u>	<u>-</u>	<u>1,016,000</u>
Net change in fund balances	504,067	7	504,074
Fund balances, beginning of year	<u>227,722</u>	<u>4,827</u>	<u>232,549</u>
Fund balances, end of year	<u><u>\$ 731,789</u></u>	<u><u>\$ 4,834</u></u>	<u><u>\$ 736,623</u></u>

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

**SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015**

	Educational Grants Fund	Hot Lunch Program	Capital and Nonrecurring Expenditures Fund	Parks and Recreation Commission Fund	Special Activities Fund	Dog License Fund	Board of Education Central Activities Fund	Land Acquisition Fund	Small Cities	Total
<u>Assets</u>										
Cash and cash equivalents	\$ 573,315	\$ 68,814	\$ -	\$ 6,529	\$ 291,640	\$ -	\$ 360,342	\$ -	\$ -	\$ 1,300,640
Receivables:										
Intergovernmental	-	17,172	-	-	-	-	-	-	-	17,172
Other	-	-	-	-	-	-	-	-	-	-
Inventory	-	9,604	-	-	-	-	-	-	-	9,604
Due from other funds	-	-	143,099	-	142,739	17,953	-	300,123	-	603,914
Total assets	\$ 573,315	\$ 95,590	\$ 143,099	\$ 6,529	\$ 434,379	\$ 17,953	\$ 360,342	\$ 300,123	\$ -	\$ 1,931,330
<u>Liabilities and Fund Balances</u>										
Liabilities:										
Accounts payable	\$ 41,016	\$ 89,941	\$ -	\$ -	\$ -	\$ -	\$ 117,391	\$ -	\$ -	\$ 248,348
Bond anticipation notes	-	-	462,000	-	-	-	-	-	-	462,000
Unearned revenue	-	-	-	-	-	-	-	-	-	-
Due to other funds	442,456	-	-	-	-	-	46,737	-	-	489,193
Total liabilities	483,472	89,941	462,000	-	-	-	164,128	-	-	1,199,541
Fund Balances:										
Nonspendable	-	9,604	-	-	-	-	-	-	-	9,604
Committed	89,843	-	-	6,529	434,379	17,953	196,214	300,123	-	1,045,041
Unassigned	-	(3,955)	(318,901)	-	-	-	-	-	-	(322,856)
Total fund balances	89,843	5,649	(318,901)	6,529	434,379	17,953	196,214	300,123	-	731,789
Total liabilities and fund balances	\$ 573,315	\$ 95,590	\$ 143,099	\$ 6,529	\$ 434,379	\$ 17,953	\$ 360,342	\$ 300,123	\$ -	\$ 1,931,330

TOWN OF OXFORD, CONNECTICUT

**SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
FOR THE YEAR ENDED JUNE 30, 2015**

	Educational Grants Fund	Hot Lunch Program	Capital and Nonrecurring Expenditures Fund	Parks and Recreation Commission Fund	Special Activities Fund	Dog License Fund	Board of Education Central Activities Fund	Land Acquisition Fund	Small Cities	Total
Revenues:										
Intergovernmental	\$ 566,996	\$ 108,382	\$ -	\$ -	\$ 6,322	\$ -	\$ -	\$ -	\$ 14,512	\$ 696,212
Program	-	-	-	-	662,734	11,123	124,719	64,077	-	862,653
Charges for goods and services	-	431,970	-	-	-	-	168,544	-	-	600,514
Investment income	-	-	-	9	-	-	-	-	-	9
Total revenues	<u>566,996</u>	<u>540,352</u>	<u>-</u>	<u>9</u>	<u>669,056</u>	<u>11,123</u>	<u>293,263</u>	<u>64,077</u>	<u>14,512</u>	<u>2,159,388</u>
Expenditures:										
Current expenditures:										
General government	-	-	-	-	-	28,306	-	-	14,512	42,818
Education	514,603	561,268	-	-	-	-	151,245	-	-	1,227,116
Public activities	-	-	-	-	667,387	-	-	-	-	667,387
Capital outlay	-	-	734,000	-	-	-	-	-	-	734,000
Total expenditures	<u>514,603</u>	<u>561,268</u>	<u>734,000</u>	<u>-</u>	<u>667,387</u>	<u>28,306</u>	<u>151,245</u>	<u>-</u>	<u>14,512</u>	<u>2,671,321</u>
Excess of revenues over (under) expenditures	<u>52,393</u>	<u>(20,916)</u>	<u>(734,000)</u>	<u>9</u>	<u>1,669</u>	<u>(17,183)</u>	<u>142,018</u>	<u>64,077</u>	<u>-</u>	<u>(511,933)</u>
Other Financing Sources (Uses):										
Transfers in	-	-	1,016,000	-	-	-	-	-	-	1,016,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,016,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,016,000</u>
Net change in fund balances	<u>52,393</u>	<u>(20,916)</u>	<u>282,000</u>	<u>9</u>	<u>1,669</u>	<u>(17,183)</u>	<u>142,018</u>	<u>64,077</u>	<u>-</u>	<u>504,067</u>
Fund balances (deficits), beginning of year	<u>37,450</u>	<u>26,565</u>	<u>(600,901)</u>	<u>6,520</u>	<u>432,710</u>	<u>35,136</u>	<u>54,196</u>	<u>236,046</u>	<u>-</u>	<u>227,722</u>
Fund balances (deficits), end of year	<u>\$ 89,843</u>	<u>\$ 5,649</u>	<u>\$ (318,901)</u>	<u>\$ 6,529</u>	<u>\$ 434,379</u>	<u>\$ 17,953</u>	<u>\$ 196,214</u>	<u>\$ 300,123</u>	<u>\$ -</u>	<u>\$ 731,789</u>

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015

	Library Construction	Total
<u>Assets</u>		
Cash and cash equivalents	\$ 4,834	\$ 4,834
Total assets	<u>\$ 4,834</u>	<u>\$ 4,834</u>
<u>Fund Balances</u>		
Fund Balances:		
Committed	\$ 4,834	\$ 4,834
Total fund balances	<u>4,834</u>	<u>4,834</u>
Total liabilities and fund balances	<u>\$ 4,834</u>	<u>\$ 4,834</u>

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

CAPITAL PROJECT FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015**

	Library Construction	Total
Revenues:		
Investment income	\$ 7	\$ 7
Total revenues	<u>7</u>	<u>7</u>
Expenditures:		
Current expenditures:		
Capital outlay	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>7</u>	<u>7</u>
Other Financing Sources (Uses):		
Transfers out	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Net change in fund balances	7	7
Fund balances, beginning of year	<u>4,827</u>	<u>4,827</u>
Fund balances, end of year	<u><u>\$ 4,834</u></u>	<u><u>\$ 4,834</u></u>

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
JUNE 30, 2015

	Student Activity Funds	Performance Bonds	Total
<u>Assets</u>			
Beginning balance - cash	\$ 151,672	\$ 10,515	\$ 162,187
Additions	388,582	5	388,587
Deductions	414,568	-	414,568
Ending balance - cash	125,686	10,520	136,206
Beginning balance - due from General Fund	-	103,890	103,890
Additions	-	26,428	26,428
Deductions	-	23,590	23,590
Ending balance - due from General Fund	-	106,728	106,728
Total assets	\$ 125,686	\$ 117,248	\$ 242,934
<u>Liabilities</u>			
Beginning balance - due to student groups	\$ 151,672	\$ -	\$ 151,672
Additions	388,582	-	388,582
Deductions	414,568	-	414,568
Ending balance - due to student groups	125,686	-	125,686
Beginning balance - due to developers	-	114,405	114,405
Additions	-	26,433	26,433
Deductions	-	23,590	23,590
Ending balance - due to developers	-	117,248	117,248
Total liabilities	\$ 125,686	\$ 117,248	\$ 242,934

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

**SCHEDULE BY SOURCE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
JUNE 30, 2015**

	<u>Land</u>	<u>Improvements</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
General government	\$ 601,361	\$ 787,450	\$ 98,069	\$ -	\$ 1,486,880
Conservation of health	180,522	2,417,420	168,551	-	2,766,493
Public safety	12,900	2,720,186	6,076,572	-	8,809,658
Public activities	1,766,571	520,250	28,395	318,030	2,633,246
Public works	4,889	953,605	2,302,784	48,358,011	51,619,289
Solid waste	-	-	16,850	8,830,619	8,847,469
Education	4,257,111	72,547,947	72,471	-	76,877,529
Total capital assets	<u>\$ 6,823,354</u>	<u>\$ 79,946,858</u>	<u>\$ 8,763,692</u>	<u>\$ 57,506,660</u>	<u>\$ 153,040,564</u>

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

**SCHEDULE OF CHANGES
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
JUNE 30, 2015**

	Beginning Balance	Additions	Deletions	Ending Balance
General government	\$ 1,486,880	\$ -	\$ -	\$ 1,486,880
Conservation of health	2,766,493	-	-	2,766,493
Public safety	8,701,248	108,410	-	8,809,658
Public activities	2,633,246	-	-	2,633,246
Public works	50,853,929	765,360	-	51,619,289
Solid waste	8,847,469	-	-	8,847,469
Education	76,877,529	-	-	76,877,529
Total capital assets	\$ 152,166,794	\$ 873,770	\$ -	\$ 153,040,564

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

**REPORT OF THE TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2015**

Grand List October 1,	Taxes Receivable July 1, 2014	Lawful Corrections		Suspense Transfers	Adjusted Taxes Receivable	Collections			Taxes Receivable June 30, 2015
		Additions	Deductions			Taxes	Interest and Liens	Total	
2013	\$ 35,712,865	\$ 103,885	\$ 58,344	\$ -	\$ 35,758,406	\$ 35,237,281	\$ 107,261	\$ 35,344,542	\$ 521,125
2012	553,676	24,505	6,780	-	571,401	243,828	46,103	289,931	327,573
2011	383,825	19,622	30,148	-	373,299	77,996	23,455	101,451	295,303
2010	288,092	-	2,134	-	285,958	35,726	23,892	59,618	250,232
2009	245,704	-	119	-	245,585	28,130	162	28,292	217,455
2008	201,651	-	57	-	201,594	22,216	155	22,371	179,378
2007	90,301	-	40	-	90,261	1,866	2	1,868	88,395
2006	98,251	-	1,925	-	96,326	2,595	1,774	4,369	93,731
2005	135,984	-	98,908	-	37,076	374	25	399	36,702
2004	18,005	-	-	-	18,005	-	-	-	18,005
2003	19,947	-	2,887	(1)	17,059	-	-	-	17,059
2002	19,967	-	2,192	(142)	17,633	-	-	-	17,633
2001	15,527	-	1,193	-	14,334	-	-	-	14,334
2000	16,039	-	1,171	-	14,868	-	-	-	14,868
1999	19,500	-	11,640	5,765	13,625	-	-	-	13,625
	<u>\$ 37,819,334</u>	<u>\$ 148,012</u>	<u>\$ 217,538</u>	<u>\$ 5,622</u>	<u>\$ 37,755,430</u>	<u>\$ 35,650,012</u>	<u>\$ 202,829</u>	<u>\$ 35,852,841</u>	<u>\$ 2,105,418</u>

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

STATEMENT OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES SECTION 7.374(B)
FOR THE YEAR ENDED JUNE 30, 2015

Total tax collection including interest and lien fees for the year ended June 30, 2015	\$ 35,852,841
Reimbursement for revenue loss:	
Tax Relief for Elderly	36,913
Base	<u>\$ 35,889,754</u>

	General	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation:					
2 1/4 times base	\$ 80,751,947	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	161,503,893	-	-	-
3 3/4 times base	-	-	134,586,578	-	-
3 1/4 times base	-	-	-	116,641,701	-
3 times base	-	-	-	-	107,669,262
Total debt limitation	<u>80,751,947</u>	<u>161,503,893</u>	<u>134,586,578</u>	<u>116,641,701</u>	<u>107,669,262</u>
Indebtedness:					
Notes payable	612,126	453,186	-	-	-
Bonds payable	2,137,000	19,468,000	-	-	-
Bonds anticipation note payable	462,000	5,823,000	-	-	-
Total indebtedness	<u>3,211,126</u>	<u>25,744,186</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 77,540,821</u>	<u>\$ 135,759,707</u>	<u>\$ 134,586,578</u>	<u>\$ 116,641,701</u>	<u>\$ 107,669,262</u>

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